

FINANCE COMMITTEE

CITY COUNCIL

MONDAY, DECEMBER 19, 2011
CITY COUNCIL OFFICE
5:00 p.m.

Committee Members: F. Acosta, Chair; D. Reed; J. Waltman

Although Council committee meetings are open to the public, public comment is not permitted. However, citizens are encouraged to attend and observe the committee meetings. Comment from citizens or professionals during the meeting may be solicited on agenda topics via invitation by the Committee Chair.

I. Update from City Auditor re 2011 Capital Project Audits

- City Park Improvements
- Pagoda Improvements
- WWTP Capital expenses (1/1/2008-6/30/2011)
- Southwest Fire Station (post-completion audit)
- Compliance-transfers
- Follow-up to external audit findings
- 2011 tax-exempt properties analysis
- Fire escrow audit (2009-2010)

II. Update on Settlement of Due To/Due From Transactions

III. Review Finance Reports

- Income Statement
- Cash Flow Projection

IV. Review IT Monthly Report

Update on Data Cleansing

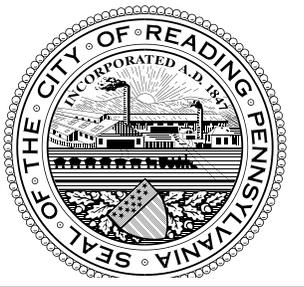
V. Update - Collection Report for Delinquent Taxes and Misc Fines & Fees (RE01)

1. Update on Status of Linebarger Contract

VI. CD Report – Spent vs. Unspent CDBG Funds (D. Robinson)

Written Report Only

- a. Un-programmed CDBG Funds
- b. Closing out unpaid CD Loans (CD02)
- c. UDAG Fund
 - 2009 Balance Sheet/Income Statement
 - 2010 Balance Sheet/Income Statement and quarterly report for 2010 showing revenues and expenditures



CITY COUNCIL

Finance Committee

Meeting Report Monday, November 21, 2011

Committee Members Attending: J. Waltman, D. Reed, F. Acosta, Chair

Others Attending: D. Sterner, V. Spencer, L. Kelleher, C. Younger, H. Tangredi, C. Geffken, D. Cituk

Mr. Waltman called the Finance Committee meeting to order at 5:08 pm.

Auditor's Comments on the City 2012 Budget

Mr. Cituk distributed his comments, as per Charter Section 503b. Highlights are as follows:

- Agreement with the proposed reduction in the Real Estate Transfer tax revenue
- Note that the property tax rate increased annually each year since 2006 but no rate increase is proposed for 2012
- Concern with the projected increase in Earned Income Tax as the City has insufficient trending data with the new collector, Berks EIT
- Note the need to modify the Consent Decree with the DOJ regarding the need to increase the annual Waste Water Treatment Plant transfer

Mr. Acosta described his interaction with a Fulton Bank client who discovered that the EIT withholding for employees was unpaid for the past five (5) years. He expressed the belief that this is a wide-spread problem.

Mr. Waltman noted his suggestion at the Act 47 meeting to form a work group composed of CPAs, financial specialists and others to get the City's hands around this issue.

2011 Capital Project Audits

Mr. Cituk stated the following:

- Fire escrow audit is complete with results distributed last month
- 2011 tax-exempt properties analysis is complete and was distributed
- Follow-up to external audit findings is in progress
- Transfer compliance report is in progress for the 3rd quarter
- Southwest Fire Station to be distributed at the next Finance meeting
- Waste Water Treatment Plant – Capital Expenses 1-1-2008 - 6-30-2011 will be distributed at the next meeting
- Audit of Pagoda improvements is in progress
- Audit of City Park improvements is in progress

Update on Correction of Repeat External Audit Findings

The Committee reviewed the report attached to the agenda and distributed to Council on October 4th titled 2010 External Audit Findings.

Mr. Geffken explained that each finding contains a recommendation, specific management action and a correction status. He noted that the Administration is meeting with Herbein & Co. on November 30th to discuss closing entries and settlement of the due to/due froms.

