

City of Philadelphia Pennsylvania

Comprehensive Annual Financial Report



Fiscal Year Ended June 30, 2001

Prepared by:
Office of the Director of Finance

**CITY OF PHILADELPHIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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CITY OF PHILADELPHIA

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

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

December 31, 2001

Dear Mayor Street:

The Comprehensive Annual Financial Report of the City of Philadelphia for the fiscal year ended June 30, 2001 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

The City remains committed to fiscal responsibility as evidenced by the ninth consecutive year-end positive fund balance. Like communities across the nation, however, the City is threatened by a weakened economy and the resulting loss of revenue. At the same time that a weakened economy lowers the City's revenues, it also is likely to lead to an increase in demand for public safety and social services, which could increase the City's costs.

While the financial challenges facing the City are likely to be substantial, the City has taken a number of steps to face those challenges. Perhaps most importantly the fund balance will provide a cushion as the City continues to take steps to control costs and increase revenues. The City will continue its sound financial planning and conservative budgeting and will continue to implement a strong economic development approach. Some of the proactive initiatives taken by the City have included:

- The City is continuing its practice of requiring each agency to submit a target budget that shaves about 1.5% off its adopted budget. These target budgets provide an additional cushion against budget shortfalls.
- The Administration has taken a number of steps to revitalize the City's economy. The Neighborhood Transformation Initiative is a cornerstone of that strategy and should stimulate growth throughout Philadelphia.
- The Administration is continuing its incremental tax reduction in order to make the City more competitive with other jurisdictions as it attempts to attract businesses and residents
- Another key economic development initiative is "Innovation Philadelphia", which, under the direction of a nationally acclaimed executive director, will promote entrepreneurship in Philadelphia. In addition to targeted marketing of the City to existing high growth business, the group will partner with local universities to help commercialize technology and biotechnology innovations.
- In order to ensure that the City's economic development activities are meeting the concerns of neighborhood businesses and to help formulate effective economic development programs, the Commerce Department surveyed over 100 businesses citywide and discussed their perception of the advantages and disadvantages of doing business in the City.
- The Administration also created a Council of Economic Advisors, comprised of respected local economists and business leaders, to provide guidance on the City's fiscal and economic development policies.

MAJOR INITIATIVES

The City strives to provide quality services for the residents of Philadelphia. The effective provision of City services is critical to fulfilling the Mayoral objectives of: maintaining fiscal health with a steady tax reduction; implementing blight elimination and neighborhood transformation; providing high quality education for all children and comprehensive coordinated services for all children and families; enhancing public safety and quality of life standards for all communities; and promoting economic development.

The commitment to the delivery of quality services remains stronger than ever as the Administration implements creative approaches to service delivery. For example:

- The Streets Department, in conjunction with the Managing Director's Office, expanded the City's snow and ice removal operations to include, for the first time in the City's history, the plowing of all tertiary residential streets.
- The Managing Director's Office initiated a program to clean and maintain approximately 31,000 vacant lots in Philadelphia.
- In Fiscal Year 2001, the Department of Licenses and Inspections demolished a total of 1,679 dangerous buildings, which represents an increase of 31 percent over the number of buildings demolished in the previous year.
- The Philadelphia Free Library offered its after-school program, Learn Enjoy and Play (LEAP), in every branch on weekday afternoons throughout the school year, serving 85,000 students.
- The Department of Human Services expanded its truancy-related services by providing community-based support to 1,052 school children and their families, up from 702 children in the previous year.

The City is investing in its neighborhoods, encouraging community development, and driving positive change. The evolution of new initiatives and the City's commitment to effective delivery of services, will have a lasting impact throughout Philadelphia.

FINANCIAL INFORMATION

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

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

The results of the City's single audit for the fiscal year ended June 30, 2000 found one material weakness in internal control that could result in non-compliance with prevailing laws.

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

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

GENERAL GOVERNMENT FUNCTIONS

GENERAL FUND

An undesignated fund balance surplus of \$230.0 million was reported at June 30, 2001 on the generally accepted accounting principles (GAAP) basis (see Exhibit I-A-2) and the legal basis (see Exhibit I-A-5). The following schedules present a summary of General Fund revenues and expenditures on the GAAP basis and the amount and percentages of increases and decreases in relation to the prior year:

(Amounts in Millions)				
<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) Over Fiscal 2000</u>	<u>Percent of Increase (Decrease)</u>
Tax Revenue	\$ 1,977.7	72.6	\$ 121.1	6.5
Locally Generated Non-Tax Revenue	188.9	6.9	7.7	4.2
Revenue from Other Governments	544.8	20.0	25.6	4.9
Other Revenue	12.8	0.5	(2.1)	(14.1)
<u>Total</u>	<u>\$ 2,724.2</u>	<u>100.0</u>	<u>\$ 152.3</u>	

(Amounts in Millions)				
<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) Over Fiscal 2000</u>	<u>Percent of Increase (Decrease)</u>
Economic Development	\$ 56.4	2.1	\$ 37.6	200.0
Transportation	105.3	4.0	(0.3)	(0.3)
Judiciary and Law Enforcement	1,017.2	38.8	69.8	7.4
Conservation of Health	153.8	5.9	7.7	5.3
Housing and Neighborhood Development	3.9	0.1	(1.6)	(29.1)
Cultural and Recreational	126.5	4.8	6.4	5.3
Improvement of General Welfare	533.6	20.3	40.2	8.1
Services to Property	280.1	10.7	13.4	5.0
General Management and Support	346.6	13.3	(19.5)	(5.3)
<u>Total</u>	<u>\$ 2,623.4</u>	<u>100.0</u>	<u>\$ 153.7</u>	

After taking into consideration the adjustments detailed in footnote 2 to the financial statements, which reflect the differences between the presentation in accordance with generally accepted accounting principles and the budgetary figures, General Fund revenues presented on the budgetary basis totaled \$2,955.0 million in Fiscal 2001, an increase of 7.2% over Fiscal 2000. The amount of revenues from various sources and the resulting difference from Fiscal 2000 are summarized in the following tabulation:

<u>Revenues</u>	<u>Amount</u>	(Amounts in Millions)		
		<u>Percent of Total</u>	<u>Increase (Decrease) Over Fiscal 2000</u>	<u>Percent of Increase (Decrease)</u>
Tax Revenue	\$ 1,977.7	66.9	\$ 121.1	6.5
Locally Generated Non-Tax Revenue	204.5	6.9	9.6	4.9
Revenue from Other Governments	748.8	25.3	70.8	10.4
Other Revenue	24.0	0.9	(2.0)	(7.7)
<u>Total</u>	<u>\$ 2,955.0</u>	<u>100.0</u>	<u>\$ 199.5</u>	

Expenditures and Encumbrances on the budgetary basis for the General Fund totaled \$2,881.4 million, an increase of 6.3% over Fiscal 2000. Increases and decreases in the level of obligations by the City's major classifications are shown in the following tabulation:

<u>Expenditures</u>	<u>Amount</u>	(Amounts in Millions)		
		<u>Percent of Total</u>	<u>Increase (Decrease) Over Fiscal 2000</u>	<u>Percent of Increase (Decrease)</u>
Personal Services	\$ 1,173.3	40.7	\$ 101.5	9.5
Employee Benefits	483.3	16.8	(10.5)	(2.1)
Purchase of Services	871.8	30.3	22.8	2.7
Materials and Supplies	57.4	2.0	4.0	7.5
Equipment	26.6	0.9	0.4	1.5
Contributions, Indemnities and Taxes	82.4	2.9	12.5	17.9
Debt Service	88.2	3.1	(3.3)	(3.6)
Payments to Other Funds	25.5	0.9	(0.9)	(3.4)
Advances, Subsidies and Miscellaneous	72.9	2.4	43.7	149.7
<u>Total</u>	<u>\$ 2,881.4</u>	<u>100.0</u>	<u>\$ 170.2</u>	

SPECIAL REVENUE FUNDS

Special Revenue Funds consist of County Liquid Fuels Tax Fund, Special Gasoline Tax Fund, HealthChoices Behavioral Health Fund, Hotel Room Rental Tax Fund, Grants Revenue Fund, Community Development Fund, Car Rental Tax Fund, Municipal Authority Administrative Fund and PICA Administrative Fund. In Fiscal 2001, the Special Revenue Funds had combined revenue of \$1,530.5 million, expenditures of \$751.5 million, other financing uses of \$784.3 million and net

increases of \$.2 million representing fund balance reserve adjustments, resulting in an overall decrease in Unreserved Fund Balance of \$5.1 million for the year.

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

<u>Revenues</u>	<u>Amount</u>	(Amounts in Millions)		
		<u>Percent of Total</u>	<u>Increase (Decrease) Over Fiscal 2000</u>	<u>Percent of Increase (Decrease)</u>
Tax Revenue	\$ 311.6	20.4	\$ 26.6	9.3
Locally Generated Non-Tax Revenue	66.4	4.3	4.9	8.0
Revenue from Other Governments	1,152.5	75.3	69.8	6.4
<u>Total</u>	<u>\$ 1,530.5</u>	<u>100.0</u>	<u>\$ 101.3</u>	

<u>Expenditures</u>	<u>Amount</u>	(Amounts in Millions)		
		<u>Percent of Total</u>	<u>Increase (Decrease) Over Fiscal 2000</u>	<u>Percent of Increase (Decrease)</u>
Economic Development	\$ 14.2	1.9	\$ 4.1	40.6
Transportation	25.8	3.4	-	-
Judiciary and Law Enforcement	54.7	7.3	0.4	0.7
Conservation of Health	517.6	68.9	11.6	2.3
Housing and Neighborhood Development	55.7	7.4	2.3	4.3
Cultural and Recreational	18.4	2.4	2.8	17.9
Improvement of General Welfare	36.7	4.9	0.6	1.7
Services to Property	0.2	-	0.1	100.0
General Management and Support	28.2	3.8	(1.7)	(5.7)
<u>Total</u>	<u>\$ 751.5</u>	<u>100.0</u>	<u>\$ 20.2</u>	

DEBT SERVICE FUNDS

Debt Service Funds are maintained for the City, the Municipal Authority and PICA. These Funds had combined revenue and net operating transfers of \$227.1 million, a decrease of \$15.4 million (6.4%) from Fiscal 2000 and expenditures of \$230.7 million, a decrease of \$5.9 million (2.5%) for Fiscal 2001. The Reserve for Debt Service increased by \$3.6 million, decreasing the Unreserved Fund Balance by \$0.1 million.

ENTERPRISE OPERATIONS

The City's Enterprise Operations are comprised of three separate and distinct activities and are accounted for in the following funds: Water Fund, Aviation Fund and Industrial and Commercial Development Fund. The Water Fund provides water, sewer and storm water services on a user charge basis. The Aviation Fund covers airport operations under a long-term lease agreement with the individual user airlines that became effective as of July 1, 1974 and expires June 30, 2006. The Industrial and Commercial Development Fund accounts for acquisition and disposition of land for industrial and commercial purposes.

The Enterprise Funds had operating revenues of \$485.1 million and expenses of \$470.7 million, resulting in net profit from operations of \$14.4 million for the year. Non-operating expenses of \$25.0 million, net transfers in of \$16.6 million and other credits of \$53.9 million resulted in a net increase in retained earnings of \$59.9 million. The following summary reflects actual revenues, expenses and results of operations for the individual Enterprise Funds:

	Amounts in Millions			
	Water	Aviation	Industrial & Commercial Development	Totals
	Fund	Fund	Fund	
Operating Revenues	\$ 335.1	\$ 146.7	\$ 3.3	\$ 485.1
Operating Expenses	<u>310.3</u>	<u>157.0</u>	<u>3.4</u>	<u>470.7</u>
Operating Income (Loss)	<u>24.8</u>	<u>(10.3)</u>	<u>(0.1)</u>	<u>14.4</u>
Non-Operating Revenues (Expenses) - Net	(48.9)	24.3	(0.4)	(25.0)
Transfers (To) From Other Funds	(4.1)	-	-	(4.1)
Transfers (To) From Component Units	(3.0)	23.7	-	20.7
Other Credits (Charges) - Net	<u>46.5</u>	<u>7.3</u>	<u>0.1</u>	<u>53.9</u>
Net Change in Retained Earnings	15.3	45.0	(0.4)	59.9
Retained Earnings, July 1, 2000	<u>(47.6)</u>	<u>188.7</u>	<u>5.6</u>	<u>146.7</u>
Retained Earnings, June 30, 2001	<u>\$ (32.3)</u>	<u>\$ 233.7</u>	<u>\$ 5.2</u>	<u>\$ 206.6</u>

MUNICIPAL PENSION FUND OPERATIONS

The City is required by the Philadelphia Home Rule Charter and state statute to maintain an actuarially sound pension and retirement system covering all officers and employees of the City. Court decisions, as interpreted by the City Solicitor, require that the City's contribution consist of normal costs, amortization of a past under funding (referred to as the Dombrowski Payments) over a period of

40 years in level annual installments, and handling of the remaining unfunded actuarial liability on an actuarially sound basis. Beginning in Fiscal 1982 the City elected to amortize this unfunded liability over a period of 38 years based on a schedule that will result in a charge approximately equal to a level percent of payroll. This method is deemed actuarially sound and is in common use by public jurisdictions in the United States.

The City's contribution to the Municipal Pension Fund for Fiscal 2001 was based upon the Actuarial Valuation Report dated July 1, 1999 and after credits for advance payments amounted to \$163.5 million.

The Actuarial Valuation Report dated July 1, 2000 shows the Municipal Pension Fund's actuarial accrued liability to be \$6.2 billion. This amount is the sum of the actuarially computed present values of all retirement and survivor payments with respect to all active and retired employees, all inactive vested employees and all non vested employees. The carrying value of the Municipal Pension Fund's assets at July 1, 2000, for actuarial purposes, amounted to \$4.8 billion resulting in a net unfunded actuarial accrued liability of \$1.4 billion as of that date.

During Fiscal 1999, the Philadelphia Authority for Industrial Development (PAID) issued \$1.29 billion in Pension Funding Bonds. The net proceeds of \$1.25 billion were deposited in the Municipal Pension Fund. During Fiscal 2001, the City's repayment in lieu of pension contributions was \$60.2 million.

RISK MANAGEMENT

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

DEBT ADMINISTRATION

At June 30, 2001 the City (Primary Government) had \$4.8 billion debt issues outstanding. These issues included \$2.2 billion of general obligation bonds and \$2.6 billion of revenue bonds. At fiscal year end, the City's (excluding component units) bond ratings from Standard & Poor's Corporation, Moody's Investors Service and Fitch IBCA on its bond issues were as follows:

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

Under current state statutes, the City's general obligation bonded debt issuances are subject to a legal limitation. As of July 1, 2001 the City's (excluding component units) net general obligation authorized debt of \$1,112.6 million was \$134.8 million below the legal limit of \$1,247.4 million.

The following schedule presents a synopsis of activity in the bonded debt of the City and its blended component units for Fiscal 2001:

(Amounts in Millions)

	Governmental Fund Types				Enterprise Funds			Totals All Funds
	City General Fund	Municipal Authority Fund	PICA	Totals	Water Fund	Aviation Fund	Totals	
Bonded Debt Outstanding, July 1, 2000	\$ 648.7	\$ 356.5	\$ 959.4	\$ 1,964.6	\$ 1,754.2	\$ 985.2	\$ 2,739.4	\$ 4,704.0
Bonds Issued:								
General Obligation	295.0	-	-	295.0	-	-	-	295.0
General Obligation Refunding	-	-	-	-	-	-	-	-
Revenue	-	-	-	-	-	-	-	-
Revenue Refunding	-	-	-	-	-	-	-	-
Total Bonds Issued	295.0	-	-	295.0	-	-	-	295.0
Bonds Matured/Refunded:								
General Obligation	42.6	21.8	57.6	122.0	2.3	11.7	14.0	136.0
General Obligation Refunded	-	-	-	-	-	-	-	-
Revenue	-	-	-	-	59.2	19.2	78.4	78.4
Revenue Refunded	-	-	-	-	-	-	-	-
Total Bonds Matured/Refunded	42.6	21.8	57.6	122.0	61.5	30.9	92.4	214.4
Bonded Debt Outstanding, June 30, 2001								
General Obligation	901.1	334.7	901.8	2,137.6	13.2	11.3	24.5	2,162.1
Revenue	-	-	-	-	1,679.5	943.0	2,622.5	2,622.5
Total Bonded Debt Outstanding, June 30, 2001	901.1	334.7	901.8	2,137.6	1,692.7	954.3	2,647.0	4,784.6
Sinking Fund Assets Available for Payment of Principal	-	6.1	89.4	95.5	148.7	47.9	196.6	292.1
Net Debt	\$ 901.1	\$ 328.6	\$ 812.4	\$ 2,042.1	\$ 1,544.0	\$ 906.4	\$ 2,450.4	\$ 4,492.5

CASH MANAGEMENT

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, obligations of the US Treasury, repurchase agreements and commercial paper. The Pension Trust Fund's investment portfolio also includes stocks, corporate bonds, real estate and other items. The City earned interest revenue of \$23.6 million on all investments of its pooled cash and investment account (Consolidated Cash) for the fiscal year ended June 30, 2001.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held either by the City, its agent, the Federal Reserve Bank, or a financial institution's trust department in the City's name. Approximately 2.6% of the City's investments during the year and at June 30, 2001 were classified in the category of highest credit risk as defined by the Governmental Accounting Standards Board. Remaining investments were held in the City's name either by the counterparty financial institution's trust department or by a Securities and Exchange Commission-registered brokerage firm.

OTHER INFORMATION

INDEPENDENT AUDIT. The Philadelphia Home Rule Charter requires an annual audit of all City accounts by the City Controller, an independently elected official. The Charter further requires that the City Controller appoint a Certified Public Accountant in charge of auditing. These requirements have been complied with and the audit will be done in accordance with Generally Accepted Governmental Auditing Standards(GAGAS).

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

AWARDS. For the twenty first consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded its prestigious Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2000. The City received this recognition by publishing a report that was well organized and readable and satisfied both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGMENTS. The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Office of the Director of Finance. Each member of the office has my sincere appreciation for their valuable contributions. This year the Office of the Director of Finance wishes to make special mention of Sylvia G Bloom. Mrs. Bloom came to the Office of the Director of Finance in 1953 and participated in the preparation of every financial report produced under the City of Philadelphia Home Rule Charter's mandate until this year. This year Mrs. Bloom retired from the City after 48 years of dedicated service. She served eight mayors and twenty one Finance Directors. The preparation of the City's financial reports took many turns during Sylvia's career, but whether it was a manual typewriter or electronic spreadsheets she never failed to produce timely and accurate reports. Mrs. Bloom left us with the unenviable task of creating this report without her, we hope we lived up to her high standards!

Respectfully submitted,

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Philadelphia,
Pennsylvania

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

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



Timothy A. Drew
President

Jeffrey L. Esser
Executive Director



ORGANIZATION OF PHILADELPHIA'S CITY GOVERNMENT

VOTERS

FORMER COUNTY OFFICERS

CITY COMMISSIONERS
CLERK OF QUARTER
SESSIONS
DISTRICT ATTORNEY
REGISTER OF WILLS
SHERIFF

CITY COUNCIL

MAYOR

CITY CONTROLLER

OFFICE OF THE MAYOR
— CHIEF OF STAFF
— DEPUTY MAYORS
— INSPECTOR GENERAL
— ADVISORY BOARDS

AUDITING DEPARTMENT

INDEPENDENT BOARDS AND COMMISSIONS

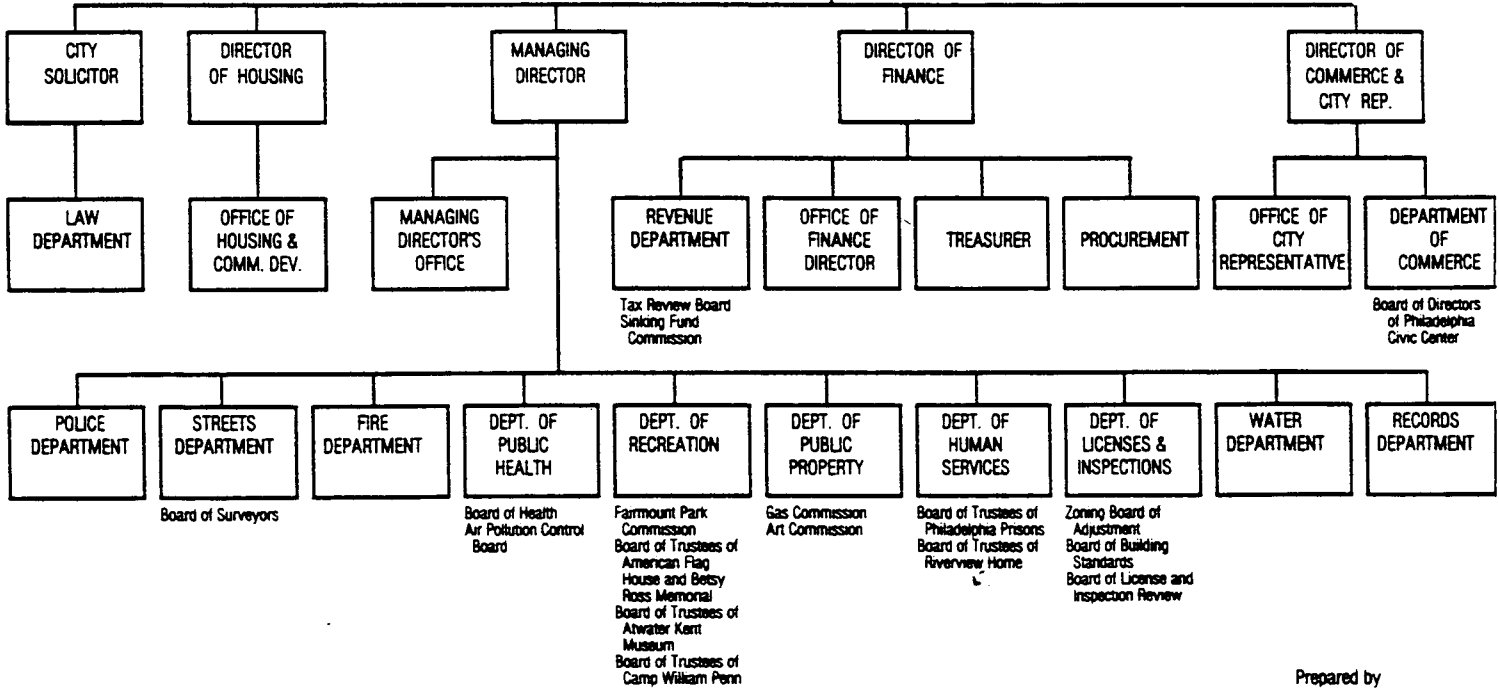
CITY PLANNING COMMISSION	COMMISSION ON HUMAN RELATIONS	CIVIL SERVICE COMMISSION
BOARD OF PENSIONS & RETIREMENT	BOARD OF TRUSTEES OF FREE LIBRARY	PERSONNEL DIRECTOR
		PERSONNEL OFFICE

OTHER BOARDS AND COMMISSIONS

Administrative Board Board of Ethics Board of Revision of Taxes Board of Safety and Fire Prevention Board of Viewers Child Welfare Advisory Board Electrical Code Advisory Board Fair Housing Commission Historical Commission Mental Health/Mental Retardation Board	Minority Business Enterprise Council Parking Adjudication Advisory Panel Philadelphia Housing Policy Board Plumbing Advisory Board Recycling Advisory Committee Vendor Advisory Board
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MAYOR'S ADVISORY BOARDS AND COMMISSIONS

Commission on Asian-American Affairs
Criminal Justice Coordinating Commission
Mayor's Commission for Women
Mayor's Commission on Literacy
Mayor's Commission on People with Disabilities
Mayor's Commission on Puerto Rican/Latino Affairs
Mayor's Commission on Services to the Aging
Mayor's Commission on Sexual Minorities
Mayor's Consumer Advisory Council
Mayor's Cultural Advisory Council
Mayor's Drug and Alcohol Abuse Executive Commission
Mayor's Office of Community Services Advisory Board
Mayor's Scholarship Advisory Committee
Mayor's Task Force on Transit Safety
Philadelphia City Scholarship Committee
Veterans Advisory Commission
Youth Services Coordinating Commission



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

CITY OF PHILADELPHIA
LISTING OF PRINCIPAL OFFICIALS
AS OF JUNE 30, 2001

Elected Officials

Mayor.....John F. Street

City Council

 Council President, 2nd District.....Anna Cibotti Verna

 Councilperson, 1st District..... Frank DiCicco

 Councilperson, 3rd District..... Jannie L. Blackwell

 Councilperson, 4th District..... Michael A. Nutter

 Councilperson, 5th District..... Darrell L. Clarke

 Councilperson, 6th District..... Joan L. Krajewski

 Councilperson, 7th District..... Rick Mariano

 Councilperson, 8th District..... Donna Reed Miller

 Councilperson, 9th District..... Marian B. Tasco

 Councilperson, 10th District..... Brian J. O'Neill

 Councilperson-at-Large..... David Cohen

 Councilperson-at-Large..... W. Wilson Goode, Jr.

 Councilperson-at-Large..... James F. Kenney

 Councilperson-at-Large..... W. Thacher Longstreth

 Councilperson-at-Large..... Angel Ortiz

 Councilperson-at-Large..... Blondell Reynolds Brown

 Councilperson-at-Large..... Frank Rizzo

District Attorney..... Lynne M. Abraham

City Controller..... Jonathan A. Saidel, Esq., CPA

City Commissioners

 Chairperson..... Margaret M. Tartaglione

 Commissioner..... Joseph Duda

 Commissioner..... Vacant

Register of Wills..... Ronald R. Donatucci

Clerk of Quarter Sessions..... Vivian T. Miller

Sheriff..... John Green

First Judicial District of Pennsylvania

 Court of Common Pleas-President Judge.... Federica A. Massiah-Jackson

 Municipal Court-President Judge..... Louis J. Prezenza

 Traffic Court-President Judge Frank J. Little

CITY OF PHILADELPHIA
LISTING OF PRINCIPAL OFFICIALS
AS OF JUNE 30, 2001

Appointed City Officials

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

Appointed School District Officials

Board of Education	
President.....	Pedro A. Ramos, Esq.
Vice President.....	Dorothy Sumners Rush
Member.....	Martin G. Bednarek
Member.....	Rev. Ralph E. Blanks
Member.....	Helen Cunningham
Member.....	Sandra Dungee Glenn
Member.....	Christine James-Brown
Member.....	Michael J. Masch
Member.....	Emilio R. Matticoli, Ed.D.
Chief Executive Officer.....	Philip R. Goldsmith
Chief Academic Officer.....	Deidre Farmbry
Chief Financial Officer.....	Rhonda S. Chatzkel
Chief Operating Officer.....	Thomas E. McGlinchy
Chief Information Officer.....	Ronald Daniels





CITY OF PHILADELPHIA

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Honorable Members of City Council
and Citizens of the City of Philadelphia

We have audited the accompanying general-purpose financial statements of the City of Philadelphia, Pennsylvania, as of and for the year ended June 30, 2001, as listed in Part I of the table of contents. These general-purpose financial statements are the responsibility of the City of Philadelphia's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of the entities and the percentage of fund types disclosed in Note I-1C. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the general-purpose financial statements, insofar as it relates to the amounts included for such entities and fund types, is based on the reports of the other auditors.

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

In our opinion, based on our audit and the reports of other auditors, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Philadelphia, Pennsylvania, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

CITY OF PHILADELPHIA
OFFICE OF THE CONTROLLER

As discussed in Note III-18 to the general-purpose financial statements, the City of Philadelphia and its component units adopted the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, as of July 1, 2000. The implementation of this statement changed the method of accounting for certain nonexchange revenues.

As described in Note IV-11B (1) and (4) to the general-purpose financial statements, the Commonwealth of Pennsylvania assumed governing control of the Philadelphia Parking Authority on June 19, 2001 and the School District of Philadelphia on December 22, 2001. Both entities were component units of the City of Philadelphia for fiscal 2001.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2001 on our consideration of the City of Philadelphia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in Parts II, III and IV of the table of contents, and the supplementary pension information on page 73 required by the Governmental Accounting Standards Board, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the City of Philadelphia, Pennsylvania. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, based on our audit and the reports of other auditors, in our opinion, is fairly presented in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this Comprehensive Annual Financial Report and, therefore, express no opinion thereon.

December 28, 2001

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

JONATHAN A. SAIDEL, CPA(Signed)
City Controller

COMBINED STATEMENTS - OVERVIEW

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF PHILADELPHIA
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
COMBINED BALANCE SHEET
JUNE 30, 2001

Line No.		Governmental Fund Types			
		General Fund	Special Revenue Funds	Debt Service Funds	Capital Improvements Funds
<u>Assets and Other Debits</u>					
1	Cash on Deposit and on Hand	\$ 4,070,285	\$ 18,296,376	\$ -	\$ -
2	Equity in Pooled Cash and Investments	-	-	-	-
3	Equity in Treasurer's Account	290,376,881	193,855,196	658,340	246,144,791
4	Investments	-	59,268,360	97,464,642	8,309,267
5	Due from Other Funds	10,324,246	344,368	-	-
6	Due from Primary Government	-	-	-	-
7	Due from Component Units	58,041,537	-	-	410,131
8	Amounts Held by Fiscal Agent	-	-	-	-
9	Notes Receivable	21,714,640	-	-	-
10	Taxes Receivable	440,314,269	10,326,986	-	-
11	Accounts Receivable	88,812,290	6,351,621	-	185,630
12	Allowance for Doubtful Accounts	(267,504,370)	(425,481)	-	(185,630)
13	Interest and Dividends Receivable	1,503,435	1,221,022	4,539,919	173,416
14	Due from Other Governmental Units	215,156,795	88,304,028	-	14,567,000
15	Inventories	13,645,130	-	-	-
16	Restricted Assets - Cash and Cash Equivalents	-	-	-	-
17	Restricted Assets - Other Assets	-	-	-	-
18	Property, Plant and Equipment - Net	-	-	-	-
19	Other Assets	-	11,940	-	-
20	Amount Available in Debt Service Funds	-	-	-	-
21	Amount to be Provided for Retirement of Long-Term Obligations	-	-	-	-
22	Total Assets and Other Debits	\$ 876,455,138	\$ 377,554,416	\$ 102,662,901	\$ 269,604,605
<u>Liabilities and Fund Equity</u>					
23	Notes Payable	\$ -	\$ 358,435	\$ -	\$ -
24	Vouchers and Accounts Payable	106,043,704	61,446,328	4,294,245	17,890,466
25	Salaries and Wages Payable	40,033,207	1,979,987	-	151,916
26	Payroll Taxes Payable	-	-	-	-
27	Accrued Expenses	-	-	-	-
28	Due to Other Funds	739,972	10,324,246	344,368	-
29	Due to Primary Government	-	-	-	-
30	Due to Component Units	-	16,361,931	-	-
31	Funds Held in Escrow	12,362,290	5,748,025	-	2,257,443
32	Due to Other Governmental Units	512,973	16,015	-	-
33	Deferred Revenue	303,825,083	133,012,183	-	13,879,804
34	General Obligation Bonds	-	-	-	-
35	Revenue Bonds	-	-	-	-
36	Unamortized Loss - Refunded Debt	-	-	-	-
37	Unamortized Discount on Revenue Bonds	-	-	-	-
38	Obligations Under Capital Leases	-	-	-	-
39	Other Liabilities	7,842,782	-	-	-
40	Total Liabilities	471,360,011	229,247,150	4,638,613	34,179,629
Fund Equity and Other Credits:					
41	Investment in General Fixed Assets	-	-	-	-
42	Contributed Capital - Local Sources	-	-	-	-
43	Contributed Capital - Other Sources	-	-	-	-
Retained Earnings:					
44	Reserved	-	-	-	-
45	Unreserved	-	-	-	-
Fund Balances:					
46	Reserved	175,085,756	138,861,894	96,174,288	123,907,807
Unreserved:					
47	Designated	-	63,027,461	-	-
48	Undesignated Fund Balance	230,009,371	(53,582,089)	1,850,000	111,517,169
49	Total Unreserved Fund Balances	230,009,371	9,445,372	1,850,000	111,517,169
50	Total Fund Equity and Other Credits	405,095,127	148,307,266	98,024,288	235,424,976
51	Total Liabilities, Fund Equity and Other Credits	\$ 876,455,138	\$ 377,554,416	\$ 102,662,901	\$ 269,604,605

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

EXHIBIT I-A-1

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals Primary Government (Memorandum Only)	Component Units**	Totals Reporting Entity (Memorandum Only)	Line No.
		Enterprise Funds	Trust and Agency Funds				
\$ 30,000	\$ 41,306,625	\$ -	\$ -	\$ 63,703,286	\$ 131,721,744	\$ 195,425,030	1
-	-	-	-	-	89,151,449	89,151,449	2
121,344,751	4,967,213,587	-	-	5,819,593,546	-	5,819,593,546	3
-	43,880,208	-	-	208,922,477	132,161,745	341,084,222	4
-	747,296	-	-	11,415,910	-	11,415,910	5
-	-	-	-	-	42,311,543	42,311,543	6
-	-	-	-	58,451,668	-	58,451,668	7
-	-	-	-	-	51,013,539	51,013,539	8
-	-	-	-	21,714,640	52,923,600	74,638,240	9
-	-	-	-	450,641,255	192,834,759	643,476,014	10
189,747,094	8,019,120	-	-	293,115,755	218,088,827	511,204,582	11
(108,877,923)	-	-	-	(376,993,404)	(178,367,309)	(555,360,713)	12
-	26,098,345	-	-	33,536,137	2,805,012	36,341,149	13
11,186	841,916	-	-	318,880,925	94,233,148	413,114,073	14
33,044,253	54,951	-	-	46,744,334	103,363,056	150,107,390	15
596,103,534	-	-	-	596,103,534	47,317,372	643,420,906	16
224,368,729	-	-	-	224,368,729	484,309,057	708,677,786	17
2,662,795,204	-	3,050,090,331	-	5,712,885,535	4,101,552,705	9,814,438,240	18
386,727	544,556,614	-	-	544,955,281	152,117,423	697,072,704	19
-	-	-	95,515,948	95,515,948	22,674,880	118,190,828	20
-	-	-	3,667,436,688	3,667,436,688	1,511,626,048	5,179,062,736	21
<u>\$ 3,718,953,555</u>	<u>\$ 5,632,718,662</u>	<u>\$ 3,050,090,331</u>	<u>\$ 3,762,952,636</u>	<u>\$ 17,790,992,244</u>	<u>\$ 7,251,838,598</u>	<u>\$ 25,042,830,842</u>	22
\$ -	\$ -	\$ -	\$ -	\$ 358,435	\$ 163,557,404	\$ 163,915,839	23
67,552,978	4,910,984	-	-	262,138,705	217,106,845	479,245,550	24
4,498,078	46,993	-	-	46,710,181	83,198,480	129,908,661	25
-	11,649,543	-	-	11,649,543	58,566	11,708,109	26
45,137,982	692,732	-	-	45,830,714	72,438,547	118,269,261	27
-	7,324	-	-	11,415,910	-	11,415,910	28
-	-	-	-	-	48,940,174	48,940,174	29
-	-	-	-	16,361,931	-	16,361,931	30
-	92,524,208	-	-	112,891,966	8,244,598	121,136,564	31
-	12,588	-	-	541,576	66,058,257	66,599,833	32
33,958,120	6,387,068	-	-	491,062,258	173,580,104	664,642,362	33
24,499,293	-	-	2,137,574,311	2,162,073,604	1,017,780,000	3,179,853,604	34
2,622,540,408	-	-	-	2,622,540,408	1,515,482,018	4,138,022,426	35
(146,282,904)	-	-	-	(146,282,904)	-	(146,282,904)	36
(37,571,106)	-	-	-	(37,571,106)	(21,776,719)	(59,347,825)	37
-	-	-	58,775,000	58,775,000	-	58,775,000	38
9,459,247	651,694,851	-	1,566,603,325	2,235,600,205	662,054,374	2,897,654,579	39
<u>2,623,792,096</u>	<u>767,926,291</u>	<u>-</u>	<u>3,762,952,636</u>	<u>7,894,096,426</u>	<u>4,006,722,648</u>	<u>11,900,819,074</u>	40
-	-	3,050,090,331	-	3,050,090,331	1,866,831,129	4,916,921,460	41
93,757,176	-	-	-	93,757,176	855,399,354	949,156,530	42
580,859,856	-	-	-	580,859,856	97,692,626	678,552,482	43
213,905,649	-	-	-	213,905,649	35,768,418	249,674,067	44
206,638,778	-	-	-	206,638,778	274,260,415	480,899,193	45
-	4,857,486,779	-	-	5,391,516,524	287,644,616	5,679,161,140	46
-	7,305,592	-	-	70,333,053	3,716,026	74,049,079	47
-	-	-	-	289,794,451	(176,196,634)	113,597,817	48
-	7,305,592	-	-	360,127,504	(172,480,608)	187,646,896	49
<u>1,095,161,459</u>	<u>4,864,792,371</u>	<u>3,050,090,331</u>	<u>-</u>	<u>9,896,895,818</u>	<u>3,245,115,950</u>	<u>13,142,011,768</u>	50
<u>\$ 3,718,953,555</u>	<u>\$ 5,632,718,662</u>	<u>\$ 3,050,090,331</u>	<u>\$ 3,762,952,636</u>	<u>\$ 17,790,992,244</u>	<u>\$ 7,251,838,598</u>	<u>\$ 25,042,830,842</u>	51

** The Component Unit Balance Sheet includes the Philadelphia Gas Works Fund which is presented as of the close of their fiscal year, August 31, 2000, the Philadelphia Parking Authority Fund and the Philadelphia Housing Authority Fund which are presented as of the close of their fiscal year, March 31, 2001 and the Community Behavioral Health Fund and the Philadelphia Authority for Industrial Development Fund which are presented as of the close of their fiscal year, December 31, 2000.

CITY OF PHILADELPHIA
ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND EQUITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Governmental Fund Types		
	General Fund	Special Revenue Funds	Debt Service Funds
Revenues:			
Tax Revenue	\$ 1,977,706,433	\$ 311,561,725	\$ -
Locally Generated Non-Tax Revenue	188,907,889	66,434,350	15,523,591
Revenue from Other Governments	544,794,283	1,152,452,245	-
Other Revenues	12,806,981	-	-
<u>Total Revenues</u>	2,724,215,586	1,530,448,320	15,523,591
Expenditures:			
Current Operating:			
Economic Development	56,415,150	14,165,845	-
Transportation	105,253,050	25,807,621	-
Judiciary and Law Enforcement	1,017,242,671	54,679,897	-
Conservation of Health	153,834,998	517,589,713	-
Housing and Neighborhood Development	3,928,717	55,743,591	-
Cultural and Recreational	126,460,238	18,431,121	-
Improvement of General Welfare	533,568,811	36,678,378	-
Services to Property	280,134,375	202,797	-
General Management and Support	346,611,257	28,231,153	-
Education	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	125,772,571
Interest	-	-	104,940,133
Bond Issuance Cost	-	-	-
<u>Total Expenditures</u>	2,623,449,267	751,530,116	230,712,704
Excess of Revenues Over (Under) Expenditures	100,766,319	778,918,204	(215,189,113)
Other Financing Sources (Uses):			
Proceeds from Bond Sales	-	-	-
Operating Transfers In	184,193,464	1,916,000	211,496,344
Operating Transfers Out	(116,398,788)	(290,707,781)	-
Operating Transfers From Component Units	46,659,940	-	-
Operating Transfers To Component Units	(63,124,680)	(495,481,513)	-
<u>Total Other Financing Sources (Uses)</u>	51,329,936	(784,273,294)	211,496,344
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	152,096,255	(5,355,090)	(3,692,769)
Net Income (Loss) from Proprietary Operations	-	-	-
Other Changes in Unreserved Fund Equity:			
(Increase) Decrease in Reserve for Encumbrances	(7,008,875)	715,186	-
(Increase) in Reserve for Intergovernmental Financing	-	(1,722,592)	-
(Increase) in Reserve for Intergovernmentally Financed Programs	-	(4,553,858)	-
Decrease in Reserve for Public Safety Emergency Phone System	-	424,077	-
Decrease in Reserve for Managed Care	-	5,310,527	-
Net Change in Propriety Equity Accounts	-	-	-
Decrease in Reserve for Tax Lien Proceeds	-	-	-
(Increase) in Reserve for Long Term Loan	(45,000,000)	-	-
Decrease in Reserve for Designated Fund Balance	-	-	-
(Increase)Decrease in Reserve for Debt Service	-	-	3,626,769
Net Change in Unreserved Fund Equity for the Year	100,087,380	(5,181,750)	(66,000)
Fund Equity - Unreserved, July 1, 2000	295,137,567	76,582,132	1,916,000
Adjustment	(165,215,576)	(61,955,010)	-
Fund Equity - Unreserved, July 1, 2000 as Adjusted	129,921,991	14,627,122	1,916,000
Fund Equity - Unreserved, June 30, 2001	\$ 230,009,371	\$ 9,445,372	\$ 1,850,000

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

EXHIBIT I-A-2

	<u>Fiduciary Fund Types</u>		<u>Totals</u>	<u>Component Units</u>	
<u>Capital Improvement Funds</u>	<u>Expendable Trust Funds</u>	<u>Primary Government (Memorandum Only)</u>	<u>School District of Philadelphia</u>	<u>Totals Reporting Entity (Memorandum Only)</u>	
\$ -	\$ -	\$ 2,289,268,158	\$ 572,907,574	\$ 2,862,175,732	
3,328,819	12,195,689	286,390,338	69,380,016	355,770,354	
22,552,336	-	1,719,798,864	1,154,029,664	2,873,828,528	
2,043,850	-	14,850,831	-	14,850,831	
<u>27,925,005</u>	<u>12,195,689</u>	<u>4,310,308,191</u>	<u>1,796,317,254</u>	<u>6,106,625,445</u>	
-	-	70,580,995	-	70,580,995	
-	-	131,060,671	90,162,513	221,223,184	
-	992,529	1,072,915,097	-	1,072,915,097	
-	-	671,424,711	-	671,424,711	
-	-	59,672,308	-	59,672,308	
-	12,454,436	157,345,795	-	157,345,795	
-	83,756	570,330,945	-	570,330,945	
-	-	280,337,172	233,122,044	513,459,216	
-	746,455	375,588,865	95,319,106	470,907,971	
-	-	-	1,361,136,131	1,361,136,131	
181,187,186	-	181,187,186	149,192,201	330,379,387	
-	-	125,772,571	20,565,940	146,338,511	
-	-	104,940,133	55,004,151	159,944,284	
-	-	-	2,288,828	2,288,828	
<u>181,187,186</u>	<u>14,277,176</u>	<u>3,801,156,449</u>	<u>2,006,790,914</u>	<u>5,807,947,363</u>	
<u>(153,262,181)</u>	<u>(2,081,487)</u>	<u>509,151,742</u>	<u>(210,473,660)</u>	<u>298,678,082</u>	
292,986,049	-	292,986,049	157,550,371	450,536,420	
13,504,800	923,274	412,033,882	-	412,033,882	
(731,130)	-	(407,837,699)	-	(407,837,699)	
22,025,863	-	68,685,803	-	68,685,803	
(7,677,624)	-	(566,283,817)	-	(566,283,817)	
<u>320,107,958</u>	<u>923,274</u>	<u>(200,415,782)</u>	<u>157,550,371</u>	<u>(42,865,411)</u>	
166,845,777	(1,158,213)	308,735,960	(52,923,289)	255,812,671	
-	-	-	(2,009,290)	(2,009,290)	
2,972,146	2,281	(3,319,262)	7,532,325	4,213,063	
-	-	(1,722,592)	-	(1,722,592)	
-	-	(4,553,858)	-	(4,553,858)	
-	-	424,077	-	424,077	
-	-	5,310,527	-	5,310,527	
-	-	-	2,085,026	2,085,026	
-	-	-	1,982,319	1,982,319	
-	-	(45,000,000)	-	(45,000,000)	
-	-	-	3,716,026	3,716,026	
-	-	3,626,769	(4,230,473)	(603,704)	
<u>169,817,923</u>	<u>(1,155,932)</u>	<u>263,501,621</u>	<u>(43,847,356)</u>	<u>219,654,265</u>	
(58,190,369)	5,457,725	320,903,055	(121,551,111)	199,351,944	
(110,385)	(2,240)	(227,283,211)	(7,082,141)	(234,365,352)	
<u>(58,300,754)</u>	<u>5,455,485</u>	<u>93,619,844</u>	<u>(128,633,252)</u>	<u>(35,013,408)</u>	
<u>\$ 111,517,169</u>	<u>\$ 4,299,553</u>	<u>\$ 357,121,465</u>	<u>\$ (172,480,608)</u>	<u>\$ 184,640,857</u>	

