

# CITY OF ERIE

## ERIE, PENNSYLVANIA



Comprehensive Annual Financial Report  
Year Ended December 31, 1999

## *THE RENAISSANCE CENTRE*

*Constructed between 1925 and 1928 at a cost of \$1.5 million, the Renaissance Centre has been the defining structure of the Erie skyline for nearly three quarters of a century. The 14-story building is Erie's only authentic example of a Modernistic skyscraper, an architectural style popularized in the 1920s and 1930s.*

*Although the Modern style dictates minimal decoration, the building does incorporate a Romanesque arch and some Art Deco ornamental elements. The construction is concrete over steel frame, with a limestone and brick façade.*

*The building, originally the home of the Erie Trust Company, was acquired in 1940 by the G. Daniel Baldwin family, and the building wore the Baldwin name for the next 56 years. In 1996, developer Tom Kennedy purchased the building and began a process of restoring the building to its original grandeur, while simultaneously making many necessary updates and improvements. The building's new name – the Renaissance Centre - perfectly captures this spirit of rejuvenation while echoing the Renaissance undertaken throughout the whole city in recent years.*

**CITY OF ERIE, PENNSYLVANIA**  
**Comprehensive Annual Financial Report**  
**Year Ended December 31, 1999**



**Prepared by:**  
**Department of Administration and Finance**

**CHUCK L. HERRON, CPA**  
**Director**

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June 26, 2000

## Honorable Members of City Council and Citizens City of Erie

The City of Erie, located in the northwestern corner of Pennsylvania and on the southern shore of Lake Erie, proudly serves, as the state's only lake port. Erie is distinguished by a fine natural harbor hosting the Great Lakes and international vessels, evidencing a growth in trade and ship repair industries.

Erie, with a population of 109,000 residents, is the third largest city in the Commonwealth and the largest city in Northwestern Pennsylvania. Erie is also the host for a wide range of legal services, including the County and Federal Courthouses and several federal and state government offices. The downtown district, serving as a regional center, hosts a wide range of financial, insurance and commercial ventures. The area is also enhanced by the cultural and sports facilities located downtown: the Civic Center Complex housing a restored Warner Theater, the 6,000 seat Jerry Uht Ballpark and the Tullio Convention Center; the Erie Playhouse and the Roadhouse



Theatre for Contemporary Art; the Erie Philharmonic Orchestra; the Erie Civic Ballet; and Discovery Square (a complex housing the Erie Art Museum, the Erie History Center and Experience Erie Children's Museum). On the waterfront, Bayview Commons houses Blasco Memorial Library (Erie County's new main library) the Erie Maritime Museum, the Hirt Auditorium, and the permanent berth of the U.S. Brig Niagara. In addition, new condominium and restaurant development, the Bicentennial Tower, Summer Festival of the Arts and proposed Convention Center speak to the excitement of Erie's constantly improving bayfront. Perry Square Park at the downtown's center is one of 55 city parks, which offers a wide variety of community activities. Among them is the premier winter event on New Year's Eve known as First Night Erie and Erie's main summer festival "We Love Erie Days" which attracts thousands of residents and visitors annually.

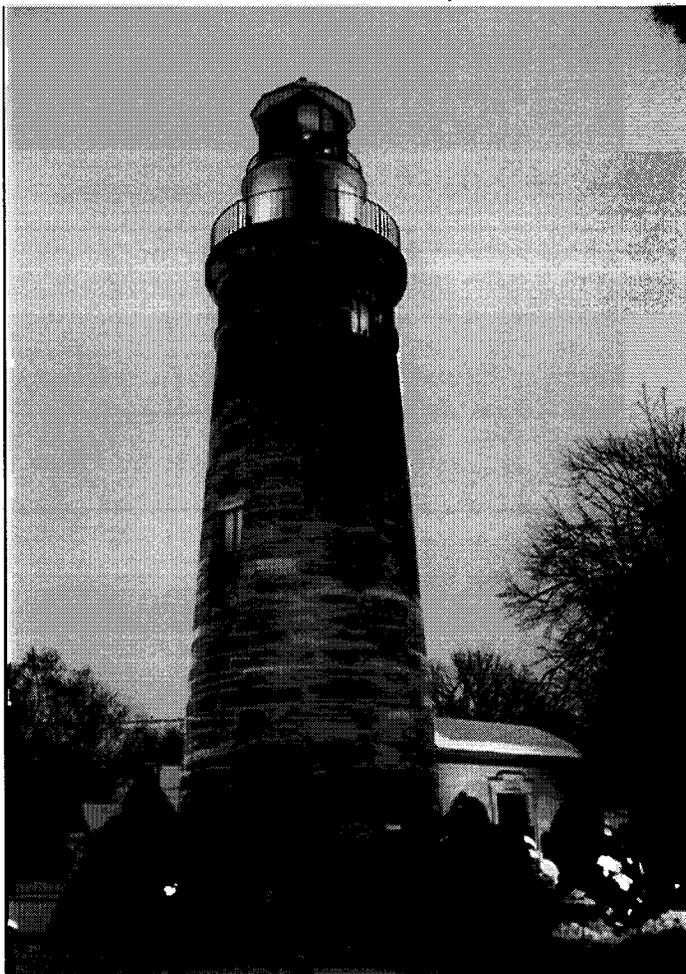
Erie's quality of life is further enhanced by the recreational and athletic opportunities afforded by Lake Erie and Presque Isle State Park. The City also provides a wide range of sporting events. Erie is home to professional baseball, hockey, and arena football teams, as well as the Greater Erie Charity Golf Classic and the Flagship Open Bowling Tournament, both of which attract top name professionals from around the country. An outstanding park system of 850 acres (including the Erie Zoo, playgrounds, passive parks, three municipal golf courses, and a public marina) blankets the City, providing additional resources for quality of life.

The Erie area has experienced business growth and significant industrial retention and expansion resulting in ongoing job growth. The diversification of our economy, the affordable living standard and skilled labor force has made Erie a livable metropolitan area. Economic development is a top priority for the City. The Michael Veshecco Industrial Park houses four new industries. A new industrial park, located on the city's east side is now mostly occupied. The Erie Enterprise Zone has been expanded to over one-third of our city and has allowed for over \$200 million of reinvestment. Downtown revitalization has allowed for major reinvestment and new construction by banking houses. In addition affordable living spaces have been added by the redevelopment of the Boston Store, once a vacant downtown store, and Lovell Place, also once a vacant manufacturing complex. Tourists, visitors, residents and businesses alike are serviced by the Bayfront Parkway now connected to I-79 and to be connected to I-90 into the next century as well as by the Erie International Airport, a regional airport, only a ten minute drive from the heart of the city.

Understanding the importance of rebuilding the City's infrastructure, extensive capital improvements have been made to water and sewer lines as well as water and wastewater treatment plants. These improvements have provided economic growth to Erie and its surrounding municipalities.

Health care services are offered to both City and surrounding areas by major health care providers such as Hamot, St. Vincent, Metro Health Center, and Lake Erie College of Osteopathic Medicine (LECOM). Additionally, Emergycare provides full ambulance and paramedic service. The City of Erie has joined in this health network by implementing first-responder service throughout the Erie Fire Department who also provides a water rescue team.

Mercyhurst College and Gannon University are located in the City. These institutions afford educational opportunities not only to local residents but also to students from throughout the nation. Edinboro University and Penn State-Behrend, also located in the area, offer research opportunities that stimulate the area's industrial base.



We are a city that takes pride in our past and even greater pride in our present and future. We take pride in being named one of our country's "Family Friendly" cities. Most importantly, we are a city which takes pride in what we have done together to prepare for the future and the progress which awaits us; we are a community giving voice to the boast of the Erie Chamber of Commerce: **"Erie is Eriesistible...The Best Things In Life Are Here!"**

Joyce A. Savocchio  
Mayor

# City of Erie

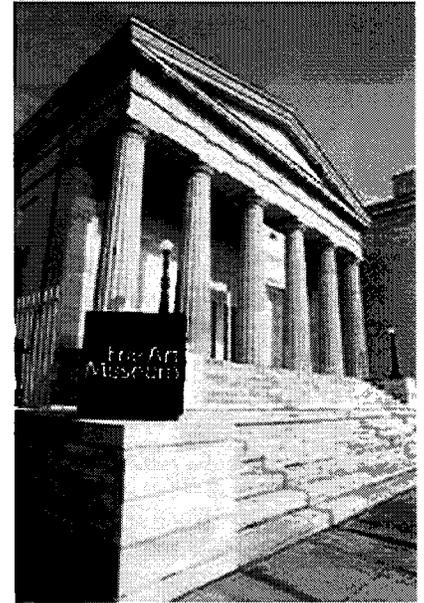
Joyce A. Savocchio, Mayor

Chuck L. Herron, CPA  
Director of Administration & Finance

June 26, 2000

**To: The Honorable Joyce A. Savocchio, Mayor,  
Honorable Members of City Council and  
Citizens of the City of Erie, Pennsylvania:**

The Comprehensive Annual Financial Report of the City of Erie, Pennsylvania, for the fiscal year ended December 31, 1999 is hereby submitted. This report was prepared by the City's Department of Administration and Finance. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, are accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of the various funds. We believe all disclosures necessary to enable the reader to gain a complete understanding of the City's financial affairs have been included. The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The introductory section includes the Mayor's introduction to the City, this transmittal letter, the list of principal officials, and the government's organization chart. The financial section includes the general-purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the independent auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.



This report includes all of the funds and account groups of the City of Erie. The City provides a full range of municipal services, including those mandated by statute or ordinance:

POLICE AND FIRE PROTECTION  
STREET CONSTRUCTION AND MAINTENANCE  
SANITATION  
ECONOMIC AND COMMUNITY DEVELOPMENT

WATER SERVICE  
SEWER SERVICE  
PARKS AND RECREATION  
GENERAL ADMINISTRATIVE SERVICES

In addition, various boards, commissions and pension organizations are included with the financial statements as follows:

**BOARDS:**

AGGREGATE PENSION  
ERIE RECREATION  
INCOME TAX POLICY  
ZONING HEARING

BUILDING CODE APPEALS  
HOUSING APPEALS  
LICENSE EXAMINERS

ELECTRICAL CONTRACTOR LICENSE EXAMINATION  
CIVIL SERVICE  
RETIREMENT

**COMMISSIONS:**

BUILDING CODE  
ELECTRICAL CODE  
SHADE TREE

CITY PLANNING  
PLUMBING CODE

COMMUNITY DEVELOPMENT  
TRAFFIC

**PENSIONS:**

OFFICERS AND EMPLOYEES' RETIREMENT ASSOCIATION  
FIREMEN'S PENSION FUND  
POLICE RELIEF PENSION ASSOCIATION

The City of Erie has various municipal authorities, which operate within the City. They are reported in a separate column to emphasize that they are legally separate from the City. The City (Mayor and/or City Council) appoints the governing bodies of all of these component units.

**The following entities have been included as discretely presented component units:**

Redevelopment Authority of the City of Erie  
Erie Parking Authority  
Erie Municipal Park Authority  
Erie Civic Center Authority  
Erie Metropolitan Transit Authority  
Erie Sewer Authority

Additionally, other municipal authorities, a non-profit corporation, and a council created by the City but which operates independent of City budget control or fiscal management, have been excluded.

**The following entities have been excluded:**

Erie City Water Authority  
Higher Education Building Authority  
City of Erie Housing Authority  
Erie Zoological Society  
Erie Municipal Airport Authority  
Erie County Solid Waste Management Council  
Erie Western Pennsylvania Port Authority



## ECONOMIC CONDITION AND OUTLOOK

The availability of a highly skilled labor force centered around Erie's historically strong tool and die industry, continues to be a major factor in our local tradition of growing new jobs from within. The local workforce employed in the manufacturing sector remains above 25%, well above state and national trends. As larger companies consolidate or change direction in manufacturing operations, the trend locally, is for elements of prior production work being transformed into new manufacturing operations by former senior employees. These new enterprises pick up additional market share, develop proprietary interests in new components and grow employment locally.

The ability to maintain and expand a skilled workforce is the result of planning that culminated in the formation of the Northwest Pennsylvania Technical Institute, Pennsylvania's first and only technical training college. Since the establishment in 1990, The Northwest Pennsylvania Technical Institute has trained thousands of individuals to meet ever changing manufacturing demands. Bringing limited resources together with employer needs, we have been able to keep pace and remain competitive as a community in the manufacturing marketplace.

Erie's industrial base is secure, with numerous large industrial firms within the City's limits. The Lord Corporation, R. M. Kerner Company, International Paper, Modern Industries, Reed Manufacturing, and a mixture of well established smaller and new firms in diversified fields from plastics to steel forging utilizes Erie's skilled labor force. General Electric and Eriez Magnetics are among the major corporations with both functioning plants and headquarters situated in the area. In addition, Erie has become the business and financial service center of Northwestern Pennsylvania. It provides services from several major investment firms and banks and is the home of the \$40 million corporate headquarters of the Erie Insurance Group located downtown.

The Erie area has experienced business growth resulting in job generation, significant new business start-ups, and young companies enjoying high growth rates. The diversification of business and industry, the affordable living standard and skilled labor force combine to make Erie a desirable metropolitan area. Community confidence in a successful future for Erie is evident from the success of the Adopt-A-Park program, and neighborhood watch programs. Thirty-six public areas have been adopted by Erie neighborhoods and 31-neighborhood watch groups work to help stabilize the community which has led to a new self confidence and awareness of the importance of grass roots involvement in community development and local government. A facade revitalization program has also resulted in reinvestment in several long vacant storefronts in downtown Erie. This program is expanding into new neighborhoods.

Economic development continued to be a top priority for Erie in 1999. The waterfront of Erie's fine natural harbor, the only lake and world port in Pennsylvania, has been a major focus of economic development. The extension of the Bayfront Highway across Erie's lakefront to Interstate Route 79 (I-79) was completed in the fall of 1994. The connection to Interstate Route 90 (I-90) with the first section to East 6th Street was completed and opened to traffic in 1999, and the final phase is in the design stage with construction to begin in late 2000. This highway has already stimulated tourist, commercial, residential and industrial interest in Erie's waterfront. Construction of Perry's Landing condominiums continue, and initiation of bayfront development is well under way, including an observation tower, restaurant and office development. The State has made available \$26 million dollars for development of a convention center on the bayfront that will include a comparable matching amount from private sources. This will begin in 2000. All this activity demonstrates the revitalization of Erie's waterfront, alive with new economic and job development opportunities.

Economic Development in other areas of the City has also been brisk in 1999. The new Veshecco Industrial Park at 12<sup>th</sup> and Greengarden has only one privately held lot available for development. In addition, TWL Corp. dba – Lake Erie Warehouse & Distribution, Smith Metering W., Alex Roofing, and several smaller businesses and industries located in Erie's Enterprise Zone completed expansion plans resulting in hundreds of new permanent jobs. Building permit activity remains the highest in recent history, further pointing to a renewed confidence in investing in the City of Erie.

## MAJOR INITIATIVES

### For The Year 1999

In preparing the budget, the City's priorities were identified as economic and community development. These priorities are consistent with the goals established in the City's Mission Statement:

- 1) To deliver the best municipal services in the state and sustain our stable financial condition;
- 2) To maintain the positive and supportive environment that is stimulating local business to increase the employment base; and
- 3) To improve the quality of life and increase civic pride.



Economic and community development projects completed in 1999 included the following: Construction of sewer, water and highway improvements necessary to service under-utilized brownfield industrial sites for new or growing manufacturing enterprises. New affordable and market rate housing redevelopment efforts continue to be a strong part of the center city's revitalization efforts through a combination of public and private development.

Several new entertainment and eating establishments started construction in formerly vacant buildings with anticipated openings in 2000.

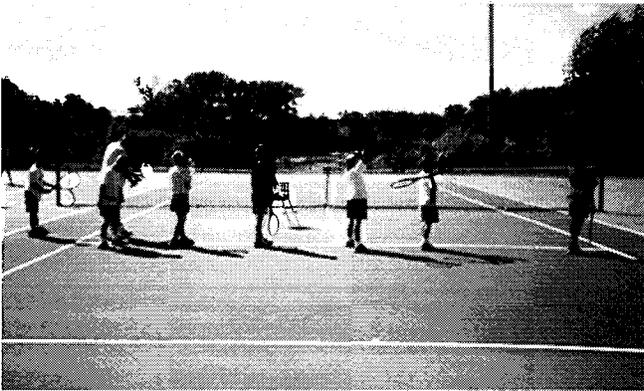
The City's brownfield reuse program will continue with the reclaiming of two major sites; one into a 17 acre industrial park and the other, conversion of 250,000 square feet of abandoned industrial space into productive space for new manufacturing entities.

Other administrative projects include improvements in financial reporting and budgeting, paperwork simplification, and computer system upgrades, which helped to manage administrative staff reduction without backlogs or service reductions.

The Pennsylvania Economy League completed a study of the City's Police and Fire communications systems. Recommendations included developing a new public safety facility removed from City Hall to include the Police Department, Communications, and Emergency Management. Funding to develop a strategic plan and preliminary design plans were included in the 2000 budget.

The Bureau of Police is continuing to develop a community policing philosophy throughout the agency. Several techniques have been expanded throughout the 1990's and continue into 2000, including extensive foot patrols, a bicycle patrol, and a Citizens Police Academy. Drug activity throughout the City has been a primary target of suppression through the use of various federal, state, and local task forces, as well as through Community Development Block Grant funds used to maintain eleven K-9 officers in specific areas of the city. Skill development training also continues into 2000 with the expenditure of 8,000 man-hours for in-service training programs.

In addition, the bureau continues to expand its information automation program through the installation of mobile data computers in police vehicles. This will give police officers in the field to access the information contained in the police records management system, as well as state and federal databases. Moreover, the Bureau is implementing a digital archiving system that will enable all police records to be stored in a digital format and be available to all computers on the police network.



Rejuvenation of our parks and enhancements to the recreation program continue to move forward. New playgrounds were installed at Columbus, Hess, and Nate Levi Parks. Outdated wood equipment was removed from Columbus, 2nd and Wallace and McKinley Parks. New playground safety zones were constructed at 2nd and Wallace, Victory, Hess, and Burton Parks. A new picnic shelter was constructed at Glenwood Park. The shelter was donated to the City by a Pittsburgh couple. The golf program continued to be a highly successful enterprise with substantial capital improvements made in 1999. The 1999 Summer Recreation Program was expanded. A total of 12 parks were supervised last summer, four

more than 1998. This is due to \$30,000 in increased city funding and \$25,000 in one time grants. The new program featured expanded operating hours for area agencies, supervised parks, and tennis and swimming lessons. New programs included martial arts instruction, sport clinics, and evening basketball leagues.

The Bureau of Refuse and Recycling continues to provide ever-increasing services. New recycling schedules were distributed. In 1999, recycled cardboard and mixed papers were 1,000 tons higher than 1998. Avoided landfill savings from paper recycling is projected at \$80,000 a year. Efforts continue to improve recycling participation in order to increase the performance grant award. The City was awarded a \$30,000 State Recycling Grant for recycling containers for the City and School District in 1999. An extensive education program is underway. We are continuing our traditional television commercials, newspaper ads, and recycling schedule guides. Billboard advertising at the Civic Center (\$5,000), the Zoo (\$5,000), and EMTA (\$25,000) supplement our recycling education program. The Composting Program continues to be extremely successful in reducing tonnage brought to the landfill, saving \$270,000 annually. The new spring pick-up program has been very successful and it has been shown to be more efficient than 1998. The program was changed to allow residents to dispose of one large item per week for twelve weeks. This proved to be more efficient than the one-time pickup used in 1998. Almost 2,000 tons of debris were collected for a total cost of \$63,000.

The Streets Bureau continues to effectively maintain 322 miles of streets. Approximately 27 miles of roadway were reclaimed or milled and resurfaced. Also, the Streets Bureau continued utilizing liquid calcium chloride for more effective and efficient deicing of streets in winter. In addition, the City began a major effort to repair and upgrade existing concrete streets. And finally, the City's Alley Clean-up Repairs Program used 1,647 tons of milling and 5,200 gallons of salt brine, and 110 tons of debris was removed from 57 alleyways. Tipping costs were \$4,950.

The Director's Office, working with the Bureau of Sewers and the Engineering Bureau, monitored and assured compliance with the milestones of the Consent Decree between the City and the Pennsylvania Department of Environmental Protection (DEP). The intent of the Decree is to identify and reduce sources of pollution to Presque Isle Bay and Lake Erie.

The Bureau of Engineering completed numerous storm and sanitary sewer improvements in 1999, including the completion of major relief interceptors along the east and west bayfront.

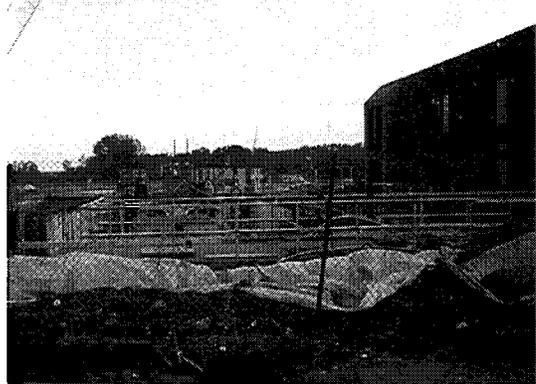
# COMING YEAR INITIATIVES

## Priorities for 2000 include:

### Economic and Community Development

Neighborhood housing redevelopment activities will continue to grow and take new form through the expanded involvement of neighborhood and community base non-profit organizations involved in housing issues.

Using funding from the City, the Martin Luther King Center, the Booker T. Washington Center, HANDS and LIRE will be developing new affordable housing opportunities throughout Erie neighborhoods. The conversion of two former brownfield industrial sites will continue with the operation of the new industrial park on E. 12th St. and conversion of the former Zurn industrial complex at 12th & East Avenue into new manufacturing space. Additional brownfield conversions are in the planning stages. Public access improvements on Erie's waterfront will continue with the City to start construction of the promenade this summer and the Port Authority to undertake numerous waterfront activities.



### Administration

The top priority was implementing new financial software and hardware. This installation was required to resolve not only the Y2K bug, but the City had not updated the financial systems for over 20 years. The new system provides for a fully integrated finance and accounting system that will evolve into a system with numerous new controls and features to provide state-of-the art management abilities.

Additional projects included the deployment of citywide e-mail, citywide high-speed Internet connectivity and acquisition of 800 MHz radio frequencies to implement mobile computers in police cars. Selection of automation software and hand-held computers for the code enforcement and housing inspection bureau was completed, with installation to begin in early 2000.

Continued improvements in financial planning, budget preparation and operations monitoring will be the main priority to continue to improve the financial status. Aggressive management of insurance and workers compensation programs, refining control of physical assets and continual upgrades of the property records system will assure cost containment in the risk management area. Improvements in software support and training, Bureau of Police functions, inventories and equipment maintenance, human resource management, time and attendance management and enhancements in city wide communications systems including e-mail are all on-going projects.

### Public Safety

#### Police

Implementation of the AEGIS police software system will improve the records system, as well as, provide for a computer assisted dispatch (CAD) capability. Additional grant sources are providing for additional computer capacity including establishing electronic imaging databases to compliment the other databases. The imaging project is set to begin implementation in the summer of 2000. High-speed Internet access in the police bureau was another priority. The Internet is rapidly becoming a resource to exchange information on a real-time basis. The ability to create large shared secure databases is rapidly becoming a reality. The City is developing a web site to focus on crime prevention, and disseminating information to neighborhood crime watch groups. The establishment of a Citizen Leadership Council to support community policing in the City continued. These actions will consolidate and implement a thorough community policing strategy for the entire agency.



## Fire

The City of Erie designed a wide area network to include computer links to all fire department locations. This will facilitate the uniform reporting and data interchange created in 1997. This advancement in computer ability will also upgrade communications with the addition of e-mail, on-line data availability for emergency situations and lay the foundation for future GIS integration into computers in fire vehicles.

The department was very involved with community education via departmental fire prevention programs including fire safety talks at schools, elderly housing, hospitals, and other places of assembly. Fire inspection training included two classes at the National Fire Academy for fire investigation and one class at the Bureau of Alcohol, Tobacco, and Firearms Training Academy in Glecoe, GA on arson investigation.



## Public Works

Improvement in the delivery of City services through additional training and education will improve effectiveness of supervision in all Bureaus and continue to increase efficiency in all departments. Enhanced computerization in the Bureaus of Engineering, Municipal Garage, Streets, and Sewers will enable a significant portion of in-house design and oversight on projects. With completion of the 1993 bond issue projects, such as the \$4 million Canal Sewer Project, we are able to proceed expeditiously with the 1997 bond issue capital improvement projects, such as the Streets Garage Improvements, Marsh Street Facility Renovations, Fire Station upgrades, City Hall Cooling Towers, Storm Sewer Projects and Bird Drive Paving. Improvements in the wastewater treatment operation and upgrades continue to be implemented to remain in compliance with all state and federal regulations. Continual milestones will be met to insure compliance with the mandates of the Consent Decree and with progression of the Act 537 Study and associated multi-million dollar construction projects to address community-wide, long range sewage needs.

## FINANCIAL INFORMATION

### Accounting System and Budgetary Control

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition. The reliability of financial records for preparing financial statements and maintaining accountability for assets is the primary goal of internal accounting controls. The concept of reasonable assurance requires evaluation and judgment by management in order to determine if the cost of control exceeds the benefits likely to be derived.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of all financial transactions.

The City's accounting system is organized and operated on a fund basis. Each fund is a distinct self-balancing accounting entity. The various funds and account groups utilized by the City are described in Note I.D. of the financial statements.

Budgetary control is obtained at the object group level through encumbrance accounting. Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the current year appropriations, is employed in all funds except Trust Funds. Purchase orders, which would result in an overrun of approved appropriation balances, are not approved until sufficient funds are transferred or until a supplemental appropriation is approved by City Council. Encumbered appropriations at year-end are carried forward as a reserve of fund balance and subsequent actual expenditures are charged against this amount in the ensuing fiscal year.

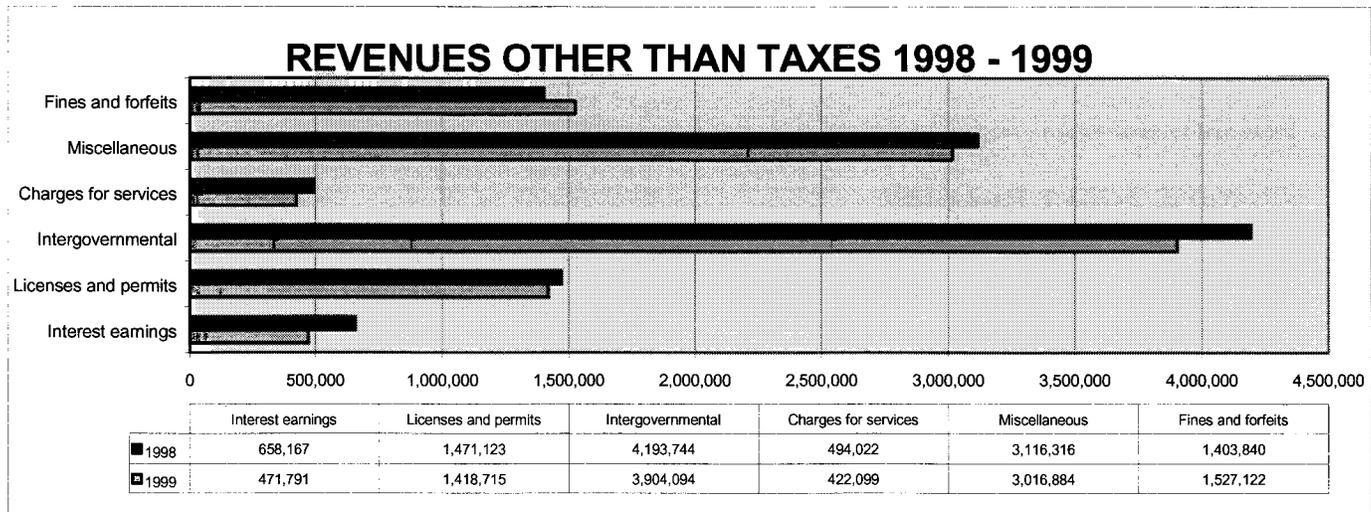
## General Government Functions

Schedules and analyses of General Fund activity for the year ended December 31, 1999 follow. The General Fund encompasses the general governmental functions of the City (and all other functions not accounted for in other separate funds).

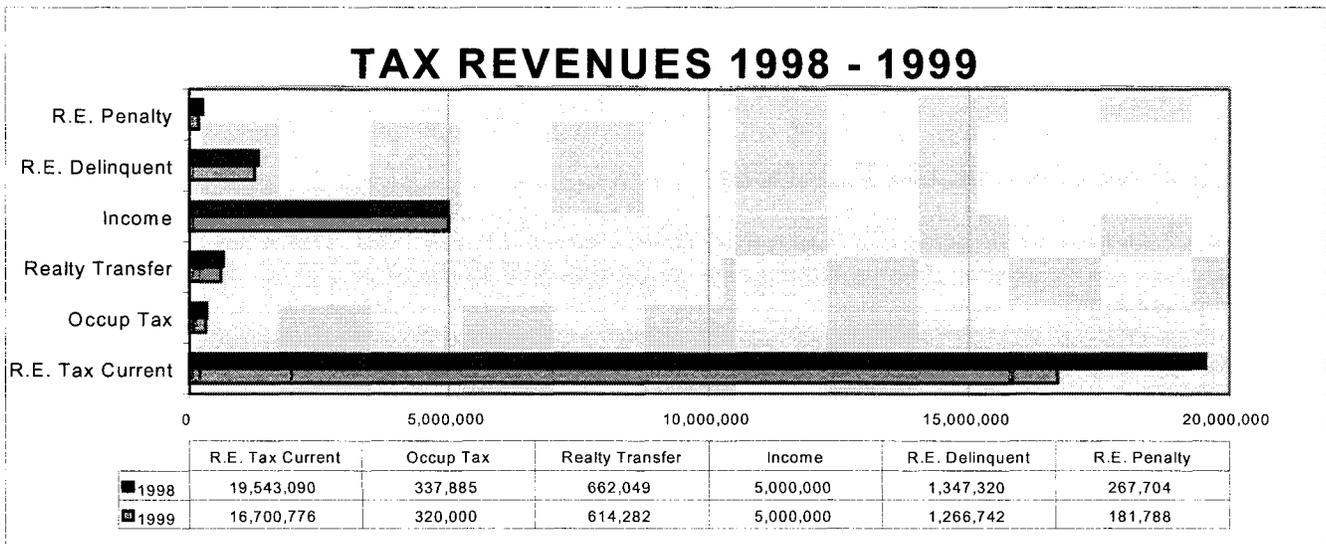
General Fund revenues totaled \$34,928,636 in 1999, a decrease of 9.02% from 1998. Total taxes account for 69.19% of general revenues compared to 70.47% last year. The amount of revenues from various sources and a comparison with the prior year are shown in the following tabulation:

Source	Amount	Percent of Total	Increase (Decrease) From 1998	
			Amount	Percent
Taxes	\$ 24,167,931	69.19%	\$ (2,887,809)	(10.67) %
Licenses and Permits	1,418,715	4.06%	(52,408)	(3.56) %
Intergovernmental revenues	3,904,094	11.18%	(289,650)	(6.91) %
Charges for services	422,099	1.21%	(71,923)	(14.56) %
Fines and forfeits	1,527,122	4.37%	123,282	8.78 %
Interest earnings	471,791	1.35%	(186,376)	(28.32) %
Miscellaneous	3,016,884	8.64%	(99,432)	(3.19) %
<b>Total</b>	<b>\$ 34,928,636</b>	<b>100.00%</b>	<b>\$ (3,464,316)</b>	<b>(9.02) %</b>

The following graph shows a comparison of the various tax revenues the City received in 1999 compared to 1998.



Taxes decreased \$3,074,460, which represents a shortfall in delinquent real estate tax collections of \$80,578 and a shift of \$2,807,287 in real estate tax collections from the General Fund to the Debt Service Fund.



General Fund expenditures totaled \$40,601,641 an increase of 3.18% over 1998. Variances in levels of expenditures for major functions and a comparison with the prior year are shown in the following tabulation:

Function	Amount	Percent of Total	Increase (Decrease) From 1998	
			Amount	Percent
General government	\$ 5,080,460	12.51%	\$ (228,523)	(4.30) %
Public safety	27,332,050	67.32%	1,261,242	4.84 %
Highways and streets	5,893,125	14.51%	263,062	4.67 %
Culture and recreation	2,296,006	5.66%	97,410	4.43 %
Debt service	0	0.00%	(142,820)	(100.00) %
<b>Total</b>	<b>\$ 40,601,641</b>	<b>100.00%</b>	<b>\$ 1,250,371</b>	<b>3.18 %</b>

The largest increases in General Fund expenditures are related to salaries, wages and benefits. Public Safety increased a total of 4.84%. Highways and streets expense are up 4.67%.

## General Fund Balance

The ending fund balance of the General Fund at December 31, 1999 is \$1,490,568 compared with a fund balance of \$4,272,199 at December 31, 1998. The decrease is a result of a larger Fund Balance carry-forward as a result of the pension bond financing closed in 1998.

## Special Revenue Funds

Special Revenue Funds account for revenues from specific revenue sources, which are legally restricted for particular purposes. Revenues for the year ended December 31, 1999 totaled \$7,497,161 expenditures for the period were \$6,727,095. The combined ending fund balance of the Special Revenue Funds at December 31, 1999 was \$9,026,170 compared to \$8,645,969 at the end of 1998.

## Capital Projects Funds

The Capital Projects Funds account for major capital outlays. Combined revenues for 1999 were \$998,411 a decrease of \$924. Expenditures totaled \$6,585,205. The fund balance at December 31, 1999 totaled \$11,793,059 an decrease of \$3,086,794.

## Enterprise Funds

Enterprise Funds are used to finance and account for the acquisition, operations and maintenance of City facilities and services, which are intended to be entirely or predominately self-supported from user charges. Revenues totaled \$23,528,494 in 1999, while expenses were \$19,790,664. The net income, before transfers, for the year amounted to \$3,737,830. The Sewer Revenue Fund showed an operating income, before non-operating revenue, decrease of \$142,253. Expenses were up \$634,499 (4%) due to overall operating cost increases resulting from the expanded facilities. The Refuse and Recycling Fund showed a decrease of \$273,947 (7%) in total operating income and expenses were up \$103,334 (3%). The Golf Fund, total operating revenue increased \$10,145 (1%). Expenses were up \$19,719 (2%) from 1998.

## Internal Service Funds

Internal Service Funds account for the financing of self-insurance costs to other funds. Such costs are billed to these funds on a cost reimbursement basis. Operating revenues for the year ended December 31, 1999 were \$8,354,829 and operating expenses totaled \$7,900,496. The net operating income for 1999, before non-operating revenues (investment income), was \$454,333. Combined fund balance in these funds changed from \$4,827,517 in December 1998 to \$4,780,515 at December 31, 1999.

## Fiduciary Operations

### **Pension Plans** (see Note III.B.1.):

All City employees are covered by one of three pension plans. The plans are all defined contribution benefit plans and cover only City employees. The Police pension plan has an over funding balance totaling \$6,702,024 and the O & E and Firefighters pension fund have unfunded liabilities totaling \$13,422,000. In 1984, the Commonwealth of Pennsylvania enacted the Municipal Pension Plan Funding Standard and Recovery Act (Act 205). This act provides a formula for determining the minimum funding required for each pension plan each year, established a supplemental state assistance program in 1988 for a maximum of 15 years (funded by a redistribution of premium tax on foreign fire and casualty insurance companies), and further allows municipalities which qualify based upon actuarial and financial criteria, to exceed tax limits to meet the funding requirements of the legislation. The City of Erie has elected to participate in the supplemental pension assistance program; receiving state aid and levying taxes for pension costs mandated by Act 205. Act 205 was amended in 1991, effective for 1992. The amendment increased the mandated City contribution and required reporting of State Aid as General Fund revenue.

### **Deferred Compensation Plan** (see Note III.B.2.):

The City offers a deferred compensation plan for all employees, permitting them to defer a portion of their salary until future years. All compensation deferred under the plan and property purchased with those amounts and earnings on them are solely the property and rights of the City and subject to claims of the City's general creditors until paid or made available to the employee or other beneficiary. The City has no liability for losses under the plan, but has the duty of due care of an ordinary prudent investor. It is unlikely that the City would use these assets to satisfy claims of general creditors in the future.

## General Fixed Assets

The General Fixed Assets of the City are those fixed assets used in the performance of general government functions not including infrastructure assets such as roads, bridges, curbs, gutters, streets, sidewalks, drainage systems and lighting systems. Fixed assets of the Enterprise Funds are reported in those funds. As of December 31, 1999, the General Fixed Assets of the City amounted to \$37,257,240. This amount represents the actual or approximate

original cost of the assets and is considerably less than their present value. Depreciation of General Fixed Assets is not recognized in the City's General Fund accounting system. Depreciation is recorded in the Enterprise Funds as prescribed by the Governmental Accounting Standards Board (GASB).

**Debt Administration** (see Note III.B.6.):

The ratio of net general bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to management, citizens and investors. These indicators for the City at the end of 1999 were as follows:

	<b>Amount</b>	<b>Ratio of Debt to Assessed Value (40% of Appraised Value)</b>	<b>Debt per Capita <sup>1</sup></b>
Net general bonded debt	\$74,528,606	18.7%	\$ 927.25

<sup>1</sup> Based upon 1990 census population of 108,718.

Outstanding general obligation bonds at December 31, 1999 totaled \$77,028,606 of which \$16,340,000 is the balance of the 1993 issue for sewer system improvements and is considered to be self-supporting.

Under current state law, the City's general obligation bonded debt is limited to 250% of total adjusted revenues from the preceding three years. As of December 31, 1999, the City's net general bonded debt of \$44,898,606 was far below the legal limit of \$160,197,095.

**Cash Management** (see Note III.A.1.):

Cash temporarily idle during the year was invested in fully collateralized certificates of deposit, securities backed by the full faith and credit of the U.S. Government, or bonds backed by the taxing authority of a Pennsylvania municipality, all in accordance with state laws related to investments of idle cash. Minimum balances are retained in interest bearing checking accounts. The City's policy is to minimize credit and market risks while maintaining a competitive yield on investments. Accordingly, policy calls for all deposits to be either in federally insured, or fully collateralized accounts when an investment is in a bank. All investments are held by a financial institution's trust department in the City's name. At December 31, 1999, 100% of investment balances met policy guidelines.

Pension funds are controlled by the Aggregate Pension Board. The Investment Committee developed and recommended a comprehensive investment policy for funds of all City pension plans and was adopted by the board. The Aggregate Pension Board engaged professional consultants to measure and rate performance of the fund managers in 1990. Requests for proposals were issued, evaluated and new managers selected for 1992 and continued through 1998. Evaluation of investment performance in 1998 indicated the wisdom of the change of fund managers. Beginning 1995, all accounting for pension funds were standardized and audited by the same firm to develop consistency in reporting.

**Risk Management** (see Note III.B.3.):

The City accounts for its property and liability insurance programs in the Internal Service Funds. Insurance, administrative and claims costs are charged to expenditures in those funds. The annual costs are billed to the other funds, and are reported as revenues in the Internal Service Funds. Claim liabilities, which include incurred but not reported claims, are based on the estimated ultimate costs of settling the claims and on historical experience. The funds used by the City are Workers Compensation, Employees Health Benefit Plan and Risk Management.

The City maintains a self-insurance program for workers compensation coverage, which is being accounted for as an Internal Service Fund. The fund charges back the costs to various other funds of the City based upon an appropriate risk factor based on the Pennsylvania Workers Compensation "Lost Cost" rates. This risk factor is then applied to the City's actual workers compensation losses and administrative costs in order to develop the actual

charge back amount. A third-party claim administrator establishes claim reserves and adjusts claims. The City purchases stop-loss insurance for catastrophic type losses. This insurance limits the City's annual payout to a fixed amount. For 1999, the medical stop-loss amount was \$90,000 in the first year; \$55,000 in the second year; \$45,000 in the third year; and each year thereafter, \$45,000 plus Consumer Price Index (CPI) of a large-loss payment. The indemnity stop-loss was \$22,500.

The liability for estimated claims in the Workers Compensation Claims Fund increased from \$3,813,368 in 1998, to \$4,246,609 in 1999 representing a change of \$433,241.

The Employees Health Benefit Plan is a modified self-insurance program for insuring hospitalization and medical costs. The program is limited to losses of \$50,000 annually per covered person for all programs combined. Additional coverage to the policy limits is provided through the use of stop loss policies. The Plan is fully funded by City contributions and covers all employees and eligible dependents.

The City is exposed to various risks of losses resulting from theft, damage and destruction of assets, errors and omissions and various other actions. Beginning in 1995, the City began a "protected" self-insurance plan. The City's comprehensive excess insurance program allows the City to self-insure small losses and fully insure catastrophe. Substantially, all prospective losses are covered by excess loss insurance with retained losses generally of \$25,000 and a \$200,000 aggregate loss limit.

## **OTHER INFORMATION**

### **Independent Audit**

City code, grants and the Single Audit Act of 1996 requires that local governments receiving \$300,000 or more of Federal assistance in any fiscal year conduct a single audit encompassing the entirety of the financial operations of the City. In compliance with this act, an audit of the accounts and financial statements has been completed by the City's independent Certified Public Accountants, McMahan, O'Polka, Guelcher & Associates, Inc., and their opinion is included herein.

### **Acknowledgments**

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated services of the staff of the Office of Accounts, Finance and Budget, with Darlene Pundt, Financial Analyst, coordinating the preparation of this report. We extend our appreciation to the staff of the Office of Accounts, Finance and Budget for help in report preparation and review, and to our auditors, McMahan, O'Polka, Guelcher & Associates, Inc. for their interpretation of and guidance in complying with recent accounting guidelines.

