

**NORTHEASTERN PENNSYLVANIA
HOSPITAL AND EDUCATION AUTHORITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999**

AND

INDEPENDENT AUDITORS' REPORT

AND

ADDITIONAL INFORMATION

NORTHEASTERN PENNSYLVANIA HOSPITAL AND EDUCATION AUTHORITY

WILKES-BARRE, PENNSYLVANIA

JUNE 30, 1999

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Northeastern Pennsylvania Hospital and
Education Authority
Wilkes-Barre, Pennsylvania

We have audited the accompanying financial statements of the Northeastern Pennsylvania Hospital and Education Authority as of June 30, 1999, as listed in the Table of Contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Authority prepares its financial statements on the cash basis, which is comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Authority, as of June 30, 1999, and the revenues it received and expenditures it paid for the year then ended on the basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the financial statements, taken as a whole. The accompanying additional information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the financial statements of the Northeastern Pennsylvania Hospital and Education Authority. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Kingston, Pennsylvania
July 24, 2000



NORTHEASTERN PENNSYLVANIA HOSPITAL AND EDUCATION AUTHORITY
 COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND EQUITY
 ALL FUND TYPES AND ACCOUNT GROUPS – CASH BASIS
 JUNE 30, 1999

	Governmental Fund Types		Account Groups	Total (Memorandum Only)
	Capital Project	Debt Service	General Long-Term Debt	
<u>ASSETS</u>				
Investments	\$ 11,357,738	\$ 21,645,496	\$	\$ 33,003,234
Amount Available in Debt Service Fund			21,637,014	21,637,014
Amount to be Provided for Retirement of Bonds			<u>188,402,986</u>	<u>188,402,986</u>
TOTAL ASSETS	<u>\$ 11,357,738</u>	<u>\$ 21,645,496</u>	<u>\$ 210,040,000</u>	<u>\$ 243,043,234</u>
<u>LIABILITIES</u>				
Due to Taylor Long-Term Care Center	\$ 21	\$ 7,370	\$	\$ 7,391
Due to Wyoming Seminary		1,112		1,112
Bonds Payable			<u>210,040,000</u>	<u>210,040,000</u>
TOTAL LIABILITIES	<u>21</u>	<u>8,482</u>	<u>210,040,000</u>	<u>210,048,503</u>
<u>FUND EQUITY</u>				
Designated for Specific Fund Purposes	11,357,717			11,357,717
Reserved for Debt Service		<u>21,637,014</u>		<u>21,637,014</u>
TOTAL FUND EQUITY	<u>11,357,717</u>	<u>21,637,014</u>	<u>-</u>	<u>32,994,731</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 11,357,738</u>	<u>\$ 21,645,496</u>	<u>\$ 210,040,000</u>	<u>\$ 243,043,234</u>

See Notes to Financial Statements.

NORTHEASTERN PENNSYLVANIA HOSPITAL AND EDUCATION AUTHORITY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES - CASH BASIS
 FOR THE YEAR ENDED JUNE 30, 1999

	Governmental Fund Types		Total (Memorandum Only)
	Capital Project	Debt Service	
REVENUES			
Investment Income	\$ 2,966,811	\$ 4,412,560	\$ 7,379,371
Rental Income	107,037	3,893,128	4,000,165
Other Income		1,000	1,000
TOTAL REVENUES	<u>3,073,848</u>	<u>8,306,688</u>	<u>11,380,536</u>
EXPENDITURES			
Project	13,610,102		13,610,102
Administrative Expenses		726,514	726,514
Debt Service:			
Principal		45,100,000	45,100,000
Interest		13,151,640	13,151,640
TOTAL EXPENDITURES	<u>13,610,102</u>	<u>58,978,154</u>	<u>72,588,256</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(10,536,254)</u>	<u>(50,671,466)</u>	<u>(61,207,720)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds of Refunding Bonds		3,056,082	3,056,082
Payments from Institutions		11,149,364	11,149,364
Reimbursement from 1994 Issue	634,134		634,134
Transfers to Participating Entities	(21)	(8,482)	(8,503)
Operating Transfers from Other Funds	852,635	22,130,389	22,983,024
Operating Transfers to Other Funds	(22,130,389)	(852,635)	(22,983,024)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(20,643,641)</u>	<u>35,474,718</u>	<u>14,831,077</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	<u>(31,179,895)</u>	<u>(15,196,748)</u>	<u>(46,376,643)</u>
FUND BALANCE - JULY 1, 1998	<u>42,537,612</u>	<u>36,833,762</u>	<u>79,371,374</u>
FUND BALANCE - JUNE 30, 1999	<u>\$ 11,357,717</u>	<u>\$ 21,637,014</u>	<u>\$ 32,994,731</u>