CITY OF PHILADELPHIA

EXHIBIT I-A-3

ALL PROPRIETARY FUND TYPES, NON-EXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN UNRESERVED RETAINED EARNINGS/FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Proprietary Fund Types Enterprise Funds	Fiduciary Fund Types Departmental Non-Expendable Trust Fund	Totals Primary Government (Memorandum Only)	Component Units Enterprise Funds	Totals Reporting Entity (Memorandum Only)
Operating Revenues:					
Charges for Goods and Services	\$ 388,842,038	\$ -	\$ 388,842,038	\$ 548,195,144	\$ 937,037,182
Sales of Land and Improvements	3,178,675	-	3,178,675	3,466,022	6,644,697
Rentals and Concessions	86,386,320	-	86,386,320	144,029,177	230,415,497
Interest and Dividends	-	235,355	235,355	-	235,355
Net Increase(Decrease) in the Fair Value of Investments	-	(652,634)	(652,634)	-	(652,634)
Miscellaneous Operating Revenues	6,718,792	12,774	6,731,566	29,886,660	36,618,226
Total Operating Revenues	485,125,825	(404,505)	484,721,320	725,577,003	1,210,298,323
Operating Expenses:					
Personal Services	141,838,005	-	141,838,005	156,441,743	298,279,748
Purchase of Services	100,131,919	-	100,131,919	216,675,375	316,807,294
Materials and Supplies	28,015,965	-	28,015,965	6,546,673	34,562,638
Employee Benefits	55,800,380	-	55,800,380	16,998,843	72,799,223
Indemnities and Taxes	6,003,963	-	6,003,963	1,274,491	7,278,454
Depreciation and Amortization	135,476,600	-	135,476,600	94,555,066	230,031,666
Cost of Goods Sold	3,396,687	-	3,396,687	366,554,683	369,951,370
Other Operating Expenses	-	221,704	221,704	549,943,461	550,165,165
Total Operating Expenses	470,663,519	221,704	470,885,223	1,408,990,335	1,879,875,558
Operating Income (Loss)	14,462,306	(626,209)	13,836,097	(683,413,332)	(669,577,235)
Non-Operating Revenues (Expenses):					
Operating Grants	7,998,479	-	7,998,479	264,260,141	272,258,620
Passenger Facility Charges	38,121,983	-	38,121,983	-	38,121,983
Other Income	-	-	-	13,598,589	13,598,589
Interest Income	52,093,174	-	52,093,174	27,721,539	79,814,713
Debt Service - Interest	(120,888,426)	-	(120,888,426)	(77,719,450)	(198,607,876)
Other Expenses	(2,257,032)	-	(2,257,032)	(12,657,693)	(14,914,725)
Total Non-Operating Revenues (Expenses)	(24,931,822)	-	(24,931,822)	215,203,126	190,271,304
Income (Loss) Before Operating Transfers	(10,469,516)	(626,209)	(11,095,725)	(468,210,206)	(479,305,931)
Operating Transfers Out	(4,137,590)	(58,593)	(4,196,183)	-	(4,196,183)
Operating Transfers from Component Unit	23,731,389	-	23,731,389	-	23,731,389
Operating Transfers to Component Unit	(3,021,966)	-	(3,021,966)	-	(3,021,966)
Operating Transfers from Primary Government	-	-	-	533,597,526	533,597,526
Operating Transfers to Primary Government	-	-	-	(71,630,561)	(71,630,561)
Net Income	6,102,317	(684,802)	5,417,515	(6,243,241)	(825,726)
Other Changes in Unreserved Retained Earnings:					
Credit Arising from Transfer of Depreciation to Contributed Capital - Other Sources	28,276,700	-	28,276,700	-	28,276,700
(Increase) in Reserve for Capital Purposes	(5,418,418)	-	(5,418,418)	-	(5,418,418)
Decrease in Reserve for Trust Principal	-	261,656	261,656	-	261,656
(Increase) in Reserve for Debt Service	-	-	-	(1,715,316)	(1,715,316)
Decrease in Reserve for Rate Stabilization	30,913,114	-	30,913,114	-	30,913,114
Net Change in Unreserved Retained Earnings/ Fund Balance for the Year	59,873,713	(423,146)	59,450,567	(7,958,557)	51,492,010
Retained Earnings/Fund Balance - Unreserved, July 1, 2000	146,765,065	3,475,171	150,240,236	276,182,031	426,422,267
Adjustment	-	(45,986)	(45,986)	6,036,941	5,990,955
Retained Earnings/Fund Balance - Unreserved, July 1, 2000 as Adjusted	146,765,065	3,429,185	150,194,250	282,218,972	432,413,222
Retained Earnings/Fund Balance - Unreserved, June 30, 2001	\$ <u>206,638,778</u>	\$ <u>3,006,039</u>	\$ <u>209,644,817</u>	\$ <u>274,260,415</u>	\$ <u>483,905,232</u>

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

CITY OF PHILADELPHIA
ALL PROPRIETARY FUND TYPES, NON-EXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
COMBINED STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

EXHIBIT I-A-4

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals Primary Government (Memorandum Only)</u>	<u>Component Units</u>	<u>Totals Reporting Entity (Memorandum Only)</u>
	<u>Enterprise Funds</u>	<u>Departmental Non-Expendable Trust Funds</u>		<u>Enterprise Funds</u>	
Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ 14,462,306	\$ (626,209)	\$ 13,836,097	\$ (683,413,332)	\$ (669,577,235)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation and Amortization	135,476,600	-	135,476,600	92,859,691	228,336,291
Provision for Uncollectible Accounts	8,252,808	-	8,252,808	35,654,542	43,907,350
Investing Activities	-	406,272	406,272	-	406,272
Changes in Assets and Liabilities:					
(Increase) Decrease in Receivables	(7,184,747)	6,768	(7,177,979)	4,296,340	(2,881,639)
(Increase) Decrease in Inventories	1,656,232	-	1,656,232	(13,848,982)	(12,192,750)
(Increase) Decrease in Other Current Assets	-	-	-	6,903,468	6,903,468
(Increase) Decrease in Other Long-Term Assets	-	-	-	3,380,366	3,380,366
Increase (Decrease) in Payables	1,358,717	583	1,359,300	(25,026,650)	(23,667,350)
Increase (Decrease) in Accrued Expenses	3,182,777	-	3,182,777	2,452,491	5,635,268
Increase (Decrease) in Funds Held in Escrow	-	-	-	(2,693,447)	(2,693,447)
Increase (Decrease) in Deferred Revenue	5,986,185	-	5,986,185	(40,041,240)	(34,055,055)
Increase (Decrease) in Other Liabilities	-	-	-	21,573,098	21,573,098
Net Cash Provided (Used) by Operating Activities	163,190,878	(212,586)	162,978,292	(597,903,655)	(434,925,363)
Cash Flows from Non-Capital Financing Activities:					
Operating Grants Received	7,985,155	-	7,985,155	264,260,140	272,245,295
Other Non-Capital Financing Income	-	-	-	14,118,936	14,118,936
Other Non-Capital Financing Expenses	(5,938,068)	-	(5,938,068)	(6,970,353)	(12,908,421)
Operating Transfers To Primary Government	(4,137,590)	(58,593)	(4,196,183)	(71,630,561)	(75,826,744)
Operating Transfers From Primary Government	-	-	-	533,597,526	533,597,526
Operating Transfers From Component Units	23,731,389	-	23,731,389	-	23,731,389
Operating Transfers To Component Units	(3,021,966)	-	(3,021,966)	-	(3,021,966)
Changes in Assets and Liabilities:					
(Increase) Decrease in Restricted Assets	-	-	-	(57,720)	(57,720)
Increase (Decrease) in Other Liabilities	(1,336,501)	-	(1,336,501)	351,096	(985,405)
Net Cash Provided (Used) in Non-Capital Financing Activities	17,282,419	(58,593)	17,223,826	733,669,064	750,892,890
Cash Flows from Capital and Related Financing Activities:					
Proceeds from Sale of Bonds	-	-	-	4,031,078	4,031,078
Bond Issuance Expenses	-	-	-	(1,037,000)	(1,037,000)
Principal Paid on Debt Instruments	(92,323,634)	-	(92,323,634)	(69,045,042)	(161,368,676)
Interest Paid on Debt Instruments	(143,890,380)	-	(143,890,380)	(85,346,066)	(229,236,446)
Acquisition and Construction of Capital Assets	(332,499,243)	-	(332,499,243)	(232,252,103)	(564,751,346)
Disposal of Capital Assets	-	-	-	3,354,514	3,354,514
Capital Grants	3,459,470	-	3,459,470	(4,034,493)	(575,023)
Contributions Received	826,862	-	826,862	137,192,713	138,019,575
Passenger Facility Charge	33,836,861	-	33,836,861	-	33,836,861
Changes in Assets and Liabilities:					
(Increase) Decrease in Receivables	-	-	-	(34,433,104)	(34,433,104)
(Increase) Decrease in Restricted Assets	8,552,458	-	8,552,458	73,324,074	81,876,532
Increase (Decrease) in Other Liabilities	6,667,611	-	6,667,611	-	6,667,611
Increase (Decrease) in Funds Held in Escrow	-	-	-	(447,844)	(447,844)
Increase (Decrease) in Payables	-	-	-	(571,151)	(571,151)
Net Cash Provided (Used) in Capital and Related Financing Activities	(515,369,995)	-	(515,369,995)	(209,264,424)	(724,634,419)
Cash Flows from Investing Activities:					
Purchase of Investments	-	(104,609)	(104,609)	(244,860,565)	(244,965,174)
Proceeds from Sale of Investments	-	-	-	306,247,793	306,247,793
Interest and Dividends on Investments	67,623,934	244,637	67,868,571	35,855,098	103,723,669
Net Cash Provided by Investing Activities	67,623,934	140,028	67,763,962	97,242,326	165,006,288
Net Increase (Decrease) in Cash and Cash Equivalents	(267,272,764)	(131,151)	(267,403,915)	23,743,311	(243,660,604)
Cash and Cash Equivalents, July 1, 2000	984,751,049	282,317	985,033,366	100,230,780	1,085,264,146
Cash and Cash Equivalents, June 30, 2001	\$ 717,478,285	\$ 151,166	\$ 717,629,451	\$ 123,974,091	\$ 841,603,542
Reconciliation to Combined Balance Sheet:					
Included in:					
Equity in Treasurer's Account	\$ 121,344,751	\$ -	\$ 121,344,751	\$ -	\$ 121,344,751
Cash on Deposit	30,000	151,166	181,166	76,656,719	76,837,885
Restricted Assets	596,103,534	-	596,103,534	47,317,372	643,420,906
Cash and Cash Equivalents, June 30, 2001	\$ 717,478,285	\$ 151,166	\$ 717,629,451	\$ 123,974,091	\$ 841,603,542

Non-Cash Investing, Capital or Financing Activities:
Non-Expendable Trust Funds had a Net Decrease in Fair Value of Investments of \$652,634

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

CITY OF PHILADELPHIA
GENERAL AND SPECIAL REVENUE FUNDS (EXCEPT MUNICIPAL AUTHORITY AND PICA FUNDS)
CAPITAL IMPROVEMENT FUNDS (EXCEPT MUNICIPAL AUTHORITY FUND)
COMBINED STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES
BUDGET (LEGAL BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Tax Revenue	\$ 1,873,254,000	\$ 1,977,706,433	\$ 104,452,433
Locally Generated Non-Tax Revenue	191,820,000	204,526,292	12,706,292
Revenue from Other Governments	703,457,000	748,801,756	45,344,756
Revenue from Other Funds	<u>24,565,000</u>	<u>24,034,509</u>	<u>(530,491)</u>
Total Revenues	2,793,096,000	2,955,068,990	161,972,990
Other Sources:			
Increase (Decrease) in Unreimbursed Commitments	-	-	-
Proceeds from Bond Sales	-	-	-
(Increase) in Financed Reserves	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Revenues and Other Sources</u>	<u>2,793,096,000</u>	<u>2,955,068,990</u>	<u>161,972,990</u>
Expenditures and Encumbrances:			
Personal Services:			
Personal Services	1,179,660,022	1,173,340,752	6,319,270
Pension Contributions	208,260,172	194,250,058	14,010,114
Other Employee Benefits	289,794,787	289,030,668	764,119
Sub-total	<u>1,677,714,981</u>	<u>1,656,621,478</u>	<u>21,093,503</u>
Purchase of Services	885,164,906	871,809,357	13,355,549
Materials and Supplies	58,779,512	57,442,681	1,336,831
Equipment	27,465,705	26,547,857	917,848
Contributions, Indemnities and Taxes	87,822,930	82,402,332	5,420,598
Debt Service - Principal	37,844,307	37,844,307	-
Debt Service - Interest	38,130,261	38,038,339	91,922
Short-Term Interest	12,338,196	12,338,196	-
Payments to Other Funds	30,930,796	25,529,124	5,401,672
Advances, Subsidies, Miscellaneous	72,925,000	72,925,000	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures and Encumbrances</u>	<u>2,929,116,594</u>	<u>2,881,498,671</u>	<u>47,617,923</u>
Operating Surplus (Deficit) for the Year	\$ <u>(136,020,594)</u>	<u>73,570,319</u>	\$ <u>209,590,913</u>
Fund Balance Available for Appropriation, July 1, 2000		295,137,567	
Adjustments to Prior Fiscal Year Revenues, Expenditures and Encumbrances:			
Commitments Cancelled - Net		25,472,936	
Revenue Adjustments - Net		-	
Prior Period Adjustments		(164,171,451)	
Other Adjustments		<u>-</u>	
Adjusted Fund Balance, July 1, 2000		<u>156,439,052</u>	
Fund Balance Available for Appropriation, June 30, 2001		\$ <u>230,009,371</u>	

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

Special Revenue Funds			Capital Improvement Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 36,350,000	\$ 36,934,055	\$ 584,055	\$ -	\$ -	\$ -
51,434,000	52,419,711	985,711	432,786,771	14,247,142	(418,539,629)
1,165,173,396	1,044,164,001	(121,009,395)	370,885,229	47,199,453	(323,685,776)
-	-	-	-	-	-
1,252,957,396	1,133,517,767	(119,439,629)	803,672,000	61,446,595	(742,225,405)
-	(39,054,844)	(39,054,844)	-	(29,570,229)	(29,570,229)
-	-	-	-	292,986,049	292,986,049
-	1,180,746	1,180,746	-	-	-
<u>1,252,957,396</u>	<u>1,095,643,669</u>	<u>(157,313,727)</u>	<u>803,672,000</u>	<u>324,862,415</u>	<u>(478,809,585)</u>
107,375,275	94,153,791	13,221,484	-	-	-
7,237,132	5,456,321	1,780,811	-	-	-
14,099,546	12,279,135	1,820,411	-	-	-
<u>128,711,953</u>	<u>111,889,247</u>	<u>16,822,706</u>	-	-	-
1,079,581,212	971,974,070	107,607,142	-	-	-
21,176,182	16,289,134	4,887,048	-	-	-
11,463,342	6,015,138	5,448,204	-	-	-
32,259,205	34,591,649	(2,332,444)	-	-	-
-	-	-	-	-	-
4,525,000	-	4,525,000	-	-	-
-	-	-	-	-	-
18,928,042	14,807,475	4,120,567	-	-	-
75,350,386	-	75,350,386	-	-	-
-	-	-	803,672,000	162,574,301	641,097,699
<u>1,371,995,322</u>	<u>1,155,566,713</u>	<u>216,428,609</u>	<u>803,672,000</u>	<u>162,574,301</u>	<u>641,097,699</u>
\$ <u>(119,037,926)</u>	<u>(59,923,044)</u>	\$ <u>59,114,882</u>	\$ <u>-</u>	<u>162,288,114</u>	\$ <u>162,288,114</u>
	76,135,152			(70,126,665)	
	39,739,102			12,645,504	
	12,375,075			-	
	(60,300,591)			(450,819)	
	-			(357,273)	
	<u>67,948,738</u>			<u>(58,289,253)</u>	
	\$ <u>8,025,694</u>			\$ <u>103,998,861</u>	

CITY OF PHILADELPHIA
PENSION TRUST FUNDS
STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

EXHIBIT I-A-6

	<u>Gas Works Retirement Reserve Fund</u>	<u>Municipal Pension Fund</u>	<u>Totals Pension Trust Funds</u>
Additions:			
Contributions:			
Employer's Contributions	\$ 2,035,447	\$ 167,615,831	\$ 169,651,278
Employees' Contributions	<u>-</u>	<u>49,278,453</u>	<u>49,278,453</u>
Total Contributions	<u>2,035,447</u>	<u>216,894,284</u>	<u>218,929,731</u>
Investment Income:			
Interest and Dividends	16,686,253	133,787,204	150,473,457
Net Decline in Fair Value of Investments	(18,063,128)	(408,821,981)	(426,885,109)
(Less) Investments Expenses	(1,696,651)	(14,032,276)	(15,728,927)
Securities Lending Revenue	167,343	29,434,716	29,602,059
(Less) Securities Lending Expenses	<u>(137,994)</u>	<u>(27,388,843)</u>	<u>(27,526,837)</u>
Net Investment Loss	<u>(3,044,177)</u>	<u>(287,021,180)</u>	<u>(290,065,357)</u>
Miscellaneous Operating Revenues	-	647,998	647,998
<u>Total Additions</u>	<u>(1,008,730)</u>	<u>(69,478,898)</u>	<u>(70,487,628)</u>
Deductions:			
Personal Services	-	2,600,679	2,600,679
Purchase of Services	-	1,403,417	1,403,417
Materials and Supplies	-	80,138	80,138
Employee Benefits	28,142,672	996,638	29,139,310
Pension Benefits	-	456,741,689	456,741,689
Refunds of Members' Contributions	-	4,718,952	4,718,952
Other Operating Expenses	<u>-</u>	<u>279,398</u>	<u>279,398</u>
<u>Total Deductions</u>	<u>28,142,672</u>	<u>466,820,911</u>	<u>494,963,583</u>
<u>Net Increase(Decrease)</u>	<u>(29,151,402)</u>	<u>(536,299,809)</u>	<u>(565,451,211)</u>
Net Assets Held in Trust for			
Pension Benefits - July 1, 2000	440,039,962	4,976,412,841	5,416,452,803
Adjustment	<u>2,105,594</u>	<u>-</u>	<u>2,105,594</u>
Net Assets Held in Trust for			
Pension Benefits - July 1, 2000 Adjusted	442,145,556	4,976,412,841	5,418,558,397
Net Assets Held in Trust for			
Pension Benefits - June 30, 2001	\$ <u>412,994,154</u>	\$ <u>4,440,113,032</u>	\$ <u>4,853,107,186</u>

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

CITY OF PHILADELPHIA
COMPONENT UNITS - ALL FUND TYPES
COMBINING BALANCE SHEET
JUNE 30, 2001*

EXHIBIT I-A-7

	<u>School District of Philadelphia</u>	<u>Combined Proprietary Fund Types</u>	<u>Community College of Philadelphia</u>	<u>Totals Component Units</u>
<u>Assets and Other Debits</u>				
Cash on Deposit and on Hand	\$ 54,404,758	\$ 76,656,719	\$ 660,267	\$ 131,721,744
Equity in Pooled Cash and Investments	89,151,449	-	-	89,151,449
Investments	23,450,063	81,055,202	27,656,480	132,161,745
Due from Primary Government	-	42,311,543	-	42,311,543
Amounts Held by Fiscal Agent	51,013,539	-	-	51,013,539
Taxes Receivable	192,834,759	-	-	192,834,759
Accounts Receivable	1,285,691	215,452,192	1,350,944	218,088,827
Allowance for Doubtful Accounts	(73,660,764)	(104,706,545)	-	(178,367,309)
Interest and Dividends Receivable	1,925,249	816,208	63,555	2,805,012
Notes Receivable	-	52,923,600	-	52,923,600
Due from Other Governmental Units	36,352,816	55,747,234	2,133,098	94,233,148
Inventories	5,263,475	98,099,581	-	103,363,056
Restricted Assets - Cash and Cash Equivalents	-	47,317,372	-	47,317,372
Restricted Assets - Other Assets	-	481,935,291	2,373,766	484,309,057
Property, Plant and Equipment - Net	1,870,783,061	2,142,466,934	88,302,710	4,101,552,705
Other Assets	-	151,917,967	199,456	152,117,423
Amount Available in Debt Service Funds	22,674,880	-	-	22,674,880
Amount to be Provided for Retirement of Long-Term Obligations	1,511,626,048	-	-	1,511,626,048
Total Assets and Other Debits	\$ 3,787,105,024	\$ 3,341,993,298	\$ 122,740,276	\$ 7,251,838,598
<u>Liabilities and Fund Equity</u>				
Notes Payable	\$ -	\$ 132,279,452	\$ 31,277,952	\$ 163,557,404
Vouchers and Accounts Payable	68,241,192	144,524,559	4,341,094	217,106,845
Salaries and Wages Payable	72,956,480	4,058,554	6,183,446	83,198,480
Payroll Taxes Payable	-	-	58,566	58,566
Accrued Expenses	6,557,081	65,610,440	271,026	72,438,547
Due to Primary Government	-	48,940,174	-	48,940,174
Funds Held in Escrow	-	8,120,593	124,005	8,244,598
Due to Other Governmental Units	47,428,483	17,310,974	1,318,800	66,058,257
Deferred Revenue	143,294,810	28,528,602	1,756,692	173,580,104
General Obligation Bonds	1,017,780,000	-	-	1,017,780,000
Revenue Bonds	-	1,515,482,018	-	1,515,482,018
Unamortized Discount on Revenue Bonds	-	(21,776,719)	-	(21,776,719)
Other Liabilities	515,701,295	146,353,079	-	662,054,374
Total Liabilities	1,871,959,341	2,089,431,726	45,331,581	4,006,722,648
<u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets	1,866,831,129	-	-	1,866,831,129
Contributed Capital - Local Sources	7,237,827	848,161,527	-	855,399,354
Contributed Capital - Other Sources	-	97,692,626	-	97,692,626
Retained Earnings:				
Reserved	3,321,414	32,447,004	-	35,768,418
Unreserved	-	274,260,415	-	274,260,415
Fund Balances:				
Reserved	210,235,921	-	77,408,695	287,644,616
Unreserved:				
Designated	3,716,026	-	-	3,716,026
Undesignated Fund Balance	(176,196,634)	-	-	(176,196,634)
Total Unreserved Fund Balances	(172,480,608)	-	-	(172,480,608)
Total Fund Equity and Other Credits	1,915,145,683	1,252,561,572	77,408,695	3,245,115,950
Total Liabilities, Fund Equity and Other Credits	\$ 3,787,105,024	\$ 3,341,993,298	\$ 122,740,276	\$ 7,251,838,598

* Refer to Exhibit I-A-8

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

CITY OF PHILADELPHIA
COMPONENT UNITS - PROPRIETARY FUND TYPES
COMBINING BALANCE SHEET
JUNE 30, 2001*

Line No.		Philadelphia Gas Works	Philadelphia Redevelopment Authority	Philadelphia Housing Development Corporation	Philadelphia Parking Authority
<u>Assets and Other Debits</u>					
1	Cash on Deposit and on Hand	\$ 8,425,438	\$ 3,064,471	\$ 5,187,036	\$ 8,418,284
2	Investments	-	-	-	28,100,398
3	Due from Primary Government	-	-	2,740,004	-
4	Accounts Receivable	158,266,952	10,005,963	509,261	2,351,330
5	Allowance for Doubtful Accounts	(102,000,000)	(2,412,171)	-	-
6	Interest and Dividends Receivable	-	-	-	14,973
7	Notes Receivable	-	-	-	-
8	Due from Other Governmental Units	-	-	1,796,765	-
9	Inventories	67,699,018	18,628,132	4,005,247	-
10	Restricted Assets - Cash and Cash Equivalents	-	44,462,840	-	767,675
11	Restricted Assets - Other Assets	135,546,098	77,051,741	-	223,463,091
12	Property, Plant and Equipment - Net	869,471,797	5,829,393	-	147,100,380
13	Other Assets	101,303,152	36,747,901	118,577	436,255
14	<u>Total Assets and Other Debits</u>	<u>\$ 1,238,712,455</u>	<u>\$ 193,378,270</u>	<u>\$ 14,356,890</u>	<u>\$ 410,652,386</u>
<u>Liabilities and Fund Equity</u>					
15	Notes Payable	\$ 97,058,724	\$ 22,626,338	-	\$ 10,639,224
16	Vouchers and Accounts Payable	36,090,370	11,847,276	6,152,968	10,439,512
17	Salaries and Wages Payable	3,714,845	-	343,709	-
18	Accrued Expenses	8,402,314	31,296,299	1,040,909	-
19	Due to Primary Government	3,000,000	-	410,131	23,731,391
20	Funds Held in Escrow and Advance Deposits	1,108,749	4,622,750	252,099	-
21	Due to Other Governmental Units	-	-	69,539	-
22	Deferred Revenue	3,007,880	-	629,345	-
23	Revenue Bonds	850,022,018	55,365,000	-	349,110,000
24	Unamortized Discount on Revenue Bonds	(8,038,831)	-	-	(5,407,670)
25	Other Liabilities	33,046,149	-	1,361,890	13,072,535
26	<u>Total Liabilities</u>	<u>1,027,412,218</u>	<u>125,757,663</u>	<u>10,260,590</u>	<u>401,584,992</u>
Fund Equity:					
27	Contributed Capital - Local Sources	-	-	2,550,000	-
28	Contributed Capital - Other Sources	-	-	592,626	-
Retained Earnings:					
29	Reserved	-	5,790,824	-	26,656,180
30	Unreserved	211,300,237	61,829,783	953,674	(17,588,786)
31	<u>Total Fund Equity</u>	<u>211,300,237</u>	<u>67,620,607</u>	<u>4,096,300</u>	<u>9,067,394</u>
32	<u>Total Liabilities and Fund Equity</u>	<u>\$ 1,238,712,455</u>	<u>\$ 193,378,270</u>	<u>\$ 14,356,890</u>	<u>\$ 410,652,386</u>

* The Component Unit-Proprietary Fund Types Balance Sheet includes the Philadelphia Gas Works which is presented at the close of their fiscal year, August 31, 2000, the Philadelphia Parking Authority Fund and the Philadelphia Housing Authority which are presented as of the close of their fiscal year, March 31, 2001 and the Community Behavioral Health Fund and the Philadelphia Authority for Industrial Development Fund which are presented as of the close of their fiscal year, December 31, 2000.

EXHIBIT I-A-8

Pennsylvania Convention Center Authority	Penn's Landing Corporation	Community Behavioral Health	Philadelphia Housing Authority	Philadelphia Authority for Industrial Development	Total Proprietary Fund Types	Line No.
\$ 711,196	\$ 14,297,183	\$ 7,273,511	\$ 7,754,963	\$ 21,524,637	\$ 76,656,719	1
640,260	-	-	52,314,544	-	81,055,202	2
4,783,555	-	34,746,214	-	41,770	42,311,543	3
1,135,120	782,649	27,402,732	1,889,290	13,108,895	215,452,192	4
(47,642)	(246,732)	-	-	-	(104,706,545)	5
-	-	-	771,826	29,409	816,208	6
-	8,000,000	-	34,449,170	10,474,430	52,923,600	7
-	-	-	48,069,608	5,880,861	55,747,234	8
-	-	-	7,767,184	-	98,099,581	9
-	-	-	178,232	1,908,625	47,317,372	10
43,885,792	-	-	1,988,569	-	481,935,291	11
277,654,976	10,697,496	1,529,113	819,722,258	10,461,521	2,142,466,934	12
2,724,261	107,725	8,367,787	1,476,658	635,651	151,917,967	13
<u>\$ 331,487,518</u>	<u>\$ 33,638,321</u>	<u>\$ 79,319,357</u>	<u>\$ 976,382,302</u>	<u>\$ 64,065,799</u>	<u>\$ 3,341,993,298</u>	14
\$ -	\$ 1,955,166	\$ -	\$ -	\$ -	\$ 132,279,452	15
1,117,114	363,982	68,190,244	8,271,294	2,051,799	144,524,559	16
-	-	-	-	-	4,058,554	17
8,161,131	710,684	-	15,999,103	-	65,610,440	18
13,041,537	-	-	-	8,757,115	48,940,174	19
-	-	-	587,323	1,549,672	8,120,593	20
-	-	-	16,226,027	1,015,408	17,310,974	21
805,119	14,693,380	-	-	9,392,878	28,528,602	22
260,985,000	-	-	-	-	1,515,482,018	23
(8,330,218)	-	-	-	-	(21,776,719)	24
-	318,747	9,600,000	88,953,758	-	146,353,079	25
<u>275,779,683</u>	<u>18,041,959</u>	<u>77,790,244</u>	<u>130,037,505</u>	<u>22,766,872</u>	<u>2,089,431,726</u>	26
19,910,000	-	1,529,113	811,313,863	12,858,551	848,161,527	27
97,100,000	-	-	-	-	97,692,626	28
-	-	-	-	-	32,447,004	29
(61,302,165)	15,596,362	-	35,030,934	28,440,376	274,260,415	30
<u>55,707,835</u>	<u>15,596,362</u>	<u>1,529,113</u>	<u>846,344,797</u>	<u>41,298,927</u>	<u>1,252,561,572</u>	31
<u>\$ 331,487,518</u>	<u>\$ 33,638,321</u>	<u>\$ 79,319,357</u>	<u>\$ 976,382,302</u>	<u>\$ 64,065,799</u>	<u>\$ 3,341,993,298</u>	32

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

CITY OF PHILADELPHIA
COMPONENT UNITS - PROPRIETARY FUND TYPES
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN UNRESERVED RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001*

	Philadelphia <u>Gas Works</u>	Philadelphia Redevelopment <u>Authority</u>	Philadelphia Housing Development <u>Corporation</u>	Philadelphia Parking <u>Authority</u>
Operating Revenues:				
Charges for Goods and Services	\$ 544,964,393	\$ -	\$ -	\$ -
Sales of Land and Improvements	-	3,215,122	250,900	-
Rentals and Concessions	-	-	1,706,427	105,664,960
Miscellaneous Operating Revenues	<u>10,910,979</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Revenues	<u>555,875,372</u>	<u>3,215,122</u>	<u>1,957,327</u>	<u>105,664,960</u>
Operating Expenses:				
Personal Services	72,529,308	10,433,940	6,048,273	16,800,915
Purchase of Services	57,308,605	47,024,954	2,073,566	10,362,603
Materials and Supplies	5,519,960	-	-	-
Employee Benefits	6,386,932	-	2,437,956	6,931,121
Indemnities and Taxes	-	-	-	1,274,491
Depreciation and Amortization	35,132,288	750,081	122,186	3,826,426
Cost of Goods Sold	266,354,228	-	21,641,826	-
Other Operating Expenses	<u>65,468,080</u>	<u>1,200,439</u>	<u>1,257,191</u>	<u>18,542,857</u>
Total Operating Expenses	<u>508,699,401</u>	<u>59,409,414</u>	<u>33,580,998</u>	<u>57,738,413</u>
Operating Income (Loss)	<u>47,175,971</u>	<u>(56,194,292)</u>	<u>(31,623,671)</u>	<u>47,926,547</u>
Non-Operating Revenues (Expenses):				
Operating Grants	-	5,471,921	7,992,620	-
Other Income	1,553,626	8,648,700	2,933,763	-
Interest Income	7,863,117	8,691,271	153,495	2,211,700
Other Expenses	(9,747,524)	-	-	-
Debt Service - Interest	<u>(49,255,715)</u>	<u>(3,732,529)</u>	<u>-</u>	<u>(6,209,990)</u>
Total Non-Operating Revenues (Expenses)	<u>(49,586,496)</u>	<u>19,079,363</u>	<u>11,079,878</u>	<u>(3,998,290)</u>
Income (Loss) Before Operating Transfers	(2,410,525)	(37,114,929)	(20,543,793)	43,928,257
Operating Transfers from Primary Government	-	47,235,378	23,004,801	-
Operating Transfers to Primary Government	<u>(18,000,000)</u>	<u>-</u>	<u>-</u>	<u>(39,349,792)</u>
Net Income (Loss)	<u>(20,410,525)</u>	<u>10,120,449</u>	<u>2,461,008</u>	<u>4,578,465</u>
Other Changes in Unreserved Retained Earnings (Increase) in Reserve for Debt Service	<u>-</u>	<u>(1,755,655)</u>	<u>-</u>	<u>40,339</u>
Net Change in Unreserved Retained Earnings for the Year	(20,410,525)	8,364,794	2,461,008	4,618,804
Retained Earnings - Unreserved, July 1, 2000	231,710,762	53,464,989	(1,507,334)	(22,207,590)
Adjustment	-	-	-	-
Retained Earnings - Unreserved, July 1, 2000 as Adjusted	<u>231,710,762</u>	<u>53,464,989</u>	<u>(1,507,334)</u>	<u>(22,207,590)</u>
Retained Earnings - Unreserved, June 30, 2001	<u>\$ 211,300,237</u>	<u>\$ 61,829,783</u>	<u>\$ 953,674</u>	<u>\$ (17,588,786)</u>

*The Philadelphia Gas Works is presented at the close of their fiscal year, August 31, 2000, the Philadelphia Parking Authority Fund and the Philadelphia Housing Authority are presented as of the close of their fiscal year, March 31, 2001 and the Community Behavioral Health Fund and the Philadelphia Authority for Industrial Development Fund are presented as of the close of their fiscal year, December 31, 2000.

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

EXHIBIT I-A-9

Pennsylvania Convention Center Authority	Penn's Landing Corporation	Community Behavioral Health	Philadelphia Housing Authority	Philadelphia Authority for Industrial Development	Totals
\$ -	\$ -	\$ -	\$ -	\$ 3,230,751	\$ 548,195,144
-	-	-	-	-	3,466,022
10,730,142	2,242,174	-	15,769,118	7,916,356	144,029,177
<u>-</u>	<u>16,060,654</u>	<u>1,762,919</u>	<u>1,152,108</u>	<u>-</u>	<u>29,886,660</u>
<u>10,730,142</u>	<u>18,302,828</u>	<u>1,762,919</u>	<u>16,921,226</u>	<u>11,147,107</u>	<u>725,577,003</u>
4,070,169	2,668,967	-	43,890,171	-	156,441,743
9,481,071	158,140	-	71,982,988	18,283,448	216,675,375
798,032	228,681	-	-	-	6,546,673
1,242,834	-	-	-	-	16,998,843
-	-	-	-	-	1,274,491
9,473,587	602,776	-	44,647,722	-	94,555,066
-	-	-	78,558,629	-	366,554,683
<u>2,961,856</u>	<u>11,612,300</u>	<u>379,198,616</u>	<u>24,258,850</u>	<u>45,443,272</u>	<u>549,943,461</u>
<u>28,027,549</u>	<u>15,270,864</u>	<u>379,198,616</u>	<u>263,338,360</u>	<u>63,726,720</u>	<u>1,408,990,335</u>
<u>(17,297,407)</u>	<u>3,031,964</u>	<u>(377,435,697)</u>	<u>(246,417,134)</u>	<u>(52,579,613)</u>	<u>(683,413,332)</u>
-	-	-	219,505,486	31,290,114	264,260,141
462,500	-	-	-	-	13,598,589
3,324,775	874,516	-	4,369,706	232,959	27,721,539
(2,910,169)	-	-	-	-	(12,657,693)
<u>(17,760,825)</u>	<u>-</u>	<u>-</u>	<u>(627,041)</u>	<u>(133,350)</u>	<u>(77,719,450)</u>
<u>(16,883,719)</u>	<u>874,516</u>	<u>-</u>	<u>223,248,151</u>	<u>31,389,723</u>	<u>215,203,126</u>
(34,181,126)	3,906,480	(377,435,697)	(23,168,983)	(21,189,890)	(468,210,206)
47,036,922	1,100,000	377,435,697	-	37,784,728	533,597,526
<u>(13,041,537)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,239,232)</u>	<u>(71,630,561)</u>
(185,741)	5,006,480	-	(23,168,983)	15,355,606	(6,243,241)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,715,316)</u>
(185,741)	5,006,480	-	(23,168,983)	15,355,606	(7,958,557)
(61,116,424)	10,589,882	-	52,162,976	13,084,770	276,182,031
-	-	-	6,036,941	-	6,036,941
<u>(61,116,424)</u>	<u>10,589,882</u>	<u>-</u>	<u>58,199,917</u>	<u>13,084,770</u>	<u>282,218,972</u>
\$ <u>(61,302,165)</u>	\$ <u>15,596,362</u>	\$ <u>-</u>	\$ <u>35,030,934</u>	\$ <u>28,440,376</u>	\$ <u>274,260,415</u>

CITY OF PHILADELPHIA
COMPONENT UNITS - PROPRIETARY FUND TYPES
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001*

	Philadelphia Gas Works	Philadelphia Redevelopment Authority	Philadelphia Housing Development Corporation	Philadelphia Parking Authority
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ 47,175,971	\$ (56,194,292)	\$ (31,623,671)	\$ 47,926,547
Adjustments to Reconcile Operating Income to Net Cash from Operations:				
Depreciation and Amortization	35,146,292	750,081	122,186	3,826,426
Provision for Uncollectible Accounts	34,929,842	557,574	-	-
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables	(50,630,779)	(286,223)	(1,290,900)	(655,116)
(Increase) Decrease in Inventories	(13,848,982)	-	-	-
(Increase) Decrease in Other Current Assets	(3,831,901)	(35,582)	(154,760)	459,809
(Increase) Decrease in Other Long-Term Assets	3,780,249	5,736	-	-
Increase (Decrease) in Payables	19,460,701	2,610,902	1,213,367	2,121,442
Increase (Decrease) in Accrued Expenses	58,495	78,709	-	-
Increase (Decrease) in Funds Held in Escrow	73,504	-	(88,807)	-
Increase (Decrease) in Deferred Revenue	(17,281,721)	-	-	-
Increase (Decrease) in Other Liabilities	13,737,405	-	-	11,189,380
Net Cash Provided (Used) by Operating Activities	<u>68,769,076</u>	<u>(52,513,095)</u>	<u>(31,822,585)</u>	<u>64,868,488</u>
Cash Flows from Non-Capital Financing Activities:				
Operating Grants Received	-	5,471,920	7,992,620	-
Other Non-Capital Financing Income	2,149,926	8,339,788	2,933,763	-
Other Non-Capital Financing Expenses	(3,926,835)	-	-	-
Operating Transfers To Primary Government	(18,000,000)	-	-	(39,349,792)
Operating Transfers From Primary Government	-	47,235,378	23,004,801	-
Changes in Assets and Liabilities:				
(Increase) Decrease in Restricted Assets	(183,262)	-	125,542	-
Increase (Decrease) in Other Liabilities	351,096	-	-	-
Net Cash Provided (Used) in Non-Capital Financing Activities	<u>(19,609,075)</u>	<u>61,047,086</u>	<u>34,056,726</u>	<u>(39,349,792)</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from Sale of Debt Instruments	-	-	-	-
Bond Issuance Expenses	(1,037,000)	-	-	-
Principal Paid on Debt Instruments	(41,154,000)	(14,253,597)	(1,850,427)	(5,034,477)
Interest Paid on Debt Instruments	(46,014,317)	(3,505,587)	-	(18,273,140)
Acquisition and Construction of Capital Assets	(49,319,000)	-	2,306,328	(27,759,998)
Disposal of Capital Assets	(65,729)	750	-	-
Capital Grants	-	-	-	-
Contributions Received	826,994	-	-	-
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables	-	-	-	-
(Increase) Decrease in Restricted Assets	72,603,268	(231,856)	-	16,493
Increase (Decrease) in Payables	(571,151)	-	-	-
Increase (Decrease) in Funds Held in Escrow	-	(447,844)	-	-
Net Cash Provided (Used) in Capital and Related Financing Activities	<u>(64,730,935)</u>	<u>(18,438,134)</u>	<u>455,901</u>	<u>(51,051,122)</u>
Cash Flows from Investing Activities:				
Purchase of Investments	-	10,254,240	(604,977)	(250,623,264)
Proceeds from Sale of Investments	-	-	-	261,604,549
Interest and Dividends on Investments	7,908,847	5,499,918	153,495	13,945,263
Net Cash Provided (Used) by Investing Activities	<u>7,908,847</u>	<u>15,754,158</u>	<u>(451,482)</u>	<u>24,926,548</u>
Net Increase (Decrease) in Cash and Cash Equivalents Cash and Cash Equivalents, July 1, 2000	<u>(7,662,087)</u> <u>16,087,525</u>	<u>5,850,015</u> <u>41,677,296</u>	<u>2,238,560</u> <u>2,948,476</u>	<u>(605,878)</u> <u>9,791,837</u>
Cash and Cash Equivalents, June 30, 2001	<u>\$ 8,425,438</u>	<u>\$ 47,527,311</u>	<u>\$ 5,187,036</u>	<u>\$ 9,185,959</u>
Reconciliation to Combining Balance Sheet :				
Included in :				
Cash on Deposit	\$ 8,425,438	\$ 3,064,471	\$ 5,187,036	\$ 8,418,284
Restricted Assets	-	44,462,840	-	767,675
Cash and Cash Equivalents, June 30, 2001	<u>\$ 8,425,438</u>	<u>\$ 47,527,311</u>	<u>\$ 5,187,036</u>	<u>\$ 9,185,959</u>

* Refer to Exhibit I-A-9

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

Pennsylvania Convention Center Authority	Penn's Landing Corporation	Community Behavioral Health	Philadelphia Housing Authority	Philadelphia Authority for Industrial Development	Totals
\$ (17,297,407)	\$ 3,031,964	\$ (377,435,697)	\$ (246,417,134)	\$ (52,579,613)	\$ (683,413,332)
9,407,119	602,776	-	42,852,698	152,113	92,859,691
-	167,126	-	-	-	35,654,542
-	-	-	-	-	-
335,947	(390,651)	15,227,133	8,307,580	33,679,349	4,296,340
-	-	-	-	-	(13,848,982)
(63,096)	10,579	15,423,858	8,254,278	(13,159,717)	6,903,468
-	-	-	(405,619)	-	3,380,366
(4,833,539)	(383,106)	(15,710,798)	(30,306,351)	800,732	(25,026,650)
(1,017,124)	23,714	-	3,308,697	-	2,452,491
-	-	-	-	(2,678,144)	(2,693,447)
(60,044)	(274,636)	-	-	(22,424,839)	(40,041,240)
-	114,925	(7,666,682)	(237,035)	4,435,105	21,573,098
<u>(13,528,144)</u>	<u>2,902,691</u>	<u>(370,162,186)</u>	<u>(214,642,886)</u>	<u>(51,775,014)</u>	<u>(597,903,655)</u>
-	-	-	219,505,486	31,290,114	264,260,140
462,500	-	-	-	232,959	14,118,936
(2,910,168)	-	-	-	(133,350)	(6,970,353)
(13,041,537)	-	-	-	(1,239,232)	(71,630,561)
47,036,922	1,100,000	377,435,697	-	37,784,728	533,597,526
-	-	-	-	-	(57,720)
-	-	-	-	-	351,096
<u>31,547,717</u>	<u>1,100,000</u>	<u>377,435,697</u>	<u>219,505,486</u>	<u>67,935,219</u>	<u>733,669,064</u>
-	-	-	4,031,078	-	4,031,078
-	-	-	-	-	(1,037,000)
(6,725,000)	(27,541)	-	-	-	(69,045,042)
(17,553,022)	-	-	-	-	(85,346,066)
(45,506)	(1,325,090)	(431,062)	(152,402,199)	(3,275,576)	(232,252,103)
-	-	-	-	3,419,493	3,354,514
-	(4,465,555)	431,062	-	-	(4,034,493)
-	-	-	134,264,719	2,101,000	137,192,713
16,066	-	-	(34,449,170)	-	(34,433,104)
936,169	-	-	-	-	73,324,074
-	-	-	-	-	(571,151)
-	-	-	-	-	(447,844)
<u>(23,371,293)</u>	<u>(5,818,186)</u>	<u>-</u>	<u>(48,555,572)</u>	<u>2,244,917</u>	<u>(209,264,424)</u>
-	(3,886,564)	-	-	-	(244,860,565)
1,678,440	-	-	42,964,804	-	306,247,793
3,324,775	874,516	-	4,148,284	-	35,855,098
<u>5,003,215</u>	<u>(3,012,048)</u>	<u>-</u>	<u>47,113,088</u>	<u>-</u>	<u>97,242,326</u>
(348,505)	(4,827,543)	7,273,511	3,420,116	18,405,122	23,743,311
1,059,701	19,124,726	-	4,513,079	5,028,140	100,230,780
<u>\$ 711,196</u>	<u>\$ 14,297,183</u>	<u>\$ 7,273,511</u>	<u>\$ 7,933,195</u>	<u>\$ 23,433,262</u>	<u>\$ 123,974,091</u>
\$ 711,196	\$ 14,297,183	\$ 7,273,511	\$ 7,754,963	\$ 21,524,637	\$ 76,656,719
-	-	-	178,232	1,908,625	47,317,372
<u>\$ 711,196</u>	<u>\$ 14,297,183</u>	<u>\$ 7,273,511</u>	<u>\$ 7,933,195</u>	<u>\$ 23,433,262</u>	<u>\$ 123,974,091</u>

CITY OF PHILADELPHIA
COMMUNITY COLLEGE FUND
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

EXHIBIT I-A-11

	<u>Current Funds</u>		Loan Funds	Endowment and Similar Funds	Plant Funds	Component Unit	Totals (Memorandum Only)
	<u>Unrestricted</u>	<u>Restricted</u>				<u>Foundation</u>	
Revenues and Other Additions:							
Educational and General Revenues	\$ 77,953,832	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,953,832
Auxiliary Enterprises Revenues	836,750	-	-	-	-	-	836,750
Governmental Grants and Contracts	-	25,702,229	-	-	1,231,166	-	26,933,395
Gifts and Private Grants	-	725,272	-	2,920	19,746	320,542	1,068,480
Governmental Appropriations	-	-	-	-	5,875,751	-	5,875,751
Net Proceeds on the Disposal of Plant Assets	-	-	-	-	947	-	947
Interest Income	-	79,137	41,125	-	67,108	35,844	223,214
Expired Term Endowment Principal	-	512	-	-	-	-	512
	<u>78,790,582</u>	<u>26,507,150</u>	<u>41,125</u>	<u>2,920</u>	<u>7,194,718</u>	<u>356,386</u>	<u>112,892,881</u>
Total Revenues and Other Additions							
Expenditures and Other Deductions:							
Educational and General Expenditures	77,062,196	26,498,113	-	-	-	128,641	103,688,950
Auxiliary Enterprises Expenditures	557,995	-	-	-	-	-	557,995
Depreciation of Plant Assets	-	-	-	-	6,313,157	-	6,313,157
Unrealized Loss on Investments	-	-	-	116,926	-	16,608	133,534
Expired Term Endowment Principal	-	-	-	512	-	-	512
Interest on Indebtedness	-	-	-	-	1,809,817	-	1,809,817
Loan Cancellations, Assignments, Government Refunds and Administrative Costs	-	-	89,823	-	-	-	89,823
	<u>77,620,191</u>	<u>26,498,113</u>	<u>89,823</u>	<u>117,438</u>	<u>8,122,974</u>	<u>145,249</u>	<u>112,593,788</u>
Total Expenditures and Other Deductions							
Transfers Among Funds - Additions (Deductions):							
Transfer of Tuition Revenue for the Acquisition of Books	(58,253)	-	-	-	58,253	-	-
Transfer to Quasi-Endowment Fund for Student Activities	(35,629)	-	-	35,629	-	-	-
Transfer of Foundation Gifts	-	(163,772)	-	(1,502,594)	-	1,666,366	-
Transfer of Unrestricted Funds for the Acquisition of Fixed Assets	(53,859)	-	-	-	53,859	-	-
	<u>1,022,650</u>	<u>(154,735)</u>	<u>(48,698)</u>	<u>(1,581,483)</u>	<u>(816,144)</u>	<u>1,877,503</u>	<u>299,093</u>
Net Increase (Decrease)							
Fund Balances, June 30, 2000	<u>9,016,208</u>	<u>172,144</u>	<u>1,463,100</u>	<u>3,915,317</u>	<u>61,753,592</u>	<u>789,241</u>	<u>77,109,602</u>
Fund Balances, June 30, 2001	<u>\$ 10,038,858</u>	<u>\$ 17,409</u>	<u>\$ 1,414,402</u>	<u>\$ 2,333,834</u>	<u>\$ 60,937,448</u>	<u>\$ 2,666,744</u>	<u>\$ 77,408,695</u>

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

CITY OF PHILADELPHIA
COMMUNITY COLLEGE FUND

EXHIBIT I-A-12

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Revenues:			
Educational and General:			
Governmental Appropriations:			
Commonwealth of Pennsylvania	\$ 26,800,747	\$ -	\$ 26,800,747
City of Philadelphia	17,958,034	-	17,958,034
Governmental Grants and Contracts	227,255	25,702,229	25,929,484
Student Tuition	27,413,141	-	27,413,141
Student Fees	3,610,799	-	3,610,799
Gifts and Private Grants	10,000	741,661	751,661
Endowment Income	-	54,223	54,223
Investment Income	1,734,724	-	1,734,724
Other	199,132	-	199,132
	<hr/>	<hr/>	<hr/>
<u>Total Educational and General</u>	77,953,832	26,498,113	104,451,945
Auxiliary Enterprises	836,750	-	836,750
	<hr/>	<hr/>	<hr/>
<u>Total Revenues</u>	78,790,582	26,498,113	105,288,695
	<hr/>	<hr/>	<hr/>
Expenditures and Mandatory Transfers:			
Educational and General:			
Instruction	39,324,484	2,329,525	41,654,009
Public Service	-	42,083	42,083
Academic Support	7,742,657	601,475	8,344,132
Student Services	10,580,377	3,527,633	14,108,010
Institutional Support	10,996,700	365,733	11,362,433
Physical Plant Operations	7,757,031	90,906	7,847,937
Student Aid	660,947	19,540,758	20,201,705
	<hr/>	<hr/>	<hr/>
Total Educational and General Expenditures	77,062,196	26,498,113	103,560,309
Auxiliary Enterprises:			
Expenditures	557,995	-	557,995
	<hr/>	<hr/>	<hr/>
<u>Total Expenditures</u>	77,620,191	26,498,113	104,118,304
	<hr/>	<hr/>	<hr/>
<u>Excess (Deficiency) of Revenues over Expenditures</u>	1,170,391	-	1,170,391
	<hr/>	<hr/>	<hr/>
Other Transfers and Additions (Deductions):			
Transfer of Tuition Revenues for the Acquisition of			
Books and Microforms	(58,253)	-	(58,253)
Transfer to Quasi-Endowment Fund for Student Activities	(35,629)	-	(35,629)
Transfer Unrestricted Funds for the Acquisition of			
Fixed Assets	(53,859)	-	(53,859)
Transfer of Endowment Gifts	-	(180,161)	(180,161)
Excess of Restricted Receipts Over Transfers to Revenues	-	25,426	25,426
	<hr/>	<hr/>	<hr/>
<u>Net Increase (Decrease) in Fund Balance</u>	\$ 1,022,650	\$ (154,735)	\$ 867,915
	<hr/>	<hr/>	<hr/>

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



**CITY OF PHILADELPHIA
INDEX FOR NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. REPORTING ENTITY

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

As required by generally accepted accounting principles, the financial statements of the City of Philadelphia include those of the primary government and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. The financial statements of these component units have been included in the City's reporting entity either as blended component units or as discretely presented component units.

