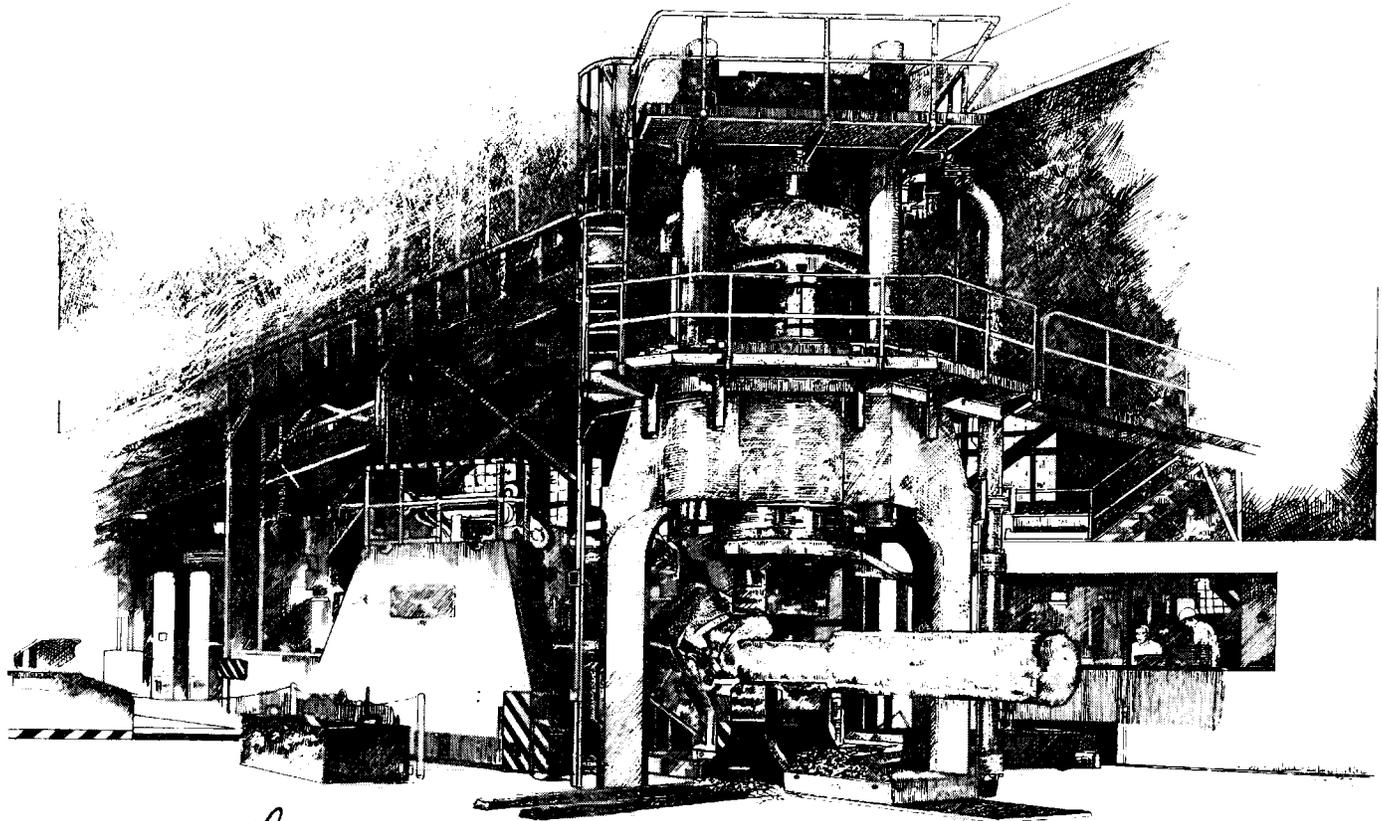


CITY OF ERIE

ERIE, PENNSYLVANIA



Forging the Future

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2000

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CITY OF ERIE, PENNSYLVANIA
Comprehensive Annual Financial Report
Year Ended December 31, 2000



Prepared by:
Department of Administration and Finance

CHUCK L. HERRON, CPA
Director

CITY OF ERIE, PENNSYLVANIA

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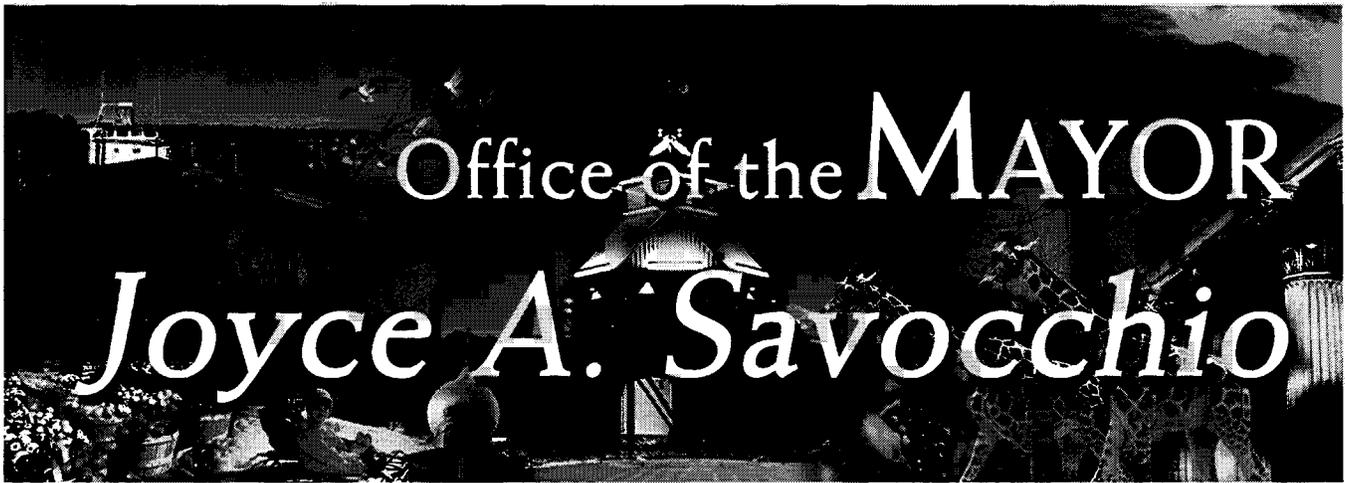
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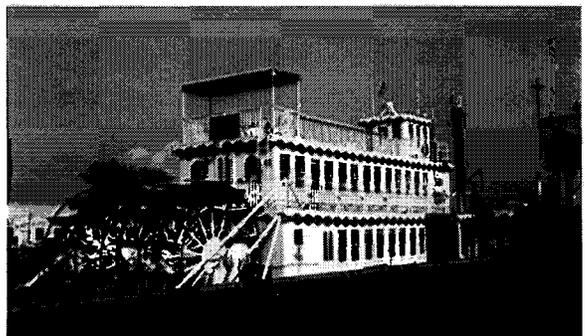
**Honorable Members of City Council and
Citizens of the City of Erie**

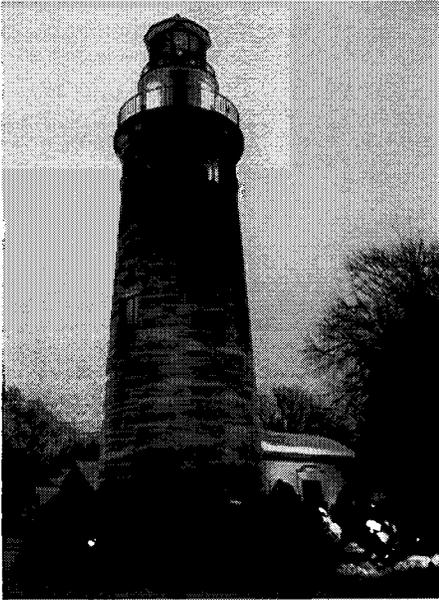
The City of Erie, located in the northwestern corner of Pennsylvania and on the southern shore of Lake Erie, proudly serves as the state's only lake port. Erie is distinguished by a fine natural harbor hosting the Great Lakes and international vessels, prompting a growth in trade and the ship repair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

Erie is 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 the soon to be built 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 offer 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 is home to the Erie Seawolves, our AA baseball team, and our OHL hockey team, the Erie Otters. 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





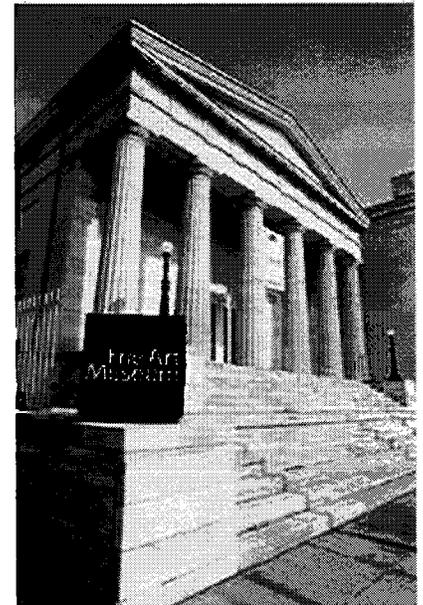
made Erie a livable metropolitan area. Economic development is a top priority for the City. The Michael Veshecco Industrial Park houses four new industries. A new industrial park, located on the city's east side is now mostly occupied. The Erie Enterprise Zone has been expanded to over one-third of our city and has allowed for over \$200 million of reinvestment. Downtown revitalization has allowed for major reinvestment and new construction by financial institutions. In addition, affordable living space has been added by the redevelopment of the Boston Store, once a vacant downtown department store, and Lovell Place, 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, Saint 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 through the Erie Fire Department, which 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!"**



Suzanne A. Swoschko



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, 2000 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, is presented fairly 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 organizational 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 | WATER SERVICE |
| STREET CONSTRUCTION AND MAINTENANCE | SEWER SERVICE |
| SANITATION | PARKS AND RECREATION |
| ECONOMIC AND COMMUNITY DEVELOPMENT | GENERAL ADMINISTRATIVE SERVICES |

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

BOARDS:

- | | | |
|-------------------|-----------------------|---|
| AGGREGATE PENSION | BUILDING CODE APPEALS | ELECTRICAL CONTRACTOR LICENSE EXAMINATION |
| ERIE RECREATION | HOUSING APPEALS | CIVIL SERVICE |
| INCOME TAX POLICY | LICENSE EXAMINERS | ZONING HEARING |

COMMISSIONS:

- | | | |
|-----------------|---------------|-----------------------|
| BUILDING CODE | CITY PLANNING | COMMUNITY DEVELOPMENT |
| ELECTRICAL CODE | PLUMBING CODE | TRAFFIC |
| SHADE TREE | | |

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
City of Erie Housing Authority
Erie Municipal Airport Authority
Erie Western Pennsylvania Port Authority

Higher Education Building Authority
Erie Zoological Society
Erie County Solid Waste Management Council

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 to be 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.

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 newer firms in diversified fields from plastics to steel forging, utilizes Erie's skilled labor force. General Electric and Erie 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 Erie Insurance Group, with revenues over two billion dollars annually, 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 38-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 2000. 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 continues, and initiation of bayfront development is well under way, including an observation tower, restaurant and office development. The State has made available \$32 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 2000. The new Veshecco Industrial Park at 12th and Greengarden has only one privately held lot available for development. In addition, TWL Corp. dba Lake Erie Warehouse & Distribution, Smith Metering, 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 2000

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 2000 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 completed construction in formerly vacant buildings with 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 City of Erie 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, and also the beginning of regional communications to better serve the emergency needs of the entire region. Funding to develop a strategic plan and preliminary design plans were included in the 2000 state capital budget request.

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 continued 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 provides police officers in the field access to the information contained in the police records management system, as well as state and federal databases. This mobile data system was expanded to include Millcreek Township and allow both municipalities to share the police databases to better enhance public safety. Moreover, the Bureau implemented a digital archiving system that enables 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 continues to move forward. A new-handicapped accessible playground was completed on the bayfront at Liberty Park. A new picnic shelter was completed at Glenwood Park along with a new restroom facility. The golf program continued to be a highly successful enterprise with substantial capital improvements made in 2000. The 2000 Summer Recreation Program was expanded. A total of 11 parks were supervised last summer. This is due to increased city funding and \$40,000 in grants from the Erie School District. The program featured expanded operating hours for area agencies, supervised parks, tennis and swimming lessons.

The Bureau of Refuse and Recycling continues to provide ever-increasing services. New recycling schedules were distributed. In 2000, recycled cardboard and mixed papers were 1,000 tons higher than 1999. 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 City parks and events in 2000. An extensive education program was conducted. We continued 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. As an added benefit, City residents were able to get free compost provided by the system. The new spring pick-up program has been very successful and it has been shown to be more efficient than 1999. 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 1999. Almost 2,800 tons of debris were collected for a total cost of \$93,000.

The Streets Bureau continues to effectively maintain 322 miles of streets. Approximately 24 miles of roadway were reclaimed or milled and resurfaced. Also, the Streets Bureau continued to utilize liquid calcium chloride for more effective and efficient deicing of streets in winter. In addition, the City continued a major effort to repair and upgrade existing concrete streets. And finally, the City's Alley Clean-up Repairs Program used 500 tons of milling and 133 tons of asphalt, and 40 tons of debris were removed from 32 alleyways.

The Bureau of Engineering completed numerous storm and sanitary sewer improvements in 2000, including the completion of major relief interceptors along the east and west bayfront. The center city interceptors were started during the year with scheduled completion in 2001. This is the last phase of this huge project.

The Director's Office, working with the Bureau of Sewers and the Engineering Bureau, monitored and assured compliance with the milestones of the two Consent Decrees the City was bound by; one between the City and the Pennsylvania Department of Environmental Protection (DEP), and one between the City and the EPA. The intent of both Decrees is to identify and reduce sources of pollution to Presque Isle Bay and Lake Erie. The initiatives in this area were successful enough that the 1997 Consent Decree with the EPA was lifted shortly after the end of 2000. The 1989 Consent Decree with the DEP is progressing on schedule; compliance work is in the final phase.



COMING YEAR INITIATIVES

Priorities for 2001 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.

Funding from the City, the Martin Luther King Center, the Booker T. Washington Center, HANDS and LIRE will be used to develop new affordable housing opportunities throughout Erie neighborhoods. The conversion of two former brownfield industrial sites will continue with the operation of the new E. 12th St. industrial park 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 to train personnel on the new financial software installed for the Y2K Bug. The City was successful in the preparations for this highly publicized event. The year rolled in without a hitch. 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 implementation of 800 MHz radio frequencies to enable mobile computers in police cars. Installation of automation software and hand-held computers for the code enforcement and housing inspection bureau was completed in 2000.

A major administrative project for 2000 was to resume the billing and collection of revenues for the sewer and refuse fund. The Erie Water Authority had performed this activity on a contract basis since 1992. The City of Erie has 35,000 customers billed quarterly. Plans were underway to install new hardware, and software, recruit and train a complete staff, obtain the database of customers and histories and be ready to go live on January 1, 2001. The intent of the City with this activity is to perform the function with a 20% savings, or over \$100,000 less than the previous contract price.

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 citywide 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 grants are providing the funding for additional computer capacity including the establishment of electronic imaging databases to compliment the other databases. The imaging project began in the summer of 2000. This project has been so successful; the department is imaging more historical data than previously anticipated. High-speed Internet access in the police bureau has provided another tool to increase information and efficiency. 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 has developed a web site to focus on crime prevention and to disseminate information to neighborhood crime watch groups. The City continued to establish a Citizen Leadership Council to support community policing. 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.



Public Works

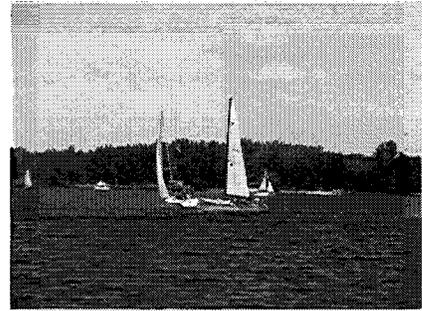
Improvement in the delivery of City services through additional training and education will improve effectiveness of supervision in all Bureaus and continue to increase efficiency in all departments. Enhanced computerization in the Bureaus of Engineering, Municipal Garage, Streets, and Sewers will enable 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 continue to be implemented, for the City to remain in compliance with all state and federal regulations. The 2001 budget includes funding to continue the replacement and improvements to the aging storm water system.

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 set of accounts. The various funds and account groups utilized by the City are described in Note ID. of the financial statements.

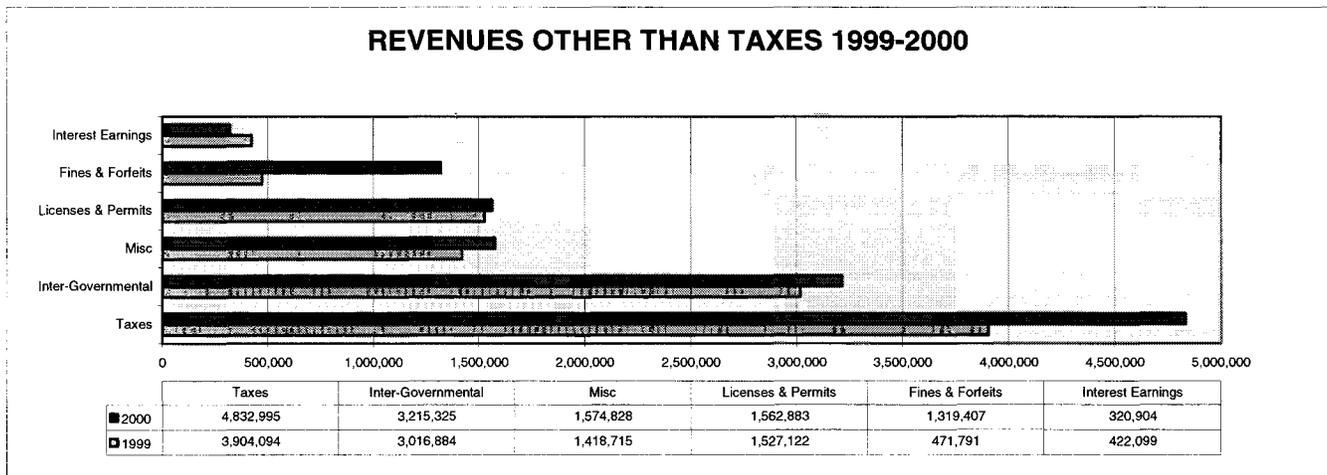
Budgetary control is obtained at the object group level through encumbrance accounting. Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the current year appropriations, is employed in all funds except Trust Funds. Purchase orders, which would result 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

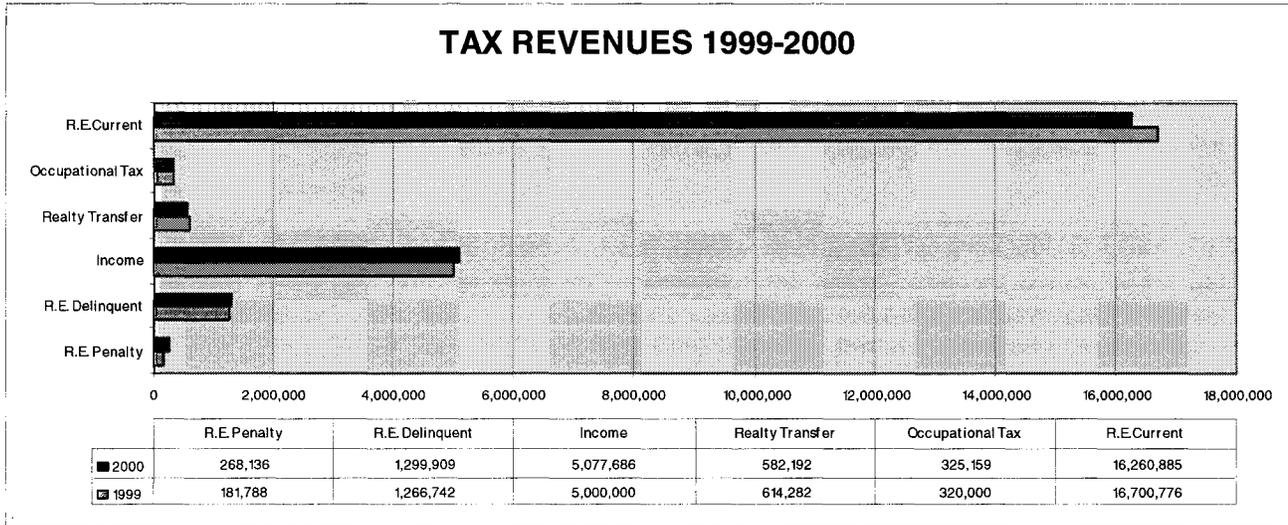
Schedules and analyses of General Fund activity for the year ended December 31, 2000 follow. The General Fund encompasses the general governmental functions of the City (and all other functions not accounted for in other separate funds).

General Fund revenues totaled \$37,214,877 in 2000, an increase of 6.54% from 1999. Total taxes account for 65.539% of general revenues compared to 69.19% 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 1999 Amount	Percent
Taxes	24,388,535	65.53%	220,604	0.91%
Inter-Governmental	4,832,995	12.99%	928,901	23.79%
Misc	3,215,325	8.64%	198,441	6.58%
Licenses & Permits	1,574,828	4.23%	156,113	11.00%
Fines & Forfeits	1,562,883	4.20%	35,761	2.34%
Interest Earnings	1,319,407	3.55%	847,616	179.66%
Charges for Services	320,904	0.86%	(101,195)	-23.97%
	37,214,877	100.00%	2,284,242	6.54%



Taxes decreased \$269,620 that represents a shortfall in current real estate tax collections of \$439,891 offset by increase in delinquencies, penalties and interest, earned income and occupational taxes.



General Fund expenditures totaled \$41,007,328 an increase of 1% over 1999. Variances in levels of expenditures for major functions and a comparison with the prior year are shown in the following table:

Function	Amount	Percent of Total	Increase (Decrease) From 1999	
			Amount	Percent
General Government	5,447,277	13.28%	366,817	7.22%
Public Safety	26,569,890	64.79%	-762,160	-2.79%
Highways and Streets	6,071,174	14.81%	178,049	3.02%
Culture and Recreation	2,688,540	6.56%	392,534	17.10%
Debt Service	230,447	0.56%	230,447	
Total	41,007,328	100.00%	405,687	1.00%

General Fund Balance

The ending undesignated fund balance of the General Fund at December 31, 2000 is \$2,942,961 compared with a fund balance of \$1,490,568 at December 31, 1999. The increase is a result of management maintaining its goal of fund balance always exceeding 5% of total revenue.

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, 2000 totaled \$9,477,157, expenditures for the period were \$7,629,163. The combined ending fund balance of the Special Revenue Funds at December 31, 2000 was \$10,441,941 compared to \$9,026,190 at the end of 1999.

Capital Projects Funds

The Capital Projects Funds account for major capital outlays. Combined revenues for 2000 were \$782,945 a decrease of \$215,466. Expenditures totaled \$3,758,472. The fund balance at December 31, 2000 totaled \$8,578,332 an decrease of \$3,214,727.

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 \$24,417,724 in 2000, while expenses were \$21,301,248. The net income, before transfers, for the year amounted to \$3,116,476. The Sewer Revenue Fund showed an operating income, before non-operating revenue, decrease of \$803,059. Expenses were up \$1,344,712 (9%) due to overall operating cost increases resulting from the expanded facilities. The Refuse and Recycling Fund showed an increase of \$67,026 (27%) in total operating income and expenses were up \$148,264 (4.6%). The Golf Fund, total operating revenue decreased \$73,156 (8%). Expenses were up \$43,422 (4.3%) from 1999.

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, 2000 were \$8,716,300 and operating expenses totaled \$12,447,629. The net operating loss for 2000, before non-operating revenues (investment income), was (\$3,731,329). Combined fund balance in these funds changed from \$4,780,515 in December 1999 to (\$48,144) at December 31, 2000. The decrease in fund balance is the result of the purchase of annuity contracts by the City totaling \$5,513,749 to satisfy some prior year's worker's compensation claims. (see Note III.B.3)

Fiduciary Operations Pension Plans (see Note III.B.1.):

All City employees are covered by one of three pension plans. The plans are all single employer defined benefit pension plans and cover only City employees. The Police pension plan has an over funding balance totaling \$4,789,894 and the O & E and Firefighters pension fund have un-funded liabilities totaling \$11,800,309. 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, 2000, the General Fixed Assets of the City amounted to \$41,345,981. 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 2000 were as follows:

	Amount	Ratio of Debt to Assessed Value (40% of Appraised Value)	Debt per Capita (a)
Net general bonded debt	\$74,957,335	17.9%	\$ 937.71

(a) Based upon 2000 census population of 103,717.

Outstanding general obligation bonds at December 31, 2000 totaled \$78,210,272 of which \$15,745,000 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, 2000, the City's net general bonded debt of \$74,957,335 was far below the legal limit of \$146,221,481.

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

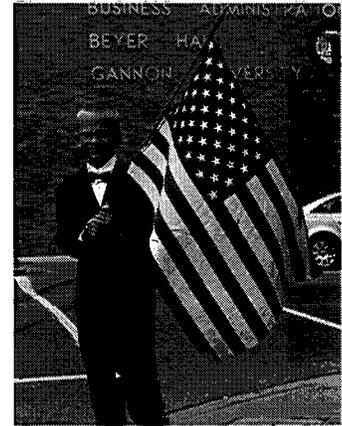
Cash, temporarily idle during the year was invested in fully collateralized certificates of deposit, securities backed by the full faith and credit of the U.S. Government, or bonds backed by the taxing authority of a Pennsylvania municipality, all in accordance with state laws related to investments 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, 2000, 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 decreased from \$4,246,609 in 1999 to \$2,361,092 in 2000 representing a change of \$1,885,517.

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

State statutes require an annual audit by independent certified public accountants. The firm of McMahon, O'Polka, Guelcher and Associates, Inc. was selected by the City's audit committee. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1996 and the related U.S. Office of Management and Budget's Circular A-128. Generally accepted auditing standards and the standards set forth in the General Accounting Office's Government Auditing Standards were used by the auditors in conducting the engagement. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report on internal controls and compliance with applicable laws and regulations can be found in separately issued single audit report.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the year ended December 31, 1999. This was the fourth consecutive year that the City has received this prestigious award. In order to be

awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated services of the staff of the Office of Accounts, Finance and Budget, with Melanne McCloskey, coordinating the preparation of this report and to our auditors, McMahon, 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

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, 1999

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.



Anne Spray Kinney
President

Jeffrey L. Esser
Executive Director

CITY OF ERIE, PENNSYLVANIA

**Comprehensive Annual Financial Report
Year Ended December 31, 2000**

Principal City Officials

MAYOR

Joyce A. Savocchio

CITY COUNCIL

Ruby Jenkins-Husband, President

Mario S. Bagnoni

Chris E. Maras

Joseph J. Borgia

Melvin Witherspoon

Richard Filippi, Esq.