See Notes to Financial Statements.

NORTHEASTERN PENNSYLVANIA HOSPITAL AND EDUCATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity:

The Governmental Accounting Standards Board (GASB), established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. The criteria used in determining whether such organizations should be included in the Authority's financial reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the Authority reviews the applicability of the following criteria.

The Authority is financially accountable for:

1. Organizations that make up the legal Authority entity.
2. Legally separate organizations if Authority officials appoint a voting majority of the organizations' govern-bodying and the Authority is able to impose its will on the organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.
 - a. Impose its Will - If the Authority can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization.
 - b. Financial Benefit or Burden - Exists if the Authority (1) is entitled to the organization's resources or (2) is legally obligated or has otherwise assumed the obligations to finance the deficits of, or provide support to, the organization or (3) is obligated in some manner for the debt of the organization.
3. Organizations that are fiscally dependent on the Authority. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the Authority.

The Authority has determined that it has no potential component unit which would be evaluated.

B. Basis of Presentation:

The financial statements of Northeastern Pennsylvania Hospital Authority are presented in conformity with the industry audit guide, Audits of State and Local Government Units, issued by the American Institute of Certified Public Accountants.

NORTHEASTERN PENNSYLVANIA HOSPITAL AND EDUCATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

C. Future Lease and Loans Receivable:

The Authority accounts for the long-term lease and loans with Wyoming Valley Health Care, Luzerne County Community College, Hospital Central Services Capital Asset Financing Program, Taylor Long-Term Care Center, Wyoming Seminary, Kings College and Wilkes University under the financing method. Accordingly, at the completion of construction, future rentals and loans receivable will represent the present value of the aggregate rentals and loans receivable over the term of the leases and loans.

D. Fund Accounting:

The accounts of the Authority are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent. Account groups are used to establish accounting control and accountability for the Authority's general long-term obligations.

There is one major fund type and one account group presented in this report. A brief description of each is presented below:

Governmental Fund Types:

Capital Project Fund:

Used to account for financial resource, such as bond issues, related to construction and improvements. The fund balance in the Capital Project Fund is designated for construction and improvements.

Debt Service Fund:

Used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related cost. The fund balance in the Debt Service Fund is reserved for the retirement of debt principal and interest.

Account Groups:

Long-Term Debt Account Group:

Used to record the outstanding principal balances of revenue bonds.

E. Investments:

Investments consist of U.S. Treasury Notes, which are stated at cost, which approximates fair value.

NORTHEASTERN PENNSYLVANIA HOSPITAL AND EDUCATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

- F. Amounts to be Provided for Retirement of Long-Term Obligations:
The balance in this account represents the amount to be provided from revenues to retire long-term obligations.
- G. Debt Service Fund:
Debt service payments are shown as expenditures when payment is made. The fund balance in the debt service fund is reserved for the retirement of debt principal and interest.
- H. Total Columns on Combined Statements:
The total columns on the combined statements are captioned "memorandum only" to indicate that they are only to facilitate financial analysis. Interfund eliminations have not been made in the aggregation of the data; and it is, therefore, not comparable to a consolidation.
- I. Measurement Focus / Basis of Accounting:
The governmental funds of the Authority are accounted for on a "spending" measurement focus. Accordingly, only current assets and current liabilities are included on the governmental fund statement of assets, liabilities and fund balances and the fund balances reflect spendable or appropriate resources. The operating statement for the governmental funds reflect increases and decreases in the spendable resources through revenues and expenditures.