As used both on the face of the financial statements and in the footnotes, the term "Primary Government" includes both City funds and Blended Component Units while the term "Component Units" includes only Discretely Presented Component Units.

A. BLENDED COMPONENT UNITS

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

Philadelphia Municipal Authority (PMA) - PMA is governed by a five member board appointed by the City and was established to issue tax exempt bonds for the acquisition and use of certain equipment and facilities for the City. The activities of PMA are reflected in three of the governmental fund types (Special Revenue, Debt Service and Capital Improvement) and both account groups (General Fixed Assets and General Long Term Debt).

B. DISCRETELY PRESENTED COMPONENT UNITS

The component unit columns in the applicable combined financial statements include the combined financial data for the organizations discussed below. They are reported in a separate column to emphasize that they are legally separate from the City. However, in order to retain their identity, applicable combining statements have been included as part of this report. In addition, a separate Statement of Changes in Fund Balances and a Statement of Current Funds Revenue, Expenditures and Other Changes is presented for the Community College of Philadelphia in conformity with accounting principles specific to colleges and universities.

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

Penn's Landing Corporation (PLC) - Penn's Landing Corporation was established to assist the City and the Commonwealth of Pennsylvania and their agencies in the rehabilitation, renewal and management of the historic site on the bank of the Delaware River known as Penn's Landing. The

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Corporation is governed by a 20 member board with 10 members appointed by the City. It receives substantial subsidies from the City and its budgets must be approved by the City.

Pennsylvania Convention Center Authority (PCCA) - The Pennsylvania Convention Center Authority was established to develop, promote and operate a convention center facility in the Philadelphia metropolitan area. Under a Lease & Service agreement, the City is obligated to pay an annual service fee sufficient to cover the debt service on PCCA's outstanding bonded debt.

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

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

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

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

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

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

Philadelphia Authority for Industrial Development (PAID) - 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.

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

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

Administrative Offices

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

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

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

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

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Penn's Landing Corporation 121 North Columbus Boulevard Philadelphia, PA 19106	Redevelopment Authority of the City of Philadelphia 1234 Market Street, 16th Floor Philadelphia, PA 19107
Pennsylvania Convention Center Authority 1101 Arch Street Philadelphia, PA 19107	School District of Philadelphia 2120 Winter Street Philadelphia, PA 19103
Philadelphia Housing Authority 2012 Chestnut Street, 2nd Floor Philadelphia, PA 19103	Community Behavioral Health, Inc. Philadelphia Department of Public Health 1101 Market Street Philadelphia, PA 19107
Philadelphia Housing Development Corporation 1234 Market Street Philadelphia, PA 19107	Philadelphia Authority for Industrial Development 2600 Centre Square West 1500 Market Street Philadelphia, PA 19102
Philadelphia Gas Works 800 West Montgomery Avenue Philadelphia, PA 19122	

C. AUDIT RESPONSIBILITY

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

	Special Revenue	Capital Projects	Debt Service	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Debt	Component Units
Total Assets	23%	3%	99%	0%	98%	11%	N/A	48%
Total Liabilities	4%	2%	100%	0%	86%	N/A	33%	53%
Total Revenues	19%	8%	96%	0%	84%	N/A	N/A	32%

D. RELATED ORGANIZATIONS

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

Private Industry Council of Philadelphia (PIC) - PIC was created to provide a training-based bridge connecting the City's unemployed with its area employers and prepares them for permanent unsubsidized employment through various types of training programs. PIC is governed by a 29 member board selected from the private sector by elected City officials. However, financial dependency rests with the Commonwealth of Pennsylvania. Management of PIC is not designated by the City nor does the City have the ability to significantly influence operations. PIC has not been

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included as a component unit of the City's reporting entity because there is no accountability for fiscal matters to the City.

2. FUND ACCOUNTING

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

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

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

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

3. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

A. PRIMARY GOVERNMENT

Governmental Funds, Expendable Trust and Agency Funds account for their activities using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets. Using modified accrual accounting means 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 when payment is due. However, the expenditures may be accrued if they are to be liquidated with available resources.

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

Proprietary Funds, Pension Trust Funds and Non-Expendable Trust Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund

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equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. These funds use the accrual basis of accounting where revenues are recognized in the accounting period in which they are earned and expenses are recognized at the time the liabilities are incurred. Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Activities", Proprietary Funds will continue to follow FASB pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements and will follow FASB standards issued after that date which do not conflict with GASB standards. Water revenues, net of uncollectible accounts, are recognized as billed on the basis of scheduled meter readings. Aviation revenue from Passenger Facility Charges is reserved for capital purposes. Pension Trust Funds recognize employer and plan member contributions and benefits and refunds paid in the period in which they are due and payable.

B. COMPONENT UNITS

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

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

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

4. CASH AND INVESTMENTS

A. PRIMARY GOVERNMENT

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

The City reports investments at fair value. Short-term investments are reported at cost which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price. The fair value of real estate investments is based on independent appraisals. Investments which do not have an established market are reported at estimated fair value.

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

(A amounts in Thousands)			
<u>Statement Presentation</u>		<u>Footnote Presentation</u>	
Cash On Deposit and On Hand	\$ 63,703	Cash & Cash Equivalents (Note III.1)	\$ 175,626
Equity In Treasurer's Account	5,819,594		
Investments	208,923	Investments (Note III.3)	7,172,936
Included In Restricted Assets	794,401		
Other Assets	<u>461,941</u>		
Total Cash & Investments	<u>\$ 7,348,562</u>	Total Cash & Investments	<u>\$ 7,348,562</u>

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B. COMPONENT UNITS

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

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

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

		(A amounts in Thousands)	
<u>Statement Presentation</u>		<u>Footnote Presentation</u>	
Cash On Deposit and On Hand	\$ 131,722	Cash & Cash Equivalents (Note III.1)	\$ 407,514
Equity In Pooled Cash and Investments	89,151		
Investments	132,162		
Amounts Held By Fiscal Agent	51,013	Investments (Note III.3)	400,026
Included In Restricted Assets	<u>403,492</u>		
Total Cash & Investments	<u>\$ 807,540</u>	Total Cash & Investments	<u>\$ 807,540</u>

5. INVENTORIES

A. PRIMARY GOVERNMENT

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

- **Industrial and Commercial Development Fund** inventory represents real estate held for resale and is valued at cost.
- **Governmental fund** inventories consist of expendable supplies held for future use. These supplies are recorded as expenditures at the time they are purchased. The inventories are fully offset by a fund balance reserve to indicate that they do not constitute "available spendable resources" even though they are a component of net current assets.

B. COMPONENT UNITS

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

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

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6. PROPERTY, PLANT AND EQUIPMENT

A. PRIMARY GOVERNMENT

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

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

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

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

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

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

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

B. COMPONENT UNITS

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

7. AMORTIZATION OF BOND DISCOUNT/ISSUANCE COSTS

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

8. INSURANCE

The City, except for the Airport and certain other properties, is self-insured for most fire and casualty losses to its structures and equipment and provides statutory worker's compensation, unemployment

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benefits, and health and welfare to its employees through a self-insured plan. A reserve for payment of reported worker's compensation claims and incurred but unreported claims has been recorded in the accompanying financial statements as Other Long-Term Obligations.

9. TAX LEVIES

Property Taxes are levied on a calendar year basis. The City's property taxes, levied on assessed valuation as of January 1, are due and payable on or before March 31. Taxes levied are intended to finance the fiscal year in which they become due. Current real estate rates are \$8.264 on each \$100 assessment; \$4.519 for the School District and \$3.745 for the City. Delinquent charges are assessed at 1.5% per month on all unpaid balances as of April 1. Real Estate tax delinquents are subject to lien as of the following January 1. The City has established real estate improvement programs that abate, for limited periods, tax increases that result from higher assessments for improved properties. Certain incremental tax assessments are earmarked to repay loans from the City to developers who improve properties under Tax Increment Financing agreements.

10. DEFERRED REVENUES

A. PRIMARY GOVERNMENT

Deferred revenues represent receivables which will be collected and included in revenues of future fiscal years or funds received in advance of being earned. In the General Fund, deferred revenues relate to property tax 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. The deferred revenue in the Special Revenue and Capital Improvement Funds is primarily related to grants receivable and funds received in advance of being earned. In the Water and Aviation Funds, deferred revenues relate to overpayments from water/sewer customers and airlines, respectively.

B. COMPONENT UNITS

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

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

11. CLAIMS, JUDGMENTS AND COMPENSATED ABSENCES

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

12. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is

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employed as an extension of formal budgetary integration in the Governmental Funds and Expendable Trust Funds. Except for encumbrances expected to be financed by grants from other governments, encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Encumbrances expected to be financed by grants are not reported since generally, the eligibility requirements of the grants have not been met unless an expenditure is made.

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

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

14. MEMORANDUM ONLY - TOTAL COLUMNS

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

15. NEW ACCOUNTING STANDARD

The Government Accounting Standards Board has issued Statement No.34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" effective for periods beginning after June 15, 2001. This statement establishes new financial reporting requirements for state and local governments and will create new information and restructure much of the information that governments have presented in the past in an effort to make annual reports more comprehensive and easier to understand and use. The City is evaluating the impact of GASB 34 on its financial reporting process.

II. LEGAL COMPLIANCE

1. BUDGETARY INFORMATION

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

The operating funds of the City, consisting of the General Fund, seven Special Revenue Funds (County Liquid Fuels Tax, Special Gasoline Tax, HealthChoices Behavioral Health, Hotel Room Rental Tax, Grants Revenue, Community Development and Car Rental Tax 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 reappropriation of accumulated surpluses to the extent necessary. All transfers between major classes (except for materials and supplies and equipment, which are appropriated together) must have councilmanic approval. Appropriations that are not expended or encumbered at year end are lapsed. Departmental comparisons of budget to actual activity are located in the City's Supplemental Report of Revenues and Obligations.

The City Capital Improvement Fund budget is adopted annually by the City Council. The Capital Improvement budget is appropriated by project for each department. All transfers between projects exceeding twenty percent for each project's original appropriation must be approved by City Council. Any

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funds that are not committed or expended at year end are lapsed. Comparisons of departmental project actual activity to budget are located in the City's Supplemental Report of Revenues and Obligations.

2. RECONCILIATION BETWEEN LEGAL AND GAAP STATEMENTS

The legally enacted basis schedules presented differ from the modified accrual basis of accounting as explained in Note I. 3 above. These schedules differ from the GAAP basis statements in that both expenditures and encumbrances are applied against the current budget, adjustments affecting activity budgeted in prior years are accounted for through fund balance or as reduction of expenditures and certain interfund transfers and reimbursements are budgeted as revenues and expenditures. And since annual budgets are not adopted for the City Debt Service Fund, or any of the Municipal Authority or PICA Funds, budgetary statements for those funds are not presented.

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

A. REVENUES

(Amounts in thousands)

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Improvement</u>
Revenues On GAAP Basis	\$ 2,724,216	\$ 1,530,448	\$ 27,925
Revenues Of Non-Budgeted Funds	--	(288,329)	(2,366)
Prior Year Revenue Adjustments - Net	--	(12,375)	357
Interfund Transfers and Reimbursements	230,853	--	35,531
Other	--	(96,227)	--
Revenues On Legal Basis	<u>\$ 2,955,069</u>	<u>\$ 1,133,517</u>	<u>\$ 61,447</u>

B. EXPENDITURES

(Amounts in thousands)

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Improvement</u>
Expenditures on GAAP Basis	\$ 2,623,449	\$ 751,530	\$ 181,187
Expenditures of Non-Budgeted Funds	--	(9,992)	(6,053)
Current Year Operating Encumbrances	105,345	31,840	85,498
Current Year Grant Encumbrances	--	29,711	--
Expenditures Made Against Prior Year Encumbrances	(72,862)	(59,928)	(105,735)
Interfund Transfers and Reimbursements	179,523	508,633	7,677
Other	46,044	(96,227)	--
Expenditures and Encumbrances On Legal Basis	<u>\$ 2,881,499</u>	<u>\$ 1,155,567</u>	<u>\$ 162,574</u>

3. AMENDMENTS

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

As part of the amendment process, budget estimates of City-related revenues are adjusted and submitted to City Council for review. Changes in revenue estimates do not need City Council approval, but are submitted in support of testimony with regard to the appropriation adjustments.

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4. OBLIGATIONS IN EXCESS OF APPROPRIATIONS

Obligations exceeded appropriations in two Special Revenue Funds for the fiscal year as shown below:

<u>Fund</u>	<u>Expenditure Classification</u>	
Hotel Room Rental Tax Fund	Contributions, Indemnities and Taxes	\$ 2,607,444
Community Development Fund	Purchase of Services	1,558,239

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNTS

1. CASH

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

At year-end, the carrying amount (book balance) of deposits for the City and the bank balance were \$168.8 million and \$171.2 million, respectively. The amount of the total cash balance per bank records is classified into three categories of custodial credit risk: (1) cash that is insured or collateralized with securities held by the City or by its agent in the City's name, (2) cash collateralized with securities held by the pledging financial institution's trust department or agent in the City's name, and (3) uncollateralized bank accounts.

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

(A amounts in thousands)

	<u>Custodial Credit Risk Category</u>			Total Bank Balance	Book Balance
	<u>_1</u>	<u>_2</u>	<u>_3</u>		
Primary Government	\$ 100	\$ 107,427	\$ 63,683	\$ 171,210	\$ 175,626
Component Units	\$ 42,975	\$ 16	\$ 372,570	\$ 415,561	\$ 407,514

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

2. SECURITIES LENDING

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

- **The Pension Fund** lends U.S. Government and U.S. Government Agency securities, domestic and international equity securities and international fixed income securities and receives cash and securities issued or guaranteed by the federal government as collateral for these loans. Securities received as collateral can not be pledged or sold except in the case of a borrower default. The market value of collateral must be at least 102% (in some cases 105%) of the underlying value of loaned securities. The Pension fund has no restriction on the amount of securities that can be lent. The Pension Fund's

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custodian bank indemnifies the Fund by agreeing to purchase replacement securities or return cash collateral if a borrower fails to return securities or pay distributions thereon. The maturity of investments made with cash collateral generally did not match the maturity of securities loaned during the year or at year-end. The Pension Fund experienced no losses from securities transactions during the year and had no credit risk exposure at June 30.

- **The PGWRR** lends U.S. Treasury, federal agency, and DTC-eligible corporate debt and equity securities and receives cash, U.S. Treasury and federal agency securities and letters of credit as collateral for these loans. Securities received as collateral can not be pledged or sold except in the case of a borrower default. The market value of collateral must be 102% of the total of the market value of loaned securities plus any accrued interest. The PGWRR placed no restrictions on the amount of securities that could be lent. The PGWRR's custodian bank does not indemnify the PGWRR in the event of a borrower default except in cases involving gross negligence or willful misconduct on the custodian's part. Maturity of investments made with cash collateral are generally matched with maturity of loans. The PGWRR experienced no losses and had no credit risk exposure at June 30th.

3. INVESTMENTS

A. PRIMARY GOVERNMENT

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

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

(A amounts in Thousands)

Investment Type	Category			Fair
	1	2	3	Value
Repurchase Agreements	\$ --	\$ 155,339	\$ 63,325	\$ 218,664
U.S. Government Securities	399,014	22,198	8,849	430,061
U.S. Government Agency Securities	1,085,860	--	43,976	1,129,836
Corporate Bonds	1,167,663	--	--	1,167,663
Corporate Equities				
Not On Securities Loan	2,612,416	--	1,542	2,613,958
On Loan For Securities Collateral	4,082	--	--	4,082
Closed-Ended Mutual Funds	--	--	--	--
Other Investments	170,713	11,918	70,433	253,064
Total Categorized Investments	<u>\$ 5,439,748</u>	<u>\$ 189,455</u>	<u>\$ 188,125</u>	5,817,328
Short Term Investment Pools				219,226
Mortgages				53,855
Real Estate				2,029
Partnerships				32,657
Financial Agreements				139,083
Investments Held By Broker-Dealers Under Securities Loans With Cash Collateral:				
U.S. Government Securities				241,344
Corporate Bonds				20,729
Corporate Equities				184,744
Securities Lending Investment Pool				461,941
Total Investments				<u>\$ 7,172,936</u>

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS
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Securities lent at year end by the Municipal Pension Fund and the PGW Retirement Reserve Fund for cash collateral are presented as unclassified in the schedule above. Securities lent for securities collateral are classified according to the category for the collateral. The Municipal Pension Fund owns approximately 69.6% of total investments and 82.2% of the investments in Category 1.

B. COMPONENT UNITS

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

(Amounts In Thousands)

Investment Type	Category			Fair Value
	1	2	3	
Repurchase Agreements	\$ 133,143	\$ --	\$ 1,265	\$ 134,408
U.S. Government & Agency Securities	93,192	--	55,516	148,708
Corporate Equity	17	--	--	17
Other Investments	35,418	--	34,540	69,958
Total Categorized Investments	<u>\$ 261,770</u>	<u>\$ --</u>	<u>\$ 91,321</u>	353,091
Short-Term Investment Pools				<u>46,935</u>
Total Investments				<u>\$ 400,026</u>

4. AMOUNTS HELD BY FISCAL AGENT

Restricted Assets - Cash and Cash Equivalents include Proprietary Fund Amounts Held By Fiscal Agent which consist entirely of year-end cash and investment balances related to the net proceeds of PAID's Airport Revenue Bonds, Series 1998A. In accordance with GASB Interpretation No. 2, these bonds are considered by PAID to be conduit debt. Therefore, no asset related to the bond proceeds is reported in PAID's December 31, 2000 financial statements. Instead, the proceeds (which are held by a fiscal agent and disbursed at the City's direction to pay for capital improvements) are shown as assets of the City. These cash and investment balances are included in the amounts categorized in Notes III.1 and III.3 above.

5. INTERFUND RECEIVABLES AND PAYABLES

A. PRIMARY GOVERNMENT

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

(Amounts In Thousands)

	Due From Other Funds		Due To Other Funds	
General Fund	\$	10,324	\$	740
Special Revenue Funds:				
Community Development Fund	--		3,636	
PICA Administrative Fund	345	345	6,688	10,324
Debt Service Funds:				
PICA Debt Service Fund	--			345
Trust and Agency Funds				
Philadelphia Prisons Fund	--		7	
Departmental Custodial Funds	747	<u>747</u>	--	<u>7</u>
Total Primary Government Interfund Receivables and Payables	\$	<u>11,416</u>	\$	<u>11,416</u>

**CITY OF PHILADELPHIA
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B. COMPONENT UNITS

During fiscal 2001, the City approved loaning up to \$45 million to the Philadelphia Gas Works to meet an unanticipated emergency created by a cash flow crisis. As of June 30, 2001 the entire \$45 million was outstanding. Interfund receivable and payable balances among the Primary Government and Component Units at year end are as follows:

	(Amounts In Thousands)	
	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<u>Primary Government</u>		
General Fund	\$ 58,042	\$ --
Special Revenue Funds:		
Hotel Tax Fund	--	4,784
Grants Revenue Fund	--	523
HealthChoices Behavioral Health Fund	--	8,838
Community Development Fund	--	2,217
Capital Improvement Funds:		16,362
City Capital Improvement Fund	410	
<u>Component Units</u>		
Philadelphia Parking Authority	--	23,731
Philadelphia Housing Development Corp	2,740	410
Pennsylvania Convention Center Authority	4,784	13,042
Community Behavioral Health	34,746	--
Philadelphia Authority for Industrial Development	42	8,757
Gas Works Fund	--	3,000
	<u>42,312</u>	<u>48,940</u>
	100,764	65,302
Timing Differences Between Fiscal Years:		
» Community Behavioral Health amounts Due From the HealthChoices Behavioral Health Fund represent amounts due at December 31, 2000	(25,908)	--
» Gas Works amounts Due to General Fund at August 31, 2000 represents rent for the period July 1, 2000 to August 31, 2000	--	42,000
» Philadelphia Authority for Industrial Development amounts Due To Primary Government and Component Units represent 'sales and rental proceeds due at due at December 31, 2000.	(42)	(8,757)
» Philadelphia Parking Authority Fund Due To Aviation Fund March 31, 2001 represents parking income paid in June 2001	<u>--</u>	<u>(23,731)</u>
Total Interfund Receivables and Payables With Component Units	<u>\$ 74,814</u>	<u>\$ 74,814</u>

6. COMPONENT UNIT FINANCIAL INSTRUMENTS

The **Redevelopment Authority (RDA)** has entered into mortgage loan and note receivable agreements for approximately \$8.8 million and \$24.8 million, respectively, in connection with the RDA's activities. In addition to specific property collateralizing the mortgage loans, they are insured for at least 90% of the outstanding balance depending on the specific revenue bond program. In addition, the RDA held certain FNMA and GNMA investments for \$25.5 million and \$10.2 million respectively at year-end in connection

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

with their Bottom Line and Housing Opportunities bond programs. These investments are collateralized by the underlying properties.

7. CHANGES IN GENERAL FIXED ASSETS

A. PRIMARY GOVERNMENT

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

(A mounts In Millions)

	Beginning					Ending
	Balance	Additions	Retirements	Transfers		Balance
Land	\$ 418.0	\$ 32.7	\$ (1.8)	\$ --	\$	448.9
Buildings	1,227.6	74.5	(6.5)	(1.5)		1,294.1
Other Improvements	252.3	10.3	(18.4)	1.7		245.9
Equipment	502.7	55.9	(22.0)	--		536.6
Transit	172.9	--	--	--		172.9
Construction In Process	339.6	16.8	(4.5)	(0.2)		351.7
Totals	\$ <u>2,913.1</u>	\$ <u>190.2</u>	\$ <u>(53.2)</u>	\$ <u>--</u>	\$	<u>3,050.1</u>

The Beginning Balance was increased by \$7.5 million over the ending balance at 6/30/2000 because of a re-evaluation of historical data.

B. COMPONENT UNITS

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

(A mounts In Millions)

	Beginning					Ending
	Balance	Additions	Retirements	Transfers		Balance
Land	\$ 90.5	\$ --	\$ --	\$ --	\$	90.5
Buildings & Improvements	1,365.4	19.8	(3.9)	67.9		1,449.2
Equipment	177.9	32.6	(14.8)	--		195.7
Construction In Process	104.9	98.4	--	(67.9)		135.4
Totals	\$ <u>1,738.7</u>	\$ <u>150.8</u>	\$ <u>(18.7)</u>	\$ <u>--</u>	\$	<u>1,870.8</u>

8. PROPERTY, PLANT AND EQUIPMENT

A. PRIMARY GOVERNMENT

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

**CITY OF PHILADELPHIA
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(A mounts In Millions)

	Water	Aviation	Total
	Fund	Fund	Enterprise
	Fund	Fund	Funds
Buildings & Improvements	\$ 1,238.8	\$ 1,214.6	\$ 2,453.4
Equipment	1,520.6	29.5	1,550.1
Construction In Process	109.6	255.7	365.3
	<u>2,869.0</u>	<u>1,499.8</u>	<u>4,368.8</u>
Accumulated Depreciation	(1,269.9)	(510.6)	(1,780.5)
	<u>1,599.1</u>	<u>989.2</u>	<u>2,588.3</u>
Land	5.9	68.6	74.5
	<u>5.9</u>	<u>68.6</u>	<u>74.5</u>
Totals	<u>\$ 1,605.0</u>	<u>\$ 1,057.8</u>	<u>\$ 2,662.8</u>

B. COMPONENT UNITS

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

(Amounts In Millions)

	Penn's Landing Corporation	Pennsylvania Convention Center Authority	Philadelphia Parking Authority(1)	Redevelopment Authority of the City of Philadelphia	Philadelphia Gas Works(2)	Community Behavioral Health(3)	Community College of Philadelphia	Philadelphia Housing Authority(1)	Philadelphia Authority for Industrial Development(3)	Total Component Units
Buildings & Improvements	\$ 6.4	\$ 340.9	\$ 120.2	\$ 8.9	\$ 144.0	\$ --	\$ 109.2	\$ 1,442.1	\$ 3.1	\$ 2,174.8
Equipment	3.0	8.8	13.2	1.7	1,152.8	5.2	31.0	39.7	0.3	1,255.7
Construction In Process	3.8	--	66.5	--	80.6	--	--	--	5.2	156.1
	<u>13.2</u>	<u>349.7</u>	<u>199.9</u>	<u>10.6</u>	<u>1,377.4</u>	<u>5.2</u>	<u>140.2</u>	<u>1,481.8</u>	<u>8.6</u>	<u>3,586.6</u>
Accumulated Depreciation	(4.3)	(73.1)	(52.8)	(5.3)	(513.2)	(3.7)	(67.6)	(695.2)	(0.2)	(1,415.4)
	<u>8.9</u>	<u>276.6</u>	<u>147.1</u>	<u>5.3</u>	<u>864.2</u>	<u>1.5</u>	<u>72.6</u>	<u>786.6</u>	<u>8.4</u>	<u>2,171.2</u>
Land	1.8	1.0	--	0.5	5.3	--	15.7	33.1	2.1	59.5
	<u>1.8</u>	<u>1.0</u>	<u>--</u>	<u>0.5</u>	<u>5.3</u>	<u>--</u>	<u>15.7</u>	<u>33.1</u>	<u>2.1</u>	<u>59.5</u>
Totals	<u>\$ 10.7</u>	<u>\$ 277.6</u>	<u>\$ 147.1</u>	<u>\$ 5.8</u>	<u>\$ 869.5</u>	<u>\$ 1.5</u>	<u>\$ 88.3</u>	<u>\$ 819.7</u>	<u>\$ 10.5</u>	<u>\$ 2,230.7</u>

(1) Amounts are presented as of the close of their fiscal year on March 31, 2001.

(2) Amounts are presented as of the close of their fiscal year on August 31, 2000.

(3) Amounts are presented as of the close of their fiscal year on December 31, 2000.

9. NOTES PAYABLE

A. PRIMARY GOVERNMENT

- The City, through the Office of Housing and Community Development (OHCD) has entered into an agreement with the Philadelphia Housing Authority (PHA) whereby PHA will loan the City an amount not to exceed \$4.5 million which will be secured with a non-interest bearing Promissory Note for which the City is liable. The City will draw down against the authorized loan on an "as needed" basis to fund the Blight Removal Program. The City anticipates that the expenditures will be reimbursed through future Community Development Block Grants. To date, the City has drawn down \$1.3 million of which \$1.0 million has been repaid leaving a June 30, 2001 outstanding balance of \$.3 million.

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS
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B. COMPONENT UNITS

- The **Philadelphia Gas Works**, pursuant to the provisions of certain Ordinances and Resolutions, may sell short-term notes in a principal amount which, together with the interest thereon, will not exceed \$100 million outstanding at any one time. These notes are intended to provide additional working capital. They are supported by an irrevocable letter of credit and a subordinated security interest in the Fund's revenues. The notes outstanding at year end (August 31, 2000) had an average weighted interest rate of approximately 4.25% and terms to maturity of 1 to 103 days. The principal amount outstanding was \$97.0 million.
- The **Redevelopment Authority** has issued a series of Mortgage Notes Payable with an outstanding balance at year end of \$13.7 million related to various projects of the Authority. These notes have interest rates ranging from 0% to 10.56%. Aggregate minimum principal payments on these notes are as follows:

Fiscal Year	Amount
2002	\$ 326,803
2003	1,787,075
2004	347,982
2005	359,560
2006	347,284
Thereafter	<u>10,580,812</u>
Total	<u>\$ 13,749,516</u>

- The **Community College of Philadelphia** borrowed \$30.6 million under an agreement with the Hospitals and Higher Education Facilities Authority dated June 1, 1994. Of the proceeds, \$14.9 million was used to retire Series 1989 bonds. This debt is considered to be defeased and the liability has been removed from the College's Plant Fund. This portion of the obligation is payable over 15 years at interest rates ranging from 3.75% to 6.15% with an average annual debt service payment of \$1.5 million. The remaining \$15.7 million was used to fund capital projects. This portion of the debt was refinanced by the note described below. The remaining payments are scheduled through fiscal year 2006 at interest rates ranging from 5.3% to 5.95% with average annual debt service of \$844,668.

In May, 1999 the College entered a loan agreement with the Hospitals and Higher Education Facilities Authority to borrow \$9.6 million. Of the proceeds of \$9.3 million (net of bond discount and issuance costs), \$300,000 was used for capital improvements. The remaining \$9.1 million was used to purchase U.S. Government Securities which were deposited with an escrow agent to provide for future debt service payments on the 1994 Series Bonds for the years 2007-2014. As a result, that portion of the 1994 Bonds are considered defeased and the related debt has been removed from the College's Plant Fund. The 1999 series debt is payable over 15 years at interest rates ranging from 3.4% to 4.88% with average annual debt service of \$1.0 million. The call date on these bonds is May 1, 2004.

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

In July, 1998 the College entered a loan agreement with the Hospitals and Higher Education Facilities Authority to borrow \$9.4 million to fund capital projects. This obligation is payable over 20 years at interest rates ranging from 3.9% to 5.23% with an average annual debt service payment of \$757,404.

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS
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The combined principal balance outstanding at year end for all notes was \$31.3 million with combined repayments as follows:

<u>Period</u>	<u>Amount</u>
2001 to 2002	\$ 2,217,952
2002 to 2003	2,155,000
2003 to 2004	2,275,000
2004 to 2005	2,385,000
2005 to 2006	2,520,000
2006 to 2018	<u>19,725,000</u>
Total	<u>\$ 31,277,952</u>

- The **Philadelphia Parking Authority** in prior years borrowed a total of \$11.7 million in the form of bank notes ranging in maturity from 3-15 years and in interest rates from 5.9-6.5%. The proceeds of these notes were used to finance the purchase of automobiles to be used in operations, a parking facility, building improvements and the development of a records department.

The total outstanding principal balance of these notes at March 31, 2001 was \$10,639,000 subject to the following repayment schedule:

<u>Fiscal Year</u>	<u>Amount</u>
2002	\$ 359,000
2003	5,082,000
2004	407,000
2005	433,000
2006	461,000
Thereafter	<u>3,897,000</u>
Total	<u>\$ 10,639,000</u>

10. DEBT PAYABLE

A. PRIMARY GOVERNMENT LONG-TERM DEBT PAYABLE

(1) General Obligation Debt Payable

The City is subject to a statutory limitation established by the Commonwealth of Pennsylvania for bonded indebtedness (City General Obligation Bonds) payable principally from property taxes. The statutory limit for the City is \$1.2 billion. The City General Obligation Debt net of cash and investments available for bond retirement is \$1.1 billion, leaving a legal debt borrowing capacity of \$134.8 million.

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

(A mounts In Millions)

	<u>Beginning</u>		<u>Retirements</u>		<u>Ending</u>
	<u>Balance</u>	<u>Additions</u>	<u>& Transfers</u>	<u>Balance</u>	<u>Balance</u>
General Obligation Bonds:					
Term Bonds	\$ 1,331.7	\$ 148.3	\$ (59.7)	\$ 1,420.3	
Refunding Bonds	279.9	--	(27.0)	252.9	
Serial Bonds	353.0	146.7	(35.3)	464.4	
Total G.O. Bonds	<u>1,964.6</u>	<u>295.0</u>	<u>(122.0)</u>	<u>2,137.6</u>	
Obligations Under Capital Leases	63.5	--	(4.7)	58.8	
Other Long-Term Obligations:					
Indemnity Claims	58.1	26.2	(31.0)	53.3	
Worker's Compensation Claims	72.2	23.9	(31.6)	64.5	
Termination Compensation Payable	107.0	66.6	(21.6)	152.0	
Pension Service Agreement	1,303.0	--	(6.2)	1,296.8	
Total Other Obligations	<u>1,540.3</u>	<u>116.7</u>	<u>(90.4)</u>	<u>1,566.6</u>	
Total Long-Term Debt	<u>\$ 3,568.4</u>	<u>\$ 411.7</u>	<u>\$ (217.1)</u>	<u>\$ 3,763.0</u>	

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

(Amounts In Millions)

	<u>Interest</u>		<u>Principal</u>		<u>Due Dates</u>
	<u>Rates</u>				
Governmental Funds:					
City	1.0 % to 7.75 %	\$	901.1		Fiscal 2002 to 2032
Municipal Authority	2.35 % to 8.625 %		334.7		Fiscal 2002 to 2019
PICA	4.00 % to 6.00 %		901.8		Fiscal 2002 to 2023
			<u>2,137.6</u>		
Enterprise Funds					
Water Fund	1.0 % to 4.00 %		13.2		Fiscal 2002 to 2012
Aviation Fund	5.10 % to 6.25 %		11.3		Fiscal 2002 to 2005
			<u>24.5</u>		
Total General Obligation Bonds		\$	<u>2,162.1</u>		

Also, the City has General Obligation Bonds authorized and unissued at year end of \$306.4 million for Governmental Funds and \$303.6 million for Enterprise Funds.

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS
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The debt service through maturity for the General Obligation Debt is as follows:

(Amounts In Millions)

Fiscal Year	City Funds						Blended Component Units			
	General Fund		Water Fund		Aviation Fund		Municipal Authority		PICA	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 42.1	\$ 48.1	\$ 1.7	\$ 0.1	\$ 3.7	\$ 0.5	\$ 24.8	\$ 21.7	\$ 61.2	\$ 46.1
2003	44.6	42.9	1.1	0.1	2.6	0.4	25.6	20.6	36.6	42.6
2004	43.3	40.7	1.1	0.1	2.7	0.2	24.7	19.5	35.6	40.8
2005	27.9	38.4	1.1	0.1	2.3	0.1	21.6	18.5	47.0	39.0
2006	17.1	37.1	1.2	0.1	--	--	20.5	17.5	49.1	37.0
Thereafter	726.1	473.9	7.0	0.2	--	--	217.5	133.2	672.3	287.5
Totals	\$ 901.1	\$ 681.1	\$ 13.2	\$ 0.7	\$ 11.3	\$ 1.2	\$ 334.7	\$ 231.0	\$ 901.8	\$ 493.0

(2) Revenue Debt Payable

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

(Amounts In Millions)				
	Interest Rates		Principal	Due Dates
Water Fund	1.41 %	to 10.00 %	\$ 1,679.5	Fiscal 2002 to 2028
Aviation Fund	4.5 %	to 6.10 %	943.0	Fiscal 2002 to 2028
Total Revenue Debt Payable			\$ 2,622.5	

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

(Amounts In Millions)

Fiscal Year	Water Fund		Aviation Fund	
	Principal	Interest	Principal	Interest
2002	\$ 61.8	\$ 86.1	\$ 26.6	\$ 41.2
2003	64.3	83.7	28.4	49.8
2004	66.8	80.9	29.9	48.3
2005	69.4	78.2	31.5	46.6
2006	75.2	73.0	33.3	44.9
Thereafter	1,342.0	565.6	793.3	505.7
Totals	\$ 1,679.5	\$ 967.5	\$ 943.0	\$ 736.5

(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.

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At year end, \$1,532.3 million of bonds outstanding pertaining to the following funds and account groups are considered defeased:

(Amounts In Thousands)

Governmental Funds:	
General Long-Term Debt	\$ 31,375
PICA	872,425
Municipal Authority	154,155
Enterprise Funds:	
Water Fund Revenue Bonds	474,365
Total	\$ 1,532,320

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

(4) Short -Term Borrowings

The City has statutory authorizations to negotiate temporary loans for periods not to extend beyond the fiscal year. The City repaid \$300.0 million in Tax and Revenue Anticipation Notes by June 2001 plus interest. In accordance with statute there are no temporary loans outstanding at year end.

(5) Arbitrage Liability

The City has several series of General Obligation and Revenue Bonds subject to federal arbitrage requirements. Federal tax legislation requires that the accumulated net excess of interest income on the proceeds of these issues over interest expense paid on the bonds be paid to the federal government at the end of a five-year period. The present value of the estimated liability at year end has been calculated for each issue independently and recorded in the appropriate fund or account group. At June 30, the Water Fund and Aviation Fund had recorded liabilities of \$3.4 million and \$3.3 million respectively.

B. COMPONENT UNIT LONG-TERM DEBT PAYABLE

(1) General Obligation Debt Payable

One discretely presented component unit, the School District of Philadelphia, has debt that is classified as General Obligation debt payable. The General Obligation Bonds outstanding at year end total \$1,017.8 million in principal, with interest rates from 3.5% to 6.9% and have due dates from 2002 to 2030.

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

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(A mounts In Millions)

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u> <u>& Transfers</u>	<u>Ending</u> <u>Balance</u>
General Obligation Bonds	\$ 891.4	\$ 154.0	\$ (27.6)	\$ 1,017.8
Other Long-Term Debt:				
Severance Payable	147.3	6.9	(5.2)	149.0
Termination Compensation Payable	256.5	36.1	(19.7)	272.9
Other	79.9	59.4	(44.7)	94.6
	<u>483.7</u>	<u>102.4</u>	<u>(69.6)</u>	<u>516.5</u>
Total Long-Term Debt	<u>\$ 1,375.1</u>	<u>\$ 256.4</u>	<u>\$ (97.2)</u>	<u>\$ 1,534.3</u>

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

(A mounts In Millions)

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>
2002	\$ 25.7	\$ 61.1
2003	34.6	50.9
2004	36.2	49.3
2005	38.0	47.4
2006	40.4	45.1
Thereafter	<u>842.9</u>	<u>528.9</u>
Totals	<u>\$ 1,017.8</u>	<u>\$ 782.7</u>

(2) Revenue Debt Payable

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

(Amounts In Millions)

	<u>Interest</u> <u>Rates</u>	<u>Principal</u>	<u>Due Dates</u>
Convention Center Authority	5.75 % to 6.875 %	\$ 260.9	Fiscal 2002 to 2020
Parking Authority	3.5 % to 5.75 %	349.1	Fiscal 2002 to 2029
Gas Works	4.4 % to 7.7 %	843.6	Fiscal 2001 to 2026
Redevelopment Authority	4.05 % to 10.25 %	<u>55.4</u>	Fiscal 2002 to 2029
Total Revenue Debt Payable		<u>\$ 1,509.0</u>	

In prior years the Philadelphia **Parking Authority** issued Series 1999A Parking Revenue Bonds in the amount of \$47.4 million and Series 1999 Airport Parking Revenue Bonds in the amount of \$155.6 million. The bonds have interest rates from 4.0% - 5.625% maturing through 2029. These

**CITY OF PHILADELPHIA
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bonds were issued to retire \$10.3 million in existing bank notes, fund the acquisition and development of various parking facilities and other capital projects at the airport.

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

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

(Amounts In Millions)

Fiscal Year	Pennsylvania Convention Center Authority		Philadelphia Parking Authority ‡		Philadelphia Gas Works †		Redevelopment Authority of the City of Philadelphia	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 7.2	\$ 17.1	\$ 5.9	\$ 18.1	\$ 35.3	\$ 47.8	\$ 0.8	\$ 3.1
2003	7.6	16.7	8.8	17.8	35.1	46.5	6.2	3.3
2004	8.1	16.2	9.2	17.3	32.6	46.7	1.1	3.0
2005	8.6	15.6	9.6	16.9	31.4	45.6	1.5	3.0
2006	9.2	15.1	10.1	16.4	35.1	39.7	1.3	2.9
Thereafter	<u>220.2</u>	<u>119.6</u>	<u>305.5</u>	<u>199.4</u>	<u>674.1</u>	<u>451.2</u>	<u>44.5</u>	<u>44.2</u>
Totals	<u>\$ 260.9</u>	<u>\$ 200.3</u>	<u>\$ 349.1</u>	<u>\$ 285.9</u>	<u>\$ 843.6</u>	<u>\$ 677.5</u>	<u>\$ 55.4</u>	<u>\$ 59.5</u>

† - Gas Works amounts are presented as of its fiscal year ended August 31, 2000.

‡ - Parking Authority amounts are presented as of its fiscal year March 31, 2001.

(3) Defeased Debt

At year end, \$756.0 million of defeased bonds are outstanding from the following Component Units of the City as shown below:

(A amounts In Millions)

Pennsylvania Convention Center Authority	\$ 254.4
Philadelphia Parking Authority	54.4
Philadelphia Gas Works †	247.6
School District of Philadelphia	<u>199.6</u>
Total	<u>\$ 756.0</u>

† - Gas Works amounts are presented as of August 31, 2000.

In June, 1999 the **Gas Works** issued \$176.3 million of new debt for the purpose of retiring approximately \$59.3 million of existing debt and establishing funds to support capital spending. The refunding of existing debt at lower interest rates resulted in an accounting loss of \$8.9 million but a new present value savings of \$6.5 million. As of PGW's August 31, 2000 fiscal year-end, the \$33.8 million raised to support capital construction activity remains on deposit in a restricted account for capital purposes.

(4) Other Long-Term Debt

The **School District** had loans payable of \$1.7 million at year-end consisting of an interest-free federal asbestos loan expected to be repaid over the next six years.

**CITY OF PHILADELPHIA
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(5) Arbitrage Liability

At June 30, the School District recorded a liability for arbitrage of \$410,197. This amount was recorded in the Capital Project Fund.

11. LEASE COMMITMENTS AND LEASED ASSETS

A. CITY AS LESSOR

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

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

(Amounts In Thousands)

	Primary Government		Component Units
	Governmental	Proprietary	
	<u>Funds</u>	<u>Funds</u>	
Minimum Rentals	\$ 13,074	\$ 18,030	\$ 813
Additional Rentals	<u>6,641</u>	<u>89,421</u>	<u>--</u>
Total Rental Income	<u>\$ 19,714</u>	<u>\$ 107,451</u>	<u>\$ 813</u>

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

(Amounts In Thousands)

Fiscal Year Ending	Primary Government		Component Units
	Governmental	Proprietary	
	<u>Funds</u>	<u>Funds</u>	
June 30			
2002	\$ 9,348	\$ 14,401	\$ 924
2003	8,640	13,863	928
2004	3,840	13,628	876
2005	2,405	13,628	809
2006	2,250	13,557	782
Later Years	<u>--</u>	<u>112,552</u>	<u>17,322</u>
	<u>\$ 26,483</u>	<u>\$ 181,629</u>	<u>\$ 21,641</u>

B. CITY AS LESSEE

(1) OPERATING LEASES

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

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

(Amounts in Thousands)

	<u>Primary Government</u>		<u>Component Units</u>
	Governmental	Proprietary	
	Funds	Funds	
Minimum Rentals	\$ 35,677	\$ 10,680	\$ 43,329
Total Rental Expense	<u>\$ 35,677</u>	<u>\$ 10,680</u>	<u>\$ 43,329</u>

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

(Amounts in Thousands)

Fiscal Year Ending	<u>Primary Government</u>		<u>Component Units</u>
	Governmental	Proprietary	
	Funds	Funds	
<u>June 30</u>			
2002	\$ 5,141	\$ 6,815	\$ 17,689
2003	5,136	6,805	13,271
2004	5,181	6,740	8,623
2005	5,244	6,718	7,561
2006	4,187	6,718	6,635
Later Years	<u>5,655</u>	<u>6,718</u>	<u>11,719</u>
Total	<u>\$ 30,542</u>	<u>\$ 40,514</u>	<u>\$ 65,497</u>

(2) Capital Leases

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

(Amounts in Thousands)

Fiscal Year Ending	<u>Primary Government</u>	
	General Long	Term Debt
	<u>June 30</u>	
2002	\$	4,105
2003		4,105
2004		4,103
2005		4,106
2006		4,106
Thereafter		<u>86,168</u>
Future Minimum Rental Payments		106,693
Interest Portion of Payments		<u>(49,818)</u>
Obligation Under Capital Leases	\$	<u>56,875</u>

12. DEFERRED COMPENSATION PLANS

A. PRIMARY GOVERNMENT

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

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June 30, 2001, the assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the City does not include the assets or activity of the plan in its financial statements.