Gayle M. Wright

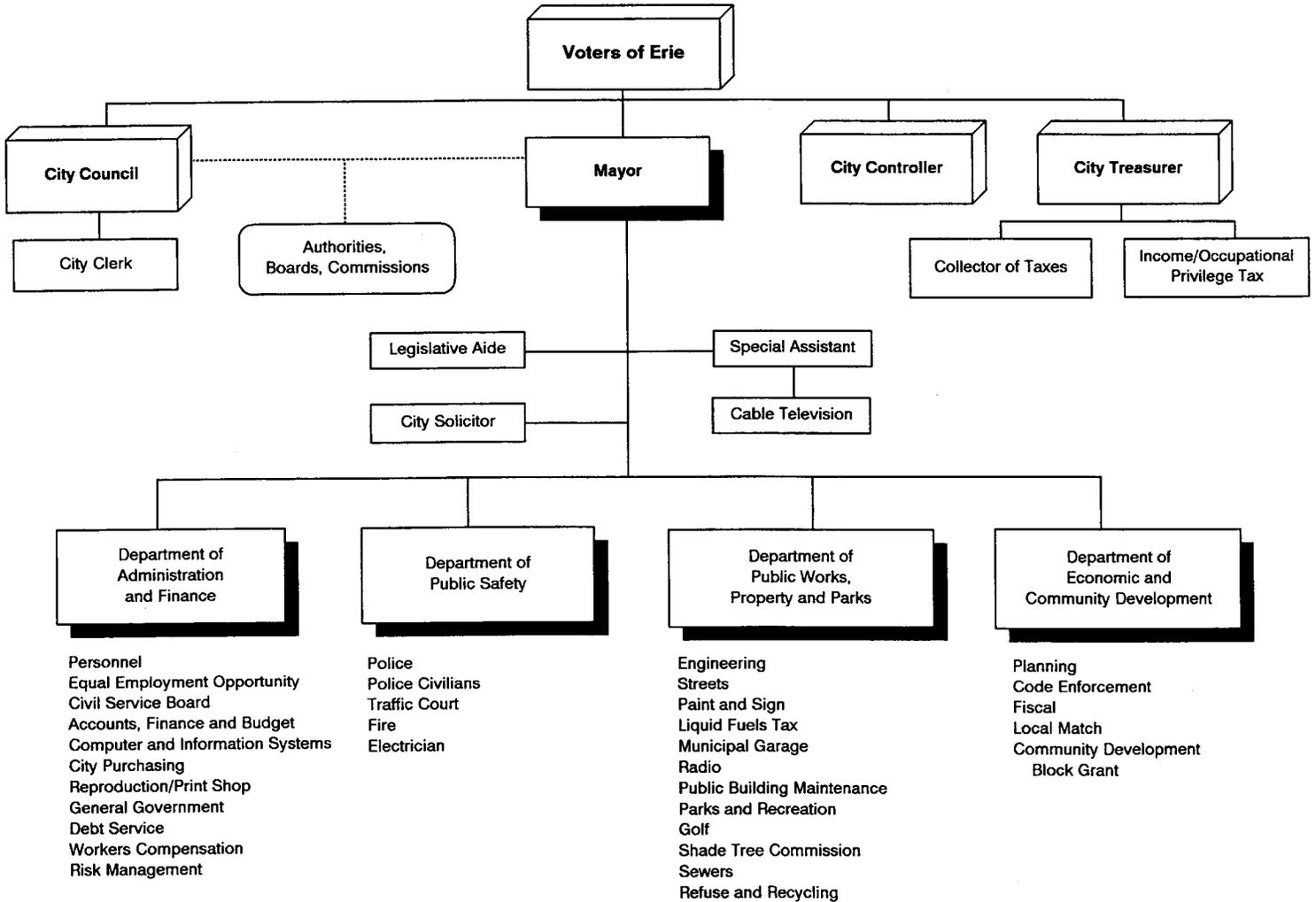
CITY OFFICIALS

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, 2000**

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, 2000, 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 auditing standards generally accepted in the United States of America. 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, 2000, 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 accounting principles generally accepted in the United States of America.

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
June 13, 2001

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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, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash and cash equivalents	\$ 0	\$ 2,734,035	\$ 0	\$ 3,253,319
Investments	0	0	0	8,516,933
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	2,989,707	0	0	0
Earned income and occupational privilege tax	1,677,344	0	0	0
Liens	193,478	430,964	0	203,548
Intergovernmental	159,002	459,539	0	0
Interfund	3,266,952	0	1,664,824	0
Notes	0	586,791	0	0
Other	128,673	4,915	0	186,271
Inventory	0	0	0	0
Prepaid insurance	0	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	8,828,464	0	0
Bond issue costs	0	0	0	0
Amount available in debt service fund	0	0	0	0
Amount to be provided for long-term debt	0	0	0	0
Total assets	<u>\$ 8,415,156</u>	<u>\$ 13,044,708</u>	<u>\$ 1,664,824</u>	<u>\$ 12,160,071</u>
LIABILITIES				
Accounts payable	\$ 672,140	\$ 414,109	\$ 0	\$ 195,113
Accrued payroll	953,038	33,230	0	197
Accrued pension obligation	0	0	0	0
Interfund payable	483,424	200,000	0	3,182,881
Compensated absences payable	88,853	20,173	0	0
Claims and judgments payable	0	0	0	0
Current portion of long-term liabilities	0	0	0	0
Deferred revenue	2,988,867	1,935,255	0	203,548
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>5,186,322</u>	<u>2,602,767</u>	<u>0</u>	<u>3,581,739</u>
FUND EQUITY AND OTHER CREDITS				
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	285,873	41,723	0	1,330,836
Noncurrent notes receivable	0	8,828,464	0	0
Equity in authority rentals	0	0	0	0
Land held for resale	0	0	0	0
Employees' pension benefits	0	0	0	0
Unreserved:				
Designated for endowment principal	0	0	0	6,000,000
Undesignated (deficit)	2,942,961	1,571,754	1,664,824	1,247,496
Total fund equity (deficit) and other credits	<u>3,228,834</u>	<u>10,441,941</u>	<u>1,664,824</u>	<u>8,578,332</u>
Total liabilities and fund equity (deficit) and other credits	<u>\$ 8,415,156</u>	<u>\$ 13,044,708</u>	<u>\$ 1,664,824</u>	<u>\$ 12,160,071</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			
\$ 5,633,281	\$ 0	\$ 8,383,247	\$ 0	\$ 0	\$ 20,003,882	\$ 5,965,606	\$ 25,969,488
1,088,928	0	188,448,179	0	0	198,054,040	2,092,301	200,146,341
0	1,713,362	0	0	0	1,713,362	5,359,273	7,072,635
0	6,593,932	0	0	0	6,593,932	24,616,656	31,210,588
626,051	0	0	0	0	626,051	491,469	1,117,520
0	0	0	0	0	2,989,707	0	2,989,707
0	0	0	0	0	1,677,344	0	1,677,344
0	0	0	0	0	827,990	0	827,990
965,397	0	0	0	0	1,583,938	917,895	2,501,833
22,600	0	0	0	0	4,954,376	0	4,954,376
200,000	0	0	0	0	786,791	0	786,791
270,950	105,405	1,752,771	0	0	2,448,985	291,805	2,740,790
0	0	0	0	0	0	229,787	229,787
0	311,102	1,000	0	0	312,102	284,802	596,904
730,999	0	0	801,667	0	1,532,666	4,248,757	5,781,423
9,671,367	0	0	18,723,415	0	28,394,782	96,353,572	124,748,354
51,257,767	0	0	0	0	51,257,767	1,656,328	52,914,095
11,250,425	0	0	21,820,899	0	33,071,324	78,798,670	111,869,994
0	0	0	0	0	0	356,620	356,620
(38,891,051)	0	0	0	0	(38,891,051)	(67,096,192)	(105,987,243)
4,890,000	0	0	0	0	13,718,464	0	13,718,464
375,270	0	0	0	0	375,270	2,756,862	3,132,132
0	0	0	0	1,664,824	1,664,824	0	1,664,824
0	0	0	0	56,059,325	56,059,325	284,000	56,343,325
<u>\$ 48,091,984</u>	<u>\$ 8,723,801</u>	<u>\$ 198,585,197</u>	<u>\$ 41,345,981</u>	<u>\$ 57,724,149</u>	<u>\$ 389,755,871</u>	<u>\$ 157,608,211</u>	<u>\$ 547,364,082</u>
\$ 1,074,093	\$ 452,930	\$ 198,658	\$ 0	\$ 0	\$ 3,007,043	\$ 1,055,046	\$ 4,062,089
58,050	3,186	0	0	0	1,047,701	892,357	1,940,058
0	0	0	0	0	0	33,904	33,904
50,000	1,038,071	0	0	0	4,954,376	0	4,954,376
50,345	0	0	0	0	159,371	0	159,371
0	2,361,092	0	0	0	2,361,092	0	2,361,092
765,000	500,000	0	0	0	1,265,000	2,702,734	3,967,734
6,879,758	0	0	0	0	12,007,428	661,089	12,668,517
0	0	0	0	175,543	175,543	0	175,543
46	0	0	0	0	46	861,813	861,859
674	0	4,808,250	0	0	4,808,924	10,289,820	15,098,744
0	4,416,666	0	0	3,000,000	7,416,666	2,422,394	9,839,060
14,980,000	0	0	0	54,548,606	69,528,606	76,673,488	146,202,094
0	0	11,369,068	0	0	11,369,068	0	11,369,068
<u>23,857,966</u>	<u>8,771,945</u>	<u>16,375,976</u>	<u>0</u>	<u>57,724,149</u>	<u>118,100,864</u>	<u>95,592,645</u>	<u>213,693,509</u>
0	0	0	41,345,981	0	41,345,981	0	41,345,981
1,055,671	0	0	0	0	1,055,671	30,707,288	31,762,959
23,178,347	(48,144)	0	0	0	23,130,203	30,800,194	53,930,397
0	0	0	0	0	1,658,432	0	1,658,432
0	0	0	0	0	8,828,464	0	8,828,464
0	0	0	0	0	0	212,000	212,000
0	0	0	0	0	0	68,914	68,914
0	0	182,209,221	0	0	182,209,221	0	182,209,221
0	0	0	0	0	6,000,000	0	6,000,000
0	0	0	0	0	7,427,035	227,170	7,654,205
<u>24,234,018</u>	<u>(48,144)</u>	<u>182,209,221</u>	<u>41,345,981</u>	<u>0</u>	<u>271,655,007</u>	<u>62,015,566</u>	<u>333,670,573</u>
<u>\$ 48,091,984</u>	<u>\$ 8,723,801</u>	<u>\$ 198,585,197</u>	<u>\$ 41,345,981</u>	<u>\$ 57,724,149</u>	<u>\$ 389,755,871</u>	<u>\$ 157,608,211</u>	<u>\$ 547,364,082</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, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
REVENUES				
Taxes	\$ 23,927,711	\$ 0	\$ 5,190,604	\$ 0
Licenses and permits	1,574,828	0	0	0
Intergovernmental	4,832,995	9,056,626	0	56,000
Charges for services	320,904	0	0	0
Fines and forfeits	1,562,883	0	0	0
Interest earnings	985,467	309,751	0	698,833
Miscellaneous	3,215,326	110,780	0	28,112
Total revenues	<u>36,420,114</u>	<u>9,477,157</u>	<u>5,190,604</u>	<u>782,945</u>
EXPENDITURES				
Current:				
General government	5,433,715	0	0	70,087
Public safety	26,478,634	2,194,924	0	0
Highways and streets	6,060,873	5,096	0	0
Sanitation	0	42,073	0	0
Culture and recreation	2,686,279	255,736	0	0
Economic and community development	0	5,117,740	0	0
Other	0	13,594	0	0
Capital outlay	0	0	0	3,688,385
Debt service:				
Principal	0	0	3,676,071	0
Interest	230,447	0	1,314,298	0
Total expenditures	<u>40,889,948</u>	<u>7,629,163</u>	<u>4,990,369</u>	<u>3,758,472</u>
Excess of revenues over (under) expenditures	(4,469,834)	1,847,994	200,235	(2,975,527)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	5,518,466	324,836	1,464,589	440,000
Operating transfers (out)	(196,093)	(890,212)	0	(1,204,000)
Proceeds from general long-term debt	0	0	0	500,000
Total other financing sources (uses)	<u>5,322,373</u>	<u>(565,376)</u>	<u>1,464,589</u>	<u>(264,000)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	852,539	1,282,618	1,664,824	(3,239,527)
Fund balance (deficit) January 1, 2000	2,376,295	9,026,190	0	11,793,059
Prior period adjustments	0	133,133	0	24,800
Fund balance (deficit) December 31, 2000	<u>\$ 3,228,834</u>	<u>\$ 10,441,941</u>	<u>\$ 1,664,824</u>	<u>\$ 8,578,332</u>

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

Total Primary Government (Memorandum Only)	Component Units	Total Reporting Entity (Memorandum Only)
\$ 29,118,315	\$ 0	\$ 29,118,315
1,574,828	0	1,574,828
13,945,621	1,284,438	15,230,059
320,904	0	320,904
1,562,883	0	1,562,883
1,994,051	21,095	2,015,146
3,354,218	454,509	3,808,727
<u>51,870,820</u>	<u>1,760,042</u>	<u>53,630,862</u>
5,503,802	2,621	5,506,423
28,673,558	0	28,673,558
6,065,969	0	6,065,969
42,073	0	42,073
2,942,015	0	2,942,015
5,117,740	1,737,194	6,854,934
13,594	0	13,594
3,688,385	0	3,688,385
3,676,071	45,000	3,721,071
1,544,745	7,088	1,551,833
<u>57,267,952</u>	<u>1,791,903</u>	<u>59,059,855</u>
(5,397,132)	(31,861)	(5,428,993)
7,747,891	0	7,747,891
(2,290,305)	0	(2,290,305)
500,000	0	500,000
<u>5,957,586</u>	<u>0</u>	<u>5,957,586</u>
560,454	(31,861)	528,593
23,195,544	539,945	23,735,489
157,933	0	157,933
<u>\$ 23,913,931</u>	<u>\$ 508,084</u>	<u>\$ 24,422,015</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, 2000

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Taxes	\$ 24,142,961	\$ 23,813,967	\$ (328,994)
Licenses and permits	1,532,933	1,462,896	(70,037)
Intergovernmental	3,976,947	4,830,309	853,362
Charges for services	292,500	233,810	(58,690)
Fines and forfeits	1,502,000	1,560,323	58,323
Interest earnings	1,528,249	1,319,407	(208,842)
Miscellaneous	3,507,621	3,728,872	221,251
Total revenues	<u>36,483,211</u>	<u>36,949,584</u>	<u>466,373</u>
EXPENDITURES			
Current:			
General government	6,301,691	5,635,318	666,373
Public safety	27,073,876	26,674,210	399,666
Highways and streets	6,327,863	6,210,953	116,910
Culture and recreation	2,902,010	2,713,767	188,243
Total expenditures	<u>42,605,440</u>	<u>41,234,248</u>	<u>1,371,192</u>
Excess of revenues over (under) expenditures	(6,122,229)	(4,284,664)	1,837,565
OTHER FINANCING SOURCES (USES)			
Operating transfers in	4,722,568	5,518,466	795,898
Operating transfers (out)	(196,093)	(196,093)	0
Total other financing sources (uses)	<u>4,526,475</u>	<u>5,322,373</u>	<u>795,898</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,595,754)	1,037,709	2,633,463
Fund balance (deficit) January 1, 2000 (Note VI.B.)	1,595,754	3,316,922	1,721,168
Prior year encumbrances paid in current year	0	881,795	881,795
Fund balance (deficit) December 31, 2000	<u>\$ 0</u>	<u>5,236,426</u>	<u>\$ 5,236,426</u>
RECONCILIATION TO GAAP BASIS FUND BALANCE			
Encumbrances recognized as current year expenditures		285,873	
Recognition of accrual basis adjustments		(2,579,338)	
Individual funds not budgeted		0	
Fund balance (deficit) December 31, 2000		<u>\$ 2,942,961</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	\$ 24,142,961	\$ 23,813,967	\$ (328,994)
0	0	0	1,532,933	1,462,896	(70,037)
1,689,849	1,722,360	32,511	5,666,796	6,552,669	885,873
0	0	0	292,500	233,810	(58,690)
0	0	0	1,502,000	1,560,323	58,323
27,000	60,686	33,686	1,555,249	1,380,093	(175,156)
10,000	16,766	6,766	3,517,621	3,745,638	228,017
<u>1,726,849</u>	<u>1,799,812</u>	<u>72,963</u>	<u>38,210,060</u>	<u>38,749,396</u>	<u>539,336</u>
0	0	0	6,301,691	5,635,318	666,373
1,955,986	1,821,856	134,130	29,029,862	28,496,066	533,796
0	0	0	6,327,863	6,210,953	116,910
0	0	0	2,902,010	2,713,767	188,243
<u>1,955,986</u>	<u>1,821,856</u>	<u>134,130</u>	<u>44,561,426</u>	<u>43,056,104</u>	<u>1,505,322</u>
(229,137)	(22,044)	207,093	(6,351,366)	(4,306,708)	2,044,658
0	0	0	4,722,568	5,518,466	795,898
0	0	0	(196,093)	(196,093)	0
0	0	0	<u>4,526,475</u>	<u>5,322,373</u>	<u>795,898</u>
(229,137)	(22,044)	207,093	(1,824,891)	1,015,665	2,840,556
229,137	555,948	785,085	1,824,891	3,872,870	2,506,253
0	235,149	235,149	0	1,116,944	1,116,944
<u>\$ 0</u>	<u>769,053</u>	<u>\$ 1,227,327</u>	<u>\$ 0</u>	<u>6,005,479</u>	<u>\$ 6,463,753</u>
	41,723			327,596	
	(316,954)			(2,896,292)	
	0			0	
	<u>\$ 493,822</u>			<u>\$ 3,436,783</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, 2000

	Enterprise	Internal Service	Total Primary Government (Memorandum Only)	Component Units	Total Reporting Entity (Memorandum Only)
OPERATING REVENUES					
Intergovernmental	\$ 0	\$ 8,197,489	\$ 8,197,489	\$ 5,554,911	\$ 13,752,400
Charges for services	21,199,065	0	21,199,065	8,765,683	29,964,748
Lease rental	2,756,120	0	2,756,120	0	2,756,120
Rental income	216,530	0	216,530	582,561	799,091
Miscellaneous	246,009	518,811	764,820	70,892	835,712
Total operating revenues	<u>24,417,724</u>	<u>8,716,300</u>	<u>33,134,024</u>	<u>14,974,047</u>	<u>48,108,071</u>
OPERATING EXPENSES					
Personnel services	5,171,892	0	5,171,892	6,674,433	11,846,325
Other personnel costs	1,743,779	0	1,743,779	1,675,841	3,419,620
Services and fees	2,335,033	116,777	2,451,810	824,645	3,276,455
Utilities	1,749,349	0	1,749,349	679,991	2,429,340
Rent	88,228	0	88,228	69,438	157,666
Insurance	45,978	6,730,807	6,776,785	106,480	6,883,265
Materials, supplies and maintenance	2,581,000	0	2,581,000	1,493,117	4,074,117
Workers compensation claims	0	5,600,045	5,600,045	0	5,600,045
Depreciation	1,723,459	0	1,723,459	6,395,881	8,119,340
Other	5,862,530	0	5,862,530	323,050	6,185,580
Total operating expenses	<u>21,301,248</u>	<u>12,447,629</u>	<u>33,748,877</u>	<u>18,242,876</u>	<u>51,991,753</u>
Operating income (loss)	3,116,476	(3,731,329)	(614,853)	(3,268,829)	(3,883,682)
NONOPERATING REVENUES (EXPENSES)					
Operating transfers in	3,877,214	15,000	3,892,214	0	3,892,214
Operating transfers (out)	(7,758,256)	(1,591,544)	(9,349,800)	0	(9,349,800)
Intergovernmental revenue	1,102,714	0	1,102,714	8,109,778	9,212,492
Investment income	666,547	408,765	1,075,312	1,890,052	2,965,364
Interest expense	(811,261)	(41,272)	(852,533)	(4,179,626)	(5,032,159)
Other expense	0	0	0	(38,349)	(38,349)
Net nonoperating revenues (expenses)	<u>(2,923,042)</u>	<u>(1,209,051)</u>	<u>(4,132,093)</u>	<u>5,781,855</u>	<u>1,649,762</u>
Net income (loss)	193,434	(4,940,380)	(4,746,946)	2,513,026	(2,233,920)
Fund equity (deficit) and other credits January 1, 2000	24,040,584	4,780,515	28,821,099	57,418,254	86,239,353
Prior period adjustments	0	111,721	111,721	0	111,721
Increase to contributed capital and other credits	0	0	0	1,576,202	1,576,202
Fund equity (deficit) and other credits December 31, 2000	<u>\$ 24,234,018</u>	<u>\$ (48,144)</u>	<u>\$ 24,185,874</u>	<u>\$ 61,507,482</u>	<u>\$ 85,693,356</u>

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

CITY OF ERIE, PENNSYLVANIA
Fiduciary Funds - Pension Trust Funds
Combining Statement of Changes in Plan Net Assets
Year Ended December 31, 2000

	Officers' and Employees'	Police	Firemens'	Total
ADDITIONS				
Contributions				
Employer	\$ 541,767	\$ 0	\$ 869,362	\$ 1,411,129
Plan member	967,797	431,014	427,691	1,826,502
Total contributions	<u>1,509,564</u>	<u>431,014</u>	<u>1,297,053</u>	<u>3,237,631</u>
Investment income				
Income (loss)	(1,415,360)	654,625	859,382	98,647
Total investment income (loss)	<u>(1,415,360)</u>	<u>654,625</u>	<u>859,382</u>	<u>98,647</u>
Less: investment expense	160,721	240,959	131,773	533,453
Net investment income (loss)	<u>(1,576,081)</u>	<u>413,666</u>	<u>727,609</u>	<u>(434,806)</u>
Total additions (subtractions)	<u>(66,517)</u>	<u>844,680</u>	<u>2,024,662</u>	<u>2,802,825</u>
DEDUCTIONS				
Benefits	3,529,510	4,366,930	2,557,799	10,454,239
Administrative expense	180,350	39,581	28,021	247,952
Total deductions	<u>3,709,860</u>	<u>4,406,511</u>	<u>2,585,820</u>	<u>10,702,191</u>
NET (DECREASE) INCREASE	<u>(3,776,377)</u>	<u>(3,561,831)</u>	<u>(561,158)</u>	<u>(7,899,366)</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS				
Beginning of year	61,715,927	82,512,075	45,880,585	190,108,587
End of year	<u>\$ 57,939,550</u>	<u>\$ 78,950,244</u>	<u>\$ 45,319,427</u>	<u>\$ 182,209,221</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, 2000

	Sewer Revenue, Refuse and Recycling and Golf (Enterprise Funds)		
	Budget	Actual	Variance Favorable (Unfavorable)
	\$	\$	\$
OPERATING REVENUES			
Intergovernmental	3,585,000	3,676,901	91,901
Charges for services	17,254,323	17,037,355	(216,968)
Rental income	236,333	216,530	(19,803)
Miscellaneous	207,944	224,571	16,627
Total operating revenues	21,283,600	21,155,357	(128,243)
OPERATING EXPENSES			
Personnel services	5,285,422	5,191,568	93,854
Other personnel costs	1,893,202	1,782,152	111,050
Services and fees	2,597,028	2,362,194	234,834
Utilities	2,084,626	1,920,079	164,547
Rent	100,090	87,907	12,183
Insurance	45,978	45,978	0
Materials, supplies and maintenance	3,357,046	2,673,757	683,289
Workers compensation claims	0	0	0
Other	7,259,257	6,108,567	1,150,690
Total operating expenses	22,622,649	20,172,202	2,450,447
Operating income (loss)	(1,339,049)	983,155	2,322,204
NONOPERATING REVENUES (EXPENSES)			
Operating transfers in	2,170,800	1,400,000	(770,800)
Operating transfers (out)	(4,065,334)	(4,015,334)	50,000
Bond and loan principal	(620,951)	0	620,951
Intergovernmental revenue	878,577	1,102,714	224,137
Investment income	59,500	415,806	356,306
Interest expense	(806,333)	(811,261)	(4,928)
Net nonoperating revenues (expenses)	(2,383,741)	(1,908,075)	475,666
Net income (loss)	(3,722,790)	(924,920)	2,797,870
Retained earnings (deficit) January 1, 2000	3,722,790	(1,004,780)	2,718,010
Prior year encumbrances paid in current year	0	0	0
Retained earnings (deficit) December 31, 2000	\$ 0	(1,929,700)	\$ 5,515,880
RECONCILIATION TO GAAP BASIS RETAINED EARNINGS			
Encumbrances recognized as current year expense		0	
Recognition of accrual basis adjustments		10,299,144	
Other GAAP basis adjustment		(1,055,671)	
Individual funds not budgeted		15,864,574	
Retained earnings (deficit) December 31, 2000		\$ 23,178,347	

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)
\$ 2,971,001	\$ 1,595,575	\$ (1,375,426)	\$ 6,556,001	\$ 5,272,476	\$ (1,283,525)
0	0	0	17,254,323	17,037,355	(216,968)
0	0	0	236,333	216,530	(19,803)
53,999	8,422	(45,577)	261,943	232,993	(28,950)
<u>3,025,000</u>	<u>1,603,997</u>	<u>(1,421,003)</u>	<u>24,308,600</u>	<u>22,759,354</u>	<u>(1,549,246)</u>
0	0	0	5,285,422	5,191,568	93,854
0	0	0	1,893,202	1,782,152	111,050
113,000	84,146	28,854	2,710,028	2,446,340	263,688
0	0	0	2,084,626	1,920,079	164,547
0	0	0	100,090	87,907	12,183
458,837	408,188	50,649	504,815	454,166	50,649
0	0	0	3,357,046	2,673,757	683,289
8,389,663	7,420,108	969,555	8,389,663	7,420,108	969,555
0	41,272	(41,272)	7,259,257	6,149,839	1,109,418
<u>8,961,500</u>	<u>7,953,714</u>	<u>1,007,786</u>	<u>31,584,149</u>	<u>28,125,916</u>	<u>3,458,233</u>
<u>(5,936,500)</u>	<u>(6,349,717)</u>	<u>(413,217)</u>	<u>(7,275,549)</u>	<u>(5,366,562)</u>	<u>1,908,987</u>
15,000	15,000	0	2,185,800	1,415,000	(770,800)
(475,000)	(477,956)	(2,956)	(4,540,334)	(4,493,290)	47,044
0	0	0	(620,951)	0	620,951
0	0	0	878,577	1,102,714	224,137
10,000	0	(10,000)	69,500	415,806	346,306
0	0	0	(806,333)	(811,261)	(4,928)
<u>(450,000)</u>	<u>(462,956)</u>	<u>(12,956)</u>	<u>(2,833,741)</u>	<u>(2,371,031)</u>	<u>462,710</u>
<u>(6,386,500)</u>	<u>(6,812,673)</u>	<u>(426,173)</u>	<u>(10,109,290)</u>	<u>(7,737,593)</u>	<u>2,371,697</u>
6,386,500	922,578	7,309,078	10,109,290	(82,202)	10,027,088
0	0	0	0	0	0
<u>\$ 0</u>	<u>(5,890,095)</u>	<u>\$ 6,882,905</u>	<u>\$ 0</u>	<u>(7,819,795)</u>	<u>\$ 12,398,785</u>

0	0
(2,356,200)	7,942,944
0	(1,055,671)
8,198,151	24,062,725
<u>\$ (48,144)</u>	<u>\$ 23,130,203</u>

CITY OF ERIE, PENNSYLVANIA
 Combined Statement of Cash Flows
 All Proprietary Funds and Discretely Presented Component Units
 Year Ended December 31, 2000