The account group is not a fund. It is designed to measure only the financial position of the account and does not provide results of operations.

Basis of Accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The Authority maintains its records on the cash basis. This method differs from generally accepted accounting principles in that certain revenue and related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when an obligation is incurred. Interest on long-term debt is expensed when paid.

2. NATURE OF OPERATION AND ORGANIZATION

The Authority was incorporated on March 5, 1974, under the provisions of the Pennsylvania Municipal Authorities Act of 1945, as amended, pursuant to a resolution passed by the Commissioners of the Board of County Commissioners of the County of Luzerne, Pennsylvania. The Authority is administered by a five-member Board of Directors.

NORTHEASTERN PENNSYLVANIA HOSPITAL AND EDUCATION AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 1999

3. FUTURE RENTALS AND LOANS RECEIVABLE

Under the terms of the leases with the participating facilities in the Hospital Central Services Capital Asset Financing Program, the Authority receives monthly rentals from the participating facilities in amounts sufficient to:

- a. Pay the debt service due on the outstanding bonds; and
- b. Pay the annual administrative expenses of the Authority.

To secure the required lease payments, the participating facilities have granted the Authority a security interest in a first lien on the Hospitals' gross revenues excluding certain specifically restricted grants, gifts, and other donations.

Total Sublease Receivable	\$ 12,718,902
Less: Current Portion	<u>1,032,502</u>
TOTAL SUBLEASE RECEIVABLE - LONG-TERM	<u>\$ 11,686,400</u>

Aggregate maturities under these leases for the five years subsequent to June 30, 1999 are as follows:

2000	\$ 1,032,502
2001	1,225,856
2002	1,276,499
2003	1,331,073
2004	1,130,909
Thereafter	<u>6,722,063</u>
TOTAL	<u>\$ 12,718,902</u>

Under the terms of the financing agreements with Taylor Long-Term Care Center, Kings College, Wyoming Seminary, Wilkes University, Wyoming Valley Health Care, and Luzerne County Community College, the Authority received interest and principal payments in the amounts sufficient to:

- a. Pay the debt service due on outstanding bonds; and
- b. Pay the annual administrative expenses of the Authority.

NORTHEASTERN PENNSYLVANIA HOSPITAL AND EDUCATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

To secure the required loan payments, the facilities have granted the Authority as collateral a security interest in all moneys, fees, charges, income and revenues including all future accounts receivable, contract rights documents, instruments, causes in action, general intangibles and the proceeds thereof constituting obligations under the loan agreements.

Aggregate rentals and loans receivable over the terms of the leases and loan agreements have been discounted to their present and loans receivable amounted to \$188,402,986 at June 30, 1999 (See additional information).

4. AGREEMENTS

The Authority has entered into the following agreements:

Wyoming Valley Health Care:

- a. The Authority issued their Wyoming Valley Health Care Series 1994 A Bonds pursuant to a financing agreement dated December 1, 1994.
- b. The Authority issued their Wyoming Valley Health Care Series 1994 B Bond pursuant to a financing agreement dated December 1, 1994.
- c. The Authority loaned the proceeds to Wyoming Valley Care to refinance certain outstanding long-term debt and capital lease obligations of Wyoming Valley Health Care and their Berwick affiliates.
- d. The Authority issued their Wyoming Valley Health Care Series 1996 Bonds pursuant to a trust indenture dated December 1, 1996.
- e. The Authority loaned the proceeds of the 1996 Bonds to Wyoming Valley Health Care and Luzerne-Wyoming County Mental Health Center #2 d/b/a Community Counseling Services of NEPA pursuant to a loan agreement dated December 1, 1996. The proceeds of the Bonds were used to (i) finance the construction, acquisition, renovation and equipping of certain capital improvements to facilities of Wyoming Valley Health Care and (ii) the refinancing of costs incurred for the acquisition of a facility of Community Counseling Services.