B. COMPONENT UNITS

The Gas Works offers its employees a deferred compensation plan in accordance with Internal Revenue Code section 457. As of the Gas Works' fiscal year ended August 31, 2000 the Plan was amended to comply with subsection (g) of the code through the creation of trust in which all assets and income of the Plan are to be held for the exclusive benefit of participants and their beneficiaries. As a result, the company no longer owns the assets of the Plan nor has a contractual liability to Plan participants.

13. RETAINED EARNINGS/FUND BALANCE RESERVATIONS AND DESIGNATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF PHILADELPHIA
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Reserved for Long Term Loan - An account used to segregate a portion of Fund Balance that represents amounts that were loaned and are not due to be repaid in the next fiscal year.

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

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

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

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

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

A. PRIMARY GOVERNMENT

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

(Amounts in Thousands)

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Improvement Funds	Enterprise Funds	Trust and Agency Funds	Total
Retained Earnings:							
Reserved for Capital Purposes	\$ --	\$ --	\$ --	\$ --	\$ 60,870	\$ --	\$ 60,870
Reserved for Rate Stabilization	--	--	--	--	153,036	--	153,036
Total Retained Earnings	\$ --	\$ --	\$ --	\$ --	\$ 213,906	\$ --	\$ 213,906
Reserved Fund Balance:							
Reserved for Inventories	\$ 13,645	\$ --	\$ --	\$ --	\$ --	\$ 55	\$ 13,700
Reserved for Encumbrances	116,441	471	--	123,908	--	288	241,107
Reserved for Intergovernmental Financing	--	75,412	--	--	--	--	75,412
Reserved for Long Term Loans	45,000	--	--	--	--	--	45,000
Reserved for Intergov Financed Programs	--	33,828	--	--	--	--	33,828
Reserved for Debt Service Principal	--	--	95,516	--	--	--	95,516
Reserved for Debt Service Interest	--	--	658	--	--	--	658
Reserved for Managed Care	--	25,570	--	--	--	--	25,570
Reserved for Public Safety Emergency Phone System	--	3,580	--	--	--	--	3,580
Reserved for Employees Pension Benefits	--	--	--	--	--	4,853,107	4,853,107
Reserved for Trust Principal	--	--	--	--	--	4,037	4,037
Total Reserved Fund Balance	\$ 175,086	\$ 138,862	\$ 96,174	\$ 123,908	\$ --	\$ 4,857,487	\$ 5,391,517
Unreserved Fund Balance:							
Designated for Behavioral Health Programs	\$ --	\$ 63,027	\$ --	\$ --	\$ --	\$ --	\$ 63,027
Designated for Trust Purposes	--	--	--	--	--	7,306	7,306
Total Designated Unreserved Fund Balance	\$ --	\$ 63,027	\$ --	\$ --	\$ --	\$ 7,306	\$ 70,333

**CITY OF PHILADELPHIA
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B. COMPONENT UNITS

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

(Amounts In Thousands)

	Community College of Philadelphia	Philadelphia Parking Authority	Redevelopment Authority of the City of Philadelphia	School District of Philadelphia	Total
Retained Earnings:					
Reserved for Debt Service	\$ --	\$ 26,656	\$ 5,791	\$ 3,683	\$ 36,130
Reserved Fund Balance:					
Reserved for Inventories	\$ --	\$ --	\$ --	\$ 1,415	\$ 1,415
Reserved for Encumbrances	--	--	--	151,119	151,119
Reserved for Self-Insurance	--	--	--	1,858	1,858
Reserved for Debt Service Principal	--	--	--	22,675	22,675
Reserved for Debt Service Interest	--	--	--	28,163	28,163
Reserved for Tax Lien Proceeds	--	--	--	2,444	2,444
Reserved for Trust Principal	--	--	--	2,562	2,562
Reserved for Program Purposes	77,409	--	--	--	77,409
Total Reserved Fund Balance	<u>\$ 77,409</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 210,236</u>	<u>\$ 287,645</u>
Unreserved Fund Balance:					
Designated for Trust Purposes	\$ --	\$ --	\$ --	\$ 3,716	\$ 3,716
Total Designations	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,716</u>	<u>\$ 3,716</u>

14. UNRESERVED FUND BALANCE/RETAINED EARNINGS DEFICIT

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

Enterprise Funds:	
Water Fund	\$ 32,272,438
Special Revenue Funds:	
Grants Revenue Fund	\$ 54,315,757
Community Development Fund	\$ 5,628,485

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15. CONTRIBUTED CAPITAL

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

A. PRIMARY GOVERNMENT

(Amounts In Thousands)

	<u>Water Fund</u>		<u>Aviation Fund</u>		<u>Industrial and Commercial Development Fund</u>	<u>Primary Government Total</u>
	Local	Other	Local	Other	Local	
	Beginning Balance	\$ 28,682	\$ 420,044	\$ 44,042	\$ 180,034	\$ 20,207
Grants Received	--	--	--	9,058	--	9,058
Contributions Received	616	--	--	--	211	827
Credit Arising From Depreciation	--	(15,651)	--	(12,626)	--	(28,277)
Ending Balance	<u>\$ 29,298</u>	<u>\$ 404,394</u>	<u>\$ 44,042</u>	<u>\$ 176,466</u>	<u>\$ 20,418</u>	<u>\$ 674,618</u>

B. COMPONENT UNITS

(Amounts In Thousands)

	<u>Philadelphia Housing Development Corp.</u>		<u>Pennsylvania Convention Center Authority</u>		<u>Community Behavioral Health *</u>	<u>School District of Philadelphia</u>	<u>Philadelphia Housing Authority</u>	<u>Philadelphia Authority for Industrial Development</u>	<u>Component Unit Total</u>
	Local	Other	Local	Other	Local				
	Beginning Balance	\$ 2,550	\$ 593	\$ 19,910	\$ 97,100	\$ 2,269	\$ 7,238	\$ 692,028	\$ --
Contributions Received	--	--	--	--	(740)	--	119,286	12,859	131,405
Ending Balance	<u>\$ 2,550</u>	<u>\$ 593</u>	<u>\$ 19,910</u>	<u>\$ 97,100</u>	<u>\$ 1,529</u>	<u>\$ 7,238</u>	<u>\$ 811,314</u>	<u>\$ 12,859</u>	<u>\$ 953,093</u>

* - Information for CBH is presented for its fiscal year ended December 31, 2000.

16. INTERFUND TRANSACTIONS

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

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A. PRIMARY GOVERNMENT

(Amounts in Thousands)

	<u>Transfers In</u>		<u>Transfers Out</u>	
General Fund	\$	184,194		\$ 116,399
Special Revenue Funds:				
Grants Revenue Fund	--		13,151	
PICA Administrative Fund	1,916	1,916	277,557	290,708
Debt Service Funds:				
City Debt Service Fund	75,225		--	
Municipal Authority Debt Service Fund	36,217		--	
PICA Debt Service Fund	100,054	211,496	--	--
Capital Improvement Funds:				
City Capital Improvement Fund	13,505		--	
Municipal Authority Capital Improvement Fund	--	13,505	731	731
Proprietary Funds:				
Water Fund		--		4,138
Trust and Agency Funds:				
Departmental Non-Expendable Trust Funds	--		58	
Departmental Expendable Trust Funds	923	923	--	58
Total Interfund Transactions		<u>\$ 412,034</u>		<u>\$ 412,034</u>

B. COMPONENT UNITS

(Amounts in Thousands)

	<u>Transfers In</u>		<u>Transfers Out</u>	
Primary Government				
General Fund	\$	46,660		\$ 63,125
Special Revenue Funds:				
Hotel Tax Fund	--		\$ 19,112	
Grants Revenue Fund	--		28,371	
HealthChoices Behavioral Health Fund	--		409,294	
Community Development Fund	--	--	38,704	495,481
Capital Improvement Funds:				
City Capital Improvement Fund		22,026		7,678
Proprietary Funds:				
Water Fund	--		3,022	
Aviation Fund	\$ 23,731	23,731	--	3,022
Component Units				
Gas Works Fund	--		18,000	
Penn's Landing Corporation	1,100		--	
Pennsylvania Convention Center Authority	47,037		13,042	
Philadelphia Housing Development Corporation	23,005		--	
Philadelphia Parking Authority	--		39,350	
Philadelphia Authority for Industrial Development	37,785		1,239	
Redevelopment Authority of the City of Philadelphia	47,235		--	
Community Behavioral Health	377,436	533,598	--	71,631
Community Behavioral Health transfers represent activity for the fiscal period ended December 31, 2000 and is not compatible with the reporting period of other entities.		31,859		--
Philadelphia Authority for Industrial Development Transfers represent activity for the fiscal period ended December 31, 2000 and is not compatible with the reporting period of other entities.		--		37,705
General Fund and Capital Improvement Fund transfers to Community College of Philadelphia reflected as Contribution Revenue in conformance with GAAP for educational institutions.		20,768		--
Total Interfund Transactions		<u>\$ 678,642</u>		<u>\$ 678,642</u>

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17. NEW FUNDS

In fiscal 2001, the City added two new funds - the Car Rental Tax Fund and the Water Residual Fund. The Car Rental Tax Fund is a Special Revenue Fund initiated to account for a new tax that has been assigned as a funding stream for the construction of new stadiums. The Water Residual Fund is a Proprietary Fund established to account for excess Water Fund earnings. This fund is blended with the Water Operating Fund. Monies can only be deposited to this fund after all obligations of the Water Fund have been satisfied. The Water Residual Fund is also restricted by bond covenants as to the type of expenditures that can be made.

18. CHANGE IN ACCOUNTING PRINCIPLE

A. PRIMARY GOVERNMENT

(1) Revenue from Other Governments

The City implemented GASB 33 in Fiscal 2001 and to accurately reflect the effects of FY 2001 government mandated and voluntary nonexchange transactions, restated the June 30, 2000 fund balance in the General, Grants Revenue, Community Development and Capital Improvements Funds. As a result of adjusting grant related transactions to reflect transactions for which the eligibility requirements had been met but resources had not been available (received within 60 days of the fiscal year end) the following charges to the beginning fund balances were made:

General Fund	\$	165,215,576
Grants Revenue Fund		52,352,747
Community Development Fund		9,602,263
Capital Improvements Fund		14,658,370

During Fiscal 2001, these deferred amounts were collected and recorded as revenue as follows:

General Fund	\$	161,512,223
Grants Revenue Fund		22,635,287
Community Development Fund		6,152,869
Capital Improvements Fund		8,682,829

At the end of the current fiscal year, the revenue from other governments deferred because it was not available to meet current liabilities is as follows:

General Fund	\$	144,836,179
Grants Revenue Fund		54,315,757
Community Development Fund		5,628,485
Capital Improvements Fund		13,879,804

(2) Taxes Receivable

The implementation of GASB 33 required changes in the calculation of receivables relating to certain self-assessed taxes. Estimates of unreported amounts and potential refunds caused increases to General Fund accounts as follows:

Taxes Receivable	\$	52,819,047
Allowance for Doubtful Accounts		14,554,319
Deferred Revenue		38,264,728

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B. COMPONENT UNITS

The School District implemented GASB 33 in Fiscal 2001 and to accurately reflect the effects of FY 2001 government mandated and voluntary nonexchange transactions, restated the June 30, 2000 fund balance in their Special Revenue Fund. As a result of adjusting related transactions to reflect that eligibility requirements had been met but resources were not available, a charge of \$7,082,141 was made to the beginning fund balance. At the end of the current fiscal year, the revenue from grant related transactions deferred because it was not available amounted to \$6,335,847.

19. PRIOR PERIOD ADJUSTMENTS

A. PRIMARY GOVERNMENT

- Capital Improvement Fund - Increase July 1, 2000 Fund Balance by \$14,547,985 for funds held in escrow that should have been recognized as revenue in preceding fiscal years.
- Departmental Expendable Trust Funds - Decrease July 1, 2000 Fund Balance by \$2,240 for the correction of a prior period error.
- Departmental Non-Expendable Trust Funds - Decrease July 1, 2000 Fund Balance by \$45,986 for the correction of a prior period error.
- Philadelphia Gas Works Pension Fund - Increase Net Assets Held July 1, 2000 by \$2,105,594 for the correction of a prior period error.

B. COMPONENT UNITS

- Philadelphia Housing Authority - Increase July 1, 2000 Retained Earnings for \$6,036,941 that was restated to correct certain errors in prior financial statements pertaining to contributed capital and under accrued liabilities.

IV. OTHER INFORMATION

1. PENSION PLANS

The City maintains two single employer defined benefit plans for its employees and several of its component units. One blended component unit, PICA, and three discretely presented component units - the School District of Philadelphia, the Pennsylvania Convention Center Authority, and the Community College - participate in state administered cost-sharing multiple employer plans. In addition, two discretely presented component units - PHA and RDA - maintain their own single employer defined benefit plans.

A. SINGLE EMPLOYER PLANS

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

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

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Required Supplementary Information calculated in accordance with GASB Statement No. 25 is presented in audited financial statements of the respective pension plans. Copies of these financial statements may be obtained by contacting the Director of Finance of the City of Philadelphia.

(1) City Plan

(a) Plan Description

The Philadelphia Home Rule Charter (the Charter) mandates that the City maintain an actuarially sound pension and retirement system. To satisfy that mandate, the City's Board of Pensions and Retirement maintains the single-employer Municipal Pension Plan (the Plan). The plan covers all officers and employees of the City and officers and employees of five other governmental and quasi-governmental organizations. By authority of two Ordinances and related amendments passed by City Council, the Plan provides retirement benefits as well as death and disability benefits. Benefits vary by the class of employee. The plan has two major classes of members - those covered under the 1967 Plan and those covered under the 1987 Plan. Each of these two plans has multiple divisions.

Retirement Benefits

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

Death Benefits

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

Disability Benefits

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

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Membership

Membership in the plan as of July 1, 2000 was as follows:

Retirees and beneficiaries currently receiving benefits	33,445
Terminated members entitled to benefits but not yet receiving them	755
Active members	<u>28,796</u>
Total Members	<u><u>62,996</u></u>

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

(b) Funding Policy

Employee contributions are required by City Ordinance. For Plan 67 members, employees contribute 3¼% of their total compensation that is subject to Social Security Tax and 6% of compensation not subject to Social Security Tax. Plan 87 contribution rates are defined for the membership as a whole by Council ordinance. Rates for individuals are then determined annually by the actuary so that total individual contributions satisfy the overall rate set by Council.

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

- The accrued actuarially determined normal costs
- Amortization of the unfunded actuarial accrued liability determined as of July 1, 1985. The portion of that liability attributable to a class action lawsuit by pension fund beneficiaries (the Dombrowski suit) is amortized in level installments, including interest, over 40 years through June 30, 2009. The remainder of the liability is amortized over 34 years with increasing payments expected to be level as a percentage of each year's aggregate payroll.
- Amortization in level dollar payments of the changes to the July 1, 1985 liability due to the following causes over the stated period:
 - nonactive member's benefit modifications (10 years)
 - experience gains and losses (15 years)
 - changes in actuarial assumptions (20 years)
 - active members' benefit modifications (20 years)

The total required employer contribution for the City and other participating employers for the current year was 14% of covered payroll of \$1,197.4 million.

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

(c) Annual Pension Cost

The actuarial valuation used to compute the current year's required contribution was performed as of July 1, 1999. Methods and assumptions used for that valuation include:

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

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For the current year, the City contributed the Annual Pension Cost of \$163.5 million.

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

Fiscal Year Ended <u>June 30</u>	Annual Required <u>Contribution</u> (In Millions)	Percentage <u>Contributed</u>
1999	\$256.7	100.00%
2000	\$164.5	100.00%
2001	\$163.5	100.00%

(d) Summary of Significant Accounting Policies

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

(2) Gas Works Plan

(a) Plan Description

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

- 1.25% of the first \$6,600 of Final Average Earnings plus 1.75% of the excess of Final Average Earnings over \$6,600, times years of credited service, with a maximum of 60% of the highest annual earnings during the last 10 years of credited service, applicable to all participants
- OR
- 2% of total earnings received during the period of credited service plus 22.5% of the first \$1200 of such amount, applicable only to participants who were employees on or prior to March 24, 1967.

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

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

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

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

(b) Funding Policy

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

The funding policy of the PGW Plan provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits when due. Level percentage of employer contribution rates are based on the actuarial accrued liability as determined by using the Projected Unit Credit actuarial funding method. The actuarial asset value is equal to the value of fund assets. The unfunded actuarial accrued liability is being amortized over 10 years. Contributions of \$1,096,000 (approximately 2.0% of covered payroll) were made to the PGW Plan during the year.

Historically, payments to beneficiaries of the PGW Plan are made by the Fund and not from the assets of the Plan. During the year, payments to beneficiaries exceeded the Fund's actuarially computed pension contribution and a withdrawal of \$26.4 million from the pension assets was necessary to meet beneficiary payment obligations.

(c) Annual Pension Cost

PGW's annual pension cost for the current year was \$1,096,000, equal to its required contribution. This represented the net of (a) \$6,210,000 for normal cost less \$5,114,000 amortization of the excess plan assets over the pension benefit obligation. The annual required contribution for the current year was determined as part of an interim actuarial valuation update performed as of September 1, 1998 using the projected credit unit method. Significant actuarial assumptions used include an annual rate of return on investments of 8.25%, projected salary increases of 4.25% per year (both of which include an inflation component of 3% and do not include post-retirement benefit increases) and age 62 as the assumed retirement age

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

Fiscal Year Ended <u>August 31</u>	Annual Required Contribution (In Thousands)	Percentage Contributed
1998	\$3,334	100%
1999	\$787	100%
2000	\$1,096	100%

(d) Summary of Significant Accounting Policies

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

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(3) Component Unit - Philadelphia Housing Authority Plan

(a) Plan Description

The Philadelphia Housing Authority contributes to a single-employer Public Employees' Retirement System (PERS), administered by an insurance company (the PHA Pension Plan) covering all permanent employees. The PERS issues separate, stand-alone financial statements. The Authority's payroll for employees covered by the PHA Plan for the year was approximately \$77.8 million. The PHA Pension Plan provides retirement benefits as well as death and disability benefits. Employees who retire at or after age 65 receive an annual retirement benefit equal to 2.5% of average earnings multiplied by the years of service not to exceed 25 years, plus 1.25% of average earnings multiplied by years of service in excess of 25 years.

(b) Funding Policy

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

(c) Annual Pension Cost

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

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

The Authority's actuarially required contributions and percentage contributed for the last three fiscal years of the Plan are summarized below. The required contribution for the current year was approximately 5.5% of covered payroll.

Fiscal Year Ended	Annual Required Contribution	Percent Contributed
October 31		
1998	\$3,162,422	116.8%
1999	\$3,274,378	122.5%
2000	\$3,784,527	112.9%

(4) Component Unit - Redevelopment Authority Plan

(a) Plan Description

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

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

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months. The Plan also provides death and disability benefits which are determined in a manner similar to the retirement benefits.

(b) Funding Policy

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

(c) Annual Pension Cost

The contribution for the Plan for fiscal 2001 of \$1.0 million (approximately 12% of covered payroll, representing normal cost) was determined in accordance with actuarially determined requirements computed through the actuarial valuation performed as of January 1, 2001 using the entry age normal actuarial cost method. The Authority contributed \$645,906 (approximately 8% of current covered payroll) and the employees contributed \$358,330 (4% of current covered payroll).

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

The net pension obligation at year end was \$50,027 computed as follows:

Annual Required Contribution	\$	637,131
Interest On Net Pension Obligation		4,784
Adjustment to Annual Required Contribution		<u>(7,706)</u>
Annual Pension Cost		634,209
Contributions Made		<u>645,906</u>
Decrease In Net Pension Obligation		11,697
Net Pension Obligation - Beginning of Year		<u>61,724</u>
Net Pension Obligation - End of Year	\$	<u><u>50,027</u></u>

The Authority's actuarially required contributions and percentage contributed for the last three years are summarized below.

Fiscal Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Percent <u>Contributed</u>	Net Pension <u>Obligation</u>
1999	\$555,702	74%	\$33,980
2000	\$594,172	95%	\$61,724
2001	\$634,209	102%	\$50,027

B. MULTIPLE EMPLOYERS PLANS

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

The payroll for Community College employees covered by any of the four multiple employer plans was \$38.9 million and the total payroll was \$54.2 million. Contributions to the four plans by the College during the fiscal year totaled approximately \$3.6 million representing 9.27% of covered

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payroll. College employees contributed approximately \$1.9 million representing 5% of covered payroll.

(1) Public School Employee Retirement System (PSERS)

(a) Plan Description

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

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

Public School Employees' Retirement System
P.O. Box 125
Harrisburg, PA 17108-0125
Attn: Barbara D. Flurie, Office of Financial Management

(b) Funding Policy

Contribution policy is established by the Code and requires contributions from active members, employers and the Commonwealth. Most active members contribute at 5.25% of qualifying compensation. Members joining the PSERS on or after July 22, 1983 contribute at 6.25%. The employer rate is actuarially determined. The rate for fiscal year 2001 was 1.64% for pension and 0.30% for health insurance premium assistance.

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

Fiscal Year Ended June 30	Annual Required Contribution	Percentage Contributed
1999	\$63,377,697	100%
2000	\$47,875,041	100%
2001	\$21,104,050	100%

(2) State Employees Retirement System (SERS)

(a) Plan Description

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

(b) Funding Policy

The SERS funding policy is set by the SERS Board. Active members are required to contribute periodically at statutory rates, generally 5% of gross pay. The amount is recorded

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in an individually identified account that accumulates interest at 4% per year as mandated by statute. Accumulated employee contributions and credited interest vest immediately and are returned to the employee upon termination of service if the employee is not eligible for other benefits.

Employer contributions are an actuarially determined percentage of payroll such that they, along with employee contributions and an actuarially determined investment rate of return, are adequate to accumulate assets to pay benefits when due. The rate for fiscal year 2001 was 0.61%.

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

Fiscal Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
1999	\$193,337	100%
2000	\$152,255	100%
2001	\$ 23,109	100%

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

Fiscal Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
1999	\$29,017	100%
2000	\$23,745	100%
2001	\$ 3,587	100%

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

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

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

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

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

(a) Plan Description

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

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require that both the employee and the college contribute amounts, as set forth below, based on the employees earnings.

The College's contributions for each employee (and interest allocated to the employee's account) are fully vested. Participants who leave the employ of the college for reasons other than retirement or disability, and are not transferring to another institution with TIAA-CREF, may repurchase their contributions provided they have not participated in the program for more than 5 years. Death benefits in the amount of the full current value of accumulation is provided to the beneficiary of participants who die prior to retirement. A variety of payment options are available. The College has 917 employees participating in this plan.

(b) Funding Policy

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

2. ACCUMULATED UNPAID SICK LEAVE

City and certain component unit employees are credited with varying amounts of sick leave according to type of employee and/or length of service. City employees may accumulate unused sick leave to predetermined balances. School District employees have an unlimited maximum accumulation and Gas Works' employees' sick leave is noncumulative. Non-uniformed employees (upon retirement only) and uniformed employees (upon retirement or in case of death while on active duty) are paid varying amounts ranging from 25% to 50% of unused sick time, not to exceed predetermined amounts. Employees who separate for any reason other than indicated above, forfeit their entire sick leave. The City budgets for and charges the cost of sick leave as it is taken.

3. POST EMPLOYMENT BENEFITS

A. PRIMARY GOVERNMENT

In addition to providing pension benefits, the City provides certain post-employment health care and life insurance benefits for retired employees, dependents and/or beneficiaries through provisions of City ordinances, civil service regulations and agreements with its various employee bargaining units. The City provides these benefits for from one to four years after retirement depending upon the classification of the employee at his/her retirement. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. These and similar benefits for active employees are provided through a combination of a self-insurance program and insurance companies whose premiums are based on the benefits paid during the year. The cost of providing these health benefits and life insurance for approximately 2,507 eligible retirees amounted to \$15.2 million and \$3.7 million, respectively.

B. COMPONENT UNIT

The **School District** provides life insurance benefits for approximately 8,574 retired employees through a self-insurance program. A retired employee is eligible for this benefit if covered for 10 years as an active employee and retired at age 60 with 30 years of service or age 62 with 10 years of service or any age with 35 years of service. Benefits are recognized as expenditures in the School District General Fund when claims are paid. Total coverage as of year end amounted to \$16.4 million and the cost of life insurance for the year for retirees was \$461,453.

The **Gas Works** provides certain health care and life insurance benefits for approximately 1,956 retired employees and their dependents. The Gas Works recognizes the cost of providing these benefits by charging the annual insurance premiums to expense. Total premiums incurred for health care amounted to \$24.2 million, of which approximately 48% relates to retirees and their dependents. Total premiums for group life insurance amounted to \$1.7 million of which approximately 79% relates to retirees.

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4. PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY (PICA)

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

The Act provides that, upon PICA's approval of a request of the City to PICA for financial assistance, PICA shall have certain financial and oversight functions. First, PICA shall have the power to issue bonds and grant or lend the proceeds thereof to the City. Second, PICA also shall have the power, in its oversight capacity, to exercise certain advisory and review powers with respect to the City's financial affairs, including the power to review and approve five-year financial plans prepared at least annually by the City, and to certify noncompliance by the City with its current five-year financial plan (which certification would require the Secretary of the Budget of the Commonwealth to cause certain 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 2001 this transfer amounted to \$172.9 million.

5. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

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

	(A amounts in Thousands)			
	Water	Aviation	Industrial & Commercial Development	Total
	Fund	Fund	Fund	
Operating Revenues	\$335,080	\$146,707	\$3,340	\$485,126
Depreciation and Amortization Expense	86,201	49,275	--	135,477
Operating Income/(Loss)	24,784	(10,264)	(57)	14,462
Operating Grants	7,985	13	--	7,998
Operating Transfers In/(Out)	(7,160)	23,731	--	16,572
Net Income/(Loss)	(31,257)	37,800	(440)	6,102
Current Capital:				
Contributions	616	--	211	827
Transfers	15,651	12,626	--	28,277
Property, Plant & Equipment Additions	(97,778)	(234,722)	--	(332,499)
Net Working Capital	6,144	(41,068)	25,630	(9,294)
Bonds and Other Long-Term Liabilities	1,477,771	901,041	--	2,378,812
Total Equity	554,455	515,077	25,630	1,095,161
Total Assets	2,150,532	1,542,109	26,312	3,718,954

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6. RELATED PARTY TRANSACTIONS

The City is associated, through representation on the respective Board of Directors, with several local governmental organizations and certain quasi-governmental organizations created under the laws of the Commonwealth of Pennsylvania. These organizations are separate legal entities having governmental character and sufficient autonomy in the management of their own affairs to distinguish them as separate independent governmental entities. A list of such related party organizations and a description of significant transactions with the City, where applicable, is as follows:

A. SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY (SEPTA)

During the year the City provided an operating subsidy of \$52.3 million to SEPTA. In addition, the City received \$3.8 million in fixed rental payments on certain properties leased to SEPTA. Through various agreements executed in 1968, SEPTA purchased the properties of Philadelphia Transportation Company (PTC). SEPTA issued \$55.0 million of revenue bonds principally to finance the acquisition and then leased the PTC properties to the City for annual rentals equivalent to the debt service on the SEPTA bonds. The City then leased these properties back to SEPTA together with all the City's transit properties for the same rentals (equivalent to the debt service on the SEPTA bonds). SEPTA is not obligated to pay the rent if they have insufficient earnings. The debt service on the SEPTA bonds paid by the City during the year amounted to \$4.7 million. The unpaid principal balance at year end was \$8.0 million. The SEPTA bonds require annual debt service payments through fiscal year 2003.

B. OTHER ORGANIZATIONS

The City provides varying levels of subsidy and other support payments (which totaled \$41.4 million during the year) to the following organizations:

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

7. RISK MANAGEMENT

A. PRIMARY GOVERNMENT

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

The City covers all claim settlements and judgments, except for those discussed above, out of the resources of the fund associated with the claim. Risk management activities, except those covered by insurance carriers, are currently reported in the City's General, Water, Aviation, and Pension Funds. The long-term portion of claims related to the General Fund are reported in the General Long-Term Debt Account Group. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include: an estimate of claims that have been incurred but not reported; the effects of specific, incremental claims adjustment expenditures, salvage, and subrogation; and unallocated claims adjustment expenditures.

At June 30, the amount of these liabilities was \$125.0 million for the Primary Government. This liability is the City's best estimate based on available information. Changes in the reported liability since June 30, 1999 resulted from the following:

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(A mounts in Millions)

	Beginning	Current Year	Claim	Ending
	<u>Liability</u>	Claims and Changes <u>In Estimates</u>	<u>Payments</u>	<u>Liability</u>
Fiscal 2000	\$129.8	\$80.0	(\$70.8)	\$139.0
Fiscal 2001	\$139.0	\$56.4	(\$70.4)	\$125.0

The City's Unemployment Compensation and Workers' Compensation coverages are provided through its General Fund. Unemployment Compensation coverage is funded by a pro rata charge to the various funds. Payments for the year were \$1.6 million for Unemployment Compensation claims and \$32.6 million for Workers' Compensation claims.

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

B. COMPONENT UNITS

The City's Component Units are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. They are principally insured through insurance carriers. Each entity has coverage considered by management to be sufficient to satisfy loss claims. These losses include: an estimate of claims that have been incurred but not reported; the effects of specific, incremental claims adjustment expenditures, salvage, and subrogation; and unallocated claims adjustment expenditures.

At June 30, the combined amount of these liabilities was \$56.9 million for the City's Component Units. This liability is the best estimate based on available information. Changes in the reported liability since June 30, 1999 resulted from the following:

(A mounts in Millions)

	Beginning	Current Year	Claim	Ending
	<u>Liability</u>	Claims and Changes <u>In Estimates</u>	<u>Payments</u>	<u>Liability</u>
Fiscal 2000	\$82.6	\$55.2	(\$54.5)	\$83.3
Fiscal 2001	\$83.3	\$30.8	(\$57.2)	\$56.9

The School District Weekly Indemnity, Unemployment Compensation and Workers' Compensation coverages are provided through its General Fund. The cost of Weekly Indemnity coverage is shared equally by the School District and covered employees. Unemployment Compensation coverage is funded by a pro rata charge to the various funds. Payments for the year were \$14.9 million for Weekly Indemnity, \$1.5 million for Unemployment Compensation claims and \$21.1 million for Workers' Compensation claims. Amounts collected in excess of claims incurred for the School District's Weekly Indemnity Plan are included in the School District General Fund as a Reservation of Fund Balance.

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

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

8. COMMITMENTS

A. PRIMARY GOVERNMENT

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

Fiscal Year Ended	(Amounts In Millions)
<u>June 30</u>	<u>Commitments</u>
2002	\$ 24.3
2003	24.3
2004	24.3
2005	24.3
2006	24.3
Thereafter	<u>339.8</u>
Total	<u>\$ 461.3</u>

B. COMPONENT UNITS

- The School District's outstanding contractual commitments at year end for construction of new facilities, purchase of new equipment, and various alterations and improvements to facilities totaled \$114.3 million.
- The School District is also an Intermediate Unit (IU) established by the Commonwealth to provide programs for special education and certain non-public school services. Conceptually, the cost of operating an IU for a fiscal year is partially financed by Commonwealth appropriation. In certain instances (transportation and institutionalized special education) the School District reimburses the Commonwealth for the funds advanced in the previous year. The amount advanced for transportation of special education students is reimbursed in full less the Commonwealth's share of such cost as determined by a formula based on the number of students transported, route distances, and efficiency of vehicle utilization. The Commonwealth has agreed to defer a scheduled payment of \$24.0 million.
- In April 1992 the Federal Energy Regulatory Commission (FERC) issued order No. 636 which requires the Gas Works' suppliers to, among other things, unbundle all services performed and to implement a straight fixed-variable rate design. FERC Order No. 636 also requires PGW to pay transition costs. At August 31, 1993 the pipelines had received FERC authorization to commence billing a portion of their costs. PGW's total exposure to costs stemming from this order is now fully determinable based on the Tetco Rate Case Settlement. Based on their approved filing and in anticipation of future filings for known costs, it is estimated that PGW's liability for transition costs on August 31, 2000 is approximately \$809,000. Therefore, PGW has recorded both a deferred debit and deferred credit on the Balance Sheet in that amount. Payments related to these transition costs are recovered through the normal Gas Cost Rate (GCR).

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

9. CONTINGENCIES

A. PRIMARY GOVERNMENT

(1) Claims and Litigation

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

Various claims have been asserted against the City and in some cases lawsuits have been instituted. Many of these claims are reduced to judgment or otherwise settled in a manner requiring payment by the City. At year end the aggregate estimate of loss deemed to be probable is approximately \$112.2 million. Of this amount, \$5.4 million is charged to current operations of the Enterprise Funds. The remaining \$107.0 million pertaining to the General Fund has been recorded in the Long-Term Debt Account Group.

In addition to the above, there are other lawsuits against the City in which some amount of loss is reasonably possible. These lawsuits relate to General Fund and Enterprise Fund operations. The aggregate estimates of the loss which could result if unfavorable legal determinations were rendered against the City with respect to those lawsuits is approximately \$108.0 million to the General Fund and \$5.4 million to the Enterprise Funds.

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

- In June, 2000, the Pennsylvania Supreme Court struck down the exemption set forth in Pennsylvania's personal property tax for stock holdings in corporations that pay Pennsylvania capital stock or franchise tax. The Court severed the exemption, and directed Montgomery County (the lead defendant) to provide the taxpayer with meaningful backward-looking relief, which could include, refunds or reassessment of the tax without the exemption against all taxpayers. The City of Philadelphia had previously imposed this tax until 1996, and is subject to timely refund claims for the years 1993 through 1996 totaling approximately \$36 million tax principal (total collections for those years was approximately \$64 million). The City is also a defendant in two putative class actions, which challenge the City's implementation of the Supreme Court's order.
- The City of Philadelphia is a defendant in a class action suit which challenges the legality of the Multi-Family Dwelling and the Residential Rental Property license fees. The plaintiff challenges the fees on the grounds:
 - (1) that the Residential Rental Property license fee is excessive because it generates more revenue than the cost of its activity; the sole purpose being to defray the cost of maintaining a registry of the names and addresses of the owners of rental units.
 - (2) that the Residential Rental Property license fee is duplicative and excessive when applied to non-owner occupied condominium units located in buildings which are subject to the Multi-Family Dwelling license fee.

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

(3) that both fees are generally excessive because they generate more revenue than the cost of all governmental activities and services which they are reasonably intended to defray.

The plaintiffs have demanded refunds of all Residential Rental Property and Multi-Family Dwelling license fees collected since 1993 which total approximately \$12.2 million dollars and \$24 million dollars respectively. The plaintiffs were granted a partial summary judgement by the trial court with respect to claim number 2 above. The remaining claims are in litigation and the City is defending this case.

- In Coles et al. v. City of Philadelphia a suit was filed against the City by 26 of 60 homeowners occupying dwellings replaced by the City following the 1985 MOVE confrontation. The City, which previously suspended repairs under the original warranties given for the homes concluded agreements with 33 homeowners for the purchase of their properties, and is in the process of pursuing eminent domain proceedings against the remaining homeowners. The Plaintiffs contend that the City breached a warranty agreement to maintain the homes in good repair, violated their due process rights and committed other civil rights violations, abusing its powers by using the eminent domain proceedings as a pretext to avoid performing under the warranty. The City vigorously denies all of the plaintiffs' contentions and has been defending the actions in Federal Court. The District Court dismissed the action in favor of the state eminent domain proceeding, in which all of the plaintiffs' claims can be heard and a proper valuation of their properties established. An appeal is likely. With allowance being made for relocation and other incidental expenses, it is not believed that the recovery in just compensation would amount to more than \$150,000 per home, which the City has already earmarked as part of its original offer.
- Estate of Schieber v. City of Philadelphia, et al., is a federal rights action (all state law claims have been dismissed) brought by Sylvester J. and Vicki A. Schieber against the City of Philadelphia and the Philadelphia Police Department. The Plaintiffs' assert that police officers violated their civil rights under the Fourteenth Amendment's substantive due process clause because they failed to break down the door of Shannon Schieber's apartment in response to a 9-1-1 call. Ms. Schieber was found dead in her apartment the next day. The Defendants contend that a thorough investigation was being undertaken during which time the 9-1-1 caller retracted his original assertion that noises were heard in Ms. Schieber's apartment. The Plaintiffs' seek over \$10 million in lost future earnings and other damages. All district court proceedings are currently stayed while the defendants appeal the District Court's denial of their summary judgment motion.

(2) Guaranteed Debt

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

(Amounts In Thousands)	
Redevelopment Authority of the City of Philadelphia	\$ 3,260
Philadelphia Parking Authority	109,850
Philadelphia Authority for Industrial Development	<u>10,395</u>
	<u>\$ 123,505</u>

(3) Single Audit

The City and School District receive significant financial assistance from numerous federal, state and local governmental agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits and relating to the City or its component units could become a liability of the General Fund or other applicable funds. In the opinion of City officials the only significant contingent liabilities related to matters of compliance are the unresolved and questioned costs in the City's Single Audit of Federal Financial Assistance for the fiscal year ended June 30, 2001, which amounted to \$542.2 million for all open program years as of December 15, 2001. Of this amount, \$474.6 million represents unresolved cost due to the inability to obtain audit reports from subrecipients for the year ended June 30, 2001 due to timing differences in audit requirements, \$44.7 million represents questioned costs due to the inability to obtain subrecipient audit reports for the fiscal years June 30, 2000 and prior and \$22.8 million represents questioned costs related to specific compliance requirements which have yet to be resolved.

(4) HUD Section 108 Loans

As of the end of the fiscal year, the Federal Department of Housing and Urban Development (HUD) had disbursed \$181.4 million in loans to the Philadelphia Industrial Development Corporation (PIDC). The funds, which were used to establish a loan pool pursuant to a contract between the City and HUD, are being accounted for and administered by PIDC on behalf of the City. Pool funds are loaned to businesses for economic development purposes. Loan repayments and investment proceeds from unloaned funds are used to repay HUD. Collateral for repayment of the funds includes future Community Development Block Grant entitlements due to the City from HUD. The total remaining principal to be repaid to HUD for all loans at the end of the year was \$166.9 million.

B. COMPONENT UNITS

- The School District is a party to various claims, legal actions, arbitrations and complaints arising in the ordinary course of business which aggregate to a total potential liability of \$4.3 million. In the opinion of the General Counsel of the School District, it is unlikely that final judgments or compromised settlements will approach the total potential liability. The School District annually budgets an amount that management believes is adequate, based on past experience, to provide for these claims when they become fixed and determinable in amount. In addition, the School District has recorded in its Long-Term Debt Group of Accounts the total cumulative potential liability of \$40.1 million for Workers' Compensation, \$4.2 million for Unemployment Compensation claims and \$3.3 million for claims and judgments.
- In Mosaica Academy Charter School, et al. V. Commonwealth of Pennsylvania, School District of Philadelphia et.al. The Commonwealth Court rendered adversely to the School District in July, 2000 after determination that the School District lacked standing to challenge the Bensalem School District's granting of a charter. Based on the charter school's Philadelphia resident student population, this charter school will cost the School District approximately \$1.8 million. In August, 2000, the District appealed the decision to the Pennsylvania Supreme Court, and each side has since filed appellate briefs. No assessment of possible outcomes can be made at this time as the case involves issues of first impression for the Pennsylvania Supreme Court. The Charter will expire in June, 2003, and there are no prospects for renewal at this time.
- In 1973 the Pennsylvania Human Relations Commission (PHRC) brought suit against the School District in Pennsylvania Commonwealth court to end historical de facto racial segregation. Over the next 20 years the District implemented various reform plans, which the Court determined, from time to time, were inadequate to cure the problem of racial isolation in the schools.

In late 1995, the Commonwealth Court joined the Commonwealth as a defendant. In 1996 the Court found that the Commonwealth was liable for substantial and ongoing financial contributions to the School District to the extent that the School District was unable to support the desegregation mandates. However, the Commonwealth Court's Order was vacated by the Pennsylvania Supreme Court when it assumed plenary jurisdiction of the case in the fall of 1996. After three years, the Supreme Court determined that the Commonwealth Court lacked authority to add defendants or claims to the case after its commencement by the Commission in 1973. The Commonwealth was dismissed from the case and jurisdiction returned to the Commonwealth.

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

The School District has continued to operate in accordance with the remedial plan and to report periodically on its progress toward satisfying the Court's mandates. In May and September 2001, respectively, at the request of the Court, the School District submitted a Comprehensive School Safety and Security Plan and a Curriculum Renewal Plan intended to guide the District's work in the areas of curriculum and instruction. Following a hearing in 2001 to review the Plans and the District's compliance with the other components of the Remedial Order, in September 2001, the Court issued an Opinion and Order concluding that the School District has made significant and continued effort to comply with the Remedial Order, accepting the Plans, and directing the Human Relations Commission to monitor their implementation. The Court further directed the Commission to request the Court to close the case when it is satisfied that the District has demonstrated that it can and will provide an equal educational opportunity to all students.

It does not appear that the School District will be compelled to undertake expensive new programs or to incur significant costs in this matter going forward that it would not have done absent of the litigation.

- The School District was notified by the Pennsylvania Department of Education (PDE) that the results of an audit conducted by the Auditor General for the years ending June 30, 1991, 1992 and 1993 revealed that the School District over-reported student enrollment in Fiscal Year 1991 which established the base for all school subsidies through Fiscal Year 1999. The determination of subsidy reimbursement from the PDE's Director, Bureau of Budget and Fiscal Management, was \$20 million after appeal through fiscal year 1999. The Commonwealth has agreed to a repayment schedule that results in periodic deductions from amounts paid by the Commonwealth to the School District. A similar audit was undertaken which concluded with the PDE asserting an additional \$20 million per year claim for alleged over reporting of enrollment in school years 1994-95 through 1996-97. The district denies the claim and has produced documentation. The Commonwealth has postponed collections of this category in order to assist the District through a funding shortfall. Both matters remain pending.

10. PENSION OBLIGATION BONDS

In fiscal 1999, the Philadelphia Authority for Industrial Development (PAID) issued \$1.291 billion in Pension Funding Bonds. These bonds were issued pursuant to the provisions of the Pennsylvania Economic Development Financing Law and the Municipal Pension Plan Funding Standard and Recovery Act (Act 205). The bonds are special and limited obligations of PAID. They are not obligations of the City. The City entered into a Service Agreement with PAID, whereby the City will pay directly to the trustee designated by PAID, amounts sufficient to make the required payments of principal and interest on the bonds. The City had recorded \$1.297 billion in its General Long-Term Debt Account Group as a result of the Pension Service Agreement.

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

The net proceeds of the bond sale of \$1.25 Billion were deposited with the Municipal Pension Fund. The proceeds were included as employer contributions in the accompanying statement of changes in net plan assets. The deposit of the proceeds reduced the Unfunded Actuarial Accrued Liability by that amount. The deposit resulted in reductions to the City's MMO payments for Fiscal Year 2001 and the City expects that such deposit will result in reductions of the City's MMO payments in future fiscal years.

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

11. SUBSEQUENT EVENTS

A. PRIMARY GOVERNMENT

- (1) In July, 2001, the City issued \$270 million of Tax and Revenue Anticipation Notes to supplement the receipts of the General Fund of the City for the purpose of paying general expenses of the City prior to the receipt of taxes and other revenues to be received in the current fiscal year. The proceeds will be invested until needed and repaid by the end of the fiscal year.
- (2) In July 2001, the City issued \$187.6 million in Airport Revenue Bonds, Series 2001 GARB to secure the payment of the Series 2001A bonds issued by the Philadelphia Authority for Industrial Development. The proceeds of the P.A.I.D. Bonds are being used to fund capital improvements to the airport system. Interest rates range from 4.0% to 5.5%
- (3) In July, 2001, the City issued \$40.1 million in Airport Revenue Bonds, Series 2001B. The interest rates of the bonds range from 3.6% to 5.5%. The proceeds of the bonds will be used to finance capital improvements to the Airport System.
- (4) In November, 2001, the City issued \$250 million in Water and Wastewater Revenue Bonds, Series 2001A to finance capital improvements to the City's Water and Wastewater Systems. And at the same time, issued \$35.9 in Water and Wastewater Revenue Refunding Bonds, Series 2001B to refund Series 1993 bonds due June 15, 2012 thru 2015.

B. COMPONENT UNITS

- (1) On June 19, 2001, the Commonwealth of Pennsylvania assumed control of the **Parking Authority** by passing legislation that adds six new board members in addition to the existing five board members. These six new members will be appointed by the Governor. The City has filed suit to prevent the legislation from going into effect. If the City's litigation fails, the Parking Authority's relationship to the City will be reevaluated in accordance with GASB 14 to determine if their financial statements should be included in the City's reporting entity.
- (2) In July, 2001 the **Philadelphia Authority for Industrial Development** issued \$187.6 million of Airport Revenue Bonds, Series 2001A. The proceeds of these bonds will be used to finance certain capital improvements to the Philadelphia Airport System.
- (3) In December 2001, the **Philadelphia Authority for Industrial Development** issued \$346.8 million of Lease Revenue Bonds, Series 2001A and Series 2001B. The proceeds of the bonds will be used to refund the Authority's Lease Revenue Notes, 2001 Series A, to complete certain repairs to the City's existing stadium and to contribute to payment of the cost of construction of two new sports stadiums.
- (4) The **School District of Philadelphia** has suffered recurring operating losses, which have led to increasing deficits in the School District's Operating Budget. The Operating Budget consists of three funds, the General Fund, the Debt Service Fund and the Intermediate Unit Fund. At June 30, 2001, the General Fund deficit was \$115.4 million; together these operating funds ended with a deficit of \$64.5 million. The General Fund deficit is projected to be \$295.5 million at June 30, 2002 and when combined, these operating funds are projected to end with a deficit of \$240.6 million.