	Enterprise	Internal Service	Total Primary Government (Memorandum Only)	Component Units	Total Primary Government (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 3,116,476	\$ (3,731,329)	\$ (614,853)	\$ (3,268,829)	\$ (3,883,682)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Other nonoperating income	0	0	0	(38,349)	(38,349)
Noncash items included in operating income (loss):					
(Gain)/loss on sale of property, plant and equipment	(25,350)	0	(25,350)	0	(25,350)
Depreciation expense	1,723,459	0	1,723,459	6,395,881	8,119,340
Amortization	21,453	0	21,453	14,018	35,471
(Increase) decrease in current assets:					
Accounts receivable	(14,233)	0	(14,233)	452,122	437,889
Intergovernmental receivable	(758,136)	0	(758,136)	(307,701)	(1,065,837)
Other receivables	(38,115)	(66,583)	(104,698)	312,385	207,687
Inventory	0	0	0	(14,637)	(14,637)
Prepaid insurance	0	(311,102)	(311,102)	(75,916)	(387,018)
Increase (decrease) in current liabilities:					
Accounts payable	603,833	437,430	1,041,263	(2,496,564)	(1,455,301)
Accrued payroll	(44,870)	2,696	(42,174)	15,560	(26,614)
Interfund payable	30,000	1,038,071	1,068,071	0	1,068,071
Accrued pension obligation	0	0	0	(16,085)	(16,085)
Compensated absences payable	(11,860)	0	(11,860)	0	(11,860)
Claims and judgments payable	0	(1,885,517)	(1,885,517)	0	(1,885,517)
Due to other governments	674	0	674	487,692	488,366
Deferred revenue	(118,564)	0	(118,564)	157,281	38,717
Other liabilities	46	0	46	40,697	40,743
Net cash provided (used) by operating activities	<u>4,484,813</u>	<u>(4,516,334)</u>	<u>(31,521)</u>	<u>1,657,555</u>	<u>1,626,034</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental revenue	1,102,714	0	1,102,714	3,854,272	4,956,986
Note to Sewer Authority	190,000	0	190,000	0	190,000
Operating transfers in	3,877,214	15,000	3,892,214	0	3,892,214
Operating transfers (out)	<u>(7,758,256)</u>	<u>(1,591,544)</u>	<u>(9,349,800)</u>	<u>0</u>	<u>(9,349,800)</u>
Net cash provided (used) by noncapital financing activities	<u>(2,588,328)</u>	<u>(1,576,544)</u>	<u>(4,164,872)</u>	<u>3,854,272</u>	<u>(310,600)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Net proceeds from refunding revenue bonds	0	0	0	12,970,000	12,970,000
Proceeds from the sale of property, plant and equipment	2,750	0	2,750	5,542	8,292
Purchase of fixed assets	(668,046)	0	(668,046)	(13,207,812)	(13,875,858)
Transfers to restricted investments	0	0	0	32,665	32,665
Contributions and capital grants	0	0	0	5,925,343	5,925,343
Borrowings of long-term debt	0	5,000,000	5,000,000	277,618	5,277,618
Principal payments	(595,000)	(83,334)	(678,334)	(2,840,787)	(3,519,121)
Interest payments	<u>(811,261)</u>	<u>(41,272)</u>	<u>(852,533)</u>	<u>(4,045,965)</u>	<u>(4,898,498)</u>
Net cash provided (used) by capital and related financing activities	<u>(2,071,557)</u>	<u>4,875,394</u>	<u>2,803,837</u>	<u>(883,396)</u>	<u>1,920,441</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale and redemption of investments	1,583,001	0	1,583,001	885,549	2,468,550
Net interest earnings	666,547	408,765	1,075,312	1,876,757	2,952,069
Purchase of investments	<u>(590,698)</u>	<u>(6,482,211)</u>	<u>(7,072,909)</u>	<u>(6,327,496)</u>	<u>(13,400,405)</u>
Net cash provided (used) by investing activities	<u>1,658,850</u>	<u>(6,073,446)</u>	<u>(4,414,596)</u>	<u>(3,565,190)</u>	<u>(7,979,786)</u>
Net increase (decrease) in cash	1,483,778	(7,290,930)	(5,807,152)	1,063,241	(4,743,911)
Cash and cash equivalents January 1, 2000	4,149,503	9,004,292	13,153,795	9,965,672	23,119,467
Cash and cash equivalents December 31, 2000	<u>\$ 5,633,281</u>	<u>\$ 1,713,362</u>	<u>\$ 7,346,643</u>	<u>\$ 11,028,913</u>	<u>\$ 18,375,556</u>

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

CITY OF ERIE, PENNSYLVANIA
 Combined Statement of Cash Flows, Continued
 All Proprietary Funds and Discretely Presented Component Units
 Year Ended December 31, 2000

Reconciliation to the balance sheet:	Enterprise	Internal Service	Total Primary Government (Memorandum Only)	Component Units	Total Primary Government (Memorandum Only)
At January 1, 2000					
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	4,950,150	13,954,442
Total cash	<u>\$ 4,149,503</u>	<u>\$ 9,004,292</u>	<u>\$ 13,153,795</u>	<u>\$ 9,965,672</u>	<u>\$ 23,119,467</u>
At December 31, 2000					
Cash:					
Cash and cash equivalents	\$ 5,633,281	\$ 0	\$ 5,633,281	\$ 5,965,606	\$ 11,598,887
Restricted cash and cash equivalents	0	1,713,362	1,713,362	5,359,273	7,072,635
Total cash	<u>\$ 5,633,281</u>	<u>\$ 1,713,362</u>	<u>\$ 7,346,643</u>	<u>\$ 11,324,879</u>	<u>\$ 18,671,522</u>

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

CITY OF ERIE, PENNSYLVANIA

Notes to Financial Statements

December 31, 2000

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 VII.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, 2000

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 Detroit Tigers. 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 2000, 1999 and 1998, the City entered into Guaranty Agreements whereby the City will guarantee payment of principal and interest on the Series of 2000 bonds and 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 77-78. 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, 2000

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, 2000
Qualified opinion dated June 5, 2001

Erie Municipal Park Authority
National City Bank
300 Fourth Avenue
Pittsburgh, Pennsylvania 15278-2331
December 31, 2000
Unqualified opinion dated February 15, 2001

Erie Metropolitan Transit Authority
127 East 14th Street
Erie, Pennsylvania 16501
June 30, 2000
Unqualified opinion dated August 3, 2000

Erie Parking Authority
25 East 10th Street
Erie, Pennsylvania 16501
December 31, 2000
Unqualified opinion dated March 6, 2001

Erie Civic Center Authority
809 French Street
Erie, Pennsylvania 16501
December 31, 2000
Unqualified opinion dated March 25, 2001

Erie Sewer Authority
c/o PNC Bank
P.O. Box 8480
Erie, Pennsylvania 16501
December 31, 2000
Unqualified opinion dated March 10, 2001

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, 2000

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 on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Basis of Presentation - Fund Accounting, Continued

3. Fiduciary Fund Types - Fiduciary Funds generally include expendable trust, non-expendable trust, agency and similar funds. The focus of expendable and nonexpendable trust funds 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, 2000

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, 2000

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 7.65% 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. 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 \$41,345,981 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, 2000

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Assets, Liabilities and Fund Equity, Continued

4. 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.

- 5. Due to Other Governments - Taxes that are being held by the City but are owed to other taxing authorities.
- 6. 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.
- 7. 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.
- 8. 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.

- 9. 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.

- 10. 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, 2000

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

Workers Compensation Claims Fund (an Internal Service Fund) has a deficit in retained earnings of \$8,219,947 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.

Risk Management Fund (an Internal Service Fund) has a deficit in retained earnings of \$26,348 which is a result of an increase in insurance claims paid out during the current year.

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, 2000

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.....	\$ 325,013	\$ 325,013
(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>21,392,231</u>	<u>22,452,120</u>
Total	<u>\$ 21,717,244</u>	<u>\$ 22,777,133</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	\$ 64,745,401
Corporate bonds.....	0	0	32,624,172
Common stocks.....	0	0	76,783,893
Fixed income obligations.....	0	0	0
International investments.....	0	0	12,122,376
Miscellaneous.....	<u>0</u>	<u>0</u>	<u>6,787,557</u>
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 193,063,399</u>
Money market funds.....			<u>11,584,573</u>
Total investments.....			<u>\$ 204,647,972</u>

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

Cash and cash equivalents.....	\$ 21,717,244
Investments.....	<u>204,647,972</u>
Total.....	<u>\$ 226,365,216</u>

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

Cash and cash equivalents.....	\$ 20,003,882
Investments.....	198,054,040
Restricted cash and cash equivalents.....	1,713,362
Restricted investments.....	<u>6,593,932</u>
Total.....	<u>\$ 226,365,216</u>

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

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, 2000 for services provided through December 31, 2000, net of an allowance for uncollectible accounts as follows:

	Sewer Revenue Fund	Refuse and Recycling Fund	Total
Gross accounts receivable	\$ 1,426,163	\$ 664,934	\$ 2,091,097
Less: allowance for uncollectible receivables	1,020,074	444,972	1,465,046
Accounts receivable, net	\$ 406,089	\$ 219,962	\$ 626,051

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 \$24,413,524 on January 1, 2000 based on a gross assessed valuation of \$568,020,560 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 December 31, 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, 2000.

Current real estate taxes receivable at December 31, 2000 consists of the face value of the tax levy uncollected at December 31, 2000.

The receivable for outstanding delinquent tax levies at December 31, 2000 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, 2000. 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 2000 and prior.....	\$ 1,587,821
Balance held by City Treasurer for 2000.....	1,418,120
Less: provision for uncollectible receivables.....	16,234
Total Property Tax receivable	2,989,707
Total lien receivable	193,478
Less: cash received in January and February of 2001 and recognized as revenue	194,318
Total deferred revenue	\$ 2,988,867

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, 2000, as well as the City's share of the fourth quarter, 2000 taxes collected by the tax collector in January and February, 2001 as follows:

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

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, 2000 cash balance.....	\$ 32,781
Estimated share of January and February, 2001 cash receipts.....	<u>1,644,563</u>
 Total receivable.....	 <u>\$ 1,677,344</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 Home Investment Partnership Program, four programs included with the Special Revenue Fund. The notes bear interest ranging from 2.0% to 6.0% with various maturities. During 2000, payments made to the City totaled \$688,141, representing \$574,106 of principal and \$114,035 of interest. The detailed activity is as follows:

Balance outstanding at December 31, 1999, as restated.....	\$ 6,970,598
2000 loans.....	3,041,920
2000 interest - accrued.....	54,629
Principal repayments.....	(574,106)
Loans written off.....	<u>(77,786)</u>
 Balance outstanding at December 31, 2000.....	 <u>\$ 9,415,255</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, 2000 is \$5,090,000. (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.....	\$ 321,963	\$ 639,042	\$ 238,652
Less: provision for uncollectible receivables.....	<u>128,485</u>	<u>208,078</u>	<u>35,104</u>
 Net lien receivable.....	 <u>\$ 193,478</u>	 <u>\$ 430,964</u>	 <u>\$ 203,548</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, 2000 is \$2,988,867, \$1,935,255 and \$203,548, respectively. (See Note III.A.3.)

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

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

A. Assets, Continued

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

8. Other Receivables - Other receivables represent amounts due to the City as of December 31, 2000 from interest income, gas well revenue and other miscellaneous revenues. In the Pension Trust and Agency Fund, a receivable of \$1,752,771 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.

2001	\$	1,941,211
2002		2,028,566
2003		2,119,852
2004		2,215,245
2005		2,314,931
2006 and thereafter.....		<u>29,726,447</u>
Total lease receivable.....	\$	<u>40,346,252</u>

10. Prepaid Insurance - Prepaid insurance represents a pro-rata share of premiums paid during 2000 which provides coverage through various dates in 2001

11. Fixed Assets

A summary of general fixed assets at December 31, 2000 is as follows:

	Balance January 1, 2000	Additions	Dispositions	Balance December 31, 2000
Land	\$ 801,667	\$ 0	\$ 0	801,667
Building and improvements.....	16,651,140	2,072,275	0	18,723,415
Vehicles and equipment.....	<u>19,804,433</u>	<u>2,079,373</u>	<u>62,907</u>	<u>21,820,899</u>
Total	<u>\$ 37,257,240</u>	<u>\$ 4,151,648</u>	<u>\$ 62,907</u>	<u>\$ 41,345,981</u>

A summary of Proprietary Fund type fixed assets at December 31, 2000 is as follows:

	Balance January 1, 2000	Additions	Dispositions	Balance December 31, 2000
Land	\$ 730,999	\$ 0	\$ 0	\$ 730,999
Building and improvements.....	9,656,002	15,365	0	9,671,367
Improvements other than buildings.....	51,256,084	1,683	0	51,257,767
Vehicles and equipment.....	<u>10,624,777</u>	<u>650,998</u>	<u>25,350</u>	<u>11,250,425</u>
Total	72,267,862	668,046	25,350	72,910,558
Less: accumulated depreciation.....	<u>37,192,942</u>	<u>1,723,459</u>	<u>25,350</u>	<u>38,891,051</u>
Net fixed assets	<u>\$ 35,074,920</u>	<u>\$ (1,055,413)</u>	<u>\$ 0</u>	<u>\$ 34,019,507</u>

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

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

A. Assets, Continued

11. Fixed Assets, Continued

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

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 its financial statements on the accrual basis of accounting. Income is recognized when earned. Fund participant contributions are recognized in the period in which contributions are withheld from the participants' wages and salaries. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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, 2000

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

B. Liabilities, Continued

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

Significant Accounting Policies, Continued

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 \$57,261,953 at December 31, 2000. Gains (losses) on unrealized appreciation (depreciation) of investments' fair value above (below) cost are recognized in the period of appreciation (depreciation).

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.

Annual Pension Cost and Net Pension Obligation

Annual required contribution.....	\$	533,404
Interest on net pension obligation.....		(387)
Adjustment to annual required contribution.....		(520)
Annual pension cost.....		533,537
Contributions made.....		(541,767)
Decrease in net pension obligation.....		(8,230)
Net pension obligation beginning of year.....		(4,812)
Net pension obligation end of year.....	\$	(13,042)

The annual required contribution for the current year was determined as part of the January 1, 2000 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return and (b) projected salary increases of 5%. The remaining amortization period is 25 years. The actuarial value of assets was determined using the market value of the assets.

Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/98	\$ 1,537,082	100%	\$ (1,452)
12/31/99	1,201,537	102	(4,812)
12/31/00	533,537	102	(13,042)

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.

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

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

B. Liabilities, Continued

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

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 provisions of the plan, pension benefits vest after 12 years of service with full vesting occurring after 20 years of service. Benefit payments for non-disability pension shall not commence before age 50.

The retirement allowance, payable monthly for life, without regard for service increments, is one-half the member's annual salary at date of retirement. Service increments earned for each year of service in excess of 20 increases the monthly benefit as per the plan provisions. Increases to the members' monthly benefit are made annually for the cost of living allowance based on certain circumstances per the plan provisions. Members shall receive, when retired, an annual cost of living increase to their monthly benefit based on hire date and subject to certain limits per the plan provision.

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.

If a deceased member is not survived by a widow or widower, or the surviving widow/widower subsequently deceases, 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 in the line of duty shall be entitled to a pension of 50% of annual compensation.

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.

Significant Accounting Policies

The Funds' policy is to prepare its financial statements on the accrual basis of accounting. Income is recognized when earned. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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 trust is \$78,929,096 at December 31, 2000. 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, 2000

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

B. Liabilities, Continued

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

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% plus \$1 per month. 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.

Annual Pension Cost and Net Pension Obligation

Annual required contribution.....	\$	0
Interest on net pension obligation.....		(393)
Adjustment to annual required contribution.....		<u>(532)</u>
Annual pension cost.....		139
Contributions made.....		<u>0</u>
Decrease in net pension obligation.....		139
Net pension obligation beginning of year.....		<u>(4,916)</u>
Net pension obligation end of year.....	\$	<u>(4,777)</u>

The annual required contribution for the current year was determined as part of the January 1, 2000 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return and (b) projected salary increases of 5% (c) cost of living adjustment of 4%. The remaining amortization period is 0 years. The actuarial value of assets was determined using the market value of the assets.

Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/98	\$ 1,954,304	103%	\$ (5,058)
12/31/99	801,105	100	(4,916)
12/31/00	139	0	(4,777)

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.

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

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

B. Liabilities, Continued

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

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 provisions 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 the member retired on the date of 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 the member 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 their annual compensation, if they had less than ten years of service; or 50% of their 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. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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. 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 \$42,363,891 at December 31, 2000. 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 5.5% of their gross qualified earnings to the pension plan plus \$1.00 per month 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.

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

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

B. Liabilities, Continued

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

Contributions, Continued

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.

Annual Pension Cost and Net Pension Obligation

Annual required contribution.....	\$ 871,258
Interest on net pension obligation.....	(3,578)
Adjustment to annual required contribution.....	(4,838)
Annual pension cost.....	872,518
Contributions made.....	(871,258)
Decrease in net pension obligation.....	1,260
Net pension obligation beginning of year.....	(44,725)
Net pension obligation end of year.....	\$ (43,465)

The annual required contribution for the current year was determined as part of the January 1, 2000 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return and (b) projected salary increases of 5% (c) cost of living adjustment of 4%. The remaining amortization period is 25 years. The actuarial value of assets was determined using the market value of the assets.

Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/98	\$ 858,078	106%	\$ (4,951)
12/31/99	1,353,897	130	(44,725)
12/31/00	872,518	100	(43,465)

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:

	<u>Officers' and Employees'</u>	<u>Police</u>	<u>Firemens'</u>	<u>Total</u>
Retirees, beneficiaries	354	236	178	768
Terminated	0	1	0	1
Active.....	421	207	181	809
Total	<u>775</u>	<u>444</u>	<u>359</u>	<u>1,578</u>

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

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.

The City established a deferred compensation plan for AFSCME, Teamster, non-bargaining and management employees in accordance with Section 401(a) and 457 of the Internal Revenue Code effective October 1, 2000. The primary purpose of this plan is to attract and retain qualified personnel by permitting them to provide for benefits in the event of their retirement or death. Participation in the plan is optional. The plan is a discretionary matching plan, whereby the employees may elect to contribute up to 4% of their salary into multiple fund options through payroll deduction and the City will match paid contributions by 50%, not to exceed 2% of their pay.

All amounts of compensation deferred under both plans, 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 both plans 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. The investments are carried at fair value and reported in the Expendable Trust Fund.

It is the opinion of the City's legal counsel that the City has no liability for losses under both plans, 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 2000, 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, 1999 to December 31, 2000.

Balance, January 1, 1999.....	\$ 3,813,368
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.....	<u>570,942</u>
Total incurred claims and claims adjustment expenses.....	<u>934,026</u>
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.....	<u>303,002</u>
Total Payments.....	<u>500,785</u>
Balance, December 31, 1999.....	<u>4,246,609</u>

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

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.....	145,670
Increases in provision for insured events of prior year.....	<u>3,655,519</u>
Total incurred claims and claims adjustment expenses.....	<u>3,801,189</u>
Payments:	
Claims and claim adjustment expenses attributable to insured events of the current year.....	111,335
Claims and claim adjustment expenses attributable to insured events of prior year.....	61,622
Payments made on claims through annuity contracts.....	<u>5,513,749</u>
Total Payments.....	<u>5,686,706</u>
Balance, December 31, 2000.....	<u>\$ 2,361,092</u>

During 2000, the City purchased annuity contracts totaling \$5,513,749 to satisfy some prior year's worker's compensation claims. The corresponding liability has been removed from the balance sheet as of December 31, 2000; however, none of the claimants had signed an agreement with the City releasing the City from further obligation. It is anticipated the agreements will be signed during 2001 and no significant additional liabilities will be incurred.

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, 2000 a net amount of \$311,102 had been advanced for future claims and is included as prepaid insurance in the Combined Balance Sheet.

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, 2000 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 \$2,000 to \$500,000. With regard to unsettled cases, the range of possible outcomes varies from remote to reasonably possible. The City's aggregate potential liability is \$1,899,500 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, 2000

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, 2000 are as follows:

	<u>Debt</u>	<u>Note</u>	<u>Total</u>
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	9,785,797	31,228,588	41,014,385
Less: interest portion	<u>2,330,797</u>	<u>13,318,588</u>	<u>15,649,385</u>
Total minimum lease obligation	<u>\$ 7,455,000</u>	<u>\$ 17,910,000</u>	<u>\$ 25,365,000</u>

The lease rental payment for 2000 was \$5,209,960.

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, 2000 are \$180,000. 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 2000 was \$53,000.

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

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

B. Liabilities, Continued

5. Lease Agreements, Continued

The remaining lease payments as of December 31, 2000 are as follows:

2001	53,000
2002	53,000
2003	53,000
2004	<u>53,000</u>
 Total lease payments	 212,000
 Less: interest portion	 <u>36,457</u>
 Minimum lease obligation	 <u>\$ 175,543</u>

Other Lease Agreements - The City has historically entered into other capital lease agreements to purchase equipment (fire trucks and equipment, computers, and telephone system). The City had no other capital lease agreements during the year ended December 31, 2000.

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

Erie Municipal Park Authority	\$ 175,543
Other lease agreements	<u>0</u>
 Total capital leases	 <u>\$ 175,543</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 \$196,435,872 of non-electoral indebtedness.

General Obligation Notes

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 balance outstanding at December 31, 2000 was \$2,500,000.

On June 30, 2000, the City incurred through the issuance of the General Obligation Note, Series of 2000 non-electoral debt in the amount of \$500,000. The proceeds of the Note were used to finance the construction of a new administration and visitor services building at the Erie Zoo. The Note bears interest on the outstanding balance at a tax free rate per annum equal to 55% of prime rate. Interest is payable quarterly commencing September 30, 2000 and continuing through the maturity of the note. The principal is to be paid in quarterly amounts commencing June of 2002 continuing to the notes maturity in June of 2010. The balance outstanding at December 31, 2000 was \$500,000.

On July 20, 2000 the City incurred through the issuance of the Worker's Compensation, 2000 Annuity Note non-electoral debt in the amount of \$5,000,000. The proceeds of the Note were used to support Worker's Compensation Funding needs. The Note bears interest at a fluctuating rate equal to the prime rate, provided that borrower shall have the right from time to time to irrevocably elect 1.20% per annum plus LIBOR as the contract rate. Interest is payable commencing November 1, 2000 continuing each month thereafter until maturity. The principal of the note shall be due and payable in monthly installments of \$41,667 commencing November 1, 2000 and continuing monthly until maturity in September of 2010. The balance outstanding at December 31, 2000 was \$4,916,666.

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

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

B. Liabilities, Continued

6. Long-Term Debt, Continued

The annual debt service requirements to maturity, including interest and principal, for the General Obligation Notes as of December 31, 2000, are as follows:

	General Long-term Debt	Proprietary Debt
2001	\$ 1,368,157	\$ 1,630,418
2002	1,353,198	1,508,750
2003	76,084	1,387,083
2004	76,084	1,267,613
2005	76,084	1,143,750
2006	76,084	1,022,083
2007	76,084	900,417
2008	76,084	779,611
2009	76,084	1,122,083
2010	19,021	412,944
Total principal and interest	3,272,964	11,174,752
Less: interest	272,964	6,258,086
Total General Obligation Note Liability at December 31, 2000.....	\$ 3,000,000	\$ 4,916,666

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, 2000 is \$270,000.

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, 2000 is \$5,640,000 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.

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.)

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

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

B. Liabilities, Continued

6. Long-Term Debt, Continued

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, 2000 is \$26,265,000 and \$38,118,606, respectively.

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds as of December 31, 2000, are as follows:

	General Long-term Debt	Proprietary Debt
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	100,402,284	24,408,224
Less: interest	45,853,678	8,663,224
Total General Obligation Bonds liabilities at December 31, 2000	<u>\$ 54,548,606</u>	<u>\$ 15,745,000</u>

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

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

B. Liabilities, Continued

6. Long-Term Debt, Continued

Changes in long-term debt payable during 2000 are summarized as follows:

	Balance January 1, 2000	Incurred	Retired	Balance December 31, 2000
<u>General Long-Term Debt</u>				
Capital lease obligation.....	\$ 211,614	\$ 0	\$ 36,071	\$ 175,543
General obligation notes.....	2,500,000	500,000	0	3,000,000
General obligation bonds.....	58,188,606	0	3,640,000	54,548,606
Total General Long-Term Debt...	60,900,220	500,000	3,676,071	57,724,149
<u>Proprietary Fund Debt</u>				
<u>Sewer Revenue Fund:</u>				
General obligation bonds.....	16,340,000	0	595,000	15,745,000
<u>Internal Service Fund:</u>				
General obligation notes.....	0	5,000,000	83,334	4,916,666
Total Proprietary Fund Debt.....	16,340,000	5,000,000	678,334	20,661,666
Total Debt.....	\$ 77,240,220	\$ 5,500,000	\$ 4,354,405	\$ 78,385,815

7. Defeasement of Debt - In prior year, the City defeased the General Obligation Bond Series of 1997, Series A of 1993, and a portion of Series B of 1993. 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, 2000, the following bonds outstanding are considered defeased:

General Obligation Bonds, Series of 1997.....	\$ 7,905,000
General Obligation Bonds, Series A of 1993.....	7,925,000
General Obligation Bonds, Series B of 1993.....	9,985,000
	\$ 25,815,000

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 \$159,371, which represents a decrease of \$168,417 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 2000, the cost of postemployment benefits was \$349,707 for the 62 eligible Police retirees and \$196,673 for the 35 eligible Firefighter retirees.

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

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, 2000 consisted of the following individual fund receivables and payables:

	<u>Receivables</u>	<u>Payables</u>
General Fund:		
Golf Fund	\$ 50,000	\$ 0
2000 Note Fund	1,978,881	0
Workers compensation claims	529,269	0
Workers compensation trust	484,845	0
1998 general obligation bond	8,718	0
Insurance reserve trust	2,386	0
Employee health benefit plan	9,897	0
Risk management	2,956	0
Grant Funds	200,000	0
Water revenue fund		22,600
Debt service fund		460,824
Grant Funds:		
General Fund	0	200,000
Workers compensation claims:		
General Fund	0	529,269
Workers compensation trust:		
General Fund	0	484,845
1998 general obligation bond:		
General Fund	0	8,718
Insurance reserve trust:		
General Fund	0	2,386
Employee health benefit plan:		
General Fund	0	9,897
Risk management:		
General Fund	0	2,956
1999 Note Fund:		
General Fund	0	1,978,881
Debt service fund:		
General Fund	460,824	0
1998 general obligation bond	1,204,000	0
Water revenue fund:		
General Fund	22,600	0
1998 general obligation bond:		
Debt service fund	0	1,204,000
Golf Fund:		
General Fund	0	50,000
	<u>\$ 4,954,376</u>	<u>\$ 4,954,376</u>

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

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

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

IV. SEGMENT INFORMATION - ENTERPRISE FUNDS

The City maintained, during 2000, 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	\$ 17,000,674	\$ 0	\$ 2,778,720	\$ 3,666,562	\$ 971,768	\$ 24,417,724	
Operating expenses before depreciation	15,347,423	0	0	3,258,653	971,713	19,577,789	
Depreciation	850,192	0	692,980	93,908	86,379	1,723,459	
Operating income	803,059	0	2,085,740	314,001	(86,324)	3,116,476	
Nonoperating revenue (expense)	594,686	281,497	0	66,190	15,627	958,000	
Operating transfers in	1,400,000	2,477,214	0	0	0	3,877,214	
Operating transfers (out)	(3,531,214)	(1,400,000)	(2,342,922)	(466,900)	(17,220)	(7,758,256)	
Net income (loss)	\$ (733,469)	\$ 1,358,711	\$ (257,182)	\$ (86,709)	\$ (87,917)	\$ 193,434	
Current assets	\$ 4,292,524	\$ 3,888,018	\$ 22,600	\$ 565,555	\$ 38,510	\$ 8,807,207	
Fixed asset additions	663,314	0	0	4,732	0	668,046	
Other assets	18,746,920	0	18,539,080	600,926	729,805	38,616,731	
Total assets	\$ 23,702,758	\$ 3,888,018	\$ 18,561,680	\$ 1,171,213	\$ 768,315	\$ 48,091,984	
Current liabilities	\$ 1,782,584	\$ 0	\$ 0	\$ 156,840	\$ 58,784	\$ 1,998,208	
Bonds and other liabilities	15,274,634	0	6,585,124	0	0	21,859,758	
Current capital contributions	0	0	0	0	0	0	
Other equity	6,645,540	3,888,018	11,976,556	1,014,373	709,531	24,234,018	
Total liabilities and equity	\$ 23,702,758	\$ 3,888,018	\$ 18,561,680	\$ 1,171,213	\$ 768,315	\$ 48,091,984	
Net working capital	\$ 2,509,940	\$ 3,888,018	\$ 22,600	\$ 408,715	\$ (20,274)	\$ 6,808,999	

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

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, 2000 are \$13,930,000. (See Notes I.B., 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, 2000 are \$11,080,000. (See Notes I.B. and VII.D.8.)