We would also like to thank the Mayor and the City's other elected officials for their interest in and support of planning and conducting the financial operations of the City in a fiscally responsible and progressive manner.

Respectfully,  
Department of Administration and Finance



Chuck L. Herron, CPA

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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Erie,  
Pennsylvania

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 1998

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.



*Cary Brubaker*  
President

*Jeffrey L. Esall*  
Executive Director

**CITY OF ERIE, PENNSYLVANIA**

**Comprehensive Annual Financial Report  
Year Ended December 31, 1999**

**Principal City Officials**

**MAYOR**

Joyce A. Savocchio

**CITY COUNCIL**

Chris E. Maras, President

Mario S. Bagnoni  
Joseph J. Borgia  
Richard Fillippi, Esq.

Rubye Jenkins-Husband  
Melvin Witherspoon  
Gayle M. Wright

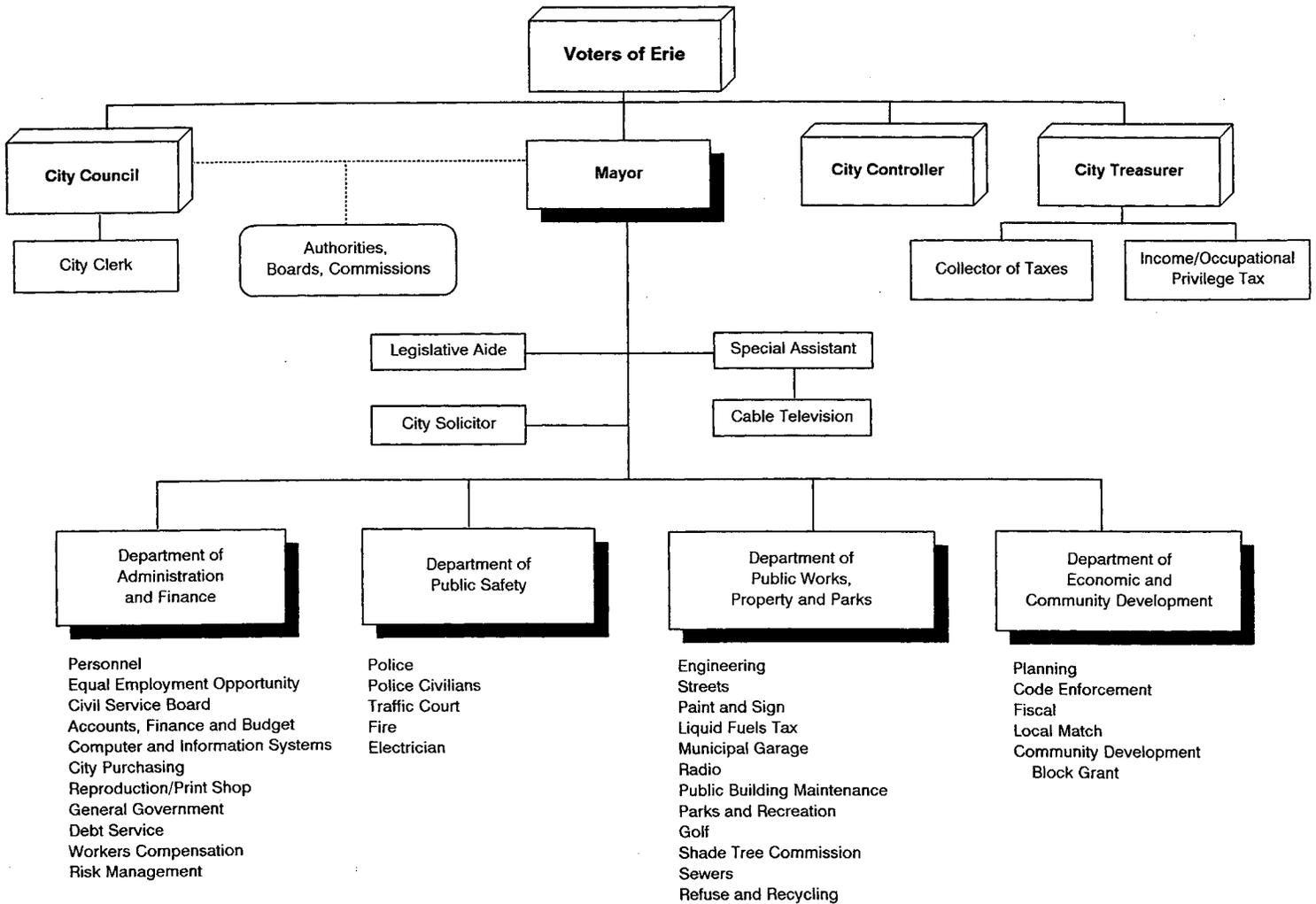
**CITY OFFICIALS**

Ortenzia M. Keller ..... City Treasurer  
Brenda A. Pundt ..... City Controller  
Gregory A. Karle ..... City Solicitor  
James E. Klemm ..... City Clerk  
Joyce A. Savocchio, Mayor ..... Director, Department of Public Safety  
Chuck L. Herron ..... Director, Department of Administration and Finance  
John T. Barzano ..... Director, Department of Public Works, Property & Parks  
Jeffrey E. Spaulding ..... Director, Department of Economic & Community Development

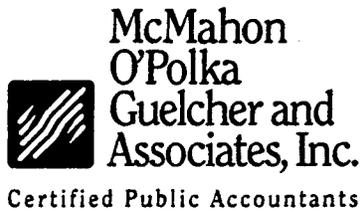
# CITY OF ERIE, PENNSYLVANIA

## Comprehensive Annual Financial Report Year Ended December 31, 1999

### Organization Chart



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516 West 10th Street • Erie, PA 16502-1352 • Phone 814/459-1445 • Fax 814/459-1924

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council  
The City of Erie, Pennsylvania

We have audited the accompanying general purpose financial statements of the City of Erie, Pennsylvania (the "City") as of December 31, 1999, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the City'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 six component units listed in Note I.B., which are presented in the accompanying general purpose financial statements discretely from the primary government. Those financial statements were audited by other auditors who report thereon has been furnished to us, and our opinion insofar as it relates to the amounts included for those component units, is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards. 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. 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 report of other auditors provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the City, as of December 31, 1999, and the results of its operations and cash flows of its proprietary fund types and pension trust fund for the year then ended in conformity with generally accepted accounting principles.

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 the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*McMahon, O'Polka, Guelcher & Assoc.*

McMAHON, O'POLKA, GUELCHER  
AND ASSOCIATES, INC.

Erie, Pennsylvania  
May 5, 2000

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GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF ERIE, PENNSYLVANIA  
 Combined Balance Sheet  
 All Fund Types and Account Groups, and Discretely Presented Component Units  
 December 31, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,105,243	\$ 1,847,055	\$ 0	\$ 2,930,435
Investments	0	1,918,607	0	10,048,710
Restricted cash and cash equivalents	0	0	0	0
Restricted investments	0	0	0	0
Receivables (net of allowance for uncollectibles):				
Accounts	0	0	0	0
Property tax	2,635,602	0	0	0
Earned income and occupational privilege tax	1,544,222	0	0	0
Liens	235,182	493,405	0	159,206
Intergovernmental	236,313	300,468	0	0
Interfund	1,012,791	0	0	0
Notes	0	508,407	0	0
Other	8,447	15,009	0	133,049
Inventory	0	0	0	0
Prepaid insurance	3,932	0	0	0
Property, plant and equipment:				
Land	0	0	0	0
Buildings and improvements	0	0	0	0
Improvements other than building	0	0	0	0
Equipment and vehicles	0	0	0	0
Construction in progress	0	0	0	0
Less: accumulated depreciation	0	0	0	0
Notes receivable, net of current obligation	0	6,379,231	0	0
Bond issue costs	0	0	0	0
Amount to be provided for long-term debt	0	0	0	0
Total assets	<u>\$ 6,781,732</u>	<u>\$ 11,462,182</u>	<u>\$ 0</u>	<u>\$ 13,271,400</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 485,087	\$ 462,484	\$ 0	\$ 325,828
Accrued payroll	1,019,225	21,932	0	515
Accrued pension obligation	0	0	0	0
Interfund payable	0	0	0	992,791
Compensated absences payable	246,022	19,561	0	0
Claims and judgments payable	0	0	0	0
Current portion of long-term liabilities	0	0	0	0
Deferred revenue	2,655,103	1,932,035	0	159,207
Capital lease obligation	0	0	0	0
Other liabilities	0	0	0	0
Due to other governments	0	0	0	0
General obligation notes payable	0	0	0	0
General obligation bonds payable	0	0	0	0
Deferred compensation benefits payable	0	0	0	0
Total liabilities	<u>4,405,437</u>	<u>2,436,012</u>	<u>0</u>	<u>1,478,341</u>
<b>FUND EQUITY AND OTHER CREDITS</b>				
Investment in general fixed assets	0	0	0	0
Contributed capital and other credits	0	0	0	0
Retained earnings				
Unreserved (deficit)	0	0	0	0
Fund balance:				
Reserved:				
Encumbrances	881,795	5,316,375	0	1,256,131
Noncurrent notes receivable	0	6,379,231	0	0
Equity in authority rentals	0	0	0	0
Land held for resale	0	0	0	0
Prepaid insurance	3,932	0	0	0
Employees' pension benefits	0	0	0	0
Unreserved:				
Designated for endowment principal	0	0	0	6,000,000
Undesignated (deficit)	1,490,568	(2,669,436)	0	4,536,928
Total fund equity (deficit) and other credits	<u>2,376,295</u>	<u>9,026,170</u>	<u>0</u>	<u>11,793,059</u>
Total liabilities and fund equity and other credits	<u>\$ 6,781,732</u>	<u>\$ 11,462,182</u>	<u>\$ 0</u>	<u>\$ 13,271,400</u>

The accompanying notes are an integral part of these financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Total Primary Government (Memorandum Only)	Component Units	Total Reporting Entity (Memorandum Only)
Enterprise	Internal Service	Pension Trust and Agency	General Fixed Assets	General Long-Term Debt			
\$ 4,149,503	\$ 0	\$ 9,885,379	\$ 0	\$ 0	\$ 19,917,615	\$ 5,352,761	\$ 25,270,376
2,081,231	0	192,394,502	0	0	206,443,050	2,765,831	209,208,881
0	9,004,292	0	0	0	9,004,292	4,756,206	13,760,498
0	0	0	0	0	0	19,089,557	19,089,557
611,818	0	0	0	0	611,818	622,609	1,234,427
0	0	0	0	0	2,635,602	0	2,635,602
0	0	0	0	0	1,544,222	0	1,544,222
0	0	0	0	0	887,793	0	887,793
207,261	0	0	0	0	744,042	842,923	1,586,965
0	0	0	0	0	1,012,791	0	1,012,791
190,000	0	0	0	0	698,407	0	698,407
232,835	38,822	1,163,973	0	0	1,592,135	590,895	2,183,030
0	0	0	0	0	0	215,150	215,150
0	0	0	0	0	3,932	208,886	212,818
730,999	0	0	801,667	0	1,532,666	4,248,757	5,781,423
9,656,002	0	0	16,651,140	0	26,307,142	93,829,803	120,136,945
51,256,084	0	0	0	0	51,256,084	1,171,137	52,427,221
10,624,777	0	0	19,804,433	0	30,429,210	71,485,775	101,914,985
0	0	0	0	0	0	710,197	710,197
(37,192,942)	0	0	0	0	(37,192,942)	(61,842,530)	(99,035,472)
5,090,000	0	0	0	0	11,469,231	0	11,469,231
396,723	0	0	0	0	396,723	561,485	958,208
0	0	0	0	60,900,220	60,900,220	329,000	61,229,220
<u>\$ 48,034,291</u>	<u>\$ 9,043,114</u>	<u>\$ 203,443,854</u>	<u>\$ 37,257,240</u>	<u>\$ 60,900,220</u>	<u>\$ 390,194,033</u>	<u>\$ 144,938,442</u>	<u>\$ 535,132,475</u>
\$ 470,260	\$ 15,500	\$ 113,707	\$ 0	\$ 0	\$ 1,872,866	\$ 3,615,962	\$ 5,488,828
102,920	490	0	0	0	1,145,082	902,659	2,047,741
0	0	0	0	0	0	49,989	49,989
20,000	0	0	0	0	1,012,791	0	1,012,791
62,205	0	0	0	0	327,788	0	327,788
0	4,246,609	0	0	0	4,246,609	0	4,246,609
735,000	0	0	0	0	735,000	2,523,187	3,258,187
6,998,322	0	0	0	0	11,744,667	261,518	12,006,185
0	0	0	0	211,614	211,614	0	211,614
0	0	0	0	0	0	1,194,316	1,194,316
0	0	1,869,871	0	0	1,869,871	10,002,128	11,871,999
0	0	0	0	2,500,000	2,500,000	2,645,110	5,145,110
15,605,000	0	0	0	58,188,606	73,793,606	65,785,374	139,578,980
0	0	11,351,690	0	0	11,351,690	0	11,351,690
<u>23,993,707</u>	<u>4,262,599</u>	<u>13,335,268</u>	<u>0</u>	<u>60,900,220</u>	<u>110,811,584</u>	<u>86,980,243</u>	<u>197,791,827</u>
0	0	0	37,257,240	0	37,257,240	0	37,257,240
1,055,671	0	0	0	0	1,055,671	28,975,547	30,031,218
22,984,913	4,780,515	0	0	0	27,765,428	28,442,707	56,208,135
0	0	0	0	0	7,454,301	0	7,454,301
0	0	0	0	0	6,379,231	0	6,379,231
0	0	0	0	0	0	265,000	265,000
0	0	0	0	0	0	68,914	68,914
0	0	0	0	0	3,932	0	3,932
0	0	190,108,586	0	0	190,108,586	0	190,108,586
0	0	0	0	0	6,000,000	0	6,000,000
0	0	0	0	0	3,358,060	206,031	3,564,091
<u>24,040,584</u>	<u>4,780,515</u>	<u>190,108,586</u>	<u>37,257,240</u>	<u>0</u>	<u>279,382,449</u>	<u>57,958,199</u>	<u>337,340,648</u>
<u>\$ 48,034,291</u>	<u>\$ 9,043,114</u>	<u>\$ 203,443,854</u>	<u>\$ 37,257,240</u>	<u>\$ 60,900,220</u>	<u>\$ 390,194,033</u>	<u>\$ 144,938,442</u>	<u>\$ 535,132,475</u>

CITY OF ERIE, PENNSYLVANIA  
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance  
 All Governmental Fund Types and Discretely Presented Component Units  
 Year Ended December 31, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>REVENUES</b>				
Taxes	\$ 24,167,931	\$ 0	\$ 4,711,198	\$ 0
Licenses and permits	1,418,715	0	0	0
Intergovernmental	3,904,094	7,206,767	0	0
Charges for services	422,099	0	0	0
Fines and forfeits	1,527,122	0	0	0
Interest earnings	471,791	215,475	0	764,753
Miscellaneous	3,016,884	74,919	0	233,658
Total revenues	<u>34,928,636</u>	<u>7,497,161</u>	<u>4,711,198</u>	<u>998,411</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,080,460	0	0	27,687
Public safety	27,332,050	1,868,788	0	0
Highways and streets	5,893,125	67,208	0	0
Sanitation	0	142,389	0	0
Culture and recreation	2,296,006	175,339	0	0
Economic and community development	0	4,473,371	0	0
Capital outlay	0	0	0	6,557,518
Debt service:				
Principal	0	0	4,807,650	0
Interest	0	0	1,305,269	0
Total expenditures	<u>40,601,641</u>	<u>6,727,095</u>	<u>6,112,919</u>	<u>6,585,205</u>
Excess of revenues over (under) expenditures	(5,673,005)	770,066	(1,401,721)	(5,586,794)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	4,510,507	28,775	1,401,721	0
Operating transfers (out)	(1,313,601)	(418,640)	0	0
Proceeds from general long-term debt	0	0	0	2,500,000
Total other financing sources (uses)	<u>3,196,906</u>	<u>(389,865)</u>	<u>1,401,721</u>	<u>2,500,000</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(2,476,099)	380,201	0	(3,086,794)
Fund balance (deficit) January 1, 1999	4,852,394	8,645,969	0	14,879,853
Fund balance (deficit) December 31, 1999	<u>\$ 2,376,295</u>	<u>\$ 9,026,170</u>	<u>\$ 0</u>	<u>\$ 11,793,059</u>

The accompanying notes are an integral part of these financial statements.

Total Primary Government (Memorandum Only)	Component Units	Total Reporting Entity (Memorandum Only)
\$ 28,879,129	\$ 0	\$ 28,879,129
1,418,715	0	1,418,715
11,110,861	1,442,171	12,553,032
422,099	0	422,099
1,527,122	0	1,527,122
1,452,019	7,619	1,459,638
3,325,461	453,453	3,778,914
<u>48,135,406</u>	<u>1,903,243</u>	<u>50,038,649</u>
5,108,147	2,592	5,110,739
29,200,838	0	29,200,838
5,960,333	0	5,960,333
142,389	0	142,389
2,471,345	0	2,471,345
4,473,371	1,903,144	6,376,515
6,557,518	0	6,557,518
4,807,650	40,000	4,847,650
1,305,269	8,575	1,313,844
<u>60,026,860</u>	<u>1,954,311</u>	<u>61,981,171</u>
(11,891,454)	(51,068)	(11,942,522)
5,941,003	0	5,941,003
(1,732,241)	0	(1,732,241)
2,500,000	0	2,500,000
<u>6,708,762</u>	<u>0</u>	<u>6,708,762</u>
(5,182,692)	(51,068)	(5,233,760)
28,378,216	591,013	28,969,229
<u>\$ 23,195,524</u>	<u>\$ 539,945</u>	<u>\$ 23,735,469</u>

CITY OF ERIE, PENNSYLVANIA  
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)  
 Budget and Actual (Including Encumbrances) - General and Budgeted Special Revenue  
 Year Ended December 31, 1999

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>REVENUES</b>			
Taxes	\$ 24,072,956	\$ 24,083,588	\$ 10,632
Licenses and permits	1,411,300	1,538,425	127,125
Intergovernmental	3,662,795	3,898,726	235,931
Charges for services	535,500	433,553	(101,947)
Fines and forfeits	1,285,000	1,530,151	245,151
Interest earnings	622,832	475,732	(147,100)
Miscellaneous	3,032,383	3,305,388	273,005
<b>Total revenues</b>	<u>34,622,766</u>	<u>35,265,563</u>	<u>642,797</u>
<b>EXPENDITURES</b>			
Current:			
General government	5,500,153	5,161,877	338,276
Public safety	27,280,506	27,104,632	175,874
Highways and streets	6,982,226	5,896,776	1,085,450
Culture and recreation	2,295,059	2,286,532	8,527
<b>Total expenditures</b>	<u>42,057,944</u>	<u>40,449,817</u>	<u>1,608,127</u>
Excess of revenues over (under) expenditures	(7,435,178)	(5,184,254)	2,250,924
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	4,115,490	4,160,507	45,017
Operating transfers (out)	0	(1,313,601)	(1,313,601)
<b>Total other financing sources (uses)</b>	<u>4,115,490</u>	<u>2,846,906</u>	<u>(1,268,584)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(3,319,688)	(2,337,348)	982,340
Fund balance (deficit) January 1, 1999 (Note VI.B.)	3,319,688	5,118,870	1,799,182
Prior year encumbrances paid in current year	0	535,400	535,400
<b>Fund balance (deficit) December 31, 1999</b>	<u>\$ 0</u>	<u>3,316,922</u>	<u>\$ 3,316,922</u>
<b>RECONCILIATION TO GAAP BASIS FUND BALANCE</b>			
Encumbrances recognized as current year expenditures		881,795	
Recognition of accrual basis adjustments		(1,822,422)	
Individual funds not budgeted		0	
<b>Fund balance (deficit) December 31, 1999</b>		<u>\$ 2,376,295</u>	

The accompanying notes are an integral part of these financial statements.

Liquid Fuels Tax Fund (a Special Revenue Fund)			Total (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 0	\$ 0	\$ 0	\$ 24,072,956	\$ 24,083,588	\$ 10,632
0	0	0	1,411,300	1,538,425	127,125
1,689,848	1,765,206	75,358	5,352,643	5,663,932	311,289
0	0	0	535,500	433,553	(101,947)
0	0	0	1,285,000	1,530,151	245,151
27,000	39,320	12,320	649,832	515,052	(134,780)
10,000	16,615	6,615	3,042,383	3,322,003	279,620
<u>1,726,848</u>	<u>1,821,141</u>	<u>94,293</u>	<u>36,349,614</u>	<u>37,086,704</u>	<u>737,090</u>
0	0	0	5,500,153	5,161,877	338,276
1,885,893	1,525,162	360,731	29,166,399	28,629,794	536,605
0	0	0	6,982,226	5,896,776	1,085,450
0	0	0	2,295,059	2,286,532	8,527
<u>1,885,893</u>	<u>1,525,162</u>	<u>360,731</u>	<u>43,943,837</u>	<u>41,974,979</u>	<u>1,968,858</u>
(159,045)	295,979	455,024	(7,594,223)	(4,888,275)	2,705,948
0	0	0	4,115,490	4,160,507	45,017
0	0	0	0	(1,313,601)	(1,313,601)
0	0	0	4,115,490	2,846,906	(1,268,584)
(159,045)	295,979	455,024	(3,478,733)	(2,041,369)	1,437,364
159,045	100,923	259,968	3,478,733	5,219,793	2,059,150
0	159,046	159,046	0	694,446	694,446
<u>\$ 0</u>	<u>555,948</u>	<u>\$ 874,038</u>	<u>\$ 0</u>	<u>3,872,870</u>	<u>\$ 4,190,960</u>
	235,149			1,116,944	
	(423,823)			(2,246,245)	
	0			0	
	<u>\$ 367,274</u>			<u>\$ 2,743,569</u>	

CITY OF ERIE, PENNSYLVANIA  
 Combined Statement of Revenues, Expenses and Changes in Fund Equity  
 All Proprietary and Discretely Presented Component Units  
 Year ended December 31, 1999

	Enterprise	Internal Service	Total Primary Government (Memorandum Only)	Component Units	Total Reporting Entity (Memorandum Only)
<b>OPERATING REVENUES</b>					
Intergovernmental	\$ 0	\$ 7,976,348	\$ 7,976,348	\$ 5,327,186	\$ 13,303,534
Charges for services	20,988,019	0	20,988,019	8,495,021	29,483,040
Lease rental	2,190,823	0	2,190,823	0	2,190,823
Rental income	224,307	0	224,307	550,755	775,062
Net increase in fair value of investments	0	0	0	0	0
Miscellaneous	125,345	378,481	503,826	114,406	618,232
Total operating revenues	<u>23,528,494</u>	<u>8,354,829</u>	<u>31,883,323</u>	<u>14,487,368</u>	<u>46,370,691</u>
<b>OPERATING EXPENSES</b>					
Personnel services	4,846,559	0	4,846,559	5,955,990	10,802,549
Other personnel costs	1,886,257	0	1,886,257	1,619,680	3,505,937
Services and fees	2,293,815	143,639	2,437,454	816,939	3,254,393
Utilities	1,645,448	0	1,645,448	616,902	2,262,350
Rent	81,500	0	81,500	60,380	141,880
Insurance	45,577	6,215,063	6,260,640	145,043	6,405,683
Materials, supplies and maintenance	2,232,195	0	2,232,195	1,283,431	3,515,626
Workers compensation claims	0	1,541,794	1,541,794	0	1,541,794
Depreciation	1,735,816	0	1,735,816	5,258,942	6,994,758
Other	5,023,497	0	5,023,497	368,404	5,391,901
Total operating expenses	<u>19,790,664</u>	<u>7,900,496</u>	<u>27,691,160</u>	<u>16,125,711</u>	<u>43,816,871</u>
Operating income (loss)	3,737,830	454,333	4,192,163	(1,638,343)	2,553,820
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Operating transfers in	2,325,189	518,236	2,843,425	0	2,843,425
Operating transfers (out)	(5,791,451)	(1,260,736)	(7,052,187)	0	(7,052,187)
Intergovernmental revenue	878,577	0	878,577	8,891,050	9,769,627
Investment income	547,696	241,165	788,861	1,718,064	2,506,925
Interest expense	(834,715)	0	(834,715)	(3,881,371)	(4,716,086)
Other expense	0	0	0	(16,340)	(16,340)
Net nonoperating revenues (expenses)	<u>(2,874,704)</u>	<u>(501,335)</u>	<u>(3,376,039)</u>	<u>6,711,403</u>	<u>3,335,364</u>
Net income (loss)	863,126	(47,002)	816,124	5,073,060	5,889,184
Fund equity (deficit) and other credits January 1, 1999	23,177,458	4,827,517	28,004,975	52,343,253	80,348,228
Increase to contributed capital and other credits	0	0	0	1,941	1,941
Fund equity (deficit) and other credits December 31, 1999	<u>\$ 24,040,584</u>	<u>\$ 4,780,515</u>	<u>\$ 28,821,099</u>	<u>\$ 57,418,254</u>	<u>\$ 86,239,353</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ERIE, PENNSYLVANIA  
 Fiduciary Funds - Pension Trust Funds  
 Statement of Changes in Plan Net Assets  
 Year ended December 31, 1999

	Officers' and Employees'	Police	Firemens'	Total
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 4,204,897	\$ 800,963	\$ 1,393,671	\$ 6,399,531
Plan member	965,474	382,969	389,162	1,737,605
Total contributions	<u>5,170,371</u>	<u>1,183,932</u>	<u>1,782,833</u>	<u>8,137,136</u>
Investment income				
Income	5,974,577	5,574,020	4,329,262	15,877,859
Total investment income	<u>5,974,577</u>	<u>5,574,020</u>	<u>4,329,262</u>	<u>15,877,859</u>
Less: investment expense	141,754	265,266	140,474	547,494
Net investment income	<u>5,832,823</u>	<u>5,308,754</u>	<u>4,188,788</u>	<u>15,330,365</u>
Total additions	<u>11,003,194</u>	<u>6,492,686</u>	<u>5,971,621</u>	<u>23,467,501</u>
<b>DEDUCTIONS</b>				
Benefits	3,526,413	4,113,180	2,364,849	10,004,442
Administrative expense	115,689	39,770	26,476	181,935
Total deductions	<u>3,642,102</u>	<u>4,152,950</u>	<u>2,391,325</u>	<u>10,186,377</u>
<b>NET INCREASE</b>	7,361,092	2,339,736	3,580,296	13,281,124
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>				
Beginning of year	54,354,835	80,172,338	42,300,289	176,827,462
End of year	<u>\$ 61,715,927</u>	<u>\$ 82,512,074</u>	<u>\$ 45,880,585</u>	<u>\$ 190,108,586</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ERIE, PENNSYLVANIA  
 Combined Statement of Revenues, Expenses and Changes in Retained Earnings (Cash Basis)  
 Budget and Actual (Including Encumbrances) - Enterprise Funds (Sewer Revenue, Refuse and Recycling and Golf)  
 and Internal Service Funds (Workers Compensation Claims and Risk Management)  
 Year ended December 31, 1999

	Sewer Revenue, Refuse and Recycling and Golf (Enterprise Funds)		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>OPERATING REVENUES</b>			
Intergovernmental	\$ 3,508,401	\$ 3,528,726	\$ 20,325
Charges for services	17,020,867	17,890,401	869,534
Rental income	218,000	224,307	6,307
Miscellaneous	113,050	125,445	12,395
Total operating revenues	20,860,318	21,768,879	908,561
<b>OPERATING EXPENSES</b>			
Personnel services	4,897,984	4,803,386	94,598
Other personnel costs	2,011,126	1,887,162	123,964
Services and fees	2,376,880	2,260,876	116,004
Utilities	2,409,377	1,556,211	853,166
Rent	94,317	86,321	7,996
Insurance	45,577	45,577	0
Materials, supplies and maintenance	3,127,296	2,196,246	931,050
Workers compensation claims	0	0	0
Capital outlay	804,882	425,637	379,245
Other	5,251,512	5,046,416	205,096
Total operating expenses	21,018,951	18,307,832	2,711,119
Operating income (loss)	(158,633)	3,461,047	3,619,680
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Operating transfers in	1,352,950	900,000	(452,950)
Operating transfers (out)	(1,600,517)	(3,363,826)	(1,763,309)
Bond and loan principal	(595,972)	(570,011)	25,961
Intergovernmental revenue	878,577	878,577	0
Investment income	57,500	421,709	364,209
Interest expense	(829,120)	(834,715)	(5,595)
Net nonoperating revenues (expenses)	(736,582)	(2,568,266)	(1,831,684)
Net income (loss)	(895,215)	892,781	1,787,996
Retained earnings (deficit) January 1, 1999	0	(1,897,561)	(1,897,561)
Prior year encumbrances paid in current year	0	0	0
Retained earnings (deficit) December 31, 1999	\$ (895,215)	(1,004,780)	\$ (109,565)
<b>RECONCILIATION TO GAAP BASIS RETAINED EARNINGS</b>			
Encumbrances recognized as current year expense		0	
Recognition of accrual basis adjustments		10,282,319	
Other GAAP basis adjustment		(1,055,671)	
Individual funds not budgeted		14,763,045	
Retained earnings (deficit) December 31, 1999		\$ 22,984,913	

The accompanying notes are an integral part of these financial statements.

Workers Compensation Claims and  
Risk Management  
(Internal Service Funds)

Total (Memorandum Only)

Workers Compensation Claims and Risk Management (Internal Service Funds)			Total (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 0	\$ 2,305,110	\$ 2,305,110	\$ 3,508,401	\$ 5,833,836	\$ 2,325,435
0	0	0	17,020,867	17,890,401	869,534
0	0	0	218,000	224,307	6,307
0	31,053	31,053	113,050	156,498	43,448
0	2,336,163	2,336,163	20,860,318	24,105,042	3,244,724
0	0	0	4,897,984	4,803,386	94,598
0	0	0	2,011,126	1,887,162	123,964
40,714	23,132	17,582	2,417,594	2,284,008	133,586
0	0	0	2,409,377	1,556,211	853,166
0	0	0	94,317	86,321	7,996
82,000	80,177	1,823	127,577	125,754	1,823
367,548	339,388	28,160	3,494,844	2,535,634	959,210
1,569,330	1,106,553	462,777	1,569,330	1,106,553	462,777
0	0	0	804,882	425,637	379,245
166,678	113,223	53,455	5,418,190	5,159,639	258,551
2,226,270	1,662,473	563,797	23,245,221	19,970,305	3,274,916
(2,226,270)	673,690	2,899,960	(2,384,903)	4,134,737	6,519,640
2,305,032	18,458	(2,286,574)	3,657,982	918,458	(2,739,524)
(412,500)	(412,500)	0	(2,013,017)	(3,776,326)	(1,763,309)
0	0	0	(595,972)	(570,011)	25,961
0	0	0	878,577	878,577	0
14,500	62,874	48,374	72,000	484,583	412,583
0	0	0	(829,120)	(834,715)	(5,595)
1,907,032	(331,168)	(2,238,200)	1,170,450	(2,899,434)	(4,069,884)
(319,238)	342,522	661,760	(1,214,453)	1,235,303	2,449,756
0	580,056	580,056	0	(1,317,505)	(1,317,505)
0	0	0	0	0	0
\$ (319,238)	922,578	\$ 1,241,816	\$ (1,214,453)	(82,202)	\$ 1,132,251
	3,000			3,000	
	(4,172,685)			6,109,634	
	0			(1,055,671)	
	8,027,622			22,790,667	
\$	<u>4,780,515</u>			<u>\$ 27,765,428</u>	

CITY OF ERIE, PENNSYLVANIA  
 Combined Statement of Cash Flows  
 All Proprietary Funds and Discretely Presented Component Units  
 Year ended December 31, 1999

	Enterprise	Internal Service	Total Primary Government (Memorandum Only)	Component Units	Total Primary Government (Memorandum Only)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 3,737,830	\$ 454,333	\$ 4,192,163	\$ (1,638,343)	\$ 2,553,820
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Other nonoperating income	0	0	0	(16,340)	(16,340)
Noncash items included in operating income (loss):					
Depreciation expense	1,735,816	0	1,735,816	5,258,942	6,994,758
Amortization	21,453	0	21,453	13,477	34,930
(Increase) decrease in current assets:					
Accounts receivable	274,852	0	274,852	(482,770)	(207,918)
Intergovernmental receivable	370,322	0	370,322	(148,099)	222,223
Other receivables	129,081	(37,995)	91,086	1,164,804	1,255,890
Inventory	0	0	0	(14,751)	(14,751)
Prepaid insurance	0	0	0	4,078	4,078
Increase (decrease) in current liabilities:					
Accounts payable	159,626	8,719	168,345	1,363,120	1,531,465
Accrued payroll	23,213	490	23,703	(4,101)	19,602
Accrued pension obligation	0	0	0	49,989	49,989
Interfund payable	(37,500)	0	(37,500)	0	(37,500)
Compensated absences payable	19,675	0	19,675	0	19,675
Claims and judgments payable	0	433,241	433,241	0	433,241
Due to other governments	0	0	0	200,698	200,698
Deferred revenue	(777,010)	0	(777,010)	(12,795)	(789,805)
Other liabilities	0	0	0	(203,188)	(203,188)
Net cash provided (used) by operating activities	<u>5,657,358</u>	<u>858,788</u>	<u>6,516,146</u>	<u>5,534,721</u>	<u>12,050,867</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Intergovernmental revenue	878,577	0	878,577	3,393,817	4,272,394
Note to Sewer Authority	185,000	0	185,000	0	185,000
Operating transfers in	2,325,189	518,236	2,843,425	0	2,843,425
Operating transfers (out)	(5,791,451)	(1,260,736)	(7,052,187)	0	(7,052,187)
Net cash provided (used) by noncapital financing activities	<u>(2,402,685)</u>	<u>(742,500)</u>	<u>(3,145,185)</u>	<u>3,393,817</u>	<u>248,632</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Net proceeds from refunding revenue bonds	0	0	0	30,306,850	30,306,850
Costs of advanced refunding	0	0	0	(984,768)	(984,768)
Purchase of fixed assets	(455,784)	0	(455,784)	(30,589,064)	(31,044,848)
Transfers to restricted investments	0	0	0	(5,735)	(5,735)
Contributions and capital grants	0	0	0	5,684,139	5,684,139
Borrowings of Long-Term Debt	0	0	0	22,382	22,382
Principal payments	(570,000)	0	(570,000)	(29,144,807)	(29,714,807)
Interest payments	(834,715)	0	(834,715)	(3,743,215)	(4,577,930)
Net cash provided (used) by capital and related financing activities	<u>(1,860,499)</u>	<u>0</u>	<u>(1,860,499)</u>	<u>(28,454,218)</u>	<u>(30,314,717)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale and redemption of investments	30,978	0	30,978	15,983,125	16,014,103
Net interest earnings	547,696	241,165	788,861	1,720,906	2,509,767
Purchase of investments	(2,080,285)	0	(2,080,285)	(3,454,851)	(5,535,136)
Net cash provided (used) by investing activities	<u>(1,501,611)</u>	<u>241,165</u>	<u>(1,260,446)</u>	<u>14,249,180</u>	<u>12,988,734</u>
Net increase (decrease) in cash	(107,437)	357,453	250,016	(5,276,500)	(5,026,484)
Cash and cash equivalents January 1, 1999	4,256,940	8,646,839	12,903,779	14,914,204	27,817,983
Cash and cash equivalents December 31, 1999	<u>\$ 4,149,503</u>	<u>\$ 9,004,292</u>	<u>\$ 13,153,795</u>	<u>\$ 9,637,704</u>	<u>\$ 22,791,499</u>

CITY OF ERIE, PENNSYLVANIA  
 Combined Statement of Cash Flows, Continued  
 All Proprietary Funds and Discretely Presented Component Units  
 Year ended December 31, 1999

	Enterprise	Internal Service	Total Primary Government (Memorandum Only)	Component Units	Total Primary Government (Memorandum Only)
Reconciliation to the balance sheet:					
At January 1, 1999					
Cash:					
Cash and cash equivalents	\$ 4,256,940	\$ 0	\$ 4,256,940	\$ 8,040,934	\$ 12,297,874
Restricted cash and cash equivalents	0	8,646,839	8,646,839	6,873,270	15,520,109
Total cash	<u>\$ 4,256,940</u>	<u>\$ 8,646,839</u>	<u>\$ 12,903,779</u>	<u>\$ 14,914,204</u>	<u>\$ 27,817,983</u>
At December 31, 1999					
Cash:					
Cash and cash equivalents	\$ 4,149,503	\$ 0	\$ 4,149,503	\$ 5,015,522	\$ 9,165,025
Restricted cash and cash equivalents	0	9,004,292	9,004,292	4,622,182	13,626,474
Total cash	<u>\$ 4,149,503</u>	<u>\$ 9,004,292</u>	<u>\$ 13,153,795</u>	<u>\$ 9,637,704</u>	<u>\$ 22,791,499</u>

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements  
December 31, 1999

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Erie, Pennsylvania (the "City") was incorporated April 14, 1851 and reorganized January 1, 1962 under the Mayor-Council (Strong Mayor) form of government of the Optional Third Class City Charter Law.

An elected Mayor, serving a four year term, serves as Chief Executive of the City. A seven member part-time City Council, elected at large for four year staggered terms, forms the legislative branch of the City government. The other elected City officials are the City Treasurer and the City Controller, each serving four year terms.

The financial statements of The City of Erie 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 instituted for establishing governmental accounting and financial reporting principles. The significant accounting policies of the City currently applied in the preparation of the accompanying Comprehensive Annual Financial Report are described below.

A. Financial Reporting Entity

For financial reporting purposes the City of Erie includes all funds, account groups and agencies that are controlled by or dependent on the administrative and legislative branches, the Mayor and City Council, respectively. Control by or dependence on the City was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligation of the City, obligation of the City to finance any deficits that may occur or receipt of significant subsidies from the City. As required by generally accepted accounting principles, these financial statements present the City of Erie, Pennsylvania (the primary government) and its component units. The component units discussed in Note I.B. are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

B. Individual Component Unit Disclosures

*Blended Component Units.* In evaluating the City as a reporting entity, management has addressed all potential blended component units. The City of Erie has no blended component units of which are included within the City's financial statements.

*Discretely Presented Component Units.* The City of Erie has created various municipal authorities which operate within the City. They are reported in a separate column to emphasize that they are legally separate from the City. The governing bodies of all of these component units are appointed by the City (Mayor and/or City Council). The following have been included as discrete presentation:

Redevelopment Authority of the City of Erie - This authority was created to operate demolition and rehabilitation projects within the City. The primary source of income is from Community Development Block Grant monies which are allocated solely by the primary government. This component unit has been included as a discretely presented component unit because the primary government is financially accountable but does not have substantively the same governing body nor does it provide services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefit the primary government.

Erie Municipal Park Authority - This financing authority was created to finance improvements to the park area of the Erie Zoo. The City is contingently liable for the debt of the authority under an agreement which is more fully described in Note III.B.5. This component unit has been included as a discretely presented component unit because the primary government is financially accountable but does not have substantively the same governing body nor does it provide services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefit the primary government.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Individual Component Unit Disclosures, Continued

Erie Metropolitan Transit Authority - This is an operating authority created to provide mass transportation services to Erie County. The authority's main sources of revenue include income from operations, federal and state grants and local matching funds provided by the City and the County. This component unit has been included as a discretely presented component unit because the primary government is financially accountable but does not have substantively the same governing body nor does it provide services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefit the primary government.

Erie Parking Authority - This authority operates the municipal parking ramps and lots and enforces parking regulations throughout the City. The City has entered into a Guaranty Agreement with the authority whereby the City has unconditionally guaranteed the payment of principal and interest of the Series 1998 and 1994 bonds. This component unit has been included as a discretely presented component unit because the primary government is financially accountable but does not have substantively the same governing body nor does it provide services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefit the primary government. (See Note V.A.)

Erie Civic Center Authority - This authority operates the Louis J. Tullio Convention Center, the Warner Theater, the Exhibit Hall and Jerry Uht Ballpark, which is home to the Erie SeaWolves, a Class AA minor league baseball team affiliated with the Anaheim Angels. Pursuant to a management agreement, the City provides a material subsidy through annual appropriation of funds sufficient to cover the expected operating deficit. This component unit has been included as a discretely presented component unit because the primary government is financially accountable but does not have substantively the same governing body nor does it provide services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefit the primary government.

Erie Sewer Authority - This is a financing authority created to acquire property and equipment for a sewage treatment plant. The City is contingently liable for the debt of the authority under an agreement which is more fully described in Note III.B.5. During 1999 and 1998, the City entered into Guaranty Agreements whereby the City will guarantee payment of principal and interest on notes financed with Pennsylvania Infrastructure Investment Authority (Pennvest). This component unit has been included as a discretely presented component unit because the primary government is financially accountable but does not have substantively the same governing body nor does it provide services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefit the primary government. (See Note V.A.)