Mr. Acosta inquired if the Administration has corrective policies around credit card usage. Mr. Geffken stated that the policy regarding credit card usage is in progress.

Mr. Geffken explained that the Administration is exploring the purchase of new payroll software systems. Ms. Kelleher inquired when payroll will be outsourced as per the Act 47 Recovery Plan. Mr. Geffken replied that that issue is in progress. He stated that an alternate payroll system is being sought because the upgrade to the PDS payroll system will cost between \$40K and \$100K.

Mr. Acosta inquired about the Micro-Loan program identified in the external audit and questioned if a signed contract was provided. Mr. Geffken stated that a sign contract was provided; however he is unsure if the document is dated. Mr. Cituk noted that even if the contract was properly executed Council did not approve the transfer of the funds. Mr. Geffken stated that the dollars have been transferred back to the City's control. He promised to provide a report.

Mr. Spencer inquired about the refinancing of the Hydro-Jet loan. Mr. Younger noted the need for Hydro-Jet to obtain an extension as the refinancing is time sensitive. Mr. Geffken stated that Mr. McMahon and Mr. Wright are working on this issue and promised to provide a report. He noted that Council approval will be required for this transaction.

Cash Flow Income Statement Review

Mr. Geffken stated that a \$1.5M projected year-end deficit is expected prior to the settlement of the due to/due froms equal to \$13.2M. He stated that the time period for the due to/due froms ran back ten (10) years from August 31st, 2011. He stated that an attempt was made to go back further than ten (10) years but the data was too sketchy.

Mr. Waltman noted that if the due to/ due froms settlement would have occurred last year the Unfunded Debt Bond transaction could have been greatly reduced. He suggested paying part of that debt to reduce the overall debt payment, which would save approximately \$320K annually.

IT Report

Mr. Tangredi reviewed the report attached to the Finance agenda. He stated that the IT Department is moving email service to a government Google program which will increase the users storage space and increase available server space in IT. He explained that the Codes Wireless IPads will begin testing next week. He also stated that the Citizen Service Center renovations have been re-bid.

Mr. Acosta noted that on the City's website the Mayor is listed as an individual and separate entity in the index; however, City Council is located under the City Department tab which makes it difficult for people to locate. He requested that the placement of the City Council page be adjusted to make it more easily accessible.

Status of Linebarger Contract

Mr. Geffken reported that the Linebarger contract has been terminated. Mr. Younger stated that the City is awaiting the return of files transferred to Linebarger. When the files are received, an RFP will go out for a new collection service for all fees but Trash and Recycling collected by Portnoff, property tax collected by the County Treasurer, and EIT collected by Berks EIT.

CDBG – Spent –VS- Unspent

Ms. Kelleher distributed the report prepared and submitted by Mr. Wright.

The Finance meeting adjourned at approximately 6:15 pm.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk

From: David M. Cituk
Sent: Tuesday, August 09, 2011 1:49 PM
To: Linda A. Kelleher
Cc: John B. Nagel; Francis Acosta; Donna Reed; Jeff Waltman; Carl E. Geffken
Subject: RE: Reminder - Audit Issues

To all,

Here are some areas which the Auditor's office will provide reports/analysis/audits during the remainder of 2011.

- City Park Improvements
- Pagoda Improvements
- WWTP Capital expenses (1/1/2008-6/30/2011)
- Southwest Fire Station (post-completion audit)
- Compliance-transfers
- Follow-up to external audit findings
- 2011 tax-exempt properties analysis
- Fire escrow audit (2009-2010)

Dave

From: Linda A. Kelleher
Sent: Wednesday, August 03, 2011 1:38 PM
To: David M. Cituk
Cc: John B. Nagel; Francis Acosta; Donna Reed; Jeff Waltman; Carl E. Geffken
Subject: Reminder - Audit Issues

Hey Dave...just a reminder that you promised the Finance Committee to select your internal audit action areas and issues before the August Finance Meeting, which is scheduled for 8-25.