NORTHEASTERN PENNSYLVANIA HOSPITAL AND EDUCATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

Hospital Central Services:

- a. The Authority will undertake various projects to finance and refinance the cost of capital projects including the construction, renovation, and acquisition of capital improvements (including equipment), used in connection with the provision of health care services by, or in the operation of health care facilities for nonprofit hospital corporations. The Authority has retained Hospital Central Services Enterprises, Inc. to administer this program on behalf of the Authority.
- b. The Authority will enter into a lease with each institution providing for the payment of a rental equal to the cost of financing or refinancing capital assets.
- c. The Authority will sublease the capital assets back to each institution by entering into a sublease with each institution.
- d. A supplemental trust indenture was issued on June 1, 1988 supplementing the original indenture dated December 1, 1985. The supplemental indenture lengthened the amortization period for "Non-Asset Bonds" to coincide with the term of the loans from the program.

Taylor Long-Term Care Center:

- a. The Authority issued their Series 1993 Health Care Revenue Bonds, pursuant to a trust indenture dated September 1, 1993.
- b. The Authority loaned the proceeds to the Taylor Long-Term Care Center pursuant to the terms of a loan and security agreement dated September 1, 1993 whereas, the borrower's payment obligations under the loan agreement will be general obligations of the borrower, secured by a lien on and security interest in the borrower's gross revenues, subject to such prior security interests as are set forth in the loan agreement. The proceeds were used to retire certain bank debts of the Center and make capital improvements at the Center.

Wyoming Seminary:

- a. The Authority issued their Series 1993 Educational Revenue Bonds, pursuant to a trust indenture dated September 15, 1993.
- b. The Authority loaned the proceeds to Wyoming Seminary pursuant to the terms of a loan and security statement dated September 15, 1993. The proceeds of the bonds are to be used for the construction and renovation, of certain school facilities, including the construction of a two-story addition to the lower school comprising new classrooms, a library, and a learning center and the renovation of existing classrooms and cafeteria space at the lower school.

NORTHEASTERN PENNSYLVANIA HOSPITAL AND EDUCATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

Kings College:

- a. The Authority issued their Series 1993 College Revenue Refunding Bonds pursuant to a trust indenture dated August 15, 1993.
- b. The Authority loaned the proceeds of the Series B Bond to Kings College pursuant to a loan agreement dated August 15, 1993. The proceeds of the bonds were used to refund its College Revenue Bonds Series 1988, College Revenue Bonds Series 1990 and repay certain bank debt.

Kings College:

- a. The Authority issued their Series 1993 College Revenue Bonds pursuant to a financing agreement dated July 15, 1993.
- b. The Authority loaned the proceeds of the 1993 Bonds to the College pursuant to financing agreement dated July 15, 1993. The proceeds of the bonds are to be used for various capital projects at the College.

Wilkes University:

- a. The Authority issued their Series 1993 Bonds, University pursuant to a trust indenture dated December 1, 1993.
- b. The Authority loaned the proceeds of the 1993 bond to the University pursuant to a loan agreement dated December 1, 1993. The proceeds of the bond are to be used to retire the University's 1990 Bonds (Pennsylvania Higher Educational Facilities Authority), and to make capital improvements at the University.

Luzerne County Community College:

- a. The Authority issued their Series 1994 College Revenue Bonds pursuant to a loan agreement dated December 15, 1994.
- b. The Authority loaned the proceeds of the 1994 bonds to the College pursuant to a loan agreement dated December 15, 1994. The proceeds of the bonds are to be used for construction of a campus center, wellness center, physical plant building, parking lot, and the renovation of the central storage building, security building, business classroom building, administration building, and the existing technologies and commercial arts building.
- c. The Authority issued their Series 1997 College Revenue Bonds pursuant to a trust indenture dated August 15, 1997.

NORTHEASTERN PENNSYLVANIA HOSPITAL AND EDUCATION AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 1999

- d. The Authority loaned the proceeds of the 1997 Bonds to the college pursuant to a loan agreement dated August 15, 1997. The proceeds of the bonds were used to refund a portion of its College Revenue Bonds Series 1994 and certain capital projects at the college.

5. INVESTMENTS

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.

In addition to the investments authorized for governmental funds, fiduciary fund investments may also be made in corporate stocks and bonds, real estate, and other investments consistent with sound business practice.