The condensed financial information for the six discretely presented component units can be found on pages 74-75. Complete financial statements of the individual component units for periods ended and for the reports issued thereon dated, as listed below, can be obtained from their respective administrative offices or from the City Clerk's office in the Municipal Building.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Individual Component Unit Disclosures, Continued

Administrative Offices:

Redevelopment Authority of  
the City of Erie  
126 West 9th Street  
Erie, Pennsylvania 16501  
December 31, 1999  
Qualified opinion dated May 31, 2000

Erie Municipal Park Authority  
National City Bank  
300 Fourth Avenue  
Pittsburgh, Pennsylvania 15278-2331  
December 31, 1999  
Unqualified opinion dated February 25, 2000

Erie Metropolitan Transit Authority  
127 East 14th Street  
Erie, Pennsylvania 16503  
June 30, 1999  
Unqualified opinion dated August 20, 1999

Erie Parking Authority  
25 East 10th Street  
Erie, Pennsylvania 16501  
December 31, 1999  
Unqualified opinion dated February 17, 2000

Erie Civic Center Authority  
809 French Street  
Erie, Pennsylvania 16501  
December 31, 1999  
Unqualified opinion dated March 15, 2000

Erie Sewer Authority  
c/o PNC Bank  
P.O. Box 8480  
Erie, Pennsylvania 16501  
December 31, 1999  
Unqualified opinion dated February 17, 2000

C. Related Organizations

The City of Erie has created various municipal authorities, a non-profit corporation and a council which operate independently of the City. The members of the boards of these entities have been appointed by the City, but the City's accountability for these organizations does not extend beyond making the appointments. The following represents a listing of related organizations of the City:

Erie City Water Authority - This authority was created to operate the City's public water system and to provide water service to the City and other portions of Erie County.

City of Erie Housing Authority - This is an operating authority created to administer federal housing programs for low and middle income families and the elderly.

Erie Municipal Airport Authority - This authority was created to operate the Erie International Airport.

Erie Western Pennsylvania Port Authority - This operating authority has oversight responsibility for waterfront properties, businesses on the waterfront and the lake cargo operations.

Higher Education Building Authority - A financing authority created to undertake projects for colleges and universities or institutions of higher learning within or outside the City.

Erie Zoological Society - This non-profit corporation was created to operate the Erie Zoo.

Erie County Solid Waste Management Council - An organization to foster cooperative efforts to resolve problems, determine policies and formulate and implement plans relating to solid waste management.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Basis of Presentation - Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund and account group are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate.

Total columns on the Combined Statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns are not comparable to a consolidation and do not present financial position, results of operations or cash flows.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements of this report, into three fund categories in seven fund types, and two account groups, as follows.

For purposes of presentation, the statements have been segregated into activities of the primary government and those of its component units. The combination of these comprise the reporting entity.

1. Governmental Fund Types - The focus of Governmental Fund measurement is upon determination of financial position and cash flows rather than upon net income. The following is a description of the Governmental Funds of the City.

General Fund - The General Fund is the principal fund of the City which accounts for all financial transactions not accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for revenues derived from specific sources that are legally restricted to expenditures for specified purposes.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest.

Capital Projects Funds - Capital Projects Funds are used to account for bond sale proceeds and interest revenue used for acquisition, construction or renovation of major capital facilities, other than those financed by Enterprise Fund activities.

2. Proprietary Fund Types - The focus of Proprietary Fund measurement is upon net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the City.

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City of Erie on a cost-reimbursement basis. The services accounted for through these funds are those related to the City's self-insurance for workers compensation, the employees health benefit plan and all other insurance costs of the City.

The City applies all GASB pronouncements as well as the Financial Accounting Standard pronouncements issued after November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Basis of Presentation - Fund Accounting, Continued

3. Fiduciary Fund Types - Fiduciary Funds generally include non-expendable trust, pension trust, agency and similar funds. The focus of Pension Trust fund measurement is upon net income, financial position and cash flows. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Pension Trust Funds - Pension Trust Funds are used to account for the City's three pension plans.

Agency Funds - Agency Funds are used to account for assets held by the City in trustee capacity or as an agent for individuals, private organizations and/or other funds.

4. Account Groups - The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All Governmental Funds are accounted for on a spending or financial flow measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of available spending resources. Governmental Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

Fixed assets purchased through the Governmental Funds are accounted for in the General Fixed Assets Account Group which is used to maintain control and cost information for all fixed assets other than those accounted for in Proprietary Funds.

Long-term liabilities expected to be financed from Governmental Funds are accounted for in the General Long-Term Debt Account Group and not in the Governmental Funds. General Fund revenues are used to repay general obligation bonds of the City of Erie.

The two account groups are not funds. They are concerned only with the measurement of financial position. They are not involved with the measurement of results of operations.

E. Basis of Accounting

1. Modified Accrual Basis - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the recorded transactions.

All Governmental and Agency Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Expenditures which may benefit periods beyond the balance sheet date are charged as expenditures in the period budgeted rather than the period paid.

2. Accrual Basis - The Proprietary Funds and Pension Trust Funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned; expenses are recognized when they are incurred.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Budgetary Data

1. Budget Policy - The City annually adopts the Budget for the General Fund, Liquid Fuels Tax Fund (a Special Revenue Fund), Sewer Revenue, Refuse and Recycling and Golf Funds (Enterprise Funds), and Workers Compensation Claims and Risk Management Funds (Internal Service Funds). The City's Budget Ordinance provides transfer authority to (a) City Council within any fund as long as the total fund budget is not increased (the Director of Administration and Finance has the authority to annually transfer up to the lesser of 5% of the budget unit's (i.e. Office of City Council, Office of City Clerk, etc.) amount or \$5,000 without council approval) and (b) City Council to implement grant project budgets for certain special revenue funds (other than liquid fuels) and capital projects as the grant applications are accepted or capital projects are authorized, respectively, by the City. These amounts are not included in any budgetary statements as the appropriations do not specify a time frame and therefore are not legally adopted annual budgets. Two Special Revenue Funds, BUDAG Revolving Account and Section 108 Loan Program, are not budgeted on an annual or grant/project-length basis for various reasons.

All budget amounts presented in the accompanying financial statements and supplementary information have been adjusted for legally authorized revisions of the annual budgets during the year. Appropriations, except capital appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each year. Expenditures may not legally exceed budgeted appropriations at the budget unit level for the General Fund, and in total for the Liquid Fuels Tax Fund (a Special Revenue Fund), Sewer Revenue, Refuse and Recycling and Golf Funds (Enterprise Funds), and Workers Compensation Claims and Risk Management Funds (Internal Service Funds), as adopted by Council Ordinance.

2. Encumbrances - Encumbrances outstanding at year end do not represent expenditures or liabilities in accordance with generally accepted accounting principles (GAAP), but represent budgetary accounting controls. All Governmental Fund budgets are maintained on the cash basis of accounting except that budgetary basis expenditures include purchase orders and contracts (encumbrances) issued for goods or services not received at year end. The actual results of operations are presented in accordance with generally accepted accounting principles and the City's accounting policies do not recognize encumbrances as expenditures until the period in which the goods or services are actually received and the liability incurred. Encumbrances are presented as a reservation for encumbrances on the balance sheets of the Governmental Funds. It is necessary to include the budgetary encumbrances to reflect actual revenues and expenditures on a budgetary basis consistent with the City's legally adopted budget and/or the City's adopted ordinances for certain special revenue funds and the capital project funds.
3. Budgetary Accounting - The City follows these procedures in establishing the budgetary data reflected in the financial statements:

Budgetary Submission - Not later than the last council meeting in November, the Mayor submits to City Council proposed operating budgets for the General Fund, Liquid Fuels Tax Fund (a Special Revenue Fund), Sewer Revenue, Refuse and Recycling and Golf Funds (Enterprise Funds), and Workers Compensation Claims and Risk Management Funds (Internal Service Funds). Budgets for certain Special Revenue Funds (other than the Liquid Fuels Tax Fund) and Capital Projects Funds are submitted throughout the year. The operating budgets, which are prepared by fund, include prior year revenue and expenditure information and current year proposed expenditures and the means of financing them.

Public Hearings - Public hearings are conducted by Council to obtain comments from the citizenry.

Legal Adoption - Prior to December 31, the proposed operating budget as previously submitted to City Council is legally enacted through the adoption of a Council ordinance.

Revisions - City Council may, by resolution, transfer amounts in any fund as long as the total fund budget is not increased. The Director of Administration and Finance has the authority to annually transfer up to the lesser of 5% of the budget unit's (Office/Bureau/Division) amount or \$5,000 without Council approval. Any increase in the total budget of any fund must be adopted by City Council in ordinance form.

Budgetary Basis - Budgets for the funds listed under budgetary submission above are adopted on a cash basis of accounting.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Budgetary Data, Continued

3. Budgetary Accounting, Continued

Unexpended Appropriations - Unexpended budget appropriations expire at year end and do not carry forward unless encumbered. Budgeted amounts in this report are presented as originally adopted or as amended by an ordinance or resolution duly approved by City Council.

Encumbrance Accounting - Encumbrance accounting, under which purchase orders and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the City of Erie.

G. Assets, Liabilities and Fund Equity

1. Cash Equivalents - For purposes of this section, cash equivalents for both unrestricted and restricted cash are defined as deposits with financial institutions and short-term treasury investments with original maturities of 3 months or less.
2. Investments - Investments other than those included in the Pension Trust and Agency Fund, consist primarily of certificates of deposit and obligations of the federal government. Under the Third Class City Code, allowable investments include U.S. Treasury Bills, short-term obligations of the U.S. Government or its agencies, certificates of deposit and other obligations of the United States or any of its agencies backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies. The investments, stated at fair value, bear interest ranging from 5.02% to 6.50% and are due at various dates through June 9, 2003. Investments included in the Pension Trust and Agency Funds are stated at fair value and consist of a variety of fixed income and equity investments.

The City has adopted Statement No. 31 of the Governmental Accounting Standards Board (GASB 31) – *Accounting and Financial Reporting for certain Investments and External Investment Pools*. Under GASB 31, the City is required to report investments at fair value.

3. Interfund Receivables and Payables - Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. No such amounts have been eliminated.
4. Prepaid Items - Payments made to vendors for services that will benefit periods beyond December 31, 1999 are recorded as prepaid items.
5. Fixed Assets

General Fixed Assets

Fixed assets used in Governmental Fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in Governmental Funds. Depreciation has not been provided on general fixed assets. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings are not capitalized along with other general fixed assets, as these assets are immovable and of value only to the City. Fixed assets, including fixed assets used in Governmental Fund type operations, have been stated at historical cost or estimated historical cost if actual historical cost is not available. Historical cost information is not available for assets purchased prior to 1990 and, therefore, costs of such assets have been estimated. Assets purchased in 1990 and after are valued at historical cost. As a result, approximately \$13,597,635 of the \$38,099,011 of fixed assets recorded in the General Fixed Assets Account Group are based on estimated costs. Donated fixed assets are valued at their estimated fair value on the date donated.

Proprietary Fund Fixed Assets

Depreciation of all exhaustible fixed assets used by Enterprise Funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Assets, Liabilities and Fund Equity, Continued

5. Fixed Assets, Continued

Proprietary Fund Fixed Assets, Continued

Buildings and improvements .....	20 to 50 years
Improvements other than buildings .....	20 to 100 years
Equipment and vehicles .....	5 to 20 years

Public domain (infrastructure) fixed assets of the Enterprise Funds, such as water lines and reservoirs, are capitalized as improvements other than buildings because these assets are an integral component of these operations.

All fixed assets are valued at historical cost (or estimated historical cost if actual historical cost is not available) less accumulated depreciation.

- 6. Due to Other Governments - Taxes that are being held by the City but are owed to other taxing authorities.
- 7. Long-Term Obligations - Long-term debt is recognized as a liability of a Governmental Fund when due, or when resources have been accumulated, in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a Governmental Fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group. Long-term liabilities expected to be financed from Proprietary Fund operations are accounted for in those funds.
- 8. Fund Equity - Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.
- 9. Interfund Transactions - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

- 10. Concentration of Credit Risk - The City maintains various deposit and trust accounts presented on the balance sheet as cash and cash equivalents, investments, and restricted cash and cash equivalents and investments with several local banks. The amounts on deposit with each bank exceed the \$100,000 federally insured limit. See Note III.A.1. "Cash and Investments" for further detail.

Also, the City has amounts receivable arising from property tax levies, sewer and refuse billings, earned income and occupational tax liabilities, revolving notes, property liens and other various activities. These amounts are generally due from taxpayers and citizens of the City of Erie, Pennsylvania and are, thus, subject to the economic conditions of this geographic area.

- 11. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes.

H. Revenues, Expenditures and Expenses

- 1. Governmental Fund Revenues - Substantially all Governmental Fund revenues are accrued except for licenses and permits and fines and forfeitures which are reported on the cash basis in the General Fund. Real estate taxes are billed and collected within the same period and are reflected on the modified accrual basis.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Revenues, Expenditures and Expenses, Continued

2. Compensated Absences - The City accrues accumulated unpaid vacation when (a) the obligation relates to rights that vest or accumulate, (b) the payment of the obligation is probable and (c) the amount can be reasonably estimated.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Compliance with Financial Related Legal and Contractual Provisions

The City has no violations of any financial related legal or contractual provision except as disclosed in Note V. Summary Disclosure of Significant Commitments and Contingencies.

B. Deficit Fund Equity of Individual Funds

The Community Development Block Grant (a Special Revenue Fund) has a deficit in unreserved, undesignated fund balance of (\$4,534,903) due to the segregation of contributed capital, reservations for encumbrances and non-current receivables and the timing of grant funding.

Workers Compensation Claims Fund (an Internal Service Fund) has a deficit in retained earnings of (\$3,352,106) which is a result of accounting for claims payable on an accrual basis while cash transfers to cover such payments are made on a cash basis.

C. Excess of Expenditures Over Appropriations in Individual Funds

No individual fund had an excess of expenditures over appropriations.

D. Budgetary Compliance

The City includes encumbrances to reflect actual revenues and expenditures on a basis consistent with the City's legally adopted budget. In addition, the City includes a portion of the prior year's fund balance represented by unappropriated liquid assets remaining in the fund as budgeted revenue in the succeeding year. The results of operations in accordance with generally accepted accounting principles do not recognize the fund balance allocation as revenue as it represents prior periods excess of revenues over expenditures.

Encumbrances are contractual commitments which are considered expenditures on a budgetary basis and are included with cash basis expenditures to present the budget to actual comparison.

III. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS

A. Assets

1. Cash and Investments - Cash balances available for investment by most City funds are maintained in both pooled and individual bank and investment accounts. Available cash is invested until the cash is needed for expenditures or expenses.

Cash and cash equivalents - The City's cash deposits, which include certificates of deposit at year end, are covered by a combination of federal depository insurance and marketable securities designated as collateral by the financial institutions holding City funds. These accounts are carried at cost. Balances are categorized to give an indication of the level of risk assumed by the City at year end.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

III. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS, Continued

A. Assets, Continued

1. Cash and Investments, Continued

<u>Category</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
(1) Insured or collateralized with securities held by the City or by its agent in the City's name .....	\$ 217,763	\$ 217,763
(2) Collateralized with securities held by the pledging financial institutions' trust department or agent in the City's name.....	0	0
(3) Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the entity's name .....	<u>28,704,138</u>	<u>27,129,946</u>
Total	<u>\$ 28,921,907</u>	<u>\$ 27,347,715</u>

Investments - The City's investments are categorized below to give an indication of the level of credit risk assumed at year end. Category 1 includes investments 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 counterparties or by their trust department or agent, but not in the City's name. Investments are categorized as to the risk assumed at year end.

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Government bonds .....	\$ 0	\$ 0	\$ 56,872,365
Corporate bonds .....	0	0	35,233,748
Common stocks .....	0	0	81,679,485
Fixed income obligations .....	0	0	0
International investments .....	0	0	13,895,751
Miscellaneous.....	<u>0</u>	<u>0</u>	<u>7,435,611</u>
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 195,116,960</u>
Money market funds .....			<u>11,326,090</u>
Total investments .....			<u>\$ 206,443,050</u>

Summary of cash and investments as reflected above is as follows:

Cash and cash equivalents .....	\$ 28,921,907
Investments .....	<u>206,443,050</u>
Total .....	<u>\$ 235,364,957</u>

The above balance of cash and investments is reported in the accompanying financial statements as follows:

Cash and cash equivalents .....	\$ 19,917,615
Investments .....	206,443,050
Restricted cash and cash equivalents .....	9,004,292
Restricted investments .....	<u>0</u>
Total .....	<u>\$ 235,364,957</u>

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

III. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS, Continued

A. Assets, Continued

2. Accounts Receivable - Accounts receivable represents the balance due to the Enterprise Fund as of December 31, 1999 for services provided through December 31, 1999, net of an allowance for uncollectible accounts as follows:

	Sewer Revenue Fund	Refuse and Recycling Fund	Total
Gross accounts receivable	\$ 1,316,329	\$ 652,668	\$ 1,968,997
Less: allowance for uncollectible receivables	934,812	422,367	1,357,179
Accounts receivable, net	\$ 381,517	\$ 230,301	\$ 611,818

The allowance generally represents accounts which are more than one year old and which have not been liened.

3. Property Taxes Receivable and Deferred Revenue - The City assesses real estate taxes on individual property valuation and collects the taxes accordingly. Some taxpayers periodically contest their assessed valuations.

The City levied real estate taxes of \$23,869,855 on January 1, 1999 based on a gross assessed valuation of \$555,371,130 at 42.98 mills. Real estate taxes attach as an enforceable lien on property as of January 1. Taxes are levied on January 1 and are collected by the tax collector until the following year, but no later than the end of April, at which time the uncollected taxes are required to be submitted to the County of Erie Tax Claim Bureau for collection. Taxes paid prior to March 31 are eligible for a 2% discount. The face period runs from April 1 through May 31, after which taxes are subject to a 10% penalty. City real estate tax revenues are recognized as revenue in the current year to the extent they are collected or are measurable and available at December 31, 1999.

Current real estate taxes receivable at December 31, 1999 consists of the face value of the tax levy uncollected at December 31, 1999.

The receivable for outstanding delinquent tax levies at December 31, 1999 consists of the face value of the delinquent taxes plus accrued penalty and interest as confirmed by the Tax Claim Bureau of the County of Erie, Pennsylvania.

The property tax receivable represents the balance due to the City of Erie for real estate taxes levied prior to December 31, 1999. In accordance with generally accepted accounting principles, revenue from these receivables are recognized only to the extent received within 60 days of December 31, 1999. An estimated provision for uncollectible taxes has been made to the extent that a property's estimated market value is less than the delinquent taxes on the property. The balance of the receivable is reported as deferred revenue as follows:

Balance held by County Tax Claim Bureau for 1999 and prior .....	\$ 1,440,473
Balance held by City Treasurer for 1999 .....	1,203,101
Less: provision for uncollectible receivables .....	7,972
Total Property Tax receivable	2,635,602
Total lien receivable	235,182
Less: cash received in January and February of 2000 and recognized as revenue	215,681
Total deferred revenue	\$ 2,655,103

4. Earned Income Tax and Occupational Privilege Tax Receivable - The Earned Income Tax and Occupational Privilege Tax receivable represents an estimate of the City's share of the cash balance in the City tax collectors bank account at December 31, 1999, as well as the City's share of the fourth quarter, 1999 taxes collected by the tax collector in January and February, 2000 as follows:

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

III. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS, Continued

A. Assets, Continued

4. Earned Income Tax and Occupational Privilege Tax Receivable, Continued

Estimated share of December 31, 1999 cash balance .....	\$ 15,600
Estimated share of January and February, 2000 cash receipts .....	<u>1,528,622</u>
 Total receivable.....	 <u>\$ 1,544,222</u>

5. Notes Receivable - Also the City has made various loans to certain Erie businesses through the Urban Development Action Grant, Community Development Block Grant, Enterprise Loan Grant and Section 108 Loan Fund, four programs included with the Special Revenue Fund. The notes bear interest ranging from 2.0% to 6.0% with various maturities. During 1999, payments made to the City totaled \$564,127, representing \$467,068 of principal and \$97,059 of interest. The detailed activity is as follows:

Balance outstanding at December 31, 1998.....	\$ 8,697,773
1999 loans .....	394,341
Principal repayments.....	(2,186,867)
Loans written off.....	<u>(17,609)</u>
 Balance outstanding at December 31, 1999.....	 <u>\$ 6,887,638</u>

Finally, during 1993, the City advanced the Erie Sewer Authority \$6,000,000 from its 1993 General Obligation Bond proceeds in exchange for a note from the Authority. The note is for \$6,290,000, which includes the Authority's pro-rata share of issue costs, discount, interest, bond insurance and original issue discount. The note will be repaid, with interest, in accordance with the Sewer Revenue Note, Series of 1994. Outstanding balance at December 31, 1999 is \$5,280,000. (See Note III.B.5.)

6. Liens Receivable and Deferred Revenue - The liens receivable represents amounts due to the City of Erie for liens assessed on properties as a result of improvements made to properties by the City for which the property owner is responsible. The four general categories of liens are nuisance liens for demolition costs, paving liens for street improvements, sewer liens for sewer lines and sidewalk liens for sidewalk paving. The receivable is being reported in the fund from which the improvement was originally financed.

Nuisance liens are being reported as Special Revenue Fund receivables to the extent the demolition costs were paid with Community Development Block Grant funds and such assessments should be accounted for as program income to these grants. The paving, sidewalk and sewer liens are being reported as a General Fund or Capital Project Fund receivable based on how these improvements were financed.

Based on the estimated market value of the properties liened compared to the lien amount, the receivables have been reduced by a provision for uncollectible liens as follows:

	General Fund	Special Revenue	Capital Projects
Gross amount of receivable.....	\$ 420,268	\$ 930,460	\$ 255,499
Less: provision for uncollectible receivables.....	<u>185,086</u>	<u>437,055</u>	<u>96,293</u>
 Net lien receivable.....	 <u>\$ 235,182</u>	 <u>\$ 493,405</u>	 <u>\$ 159,206</u>

The lien receivables have been reported as deferred revenue to the extent not susceptible to accrual. Deferred revenue for the general fund, special revenue fund and capital projects fund at December 31, 1999 is \$2,655,103, \$1,932,035 and \$159,207, respectively. (See Note III.A.3.)

7. Intergovernmental Receivable - The intergovernmental receivable represents amounts due to the City from other governmental entities.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

III. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS, Continued

A. Assets, Continued

8. Other Receivables - Other receivables represent amounts due to the City as of December 31, 1999 from interest income, gas well revenue and other miscellaneous revenues. In the Pension Trust and Agency Fund, a receivable of \$1,163,973 represents amounts due to the City from accrued interest for the three single-employer defined benefit pension plans.

9. Lease Agreement

Erie City Water Authority - In 1991, the City entered into a lease agreement, whereby, the Authority, a related organization, leases the water system from the City. All assets, accounted for by the City in the Water Revenue Fund (an Enterprise Fund), are being leased for a 25-year period. The lease calls for quarterly payments totaling \$1,250,000 with an annual 4½% inflation increase beginning in 1992. Upon termination of the lease, the leased assets remain the property of the City. Therefore, this lease is being accounted for as an operating lease.

2000 .....	\$ 1,857,619
2001 .....	1,941,211
2002 .....	2,028,566
2003 .....	2,119,852
2004 .....	2,215,245
2005 and thereafter .....	<u>32,041,378</u>

Total lease receivable ..... \$ 42,203,871

10. Prepaid Insurance - Prepaid insurance represents a pro-rata share of premiums paid during 1999 which provides coverage through various dates in 2000.

11. Fixed Assets

A summary of general fixed assets at December 31, 1999 is as follows:

	Balance January 1, 1999	Additions	Dispositions	Balance December 31, 1999
Land .....	\$ 951,667	\$ 0	\$ 150,000	\$ 801,667
Building and improvements .....	15,338,140	1,313,000	0	16,651,140
Vehicles and equipment .....	<u>16,101,523</u>	<u>3,761,155</u>	<u>58,245</u>	<u>19,804,433</u>
Total .....	<u>\$ 32,391,330</u>	<u>\$ 5,074,155</u>	<u>\$ 208,245</u>	<u>\$ 37,257,240</u>

A summary of Proprietary Fund type fixed assets at December 31, 1999 is as follows:

	Balance January 1, 1999	Additions	Dispositions	Balance December 31, 1999
Land .....	\$ 730,999	\$ 0	\$ 0	\$ 730,999
Building and improvements .....	9,641,432	14,570	0	9,656,002
Improvements other than buildings .....	51,117,490	138,594	0	51,256,084
Vehicles and equipment .....	<u>10,322,157</u>	<u>302,620</u>	<u>0</u>	<u>10,624,777</u>
Total .....	71,812,078	455,784	0	72,267,862
Less: accumulated depreciation .....	<u>35,457,126</u>	<u>1,735,816</u>	<u>0</u>	<u>37,192,942</u>
Net fixed assets .....	<u>\$ 36,354,952</u>	<u>\$ (1,280,032)</u>	<u>\$ 0</u>	<u>\$ 35,074,920</u>

Improvements other than buildings consist of leasehold improvements to the waste water plant, water mains and intakes, fire hydrants and water storage reservoirs.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

III. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS, Continued

B. Liabilities

1. Pension Plans

All City of Erie employees are covered by one of three pension plans. The plans are characteristically alike in that all contributions are made as single employer defined benefit pension plans and cover only City of Erie employees. The information pertaining to the particular plans is explained in the following:

Officers' and Employees' Retirement Association

Plan Description

The Officers' and Employees' Retirement Association ("Officers' and Employees") covers the following employee groups: Elected officials, salaried employees (excluding uniformed policemen and firemen), hourly employees and civilian employees of the police and fire departments.

All employees who are not uniformed police or fire employees are required to participate in the plan. Under the provisions of the plan, pension benefits vest after 12 years of service with full vesting occurring after 20 years of service. An employee may retire after 12 years of service and receive benefits, but payment is deferred until age 60. An employee may retire after 20 years of service, but payment cannot begin before age 55. The annual pension benefit is equal to the Basic Allowance adjusted for service increments and other offsets as described in the plan. The Basic Allowance is 50% of the monthly pay received at the time of retirement, but not less than the highest five year average.

If an employee dies who is retired or eligible to retire, the widow or widower of the employee shall be entitled to receive a pension calculated at the rate of 50% of the pension that the employee was receiving, or would have been entitled to receive, at the time of death, unless the employee was on disability in which case the surviving spouse would be entitled to 50% of the earned pension.

Active employees who become permanently disabled after 10 years service (employees hired prior to January 1, 1976) or 15 years service (employees hired on or after January 1, 1976) shall be entitled to full retirement benefits during such disability.

Increases in benefit payments are at the discretion of the City of Erie upon recommendation of the managers of the Fund and are made in accordance with Section 305 of the Act of December 18, 1984.

Significant Accounting Policies

The Fund's policy is to prepare financial statements on the accrual basis of accounting. Income is recognized when earned, and certain benefit payments and expenditures are recognized when the obligation is incurred.

The plan issues stand-alone financial statements, which contain the schedule of employer contributions and the schedule of funding progress, and those statements can be obtained from its administrative office or from the City Clerk's office in the Municipal Building.

In accordance with Statement on Governmental Accounting Standards (GASB) No. 27, investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The carrying value and fair value of investments maintained in a trust is \$60,935,918 at December 31, 1999. Gains (losses) on unrealized appreciation (depreciation) of investments' fair value above (below) cost are recognized in the period of appreciation (depreciation).

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

III. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS, Continued

B. Liabilities, Continued

1. Pension Plans, Continued (Officers' and Employees' Retirement Association)

Contributions

Covered employees must contribute 6½% (except for a few employees hired prior to 1969, who contribute 4½% or 5%) of their gross qualified earnings to the pension plan per the plan provisions. In addition, the City must provide annual contributions sufficient to satisfy contribution requirements as mandated by state statute.

Annual employer contributions to the pension plan are not actuarially determined, but rather determined by the City. The employer contribution is based on a formula required by Act 205 of 1984 of the Commonwealth of Pennsylvania ("Act 205") and incorporates the normal cost as a percentage of payroll and an amount entitled by Act 205 Minimum Unfunded Actuarial Accrued Liability Payment, both of which are actuarially determined. The method of funding utilized by the actuary is the Individual Entry Age Normal-Level Percent of Payroll Method.

The Fund also receives an annual allocation from the Commonwealth of Pennsylvania's Foreign Fire and Casualty Insurance Tax Fund. The tax is assessed against out-of-state fire and casualty insurance companies doing business in Pennsylvania and is specifically designed for municipal pension funds.

The annual required contribution, which is equal to the annual pension cost, for the plan for 1999 was \$1,437,259. The amount actually contributed to the plan in 1999 was \$2,170,371 which is 151.00% of the annual pension costs. (See Required Supplemental Schedules)

Investments Exceeding Five Percent of Net Assets Available For Benefits

Other than investments insured by the United States Government, the plan held no investments in a single entity at year end that represent 5% or more of net assets available for benefits.

Required Supplementary Information

Six-year historical trend information designed to provide information about the Fund's progress made in accumulating sufficient assets to pay benefits when due is presented as required supplementary information following the notes to financial statements.

Police Relief and Pension Association

Plan Description

The Police Relief and Pension Association ("Police Pension Fund") covers the uniformed employees of the Bureau of Police.

All uniformed police officers are required to participate in the plan. Under the provision of the plan, pension benefits vest after 12 years of service with full vesting occurring after 20 years. Benefit payments for non-disability pension shall not commence before age 50.

The monthly pension payable herein shall be in an amount equal to 50% of the monthly pay, including annual salary, longevity increments and holiday pay but excluding compensation for overtime, shift differential, clothing allowance and cleaning allowance, received by the member at the time of this retirement, payable until death. Members hired before 1981 shall receive, when retired, an annual cost of living increase to their monthly benefit based on increases in the Consumer Price Index and subject to certain limits.

If an Association member is killed in the service or in the line of duty, the member's widow or widower shall receive annually for life, a pension equal to the amount the member was entitled to receive at the time of death. If an Association member otherwise dies while retired or eligible to retire, the members' widow or widower shall be entitled to receive for life, the pension the member was receiving or would have been receiving had the member been retired, at the time of death.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

III. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS, Continued

B. Liabilities, Continued

1. Pension Plans, Continued (Police Relief and Pension Association)

If a deceased member is not survived by a widow or widower, or the surviving widow/widower subsequently deceases or remarries, the pension the member was receiving, or would have been receiving at the time of the death, will be divided equally between any surviving children of the member who are under the age of 18.

Any member who is totally disabled not in the line of duty shall be entitled to a pension of 25% of annual compensation if the member has less than 10 years service, or a pension of 50% of annual compensation after 10 years of service.

Members hired by the City of Erie Bureau of Police on or before January 1, 1981 shall receive, when retired, an annual cost of living allowance increase to their monthly benefit based on the percentage increase in the Consumer Price Index (CPI) published by the United States Department of Labor, Bureau of Labor Statistics. The allowance will be computed using the change in the CPI each October from the index for the month of October, 1969. Adjustments to cost of living allowances will be effective on the first day of January each year. Cost of Living allowances may not at any time exceed one-half of the current salary paid a patrolman of the highest pay grade.

Members hired after January 1, 1981, shall receive, when retired, increases to their monthly benefit as Council shall determine and authorize on an annual basis. However, in accordance with a new labor agreement, these members who retire after January 1, 2001, will receive a cost of living adjustment which will provide that the pension of a retired officer shall not drop below 50% of the monthly salary being paid to a Class A Patrolman.

Significant Accounting Policies

The Funds' policy is to prepare its financial statements on the accrual basis of accounting. Income is recognized when earned, and certain benefit payments and expenditures when the obligation is incurred.

The plan issues stand-alone financial statements, which contain the schedule of employer contributions and the schedule of funding progress, and those statements can be obtained from its administrative office or from the City Clerk's office in the Municipal Building.

In accordance with Statement of Governmental Accounting Standards (GASB) No. 27, investments are reported at fair value. The carrying value and fair value of investments maintained in trust is \$82,336,556 at December 31, 1999. Gains (losses) on unrealized appreciation (depreciation) of investments' fair value above (below) cost are recognized in the period of appreciation (depreciation).

Contributions

All covered employees must contribute 5% of their annual covered salary. In addition, the City must provide annual contributions sufficient to satisfy contribution requirements as mandated by state statute.

Effective January 1, 2000, the employee contribution rate for officers hired after January 1, 1981 shall be increased by ½% to a total of 5 ½%. Effective January 1, 2001, said rate for such officers will increase by an additional ½% to a total of 6%.

Annual employer contributions to the pension plan are not actuarially determined but rather determined by the City. The employer contribution is based on a formula required by Act 205 of 1984 of the Commonwealth of Pennsylvania ("Act 205") and incorporates the normal cost as a percentage of payroll and an amount entitled by Act 205 Minimum Unfunded Actuarial Accrued Liability Payment, both of which are actuarially determined. The method of funding utilized by the actuary is the Individual Entry Age Normal - Level Percent of Payroll Method.

The annual required contribution, which is equal to the annual pension cost, for the plan for 1999 was \$800,963. The amount actually contributed to the plan in 1999 was \$800,963 which is 100.0% of the annual pension cost. (See Required Supplemental Schedules)

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

III. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS, Continued

B. Liabilities, Continued

1. Pension Plans, Continued (Police Relief and Pension Association)

Contributions, Continued

The Fund also receives an annual allocation from the Commonwealth of Pennsylvania's Foreign Fire and Casualty Insurance Tax Fund. The tax is assessed against out-of-state fire and casualty insurance companies doing business in Pennsylvania and is specifically designed for municipal pension funds.

Investments Exceeding Five Percent of Net Assets Available For Benefits

Other than investments insured by the United States Government, the plan held no investments in a single entity at year end that represent 5% or more of net assets available for benefits.

Required Supplementary Information

Six-year historical trend information designed to provide information about the Fund's progress made in accumulating sufficient assets to pay benefits when due is presented as required supplementary information following the notes to financial statements.

Firemens' Pension Fund

Plan Description

The Firemens' Pension Fund covers all members of the Bureau of Fire.

All members of the Bureau of Fire are required to participate in the plan. Under the provision of the plan, pension benefits vest after 12 years of service with full vesting occurring after 20 years of service. The vested benefits may not be withdrawn until minimum age of retirement. The annual pension benefit is equal to the Basic Allowance adjusted for service increments and other offsets as described in the plan. The Basic Allowance is 50% of the monthly pay received at the time of retirement, but not less than the highest five year average.

Payment of pensions to the families of a member killed or who dies in service is the amount that would have been payable had he retired on the date of his death. A member who has been approved for permanent disability pension is entitled to a pension in the amount that would have been payable had he retired on the date of disability.

In addition, a member who becomes totally disabled or dies not in the line of duty, is entitled to a pension of 25% of his annual compensation, if he had less than ten years of service; or 50% of his annual compensation for more than ten years of service.

Increases in benefit payments are at the discretion of the City of Erie upon recommendation of the managers of the Fund and are made in accordance with Article 149 of Title VII of the Codified Ordinances of the City of Erie.

Significant Accounting Policies

The Fund's policy is to prepare its financial statements on the accrual basis of accounting. Income is recognized when earned, and certain benefit payments and expenditures are recognized when the obligation is incurred.

The plan issues stand-alone financial statements, which contain the schedule of employer contributions and the schedule of funding progress, and those statements can be obtained from its administrative office or from the City Clerk's office in the Municipal Building.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

III. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS, Continued

B. Liabilities, Continued

1. Pension Plans, Continued (Firemens' Pension Fund)

Significant Accounting Policies, Continued

In accordance with Statement of Governmental Accounting Standards (GASB) No. 27, investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The carrying value and fair value of investments maintained in trust is \$45,399,320 at December 31, 1999. Gains (losses) on unrealized appreciation (depreciation) of investments' fair value above (below) cost are recognized in the period of appreciation (depreciation).

Contributions

All covered employees must contribute 5% of their gross wages to the pension plan, per the plan provisions. In addition, the City must provide annual contributions sufficient to satisfy contribution requirements as mandated by state statute. Administrative costs are financed through investment earnings.

Annual employer contributions to the pension plan are not actuarially determined but rather determined by the City. The employer contribution is based on a formula required by Act 205 of 1984 of the Commonwealth of Pennsylvania ("Act 205") and incorporates the normal cost as a percentage of payroll and an amount entitled by Act 205 Minimum Unfunded Actuarial Accrued Liability Payment, both of which are actuarially determined. The method of funding utilized by the actuary is the Individual Entry Age Normal - Level Percent of Payroll Method.

The annual required contribution, which is equal to the annual pension cost, for the plan for 1999 was \$1,257,948. The amount actually contributed to the plan in 1999 was \$1,782,833 which is 141.7% of the annual pension cost. (See Required Supplemental Schedules)

The Fund also receives an annual allocation from the Commonwealth of Pennsylvania's Foreign Fire Insurance Tax Fund. The tax is assessed against out-of-state fire insurance companies doing business in Pennsylvania and is specifically designated for municipal pension funds.

Investments Exceeding Five Percent of Net Assets Available For Benefits

Other than investments insured by the United States Government, the plan held no investments in a single entity at year end that represent 5% or more of net assets available for benefits.

Required Supplementary Information

Six-year historical trend information designed to provide information about the Fund's progress made in accumulating sufficient assets to pay benefits when due is presented as required supplementary information following the notes to financial statements.

Current membership in the plans is as follows:

	Officers' and Employees'	Police	Firemens'	Total
Retirees, beneficiaries .....	361	223	176	760
Terminated .....	0	3	1	4
Active .....	405	185	176	766
Total .....	<u>766</u>	<u>411</u>	<u>353</u>	<u>1,530</u>

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

III. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS, Continued

B. Liabilities, Continued

2. **Deferred Compensation Plan** - The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City subject only to the claims of the City's general creditors. Participants rights under the plan are equal to those of general creditor of the City in an amount equal to the fair value of the deferred account for each participant. During 1999, the City adopted GASB No. 32 and there was no effect on beginning balances due to the adoption. The investments are carried at fair value and reported in the Agency Fund.

It is the opinion of the City's legal counsel that the City has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

3. **Risk Management** - The City accounts for its various insurance programs in the Internal Service Funds. Insurance, administrative and claims costs are charged to expenditures in those funds. The annual costs are billed to the other funds, which amounts are reported as revenues in the Internal Service Funds. Claim liabilities, which include incurred but not reported claims, are based on the estimated ultimate costs of settling the claims, based on historical experience. The funds used by the City are Workers Compensation, Employees Health Benefit Plan and Risk Management.

The City maintains a self-insurance program for workers compensation coverage. The fund charges back the costs to various other funds of the City based upon an appropriate risk factor, based on the Pennsylvania Workers Compensation "Lost Cost" rates. This risk factor is then applied to the City's actual workers compensation losses and administrative costs in order to develop the actual charge-back amount. A third-party claim administrator establishes claim reserves and adjusts claims. The City purchases stop-loss insurance for catastrophic type losses. This insurance limits the City's payout per accident to a fixed amount. For 1999, the medical stop-loss amount was \$90,000 and the indemnity stop-loss was \$22,500. The change in the liability for estimated claims is comprised of:

Unpaid Claims Liabilities - Workers' Compensation - The following represents the changes in approximate aggregate liabilities for the City from January 1, 1998 to December 31, 1999.

Balance, January 1, 1998 .....	\$ 3,678,278
Incurred claims and claims adjustment expenses:	
Provision for insured events of the current year .....	235,450
Increases in provision for insured events of prior year .....	829,698
Total incurred claims and claims adjustment expenses .....	1,065,148
Payments:	
Claims and claim adjustment expenses attributable to insured events of the current year .....	152,803
Claims and claim adjustment expenses attributable to insured events of prior year .....	777,255
Total Payments .....	930,058
Balance, December 31, 1998 .....	3,813,368

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

III. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS, Continued

B. Liabilities, Continued

3. Risk Management, Continued

Incurred claims and claims adjustment expenses:	
Provision for insured events of the current year.....	363,084
Increases in provision for insured events of prior year .....	570,942
Total incurred claims and claims adjustment expenses .....	934,026
Payments:	
Claims and claim adjustment expenses attributable to insured events of the current year .....	197,783
Claims and claim adjustment expenses attributable to insured events of prior year.....	303,002
Total Payments.....	500,785
Balance, December 31, 1999 .....	\$ 4,246,609

The City intends to cover the deficit in the Workers' Compensation Claims Fund by annual assessments to the participating funds.

The Employees Health Benefit Plan is a modified self-insurance program for insuring hospitalization and medical costs. The program is limited to losses of \$50,000 annually per covered person for all programs combined. Additional coverage to the policy limits is provided through the use of stop-loss policies. The Plan is fully funded by city contributions and covers all employees and eligible dependents. At December 31, 1999 there were no material amounts of claims liabilities.

The City is exposed to various risks of losses resulting from theft, damage and destruction of assets, errors and omissions and various other actions. Beginning in 1995, the City began a "protected" self-insurance plan. The City's comprehensive excess insurance program allows the City to self-insure small losses and fully insure catastrophe. Substantially all prospective losses are covered by excess loss insurance with retained losses generally of \$25,000 and a \$200,000 aggregate loss limit. At December 31, 1999 there were no material amounts of claims liabilities.

Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

4. Claims and Judgments Payable - Judgments payable represent amounts of cases against the City which the City Solicitor has indicated will probably result in a liability to the City. The claims payable in the Internal Service Funds represents the open reserves for workers compensation claims.

The City is also involved in various other litigation related to property damage, personal injury, civil rights and other matters which the City is vigorously defending. The individual cases range from \$1,500 to \$200,000. With regard to unsettled cases, the range of possible outcomes varies from remote to reasonably possible. The City's aggregate potential liability is \$490,500 and has been determined to be reasonably possible.

Furthermore, litigation is pending relative to the County of Erie's Local Economic Revitalization Tax Act ("LERTA") ordinance related to property taxes. The result could require the City to return \$933,959 of property taxes representing taxes levied and collected in excess of the LERTA abatement.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

III. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS, Continued

B. Liabilities, Continued

5. Lease Agreements

Erie Sewer Authority - In 1972, the City entered into a lease with the Erie Sewer Authority, a component unit, wherein the Authority issued debt to acquire real estate, building and equipment for the purpose of collecting and disposing of sewage. Upon termination of the lease, the leased property is retained by the Authority. Therefore, this lease is being accounted for as an operating lease. During 1993, the City advanced to the Authority \$6,000,000 from the proceeds of the 1993 General Obligation Bond of the City in exchange for a note from the Authority. The note is in the amount of \$6,290,000, which includes the Authority's pro-rata share of issue costs, discount, interest, bond insurance and original issue discount. In 1995, the Authority refinanced its 1972 bonds with the issuance of 1995 Sewer Revenue Bonds in the principal amount of \$9,795,000. The Authority refunded its 1995 Sewer Revenue Bonds with the issuance of 1998 Sewer Revenue Bonds, Series A, in the principal amount of \$18,465,000. Repayment by the Authority is through semi-annual lease payments from the City in amounts necessary to retire the Authority's debt and note. The lease payments are due on June 1 and December 1 through June 1, 2011 for the debt and on May 1 and November 1 through November 1, 2020 for the note.