*Linda A. Kelleher CMC, City Clerk
City of Reading
815 Washington Street
Reading, PA 19601
Phone 610.655.6204*

SUMMARY OF FINDINGS FROM 2010 EXTERNAL AUDIT

Modified Accrual	2010	2009	2008	2007		2005		
Cash Disbursements - Segregation of Duties	2010	2009	2008					
Pension Reporting	2010	2009	2008	2007	2006			
Pension Compliance	2010	2009	2008	2007				
Account Reconciliations	2010							
Time Card Approval	2010							
Financial Reporting to Management	2010	2009	2008					
Compensated Absence Liability	2010							
Purchasing Card Procedures	2010							
Billing - Revenue/Accounts Receivable water/sewer	2010							
Micro Loan Program Approval	2010							
Monitoring - State Grants	2010							
Preparation of SEFA	2010							
Grant Receipts	2010	2009	2008	2007	2006	2005	2004	2003
Federal Grants ie cash disburse. & acct recon	2010	2009	2008	2007	2006	2005	2004	2003
Federal Grants ie purchasing cards	2010							
Inadequate Documentation - CDBG Admin	2010							
Quarterly performance reports not filed timely - NSP2	2010							
Unclaimed Property		2009	2008	2007	2006			
Segregation of Duties Bank Reconciliations		2009	2008	2007	2006	2005	2004	2003
DCED Reporting Requirements		2009	2008	2007				
Information Technology		2009	2008	2007	2006		2004	



MEMORANDUM

TO: Carl E. Geffken, David Cituk, External Auditors
FROM: Christian F. Zale, City Controller
DATE: December 7, 2011
SUBJECT: 2010 External Audit Findings – November 2011 Review

FINANCIAL STATEMENT AUDIT

10-1 Modified Accrual (2010, 2009, 2008, 2007)

Condition: Accounts payable and accounts receivable have not been reconciled on a monthly basis.

Recommendation: All accounts should be reconciled on a timely basis.

Management Action: The Administrative Services Department will reconcile accounts on a monthly basis.

Current Status: Accounts payable reconciled through October 31, 2011. Accounts receivable aging report has been generated as of November 30, 2011. Both accounts payable and receivable November 30, 2011 reconciliations will be completed by December 15, 2011.

10-2 Cash Disbursements – Segregation of Duties (2010, 2009, 2008)

Condition: Disbursement process for authorization not being followed.

Recommendation: Implement prior process which includes appropriate segregation of duties, management oversight and timely payment of invoices.

Management Action: Effective January 1, 2011, a new procedure has been implemented to obtain review and sign off by the City Controller, Purchasing Coordinator, Director of Administrative Services and Managing Director according to a specified spending threshold.

Current Status: New procedure in place and completed management's action. **This finding is considered resolved.**

10-3 Pension Reporting (2010, 2009, 2008, 2007, 2006)

Condition: Preparation of the AG-385 reports has not been correctly reported because of personnel turnover by the Pension Administrator and with the Finance Department.

Recommendation: The Internal Auditor's Office should oversee the preparation of the AG-385 report.

Management Action: The Pension Coordinator meets weekly with the Administrative Services director and City Auditor.

The preparation of the AG-385 for 2010 involved the Pension Coordinator, City Auditor, City Controller, Accounting Manager Administrative Director and his Confidential Secretary. Staff expects the 2010 filing to be error free.

Current Status: Implemented and completed management's action. **This finding is considered resolved.**

10-4 Pension Compliance (2010, 2009, 2008, 2007)

Condition: Benefits granted to union employees that were not within the parameters if the established codes.

Recommendation: The City should evaluate the state code and City Charter to insure pension compliance prior to settlement of union contract. Also, the City should monitor remitting funding obligations to each fund.

Management Action: The Act 47 Recovery Plan is taking an active role in all negotiations resulting in negotiating new labor contracts which comply with all state and local laws.

Current Status: Completed Fire negotiations in March 2011 according to the recovery plan. Police and O&E currently negotiating.