The Erie Sewer Authority's Revenue Bonds, Series of 2000, financed various sewer projects, funded a Debt Service Fund and are fully insured by an independent insurance company against default. The City agreed to guaranty this component unit's 2000 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, 2000 are \$12,775,000 (See Notes I.B. and VII. F.6)

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, 2000 is \$760,736. (See Notes I.B. and VII.F.b)

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, 2000 is \$1,776,392. (See Note I.B., and VII F.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 \$5,802,140 and \$1,894,328, respectively, at December 31, 2000. (See Notes I.B. and VII. F.b)

B. Financial Award 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.

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.

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

VI. OTHER DISCLOSURES, Continued

A. Revolving Fund Programs, Continued

1. Bayfront Urban Development Action Grant (BUDAG), Continued

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 \$763,077.

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, 2000".

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.

D. Agency Fund Restatement

Effective January 1, 2000, the deferred compensation plan asset and liability balance of \$11,351,690 is reported as an expendable trust fund under the provisions of GASB 32. In addition, the fire insurance escrow asset and liability balance of \$159,370 will be reported in the agency fund. The January 1, 2000 balances have been restated accordingly.

E. Internal Service Fund Restatement

At December 31, 1999, accrued interest was understated by \$111,721. As a result, interest income was understated in the prior year. The restatement has the effect of increasing beginning retained earnings by \$111,721 in the Internal Service Fund in the current year.

F. Capital Projects Fund Restatement

At December 31, 1999, accrued interest was understated by \$24,800. As a result, interest income was understated in the prior year. The restatement has the effect of increasing beginning fund balance by \$24,800 in the Capital Projects Fund in the current year.

G. Special Revenue Fund Restatement

At December 31, 1999, accrued interest was understated by \$82,961. As a result, interest income was understated in the prior year. The restatement has the effect of increasing beginning fund balance by \$82,961 in the Special Revenue Fund.

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

VI. OTHER DISCLOSURES, Continued

G. Special Revenue Fund Restatement, Continued

At December 31, 1999, deferred revenue was overstated by \$50,172. As a result, intergovernmental revenue was understated in the prior year. The restatement has the effect of increasing beginning fund balance by \$50,172 in the Special Revenue Fund.

H. Subsequent Events

1. General Obligation Refunding Bonds - In January of 2001, the City incurred through the issuance of \$5,115,000 Taxable General Obligation Refunding Bonds, Series of 2001 A, \$8,995,000 Tax Exempt General Obligation Refunding Bonds, Series of 2001 B and \$14,588,631 General Obligation Bonds, Series of 2001 C, non-electoral debt. The proceeds of the bonds will be used to refund all or part of the Worker's Compensation, 2000 Annuity Note, Capital Equipment Installment Note – 1999 Series, General Obligation Note, Series of 2000, Tax-Exempt General Obligation Bonds, Series of 1998 B, to pay the cost of various capital projects of the City and related cost of issuing the bonds. (See Note III.B.b)
2. Tax and Revenue Anticipation Note – The City issued a tax and revenue anticipation note of \$5,000,000 on January 3, 2001, bearing an interest rate of 4.95%, payable December 31, 2001.

I. New Pronouncement

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This Statement establishes new financial reporting requirements for state and local governments throughout the United States. When implemented, it will require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in all prior years will be affected. The City is required to implement this standard for the fiscal year ending December 31, 2003. The City has not yet determined the full impact that adoption of GASB Statement 34 will have on the financial statements.

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 accompanying financial information has been prepared on the modified accrual basis of accounting. Under this method, revenues are recorded when susceptible to accrual, for example, both measurable and available. 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.

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

VII. COMPONENT UNIT DISCLOSURES, Continued

A. Redevelopment Authority of the City of Erie, Continued

3. Cash Deposits, Continued

At December 31, 2000, the deposits of the Authority can be categorized to indicate the level of risk assumed. Category 1 includes bank balances insured or collateralized with securities held by the entity or its agent in the Authority's name. Category 2 includes bank balances collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name. Category 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		
Cash	\$ 294,015	\$ 6,519	\$ 0	\$ 300,534	\$ 295,966

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.

4. 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, 2000, the balance of this loan remained at \$104,000 and the terms of the loan have not been renegotiated.
5. 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.
6. 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 \$213,528. Total payroll for the year was \$243,671. Both the Authority and the covered employees made the required contributions, amounting to \$16,014 from the Authority and \$11,744 from the covered employees, or \$27,758 in total.
7. Operating Lease - The Authority is committed under a month by month lease for office space. This lease is considered for accounting purposes to be an operating lease. Lease expenditures for the year ending December 31, 2000 amounted to \$12,100.
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.

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

VII. COMPONENT UNIT DISCLOSURES, Continued

A. Redevelopment Authority of the City of Erie, Continued

8. Capital Lease, Continued

The remaining lease payments as of December 31, 2000 are as follows:

2001	\$	1,104
2002		1,104
2003		<u>184</u>
Total Lease Payments.....	\$	<u>2,392</u>

9. Transactions with the Primary Government - During 2000, the Redevelopment Authority received \$1,284,438 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.

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 - The accompanying financial information has been prepared on the modified accrual basis of accounting. Under this method revenues are recorded when susceptible to accrual, for example, both measurable and available. Expenditures, other than interest on long-term debt, are recorded when the related fund liability is incurred, if measurable.

3. Investments - The investments stated at fair value at December 31, 2000 consist of U.S. Treasury trust obligations.

4. 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.

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, 2000 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>\$ 180,000</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, 2000, the Authority has redeemed principal amount of bonds prior to normal redemption, which would have matured in 2004, in the amount of \$400,000. For the year ended December 31, 2000, the Authority redeemed bonds as follows:

Face amount of bonds redeemed	\$	<u>45,000</u>
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CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

VII. COMPONENT UNIT DISCLOSURES, Continued

B. Erie Municipal Park Authority, Continued

6. Transactions with the Primary Government - The offsetting asset and liability represents the aggregate remaining bond principal outstanding as of December 31, 2000 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 \$212,000 at December 31, 2000. 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 of accounting. Under this method revenues are recognized when they are earned and expenses are recognized when they are incurred. 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 also maintained on the accrual basis.

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.....	\$ 1,624,972
Pennsylvania Department of Transportation, Act 3, Additional Supplemental Grant and Base Supplemental Grant	1,205,397
	\$ 2,830,369

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes.

The deposits and investment policy of the Authority adheres to statutes and prudent business practice. Deposits of the governmental funds are either maintained in demand deposits or certificates of deposit.

At June 30, 2000 EMTA was in violation of the Pennsylvania Municipal Authority Act (the "Act") with regards to \$207,875 of investments. As mentioned above, the Authority is only permitted to own certain types of investments. During the year ended June 30, 2000, the Authority purchased investments which are not permitted under the Act. The Authority liquidated these investments subsequent to June 30, 2000 when it became aware of the violation.

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

VII. COMPONENT UNIT DISCLOSURES, Continued

C. Erie Metropolitan Transit Authority, Continued

4. Cash and Investments, Continued

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.....	\$ 3,602,025	\$ 3,507,590
(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).....	582,148	582,148
Total	<u>\$ 4,184,173</u>	<u>\$ 4,089,738</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.....	\$ 1,318,808
Pennsylvania Local Government Investment Trust/Term Fund, average yield of 6.4%.....	336,211
FHLB Callable, Rate 5.17%.....	79,588
FHR Pool, 6.0% yield to maturity due December 15, 2023.....	31,020
FHR Pool, 8.0% yield to maturity due June 25, 2028.....	17,405
FHR Pool, 7.5% yield to maturity due June 25, 2029.....	40,110
Equity and Fixed Income Mutual Funds.....	235,157
Total	<u>\$ 2,058,299</u>

The Authority investments are categorized below to give an indication of the level of credit risk assumed at year end. Category 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. Category 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. Category 3 includes uninsured and unregistered investments held by the financial institution's trust department or agent, but not in the Authority's name. Investments are categorized as to the risk assumed at year end.

	<u>Category</u>			<u>Fair Value/ Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Unrestricted Investments.....	\$ 0	\$ 2,058,299	\$ 0	\$ 2,058,299

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

VII. COMPONENT UNIT DISCLOSURES, Continued

C. Erie Metropolitan Transit Authority, Continued

5. 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, 2000	Additions	Reclassifications and Transfers	Dispositions	Balance December 31, 2000
Land.....	N/A	\$ 189,369	\$ 0	\$ 0	\$ 0	\$ 189,369
Land improvements.....	10 - 15	337,512	0	0	0	337,512
Building and building improvements.....	5 - 33	3,607,722	237,566	0	1,020	3,844,268
Buses.....	5 - 12	14,040,942	1,975,228	20,372	918,162	15,118,380
Fare boxes.....	12	352,186	41,460	0	0	393,646
Service vehicles and equipment.....	4 - 7	320,306	16,056	(20,372)	0	315,990
Shop and garage equipment.....	5 - 12	727,472	286,398	0	77,886	935,984
Office furniture and equipment.....	5 - 10	356,272	39,848	0	32,708	363,412
Radio equipment.....	12	418,808	21,692	0	0	440,500
Bus shelters.....	12 - 15	196,166	3,094	0	1,046	198,214
Suburban mobility study in progress.....	N/A	99,341	0	0	0	99,341
Construction in Progress.....	N/A	608,474	203,466	(551,624)	5,419	254,897
Park and Ride.....	30	1,458,106	479,696	0	0	1,937,802
CNG facility.....	30	0	1,030,104	551,624	0	1,581,728
		22,712,676	4,334,608	0	1,036,241	26,011,043
Less: accumulated depreciation.....		10,661,398	1,843,692	0	1,030,698	11,474,392
Net investment in transit system.....		\$ 12,051,278	\$ 2,490,916	\$ 0	\$ 5,543	\$ 14,536,651

The 2000 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.

6. 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.
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.

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

Both Plans issue financial reports that include financial statements. Those reports may be obtained by contacting the Erie Metropolitan Transit Authority.

The annual required contributions for the current year were determined as part of the May 1, 1999 actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) 7% investment rate of return and (b) projected salary increases of 4% per year for the Regular Plan and 3% per year for the Supplemental Plan. The actuarial value of assets was determined using the five year moving average appreciation method. The unfounded actuarial accrued liability is being amortized on the level dollar payment method on a closed basis. The remaining amortization period at April 30, 1999 was 13 years for the Regular Plan and 17 years for the Supplemental Plan.

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

VII. COMPONENT UNIT DISCLOSURES, Continued

C. Erie Metropolitan Transit Authority, Continued

7. Pension, Continued

Trend Information

	<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Regular Plan	06/30/98	\$ 203,780	102%	\$ 0
	06/30/99	233,159	104%	0
	06/30/00	242,670	114%	0
Supplemental Plan	06/30/98	\$ 7,309	225%	\$ 0
	06/30/99	14,633	832%	0
	06/30/00	18,179	128%	0

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.

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

Active employees	132
Retired employees and beneficiaries	60
Vested former employees	<u>2</u>
Total	<u>194</u>

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 23, 2001. The line is unsecured and bears interest at the prime rate minus 1-½ percent.

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. Basis of Accounting - The accompanying financial information had been prepared on the accrual basis of accounting. Under this method revenues are recognized when they are earned, and expenses are recognized when they are incurred.
3. 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.

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

VII. COMPONENT UNIT DISCLOSURES, Continued

D. Erie Parking Authority

4. 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).....	6,227,666	6,251,302
Total	<u>\$ 6,527,666</u>	<u>\$ 6,551,302</u>

Investments - The Authority's investments are categorized below to give an indication of the level of credit risk assumed at year end. Investments in pooled money market funds are not categorized.

Category 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. Category 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. Category 3 includes uninsured and unregistered investments held by the financial institution's trust department or agent, but not in the Authority's name. Investments are categorized as to the risk assumed at year end.

	<u>Category</u>			<u>Fair Value/ Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Repurchase Agreements.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 477</u>	<u>\$ 477</u>

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

5. 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

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

VII. COMPONENT UNIT DISCLOSURES, Continued

D. Erie Parking Authority, Continued

5. Capitalization and Depreciation, Continued

A summary of property activity for 2000 is as follows:

	Balance January 1, 2000	Additions	Dispositions	Balance December 31, 2000
Land	\$ 2,285,377	\$ 0	\$ 0	\$ 2,285,377
Parking facilities	30,614,778	225,799	0	30,840,577
Metered collection equipment.....	434,955	34,032	0	468,987
Other equipment and vehicles.....	326,503	33,142	0	359,645
 Total	 33,661,613	 292,973	 0	 33,954,586
Less: accumulated depreciation.....	10,075,180	832,377	0	10,907,557
 Net.....	 \$ 23,586,433	 \$ (539,404)	 \$ 0	 \$ 23,047,029

6. 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, 2000 amounted to \$31,414.
7. 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 for each year of credit service. The Plan also provides for early retirement, death and disability benefits.

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 it's administrative office or from the City Clerk's office in the Municipal Building.

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.

Annual Pension Cost And Net Pension Obligation

Annual required contribution.....	\$ 31,686
Interest on net pension obligation.....	2,218
Adjustment to annual required contribution.....	0
Annual pension cost.....	33,904
Contributions made.....	(49,989)
Decrease in net pension obligation.....	(16,085)
Net pension obligation beginning of year.....	49,989
Net pension obligation end of year.....	\$ 33,904

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

VII. COMPONENT UNIT DISCLOSURES, Continued

D. Erie Parking Authority, Continued

7. Pension, Continued

Funding Policy, Continued

The annual required contribution was determined as part of January 1, 2001 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions including (a) a 7.0% per year assumed rate of return on the investment of present and future assets compounded annually, and (b) retirement of employees at their normal retirement dates. The actuarial value of assets was determined using the fair market value of assets.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/98	\$ 35,033	100%	\$ 12,626
12/31/99	37,363	100	49,989
12/31/00	33,904	0	33,904

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.

Membership in the plan consisted of the following at December 31, 2000:

Active employees.....	35
Retired employees and beneficiaries.....	10
Vested former employees.....	2
Total	<u>47</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 \$42,816 in 2000. At December 31, 2000, the plan has \$1,678 in forfeitures available to reduce future contributions by the Authority.

8. 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.....	\$ 11,080,000
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>13,930,000</u>
Outstanding principal at December 31, 2000.....	25,010,000
Less: original issue discount.....	443,057
Less: deferred amount of refunding	1,299,821
Less: current maturities.....	<u>665,000</u>
Total long-term portion.....	<u>\$ 22,602,122</u>

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

VII. COMPONENT UNIT DISCLOSURES, Continued

D. Erie Parking Authority, Continued

8. Long-Term Debt, Continued

The following summarizes the maturities due subsequent to December 31, 2000, for future debt obligation payments, including \$17,030,908 of interest:

2001	1,911,712
2002	1,913,053
2003	1,912,335
2004	1,909,758
2005	1,909,874
Thereafter	<u>32,484,176</u>
Total	\$ <u>42,040,908</u>

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. **Basis of Accounting** - The accompanying financial information had been prepared on the accrual basis of accounting. Under this method revenues are recognized when they are earned, and expenses are recognized when they are incurred.
3. **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*.
4. **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, 2000 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.....	\$ 235,230
(2) Collateralized with securities held by the pledging financial institutions trust department or agent in the Authority's name.....	80,757
(3) Uncollateralized (including those collateralized with securities held by pledging institutions trust departments or agent but not in the name of the Authority).....	<u>0</u>
Total	\$ <u>315,987</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	\$ 306,313
<u>Restricted</u>	
Restricted investments.....	<u>47,190</u>
Carrying amount of cash deposits.....	\$ <u>353,503</u>

Investments held during the year ended December 31, 2000 are reported at fair value.

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

VII. COMPONENT UNIT DISCLOSURES, Continued

E. Erie Civic Center Authority, Continued

5. Property, Plant and Equipment

Contributed Capital Assets - A summary of the Authority's capital assets acquired by contributed capital transactions through December 31, 2000 is as follows:

	Balance January 1, 2000	Additions	Dispositions	Balance December 31, 2000
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.....	431,039	6,100	0	437,139
Total	23,545,767	6,100	0	23,551,867
Less: accumulated depreciation.....	6,657,954	585,346	0	7,243,300
Net contributed capital assets.....	<u>\$ 16,887,813</u>	<u>\$ (579,246)</u>	<u>\$ 0</u>	<u>\$ 16,308,567</u>

Purchased Capital Assets - A summary of capital assets purchased by the Authority with operating funds through December 31, 2000 is as follows:

	Balance January 1, 2000	Additions	Dispositions	Balance December 31, 2000
Land improvements.....	\$ 4,698	\$ 1,336	\$ 0	\$ 6,034
Leasehold improvements.....	635,143	481,807	0	1,116,950
Machinery and equipment.....	645,517	31,796	0	677,313
Total	1,285,358	514,939	0	1,800,297
Less: accumulated depreciation.....	617,259	91,895	0	709,154
Net purchased capital assets.....	<u>\$ 668,099</u>	<u>\$ 423,040</u>	<u>\$ 0</u>	<u>\$ 1,091,143</u>

6. **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.

7. **Note Payable** - The note payable to the City of Erie represent draws a \$300,000, 3% loan for the construction of locker and training facilities at the Louis J. Tullio Arena. Payments are made in annual installments, including interest, of the following:

2000	\$ 150,000
2001	30,230
2002	31,137
2003	32,071
2004	33,033
2005	32,529
Total Note Payable.....	<u>\$ 309,000</u>

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

VII. COMPONENT UNIT DISCLOSURES, Continued

E. Erie Civic Center Authority, Continued

8. Transactions with the Primary Government - During 2000, the Erie Civic Center Authority received a \$150,000 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.
9. Erie County Convention Center Authority - During 2000 the General Assembly of Pennsylvania, Under House Bill No. 1140, amended P.L. 323, No. 130, known as The County Code, amended by P.L. 640, No. 98, created Third Class County Convention Center Authorities to "operate as public instrumentalities of the Commonwealth of Pennsylvania for the purpose of promoting, attracting, stimulating, developing and expanding business, industry, commerce and tourism in the Commonwealth." The County of Erie created such an authority (the Erie County Convention Center Authority "ECCCA"), for the purpose of developing a convention center facility on the City of Erie's bay front. The ECCCA will operate the new convention center facility as well as the existing facilities of the Erie Civic Center Authority ("ECCA"). It is anticipated that assets of the ECCA will be transferred to the ECCCA sometime during 2001. There are no other changes anticipated in the operations of the ECCA resulting from the creation of, or the transfer of assets to, the ECCCA.

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 information had been prepared on the accrual basis of accounting. Under this method revenues are recognized when they are earned, and expenses are recognized when they are incurred.
3. Deposit - At December 31, 2000 the deposits of the Authority can be categorized to indicate the level of risk assumed.

Category 1 includes bank balances insured or collateralized with securities held by the entity or its agent in the Authority's name. Category 2 includes bank balances collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name. Category 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.....	\$ 11,511	\$ 0	\$ 0	\$ 11,511	\$ 10,761

4. Investments - The Authority's investments are categorized below to give an indication of the level of credit risk assumed at year end.

Category 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. Category 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. Category 3 includes uninsured and unregistered investments held by the financial institution's trust department or agent, but not in the Authority's name. Investments are categorized as to the risk assumed at year end.

	Category			Fair Value/ Carrying Amount
	1	2	3	
Unrestricted Investments.....	\$ 0	\$ 13	\$ 0	\$ 13
Restricted Investments.....	100,000	24,468,989	0	24,568,989
Total	\$ 100,000	\$ 24,469,002	\$ 0	\$ 24,569,002

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, 2000

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 2000, bearing interest ranging from 4.6% to 6.1% with various maturities through June, 2021.....	\$ 12,775,000
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.....	26,135,000
Sewer Revenue Bonds, Series A and B of 1998, (See Note III.B.5.).....	17,910,000
Sewer Revenue Note, Series of 1994 (See Note III.B.5.).....	5,090,000
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.....	1,776,392
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>760,736</u>
Outstanding principal at December 31, 2000.....	64,447,128
Less: current maturities.....	<u>2,007,504</u>
Total long-term portion.....	<u>\$ 62,439,624</u>

The following summarizes the maturities due subsequent to December 31, 2000 for outstanding indebtedness of the Authority:

2001.....	\$ 2,007,504
2002.....	2,066,095
2003.....	2,129,261
2004.....	2,194,907
2005.....	2,264,050
2006 and thereafter.....	<u>53,785,311</u>
Total.....	<u>\$ 64,447,128</u>

The total principal outstanding as reported on the Combined Balance Sheet at December 31, 2000 is net of \$1,468,634 of unamortized cost of advanced refunding relating to the Series of 1999 and the Series of A and B 1998 bonds.

7. 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. These projects are substantially complete at December 31, 2000.

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.

8. Prior Period Adjustment - The Authority has restated its financial statements for the year ended December 31, 1999 to reflect changes in the presentation of the previously reported assets, revenues and expenditures. These changes resulted in a net decrease of \$140,098 to the Authority's fund balance as of December 31, 1999 and the related statement of revenues, expenditures and changes in the fund balance.

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

VII. COMPONENT UNIT DISCLOSURES, Continued

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.....	\$ 335,482	\$ 245,989	\$ 6,966,848	\$ 6,653,614	\$ 753,007	\$ 25,294,654	\$ 40,249,594
Fixed assets.....	68,914	0	14,536,651	23,047,029	17,399,710	61,474,846	116,527,150
Amounts to be provided for long-term debt.....	104,000	180,000	0	0	0	0	284,000
Other assets.....	0	0	0	547,467	0	0	547,467
Total assets	\$ 508,396	\$ 425,989	\$ 21,503,499	\$ 30,248,110	\$ 18,152,717	\$ 86,769,500	\$157,608,211
Current liabilities.....	\$ 88,248	\$ 0	\$ 907,672	\$ 1,192,005	\$ 307,103	\$ 2,992,519	\$ 5,487,547
Due to primary government.....	0	0	0	0	0	4,890,000	4,890,000
Bonds and other liabilities.....	158,053	180,000	5,551,007	22,602,122	642,926	56,080,990	85,215,098
Total equity.....	262,095	245,989	15,044,820	6,453,983	17,202,688	22,805,991	62,015,566
Total liabilities and equity.....	\$ 508,396	\$ 425,989	\$ 21,503,499	\$ 30,248,110	\$ 18,152,717	\$ 86,769,500	\$157,608,211

	Governmental Funds		
	Redevelopment Authority of the City of Erie	Erie Municipal Park Authority	Total
Revenue	\$ 473,565	\$ 2,039	\$ 475,604
Transfer from the primary government.....	1,284,438	0	1,284,438
Current expenditures.....	(1,737,194)	(2,621)	(1,739,815)
Debt service expenditures.....	0	(52,088)	(52,088)
Excess (deficiency) of revenue.....	\$ 20,809	\$ (52,670)	\$ (31,861)

CITY OF ERIE, PENNSYLVANIA
Notes to Financial Statements, Continued
December 31, 2000

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.....	\$ 4,073,522	\$ 3,897,197	\$ 1,762,487	\$ 5,240,841	\$ 14,975,764
Operating expense.....	(8,201,455)	(1,792,959)	(1,852,581)	0	(11,846,995)
Depreciation.....	(1,843,692)	(832,377)	(677,241)	(3,042,571)	(6,395,881)
Operating income (loss).....	(5,971,625)	1,271,861	(767,335)	2,198,270	(3,267,112)
Operating grants, etc.....	7,858,778	0	101,000	0	6,414,499
Other nonoperating income (expense).....	246,869	(1,046,816)	17,303	(1,545,279)	(782,644)
Transfers from primary government.....	0	0	150,000	0	150,000
Net income (loss).....	<u>\$ 2,134,022</u>	<u>\$ 225,045</u>	<u>\$ (499,032)</u>	<u>\$ 652,991</u>	<u>\$ 2,514,743</u>
Current capital contributions.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,990</u>	<u>\$ 1,568,212</u>	<u>\$ 1,576,202</u>

The following is a 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.

	Amount from Statement of Cash Flows	Effects of Proprietary Funds	Effects of Governmental Funds	Total
Cash and cash equivalents.....	\$ 5,821,852	\$ 0	\$ 143,754	\$ 5,965,606
Investments.....	0	2,058,312	33,989	2,092,301
Restricted cash and cash equivalents.....	5,207,061	0	152,212	5,359,273
Restricted investments.....	0	24,616,656	0	24,616,656
	<u>\$ 11,028,913</u>	<u>\$ 26,674,968</u>	<u>\$ 329,955</u>	<u>\$ 38,033,836</u>

CITY OF ERIE, PENNSYLVANIA
 Officers' and Employees' Retirement Association
 Required Supplemental Schedule - Analysis of Funding Progress
 December 31, 2000

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, 1995	\$ 29.6	\$ 54.5	\$ 24.9	54.3 %	\$ 11.8	210.2 %
January 1, 1996	35.8	56.8	21.0	63.1	11.9	175.5
January 1, 1997	39.9	57.5	17.6	69.3	12.5	140.6
January 1, 1998	46.7	60.8	14.1	76.9	13.0	108.1
January 1, 1999	54.1	60.5	6.4	89.4	13.4	47.9
January 1, 2000	57.3	62.2	5.0	92.0	14.0	35.6

CITY OF ERIE, PENNSYLVANIA
 Police Relief and Pension Association
 Required Supplemental Schedule - Analysis of Funding Progress
 December 31, 2000

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 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, 1995	\$ 29.2	\$ 74.9	\$ 45.6	39.0 %	\$ 7.1	646.4 %
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)
January 1, 2000	86.8	82.0	(4.8)	105.8	8.3	(57.7)

CITY OF ERIE, PENNSYLVANIA
 Firemens' Pension Fund
 Required Supplemental Schedule - Analysis of Funding Progress
 December 31, 2000

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, 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	54.5	7.4	217.6
January 1, 1998	28.9	48.3	19.4	59.8	7.7	251.9
January 1, 1999	43.0	52.3	9.3	82.0	7.7	122.1
January 1, 2000	46.1	52.9	6.8	87.1	7.6	89.4

CITY OF ERIE, PENNSYLVANIA
 Erie Parking Authority
 Required Supplemental Schedule - Analysis of Funding Progress
 December 31, 2000

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, 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
January 1, 2001	608,837	725,729	116,892	83.9	765,853	15.3

CITY OF ERIE, PENNSYLVANIA
 Erie Metropolitan Transit Authority
 Required Supplemental Schedule - Analysis of Funding Progress
 December 31, 2000

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, 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

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
Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)
Budget and Actual (Including Encumbrances) - General Fund, Continued
December 31, 2000