The remaining lease payments, principal and interest, as of December 31, 1999 are as follows:

	<u>Debt</u>	<u>Note</u>	<u>Total</u>
2000 .....	\$ 899,877	\$ 1,187,461	\$ 2,087,338
2001 .....	901,620	1,185,423	2,087,043
2002 .....	901,702	1,187,563	2,089,265
2003 .....	895,192	1,187,821	2,083,013
2004 .....	896,770	1,187,265	2,084,035
2005 .....	896,137	1,185,948	2,082,085
2006 .....	893,547	1,182,880	2,076,427
2007 .....	893,644	1,184,583	2,078,227
2008 .....	891,065	1,185,881	2,076,946
2009 .....	885,715	1,186,033	2,071,748
2010 .....	887,650	1,184,908	2,072,558
2011 .....	842,755	1,191,995	2,034,750
2012 .....	0	1,187,495	1,187,495
2013 .....	0	1,186,870	1,186,870
2014 .....	0	1,184,985	1,184,985
2015 .....	0	1,191,581	1,191,581
2016 .....	0	1,186,669	1,186,669
2017 .....	0	2,076,938	2,076,938
2018 .....	0	3,435,238	3,435,238
2019 .....	0	3,436,256	3,436,256
2020 .....	0	3,292,256	3,292,256
Total lease payments .....	10,685,674	32,416,049	43,101,723
Less: interest portion .....	<u>2,720,674</u>	<u>14,221,049</u>	<u>16,941,723</u>
Total minimum lease obligation .....	<u>\$ 7,965,000</u>	<u>\$ 18,195,000</u>	<u>\$ 26,160,000</u>

The lease rental payment for 1999 was \$4,521,677.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

III. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS, Continued

B. Liabilities, Continued

5. Lease Agreements, Continued

Erie Municipal Park Authority - In 1964, the City entered into a rental agreement with the Erie Municipal Park Authority, a component unit, to lease certain property, which is recorded in the General Fixed Assets Account Group at a cost of \$1,358,991, located at the Erie Zoo, and wherein the City pays an annual rental of \$53,000 each January 1, to and including January 1, 2004. The payments are provided for the retirement of the Authority bonds and for administrative and operating expenses. The Authority bonds outstanding at December 31, 1999 are \$225,000. Upon termination of the lease, the leased property becomes property of the City. Therefore, this lease is being accounted for as a capital lease. The total expenditure for the Erie Municipal Park Authority lease for 1999 was \$53,000.

The remaining lease payments as of December 31, 1999 are as follows:

2000 .....	53,000
2001 .....	53,000
2002 .....	53,000
2003 .....	53,000
2004 .....	<u>53,000</u>
 Total lease payments .....	 265,000
Less: interest portion .....	<u>53,386</u>
 Minimum lease obligation .....	 \$ <u>211,614</u>

Other Lease Agreements - The City had other capital lease agreements to purchase equipment (fire trucks and equipment, computers, and telephone system). Lease terms were from 1 to 5 years with interest on the unpaid balance from 6.49% to 8% with the final payments being made during 1999. Total expenditures for 1999 were \$167,136.

The Capital lease obligation recorded in the General Long-Term Debt Account Group is summarized as follows:

Erie Municipal Park Authority .....	\$ 211,614
Other lease agreements .....	<u>0</u>
 Total capital leases	 \$ <u>211,614</u>

Assets capitalized under capital lease agreements total approximately \$3,056,269.

6. Long-Term Debt

*General Long-Term Debt Account Group:* General obligation note and bonds are direct general obligations of the City. Principal and interest payments are backed by the full faith, credit and taxing power of the City. Under Commonwealth of Pennsylvania Local Government Unit Debt Act limitations, the City may incur up to \$200,155,130 of non-electoral indebtedness.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

III. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS, Continued

B. Liabilities, Continued

6. Long-Term Debt, Continued

General Obligation Notes

On January 9, 1998, the City incurred through the issuance of the General Obligation Note, Series PNC – 1998 non-electoral debt in the amount of \$1,800,000. The proceeds of the Note were used to fund an unfunded indebtedness payable to the PMA Insurance Company. The loan bore interest on the outstanding balance at a tax-free rate per annum equal to 4.85% fixed. The City, as allowed by the terms of the note, satisfied the note during 1999 prior to its originally scheduled pay off date of January 9, 2000.

On July 15, 1999, the City incurred through use of a general obligation note the issuance of the Capital Equipment Installment Note – 1999 Series non-electoral debt in the amount of \$2,500,000. The proceeds of the note were used to purchase equipment and fund paving projects. The loan bears interest on the outstanding balance at a fixed rate of 4.27% per annum. Interest is paid quarterly commencing with December 15, 1999 and the principal is to be paid in two annual payments of \$1,250,000 on September 15, 2001 and 2002.

The annual debt service requirements to maturity, including interest and principal, for the General Obligation Note as of December 31, 1999, are as follows:

2000 .....	\$ 106,750
2001 .....	1,343,407
2002 .....	<u>1,290,032</u>
Total principal and interest .....	2,740,189
Less: interest .....	<u>(240,189)</u>
Total General Obligation Note liability at December 31, 1999 .....	<u>\$ 2,500,000</u>

General Obligation Bonds:

The City issued \$4,000,000 principal amount of Capital Improvement Bonds, Series of 1971, on January 15, 1972 for the purposes of improving streets and roads, storm and sanitary sewers and various improvement projects. The bonds are to mature serially in various amounts on January 15, each year, commencing January 15, 1974 and ending January 15, 2002. The bonds bear interest rates varying from 4.0% to 5.8% payable semi-annually on January 15 and July 15, each year, commencing January 15, 1974. Outstanding principal at December 31, 1999 is \$405,000.

On November 4, 1993, the City issued \$30,130,000 principal amount of General Obligation Bonds, Series A and B of 1993 for the purpose of providing funds for various paving, building improvement, recreational facility and sewer projects, to refund outstanding 1968 and 1986 Series General Obligation Bonds and to pay the costs and expenses incidental to the issuance of the bonds. The bonds mature serially in various amounts on November 1, of each year. The Series A bonds mature beginning November 1, 1995 and end November 1, 2011. The Series B bonds mature beginning November 1, 1994 and end November 1, 2017. The bonds bear interest rates varying from 3.00% to 5.25% to 5.375% for Series A and B, respectively, payable semi-annually on May 1 and November 1, each year, commencing on May 1, 1994. The 1998 Bond series defeased \$9,865,000 and \$10,850,000 of the Series A of 1993 and the Series B of 1993, respectively (Note III.B.7.). Outstanding principal at December 31, 1999 is \$6,060,000 which is being classified as Proprietary Fund type debt based on the nature of the uses of the funds and the expecting source of debt retirement.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

III. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS, Continued

B. Liabilities, Continued

6. Long-Term Debt, Continued

On May 15, 1997, the City issued \$8,910,000 principal amount of General Obligation Bonds, Series of 1997 for the purpose of providing funds to finance various capital projects, and the pay the costs of issuing and insuring the Bonds. The 1997 General Obligation Bond was defeased during 1998. (See Note III.B.7.)

On October 21, 1998, the City issued \$72,063,606 principal amount of Taxable General Obligation Bonds, Series of 1998A, (the "1998A Bonds"), and the Tax-Exempt General Obligation Bonds, Series of 1998B, (the "1998B Bonds"). The 1998A Bonds were issued for the purpose of funding a portion of the City's unfunded actuarial accrued pension liability, funding capital projects and paying the costs of issuing the 1998A bonds. The 1998B Bonds in the principal amount of \$39,133,606 were issued for the purpose of providing funds for refunding a certain of the City's general obligation bonds, funding capital projects, and paying the costs of issuing the 1998B Bonds. The 1998A Bonds and the 1998B Bonds maturing on November 15, 1999 through and including November 15, 2003 were issued as current interest bonds (the "Current Interest Bonds") and will bear interest at the varying rates from 4.86% to 5.50% hereof from October 15, 1998, interest to be payable semiannually on May 15 and November 15 of each year, commencing May 15, 1999. The 1998B Bonds maturing on November 15, 2004 through and including November 15, 2024 will be issued as capital appreciation bonds (the "Capital Appreciation Bonds") and will not pay interest currently but will accrete in value and interest will be payable at maturity. Principal, compound accreted value or maturity value of the 1998 Bonds will be paid to the registered owners, when due, upon surrender of the 1998 Bonds at the designated Paying Agent. Outstanding principal of the 1998A and 1998B bonds at December 31, 1999 is \$10,280,000 and \$57,783,606, respectively.

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of December 31, 1999, are as follows:

	General Long-term Debt	Proprietary Debt
2000 .....	\$ 4,731,996	\$ 1,489,451
2001 .....	4,732,481	1,489,164
2002 .....	4,090,571	1,486,884
2003 .....	4,087,524	1,487,214
2004 .....	4,088,594	1,490,489
2005 .....	4,088,444	1,486,409
2006 .....	4,089,284	1,485,889
2007 .....	4,097,612	1,488,301
2008 .....	4,185,782	1,399,431
2009 .....	4,183,282	1,401,681
2010 .....	4,182,032	1,401,681
2011 .....	4,182,282	1,399,431
2012 .....	4,184,032	1,399,431
2013 .....	4,182,282	1,397,931
2014 .....	4,182,282	1,398,431
2015 .....	4,184,950	1,399,750
2016 .....	4,184,669	1,397,944
2017 .....	4,181,181	1,398,163
2018 .....	4,185,000	0
2019 .....	4,185,000	0
2020 .....	4,185,000	0
2021 .....	4,185,000	0
2022 .....	4,185,000	0
2023 .....	4,185,000	0
2024 .....	4,185,000	0
Total principal and interest .....	105,134,280	25,898,225
Less: interest .....	46,945,674	9,558,225
Total General Obligation Bonds liabilities at December 31, 1999 .....	<u>\$ 58,188,606</u>	<u>\$ 16,340,000</u>

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

III. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS, Continued

B. Liabilities, Continued

6. Long-Term Debt, Continued

Changes in long-term debt payable during 1999 are summarized as follows:

	Balance January 1, 1999	Incurred	Retired	Balance December 31, 1999
<u>General Long-Term Debt</u>				
Capital lease obligation.....	\$ 401,963	\$ 0	\$ 190,349	\$ 211,614
General obligation notes .....	1,242,650	2,500,000	1,242,650	2,500,000
General obligation bonds .....	<u>61,753,606</u>	<u>0</u>	<u>3,565,000</u>	<u>58,188,606</u>
 Total General Long-Term Debt...	 63,398,219	 2,500,000	 4,997,999	 60,900,220
<u>Proprietary Fund Debt</u>				
Sewer Revenue Fund:				
General obligation bonds .....	<u>16,910,000</u>	<u>0</u>	<u>570,000</u>	<u>16,340,000</u>
 Total Proprietary Fund Debt.....	 <u>16,910,000</u>	 <u>0</u>	 <u>570,000</u>	 <u>16,340,000</u>
 Total Debt.....	 <u>\$ 80,308,219</u>	 <u>\$ 2,500,000</u>	 <u>\$ 5,567,999</u>	 <u>\$ 77,240,220</u>

7. Defeasement of Debt – In prior year, the City defeased the General Obligation Bond Series of 1997, Series A of 1993, a portion of Series B of 1993 and certain Water Construction Revenue Bonds. The Bonds were defeased by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 1999, the following bonds outstanding are considered defeased:

Water Construction Revenue Bonds.....	\$ 995,500
General Obligation Bonds, Series of 1997 .....	8,590,000
General Obligation Bonds, Series A of 1993 .....	8,190,000
General Obligation Bonds, Series B of 1993.....	<u>9,995,000</u>
	<u>\$ 27,770,500</u>

8. Compensated Absences - Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the Governmental Fund that will pay it. Vested or accumulated vacation leave of Proprietary Funds is recorded as an expense and liability of those funds as the benefits accrue to employees. The balance that has been accrued is \$327,788, which represents a increase of \$49,158 from the prior year, and is recorded in the appropriate funds as a current liability.

9. Other Postemployment Benefits - In addition to pension benefits described in Note III.B.1., the City provides postemployment health insurance coverage for retirees of the Police and Firefighters unions at no cost to the participants. These benefits are provided pursuant to an arbitration award (re: salaries, wages, fringe benefits and other working conditions). In order to receive health care benefits an employee must have 12 years of service and attain the age of 50. The cost of benefits is recognized on a pay-as-you go basis, as part of the expense for health insurance (an initial premium is paid and subsequently adjusted for experience, subject to limits of individual and aggregate stop loss insurance). In 1999, the cost of postemployment benefits was \$314,907 for the 65 eligible Police retirees and \$120,200 for the 24 eligible Firefighter retirees.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

III. DETAIL NOTES - ALL FUNDS AND ACCOUNT GROUPS, Continued

C. Interfund Receivables and Interfund Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "interfund receivables" or "interfund payables" on the balance sheets.

As indicated in Note III.A.1., the City invests its funds in various certificates of deposit. Periodically throughout the year, the timing of the maturities of the certificates may not generate sufficient deposits to fully cover the cash disbursed from a particular account. When this occurs, temporary loans are made between funds to cover such deficiencies. Accordingly, any such overdraft conditions at the balance sheet date are included in "interfund payables" and "interfund receivables."

Interfund balances at December 31, 1999 consisted of the following individual fund receivables and payables:

	Receivables	Payables
General Fund:		
Golf Fund	\$ 20,000	\$ 0
1999 Note Fund	992,791	0
1999 Note Fund:		
General Fund	0	992,791
Golf Fund:		
General Fund	0	20,000
	\$ 1,012,791	\$ 1,012,791

D. Fund Equity

The reserve for encumbrances represents the amount of the fund equity which has been committed for expenditures of the current year in accordance with the City's budgetary accounting procedures and is, therefore, not part of unreserved fund equity available to meet expenditures of the succeeding year.

The reserve for noncurrent notes receivable represents the amount of fund equity used to finance certain projects for which repayment will not be available to meet expenditures of the succeeding year.

Contributed capital is recorded for a component unit which has received capital grants and contributions for the purpose of purchasing, constructing or renovating capital assets.

The reserve for equity in Authority rentals represents the amount of fund equity for the purpose of recording Authority rentals receivable in the component units.

The reserve for land held for resale represents the amount of fund equity for the purpose of recording the expenditures incurred by the Authority for the land held for resale in the component units.

The reserve for endowment principal is a portion of the Capital Project Fund's unreserved fund balance that has been designated to record the initial lease rental received from the Erie City Water Authority (a.k.a. Erie Water Works).

The reserve for prepaid insurance represents the amount of fund equity that is a direct offset to prepaid insurance and is not available expendable financial resources.

The reserve for employees' pension benefits represents the amount of fund equity that is reserved for payment of employees' pension benefits.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

IV. SEGMENT INFORMATION - ENTERPRISE FUNDS

The City maintained, during 1999, five Enterprise Funds which provide the following services:

	Utilities				Recreation	Total Enterprise Fund
	Sewer Revenue	Sewer Reserve	Water Revenue	Refuse and Recycling	Golf	
Operating revenue .....	\$ 16,841,775	\$ 0	\$ 2,190,823	\$ 3,450,972	\$ 1,044,924	\$ 23,528,494
Operating expenses						
before depreciation .....	14,014,934	0	0	3,116,418	923,496	18,054,848
Depreciation .....	837,969	0	719,094	87,579	91,174	1,735,816
Operating income .....	1,988,872	0	1,471,729	246,975	30,254	3,737,830
Nonoperating revenue						
(expense) .....	389,823	112,249	0	72,395	17,091	591,558
Operating transfers in .....	900,000	1,425,189	0	0	0	2,325,189
Operating transfers (out) .....	(2,779,706)	(650,000)	(1,777,625)	(516,900)	(67,220)	(5,791,451)
Net income (loss) .....	<u>\$ 498,989</u>	<u>\$ 887,438</u>	<u>\$ (305,896)</u>	<u>\$ (197,530)</u>	<u>\$ (19,875)</u>	<u>\$ 863,126</u>
Current assets .....	\$ 4,423,073	\$ 2,529,307	\$ 0	\$ 507,475	\$ 17,793	\$ 7,477,648
Fixed asset additions .....	342,460	0	0	84,248	29,076	455,784
Other assets .....	19,471,105	0	19,232,060	610,586	787,108	40,100,859
Total assets .....	<u>\$ 24,236,638</u>	<u>\$ 2,529,307</u>	<u>\$ 19,232,060</u>	<u>\$ 1,202,309</u>	<u>\$ 833,977</u>	<u>\$ 48,034,291</u>
Current liabilities .....	\$ 1,252,629	\$ 0	\$ 0	\$ 101,227	\$ 36,529	\$ 1,390,385
Bonds and other liabilities .....	15,605,000	0	6,998,322	0	0	22,603,322
Current capital contributions .....	0	0	0	0	0	0
Other equity .....	7,379,009	2,529,307	12,233,738	1,101,082	797,448	24,040,584
Total liabilities and equity .....	<u>\$ 24,236,638</u>	<u>\$ 2,529,307</u>	<u>\$ 19,232,060</u>	<u>\$ 1,202,309</u>	<u>\$ 833,977</u>	<u>\$ 48,034,291</u>
Net working capital .....	<u>\$ 3,170,444</u>	<u>\$ 2,529,307</u>	<u>\$ 0</u>	<u>\$ 406,248</u>	<u>\$ (18,736)</u>	<u>\$ 6,087,263</u>

V. SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

A. Debt Guaranty Agreements

The Erie Parking Authority's Guaranteed Parking Revenue Bonds, Series 1998A and 1998B, refunded the 1987 series and advanced refunded the 1995 series and are fully insured by an independent insurance company against default. The City agreed to guarantee this component unit's 1998 Series in the form of a Guarantee Agreement whereby the City will guarantee payment of principal and interest. The insurance company's guarantee would become effective if both the Authority and the City failed to meet the obligation. Bonds outstanding at December 31, 1999 are \$14,285,000. (See Notes I.B., VII.D.7., VII.D.8.)

The Erie Parking Authority's Guaranteed Parking Revenue Refunding Bonds, Series 1994, partially refunded the 1987 series and is fully insured by an independent insurance company against default. The City agreed to guaranty this component unit's 1994 Series in the form of a Guaranty Agreement whereby the City will guarantee payment of principal and interest. The insurance company's guarantee would become effective if both the Authority and the City failed to meet the obligation. Bonds outstanding at December 31, 1999 are \$11,365,000. (See Notes I.B. and VII.D.7.)

During 1999, the Erie Sewer Authority entered into a financing agreement, evidenced by a note, with the Pennsylvania Infrastructure Investment Authority ("Pennvest"). The City agreed to guaranty this component unit's note in the form of a Guaranty Agreement whereby the City will guarantee payment of principal and interest. Amount outstanding at December 31, 1999 is \$1,789,286. (Note I.B.)

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

V. SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES, Continued

A. Debt Guaranty Agreements, Continued

During 1998, the Erie Sewer Authority entered into a financing agreement, evidenced by a note, with the Pennsylvania Infrastructure Investment Authority ("Pennvest"). The City agreed to guaranty this component unit's note in the form of a Guaranty Agreement whereby the City will guarantee payment of principal and interest. Amount outstanding at December 31, 1999 is \$2,004,100. (Note I.B.)

During 1990 and 1991, the City entered into two financing agreements, evidenced by notes, with the Pennsylvania Infrastructure Investment Authority ("Pennvest"). On December 30, 1991, these notes were transferred to the Erie City Water Authority, a related organization (a.k.a. Erie Water Works), as a part of the water operation transfer from the City to the Authority. The City, however, remains contingently liable for the notes in the amounts of \$6,419,365 and \$1,987,341, respectively, at December 31, 1999.

B. Financial Assistance Programs

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

C. Significant Contractual Agreements

The City has entered into two contractual agreements with construction firms related to paving and bridge construction. The Bird Drive paving project has a contractual cost of \$1,033,775 of which \$1,033,775 has been paid or accrued at December 31, 1999. The contractual cost for the West Sixth Street Bridge construction project is \$2,884,018 of which \$2,597,860 has been paid or accrued at December 31, 1999.

VI. OTHER DISCLOSURES

A. Revolving Fund Programs

1. Bayfront Urban Development Action Grant (BUDAG) - In 1980, the City received an Urban Development Action Grant under Section 179 of the Housing and Urban Development Act of 1974 (P.L. 93-383) in the amount of \$7,315,338 for the purpose of developing the bayfront area. Of this total grant award \$1,500,000 was used by Erie Insurance for the purpose of acquiring certain parcels of property in the bayfront area. The purchase price plus interest is being repaid to the City in the form of a \$200,000 lump sum payment and 30 subsequent annual installments of \$75,179.

All payments received by the City are restricted to expenditures for further improvement activities in the bayfront area subject to approval by both the City and HUD. The City is reporting this activity as a Special Revenue Fund activity and the balance available for expenditure is presented there.

2. Enterprise Zone Loan Program - During the past several years, the City has received state grant funds under the Enterprise Zone Program which are utilized by the City in supporting businesses within the "Enterprise Zone." These funds are loaned to businesses at attractive interest rates which the City believes results in increased business investment, job creation, and expansion and retention of manufacturing and service firms in the area. All principal and interest payments received by the City are restricted to expenditures that meet the objectives of the Enterprise Zone Program. The City is including this activity with "Grant Funds," a Special Revenue Fund. The balance available for expenditure is \$1,045,811.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

VI. OTHER DISCLOSURES, Continued

B. General Fund Budgetary Basis Budgeted Fund Balance

The City annually includes, as budgeted revenue, the actual budgetary basis fund balance from the prior year and an amount equal to encumbrances outstanding at the end of the prior year. This approach allows the City to budget all available resources, but does not facilitate the flow of budgetary basis, budgeted fund balance from year to year. In order to demonstrate the relationship between current year revenues and expenditures, the aforementioned amounts are included as "Fund balance (deficit) January 1, 1999".

C. Special Revenue - Liquid Fuels Tax Fund

The initial budget for the Liquid Fuels Tax Fund - Special Revenue Fund - represents total expected revenues and expenditures over the life of the project. In subsequent years the revenue and expenditure budgets are "derived" by adjusting the initial budget for actual, inception-to-date amounts. This procedure causes what normally would be beginning budgeted fund balance to be included with current year revenues and expenditures. In order to properly demonstrate the flow from year to year, ending budgeted fund balance is being "reset" to zero.

VII. COMPONENT UNIT DISCLOSURES

A. Redevelopment Authority of the City of Erie

1. Activities - The Redevelopment Authority of the City of Erie is an authority created under the Urban Redevelopment Law, Act 385 of 1945, by the Commonwealth of Pennsylvania in agreement with the City of Erie, with the primary objective of developing viable urban communities, including decent housing and suitable living environment, and expanding economic opportunities, principally of persons of low and moderate income. Consistent with this primary objective, the federal, state and local assistance provided is for the support of community development activities.
2. Basis of Accounting - The modified accrual basis of accounting is followed by the Authority. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when the related fund liability is incurred, if measurable.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received they are recorded as deferred revenues until earned.

3. Cash Deposits - The Redevelopment Authority's cash deposits are covered by federal depository insurance and collateralized by security pools held by the Authority's authorized depositories in accordance with Pennsylvania Pledge Act 72.

At December 31, 1999, the deposits of the Authority can be categorized to indicate the level of risk assumed. Category 1 includes bank balances insured by the FDIC. Category 2 includes bank balances collateralized with securities held by the pledging financial institution's trust Authority or agent in the Authority's name. Category 3 includes bank balances collateralized with securities held by the pledging financial institution or its trust Authority or agent, but not in the Authority's name.

	Carrying Amount	Bank Balance	Category 1	Category 2	Category 3
Cash	\$ 471,263	\$ 480,939	\$ 399,188	\$ 81,751	\$ 0
Total	<u>\$ 471,263</u>	<u>\$ 480,939</u>	<u>\$ 399,188</u>	<u>\$ 81,751</u>	<u>\$ 0</u>

The Authority has adopted Statement No. 31 of the Governmental Accounting Standards Board (GASB 31) – "Accounting and Financial Reporting for certain Investments and External Investments Pools." Under GASB 31, the Authority is required to report investments at fair value.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

VII. COMPONENT UNIT DISCLOSURES

A. Redevelopment Authority of the City of Erie, Continued

4. Pension - The Authority provides pension benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after completing six months of service and 1,000 hours of service during the plan year. The plan stipulates that the Authority shall contribute and allocate to the account of each eligible participant 7½% of such participant's compensation. Each participant shall contribute 5½% of such participant's compensation. The Authority's contribution for each participant is fully vested after five years of continuous service. Each participant has a 100% vested interest in his or her contribution regardless of length of service. The Authority's contributions were calculated using the total compensation of eligible participants in the amount of \$227,918. Total payroll for the year was \$231,283. Both the Authority and the covered employees made the required contributions, amounting to \$17,094 from the Authority and \$12,535 from the covered employees, or \$29,629 in total.

5. Mortgage Payable - The Authority entered into a mortgage agreement dated May 14, 1992 with an association of local banks. The mortgage payable of \$104,000 consists of a noninterest bearing note secured by various parcels of real estate. The net proceeds from sales are applied against the principal balance of the note due in full on May 14, 1999.

As of December 31, 1999, the balance of this loan remained at \$104,000 and the terms of the loan have not been renegotiated.

6. Compensated Absences - Employees of the Authority are entitled to paid vacation and paid sick days, depending on length of service. No more than thirty vacation days may be carried over from one calendar year to the next. Sick leave may be accumulated, but no more than one hundred days may be carried from one calendar year to the next. In addition, employees have the option to receive one day's pay for every four days unused sick leave. This option is only available for unused days earned during the current year. It is impracticable to estimate the allocation of compensation for future absences among the various projects and, accordingly, no liability has been recorded in the accompanying financial information. The Authority's policy is to recognize the costs of compensated absences when actually paid to the employee.

7. Operating Lease - The Authority is committed under a lease for office space. This lease is considered for accounting purposes to be an operating lease. Lease expenditures for the year ending December 31, 1999 amounted to \$12,000.

8. Capital Lease - The Authority entered into a lease agreement with ETG Communications for a new phone system. The lease is for a period of five years and the Authority makes monthly payments of \$92. Upon termination of the lease the leased property becomes the property of the Authority. Therefore, this lease with a capitalized cost of \$5,520, is being accounted for as a capital lease.

The remaining lease payments as of December 31, 1999 are as follows:

2000 .....	\$ 1,104
2001 .....	1,104
2002 .....	1,104
2003 .....	<u>184</u>
Total Lease Payments.....	<u>\$ 3,496</u>

9. Transactions with the Primary Government - During 1999, the Redevelopment Authority received \$1,389,171 in grants from the City of Erie, recorded as intergovernmental revenue in the component unit's statement of revenues, expenditures and changes in fund balance.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

VII. COMPONENT UNIT DISCLOSURES, Continued

B. Erie Municipal Park Authority

1. Activities - The Erie Municipal Park Authority, a financing Authority incorporated June 12, 1964, was formed to acquire and improve the park, playgrounds and recreation grounds located at the Erie Zoological Society. It has since entered into a lease with the City of Erie for the park grounds which revenue is used to finance the interest and debt reduction of the Authority.
2. Basis of Accounting - Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial information. The accompanying financial information has been prepared on the modified accrual basis of accounting.
3. Property, Plant and Equipment - The Authority's fixed assets relating to the bond issues are reflected in the General Fixed Assets Account Group of the City of Erie.
4. Investments - The investments stated at fair value at December 31, 1999 consist of U.S. Treasury trust obligations.
5. Long-Term Debt - The bonds payable consists of Park Revenue Bonds - Series of 1964, \$1,080,000 principal amount, dated August 1, 1964. The remaining bonds outstanding at December 31, 1999 bear interest payable semi-annually on February 1 and August 1, and mature on February 1, 2004.

<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
2004 .....	3.50%	\$ <u>225,000</u>

In accordance with the Trust Indenture, bonds maturing February 1, 2004 are subject to redemption prior to and in order of maturity in part on February 1, 1980 and on any February 1 thereafter, except on maturity dates thereof, only from monies in the Special Sinking Fund Account in the Bond Fund upon payments of 100% of the principal amount plus accrued interest.

In addition, bonds outstanding are subject to redemption prior to maturity at the option of the Authority as a whole at any time or from time to time in part in the inverse order of maturity on any interest payment date upon payment of the principal plus accrued interest to the date of redemption.

As of December 31, 1999, the Authority has redeemed principal amount of bonds prior to normal redemption, which would have matured in 2004, in the amount of \$315,000. For the year ended December 31, 1999, the Authority redeemed bonds as follows:

Face amount of bonds redeemed.....	\$ <u>40,000</u>
------------------------------------	------------------

6. Transactions with the Primary Government - The offsetting asset and liability represents the aggregate remaining bond principal outstanding as of December 31, 1999 for the Series of 1964 bond issue. These bonds are redeemed with the proceeds from leasing the Park property to the City of Erie. The City's lease rental payment is \$53,000 annually on January 1 to and including January 1, 2004, which amounts to \$265,000 at December 31, 1999. The difference between the aggregate lease rentals to be received and outstanding bond principal represents bond interest and administrative expenses to be paid in the future. (See also Note III.B.5.)

C. Erie Metropolitan Transit Authority

1. Activities - The Authority is an operating authority created by the City and the County of Erie in 1967 for the purpose of operating the public transportation system of the City and County of Erie. The operation's deficits are funded by the U.S. Department of Transportation, Pennsylvania Department of Transportation, City of Erie, County of Erie and other municipalities of the County of Erie.
2. Basis of Accounting - The records covering transit operations are maintained on the accrual basis. The records supporting the capital grant projects in which there is federal government participation are maintained in accordance with the requirements of the U.S. Department of Transportation and are maintained on the accrual basis.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

VII. COMPONENT UNIT DISCLOSURES, Continued

C. Erie Metropolitan Transit Authority, Continued

3. Deposits with Financial Institutions and Investments - Deposits are primarily in local financial institutions, and are also invested in the Pennsylvania Local Government Trust Fund (PLGIT) located in Harrisburg, Pennsylvania; the Government Income Securities, Inc. Fund which is located in Boston, Massachusetts; mortgage-backed securities through Paine Webber; federal securities mutual funds and U.S. Treasury Notes. Investments are carried at fair value which approximates cost.

4. Cash and Investments - Certain cash is restricted by grant agreements. The restricted amounts are as follows:

Pennsylvania Department of Transportation, Act 26, Section 1310 .....	\$ 1,631,296
Pennsylvania Department of Transportation, Department of Energy Grant .....	652,532
Pennsylvania Department of Transportation, Act 3, Additional Supplemental Grant .....	<u>134,018</u>
	<u>\$ 2,417,846</u>

Cash and cash equivalents consist of the following:

<u>Category</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
(1) Insured or collateralized with securities held by the Authority or by its agent in the Authority's name .....	\$ 285,000	\$ 285,000
(2) Collateralized with securities held by the pledging financial institutions trust department or agent in the Authority's name .....	0	0
(3) Uncollateralized (including those collateralized with securities held by pledging institutions trust department or agent but not in the name of the Authority) .....	<u>2,708,877</u>	<u>2,693,202</u>
Total .....	<u>\$ 2,993,877</u>	<u>\$ 2,978,202</u>

Investments are stated at fair value which approximates costs are as follows:

	<u>Carrying Amount</u>
Government Income Securities, Inc. mutual fund investing in securities guaranteed by the U.S. Government or its instrumentalities .....	\$ 1,263,564
\$95,000 FHLMC Pool, 6.000% yield to maturity due December 15, 2023 .....	69,424
Pennsylvania Local Government Investment Trust/Term Fund, average yield of 4.73% .....	318,158
Provident Institutional Funds .....	327,968
\$662,000 U.S. Treasury Strips, due May 15, 2000 .....	632,905
FNMA, due June 25, 2029, 7.5% yield to maturity .....	25,740
FHLB Callable, Rate 5.17% .....	<u>79,413</u>
	<u>\$ 2,717,172</u>

The year end balances are categorized as follows with respect to credit risk:

- 1) Includes investments that are insured or registered for which the securities are held by the Authority or its agent, in the Authority's name.
- 2) Includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent in the Authority's name.
- 3) Includes uninsured and unregistered investments held by the financial institution's trust department or agent, but not in the Authority's name.

	<u>Category</u>			<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Unrestricted Investments .....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,717,172</u>	<u>\$ 2,717,172</u>	<u>\$ 2,717,172</u>

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

VII. COMPONENT UNIT DISCLOSURES, Continued

C. Erie Metropolitan Transit Authority, Continued

5. Inventories - Inventories, which consist primarily of replacement parts, fuel and oil, and tokens and tickets, are generally valued at the most recent purchase price. Garage and office supplies are not inventoried.
6. Investment in Transit System - The investment in the transit system is carried on the books at cost and consists of the following:

	Estimated Useful Lives in Years	Balance January 1, 1999	Additions	Dispositions	Balance December 31, 1999
Land.....	N/A	\$ 189,369	\$ 0	\$ 0	\$ 189,369
Land improvements.....	10 - 15	337,580	0	68	337,512
Building and building improvements.....	5 - 33	2,988,659	639,356	20,293	3,607,722
Buses.....	5 - 12	11,599,280	2,527,977	86,315	14,040,942
Fare boxes.....	12	337,511	18,370	3,695	352,186
Service vehicles and equipment.....	4 - 7	336,076	0	15,770	320,306
Shop and garage equipment.....	5 - 12	1,134,222	140,726	547,476	727,472
Office furniture and equipment.....	5 - 10	275,750	130,224	49,702	356,272
Radio equipment.....	12	413,010	6,037	239	418,808
Bus shelters.....	12 - 15	194,571	1,595	0	196,166
Suburban mobility study in progress.....	N/A	99,341	0	0	99,341
Construction in Progress.....	N/A	30,249	703,970	125,925	608,474
Park and Ride.....	30	0	1,464,157	6,051	1,458,106
		17,935,798	5,632,412	855,534	22,712,676
Less: accumulated depreciation.....		10,087,317	1,294,174	720,093	10,661,398
Net investment in transit system.....		<u>\$ 7,848,481</u>	<u>\$ 4,338,238</u>	<u>\$ 135,441</u>	<u>\$ 12,051,278</u>

The 1999 additions to the transit system consist mainly of land and building purchase for the LIFT operation, engines and transmissions, facility improvements, and other shop and office equipment.

7. Pension - All Authority full-time employees participate in the single-employer defined benefit pension plan maintained by the Authority. Covered employees are required to contribute \$6.75 plus 40% of the required monthly contributions over \$13.50. The Authority is required to contribute \$6.75 plus 60% of the required monthly contributions over \$13.50.

Membership in the plan consisted of the following at May 1, 1999:

Active employees.....	110
Retired employees and beneficiaries.....	56
Vested former employees.....	<u>3</u>
Total.....	<u>169</u>

The annual required contribution, which is equal to the annual pension costs, for the plan is \$233,159. The amount actually contributed to the plan was \$241,454 which is 103.6% of the annual pension cost. (See Required Supplemental Schedules)

In 1994, the Authority adopted a Non-Bargained Employees Supplemental Retirement Plan which was implemented to provide supplemental benefits to the Authority's non-bargained employees. The plan is contributory and provides monthly payments upon retirement at age 65. Early retirement is permitted after age 52 and 15 years of service.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

VII. COMPONENT UNIT DISCLOSURES, Continued

C. Erie Metropolitan Transit Authority, Continued

7. Pension, Continued

Contributions to the supplemental plan are provided 60% from the employer and 40% from the employee.

The annual required contribution, which is equal to the annual pension costs, for the plan is \$14,633. The amount actually contributed to the plan was \$121,745, which is 832.0% of the annual pension costs.

8. Line of Credit - The Authority has available a revolving credit agreement for a maximum of \$100,000 with a local bank which has been extended through February 25, 2000. The line is unsecured and bears interest at the prime rate minus 1-1/2 percent.

9. Transactions with the Primary Government - During 1999, the City of Erie provided the Erie Metropolitan Transit Authority with \$200,000, which is included in the Authority's statement of revenues, expenses and changes in retained earnings for the year ended June 30, 1999.

D. Erie Parking Authority

1. Activities - The Erie Parking Authority is an operating authority created for the purpose of operating metered street parking and off street parking lots and ramps in the City of Erie.

2. Restricted Assets - In accordance with the terms and conditions of its trust indenture, the Authority has restricted assets for the specific purposes of debt service, meter and equipment replacement and other capital improvements.

3. Cash and Investments - The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less to be cash equivalents.

Cash and Cash Equivalents - The Authority's cash deposits are carried at fair value. The year end balances are categorized as follows with respect to credit risk.

<u>Category</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
(1) Insured or collateralized with securities held by the Authority or by its agent in the Authority's name .....	\$ 300,000	\$ 300,000
(2) Collateralized with securities held by the pledging financial institutions trust department or agent in the Authority's name .....	0	0
(3) Uncollateralized (including those collateralized with securities held by pledging institutions trust department or agent but not in the name of the Authority) .....	6,076,410	6,072,367
Total .....	<u>\$ 6,376,410</u>	<u>\$ 6,372,367</u>

Investments - The Authority's investments are summarized below and are categorized by credit risk. Investments in pooled money market funds are not categorized.

- 1) Includes investments that are insured or registered for which the securities are held by the Authority or its agent, in the Authority's name.
- 2) Includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent in the Authority's name.
- 3) Includes uninsured and unregistered investments held by the financial institution's trust department or agent, but not in the Authority's name.

	<u>Category</u>			<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Repurchase Agreements .....	\$ 0	\$ 0	\$ 554,644	\$ 554,644	\$ 554,644

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

VII. COMPONENT UNIT DISCLOSURES, Continued

D. Erie Parking Authority, Continued

3. Cash and Investments, Continued

Investments, Continued

The repurchase agreements are restricted for revenue bond debt service and capital improvements and will be held to maturity.

4. Capitalization and Depreciation - Property is stated at cost. Expenditures for additions, replacements and major renovations are capitalized while those for normal repairs and maintenance are expensed in the year incurred. Depreciation of property is computed using the straight-line method over the estimated useful lives of the various assets. Estimated useful lives are as follows:

Parking ramps .....	45 years
Surface lots .....	10 to 25 years
Meters and collection equipment .....	10 years
Other equipment and vehicles .....	5 to 10 years

A summary of property activity for 1999 is as follows:

	Balance January 1, 1999	Additions	Dispositions	Balance December 31, 1999
Land .....	\$ 2,285,377	\$ 0	\$ 0	\$ 2,285,377
Parking facilities .....	27,114,597	3,500,181	0	30,614,778
Metered collection equipment .....	401,877	33,078	0	434,955
Other equipment and vehicles .....	297,778	28,725	0	326,503
Total .....	30,099,629	3,561,984	0	33,661,613
Less: accumulated depreciation .....	9,286,516	788,664	0	10,075,180
Net .....	\$ 20,813,113	\$ 2,773,320	\$ 0	\$ 23,586,433

5. Compensated Absences - Earned vacation is generally required to be used in the year of accrual. The Authority's employees are allowed to accumulate a maximum of 120 days of sick pay. If not used, 25% of the accumulated sick pay will be paid upon retirement. Accumulated sick pay is lost in the events of termination or death. The accrued sick pay liability at December 31, 1999 amounted to \$38,035.

6. Pension - The Authority maintains a single-employer defined benefit pension plan which covers substantially all of its employees. Employees are eligible to participate beginning on the first day of the calendar year after their date of employment. Plan benefits begin vesting after five years of service with full vesting occurring after fifteen years of service. Employees who retire at age 65 with five years of credited service are entitled to benefits, payable monthly for life, in an amount equal to \$17.00 for each year of credit service. The Plan also provides for early retirement, death and disability benefits.

Funding Policy

Employees are not required to pay a portion of their total compensation to the plan. The Authority's funding policy provides for actuarially determined periodic contributions at rates that sufficient assets will be available to pay benefits when due.

The contribution rate for normal cost is determined using the Entry Age Normal Actuarial Cost Method which is in compliance with the guidelines of Act 205 under the Minimum Municipality Obligation.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

VII. COMPONENT UNIT DISCLOSURES, Continued

D. Erie Parking Authority, Continued

6. Pension, Continued

Funding Policy, Continued

Membership in the plan consisted of the following at December 31, 1999:

Active employees .....	36
Retired employees and beneficiaries.....	9
Vested former employees.....	2
Total .....	<u>47</u>

The Authority's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution .....	\$ 34,093
Interest on net pension obligation .....	3,270
Adjustment to annual required contribution .....	0
Annual pension cost .....	<u>37,363</u>
Contributions made .....	0
Increase in net pension obligation.....	37,363
Net pension obligation beginning of year.....	12,626
Net pension obligation end of year .....	<u>\$ 49,989</u>

The Authority also maintains a 401(k) retirement savings plan for its employees. Benefits payable are dependent solely on amounts contributed to the plan plus investment earnings. Participants may contribute up to the maximum percentage allowed by law of their compensation to the plan of which up to six percent is matched by the Authority. The Authority's contribution to the plan amounted to \$38,445 in 1999. At December 31, 1999, the plan has \$5,481 in forfeitures available to reduce future contributions by the Authority.