10-5 Account Reconciliations / Adjustments (2010)

Condition: Turnover in key financial management positions caused many reconciliations not being performed timely and accurately.

Recommendation: Review policies and procedures to ensure appropriate individual is assigned the proper task. Also, review job description and responsibility to allow the most efficient flow of information.

Management Action: The City Controller has establish a monthly schedule and assign responsibility of all accounts that will be reconciled. This will enable the staff to make year end adjustments.

Current Status: Various accounts are currently reconciled; while the remaining will be assigned. Year end adjustments will be coordinated with external auditors in a timely manner.

10-6 Time Card Approval (2010)

Condition: Current internal control procedures for hourly employees state that the employee, time keeper and department head sign off time cards to ensure accuracy and approval of the hours worked. This is not constantly occurring.

Recommendation: The City should follow established internal control procedure. Also, the timekeeper, payroll clerk and city auditor should monitor the approval and reporting process to ensure procedure compliance.

Management Action: In addition to complying with the recommendation, the City is contemplating switching payroll systems, part of which would electronically collect time, requiring management to authorize time records.

Current Status: All O&E employees are signed off by department heads. Police "hour exceptions", such as overtime and LOA, are individually approved by supervisors. Fire time card signed off by time keeper. **This finding is considered resolved.**

10-7 Financial Reporting to Management (2010, 2009, 2008)

Condition: Current information provided to City Council is inadequate. Meaningful information, timeliness and format showing true cost of operations compared to budget did not exist.

Recommendation: The Finance Department should revisit the information distributed to senior management and City Council to ensure accurate, timely and meaningful information.

Management Action: Prepare a cash flow report and income statement, both comparing actual versus plan and prior year on a monthly basis.

Current Status: The Finance Department provides senior management and City Council with a monthly cash flow report with narrative, along with an income statement comparing actual versus plan. Prior year information should be added to the income statement.

10-8 Compensated Absence Liability (2010)

Condition: An inconsistency exists between time earned by employees and the hours accrue in the payroll system (PDS) for the liability.

Recommendation: Management needs to manually track this information until the issue with the payroll system is resolved.

Management Action: Compensated absences have been tracked manually for the first half of 2011. Corrections to the payroll system have implemented in July 2011.

Current Status: Corrections are maintained. **This finding is considered resolved.**

10-9 Purchasing Card Procedures (2010)

Condition: No review occurred of purchasing card activity by upper management.

Recommendation: Director of Administrative Services should review purchasing card activity for unusual or excessive items.

Management Action: The Managing Director and Director of Administrative Services will review monthly statements for propriety.

Current Status: Management actions implemented. **This finding is considered resolved.**

10-10 Billing-Revenue/Accounts Receivable Water/Sewer (2010)

Condition: Account receivable report not generated at month end and reconciliation not performed. Past due accounts not analyzed for collectability.

Recommendation: To ensure an accurate monthly accounts receivable cutoff, coordinate cash application with Treasury when generating the report. Account reconciliation between report and trial balance is required. Also, the report must be reviewed for past due accounts.

Management Action: Management will implement recommendations.

Current Status: Currently, the month end receivable report is generated. The account reconciliation and collection effort need attention. Goal is to implement these two items in December 2011.

10-11 Micro Loan Program Approval (2010)

Condition: Approval of not always obtained for contract for services with a third party.

Recommendation: The City should implement a policy to obtain City Council approval when contracting with a third party.

Management Action: Implement the recommendation.

Current Status: All City contracts are reviewed by the City Solicitor and properly executed. **This finding is considered resolved.**

10-12 Monitoring State Grants (2010)

Condition: Some proper documentation supporting expenses related to certain grant funds were not available. In addition, expenditures were not recorded on the City's general ledger. The City is also not maintaining an accurate listing of all state awards that have been applied for and the status of these awards.