REVENUES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Real estate taxes - current	\$ 16,477,961	\$ 16,260,885	\$ (217,076)
Real estate taxes - prior	1,495,000	1,299,909	(195,091)
Income taxes	5,000,000	5,077,686	77,686
Realty transfer taxes	625,000	582,192	(42,808)
Occupational privilege taxes	320,000	325,159	5,159
Real estate penalty, interest	225,000	268,136	43,136
Towing licenses	11,635	8,450	(3,185)
Amusement licenses	30,200	27,610	(2,590)
Engineer, electrician, plumber licenses	98,248	84,295	(13,953)
Direct access licenses	40,944	35,595	(5,349)
Bandwagon, special events permits	10,225	10,450	225
Building, demolition, moving permits	250,000	266,140	16,140
Curb, driveway, sewer, sidewalk, street permits	400,000	348,144	(51,856)
Electric permits	121,507	117,502	(4,005)
Fence, furnace, sign permits	18,174	22,555	4,381
Plumbing inspection permits	42,000	37,265	(4,735)
Cable TV franchise	510,000	504,890	(5,110)
State operating grant - Penn DOT	13,670	27,339	13,669
State operating grant - Auto Theft	63,000	44,494	(18,506)
State operating grant - Department of Environmental Resources	248,966	577,218	328,252
State shared revenue - public utility realty tax	375,000	112,881	(262,119)
State shared revenue - alcoholic beverage	88,000	86,150	(1,850)
State aid - pension system	2,250,000	3,015,248	765,248
Local operating unit - Emergycare	20,000	20,000	0
Local shared revenue - county liquid fuel	160,404	155,444	(4,960)
Local Operating unit - police county grant	72,907	72,907	0
Payment in lieu of taxes	685,000	718,628	33,628
Zoning fees	16,300	12,025	(4,275)
Administrative real estate service fees	84,000	77,488	(6,512)
Towing fees	13,750	11,051	(2,699)
Gas sales	205,000	150,624	(54,376)
Newspaper recycling sales	12,100	48	(12,052)
Miscellaneous costs, fees, sales	28,800	32,533	3,733
Safety reports, fingerprinting	45,100	42,980	(2,120)
Miscellaneous safety fees	1,500	7,625	6,125
Parking fines	1,010,000	995,218	(14,782)
State police fines	85,000	87,618	2,618
Traffic court fines	187,000	218,849	31,849
Parking/traffic court costs	65,000	75,438	10,438
District justice fines	120,000	146,820	26,820
Miscellaneous fines	35,000	36,380	1,380
Investment income	1,508,249	1,261,023	(247,226)
Checking account interest	20,000	58,384	38,384
Rents, royalties	58,000	65,213	7,213
Special assessments	5,000	27,283	22,283
Contributions	1,550	0	(1,550)
Crossing guard expense reimbursement - school	85,000	82,818	(2,182)
Pension salary reimbursement - Officer and Employee Retirement Association	44,000	44,144	144
Police instructor reimbursement - School	26,000	26,265	265
Police reimbursement - Housing Authority	220,000	177,821	(42,179)
Police officers training reimbursement - state	36,000	27,303	(8,697)
Central service expense reimbursement - interfund	1,577,000	1,415,557	(161,443)
Municipal garage expense reimbursement - interfund	325,000	404,872	79,872
Postretirement reimbursement - state	70,000	60,075	(9,925)
Collector of taxes expense reimbursement - school	319,339	271,691	(47,648)
Income tax office expense reimbursement - school	252,758	235,898	(16,860)
Erie County Solid Waste Authority reimbursement - county	61,287	51,287	(10,000)
Miscellaneous sources	292,637	678,004	385,367
Sale of general fixed assets	20,000	60,077	40,077
Total revenues	<u>36,483,211</u>	<u>36,949,584</u>	<u>466,373</u>

CITY OF ERIE, PENNSYLVANIA
Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)
Budget and Actual (Including Encumbrances) - General Fund, Continued
Year Ended December 31, 2000

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Office of City Council			
Salaries	\$ 43,500	\$ 43,500	\$ 0
FICA - Medicare tax	3,528	3,443	85
Pension contribution	7,877	7,877	0
Group insurance	51,692	51,692	0
Workers compensation insurance	1,077	1,077	0
Professional services	17,523	12,461	5,062
Transportation and seminars	2,777	2,776	1
	<u>127,974</u>	<u>122,826</u>	<u>5,148</u>
Office of City Clerk			
Salaries	117,820	117,499	321
FICA - Medicare tax	9,268	8,989	279
Pension contribution	3,376	3,376	0
Group insurance	22,154	22,154	0
Workers compensation insurance	462	462	0
Savings plan	301	301	0
Office supplies	2,500	2,064	436
Operating supplies	158	46	112
Consumable items	1,812	1,670	142
Transportation and seminars	714	713	1
Communication	592	591	1
Postage	1,200	1,139	61
Advertising	7,097	7,083	14
Repair and maintenance services	467	438	29
Other services and charges	13,217	5,471	7,746
Office equipment	1,577	1,577	0
	<u>182,715</u>	<u>173,573</u>	<u>9,142</u>
Office of Mayor			
Salaries	223,385	219,090	4,295
FICA - Medicare tax	17,620	16,869	751
Pension contribution	5,457	5,457	0
Group insurance	35,815	35,815	0
Workers compensation insurance	747	747	0
Savings plan	382	382	0
Office supplies	2,000	2,000	0
Operating supplies	312	312	0
Consumable items	1,488	1,325	163
Transportation and seminars	6,000	757	5,243
Postage	889	660	229
Repair and maintenance services	711	711	0
Other services and charges	43,400	42,633	767
Office equipment	1,493	1,493	0
	<u>339,699</u>	<u>328,251</u>	<u>11,448</u>
Office of Cable Television			
Salaries	2,881	2,216	665
FICA - Medicare tax	226	170	56
Pension contribution	169	169	0
Group insurance	1,108	1,108	0
Workers compensation insurance	23	23	0
Office supplies	552	552	0
Operating supplies	3	0	3
Repair and maintenance services	206	206	0
Consumable items	4,929	3,567	1,362

CITY OF ERIE, PENNSYLVANIA
Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)
Budget and Actual (Including Encumbrances) - General Fund, Continued
Year Ended December 31, 2000

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Office of Cable Television (continued)			
Transportation and seminars	\$ 284	\$ 284	\$ 0
Communication	200	191	9
Repair and maintenance services	520	520	0
Other services and charges	304	304	0
Machinery and equipment	38,770	0	38,770
	<u>50,175</u>	<u>9,310</u>	<u>40,865</u>
Office of City Solicitor			
Salaries	206,762	204,035	2,727
FICA - Medicare tax	15,333	15,302	31
Pension contribution	5,626	5,626	0
Group insurance	37,611	37,611	0
Workers compensation insurance	769	769	0
Savings plan	547	547	0
Office supplies	18,462	18,462	0
Consumable items	2,251	2,251	0
Professional services	34,000	28,689	5,311
Transportation and seminars	2,600	2,428	172
Postage	800	800	0
Repair and maintenance services	925	692	233
Other services and charges	43,842	13,232	30,610
Office equipment	5,685	0	5,685
	<u>375,213</u>	<u>330,444</u>	<u>44,769</u>
Office of City Treasurer			
Salaries	14,498	14,498	0
FICA - Medicare tax	1,136	1,109	27
Savings plan	56	56	0
Transportation and seminars	794	776	18
	<u>16,484</u>	<u>16,439</u>	<u>45</u>
Office of Collector of Taxes - City			
Salaries	69,991	69,765	226
FICA - Medicare tax	5,507	5,337	170
Pension contribution	2,624	2,624	0
Group insurance	17,221	17,221	0
Workers compensation insurance	359	359	0
Savings plan	201	201	0
Office supplies	1,982	1,957	25
Consumable items	1,390	1,333	57
Professional services	5,500	4,664	836
Communication	1,159	1,109	50
Postage	8,500	4,632	3,868
Repair and maintenance services	800	279	521
Other services and charges	43,818	42,654	1,164
Miscellaneous insurance and bonds	450	0	450
Office equipment	7,500	6,760	740
	<u>167,002</u>	<u>158,895</u>	<u>8,107</u>

CITY OF ERIE, PENNSYLVANIA
Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)
Budget and Actual (Including Encumbrances) - General Fund, Continued
Year Ended December 31, 2000

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Office of Collector of Taxes - School			
Salaries	\$ 71,968	\$ 71,750	\$ 218
FICA - Medicare tax	5,663	5,489	174
Pension contribution	2,620	2,620	0
Group insurance	17,191	17,191	0
Workers compensation insurance	358	358	0
Savings plan	208	208	0
Office supplies	1,982	1,957	25
Consumable items	1,390	1,333	57
Professional services	5,500	3,274	2,226
Transportation and seminars	850	776	74
Communication	1,160	1,109	51
Postage	8,500	4,632	3,868
Repair and maintenance services	800	279	521
Other services and charges	41,890	40,949	941
Miscellaneous insurance and bonds	450	0	450
Office equipment	7,500	6,760	740
	<u>168,030</u>	<u>158,685</u>	<u>9,345</u>
Office of Collector of Taxes - County			
Salaries	69,978	69,752	226
FICA - Medicare tax	5,506	5,336	170
Pension contribution	2,622	2,622	0
Group insurance	17,206	17,206	0
Workers compensation insurance	358	358	0
Savings plan	200	200	0
Office supplies	1,982	1,957	25
Consumable items	1,390	1,333	57
Professional services	5,500	3,274	2,226
Transportation and seminars	850	776	74
Communication	1,159	1,109	50
Postage	8,500	4,632	3,868
Repair and maintenance services	800	279	521
Other services and charges	38,877	37,885	992
Miscellaneous insurance and bonds	450	0	450
Office equipment	7,500	6,760	740
	<u>162,878</u>	<u>153,479</u>	<u>9,399</u>
Office of Collector of Income and Occupational Privilege Tax			
Salaries	256,460	254,998	1,462
FICA - Medicare tax	16,277	15,725	552
Pension contribution	10,127	10,127	0
Group insurance	66,461	66,461	0
Workers compensation insurance	1,385	1,385	0
Savings plan	625	625	0
Office supplies	9,736	6,769	2,967
Consumable items	954	396	558
Professional services	19,511	17,281	2,230
Transportation and seminars	680	0	680
Communication	3,200	3,100	100
Postage	19,200	19,200	0
Rentals	17,000	16,290	710
Repair and maintenance services	1,700	658	1,042
Other services and charges	77,748	77,748	0
Office equipment	4,264	4,163	101
	<u>505,328</u>	<u>494,926</u>	<u>10,402</u>

CITY OF ERIE, PENNSYLVANIA
Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)
Budget and Actual (Including Encumbrances) - General Fund, Continued
Year Ended December 31, 2000

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Office of City Controller			
Salaries	\$ 132,573	\$ 132,573	\$ 0
FICA - Medicare tax	10,326	10,142	184
Pension contribution	4,501	4,501	0
Group insurance	29,538	29,538	0
Workers compensation insurance	615	615	0
Savings plan	373	373	0
Office supplies	1,564	1,496	68
Operating supplies	100	55	45
Consumable items	2,200	1,281	919
Transportation and seminars	935	872	63
Postage	231	231	0
Advertising	0	0	0
Repair and maintenance services	920	697	223
Other services and charges	1,000	477	523
Office equipment	2,034	2,034	0
	<u>186,910</u>	<u>184,885</u>	<u>2,025</u>
Office of Director of Administration and Finance			
Salaries	89,765	89,765	0
FICA - Medicare tax	6,982	6,982	0
Pension contribution	1,688	1,688	0
Group insurance	11,653	11,653	0
Workers compensation insurance	231	231	0
Savings plan	365	365	0
Office supplies	350	221	129
Consumable items	2,007	1,741	266
Transportation and seminars	1,929	1,929	0
Communication	225	207	18
Postage	25	0	25
Repair and maintenance services	650	26	624
Other services and charges	350	350	0
	<u>116,220</u>	<u>115,158</u>	<u>1,062</u>
Office of Personnel			
Salaries	156,953	156,953	0
FICA - Medicare tax	12,057	11,906	151
Pension contribution	5,064	5,064	0
Group insurance	33,231	33,231	0
Workers compensation insurance	692	692	0
Savings plan	444	444	0
Office supplies	2,700	1,189	1,511
Operating supplies	893	807	86
Consumable items	819	373	446
Professional services	22,994	22,303	691
Transportation and seminars	1,200	0	1,200
Postage	750	27	723
Advertising	2,202	1,002	1,200
Repair and maintenance services	1,250	80	1,170
Other services and charges	30,093	2,767	27,326
Office equipment	7,847	7,629	218
	<u>279,189</u>	<u>244,467</u>	<u>34,722</u>

CITY OF ERIE, PENNSYLVANIA
Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)
Budget and Actual (Including Encumbrances) - General Fund, Continued
Year Ended December 31, 2000

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Division of Civil Service Board			
Office supplies	\$ 6,400	\$ 6,256	\$ 144
Professional services	3,671	3,671	0
Postage	546	254	292
Advertising	116	116	0
Other services and charges	1,218	192	1,026
	<u>11,951</u>	<u>10,489</u>	<u>1,462</u>
Office of Accounts Finance and Budget			
Salaries	259,475	255,615	3,860
FICA - Medicare tax	20,115	19,229	886
Pension contribution	9,002	9,002	0
Group insurance	59,077	59,076	1
Workers compensation insurance	1,231	1,231	0
Savings plan	540	540	0
Office supplies	10,902	8,770	2,132
Consumable items	1,846	1,846	0
Professional services	12,500	0	12,500
Transportation and seminars	3,500	1,590	1,910
Postage	4,830	4,223	607
Repair and maintenance services	1,150	1,147	3
Other services and charges	12,976	8,456	4,520
	<u>397,144</u>	<u>370,725</u>	<u>26,419</u>
Office of Computer and Information Systems			
Salaries	156,433	156,433	0
FICA - Medicare tax	12,349	12,349	0
Pension contribution	4,501	4,501	0
Group insurance	29,538	29,538	0
Workers compensation insurance	615	615	0
Savings plan	283	283	0
Office supplies	9,863	7,116	2,747
Operating supplies	1,500	1,500	0
Repairs and maintenance supplies	2,000	2,000	0
Consumable items	3,931	3,931	0
Transportation and seminars	16,200	16,200	0
Communication	3,905	3,905	0
Postage	50	50	0
Repairs and maintenance services	16,301	16,301	0
Office equipment	127,071	99,664	27,407
	<u>384,540</u>	<u>354,386</u>	<u>30,154</u>

CITY OF ERIE, PENNSYLVANIA
Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)
Budget and Actual (Including Encumbrances) - General Fund, Continued
Year Ended December 31, 2000

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Office of City Purchasing			
Salaries	\$ 113,040	\$ 113,040	\$ 0
FICA - Medicare tax	8,836	8,628	208
Pension contribution	4,501	4,501	0
Group insurance	29,538	29,538	0
Workers compensation insurance	615	615	0
Savings plan	302	302	0
Office supplies	2,185	1,172	1,013
Consumable items	459	459	0
Transportation and seminars	300	0	300
Postage	959	959	0
Advertising	7,203	6,267	936
Repair and maintenance services	900	230	670
Other services and charges	2,937	1,026	1,911
Office equipment	2,104	2,102	2
	<u>173,879</u>	<u>168,839</u>	<u>5,040</u>
Office of Reproduction/Print Shop			
Salaries	55,079	55,079	0
FICA - Medicare tax	4,213	4,213	0
Pension contribution	1,688	1,688	0
Group insurance	11,077	11,076	1
Workers compensation insurance	231	231	0
Savings plan	281	281	0
Office supplies	291	288	3
Operating supplies	37,305	37,252	53
Repair and maintenance supplies	540	540	0
Consumable items	1,737	1,737	0
Transportation and seminars	225	30	195
Rentals	965	964	1
Repair and maintenance services	20,826	18,915	1,911
Other services and charges	8,409	1,422	6,987
Office equipment	38,408	38,229	179
	<u>181,275</u>	<u>171,945</u>	<u>9,330</u>
Office of Police Civilians			
Salaries	1,175,358	1,175,358	0
FICA - Medicare tax	90,130	90,130	0
Pension contribution	38,258	38,258	0
Group insurance	251,077	251,077	0
Workers compensation insurance	13,539	13,539	0
Savings plan	2,047	2,047	0
Professional services	294	294	0
	<u>1,570,703</u>	<u>1,570,703</u>	<u>0</u>

CITY OF ERIE, PENNSYLVANIA
Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)
Budget and Actual (Including Encumbrances) - General Fund, Continued
Year Ended December 31, 2000

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Bureau of Police			
Salaries	\$ 8,954,666	\$ 8,749,779	\$ 204,887
FICA - Medicare tax	72,338	72,338	0
Group insurance	1,959,704	1,959,704	0
Workers compensation insurance	415,808	415,808	0
Tool allowance and uniform benefits	197,015	184,537	12,478
Office supplies	23,156	22,385	771
Operating supplies	171,309	164,951	6,358
Repair and maintenance supplies	117,853	106,626	11,227
Consumable items	34,366	26,502	7,864
Professional services	5,961	5,613	348
Transportation and seminars	75,395	72,493	2,902
Communication	34,275	34,258	17
Postage	2,900	2,891	9
Repair and maintenance services	80,716	80,671	45
Other services and charges	173,924	172,974	950
Machinery and equipment	3,403	3,403	0
Office equipment	7,925	7,925	0
	<u>12,330,714</u>	<u>12,082,858</u>	<u>247,856</u>
Office of Traffic Court			
Salaries	207,952	207,952	0
FICA - Medicare tax	16,376	15,908	468
Pension contribution	9,002	9,002	0
Group insurance	59,077	59,077	0
Workers compensation insurance	1,231	1,231	0
Savings plan	835	835	0
Office supplies	17,292	15,499	1,793
Operating supplies	1,225	304	921
Repair and maintenance supplies	365	0	365
Consumable items	5,148	5,115	33
Communication	668	192	476
Postage	58,000	53,000	5,000
Repair and maintenance services	3,779	254	3,525
Other services and charges	193,085	193,085	0
Office equipment	1,500	1,143	357
	<u>575,535</u>	<u>562,597</u>	<u>12,938</u>
Bureau of Fire			
Salaries	8,489,463	8,400,323	89,140
FICA - Medicare tax	80,835	79,868	967
Pension contribution	873,508	871,258	2,250
Group insurance	1,741,580	1,741,580	0
Workers compensation insurance	409,411	409,411	0
Savings plan	329	329	0
Tool allowance and uniform benefits	174,372	165,509	8,863
Office supplies	7,290	7,290	0
Operating supplies	37,887	37,887	0
Repair and maintenance supplies	74,498	73,189	1,309
Consumable items	54,013	51,215	2,798
Professional services	3,650	2,879	771
Transportation and seminars	9,420	9,394	26

CITY OF ERIE, PENNSYLVANIA
Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)
Budget and Actual (Including Encumbrances) - General Fund, Continued
Year Ended December 31, 2000

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Bureau of Fire (continued)			
Communication	\$ 19,916	\$ 18,739	\$ 1,177
Postage	913	422	491
Heat, light, power and water	83,789	83,702	87
Rentals	6,613	1,680	4,933
Repair and maintenance services	45,983	44,293	1,690
Other services and charges	16,793	13,658	3,135
Machinery and equipment	48,200	48,200	0
	<u>12,178,463</u>	<u>12,060,826</u>	<u>117,637</u>
Division of Electrician			
Salaries	272,210	269,496	2,714
FICA - Medicare tax	15,387	14,822	565
Pension contribution	6,751	6,751	0
Group insurance	49,049	49,049	0
Workers compensation insurance	12,794	12,794	0
Tool allowance and uniform benefits	2,520	2,446	74
Office supplies	1,780	1,780	0
Operating supplies	10,200	5,180	5,020
Repair and maintenance supplies	27,377	19,910	7,467
Consumable items	14,059	10,075	3,984
Transportation and seminars	3,000	2,277	723
Communication	684	236	448
Repair and maintenance services	2,650	2,410	240
	<u>418,461</u>	<u>397,226</u>	<u>21,235</u>
Office of Director of Public Works, Property and Parks			
Salaries	119,944	119,559	385
FICA - Medicare tax	9,431	9,181	250
Pension contribution	2,250	2,250	0
Group insurance	14,769	14,769	0
Workers compensation insurance	308	308	0
Savings plan	258	258	0
Office supplies	1,540	914	626
Consumable items	3,363	2,035	1,328
Transportation and seminars	200	0	200
Postage	149	149	0
Repair and maintenance services	350	0	350
Other services and charges	1,983	1,404	579
Office equipment	1,000	0	1,000
	<u>155,545</u>	<u>150,827</u>	<u>4,718</u>

CITY OF ERIE, PENNSYLVANIA
Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)
Budget and Actual (Including Encumbrances) - General Fund, Continued
Year Ended December 31, 2000

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Bureau of Engineering			
Salaries	\$ 417,702	\$ 417,702	\$ 0
FICA - Medicare tax	32,363	31,572	791
Pension contribution	13,503	13,503	0
Group insurance	88,615	88,615	0
Workers compensation insurance	1,846	1,846	0
Savings plan	1,288	1,288	0
Tool allowance and uniform benefits	305	283	22
Office supplies	3,907	3,465	442
Operating supplies	5,896	5,846	50
Repair and maintenance supplies	17,700	10,626	7,074
Consumable items	4,470	3,152	1,318
Professional services	2,540	55	2,485
Transportation and seminars	2,706	2,706	0
Communication	526	517	9
Postage	990	990	0
Repair and maintenance services	6,560	3,603	2,957
Other services and charges	2,716	798	1,918
Other improvements	10,000	0	10,000
Office equipment	2,000	0	2,000
	<u>615,633</u>	<u>586,567</u>	<u>29,066</u>
Bureau of Streets			
Salaries	1,756,858	1,756,858	0
FICA - Medicare tax	136,081	136,081	0
Pension contribution	61,325	61,325	0
Group insurance	373,221	373,221	0
Workers compensation insurance	106,321	106,321	0
Savings plan	3,684	3,684	0
Tool allowance and uniform benefits	5,300	5,286	14
Office supplies	2,212	2,174	38
Operating supplies	31,664	30,618	1,046
Repair and maintenance supplies	21,617	18,141	3,476
Consumable items	15,512	12,371	3,141
Professional services	2,268	1,425	843
Transportation and seminars	3,321	3,197	124
Communication	3,676	3,400	276
Postage	51	51	0
Heat, light, power and water	38,349	35,241	3,108
Street lighting and traffic signals	100,180	100,180	0
Rentals	2,497	1,478	1,019
Repair and maintenance services	42,792	41,483	1,309
Refuse tipping and recycling fees	14,391	14,391	0
Other services and charges	5,091	3,967	1,124
Bridges and streets	155,444	155,444	0
	<u>2,881,855</u>	<u>2,866,337</u>	<u>15,518</u>

CITY OF ERIE, PENNSYLVANIA
Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)
Budget and Actual (Including Encumbrances) - General Fund, Continued
Year Ended December 31, 2000

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Division of Paint and Signs			
Salaries	\$ 159,993	\$ 159,993	\$ 0
FICA - Medicare tax	12,342	12,239	103
Pension contribution	4,501	4,501	0
Group insurance	27,153	27,152	1
Workers compensation insurance	8,529	8,529	0
Savings plan	376	376	0
Tool allowance and uniform benefits	1,212	1,077	135
Operating supplies	49,191	48,233	958
Repair and maintenance supplies	5,216	3,787	1,429
Consumable items	4,197	4,017	180
Communication	480	298	182
Rentals	124	124	0
Repair and maintenance services	2,767	1,462	1,305
Other services and charges	4,046	865	3,181
	<u>280,127</u>	<u>272,653</u>	<u>7,474</u>
Bureau of Municipal Garage			
Salaries	724,149	724,149	0
FICA - Medicare tax	55,441	55,441	0
Pension contribution	23,630	23,630	0
Group insurance	144,938	144,938	0
Workers compensation insurance	36,865	36,865	0
Savings plan	2,270	2,270	0
Tool allowance and uniform benefits	10,846	10,112	734
Office supplies	4,406	4,350	56
Operating supplies	133,061	132,982	79
Repair and maintenance supplies	257,368	239,760	17,608
Consumable items	12,230	8,994	3,236
Professional services	1,253	373	880
Transportation and seminars	4,923	2,741	2,182
Communication	1,999	1,809	190
Postage	1,121	1,121	0
Heat, light, power and water	33,833	30,964	2,869
Rentals	7,821	4,583	3,238
Repair and maintenance services	20,532	20,189	343
Other services and charges	36,029	32,375	3,654
Office equipment	4,755	4,755	0
	<u>1,517,470</u>	<u>1,482,401</u>	<u>35,069</u>

CITY OF ERIE, PENNSYLVANIA
Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)
Budget and Actual (Including Encumbrances) - General Fund, Continued
Year Ended December 31, 2000

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Division of Radio			
Wages	\$ 102,224	\$ 102,224	\$ 0
FICA - Medicare tax	7,820	7,820	0
Pension contribution	3,376	3,376	0
Group insurance	20,365	20,364	1
Workers compensation insurance	6,397	6,397	0
Savings plan	158	158	0
Tool allowance and uniform benefits	1,389	1,116	273
Consumable items	7,542	6,259	1,283
Transportation and seminars	1,465	995	470
Communication	1,300	1,241	59
Machinery and equipment	14,950	14,950	0
	<u>166,986</u>	<u>164,900</u>	<u>2,086</u>
Bureau of Public Building Maintenance			
Salaries	264,098	264,098	0
FICA - Medicare tax	20,204	20,204	0
Pension contribution	10,802	10,802	0
Group insurance	70,296	70,295	1
Workers compensation insurance	1,477	1,477	0
Savings plan	999	999	0
Tool allowance and uniform benefits	1,266	1,249	17
Office supplies	656	589	67
Operating supplies	16,028	14,955	1,073
Repair and maintenance supplies	30,403	26,606	3,797
Consumable items	7,743	7,150	593
Transportation and seminars	500	0	500
Communication	33,000	32,500	500
Postage	233	233	0
Heat, light, power and water	169,898	169,636	262
Rentals	750	0	750
Repair and maintenance services	64,140	50,539	13,601
Other services and charges	2,854	1,761	1,093
Land and buildings	10,000	9,275	725
Office equipment	4,900	4,900	0
	<u>710,247</u>	<u>687,268</u>	<u>22,979</u>
Bureau of Parks and Recreation			
Salaries	971,658	971,658	0
FICA - Medicare tax	74,304	74,287	17
Pension contribution	31,563	31,563	0
Group insurance	194,077	194,076	1
Workers compensation insurance	47,645	47,645	0
Savings plan	1,732	1,732	0
Tool allowance and uniform benefits	2,807	2,807	0
Office supplies	3,055	2,867	188
Operating supplies	44,256	42,856	1,400
Repair and maintenance supplies	151,490	148,829	2,661
Consumable items	13,540	13,158	382
Professional services	1,138	651	487
Transportation and seminars	1,487	1,314	173
Communication	1,317	1,317	0
Postage	1,100	550	550
Heat, light, power and water	23,069	18,861	4,208

CITY OF ERIE, PENNSYLVANIA
Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)
Budget and Actual (Including Encumbrances) - General Fund, Continued
Year Ended December 31, 2000

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Bureau of Parks and Recreation (continued)			
Street lighting and traffic signals	\$ 109,000	\$ 109,000	\$ 0
Advertising	750	121	629
Rentals	7,985	7,985	0
Repair and maintenance services	84,269	84,217	52
Refuse tipping and recycling fees	1,600	0	1,600
Other services and charges	286,478	286,478	0
General liability insurance	800	800	0
Fire insurance	1,883	1,883	0
Casualty insurance	7,578	7,578	0
Claims	3,000	3,000	0
Land and buildings	402,547	240,830	161,717
Machinery and equipment	270,000	268,245	1,755
JFK sewing program	3,200	3,200	0
YWCA summer recreation	50,000	42,965	7,035
Red Cross service program	45,000	40,438	4,562
GECAC spoons league	11,700	11,700	0
	<u>2,850,028</u>	<u>2,662,611</u>	<u>187,417</u>
Division of Shade Tree Commission			
Office supplies	250	0	250
Repair and maintenance supplies	482	450	32
Consumable items	800	606	194
Postage	350	0	350
Repair and maintenance services	48,000	48,000	0
Other services and charges	2,100	2,100	0
	<u>51,982</u>	<u>51,156</u>	<u>826</u>
Office of Local Match			
Salaries	356,376	356,376	0
FICA - Medicare tax	27,254	27,254	0
Pension contribution	11,027	11,027	0
Group insurance	72,369	72,369	0
Workers compensation insurance	1,508	1,508	0
Savings plan	258	258	0
Tool allowance and uniform benefits	310	105	205
Office supplies	4,496	4,484	12
Operating supplies	1,405	1,226	179
Repair and maintenance supplies	350	41	309
Consumable items	3,988	2,300	1,688
Professional services	1,800	1,732	68
Transportation and seminars	2,910	2,647	263
Communication	545	531	14
Postage	3,961	3,571	390
Advertising	3,820	3,778	42
Repair and maintenance services	425	401	24

CITY OF ERIE, PENNSYLVANIA
Schedule of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)
Budget and Actual (Including Encumbrances) - General Fund, Continued
Year Ended December 31, 2000

EXPENDITURES	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Office of Local Match (continued)			
Other services and charges	\$ 44,044	\$ 23,072	\$ 20,972
Office equipment	3,462	3,462	0
	<u>540,308</u>	<u>516,142</u>	<u>24,166</u>
Office of General Government			
Unemployment compensation	31,000	13,691	17,309
Professional services	14,772	700	14,072
Heat, light, power and water	965,041	642,804	322,237
Other services	57,303	30,383	26,920
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	60,000	60,000	0
Cable television access	140,000	140,000	0
Council of government	9,500	8,715	785
Erie Civic Center Authority	150,000	150,000	0
County Human Relations Commission	15,000	15,000	0
Regional government opportunities	2,000	0	2,000
Erie Metro Transit Authority	200,000	200,000	0
Erie Zoological Society	125,000	125,000	0
World War II Memorial	2,000	2,000	0
Arts Council of Erie	20,000	20,000	0
	<u>1,934,777</u>	<u>1,551,454</u>	<u>383,323</u>
Total Expenditures	<u>42,605,440</u>	<u>41,234,248</u>	<u>1,371,192</u>
Excess of revenues over (under) expenditures	(6,122,229)	(4,284,664)	1,837,565
OTHER FINANCING SOURCES (USES)			
Operating transfers in	4,722,568	5,518,466	795,898
Operating transfers (out)	(196,093)	(196,093)	0
Total other financing sources (uses)	<u>4,526,475</u>	<u>5,322,373</u>	<u>795,898</u>
Excess of revenues and other financing sources over (under) expenditures and other financing sources	(1,595,754)	1,037,709	2,633,463
Fund balance (deficit) January 1, 2000 (Note VI.B)	1,595,754	3,316,922	1,721,168
Prior year encumbrances	0	881,795	881,795
Expenditures rebudgeted in the subsequent year	0	0	0
Fund balance (deficit) December 31, 2000	<u>\$ 0</u>	<u>5,236,426</u>	<u>\$ 5,236,426</u>
RECONCILIATION TO GAAP BASIS FUND BALANCE			
Encumbrances recognized as current year expenditures		285,873	
Recognition of accrual basis adjustments		(2,579,338)	
Fund balance (deficit) December 31, 2000		<u>\$ 2,942,961</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.