7. Long-Term Debt - The Erie Parking Authority has entered into the following debt agreements:

Series of 1994 Refunding Bond secured by the Authority's revenue bearing interest from 2.75% to 5.125% with various maturities through September 1, 2015 .....	\$ 11,365,000
Series of 1998 Refunding Bonds secured by the Authority's revenue bearing interest at 3.7% to 5.125% with various maturities through September 1, 2022 .....	<u>14,285,000</u>
Outstanding principal at December 31, 1999.....	25,650,000
Less: original issue discount.....	473,457
Less: deferred amount of refunding .....	1,411,924
Less: current maturities.....	<u>640,000</u>
Total long-term portion.....	<u>\$ 23,124,619</u>

The following summarizes the maturities due subsequent to December 31, 1999, for future debt obligation payments, including \$18,304,144 of interest:

2000 .....	\$ 1,913,236
2001 .....	1,911,712
2002 .....	1,913,053
2003 .....	1,912,335
2004 .....	1,909,758
Thereafter.....	<u>34,394,050</u>
Total .....	<u>\$ 43,954,144</u>

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

VII. COMPONENT UNIT DISCLOSURES, Continued

E. Erie Civic Center Authority

1. Activities - The Erie Civic Center Authority is an operating authority created by the City of Erie pursuant to ordinance No. 69-1976 for the purpose of maintaining and operating the Civic Center complex consisting of the Warner Theater, Louis J. Tullio Arena and the Jerry Uht Baseball Stadium. The Authority provides performing arts, exhibits and convention facilities and sporting events to both public and private organizations on a user charge basis and is therefore accounted for as an Enterprise Fund.
2. Restricted Investments - The Board of Directors has authorized the establishment of a Restoration Fund which is to be used for capital improvements to the Warner Theater and the Capital Improvement Fund which is to be used for general capital improvements to the facility. Also, during 1992, the Authority received a State Legislative Grant of \$27,000, which is included in the "Capital Improvement Fund" and recorded as contributed capital. Due to the restrictions on the use of these investments, they are not considered cash for purposes of the *Statement of Cash Flows*.
3. Cash Deposits - Deposits (cash and short term, nonequity funds) are carried at cost which approximates fair value. The Authority maintains its cash deposits in a single financial institution. The carrying amounts and bank balances of cash at December 31, 1999 are as follows:

<u>Category</u>	<u>Bank Balance</u>
(1) Insured or collateralized with securities held by the Authority or by its agent in the Authority's name .....	\$ 226,498
(2) Collateralized with securities held by the pledging financial institutions trust department or agent in the Authority's name .....	96,607
(3) Uncollateralized .....	<u>0</u>
Total .....	<u>\$ 323,105</u>

The carrying amount of cash deposits is reported in the accompanying financial information as follows:

<u>Unrestricted Cash and Cash Equivalents</u>	
Deposits and cash on hand .....	\$ 262,341
<u>Restricted</u>	
Restricted investments .....	<u>79,855</u>
Carrying amount of cash deposits .....	<u>\$ 342,196</u>

Investments held during the year ended December 31, 1999 are reported at fair value.

4. Property and Equipment

Contributed Capital Assets - A summary of the Authority's capital assets acquired by contributed capital transactions through December 31, 1999 is as follows:

	Balance January 1, 1999	Additions	Dispositions	Balance December 31, 1999
Land and improvements .....	\$ 1,705,097	\$ 0	\$ 0	\$ 1,705,097
Leasehold buildings and improvements .....	21,409,631	0	0	21,409,631
Machinery and equipment .....	<u>431,039</u>	<u>0</u>	<u>0</u>	<u>431,039</u>
Total .....	23,545,767	0	0	23,545,767
Less: accumulated depreciation .....	<u>6,089,336</u>	<u>568,618</u>	<u>0</u>	<u>6,657,954</u>
Net contributed capital assets .....	<u>\$ 17,456,431</u>	<u>\$ (568,618)</u>	<u>\$ 0</u>	<u>\$ 16,887,813</u>

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

VII. COMPONENT UNIT DISCLOSURES, Continued

E. Erie Civic Center Authority, Continued

4. Property and Equipment, Continued

Purchased Capital Assets - A summary of capital assets purchased by the Authority with operating funds through December 31, 1999 is as follows:

	Balance January 1, 1999	Additions	Dispositions	Balance December 31, 1999
Land improvements .....	\$ 4,698	\$ 0	\$ 0	\$ 4,698
Leasehold improvements .....	453,121	182,022	0	635,143
Machinery and equipment.....	621,097	24,420	0	645,517
 Total .....	 1,078,916	 206,442	 0	 1,285,358
Less: accumulated depreciation .....	524,940	92,902	583	617,259
 Net purchased capital assets.....	 <u>\$ 553,976</u>	 <u>\$ 113,540</u>	 <u>\$ 583</u>	 <u>\$ 668,099</u>

5. **Deferred Compensation Plan** - The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue code Section 457. The plan, available to all permanent Authority employees, permits them to defer a portion of their salaries and wages until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Annual compensation deferrals are limited to the lesser of (a) \$7,500 or (b) 33 1/3% of a participant's taxable compensation. The Authority will match fifty percent of a participant's deferred amount up to a maximum of two percent of compensation and, in addition, may make additional annual base contributions to the Plan. Participants are one hundred percent vested in the Authority's base and matching contributions after five years of service. Under the provisions of IRC Section 457, all deferred compensation and income held by third parties, until paid or made available to a participant or beneficiaries, is the property of the Authority subject to the claims of the Authority's general creditors. In addition, plan participants have rights equal to those of the general creditors of the Authority. Each participant's rights are equal to their share of the fair value of the plan assets.
6. **Note Payable** - The note payable to the City of Erie represent draws on a \$300,000, 3% loan for the construction of locker and training facilities at the Louis J. Tullio Arena. Interest will begin to accrue on the note on January 1, 2000. Principal on the note is to be repaid in six annual installments. The note is collateralized by all tangible and intangible personal property owned by the Authority.
7. **Summary Disclosure of Significant Contingencies** - The Authority has a \$35,000 unsecured line of credit with its principal depository, with an interest rate of 75% of the prevailing prime rate. There were no borrowings outstanding under the line of credit at December 31, 1999.
8. **Transactions with the Primary Government** - During 1999, the Erie Civic Center Authority received a \$125,000 subsidy from the City of Erie, which is presented as intergovernmental revenue on the related component unit statement of revenues, expenses and changes in retained earnings.

F. Erie Sewer Authority

1. **Activities** - The Authority owns the municipal sewer systems and sewage treatment works in the City of Erie, which are operated by the City under lease from the Authority.
2. **Basis of Accounting** - The accompanying financial statements have been prepared on the accrual basis of accounting.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

VII. COMPONENT UNIT DISCLOSURES, Continued

F. Erie Sewer Authority, Continued

3. Deposit - At December 31, 1999 the deposits of the Authority can be categorized to indicate the level of risk assumed.

Category:

- 1) Insured or collateralized with securities held by the entity or its agent in the Authority's name.
- 2) Collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.
- 3) Includes bank balances collateralized with securities held by the pledging financial institution or its trust department or agent, but not in the Authority's name.

	Category			Bank Balance	Carrying Amount
	1	2	3		
Unrestricted deposits .....	\$ 5,076	\$ 0	\$ 0	\$ 5,076	\$ 5,076

4. Investments - The Authority records investments at fair value. This value is determined using the last reported sales value of the investments on a national exchange. The year end balances are categorized as follows with respect to credit risk.

- 1) Includes investments that are insured or registered for which the securities are held by the Authority or its agent, in the Authority's name.
- 2) Includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent in the Authority's name.
- 3) Includes uninsured and unregistered investments held by the financial institution's trust department or agent, but not in the Authority's name.

	Category			Fair Value/ Carrying Amount	Cost
	1	2	3		
Unrestricted Investments .....	\$ 0	\$ 15,000	\$ 0	\$ 15,000	\$ 15,000
Restricted Investments .....	100,000	18,355,058	0	18,455,058	18,112,542
Total .....	\$ 100,000	\$ 18,370,058	\$ 0	\$ 18,470,058	\$ 18,127,542

5. Investment in Facilities - The Authority has acquired from the City of Erie its plant, equipment, and facilities (including certain connecting sewers and mains) used in connection with the sewage collection system of the City. Building and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. These facilities are leased under a lease agreement which is fully described in Note III.B.5.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

VII. COMPONENT UNIT DISCLOSURES, Continued

F. Erie Sewer Authority, Continued

6. Long-Term Debt - The Erie Sewer Authority has entered into the following debt agreements:

Sewer Revenue Bonds, Series of 1999, secured by the amended lease between the Authority and the City of Erie, bearing interest ranging from 3.0% to 5.0%, with various maturities through June, 2017 .....	\$ 27,215,000
Sewer Revenue Bonds, Series A and B of 1998, (See Note III.B.5.).....	18,195,000
Sewer Revenue Note, Series of 1994 (See Note III.B.5) .....	5,280,000
*Note Payable with the Pennsylvania Infrastructure Investment Authority (Pennvest), secured by a guarantee agreement with the Authority and the City of Erie, bearing interest ranging from 1.5% to 2.9% through February 1, 2010 .....	2,004,100
**Note Payable with the Pennsylvania Infrastructure Investment Authority (Pennvest), secured by a guarantee agreement with the Authority and the City of Erie, bearing interest ranging from 1.5% to 2.9% through January 1, 2015 .....	<u>842,815</u>
Outstanding principal at December 31, 1999.....	53,536,915
Less: current maturities .....	<u>1,883,187</u>
Total long-term portion .....	<u>\$ 51,653,728</u>

The following summarizes the maturities due subsequent to December 31, 1999 for outstanding indebtedness of the Authority:

2000 .....	\$ 1,883,187
2001 .....	1,923,440
2002 .....	2,015,722
2003 .....	2,090,593
2004 .....	2,157,226
2005 and thereafter .....	<u>44,809,590</u>
Total .....	<u>\$ 54,879,758</u>

7. Restatement of Fund Balances - In 1998, the Authority adopted GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Under GASB 31, the Authority is required to report investments at fair value. The value is determined using the last reported sales value of the investments on a national exchange.
8. Consent Decrees - On October 1, 1997, the Authority and the City of Erie entered into a Consent Decree with the United States of America. The Consent Decree settled a suit filed by the United States against the Authority and the City of Erie on October 25, 1994 for alleged violations of the Clean Water Act. The Consent Decree required payment of \$200,000, which was split between the Authority and the City of Erie.\* The Consent Decree also required the Authority to construct a new relief outfall sewer, headworks, and overflow retention basin, separate the canal sewer and upgrade the sludge incinerator. The estimated cost to complete these projects at December 31, 1999 was \$7.9 million. These projects were planned prior to entering into the Consent Decree.

The City of Erie entered into a Consent Decree on November 30, 1989 with the Commonwealth of Pennsylvania, Department of Environmental Resources. This Consent Decree required an Act 537 Official Sewage Plan Update which has been submitted by the City of Erie. The Plan includes several projects which will be completed by the Authority. These projects are being financed by the proceeds of the Pennvest loans and the Authority's 1998 Bond Issue.

\*The payment is included in Other Income (expense) on the Combining Statement of Revenues, Expenses and Changes in Fund Equity.

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

VII. COMPONENT UNIT DISCLOSURES, Continued

F. Erie Sewer Authority, Continued

9. Prior Period Adjustment - The Authority has restated its financial statements for the year ended December 31, 1998 to reflect changes in the presentation of the previously reported assets, revenues and expenditures. These changes resulted in a net decrease of \$127,240 to the Authority's fund balance as of December 31, 1998 and the related statement of revenues, expenditures and changes in the fund balance.

G. Other Component Unit Disclosures

	Governmental Funds		Proprietary Funds				Total
	Redevelopment Authority of the City of Erie	Erie Municipal Park Authority	Erie Metropolitan Transit Authority	Erie Parking Authority	Erie Civic Center Authority	Erie Sewer Authority	
Current assets.....	\$ 541,171	\$ 298,659	\$ 6,872,614	\$ 7,040,895	\$ 496,770	\$ 19,194,709	\$ 34,444,818
Due from primary government.....	0	0	0	0	0	0	0
Fixed assets.....	68,914	0	12,051,278	23,586,433	17,555,912	56,340,602	109,603,139
Amounts to be provided for long-term debt.....	104,000	225,000	0	0	0	0	329,000
Other assets.....	0	0	0	561,485	0	0	561,485
<b>Total assets .....</b>	<b>\$ 714,085</b>	<b>\$ 523,659</b>	<b>\$ 18,923,892</b>	<b>\$ 31,188,813</b>	<b>\$ 18,052,682</b>	<b>\$ 75,535,311</b>	<b>\$144,938,442</b>
Current liabilities.....	\$ 159,452	\$ 0	\$ 960,960	\$ 1,835,256	\$ 211,373	\$ 4,349,168	\$ 7,516,209
Due to primary government.....	0	0	0	0	0	5,090,000	5,090,000
Bonds and other liabilities.....	313,347	225,000	5,052,134	23,124,619	147,579	45,511,355	74,374,034
<b>Total equity .....</b>	<b>241,286</b>	<b>298,659</b>	<b>12,910,798</b>	<b>6,228,938</b>	<b>17,693,730</b>	<b>20,584,788</b>	<b>57,958,199</b>
<b>Total liabilities and equity .....</b>	<b>\$ 714,085</b>	<b>\$ 523,659</b>	<b>\$ 18,923,892</b>	<b>\$ 31,188,813</b>	<b>\$ 18,052,682</b>	<b>\$ 75,535,311</b>	<b>\$144,938,442</b>

	Governmental Funds		Total
	Redevelopment Authority of the City of Erie	Erie Municipal Park Authority	
Revenue.....	\$ 459,374	\$ 1,698	\$ 461,072
Transfer from the primary government.....	1,389,171	53,000	1,442,171
Current expenditures.....	(1,903,144)	(2,592)	(1,905,736)
Capital outlay expenditures.....	0	0	0
Debt service expenditures.....	0	(48,575)	(48,575)
<b>Excess (deficiency) of revenue.....</b>	<b>\$ (54,599)</b>	<b>\$ 3,531</b>	<b>\$ (51,068)</b>

CITY OF ERIE, PENNSYLVANIA  
Notes to Financial Statements, Continued  
December 31, 1999

VII. COMPONENT UNIT DISCLOSURES, Continued

G. Other Component Unit Disclosures, Continued

	Proprietary Funds				Total
	Erie Metropolitan Transit Authority	Erie Parking Authority	Erie Civic Center Authority	Erie Sewer Authority	
Operating revenue .....	\$ 4,041,898	\$ 3,853,959	\$ 1,562,830	\$ 5,028,681	\$ 14,487,368
Operating expense .....	(7,483,857)	(1,792,839)	(1,590,073)	0	(10,866,769)
Depreciation .....	(1,294,172)	(788,664)	(661,520)	(2,514,586)	(5,258,942)
Operating income (loss).....	(4,736,131)	1,272,456	(688,763)	2,514,095	(1,638,343)
Operating grants, etc.....	8,616,050	0	150,000	0	8,891,050
Other nonoperating income (expense).....	273,451	(1,036,244)	22,400	(1,439,254)	(2,179,647)
Transfers from primary government.....	0	0	125,000	0	0
Net income (loss).....	<u>\$ 4,153,370</u>	<u>\$ 236,212</u>	<u>\$ (391,363)</u>	<u>\$ 1,074,841</u>	<u>\$ 5,073,060</u>
Current capital contributions .....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,941</u>	<u>\$ 0</u>	<u>\$ 1,941</u>
		Amount from Statement of Cash Flows	Effects of Proprietary Funds	Effects of Governmental Funds	Total
Cash and cash equivalents.....	\$ 7,732,694	\$ 0	\$ 337,239	\$ 8,069,933	
Investments.....	0	15,000	33,659	48,659	
Restricted cash and cash equivalents.....	4,622,182	0	134,024	4,756,206	
Restricted investments.....	0	19,089,557	0	19,089,557	
	<u>\$ 12,354,876</u>	<u>\$ 19,104,557</u>	<u>\$ 504,922</u>	<u>\$ 31,964,355</u>	

Reconciliation of the Combined Component Units Statement of Cash Flows, comprising only of Proprietary Funds, to the Combined Component Units Balance Sheet, which includes both the Proprietary Funds and the Governmental Funds.

CITY OF ERIE, PENNSYLVANIA  
 Officers' and Employees' Retirement Association  
 Required Supplemental Schedule - Analysis of Funding Progress  
 December 31, 1999

Six-year historical trend information about the fund is presented herewith as required supplementary information. This information is intended to help users assess the Fund's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other state and local government retirement systems.

A. Schedule of Funding Progress (in Millions of Dollars)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
January 1, 1994	\$ 30.9	\$ 53.2	\$ 22.3	58.0 %	\$ 11.2	199.40 %
January 1, 1995	29.6	54.5	24.9	54.3	11.8	210.20
January 1, 1996	35.8	56.8	21.0	63.1	11.9	175.50
January 1, 1997	39.9	57.5	17.6	69.3	12.5	140.60
January 1, 1998	46.7	60.8	14.1	76.9	13.0	108.10
January 1, 1999	54.1	60.5	6.4	89.4	13.4	47.86

B. Contributions From the Employer and Other Contributing Entities

<u>Calendar Year</u>	<u>Annual Required Contributions</u>	<u>Amount Contributed</u>	<u>Percentage Contributed</u>
1994	\$ 3,031,707	\$ 3,776,847	124.6 %
1995	3,298,535	3,141,603	95.2
1996	2,919,507	3,373,474	115.6
1997	2,553,048	3,055,384	119.7
1998	2,255,496	5,460,557	242.1
1999	1,437,259	2,170,371	151.0

CITY OF ERIE, PENNSYLVANIA  
Officers' and Employees' Retirement Association  
Required Supplemental Schedule - Analysis of Funding Progress  
December 31, 1999

C. Notes to Required Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	1/1/99
Actuarial cost method	Entry age-normal
Amortization method	Level dollar payment closed
Remaining amortization period	27 years
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	5.0%
Includes inflation at	3.0% and 2.0% for productivity, merit and seniority
Cost-of-living adjustments	None

CITY OF ERIE, PENNSYLVANIA  
 Police Relief and Pension Association  
 Required Supplemental Schedule - Analysis of Funding Progress  
 December 31, 1999

Six-year historical trend information about the fund is presented herewith as required supplementary information. This information is intended to help users assess the Fund's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other state and local government retirement systems.

A. Schedule of Funding Progress (in Millions of Dollars)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
January 1, 1994	\$ 27.1	\$ 72.3	\$ 45.2	37.5 %	\$ 6.4	706.1
January 1, 1995	29.2	74.9	45.6	39.0	6.9	664.5
January 1, 1996	39.3	78.4	39.1	50.1	6.9	567.1
January 1, 1997	46.6	80.2	33.6	58.1	7.8	431.2
January 1, 1998	57.0	79.3	22.3	71.9	8.0	279.1
January 1, 1999	82.7	76.1	(6.7)	108.8	8.1	(82.6)

B. Contributions From the Employer and Other Contributing Entities

<u>Calendar Year</u>	<u>Annual Required Contributions</u>	<u>Amount Contributed</u>	<u>Percentage Contributed</u>
1994	\$ 5,203,963	\$ 5,226,473	100.4 %
1995	5,028,735	5,068,914	100.8
1996	4,958,935	4,959,135	100.0
1997	4,341,905	4,342,108	100.0
1998	3,631,007	20,327,924	559.8
1999	800,963	800,963	100.0

CITY OF ERIE, PENNSYLVANIA  
Police Relief and Pension Association  
Required Supplemental Schedule - Analysis of Funding Progress  
December 31, 1999

C. Notes to Required Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	1/1/99
Actuarial cost method	Entry age-normal
Amortization method	Level dollar payment closed
Remaining amortization period	15
Asset valuation method	Fair Value
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	5.5%
Includes inflation at	3.0% and 2.5% for productivity, merit and seniority
Cost-of-living adjustments	4.0%

CITY OF ERIE, PENNSYLVANIA  
 Firemens' Pension Fund  
 Required Supplemental Schedule - Analysis of Funding Progress  
 December 31, 1999

Six-year historical trend information about the fund is presented herewith as required supplementary information. This information is intended to help users assess the Fund's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other state and local government retirement systems.

A. Schedule of Funding Progress (in Millions of Dollars)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
January 1, 1994	\$ 16.5	\$ 36.2	\$ 19.7	45.6 %	\$ 6.5	303.1 %
January 1, 1995	16.6	36.6	20.0	45.4	6.7	298.5
January 1, 1996	21.2	38.9	17.7	54.5	7.0	252.9
January 1, 1997	24.4	40.5	16.1	60.2	7.4	217.6
January 1, 1998	28.9	48.3	19.4	59.8	7.7	251.9
January 1, 1999	42.9	52.3	9.4	82.0	7.7	122.1

B. Contributions From the Employer and Other Contributing Entities

<u>Calendar Year</u>	<u>Annual Required Contributions</u>	<u>Amount Contributed</u>	<u>Percentage Contributed</u>
1994	\$ 1,926,789	\$ 1,996,084	103.6 %
1995	1,931,582	1,945,353	100.7
1996	1,991,281	1,996,017	100.2
1997	1,768,509	1,768,695	100.0
1998	1,631,054	11,512,226	705.8
1999	1,257,948	1,782,833	141.7

CITY OF ERIE, PENNSYLVANIA  
Firemens' Pension Fund  
Required Supplemental Schedule - Analysis of Funding Progress  
December 31, 1999

C. Notes to Required Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	1/1/99
Actuarial cost method	Entry age-normal
Amortization method	Level dollar payment closed
Remaining amortization period	27 years
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	5.5%
Includes inflation at	3.0% and 2.5% for productivity, merit and seniority
Cost-of-living adjustments	4.0% per year

CITY OF ERIE, PENNSYLVANIA  
 Erie Parking Authority  
 Required Supplemental Schedule - Analysis of Funding Progress  
 December 31, 1999

Three-year historical trend information about the fund is presented herewith as required supplementary information. This information is intended to help users assess the Fund's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other state and local government retirement systems.

A. Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
January 1, 1995	\$ 454,691	\$ 480,217	\$ 25,526	94.7 %	\$ 601,861	4.2 %
January 1, 1997	492,307	579,912	87,605	84.9	676,838	12.9
January 1, 1999	597,259	653,781	56,522	91.4	679,763	8.3

B. Contributions From the Employer and Other Contributing Entities

<u>Calendar Year</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
1996	\$ 23,975	100.0 %
1997	22,407	100.0
1998	35,033	64.0
1999	37,363	0.0

CITY OF ERIE, PENNSYLVANIA  
Erie Parking Authority  
Required Supplemental Schedule - Analysis of Funding Progress  
December 31, 1999

C. Notes to Required Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	1/1/99
Actuarial cost method	Entry age-normal
Amortization method	Not available
Remaining amortization period	Not available
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	7.0%
Projected salary increases	0.0%
Includes inflation at	Not applicable
Cost-of-living adjustments	Not applicable

CITY OF ERIE, PENNSYLVANIA  
 Erie Metropolitan Transit Authority  
 Required Supplemental Schedule - Analysis of Funding Progress  
 December 31, 1999

Six-year historical trend information about the fund is presented herewith as required supplementary information. This information is intended to help users assess the Fund's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other state and local government retirement systems.

A. Schedule of Funding Progress

Regular Plan:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
May 1, 1989	\$ 2,156,750	\$ 2,791,188	\$ 634,438	77.27 %	\$ 2,640,350	24.03 %
May 1, 1991	2,252,847	3,146,173	893,326	71.61	2,649,247	33.72
May 1, 1993	2,992,775	3,310,773	317,998	90.40	2,857,172	11.13
May 1, 1995	3,387,778	4,357,147	969,369	77.75	3,191,939	30.37
May 1, 1997	4,033,707	5,185,181	1,151,474	77.79	3,053,388	37.71
May 1, 1999	5,384,415	6,283,648	899,233	85.69	3,318,470	27.10

Supplemental Plan:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
May 1, 1995	\$ 150,123	\$ 173,122	\$ 22,999	86.72 %	\$ 321,956	7.14 %
May 1, 1997	212,086	295,442	83,356	71.79	345,945	24.10
May 1, 1999	410,043	551,966	141,923	74.29	521,575	27.21

B. Contributions From the Employer and Other Contributing Entities

Regular Plan:

<u>Calendar Year</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
1994	\$ 163,254	110.9 %
1995	118,996	157.0
1996	122,987	157.9
1997	215,166	98.6
1998	203,780	101.6
1999	233,159	103.6

Supplemental Plan:

<u>Calendar Year</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
1997	\$ 7,183	123.6 %
1998	7,309	225.1
1999	14,633	832.0

CITY OF ERIE, PENNSYLVANIA  
 Erie Metropolitan Transit Authority  
 Required Supplemental Schedule - Analysis of Funding Progress  
 December 31, 1999

C. Notes to Required Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	5/1/99
Actuarial cost method	Entry age-normal
Amortization method	Level dollar payment closed
Remaining amortization period	
Regular Plan	13 years
Supplemental Plan	17 years
Asset valuation method	Five year moving average appreciation
Actuarial assumptions:	
Investment rate of return	7.0%
Projected salary increases	
Regular Plan	4.0%
Supplemental Plan	3.0%
Includes inflation at	Not applicable
Cost-of-living adjustments	Not applicable

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CITY OF ERIE, PENNSYLVANIA

General Fund

Individual Financial Statements

The General Fund accounts for all revenues and expenditures of the City which are not accounted for in other funds. The essential government services and functions are provided from the General Fund including police and fire protection, street maintenance and lighting, public buildings, parks and recreation and general administration. Principal sources of revenue are taxes, fines and forfeits, licenses and permits, interest earnings, charges for interfund services and state shared revenues.

CITY OF ERIE, PENNSYLVANIA  
 Combined Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)  
 Budget and Actual (Including Encumbrances) - General Fund, Continued  
 December 31, 1999

	General Fund		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Real estate taxes - current	\$ 16,402,956	\$ 16,700,776	\$ 297,820
Real estate taxes - prior	1,480,000	1,266,742	(213,258)
Income taxes	5,000,000	5,000,000	0
Realty transfer taxes	600,000	614,282	14,282
Occupational privilege taxes	320,000	320,000	0
Real estate penalty, interest	270,000	181,788	(88,212)
Towing licenses	13,800	11,385	(2,415)
Amusement licenses	31,000	30,860	(140)
Engineer, electrician, plumber licenses	97,000	102,682	5,682
Direct access licenses	39,000	39,120	120
Bandwagon, special events permits	11,500	10,350	(1,150)
Building, demolition, moving permits	210,000	270,366	60,366
Curb, driveway, sewer, sidewalk, street permits	320,000	404,670	84,670
Electric permits	125,000	110,948	(14,052)
Fence, furnace, sign permits	14,000	19,145	5,145
Plumbing inspection permits	40,000	36,525	(3,475)
Cable TV franchise	510,000	502,374	(7,626)
State operating grant- Commonwealth of Pennsylvania	40,000	40,000	0
State operating grant - Penn DOT	6,835	13,670	6,835
State operating grant - Auto Theft	0	54,956	54,956
State operating grant - Department of Environmental Resources	225,000	248,966	23,966
State shared revenue - public utility realty tax	375,000	303,531	(71,469)
State shared revenue - alcoholic beverage	86,000	82,150	(3,850)
State aid - pension system	2,100,000	2,303,960	203,960
Local operating unit - Emergycare	20,000	20,000	0
Local shared revenue - county liquid fuel	124,960	124,735	(225)
Payment in lieu of taxes	685,000	706,758	21,758
Zoning fees	19,000	15,781	(3,219)
Administrative real estate service fees	80,000	83,220	3,220
Towing fees	11,500	14,750	3,250
Gas sales	350,000	246,484	(103,516)
Newspaper recycling sales	110,000	120,693	10,693
Miscellaneous costs, fees, sales	20,000	29,023	9,023
Safety reports, fingerprinting	50,000	44,044	(5,956)
Miscellaneous safety fees	5,000	251	(4,749)
Parking fines	880,000	1,015,662	135,662
State police fines	45,000	81,530	36,530
Traffic court fines	150,000	199,139	49,139
Parking/traffic court costs	55,000	73,537	18,537
District justice fines	125,000	128,528	3,528
Miscellaneous fines	30,000	31,756	1,756
Investment income	602,832	442,101	(160,731)
Checking account interest	20,000	33,631	13,631
Rents, royalties	58,000	64,673	6,673
Special assessments	5,000	3,728	(1,272)
Contributions	1,550	14,000	12,450
Crossing guard expense reimbursement - school	85,000	76,813	(8,187)
Pension salary reimbursement - Officer and Employee Retirement Association	43,000	43,521	521
Police reimbursement - Housing Authority	220,000	167,883	(52,117)
Police officers training reimbursement - state	36,000	47,742	11,742
Central service expense reimbursement - interfund	1,392,136	1,411,293	19,157
Municipal garage expense reimbursement - interfund	315,000	334,821	19,821
Postretirement reimbursement - state	70,000	63,300	(6,700)
Collector of taxes expense reimbursement - school	281,003	240,670	(40,333)
Income tax office expense reimbursement - school	250,681	281,881	31,200
Erie County Solid Waste Authority reimbursement - county	61,287	57,140	(4,147)
Miscellaneous sources	83,726	366,951	283,225
Sale of general fixed assets	20,000	10,278	(9,722)
Total revenues	<u>34,622,766</u>	<u>35,265,563</u>	<u>642,797</u>

CITY OF ERIE, PENNSYLVANIA  
 Combined Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)  
 Budget and Actual (Including Encumbrances) - General Fund, Continued  
 Year Ended December 31, 1999

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Office of City Council			
Salaries	\$ 43,750	\$ 43,500	\$ 250
FICA - Medicare tax	3,579	3,442	137
Pension contribution	7,653	7,653	0
Group insurance	42,237	40,625	1,612
Workers compensation insurance	1,567	1,567	0
Professional services	17,500	14,018	3,482
Transportation and seminars	2,795	2,795	0
Transportation and seminars	47	47	0
	<u>119,128</u>	<u>113,647</u>	<u>5,481</u>
Office of City Clerk			
Salaries	114,725	112,437	2,288
FICA - Medicare tax	8,777	8,601	176
Pension contribution	7,653	7,653	0
Group insurance	19,397	19,397	0
Workers compensation insurance	672	672	0
Office supplies	1,830	1,829	1
Operating supplies	52	51	1
Consumable items	900	127	773
Transportation and seminars	680	679	1
Communication	500	500	0
Postage	1,000	1,000	0
Advertising	6,800	6,133	667
Repair and maintenance services	1,500	779	721
Other services and charges	4,824	309	4,515
Postage	66	66	0
Advertising	293	288	5
Other services and charges	2,592	92	2,500
Office equipment	1,678	0	1,678
	<u>173,939</u>	<u>160,613</u>	<u>13,326</u>
Office of Mayor			
Salaries	215,114	214,370	744
FICA - Medicare tax	16,456	16,440	16
Pension contribution	12,373	12,373	0
Group insurance	31,387	31,387	0
Workers compensation insurance	1,086	1,086	0
Office supplies	2,000	1,269	731
Consumable items	1,000	130	870
Transportation and seminars	6,000	2,841	3,159
Postage	1,200	1,198	2
Repair and maintenance services	600	542	58
Other services and charges	42,350	42,139	211
Consumable items	90	0	90
Office equipment	1,650	0	1,650
	<u>331,306</u>	<u>323,775</u>	<u>7,531</u>
Office of Cable Television			
Salaries	6,394	6,325	69
FICA - Medicare tax	489	476	13
Pension contribution	383	383	0
Group insurance	969	966	3
Workers compensation insurance	34	34	0
Office supplies	397	397	0
Operating supplies	149	0	149
Repair and maintenance services	93	0	93
Consumable items	82	82	0

CITY OF ERIE, PENNSYLVANIA  
 Combined Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)  
 Budget and Actual (Including Encumbrances) - General Fund, Continued  
 Year Ended December 31, 1999

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Office of Cable Television (continued)			
Professional services	\$ 20,090	\$ 20,090	\$ 0
Transportation and seminars	500	300	200
Communication	1,060	1,060	0
Postage	50	0	50
Repair and maintenance services	497	165	332
Other services and charges	350	102	248
	<u>31,537</u>	<u>30,380</u>	<u>1,157</u>
Office of City Solicitor			
Salaries	197,179	197,179	0
FICA - Medicare tax	15,233	15,149	84
Pension contribution	12,755	12,755	0
Group insurance	32,312	29,681	2,631
Workers compensation insurance	1,119	1,119	0
Office supplies	16,650	16,210	440
Consumable items	3,000	355	2,645
Professional services	13,865	1,100	12,765
Transportation and seminars	4,140	1,647	2,493
Postage	800	800	0
Repair and maintenance services	925	707	218
Other services and charges	50,660	21,261	29,399
Professional services	14,818	2,362	12,456
Transportation and seminars	743	406	337
Other services and charges	5,712	0	5,712
Office equipment	5,000	811	4,189
	<u>374,911</u>	<u>301,542</u>	<u>73,369</u>
Office of City Treasurer			
Salaries	14,500	14,051	449
FICA - Medicare tax	1,109	1,075	34
Transportation and seminars	519	519	0
	<u>16,128</u>	<u>15,645</u>	<u>483</u>
Office of Collector of Taxes - City			
Salaries	67,262	66,547	715
FICA - Medicare tax	5,108	5,091	17
Pension contribution	5,679	5,679	0
Group insurance	15,085	15,085	0
Workers compensation insurance	498	498	0
Office supplies	1,650	1,533	117
Small tools and minor equipment	1,071	1,071	0
Professional services	5,000	4,664	336
Communication	1,155	1,043	112
Postage	3,650	132	3,518
Repair and maintenance services	582	521	61
Other services and charges	3,512	2,165	1,347
Miscellaneous insurance and bonds	2,050	1,498	552
Office equipment	711	710	1
Office supplies	209	193	16
Consumable items	105	98	7
Postage	4,936	4,936	0
Repair and maintenance services	100	93	7
Other services and charges	100	100	0
	<u>118,463</u>	<u>111,657</u>	<u>6,806</u>

CITY OF ERIE, PENNSYLVANIA  
 Combined Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)  
 Budget and Actual (Including Encumbrances) - General Fund, Continued  
 Year Ended December 31, 1999

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Office of Collector of Taxes - School			
Salaries	\$ 69,149	\$ 68,459	\$ 690
FICA - Medicare tax	5,256	5,237	19
Pension contribution	5,801	5,801	0
Group insurance	15,076	15,076	0
Workers compensation insurance	509	509	0
Office supplies	1,650	1,533	117
Consumable items	1,071	1,071	0
Professional services	4,000	3,274	726
Transportation and seminars	519	519	0
Communication	1,155	1,043	112
Postage	3,650	132	3,518
Repair and maintenance services	739	521	218
Other services and charges	33,144	32,482	662
Miscellaneous insurance and bonds	2,050	1,498	552
Office equipment	711	710	1
Office supplies	209	193	16
Consumable items	105	98	7
Postage	4,936	4,936	0
Repair and maintenance services	100	93	7
	<u>149,830</u>	<u>143,185</u>	<u>6,645</u>
Office of Collector of Taxes - County			
Salaries	66,704	66,428	276
FICA - Medicare tax	5,106	5,082	24
Pension contribution	5,674	5,674	0
Group insurance	15,060	15,060	0
Workers compensation insurance	498	498	0
Office supplies	1,650	1,533	117
Consumable items	1,071	1,071	0
Professional services	4,000	3,274	726
Transportation and seminars	519	519	0
Communication	1,155	1,047	108
Postage	3,650	132	3,518
Repair and maintenance services	739	521	218
Other services and charges	33,003	32,341	662
Miscellaneous insurance and bonds	2,050	1,498	552
Office equipment	711	710	1
Office supplies	209	193	16
Consumable items	105	98	7
Postage	4,936	4,936	0
Repair and maintenance services	100	93	7
	<u>146,940</u>	<u>140,708</u>	<u>6,232</u>
Office of Collector of Income and Occupational Privilege Tax			
Salaries	250,523	250,266	257
FICA - Medicare tax	16,559	15,593	966
Pension contribution	22,960	22,960	0
Group insurance	58,162	57,996	166
Workers compensation insurance	2,015	2,015	0
Office supplies	10,744	6,256	4,488
Consumable items	3,795	3,136	659
Professional services	19,000	17,281	1,719
Transportation	600	0	600
Communication	2,711	2,711	0
Postage	19,500	19,500	0
Rentals	16,779	16,290	489
Repair and maintenance services	1,615	809	806
Other services and charges	77,599	77,598	1

CITY OF ERIE, PENNSYLVANIA  
 Combined Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)  
 Budget and Actual (Including Encumbrances) - General Fund, Continued  
 Year Ended December 31, 1999

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Office of Collector of Income and Occupational Privilege Tax (continued)			
Office supplies	\$ 183	\$ 148	\$ 35
Consumable items	643	643	0
Postage	6,300	6,300	0
	<u>509,688</u>	<u>499,502</u>	<u>10,186</u>
Office of City Controller			
Salaries	131,164	128,514	2,650
FICA - Medicare tax	10,033	9,831	202
Pension contribution	10,204	10,204	0
Group insurance	25,850	25,201	649
Workers compensation insurance	896	896	0
Office supplies	1,300	1,026	274
Operating supplies	100	45	55
Consumable items	1,400	738	662
Transportation and seminars	1,883	0	1,883
Postage	233	233	0
Advertising	500	0	500
Repair and maintenance services	689	408	281
Other services and charges	800	785	15
Office equipment	2,034	0	2,034
Office supplies	217	206	11
Consumable items	184	174	10
Transportation and seminars	90	90	0
Other services and charges	130	130	0
	<u>187,707</u>	<u>178,481</u>	<u>9,226</u>
Office of Director of Administration and Finance			
Salaries	75,580	75,580	0
FICA - Medicare tax	6,081	5,945	136
Pension contribution	3,827	3,827	0
Group insurance	9,694	5,688	4,006
Workers compensation insurance	336	336	0
Office supplies	350	350	0
Consumable items	1,650	472	1,178
Professional services	2,100	2,100	0
Transportation and seminars	1,750	1,291	459
Communication	225	225	0
Postage	25	12	13
Repair and maintenance services	650	480	170
Other services and charges	350	324	26
	<u>102,618</u>	<u>96,630</u>	<u>5,988</u>
Office of Personnel			
Salaries	138,267	137,882	385
FICA - Medicare tax	10,877	10,663	214
Pension contribution	8,929	8,929	0
Group insurance	22,619	19,119	3,500
Workers compensation insurance	784	784	0
Office supplies	2,121	1,621	500
Operating supplies	86	0	86
Professional services	20,425	16,752	3,673
Transportation and seminars	1,200	0	1,200
Postage	750	750	0
Advertising	1,700	1,462	238
Repair and maintenance services	1,250	583	667
Other services and charges	3,134	854	2,280
	<u>212,142</u>	<u>199,399</u>	<u>12,743</u>

CITY OF ERIE, PENNSYLVANIA  
 Combined Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)  
 Budget and Actual (Including Encumbrances) - General Fund, Continued  
 Year Ended December 31, 1999

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Division of Civil Service Board			
Office supplies	\$ 1,090	\$ 1,090	\$ 0
Professional services	7,500	7,500	0
Postage	542	542	0
Advertising	375	294	81
Rentals	200	0	200
Other services and charges	1,218	1,174	44
	<u>10,925</u>	<u>10,600</u>	<u>325</u>
Office of Accounts Finance and Budget			
Salaries	259,365	258,704	661
FICA - Medicare tax	20,000	19,857	143
Pension contribution	20,409	20,409	0
Group insurance	51,700	48,178	3,522
Workers compensation insurance	1,791	1,791	0
Office supplies	9,979	8,948	1,031
Consumable items	712	395	317
Professional services	12,500	12,500	0
Transportation and seminars	1,038	1,038	0
Postage	4,830	4,830	0
Repair and maintenance services	2,038	2,038	0
Other services and charges	8,368	8,368	0
Other services and charges	3,052	2,846	206
	<u>395,782</u>	<u>389,902</u>	<u>5,880</u>
Office of Computer and Information Systems			
Salaries	122,544	119,454	3,090
FICA - Medicare tax	9,375	9,137	238
Pension contribution	7,653	7,653	0
Group insurance	19,387	18,658	729
Workers compensation insurance	672	672	0
Office supplies	6,482	2,374	4,108
Repairs and maintenance supplies	165	165	0
Consumable items	3,146	2,215	931
Transportation and seminars	169	169	0
Communication	115	115	0
Postage	55	55	0
Repairs and maintenance services	10,392	9,079	1,313
Office equipment	9,277	1,352	7,925
Office supplies	1,546	1,405	141
Repairs and maintenance supplies	190	190	0
Consumable items	1,997	1,935	62
Postage	55	55	0
Repair and maintenance services	1,224	1,224	0
Office equipment	6,240	6,221	19
	<u>200,684</u>	<u>182,128</u>	<u>18,556</u>

CITY OF ERIE, PENNSYLVANIA  
 Combined Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)  
 Budget and Actual (Including Encumbrances) - General Fund, Continued  
 Year Ended December 31, 1999