Recommendation: The City should re-evaluate its procedure for handling state grants to allow proper documentation of the award and related expenditures. Procedures should include verifying to allow ability of costs and monitoring sub recipients. Also the City should provide a listing of awards applied for and received be maintained to allow the monitoring of Grant status. With the involvement of Reading Redevelopment Authority (RRA), open communication between the City grant coordinator and the Authority is important.

Management Action: The City recently hired a Grants Accountant to staff. This Accountant will work closely with the Grants Coordinator to ensure proper documentation is retained, along with maintaining a comprehensive listing of awards. Coordination between RRA and grants staff will improve.

Current Status: These recommendations require attention with a defined implementation plan identified by the end of December 2011.

10-13 Preparation of Schedule of Expenditures of Federal Awards (SEFA) (2010)

Condition: The City does not prepare a SEFA containing all required information. The external auditor prepared the SEFA. Also, certain federal awards were not identified at all.

Recommendation: To be aware of all compliance requirements from the A-133 Compliance Supplement and prepare a complete and accurate SEFA, management should have an awareness of CFDA number and Clusters.

Management Action: The Grants Account will prepare the SEFA schedules as required.

Current Status: No action taken; need implemented by the end of December 2011.

FEDERAL AWARD PROGRAM AUDIT

10-14 Grant Receipts (2010, 2009, 2008, 2007, 2006, 2005, 2004, 2003)

Condition: Enhanced communication needed between Community Development (CD) and Finance to improve timeliness of IDIS reporting on a more consistent manner with the general ledger. Also, no reconciliation performed of actual expenses paid on the general ledger to the IDIS draw downs.

Recommendation: The CD Fiscal Officer is responsible for timely draw downs, insuring expenditures are recoded on the general ledger and a monthly reconciliation is performed comparing draw downs to the general ledger. The CD Fiscal Officer should have access to the general ledger software (USL).

Management Action: The CD Fiscal Officer position will relocate into the Finance division. This will provide for timely draw downs, accurate accounting, proper training and timely reconciliations.

Current Status: The CD Fiscal Officer has been transferred to the position of Waste Water Treatment Project Accountant. He continues supporting CD until a replacement is hired. This employee recently moved to the Finance division area. CD accounts are reconciled to the general ledger as of October 31, 2011. These accounts will be reconciled on a monthly basis.

This finding is considered resolved.

10-15 Allowable Costs-Inadequate Documentation for Administrative Expenses via Purchasing Card (2010)

Condition: Some expenditures applied to various grants and contracts did not have adequate documentation to confirm the expense was necessary and reasonable to the administration of the program. Some administrative expenses charged to the program were unallowable such as donations and entertainment. All of the aforementioned charges were done through purchasing card transactions.

Recommendation: The city should establish effective controls to monitor this area plus have appropriate personnel to maintain a listing of allowable costs under federal regulations noted above and review all administrative costs charged to the program against these listings. Training on unallowable costs should be held.

Management Action: The Managing Director and Director of Administrative Services will review and approval all program and administrative costs for propriety.

Current Status: The Managing Director and Director of Administrative Services review monthly statements for propriety. **This finding is considered resolved.**

10-16 Reporting-Quarterly Performance (NSP2) Reports Not Filed Timely (2010)

Condition: The first, second and third quarter NSP2 reports were submitted late. The Disaster Recovery Gant Report (DRGR) system generating the reports was not operating properly which caused delays. Each of the reports for the noted three quarters were reviewed and approved by the applicable federal agency.

Recommendation: The Director of Community Development should review the quarterly reports before they are submitted to ensure they are accurate and performed timely.

Management Action: The Director of Community development will review the quarterly reports to ensure accuracy and timeliness.