HUD Programs - 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.

Other 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, 2000

	HUD Programs	Liquid Fuels Tax Fund	BUDAG Revolving Account	Section 108 Loan Program
ASSETS				
Cash and cash equivalents	\$ 28,195	\$ 684,696	\$ 746,980	\$ 9,190
Receivables (net of allowance for uncollectibles):				
Liens	430,964	0	0	0
Intergovernmental	215,408	0	0	0
Notes	83,630	0	48,835	0
Other	0	0	0	0
Notes receivable, net of current obligations	4,546,464	0	609,770	0
Total assets	<u>\$ 5,304,661</u>	<u>\$ 684,696</u>	<u>\$ 1,405,585</u>	<u>\$ 9,190</u>
LIABILITIES				
Accounts payable	\$ 199,076	\$ 190,874	\$ 0	\$ 0
Accrued payroll	24,905	0	0	0
Interfund payable	0	0	0	0
Compensated absences payable	19,622	0	0	0
Deferred revenue	430,964	0	28,222	0
Total liabilities	<u>674,567</u>	<u>190,874</u>	<u>28,222</u>	<u>0</u>
FUND EQUITY				
Fund balance:				
Reserved:				
Encumbrances	0	41,723	0	0
Noncurrent notes receivable	4,546,464	0	609,770	0
Unreserved:				
Undesignated (deficit)	83,630	452,099	926,593	9,190
Total fund equity (deficit) and other credits	<u>4,630,094</u>	<u>493,822</u>	<u>1,536,363</u>	<u>9,190</u>
Total liabilities and fund equity (deficit) and other credits	<u>\$ 5,304,661</u>	<u>\$ 684,696</u>	<u>\$ 1,564,585</u>	<u>\$ 9,190</u>

Other Grant Programs	Total
\$ 1,264,974	\$ 2,734,035
0	430,964
244,131	459,539
454,326	586,791
4,915	4,915
3,672,230	8,828,464
<u>\$ 5,640,576</u>	<u>\$ 13,044,708</u>

\$ 24,159	\$ 414,109
8,325	33,230
200,000	200,000
551	20,173
1,476,069	1,935,255
<u>1,709,104</u>	<u>2,602,767</u>

0	41,723
3,672,230	8,828,464
100,242	1,571,754
<u>3,772,472</u>	<u>10,441,941</u>
<u>\$ 5,481,576</u>	<u>\$ 13,044,708</u>

CITY OF ERIE, PENNSYLVANIA
Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2000

	HUD Programs	Liquid Fuels Tax Fund	BUDAG Revolving Account	Section 108 Loan Program	Other Grant Programs
REVENUES					
Intergovernmental:					
Federal grants	\$ 5,722,404	\$ 0	\$ 0	\$ 0	\$ 323,485
State grants	0	1,722,360	0	0	1,193,274
Local share - other	0	0	0	0	95,103
Total intergovernmental	<u>5,722,404</u>	<u>1,722,360</u>	<u>0</u>	<u>0</u>	<u>1,611,862</u>
Interest earnings	54,629	60,686	55,863	498	138,075
Miscellaneous	87,730	19,750	0	0	3,300
Total revenues	<u>5,864,763</u>	<u>1,802,796</u>	<u>55,863</u>	<u>498</u>	<u>1,753,237</u>
EXPENDITURES					
Public safety	0	1,676,248	0	0	518,676
Highways and streets	0	0	0	0	5,096
Sanitation	0	0	0	0	42,073
Culture and recreation	211,188	0	0	0	44,548
Economic and community development	4,562,800	0	0	0	554,940
Other	0	0	0	0	13,594
Total expenditures	<u>4,773,988</u>	<u>1,676,248</u>	<u>0</u>	<u>0</u>	<u>1,178,927</u>
Excess of revenues over (under) expenditures	1,090,775	126,548	55,863	498	574,310
OTHER FINANCING SOURCES (USES)					
Operating transfers in	0	0	0	0	324,836
Operating transfers (out)	(389,000)	0	(250,000)	0	(251,212)
Total other financing sources (uses)	<u>(389,000)</u>	<u>0</u>	<u>(250,000)</u>	<u>0</u>	<u>73,624</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	701,775	126,548	(194,137)	498	647,934
Fund balance (deficit) January 1, 2000	3,845,358	367,274	1,680,328	8,692	3,124,538
Prior period adjustment	82,961	0	50,172	0	0
Fund balance (deficit) December 31, 2000	<u>\$ 4,630,094</u>	<u>\$ 493,822</u>	<u>\$ 1,536,363</u>	<u>\$ 9,190</u>	<u>\$ 3,772,472</u>

Total

\$	6,045,889
	2,915,634
	<u>95,103</u>
	9,056,626
	309,751
	<u>110,780</u>
	<u>9,477,157</u>

	2,194,924
	5,096
	42,073
	255,736
	5,117,740
	<u>13,594</u>
	7,629,163
	<u>1,847,994</u>

	324,836
	<u>(890,212)</u>
	<u>(565,376)</u>

	1,282,618
	9,026,190
	<u>133,133</u>
\$	<u>10,441,941</u>

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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 1,689,849	\$ 1,722,360	\$ 32,511
Interest earnings	27,000	60,686	33,686
Miscellaneous	10,000	16,766	6,766
Total revenues	<u>1,726,849</u>	<u>1,799,812</u>	<u>72,963</u>
EXPENDITURES			
General government	0	0	0
Public safety	1,955,986	1,821,856	134,130
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	<u>1,955,986</u>	<u>1,821,856</u>	<u>134,130</u>
Excess of revenues over (under) expenditures	(229,137)	(22,044)	207,093
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	0	0
Operating transfers (out)	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(229,137)	(22,044)	207,093
Fund balance (deficit) January 1, 2000	229,137	555,948	785,085
Prior year encumbrances paid in current year	0	235,149	235,149
Revenues and expenditures rebudgeted in the subsequent year (Note VI.C.)	0	0	0
Fund balance (deficit) December 31, 2000	<u>\$ 0</u>	<u>769,053</u>	<u>\$ 1,227,327</u>
RECONCILIATION OF GAAP BASIS FUND BALANCE			
Encumbrances recognized as current year expenditures		41,723	
Recognition of accrual basis adjustments		(316,954)	
Individual funds not budgeted		0	
Fund balance (deficit) December 31, 2000		<u>\$ 493,822</u>	

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, 2000

ASSETS

Cash and cash equivalents
 Receivables:
 Interfund
 Total assets

\$ 0

 1,664,824
\$ 1,664,824

LIABILITIES

Other liabilities
 Total liabilities

\$ 0
0

FUND BALANCE

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

 1,664,824
1,664,824
\$ 1,664,824

CITY OF ERIE, PENNSYLVANIA
Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2000

REVENUES		
Real estate taxes		\$ 5,190,604
Total revenues		<u>5,190,604</u>
EXPENDITURES		
Debt service:		
Principal		3,676,071
Interest		<u>1,314,298</u>
Total expenditures		<u>4,990,369</u>
Excess of revenues over (under) expenditures		200,235
OTHER FINANCING SOURCES (USES)		
Operating transfers in		1,464,589
Operating transfers (out)		<u>0</u>
Total other financing sources (uses)		<u>1,464,589</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses		1,664,824
Fund balance (deficit) January 1, 2000		<u>0</u>
Fund balance (deficit) December 31, 2000		<u>\$ 1,664,824</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, 2000

	Paving and Sewer Revolving	Capital Improvement	1993 General Obligation Bond	1997 General Obligation Bond	1998 General Obligation Bond
ASSETS					
Cash and cash equivalents	\$ 230,974	\$ 1,154,204	0	\$ 554,360	\$ 1,313,781
Investments	0	6,014,398	0	0	0
Receivables:					
Liens	203,548	0	0	0	0
Other	0	143,339	1,639	0	0
Total assets	<u>\$ 434,522</u>	<u>\$ 7,311,941</u>	<u>\$ 1,639</u>	<u>\$ 554,360</u>	<u>\$ 1,313,781</u>
LIABILITIES					
Accounts payable	\$ 0	\$ 128,276	\$ 0	\$ 60,007	\$ 0
Accrued payroll	0	0	0	197	0
Interfund payable	0	0	0	0	1,204,000
Deferred revenue	203,548	0	0	0	0
Total liabilities	<u>203,548</u>	<u>128,276</u>	<u>0</u>	<u>60,204</u>	<u>1,204,000</u>
FUND BALANCE					
Reserved:					
Encumbrances	0	0	0	0	1,330,836
Unreserved:					
Designated for endowment principal	0	6,000,000	0	0	0
Undesignated (deficit)	230,974	1,183,665	1,639	494,156	(1,221,055)
Total fund balance (deficit)	<u>230,974</u>	<u>7,183,665</u>	<u>1,639</u>	<u>494,156</u>	<u>109,781</u>
Total liabilities and fund balance (deficit)	<u>\$ 434,522</u>	<u>\$ 7,311,941</u>	<u>\$ 1,639</u>	<u>\$ 554,360</u>	<u>\$ 1,313,781</u>

1999	
Note Fund	Total
\$ 0	\$ 3,253,319
2,502,535	8,516,933
0	203,548
41,293	186,271
<u>\$ 2,543,828</u>	<u>\$ 12,160,071</u>

\$ 6,830	\$ 195,113
0	197
1,978,881	3,182,881
0	203,548
<u>1,985,711</u>	<u>3,581,739</u>

0	1,330,836
0	6,000,000
558,117	1,247,496
<u>558,117</u>	<u>8,578,332</u>
<u>\$ 2,543,828</u>	<u>\$ 12,160,071</u>

CITY OF ERIE, PENNSYLVANIA
Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2000

	Paving and Sewer Revolving	Capital Improvement	1993 General Obligation Bond	1997 General Obligation Bond	1998 General Obligation Bond
REVENUES					
Intergovernmental revenue	\$ 0	\$ 56,000	\$ 0	\$ 0	\$ 0
Interest earnings	13,799	420,015	0	24,548	83,324
Miscellaneous	0	28,112	0	0	0
Total revenues	<u>13,799</u>	<u>504,127</u>	<u>0</u>	<u>24,548</u>	<u>83,324</u>
EXPENDITURES					
General government	0	0	0	3,569	0
Capital outlay	(2)	1,433,631	0	845,854	362,077
Total expenditures	<u>(2)</u>	<u>1,433,631</u>	<u>0</u>	<u>849,423</u>	<u>362,077</u>
Excess of revenues over (under) expenditures	13,801	(929,504)	0	(824,875)	(278,753)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	0	440,000	0	0	0
Operating transfers out	0	0	0	0	(1,204,000)
Proceeds from general long-term debt	0	500,000	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>940,000</u>	<u>0</u>	<u>0</u>	<u>(1,204,000)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	13,801	10,496	0	(824,875)	(1,482,753)
Fund balance (deficit) January 1, 2000	217,173	7,148,369	1,639	1,319,031	1,592,534
Prior period adjustment	0	24,800	0	0	0
Fund balance (deficit) December 31, 2000	<u>\$ 230,974</u>	<u>\$ 7,183,665</u>	<u>\$ 1,639</u>	<u>\$ 494,156</u>	<u>\$ 109,781</u>

1999			
Note Fund		Total	
\$ 0		\$ 56,000	
157,147		698,833	
0		28,112	
<u>157,147</u>		<u>782,945</u>	

66,518		70,087	
<u>1,046,825</u>		<u>3,688,385</u>	
<u>1,113,343</u>		<u>3,758,472</u>	
(956,196)		(2,975,527)	

0		440,000	
0		(1,204,000)	
0		500,000	
<u>0</u>		<u>(264,000)</u>	

(956,196)		(3,239,527)	
1,514,313		11,793,059	
0		24,800	
<u>\$ 558,117</u>		<u>\$ 8,578,332</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, 2000

ASSETS	Sewer Revenue	Sewer Reserve	Water Revenue	Refuse and Recycling	Golf
Current assets					
Cash and cash equivalents	\$ 2,522,192	\$ 2,726,986	\$ 0	\$ 345,593	\$ 38,510
Investments	0	1,088,928	0	0	0
Receivables:					
Accounts	406,089	0	0	219,962	0
Intergovernmental	965,397	0	0	0	0
Interfund	0	0	22,600	0	0
Notes	200,000	0	0	0	0
Other	198,846	72,104	0	0	0
Total current assets	<u>4,292,524</u>	<u>3,888,018</u>	<u>22,600</u>	<u>565,555</u>	<u>38,510</u>
Property, plant and equipment:					
Land	0	0	592,369	0	138,630
Buildings and improvements	1,098,608	0	7,923,777	0	648,982
Improvements other than buildings	15,477,850	0	35,211,685	0	568,232
Equipment and vehicles	4,753,280	0	5,063,140	999,757	434,248
Total property, plant and equipment	<u>21,329,738</u>	<u>0</u>	<u>48,790,971</u>	<u>999,757</u>	<u>1,790,092</u>
Less: accumulated depreciation	<u>(7,184,774)</u>	<u>0</u>	<u>(30,251,891)</u>	<u>(394,099)</u>	<u>(1,060,287)</u>
Net property, plant and equipment	<u>14,144,964</u>	<u>0</u>	<u>18,539,080</u>	<u>605,658</u>	<u>729,805</u>
Notes receivable, net of current obligations	4,890,000	0	0	0	0
Bond issue costs	375,270	0	0	0	0
Total assets	<u>\$ 23,702,758</u>	<u>\$ 3,888,018</u>	<u>\$ 18,561,680</u>	<u>\$ 1,171,213</u>	<u>\$ 768,315</u>
LIABILITIES					
Current liabilities					
Accounts payable	\$ 933,743	\$ 0	\$ 0	\$ 138,760	\$ 1,590
Accrued payroll	48,235	0	0	4,142	5,673
Interfund payable	0	0	0	0	50,000
Compensated absences payable	35,560	0	0	13,938	847
Other liabilities	46	0	0	0	0
Due to other governments	0	0	0	0	674
Current portion of long-term liabilities	765,000	0	0	0	0
Total current liabilities	<u>1,782,584</u>	<u>0</u>	<u>0</u>	<u>156,840</u>	<u>58,784</u>
Long-term liabilities					
Deferred revenue	294,634	0	6,585,124	0	0
General obligation bonds payable	14,980,000	0	0	0	0
Total long-term liabilities	<u>15,274,634</u>	<u>0</u>	<u>6,585,124</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>17,057,218</u>	<u>0</u>	<u>6,585,124</u>	<u>156,840</u>	<u>58,784</u>
FUND EQUITY AND OTHER CREDITS					
Contributed capital and other credits	0	0	0	1,055,671	0
Retained earnings:					
Unreserved (deficit)	6,645,540	3,888,018	11,976,556	(41,298)	709,531
Total fund equity and other credits	<u>6,645,540</u>	<u>3,888,018</u>	<u>11,976,556</u>	<u>1,014,373</u>	<u>709,531</u>
Total liabilities and fund equity and other credits	<u>\$ 23,702,758</u>	<u>\$ 3,888,018</u>	<u>\$ 18,561,680</u>	<u>\$ 1,171,213</u>	<u>\$ 768,315</u>

Total

\$ 5,633,281
1,088,928

626,051
965,397
22,600
200,000
270,950

8,807,207

730,999
9,671,367
51,257,767
11,250,425

72,910,558

(38,891,051)

34,019,507

4,890,000
375,270

\$ 48,091,984

\$ 1,074,093

58,050

50,000

50,345

46

674

765,000

1,998,208

6,879,758

14,980,000

21,859,758

23,857,966

1,055,671

23,178,347

24,234,018

\$ 48,091,984

CITY OF ERIE, PENNSYLVANIA
Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Equity
Year Ended December 31, 2000

	Sewer Revenue	Sewer Reserve	Water Revenue	Refuse and Recycling	Golf
OPERATING REVENUES					
Charges for services	\$ 16,747,150	\$ 0	\$ 0	\$ 3,666,562	\$ 785,353
Lease rental	0	0	2,756,120	0	0
Rental income	30,000	0	0	0	186,530
Miscellaneous	223,524	0	22,600	0	(115)
Total operating revenues	<u>17,000,674</u>	<u>0</u>	<u>2,778,720</u>	<u>3,666,562</u>	<u>971,768</u>
OPERATING EXPENSES					
Personnel services	3,481,974	0	0	1,248,354	441,564
Other personnel costs	1,226,593	0	0	405,320	111,866
Services and fees	1,135,172	0	0	1,125,962	73,899
Utilities	1,705,807	0	0	9,224	34,318
Rent	12,816	0	0	0	75,412
Insurance	35,345	0	0	8,500	2,133
Materials, supplies and maintenance	2,202,161	0	0	201,941	176,898
Depreciation	850,192	0	692,980	93,908	86,379
Other	5,547,555	0	0	259,352	55,623
Total operating expenses	<u>16,197,615</u>	<u>0</u>	<u>692,980</u>	<u>3,352,561</u>	<u>1,058,092</u>
Operating income (loss)	803,059	0	2,085,740	314,001	(86,324)
NONOPERATING REVENUES (EXPENSES)					
Operating transfers in	1,400,000	2,477,214	0	0	0
Operating transfers (out)	(3,531,214)	(1,400,000)	(2,342,922)	(466,900)	(17,220)
Intergovernmental revenue	1,034,214	0	0	54,500	14,000
Investment income	371,733	281,497	0	11,690	1,627
Interest expense	(811,261)	0	0	0	0
Total nonoperating revenues (expenses)	<u>(1,536,528)</u>	<u>1,358,711</u>	<u>(2,342,922)</u>	<u>(400,710)</u>	<u>(1,593)</u>
Net income (loss)	(733,469)	1,358,711	(257,182)	(86,709)	(87,917)
Fund equity (deficit) and other credits January 1, 2000	7,379,009	2,529,307	12,233,738	1,101,082	797,448
Fund equity (deficit) and other credits December 31, 2000	<u>\$ 6,645,540</u>	<u>\$ 3,888,018</u>	<u>\$ 11,976,556</u>	<u>\$ 1,014,373</u>	<u>\$ 709,531</u>

Total
\$ 21,199,065
2,756,120
216,530
246,009
24,417,724

5,171,892
1,743,779
2,335,033
1,749,349
88,228
45,978
2,581,000
1,723,459
5,862,530
21,301,248
3,116,476

3,877,214
(7,758,256)
1,102,714
666,547
(811,261)
(2,923,042)
193,434
24,040,584
\$ 24,234,018

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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Intergovernmental	\$ 0	\$ 0	\$ 0
Charges for services	16,296,042	16,247,574	(48,468)
Lease rental	0	0	0
Rental income	30,000	30,000	0
Miscellaneous	206,944	224,686	17,742
Total operating revenues	<u>16,532,986</u>	<u>16,502,260</u>	<u>(30,726)</u>
OPERATING EXPENSES			
Personnel services	3,527,364	3,485,423	41,941
Other personnel costs	1,332,875	1,263,118	69,757
Services and fees	1,343,869	1,132,407	211,462
Utilities	2,028,588	1,874,799	153,789
Rent	22,259	12,564	9,695
Insurance	35,345	35,345	0
Materials, supplies and maintenance	2,901,606	2,287,669	613,937
Capital outlay	0	0	0
Other	6,851,457	5,771,531	1,079,926
Total operating expenses	<u>18,043,363</u>	<u>15,862,856</u>	<u>2,180,507</u>
Operating income (loss)	<u>(1,510,377)</u>	<u>639,404</u>	<u>2,149,781</u>
NONOPERATING REVENUES (EXPENSES)			
Operating transfers in	2,170,800	1,400,000	(770,800)
Operating transfers (out)	(3,531,214)	(3,531,214)	0
Bond and loan principal	(595,001)	0	595,001
Intergovernmental revenue	810,077	1,034,214	224,137
Investment income	50,000	402,489	352,489
Interest expense	(806,333)	(811,261)	(4,928)
Other expense	0	0	0
Net nonoperating revenues (expenses)	<u>(1,901,671)</u>	<u>(1,505,772)</u>	<u>395,899</u>
Net income (loss)	<u>(3,412,048)</u>	<u>(866,368)</u>	<u>2,545,680</u>
Retained earnings (deficit) January 1, 2000	3,412,048	(2,773,967)	638,081
Prior year encumbrances paid in current year	0	0	0
Retained earnings (deficit) December 31, 2000	<u>\$ 0</u>	<u>(3,640,335)</u>	<u>\$ 3,183,761</u>
RECONCILIATION OF GAAP BASIS RETAINED EARNINGS			
Encumbrances recognized as current year expense		0	
Recognition of accrual basis adjustments		10,285,875	
Other GAAP basis adjustment		0	
Individual funds not budgeted		0	
Retained earnings (deficit) December 31, 2000		<u>\$ 6,645,540</u>	

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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Intergovernmental	\$ 3,585,000	\$ 3,676,901	\$ 91,901
Charges for services	0	0	0
Lease rental	0	0	0
Rental income	0	0	0
Miscellaneous	0	0	0
Total operating revenues	3,585,000	3,676,901	91,901
OPERATING EXPENSES			
Personnel services	1,261,356	1,261,356	0
Other personnel costs	426,752	406,918	19,834
Services and fees	1,177,257	1,155,888	21,369
Utilities	11,500	9,224	2,276
Rent	100	0	100
Insurance	8,500	8,500	0
Materials, supplies and maintenance	257,907	208,822	49,085
Capital outlay	0	0	0
Other	320,054	281,413	38,641
Total operating expenses	3,463,426	3,332,121	131,305
Operating income (loss)	121,574	344,780	223,206
NONOPERATING REVENUES (EXPENSES)			
Operating transfers in	0	0	0
Operating transfers (out)	(466,900)	(466,900)	0
Bond and loan principal	0	0	0
Intergovernmental revenue	54,500	54,500	0
Investment income	7,000	11,690	4,690
Interest expense	0	0	0
Other expense	0	0	0
Net nonoperating revenues (expenses)	(405,400)	(400,710)	4,690
Net income (loss)	(283,826)	(55,930)	227,896
Retained earnings (deficit) January 1, 2000	283,826	1,108,436	1,392,262
Prior year encumbrances paid in current year	0	0	0
Retained earnings (deficit) December 31, 2000	\$ 0	1,052,506	\$ 1,620,158
RECONCILIATION OF GAAP BASIS RETAINED EARNINGS			
Encumbrances recognized as current year expense		0	
Recognition of accrual basis adjustments		(38,133)	
Other GAAP basis adjustment		(1,055,671)	
Individual funds not budgeted		0	
Retained earnings (deficit) December 31, 2000		\$ (41,298)	

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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Intergovernmental	\$ 0	\$ 0	\$ 0
Charges for services	958,281	789,781	(168,500)
Lease rental	0	0	0
Rental income	206,333	186,530	(19,803)
Miscellaneous	1,000	(115)	(1,115)
Total operating revenues	<u>1,165,614</u>	<u>976,196</u>	<u>(189,418)</u>
OPERATING EXPENSES			
Personnel services	496,702	444,789	51,913
Other personnel costs	133,575	112,116	21,459
Services and fees	75,902	73,899	2,003
Utilities	44,538	36,056	8,482
Rent	77,731	75,343	2,388
Insurance	2,133	2,133	0
Materials, supplies and maintenance	197,533	177,266	20,267
Capital outlay	0	0	0
Other	87,746	55,623	32,123
Total operating expenses	<u>1,115,860</u>	<u>977,225</u>	<u>138,635</u>
Operating income (loss)	49,754	(1,029)	(50,783)
NONOPERATING REVENUES (EXPENSES)			
Operating transfers in	0	0	0
Operating transfers (out)	(67,220)	(17,220)	50,000
Bond and loan principal	(25,950)	0	25,950
Intergovernmental revenue	14,000	14,000	0
Investment income	2,500	1,627	(873)
Interest expense	0	0	0
Other expense	0	0	0
Net nonoperating revenues (expenses)	<u>(76,670)</u>	<u>(1,593)</u>	<u>75,077</u>
Net income (loss)	(26,916)	(2,622)	24,294
Retained earnings (deficit) January 1, 2000	26,916	660,751	687,667
Prior year encumbrances paid in current year	0	0	0
Retained earnings (deficit) December 31, 2000	<u>\$ 0</u>	<u>658,129</u>	<u>\$ 711,961</u>
RECONCILIATION TO GAAP BASIS RETAINED EARNINGS			
Encumbrances recognized as current year expense		0	
Recognition of accrual basis adjustments		51,402	
Other GAAP basis adjustment		0	
Individual funds not budgeted		0	
Retained earnings (deficit) December 31, 2000		<u>\$ 709,531</u>	

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CITY OF ERIE, PENNSYLVANIA
Enterprise Funds
Combining Statement of Cash Flows
Year Ended December 31, 2000

CASH FLOWS FROM OPERATING ACTIVITIES	Sewer Revenue	Sewer Reserve	Water Revenue	Refuse and Recycling	Golf
Operating income (loss)	\$ 803,059	\$ 0	\$ 2,085,740	\$ 314,001	\$ (86,324)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Noncash items included in operating income (loss):					
(Gain)/loss on sale of property, plant and equipment	(2,750)	0	(22,600)	0	0
Depreciation expense	850,192	0	692,980	93,908	86,379
Amortization	21,453	0	0	0	0
(Increase) decrease in current assets:					
Accounts receivable	(24,572)	0	0	10,339	0
Intergovernmental receivable	(758,136)	0	0	0	0
Other receivables	20,416	(62,959)	0	0	4,428
Increase (decrease) in current liabilities:					
Accounts payable	540,397	0	0	68,619	(5,183)
Accrued payroll	(27,559)	0	0	(17,240)	(71)
Interfund payable	0	0	0	0	30,000
Compensated absences payable	(12,929)	0	0	4,234	(3,165)
Other liabilities	46	0	0	0	0
Due to other governments	0	0	0	0	674
Deferred revenue	294,634	0	(413,198)	0	0
Net cash provided (used) by operating activities	<u>1,704,251</u>	<u>(62,959)</u>	<u>2,342,922</u>	<u>473,861</u>	<u>26,738</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental revenue	1,034,214	0	0	54,500	14,000
Note to Sewer Authority	190,000	0	0	0	0
Operating transfers in	1,400,000	2,477,214	0	0	0
Operating transfers (out)	<u>(3,531,214)</u>	<u>(1,400,000)</u>	<u>(2,342,922)</u>	<u>(466,900)</u>	<u>(17,220)</u>
Net cash provided (used) by noncapital financing activities	<u>(907,000)</u>	<u>1,077,214</u>	<u>(2,342,922)</u>	<u>(412,400)</u>	<u>(3,220)</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from the sale of property, plant and equipment	2,750	0	0	0	0
Purchase of fixed assets	(663,314)	0	0	(4,732)	0
Principal payments	(595,000)	0	0	0	0
Interest payments	<u>(811,261)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net cash provided (used) by capital and related financing activities	<u>(2,066,825)</u>	<u>0</u>	<u>0</u>	<u>(4,732)</u>	<u>0</u>
 CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale and redemption of investments	1,583,001	0	0	0	0
Net interest earnings	371,733	281,497	0	11,690	1,627
Purchase of investments	<u>0</u>	<u>(590,698)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net cash provided (used) by investing activities	<u>1,954,734</u>	<u>(309,201)</u>	<u>0</u>	<u>11,690</u>	<u>1,627</u>
Net increase (decrease) in cash	685,160	705,054	0	68,419	25,145
Cash and cash equivalents January 1, 2000	1,837,032	2,021,932	0	277,174	13,365
Cash and cash equivalents December 31, 2000	<u>\$ 2,522,192</u>	<u>\$ 2,726,986</u>	<u>\$ 0</u>	<u>\$ 345,593</u>	<u>\$ 38,510</u>