The Authority's investments are categorized to give an indication of the level of risk assumed by the Authority at June 30, 1999. Category 1 includes investments that are insured or registered or 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 broker's or dealer's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Authority's name. Investments or deposits which have the characteristics of mutual funds are not reported by risk category.

	Carrying Value	Category 1	Fair Value *
U.S. Treasury Notes	<u>\$ 33,003,234</u>	<u>\$ 33,003,234</u>	<u>\$ 33,003,234</u>
TOTAL	<u>\$ 33,003,234</u>	<u>\$ 33,003,234</u>	<u>\$ 33,003,234</u>

See Note 1-E

NORTHEASTERN PENNSYLVANIA HOSPITAL AND EDUCATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

College Revenue Bond, Series B 1993 due in varying installments from July 15, 1994 through July 15, 2018 with interest rates from 3.50% to 6.00%.	12,205,000
University Revenue Bond, Series 1993 due in varying installments from October 1, 1998 through October 1, 2018 with interest rates from 4.60% to 6.125%.	<u>24,335,000</u>
TOTAL BONDS PAYABLE	<u>\$ 210,040,000</u>

8. PENDING PRONOUNCEMENTS

Governmental Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* was issued in June 1999. The Statement establishes accounting and financial reporting standards for general purpose external financial reporting by state and local governments as well as specific standards for the basic financial statements, management's discussion and analysis (MD&A), and certain required supplementary information (RSI) other than MD&A.

The requirements of this Statement are effective in three phases based on total revenues in the first fiscal year ending after June 15, 1999. Earlier application is encouraged. Based on the current year revenue level, it is anticipated that the Authority would be required to implement the Statement for the fiscal year ended June 30, 2003.

The most significant changes involve presenting the Authority's financial statements on the full accrual basis of accounting, presenting government-wide financial statements, recording depreciation expense for all assets owned by the Authority, and presenting a Management Discussion and Analysis section.

9. TRANSFER OF UNUSED BOND PROCEEDS

The unused bond proceeds from the 1985 Hospital Central Services Issue were transferred from the Capital Projects Fund to the Debt Service Fund to pay down the outstanding bonds.

**NORTHEASTERN PENNSYLVANIA HOSPITAL AND EDUCATION AUTHORITY
SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE BY BOND ISSUE
FOR THE YEAR ENDED JUNE 30, 1999**

	Variable Rate										Total
	Health Care Revenue Bonds Series A 1994 Wyoming Valley Health Care	Health Care Revenue Bonds Series B 1994 Wyoming Valley Health Care	College Revenue Bonds Series 1997 Luzerne County Community College	College Revenue Bonds Series 1994 Luzerne County Community College	Demand Revenue Bonds Series B 1985 Hospital Central Serv. Capital Asset Financing	Health Care Revenue Bonds Series 1993 Taylor Long-Term Care Center	Educational Facilities Revenue Bonds Series 1993 Wyoming Seminary	College Revenue Bonds Series B 1993 Kings College	University Bond Revenue Series 1993 Wilkes University		
ASSETS											
CASH AND SECURITIES											
Cost of Issuance	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fund											
Project Fund			26,849	5,541,359							26,849
Rebate Fund			643,742	306,400							6,185,101
Debt Service Fund	202,280	739,085			1,792,501	6,665	2,007	4,079			306,400
Cleaning Fund											954,116
Debt Service Reserve											1,792,501
Fund	6,812,727	1,527,436				705	1,073,988	2,168,769			15,761,952
Sublease Reserve Fund					1,662,380						1,662,380
Interest Fund			325		625,000						625,325
Payment Fund					199,052						199,052
Program Fund					160,907						160,907
Construction Fund	36,778	4,974,931				21					5,011,730
Maintenance Fund											6
Revenue Fund		316,333									316,915
TOTAL ASSETS	7,051,785	1,527,436	670,916	5,848,347	4,439,840	7,391	1,075,995	2,172,848	33,003,234		
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Due to Taylor						7,391					7,391
Due to Wyoming Seminary									1,112		1,112
TOTAL LIABILITIES						7,391			1,112		8,503