Current Status: The Director of Community is reviewing the quarterly reports. The 2010 fourth quarter and the first, second and third quarter reports for 2011 have been properly reviewed and issued on time. **This finding is considered resolved.**

**General Fund
Due To/Due From
Reconciliation as of
August 31, 2011**

<u>FUND</u>	GENERAL
General (01)	n/a
Agency (31)	905,446.48
Community Development (32)	1,512,977.44
Capital Projects (34)	-
Liquid Fules (35)	-
Redevelopment Authority (41)	-
Water (50)	3,098,734.11
Self Insurance (52)	2,586,974.94
Sewer (54)	5,805,190.99
Trash/Recycling (56)	1,871,767.23
EIT (60)	-
Total DTFD to the General Fund	15,781,091.19
Less: Water (50)	(3,098,734.11)
Total DTFD to be Transferred	12,682,357.08
Amounts Transferred 12/8/11:	
Agency (31)	905,446.48
Community Development (32)	1,000,000.00
Sewer (54)	5,805,190.99
Trash/Recycling (56)	1,871,767.23
Amount Remaining to be Transferred	3,099,952.38

City of Reading, PA
General Fund Income Statement
As of November 30, 2011

	2011 Budget	2011 Year to Date	% of Budget
Revenues			
Real Estate Taxes	18,966,209.00	18,131,298.00	96%
Earned Income Tax	11,797,117.00	8,623,930.00	73%
Act 511 Taxes	5,606,445.00	4,117,784.00	73%
Licenses, Permits & Fines	6,190,113.00	4,166,474.00	67%
Intergovernmental	9,762,175.00	8,708,785.00	89%
Charges for Services	3,871,811.00	3,792,611.00	98%
Interest and Rent	4,280,200.00	879,798.00	21%
Other	4,299,700.00	2,855,229.00	66%
	-		
TOTAL REVENUES	\$ 64,773,770.00	\$ 51,275,909.00	79%
Expenditures			
Mayor	281,231.00	218,693.00	78%
City Council	282,701.00	246,538.00	87%
City Auditor	155,104.00	130,267.00	84%
Managing Director	312,435.00	260,303.00	83%
Finance	3,614,248.00	3,881,636.00	107%
Public Works	5,986,499.00	5,774,392.00	96%
Police	26,138,495.00	22,887,087.00	88%
Fire	14,321,626.00	12,047,670.00	84%
Community Development	2,746,469.00	2,308,476.00	84%
Human Resources	592,004.00	437,286.00	74%
Law	765,787.00	610,093.00	80%
Library	800,875.00	650,100.00	81%
Non-Departmental	2,346,400.00	1,495,285.00	64%
Board of Ethics	2,500.00	6,713.00	269%
Human Relations Commission	229,316.00	185,905.00	81%

Debt Service	11,718,145.00	32,094,716.00	274%
	\$	\$	
TOTAL EXPENDITURES	70,293,835.00	83,235,160.00	118%

Excess (Deficiency) of			
	\$	\$	
Funding Sources of Uses	(5,520,065.00)	(31,959,251.00)	

OTHER FINANCING SOURCES (USES)

Bond Proceeds	\$ -	\$ 21,265,000.00	
Transfers In	7,222,500.00	7,888,333.00	109%
Transfers	(1,702,435.00)	(567,478.00)	33%
	\$		
TOTAL OTHER FINANCING SOURCES	5,520,065.00	28,585,855.00	

**Excess of Revenues and other
Financing
Sources Over (Under) Expenditures and**

Other Financing Uses	\$ -	(3,373,396.00)	
-----------------------------	------	----------------	--

**City of Reading, PA
General Fund Income Statement
As of November 30, 2011**

	2011 Budget A	2011 Year to Date B	% of Budget	2011 Remaining Budget C	% of Budget	2011 Remaining Projection D	% of Budget	2011 Projected E
Revenues								
Real Estate Taxes	18,966,209.00	18,131,298.00	96%	834,911.00	4%	150,000.00	1%	18,281,298.00
Earned Income Tax	11,797,117.00	8,623,930.00	73%	3,173,187.00	27%	2,855,125.00	24%	11,479,055.00
Act 511 Taxes	5,606,445.00	4,117,784.00	73%	1,488,661.00	27%	250,000.00	4%	4,367,784.00
Licenses, Permits & Fines	6,190,113.00	4,166,474.00	67%	2,023,639.00	33%	500,000.00	8%	4,666,474.00
Intergovernmental	9,762,175.00	8,708,785.00	89%	1,053,390.00	11%	1,420,000.00	15%	10,128,785.00
Charges for Services	3,871,811.00	3,792,611.00	98%	79,200.00	2%	250,000.00	6%	4,042,611.00
Interest and Rent	4,280,200.00	879,798.00	21%	3,400,402.00	79%	70,000.00	2%	949,798.00
Other	4,299,700.00	2,855,229.00	66%	1,444,471.00	34%	1,523,162.00	35%	4,378,391.00
	-							
TOTAL REVENUES	\$ 64,773,770.00	\$ 51,275,909.00	79%	\$ 13,497,861.00	21%	\$ 7,018,287.00	11%	\$ 58,294,196.00