The recurring operating losses resulted from the fact that the annual growth in per student operating revenues since Fiscal Year 1995 has averaged 2.6% while spending over the same period has grown 3.6% per annum.

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

In a cooperative effort with the City to address the School District's financial needs, the Commonwealth of Pennsylvania assumed governing control of the School District effective December 22, 2001, by declaring it distressed in accordance with sections 691 and 696 of the School Code. Accordingly, within 30 days of this declaration of distress, a five-member School Reform Commission shall be established. The School Reform Commission will exercise all powers and have all duties of the Board of Education and the Superintendent of Schools. The Board of Education continues in office, performing only the duties assigned by the School Reform Commission. The Governor of Pennsylvania appointed an interim chairman who has full power and authority of the School Reform Commission. As part of the cooperative effort, the Governor and the Mayor of the City of Philadelphia announced that the Commonwealth and City would provide additional annual subsidies of \$75.0 million and \$45.0 million, respectively.

As a result of the above, the School District's relationship to the City will be reevaluated in accordance with GASB 14 to determine if their financial statements should be included in the City's reporting entity.

**CITY OF PHILADELPHIA
REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2001**

PENSION PLANS - SCHEDULES OF FUNDING PROGRESS

City Plan

(Amounts In Millions)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll (b - a) / c
07/01/1998	\$2,921.3	\$5,586.1	\$2,664.8	52.30%	\$1,128.2	236.20%
07/01/1999	\$4,496.8	\$5,862.1	\$1,365.3	76.71%	\$1,178.6	115.84%
07/01/2000	\$4,765.0	\$6,193.4	\$1,428.4	76.94%	\$1,142.8	124.99%

Gas Works Plan

(Amounts In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll (b - a) / c
09/01/1996	\$330,829	\$329,591	(\$1,238)	100.38%	\$94,104	-1.32%
09/01/1998	\$393,878	\$356,367	(\$37,511)	110.53%	\$89,902	-41.72%
09/01/2000	\$418,768	\$385,892	(\$32,876)	108.52%	\$97,746	-33.63%

PHA Plan

(Amounts In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll (b - a) / c
10/31/1997	\$138,642	\$142,350	\$3,708	97.40%	\$65,608	5.65%
10/31/1998	\$153,832	\$154,353	\$521	99.66%	\$72,353	0.72%
10/31/1999	\$168,524	\$172,554	\$4,030	97.66%	\$75,661	5.33%

RDA Plan

(Amounts In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll (b - a) / c
01/01/1999	\$43,189	\$40,935	(\$2,254)	105.51%	\$5,088	-44.30%
01/01/2000	\$43,929	\$42,368	(\$1,561)	103.69%	\$5,010	-31.17%
01/01/2001	\$45,171	\$43,937	(\$1,234)	102.81%	\$4,890	-24.77%



FINANCIAL SECTION - PART II

GOVERNMENTAL FUND TYPES - COMBINING STATEMENTS

SPECIAL REVENUE FUNDS

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

The Funds included in this Section are:

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

CITY OF PHILADELPHIA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001

	County Liquid Fuels Tax Fund	Special Gasoline Tax Fund	HealthChoices Behavioral Health Fund	Hotel Room Rental Tax Fund
<u>Assets</u>				
Cash on Deposit and on Hand	\$ -	\$ -	\$ -	\$ -
Equity in Treasurer's Accounts	775,529	826,234	103,621,576	3,612,321
Investments	-	-	-	-
Due from Other Funds	-	-	-	-
Taxes Receivable	-	-	-	3,594,619
Accounts Receivable	1,268	7,880	-	-
Allowance for Doubtful Accounts	-	-	-	(219,854)
Interest and Dividends Receivable	-	-	650,889	-
Due from Other Governmental Units	-	-	-	-
Other Assets	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Total Assets</u>	<u>\$ 776,797</u>	<u>\$ 834,114</u>	<u>\$ 104,272,465</u>	<u>\$ 6,987,086</u>
<u>Liabilities and Fund Equity</u>				
Vouchers Payable	\$ 4,630	\$ 27,207	\$ 169,470	\$ 964,594
Accounts Payable	104,159	198,386	6,666,953	785,445
Salaries and Wages Payable	-	-	-	-
Notes Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Component Units	-	-	8,838,373	4,783,555
Funds Held in Escrow	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	453,492
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>108,789</u>	<u>225,593</u>	<u>15,674,796</u>	<u>6,987,086</u>
Fund Equity:				
Fund Balance:				
Reserved for Managed Care	-	-	25,570,208	-
Reserved for Encumbrances	144,922	326,124	-	-
Reserved for Intergovernmental Financing	-	-	-	-
Reserved for Intergovernmentally Financed Programs	-	-	-	-
Reserved for Public Safety Emergency Phone System	-	-	-	-
Unreserved:				
Designated for Behavioral Health Programs	-	-	63,027,461	-
Undesignated Fund Balance	523,086	282,397	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Unreserved Fund Balances	<u>523,086</u>	<u>282,397</u>	<u>63,027,461</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Equity	<u>668,008</u>	<u>608,521</u>	<u>88,597,669</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Total Liabilities and Fund Equity</u>	<u>\$ 776,797</u>	<u>\$ 834,114</u>	<u>\$ 104,272,465</u>	<u>\$ 6,987,086</u>

EXHIBIT II-A-1

Grants Revenue Fund	Community Development Fund	Car Rental Tax Fund	Municipal Authority Administrative Fund	PICA Administrative Fund	Totals
\$ 83,000	\$ -	\$ -	\$ 510,916	\$ 17,702,460	\$ 18,296,376
81,271,039	-	3,748,497	-	-	193,855,196
-	-	-	-	59,268,360	59,268,360
-	-	-	-	344,368	344,368
-	-	391,760	-	6,340,607	10,326,986
1,223,463	3,252,783	-	1,866,227	-	6,351,621
-	(204,290)	(1,337)	-	-	(425,481)
306,166	-	-	5,270	258,697	1,221,022
76,029,100	12,274,928	-	-	-	88,304,028
-	-	-	-	11,940	11,940
<u>\$ 158,912,768</u>	<u>\$ 15,323,421</u>	<u>\$ 4,138,920</u>	<u>\$ 2,382,413</u>	<u>\$ 83,926,432</u>	<u>\$ 377,554,416</u>
\$ 13,016,857	\$ 2,835,060	\$ -	\$ -	\$ -	\$ 17,017,818
28,109,226	6,190,134	-	2,264,996	109,211	44,428,510
1,504,063	70,003	-	-	405,921	1,979,987
-	358,435	-	-	-	358,435
-	3,636,689	-	-	6,687,557	10,324,246
522,918	2,217,085	-	-	-	16,361,931
5,738,945	-	-	9,080	-	5,748,025
-	16,015	-	-	-	16,015
<u>126,928,278</u>	<u>5,628,485</u>	<u>1,928</u>	<u>-</u>	<u>-</u>	<u>133,012,183</u>
<u>175,820,287</u>	<u>20,951,906</u>	<u>1,928</u>	<u>2,274,076</u>	<u>7,202,689</u>	<u>229,247,150</u>
-	-	-	-	-	25,570,208
-	-	-	-	-	471,046
-	-	-	-	75,412,402	75,412,402
33,828,231	-	-	-	-	33,828,231
3,580,007	-	-	-	-	3,580,007
-	-	-	-	-	63,027,461
<u>(54,315,757)</u>	<u>(5,628,485)</u>	<u>4,136,992</u>	<u>108,337</u>	<u>1,311,341</u>	<u>(53,582,089)</u>
<u>(54,315,757)</u>	<u>(5,628,485)</u>	<u>4,136,992</u>	<u>108,337</u>	<u>1,311,341</u>	<u>9,445,372</u>
<u>(16,907,519)</u>	<u>(5,628,485)</u>	<u>4,136,992</u>	<u>108,337</u>	<u>76,723,743</u>	<u>148,307,266</u>
<u>\$ 158,912,768</u>	<u>\$ 15,323,421</u>	<u>\$ 4,138,920</u>	<u>\$ 2,382,413</u>	<u>\$ 83,926,432</u>	<u>\$ 377,554,416</u>

CITY OF PHILADELPHIA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	County Liquid Fuels Tax Fund	Special Gasoline Tax Fund	HealthChoices Behavioral Health Fund	Hotel Room Rental Tax Fund
Revenues:				
Tax Revenue	\$ -	\$ -	\$ -	\$ 32,797,063
Locally Generated Non-Tax Revenue	91,371	107,501	7,495,741	169,330
Revenue from Other Governments	<u>4,683,018</u>	<u>20,094,135</u>	<u>393,026,936</u>	<u>-</u>
<u>Total Revenues</u>	<u>4,774,389</u>	<u>20,201,636</u>	<u>400,522,677</u>	<u>32,966,393</u>
Expenditures:				
Economic Development	-	-	-	13,854,471
Transportation	5,415,189	20,392,432	-	-
Judiciary and Law Enforcement	-	-	-	-
Conservation of Health	-	-	8,724,820	-
Housing and Neighborhood Development	-	-	-	-
Cultural and Recreational	-	-	-	-
Improvement of General Welfare	-	-	-	-
Services to Property	-	-	-	-
General Management and Support	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>5,415,189</u>	<u>20,392,432</u>	<u>8,724,820</u>	<u>13,854,471</u>
Excess of Revenues Over (Under) Expenditures	<u>(640,800)</u>	<u>(190,796)</u>	<u>391,797,857</u>	<u>19,111,922</u>
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Operating Transfers to Component Units	<u>-</u>	<u>-</u>	<u>(409,294,182)</u>	<u>(19,111,922)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>(409,294,182)</u>	<u>(19,111,922)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(640,800)	(190,796)	(17,496,325)	-
Other Changes in Unreserved Fund Balance:				
Decrease in Reserve for Encumbrances	327,536	387,650	-	-
Increase in Reserve for Intergovernmental Financing	-	-	-	-
Increase in Reserve for Intergovernmentally Financed Programs	-	-	-	-
Decrease in Reserve for Public Safety Emergency Phone System	-	-	-	-
Decrease in Reserve for Managed Care	<u>-</u>	<u>-</u>	<u>5,310,527</u>	<u>-</u>
Net Change in Unreserved Fund Balance for the Year	<u>(313,264)</u>	<u>196,854</u>	<u>(12,185,798)</u>	<u>-</u>
Fund Balance - Unreserved, July 1, 2000	836,350	85,543	75,213,259	-
Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Unreserved, July 1, 2000 as Adjusted	<u>836,350</u>	<u>85,543</u>	<u>75,213,259</u>	<u>-</u>
Fund Balance - Unreserved, June 30, 2001	<u>\$ 523,086</u>	<u>\$ 282,397</u>	<u>\$ 63,027,461</u>	<u>\$ -</u>

EXHIBIT II-A-2

Grants Revenue Fund	Community Development Fund	Car Rental Tax Fund	Municipal Authority Administrative Fund	PICA Administrative Fund	Totals
\$ -	\$ -	\$ 4,136,992	\$ -	\$ 274,627,670	\$ 311,561,725
36,439,849	8,429,644	-	8,897,454	4,803,460	66,434,350
<u>658,363,802</u>	<u>76,284,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,152,452,245</u>
<u>694,803,651</u>	<u>84,713,998</u>	<u>4,136,992</u>	<u>8,897,454</u>	<u>279,431,130</u>	<u>1,530,448,320</u>
311,374	-	-	-	-	14,165,845
-	-	-	-	-	25,807,621
54,679,897	-	-	-	-	54,679,897
508,864,893	-	-	-	-	517,589,713
13,794,025	41,949,566	-	-	-	55,743,591
18,431,121	-	-	-	-	18,431,121
36,678,378	-	-	-	-	36,678,378
202,797	-	-	-	-	202,797
18,152,024	86,678	-	8,883,766	1,108,685	28,231,153
<u>651,114,509</u>	<u>42,036,244</u>	<u>-</u>	<u>8,883,766</u>	<u>1,108,685</u>	<u>751,530,116</u>
<u>43,689,142</u>	<u>42,677,754</u>	<u>4,136,992</u>	<u>13,688</u>	<u>278,322,445</u>	<u>778,918,204</u>
-	-	-	-	1,916,000	1,916,000
(13,150,938)	-	-	-	(277,556,843)	(290,707,781)
<u>(28,371,433)</u>	<u>(38,703,976)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(495,481,513)</u>
<u>(41,522,371)</u>	<u>(38,703,976)</u>	<u>-</u>	<u>-</u>	<u>(275,640,843)</u>	<u>(784,273,294)</u>
2,166,771	3,973,778	4,136,992	13,688	2,681,602	(5,355,090)
-	-	-	-	-	715,186
-	-	-	-	(1,722,592)	(1,722,592)
(4,553,858)	-	-	-	-	(4,553,858)
424,077	-	-	-	-	424,077
-	-	-	-	-	5,310,527
<u>(1,963,010)</u>	<u>3,973,778</u>	<u>4,136,992</u>	<u>13,688</u>	<u>959,010</u>	<u>(5,181,750)</u>
-	-	-	94,649	352,331	76,582,132
<u>(52,352,747)</u>	<u>(9,602,263)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61,955,010)</u>
<u>(52,352,747)</u>	<u>(9,602,263)</u>	<u>-</u>	<u>94,649</u>	<u>352,331</u>	<u>14,627,122</u>
<u>\$ (54,315,757)</u>	<u>\$ (5,628,485)</u>	<u>\$ 4,136,992</u>	<u>\$ 108,337</u>	<u>\$ 1,311,341</u>	<u>\$ 9,445,372</u>

CITY OF PHILADELPHIA
SPECIAL REVENUE FUNDS (EXCEPT MUNICIPAL AUTHORITY AND PICA FUNDS)
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES
BUDGET (LEGAL BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

County Liquid Fuels Tax Fund

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues:			
Tax Revenue	\$ -	\$ -	\$ -
Locally Generated Non-Tax Revenue	44,000	91,371	47,371
Revenue from Other Governments	<u>4,835,000</u>	<u>4,683,018</u>	<u>(151,982)</u>
Total Revenues	4,879,000	4,774,389	(104,611)
Other Sources:			
Increase (Decrease) in Unreimbursed Commitments	-	-	-
(Increase) Decrease in Financed Reserves	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Revenues and Other Sources</u>	<u>4,879,000</u>	<u>4,774,389</u>	<u>(104,611)</u>
Expenditures and Encumbrances:			
Personal Services:			
Personal Services	3,084,000	3,084,000	-
Pension Contributions	-	-	-
Other Employee Benefits	-	-	-
Sub-total	<u>3,084,000</u>	<u>3,084,000</u>	<u>-</u>
Purchase of Services	1,469,000	1,464,890	4,110
Materials and Supplies	782,000	778,786	3,214
Equipment	-	-	-
Contributions, Indemnities and Taxes	-	-	-
Debt Service - Interest	-	-	-
Payments to Other Funds	15,000	15,000	-
Advances, Subsidies, Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures and Encumbrances</u>	<u>5,350,000</u>	<u>5,342,676</u>	<u>7,324</u>
Operating Surplus (Deficit) for the Year	\$ <u>(471,000)</u>	<u>(568,287)</u>	\$ <u>(97,287)</u>
Fund Balance Available for Appropriation, July 1, 2000		836,350	
Adjustments to Prior Fiscal Year Revenues, Expenditures and Encumbrances:			
Commitments Cancelled - Net		255,023	
Revenue Adjustments - Net		-	
Prior Period Adjustments		<u>-</u>	
Adjusted Fund Balance, July 1, 2000		<u>1,091,373</u>	
Fund Balance Available for Appropriation, June 30, 2001		\$ <u>523,086</u>	

EXHIBIT II-A-3

Special Gasoline Tax Fund			HealthChoices Behavioral Health Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
150,000	107,501	(42,499)	7,859,000	7,495,741	(363,259)
<u>19,700,000</u>	<u>20,094,135</u>	<u>394,135</u>	<u>413,133,000</u>	<u>393,026,936</u>	<u>(20,106,064)</u>
19,850,000	20,201,636	351,636	420,992,000	400,522,677	(20,469,323)
-	-	-	-	4,233,621	4,233,621
-	-	-	-	<u>5,310,527</u>	<u>5,310,527</u>
<u>19,850,000</u>	<u>20,201,636</u>	<u>351,636</u>	<u>420,992,000</u>	<u>410,066,825</u>	<u>(10,925,175)</u>
12,108,867	12,108,867	-	-	-	-
500,000	500,000	-	-	-	-
500,000	500,000	-	-	-	-
<u>13,108,867</u>	<u>13,108,867</u>	-	-	-	-
2,753,804	2,749,361	4,443	433,278,000	421,566,571	11,711,429
4,228,879	4,228,262	617	-	-	-
33,108	20,665	12,443	100,000	-	100,000
-	-	-	-	-	-
-	-	-	-	-	-
31,342	31,342	-	950,000	686,052	263,948
-	-	-	-	-	-
<u>20,156,000</u>	<u>20,138,497</u>	<u>17,503</u>	<u>434,328,000</u>	<u>422,252,623</u>	<u>12,075,377</u>
\$ <u>(306,000)</u>	<u>63,139</u>	\$ <u>369,139</u>	\$ <u>(13,336,000)</u>	<u>(12,185,798)</u>	\$ <u>1,150,202</u>
	85,543			75,213,259	
	133,715			-	
	-			-	
	-			-	
	<u>219,258</u>			<u>75,213,259</u>	
	\$ <u>282,397</u>			\$ <u>63,027,461</u>	

CITY OF PHILADELPHIA
SPECIAL REVENUE FUNDS (EXCEPT MUNICIPAL AUTHORITY AND PICA FUNDS)
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES
BUDGET (LEGAL BASIS) AND ACTUAL(Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Hotel Room Rental Tax Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Tax Revenue	\$ 31,850,000	\$ 32,797,063	\$ 947,063
Locally Generated Non-Tax Revenue	150,000	169,331	19,331
Revenue from Other Governments	-	-	-
	32,000,000	32,966,394	966,394
Total Revenues			
Other Sources:			
Increase (Decrease) in Unreimbursed Commitments	-	-	-
(Increase) in Financed Reserves	-	-	-
	-	-	-
<u>Total Revenues and Other Sources</u>	32,000,000	32,966,394	966,394
Expenditures and Encumbrances:			
Personal Services:			
Personal Services	72,000	72,000	-
Pension Contributions	-	-	-
Other Employee Benefits	-	-	-
Sub-total	72,000	72,000	-
Purchase of Services	-	-	-
Materials and Supplies	-	-	-
Equipment	-	-	-
Contributions, Indemnities and Taxes	31,928,000	34,535,444	(2,607,444)
Debt Service - Interest	-	-	-
Payments to Other Funds	-	-	-
Advances, Subsidies, Miscellaneous	-	-	-
	32,000,000	34,607,444	(2,607,444)
<u>Total Expenditures and Encumbrances</u>	32,000,000	34,607,444	(2,607,444)
Operating Surplus (Deficit) for the Year	\$ -	(1,641,050)	\$ (1,641,050)
Fund Balance Available for Appropriation, July 1, 2000		-	
Adjustments to Prior Fiscal Year Revenues, Expenditures and Encumbrances:			
Commitments Cancelled - Net		-	
Revenue Adjustments - Net		-	
Prior Period Adjustments		1,641,050	
Adjusted Fund Balance, July 1, 2000		1,641,050	
Fund Balance Available for Appropriation, June 30, 2001		\$ -	

Grants Revenue Fund			Community Development Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42,606,000	36,126,123	(6,479,877)	600,000	8,429,644	7,829,644
<u>657,815,396</u>	<u>556,373,644</u>	<u>(101,441,752)</u>	<u>69,690,000</u>	<u>69,986,268</u>	<u>296,268</u>
700,421,396	592,499,767	(107,921,629)	70,290,000	78,415,912	8,125,912
-	(34,402,347)	(34,402,347)	-	(8,886,118)	(8,886,118)
<u>-</u>	<u>(4,129,781)</u>	<u>(4,129,781)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>700,421,396</u>	<u>553,967,639</u>	<u>(146,453,757)</u>	<u>70,290,000</u>	<u>69,529,794</u>	<u>(760,206)</u>
86,189,961	73,381,521	12,808,440	5,920,447	5,507,403	413,044
5,861,032	4,349,158	1,511,874	876,100	607,163	268,937
<u>12,107,468</u>	<u>10,423,414</u>	<u>1,684,054</u>	<u>1,492,078</u>	<u>1,355,721</u>	<u>136,357</u>
104,158,461	88,154,093	16,004,368	8,288,625	7,470,287	818,338
580,568,853	483,123,454	97,445,399	61,511,555	63,069,794	(1,558,239)
15,958,162	11,088,422	4,869,740	207,141	193,664	13,477
11,247,555	5,911,794	5,335,761	82,679	82,679	-
331,205	56,205	275,000	-	-	-
-	-	-	-	-	-
17,731,700	14,047,544	3,684,156	200,000	27,537	172,463
<u>55,350,386</u>	<u>-</u>	<u>55,350,386</u>	<u>20,000,000</u>	<u>-</u>	<u>20,000,000</u>
<u>785,346,322</u>	<u>602,381,512</u>	<u>182,964,810</u>	<u>90,290,000</u>	<u>70,843,961</u>	<u>19,446,039</u>
\$ <u>(84,924,926)</u>	<u>(48,413,873)</u>	\$ <u>36,511,053</u>	\$ <u>(20,000,000)</u>	<u>(1,314,167)</u>	\$ <u>18,685,833</u>
	-			-	
	34,075,788			5,274,576	
	12,375,075			-	
	<u>(52,352,747)</u>			<u>(9,588,894)</u>	
	<u>(5,901,884)</u>			<u>(4,314,318)</u>	
	\$ <u>(54,315,757)</u>			\$ <u>(5,628,485)</u>	

CITY OF PHILADELPHIA
SPECIAL REVENUE FUNDS (EXCEPT MUNICIPAL AUTHORITY AND PICA FUNDS)
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES
BUDGET (LEGAL BASIS) AND ACTUAL(Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Car Rental Tax Fund		
	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues:			
Tax Revenue	\$ 4,500,000	\$ 4,136,992	\$ (363,008)
Locally Generated Non-Tax Revenue	25,000	-	(25,000)
Revenue from Other Governments	-	-	-
	4,525,000	4,136,992	(388,008)
Total Revenues			
Other Sources:			
Increase (Decrease) in Unreimbursed Commitments	-	-	-
(Increase) in Financed Reserves	-	-	-
	-	-	-
<u>Total Revenues and Other Sources</u>	4,525,000	4,136,992	(388,008)
Expenditures and Encumbrances:			
Personal Services:			
Personal Services	-	-	-
Pension Contributions	-	-	-
Other Employee Benefits	-	-	-
Sub-total	-	-	-
Purchase of Services	-	-	-
Materials and Supplies	-	-	-
Equipment	-	-	-
Contributions, Indemnities and Taxes	-	-	-
Debt Service - Interest	4,525,000	-	4,525,000
Payments to Other Funds	-	-	-
Advances, Subsidies, Miscellaneous	-	-	-
	4,525,000	-	4,525,000
<u>Total Expenditures and Encumbrances</u>	4,525,000	-	4,525,000
Operating Surplus (Deficit) for the Year	\$ -	4,136,992	\$ 4,136,992
Fund Balance Available for Appropriation, July 1, 2000		-	
Adjustments to Prior Fiscal Year Revenues, Expenditures and Encumbrances:			
Commitments Cancelled - Net		-	
Revenue Adjustments - Net		-	
Prior Period Adjustments		-	
		-	
Adjusted Fund Balance, July 1, 2000		-	
Fund Balance Available for Appropriation, June 30, 2001		\$ 4,136,992	

Totals		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 36,350,000	\$ 36,934,055	\$ 584,055
51,434,000	52,419,711	985,711
<u>1,165,173,396</u>	<u>1,044,164,001</u>	<u>(121,009,395)</u>
1,252,957,396	1,133,517,767	(119,439,629)
-	(39,054,844)	(39,054,844)
<u>-</u>	<u>1,180,746</u>	<u>1,180,746</u>
<u>1,252,957,396</u>	<u>1,095,643,669</u>	<u>(157,313,727)</u>
107,375,275	94,153,791	13,221,484
7,237,132	5,456,321	1,780,811
<u>14,099,546</u>	<u>12,279,135</u>	<u>1,820,411</u>
128,711,953	111,889,247	16,822,706
1,079,581,212	971,974,070	107,607,142
21,176,182	16,289,134	4,887,048
11,463,342	6,015,138	5,448,204
32,259,205	34,591,649	(2,332,444)
4,525,000	-	4,525,000
18,928,042	14,807,475	4,120,567
<u>75,350,386</u>	<u>-</u>	<u>75,350,386</u>
<u>1,371,995,322</u>	<u>1,155,566,713</u>	<u>216,428,609</u>
\$ <u>(119,037,926)</u>	<u>(59,923,044)</u>	\$ <u>59,114,882</u>
	76,135,152	
	39,739,102	
	12,375,075	
	<u>(60,300,591)</u>	
	<u>67,948,738</u>	
	\$ <u>8,025,694</u>	



FINANCIAL SECTION - PART II (Continued)

GOVERNMENTAL FUND TYPES - COMBINING STATEMENTS

DEBT SERVICE FUNDS

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

The Funds included in this Section are:

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

CITY OF PHILADELPHIA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001

EXHIBIT II-A-4

	<u>City Debt Service Fund</u>	<u>Municipal Authority Debt Service Fund</u>	<u>PICA Debt Service Fund</u>	<u>Totals</u>
<u>Assets</u>				
Equity in Treasurer's Account	\$ 658,340	\$ -	\$ -	\$ 658,340
Investments	-	6,187,569	91,277,073	97,464,642
Interest Receivable	-	4,178,354	361,565	4,539,919
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Total Assets</u>	<u>\$ 658,340</u>	<u>\$ 10,365,923</u>	<u>\$ 91,638,638</u>	<u>\$ 102,662,901</u>
 <u>Liabilities and Fund Equity</u>				
Accounts Payable	\$ -	\$ 4,294,245	\$ -	\$ 4,294,245
Due to Other Funds	-	-	344,368	344,368
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	-	4,294,245	344,368	4,638,613
 Fund Equity:				
Fund Balance:				
Reserved for Debt Service				
Principal	-	6,071,678	89,444,270	95,515,948
Reserved for Debt Service				
Interest	658,340	-	-	658,340
Unreserved:				
Undesignated Fund Balance	-	-	1,850,000	1,850,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity	658,340	6,071,678	91,294,270	98,024,288
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Total Liabilities and Fund Equity</u>	<u>\$ 658,340</u>	<u>\$ 10,365,923</u>	<u>\$ 91,638,638</u>	<u>\$ 102,662,901</u>

**CITY OF PHILADELPHIA
DEBT SERVICE FUNDS**

EXHIBIT II-A-5

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	City Debt Service Fund	Municipal Authority Debt Service Fund	PICA Debt Service Fund	Totals
Revenues:				
Locally Generated Non-Tax Revenue	\$ 658,341	\$ 7,321,816	\$ 7,543,434	\$ 15,523,591
Expenditures:				
Debt Service:				
Principal	42,669,307	25,533,264	57,570,000	125,772,571
Interest	32,556,220	22,938,936	49,444,977	104,940,133
<u>Total Expenditures</u>	<u>75,225,527</u>	<u>48,472,200</u>	<u>107,014,977</u>	<u>230,712,704</u>
Excess of Revenues (Under) Expenditures	<u>(74,567,186)</u>	<u>(41,150,384)</u>	<u>(99,471,543)</u>	<u>(215,189,113)</u>
Other Financing Sources (Uses):				
Operating Transfers In	75,225,479	36,217,213	100,053,652	211,496,344
<u>Total Other Financing Sources (Uses)</u>	<u>75,225,479</u>	<u>36,217,213</u>	<u>100,053,652</u>	<u>211,496,344</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	658,293	(4,933,171)	582,109	(3,692,769)
Other Changes in Unreserved Fund Balance: (Increase) Decrease in Reserve for Debt Service	<u>(658,293)</u>	<u>4,933,171</u>	<u>(648,109)</u>	<u>3,626,769</u>
Net Change in Unreserved Fund Balance for the Year	-	-	(66,000)	(66,000)
Fund Balance - Unreserved, July 1, 2000	-	-	1,916,000	1,916,000
Fund Balance - Unreserved, June 30, 2001	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,850,000</u>	\$ <u>1,850,000</u>



FINANCIAL SECTION - PART II (Continued)

GOVERNMENTAL FUND TYPES - COMBINING STATEMENTS

CAPITAL IMPROVEMENT FUNDS

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

The Funds included in this Section are:

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

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

EXHIBIT II-A-6

	City Capital Improvement <u>Fund</u>	Municipal Authority Capital Improvement <u>Fund</u>	<u>Totals</u>
<u>Assets</u>			
Equity in Treasurer's Account	\$ 246,144,791	\$ -	\$ 246,144,791
Investments	-	8,309,267	8,309,267
Accounts Receivable	185,630	-	185,630
Interest and Dividends Receivable	136,231	37,185	173,416
Due from Component Units	410,131	-	410,131
Due from Other Governmental Units	14,567,000	-	14,567,000
Allowance for Doubtful Accounts	(185,630)	-	(185,630)
	<u>\$ 261,258,153</u>	<u>\$ 8,346,452</u>	<u>\$ 269,604,605</u>
<u>Liabilities and Fund Equity</u>			
Vouchers Payable	\$ 6,373,990	\$ -	\$ 6,373,990
Accounts Payable	10,688,332	828,144	11,516,476
Salaries and Wages Payable	151,916	-	151,916
Deferred Revenue	13,879,804	-	13,879,804
Funds Held in Escrow	2,257,443	-	2,257,443
	<u>33,351,485</u>	<u>828,144</u>	<u>34,179,629</u>
Fund Equity:			
Fund Balance:			
Reserved for Encumbrances	123,907,807	-	123,907,807
Unreserved:			
Undesignated Fund Balance	103,998,861	7,518,308	111,517,169
	<u>227,906,668</u>	<u>7,518,308</u>	<u>235,424,976</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$ 261,258,153</u>	<u>\$ 8,346,452</u>	<u>\$ 269,604,605</u>

CITY OF PHILADELPHIA

EXHIBIT II-A-7

CAPITAL IMPROVEMENT FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	City Capital Improvement <u>Fund</u>	Municipal Authority Capital Improvement <u>Fund</u>	<u>Totals</u>
Revenues:			
Locally Generated Non-Tax Revenue	\$ 2,452,330	\$ 876,489	\$ 3,328,819
Revenue from Other Governments	22,552,336	-	22,552,336
Other Revenues	<u>553,994</u>	<u>1,489,856</u>	<u>2,043,850</u>
<u>Total Revenues</u>	<u>25,558,660</u>	<u>2,366,345</u>	<u>27,925,005</u>
Expenditures:			
Capital Outlay	<u>175,133,983</u>	<u>6,053,203</u>	<u>181,187,186</u>
Excess of Revenues Over (Under) Expenditures	<u>(149,575,323)</u>	<u>(3,686,858)</u>	<u>(153,262,181)</u>
Other Financing Sources (Uses):			
Proceeds from Bond Sales	292,986,049	-	292,986,049
Operating Transfers In	13,504,800	-	13,504,800
Operating Transfers From Component Units	22,025,863	-	22,025,863
Operating Transfers Out	-	(731,130)	(731,130)
Operating Transfers to Component Units	<u>(7,677,624)</u>	<u>-</u>	<u>(7,677,624)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>320,839,088</u>	<u>(731,130)</u>	<u>320,107,958</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	171,263,765	(4,417,988)	166,845,777
Other Changes in Unreserved Fund Balance:			
Decrease in Reserve for Encumbrances	<u>2,972,146</u>	<u>-</u>	<u>2,972,146</u>
Net Change in Unreserved Fund Balance for the Year	174,235,911	(4,417,988)	169,817,923
Fund Balance - Unreserved, July 1, 2000	(70,126,665)	11,936,296	(58,190,369)
Adjustment	<u>(110,385)</u>	<u>-</u>	<u>(110,385)</u>
Fund Balance - Unreserved, July 1, 2000 as Adjusted	<u>(70,237,050)</u>	11,936,296	<u>(58,300,754)</u>
Fund Balance - Unreserved, June 30, 2001	\$ <u>103,998,861</u>	\$ <u>7,518,308</u>	\$ <u>111,517,169</u>



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

ENTERPRISE FUNDS

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

The Funds included in this Section are:

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

CITY OF PHILADELPHIA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001

EXHIBIT II-B-1

	<u>Water Fund</u>	<u>Aviation Fund</u>	<u>Industrial & Commercial Development Fund</u>	<u>Totals</u>
<u>Assets</u>				
Current Assets:				
Cash on Deposit and on Hand	\$ 30,000	\$ -	\$ -	\$ 30,000
Equity in Treasurer's Account	39,441,447	72,926,417	8,976,887	121,344,751
Due from Other Governmental Units	-	11,186	-	11,186
Accounts Receivable:				
Utility and Aviation Charges	169,933,729	3,214,160	-	173,147,889
Other	7,913,859	8,289,810	395,536	16,599,205
	<hr/>	<hr/>	<hr/>	<hr/>
Total Accounts Receivable	177,847,588	11,503,970	395,536	189,747,094
Allowance for Doubtful Accounts	(107,510,660)	(1,367,263)	-	(108,877,923)
Inventories	14,255,436	1,848,944	16,939,873	33,044,253
Other Current Assets	386,727	-	-	386,727
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Assets	124,450,538	84,923,254	26,312,296	235,686,088
Restricted Assets:				
Equity in Treasurer's Account	271,213,685	146,260,779	-	417,474,464 *
Sinking Funds and Reserves Applicable to Revenue Bonds	149,011,933	52,859,884	-	201,871,817
Grants from Other Governments for Capital Purposes	-	7,395,484	-	7,395,484
Amount Held by Fiscal Agent	-	178,629,070	-	178,629,070 *
Accounts Receivable	-	12,630,203	-	12,630,203
Interest Receivable	864,593	1,606,632	-	2,471,225
	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted Assets	421,090,211	399,382,052	-	820,472,263
Property, Plant and Equipment:				
In Service	2,765,319,171	1,312,786,385	-	4,078,105,556
Less Accumulated Depreciation and Amortization	(1,269,909,951)	(510,697,170)	-	(1,780,607,121)
Under Construction	109,582,375	255,714,394	-	365,296,769
	<hr/>	<hr/>	<hr/>	<hr/>
Total Property, Plant and Equipment	1,604,991,595	1,057,803,609	-	2,662,795,204
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Total Assets</u>	\$ <u>2,150,532,344</u>	\$ <u>1,542,108,915</u>	\$ <u>26,312,296</u>	\$ <u>3,718,953,555</u>

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

CITY OF PHILADELPHIA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 2001

EXHIBIT II-B-1

	<u>Water Fund</u>	<u>Aviation Fund</u>	<u>Industrial & Commercial Development Fund</u>	<u>Totals</u>
<u>Liabilities and Fund Equity</u>				
Current Liabilities:				
Vouchers Payable	\$ 4,378,892	\$ 2,320,343	\$ -	\$ 6,699,235
Accounts Payable	7,134,309	4,456,707	682,574	12,273,590
Salaries and Wages Payable	3,634,711	863,367	-	4,498,078
Construction Contracts Payable	9,312,870	39,267,283	-	48,580,153
Accrued Expenses	24,479,798	20,658,184	-	45,137,982
Deferred Revenue	5,824,467	28,133,653	-	33,958,120
Current Maturities of Long-Term Bonded Debt	63,541,423	30,291,422	-	93,832,845 **
Total Current Liabilities	118,306,470	125,990,959	682,574	244,980,003
Long-Term Liabilities:				
General Obligation Bonds	11,486,534	7,650,221	-	19,136,755 **
Revenue Bonds - Principal Amount	1,617,710,101	916,360,000	-	2,534,070,101 **
Unamortized Loss - Refunded Debt	(125,111,692)	(21,171,212)	-	(146,282,904)
Unamortized Discount on Revenue Bonds	(31,692,274)	(5,878,832)	-	(37,571,106)
Other Long-Term Liabilities	5,378,577	4,080,670	-	9,459,247 **
Total Long-Term Liabilities	1,477,771,246	901,040,847	-	2,378,812,093
Total Liabilities	1,596,077,716	1,027,031,806	682,574	2,623,792,096
Fund Equity:				
Contributed Capital - Local Sources	29,297,638	44,041,977	20,417,561	93,757,176
Contributed Capital - Other Sources	404,393,563	176,466,293	-	580,859,856
Retained Earnings:				
Reserved for Capital Purposes	-	60,869,784	-	60,869,784
Reserved for Rate Stabilization	153,035,865	-	-	153,035,865
Unreserved	(32,272,438)	233,699,055	5,212,161	206,638,778
Total Fund Equity	554,454,628	515,077,109	25,629,722	1,095,161,459
<u>Total Liabilities and Fund Equity</u>	\$ <u>2,150,532,344</u>	\$ <u>1,542,108,915</u>	\$ <u>26,312,296</u>	\$ <u>3,718,953,555</u>

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

General Obligation Bonds	\$ 24,499,293
Revenue Bonds	2,622,540,408
Other Liabilities	9,459,247

CITY OF PHILADELPHIA
ENTERPRISE FUNDS

EXHIBIT II-B-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN UNRESERVED RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>Water Fund</u>	<u>Aviation Fund</u>	<u>Industrial & Commercial Development Fund</u>	<u>Totals</u>
Operating Revenues:				
Charges for Goods and Services	\$ 331,026,244	\$ 57,815,794	\$ -	\$ 388,842,038
Sales of Land and Improvements	-	-	3,178,675	3,178,675
Rentals and Concessions	-	86,386,320	-	86,386,320
Miscellaneous Operating Revenues	<u>4,053,368</u>	<u>2,504,532</u>	<u>160,892</u>	<u>6,718,792</u>
<u>Total Operating Revenues</u>	<u>335,079,612</u>	<u>146,706,646</u>	<u>3,339,567</u>	<u>485,125,825</u>
Operating Expenses:				
Personal Services	102,083,072	39,754,933	-	141,838,005
Purchase of Services	54,608,402	45,523,517	-	100,131,919
Materials and Supplies	22,924,066	5,091,899	-	28,015,965
Employee Benefits	40,001,784	15,798,596	-	55,800,380
Indemnities and Taxes	4,477,197	1,526,766	-	6,003,963
Depreciation and Amortization	86,201,256	49,275,344	-	135,476,600
Cost of Goods Sold	<u>-</u>	<u>-</u>	<u>3,396,687</u>	<u>3,396,687</u>
<u>Total Operating Expenses</u>	<u>310,295,777</u>	<u>156,971,055</u>	<u>3,396,687</u>	<u>470,663,519</u>
Operating Income (Loss)	<u>24,783,835</u>	<u>(10,264,409)</u>	<u>(57,120)</u>	<u>14,462,306</u>
Non-Operating Revenues (Expenses):				
Operating Grants	7,985,155	13,324	-	7,998,479
Passenger Facility Charges	-	38,121,983	-	38,121,983
Interest Income	34,811,385	17,002,229	279,560	52,093,174
Debt Service - Interest	(90,694,217)	(30,194,209)	-	(120,888,426)
Other Expenses	<u>(983,702)</u>	<u>(610,756)</u>	<u>(662,574)</u>	<u>(2,257,032)</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(48,881,379)</u>	<u>24,332,571</u>	<u>(383,014)</u>	<u>(24,931,822)</u>
Income (Loss) Before Operating Transfers	(24,097,544)	14,068,162	(440,134)	(10,469,516)
Operating Transfers In (Out)	(4,137,590)	-	-	(4,137,590)
Operating Transfers To Component Units	(3,021,966)	-	-	(3,021,966)
Operating Transfers From Component Units	<u>-</u>	<u>23,731,389</u>	<u>-</u>	<u>23,731,389</u>
<u>Net Income (Loss)</u>	<u>(31,257,100)</u>	<u>37,799,551</u>	<u>(440,134)</u>	<u>6,102,317</u>
Other Changes in Unreserved Retained Earnings:				
Credit Arising from Transfer of Depreciation to Contributed Capital - Other Sources	15,650,542	12,626,158	-	28,276,700
Increase in Reserve for Capital Purposes	-	(5,418,418)	-	(5,418,418)
Decrease in Reserve for Rate Stabilization	<u>30,913,114</u>	<u>-</u>	<u>-</u>	<u>30,913,114</u>
Net Change in Unreserved Retained Earnings for the Year	15,306,556	45,007,291	(440,134)	59,873,713
Retained Earnings - Unreserved, July 1, 2000	<u>(47,578,994)</u>	<u>188,691,764</u>	<u>5,652,295</u>	<u>146,765,065</u>
Retained Earnings - Unreserved, June 30, 2001	<u>\$ (32,272,438)</u>	<u>\$ 233,699,055</u>	<u>\$ 5,212,161</u>	<u>\$ 206,638,778</u>

CITY OF PHILADELPHIA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

EXHIBIT II-B-3

	Water <u>Fund</u>	Aviation <u>Fund</u>	Industrial & Commercial Development <u>Fund</u>	<u>Totals</u>
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ 24,783,835	\$ (10,264,409)	\$ (57,120)	\$ 14,462,306
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	86,201,256	49,275,344	-	135,476,600
Provision for Uncollectible Accounts	7,199,002	1,053,806	-	8,252,808
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables	(4,937,584)	(2,246,038)	(1,125)	(7,184,747)
(Increase) Decrease in Inventories	(694,149)	(18,699)	2,369,080	1,656,232
Increase (Decrease) in Payables	1,839,665	(741,302)	260,354	1,358,717
Increase (Decrease) in Accrued Expenses	1,396,911	1,785,866	-	3,182,777
Increase (Decrease) in Deferred Revenue	(527,572)	6,513,757	-	5,986,185
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>115,261,364</u>	<u>45,358,325</u>	<u>2,571,189</u>	<u>163,190,878</u>
Cash Flows from Non-Capital Financing Activities:				
Operating Grants Received	7,985,155	-	-	7,985,155
Other Non-Capital Financing Expenses	(5,275,494)	-	(662,574)	(5,938,068)
Operating Transfers (Out) To Other Funds	(4,137,590)	-	-	(4,137,590)
Operating Transfers (Out) To Component Units	(3,021,966)	-	-	(3,021,966)
Operating Transfers In From Component Units	-	23,731,389	-	23,731,389
Changes in Assets and Liabilities:				
Increase (Decrease) in Other Liabilities	(1,123,534)	(212,967)	-	(1,336,501)
<u>Net Cash Provided (Used) in Non-Capital Financing Activities</u>	<u>(5,573,429)</u>	<u>23,518,422</u>	<u>(662,574)</u>	<u>17,282,419</u>
Cash Flows from Capital and Related Financing Activities:				
Principal Paid on Debt Instruments	(61,512,941)	(30,810,693)	-	(92,323,634)
Interest Paid on Debt Instruments	(90,694,217)	(53,196,163)	-	(143,890,380)
Acquisition and Construction of Capital Assets	(97,777,597)	(234,721,646)	-	(332,499,243)
Capital Grants	-	3,459,470	-	3,459,470
Contributions Received	615,977	-	210,885	826,862
Passenger Facility Charge	-	33,836,861	-	33,836,861
Changes in Assets and Liabilities:				
(Increase) Decrease in Restricted Assets	1,899,221	5,363,237	1,290,000	8,552,458
Increase (Decrease) in Other Liabilities	6,667,611	-	-	6,667,611
<u>Net Cash Provided (Used) in Capital and Related Financing Activities</u>	<u>(240,801,946)</u>	<u>(276,068,934)</u>	<u>1,500,885</u>	<u>(515,369,995)</u>
Cash Flows from Investing Activities:				
Interest and Dividends on Investments	34,811,385	32,532,989	279,560	67,623,934
<u>Net Cash Provided by Investing Activities</u>	<u>34,811,385</u>	<u>32,532,989</u>	<u>279,560</u>	<u>67,623,934</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(96,302,626)	(174,659,198)	3,689,060	(267,272,764)
Cash and Cash Equivalents, July 1, 2000	406,987,758	572,475,464	5,287,827	984,751,049
Cash and Cash Equivalents, June 30, 2001	<u>\$ 310,685,132</u>	<u>\$ 397,816,266</u>	<u>\$ 8,976,887</u>	<u>\$ 717,478,285</u>
Reconciliation to Combining Balance Sheet:				
Current Assets	\$ 39,441,447	\$ 72,926,417	\$ 8,976,887	\$ 121,344,751
Equity in Treasurer's Account	30,000	-	-	30,000
Cash on Deposit	-	-	-	-
Restricted Assets	271,213,685	146,260,779	-	417,474,464
Equity in Treasurer's Account	-	178,629,070	-	178,629,070
Amount Held by Fiscal Agent	-	-	-	-
Cash and Cash Equivalents, June 30, 2001	<u>\$ 310,685,132</u>	<u>\$ 397,816,266</u>	<u>\$ 8,976,887</u>	<u>\$ 717,478,285</u>



FINANCIAL SECTION - PART II (Continued)

FIDUCIARY FUND TYPES - COMBINING STATEMENTS

TRUST AND AGENCY FUNDS

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

The Funds included in this Section are:

1. **PENSION TRUST FUNDS:**

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

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

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

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

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

CITY OF PHILADELPHIA
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001

	Expendable Trust Funds		
	Departmental Non-Expendable <u>Trust Fund</u>	Riverview Residents <u>Fund</u>	Philadelphia Prisons <u>Fund</u>
<u>Assets</u>			
Cash on Deposit and on Hand	\$ 151,166	\$ -	\$ -
Equity in Treasurer's Account	-	237,954	2,237,956
Investments	6,819,015	-	-
Due from Other Funds	-	-	-
Due from Other Governmental Units	-	-	-
Accounts Receivable	119,579	-	-
Interest and Dividends Receivable	-	-	-
Inventories	-	5,355	49,596
Other Assets	-	-	-
	<u>\$ 7,089,760</u>	<u>\$ 243,309</u>	<u>\$ 2,287,552</u>
<u>Liabilities and Fund Equity</u>			
Vouchers Payable	\$ 52,550	\$ 5,250	\$ 36,048
Accounts Payable	-	-	-
Salaries and Wages Payable	-	-	-
Payroll Taxes Payable	-	-	-
Funds Held in Escrow	-	-	682,801
Due to Other Governmental Units	-	12,588	-
Accrued Expenses	-	-	-
Deferred Revenue	-	-	-
Due to Other Funds	-	-	7,324
Other Liabilities	-	-	-
	<u>52,550</u>	<u>17,838</u>	<u>726,173</u>
Fund Equity:			
Fund Balances:			
Reserved for Inventories	-	5,355	49,596
Reserved for Encumbrances	-	23,295	212,822
Reserved for Employees Pension Benefits	-	-	-
Reserved for Trust Principal	4,031,171	-	-
Unreserved:			
Designated for Trust Purposes	3,006,039	196,821	1,298,961
	<u>7,037,210</u>	<u>225,471</u>	<u>1,561,379</u>
	<u>\$ 7,089,760</u>	<u>\$ 243,309</u>	<u>\$ 2,287,552</u>

EXHIBIT II-C-1

Expendable Trust Funds

Arbitration Appeals Fund	Departmental Expendable Trust Fund	Total Expendable Trust Funds
\$ -	\$ 1,767,365	\$ 1,767,365
-	235,273	2,711,183
-	1,806,144	1,806,144
-	-	-
-	-	-
-	205,642	205,642
-	-	-
-	-	54,951
-	-	-
<hr/>	<hr/>	<hr/>
\$ -	\$ 4,014,424	\$ 6,545,285
<hr/>	<hr/>	<hr/>
\$ -	\$ 61,300	\$ 102,598
-	860,099	860,099
-	-	-
-	-	-
-	231,900	914,701
-	-	12,588
-	-	-
-	-	-
-	-	7,324
-	-	-
<hr/>	<hr/>	<hr/>
-	1,153,299	1,897,310
<hr/>	<hr/>	<hr/>
-	-	54,951
-	51,782	287,899
-	-	-
-	5,572	5,572
-	2,803,771	4,299,553
<hr/>	<hr/>	<hr/>
-	2,861,125	4,647,975
<hr/>	<hr/>	<hr/>
\$ -	\$ 4,014,424	\$ 6,545,285
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CITY OF PHILADELPHIA
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 2001

Agency Funds

	<u>Escrow Fund</u>	<u>Employee Health & Welfare Fund</u>	<u>Departmental Custodial Accounts</u>
<u>Assets</u>			
Cash on Deposit and on Hand	\$ -	\$ -	\$ 39,388,094
Equity in Treasurer's Account	9,688,877	18,376,603	-
Investments	-	-	35,255,049
Due from Other Funds	-	-	747,296
Due from Other Governmental Units	-	-	-
Accounts Receivable	-	-	-
Interest and Dividends Receivable	-	-	-
Inventories	-	-	-
Other Assets	-	-	-
	<u>\$ 9,688,877</u>	<u>\$ 18,376,603</u>	<u>\$ 75,390,439</u>
<u>Liabilities and Fund Equity</u>			
Vouchers Payable	\$ -	\$ 196,869	\$ -
Accounts Payable	-	-	-
Salaries and Wages Payable	-	-	-
Payroll Taxes Payable	-	11,649,543	-
Funds Held in Escrow	9,688,877	6,530,191	75,390,439
Due to Other Governmental Units	-	-	-
Accrued Expenses	-	-	-
Deferred Revenue	-	-	-
Due to Other Funds	-	-	-
Other Liabilities	-	-	-
	<u>9,688,877</u>	<u>18,376,603</u>	<u>75,390,439</u>
Fund Equity:			
Fund Balances:			
Reserved for Inventories	-	-	-
Reserved for Encumbrances	-	-	-
Reserved for Employees Pension Benefits	-	-	-
Reserved for Trust Principal	-	-	-
Unreserved:			
Designated for Trust Purposes	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Equity	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$ 9,688,877</u>	<u>\$ 18,376,603</u>	<u>\$ 75,390,439</u>

EXHIBIT II-C-1

	<u>Total Agency Funds</u>	<u>Total Pension Trust Funds</u>	<u>Total Trust and Agency Funds</u>
\$	39,388,094	\$ -	\$ 41,306,625
	28,065,480	4,936,436,924	4,967,213,587
	35,255,049	-	43,880,208
	747,296	-	747,296
	-	841,916	841,916
	-	7,693,899	8,019,120
	-	26,098,345	26,098,345
	-	-	54,951
	-	544,556,614	544,556,614
	<u>103,455,919</u>	<u>5,515,627,698</u>	<u>5,632,718,662</u>
\$	196,869	\$ 372,991	\$ 725,008
	-	3,325,877	4,185,976
	-	46,993	46,993
	11,649,543	-	11,649,543
	91,609,507	-	92,524,208
	-	-	12,588
	-	692,732	692,732
	-	6,387,068	6,387,068
	-	-	7,324
	-	651,694,851	651,694,851
	<u>103,455,919</u>	<u>662,520,512</u>	<u>767,926,291</u>
	-	-	54,951
	-	-	287,899
	-	4,853,107,186	4,853,107,186
	-	-	4,036,743
	-	-	7,305,592
	<u>-</u>	<u>4,853,107,186</u>	<u>4,864,792,371</u>
\$	<u>103,455,919</u>	<u>5,515,627,698</u>	<u>5,632,718,662</u>

CITY OF PHILADELPHIA
PENSION TRUST FUNDS
COMBINING STATEMENT OF PLAN NET ASSETS
JUNE 30, 2001

EXHIBIT II-C-2

	<u>Gas Works Retirement Reserve Fund</u>	<u>Municipal Pension Fund</u>	<u>Total Pension Trust Funds</u>
<u>Assets</u>			
Equity in Treasurer's Account	\$ 410,556,014	\$ 4,525,880,910	\$ 4,936,436,924
Securities Lending Collective Investment Pool	2,112,398	459,828,353	461,940,751 **
Accounts Receivable	-	7,693,899	7,693,899
Due from Brokers for Securities Sold	-	82,604,643	82,604,643 **
Interest and Dividends Receivable	2,972,907	23,125,438	26,098,345
Due from Other Governmental Units	-	841,916	841,916
Other Assets	-	11,220	11,220 **
	<u>\$ 415,641,319</u>	<u>\$ 5,099,986,379</u>	<u>\$ 5,515,627,698</u>
<u>Liabilities</u>			
Vouchers Payable	\$ -	\$ 372,991	\$ 372,991
Accounts Payable	534,767	2,791,110	3,325,877
Salaries and Wages Payable	-	46,993	46,993
Due on Return of Securities Loaned	2,112,398	459,828,353	461,940,751 ***
Due to Brokers for Securities Purchased	-	189,367,941	189,367,941 ***
Accrued Expenses	-	692,732	692,732
Deferred Revenue	-	6,387,068	6,387,068
Other Liabilities	-	386,159	386,159 ***
	<u>\$ 2,647,165</u>	<u>\$ 659,873,347</u>	<u>\$ 662,520,512</u>
Net Assets Held in Trust for Pension Benefits	<u>\$ 412,994,154</u>	<u>\$ 4,440,113,032</u>	<u>\$ 4,853,107,186 ****</u>

The Accounts Receivable of the Municipal Pension Fund consists of Employee Contributions Receivable in the amount of \$1,306,831 and Installment Repurchase Agreements Receivable in the amount of \$6,387,068.

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

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

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

CITY OF PHILADELPHIA
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN UNRESERVED FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

EXHIBIT II-C-3

	Riverview Residents <u>Fund</u>	Philadelphia Prisons <u>Fund</u>	Arbitration Appeals <u>Fund</u>	Departmental Expendable <u>Trust Fund</u>	Total Expendable Trust <u>Funds</u>
Revenues:					
Locally Generated Non-Tax Revenue	\$ 92,736	\$ 1,560,317	\$ 603,400	\$ 9,939,236	\$ 12,195,689
Expenditures:					
Judiciary and Law Enforcement	-	992,529	-	-	992,529
Cultural and Recreational	-	-	-	12,454,436	12,454,436
Improvement of General Welfare	83,756	-	-	-	83,756
General Management and Support	-	-	603,400	143,055	746,455
<u>Total Expenditures</u>	<u>83,756</u>	<u>992,529</u>	<u>603,400</u>	<u>12,597,491</u>	<u>14,277,176</u>
Excess of Revenues Over (Under) Expenditures	<u>8,980</u>	<u>567,788</u>	<u>-</u>	<u>(2,658,255)</u>	<u>(2,081,487)</u>
Other Financing Sources (Uses):					
Operating Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>923,274</u>	<u>923,274</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	8,980	567,788	-	(1,734,981)	(1,158,213)
Other Changes in Unreserved Fund Balance: (Increase) Decrease in Reserve for Encumbrances	<u>18,741</u>	<u>10,240</u>	<u>-</u>	<u>(26,700)</u>	<u>2,281</u>
Net Change in Unreserved Fund Balance for the Year	27,721	578,028	-	(1,761,681)	(1,155,932)
Fund Balance - Unreserved, July 1, 2000	169,100	720,933	-	4,567,692	5,457,725
Adjustment	-	-	-	(2,240)	(2,240)
Fund Equity - Unreserved, July 1, 2000 Adjusted	<u>169,100</u>	<u>720,933</u>	<u>-</u>	<u>4,565,452</u>	<u>5,455,485</u>
Fund Balance - Unreserved, June 30, 2001	<u>\$ 196,821</u>	<u>\$ 1,298,961</u>	<u>\$ -</u>	<u>\$ 2,803,771</u>	<u>\$ 4,299,553</u>

CITY OF PHILADELPHIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

EXHIBIT II-C-4

	<u>Balance</u> <u>7-1-2000</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6-30-2001</u>
<u>Escrow Fund</u>				
<u>Assets</u>				
Equity in Treasurer's Account	\$ 7,826,358	\$ 278,936,416	\$ 277,073,897	\$ 9,688,877
<u>Liabilities</u>				
Funds Held in Escrow	\$ 7,817,225	\$ 277,737,025	\$ 275,865,373	\$ 9,688,877
Vouchers Payable	9,133	679,352	688,485	-
<u>Total Liabilities</u>	<u>\$ 7,826,358</u>	<u>\$ 278,416,377</u>	<u>\$ 276,553,858</u>	<u>\$ 9,688,877</u>
<u>Employee Health and Welfare Fund</u>				
<u>Assets</u>				
Equity in Treasurer's Account	\$ 17,011,568	\$ 650,979,049	\$ 649,614,014	\$ 18,376,603
<u>Liabilities</u>				
Vouchers Payable	\$ 132,600	\$ 2,275,399	\$ 2,211,130	\$ 196,869
Payroll Taxes Payable	12,034,688	382,993,115	383,378,260	11,649,543
Funds Held in Escrow	4,844,280	267,966,889	266,280,978	6,530,191
<u>Total Liabilities</u>	<u>\$ 17,011,568</u>	<u>\$ 653,235,403</u>	<u>\$ 651,870,368</u>	<u>\$ 18,376,603</u>
<u>Departmental Custodial Accounts</u>				
<u>Assets</u>				
Cash on Deposit and on Hand	\$ 32,727,552	\$ 110,838,144	\$ 104,177,602	\$ 39,388,094
Investments	33,608,806	5,052,535	3,406,292	35,255,049
Due from Other Funds	698,754	48,542	-	747,296
<u>Total Assets</u>	<u>\$ 67,035,112</u>	<u>\$ 115,939,221</u>	<u>\$ 107,583,894</u>	<u>\$ 75,390,439</u>
<u>Liabilities</u>				
Funds Held in Escrow	\$ 67,035,112	\$ 115,939,221	\$ 107,583,894	\$ 75,390,439
<u>Totals - Agency Funds</u>				
<u>Assets</u>				
Cash on Deposit and on Hand	\$ 32,727,552	\$ 110,838,144	\$ 104,177,602	\$ 39,388,094
Equity in Treasurer's Account	24,837,926	929,915,465	926,687,911	28,065,480
Investments	33,608,806	5,052,535	3,406,292	35,255,049
Due from Other Funds	698,754	48,542	-	747,296
<u>Total Assets</u>	<u>\$ 91,873,038</u>	<u>\$ 1,045,854,686</u>	<u>\$ 1,034,271,805</u>	<u>\$ 103,455,919</u>
<u>Liabilities</u>				
Vouchers Payable	\$ 141,733	\$ 2,954,751	\$ 2,899,615	\$ 196,869
Payroll Taxes Payable	12,034,688	382,993,115	383,378,260	11,649,543
Funds Held in Escrow	79,696,617	661,643,135	649,730,245	91,609,507
<u>Total Liabilities</u>	<u>\$ 91,873,038</u>	<u>\$ 1,047,591,001</u>	<u>\$ 1,036,008,120</u>	<u>\$ 103,455,919</u>

FINANCIAL SECTION - PART III

ACCOUNT GROUP STATEMENTS

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

The Funds included in this Section are:

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

CITY OF PHILADELPHIA
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION
JUNE 30, 2001

	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>
<u>City-Related Assets</u>			
Economic Development	\$ 41,115,274	\$ 70,488,942	\$ 37,870,887
Transportation	2,015,059	40,724,028	3,302,719
Judiciary and Law Enforcement	7,774,462	93,363,455	4,413,491
Conservation of Health	2,039,780	54,335,268	1,481,163
Housing and Neighborhood Development	-	-	-
Cultural and Recreational	248,784,162	525,598,493	155,140,632
Improvement of General Welfare	9,393,293	192,581,283	3,584,315
Services to Property	1,973,080	38,308,999	916,807
General Management and Support	<u>135,767,184</u>	<u>278,722,016</u>	<u>39,137,619</u>
<u>Totals - City-Related</u>	<u>\$ 448,862,294</u>	<u>\$ 1,294,122,484</u>	<u>\$ 245,847,633</u>
 <u>Municipal Authority-Related Assets</u>			
Judiciary and Law Enforcement	\$ -	\$ -	\$ -
General Management and Support	<u>-</u>	<u>-</u>	<u>-</u>
<u>Totals - Municipal Authority-Related</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Totals</u>	<u>\$ 448,862,294</u>	<u>\$ 1,294,122,484</u>	<u>\$ 245,847,633</u>

EXHIBIT III-A-1

<u>Equipment</u>	<u>Transit</u>	<u>Construction Work in Process</u>	<u>Total</u>
\$ 5,040,562	\$ -	\$ 307,886	\$ 154,823,551
2,213,832	172,931,096	4,878,161	226,064,895
64,859,208	-	256,520	170,667,136
10,660,901	-	64,612	68,581,724
517,177	-	1,317,570	1,834,747
117,180,905	-	965,380	1,047,669,572
12,871,244	-	26,647	218,456,782
8,024,399	-	180,930	49,404,215
<u>315,217,732</u>	<u>-</u>	<u>4,246,061</u>	<u>773,090,612</u>
<u>\$ 536,585,960</u>	<u>\$ 172,931,096</u>	<u>\$ 12,243,767</u>	<u>\$ 2,710,593,234</u>
\$ -	\$ -	\$ 258,910,363	\$ 258,910,363
<u>-</u>	<u>-</u>	<u>80,586,734</u>	<u>80,586,734</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 339,497,097</u>	<u>\$ 339,497,097</u>
<u>\$ 536,585,960</u>	<u>\$ 172,931,096</u>	<u>\$ 351,740,864</u>	<u>\$ 3,050,090,331</u>

CITY OF PHILADELPHIA
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
JUNE 30, 2001

EXHIBIT III-A-2

	<u>City Related Assets</u>	<u>Municipal Authority Related Assets</u>	<u>Total General Fixed Assets</u>
General Fixed Assets:			
Land	\$ 448,862,294	\$ -	\$ 448,862,294
Buildings	1,294,122,484	-	1,294,122,484
Other Improvements	245,847,633	-	245,847,633
Equipment	536,585,960	-	536,585,960
Transit Facilities	172,931,096	-	172,931,096
Construction Work in Process	<u>12,243,767</u>	<u>339,497,097</u>	<u>351,740,864</u>
 <u>Total General Fixed Assets</u>	 <u>\$ 2,710,593,234</u>	 <u>\$ 339,497,097</u>	 <u>\$ 3,050,090,331</u>
Investment in General Fixed Assets by Source:			
Capital Projects Funds	\$ 1,180,814,602	\$ 339,497,097	\$ 1,520,311,699
Other Funds	616,407,351	-	616,407,351
Donations	250,088,467	-	250,088,467
Foreclosures	41,708	-	41,708
Unclassified Sources	<u>663,241,106</u>	<u>-</u>	<u>663,241,106</u>
 <u>Total Investment in General Fixed Assets</u>	 <u>\$ 2,710,593,234</u>	 <u>\$ 339,497,097</u>	 <u>\$ 3,050,090,331</u>

CITY OF PHILADELPHIA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

EXHIBIT III-A-3

	<u>Adjusted Balance 7-1-2000</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6-30-2001</u>
<u>City-Related Assets</u>				
Economic Development	\$ 147,706,094	\$ 12,620,687	\$ (5,503,230)	\$ 154,823,551
Transportation	221,381,370	7,049,906	(2,366,381)	226,064,895
Judiciary and Law Enforcement	149,880,988	26,288,931	(5,502,783)	170,667,136
Conservation of Health	62,858,926	6,935,534	(1,212,736)	68,581,724
Housing and Neighborhood Development	1,916,673	1,377,730	(1,459,656)	1,834,747
Cultural and Recreational	1,031,866,688	31,928,183	(16,125,299)	1,047,669,572
Improvement of General Welfare	221,761,948	2,925,694	(6,230,860)	218,456,782
Services to Property	49,306,376	2,251,338	(2,153,499)	49,404,215
General Management and Support	<u>693,035,668</u>	<u>92,702,342</u>	<u>(12,647,398)</u>	<u>773,090,612</u>
<u>Totals - City-Related</u>	<u>\$ 2,579,714,731</u>	<u>\$ 184,080,345</u>	<u>\$ (53,201,842)</u>	<u>\$ 2,710,593,234</u>
<u>Municipal Authority-Related Assets</u>				
Judiciary and Law Enforcement	\$ 258,800,574	\$ 109,789	\$ -	\$ 258,910,363
General Management and Support	<u>74,643,320</u>	<u>5,943,414</u>	<u>-</u>	<u>80,586,734</u>
<u>Totals - Municipal Authority Related Assets</u>	<u>\$ 333,443,894</u>	<u>\$ 6,053,203</u>	<u>\$ -</u>	<u>\$ 339,497,097</u>
<u>Totals</u>	<u>\$ 2,913,158,625</u>	<u>\$ 190,133,548</u>	<u>\$ (53,201,842)</u>	<u>\$ 3,050,090,331</u>

CITY OF PHILADELPHIA
COMBINING SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Balance 7-1-2000	General Obligation Bonds Issued	General Obligation Bonds Retired	Pension Service Agreement
<u>City-Related Debt</u>				
Amount to be Provided for Retirement of Long-Term Debt	\$ 2,246,884,593	\$ 295,000,000	\$ (42,669,307)	\$ (6,199,161)
General Obligation Debt Payable:				
Term Bonds	\$ 197,600,000	\$ 148,290,000	\$ -	\$ -
Refunding Bonds	279,947,662	-	(26,994,307)	-
Serial Bonds	171,165,001	146,710,000	(15,675,000)	-
Total General Obligation Debt Payable	648,712,663	295,000,000	(42,669,307)	-
Lease Commitments Payable	57,915,000	-	-	-
Other Long-Term Obligations Payable	1,540,256,930	-	-	(6,199,161)
Total City-Related General Long-Term Debt Payable	\$ 2,246,884,593	\$ 295,000,000	\$ (42,669,307)	\$ (6,199,161)
<u>Municipal Authority Debt</u>				
Amount Available in Debt Service Funds	\$ 11,004,849	\$ -	\$ -	\$ -
Amount to be Provided for Retirement of Long-Term Debt	351,109,370	-	(21,833,264)	-
Total Available and to be Provided	\$ 362,114,219	\$ -	\$ (21,833,264)	\$ -
General Obligation Debt Payable:				
Term Bonds	\$ 174,689,325	\$ -	\$ (2,125,000)	\$ -
Serial Bonds	181,824,894	-	(19,708,264)	-
Total General Obligation Debt Payable	356,514,219	-	(21,833,264)	-
Lease Commitments Payable	5,600,000	-	-	-
Total Municipal Authority Long-Term Debt Payable	\$ 362,114,219	\$ -	\$ (21,833,264)	\$ -
<u>PICA Debt</u>				
Amount Available in Debt Service Funds	\$ 88,796,161	\$ -	\$ -	\$ -
Amount to be Provided for Retirement of Long-Term Debt	870,623,839	-	(57,570,000)	-
Total Available and to be Provided	\$ 959,420,000	\$ -	\$ (57,570,000)	\$ -
General Obligation Debt Payable:				
Term Bonds	\$ 959,420,000	\$ -	\$ (57,570,000)	\$ -
Total PICA Long-Term Debt Payable	\$ 959,420,000	\$ -	\$ (57,570,000)	\$ -
Total General Long-Term Debt Payable	\$ 3,568,418,812	\$ 295,000,000	\$ (122,072,571)	\$ (6,199,161)

Lease Commitments Retired	Indemnity Claims	Worker's Compensation Claims	Termination Compensation Payable	Debt Service Funds Operations	Balance 6-30-2001
\$ <u>(1,040,000)</u>	\$ <u>(4,804,601)</u>	\$ <u>(7,731,437)</u>	\$ <u>45,081,594</u>	\$ <u>-</u>	\$ <u>2,524,521,681</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 345,890,000
-	-	-	-	-	252,953,355
-	-	-	-	-	302,200,001
-	-	-	-	-	901,043,356
(1,040,000)	-	-	-	-	56,875,000
-	(4,804,601)	(7,731,437)	45,081,594	-	1,566,603,325
\$ <u>(1,040,000)</u>	\$ <u>(4,804,601)</u>	\$ <u>(7,731,437)</u>	\$ <u>45,081,594</u>	\$ <u>-</u>	\$ <u>2,524,521,681</u>
\$ -	\$ -	\$ -	\$ -	\$ (4,933,171)	\$ 6,071,678
(3,700,000)	-	-	-	4,933,171	330,509,277
\$ <u>(3,700,000)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>336,580,955</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,564,325
-	-	-	-	-	162,116,630
-	-	-	-	-	334,680,955
(3,700,000)	-	-	-	-	1,900,000
\$ <u>(3,700,000)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>336,580,955</u>
\$ -	\$ -	\$ -	\$ -	\$ 648,109	\$ 89,444,270
-	-	-	-	(648,109)	812,405,730
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>901,850,000</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 901,850,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 901,850,000
\$ <u>(4,740,000)</u>	\$ <u>(4,804,601)</u>	\$ <u>(7,731,437)</u>	\$ <u>45,081,594</u>	\$ <u>-</u>	\$ <u>3,762,952,636</u>

CITY OF PHILADELPHIA
COMBINING STATEMENT OF GENERAL LONG-TERM DEBT
JUNE 30, 2001

EXHIBIT III-A-5

	<u>City Related General Long-Term Debt</u>	<u>Municipal Authority General Long-Term Debt</u>	<u>PICA General Long-Term Debt</u>	<u>Totals</u>
<u>Amounts Available and to be Provided</u>				
Amount Available in Debt Service Funds	\$ -	\$ 6,071,678	\$ 89,444,270	\$ 95,515,948
Amount to be Provided for Retirement of Long-Term Debt	<u>2,524,521,681</u>	<u>330,509,277</u>	<u>812,405,730</u>	<u>3,667,436,688</u>
Total Available and <u>to be Provided</u>	<u>\$ 2,524,521,681</u>	<u>\$ 336,580,955</u>	<u>\$ 901,850,000</u>	<u>\$ 3,762,952,636</u>
 <u>Long-Term Debt</u>				
General Obligation Bonds	\$ 901,043,356	\$ 334,680,955	\$ 901,850,000	\$ 2,137,574,311
Obligations - Under Capital Leases	56,875,000	1,900,000	-	58,775,000
Other Long-Term Obligations Payable	<u>1,566,603,325</u>	<u>-</u>	<u>-</u>	<u>1,566,603,325</u>
<u>Total Debt Payable</u>	<u>\$ 2,524,521,681</u>	<u>\$ 336,580,955</u>	<u>\$ 901,850,000</u>	<u>\$ 3,762,952,636</u>

SUPPORTING SCHEDULES

The Supporting Schedules presented in this Section are:

1. **Summary Schedule of Investments**
City Related Fund Types and Accounts

2. **Schedule of Bonded Debt Outstanding**
City Related

3. **Schedule of Actual and Estimated Revenues**
City Related General Funds -Legal Basis

4. **Schedule of Budgeted and Actual Expenditures and Encumbrances by Department**
City Related General Fund - Legal Basis

5. **Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance**
Water Fund - Budget (Legal Basis) and Actual

6. **Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance**
Aviation Fund - Budget (Legal Basis) and Actual

7. **Schedule of Actual and Estimated Revenues**
City Related Enterprise Funds - Legal Basis

8. **Schedule of Budgeted and Actual Expenditures and Encumbrances by Department**
City Related Enterprise Funds - Legal Basis



CITY OF PHILADELPHIA
CITY RELATED FUND TYPES AND ACCOUNTS
SUMMARY SCHEDULE OF INVESTMENTS
JUNE 30, 2001

SCHEDULE IV-A-1

	<u>Par Value</u>	<u>Cost</u>	<u>Fair Value</u> <u>6-30-2001</u>
Fiduciary Fund Types:			
Non-Expendable Trust Funds:			
<u>Departmental Non-Expendable Trust Fund:</u>			
U.S. Government Securities	\$ 415,000	\$ 1,233,516	\$ 1,288,460
U.S. Government Agencies	225,000	2,477,417	1,677,939
Common Stock	-	2,662,049	3,434,586
Other Investments	-	418,030	418,030
<u>Total Non-Expendable Trust Funds</u>	<u>640,000</u>	<u>6,791,012</u>	<u>6,819,015</u>
Expendable Trust Funds:			
<u>Departmental Expendable Trust Fund:</u>			
U.S. Government Securities	-	54,220	56,620
Corporate Bonds	-	137,422	141,948
Common Stock	-	954,831	804,917
Other Investments	-	802,659	802,659
<u>Total Expendable Trust Funds</u>	<u>-</u>	<u>1,949,132</u>	<u>1,806,144</u>
Agency Funds:			
<u>Departmental Custodial Accounts:</u>			
U.S. Government Securities	8,322,395	8,322,395	8,417,318
U.S. Government Agencies	26,560,122	26,560,122	26,837,731
<u>Total Agency Funds</u>	<u>34,882,517</u>	<u>34,882,517</u>	<u>35,255,049</u>
<u>Total Fiduciary Fund Types</u>	<u>35,522,517</u>	<u>43,622,661</u>	<u>43,880,208</u>
<u>Treasurer's Account:*</u>			
U.S. Government Securities	603,154,547	637,614,721	638,889,555
U.S. Government Agency Securities	1,137,350,710	1,077,671,984	1,085,859,814
Corporate Bonds	1,201,528,267	1,251,289,864	1,267,478,225
Common Stock	-	2,758,925,393	2,798,545,227
Mortgage Obligations	69,167,549	53,889,606	53,855,373
Short Term Investments	219,003,483	219,221,332	219,224,153
Real Estate	51,595,430	51,595,430	32,657,162
Financial Agreements	-	149,929,706	139,982,814
Other Bonds and Investments	93,485,380	180,751,107	170,712,931
<u>Total Treasurer's Account</u>	<u>3,375,285,366</u>	<u>6,380,889,143</u>	<u>6,407,205,254</u>
<u>Total All Fund Types and Accounts</u>	<u>\$ 3,410,807,883</u>	<u>\$ 6,424,511,804</u>	<u>\$ 6,451,085,462</u>

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

CITY OF PHILADELPHIA
CITY RELATED SCHEDULE OF BONDED DEBT OUTSTANDING
JUNE 30, 2001

SCHEDULE IV-A-2

	Original Authorization	Date of Issuance	Issued	Fiscal 2001 Outstanding	Maturities	Interest Rates	Fiscal 2002 Debt Service Requirements	
							Interest	Principal
General Obligation Bonds:								
Term Bonds								
	\$ 34,966,006	(1) 12/01/1995	\$ 28,516,101	\$ 28,516,101	05/2014 to 05/2025	5.00	\$ 1,425,805	\$ -
		(1) 11/15/1998	6,449,905	6,449,905	03/2019 to 03/2028	5.00	322,495	-
	72,135,877	(1) 12/01/1995	36,358,899	36,358,899	05/2014 to 05/2025	5.00	1,817,945	-
		(1) 11/15/1998	35,776,978	35,776,978	03/2019 to 03/2028	5.00	1,788,849	-
	68,194,869	(1) 11/15/1998	68,194,869	68,194,869	03/2019 to 03/2028	5.00	3,409,744	-
	22,303,248	(1) 11/15/1998	22,303,248	22,303,248	03/2019 to 03/2028	5.00	1,115,162	-
	51,328,447	(1) 01/01/2001	51,328,447	51,328,447	09/2022 to 09/2031	5.00 to 5.25	3,146,772	-
	98,974,271	(1) 01/01/2001	96,961,553	96,961,553	09/2022 to 09/2031	5.00 to 5.25	5,944,383	-
Total Term Bonds	347,902,718		345,890,000	345,890,000			18,971,155	-
Refunding Issues								
	97,645,000	07/15/1993	97,645,000	74,920,000	05/2002 to 05/2005	5.10 to 6.00	3,905,693	20,900,000
	101,505,000	06/15/1994	101,505,000	21,535,000	11/2001 to 11/2004	5.20 to 6.25	998,645	7,235,000
	178,240,000	12/01/1998	178,240,000	167,815,000	05/2002 to 05/2020	4.75 to 5.25	8,387,581	6,230,000
Total Refunding Bonds	377,390,000		377,390,000	264,270,000			13,291,919	34,365,000
Serial Bonds								
	6,000,000	02/16/1956	6,000,000	600,000	01/2002 to 01/2006	1.00 to 2.75	10,200	120,000
	87,330,000	01/15/1971	13,000,000	1,035,000	07/2001	7.75	40,106	1,035,000
		12/17/1971	10,000,000	715,000	01/2002	6.75	48,262	715,000
	25,000,000	01/15/1971	7,500,000	595,000	07/2001	7.75	23,056	595,000
	27,700,000	01/15/1971	27,700,000	590,000	07/2001	4.00	11,800	590,000
	8,400,000	01/15/1971	1,200,000	40,000	07/2001	4.00	800	40,000
	20,000,000	NA	20,000,000	12,592,649	07/2001 to 06/2013	1.00	120,866	1,106,116
	73,033,994	06/15/1994	47,500,000	20,840,000	11/2001 to 11/2014	5.20 to 6.00	1,134,932	1,840,000
		(1) 12/01/1995	19,834,899	8,997,681	05/2002 to 05/2025	4.90 to 6.00	488,835	916,471
		(1) 11/15/1998	5,699,095	5,403,631	03/2002 to 03/2018	4.10 to 5.25	269,641	243,223
	56,902,420	(1) 12/01/1995	25,290,101	11,472,319	05/2002 to 05/2025	4.90 to 6.00	623,280	1,168,529
		(1) 11/15/1998	31,612,319	29,973,412	03/2002 to 03/2018	4.10 to 5.25	1,495,672	1,349,134
	60,256,571	(1) 11/15/1998	60,256,571	57,132,632	03/2002 to 03/2018	4.10 to 5.25	2,850,916	2,571,598
	19,707,015	(1) 11/15/1998	19,707,015	18,685,325	03/2002 to 03/2018	4.10 to 5.25	932,397	841,045
	50,781,553	(1) 01/01/2001	50,781,553	50,781,553	09/2002 to 03/2021	3.40 to 5.50	2,920,433	-
	97,919,719	(1) 01/01/2001	95,928,447	95,928,447	09/2002 to 03/2021	3.40 to 5.50	5,516,817	-
Total Serial Bonds	533,031,272		442,010,000	315,382,649			16,488,013	13,131,116
Total General Obligation Bonds	1,258,323,990		1,165,290,000	925,542,649			48,751,087	47,496,116
Revenue Bonds:								
Water and Sewer Revenue Bonds:								
14th Series	\$ 158,265,000	(2) 05/15/1989	\$ 158,265,000	\$ 60,400,000	10/2005 to 10/2008	NA	\$ -	\$ -
15th Series	176,005,000	(2) 05/15/1989	176,005,000	61,235,000	10/2001 to 10/2004	NA	-	15,395,000
16th Series	297,175,000	05/15/1991	297,175,000	5,505,000	08/2001 to 08/2021	7.60	209,190	5,505,000
Series 1993	1,157,585,000	08/01/1993	1,010,025,000	723,100,000	06/2002 to 06/2023	5.00 to 7.00	41,133,231	33,115,000
Series 1993		08/26/1993	147,560,000	118,960,000	06/2004 to 06/2012	5.15 to 10.00	8,223,300	-
Series 1995	221,630,000	04/15/1995	221,630,000	202,705,000	08/2001 to 08/2018	5.30 to 6.75	12,044,535	1,240,000
Series 1997 A	350,000,000	10/15/1997	250,000,000	241,940,000	08/2001 to 08/2027	5.00 to 5.25	12,170,644	4,280,000
Series 1997 B		(3) 11/25/1997	100,000,000	96,500,000	08/2001 to 08/2027	Variable rates	3,545,307	1,900,000
Series 1998	135,185,000	12/25/1998	135,185,000	135,185,000	12/2011 to 12/2014	5.25	7,097,213	-
Series 1999	33,040,000	07/07/1999	33,040,000	33,040,000	12/2004 to 12/2006	5.00	1,652,000	-
Series 1999 A	6,700,000	N.A.	1,053,234	985,408	07/2001 to 04/2019	1.41	11,217	410,307
Revenue Bonds	2,535,585,000		2,529,938,234	1,679,555,408			86,086,637	61,845,307
Aviation Revenue Bonds:								
5th Series	209,690,000	06/15/1995	209,690,000	201,620,000	06/2002 to 06/2025	5.20 to 6.10	12,044,068	4,075,000
Series 1997 A and B	222,265,000	07/01/1997	222,265,000	186,680,000	06/2002 to 06/2027	5.00 to 6.00	10,383,875	10,745,000
Series 1998 A	123,405,000	03/17/1998	123,405,000	112,215,000	06/2002 to 06/2018	5.25 to 6.00	6,218,981	4,100,000
Series 1998 B	443,700,000	07/01/1998	443,700,000	442,470,000	06/2002 to 06/2028	4.50 to 5.375	12,604,579	7,705,000
Total Aviation Revenue Bonds	999,060,000		999,060,000	942,985,000			41,251,503	26,625,000
Total Revenue Bonds	3,534,645,000		3,528,998,234	2,622,540,408			127,338,140	88,470,307
Total All Bonds	\$ 4,792,968,990		\$ 4,694,288,234	\$ 3,548,083,057	(4)		\$ 176,089,227	\$ 135,966,423

CITY OF PHILADELPHIA
CITY RELATED SCHEDULE OF BONDED DEBT OUTSTANDING
JUNE 30, 2001

SCHEDULE IV-A-2

NOTES:

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

	<u>Outstanding</u>	<u>Maturity Value</u>	<u>Discount</u>
\$	60,400,000	\$ 60,400,000	\$ 43,268,160
	61,235,000	61,235,000	37,238,298

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

	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Total Bonds</u>
General Fund Types:			
General Fund	\$ 901,043,356	\$ -	\$ 901,043,356
Proprietary Fund Types:			
Water Fund	13,182,650	1,679,555,408	1,692,738,058
Aviation Fund	11,316,643	942,985,000	954,301,643
<u>Total Proprietary Funds</u>	<u>24,499,293</u>	<u>2,622,540,408</u>	<u>2,647,039,701</u>
<u>Total All Funds</u>	<u>\$ 925,542,649</u>	<u>\$ 2,622,540,408</u>	<u>\$ 3,548,083,057</u>

CITY OF PHILADELPHIA
CITY RELATED GENERAL FUND
SCHEDULE OF ACTUAL AND ESTIMATED REVENUES
(LEGAL BASIS)
FOR THE FISCAL YEARS ENDED JUNE 30, 2001 AND 2000

SCHEDULE IV-A-3

	Fiscal 2001 Budget <u>Estimate</u>	Fiscal 2001 <u>Actual</u>	Variance Favorable (Unfavorable)	Fiscal 2000 <u>Actual</u>
Taxes:				
Real Property Tax:				
Current	\$ 321,306,000	\$ 325,812,372	\$ 4,506,372	\$ 315,890,360
Prior Years	<u>37,000,000</u>	<u>37,600,993</u>	<u>600,993</u>	<u>37,694,029</u>
<u>Total Real Property Tax</u>	<u>358,306,000</u>	<u>363,413,365</u>	<u>5,107,365</u>	<u>353,584,389</u>
Personal Property Tax:				
Prior Years	<u>-</u>	<u>880,925</u>	<u>880,925</u>	<u>-</u>
<u>Total General Property Taxes</u>	<u>358,306,000</u>	<u>364,294,290</u>	<u>5,988,290</u>	<u>353,584,389</u>
Wage and Earnings Taxes:				
Current	974,087,000	1,023,140,226	49,053,226	949,584,138
Prior Years	<u>18,000,000</u>	<u>24,090,068</u>	<u>6,090,068</u>	<u>23,426,136</u>
<u>Total Wage and Earnings Taxes</u>	<u>992,087,000</u>	<u>1,047,230,294</u>	<u>55,143,294</u>	<u>973,010,274</u>
Business Taxes:				
Business Privilege Taxes:				
Current	256,751,000	275,453,594	18,702,594	251,743,717
Prior Years	<u>27,000,000</u>	<u>38,503,073</u>	<u>11,503,073</u>	<u>38,377,721</u>
<u>Total Business Privilege Tax</u>	<u>283,751,000</u>	<u>313,956,667</u>	<u>30,205,667</u>	<u>290,121,438</u>
Net Profits Tax:				
Current	10,097,000	10,581,816	484,816	9,914,416
Prior Years	<u>2,500,000</u>	<u>1,193,714</u>	<u>(1,306,286)</u>	<u>2,776,741</u>
<u>Total Net Profits Tax</u>	<u>12,597,000</u>	<u>11,775,530</u>	<u>(821,470)</u>	<u>12,691,157</u>
<u>Total Business Taxes</u>	<u>296,348,000</u>	<u>325,732,197</u>	<u>29,384,197</u>	<u>302,812,595</u>
Other Taxes:				
Sales Tax	106,290,000	111,304,175	5,014,175	103,697,857
Amusement Tax	12,062,000	13,047,003	985,003	11,710,799
Real Property Transfer Tax	72,750,000	77,025,290	4,275,290	77,709,195
Parking Lot Tax	34,910,000	38,974,662	4,064,662	34,058,480
Miscellaneous Taxes	<u>501,000</u>	<u>98,522</u>	<u>(402,478)</u>	<u>3,046</u>
<u>Total Other Taxes</u>	<u>226,513,000</u>	<u>240,449,652</u>	<u>13,936,652</u>	<u>227,179,377</u>
<u>Total Taxes</u>	<u>1,873,254,000</u>	<u>1,977,706,433</u>	<u>104,452,433</u>	<u>1,856,586,635</u>

CITY OF PHILADELPHIA
CITY RELATED GENERAL FUND
SCHEDULE OF ACTUAL AND ESTIMATED REVENUES
(LEGAL BASIS)(Continued)
FOR THE FISCAL YEARS ENDED JUNE 30, 2001 AND 2000

SCHEDULE IV-A-3

	Fiscal 2001 Budget <u>Estimate</u>	Fiscal 2001 <u>Actual</u>	Variance Favorable (Unfavorable)	Fiscal 2000 <u>Actual</u>
Locally Generated Non-Tax Revenue:				
Rentals from Leased City-Owned Properties	\$ 16,794,000	\$ 18,645,301	\$ 1,851,301	\$ 17,061,133
Licenses and Permits	34,428,000	33,233,361	(1,194,639)	32,654,969
Fines, Forfeits, Penalties, Confiscated Money and Property	22,368,000	22,694,800	326,800	20,939,772
Interest Income	22,400,000	26,553,239	4,153,239	31,759,028
Service Charges and Fees	65,713,000	66,059,934	346,934	62,867,289
Other	<u>30,117,000</u>	<u>37,339,657</u>	<u>7,222,657</u>	<u>29,664,877</u>
Total Locally Generated <u>Non-Tax Revenue</u>	<u>191,820,000</u>	<u>204,526,292</u>	<u>12,706,292</u>	<u>194,947,068</u>
Revenue from Other Governments:				
United States Government:				
Grants and Reimbursements	219,647,000	301,172,117	81,525,117	216,504,396
Commonwealth of Pennsylvania:				
Grants and Other Payments	281,227,000	246,432,181	(34,794,819)	264,087,173
Other Governmental Units	<u>202,583,000</u>	<u>201,197,458</u>	<u>(1,385,542)</u>	<u>197,375,496</u>
Total Revenue from <u>Other Governments</u>	<u>703,457,000</u>	<u>748,801,756</u>	<u>45,344,756</u>	<u>677,967,065</u>
Revenue from Other Funds of the City	<u>24,565,000</u>	<u>24,034,509</u>	<u>(530,491)</u>	<u>25,999,330</u>
<u>Totals</u>	<u>\$ 2,793,096,000</u>	<u>\$ 2,955,068,990</u>	<u>\$ 161,972,990</u>	<u>\$ 2,755,500,098</u>

CITY OF PHILADELPHIA

SCHEDULE IV-A-4

CITY RELATED GENERAL FUND

SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES AND ENCUMBRANCES BY DEPARTMENT

(LEGAL BASIS)

FOR THE FISCAL YEARS ENDED JUNE 30, 2001 AND 2000

	Fiscal 2001 Budget Estimate	Fiscal 2001 Actual	Variance Favorable (Unfavorable)	Fiscal 2000 Actual
General Government:				
City Council	\$ 13,065,604	\$ 11,676,389	\$ 1,389,215	\$ 10,702,235
Mayor's Office:				
Mayor's Office	4,732,176	4,368,713	363,463	3,035,902
Scholarships	200,000	199,720	280	199,995
Labor Relations	605,321	520,570	84,751	461,278
Mayor's Office of Information Services	12,893,485	12,757,125	136,360	13,012,059
Capital Program Office	2,443,923	2,150,370	293,553	2,205,254
Mayor's Office of Community Services	211,358	188,244	23,114	1,163,348
Law	18,779,522	18,779,520	2	14,312,632
City Planning Commission	2,937,050	2,785,392	151,658	2,536,952
Commission on Human Relations	2,195,554	2,176,392	19,162	2,107,328
Board of Revision of Taxes	7,858,673	7,337,717	520,956	7,145,163
Total General Government	65,922,666	62,940,152	2,982,514	56,882,146
Operation of Service Departments:				
Housing	4,155,390	3,848,991	306,399	4,700,346
Managing Director	8,579,566	8,354,876	224,690	6,437,978
Police	450,842,811	450,900,660	(57,849)	408,360,714
Streets	126,928,797	126,950,550	(21,753)	118,051,092
Fire	149,566,608	149,333,990	232,618	138,729,130
Public Health	111,690,631	109,526,464	2,164,167	102,903,194
Recreation	39,927,695	39,711,971	215,724	38,174,180
Fairmount Park Commission	14,869,229	14,588,448	280,781	15,111,395
Atwater Kent Museum	266,153	266,153	-	254,689
Camp William Penn	335,053	330,960	4,093	306,767
Public Property	171,480,631	162,905,589	8,575,042	161,888,569
Department of Human Services	449,351,992	442,803,148	6,548,844	407,920,194
Philadelphia Prisons	148,192,648	145,874,504	2,318,144	132,016,601
Office of Emergency Services	15,410,244	15,193,408	216,836	15,131,484
Office of Fleet Management	57,768,517	57,270,708	497,809	55,918,034
Licenses and Inspections	48,110,411	48,138,269	(27,858)	33,230,346
Board of Licenses and Inspections				
Review	190,709	157,842	32,867	149,214
Board of Building Standards	117,125	95,769	21,356	86,467
Zoning Board of Adjustment	490,324	421,039	69,285	387,926
Records	6,180,468	5,933,196	247,272	4,619,750
Philadelphia Historical Commission	269,037	265,699	3,338	240,897
Art Museum	2,256,000	2,256,000	-	2,338,821
Philadelphia Civic Center	298,735	191,205	107,530	170,048
Philadelphia Free Library	39,097,492	39,097,489	3	33,081,748
Total Operation of Service Departments	1,846,376,266	1,824,416,928	21,959,338	1,680,209,584
Financial Management:				
Office of Director of Finance	68,972,631	67,890,259	1,082,372	33,435,971
Department of Revenue	19,769,706	19,769,705	1	18,710,591
Sinking Fund Commission	130,885,368	130,793,445	91,923	135,705,269
Procurement	5,216,783	4,985,491	231,292	4,527,299
City Treasurer	960,039	859,149	100,890	801,783
Total Director of Finance	225,804,527	224,298,049	1,506,478	193,180,913

CITY OF PHILADELPHIA

SCHEDULE IV-A-4

CITY RELATED GENERAL FUND

SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES AND ENCUMBRANCES BY DEPARTMENT

(LEGAL BASIS)(Continued)