Total
\$ 3,116,476

(25,350)
1,723,459
21,453

(14,233)
(758,136)
(38,115)

603,833
(44,870)
30,000
(11,860)
46
674
(118,564)
4,484,813

1,102,714
190,000
3,877,214
(7,758,256)
(2,588,328)

2,750
(668,046)
(595,000)
(811,261)
(2,071,557)

1,583,001
666,547
(590,698)
1,658,850
1,483,778
4,149,503
\$ 5,633,281

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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, 2000

ASSETS	Workers Compensation Claims	Workers Compensation Trust	1998 General Obligation Bond	Insurance Reserve Trust	Employees Health Benefit Plan
Restricted cash and cash equivalents	\$ 0	\$ 1,002,863	\$ 535,559	\$ 0	\$ 156,336
Restricted investments	0	1,046,683	0	5,547,249	0
Receivables:					
Other	0	0	0	105,405	0
Prepaid insurance	0	0	0	0	311,102
Total assets	<u>\$ 0</u>	<u>\$ 2,049,546</u>	<u>\$ 535,559</u>	<u>\$ 5,652,654</u>	<u>\$ 467,438</u>
LIABILITIES					
Current liabilities					
Accounts payable	\$ 412,920	\$ 0	\$ 0	\$ 0	\$ 1,200
Accrued payroll	0	0	0	0	0
Interfund payable	529,269	484,845	8,718	2,386	9,897
Claims and judgments payable	2,361,092	0	0	0	0
Current portion of long-term debt	500,000	0	0	0	0
Total current liabilities	<u>3,803,281</u>	<u>484,845</u>	<u>8,718</u>	<u>2,386</u>	<u>11,097</u>
Long-term liabilities					
General obligation notes payable	4,416,666	0	0	0	0
Total long-term liabilities	<u>4,416,666</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>8,219,947</u>	<u>484,845</u>	<u>8,718</u>	<u>2,386</u>	<u>11,097</u>
RETAINED EARNINGS					
Unreserved (deficit) (Note II.B.)	(8,219,947)	1,564,701	526,841	5,650,268	456,341
Total retained earnings (deficit)	<u>(8,219,947)</u>	<u>1,564,701</u>	<u>526,841</u>	<u>5,650,268</u>	<u>456,341</u>
Total liabilities and retained earnings (deficit)	<u>\$ 0</u>	<u>\$ 2,049,546</u>	<u>\$ 535,559</u>	<u>\$ 5,652,654</u>	<u>\$ 467,438</u>

Risk	
Management	Total
\$ 18,604	\$ 1,713,362
0	6,593,932
0	105,405
0	311,102
<u>\$ 18,604</u>	<u>\$ 8,723,801</u>

\$ 38,810	\$ 452,930
3,186	3,186
2,956	1,038,071
0	2,361,092
0	500,000
<u>44,952</u>	<u>4,355,279</u>

0	4,416,666
0	4,416,666
<u>44,952</u>	<u>8,771,945</u>

(26,348)	(48,144)
<u>(26,348)</u>	<u>(48,144)</u>
<u>\$ 18,604</u>	<u>\$ 8,723,801</u>

CITY OF ERIE, PENNSYLVANIA
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Equity
Year Ended December 31, 2000

	Workers Compensation Claims	Workers Compensation Trust	1998 General Obligation Bond	Insurance Reserve Trust	Employees Health Benefit Plan
OPERATING REVENUES					
Intergovernmental	\$ 1,303,240	\$ 0	\$ 0	\$ 0	\$ 6,601,914
Miscellaneous	8,422	0	0	0	510,389
Total operating revenues	<u>1,311,662</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,112,303</u>
OPERATING EXPENSES					
Services and fees	73,595	0	0	3,457	19,640
Insurance	34,263	0	0	0	6,322,619
Workers compensation claims	5,555,373	0	0	0	0
Total operating expenses	<u>5,663,231</u>	<u>0</u>	<u>0</u>	<u>3,457</u>	<u>6,342,259</u>
Operating income (loss)	(4,351,569)	0	0	(3,457)	770,044
NONOPERATING REVENUES (EXPENSES)					
Operating transfers in	0	0	0	0	0
Operating transfers (out)	(585,636)	(521,647)	(28,722)	(119,123)	(333,460)
Investment income	110,636	56,606	13,722	218,989	5,856
Interest	(41,272)	0	0	0	0
Net nonoperating revenues (expenses)	<u>(516,272)</u>	<u>(465,041)</u>	<u>(15,000)</u>	<u>99,866</u>	<u>(327,604)</u>
Net income (loss)	(4,867,841)	(465,041)	(15,000)	96,409	442,440
Fund equity (deficit) and other credits January 1, 2000	(3,352,106)	2,029,742	541,841	5,442,138	13,901
Prior period adjustment	0	0	0	111,721	0
Fund equity (deficit) and other credits December 31, 2000	<u>\$ (8,219,947)</u>	<u>\$ 1,564,701</u>	<u>\$ 526,841</u>	<u>\$ 5,650,268</u>	<u>\$ 456,341</u>

Risk		
Management		Total
\$ 292,335		\$ 8,197,489
0		518,811
<u>292,335</u>		<u>8,716,300</u>

20,085	116,777
373,925	6,730,807
44,672	5,600,045
<u>438,682</u>	<u>12,447,629</u>
(146,347)	(3,731,329)

15,000	15,000
(2,956)	(1,591,544)
2,956	408,765
0	(41,272)
<u>15,000</u>	<u>(1,209,051)</u>
(131,347)	(4,940,380)
104,999	4,780,515
0	111,721
<u>\$ (26,348)</u>	<u>\$ (48,144)</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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Intergovernmental	\$ 2,971,001	\$ 1,303,240	\$ (1,667,761)
Charges for services	0	0	0
Rental income	0	0	0
Miscellaneous	53,999	8,422	(45,577)
Total operating revenues	3,025,000	1,311,662	(1,713,338)
OPERATING EXPENSES			
Personnel services	0	0	0
Other personnel costs	0	0	0
Services and fees	65,000	64,060	940
Insurance	35,000	34,263	737
Materials, supplies and maintenance	0	0	0
Workers compensation claims	8,195,000	7,378,985	816,015
Other	0	41,272	(41,272)
Total operating expenses	8,295,000	7,518,580	776,420
Operating income (loss)	(5,270,000)	(6,206,918)	(936,918)
NONOPERATING REVENUES (EXPENSES)			
Operating transfers in	0	0	0
Operating transfers (out)	(475,000)	(475,000)	0
Investment income	0	0	0
Net nonoperating revenues (expenses)	(475,000)	(475,000)	0
Net income (loss)	(5,745,000)	(6,681,918)	(936,918)
Retained earnings (deficit) January 1, 2000	5,745,000	815,365	6,560,365
Prior year encumbrances paid in current year	0	0	0
Retained earnings (deficit) December 31, 2000	\$ 0	(5,866,553)	\$ 5,623,447
RECONCILIATION OF GAAP BASIS RETAINED EARNINGS			
Encumbrances recognized as current year expense		0	
Recognition of accrual basis adjustments		(2,353,394)	
Other GAAP basis adjustment		0	
Individual funds not budgeted		0	
Retained earnings (deficit) December 31, 2000		\$ (8,219,947)	

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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Intergovernmental	\$ 0	\$ 292,335	\$ 292,335
Charges for services	0	0	0
Rental income	0	0	0
Miscellaneous	0	0	0
Total operating revenues	0	292,335	292,335
 OPERATING EXPENSES			
Personnel services	0	0	0
Other personnel costs	0	0	0
Services and fees	48,000	20,086	27,914
Insurance	423,837	373,925	49,912
Materials, supplies and maintenance	0	0	0
Workers compensation claims	194,663	41,123	153,540
Other	0	0	0
Total operating expenses	666,500	435,134	231,366
Operating income (loss)	(666,500)	(142,799)	523,701
 NONOPERATING REVENUES (EXPENSES)			
Operating transfers in	15,000	15,000	0
Operating transfers (out)	0	(2,956)	(2,956)
Investment income	10,000	0	(10,000)
Net nonoperating revenues (expenses)	25,000	12,044	(12,956)
Net income (loss)	(641,500)	(130,755)	510,745
Retained earnings (deficit) January 1, 2000	641,500	107,213	748,713
Prior year encumbrances paid in current year	0	0	0
Retained earnings (deficit) December 31, 2000	\$ 0	(23,542)	\$ 1,259,458
 RECONCILIATION TO GAAP BASIS RETAINED EARNINGS			
Encumbrances recognized as current year expenses		0	
Recognition of accrual basis adjustments		(2,806)	
Other GAAP basis adjustment		0	
Individual funds not budgeted		0	
Retained earnings (deficit) December 31, 2000		\$ (26,348)	

CITY OF ERIE, PENNSYLVANIA
Internal Service Funds
Combining Statement of Cash Flows
Year Ended December 31, 2000

	Workers Compensation Claims	Workers Compensation Trust	1998 General Obligation Bond	Insurance Reserve Trust	Employees Health Benefit Plan
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ (4,351,569)	\$ 0	\$ 0	\$ (3,457)	\$ 770,044
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	0	38,822	0	(105,405)	0
Prepaid insurance	0	0	0	0	(311,102)
Increase (decrease) in current liabilities:					
Accounts payable	412,920	0	0	0	1,200
Accrued payroll	0	0	0	0	0
Interfund payable	529,269	484,845	8,718	2,386	9,897
Claims and judgements payable	(1,885,517)	0	0	0	0
Net cash provided (used) by operating activities	<u>(5,294,897)</u>	<u>523,667</u>	<u>8,718</u>	<u>(106,476)</u>	<u>470,039</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating transfers in	0	0	0	0	0
Operating transfers (out)	(585,636)	(521,647)	(28,722)	(119,123)	(333,460)
Net cash provided (used) by noncapital financing activities	<u>(585,636)</u>	<u>(521,647)</u>	<u>(28,722)</u>	<u>(119,123)</u>	<u>(333,460)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Proceeds from long-term debt	5,000,000	0	0	0	0
Principal payments	(83,334)	0	0	0	0
Interest expense	(41,272)	0	0	0	0
Net cash provided (used) by capital financing activities	<u>4,875,394</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Net interest earnings	110,636	56,606	13,722	218,989	5,856
Purchase of investments	0	(1,046,683)	0	(5,435,528)	0
Net cash provided (used) by investing activities	<u>110,636</u>	<u>(990,077)</u>	<u>13,722</u>	<u>(5,216,539)</u>	<u>5,856</u>
Net increase (decrease) in cash	<u>(894,503)</u>	<u>(988,057)</u>	<u>(6,282)</u>	<u>(5,442,138)</u>	<u>142,435</u>
Restricted cash and cash equivalents January 1, 2000	894,503	1,990,920	541,841	5,442,138	13,901
Restricted cash and cash equivalents December 31, 2000	<u>\$ 0</u>	<u>\$ 1,002,863</u>	<u>\$ 535,559</u>	<u>\$ 0</u>	<u>\$ 156,336</u>

Risk	
Management	Total
\$ (146,347)	\$ (3,731,329)
0	(66,583)
0	(311,102)
23,310	437,430
2,696	2,696
2,956	1,038,071
0	(1,885,517)
<u>(117,385)</u>	<u>(4,516,334)</u>
15,000	15,000
<u>(2,956)</u>	<u>(1,591,544)</u>
<u>12,044</u>	<u>(1,576,544)</u>
0	5,000,000
0	(83,334)
0	(41,272)
<u>0</u>	<u>4,875,394</u>
2,956	408,765
0	(6,482,211)
<u>2,956</u>	<u>(6,073,446)</u>
(102,385)	(7,290,930)
120,989	9,004,292
<u>\$ 18,604</u>	<u>\$ 1,713,362</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:

Expendable Trust Funds - to account for City assets optionally deferred by employees termination, retirement, death or unforeseeable emergency.

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.

Land Lighthouse Security Deposit - to account for a refundable deposit from Land Lighthouse.

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.

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

Fire Insurance Escrow – to account for monies received for fire insurance premiums.

Dickson Tavern Renovations - to account for a refundable deposit from Dickson Tavern Renovation.

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CITY OF ERIE, PENNSYLVANIA
 Fiduciary Funds
 Combining Balance Sheet
 December 31, 2000

ASSETS	Expendable Trust Funds	Nonexpendable Pension Trust Funds	Agency Funds	Total
Cash	\$ 0	\$ 3,389,023	\$ 4,994,224	\$ 8,383,247
Investments	11,369,068	177,079,111	0	188,448,179
Receivables:				
Other	0	1,752,771	0	1,752,771
Prepaid expenses	0	1,000	0	1,000
Total assets	<u>\$ 11,369,068</u>	<u>\$ 182,221,905</u>	<u>\$ 4,994,224</u>	<u>\$ 198,585,197</u>
LIABILITIES				
Accounts payable	\$ 0	\$ 12,684	\$ 185,974	\$ 198,658
Due to other governments	0	0	4,808,250	4,808,250
Deferred compensation benefits payable	11,369,068	0	0	11,369,068
Total liabilities	<u>11,369,068</u>	<u>12,684</u>	<u>4,994,224</u>	<u>16,375,976</u>
FUND BALANCE				
Reserved for employees' pension benefits	0	182,209,221	0	182,209,221
Total fund balance (deficit)	0	182,209,221	0	182,209,221
Total liabilities and fund balance (deficit)	<u>\$ 11,369,068</u>	<u>\$ 182,221,905</u>	<u>\$ 4,994,224</u>	<u>\$ 198,585,197</u>

CITY OF ERIE, PENNSYLVANIA
 Fiduciary Funds - Pension Trust Funds
 Statement of Plan Net Assets
 December 31, 2000

	<u>Officers' and Employees'</u>	<u>Police</u>	<u>Firemens'</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 56,769	\$ 740,321	\$ 2,591,933	\$ 3,389,023
Investments	57,261,953	77,453,267	42,363,891	177,079,111
Receivables:				
Other	619,828	765,789	367,154	1,752,771
Prepaid expenses	1,000	0	0	1,000
Total assets	<u>\$ 57,939,550</u>	<u>\$ 78,959,377</u>	<u>\$ 45,322,978</u>	<u>\$ 182,221,905</u>
 LIABILITIES				
Accounts payable	<u>\$ 0</u>	<u>\$ 9,133</u>	<u>\$ 3,551</u>	<u>\$ 12,684</u>
 FUND BALANCE RESERVED FOR EMPLOYEES' PENSION BENEFITS (A schedule of funding progress for each plan is presented on pages 79, 81, 83 respectively)	 <u>\$ 57,939,550</u>	 <u>\$ 78,950,244</u>	 <u>\$ 45,319,427</u>	 <u>\$ 182,209,221</u>

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CITY OF ERIE, PENNSYLVANIA
 Fiduciary Funds - Expendable Trust Funds
 Schedule of Revenues and Expenditures
 Year Ended December 31, 2000

REVENUES	<u>Expendable Trust Funds</u>
Contributions	\$ 1,117,616
Investment income (loss)	<u>(641,979)</u>
Total revenues	475,637
EXPENDITURES	
Withdrawals	362,422
Annuity benefit payments	7,461
Asset fees	71,570
Life insurance	16,806
Total expenditures	<u>458,259</u>
Excess of expenditures over revenues	17,378
Deferred compensation benefits at January 1, 2000	<u>11,351,690</u>
Deferred compensation benefits at December 31, 2000	<u>\$ 11,369,068</u>

CITY OF ERIE, PENNSYLVANIA
 Fiduciary Funds - Agency Funds
 Combining Statement of Changes in Assets and Liabilities
 Year Ended December 31, 2000

	Balance Jan. 1, 2000	Additions	Deductions	Balance Dec. 31, 2000
TRAFFIC COURT STATE AND COUNTY FINES ACCOUNT				
Assets				
Cash and cash equivalents	\$ 0	\$ 5,372	\$ (5,387)	\$ (15)
Liabilities				
Due to other governments	\$ 0	\$ 5,372	\$ (5,387)	\$ (15)
TRAFFIC COURT SECURITY BOND ACCOUNT				
Assets				
Cash and cash equivalents	\$ 486	\$ 2,181	\$ (3,175)	\$ (508)
Liabilities				
Vouchers payable	\$ 486	\$ 2,181	\$ (3,175)	\$ (508)
RENT WITHHOLDING ACCOUNT				
Assets				
Cash and cash equivalents	\$ 1,100	\$ 12,700	\$ (10,650)	\$ 3,150
Liabilities				
Returnable deposit	\$ 1,100	\$ 12,700	\$ (10,650)	\$ 3,150
CABLE TV SECURITY DEPOSIT ACCOUNT				
Assets				
Cash and cash equivalents	\$ 25,000	\$ 0	\$ 0	\$ 25,000
Liabilities				
Returnable deposit	\$ 25,000	\$ 0	\$ 0	\$ 25,000
UNCLAIMED MONEY ACCOUNT				
Assets				
Cash and cash equivalents	\$ 6,767	\$ 8,597	\$ (6,288)	\$ 9,076
Liabilities				
Unclaimed money	\$ 6,767	\$ 8,597	\$ (6,288)	\$ 9,076
PROPERTY TAX ACCOUNT				
Assets				
Cash and cash equivalents	\$ 606,454	\$ 62,125,521	\$ (62,108,440)	\$ 623,535
Liabilities				
Due to taxing units:				
City of Erie	\$ 173,237	\$ 21,747,023	\$ (21,761,533)	\$ 158,727
Erie School District	364,823	29,725,766	(29,689,222)	401,367
County of Erie	58,061	10,652,193	(10,647,352)	62,902
Refunds	10,333	539	(10,333)	539
Total liabilities	\$ 606,454	\$ 62,125,521	\$ (62,108,440)	\$ 623,535
LAND LIGHTHOUSE SECURITY DEPOSIT				
Assets				
Cash and cash equivalents	\$ 0	\$ 500	\$ 0	\$ 500
Liabilities				
Returnable deposit	\$ 0	\$ 500	\$ 0	\$ 500

CITY OF ERIE, PENNSYLVANIA
Fiduciary Funds - Agency Funds
Combining Statement of Changes in Assets and Liabilities, Continued
Year Ended December 31, 2000

	Balance Jan. 1, 2000	Additions	Deductions	Balance Dec. 31, 2000
INCOME TAX FUND				
Assets				
Cash and cash equivalents	\$ 1,198,094	\$ 26,786,595	\$ (23,895,938)	\$ 4,088,751
Liabilities				
Due to taxing units	\$ 1,198,094	\$ 26,786,595	\$ (23,895,938)	\$ 4,088,751
OCCUPATIONAL PRIVILEGE TAX FUND				
Assets				
Cash and cash equivalents	\$ 65,324	\$ 832,516	\$ (801,876)	\$ 95,964
Liabilities				
Due to taxing units	\$ 65,324	\$ 832,516	\$ (801,876)	\$ 95,964
COMMUNITY SERVICE FUND				
Assets				
Cash and cash equivalents	\$ 0	\$ 26,183	\$ (26,183)	\$ 0
Liabilities				
Due to charities	\$ 0	\$ 26,183	\$ (26,183)	\$ 0
FIRE INSURANCE ESCROW				
Assets				
Cash and cash equivalents	\$ 159,370	\$ 110,563	\$ (121,662)	\$ 148,271
Liabilities				
Vouchers payable	\$ 159,370	\$ 110,563	\$ (121,662)	\$ 148,271
DICKSON TAVERN RENOVATION				
Assets				
Cash and cash equivalents	\$ 0	\$ 500	\$ 0	\$ 500
Liabilities				
Vouchers payable	\$ 0	\$ 500	\$ 0	\$ 500
TOTALS - AGENCY FUNDS				
Assets				
Cash and cash equivalents	\$ 2,062,595	\$ 89,911,228	\$ (86,979,599)	\$ 4,994,224
Liabilities				
Due to other governments	\$ 0	\$ 5,372	\$ (5,387)	\$ (15)
Vouchers payable	159,856	113,244	(124,837)	148,263
Returnable deposits	26,100	13,200	(10,650)	28,650
Unclaimed money	6,767	8,597	(6,288)	9,076
Due to taxing units	1,869,872	89,744,632	(86,806,254)	4,808,250
Due to charities	0	26,183	(26,183)	0
Total liabilities	\$ 2,062,595	\$ 89,911,228	\$ (86,979,599)	\$ 4,994,224

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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, 2000

GENERAL FUND	Land	Buildings and Improvements	Equipment and Vehicles	Total
General government:				
City council	\$ 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	47,482	47,482
City controller	0	0	13,893	13,893
Accounts, finance and budget	0	0	16,840	16,840
Computer systems and services	0	0	190,193	190,193
Reproduction/print shop	0	0	43,340	43,340
Local match	0	8,780	19,417	28,197
General government, insurance and utility	586,716	1,809,657	462,738	2,859,111
Total general government	<u>586,716</u>	<u>1,818,437</u>	<u>817,352</u>	<u>3,222,505</u>
Public safety:				
Police	0	42,672	1,569,420	1,612,092
Traffic court	0	0	7,089	7,089
Fire	0	2,048,161	2,251,248	4,299,409
Radio	0	0	274,890	274,890
Electrician	0	142,713	151,373	294,086
Total public safety	<u>0</u>	<u>2,233,546</u>	<u>4,254,020</u>	<u>6,487,566</u>
Highways and streets:				
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	3,044,707	3,669,270
Municipal garage	0	88,550	171,739	260,289
Public buildings maintenance	0	131,838	177,966	309,804
Total highways and streets	<u>165,951</u>	<u>844,951</u>	<u>3,447,860</u>	<u>4,458,762</u>
Sanitation:				
Refuse, disposal and recycling	0	107,376	46,094	153,470
Total sanitation	<u>0</u>	<u>107,376</u>	<u>46,094</u>	<u>153,470</u>
Culture and recreation:				
Parks and recreation	0	2,755,834	1,515,440	4,271,274
Shade tree	0	9,980	0	9,980
Total culture and recreation	<u>0</u>	<u>2,765,814</u>	<u>1,515,440</u>	<u>4,281,254</u>
Total general fund	<u>752,667</u>	<u>7,770,124</u>	<u>10,080,766</u>	<u>18,603,557</u>
SPECIAL REVENUE FUNDS				
General government	0	29,390	52,776	82,166
Public safety	0	584,187	1,052,167	1,636,354
Highways and streets	0	153,564	2,084,196	2,237,760
Sanitation	0	137,374	2,002,609	2,139,983
Culture and recreation	0	3,368,126	206,440	3,574,566
Economic and community development	0	24,084	313,685	337,769
Total special revenue funds	<u>0</u>	<u>4,296,725</u>	<u>5,711,873</u>	<u>10,008,598</u>
CAPITAL PROJECTS FUNDS				
Capital outlay	49,000	6,656,566	6,028,260	12,733,826
Total capital projects	<u>49,000</u>	<u>6,656,566</u>	<u>6,028,260</u>	<u>12,733,826</u>
Total general fixed assets	<u>\$ 801,667</u>	<u>\$ 18,723,415</u>	<u>\$ 21,820,899</u>	<u>\$ 41,345,981</u>

CITY OF ERIE, PENNSYLVANIA
 General Fixed Assets
 Schedule of Changes by Function and Activity
 Year ended December 31, 2000

GENERAL FUND	Balance Jan. 1, 2000	Additions	Dispositions	Balance Dec. 31, 2000
General government:				
City council	\$ 8,256	\$ 0	\$ 0	\$ 8,256
Mayor	5,732	0	0	5,732
City solicitor	9,461	0	0	9,461
City treasurer	28,999	18,483	0	47,482
City controller	13,893	0	0	13,893
Accounts, finance and budget	16,840	0	0	16,840
Computer systems and services	102,274	87,919	0	190,193
Reproduction/print shop	20,059	23,281	0	43,340
Local match	25,117	3,080	0	28,197
General government, insurance and utility	2,857,156	9,367	7,412	2,859,111
Total general government	<u>3,087,787</u>	<u>142,130</u>	<u>7,412</u>	<u>3,222,505</u>
Public safety:				
Police	1,608,797	7,925	4,630	1,612,092
Traffic court	5,946	1,143	0	7,089
Fire	4,298,809	3,400	2,800	4,299,409
Radio	274,890	0	0	274,890
Electrician	294,086	0	0	294,086
Total public safety	<u>6,482,528</u>	<u>12,468</u>	<u>7,430</u>	<u>6,487,566</u>
Highways and streets:				
Director	167,344	0	0	167,344
Engineering	25,556	0	0	25,556
Paint and sign	26,499	0	0	26,499
Streets	3,711,500	0	42,230	3,669,270
Municipal garage	264,614	0	4,325	260,289
Public buildings maintenance	300,529	9,275	0	309,804
Total highways and streets	<u>4,496,042</u>	<u>9,275</u>	<u>46,555</u>	<u>4,458,762</u>
Sanitation:				
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>
Culture and recreation:				
Parks and recreation	3,792,247	480,537	1,510	4,271,274
Shade tree	9,980	0	0	9,980
Total culture and recreation	<u>3,802,227</u>	<u>480,537</u>	<u>1,510</u>	<u>4,281,254</u>
Total general fund	<u>18,022,054</u>	<u>644,410</u>	<u>62,907</u>	<u>18,603,557</u>
SPECIAL REVENUE FUNDS				
General government	82,166	0	0	82,166
Public safety	1,590,725	45,630	0	1,636,355
Highways and streets	2,237,759	0	0	2,237,759
Sanitation	2,137,483	2,500	0	2,139,983
Culture and recreation	3,615,752	2,609	0	3,618,361
Economic and community development	212,691	81,283	0	293,974
Total special revenue funds	<u>9,876,576</u>	<u>132,022</u>	<u>0</u>	<u>10,008,598</u>
CAPITAL PROJECTS FUNDS				
Capital outlay	9,358,610	3,375,216	0	12,733,826
Total capital projects	<u>9,358,610</u>	<u>3,375,216</u>	<u>0</u>	<u>12,733,826</u>
Total general fixed assets	<u>\$ 37,257,240</u>	<u>\$ 4,151,648</u>	<u>\$ 62,907</u>	<u>\$ 41,345,981</u>

CITY OF ERIE, PENNSYLVANIA
General Fixed Assets
Schedule by Source
December 31, 2000

General fixed assets:	
Land	\$ 801,667
Buildings and improvements	18,723,415
Equipment and vehicles	21,820,899
Total general fixed assets	<u>\$ 41,345,981</u>
Investment in general fixed assets by source:	
General fund	\$ 18,603,557
Special revenue funds	10,008,598
Capital projects funds	12,733,826
Total investment in general fixed assets	<u>\$ 41,345,981</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, 2000