Expenditures

Mayor	281,231.00	218,693.00	78%	62,538.00	22%	62,538.00	22%	281,231.00
City Council	282,701.00	246,538.00	87%	36,163.00	13%	36,163.00	13%	282,701.00
City Auditor	155,104.00	130,267.00	84%	24,837.00	16%	24,837.00	16%	155,104.00
Managing Director	312,435.00	260,303.00	83%	52,132.00	17%	52,132.00	17%	312,435.00
Finance	3,614,248.00	3,881,636.00	107%	(267,388.00)	-7%	200,000.00	6%	4,081,636.00
Public Works			96%		4%	212,107.00	4%	

	5,986,499.00	5,774,392.00		212,107.00				5,986,499.00
Police	26,138,495.00	22,887,087.00	88%	3,251,408.00	12%	3,443,408.00	13%	26,330,495.00
Fire	14,321,626.00	12,047,670.00	84%	2,273,956.00	16%	2,273,956.00	16%	14,321,626.00
Community Development	2,746,469.00	2,308,476.00	84%	437,993.00	16%	437,993.00	16%	2,746,469.00
Human Resources	592,004.00	437,286.00	74%	154,718.00	26%	154,718.00	26%	592,004.00
Law	765,787.00	610,093.00	80%	155,694.00	20%	155,694.00	20%	765,787.00
Library	800,875.00	650,100.00	81%	150,775.00	19%	150,775.00	19%	800,875.00
Non-Departmental	2,346,400.00	1,495,285.00	64%	851,115.00	36%	851,115.00	36%	2,346,400.00
Board of Ethics	2,500.00	6,713.00	269%	(4,213.00)	-169%	3,532.00	141%	10,177.00
Human Relations Commission	229,316.00	185,905.00	81%	43,411.00	19%	43,411.00	19%	229,316.00
Debt Service	11,718,145.00	32,094,716.00	274%	(20,376,571.00)	-174%	594,149.00	5%	32,688,865.00
	\$	\$		\$				\$
TOTAL EXPENDITURES	70,293,835.00	83,235,160.00	118%	(12,941,325.00)	-18%	\$ 8,696,528.00	12%	91,931,620.00

Excess (Deficiency) of

Funding Sources of Uses

\$	\$	\$	\$	\$
(5,520,065.00)	(31,959,251.00)	26,439,186.00	(1,678,241.00)	(33,637,424.00)

OTHER FINANCING SOURCES (USES)

Bond Proceeds	\$ -	\$ 21,265,000.00		(21,265,000.00)		\$ -		21,265,000.00
Transfers In	7,222,500.00	7,888,333.00	109%	(665,833.00)	-9%	(665,833.00)	-9%	7,222,500.00
Transfers	(1,702,435.00)	(567,478.00)	33%	(1,134,957.00)	67%	(1,134,957.00)	67%	(1,702,435.00)
	\$							
TOTAL OTHER FINANCING SOURCES	5,520,065.00	28,585,855.00		(23,065,790.00)		(1,800,790.00)		26,785,065.00

Excess of Revenues and other Financing

Sources Over (Under) Expenditures and

Other Financing Uses	\$	-	(3,373,396.00)	3,373,396.00	(3,479,031.00)	(6,852,359.00)
-----------------------------	----	---	----------------	--------------	----------------	----------------