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Office of City Purchasing			
Salaries	\$ 118,473	\$ 110,328	\$ 8,145
FICA - Medicare tax	9,143	8,440	703
Pension contribution	8,929	8,929	0
Group insurance	22,619	20,560	2,059
Workers compensation insurance	784	784	0
Office supplies	1,200	1,104	96
Postage	950	950	0
Advertising	6,535	6,258	277
Repair and maintenance services	285	108	177
Other services and charges	1,378	1,378	0
Office supplies	402	345	57
Postage	259	259	0
Advertising	269	269	0
Repair and maintenance services	867	0	867
	<u>172,093</u>	<u>159,712</u>	<u>12,381</u>
Office of Reproduction/Print Shop			
Salaries	45,980	44,190	1,790
FICA - Medicare tax	3,518	3,381	137
Pension contribution	3,827	3,827	0
Group insurance	9,694	7,989	1,705
Workers compensation insurance	336	336	0
Office supplies	247	216	31
Operating supplies	17,613	14,909	2,704
Repair and maintenance supplies	514	407	107
Consumable items	1,654	901	753
Transportation and seminars	399	399	0
Rentals	1,119	964	155
Repair and maintenance services	17,642	14,676	2,966
Other services and charges	8,409	8,029	380
Office equipment	11,620	6,759	4,861
Office supplies	61	61	0
Operating supplies	5,275	5,275	0
Repair and maintenance supplies	1,277	938	339
	<u>129,185</u>	<u>113,257</u>	<u>15,928</u>
Office of Police Civilians			
Salaries	1,020,070	1,010,628	9,442
Salary/wage savings	142,868	140,835	2,033
FICA - Medicare tax	85,801	85,169	632
Pension contribution	86,736	86,736	0
Group insurance	219,724	219,724	0
Workers compensation insurance	17,145	17,145	0
	<u>1,572,344</u>	<u>1,560,237</u>	<u>12,107</u>

CITY OF ERIE, PENNSYLVANIA  
 Combined Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)  
 Budget and Actual (Including Encumbrances) - General Fund, Continued  
 Year Ended December 31, 1999

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Bureau of Police</b>			
Salaries	\$ 8,510,478	\$ 8,465,759	\$ 44,719
Salary/wage savings	(128,000)	0	(128,000)
FICA - Medicare tax	67,462	66,913	549
Pension contribution	800,963	800,963	0
Group insurance	1,595,399	1,595,399	0
Workers compensation insurance	601,987	601,987	0
Tool allowance and uniform benefits	216,937	204,694	12,243
Office supplies	19,885	15,586	4,299
Operating supplies	109,751	102,999	6,752
Repair and maintenance supplies	106,880	99,266	7,614
Consumable items	86,261	86,261	0
Professional services	6,180	1,979	4,201
Transportation and seminars	46,905	34,974	11,931
Communication	28,208	26,787	1,421
Postage	2,900	1,678	1,222
Repair and maintenance services	65,440	63,013	2,427
Other services and charges	166,437	163,312	3,125
Machinery and equipment	68,000	64,597	3,403
Tool allowance and uniform benefits	35,212	34,784	428
Office supplies	601	108	493
Operating supplies	4,269	3,142	1,127
Repair and maintenance supplies	2,628	300	2,328
Transportation and seminars	39	0	39
Communication	1,612	787	825
Postage	992	992	0
Repair and maintenance services	2,447	1,447	1,000
Office equipment	11,600	11,600	0
	<u>12,431,473</u>	<u>12,449,327</u>	<u>(17,854)</u>
<b>Office of Traffic Court</b>			
Salaries	199,905	199,177	728
FICA - Medicare tax	15,317	15,237	80
Pension contribution	17,858	17,858	0
Group insurance	48,791	48,791	0
Workers compensation insurance	1,567	1,567	0
Office supplies	11,910	6,241	5,669
Operating supplies	467	467	0
Repair and maintenance supplies	250	122	128
Consumable items	24,525	22,763	1,762
Communication	144	123	21
Postage	45,000	35,000	10,000
Repair and maintenance services	2,819	2,556	263
Other services and charges	193,085	193,085	0
	<u>561,638</u>	<u>542,987</u>	<u>18,651</u>
<b>Bureau of Fire</b>			
Salaries	8,241,287	8,218,270	23,017
Salary/wage savings	(123,500)	0	(123,500)
FICA - Medicare tax	73,478	73,248	230
Pension contribution	1,396,222	1,393,671	2,551
Group insurance	1,524,315	1,521,335	2,980
Workers compensation insurance	583,816	583,816	0
Tool allowance and uniform benefits	164,750	143,398	21,352
Office supplies	6,600	5,333	1,267
Operating supplies	33,720	29,196	4,524
Repair and maintenance supplies	70,451	63,788	6,663
Consumable items	47,344	19,304	28,040
Professional services	3,216	0	3,216
Transportation and seminars	8,950	2,981	5,969

CITY OF ERIE, PENNSYLVANIA  
 Combined Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)  
 Budget and Actual (Including Encumbrances) - General Fund, Continued  
 Year Ended December 31, 1999

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Bureau of Fire (continued)</b>			
Communication	\$ 15,268	\$ 15,268	\$ 0
Postage	913	574	339
Heat, light, power and water	89,930	55,407	34,523
Rentals	10,720	1,501	9,219
Repair and maintenance services	47,430	12,219	35,211
Other services and charges	21,531	10,972	10,559
Machinery and equipment	48,400	0	48,400
Office equipment	9,000	1,728	7,272
Tool allowance and uniform benefits	4,955	4,893	62
Operating supplies	754	269	485
Repair and maintenance supplies	900	521	379
Consumable items	9,035	1,624	7,411
Professional services	4,140	744	3,396
Transportation and seminars	2,916	2,051	865
Communication	899	737	162
Heat, light, power and water	6,618	6,390	228
Rentals	75	0	75
Repair and maintenance services	4,090	2,290	1,800
Machinery and equipment	1,756	1,176	580
Other services and charges	4,391	4,391	0
	<u>12,314,370</u>	<u>12,177,095</u>	<u>137,275</u>
<b>Division of Electrician</b>			
Salaries	46,916	46,532	384
Wages	215,381	211,902	3,479
FICA - Medicare tax	20,762	18,992	1,770
Pension contribution	15,306	15,306	0
Group insurance	42,062	42,062	0
Workers compensation insurance	18,618	18,618	0
Tool allowance and uniform benefits	2,520	1,548	972
Office supplies	1,140	317	823
Operating supplies	5,185	3,217	1,968
Repair and maintenance supplies	17,205	11,629	5,576
Consumable items	8,975	3,133	5,842
Transportation and seminars	1,800	199	1,601
Communication	500	316	184
Repair and maintenance services	1,500	55	1,445
Office supplies	244	244	0
Operating supplies	273	0	273
Repair and maintenance supplies	2,242	918	1,324
Communication	53	0	53
	<u>400,682</u>	<u>374,988</u>	<u>25,694</u>
<b>Office of Director of Public Works, Property and Parks</b>			
Salaries	114,412	113,188	1,224
FICA - Medicare tax	8,752	8,696	56
Pension contribution	5,102	5,102	0
Group insurance	12,996	12,996	0
Workers compensation insurance	448	448	0
Office supplies	1,007	1,002	5
Consumable items	5,000	2,881	2,119
Transportation and seminars	1,300	0	1,300
Postage	149	149	0
Repair and maintenance services	350	90	260
Other services and charges	1,758	1,683	75
Office supplies	300	264	36
Consumable items	1,000	526	474
Repair and maintenance services	280	215	65
	<u>152,854</u>	<u>147,240</u>	<u>5,614</u>

CITY OF ERIE, PENNSYLVANIA  
 Combined Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)  
 Budget and Actual (Including Encumbrances) - General Fund, Continued  
 Year Ended December 31, 1999

EXPENDITURES	General Fund		Variance
	Budget	Actual	Favorable (Unfavorable)
<b>Bureau of Engineering</b>			
Salaries	\$ 399,963	\$ 399,095	\$ 868
FICA - Medicare tax	31,443	30,530	913
Pension contribution	30,613	30,613	0
Group insurance	77,550	76,612	938
Workers compensation insurance	2,687	2,687	0
Tool allowance and uniform benefits	230	49	181
Office supplies	5,416	4,775	641
Operating supplies	6,210	1,986	4,224
Repair and maintenance supplies	15,181	8,153	7,028
Consumable items	1,700	1,303	397
Professional services	1,209	1,209	0
Transportation and seminars	2,000	152	1,848
Communication	935	903	32
Postage	800	769	31
Repair and maintenance services	8,194	3,086	5,108
Other services and charges	3,555	155	3,400
Machinery and equipment	2,380	2,380	0
Tool allowance and uniform benefits	251	251	0
Office supplies	550	530	20
Repair and maintenance supplies	5,435	5,435	0
Consumable items	2,215	2,176	39
Postage	113	17	96
Repair and maintenance services	500	0	500
	<u>599,130</u>	<u>572,866</u>	<u>26,264</u>
<b>Bureau of Streets</b>			
Salaries	193,768	193,079	689
Wages	1,482,863	1,482,863	0
FICA - Medicare tax	129,852	129,852	0
Pension contribution	131,380	131,380	0
Group insurance	324,670	313,564	11,106
Workers compensation insurance	184,630	184,630	0
Tool allowance and uniform benefits	5,150	5,127	23
Office supplies	2,260	2,244	16
Operating supplies	30,494	29,010	1,484
Repair and maintenance supplies	23,046	17,996	5,050
Consumable items	13,775	12,424	1,351
Professional services	1,900	1,063	837
Transportation and seminars	3,710	752	2,958
Communication	1,790	1,177	613
Postage	50	50	0
Heat, light, power and water	32,200	21,438	10,762
Street lighting and traffic signals	84,640	84,640	0
Rentals	3,225	1,434	1,791
Repair and maintenance services	34,905	31,379	3,526
Refuse tipping and recycling fees	10,233	6,372	3,861
Other services and charges	3,740	715	3,025
Bridges and streets	206,960	0	206,960
Machinery and equipment	118,000	0	118,000
Office equipment	1,900	1,865	35
Operating supplies	960	202	758
Repair and maintenance supplies	465	385	80
Consumable items	96	0	96
Professional services	339	177	162
Communication	273	25	248
Heat, light, power and water	4,600	3,484	1,116

CITY OF ERIE, PENNSYLVANIA  
 Combined Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)  
 Budget and Actual (Including Encumbrances) - General Fund, Continued  
 Year Ended December 31, 1999

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Bureau of Streets (continued)			
Rentals	\$ 269	\$ 17	\$ 252
Repair and maintenance services	500	0	500
Refuse tipping and recycling fees	1,062	111	951
	<u>3,033,705</u>	<u>2,657,455</u>	<u>376,250</u>
Division of Paint and Signs			
Wages	158,832	149,731	9,101
FICA - Medicare tax	12,151	11,454	697
Pension contribution	10,204	10,204	0
Group insurance	26,189	26,189	0
Workers compensation insurance	24,824	24,824	0
Tool allowance and uniform benefits	400	400	0
Operating supplies	50,738	42,134	8,604
Repair and maintenance supplies	3,200	1,146	2,054
Consumable items	6,400	4,511	1,889
Rentals	120	118	2
Repair and maintenance services	1,600	0	1,600
Other services and charges	3,100	2,248	852
Consumable items	30	0	30
Rentals	8	7	1
Other services and charges	2,192	1,850	342
	<u>299,988</u>	<u>274,816</u>	<u>25,172</u>
Bureau of Municipal Garage			
Salaries	102,038	98,796	3,242
Wages	599,059	599,059	0
FICA - Medicare tax	53,591	53,591	0
Pension contribution	53,573	53,573	0
Group insurance	132,524	131,015	1,509
Workers compensation insurance	65,163	65,163	0
Tool allowance and uniform benefits	10,259	8,644	1,615
Office supplies	2,625	2,625	0
Operating supplies	124,697	86,464	38,233
Repair and maintenance supplies	234,465	183,866	50,599
Consumable items	12,448	11,436	1,012
Professional services	1,050	247	803
Transportation and seminars	5,449	2,369	3,080
Communication	788	697	91
Postage	120	120	0
Heat, light, power and water	41,400	22,099	19,301
Rentals	6,200	1,837	4,363
Repair and maintenance services	21,525	16,476	5,049
Other services and charges	26,850	21,687	5,163
Office equipment	7,725	2,432	5,293
Tool allowance and uniform benefits	800	0	800
Office supplies	260	255	5
Operating supplies	14,777	12,044	2,733
Repair and maintenance supplies	25,346	23,315	2,031
Consumable items	3,510	3,410	100
Professional services	600	113	487
Transportation and seminars	2,000	0	2,000
Heat, light, power and water	7,969	6,511	1,458
Rentals	3,000	538	2,462
Repair and maintenance services	3,104	3,104	0
Other services and charges	2,655	760	1,895
Machinery and equipment	74,267	74,267	0
	<u>1,639,837</u>	<u>1,486,513</u>	<u>153,324</u>

CITY OF ERIE, PENNSYLVANIA  
 Combined Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)  
 Budget and Actual (Including Encumbrances) - General Fund, Continued  
 Year Ended December 31, 1999

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Division of Radio</b>			
Wages	\$ 94,010	\$ 93,293	\$ 717
FICA - Medicare tax	7,238	7,137	101
Pension contribution	7,653	7,653	0
Group insurance	18,856	18,856	0
Workers compensation insurance	672	672	0
Tool allowance and uniform benefits	1,323	666	657
Small tools and minor equipment	7,599	6,915	684
Transportation and seminars	700	474	226
Communication	945	344	601
Machinery and equipment	15,225	0	15,225
	<u>154,221</u>	<u>136,010</u>	<u>18,211</u>
<b>Bureau of Public Building Maintenance</b>			
Salaries	37,189	36,492	697
Wages	189,702	189,274	428
FICA - Medicare tax	17,241	17,241	0
Pension contribution	20,664	20,664	0
Group insurance	50,929	50,058	871
Workers compensation insurance	1,813	1,813	0
Tool allowance and uniform benefits	1,356	1,341	15
Office supplies	850	841	9
Operating supplies	13,845	12,148	1,697
Repair and maintenance supplies	29,677	20,036	9,641
Consumable items	8,500	7,538	962
Transportation and seminars	500	0	500
Communication	32,000	30,064	1,936
Postage	198	198	0
Heat, light, power and water	175,306	142,904	32,402
Rentals	735	0	735
Repair and maintenance services	59,050	51,339	7,711
Other services and charges	2,162	1,209	953
Office equipment	6,000	2,743	3,257
Office supplies	16	15	1
Operating supplies	2,500	2,476	24
Repair and maintenance supplies	3,019	3,019	0
Consumable items	1,325	1,053	272
Communication	481	189	292
Heat, light, power and water	25,503	25,503	0
Repair and maintenance services	3,926	3,123	803
Other services and charges	725	595	130
	<u>685,212</u>	<u>621,876</u>	<u>63,336</u>
<b>Bureau of Parks and Recreation</b>			
Salaries	270,665	267,123	3,542
Wages	649,269	649,269	0
FICA - Medicare tax	70,223	69,481	742
Pension contribution	69,006	69,006	0
Group insurance	176,520	176,520	0
Workers compensation insurance	105,178	105,178	0
Tool allowance and uniform benefits	2,610	2,608	2
Office supplies	2,702	2,447	255
Operating supplies	40,500	34,839	5,661
Repair and maintenance supplies	143,382	122,978	20,404
Consumable items	13,100	12,375	725
Professional services	1,012	520	492
Transportation and seminars	497	497	0
Postage	1,050	1,050	0
Heat, light, power and water	16,532	11,461	5,071

CITY OF ERIE, PENNSYLVANIA  
 Combined Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)  
 Budget and Actual (Including Encumbrances) - General Fund, Continued  
 Year Ended December 31, 1999

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Bureau of Parks and Recreation (continued)</b>			
Street lighting and traffic signals	\$ 103,040	\$ 103,040	\$ 0
Advertising	289	272	17
Rentals	6,425	5,780	645
Repair and maintenance services	79,050	69,790	9,260
Refuse tipping and recycling fees	1,530	318	1,212
Other services and charges	329,014	329,014	0
General liability insurance	764	764	0
Fire insurance	1,695	1,695	0
Casualty insurance	6,837	6,837	0
Claims	2,867	2,867	0
Land and buildings	368,547	0	368,547
Machinery and equipment	65,425	65,363	62
Office equipment	5,353	5,353	0
YWCA summer recreation	50,000	50,000	0
Red Cross service program	30,000	30,000	0
GECAC spoons league	10,000	10,000	0
Office supplies	139	134	5
Operating supplies	1,194	1,026	168
Repair and maintenance supplies	12,125	11,645	480
Heat, light, power and water	12,199	3,701	8,498
Advertising	424	423	1
Rentals	566	8	558
Repair and maintenance services	1,641	1,491	150
Refuse tipping and recycling fees	1,360	1,360	0
Other services and charges	250	250	0
Red Cross service program	7,097	7,097	0
	<u>2,660,077</u>	<u>2,233,580</u>	<u>426,497</u>
<b>Division of Shade Tree Commission</b>			
Pension contribution	0	0	0
Group insurance	0	0	0
Workers compensation insurance	0	0	0
Tool allowance and uniform benefits	0	0	0
Office supplies	150	149	1
Operating supplies	0	0	0
Repair and maintenance services	300	217	83
Consumable items	700	485	215
Repair and maintenance services	50,000	50,000	0
Other services and charges	2,100	2,100	0
	<u>53,250</u>	<u>52,951</u>	<u>299</u>
<b>Office of Local Match</b>			
Salaries	322,273	317,915	4,358
FICA - Medicare tax	24,670	24,321	349
Pension contribution	24,618	24,618	0
Group insurance	59,577	58,989	588
Workers compensation insurance	2,160	2,160	0
Tool allowance and uniform benefits	199	199	0
Office supplies	2,910	2,277	633
Operating supplies	1,408	1,302	106
Repair and maintenance supplies	350	105	245
Consumable items	1,300	1,160	140
Professional services	86	86	0
Transportation and seminars	1,722	1,225	497
Communication	463	398	65
Postage	4,360	4,062	298
Advertising	4,425	4,195	230
Repair and maintenance services	325	237	88

CITY OF ERIE, PENNSYLVANIA  
 Combined Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)  
 Budget and Actual (Including Encumbrances) - General Fund, Continued  
 Year Ended December 31, 1999

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Office of Local Match (continued)			
Other services and charges	\$ 38,125	\$ 24,723	\$ 13,402
Office equipment	2,000	0	2,000
Tool allowance and uniform benefit	510	370	140
Office supplies	109	109	0
Consumable items	12	12	0
Postage	397	397	0
Other services and charges	9,271	9,237	34
	<u>501,270</u>	<u>478,097</u>	<u>23,173</u>
Office of General Government			
Unemployment compensation	32,100	32,023	77
Professional services	1,075	1,075	0
Heat, light, power and water	628,928	468,701	160,227
Other services	14,900	17,400	(2,500)
General liability insurance	14,210	14,210	0
Fire insurance	11,276	11,276	0
Casualty insurance	60,820	60,820	0
Professional liability insurance	53,920	53,920	0
Miscellaneous insurance	2,935	2,935	0
Claims	84,620	84,619	1
Salary and wage contingency	2,569	1,525	1,044
Council of government	9,500	8,478	1,022
Erie Civic Center Authority	125,000	125,000	0
County Human Relations Commission	20,000	20,000	0
Regional government opportunities	2,000	0	2,000
Erie Metro Transit Authority	200,000	200,000	0
Erie Municipal Park Authority	53,000	53,000	0
Erie Zoological Society	125,000	185,000	(60,000)
Arts Council of Erie	20,000	20,000	0
Heat, light, power and water	153,034	153,034	0
	<u>1,614,887</u>	<u>1,513,016</u>	<u>101,871</u>
Total Expenditures	<u>42,057,944</u>	<u>40,449,817</u>	<u>1,608,127</u>
Excess of revenues over (under) expenditures	(7,435,178)	(5,184,254)	2,250,924
OTHER FINANCING SOURCES (USES)			
Operating transfers in	4,115,490	4,160,507	45,017
Operating transfers (out)	0	(1,313,601)	(1,313,601)
Total other financing sources (uses)	<u>4,115,490</u>	<u>2,846,906</u>	<u>(1,268,584)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing sources	(3,319,688)	(2,337,348)	982,340
Fund balance (deficit) January 1, 1999 (Note VI.B)	3,319,688	5,118,870	1,799,182
Prior year encumbrances	0	535,400	535,400
Expenditures rebudgeted in the subsequent year	0	0	0
Fund balance (deficit) December 31, 1999	<u>\$ 0</u>	<u>3,316,922</u>	<u>\$ 3,316,922</u>
RECONCILIATION TO GAAP BASIS FUND BALANCE			
Encumbrances recognized as current year expenditures		881,795	
Recognition of accrual basis adjustments		(1,822,422)	
Fund balance (deficit) December 31, 1999		<u>\$ 2,376,295</u>	

CITY OF ERIE, PENNSYLVANIA

Special Revenue Funds  
Combining Financial Statements

The Special Revenue Funds account for revenues from specific revenue sources which are legally restricted to expenditures for special purposes.

**Community Development Block Grant** - federal funded for the development of the City as a viable urban community by providing decent housing and a suitable living environment, and by expanding economic opportunities for persons of low and moderate income.

**Liquid Fuels Tax Fund Grant** - state funded for street construction and maintenance, vehicles and equipment.

**BUDAG Revolving Account** - monies derived through mortgage repayments and interest from the federal funded Bayfront Urban Development Action Grant, to be used for projects within the bayfront area upon approval by HUD and the City of Erie.

**Section 108 Loan Program** - federal guaranteed loan for the refurbishing of Avalon Hotel.

**Grant Funds** - federal, state and local funded projects for the construction of a baseball park; public safety equipment purchases; recycling projects; development and implementation of bridge, street and traffic signalization projects; park and playground improvements; summer recreation and senior citizen programs; enterprise marketing and assistance programs; various site improvements and renovations.

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CITY OF ERIE, PENNSYLVANIA  
Special Revenue Funds  
Combining Balance Sheet  
December 31, 1999

	Community Development Block Grant	Liquid Fuels Tax Fund	BUDAG Revolving Account	Section 108 Loan Program	Grant Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 17,794	\$ 555,950	\$ 1,002,554	\$ 8,692	\$ 262,065
Investments	0	0	0	0	1,918,607
Receivables (net of allowance for uncollectibles):					
Liens	493,405	0	0	0	0
Intergovernmental	245,424	0	0	0	55,044
Notes	128,377	0	46,957	0	333,073
Other	0	0	0	0	15,009
Notes receivable, net of current obligations	3,702,897	0	680,987	0	1,995,347
<b>Total assets</b>	<b>\$ 4,587,897</b>	<b>\$ 555,950</b>	<b>\$ 1,730,498</b>	<b>\$ 8,692</b>	<b>\$ 4,579,145</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 222,707	\$ 188,676	\$ 0	\$ 0	\$ 51,101
Accrued payroll	16,033	0	0	0	5,899
Compensated absences payable	17,912	0	0	0	1,649
Deferred revenue	485,907	0	50,170	0	1,395,958
<b>Total liabilities</b>	<b>742,559</b>	<b>188,676</b>	<b>50,170</b>	<b>0</b>	<b>1,454,607</b>
<b>FUND EQUITY</b>					
Fund balance:					
Reserved:					
Encumbrances	4,677,344	235,149	0	0	403,882
Noncurrent notes receivable	3,702,897	0	680,987	0	1,995,347
Unreserved:					
Undesignated (deficit)	(4,534,903)	132,125	999,341	8,692	725,309
<b>Total fund equity (deficit) and other credits</b>	<b>3,845,338</b>	<b>367,274</b>	<b>1,680,328</b>	<b>8,692</b>	<b>3,124,538</b>
<b>Total liabilities and fund equity and other credits</b>	<b>\$ 4,587,897</b>	<b>\$ 555,950</b>	<b>\$ 1,730,498</b>	<b>\$ 8,692</b>	<b>\$ 4,579,145</b>

Total  
\$ 1,847,055  
1,918,607  
  
493,405  
300,468  
508,407  
15,009  
6,379,231  
\$ 11,462,182

\$ 462,484  
21,932  
19,561  
1,932,035  
2,436,012

5,316,375  
6,379,231  
  
(2,669,436)  
9,026,170  
\$ 11,462,182

CITY OF ERIE, PENNSYLVANIA  
Special Revenue Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Year Ended December 31, 1999

	Community Development Block Grant	Liquid Fuels Tax Fund	BUDAG Revolving Account	Section 108 Loan Program	Other Projects
<b>REVENUES</b>					
<b>Intergovernmental:</b>					
Federal grants	\$ 4,815,261	\$ 0	\$ 0	\$ 0	\$ 117,929
State grants	0	1,765,206	0	0	489,417
Local share - other	0	0	0	0	18,954
Total intergovernmental	<u>4,815,261</u>	<u>1,765,206</u>	<u>0</u>	<u>0</u>	<u>626,300</u>
Interest earnings	2,847	38,956	60,236	466	112,970
Miscellaneous	49,774	16,615	0	0	8,530
Total revenues	<u>4,867,882</u>	<u>1,820,777</u>	<u>60,236</u>	<u>466</u>	<u>747,800</u>
<b>EXPENDITURES</b>					
Public safety	0	1,573,880	0	0	294,908
Highways and streets	0	0	0	2,761	64,447
Sanitation	0	0	0	0	142,389
Culture and recreation	71,704	0	0	0	103,635
Economic and community development	4,303,537	0	50,170	0	119,664
Total expenditures	<u>4,375,241</u>	<u>1,573,880</u>	<u>50,170</u>	<u>2,761</u>	<u>725,043</u>
Excess of revenues over (under) expenditures	492,641	246,897	10,066	(2,295)	22,757
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	0	0	0	0	28,775
Operating transfers (out)	(389,865)	0	(28,775)	0	0
Total other financing sources (uses)	<u>(389,865)</u>	<u>0</u>	<u>(28,775)</u>	<u>0</u>	<u>28,775</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	102,776	246,897	(18,709)	(2,295)	51,532
Fund balance (deficit) January 1, 1999	3,742,562	120,377	1,699,037	10,987	3,073,006
Fund balance (deficit) December 31, 1999	<u>\$ 3,845,338</u>	<u>\$ 367,274</u>	<u>\$ 1,680,328</u>	<u>\$ 8,692</u>	<u>\$ 3,124,538</u>

Total

\$ 4,933,190  
2,254,623  
18,954  
7,206,767  
215,475  
74,919  
7,497,161

1,868,788  
67,208  
142,389  
175,339  
4,473,371  
6,727,095  
770,066

28,775  
(418,640)  
(389,865)

380,201  
8,645,969  
\$ 9,026,170

CITY OF ERIE, PENNSYLVANIA  
Special Revenue Fund - Liquid Fuels Tax Fund  
Individual Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)  
Budget and Actual (Including Encumbrances)  
Year Ended December 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Intergovernmental	\$ 1,689,848	\$ 1,765,206	\$ 75,358
Interest earnings	27,000	39,320	12,320
Miscellaneous	10,000	16,615	6,615
Total revenues	1,726,848	1,821,141	94,293
 <b>EXPENDITURES</b>			
General government	0	0	0
Public safety	1,885,893	1,525,162	360,731
Highways and streets	0	0	0
Sanitation	0	0	0
Culture and recreation	0	0	0
Economic and community development	0	0	0
Loan interest	0	0	0
Total expenditures	1,885,893	1,525,162	360,731
Excess of revenues over (under) expenditures	(159,045)	295,979	455,024
 <b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	0	0	0
Operating transfers (out)	0	0	0
Total other financing sources (uses)	0	0	0
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(159,045)	295,979	455,024
Fund balance (deficit) January 1, 1999	0	100,923	100,923
Prior year encumbrances paid in current year	0	159,046	159,046
Revenues and expenditures rebudgeted in the subsequent year (Note VI.C.)	0	0	0
Fund balance (deficit) December 31, 1999	\$ (159,045)	555,948	\$ 714,993
 <b>RECONCILIATION OF GAAP BASIS FUND BALANCE</b>			
Encumbrances recognized as current year expenditures		235,149	
Recognition of accrual basis adjustments		(423,823)	
Individual funds not budgeted		0	
Fund balance (deficit) December 31, 1999		\$ 367,274	

CITY OF ERIE, PENNSYLVANIA

Debt Service Fund  
Individual Financial Statements

The Debt Service Fund accounts for the payment of principal and interest on long-term debt other than Proprietary Fund Debt.

CITY OF ERIE, PENNSYLVANIA  
Debt Service Fund  
Balance Sheet  
December 31, 1999

ASSETS

Cash and cash equivalents  
Total assets

\$ 0  
\$ 0

LIABILITIES

Other liabilities  
Total liabilities

\$ 0  
\$ 0

FUND BALANCE

Unreserved:  
Undesignated (deficit)  
Total fund balance (deficit)  
Total liabilities and fund balance

\$ 0  
0  
\$ 0

CITY OF ERIE, PENNSYLVANIA  
Debt Service Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Year Ended December 31, 1999

REVENUES		
Real estate taxes		\$ 4,711,198
Total revenues		<u>4,711,198</u>
EXPENDITURES		
Debt service:		
Principal		4,807,650
Interest		<u>1,305,269</u>
Total expenditures		<u>6,112,919</u>
Excess of revenues over (under) expenditures		(1,401,721)
OTHER FINANCING SOURCES (USES)		
Operating transfers in		1,401,721
Operating transfers (out)		<u>0</u>
Total other financing sources (uses)		<u>1,401,721</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses		0
Fund balance (deficit) January 1, 1999		<u>0</u>
Fund balance (deficit) December 31, 1999		<u><u>\$ 0</u></u>

CITY OF ERIE, PENNSYLVANIA

Capital Projects Funds  
Combining Financial Statements

The Capital Projects Funds account for the financial resources used for the acquisition or construction of major capital facilities.

**Paving and Sewer Revolving Fund** - to account for public improvements financed by assessments levied against the benefited property and state reimbursement.

**Capital Improvement Fund** - to account for capital additions and improvements to public buildings, park and recreation facilities; vehicle and equipment acquisitions.

**1993 General Obligation Bond Fund** - to account for capital additions and improvements to storm sewers, streets, public buildings, park and recreation facilities; real estate acquisition; refunding the 1968 and 1986 Capital Improvement Bond Funds.

**1997 General Obligation Bond Fund** - to account for capital additions and improvements to storm sewers, streets, public buildings, recreation facilities and equipment acquisitions.

**1998 General Obligation Bond Fund** - to account for capital additions and improvements to storm sewers, streets, public buildings, recreation facilities and equipment acquisitions.

**1999 Note Fund** - to account for capital additions and improvements to storm sewers, streets, public buildings, recreation facilities and equipment acquisitions.

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CITY OF ERIE, PENNSYLVANIA  
 Capital Project Funds  
 Combining Balance Sheet  
 December 31, 1999

	Paving and Sewer Revolving	Capital Improvement	1993 General Obligation Bond	1997 General Obligation Bond	1998 General Obligation Bond
<b>ASSETS</b>					
Cash and cash equivalents	\$ 217,174	\$ 1,033,937	\$ 0	\$ 114,542	\$ 1,564,782
Investments	0	6,079,498	0	1,466,825	0
Receivables:					
Liens	159,206	0	0	0	0
Other	0	55,321	1,639	0	34,796
Total assets	<u>\$ 376,380</u>	<u>\$ 7,168,756</u>	<u>\$ 1,639</u>	<u>\$ 1,581,367</u>	<u>\$ 1,599,578</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 0	\$ 20,387	\$ 0	\$ 261,821	\$ 7,044
Accrued payroll	0	0	0	515	0
Interfund payable	0	0	0	0	0
Deferred revenue	159,207	0	0	0	0
Total liabilities	<u>159,207</u>	<u>20,387</u>	<u>0</u>	<u>262,336</u>	<u>7,044</u>
<b>FUND BALANCE</b>					
Reserved:					
Encumbrances	0	341,444	0	809,269	105,418
Unreserved:					
Designated for endowment principal	0	6,000,000	0	0	0
Undesignated (deficit)	217,173	806,925	1,639	509,762	1,487,116
Total fund balance (deficit)	<u>217,173</u>	<u>7,148,369</u>	<u>1,639</u>	<u>1,319,031</u>	<u>1,592,534</u>
Total liabilities and fund balance	<u>\$ 376,380</u>	<u>\$ 7,168,756</u>	<u>\$ 1,639</u>	<u>\$ 1,581,367</u>	<u>\$ 1,599,578</u>

1999	
Note Fund	Total
\$ 0	\$ 2,930,435
2,502,387	10,048,710
0	159,206
41,293	133,049
<u>\$ 2,543,680</u>	<u>\$ 13,271,400</u>

\$ 36,576	\$ 325,828
0	515
992,791	992,791
0	159,207
<u>1,029,367</u>	<u>1,478,341</u>

0	1,256,131
0	6,000,000
1,514,313	4,536,928
<u>1,514,313</u>	<u>11,793,059</u>
<u>\$ 2,543,680</u>	<u>\$ 13,271,400</u>

CITY OF ERIE, PENNSYLVANIA  
 Capital Projects Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Year Ended December 31, 1999

	Paving and Sewer Revolving	Capital Improvement	1993 General Obligation Bond	1997 General Obligation Bond	1998 General Obligation Bond
<b>REVENUES</b>					
Interest earnings	\$ 10,558	\$ 354,830	\$ 0	\$ 253,897	\$ 101,788
Miscellaneous	554	195,635	0	0	37,469
Total revenues	<u>11,112</u>	<u>550,465</u>	<u>0</u>	<u>253,897</u>	<u>139,257</u>
<b>EXPENDITURES</b>					
General government	0	0	0	27,687	0
Capital outlay	0	1,123,375	0	3,498,988	905,788
Total expenditures	<u>0</u>	<u>1,123,375</u>	<u>0</u>	<u>3,526,675</u>	<u>905,788</u>
Excess of revenues over (under) expenditures	11,112	(572,910)	0	(3,272,778)	(766,531)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from general long-term debt	0	0	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	11,112	(572,910)	0	(3,272,778)	(766,531)
Fund balance (deficit) January 1, 1999	206,061	7,721,279	1,639	4,591,809	2,359,065
Fund balance (deficit) December 31, 1999	<u>\$ 217,173</u>	<u>\$ 7,148,369</u>	<u>\$ 1,639</u>	<u>\$ 1,319,031</u>	<u>\$ 1,592,534</u>

1999	
Note Fund	Total
\$ 43,680	\$ 764,753
0	233,658
<u>43,680</u>	<u>998,411</u>

0	27,687
<u>1,029,367</u>	<u>6,557,518</u>
<u>1,029,367</u>	<u>6,585,205</u>
(985,687)	(5,586,794)

<u>2,500,000</u>	<u>2,500,000</u>
<u>2,500,000</u>	<u>2,500,000</u>

1,514,313	(3,086,794)
0	14,879,853
<u>\$ 1,514,313</u>	<u>\$ 11,793,059</u>

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CITY OF ERIE, PENNSYLVANIA

Enterprise Funds  
Combining Financial Statements

The Enterprise Funds account for the costs of providing services to the general public and financed entirely or predominately through user charges.

**Sewer Revenue Fund and Sewer Reserve Fund** - to account for the provision of sewerage services to the residents, commercial and industrial establishments of the City, and certain surrounding municipalities. A portion of the 1993 general obligation bond (Series B) is accounted for as assets to be used for capital additions and improvements to sanitary and storm sewers.

**Water Revenue Fund** - to account for the assets used to provide water services to the residents and commercial and industrial establishments of the City and certain surrounding municipalities through an operating lease with the Erie City Water Authority.

**Refuse and Recycling Fund** - to account for the provision of refuse collection services, and the recycling and composting programs to the residents of the City.

**Golf Fund** - to account for the operation of the three City owned golf courses.

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CITY OF ERIE, PENNSYLVANIA

Enterprise Funds  
Combining Balance Sheet  
December 31, 1999

ASSETS	Sewer Revenue	Sewer Reserve	Water Revenue	Refuse and Recycling	Golf
<b>Current assets</b>					
Cash and cash equivalents	\$ 1,837,032	\$ 2,021,932	\$ 0	\$ 277,174	\$ 13,365
Investments	1,583,001	498,230	0	0	0
Receivables:					
Accounts	381,517	0	0	230,301	0
Intergovernmental	207,261	0	0	0	0
Notes	190,000	0	0	0	0
Other	219,262	9,145	0	0	4,428
<b>Total current assets</b>	<u>4,418,073</u>	<u>2,529,307</u>	<u>0</u>	<u>507,475</u>	<u>17,793</u>
<b>Property, plant and equipment:</b>					
Land	0	0	592,369	0	138,630
Buildings and improvements	1,083,243	0	7,923,777	0	648,982
Improvements other than buildings	15,476,167	0	35,211,685	0	568,232
Equipment and vehicles	4,109,764	0	5,085,740	995,025	434,248
<b>Total property, plant and equipment</b>	<u>20,669,174</u>	<u>0</u>	<u>48,813,571</u>	<u>995,025</u>	<u>1,790,092</u>
Less: accumulated depreciation	(6,337,332)		(29,581,511)	(300,191)	(973,908)
<b>Net property, plant and equipment</b>	<u>14,331,842</u>	<u>0</u>	<u>19,232,060</u>	<u>694,834</u>	<u>816,184</u>
Notes receivable, net of current obligations	5,090,000	0	0	0	0
Bond issue costs	396,723	0	0	0	0
<b>Total assets</b>	<u>\$ 24,236,638</u>	<u>\$ 2,529,307</u>	<u>\$ 19,232,060</u>	<u>\$ 1,202,309</u>	<u>\$ 833,977</u>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable	\$ 393,346	\$ 0	\$ 0	\$ 70,141	\$ 6,773
Accrued payroll	75,794	0	0	21,382	5,744
Interfund payable	0	0	0	0	20,000
Compensated absences payable	48,489	0	0	9,704	4,012
Current portion of long-term liabilities	735,000	0	0	0	0
<b>Total current liabilities</b>	<u>1,252,629</u>	<u>0</u>	<u>0</u>	<u>101,227</u>	<u>36,529</u>
<b>Long-term liabilities</b>					
Deferred revenue	0	0	6,998,322	0	0
General obligation bonds payable	15,605,000	0	0	0	0
<b>Total long-term liabilities</b>	<u>15,605,000</u>	<u>0</u>	<u>6,998,322</u>	<u>0</u>	<u>0</u>
<b>Total liabilities</b>	<u>16,857,629</u>	<u>0</u>	<u>6,998,322</u>	<u>101,227</u>	<u>36,529</u>
<b>FUND EQUITY AND OTHER CREDITS</b>					
Contributed capital and other credits	0	0	0	1,055,671	0
Retained earnings:					
Unreserved (deficit)	7,379,009	2,529,307	12,233,738	45,411	797,448
<b>Total fund equity and other credits</b>	<u>7,379,009</u>	<u>2,529,307</u>	<u>12,233,738</u>	<u>1,101,082</u>	<u>797,448</u>
<b>Total liabilities and fund equity and other credits</b>	<u>\$ 24,236,638</u>	<u>\$ 2,529,307</u>	<u>\$ 19,232,060</u>	<u>\$ 1,202,309</u>	<u>\$ 833,977</u>

Total

\$ 4,149,503  
 2,081,231

611,818  
 207,261  
 190,000  
232,835  
7,472,648

730,999  
 9,656,002  
 51,256,084  
10,624,777  
 72,267,862  
(37,192,942)  
 35,074,920

5,090,000  
 396,723  
\$ 48,034,291

\$ 470,260  
 102,920  
 20,000  
 62,205  
735,000  
1,390,385

6,998,322  
15,605,000  
22,603,322  
23,993,707

1,055,671

22,984,913  
24,040,584  
\$ 48,034,291

CITY OF ERIE, PENNSYLVANIA  
Enterprise Funds  
Combining Statement of Revenues, Expenses and Changes in Fund Equity  
Year Ended December 31, 1999

	Sewer Revenue	Sewer Reserve	Water Revenue	Refuse and Recycling	Golf
<b>OPERATING REVENUES</b>					
Charges for services	\$ 16,691,645	\$ 0	\$ 0	\$ 3,450,972	\$ 845,402
Lease rental	0	0	2,190,823	0	0
Rental income	30,000	0	0	0	194,307
Miscellaneous	120,130	0	0	0	5,215
Total operating revenues	<u>16,841,775</u>	<u>0</u>	<u>2,190,823</u>	<u>3,450,972</u>	<u>1,044,924</u>
<b>OPERATING EXPENSES</b>					
Personnel services	3,265,628	0	0	1,163,197	417,734
Other personnel costs	1,311,413	0	0	430,147	144,697
Services and fees	1,210,295	0	0	1,001,286	82,234
Utilities	1,599,711	0	0	8,952	36,785
Rent	9,337	0	0	0	72,163
Insurance	35,345	0	0	8,098	2,134
Materials, supplies and maintenance	1,854,610	0	0	214,053	163,532
Depreciation	837,969	0	719,094	87,579	91,174
Other	4,728,595	0	0	290,685	4,217
Total operating expenses	<u>14,852,903</u>	<u>0</u>	<u>719,094</u>	<u>3,203,997</u>	<u>1,014,670</u>
Operating income (loss)	1,988,872	0	1,471,729	246,975	30,254
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Operating transfers in	900,000	1,425,189	0	0	0
Operating transfers (out)	(2,779,706)	(650,000)	(1,777,625)	(516,900)	(67,220)
Intergovernmental revenue	810,077	0	0	54,500	14,000
Investment income	414,461	112,249	0	17,895	3,091
Interest expense	(834,715)	0	0	0	0
Total nonoperating revenues (expenses)	<u>(1,489,883)</u>	<u>887,438</u>	<u>(1,777,625)</u>	<u>(444,505)</u>	<u>(50,129)</u>
Net income (loss)	498,989	887,438	(305,896)	(197,530)	(19,875)
Fund equity (deficit) and other credits January 1, 1999	6,880,020	1,641,869	12,539,634	1,298,612	817,323
Fund equity (deficit) and other credits December 31, 1999	<u>\$ 7,379,009</u>	<u>\$ 2,529,307</u>	<u>\$ 12,233,738</u>	<u>\$ 1,101,082</u>	<u>\$ 797,448</u>

Total  
\$ 20,988,019  
2,190,823  
224,307  
125,345  
23,528,494

4,846,559  
1,886,257  
2,293,815  
1,645,448  
81,500  
45,577  
2,232,195  
1,735,816  
5,023,497  
19,790,664  
3,737,830