	Redevelopment Authority of the City of Erie	Erie Municipal Park Authority	Erie Metropolitan Transit Authority	Erie Parking Authority	Erie Civic Center Authority
ASSETS					
Cash and cash equivalents	\$ 143,754	\$ 0	\$ 1,353,804	\$ 4,322,619	\$ 134,668
Investments	0	33,989	2,058,299	0	0
Restricted cash and cash equivalents	152,212	0	2,830,369	2,205,047	171,645
Restricted investments	0	0	0	477	47,190
Receivables (net of allowance for uncollectibles):					
Accounts	39,516	212,000	91,732	28,015	120,206
Intergovernmental	0	0	265,450	0	196,645
Other	0	0	0	32,714	0
Inventory	0	0	225,588	0	4,199
Prepaid insurance	0	0	141,606	64,742	78,454
Property, plant and equipment:					
Land	68,914	0	189,369	2,285,377	1,705,097
Buildings and improvements	0	0	7,363,798	30,840,577	21,409,631
Improvements other than buildings	0	0	533,344	0	1,122,984
Equipment and vehicles	0	0	17,567,912	828,632	1,114,452
Construction in progress	0	0	356,620	0	0
Less: accumulated depreciation	0	0	(11,474,392)	(10,907,557)	(7,952,454)
Bond issue costs	0	0	0	547,467	0
Amounts to be provided for long-term debt	104,000	180,000	0	0	0
Total assets	<u>\$ 508,396</u>	<u>\$ 425,989</u>	<u>\$ 21,503,499</u>	<u>\$ 30,248,110</u>	<u>\$ 18,152,717</u>
LIABILITIES					
Accounts payable	\$ 86,119	\$ 0	\$ 124,178	\$ 9,679	\$ 235,861
Accrued payroll	0	0	783,494	67,851	41,012
Accrued pension obligation	0	0	0	33,904	0
Current portion of long-term liabilities	0	0	0	665,000	30,230
Deferred revenue	0	0	146,933	0	514,156
Other liabilities	56,182	0	4,254	415,571	0
Due to other governments	0	0	5,399,820	0	0
Notes payable	104,000	0	0	0	128,770
General obligation bonds payable	0	180,000	0	22,602,122	0
Total liabilities	<u>246,301</u>	<u>180,000</u>	<u>6,458,679</u>	<u>23,794,127</u>	<u>950,029</u>
FUND EQUITY AND OTHER CREDITS					
Contributed capital and other credits	0	0	14,386,086	0	16,321,202
Retained earnings:					
Reserved (deficit)	0	0	658,734	6,453,983	881,486
Fund balance:					
Reserved:					
Equity in authority rentals	0	212,000	0	0	0
Land held for resale	68,914	0	0	0	0
Unreserved:					
Undesignated (deficit)	193,181	33,989	0	0	0
Total fund equity and other credits	<u>262,095</u>	<u>245,989</u>	<u>15,044,820</u>	<u>6,453,983</u>	<u>17,202,688</u>
Total liabilities and fund equity and other credits	<u>\$ 508,396</u>	<u>\$ 425,989</u>	<u>\$ 21,503,499</u>	<u>\$ 30,248,110</u>	<u>\$ 18,152,717</u>

Erie Sewer Authority	Total Component Units
\$ 10,761	\$ 5,965,606
13	2,092,301
0	5,359,273
24,568,989	24,616,656
0	491,469
455,800	917,895
259,091	291,805
0	229,787
0	284,802
0	4,248,757
36,739,566	96,353,572
0	1,656,328
59,287,674	78,798,670
0	356,620
(36,761,789)	(67,096,192)
2,209,395	2,756,862
0	284,000
<u>\$ 86,769,500</u>	<u>\$ 157,608,211</u>

\$ 599,209	\$ 1,055,046
0	892,357
0	33,904
2,007,504	2,702,734
0	661,089
385,806	861,813
4,890,000	10,289,820
2,189,624	2,422,394
53,891,366	76,673,488
<u>63,963,509</u>	<u>95,592,645</u>

0	30,707,288
22,805,991	30,800,194
0	212,000
0	68,914
0	227,170
<u>22,805,991</u>	<u>62,015,566</u>
<u>\$ 86,769,500</u>	<u>\$ 157,608,211</u>

CITY OF ERIE, PENNSYLVANIA
Component Units
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2000

	Redevelopment Authority of the City of Erie	Erie Municipal Park Authority	Total
REVENUES			
Intergovernmental	\$ 1,284,438	\$ 0	\$ 1,284,438
Interest earnings	19,056	2,039	21,095
Miscellaneous	454,509	0	454,509
Total revenues	<u>1,758,003</u>	<u>2,039</u>	<u>1,760,042</u>
EXPENDITURES			
Current:			
General government	0	2,621	2,621
Economic and community development	1,737,194	0	1,737,194
Debt service:			
Principal	0	45,000	45,000
Interest	0	7,088	7,088
Total expenditures	<u>1,737,194</u>	<u>54,709</u>	<u>1,791,903</u>
Excess of revenues over (under) expenditures	20,809	(52,670)	(31,861)
Fund balance (deficit) January 1, 2000	241,286	298,659	539,945
Increase to contributed capital and other credits	0	0	0
Fund balance (deficit) December 31, 2000	<u>\$ 262,095</u>	<u>\$ 245,989</u>	<u>\$ 508,084</u>

CITY OF ERIE, PENNSYLVANIA
Component Units
Combining Statement of Revenues, Expenses and Changes in Fund Equity
Year Ended December 31, 2000

	Erie Metropolitan Transit Authority	Erie Parking Authority	Erie Civic Center Authority	Erie Sewer Authority	Total
OPERATING REVENUES					
Intergovernmental	\$ 318,392	\$ 0	\$ 0	\$ 5,236,519	\$ 5,554,911
Charges for services	3,695,928	3,897,197	1,172,558	0	8,765,683
Rental income	0	0	582,561	0	582,561
Miscellaneous	59,202	0	7,368	4,322	70,892
Total operating revenues	<u>4,073,522</u>	<u>3,897,197</u>	<u>1,762,487</u>	<u>5,240,841</u>	<u>14,974,047</u>
OPERATING EXPENSES					
Personnel services	4,714,453	855,466	1,104,514	0	6,674,433
Other personnel costs	1,340,924	334,917	0	0	1,675,841
Services and fees	686,172	40,495	97,978	0	824,645
Utilities	96,794	250,877	332,320	0	679,991
Rent	0	63,265	6,173	0	69,438
Insurance	0	26,823	79,657	0	106,480
Materials, supplies and maintenance	1,183,356	176,829	132,932	0	1,493,117
Depreciation	1,843,692	832,377	677,241	3,042,571	6,395,881
Other	179,756	44,287	99,007	0	323,050
Total operating expenses	<u>10,045,147</u>	<u>2,625,336</u>	<u>2,529,822</u>	<u>3,042,571</u>	<u>18,242,876</u>
Operating income (loss)	<u>(5,971,625)</u>	<u>1,271,861</u>	<u>(767,335)</u>	<u>2,198,270</u>	<u>(3,268,829)</u>
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental revenue	7,858,778	0	251,000	0	8,109,778
Interest earnings	246,869	360,082	20,604	1,262,497	1,890,052
Interest expense	0	(1,406,898)	(9,086)	(2,763,642)	(4,179,626)
Other income (expense)	0	0	5,785	(44,134)	(38,349)
Total nonoperating revenues (expenses)	<u>8,105,647</u>	<u>(1,046,816)</u>	<u>268,303</u>	<u>(1,545,279)</u>	<u>5,781,855</u>
Net income (loss)	<u>2,134,022</u>	<u>225,045</u>	<u>(499,032)</u>	<u>652,991</u>	<u>2,513,026</u>
Total fund equity and other credits January 1, 2000	12,910,798	6,228,938	17,693,730	20,584,788	57,418,254
Increase to contributed capital and other credits	0	0	7,990	1,568,212	1,576,202
Total fund equity and other credits December 31, 2000	<u>\$ 15,044,820</u>	<u>\$ 6,453,983</u>	<u>\$ 17,202,688</u>	<u>\$ 22,805,991</u>	<u>\$ 61,507,482</u>

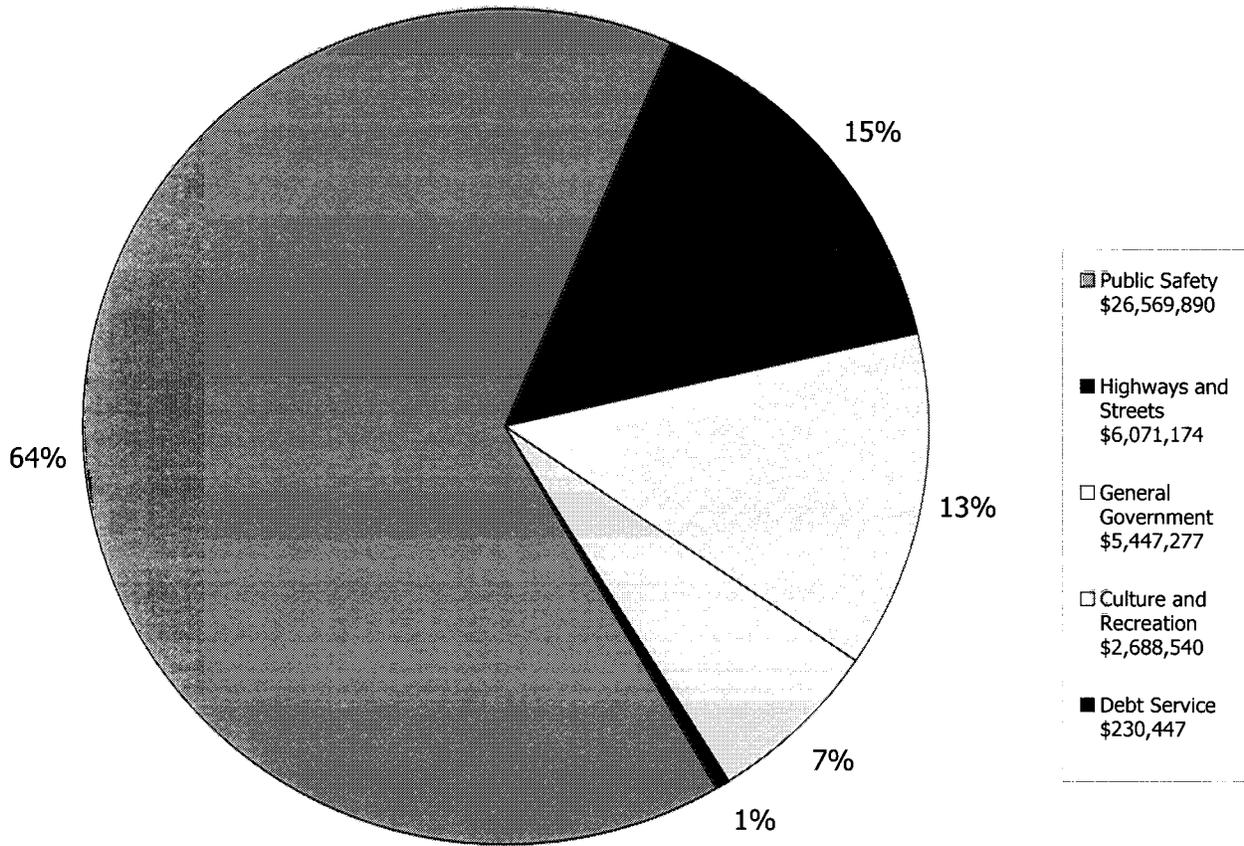
CITY OF ERIE, PENNSYLVANIA
Component Units
Combining Statement of Cash Flows
Year Ended December 31, 2000

	Erie Metropolitan Transit Authority	Erie Parking Authority	Erie Civic Center Authority	Erie Sewer Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ (5,971,625)	\$ 1,271,861	\$ (767,335)	\$ 2,198,270	\$ (3,268,829)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Other nonoperating income (expense)	0	0	5,785	(44,134)	(38,349)
Noncash items included in operating income (loss):					
Depreciation expense	1,843,692	832,377	677,241	3,042,571	6,395,881
Amortization	0	14,018	0	0	14,018
(Increase) decrease in current assets:					
Accounts receivable	467,691	23,882	(39,451)	0	452,122
Intergovernmental receivable	0	0	0	(307,701)	(307,701)
Other receivables	0	0	0	312,385	312,385
Inventory	(14,433)	0	(204)	0	(14,637)
Prepaid insurance	(16,069)	(26,217)	(33,630)	0	(75,916)
Increase (decrease) in current liabilities:					
Accounts payable	(36,407)	(642,873)	49,488	(1,866,772)	(2,496,564)
Accrued payroll	0	(452)	16,012	0	15,560
Accrued pension obligation	0	(16,085)	0	0	(16,085)
Due to other governments	487,692	0	0	0	487,692
Deferred revenue	10,612	0	146,669	0	157,281
Other liabilities	(16,312)	0	0	57,009	40,697
Net cash provided (used) by operating activities	<u>(3,245,159)</u>	<u>1,456,511</u>	<u>54,575</u>	<u>3,391,628</u>	<u>1,657,555</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental revenue	3,704,272	0	150,000	0	3,854,272
Net cash provided (used) by noncapital financing activities	<u>3,704,272</u>	<u>0</u>	<u>150,000</u>	<u>0</u>	<u>3,854,272</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Net proceeds from refunding revenue bonds	0	0	0	12,970,000	12,970,000
Purchase of fixed assets	(4,334,607)	(292,972)	(514,939)	(8,065,294)	(13,207,812)
Transfers to restricted investments	0	0	32,665	0	32,665
Contributions and capital grants	4,154,506	0	173,535	1,597,302	5,925,343
Proceeds from sale of assets	5,542	0	0	0	5,542
Borrowings of long-term debt	0	0	277,618	0	277,618
Principal payments	0	(640,000)	(141,000)	(2,059,787)	(2,840,787)
Interest payments	0	(1,273,237)	(9,086)	(2,763,642)	(4,045,965)
Net cash provided (used) by capital and related financing activities	<u>(174,559)</u>	<u>(2,206,209)</u>	<u>(181,207)</u>	<u>1,678,579</u>	<u>(883,396)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale and redemption of investments	330,905	554,644	0	0	885,549
Net interest earnings	246,869	346,787	20,604	1,262,497	1,876,757
Purchase of investments	0	(477)	0	(6,327,019)	(6,327,496)
Net cash provided (used) by investing activities	<u>577,774</u>	<u>900,954</u>	<u>20,604</u>	<u>(5,064,522)</u>	<u>(3,565,190)</u>
Net increase (decrease) in cash	862,328	151,256	43,972	5,685	1,063,241
Cash and cash equivalents, January 1, 2000	3,321,845	6,376,410	262,341	5,076	9,965,672
Cash and cash equivalents, December 31, 2000	<u>\$ 4,184,173</u>	<u>\$ 6,527,666</u>	<u>\$ 306,313</u>	<u>\$ 10,761</u>	<u>\$ 11,028,913</u>
Reconciliation to the balance sheet:					
At January 1, 2000:					
Cash and cash equivalents	\$ 903,999	\$ 4,213,074	\$ 262,341	\$ 5,076	\$ 5,384,490
Restricted cash and cash equivalents	2,417,846	2,163,336	0	0	4,581,182
	<u>\$ 3,321,845</u>	<u>\$ 6,376,410</u>	<u>\$ 262,341</u>	<u>\$ 5,076</u>	<u>\$ 9,965,672</u>
At December 31, 2000:					
Cash and cash equivalents	\$ 1,353,804	\$ 4,322,619	\$ 134,668	\$ 10,761	\$ 5,821,852
Restricted cash and cash equivalents	2,830,369	2,205,047	171,645	0	5,207,061
	<u>\$ 4,184,173</u>	<u>\$ 6,527,666</u>	<u>\$ 306,313</u>	<u>\$ 10,761</u>	<u>\$ 11,028,913</u>

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CITY OF ERIE, PENNSYLVANIA

General Fund
Expenditures by Function
December 31, 2000



CITY OF ERIE, PENNSYLVANIA

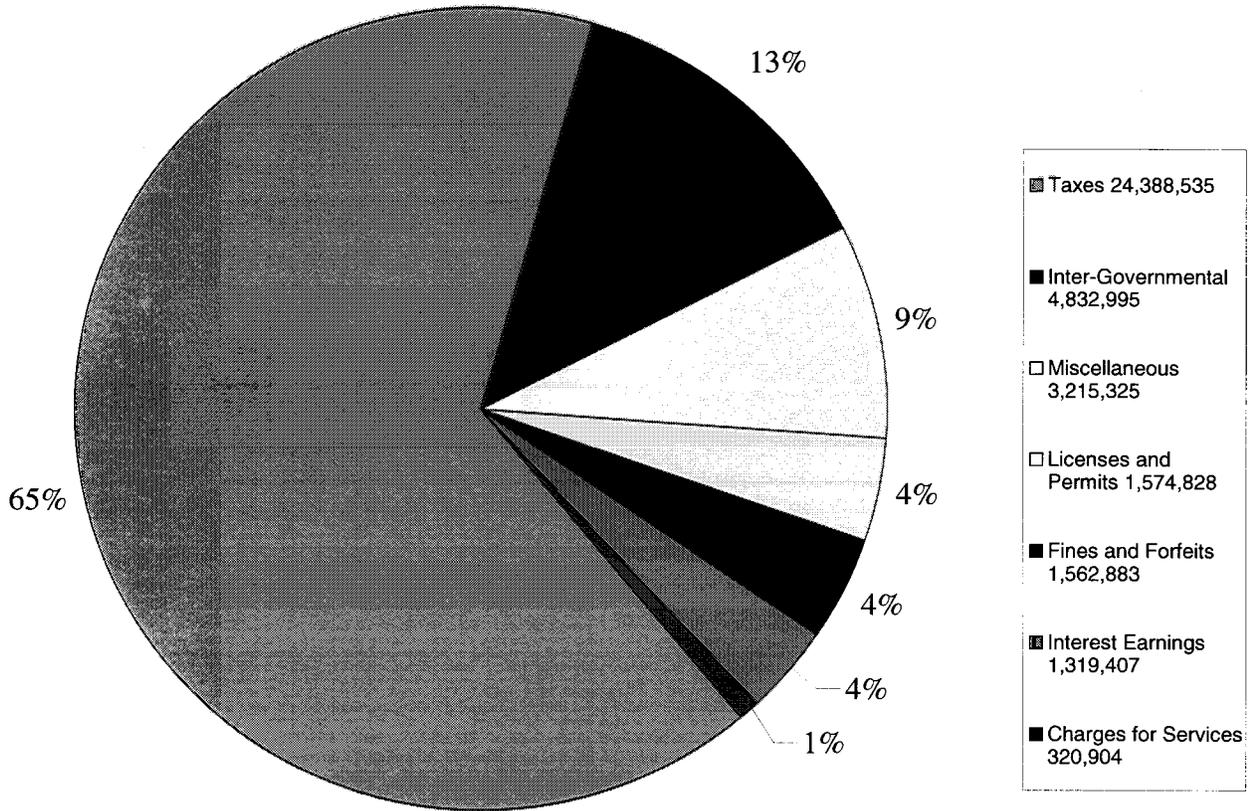
General Fund
Expenditures by Function
Last Ten Years

<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>
1991(1)	\$ 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
2000	5,447,277	26,569,890	6,071,174	0	2,688,540	230,447	0	41,007,328

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

CITY OF ERIE, PENNSYLVANIA

General Fund
Revenues by Source
December 31, 2000



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
1991 (1)	\$ 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
2000	24,388,535	1,574,828	4,832,995	320,904	1,562,883	1,319,407	3,215,325	37,214,877

(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
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
2000	23,078,672	21,451,489	92.9	1,299,909	22,751,397	98.6	1,587,821	6.9

(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>
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
2000	544,836,176 (2)	1,843,165,600	29.6	281,134,110

(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)	
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
2000	42.98	58.50	53.00	154.48

(1) Calculated on 40% of assessed value.

CITY OF ERIE, PENNSYLVANIA

Annual Requirements to Amortize Long-Term Debt
December 31, 2000

Year Ending Dec. 31	General Fund General Obligation Bonds			Sewer Revenue Fund General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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	1,127,380	360,921	1,488,301
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>\$ 97,256,666</u>	<u>\$ 3,145,618</u>	<u>\$ 100,402,284</u>	<u>\$ 18,658,334</u>	<u>\$ 5,750,440</u>	<u>\$ 24,408,774</u>

CITY OF ERIE, PENNSYLVANIA

Computation of Legal Debt Margin
As of December 31, 2000

Nonelectoral Debt Incurring Capacity:	
Borrowing base(1)	\$ 83,791,523
Percentage limitation	<u>250</u>
Net nonelectoral debt limit	\$ 209,478,808
Less: net nonelectoral debt incurred	69,107,331
Add: current principal appropriation	<u>5,850,004</u>
Remaining nonelectoral debt incurring capacity	<u>\$ 146,221,481</u>

Nonelectoral Plus Lease Rental Debt Incurring Capacity:	
Borrowing base(1)	\$ 83,791,523
Percentage limitation	<u>350</u>
Net nonelectoral plus lease rental debt limit	\$ 293,270,331
Less: net nonelectoral debt plus lease rental debt incurred	98,319,528
Add: current principal appropriation	<u>5,850,004</u>
Remaining nonelectoral plus lease rental debt incurring capacity	<u>\$ 200,800,807</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>
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
2000	97,256,666	544,836,176 (2)	17.9	103,717	937.71

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

(2) Net of debits and credits.

(3) Source: Bureau of Census

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 Expenditure</u>
1991 (2)	\$ 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
2000	3,551,880	1,180,116	4,731,996	41,007,328	11.5

(1) Excludes loans.

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

CITY OF ERIE, PENNSYLVANIA

Computation of Direct and Overlapping Debt
December 31, 2000

	Net Debt Outstanding	Percentage Applicable to City of Erie	Amount Applicable to City of Erie
Direct Debt:			
1971 Capital Improvement bond	\$ 135,000	100.0 %	\$ 135,000
1971 Capital Improvement bond	135,000	100.0	135,000
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)	3,540,000	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)	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)	5,080,000	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>115,915,000</u>		<u>115,915,000</u>
Overlapping Debt:			
Erie Housing Authority	394,457	100.0	394,457
Erie Municipal Park Authority	180,000	100.0	180,000
Erie School District	109,129,462	100.0	109,129,462
Erie Sewer Authority	65,789,971	100.0	65,789,971
Erie Parking Authority	25,000,010	75.0	18,750,008
Erie City Water Authority	59,406,177	70.0	41,584,324
County of Erie	32,810,000	35.6	11,680,360
Erie Western Pennsylvania Port Authority	8,403,524	30.0	2,521,057
Total	<u>301,113,601</u>		<u>250,029,639</u>
Total Direct and Overlapping Debt	<u>\$ 417,028,601</u>		<u>\$ 365,944,639</u>

CITY OF ERIE, PENNSYLVANIA

Demographic Statistics
1800-2000

<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
2000	103,717	(4.5)	18.9	5,488

CITY OF ERIE, PENNSYLVANIA

Property Values and Construction
Last Ten Years

Year	Commercial		Residential		Miscellaneous	
	Units	Value	Units	Value	Units	Value
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
2000	139	42,889,561	418	7,011,168	130	419,939

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>
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	385,810,000	2,478,490,000
2000	1,479,687,000	685,149,000	397,948,000	2,562,784,000

(1) Fiscal Year Ended June 30.

Source: Pennsylvania Department of Banking

CITY OF ERIE, PENNSYLVANIA

Principal Taxpayers
December 31, 2000

Taxpayer	Assessed Valuation	Percent of Taxable Assessed Valuation
Erie Indemnity Co.	\$ 12,474,780	2.3%
Baldwin Brothers	5,368,120	1.0
International Paper Company	4,220,160	0.8
Covelli, Albert M.	2,150,270	0.4
Friedman, Janice, et al	1,969,290	0.4
Lord Manufacturing Corporation	1,937,770	0.4
Boston Store Ltd. Partnership	1,850,160	0.3
Central Mall Partnership	1,783,100	0.3
Bayside Development Company	1,673,740	0.3
McGarvey, Stephen B. et al	1,571,850	0.2
	<u>\$ 34,999,240</u>	<u>6.4%</u>

CITY OF ERIE, PENNSYLVANIA

Miscellaneous Statistical Data
December 31, 2000

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	317.2	
Unpaved	<u>5.5</u>	322.7 Miles
Miles of Sewers		433.4 Miles
Miles of Water Frontage:		
Fronting Presque Isle Bay	4.0	
Fronting Lake Erie	<u>1.6</u>	5.6 Miles

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>
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
2000	49.4	46.7	2.8	5.6

CITY OF ERIE, PENNSYLVANIA

General Fund
Schedule of Insurance In Force
December 31, 2000

Company	Details of Coverage	Policy Number	Policy Period		Coverage Limits	Deductible	Premium
			From	To			
Coregis Insurance	Public officials liability - Erie Sewer Authority	POD-000293-4	1/1/2000	1/1/2001	\$ 1,000,000 aggregate \$ 1,000,000 each loss	\$ 10,000 per occurrence	\$ 10,836
Coregis Insurance	Public officials liability includes Civic Center	POD-000345-4	1/1/2000	1/1/2001	\$ 1,000,000 aggregate	\$ 50,000 per occurrence	\$ 40,377
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	651-007000-0 651-007000-0	1/1/2000 1/1/2000	1/1/2003 1/1/2003	\$ 2,000,000 aggregate \$ 2,000,000 aggregate \$ 500,000 each occurrence	\$ 25,000 \$ 25,000	\$ 62,560
Coregis Insurance	Commercial property,	651-007000-0	1/1/2000	1/1/2003	\$ 1,000,000 aggregate excess 200,000 aggregate fire and lightning extended coverage malicious mischief	\$ 25,000	\$ 64,796
Coregis Insurance	Cable TV equipment	651-007000-0	1/1/2000	1/1/2003		\$ 25,000	
Coregis Insurance	Electronic data processing equipment	651-007000-0	1/1/2000	1/1/2003		\$ 25,000	
Coregis Insurance	Inland floater traffic engineering, 4 traffic counters	651-007000-0	1/1/2000	1/1/2003		\$ 25,000	
Coregis Insurance	Inland marine floater TV inspection and sealing system	651-007000-0	1/1/2000	1/1/2003		\$ 25,000	
Coregis Insurance	Fine arts-Perry Memorial	651-007000-0	1/1/2000	1/1/2003		\$ 25,000	
Coregis Insurance	Floater policy	651-007000-0	1/1/2000	1/1/2003	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	651-007000-0	1/1/2000	1/1/2003	\$ 100,000 per loss \$ 25,000 theft \$ 50,000 forgery	\$ 25,000	\$ 450

CITY OF ERIE, PENNSYLVANIA

General Fund
 Schedule of Insurance In Force
 December 31, 2000

Company	Details of Coverage	Policy Number	Policy Period		Coverage Limits	Deductible	Premium
			From	To			
Coregis Insurance	Automobile fleet - liability & physical damage	651-007000-0	1/1/2000	1/1/2003	\$ 500,000 on comprehensive and collision insurance	\$ 1000 collision \$ 500 comprehensive coverage for current year and 5 years retro	\$ 178,659
Coregis Insurance	Excess Liability umbrella (excess over general liability, police professional & automobile)	503-16-5144	1/1/2000	1/1/2001	\$ 5,000,000	\$ 0 - 10,000	\$ 9,000
HSB Insurance	Boiler and machinery	FBP-PH-4910626	1/1/2000	1/1/2003	\$ 50,000,000 maximum limit per loss	\$ 1,000	\$ 14,231
Firemens Fund	Surety bond	37-049-531-1	5/2/2000	5/2/2002	Gas well at zoo		\$ 250
Cincinnati Insurance	Treasurer bond	CI-B80331682	1/1/2000	12/31/2004	\$ 2,000,000		\$ 1,123
Cincinnati Insurance	Controller bond	B80-377110	1/1/1998	12/31/01	\$ 100,000		\$ 240
Commonwealth of Pennsylvania	Workers compensation		1/1/2000	1/1/2001		Self-Insured with the State	
Employers Reinsurance	Excess workers compensation	0627759	1/1/2000	1/1/2003	\$ 1,000,000 limit of indemnity	\$ 300,000	\$ 32,377

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