FOR THE FISCAL YEARS ENDED JUNE 30, 2001 AND 2000

	Fiscal 2001 Budget Estimate	Fiscal 2001 Actual	Variance Favorable (Unfavorable)	Fiscal 2000 Actual
Audit of City Operations	\$ 7,295,993	\$ 7,063,928	\$ 232,065	\$ 6,815,119
<u>Total Financial Management</u>	<u>233,100,520</u>	<u>231,361,977</u>	<u>1,738,543</u>	<u>199,996,032</u>
City-Wide Appropriations Under the Director of Finance:				
Fringe Benefits	498,054,959	483,280,726	14,774,233	493,790,808
Community College of Philadelphia	20,767,924	20,767,924	-	19,267,924
Legal Services	27,092,806	27,092,806	-	25,237,704
Hero Award	36,575	5,600	30,975	9,600
Refunds	225,522	72,507	153,015	29,346
Indemnities	5,187,682	305,770	4,881,912	1,686,209
Witness Fees	226,148	136,989	89,159	119,373
Risk Management	1,954,314	1,891,944	62,370	1,629,759
Contribution to School District	15,000,000	14,750,000	250,000	-
<u>Total City-Wide Appropriations Under the Director of Finance</u>	<u>568,545,930</u>	<u>548,304,266</u>	<u>20,241,664</u>	<u>541,770,723</u>
Promotion and Public Relations:				
City Representative	40,520,403	40,494,931	25,472	68,271,309
Personnel:				
Civic Service Commission	163,715	149,290	14,425	133,948
Personnel Director	4,967,594	4,836,111	131,483	5,147,218
<u>Total Personnel</u>	<u>5,131,309</u>	<u>4,985,401</u>	<u>145,908</u>	<u>5,281,166</u>
Administration of Justice:				
Clerk of Quarter Sessions	\$ 4,493,424	\$ 4,408,727	\$ 84,697	\$ 4,077,911
Register of Wills	2,925,144	2,889,633	35,511	2,777,505
District Attorney	29,066,718	29,033,747	32,971	24,707,701
Sheriff	12,722,842	12,722,840	2	11,927,166
First Judicial District	110,393,394	110,043,081	350,313	105,472,700
<u>Total Administration of Justice</u>	<u>159,601,522</u>	<u>159,098,028</u>	<u>503,494</u>	<u>148,962,983</u>
City-Wide Appropriations Under the First Judicial District:				
Juror Fees	1,585,071	1,585,071	-	1,592,660
Conduct of Elections:				
City Commissioners	8,332,907	8,311,917	20,990	8,278,149
<u>Totals</u>	<u>\$ 2,929,116,594</u>	<u>\$ 2,881,498,671</u>	<u>\$ 47,617,923</u>	<u>\$ 2,711,244,752</u>

CITY OF PHILADELPHIA

SCHEDULE IV-A-5

WATER FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES
 BUDGET (LEGAL BASIS) AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Locally Generated Non-Tax Revenue	\$ 343,069,000	\$ 347,637,152	\$ 4,568,152
Revenue from Other Governments	7,996,286	8,067,583	71,297
Revenue from Other Funds	<u>61,170,714</u>	<u>54,633,839</u>	<u>(6,536,875)</u>
<u>Total Revenues</u>	<u>412,236,000</u>	<u>410,338,574</u>	<u>(1,897,426)</u>
Expenditures and Encumbrances:			
Personal Services:			
Personal Services	95,542,079	94,611,791	930,288
Pension Contributions	15,433,291	15,433,291	-
Other Employee Benefits	<u>25,165,909</u>	<u>23,745,298</u>	<u>1,420,611</u>
Sub-total	136,141,279	133,790,380	2,350,899
Purchase of Services	67,819,772	64,902,895	2,916,877
Materials and Supplies	27,619,873	27,096,836	523,037
Equipment	3,995,394	3,324,070	671,324
Contributions, Indemnities and Taxes	6,525,500	4,213,868	2,311,632
Debt Service - Principal	62,139,301	61,499,700	639,601
Debt Service - Interest	89,623,540	88,892,814	730,726
Short Term Interest	500,000	-	500,000
Payments to Other Funds	<u>33,162,341</u>	<u>36,269,271</u>	<u>(3,106,930)</u>
<u>Total Expenditures and Encumbrances</u>	<u>427,527,000</u>	<u>419,989,834</u>	<u>7,537,166</u>
Operating Surplus (Deficit) for the Year	\$ <u>(15,291,000)</u>	<u>(9,651,260)</u>	\$ <u>5,639,740</u>
Fund Balance Available for Appropriation, July 1, 2000		-	
Adjustments to Prior Fiscal Year Revenues, Expenditures and Encumbrances:			
Commitments Cancelled - Net		9,571,242	
Revenue Adjustments - Net		-	
Other Adjustments		<u>80,018</u>	
Adjusted Fund Balance, July 1, 2000		<u>9,651,260</u>	
Fund Balance Available for Appropriation, June 30, 2001		\$ <u>-</u>	

CITY OF PHILADELPHIA

SCHEDULE IV-A-6

AVIATION FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES
 BUDGET (LEGAL BASIS) AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Locally Generated Non-Tax Revenue	\$ 193,492,000	\$ 179,857,321	\$ (13,634,679)
Revenue from Other Funds	<u>450,000</u>	<u>686,224</u>	<u>236,224</u>
<u>Total Revenues</u>	<u>193,942,000</u>	<u>180,543,545</u>	<u>(13,398,455)</u>
Expenditures and Encumbrances:			
Personal Services:			
Personal Services	39,893,275	38,248,073	1,645,202
Pension Contributions	6,738,723	5,926,608	812,115
Other Employee Benefits	<u>8,829,077</u>	<u>8,649,770</u>	<u>179,307</u>
Sub-total	55,461,075	52,824,451	2,636,624
Purchase of Services	58,132,217	51,360,689	6,771,528
Materials and Supplies	7,295,952	5,573,213	1,722,739
Equipment	9,076,989	2,066,680	7,010,309
Contributions, Indemnities and Taxes	4,438,330	1,484,170	2,954,160
Debt Service - Principal	32,219,700	29,580,693	2,639,007
Debt Service - Interest	39,976,587	28,042,978	11,933,609
Payments to Other Funds	19,976,150	13,682,393	6,293,757
Advances, Subsidies, Miscellaneous	<u>500,000</u>	<u>-</u>	<u>500,000</u>
<u>Total Expenditures and Encumbrances</u>	<u>227,077,000</u>	<u>184,615,267</u>	<u>42,461,733</u>
Operating Surplus (Deficit) for the Year	\$ <u>(33,135,000)</u>	<u>(4,071,722)</u>	\$ <u>29,063,278</u>
Fund Balance Available for Appropriation, July 1, 2000		34,342,734	
Adjustments to Prior Fiscal Year Revenues, Expenditures and Encumbrances:			
Commitments Cancelled - Net		5,823,555	
Revenue Adjustments - Net		-	
Other Adjustments		<u>80,947</u>	
Adjusted Fund Balance, July 1, 2000		<u>40,247,236</u>	
Fund Balance Available for Appropriation, June 30, 2001		\$ <u>36,175,514</u>	

CITY OF PHILADELPHIA
CITY RELATED ENTERPRISE FUNDS
SCHEDULE OF ACTUAL AND ESTIMATED REVENUES
(LEGAL BASIS)
FOR THE FISCAL YEARS ENDED JUNE 30, 2001 AND 2000

SCHEDULE IV-A-7

	Fiscal 2001 Revised Budget <u>Estimate</u>	Fiscal 2001 <u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	Fiscal 2000 <u>Actual</u>
<u>Water Fund</u>				
Locally Generated Non-Tax Revenue:				
Sales and Charges - Current	\$ 245,378,200	\$ 256,235,326	\$ 10,857,126	\$ 260,225,459
Sales and Charges - Prior Years	42,977,400	30,088,016	(12,889,384)	35,927,127
Fire Service Connections	626,700	692,658	65,958	662,237
Surcharges	7,212,400	7,076,554	(135,846)	7,195,003
Miscellaneous Charges	2,839,200	3,620,361	781,161	3,950,424
Charges to Other Municipalities	21,867,000	22,793,988	926,988	23,511,744
Licenses and Permits	1,000,000	1,000,250	250	1,022,823
Interest Income	13,033,100	12,255,969	(777,131)	14,424,632
Fleet Management - Sale of Vehicles & Equipment	135,000	105,540	(29,460)	101,060
Contributions from Sinking Fund Reserve	8,000,000	13,768,490	5,768,490	7,319,145
<u>Total Locally Generated Non-Tax Revenue</u>	<u>343,069,000</u>	<u>347,637,152</u>	<u>4,568,152</u>	<u>354,339,654</u>
Revenue from Other Governments:				
State	7,996,286	8,017,823	21,537	5,833,239
Federal	-	49,760	49,760	-
<u>Total Revenue from Other Governments</u>	<u>7,996,286</u>	<u>8,067,583</u>	<u>71,297</u>	<u>5,833,239</u>
Revenue from Other Funds	61,170,714	54,633,839	(6,536,875)	42,791,522
<u>Total Revenues</u>	<u>\$ 412,236,000</u>	<u>\$ 410,338,574</u>	<u>\$ (1,897,426)</u>	<u>\$ 402,964,415</u>
 <u>Aviation Fund</u>				
Locally Generated Non-Tax Revenue:				
Concessions	\$ 17,500,000	\$ 17,825,267	\$ 325,267	\$ 17,605,396
Space Rentals	61,000,000	51,557,824	(9,442,176)	41,924,097
Landing Fees	43,000,000	44,902,284	1,902,284	34,143,733
Parking	22,750,000	23,731,389	981,389	21,894,091
Car Rentals	15,200,000	15,527,907	327,907	15,421,616
Payment in Aid - Terminal Building	11,026,000	4,744,519	(6,281,481)	3,817,172
Interest Earnings	3,700,000	4,194,159	494,159	4,354,911
Sale of Utilities	4,100,000	3,594,969	(505,031)	3,451,012
Overseas Terminal Facility Charges	212,000	231,100	19,100	304,200
Terminal Unit A	8,800,000	10,730,325	1,930,325	8,217,593
Other Locally Generated Revenue	6,204,000	2,817,578	(3,386,422)	2,669,592
<u>Total Locally Generated Non-Tax Revenue</u>	<u>193,492,000</u>	<u>179,857,321</u>	<u>(13,634,679)</u>	<u>153,803,413</u>
Revenue from Other Governments:				
State	-	-	-	149,112
Revenue from Other Funds	450,000	686,224	236,224	378,976
<u>Total Revenues</u>	<u>\$ 193,942,000</u>	<u>\$ 180,543,545</u>	<u>\$ (13,398,455)</u>	<u>\$ 154,331,501</u>

CITY OF PHILADELPHIA **SCHEDULE IV-A-8**
CITY RELATED ENTERPRISE FUNDS
SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES AND ENCUMBRANCES BY DEPARTMENT
(LEGAL BASIS)
FOR THE FISCAL YEARS ENDED JUNE 30, 2001 AND 2000

	Fiscal 2001 Budget <u>Estimate</u>	Fiscal 2001 <u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	Fiscal 2000 <u>Actual</u>
<u>Water Fund</u>				
Mayor's Office of Information Services	\$ 892,203	\$ 883,249	\$ 8,954	\$ 866,932
Public Property	3,339,572	3,209,099	130,473	3,019,572
Office of Fleet Management	6,390,965	5,025,978	1,364,987	5,006,475
Water Department	199,706,247	201,347,739	(1,641,492)	197,080,723
Office of the Director of Finance	139,760	130,760	9,000	126,624
City-Wide Appropriation Under the Director of Finance:				
Pension Contributions	15,433,291	15,433,291	-	15,535,681
Other Employee Benefits Contributions, Indemnities and Taxes	25,165,909	23,745,298	1,420,611	22,470,133
Department of Revenue	2,299,144	8,906	2,290,238	320,546
Sinking Fund Commission	19,052,695	16,972,590	2,080,105	17,244,793
Procurement Department	152,262,841	150,392,514	1,870,327	149,731,709
Law	54,173	52,679	1,494	46,871
	<u>2,790,200</u>	<u>2,787,731</u>	<u>2,469</u>	<u>2,712,896</u>
<u>Totals</u>	<u>\$ 427,527,000</u>	<u>\$ 419,989,834</u>	<u>\$ 7,537,166</u>	<u>\$ 414,162,955</u>

<u>Aviation Fund</u>				
Police	\$ 7,729,801	\$ 7,199,606	\$ 530,195	\$ 6,733,300
Fire	4,199,400	3,948,658	250,742	3,806,968
Public Property	13,482,500	13,395,231	87,269	10,844,504
Office of Fleet Management	8,954,772	2,956,868	5,997,904	3,422,985
City-Wide Appropriation Under the Director of Finance:				
Pension Contributions	6,738,723	5,926,608	812,115	5,553,552
Other Employee Benefits	8,829,077	8,649,770	179,307	8,008,856
Purchase of Services	1,000,000	622,148	377,852	594,059
Contributions, Indem- nities and Taxes	2,248,660	-	2,248,660	-
Sinking Fund Commission	72,196,287	57,623,671	14,572,616	48,502,946
Commerce	100,642,570	83,260,130	17,382,440	73,452,944
Law	<u>1,055,210</u>	<u>1,032,577</u>	<u>22,633</u>	<u>967,227</u>
<u>Totals</u>	<u>\$ 227,077,000</u>	<u>\$ 184,615,267</u>	<u>\$ 42,461,733</u>	<u>\$ 161,887,341</u>



Statistical Section

City, School District and
Gas Works Related

CITY OF PHILADELPHIA
CITY AND GAS WORKS RELATED REVENUES BY MAJOR SOURCE
(LEGAL BASIS)
FOR THE FISCAL YEARS 1992 THROUGH 2001
(Amounts in Millions)

TABLE 1

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
General Property Taxes	\$ 343.3	\$ 345.2	\$ 346.0	\$ 339.5	\$ 346.6	\$ 358.2	\$ 333.9	\$ 342.6	\$ 353.6	\$ 364.3
Wage, Earnings and Net Profits Taxes (a)	815.9	820.0	840.8	857.6	877.5	885.4	926.9	949.8	985.7	1,059.0
Business Privilege Taxes (a)	200.3	215.1	221.6	230.2	237.5	246.4	237.4	254.5	290.1	314.0
Other Taxes	129.4	153.2	171.3	177.8	174.5	202.5	234.1	240.5	253.1	277.4
Total Taxes	1,488.9	1,533.5	1,579.7	1,605.1	1,636.1	1,692.5	1,732.3	1,787.4	1,882.5	2,014.7
Water and Sewer Charges	268.8	294.8	288.1	288.9	296.2	291.7	289.6	291.2	296.8	287.0
Airport Charges	103.3	109.0	113.0	109.1	117.6	121.8	123.8	141.1	146.8	172.8
Other Locally Generated Revenue	178.0	198.7	206.2	262.2	271.8	270.1	290.1	306.0	305.8	324.6
Total Local Revenue	2,039.0	2,136.0	2,187.0	2,265.3	2,321.7	2,376.1	2,435.8	2,525.7	2,631.9	2,799.1
Revenue From Other Governments (b)	1,006.4	959.2	966.4	991.6	1,092.4	1,276.5	1,490.9	1,592.5	1,673.3	1,800.9
Transfers Between Funds	25.5	31.8	38.6	31.1	33.2	44.1	46.1	97.1	69.2	79.3
Sub-Totals	3,070.9	3,127.0	3,192.0	3,288.0	3,447.3	3,696.7	3,972.8	4,215.3	4,374.4	4,679.3
Gas Works Fund (c)	474.8	500.4	541.5	581.3	508.6	564.1	557.7	502.6	495.1	565.3
Totals	\$ 3,545.7	\$ 3,627.4	\$ 3,733.5	\$ 3,869.3	\$ 3,955.9	\$ 4,260.8	\$ 4,530.5	\$ 4,717.9	\$ 4,869.5	\$ 5,244.6
Summary of Revenues by Fund:										
General Fund	\$ 2,310.4	\$ 2,325.9	\$ 2,311.7	\$ 2,275.7	\$ 2,364.8	\$ 2,424.8	\$ 2,497.2	\$ 2,628.1	\$ 2,755.5	\$ 2,955.1
County Liquid Fuels Tax Fund	3.9	4.1	4.1	2.6	6.1	4.4	4.0	4.8	4.6	4.8
Special Gasoline Tax Fund	15.7	16.5	16.5	17.0	17.3	17.6	19.8	20.5	19.9	20.2
HealthChoices Behavioral Health Fund (d)	-	-	-	-	-	103.8	333.3	343.0	348.4	400.5
Hotel Tax Fund	7.9	7.9	10.5	12.0	14.5	17.4	17.6	21.1	26.2	33.0
Grants Revenue Fund	211.7	234.5	331.4	423.0	463.0	536.8	503.6	582.4	590.6	592.4
Community Development Fund	59.2	53.9	52.2	65.0	79.3	77.9	67.5	71.7	71.9	78.4
Car Rental Tax Fund (f)	-	-	-	-	-	-	-	-	-	4.1
Sub-Total Governmental Funds	2,608.8	2,642.8	2,726.4	2,795.3	2,945.0	3,182.7	3,443.0	3,671.6	3,817.1	4,088.5
Water Fund	344.3	359.3	349.1	376.8	377.7	384.0	398.7	396.2	403.0	410.3
Convention and Civic Center Fund (e)	8.7	10.1	-	-	-	-	-	-	-	-
Aviation Fund	109.1	114.8	116.5	115.9	124.6	130.0	131.1	147.5	154.3	180.5
Gas Works Fund (c)	474.8	500.4	541.5	581.3	508.6	564.1	557.7	502.6	495.1	565.3
Sub-Total Proprietary Funds	936.9	984.6	1,007.1	1,074.0	1,010.9	1,078.1	1,087.5	1,046.3	1,052.4	1,156.1
Totals	\$ 3,545.7	\$ 3,627.4	\$ 3,733.5	\$ 3,869.3	\$ 3,955.9	\$ 4,260.8	\$ 4,530.5	\$ 4,717.9	\$ 4,869.5	\$ 5,244.6

NOTES:

- (a) Effective July 1, 2000 rates for City residents for Wage, Earnings and Net Profits Taxes decreased from 4.61% to 4.56%. Effective January 1, 2001 the Business Privilege Tax Rate decreased from .2650% to .2525%. Pursuant to a Fiscal Year 1992 agreement with the Pennsylvania Inter-Governmental Cooperation Authority (PICA), PICA receives 1.5% of Wage, Earnings and Net Profits Taxes collected from City residents.
- (b) In Fiscal 1992, the increase in Revenue from Other Governments is due to deficit financing received from PICA and PICA tax collections transferred to the City.
- (c) The Gas Works Fund fiscal year ends on August 31.
- (d) The HealthChoices Behavioral Health Fund began in February, 1997.
- (e) Beginning with Fiscal Year 1994, the operations of the Philadelphia Civic and Convention Center were transferred to Governmental type funds.
- (f) The Car Rental Tax Fund began in July, 2000.

CITY OF PHILADELPHIA
SCHOOL DISTRICT RELATED GENERAL REVENUES
FOR THE FISCAL YEARS 1992 THROUGH 2001
(Amounts in Millions)

TABLE 2

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Local:										
Taxes:										
Real Estate	\$ 397.7	\$ 397.9	\$ 399.5	\$ 398.8	\$ 401.9	\$ 420.7	\$ 403.2	\$ 413.4	\$ 414.8	\$ 427.6
Use and Occupancy	100.9	97.1	93.1	83.4	84.5	81.4	80.8	82.9	90.6	94.7
General Business (1)	0.2	-	-	-	-	-	-	-	-	-
Other	23.9	23.5	23.7	30.3	42.1	85.3	45.4	48.0	51.9	50.6
Total Taxes	522.7	518.5	516.3	512.5	528.5	587.4	529.4	544.3	557.3	572.9
City Contributions	-	-	-	-	15.0	15.0	15.0	30.0	-	15.0
Other	23.6	22.7	21.1	34.7	47.3	56.1	67.9	58.3	70.2	52.6
Total Locally Generated	546.3	541.2	537.4	547.2	590.8	658.5	612.3	632.6	627.5	640.5
State Subsidies	709.8	717.8	739.0	764.1	834.7	851.0	848.7	854.1	896.3	942.6
Federal Grants	143.9	160.0	136.5	129.4	132.8	144.9	151.5	161.7	188.9	211.4
Other Financing Sources	40.0	211.1	160.1	-	213.1	154.5	-	257.4	177.5	157.5
Total General Revenues and Other Sources	<u>\$ 1,440.0</u>	<u>\$ 1,630.1</u>	<u>\$ 1,573.0</u>	<u>\$ 1,440.7</u>	<u>1,771.4</u>	<u>\$ 1,808.9</u>	<u>\$ 1,612.5</u>	<u>\$ 1,905.8</u>	<u>\$ 1,890.2</u>	<u>\$ 1,952.0</u>
Summary by Fund:										
General Fund (2)	\$ 1,092.0	\$ 1,119.0	\$ 1,122.9	\$ 1,131.7	1,257.1	\$ 1,324.0	\$ 1,302.9	\$ 1,335.1	\$ 1,354.9	\$ 1,387.5
Intermediate Unit Fund	99.1	68.1	72.4	75.3	72.9	65.8	67.5	52.4	54.6	57.0
Categorical Funds	152.6	173.0	156.9	152.3	163.0	178.5	187.0	181.4	216.1	262.4
Debt Service Fund (3)	53.1	265.2	58.3	74.5	114.3	124.2	37.8	179.0	144.6	79.4
Capital Improvements Fund	43.2	4.8	162.5	6.9	164.1	116.4	17.3	157.9	120.0	165.7
Total General Revenues and Other Sources	<u>\$ 1,440.0</u>	<u>\$ 1,630.1</u>	<u>\$ 1,573.0</u>	<u>\$ 1,440.7</u>	<u>1,771.4</u>	<u>\$ 1,808.9</u>	<u>\$ 1,612.5</u>	<u>\$ 1,905.8</u>	<u>\$ 1,890.2</u>	<u>\$ 1,952.0</u>

NOTES:

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

CITY OF PHILADELPHIA
CITY AND GAS WORKS RELATED EXPENDITURES AND ENCUMBRANCES BY PROGRAM
(LEGAL BASIS)
FOR THE FISCAL YEARS 1992 THROUGH 2000
(Amounts in Millions of Dollars)

TABLE 3

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Economic Development	\$ 69.2	\$ 82.6	\$ 109.6	\$ 95.5	\$ 133.2	\$ 140.4	\$ 115.3	\$ 164.9	\$ 186.8	\$ 215.9
Transportation	110.3	109.3	103.0	105.8	121.8	121.2	120.0	120.2	117.1	123.3
Judiciary and Law Enforcement	561.3	560.0	544.2	561.2	618.1	681.8	682.9	714.0	757.4	823.9
Conservation of Health	350.8	378.1	412.1	436.8	445.9	514.7	726.6	835.5	932.7	982.7
Housing and Neighborhood Development	73.0	83.0	85.4	118.4	105.7	126.4	121.2	138.4	112.9	97.2
Cultural and Recreational	85.9	84.5	80.4	82.7	86.1	91.7	96.1	99.5	105.8	115.5
Improvement of General Welfare	292.7	321.2	341.6	376.4	390.5	403.9	433.6	465.1	514.7	567.9
Services to Property	369.2	377.5	380.3	361.5	388.3	407.9	421.2	391.0	399.5	418.8
General Management and Support	<u>1,090.8</u>	<u>1,115.5</u>	<u>1,226.6</u>	<u>1,196.0</u>	<u>1,175.8</u>	<u>1,189.6</u>	<u>1,219.7</u>	<u>1,283.2</u>	<u>1,290.4</u>	<u>1,296.4</u>
Sub-Totals	3,003.2	3,111.7	3,283.2	3,334.3	3,465.4	3,677.6	3,936.6	4,211.8	4,417.3	4,641.6
Gas Works Fund (c)	<u>450.3</u>	<u>465.9</u>	<u>497.7</u>	<u>561.6</u>	<u>483.3</u>	<u>550.4</u>	<u>552.0</u>	<u>519.7</u>	<u>515.4</u>	<u>573.7</u>
Totals	<u>\$ 3,453.5</u>	<u>\$ 3,577.6</u>	<u>\$ 3,780.9</u>	<u>\$ 3,895.9</u>	<u>\$ 3,948.7</u>	<u>\$ 4,228.0</u>	<u>\$ 4,488.6</u>	<u>\$ 4,731.5</u>	<u>\$ 4,932.7</u>	<u>\$ 5,215.3</u>

Summary of Obligations by Fund:

General Fund	\$ 2,255.6	\$ 2,280.4	\$ 2,346.0	\$ 2,267.2	\$ 2,371.0	\$ 2,463.9	\$ 2,479.6	\$ 2,616.6	\$ 2,711.2	\$ 2,881.5
County Liquid Fuels Tax Fund	4.2	4.4	5.0	4.4	4.6	4.7	5.0	4.8	4.2	5.3
Special Gasoline Tax Fund	16.0	18.3	17.4	15.7	20.1	19.3	21.6	22.2	21.2	20.1
HealthChoices Behavioral Health Fund (a)	-	-	-	-	-	42.6	240.8	342.6	405.4	422.3
Hotel Tax Fund	7.8	7.9	10.6	11.9	16.4	20.8	22.5	23.6	26.7	34.6
Grants Revenue Fund	213.1	251.9	340.1	459.3	466.0	532.2	553.9	583.5	603.7	602.4
Community Development Fund	56.0	60.4	66.1	73.9	74.4	71.9	69.8	68.2	68.8	70.8
Car Rental Tax Fund (b)	-	-	-	-	-	-	-	-	-	-
Sub-Total Governmental Funds	<u>2,552.7</u>	<u>2,623.3</u>	<u>2,785.2</u>	<u>2,832.4</u>	<u>2,952.5</u>	<u>3,155.4</u>	<u>3,393.2</u>	<u>3,661.5</u>	<u>3,841.2</u>	<u>4,037.0</u>
Water Fund	323.6	357.5	379.2	391.1	387.4	394.3	411.0	409.4	414.2	420.0
Convention and Civic Center Fund (c)	9.6	9.6	-	-	-	-	-	-	-	-
Aviation Fund	117.3	121.3	118.8	110.8	125.5	127.9	132.4	140.9	161.9	184.6
Gas Works Fund (d)	<u>450.3</u>	<u>465.9</u>	<u>497.7</u>	<u>561.6</u>	<u>483.3</u>	<u>550.4</u>	<u>552.0</u>	<u>519.7</u>	<u>515.4</u>	<u>573.7</u>
Sub-Total Proprietary Funds	<u>900.8</u>	<u>954.3</u>	<u>995.7</u>	<u>1,063.5</u>	<u>996.2</u>	<u>1,072.6</u>	<u>1,095.4</u>	<u>1,070.0</u>	<u>1,091.5</u>	<u>1,178.3</u>
Totals	<u>\$ 3,453.5</u>	<u>\$ 3,577.6</u>	<u>\$ 3,780.9</u>	<u>\$ 3,895.9</u>	<u>\$ 3,948.7</u>	<u>\$ 4,228.0</u>	<u>\$ 4,488.6</u>	<u>\$ 4,731.5</u>	<u>\$ 4,932.7</u>	<u>\$ 5,215.3</u>

NOTE:

- (a) The HealthChoices Behavioral Health Fund began in February, 1997.
- (b) The Car Rental Tax Fund began in July, 2000.
- (c) Beginning with Fiscal Year 1994, the operations of the Philadelphia Civic and Convention Center were transferred to Governmental type funds.
- (d) The Gas Works Fund fiscal year ends on August 31.

CITY OF PHILADELPHIA
SCHOOL DISTRICT RELATED GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
FOR THE FISCAL YEARS 1992 THROUGH 2001
(Amounts in Millions of Dollars)

TABLE 4

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Instructional	\$ 904.7	\$ 988.5	\$ 934.2	\$ 943.1	\$ 1,085.9	\$ 1,145.2	\$ 1,111.1	\$ 1,117.4	\$ 1,050.4	\$ 1,150.7
Support and Administration	261.8	267.8	254.4	255.0	231.8	236.0	257.5	269.4	378.6	395.6
Basic Building Services	161.1	181.7	196.3	202.8	234.7	284.2	289.5	319.1	366.1	382.3
Debt Service and Temporary Borrowing	69.8	66.4	56.6	67.6	72.4	83.6	43.9	84.5	89.6	77.9
Net Transfers/Uses (1)	5.0	213.3	2.7	1.9	56.7	51.0	-	103.7	74.9	-
Expenditures/Uses	\$ <u>1,402.4</u>	\$ <u>1,717.7</u>	\$ <u>1,444.2</u>	\$ <u>1,470.4</u>	\$ <u>1,681.5</u>	\$ <u>1,800.0</u>	\$ <u>1,702.0</u>	\$ <u>1,894.1</u>	\$ <u>1,959.6</u>	\$ <u>2,006.5</u>
Summary of Expenditures/Uses by Fund:										
General Fund	\$ 963.9	\$ 1,021.5	\$ 984.8	\$ 993.9	\$ 1,111.9	\$ 1,166.3	\$ 1,143.2	\$ 1,173.5	\$ 1,228.0	\$ 1,291.5
Intermediate Unit Fund	173.2	183.8	175.9	180.8	196.4	197.6	196.3	198.4	199.2	208.2
Categorical Fund	176.4	201.0	178.0	173.0	182.7	192.7	200.6	195.5	233.8	279.7
Debt Service Fund	58.6	271.4	50.6	59.0	119.9	124.9	43.9	178.4	154.8	77.9
Capital Improvement Fund	30.3	40.0	54.9	63.7	70.6	118.5	118.0	148.3	143.8	149.2
Expenditures/Uses	\$ <u>1,402.4</u>	\$ <u>1,717.7</u>	\$ <u>1,444.2</u>	\$ <u>1,470.4</u>	\$ <u>1,681.5</u>	\$ <u>1,800.0</u>	\$ <u>1,702.0</u>	\$ <u>1,894.1</u>	\$ <u>1,959.6</u>	\$ <u>2,006.5</u>
Total General Governmental Expenditures Restated on a Constant Dollar Basis: (2)										
1992 as Base Year	\$ <u>1,204.4</u>	\$ <u>1,558.7</u>	\$ <u>1,385.1</u>	\$ <u>1,368.3</u>	\$ <u>1,524.2</u>	\$ <u>1,592.9</u>	\$ <u>1,481.5</u>	\$ <u>1,623.6</u>	\$ <u>1,639.9</u>	\$ <u>1,621.8</u>
2001 as Base Year	\$ <u>1,735.0</u>	\$ <u>2,083.6</u>	\$ <u>1,713.6</u>	\$ <u>1,692.8</u>	\$ <u>1,885.7</u>	\$ <u>1,970.9</u>	\$ <u>1,833.1</u>	\$ <u>2,008.8</u>	\$ <u>2,028.9</u>	\$ <u>2,006.5</u>

NOTES:

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

CITY OF PHILADELPHIA
ASSESSED AND MARKET VALUE OF TAXABLE REALTY IN PHILADELPHIA
FOR THE CALENDAR YEARS 1992 THROUGH 2001
(Amounts in Millions of Dollars)

TABLE 5

Calendar Year	Assessed Value Adjusted to 6-30-2001(a)		Market Value on Basis of STEB Ratio			Estimated Market Value Based on Sales		
	Amount	Percentage Increase (Decrease) Over Prior Year	Assessment Ratio of State Tax Equalization Board (b)	Amount	Percentage Increase (Decrease) Over Prior Year	Assessment Ratio as Determined by Sales (d)	Amount	Percentage Increase (Decrease) Over Prior Year
1992	8,925	1.49%	0.300	29,770	1.49%	0.252	35,459	-0.97%
1993	8,866	-0.66%	0.300	29,573	-0.66%	0.251	35,295	-0.46%
1994	9,009	1.61%	0.300	30,050	1.61%	0.273	33,061	-6.33%
1995	8,897	-1.24%	0.299	29,756	-0.98%	0.270	32,915	-0.44%
1996	8,898	0.01%	0.300	29,680	-0.26%	0.271	32,870	-0.14%
1997	8,971	0.82%	0.303	29,627	-0.18%	0.264	33,930	3.22%
1998	9,043	0.80%	0.302	29,954	1.10%	0.244	37,077	9.28%
1999	9,204	1.78%	0.304	30,326	1.24%	0.230	40,017	7.93%
2000	9,372	1.83%	0.304	30,880	1.83%	0.237	39,528	-1.22%
2001 (c)	9,679	3.28%	0.303	31,923	3.38%	N/A	NA	NA
Total Increase 1992 - 2001	754	8.45%						
Compounded Annual Average Rate of Increase 1992 - 2001		0.91%						

NOTES:

- (a) The adjustment reflects reductions in assessments pursuant to established procedures for review of assessments.
- (b) The State Tax Equalization Board (STEB) annually determines a ratio of assessed valuation to true value for each municipality in the Commonwealth. The ratio is used for the purpose of equalizing certain state school aid distribution.
- (c) At June 30, 2001
- (d) The Assessment Ratio as presented has not been adjusted to allow for the effects of large or unusual sales.

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

TABLE 6

CALENDAR YEARS 1992 THROUGH 2001

<u>Fiscal Year</u>	<u>Adjusted Total Tax Levy</u>	<u>Total of Tax Levy Collected Within Year of Levy</u>	<u>% of Levy Collected Within Year of Levy</u>	<u>Prior Year Tax Collections</u>	<u>Total Collections as a Percent of Adjusted Amount Collectible</u>
1992	412,587,182	373,901,079	90.62%	27,749,393	97.35%
1993	412,435,660	366,603,825	88.89%	29,880,004	96.13%
1994	413,905,393	370,565,458	89.53%	28,321,845	96.37%
1995	414,145,699	371,162,970	89.62%	31,490,371	97.23%
1996	407,351,166	365,406,636	89.70%	40,225,544	99.58%
1997	405,557,831	369,734,710	91.17%	48,828,395 (A)	103.21%
1998	408,489,256	366,011,354	89.60%	35,944,095	98.40%
1999	414,421,340	378,390,320	91.31%	34,362,564	99.60%
2000	421,290,908 (B)	375,140,384	89.05%	47,804,562	100.39%
2001	430,825,761 (C)	NA	NA	NA	NA

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

(B) Certified by Board of Revision of Taxes including revisions through December 31, 2000.

(C) Certified by Board of Revision of Taxes including revisions through June 30, 2001.

FISCAL YEARS 1992 THROUGH 2001

<u>Fiscal Year</u>	<u>Current Tax Collections</u>	<u>Prior Year Tax Collections</u>	<u>Total Tax Collections</u>
1992	369,412,169	28,277,900	397,690,069
1993	366,957,556	30,973,560	397,931,116
1994	367,903,253	31,595,860	399,499,113
1995	371,569,290	27,184,665	398,753,955
1996	361,007,775	40,910,646	401,918,421
1997	369,630,680	51,091,731	420,722,411
1998	365,680,605	37,474,158	403,154,763
1999	375,953,332	37,462,348	413,415,680
2000	379,062,773	35,761,682	414,824,455
2001	390,032,292	37,534,925	427,567,217

CITY OF PHILADELPHIA
REAL PROPERTY TAXES LEVIED AND COLLECTED
FOR THE CALENDAR YEARS 1992 THROUGH 2001
(Amounts in Millions of Dollars)

TABLE 7

Calendar Year of Levy (a)	Original Assessed Value (b) (1)	Assessed Value of Taxable Real Property Adjusted to 6-30-2001(c) (2)	Amount Collectible in Year of Levy (3)	Amount Collected in Year of Levy (d) (4)	Collections Within Year of Levy as a Percent of Amount Collectible (4) / (3) (5)	Net Levy Adjusted to 6-30-2001 (6)	Net Collections of Delinquent Taxes Relating to Year of Levy (7)	Total Collections (4) + (7) (8)	Total Collections as a Percent of Adjusted Amount Collectible (8) / (6) (9)
1992	\$9,681	\$8,925	\$338.9	\$306.4	90.4	\$337.1	\$24.3	\$330.7	98.1
1993	\$9,676	\$8,866	\$337.2	\$307.1	91.1	\$338.0	\$24.4	\$331.5	98.1
1994	\$9,516	\$9,009	\$335.6	\$305.9	91.2	\$337.0	\$22.2	\$328.1	97.4
1995	\$9,410	\$8,897	\$338.5	\$307.1	90.7	\$336.4	\$22.8	\$329.9	98.1
1996	\$9,266	\$8,898	\$337.7	\$308.2	91.3	\$338.6	\$18.9	\$327.1	96.6
1997	\$9,275	\$8,971	\$336.2	\$310.8	92.4	\$337.4	\$16.7	\$327.5	97.1
1998	\$9,220	\$9,043	\$338.6	\$311.9	92.1	\$341.4	\$15.9	\$327.8	96.0
1999	\$9,273	\$9,204	\$343.6	\$316.2	92.0	\$346.5	\$12.2	\$328.4	94.8
2000	\$9,527	\$9,372	\$349.3	\$322.0	92.2	\$352.9	\$7.4	\$329.4	93.3
2001	\$9,867	\$9,679	\$357.2	\$312.1 (e)	87.4	NA	NA	NA	NA

NOTES:

- (a) Real property tax bills are sent out in December and are payable at one percent discount until February 28, and the face amount is due on or before March 31, without interest or penalty.
- (b) Includes \$415.6 million in 1992, \$334.1 million in 1993, \$189.8 million in 1994, \$95.2 million in 1995, \$64.9 million in 1996, 52.7 million in 1997, \$13.7 million in 1998, \$23.3 million in 1999, \$57.7 million in 2000 and \$84.0 million in 2001 classified as exempt under ordinance (Bill 1130) approved February 8, 1978 which provides relief from real estate taxes on improvements to deteriorated industrial, commercial or other business property for a period of five years. Bill 982 (approved July 9, 1990) changed the exemption period from five years to three years. Also Includes, \$40.4 million in 1992, \$35.8 million in 1993, \$11.8 million in 1994, \$13.1 million in 1995, \$10.4 million in 1996, \$4.3 million in 1997, \$5.9 million in 1998, \$9.0 million in 1999 and \$15.3 million in 2000 and \$16.1 million in 2001 classified as exempt under ordinance (Bill 1456-A) as approved January 28, 1983 which provides for a maximum three year tax abatement for owner-occupants of newly constructed residential property; and Legislative Act 5020-205 as amended, approved October 11, 1984 which provides for a maximum thirty month tax abatement to developers of residential property. Includes \$2.3 million in 2000 and \$9.0 million in 2001 classified as exempt under ordinance (Bill #970274) approved July 1, 1997 which provides a maximum ten year tax abatement for conversion of eligible deteriorated commercial, or other business property to commercial non-owner occupied residential property. Also includes, \$17.1 million in 2001 classified as exempt under ordinance (Bill 980788A) approved December 30, 1998 which provides a maximum twelve year tax exemption, abatement, or credit of certain taxes within the geographical area designated as the Philadelphia Keystone Opportunity Zone.
- (c) The adjustment reflects reductions or increases in assessments pursuant to established procedures for review of assessments.
- (d) Amounts shown as collected include amounts allowed as discounts for payments during the discount period.
- (e) Includes collections through June 30, 2001, while the other years include collection through December 31, of the year of the levy. It is estimated that approximately 91% of the net levy for Fiscal 2001 will be collected within the year of levy, resulting in approximately \$325.1 million by December 31, 2001.

CITY OF PHILADELPHIA
TAX RATES AND SCHOOL DISTRICT REAL ESTATE TAX RATES
FOR THE TEN-YEAR PERIOD 1992 THROUGH 2001

TABLE 8

Tax Classification	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Real Property: (% on Assessed Valuation)										
City	3.745%	3.745%	3.745%	3.745%	3.745%	3.745%	3.745%	3.745%	3.745%	3.745%
School District	4.519%	4.519%	4.519%	4.519%	4.519%	4.519%	4.519%	4.519%	4.519%	4.519%
Total Real Property Tax	8.264%	8.264%	8.264%	8.264%	8.264%	8.264%	8.264%	8.264%	8.264%	8.264%
Assessment Ratio as Determined by Sales	25.20%	25.10%	27.30%	27.00%	27.07%	26.44%	24.39%	23.00%	23.70%	NA
Effective Tax Rate (Real Estate Tax Rate x Assessment Ratio)	2.083%	2.074%	2.256%	2.231%	2.237%	2.185%	2.016%	1.901%	1.959%	NA
Wage, Earnings and Net Profits Taxes:										
Residents (a)	4.96%	4.96%	4.96%	4.96%	4.86% (b)	4.84% (c)	4.79% (h)	4.6869% (i)	4.6135% (j)	4.5630% (k)
Non-Residents	4.3125%	4.3125%	4.3125%	4.3125%	4.2256% (b)	4.2082% (c)	4.1647% (h)	4.075% (i)	4.0112% (j)	3.9672% (k)
Real Property Transfer Tax (l)	3.69%	3.46%	3.23%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Personal Property Tax (% on Taxable Intangible Items) (m)	0.4%	0.4%	0.4%	0.4%	0.4%	NA	NA	NA	NA	NA
Business Privilege Taxes (% on Gross Receipts)	0.325%	0.325%	0.325%	0.325%	0.300% (b)	0.295% (c)	0.2875% (d)	0.2775% (e)	0.2650% (f)	0.2525% (g)
(% on Net Income) (n)	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Sales and Use Tax	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Amusement Tax	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Parking Lot Tax (On Gross Receipts from Parking Operators)	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Sound Reproduction Tax (On Gross Income) (o)	5.0%	-	-	-	-	-	-	-	-	-
Bowling Alley Tax (Annual Per Alley) (o)	\$25	-	-	-	-	-	-	-	-	-
Mechanical Amusement Device Tax (Annual Per Device) (p)	\$100	\$100	-	-	-	-	-	-	-	-
Hotel Room Rental Tax (% on Cost of Room Rental)	5.0%	5.0%	6.0% (q)	6.0%	6.0%	6.0%	6.0%	6.0%	7.0% (s)	7.0%
Vehicle Rental Tax (% on Cost of vehicle Rental) (r)	-	-	-	-	-	-	-	-	-	2.0%

NOTES:

- (a) Pursuant to an agreement with the Pennsylvania Intergovernmental Cooperation Authority (PICA), PICA's share of the Wage, Earnings and Net Profits Taxes for City residents is 1.5% and the City receives the remainder.
- (b) Tax decrease effective January 1, 1996.
- (c) Tax decrease effective January 1, 1997.
- (d) Tax decrease effective January 1, 1998.
- (e) Tax decrease effective January 1, 1999.
- (f) Tax decrease effective January 1, 2000.
- (g) Tax decrease effective January 1, 2001.
- (h) Tax decrease effective July 1, 1997.
- (i) Tax decrease effective July 1, 1998.
- (j) Tax decrease effective July 1, 1999.
- (k) Tax decrease effective July 1, 2000.
- (l) Phased decreases effective July 1, 1990.
- (m) The City ceased the collection of the Personal Property Tax during FY 1997.
- (n) 60% of Net Income Tax portion paid is credited against Net Profits Tax Payable.
- (o) These taxes were repealed in Fiscal 1993.
- (p) The City converted this tax to a Licensing Fee in Fiscal 1994.
- (q) Tax Increase effective July, 1993.
- (r) Effective July 1, 2000
- (s) Tax increase effective July 1, 1999.

CITY OF PHILADELPHIA
CITY AND SCHOOL DISTRICT NET TAX SUPPORTED DEBT AND DEBT SERVICE RATIOS
FOR THE FISCAL YEARS 1992 THROUGH 2001

TABLE 9

Line No.	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	
<u>Net Tax Supported Debt (Millions)</u>											
<u>City:</u>											
1	Bonded Debt (a)	\$ 823.9	792.6	490.2	451.4	522.6	486.1	453.7	674.7	640.2	895.4
2	Other Long-Term Obligations (b)	1,682.0	1,817.3	1,754.1	1,796.3	1,799.8	1,836.3	734.1	3,124.9	3,113.8	3,112.7
3	Total City	\$ 2,505.9	2,609.9	2,244.3	2,247.7	2,322.4	2,322.4	1,187.8	3,799.6	3,754.0	4,008.1
<u>Overlapping School District Debt:</u>											
4	Bonded Debt	\$ 411.4	400.7	533.1	498.7	628.2	704.0	697.2	784.3	870.4	995.1
5	Other Long-Term Obligations (c)	392.0	381.3	403.3	420.6	436.5	436.2	458.2	447.2	483.7	516.5
6	Total School District	\$ 803.4	782.0	936.4	919.3	1,064.7	1,140.2	1,155.4	1,231.5	1,354.1	1,511.6
7	<u>Overlapping PICA Bonded Debt:</u>	\$ -	-	1,156.7	1,237.5	1,146.2	1,102.4	1,055.0	1,014.1	959.4	901.8
8	Total Debt	\$ 3,309.3	3,391.9	4,337.4	4,404.5	4,533.3	4,565.0	3,398.2	6,045.2	6,067.5	6,421.5
9	Estimated Population (Thousands) (d)	1,553	1,539	1,524	1,499	1,478	1,451	1,436	1,418	1,518	1,518
10	Assessed Valuation (Millions) (e)	\$ 8,925	8,866	9,009	8,897	8,898	8,971	9,043	9,204	9,372	9,679
11	Estimated Market Value (Millions) (e)	\$ 35,459	35,295	33,061	32,915	32,870	33,930	37,077	40,017	39,528	NA
<u>City Net Tax Supported Annual Debt Service:</u>											
12	Bonded Debt	\$ 225.4	176.4	168.0	69.1	67.6	68.1	61.4	62.6	73.0	71.9
13	Other Long-Term Obligations	97.9	96.1	132.2	115.0	87.2	104.4	108.1	64.1	120.9	73.0
14	Total (Line 12 and Line 13)	\$ 323.3	272.5	300.2	184.1	154.8	172.5	169.5	126.7	193.9	144.9
15	City General Governmental Obligations (f)	\$ 2,552.7	2,623.3	2,785.2	2,832.4	2,952.5	3,155.5	3,393.2	3,661.5	3,841.2	4,037.0
<u>Net Tax Supported Debt per Capita:</u>											
16	City Bonded Debt (Line 1/Line 9)	\$ 530.5	515.0	321.7	301.1	353.6	335.0	315.9	475.8	421.7	589.9
17	City Total Long-Term Debt (Line 3/Line 9)	1,613.6	1,695.8	1,472.6	1,499.5	1,571.3	1,600.6	827.2	2,679.5	2,473.0	2,640.4
18	School District Total (Line 6/Line 9)	\$ 517.3	508.1	614.4	613.3	720.4	785.8	804.6	868.5	892.0	995.8
19	PICA Bonded Debt (Line 7/Line 9)	\$ -	-	759.0	825.6	775.5	759.8	734.7	715.2	632.0	594.1
20	Total (Line 8/Line 9)	\$ 2,130.9	2,204.0	2,846.1	2,938.3	3,067.2	3,146.1	2,366.4	4,263.2	3,997.0	4,230.2
<u>Net Tax Supported Debt as a Percentage of Assessed Valuation:</u>											
21	City Bonded Debt (Line 1/Line 10)	9.23	8.94	5.44	5.07	5.87	5.42	5.02	7.33	6.83	9.25
22	City Total Long-Term Debt (Line 3/Line 10)	28.08	29.44	24.91	25.26	26.10	25.89	13.14	41.28	40.06	41.41
23	School District Total (Line 6/Line 10)	9.00	8.82	10.39	10.33	11.97	12.71	12.78	13.38	14.45	15.62
24	Total (Lines 3 & 6/Line 10)	37.08	38.26	35.31	35.60	38.07	38.60	25.91	54.66	54.50	57.03
<u>Net Tax Supported Debt as a Percentage of Estimated Market Value:</u>											
25	City Bonded Debt (Line 1/Line 11)	2.32	2.25	1.48	1.37	1.59	1.43	1.22	1.69	1.62	NA
26	City Total Long-Term Debt (Line 3/Line 11)	7.07	7.39	6.79	6.83	7.07	6.84	3.20	9.49	9.50	NA
27	School District Total (Line 6/Line 11)	2.27	2.22	2.83	2.79	3.24	3.36	3.12	3.08	3.43	NA
28	Total (Lines 3 & 6/Line 11)	9.33	9.61	9.62	9.62	10.30	10.21	6.32	12.57	12.92	NA
<u>City Net Tax Supported Debt Service as a Percentage of City General Governmental Obligations:</u>											
29	City Bonded Debt (Line 12/Line 15)	8.83	6.72	6.03	2.44	2.29	2.16	1.81	1.71	1.90	1.78
30	City Total Long-Term Obligation (Line 14/Line 15)	12.67	10.39	10.78	6.50	5.24	5.47	5.00	3.46	5.05	3.59

NOTES:

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

CITY OF PHILADELPHIA
CITY RELATED SCHEDULE OF DEBT INCURRING CAPACITY
JULY 1, 2001
(Amounts in Thousands of Dollars)

TABLE 10

		Authorized	
	Issued and Outstanding	Unissued	Total
General Obligation Bonded Debt:			
Tax Supported (Note 1)	\$ 894,771	\$ 257,369	\$ 1,152,140
Self-Sustaining	28,420	352,614	381,034
<u>Total General Obligation Bonded Debt (Note 2)</u>	\$ 923,191	\$ 609,983	1,533,174
	<u>Total</u>	Applicable to Self- Sustaining	Net Deductions
Deductions Authorized by Law:			
Appropriation for Maturing Serials (Fiscal 2002)	\$ 45,144	\$ 5,638	\$ 39,506
Total Self-Sustaining Debt			381,034
Total Net Deductions Authorized by Law			420,540
Total Amount of Debt Applicable to Debt Limit			\$ 1,112,634
Legal Debt Limit (Note 3)			\$ 1,247,386
Legal Debt Margin			\$ 134,752

NOTES:

(1) Included in the Issued and Outstanding Total is \$10.0 million relating to the Philadelphia Port Corporation which has ceased operations. The City is using the proceeds from the sale of the Port Corporation assets for economic stimulus projects.