NORTHEASTERN PENNSYLVANIA HOSPITAL AND EDUCATION AUTHORITY
 SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE BY BOND ISSUE
 FOR THE YEAR ENDED JUNE 30, 1999

	Variable Rate										Total	
	Health Care Revenue Bonds Series A 1994 Wyoming Valley Health Care	Health Care Revenue Bonds Series B 1994 Wyoming Valley Health Care	Health Care Revenue Bonds Series 1996 Wyoming Valley Health Care	College Revenue Bonds Series 1997 Luzerne County Community College	College Revenue Bonds Series 1994 Luzerne County Community College	Demand Revenue Bonds Series B 1985 Hospital Central Serv. Capital Asset Financing	Health Care Revenue Bonds Series 1993 Taylor Long-Term Care Center	Educational Facilities Revenue Bonds Series 1993 Wyoming Seminary	College Revenue Bond Series B 1993 Kings College	University Bond Revenue Series 1993 Wilkes University		
Designated for Capital Projects	36,778		4,974,931	643,742	5,541,359	160,907						11,357,717
Reserved for Debt Service	7,015,007	1,527,436	5,232,633	27,174	306,988	4,278,933			1,075,995	2,172,848		21,637,014
TOTAL FUND EQUITY	7,051,785	1,527,436	10,207,564	670,916	5,848,347	4,439,840	-	-	1,075,995	2,172,848	32,994,731	
TOTAL LIABILITIES AND FUND EQUITY	\$ 7,051,785	\$ 1,527,436	\$ 10,207,564	\$ 670,916	\$ 5,848,347	\$ 4,439,840	\$ 7,391	\$ 1,112	\$ 1,075,995	\$ 2,172,848	\$ 33,003,234	

NORTHEASTERN PENNSYLVANIA HOSPITAL AND EDUCATION AUTHORITY
 SCHEDULE OF FUTURE RENTALS AND LOANS RECEIVABLE
 FOR THE YEAR ENDED JUNE 30, 1999

	Health Care Revenue Bonds Series A 1994 Wyo. Valley Health Care	Health Care Revenue Bonds Series B 1994 Wyo. Valley Health Care	Health Care Revenue Bonds Series 1996 Wyo. Valley Health Care	College Revenue Bonds Series 1997 Luzerne County Community College	College Revenue Bonds Series 1994 Luzerne County Community College	Variable Rate Demand Revenue Bonds Series B 1985 Hospital Central Serv. Capital Asset Financing	College Revenue Bond Series B 1993 Kings College	University Bond Revenue Series 1993 Wilkes University	Total
PRESENT VALUE OF FUTURE RENTALS AND LOANS RECEIVABLES	\$ 74,100,000	\$ 18,000,000	\$ 44,355,000	\$ 16,730,000	\$ 4,515,000	\$ 15,800,000	\$ 12,205,000	\$ 24,335,000	\$ 210,040,000
LESS:									
CASH AND SECURITIES REPRESENTING UNUSED PROCEEDS OF BOND ISSUE AND INTEREST EARNED:									
Cost of Issuance Fund				26,849					26,849
Project Fund					306,400				306,400
Rebate Fund	202,280		739,085				2,007	4,079	947,451
Debt Service Fund						1,792,501			1,792,501
Clearing Fund							1,073,988	2,168,769	15,760,135
Debt Service Res. Fund	6,812,727	1,527,436	4,177,215			1,662,380			1,662,380
Sublease Reserve Fund						625,000			625,325
Interest Fund				325		199,052			199,052
Payment Fund									6
Program Fund			316,333		6				316,915
Maintenance Fund					582				
Revenue Fund									
TOTAL	7,015,007	1,527,436	5,232,633	27,174	306,988	4,278,933	1,075,995	2,172,848	21,637,014
FUTURE RENTALS & LOANS RECEIVABLES - NET	\$ 67,084,993	\$ 16,472,564	\$ 39,122,367	\$ 16,702,826	\$ 4,208,012	\$ 11,521,067	\$ 11,129,005	\$ 22,162,152	\$ 188,402,986