2,325,189  
(5,791,451)  
878,577  
547,696  
(834,715)  
(2,874,704)  
863,126  
23,177,458  
\$ 24,040,584

CITY OF ERIE, PENNSYLVANIA  
Enterprise Funds - Sewer Revenue  
Individual Schedule of Revenues, Expenses and Changes in Retained Earnings (Cash Basis)  
Budget and Actual (Including Encumbrances)  
Year Ended December 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<b>OPERATING REVENUES</b>			
Intergovernmental	\$ 0	\$ 0	\$ 0
Charges for services	16,092,438	17,045,915	953,477
Lease rental	0	0	0
Rental income	30,000	30,000	0
Miscellaneous	111,500	120,231	8,731
Total operating revenues	16,233,938	17,196,146	962,208
<b>OPERATING EXPENSES</b>			
Personnel services	3,288,885	3,233,593	55,292
Other personnel costs	1,377,804	1,311,413	66,391
Services and fees	1,286,550	1,218,949	67,601
Utilities	2,351,854	1,509,443	842,411
Rent	21,966	14,074	7,892
Insurance	35,345	35,345	0
Materials, supplies and maintenance	2,622,408	1,795,255	827,153
Capital outlay	682,534	315,609	366,925
Other	4,921,466	4,741,819	179,647
Total operating expenses	16,588,812	14,175,500	2,413,312
Operating income (loss)	(354,874)	3,020,646	3,375,520
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Operating transfers in	1,352,950	900,000	(452,950)
Operating transfers (out)	(1,050,517)	(2,779,706)	(1,729,189)
Bond and loan principal	(570,022)	(570,011)	11
Intergovernmental revenue	810,077	810,077	0
Investment income	50,000	400,489	350,489
Interest expense	(829,120)	(834,715)	(5,595)
Other expense	0	0	0
Net nonoperating revenues (expenses)	(236,632)	(2,073,866)	(1,837,234)
Net income (loss)	(591,506)	946,780	1,538,286
Retained earnings (deficit) January 1, 1999	0	(3,720,747)	(3,720,747)
Prior year encumbrances paid in current year	0	0	0
Retained earnings (deficit) December 31, 1999	\$ (591,506)	(2,773,967)	\$ (2,182,461)
<b>RECONCILIATION OF GAAP BASIS RETAINED EARNINGS</b>			
Encumbrances recognized as current year expense		0	
Recognition of accrual basis adjustments		10,152,976	
Other GAAP basis adjustment		0	
Individual funds not budgeted		0	
Retained earnings (deficit) December 31, 1999		\$ 7,379,009	

CITY OF ERIE, PENNSYLVANIA  
Enterprise Funds - Refuse and Recycling  
Individual Schedule of Revenues, Expenses and Changes in Retained Earnings (Cash Basis)  
Budget and Actual (Including Encumbrances)  
Year Ended December 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<b>OPERATING REVENUES</b>			
Intergovernmental	\$ 3,508,401	\$ 3,528,726	\$ 20,325
Charges for services	0	0	0
Lease rental	0	0	0
Rental income	0	0	0
Miscellaneous	0	0	0
Total operating revenues	<u>3,508,401</u>	<u>3,528,726</u>	<u>20,325</u>
<b>OPERATING EXPENSES</b>			
Personnel services	1,158,548	1,154,847	3,701
Other personnel costs	457,194	431,115	26,079
Services and fees	1,007,035	959,494	47,541
Utilities	11,223	9,432	1,791
Rent	100	0	100
Insurance	8,098	8,098	0
Materials, supplies and maintenance	316,073	237,993	78,080
Capital outlay	84,248	84,248	0
Other	322,996	299,730	23,266
Total operating expenses	<u>3,365,515</u>	<u>3,184,957</u>	<u>180,558</u>
Operating income (loss)	142,886	343,769	200,883
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Operating transfers in	0	0	0
Operating transfers (out)	(500,000)	(516,900)	(16,900)
Bond and loan principal	0	0	0
Intergovernmental revenue	54,500	54,500	0
Investment income	5,000	18,129	13,129
Interest expense	0	0	0
Other expense	0	0	0
Net nonoperating revenues (expenses)	<u>(440,500)</u>	<u>(444,271)</u>	<u>(3,771)</u>
Net income (loss)	(297,614)	(100,502)	197,112
Retained earnings (deficit) January 1, 1999	0	1,208,938	1,208,938
Prior year encumbrances paid in current year	0	0	0
Retained earnings (deficit) December 31, 1999	<u>\$ (297,614)</u>	<u>1,108,436</u>	<u>\$ 1,406,050</u>
<b>RECONCILIATION OF GAAP BASIS RETAINED EARNINGS</b>			
Encumbrances recognized as current year expense		0	
Recognition of accrual basis adjustments		(7,354)	
Other GAAP basis adjustment		(1,055,671)	
Individual funds not budgeted		0	
Retained earnings (deficit) December 31, 1999		<u>\$ 45,411</u>	

CITY OF ERIE, PENNSYLVANIA  
Enterprise Funds - Golf  
Individual Schedule of Revenues, Expenses and Changes in Retained Earnings (Cash Basis)  
Budget and Actual (Including Encumbrances)  
Year Ended December 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<b>OPERATING REVENUES</b>			
Intergovernmental	\$ 0	\$ 0	\$ 0
Charges for services	928,429	844,486	(83,943)
Lease rental	0	0	0
Rental income	188,000	194,307	6,307
Miscellaneous	1,550	5,214	3,664
Total operating revenues	<u>1,117,979</u>	<u>1,044,007</u>	<u>(73,972)</u>
<b>OPERATING EXPENSES</b>			
Personnel services	450,551	414,946	35,605
Other personnel costs	176,128	144,634	31,494
Services and fees	83,295	82,433	862
Utilities	46,300	37,336	8,964
Rent	72,251	72,247	4
Insurance	2,134	2,134	0
Materials, supplies and maintenance	188,815	162,998	25,817
Capital outlay	38,100	25,780	12,320
Other	7,050	4,867	2,183
Total operating expenses	<u>1,064,624</u>	<u>947,375</u>	<u>117,249</u>
Operating income (loss)	53,355	96,632	43,277
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Operating transfers in	0	0	0
Operating transfers (out)	(50,000)	(67,220)	(17,220)
Bond and loan principal	(25,950)	0	25,950
Intergovernmental revenue	14,000	14,000	0
Investment income	2,500	3,091	591
Interest expense	0	0	0
Other expense	0	0	0
Net nonoperating revenues (expenses)	<u>(59,450)</u>	<u>(50,129)</u>	<u>9,321</u>
Net income (loss)	(6,095)	46,503	52,598
Retained earnings (deficit) January 1, 1999	0	614,248	614,248
Prior year encumbrances paid in current year	0	0	0
Retained earnings (deficit) December 31, 1999	<u>\$ (6,095)</u>	<u>660,751</u>	<u>\$ 666,846</u>
<b>RECONCILIATION TO GAAP BASIS RETAINED EARNINGS</b>			
Encumbrances recognized as current year expense		0	
Recognition of accrual basis adjustments		136,697	
Other GAAP basis adjustment			
Individual funds not budgeted		0	
Retained earnings (deficit) December 31, 1999		<u>\$ 797,448</u>	

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CITY OF ERIE, PENNSYLVANIA  
Enterprise Funds  
Combining Statement of Cash Flows  
Year Ended December 31, 1999

	Sewer Revenue	Sewer Reserve	Water Revenue	Refuse and Recycling	Golf
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 1,988,872	\$ 0	\$ 1,471,729	\$ 246,975	\$ 30,254
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Noncash items included in operating income (loss):					
Depreciation expense	837,969	0	719,094	87,579	91,174
Amortization	21,453	0	0	0	0
(Increase) decrease in current assets:					
Accounts receivable	197,098	0	0	77,754	0
Intergovernmental receivable	370,322	0	0	0	0
Other receivables	136,790	(7,027)	0	234	(916)
Increase (decrease) in current liabilities:					
Accounts payable	149,860	0	0	7,358	2,408
Accrued payroll	17,614	0	0	5,758	(159)
Interfund payable	0	0	0	0	(37,500)
Compensated absences payable	14,468	0	0	2,592	2,615
Deferred revenue	(363,812)	0	(413,198)	0	0
Net cash provided (used) by operating activities	<u>3,370,634</u>	<u>(7,027)</u>	<u>1,777,625</u>	<u>428,250</u>	<u>87,876</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Intergovernmental revenue	810,077	0	0	54,500	14,000
Note to Sewer Authority	185,000	0	0	0	0
Operating transfers in	900,000	1,425,189	0	0	0
Operating transfers (out)	<u>(2,779,706)</u>	<u>(650,000)</u>	<u>(1,777,625)</u>	<u>(516,900)</u>	<u>(67,220)</u>
Net cash provided (used) by noncapital financing activities	<u>(884,629)</u>	<u>775,189</u>	<u>(1,777,625)</u>	<u>(462,400)</u>	<u>(53,220)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of fixed assets	(342,460)	0	0	(84,248)	(29,076)
Principal payments	(570,000)	0	0	0	0
Interest payments	<u>(834,715)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net cash provided (used) by capital and related financing activities	<u>(1,747,175)</u>	<u>0</u>	<u>0</u>	<u>(84,248)</u>	<u>(29,076)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale and redemption of investments	3,719	27,259	0	0	0
Net interest earnings	414,461	112,249	0	17,895	3,091
Purchase of investments	<u>(1,583,001)</u>	<u>(498,230)</u>	<u>0</u>	<u>946</u>	<u>0</u>
Net cash provided (used) by investing activities	<u>(1,164,821)</u>	<u>(358,722)</u>	<u>0</u>	<u>18,841</u>	<u>3,091</u>
Net increase (decrease) in cash	(425,991)	409,440	0	(99,557)	8,671
Cash and cash equivalents January 1, 1999	2,263,023	1,612,492	0	376,731	4,694
Cash and cash equivalents December 31, 1999	<u>\$ 1,837,032</u>	<u>\$ 2,021,932</u>	<u>\$ 0</u>	<u>\$ 277,174</u>	<u>\$ 13,365</u>

Total  
\$ 3,737,830

1,735,816  
21,453

274,852  
370,322  
129,081

159,626  
23,213  
(37,500)  
19,675  
(777,010)

5,657,358

878,577  
185,000  
2,325,189  
(5,791,451)

(2,402,685)

(455,784)  
(570,000)  
(834,715)

(1,860,499)

30,978  
547,696  
(2,080,285)

(1,501,611)  
(107,437)

4,256,940  
\$ 4,149,503

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CITY OF ERIE, PENNSYLVANIA

Internal Service Funds  
Combining Financial Statements

The Internal Service Funds account for the costs of providing modified self-insurance to other funds of the City and are financed entirely by charges to these funds on a cost reimbursement basis.

**Workers Compensation Claims Fund** - to account for assets held by the City for the purpose of paying workers compensation claims and costs, financed through City fund charges.

**Workers Compensation Trust Fund** - to account for monies provided by the City to meet workers compensation security requirements for self-insurance and as a source of funds for claims.

**1998 General Obligation Bond** - to account for the funding of certain insurance reserves in lieu of a line of credit.

**Insurance Reserve Trust** - to account for monies set aside in reserve for workers compensation insurance.

**Employees Health Benefit Plan** - to account for monies provided by the City for health insurance premiums and claims.

**Risk Management** - to account for assets held by the City for the purpose of paying general insurance premiums and claims.

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CITY OF ERIE, PENNSYLVANIA  
Internal Service Funds  
Combining Balance Sheet  
December 31, 1999

	Workers Compensation Claims	Workers Compensation Trust	1998 General Obligation Bond	Insurance Reserve Trust	Employees Health Benefit Plan
<b>ASSETS</b>					
Restricted cash and cash equivalents	\$ 894,503	\$ 1,990,920	\$ 541,841	\$ 5,442,138	\$ 13,901
Receivables:					
Other	0	38,822	0	0	0
Total assets	<u>\$ 894,503</u>	<u>\$ 2,029,742</u>	<u>\$ 541,841</u>	<u>\$ 5,442,138</u>	<u>\$ 13,901</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued payroll	0	0	0	0	0
Claims and judgments payable	4,246,609	0	0	0	0
Total liabilities	<u>4,246,609</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>RETAINED EARNINGS</b>					
Unreserved (deficit) (Note II.B.)	(3,352,106)	2,029,742	541,841	5,442,138	13,901
Total retained earnings (deficit)	<u>(3,352,106)</u>	<u>2,029,742</u>	<u>541,841</u>	<u>5,442,138</u>	<u>13,901</u>
Total liabilities and retained earnings	<u>\$ 894,503</u>	<u>\$ 2,029,742</u>	<u>\$ 541,841</u>	<u>\$ 5,442,138</u>	<u>\$ 13,901</u>

Risk Management	Total
\$ 120,989	\$ 9,004,292
0	38,822
<u>\$ 120,989</u>	<u>\$ 9,043,114</u>

\$ 15,500	\$ 15,500
490	490
0	4,246,609
<u>15,990</u>	<u>4,262,599</u>

104,999	4,780,515
104,999	4,780,515
<u>\$ 120,989</u>	<u>\$ 9,043,114</u>

CITY OF ERIE, PENNSYLVANIA  
Internal Service Funds  
Combining Statement of Revenues, Expenses and Changes in Fund Equity  
Year Ended December 31, 1999

	Workers Compensation Claims	Workers Compensation Trust	1998 General Obligation Bond	Insurance Reserve Trust	Employees Health Benefit Plan
<b>OPERATING REVENUES</b>					
Intergovernmental	\$ 2,014,454	\$ 0	\$ 0	\$ 0	\$ 5,671,238
Miscellaneous	0	0	0	0	347,428
Total operating revenues	<u>2,014,454</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,018,666</u>
<b>OPERATING EXPENSES</b>					
Services and fees	107,442	6,880	0	2,010	4,175
Insurance	80,177	0	0	0	5,795,498
Workers compensation claims	1,335,337	0	0	0	0
Total operating expenses	<u>1,522,956</u>	<u>6,880</u>	<u>0</u>	<u>2,010</u>	<u>5,799,673</u>
Operating income (loss)	491,498	(6,880)	0	(2,010)	218,993
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Operating transfers in	18,459	499,777	0	0	0
Operating transfers (out)	(412,500)	(18,459)	0	0	(829,777)
Investment income	54,731	89,735	27,549	44,148	17,687
Net nonoperating revenues (expenses)	<u>(339,310)</u>	<u>571,053</u>	<u>27,549</u>	<u>44,148</u>	<u>(812,090)</u>
Net income (loss)	152,188	564,173	27,549	42,138	(593,097)
Fund equity (deficit) and other credits January 1, 1999	(3,504,294)	1,465,569	514,292	5,400,000	606,998
Fund equity (deficit) and other credits December 31, 1999	<u>\$ (3,352,106)</u>	<u>\$ 2,029,742</u>	<u>\$ 541,841</u>	<u>\$ 5,442,138</u>	<u>\$ 13,901</u>

Risk	
Management	Total
\$ 290,656	\$ 7,976,348
31,053	378,481
<u>321,709</u>	<u>8,354,829</u>

23,132	143,639
339,388	6,215,063
206,457	1,541,794
<u>568,977</u>	<u>7,900,496</u>
(247,268)	454,333

0	518,236
0	(1,260,736)
7,315	241,165
<u>7,315</u>	<u>(501,335)</u>
(239,953)	(47,002)
344,952	4,827,517
<u>\$ 104,999</u>	<u>\$ 4,780,515</u>

CITY OF ERIE, PENNSYLVANIA  
Internal Service Fund - Workers Compensation Claims  
Individual Schedule of Revenues, Expenses and Changes in Retained Earnings (Cash Basis)  
Budget and Actual (Including Encumbrances)  
Year Ended December 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<b>OPERATING REVENUES</b>			
Intergovernmental	\$ 0	\$ 2,014,454	\$ 2,014,454
Charges for services	0	0	0
Rental income	0	0	0
Miscellaneous	0	0	0
Total operating revenues	0	2,014,454	2,014,454
<b>OPERATING EXPENSES</b>			
Personnel services	0	0	0
Other personnel costs	0	0	0
Services and fees	0	0	0
Insurance	82,000	80,177	1,823
Materials, supplies and maintenance	3,048	0	3,048
Workers compensation claims	1,354,150	902,096	452,054
Other	166,678	113,223	53,455
Total operating expenses	1,605,876	1,095,496	510,380
Operating income (loss)	(1,605,876)	918,958	2,524,834
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Operating transfers in	2,014,376	18,458	(1,995,918)
Operating transfers (out)	(412,500)	(412,500)	0
Investment income	4,000	55,139	51,139
Net nonoperating revenues (expenses)	1,605,876	(338,903)	(1,944,779)
Net income (loss)	0	580,055	580,055
Retained earnings (deficit) January 1, 1999	0	235,310	235,310
Prior year encumbrances paid in current year	0	0	0
Retained earnings (deficit) December 31, 1999	\$ 0	815,365	\$ 815,365
<b>RECONCILIATION OF GAAP BASIS RETAINED EARNINGS</b>			
Encumbrances recognized as current year expense		0	
Recognition of accrual basis adjustments		(4,167,471)	
Other GAAP basis adjustment		0	
Individual funds not budgeted		0	
Retained earnings (deficit) December 31, 1999		\$ (3,352,106)	

CITY OF ERIE, PENNSYLVANIA  
Internal Service Fund - Risk Management  
Individual Schedule of Revenues, Expenses and Changes in Retained Earnings (Cash Basis)  
Budget and Actual (Including Encumbrances)  
Year Ended December 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<b>OPERATING REVENUES</b>			
Intergovernmental	\$ 0	\$ 290,656	\$ 290,656
Charges for services	0	0	0
Rental income	0	0	0
Miscellaneous	0	31,053	31,053
Total operating revenues	0	321,709	321,709
 <b>OPERATING EXPENSES</b>			
Personnel services	0	0	0
Other personnel costs	0	0	0
Services and fees	40,714	23,132	17,582
Insurance	0	0	0
Materials, supplies and maintenance	364,500	339,388	25,112
Workers compensation claims	215,180	204,457	10,723
Other	0	0	0
Total operating expenses	620,394	566,977	53,417
Operating income (loss)	(620,394)	(245,268)	375,126
 <b>NONOPERATING REVENUES (EXPENSES)</b>			
Operating transfers in	290,656	0	(290,656)
Operating transfers (out)	0	0	0
Investment income	10,500	7,735	(2,765)
Net nonoperating revenues (expenses)	301,156	7,735	(293,421)
Net income (loss)	(319,238)	(237,533)	81,705
Retained earnings (deficit) January 1, 1999	0	344,746	344,746
Prior year encumbrances paid in current year	0	0	0
Retained earnings (deficit) December 31, 1999	\$ (319,238)	107,213	\$ 426,451
 <b>RECONCILIATION TO GAAP BASIS RETAINED EARNINGS</b>			
Encumbrances recognized as current year expenses		0	
Recognition of accrual basis adjustments		(2,214)	
Other GAAP basis adjustment		0	
Individual funds not budgeted		0	
Retained earnings (deficit) December 31, 1999		\$ 104,999	

CITY OF ERIE, PENNSYLVANIA  
Internal Service Funds  
Combining Statement of Cash Flows  
Year Ended December 31, 1999

	Workers Compensation Claims	Workers Compensation Trust	1998 General Obligation Bond	Insurance Reserve Trust	Employees Health Benefit Plan
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 491,498	\$ (6,880)	\$ 0	\$ (2,010)	\$ 218,993
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Noncash items included in operating income (loss):					
(Increase) decrease in current assets:					
Other receivables	408	(38,822)	0	0	0
Increase (decrease) in current liabilities:					
Accounts payable	(5,781)	0	0	0	0
Accrued payroll	0	0	0	0	0
Claims and judgements payable	433,241	0	0	0	0
Net cash provided (used) by operating activities	<u>919,366</u>	<u>(45,702)</u>	<u>0</u>	<u>(2,010)</u>	<u>218,993</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Operating transfers in	18,459	499,777	0	0	0
Operating transfers (out)	<u>(412,500)</u>	<u>(18,459)</u>	<u>0</u>	<u>0</u>	<u>(829,777)</u>
Net cash provided (used) by noncapital financing activities	<u>(394,041)</u>	<u>481,318</u>	<u>0</u>	<u>0</u>	<u>(829,777)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Net interest earnings	<u>54,731</u>	<u>89,735</u>	<u>27,549</u>	<u>44,148</u>	<u>17,687</u>
Net cash provided (used) by investing activities	<u>54,731</u>	<u>89,735</u>	<u>27,549</u>	<u>44,148</u>	<u>17,687</u>
Net increase (decrease) in cash	580,056	525,351	27,549	42,138	(593,097)
Restricted cash and cash equivalents January 1, 1999	314,447	1,465,569	514,292	5,400,000	606,998
Restricted cash and cash equivalents December 31, 1999	<u>\$ 894,503</u>	<u>\$ 1,990,920</u>	<u>\$ 541,841</u>	<u>\$ 5,442,138</u>	<u>\$ 13,901</u>

Risk Management	Total
\$ (247,268)	\$ 454,333
419	(37,995)
14,500	8,719
490	490
<u>0</u>	<u>433,241</u>
<u>(231,859)</u>	<u>858,788</u>
0	518,236
<u>0</u>	<u>(1,260,736)</u>
<u>0</u>	<u>(742,500)</u>
<u>7,315</u>	<u>241,165</u>
<u>7,315</u>	<u>241,165</u>
<u>(224,544)</u>	<u>357,453</u>
<u>345,533</u>	<u>8,646,839</u>
<u>\$ 120,989</u>	<u>\$ 9,004,292</u>

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CITY OF ERIE, PENNSYLVANIA

Fiduciary Funds

Combining Financial Statements

The Pension Trust Funds account for assets of all City of Erie employees who are covered by one of the following pension plans:

**Officers' and Employees' Retirement Association ("Officers' and Employees'")** - To account for monies to cover employees in various departments (excluding uniformed policemen and firemen).

**Police Relief and Pension Association ("Police")** - to account for monies to cover uniformed employees of the Bureau of Police.

**Firemens' Pension Fund ("Firemens'")** - to account for monies to cover all members of Bureau of Fire except the employees in radio and communication center who are covered by Officers and Employees Retirement Association.

The Agency Funds account for assets held by the City as an agent for individuals, private organizations, other governments and other funds.

**Traffic Court State and County Fines Account** - to account for traffic violation fines collected on behalf of state and county governments.

**Traffic Court Security Bond Account** - to account for monies posted by traffic court defendants pending a hearing.

**Rent Withholding Account** - to account for rental payments from tenants whose dwellings are ruled unfit and/or unsafe. The landlord has six months to take corrective action or forfeit said payment.

**Cable TV Security Deposit Account** - to account for a refundable deposit from the cable TV company.

**Unclaimed Money Account** - to account for unclaimed monies.

**Property Tax Account** - to account for undistributed payments of real estate and personal property tax for the City of Erie, the Erie School District and the County of Erie.

**Income Tax Fund** - to account for the 1% Earned Income Tax collected for the City of Erie, the Erie School District, and other communities.

**Occupational Privilege Tax Fund** - to account for the \$10 Occupational Privilege Tax collected on behalf of the City of Erie and the Erie School District.

**Deferred Compensation Plan** - to account for City assets optionally deferred by employees termination, retirement, death or unforeseeable emergency.

**Community Service Fund** - to account for monies received for charitable contributions through payroll deductions.

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CITY OF ERIE, PENNSYLVANIA  
 Fiduciary Funds  
 Combining Balance Sheet  
 December 31, 1999

	Pension Trust Funds	Agency Funds	Total
<b>ASSETS</b>			
Cash	\$ 9,197,544	\$ 687,835	\$ 9,885,379
Investments	179,827,423	12,567,079	192,394,502
Receivables:			
Other	1,163,973	0	1,163,973
Total assets	<u>\$ 190,188,940</u>	<u>\$ 13,254,914</u>	<u>\$ 203,443,854</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 80,354	\$ 33,353	\$ 113,707
Due to other governments	0	1,869,871	1,869,871
Deferred compensation benefits payable	0	11,351,690	11,351,690
Total liabilities	<u>80,354</u>	<u>13,254,914</u>	<u>13,335,268</u>
<b>FUND BALANCE</b>			
Reserved for employees' pension benefits	190,108,586	0	190,108,586
Total fund balance (deficit)	<u>190,108,586</u>	<u>0</u>	<u>190,108,586</u>
Total liabilities and fund balance	<u>\$ 190,188,940</u>	<u>\$ 13,254,914</u>	<u>\$ 203,443,854</u>

CITY OF ERIE, PENNSYLVANIA  
 Fiduciary Funds - Pension Trust Funds  
 Statement of Plan Net Assets  
 December 31, 1999

	Officers' and Employees'	Police	Firemens'	Total
ASSETS				
Cash and cash equivalents	\$ 347,152	\$ 5,325,311	\$ 3,525,081	\$ 9,197,544
Investments	60,935,918	76,718,768	42,172,737	179,827,423
Receivables:				
Other	432,857	478,596	252,520	1,163,973
Total assets	\$ 61,715,927	\$ 82,522,675	\$ 45,950,338	\$ 190,188,940
 LIABILITIES				
Accounts payable	\$ 0	\$ 10,601	\$ 69,753	\$ 80,354
 FUND BALANCE RESERVED FOR EMPLOYEES' PENSION BENEFITS (A schedule of funding progress for each plan is presented on pages 76, 78, 80 respectively)	\$ 61,715,927	\$ 82,512,074	\$ 45,880,585	\$ 190,108,586

CITY OF ERIE, PENNSYLVANIA  
 Fiduciary Funds - Agency Funds  
 Combining Statement of Changes in Assets and Liabilities  
 Year Ended December 31, 1999

	Balance Jan. 1, 1999	Additions	Deductions	Balance Dec. 31, 1999
<b>TRAFFIC COURT STATE AND COUNTY FINES ACCOUNT</b>				
Assets				
Cash and cash equivalents	\$ 0	\$ 7,350	\$ (7,350)	\$ 0
Liabilities				
Due to other governments	\$ 0	\$ 7,350	\$ (7,350)	\$ 0
<b>TRAFFIC COURT SECURITY BOND ACCOUNT</b>				
Assets				
Cash and cash equivalents	\$ 0	\$ 3,103	\$ (2,617)	\$ 486
Liabilities				
Vouchers payable	\$ 0	\$ 3,103	\$ (2,617)	\$ 486
<b>RENT WITHHOLDING ACCOUNT</b>				
Assets				
Cash and cash equivalents	\$ 5,285	\$ 7,435	\$ (11,620)	\$ 1,100
Liabilities				
Returnable deposit	\$ 5,285	\$ 7,435	\$ (11,620)	\$ 1,100
<b>CABLE TV SECURITY DEPOSIT ACCOUNT</b>				
Assets				
Cash and cash equivalents	\$ 25,000	\$ 0	\$ 0	\$ 25,000
Liabilities				
Returnable deposit	\$ 25,000	\$ 0	\$ 0	\$ 25,000
<b>UNCLAIMED MONEY ACCOUNT</b>				
Assets				
Cash and cash equivalents	\$ 3,821	\$ 4,137	\$ (1,191)	\$ 6,767
Liabilities				
Unclaimed money	\$ 3,821	\$ 4,137	\$ (1,191)	\$ 6,767
<b>PROPERTY TAX ACCOUNT</b>				
Assets				
Cash and cash equivalents	\$ 478,909	\$ 60,847,068	\$ (60,719,523)	\$ 606,454
Liabilities				
Due to taxing units:				
City of Erie	\$ 265,441	\$ 21,902,230	\$ (21,994,434)	\$ 173,237
Erie School District	199,957	10,553,322	(10,388,456)	364,823
County of Erie	13,478	28,381,183	(28,336,600)	58,061
Refunds	33	10,333	(33)	10,333
Total liabilities	\$ 478,909	\$ 60,847,068	\$ (60,719,523)	\$ 606,454

CITY OF ERIE, PENNSYLVANIA  
Fiduciary Funds - Agency Funds  
Combining Statement of Changes in Assets and Liabilities, Continued  
Year Ended December 31, 1999

	Balance Jan. 1, 1999	Additions	Deductions	Balance Dec. 31, 1999
<b>INCOME TAX FUND</b>				
Assets				
Cash and cash equivalents	\$ 431,631	\$ 22,846,437	\$ (22,079,974)	\$ 1,198,094
Liabilities				
Due to taxing units	\$ 431,631	\$ 22,846,437	\$ (22,079,974)	\$ 1,198,094
<b>OCCUPATIONAL PRIVILEGE TAX FUND</b>				
Assets				
Cash and cash equivalents	\$ 62,557	\$ 732,507	\$ (729,740)	\$ 65,324
Liabilities				
Due to taxing units	\$ 62,557	\$ 732,507	\$ (729,740)	\$ 65,324
<b>DEFERRED COMPENSATION PLAN</b>				
Assets				
Investments	\$ 8,978,335	\$ 2,784,669	\$ (411,314)	\$ 11,351,690
Liabilities				
Due to City of Erie employees	\$ 8,978,335	\$ 2,784,669	\$ (411,314)	\$ 11,351,690
<b>COMMUNITY SERVICE FUND</b>				
Assets				
Cash and cash equivalents	\$ 0	\$ 27,007	\$ (27,007)	\$ 0
Liabilities				
Due to charities	\$ 0	\$ 27,007	\$ (27,007)	\$ 0
<b>TOTALS - AGENCY FUNDS</b>				
Assets				
Cash and cash equivalents	\$ 499,812	\$ 82,546,835	\$ (82,358,812)	\$ 687,835
Investments	9,485,726	4,712,877	(1,631,524)	12,567,079
Total assets	<u>\$ 9,985,538</u>	<u>\$ 87,259,712</u>	<u>\$ (83,990,336)</u>	<u>\$ 13,254,914</u>
Liabilities				
Due to other governments	\$ 0	\$ 7,350	\$ (7,350)	\$ 0
Vouchers payable	0	3,103	(2,617)	486
Returnable deposits	30,285	7,435	(11,620)	26,100
Unclaimed money	3,821	4,137	(1,191)	6,767
Due to taxing units	973,097	84,426,011	(83,529,237)	1,869,871
Due to City of Erie employees	8,978,335	2,784,669	(411,314)	11,351,690
Due to charities	0	27,007	(27,007)	0
Total liabilities	<u>\$ 9,985,538</u>	<u>\$ 87,259,712</u>	<u>\$ (83,990,336)</u>	<u>\$ 13,254,914</u>

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CITY OF ERIE, PENNSYLVANIA  
General Fixed Assets Account Group

The General Fixed Assets Account Group accounts for fixed assets owned by the City exclusive of those related to Proprietary Fund operations.

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CITY OF ERIE, PENNSYLVANIA  
 General Fixed Assets  
 Schedule by Function and Activity  
 December 31, 1999

GENERAL FUND	Land	Buildings and Improvements	Equipment and Vehicles	Total
<b>General government:</b>				
City clerk	\$ 0	\$ 0	\$ 8,256	\$ 8,256
Mayor	0	0	5,732	5,732
City solicitor	0	0	9,461	9,461
City treasurer	0	0	28,999	28,999
City controller	0	0	13,893	13,893
Accounts, finance and budget	0	0	16,840	16,840
Computer systems and services	0	0	102,274	102,274
Reproduction/print shop	0	0	20,059	20,059
Local match	0	8,780	16,337	25,117
General government, insurance and utility	586,716	1,809,657	460,783	2,857,156
<b>Total general government</b>	<u>586,716</u>	<u>1,818,437</u>	<u>682,634</u>	<u>3,087,787</u>
<b>Public safety:</b>				
Police	0	42,672	1,566,125	1,608,797
Traffic court	0	0	5,946	5,946
Fire	0	2,048,161	2,250,648	4,298,809
Radio	0	0	274,890	274,890
Electrician	0	142,713	151,373	294,086
<b>Total public safety</b>	<u>0</u>	<u>2,233,546</u>	<u>4,248,982</u>	<u>6,482,528</u>
<b>Highways and streets:</b>				
Director	165,951	0	1,393	167,344
Engineering	0	0	25,556	25,556
Paint and sign	0	0	26,499	26,499
Streets	0	624,563	3,086,937	3,711,500
Municipal garage	0	88,550	176,064	264,614
Public buildings maintenance	0	122,563	177,966	300,529
<b>Total highways and streets</b>	<u>165,951</u>	<u>835,676</u>	<u>3,494,415</u>	<u>4,496,042</u>
<b>Sanitation:</b>				
Refuse, disposal and recycling	0	107,376	46,094	153,470
<b>Total sanitation</b>	<u>0</u>	<u>107,376</u>	<u>46,094</u>	<u>153,470</u>
<b>Culture and recreation:</b>				
Parks and recreation	0	2,549,042	1,243,205	3,792,247
Shade tree	0	9,980	0	9,980
<b>Total culture and recreation</b>	<u>0</u>	<u>2,559,022</u>	<u>1,243,205</u>	<u>3,802,227</u>
<b>Total general fund</b>	<u>752,667</u>	<u>7,554,057</u>	<u>9,715,330</u>	<u>18,022,054</u>
<b>SPECIAL REVENUE FUNDS</b>				
General government	0	29,390	52,776	82,166
Public safety	0	677,187	913,537	1,590,724
Highways and streets	0	153,564	2,084,196	2,237,760
Sanitation	0	137,374	2,000,109	2,137,483
Culture and recreation	0	3,409,312	206,440	3,615,752
Economic and community development	0	74,084	138,607	212,691
<b>Total special revenue funds</b>	<u>0</u>	<u>4,480,911</u>	<u>5,395,665</u>	<u>9,876,576</u>
<b>CAPITAL PROJECTS FUNDS</b>				
Capital outlay	49,000	4,616,172	4,693,438	9,358,610
<b>Total capital projects funds</b>	<u>49,000</u>	<u>4,616,172</u>	<u>4,693,438</u>	<u>9,358,610</u>
<b>Total general fixed assets</b>	<u>\$ 801,667</u>	<u>\$ 16,651,140</u>	<u>\$ 19,804,433</u>	<u>\$ 37,257,240</u>

CITY OF ERIE, PENNSYLVANIA  
 General Fixed Assets  
 Schedule of Changes by Function and Activity  
 Year Ended December 31, 1999

GENERAL FUND	Balance Jan. 1, 1999	Additions	Dispositions	Balance Dec. 31, 1999
<b>General government:</b>				
City clerk	\$ 6,679	\$ 1,577	\$ 0	\$ 8,256
Mayor	5,732	0	0	5,732
City solicitor	9,461	0	0	9,461
City treasurer	26,868	2,131	0	28,999
City controller	11,859	2,034	0	13,893
Accounts, finance and budget	16,840	0	0	16,840
Computer systems and services	100,922	1,352	0	102,274
Reproduction/print shop	20,059	0	0	20,059
Local match	25,117	0	0	25,117
General government, insurance and utility	3,007,156	0	150,000	2,857,156
Total general government	<u>3,230,693</u>	<u>7,094</u>	<u>150,000</u>	<u>3,087,787</u>
<b>Public safety:</b>				
Police	1,590,845	76,197	58,245	1,608,797
Traffic court	5,946	0	0	5,946
Fire	4,247,890	50,919	0	4,298,809
Radio	259,940	14,950	0	274,890
Electrician	294,086	0	0	294,086
Total public safety	<u>6,398,707</u>	<u>142,066</u>	<u>58,245</u>	<u>6,482,528</u>
<b>Highways and streets:</b>				
Director	167,344	0	0	167,344
Engineering	23,176	2,380	0	25,556
Paint and sign	26,499	0	0	26,499
Streets	3,709,635	1,865	0	3,711,500
Municipal garage	183,160	81,454	0	264,614
Public buildings maintenance	298,752	1,777	0	300,529
Total highways and streets	<u>4,408,566</u>	<u>87,476</u>	<u>0</u>	<u>4,496,042</u>
<b>Sanitation:</b>				
Refuse, disposal and recycling	153,470	0	0	153,470
Total sanitation	<u>153,470</u>	<u>0</u>	<u>0</u>	<u>153,470</u>
<b>Culture and recreation:</b>				
Parks and recreation	3,722,460	69,787	0	3,792,247
Shade tree	9,980	0	0	9,980
Total culture and recreation	<u>3,732,440</u>	<u>69,787</u>	<u>0</u>	<u>3,802,227</u>
Total general fund	<u>17,923,876</u>	<u>306,423</u>	<u>208,245</u>	<u>18,022,054</u>
<b>SPECIAL REVENUE FUNDS</b>				
General government	56,369	25,797	0	82,166
Public safety	1,138,696	452,029	0	1,590,725
Highways and streets	1,816,237	421,522	0	2,237,759
Sanitation	1,698,251	439,232	0	2,137,483
Culture and recreation	3,372,346	243,406	0	3,615,752
Economic and community development	175,233	37,458	0	212,691
Total special revenue funds	<u>8,257,132</u>	<u>1,619,444</u>	<u>0</u>	<u>9,876,576</u>
<b>CAPITAL PROJECTS FUNDS</b>				
Capital outlay	6,210,322	3,148,288	0	9,358,610
Total capital projects funds	<u>6,210,322</u>	<u>3,148,288</u>	<u>0</u>	<u>9,358,610</u>
Total general fixed assets	<u>\$ 32,391,330</u>	<u>\$ 5,074,155</u>	<u>\$ 208,245</u>	<u>\$ 37,257,240</u>

CITY OF ERIE, PENNSYLVANIA  
General Fixed Assets  
Schedule by Source  
December 31, 1999

General fixed assets:

Land	\$ 801,667
Buildings and improvements	16,651,140
Equipment and vehicles	19,804,433
Total general fixed assets	<u>\$ 37,257,240</u>

Investments in general fixed assets by source:

General fund	\$ 18,022,054
Special revenue fund	9,876,576
Capital projects funds	9,358,610
Total investment in general fixed assets	<u>\$ 37,257,240</u>

CITY OF ERIE, PENNSYLVANIA

Component Units

Combining Financial Statements

**Redevelopment Authority of the City of Erie** - This authority was created to operate demolition and rehabilitation projects within the City. The primary source of income is from Community Development Block Grant monies which are allocated solely by the primary government.

**Erie Municipal Park Authority** - This financing authority was created to finance improvements to the park area of the Erie Zoo. The City is contingently liable for the debt of the authority under a lease agreement.

**Erie Metropolitan Transit Authority** - This is an operating authority created to provide mass transportation services to Erie County. The authority's main sources of revenue include income from operations, federal and state grants, and local matching funds provided by the City and the County.

**Erie Parking Authority** - This authority operates the municipal parking ramps and lots and enforces parking regulations throughout the City. The City has entered into a Guaranty Agreement with the authority whereby the City has unconditionally guaranteed the payment of principal and interest of the Series 1994 and 1987 bonds.

**Erie Civic Center Authority** - This authority operates the Louis J. Tullio Convention Center, the Warner Theater, the Exhibit Hall, and the Baseball Park. Pursuant to a management agreement the City provides a material subsidy through annual appropriation of funds sufficient to cover the expected operating deficit.

**Erie Sewer Authority** - This is a financing authority created to acquire property and equipment for a sewage treatment plant. The City is contingently liable for the debt of the authority under a lease agreement.