(2) This statement does not reflect \$3,597.8 million of Revenue Bonds, secured by a pledge of Water Revenues, Airport Revenues and Gas Works Revenues, respectively, as listed below:

Water and Sewer Revenue Bonds, Fourteenth Series, dated May 15, 1989	\$ 60,400,000
Water and Sewer Revenue Bonds, Fifteenth Series, dated May 15, 1989	61,235,000
Water and Sewer Revenue Bonds, Sixteenth Series, dated May 15, 1991	5,505,000
Water and Sewer Revenue Bonds, Series 1993, dated August 1, 1993	723,100,000
Water and Sewer Revenue Bonds, Series 1993, dated August 26, 1993	118,960,000
Water and Sewer Revenue Bonds, Series 1995, dated April 15, 1995	202,705,000
Water and Sewer Revenue Bonds, Series 1997 A, dated October 15, 1997	241,940,000
Water and Sewer Revenue Bonds, Series 1997 B, dated November 25, 1997	96,500,000
Water and Sewer Revenue Bonds, Series 1998, dated December 15, 1998	135,185,000
Water and Sewer Revenue Bonds, Series 1999, dated July 7, 1999	33,040,000
Water and Sewer Revenue Bonds, Series 1999 A, dated April 7, 1999	985,408
Airport Revenue Bonds, Fifth Series, dated June 15, 1995	201,620,000
Airport Revenue Bonds, Series 1997 A and B dated July 1, 1997	186,680,000
Airport Revenue Bonds, Series 1998 A dated March 17, 1998	112,215,000
Airport Revenue Bonds, Series 1998 B dated July 1, 1998	442,470,000
Gas Works Revenue Bonds, Eleventh Series C, dated January 1, 1989	46,736,806
Gas Works Revenue Bonds, Twelfth Series A, dated March 1, 1990	20,370,000
Gas Works Revenue Bonds, Fourteenth Series, dated February 1, 1993	224,255,000
Gas Works Revenue Bonds, Fifteenth Series, dated January 1, 1994	105,290,000
Gas Works Revenue Bonds, First Series, dated June 1, 1998	284,220,000
Gas Works Revenue Bonds, Sixteenth Series, dated June 1, 1999	61,960,000
Gas Works Revenue Bonds, Second Series, dated June 1, 1999	112,245,000
Gas Works Revenue Bonds, Third Series, dated June 1, 2001	120,225,000
	\$ 3,597,842,214

(3) Refer to Purdon's Statutes 53 P.S. Sections 15721 - 727 - 728 - 761 - 763 and 781.

CITY OF PHILADELPHIA
SCHOOL DISTRICT RELATED BORROWING BASE AND DEBT LIMITS
JUNE 30, 2001

TABLE 11

Borrowing Base:	
Gross Revenues - General, Special Revenue and Debt Service Funds for Years Ended June 30, 1999, 2000 and 2001	\$ 5,123,665,301
Less: Statutory Exclusions	<u>681,859,075</u>
Net Revenues for Years Ended June 30, 1999, 2000 and 2001	<u>\$ 4,441,806,226</u>
Borrowing Base (Average of Net Revenue for Three Fiscal Years)	<u>\$ 1,480,602,075</u>
Debt Limit:	
Electoral Debt Limit	\$ No Limit
Electoral Debt Outstanding (1)	<u>18,456,925</u>
Electoral Borrowing Capacity	<u>\$ No Limit</u>
Non-Electoral Debt Limit - 100% Borrowing Base	\$ 1,480,602,075
Less: Non-Electoral Debt Outstanding (2)	<u>984,316,920</u>
Non-Electoral Borrowing Capacity	<u>\$ 496,285,155</u>
Non-Electoral and Lease Rental Debt Limit - 200% of Borrowing Base	\$ 2,961,204,150
Less: Non-Electoral Debt Outstanding (2)	<u>984,316,920</u>
Non-Electoral and Lease Rental Borrowing Capacity	<u>\$ 1,976,887,230</u>

NOTES:

(1) Does not include Capital Appreciation Bonds Accreted - \$1,706,371.

(2) Does not include Capital Appreciation Bonds Accreted - \$13,299,784.

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

CITY OF PHILADELPHIA
CITY AND GAS WORKS RELATED SCHEDULE OF REVENUE BOND RATE COVENANT COMPLIANCE
AS REQUIRED BY AUTHORIZING ORDINANCES
FOR THE FISCAL YEARS 1992 THROUGH 2001
(Amounts in Millions of Dollars)

TABLE 12

No.		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Water and Sewer Revenue Bonds - Series 1993											
1	Total Revenue and Beginning Fund Balance			\$ 379.2	\$ 376.8	\$ 387.4	\$ 394.4	\$ 411.1	\$ 393.9	\$ 391.8	\$ 380.6
2	Net Operating Expenses		209.3	197.9	216.8	228.7	228.6	233.9	237.8	242.6	
3	Transfer To (From) Rate Stabilization Fund		42.6	25.9	24.3	20.9	30.7	(15.4)	(22.4)	(39.4)	
4	Net Revenues		127.3	153.0	146.3	144.8	151.8	175.4	176.4	177.4	
	Debt Service:										
5	Revenue Bonds Outstanding		102.7	127.1	121.2	120.8	126.5	146.2	147.0	147.8	
6	General Obligation Bonds Outstanding		7.4	6.1	5.2	3.9	3.1	2.3	1.5	1.3	
7	Pennvest Loan		0.3	1.1	1.1	1.3	1.1	1.2	1.2	1.3	
8	Total Debt Service		110.4	134.3	127.5	126.0	130.7	149.7	149.7	150.4	
9	Net Revenue after Debt Service		16.9	18.7	18.8	18.8	21.1	25.7	26.7	27.0	
10	Transfer to General Fund		2.4	4.1	4.1	4.1	4.1	4.1	4.1	4.1	
11	Transfer to Capital Fund		14.5	14.6	14.8	14.8	15.0	15.6	15.9	15.9	
12	Transfer to Residual Fund		-	-	-	-	1.9	6.0	6.6	7.0	
	Debt Service Coverage:										
	Coverage A (Line 4/Line 5)	-	-	1.24	1.20	1.21	1.20	1.20	1.20	1.20	1.20
	Coverage B (Line 4/Line 8 + Line 11)	-	-	1.02	1.03	1.03	1.03	1.04	1.06	1.07	1.07
	Prior Rate Covenant Compliance										
	Debt Service Coverage:										
	Revenue Bonds Only - Test "A"	1.94	1.68	-	-	-	-	-	-	-	-
	Total Debt Service - Test "B"	1.39	1.28	-	-	-	-	-	-	-	-
Airport Revenue Bonds - First Through Fourth Series:											
1	Project Revenues	\$ 96.0	\$ 97.7	\$ 102.4	\$ 96.6	\$ 103.9	\$ 109.4	\$ 108.2	\$ 124.5	\$ 130.4	\$ 148.0
2	Net Operating Expenses	37.5	36.6	38.3	33.4	38.8	41.2	41.2	47.0	51.8	59.6
3	Interdepartmental Charges	26.8	26.3	28.6	30.2	28.8	31.6	32.3	41.5	35.3	36.0
4	Total Expenses	64.3	62.9	66.9	63.6	67.6	72.8	73.5	88.5	87.1	95.6
	Available for Debt Service:										
5	Revenue Bonds (Line 1-Line 2)	58.5	61.1	64.1	63.2	65.1	68.2	67.0	77.5	78.6	88.4
6	All Bonds (Line 1-Line 4)	31.7	34.8	35.5	33.0	36.3	36.6	34.7	36.0	43.3	52.4
	Debt Service:										
7	Revenue Bonds	22.7	27.5	28.1	26.8	27.4	27.6	25.3	29.7	36.5	44.8
8	General Obligation Bonds	7.4	7.3	7.3	5.6	7.2	6.2	7.2	5.2	5.7	5.7
9	Total Debt Service	30.1	34.8	35.4	32.4	34.6	33.8	32.5	34.9	42.2	50.5
	Debt Service Coverage:										
	Revenue Bonds Only - Test "A" (Line 5/Line 7)	2.58	2.22	2.28	2.36	2.38	2.47	2.65	2.61	2.15	1.97
	Total Debt Service - Test "B" (Line 6/Line 9)	1.05	1.00	1.00	1.02	1.05	1.08	1.07	1.03	1.03	1.04
Gas Works Revenue Bonds - First Through Sixteenth Series:											
1	Funds Provided by Operations and Other Income	\$ 475.7	\$ 501.4	\$ 539.5	\$ 580.0	\$ 509.6	\$ 583.1	\$ 557.5	\$ 503.8	\$ 495.2	\$ 574.7
2	Funds Applied to Operations	373.6	385.9	425.4	479.3	397.7	458.3	445.6	409.9	407.0	472.8
3	Internally Generated Funds Available to Cover Debt Service	102.1	115.5	114.1	100.7	111.9	124.8	111.9	93.9	88.2	101.9
4	Revenue Bond Debt Service	67.8	74.5	71.4	68.9	77.2	80.9	74.5	61.9	57.7	59.3
	Debt Service Coverage:										
	Revenue Bonds Only - Test "A" (Line 3/Line 4)	1.51	1.55	1.60	1.46	1.45	1.54	1.50	1.52	1.53	1.72
	Total Debt Service - Test "B" (Line 3/Line 6)	1.51	1.55	1.60	1.46	1.45	1.54	1.50	1.52	1.53	1.72

- (1) In Fiscal 1994, the City issued \$1,158 million in Water Revenue Bonds. Part of this sale was used to defease debt secured under a 1974 Ordinance. The new bonds are governed by a 1989 Ordinance that changed the rate covenant requirements for the Water Revenue Bonds. The rate covenant for the Water issue permits inclusion of Unencumbered Fund Balance along with Total Revenues. The rate covenant of the Aviation issues permit inclusion of Unencumbered Project Fund Balances at the beginning of the period with Project Revenues for the period to determine adequacy of coverage; Gas Works rate covenants do not permit this item.
- (2) Coverage "A" requires that Net Revenues equal 120% of the Debt Service Requirements while Coverage "B" requires that Net Revenues equal at least 100% of the Debt Service Requirements plus Required Capital Account Transfers. Test "A" requires that Project Resources be equal to Net Operating Expenses plus 150% of Revenue Bond Debt Service for the year. Test "B" requires Project Resources be equal to Operating Expenses for the year plus all debt service requirements for the year except any General Obligation Debt Service not applicable to the project.

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

CITY OF PHILADELPHIA
CITY RELATED TAX SUPPORTED BONDED DEBT
FOR THE FISCAL YEARS 1992 THROUGH 2001
(Amounts in Millions)

TABLE 13

Line No.		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
1	General Obligation Bonds	\$ 1,128.0	\$ 1,010.1	\$ 643.5	\$ 589.3	\$ 639.5	\$ 586.7	\$ 535.1	\$ 740.5	\$ 687.2	\$ 925.6
2	Revenue Bonds	<u>2,389.8</u>	<u>2,405.6</u>	<u>2,736.7</u>	<u>2,689.6</u>	<u>2,819.7</u>	<u>2,739.4</u>	<u>3,227.1</u>	<u>3,698.8</u>	<u>3,594.6</u>	<u>3,597.8</u>
3	Gross Bonded Debt	<u>3,517.8</u>	<u>3,415.7</u>	<u>3,380.2</u>	<u>3,278.9</u>	<u>3,459.2</u>	<u>3,326.1</u>	<u>3,762.2</u>	<u>4,439.3</u>	<u>4,281.8</u>	<u>4,523.4</u>
	Less Self-Supporting Debt and Available Assets:										
4	Self-Supporting General Obligation Bonds	166.3	148.6	151.4	135.9	116.9	100.6	81.4	65.8	47.0	30.2
5	Self-Supporting Bond Anticipation Notes	-	-	-	-	-	-	-	-	-	-
6	Revenue Bonds	<u>2,389.8</u>	<u>2,405.6</u>	<u>2,736.7</u>	<u>2,689.6</u>	<u>2,819.7</u>	<u>2,739.4</u>	<u>3,227.1</u>	<u>3,698.8</u>	<u>3,594.6</u>	<u>3,597.8</u>
7	Gross Self-Supporting Debt	<u>2,556.1</u>	<u>2,554.2</u>	<u>2,888.1</u>	<u>2,825.5</u>	<u>2,936.6</u>	<u>2,840.0</u>	<u>3,308.5</u>	<u>3,764.6</u>	<u>3,641.6</u>	<u>3,628.0</u>
8	Gross Tax Supported Bonded Debt (Line 4 less Line 8)	961.7	861.5	492.1	453.4	522.6	486.1	453.7	674.7	640.2	895.4
9	Less Sinking Funds of Tax Supported Bonds	1.7	1.9	1.9	2.0	-	-	-	-	-	-
10	Less Sinking Fund Assets Held by Fiscal Agent	<u>136.1</u>	<u>67.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
11	Net Tax Supported Bonded Debt (Line 9 less Line 10 less Line 11)	<u>\$ 823.9</u>	<u>\$ 792.6</u>	<u>\$ 490.2</u>	<u>\$ 451.4</u>	<u>\$ 522.6</u>	<u>\$ 486.1</u>	<u>\$ 453.7</u>	<u>\$ 674.7</u>	<u>\$ 640.2</u>	<u>\$ 895.4</u>

CITY OF PHILADELPHIA
CITY AND GAS WORKS RELATED ANNUAL DEBT SERVICE ON LONG-TERM DEBT
AS OF JUNE 30, 2001
(Amounts in Millions of Dollars)

TABLE 14

Fiscal Year	General Obligation Bonds								
	Tax Supported			Self-Supporting			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2002	\$ 40.1	\$ 47.8	\$ 87.9	\$ 7.4	\$ 0.9	\$ 8.3	\$ 47.5	\$ 48.7	\$ 96.2
2003	44.4	42.8	87.2	3.9	0.7	4.6	48.3	43.5	91.8
2004	43.1	40.5	83.6	4.0	0.5	4.5	47.1	41.0	88.1
2005	27.6	38.3	65.9	3.7	0.3	4.0	31.3	38.6	69.9
2006	16.8	36.9	53.7	1.4	0.2	1.6	18.2	37.1	55.3
2007	19.0	36.2	55.2	1.2	0.2	1.4	20.2	36.4	56.6
2008	23.3	35.3	58.6	1.3	0.2	1.5	24.6	35.5	60.1
2009	24.4	34.1	58.5	1.4	0.1	1.5	25.8	34.2	60.0
2010	25.5	32.9	58.4	1.4	0.1	1.5	26.9	33.0	59.9
2011	26.9	31.6	58.5	1.5	0.1	1.6	28.4	31.7	60.1
2012	28.2	30.2	58.4	1.3	0.1	1.4	29.5	30.3	59.8
2013	29.7	28.7	58.4	0.3	0.1	0.4	30.0	28.8	58.8
2014	31.3	27.2	58.5	0.2	0.1	0.3	31.5	27.3	58.8
2015	32.9	25.5	58.4	0.2	0.1	0.3	33.1	25.6	58.7
2016	30.7	23.9	54.6	0.2	0.1	0.3	30.9	24.0	54.9
2017	32.2	22.3	54.5	0.2	0.1	0.3	32.4	22.4	54.8
2018	33.8	20.8	54.6	0.2	-	0.2	34.0	20.8	54.8
2019	35.4	19.1	54.5	0.2	-	0.2	35.6	19.1	54.7
2020	37.2	17.3	54.5	0.2	-	0.2	37.4	17.3	54.7
2021	28.0	15.4	43.4	-	-	-	28.0	15.4	43.4
2022	29.4	14.1	43.5	-	-	-	29.4	14.1	43.5
2023	30.9	12.6	43.5	-	-	-	30.9	12.6	43.5
2024	32.4	11.0	43.4	-	-	-	32.4	11.0	43.4
2025	34.1	9.3	43.4	-	-	-	34.1	9.3	43.4
2026	28.5	7.6	36.1	-	-	-	28.5	7.6	36.1
2027	30.0	6.1	36.1	-	-	-	30.0	6.1	36.1
2028	31.4	4.6	36.0	-	-	-	31.4	4.6	36.0
2029	15.8	3.0	18.8	-	-	-	15.8	3.0	18.8
2030	16.6	2.2	18.8	-	-	-	16.6	2.2	18.8
2031	17.5	1.4	18.9	-	-	-	17.5	1.4	18.9
2032	18.3	0.5	18.8	-	-	-	18.3	0.5	18.8
Total	895.4 (a)	679.2	1,574.6	30.2 (b)	3.9	34.1	925.6	683.1	1,608.7
Sinking Fund Assets Held by Fiscal Agent	-	-	-	-	-	-	-	-	-
Available City Sinking Fund Assets	-	0.7	0.7	-	-	-	-	0.7	0.7
Net Debt	\$ 895.4	\$ 678.5	\$ 1,573.9	\$ 30.2	\$ 3.9	\$ 34.1	\$ 925.6	\$ 682.4	\$ 1,608.0

NOTES:

- (a) Included in this amount is \$2.4 million issued for Port purposes which has been reclassified as Tax-Supported due to the sale of the Port Corporation.
- (b) Of this amount, Bonds have been issued for the following major purposes: Water and Sewer, \$13.2 million; Airport, \$11.3 million; Veterans Stadium, \$.4 million and Subways, \$4.4 million. Issues for five other purposes account for the balance of \$.9 million.

CITY OF PHILADELPHIA
CITY AND GAS WORKS RELATED ANNUAL DEBT SERVICE ON LONG-TERM DEBT (Continued)
AS OF JUNE 30, 2001
(Amounts in Millions of Dollars)

Revenue Bonds

Fiscal Year	Water and Sewer			Gas Works			Aviation Fund		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2002	\$ 61.8	\$ 86.1	\$ 147.9	\$ 38.9	\$ 46.2	\$ 85.1	\$ 26.6	\$ 41.2	\$ 67.8
2003	64.3	83.7	148.0	43.3	46.6	89.9	28.4	49.8	78.2
2004	66.8	80.9	147.7	40.1	45.0	85.1	29.9	48.3	78.2
2005	69.4	78.2	147.6	32.0	43.5	75.5	31.5	46.6	78.1
2006	75.2	73.0	148.2	40.2	41.9	82.1	33.3	44.9	78.2
2007	78.9	69.3	148.2	32.9	40.0	72.9	27.2	43.0	70.2
2008	82.4	65.8	148.2	37.0	38.1	75.1	28.7	41.5	70.2
2009	85.7	62.5	148.2	36.9	36.1	73.0	30.3	39.9	70.2
2010	89.2	58.9	148.1	36.2	34.1	70.3	31.9	38.3	70.2
2011	95.3	52.9	148.2	46.3	32.2	78.5	33.7	36.6	70.3
2012	99.9	45.8	145.7	38.4	30.6	69.0	35.5	34.7	70.2
2013	108.5	40.1	148.6	20.4	29.4	49.8	37.4	32.8	70.2
2014	114.5	34.1	148.6	33.2	27.8	61.0	39.5	30.7	70.2
2015	120.8	27.9	148.7	33.5	26.0	59.5	41.7	28.6	70.3
2016	126.3	22.4	148.7	33.7	24.1	57.8	37.8	26.4	64.2
2017	41.0	16.0	57.0	30.9	22.2	53.1	39.9	24.3	64.2
2018	43.1	13.8	56.9	31.1	20.5	51.6	41.2	22.1	63.3
2019	36.1	11.8	47.9	31.3	18.8	50.1	33.2	19.8	53.0
2020	27.9	10.3	38.2	31.6	17.0	48.6	35.0	18.0	53.0
2021	29.3	8.9	38.2	31.8	15.3	47.1	36.9	16.1	53.0
2022	30.8	7.4	38.2	32.0	13.5	45.5	38.9	14.1	53.0
2023	32.4	5.9	38.3	32.8	11.8	44.6	41.0	12.0	53.0
2024	18.1	4.2	22.3	33.0	10.0	43.0	43.2	9.8	53.0
2025	18.9	3.4	22.3	33.4	8.3	41.7	45.6	7.4	53.0
2026	20.0	2.4	22.4	28.3	6.6	34.9	32.0	4.9	36.9
2027	20.9	1.4	22.3	29.5	5.2	34.7	33.6	3.2	36.8
2028	22.0	0.4	22.4	27.3	3.7	31.0	29.1	1.5	30.6
2029	-	-	-	28.8	2.3	31.1	-	-	-
2030	-	-	-	15.0	1.2	16.2	-	-	-
2031	-	-	-	7.6	0.6	8.2	-	-	-
2032	-	-	-	7.9	0.2	8.1	-	-	-
Total	1,679.5	967.5 (c)	2,647.0	975.3	698.8	1,674.1	943.0	736.5	1,679.5
Sinking Fund Assets Held by Fiscal Agent	-	-	-	-	-	-	-	-	-
Available City Sinking Fund Assets	148.7	0.3	149.0 (d)	102.7	0.5	103.2	47.9	2.5	50.4 (e)
Net Debt	\$ 1,530.8	\$ 967.2	\$ 2,498.0	\$ 872.6	\$ 698.3	\$ 1,570.9	\$ 895.1	\$ 734.0	\$ 1,629.1

NOTES: (Continued)

- (c) Interest on \$96.5 million Water and Sewer Variable Rate Bonds is based on the estimated short-term interest rate of 3.7413%.
- (d) In addition to the \$149.0 million available in Sinking Fund Assets, \$153.0 million has been reserved in the Water and Sewer Rate Stabilization Fund in accordance with the Seventh Supplemental Amendment to the General, Water and Sewer Revenue Bond Ordinance of 1974 as amended by Bill No. 544 dated June 24, 1993.
- (e) In addition to the \$50.4 million available in Sinking Fund Assets, \$2.5 million has been reserved in a Renewal, Replacement and Contingency Fund, which has been funded by the proceeds of the Series 1978 Aviation Revenue Bonds.

TABLE 14

<u>Total</u>			<u>Total General Obligation and Revenue Bonds</u>			<u>Fiscal Year</u>
<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
\$ 127.3	\$ 173.5	\$ 300.8	\$ 174.8	\$ 222.2	\$ 397.0	2002
136.0	180.1	316.1	184.3	223.6	407.9	2003
136.8	174.2	311.0	183.9	215.2	399.1	2004
132.9	168.3	301.2	164.2	206.9	371.1	2005
148.7	159.8	308.5	166.9	196.9	363.8	2006
139.0	152.3	291.3	159.2	188.7	347.9	2007
148.1	145.4	293.5	172.7	180.9	353.6	2008
152.9	138.5	291.4	178.7	172.7	351.4	2009
157.3	131.3	288.6	184.2	164.3	348.5	2010
175.3	121.7	297.0	203.7	153.4	357.1	2011
173.8	111.1	284.9	203.3	141.4	344.7	2012
166.3	102.3	268.6	196.3	131.1	327.4	2013
187.2	92.6	279.8	218.7	119.9	338.6	2014
196.0	82.5	278.5	229.1	108.1	337.2	2015
197.8	72.9	270.7	228.7	96.9	325.6	2016
111.8	62.5	174.3	144.2	84.9	229.1	2017
115.4	56.4	171.8	149.4	77.2	226.6	2018
100.6	50.4	151.0	136.2	69.5	205.7	2019
94.5	45.3	139.8	131.9	62.6	194.5	2020
98.0	40.3	138.3	126.0	55.7	181.7	2021
101.7	35.0	136.7	131.1	49.1	180.2	2022
106.2	29.7	135.9	137.1	42.3	179.4	2023
94.3	24.0	118.3	126.7	35.0	161.7	2024
97.9	19.1	117.0	132.0	28.4	160.4	2025
80.3	13.9	94.2	108.8	21.5	130.3	2026
84.0	9.8	93.8	114.0	15.9	129.9	2027
78.4	5.6	84.0	109.8	10.2	120.0	2028
28.8	2.3	31.1	44.6	5.3	49.9	2029
15.0	1.2	16.2	31.6	3.4	35.0	2030
7.6	0.6	8.2	25.1	2.0	27.1	2031
7.9	0.2	8.1	26.2	0.7	26.9	2032
<u>3,597.8</u>	<u>2,402.8</u>	<u>6,000.6</u>	<u>4,523.4</u>	<u>3,085.9</u>	<u>7,609.3</u>	
-	-	-	-	-	-	
<u>299.3</u>	<u>3.3</u>	<u>302.6</u>	<u>299.3</u>	<u>4.0</u>	<u>303.3</u>	
<u>\$ 3,298.5</u>	<u>\$ 2,399.5</u>	<u>\$ 5,698.0</u>	<u>\$ 4,224.1</u>	<u>\$ 3,081.9</u>	<u>\$ 7,306.0</u>	

CITY OF PHILADELPHIA
CITY AND GAS WORKS RELATED ANNUAL DEBT SERVICE ON LONG-TERM DEBT (Continued)
AS OF JUNE 30, 2001
(Amounts in Millions of Dollars)

TABLE 14

Fiscal Year	Other Long-Term Obligations			Total Long-Term Debt		
	Principal	Interest	Total	Principal	Interest	Total
2002	\$ 53.5	\$ 71.5	\$ 125.0	\$ 228.3	\$ 293.7	\$ 522.0
2003	62.6	70.4	133.0	246.9	294.0	540.9
2004	62.8	68.5	131.3	246.7	283.7	530.4
2005	69.5	66.7	136.2	233.7	273.6	507.3
2006	80.8	64.1	144.9	247.7	261.0	508.7
2007	78.4	61.0	139.4	237.6	249.7	487.3
2008	77.6	57.6	135.2	250.3	238.5	488.8
2009	85.8	54.1	139.9	264.5	226.8	491.3
2010	102.9	50.1	153.0	287.1	214.4	501.5
2011	112.8	45.2	158.0	316.5	198.6	515.1
2012	123.3	39.6	162.9	326.6	181.0	507.6
2013	129.3	38.6	167.9	325.6	169.7	495.3
2014	235.9	37.6	273.5	454.6	157.5	612.1
2015	128.6	36.5	165.1	357.7	144.6	502.3
2016	125.5	35.3	160.8	354.2	132.2	486.4
2017	126.2	34.1	160.3	270.4	119.0	389.4
2018	132.1	33.0	165.1	281.5	110.2	391.7
2019	117.9	31.6	149.5	254.1	101.1	355.2
2020	107.7	31.2	138.9	239.6	93.8	333.4
2021	107.9	31.1	139.0	233.9	86.8	320.7
2022	108.0	30.9	138.9	239.1	80.0	319.1
2023	108.2	30.8	139.0	245.3	73.1	318.4
2024	108.3	30.5	138.8	235.0	65.5	300.5
2025	108.5	30.3	138.8	240.5	58.7	299.2
2026	108.7	30.1	138.8	217.5	51.6	269.1
2027	111.0	29.0	140.0	225.0	44.9	269.9
2028	113.9	22.0	135.9	223.7	32.2	255.9
2029	225.0	7.4	232.4	269.6	12.7	282.3
2030	-	-	-	31.6	3.4	35.0
2031	-	-	-	25.1	2.0	27.1
2032	-	-	-	26.2	0.7	26.9
Total	3,112.7	1,168.8	4,281.5	7,636.1	4,254.7	*****
Sinking Fund Assets Held by Fiscal Agent	-	-	-	-	-	-
Available City Sinking Fund Assets	-	-	-	299.3	4.0	303.3
Net Debt	\$ 3,112.7	\$ 1,168.8	\$ 4,281.5	\$ 7,336.8	\$ 4,250.7	\$*****

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

TABLE 15

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

NOTES:

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

CITY OF PHILADELPHIA
CITY MUNICIPAL PENSION FUND
COMPARATIVE SCHEDULE OF OPERATIONS
FOR THE FISCAL YEARS 1992 THROUGH 2001
(Amounts in Millions of Dollars)

	1992		1993		1994		1995	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Revenue:								
Contributions:								
Employees':								
Members' Contributions	\$ 44.8	9.5	\$ 45.0	10.7	\$ 44.3	9.6	\$ 44.2	10.1
Less: Refunds to Members	<u>5.7</u>	<u>1.2</u>	<u>4.9</u>	<u>1.2</u>	<u>4.3</u>	<u>0.9</u>	<u>3.7</u>	<u>0.8</u>
Net Members' Contributions	<u>39.1</u>	<u>8.3</u>	<u>40.1</u>	<u>9.5</u>	<u>40.0</u>	<u>8.6</u>	<u>40.5</u>	<u>9.2</u>
Employer's:								
City of Philadelphia	176.6	37.3	174.3	41.3	233.7 (2)	50.5	212.8	48.5
Commonwealth of Pennsylvania Through City of Philadelphia	34.8	7.4	35.1	8.3	-	-	-	-
Quasi Governmental Agencies	<u>4.8</u>	<u>1.0</u>	<u>3.6</u>	<u>0.9</u>	<u>2.8</u>	<u>0.6</u>	<u>4.6</u>	<u>1.0</u>
Total Employer's Contributions	216.2	45.7	213.0	50.5	236.5	51.1	217.4	49.5
Commonwealth of Pennsylvania	<u>13.9</u>	<u>2.9</u>	<u>6.5</u>	<u>1.5</u>	<u>2.7</u>	<u>0.6</u>	<u>1.3</u>	<u>0.3</u>
Total Contributions	269.2	56.9	259.6	61.6	279.2	60.4	259.2	59.0
Investment Earnings	203.5	43.0	161.6	38.3	182.9	39.5	178.9	40.8
Other	<u>0.6</u>	<u>0.1</u>	<u>0.5</u>	<u>0.1</u>	<u>0.5</u>	<u>0.1</u>	<u>0.9</u>	<u>0.2</u>
Total Revenue	<u>473.3</u>	<u>100.0</u>	<u>421.7</u>	<u>100.0</u>	<u>462.6</u>	<u>100.0</u>	<u>439.0</u>	<u>100.0</u>
Deductions:								
For Pension Benefits	287.8		312.5		326.2		338.6	
Net Decline in Fair Value of Investments	-		-		-		-	
For Other Purposes, Excluding Refunds	<u>10.4</u>		<u>43.2 (1)</u>		<u>26.8 (1)</u>		<u>28.1 (1)</u>	
Total Deductions	<u>298.2</u>		<u>355.7</u>		<u>353.0</u>		<u>366.7</u>	
Excess of Revenue Over Deductions	\$ <u>175.1</u>		\$ <u>66.0</u>		\$ <u>109.6</u>		\$ <u>72.3</u>	
Net Assets: Opening	\$ 1,672.0		\$ 1,847.1		\$ 1,913.1		\$ 2,022.7	
Closing	<u>1,847.1</u>		<u>1,913.1</u>		<u>2,022.7</u>		<u>2,095.0</u>	
Increase (Decrease) During the Year	\$ <u>175.1</u>		\$ <u>66.0</u>		\$ <u>109.6</u>		\$ <u>72.3</u>	

EXHIBIT:

1. Pension Benefits Paid as a Percent of				
A. Net Contributions of Members	736.1	779.3	815.5	836.0
B. Revenue	60.8	74.1	70.5	77.1
C. Closing Net Assets	15.6	16.3	16.1	16.2
2. The Closing Assets as a Percent of				
Total Disbursements	619.4	537.8	573.0	571.3
3. Coverage of Revenues Over Disbursements				
	158.7	118.6	131.0	119.7
4. Investment Earnings as a Percent of				
Pension Benefits	70.7	51.7	56.1	52.8

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

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

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

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

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

TABLE 16

1996		1997		1998		1999		2000		2001	
<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
\$ 45.6	7.2	\$ 47.0	4.9	\$ 48.0	6.7	\$ 49.2	2.5	\$ 50.2	7.4	\$ 49.3	14.1
<u>3.8</u>	<u>0.6</u>	<u>3.8</u>	<u>0.4</u>	<u>3.2</u>	<u>0.4</u>	<u>4.2</u>	<u>0.2</u>	<u>4.2</u>	<u>0.6</u>	<u>4.7</u>	<u>1.3</u>
<u>41.8</u>	<u>6.6</u>	<u>43.2</u>	<u>4.5</u>	<u>44.8</u>	<u>6.3</u>	<u>45.0</u>	<u>2.3</u>	<u>46.0</u>	<u>6.8</u>	<u>44.6</u>	<u>12.8</u>
222.5	35.3	237.0	24.8	252.0	35.3	1,506.8 (5)	77.7	179.5 (2)	26.6	163.5	46.9
-	-	-	-	-	-	-	-	-	-	-	-
<u>4.8</u>	<u>0.8</u>	<u>5.2</u>	<u>0.5</u>	<u>5.0</u>	<u>0.7</u>	<u>4.9</u>	<u>0.3</u>	<u>4.5</u>	<u>0.7</u>	<u>4.1</u>	<u>1.3</u>
227.3	36.0	242.2	25.3	257.0	36.0	1,511.7	78.0	184.0	27.3	167.6	48.2
<u>4.5</u>	<u>0.7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
273.6	43.4	285.4	29.8	301.8	42.3	1,556.6	80.3	230.0	34.1	212.2	61.0
356.4	56.5	669.9 (3)	70.1	411.8	57.6	383.0	19.7	445.0	65.9	135.8	39.0
<u>0.8</u>	<u>0.1</u>	<u>0.3</u>	<u>0.1</u>	<u>0.4</u>	<u>0.1</u>	<u>0.3</u>	<u>-</u>	<u>0.2</u>	<u>-</u>	<u>0.6</u>	<u>-</u>
<u>630.8</u>	<u>100.0</u>	<u>955.6</u>	<u>100.0</u>	<u>714.0</u>	<u>100.0</u>	<u>1,939.9</u>	<u>100.0</u>	<u>675.2</u>	<u>100.0</u>	<u>348.6</u>	<u>100.0</u>
353.4		372.0		383.3		434.0		444.3		456.8	
-		-		-		-		-		394.8	
<u>21.4 (1)</u>		<u>13.6</u>		<u>2.9 (4)</u>		<u>4.4</u>		<u>4.8</u>		<u>5.3</u>	
<u>374.8</u>		<u>385.6</u>		<u>386.2</u>		<u>438.4</u>		<u>449.1</u>		<u>462.1</u>	
\$ <u>256.0</u>		<u>570.0</u>		<u>327.8</u>		<u>1,501.5</u>		<u>226.1</u>		<u>(113.5)</u>	
\$ 2,095.0		2,351.0		2,921.0		3,248.8		4,750.3		4,976.4	
<u>2,351.0</u>		<u>2,921.0</u>		<u>3,248.8</u>		<u>4,750.3</u>		<u>4,976.4</u>		<u>4,440.1</u>	
\$ <u>256.0</u>		<u>570.0</u>		<u>327.8</u>		<u>1,501.5</u>		<u>226.1</u>		<u>(536.3)</u>	
	845.5		861.1		855.6		964.4		965.9		1,024.2
	56.0		38.9		53.7		22.4		65.8		131.0
	15.0		12.7		11.8		9.1		8.9		10.3
	627.3		757.5		841.2		1,083.6		1,108.1		960.9
	168.3		247.8		184.9		442.5		150.3		75.4
	100.8		180.1		107.4		88.2		100.2		29.7

CITY OF PHILADELPHIA
PROPERTY VALUES, AUTHORIZED CONSTRUCTION AND BANK DEPOSITS
FOR THE CALENDAR YEARS 1991 THROUGH 2000
(Amounts in Millions of Dollars)

TABLE 17

Calendar Year	Property Values		Authorized Construction (1)				Bank Deposits (2)		
	Original assessed (3)	Estimated market (4)	Residential	Commercial & Industrial	Other (5)	Total	New Housing Units	Commercial	Mutual Savings
1991	9,604	35,806	55.1	391.0	41.7	487.8	614	19,255	5,543
1992	9,681	35,459	47.7	373.1	95.9	516.7	364	19,398	5,234
1993	9,676	35,295	81.8	319.5	54.3	455.6	307	19,879	2,277
1994	9,516	33,061	89.7	304.9	54.3	448.9	262	20,195	1,979
1995	9,410	32,915	82.5	298.6	53.7	434.8	253	19,077	3,627
1996	9,266	32,870	124.5	457.6	163.2	745.3	636	20,587	3,703
1997	9,275	33,930	101.9	382.2	176.7	660.8	509	26,351	3,848
1998	9,220	37,077	316.2	753.9	196.3	1,266.4	594	25,906	3,326
1999	9,273	40,017	N/A	N/A	N/A	N/A	N/A	22,922	4,405
2000	9,527	39,528	N/A	N/A	N/A	N/A	N/A	18,531	4,576

NOTES:

(1) Source: City of Philadelphia Department of Licenses and Inspections

(2) Source: Federal Deposit Insurance Corporation

(3) See Table 7

(4) See Table 5

(5) Includes construction by Government, Industrial, Medical and Educational Units

CITY OF PHILADELPHIA
POPULATION TREND
1940 TO 2000

TABLE 18

<u>Year</u>	<u>Population</u>
1940	1,931,334
1950	2,071,605
1960	2,002,512
1970	1,850,000
1980	1,688,210
1990	1,585,577
2000	1,517,550

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

CITY OF PHILADELPHIA
DEMOGRAPHIC STATISTICS
FOR THE CALENDAR YEARS 1991 THROUGH 2000

TABLE 19

<u>Year</u>	<u>Population</u> (1)	<u>Per Capita Personal Income</u> (2)	<u>Unemployment Rate</u> (3)	<u>School Enrollment</u> (4)
1991	1,572,631	19,252	8.8%	189,850
1992	1,552,572	20,183	9.4%	201,328
1993	1,539,148	20,495	9.5%	207,662
1994	1,524,249	20,589	8.0%	208,973
1995	1,498,971	21,333	7.7%	211,053
1996	1,478,002	22,354	7.1%	213,465
1997	1,451,372	23,128	7.0%	213,053
1998	1,436,287	24,136	6.3%	208,060
1999	1,417,601	25,436	6.1%	213,850
2000	1,517,550	N/A	6.1%	205,120

Sources:

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

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

(3) U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics

(4) School District of Philadelphia - Budget Document

CITY OF PHILADELPHIA
TEN LARGEST REAL ESTATE ASSESSMENTS
JANUARY 1, 2001

TABLE 20

<u>Location</u>	<u>Owner</u>	<u>Assessment</u>	<u>Percentage of Total Assessments</u>
1500-42 Market Street	Center Square Partners	\$ 59,520,000	0.61%
1650 Market Street	Phila. Liberty Place	59,200,000	0.61%
1735 Market Street	Nine Penn Center Associates	51,968,000	0.53%
4301 Byberry Road	PMI Associates	48,096,480	0.49%
50 S. 16th Street	Two Liberty Place	44,800,000	0.46%
1717 Arch Street	Bell Atlantic	42,702,400	0.44%
1201 Market Street	Philadelphia Market Street	32,071,040	0.33%
2005 Market Street	Commerce Square Partners	31,852,800	0.33%
1901-19 Market Street	PRU 1901 Market LLC	31,624,512	0.32%
2001 Market Street	Maguire/Thomas	31,576,768	0.32%
		<hr/>	
		\$ <u>433,412,000</u>	<u>4.45%</u>
 Total Taxable Assessments		 \$ <u>9,740,793,306</u>	 <u>100.00%</u>

CITY OF PHILADELPHIA
LARGEST NON-GOVERNMENTAL EMPLOYERS IN PHILADELPHIA
DECEMBER 31, 2000

TABLE 21

<u>Employer</u>	2000 Wage Tax Collected (1)	Percentage of Total Collections
University of Pennsylvania	\$ 33,183,222	2.71%
Temple University	14,139,740	1.15%
Tenet Health Systems, Inc.	12,630,119	1.03%
University of Pennsylvania Hospital	10,613,906	0.87%
Thomas Jefferson University Hospital	10,259,216	0.84%
First Union Services	10,214,895	0.83%
Albert Einstein Medical Center	9,722,859	0.79%
Children's Hospital of Philadelphia	8,379,315	0.68%
Smith Kline Beecham Corporation	7,792,499	0.64%
Verizon - PA	6,792,799	0.55%
PECO Energy	6,531,478	0.53%
Sunoco Inc., R&M	6,182,779	0.50%
Thomas Jefferson University	6,120,533	0.50%
Independence Blue Cross	5,842,615	0.48%
Temple University Hospital, Inc.	5,763,491	0.47%
Verizon Services Corporation	5,571,016	0.45%
Philadelphia Health & Education	5,455,039	0.45%
Aramark Food & Support Services	5,286,851	0.43%
Philadelphia Newspapers, Inc.	5,058,110	0.41%
Towers, Perrin, Forster & Crosby, Inc.	4,871,474	0.40%
Cardone Industries, Inc.	4,824,293	0.39%
PNC Bank N A	4,421,658	0.36%
Rohm & Haas Co.	4,266,900	0.35%
PriceWaterhouseCoopers LLP	4,031,335	0.33%
Frankford Hospital	3,878,550	0.32%
	\$ <u>201,834,692</u>	<u>16.47%</u>
 Total Wage Tax Collected for Calendar Year	 \$ <u>1,225,629,177</u>	 <u>100.00%</u>

SOURCES:

(1) Philadelphia Department of Revenue

CITY OF PHILADELPHIA
MISCELLANEOUS STATISTICS
 JUNE 30, 2001

TABLE 22

Date Founded	1682
Form of Government	Council-Mayor
Area of City - Square Miles	129
Fire Protection:	
Number of Stations	62
Number of Firefighters	2,085
Emergency Medical Service:	
Number of Rescue Units	38
Number of Medical Personnel	298
Police Protection:	
Number of Districts	25
Number of Police Officers	6,992
Water System:	
Number of Accounts	479,986
Average Daily Consumption - Gallons	182,700,000
Average Daily Production - Gallons	272,200,000
Miles of Water Mains	3,300
Area Serviced - Square Miles (1)	130
Wastewater System:	
Number of Accounts	474,941
Miles of Sewer	2,957
Area Serviced - Square Miles (1)	360
Philadelphia International Airport:	
Passengers Handled	25,417,936
Air Cargo Tons	552,479
Aircraft Movements	483,401
Air Mail Tons	67,231
Northeast Philadelphia Airport:	
Aircraft Movements	173,077
Recreation and Culture:	
Recreation Centers (3)	190
Swimming Pools	88
Ice Rinks	5
Other Recreational Facilities	353
Special Facilities (2)	18
School Gyms throughout Fall and Spring	120

- (1) Service Area extends into the suburbs.
 (2) Includes Stadia, Museums, Open Air Theatres, etc.
 (3) Includes 144 playgrounds

CITY OF PHILADELPHIA
SCHOOL DISTRICT RELATED MISCELLANEOUS STATISTICS
FOR THE FISCAL YEARS 1997 THROUGH 2001

TABLE 23

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

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

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

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

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

	<u>Fiscal 1997</u>	<u>Fiscal 1998</u>	<u>Fiscal 1999</u>	<u>Fiscal 2000</u>	<u>Fiscal 2001</u>
Number of Schools (1)					
Elementary	173	175	175	175	175
Junior/Middle	41	41	41	42	42
Special	8	8	10	10	11
Senior	31	31	31	32	32
Vocational/Technical	4	4	4	5	5
Total	<u>257</u>	<u>259</u>	<u>261</u>	<u>264</u>	<u>265</u>
School Enrollment (2)					
Elementary	108,473	108,237	107,034	105,044	102,118
Junior/Middle	34,030	33,663	33,616	33,632	33,618
Senior/Special/ Vocational/Technical	70,962	71,153	67,411	66,444	65,592
Total	<u>213,465</u>	<u>213,053</u>	<u>208,061</u>	<u>205,120</u>	<u>201,328</u>
Number of High School Graduates (1)	<u>9,225</u>	<u>8,835</u>	<u>10,644</u>	<u>9,949</u>	<u>9,388</u>

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

(2) School District of Philadelphia, Budget Document