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CITY OF ERIE, PENNSYLVANIA  
Component Units  
Combining Balance Sheet  
December 31, 1999

	Redevelopment Authority of the City of Erie	Erie Municipal Park Authority	Erie Metropolitan Transit Authority	Erie Parking Authority	Erie Civic Center Authority
<b>ASSETS</b>					
Cash and cash equivalents	\$ 337,239	\$ 0	\$ 576,031	\$ 4,213,074	\$ 221,341
Investments	0	33,659	2,717,172	0	0
Restricted cash and cash equivalents	134,024	0	2,417,846	2,163,336	41,000
Restricted investments	0	0	0	554,644	79,855
Receivables (net of allowance for uncollectibles):					
Accounts	69,908	265,000	130,049	51,897	105,755
Intergovernmental	0	0	694,824	0	0
Other	0	0	0	19,419	0
Inventory	0	0	211,155	0	3,995
Prepaid insurance	0	0	125,537	38,525	44,824
Property, plant and equipment:					
Land	68,914	0	189,369	2,285,377	1,705,097
Buildings and improvements	0	0	5,065,828	30,614,778	21,409,631
Improvements other than buildings	0	0	531,296	0	639,841
Equipment and vehicles	0	0	16,215,986	761,458	1,076,556
Construction in progress	0	0	710,197	0	0
Less: accumulated depreciation	0	0	(10,661,398)	(10,075,180)	(7,275,213)
Bond issue costs	0	0	0	561,485	0
Amounts to be provided for long-term debt	104,000	225,000	0	0	0
Total assets	<u>\$ 714,085</u>	<u>\$ 523,659</u>	<u>\$ 18,923,892</u>	<u>\$ 31,188,813</u>	<u>\$ 18,052,682</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 150,471	\$ 0	\$ 160,585	\$ 652,552	\$ 186,373
Accrued payroll	8,981	0	800,375	68,303	25,000
Accrued pension obligation	0	0	0	49,989	0
Current portion of long-term liabilities	0	0	0	640,000	0
Deferred revenue	0	0	136,321	0	125,197
Other liabilities	209,347	0	3,685	424,412	0
Due to other governments	0	0	4,912,128	0	0
Notes payable	104,000	0	0	0	22,382
General obligation bonds payable	0	225,000	0	23,124,619	0
Total liabilities	<u>472,799</u>	<u>225,000</u>	<u>6,013,094</u>	<u>24,959,875</u>	<u>358,952</u>
<b>FUND EQUITY AND OTHER CREDITS</b>					
Contributed capital and other credits	0	0	12,076,989	0	16,898,558
Retained earnings:					
Unreserved (deficit)	0	0	833,809	6,228,938	795,172
Fund balance:					
Reserved:					
Equity in authority rentals	0	265,000	0	0	0
Land held for resale	68,914	0	0	0	0
Unreserved:					
Undesignated (deficit)	172,372	33,659	0	0	0
Total fund equity and other credits	<u>241,286</u>	<u>298,659</u>	<u>12,910,798</u>	<u>6,228,938</u>	<u>17,693,730</u>
Total liabilities and fund equity and other credits	<u>\$ 714,085</u>	<u>\$ 523,659</u>	<u>\$ 18,923,892</u>	<u>\$ 31,188,813</u>	<u>\$ 18,052,682</u>

Erie Sewer Authority	Total Component Units
\$ 5,076	\$ 5,352,761
15,000	2,765,831
0	4,756,206
18,455,058	19,089,557
0	622,609
148,099	842,923
571,476	590,895
0	215,150
0	208,886
0	4,248,757
36,739,566	93,829,803
0	1,171,137
53,431,775	71,485,775
0	710,197
(33,830,739)	(61,842,530)
0	561,485
0	329,000
<u>\$ 75,535,311</u>	<u>\$ 144,938,442</u>

\$ 2,465,981	\$ 3,615,962
0	902,659
0	49,989
1,883,187	2,523,187
0	261,518
556,872	1,194,316
5,090,000	10,002,128
2,518,728	2,645,110
42,435,755	65,785,374
<u>54,950,523</u>	<u>86,980,243</u>

0	28,975,547
20,584,788	28,442,707
0	265,000
0	68,914
0	206,031
<u>20,584,788</u>	<u>57,958,199</u>
<u>\$ 75,535,311</u>	<u>\$ 144,938,442</u>

CITY OF ERIE, PENNSYLVANIA  
Component Units  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Year Ended December 31, 1999

	Redevelopment Authority of the City of Erie	Erie Municipal Park Authority	Total
<b>REVENUES</b>			
Intergovernmental	\$ 1,389,171	\$ 53,000	\$ 1,442,171
Interest earnings	5,921	1,698	7,619
Miscellaneous	453,453	0	453,453
Total revenues	<u>1,848,545</u>	<u>54,698</u>	<u>1,903,243</u>
<b>EXPENDITURES</b>			
Current:			
General government	0	2,592	2,592
Economic and community development	1,903,144	0	1,903,144
Debt service:			
Principal	0	40,000	40,000
Interest	0	8,575	8,575
Total expenditures	<u>1,903,144</u>	<u>51,167</u>	<u>1,954,311</u>
Excess of revenues over (under) expenditures	(54,599)	3,531	(51,068)
Fund balance (deficit) January 1, 1999	295,885	295,128	591,013
Increase to contributed capital and other credits	0	0	0
Fund balance (deficit) December 31, 1999	<u>\$ 241,286</u>	<u>\$ 298,659</u>	<u>\$ 539,945</u>

CITY OF ERIE, PENNSYLVANIA  
Component Units  
Combining Statement of Revenues, Expenses and Changes in Fund Equity  
Year Ended December 31, 1999

	Erie Metropolitan		Erie		Total
	Transit Authority	Erie Parking Authority	Civic Center Authority	Erie Sewer Authority	
<b>OPERATING REVENUES</b>					
Intergovernmental	\$ 299,655	\$ 0	\$ 0	\$ 5,027,531	\$ 5,327,186
Charges for services	3,637,862	3,853,959	1,003,200	0	8,495,021
Rental income	0	0	550,755	0	550,755
Miscellaneous	104,381	0	8,875	1,150	114,406
Total operating revenues	<u>4,041,898</u>	<u>3,853,959</u>	<u>1,562,830</u>	<u>5,028,681</u>	<u>14,487,368</u>
<b>OPERATING EXPENSES</b>					
Personnel services	4,168,080	833,842	954,068	0	5,955,990
Other personnel costs	1,272,421	347,259	0	0	1,619,680
Services and fees	703,668	44,052	69,219	0	816,939
Utilities	106,779	227,348	282,775	0	616,902
Rent	0	58,265	2,115	0	60,380
Insurance	0	64,947	80,096	0	145,043
Materials, supplies and maintenance	989,977	176,299	117,155	0	1,283,431
Depreciation	1,294,172	788,664	661,520	2,514,586	5,258,942
Other	242,932	40,827	84,645	0	368,404
Total operating expenses	<u>8,778,029</u>	<u>2,581,503</u>	<u>2,251,593</u>	<u>2,514,586</u>	<u>16,125,711</u>
Operating income (loss)	<u>(4,736,131)</u>	<u>1,272,456</u>	<u>(688,763)</u>	<u>2,514,095</u>	<u>(1,638,343)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenue	8,616,050	0	275,000	0	8,891,050
Interest earnings	273,451	399,069	13,640	1,031,904	1,718,064
Interest expense	0	(1,435,313)	(63)	(2,445,995)	(3,881,371)
Other income (expense)	0	0	8,823	(25,163)	(16,340)
Total nonoperating revenues (expenses)	<u>8,889,501</u>	<u>(1,036,244)</u>	<u>297,400</u>	<u>(1,439,254)</u>	<u>6,711,403</u>
Net income (loss)	4,153,370	236,212	(391,363)	1,074,841	5,073,060
Total fund equity and other credits January 1, 1999	8,757,428	5,992,726	18,083,152	19,509,947	52,343,253
Increase to contributed capital and other credits	0	0	1,941	0	1,941
Total fund equity and other credits December 31, 1999	<u>\$ 12,910,798</u>	<u>\$ 6,228,938</u>	<u>\$ 17,693,730</u>	<u>\$ 20,584,788</u>	<u>\$ 57,418,254</u>

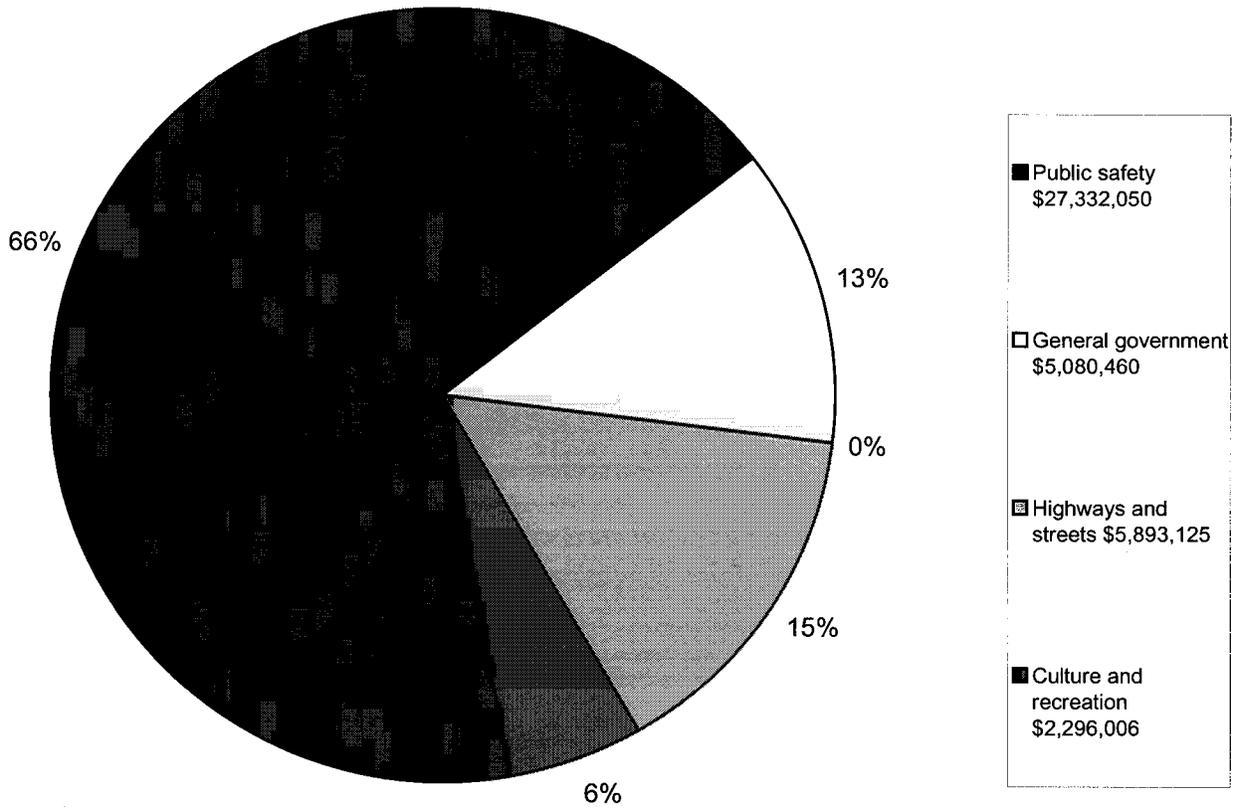
CITY OF ERIE, PENNSYLVANIA  
Component Units  
Combining Statement of Cash Flows  
Year Ended December 31, 1999

	Erie Metropolitan Transit Authority	Erie Parking Authority	Erie Civic Center Authority	Erie Sewer Authority	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (4,736,131)	\$ 1,272,456	\$ (688,763)	\$ 2,514,095	\$ (1,638,343)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Other nonoperating income (expense)	0	0	8,823	(25,163)	(16,340)
Noncash items included in operating income (loss):					
Depreciation expense	1,294,172	788,664	661,520	2,514,586	5,258,942
Amortization	0	13,477	0	0	13,477
(Increase) decrease in current assets:					
Accounts receivable	(475,948)	(2,858)	(3,964)	0	(482,770)
Intergovernmental receivable	0	0	0	(148,099)	(148,099)
Other receivables	0	0	0	1,164,804	1,164,804
Inventory	(14,726)	0	(25)	0	(14,751)
Prepaid insurance	(17,406)	21,585	(101)	0	4,078
Increase (decrease) in current liabilities:					
Accounts payable	17,767	643,532	(58,429)	760,250	1,363,120
Accrued payroll	0	6,896	(10,997)	0	(4,101)
Accrued pension obligation	0	49,989	0	0	49,989
Due to other governments	200,698	0	0	0	200,698
Deferred revenue	(78,172)	0	65,377	0	(12,795)
Other liabilities	(185,040)	0	0	(18,148)	(203,188)
Net cash provided (used) by operating activities	<u>(3,994,786)</u>	<u>2,793,741</u>	<u>(26,559)</u>	<u>6,762,325</u>	<u>5,534,721</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Intergovernmental revenue	3,268,817	0	125,000	0	3,393,817
Net cash provided (used) by noncapital financing activities	<u>3,268,817</u>	<u>0</u>	<u>125,000</u>	<u>0</u>	<u>3,393,817</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Net proceeds from refunding revenue bonds	0	0	0	30,306,850	30,306,850
Costs of advanced refunding	0	0	(207,025)	(777,743)	(984,768)
Purchase of fixed assets	(5,506,487)	(3,561,984)	0	(21,520,593)	(30,589,064)
Transfers to restricted investments	0	0	(5,735)	0	(5,735)
Contributions and capital grants	5,532,198	0	151,941	0	5,684,139
Borrowings of Long-Term Debt	0	0	22,382	0	22,382
Principal payments	0	(615,000)	0	(28,529,807)	(29,144,807)
Interest payments	0	(1,297,157)	(63)	(2,445,995)	(3,743,215)
Net cash provided (used) by capital and related financing activities	<u>25,711</u>	<u>(5,474,141)</u>	<u>(38,500)</u>	<u>(22,967,288)</u>	<u>(28,454,218)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale and redemption of investments	0	811,248	0	15,171,877	15,983,125
Net interest earnings	273,451	401,911	13,640	1,031,904	1,720,906
Purchase of investments	(2,892,619)	(554,644)	0	(7,588)	(3,454,851)
Net cash provided (used) by investing activities	<u>(2,619,168)</u>	<u>658,515</u>	<u>13,640</u>	<u>16,196,193</u>	<u>14,249,180</u>
Net increase (decrease) in cash	<u>(3,319,426)</u>	<u>(2,021,885)</u>	<u>73,581</u>	<u>(8,770)</u>	<u>(5,276,500)</u>
Cash and cash equivalents, January 1, 1999	6,313,303	8,398,295	188,760	13,846	14,914,204
Cash and cash equivalents, December 31, 1999	<u>\$ 2,993,877</u>	<u>\$ 6,376,410</u>	<u>\$ 262,341</u>	<u>\$ 5,076</u>	<u>\$ 9,637,704</u>
<b>Reconciliation to the balance sheet:</b>					
At January 1, 1999:					
Cash and cash equivalents	\$ 3,923,664	\$ 3,914,664	\$ 188,760	\$ 13,846	\$ 8,040,934
Restricted cash and cash equivalents	2,389,639	4,483,631	0	0	6,873,270
	<u>\$ 6,313,303</u>	<u>\$ 8,398,295</u>	<u>\$ 188,760</u>	<u>\$ 13,846</u>	<u>\$ 14,914,204</u>
At December 31, 1999:					
Cash and cash equivalents	\$ 576,031	\$ 4,213,074	\$ 221,341	\$ 5,076	\$ 5,015,522
Restricted cash and cash equivalents	2,417,846	2,163,336	41,000	0	4,622,182
	<u>\$ 2,993,877</u>	<u>\$ 6,376,410</u>	<u>\$ 262,341</u>	<u>\$ 5,076</u>	<u>\$ 9,637,704</u>

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CITY OF ERIE, PENNSYLVANIA

General Fund  
Expenditures by Function  
December 31, 1999



CITY OF ERIE, PENNSYLVANIA

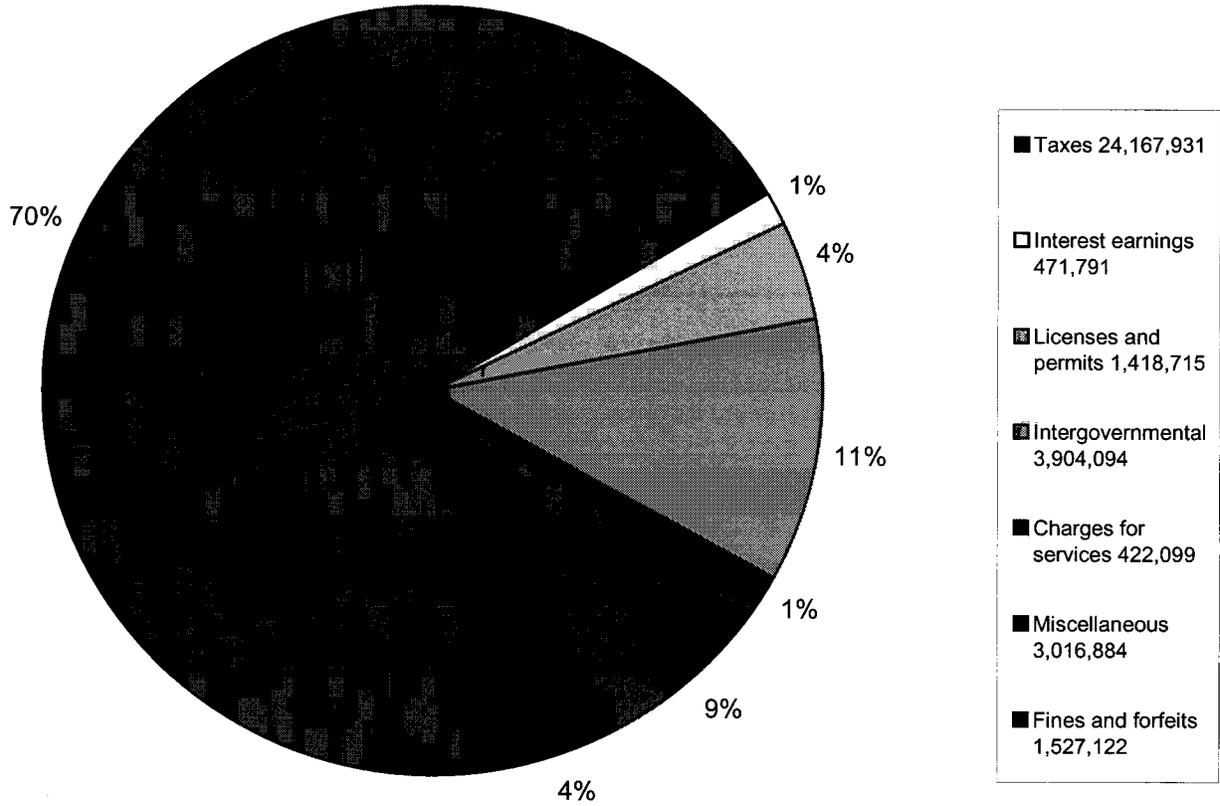
General Fund  
Expenditures by Function  
Last Ten Years

<u>Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Highways and Streets</u>	<u>Sanitation</u>	<u>Culture and Recreation</u>	<u>Debt Service</u>	<u>Inter- Governmental</u>	<u>Total</u>
1990(1)	\$ 5,385,502	\$ 19,578,603	\$ 4,348,908	\$ 2,082,068	\$ 179,430	\$ 364,583	\$ 353,000	\$ 32,292,094
1991	5,873,375	21,364,046	5,602,769	2,501,896	893,329	280,952	353,000	36,869,367
1992	5,124,773	25,331,891	5,633,009	3,361,680	1,067,972	45,244	353,000	40,917,569
1993	5,168,622	26,396,807	6,202,639	3,536,360	1,257,377	0	348,000	42,909,805
1994	5,381,890	27,607,318	6,144,493	3,401,378	1,309,743	0	348,000	44,192,822
1995	4,900,550	28,181,500	6,161,531	0	1,770,143	0	418,000	41,431,724
1996	4,730,652	29,669,217	6,609,021	0	1,824,672	1,169	453,000	43,287,731
1997	4,443,112	29,753,925	5,752,611	0	2,101,892	14,129	393,500	42,459,169
1998	5,308,983	26,070,808	5,630,063	0	2,198,596	142,820	0	39,351,270
1999	5,080,460	27,332,050	5,893,125	0	2,296,006	0	0	40,601,641

(1) Cash basis, all other years modified accrual basis.

CITY OF ERIE, PENNSYLVANIA

General Fund  
Revenues by Source  
December 31, 1999



CITY OF ERIE, PENNSYLVANIA

General Fund  
Revenues by Source  
Last Ten Years

Year	Taxes	Licenses and Permits	Inter- Governmental	Charges for Services	Fines and Forfeits	Interest Earnings	Misc	Total
1990(1)	\$ 24,747,672	\$ 511,148	\$ 811,893	\$ 2,562,176	\$ 1,137,462	\$ 737,299	\$ 1,638,949	\$ 32,146,599
1991	26,516,365	655,298	1,049,500	2,458,821	1,031,216	524,812	2,183,888	34,419,900
1992	29,187,921	940,033	3,637,743	3,835,616	1,054,986	304,567	2,539,967	41,500,833
1993	27,314,246	936,890	3,724,211	3,832,027	1,131,552	275,529	1,800,968	39,015,423
1994	27,991,017	1,144,274	3,747,337	3,742,481	1,456,585	289,727	1,795,003	40,166,424
1995	28,124,592	1,450,482	4,297,030	653,879	1,402,940	339,697	3,956,583	40,225,203
1996	27,864,286	1,403,364	3,985,300	708,353	1,272,147	340,269	3,967,010	39,540,729
1997	27,712,258	1,598,494	3,880,809	634,659	1,350,281	558,646	2,922,829	38,657,976
1998	27,055,740	1,471,123	4,193,744	494,022	1,403,840	658,167	3,116,316	38,392,952
1999	24,167,931	1,418,715	3,904,094	422,099	1,527,122	471,791	3,016,884	34,928,636

(1) Cash basis, all other years modified accrual basis.

CITY OF ERIE, PENNSYLVANIA

Property Tax Levies and Collections  
Last Ten Years

Year	Total Tax Levy(1)	Current Tax Collections	Percent of Levy Collected(2)	Delinquent Tax Collections	Total Tax Collections(3)	Total Collections As Percent Of Current Levy	Outstanding Delinquent Taxes(4)	Outstanding Delinquent Taxes As Percent of Current Levy
1990	\$ 20,847,453	\$ 19,627,804	94.1%	\$ 1,377,050	\$ 21,004,854	99.6%	\$ 1,866,307	5.2%
1991	21,707,365	19,709,072	90.8	1,236,680	20,945,752	100.8	1,960,987	9.0
1992	23,085,067	21,411,050	92.7	2,592,839	24,003,889	96.5	1,632,421	9.0
1993	22,873,739	21,054,469	92.0	1,474,700	22,529,169	104.0	1,368,179	7.1
1994	22,838,081	21,149,004	92.6	1,520,056	22,669,060	98.5	1,622,913	6.0
1995	22,862,066	21,314,859	93.2	1,431,989	22,746,848	99.0	1,390,857	7.0
1996	22,841,089	21,337,311	93.4	1,361,590	22,698,901	99.0	1,476,504	6.1
1997	22,848,411	21,342,031	93.4	1,515,280	22,857,311	99.4	1,408,202	6.5
1998	22,934,669	21,447,001	93.5	1,347,321	22,794,322	100.0	1,448,881	6.2
1999	22,825,180	21,411,974	93.8	1,266,742	22,678,717	99.4	1,440,473	6.3

(1) Gross tax levy, net of LERTA, credits, debits, discounts and adjustments.

(2) Current year.

(3) Current and prior years.

(4) Represents delinquent taxes due at the end of the year on taxes levied for that year.

Source: City Treasurer.

Note: 2% rebate until March 31.

CITY OF ERIE, PENNSYLVANIA

Assessed and Estimated Actual  
Value of Taxable Property  
Last Ten Years

<u>Year</u>	<u>Net Assessed Valuation(1)</u>	<u>Estimated Actual Value(3)</u>	<u>Assessed Valuation As Percent of Market</u>	<u>Tax Title Exempt Property</u>
1990	\$ 546,004,259	1,253,886,400	43.5%	\$ 267,340,640
1991	548,036,990	1,272,387,800	43.1	271,536,510
1992	547,164,522 (2)	1,395,825,900	39.2	271,563,550
1993	537,745,958 (2)	1,375,825,400	39.1	222,546,460
1994	538,761,050 (2)	1,482,771,200	36.3	260,535,960
1995	535,890,184 (2)	1,486,402,400	36.1	256,459,100
1996	536,387,641 (2)	1,587,587,000	33.8	273,475,070
1997	534,919,470 (2)	1,584,229,000	33.8	273,421,080
1998	538,955,180 (2)	1,731,610,400	31.1	278,574,600
1999	538,638,945 (2)	1,744,358,000	30.9	280,275,080

(1) Net of LERTA (Local Economic Revitalization Tax Assistance Act).

(2) Net of debits and credits.

(3) Source: State Tax Equalization Board.

CITY OF ERIE, PENNSYLVANIA

Property Tax Rates - Direct and Overlapping Governments  
Last Ten Years

Year	Per \$1000 of Assessed Value			Total
	City	School District	County(1)	
1990	40.00	45.00	35.50	120.50
1991	40.50	48.00	40.25	128.75
1992	42.78	49.00	41.75	133.53
1993	42.78	49.00	43.50	135.28
1994	42.78	49.00	44.50	136.28
1995	43.23	51.00	45.50	139.73
1996	43.23	51.00	46.00	140.23
1997	43.23	54.00	50.00	147.23
1998	43.23	56.00	51.00	150.23
1999	42.98	56.00	51.00	149.98

(1) Calculated on 40% of assessed value.

CITY OF ERIE, PENNSYLVANIA

Annual Requirements to Amortize Long-Term Debt  
December 31, 1999

Year Ending Dec. 31	General Fund General Obligation Bonds			Sewer Revenue Fund General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
	2000	\$ 3,551,880	\$ 1,180,116	\$ 4,731,996	\$ 683,120	\$ 806,331
2001	3,731,880	1,000,601	4,732,481	708,120	781,044	1,489,164
2002	3,281,880	808,691	4,090,571	733,120	753,764	1,486,884
2003	3,446,880	640,644	4,087,524	763,120	724,094	1,487,214
2004	3,641,880	446,714	4,088,594	798,120	692,369	1,490,489
2005	3,851,880	236,564	4,088,444	828,120	658,289	1,486,409
2006	4,076,880	12,404	4,089,284	863,120	622,769	1,485,889
2007	4,097,612	0	4,097,612	1,126,380	360,921	1,487,301
2008	4,185,782	0	4,185,782	1,204,219	195,212	1,399,431
2009	4,183,282	0	4,183,282	1,221,719	179,962	1,401,681
2010	4,182,032	0	4,182,032	1,237,969	163,712	1,401,681
2011	4,182,282	0	4,182,282	1,252,719	146,712	1,399,431
2012	4,184,032	0	4,184,032	1,270,969	128,962	1,399,931
2013	4,182,282	0	4,182,282	1,287,719	110,212	1,397,931
2014	4,182,282	0	4,182,282	1,307,719	90,712	1,398,431
2015	4,184,950	0	4,184,950	1,330,050	69,700	1,399,750
2016	4,184,669	0	4,184,669	1,350,332	47,662	1,397,994
2017	4,181,181	0	4,181,181	1,373,819	24,344	1,398,163
2018	4,185,000	0	4,185,000	0	0	0
2019	4,185,000	0	4,185,000	0	0	0
2020	4,185,000	0	4,185,000	0	0	0
2021	4,185,000	0	4,185,000	0	0	0
2022	4,185,000	0	4,185,000	0	0	0
2023	4,185,000	0	4,185,000	0	0	0
2024	4,185,000	0	4,185,000	0	0	0
Total	<u>\$ 100,808,546</u>	<u>\$ 4,325,734</u>	<u>\$ 105,134,280</u>	<u>\$ 19,340,454</u>	<u>\$ 6,556,771</u>	<u>\$ 25,897,225</u>

CITY OF ERIE, PENNSYLVANIA

Computation of Legal Debt Margin  
As of December 31, 1999

Nonelectoral Debt Incurring Capacity:

Borrowing base(1)	\$ 82,878,020
Percentage limitation	<u>250</u>
Net nonelectoral debt limit	\$ 207,195,050
Less: net nonelectoral debt incurred	51,717,664
Add: current principal appropriation	<u>4,719,709</u>
Remaining nonelectoral debt incurring capacity	<u><u>\$ 160,197,095</u></u>

Nonelectoral Plus Lease Rental Debt Incurring Capacity:

Borrowing base(1)	\$ 82,878,020
Percentage limitation	<u>350</u>
Net nonelectoral plus lease rental debt limit	\$ 290,073,070
Less: net nonelectoral debt plus lease rental debt incurred	81,680,123
Add: current principal appropriation	<u>4,719,709</u>
Remaining nonelectoral plus lease rental debt incurring capacity	<u><u>\$ 213,112,656</u></u>

(1) The Commonwealth of Pennsylvania has enacted the Local Government Unit Debt Act which limits debt to revenues. Revenues of the last three years are adjusted for various nonrecurring and excludable items. The average of adjusted revenues for the respective years is the borrowing base. Certain percentages are applied to the borrowing base to determine the debt limitations.

CITY OF ERIE, PENNSYLVANIA

Ratio of Net General Bonded Debt to Assessed Value  
and Net Bonded Debt Per Capita  
Last Ten Years

<u>Year</u>	<u>Net General Bonded Debt</u>	<u>Net Assessed Valuation(1)</u>	<u>Ratio to Assessed Valuation</u>	<u>Population(3)</u>	<u>Net General Bonded Debt Per Capita</u>
1990	\$ 5,568,206	\$ 546,004,259	1.0%	115,190	\$ 51.22
1991	6,424,804	548,036,990	1.2	108,718	59.10
1992	5,588,732	547,164,522 (2)	1.0	108,718	51.41
1993	12,950,000	537,745,958 (2)	2.4	108,718	119.12
1994	12,470,000	538,761,050 (2)	2.3	108,718	114.70
1995	12,015,000	535,890,184 (2)	2.2	108,718	110.52
1996	11,535,000	536,387,641 (2)	2.2	108,718	106.10
1997	19,910,000	534,919,470 (2)	3.7	108,718	183.13
1998	104,285,425	538,955,180 (2)	19.4	108,718	959.23
1999	100,808,546	538,638,945 (2)	18.7	108,718	927.25

(1) Net of LERTA (Local Economic Revitalization Tax Assistance Act).

(2) Net of debits and credits.

(3) Sources: Bureau of Census  
Office of Revenue Sharing  
Erie Chamber of Commerce

CITY OF ERIE, PENNSYLVANIA

Ratio of Annual Debt Service for  
General Bonded Debt to Total General Expenditures  
Last Ten Years

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service(1)</u>	<u>Total General Expenditures</u>	<u>Ratio of Debt Service to General Expenditures</u>
1990(2)	\$ 1,623,175	\$ 363,945	\$ 1,987,120	\$ 32,292,094	6.2%
1991	583,402	299,952	883,354	36,869,367	2.4
1992	836,072	376,535	1,212,607	40,917,569	3.0
1993	878,856	314,757	1,193,613	42,909,805	2.8
1994	480,000	673,412	1,153,412	44,192,822	2.6
1995	455,000	604,428	1,059,428	41,431,724	2.6
1996	480,000	574,933	1,054,933	43,287,731	2.4
1997	535,000	542,991	1,077,991	42,459,169	2.5
1998	915,000	988,911	1,903,911	39,351,270	4.8
1999	3,476,880	1,503,949	4,980,829	40,601,641	12.3

(1) Excludes loans.

(2) Cash basis, all other years modified accrual basis.

CITY OF ERIE, PENNSYLVANIA

Computation of Direct and Overlapping Debt  
December 31, 1999

	Net Debt Outstanding	Percentage Applicable to City of Erie	Amount Applicable to City of Erie
<b>Direct Debt:</b>			
1971 Capital Improvement bond	\$ 135,000	100.0%	\$ 135,000
1971 Capital Improvement bond	270,000	100.0	270,000
1993 General obligation bond (B)	215,000	100.0	215,000
1993 General obligation bond (B)	220,000	100.0	220,000
1993 General obligation bond (B)	230,000	100.0	230,000
1993 General obligation bond (B)	240,000	100.0	240,000
1993 General obligation bond (B)	520,000	100.0	520,000
1993 General obligation bond (B)	280,000	100.0	280,000
1993 General obligation bond (B)	2,380,000	100.0	2,380,000
1993 General obligation bond (B)	1,770,000	100.0	1,770,000
1998 General obligation bond (A)	3,365,000	100.0	3,365,000
1998 General obligation bond (A)	3,540,000	100.0	3,540,000
1998 General obligation bond (A)	3,075,000	100.0	3,075,000
1998 General obligation bond (A)	3,705,000	100.0	3,705,000
1998 General obligation bond (A)	4,180,000	100.0	4,180,000
1998 General obligation bond (A)	11,765,000	100.0	11,765,000
1998 General obligation bond (B)	520,000	100.0	520,000
1998 General obligation bond (B)	545,000	100.0	545,000
1998 General obligation bond (B)	575,000	100.0	575,000
1998 General obligation bond (B)	265,000	100.0	265,000
1998 General obligation bond (B)	15,000	100.0	15,000
1998 General obligation bond (B)	2,235,000	100.0	2,235,000
1998 General obligation bond (B)	5,085,000	100.0	5,085,000
1998 General obligation bond (B)	5,080,000	100.0	5,080,000
1998 General obligation bond (B)	5,080,000	100.0	5,080,000
1998 General obligation bond (B)	5,080,000	100.0	5,080,000
1998 General obligation bond (B)	5,080,000	100.0	5,080,000
1998 General obligation bond (B)	5,080,000	100.0	5,080,000
1998 General obligation bond (B)	5,080,000	100.0	5,080,000
1998 General obligation bond (B)	5,080,000	100.0	5,080,000
1998 General obligation bond (B)	5,085,000	100.0	5,085,000
1998 General obligation bond (B)	5,080,000	100.0	5,080,000
1998 General obligation bond (B)	9,265,000	100.0	9,265,000
1998 General obligation bond (B)	8,370,000	100.0	8,370,000
1998 General obligation bond (B)	16,740,000	100.0	16,740,000
	<u>120,150,000</u>		<u>120,150,000</u>
<b>Overlapping Debt:</b>			
Erie Housing Authority	463,636	100.0	463,636
Erie Municipal Park Authority	225,000	100.0	225,000
Erie School District	77,996,090	100.0	77,996,090
Erie Sewer Authority	54,879,758	100.0	54,879,758
Erie Parking Authority	25,650,000	75.0	19,237,500
Erie City Water Authority	63,363,796	70.0	44,354,657
County of Erie	36,620,802	35.6	13,037,006
Erie Western Pennsylvania Port Authority	9,281,651	30.0	2,784,495
Total	<u>268,480,733</u>		<u>212,978,142</u>
Total Direct and Overlapping Debt	<u>\$ 388,630,733</u>		<u>\$ 333,128,142</u>

CITY OF ERIE, PENNSYLVANIA

Demographic Statistics  
1800-1990

<u>Census Year</u>	<u>Population</u>	<u>% Increase (Decrease)</u>	<u>Square Miles</u>	<u>Average Density (Persons/ Square Mile)</u>
1800	81		18.9	4
1810	394	386.4%	18.9	21
1820	635	61.2	18.9	34
1830	1,465	130.7	18.9	78
1840	3,412	132.9	18.9	181
1850	5,858	71.7	18.9	312
1860	9,419	60.8	18.9	501
1870	19,646	108.6	18.9	1,045
1880	27,737	41.2	18.9	1,475
1890	40,634	46.5	18.9	2,161
1900	57,527	41.6	18.9	3,060
1910	66,525	15.6	18.9	3,539
1920	102,093	53.5	18.9	5,430
1930	115,967	13.6	18.9	6,168
1940	116,955	0.9	18.9	6,221
1950	130,803	11.8	18.9	6,958
1960	138,440	5.8	18.9	7,325
1970	129,231	(6.7)	18.9	6,838
1980	119,123	(7.8)	18.9	6,303
1990	108,718	(8.7)	18.9	5,752

CITY OF ERIE, PENNSYLVANIA

Property Values and Construction  
Last Ten Years

Year	Commercial		Residential		Miscellaneous	
	Units	Value	Units	Value	Units	Value
1990	273	\$ 20,266,381	303	\$ 3,409,847	122	\$ 608,214
1991	207	29,957,545	436	7,530,704	158	661,054
1992	110	37,449,514	414	4,847,908	183	324,967
1993	104	39,146,753	369	17,266,869	132	206,455
1994	110	35,304,641	369	10,537,236	109	190,523
1995	124	51,002,534	330	7,804,454	115	230,078
1996	160	35,164,903	419	8,663,135	105	146,324
1997	151	43,393,843	356	5,139,835	87	172,530
1998	168	35,756,892	375	8,023,283	122	196,280
1999	163	32,853,872	394	10,753,117	137	311,103

Source: Department of Economic and Community Development.

CITY OF ERIE, PENNSYLVANIA

Financial Institution Deposits  
Last Ten Years

<u>Year(1)</u>	<u>Commercial Banks</u>	<u>Savings and Loan Associations</u>	<u>Credit Unions</u>	<u>Total Deposits</u>
1990	\$ 921,097,000	586,971,000	237,162,000	\$ 1,745,230,000
1991	980,745,000	616,326,000	261,662,000	1,858,733,000
1992	1,005,283,000	596,240,000	302,445,000	1,903,968,000
1993	963,897,000	616,845,000	329,968,000	1,910,710,000
1994	1,004,768,000	629,224,000	343,605,000	1,977,597,000
1995	949,439,000	643,149,000	331,913,000	1,924,501,000
1996	975,829,000	645,720,000	341,075,000	1,962,624,000
1997	997,993,000	681,954,000	345,693,000	2,025,640,000
1998	1,414,158,000	642,888,000	355,954,000	2,413,000,000
1999	1,417,196,000	675,484,000	385,340,000	2,459,312,000

(1) Fiscal Year Ended June 30. Pennsylvania Department of Banking.

CITY OF ERIE, PENNSYLVANIA

Principal Taxpayers  
December 31, 1999

Taxpayer	Assessed Valuation	Percent of Taxable Assessed Valuation
Erie Insurance, et al	\$ 12,496,430	2.3%
Baldwin Brothers Incorporated	5,565,210	1.0
International Paper Company	4,213,810	0.8
Covelli, Albert M.	2,150,270	0.4
Friedman, Janice, et al	1,969,290	0.4
Lord Manufacturing Corporation	1,950,870	0.4
Central Mall Partnership	1,796,140	0.3
Bay Area Redevelopment, Lmt.	1,758,910	0.3
Bayside Development Company	1,647,470	0.3
Benderson Erie Associates	1,458,240	0.3
	\$ 35,006,640	6.5%

Source: Erie County Assessment Office.

CITY OF ERIE, PENNSYLVANIA

Miscellaneous Statistical Data  
December 31, 1999

Area in Acres:

Land	12,107.0		
Water	<u>384.0</u>	12,491.0	Acres

Square Miles:

Land	18.9		
Water	<u>0.6</u>	19.5	Square Miles

Miles of Streets:

Paved	307.1		
Unpaved	<u>15.6</u>	322.7	Miles

Miles of Sewers

431.7 Miles

Miles of Water Frontage:

Fronting Presque Isle Bay	4.0		
Fronting Lake Erie	<u>1.6</u>	5.6	Miles

Source: Department of Public Works, Property and Parks.

CITY OF ERIE, PENNSYLVANIA

Labor Force  
Last Ten Years Annual Average  
(Data in Thousands)

<u>Year</u>	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
1990	54.5	51.0	3.5	6.5
1991	55.4	50.8	4.6	8.3
1992	54.3	49.2	5.1	7.9
1993	52.8	48.2	4.6	8.7
1994	52.0	47.2	4.2	8.2
1995	52.4	47.8	4.6	8.2
1996	52.3	48.3	4.0	7.7
1997	51.1	47.1	4.0	7.9
1998	50.3	46.9	3.4	6.8
1999	49.9	47.1	2.8	5.6

Source: Commonwealth of Pennsylvania, Bureau of Research and Statistics.

CITY OF ERIE, PENNSYLVANIA

General Fund  
 Schedule of Insurance In Force  
 December 31, 1999

Company	Details of Coverage	Policy Number	Policy Period		Coverage Limits	Deductible	Premium
			From	To			
Coregis Insurance	Public officials liability includes Erie Sewer Authority	POD-000293-3	1/1/99	1/1/00	\$ 1,000,000 aggregate \$ 1,000,000 each loss	\$ 10,000 per occurrence	\$ 9,851
Coregis Insurance	Public officials liability includes Civic Center	POD-000345-3	1/1/99	1/1/00	\$ 1,000,000 aggregate	\$ 10,000 per occurrence	\$ 32,302
Coregis Insurance	Police professional liability, General liability Erie Sewer Authority, golf course liability pesticide/herbicide applicator coverage, crossing guards liability, emergency medical technicians, liquor and golf carts	651-007000-9 651-007000-9	1/1/99 1/1/99	1/1/00 1/1/00	\$ 2,000,000 aggregate \$ 2,000,000 aggregate \$ 500,000 each occurrence	\$ 25,000 \$ 25,000	\$ 61,071
Coregis Insurance	Commercial property, excess property	651-007000-9	1/1/99	1/1/00	\$ 1,000,000 aggregate excess 200,000 aggregate fire and lightning extended coverage malicious mischief	\$ 25,000	\$ 65,426
Coregis Insurance	Cable TV equipment	651-007000-9	1/1/99	1/1/00		\$ 25,000	
Coregis Insurance	Electronic data processing equipment	651-007000-9	1/1/99	1/1/00		\$ 25,000	
Coregis Insurance	Inland floater traffic engineering, 4 traffic counters	651-007000-9	1/1/99	1/1/00		\$ 25,000	
Coregis Insurance	Inland marine floater TV inspection and sealing system	651-007000-9	1/1/99	1/1/00		\$ 25,000	
Coregis Insurance	Fine arts-Perry Memorial	651-007000-9	1/1/99	1/1/00		\$ 25,000	
Coregis Insurance	Auto fleet Bureau of Fire/physical damage	651-007000-9	1/1/99	1/1/00	Full comprehensive coverage on all owned units	\$ 250 fire pumpers and ladder trucks \$ 500 any Bureau of Fire unit in excess of \$20,000	
Coregis Insurance	Floater policy	651-007000-9	1/1/99	1/1/00	Coverage for equipment not attached to vehicles in various departments	\$ 25,000	
Coregis Insurance	Employees Dishonesty includes officers of Fire Pension Fund and Officers and Employees Retirement Fund also includes Treasurer and employees	651-007000-9	1/1/99	1/1/00	\$ 100,000 per loss \$ 25,000 theft \$ 50,000 forgery	\$ 25,000	\$ 450

Company	Details of Coverage	Policy Number	Policy Period		Coverage Limits	Deductible	Premium
			From	To			
Kemper Insurance	Boiler and machinery	3XN-026-686-00	1/1/99	1/1/00	\$ 50,000,000 maximum limit per loss	\$ 1,000	\$ 7,937
General Accident	Automobile fleet fire/liability only	BA 0143533-07	1/1/99	1/1/00	\$ 500,000 on comprehensive and collision insurance	\$ 250 collision coverage for 1990 and subsequent years and all motorcycles	\$ 178,493
Firemens Fund	Surety bond	37-049-531-1	5/2/99	5/2/00	Gas well at zoo		\$ 250
Cincinnati Insurance	Treasurer bond	58533208-1	1/1/99	12/31/01	\$ 2,000,000		\$ 4,244
National Grange Mutual Insurance	Controller bond	S-140615-1	1/1/99	12/31/01	\$ 100,000		\$ 1,139
Commonwealth of Pennsylvania	Workers compensation		1/1/99	1/1/00		Self-Insured with the State	
Zurick-American Insurance	Excess workers compensation	8180112-03	1/1/99	1/1/00	\$ 1,000,000 limit of indemnity		\$ 83,440

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