City of Reading, PA

Cash Flow Projection

November 30, 2011 Cash Balance	\$ 2,471,552
December 31, 2011 Activity:	
Excess of Revenues and other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (3,479,031)
	<hr/>
December 31, 2011 Cash Balance before Adjustments	\$ (1,007,479)

Adjustments:

Due To / Due From Balances:	Beginning to 12/31/2010	1/1/2011 to 8/31/2011
Community Development	\$1,000,000	\$ -
Sewer	\$5,805,191	\$ -
Recycle/Trash	\$1,871,767	\$ -
Self Insurance	\$2,586,975	\$ -
Water	\$ -	\$ -
Agency	\$830,267	\$75,179
Total		\$12,169,379

Reimbursement of Prior Period Pension Corrections	\$ <u>(1,342,527)</u>
---	--------------------------

Net Adjustments	\$ <u>10,826,852</u>
------------------------	---------------------------------

Estimated December 31, 2011 Cash Balance	\$ <u>9,819,373</u>
---	--------------------------------

City of Reading Community Development

12/14/2011						Available to go	Percentage	
YEAR	Allocated	Spent		Total	Unspent	Back into LOC	Completion	
		Entitlement	Program Income	Spent				
2009 CDBG								
Centre Park Historic District Artifacts Bank	25,500.00	25,500.00		-	25,500.00		0%	
NORTHMONT PLAYGROUND	130,000.00	130,000.00		130,000.00	-		100%	
TOTAL	155,500.00	155,500.00						
		155,500.00		130,000.00	25,500.00		84%	
CDBG-R								
CDBG-R Administration	82,821.00	82,821.00		40,095.42	42,725.58		48%	
500 block Franklin St. CDBG-R	194,796.00	194,796.00		31,881.00	162,915.00		16%	
Blighted Property Review Committee CDBG-R	83,000.00	83,000.00		58,007.03	24,992.97		70%	
300-400 blocks Court St. CDBG-R	75,600.00	75,600.00		54,295.84	21,304.16		72%	
TOTAL	436,217.00	436,217.00		184,279.29	251,937.71		42%	
HPRP								
Opportunity House - HPRP	1,169,670.00	1,169,670.00		785,421.83	384,248.17		67%	
HPRP Admin	30,000.00	30,000.00		20,987.02	9,012.98		70%	
Human Relations Commission - HPRP	67,351.00	67,351.00		44,745.55	22,605.45		66%	
TOTAL	1,267,021.00	1,267,021.00		851,154.40	415,866.60		67%	

2011 CDBG				-				
3rd and Spruce Basketball Courts	70,000.00	70,000.00		-	70,000.00			0%
Library Improvements	150,000.00	150,000.00			150,000.00			0%
Olivet's Boys & Girls Clinton St Pool	88,000.00	88,000.00			88,000.00			0%
5th & Bingaman Traffic Signal	25,000.00	25,000.00			25,000.00			0%
Schlegel Park Pool Improvements	130,000.00	130,000.00			130,000.00			0%
11th and Pike Playground Improvements	122,080.00	122,080.00		44.04	122,035.96			0%
Abraham Lincoln Hotel Section 108 Loan Payment	240,000.00	240,000.00		216,691.25	23,308.75			90%
Adopt-A-Tree	-	-		-	-			
Barbey Playground	251,000.00	251,000.00		-	251,000.00			0%
BCTV	75,000.00	75,000.00		56,250.00	18,750.00			75%
CDBG Program Administration	499,902.00	499,902.00	\$88,251.52	240,280.74	259,621.26			48%
Code Enforcement - PMI	427,500.00	427,500.00		367,679.93	59,820.07			86%
Code Enforcement - Trades	170,000.00	170,000.00		129,076.30	40,923.70			76%
Facade Improvements – Commercial	50,000.00	50,000.00		-	50,000.00			0%
Emergency Demos	375,000.00	375,000.00		267,942.69	107,057.31			71%
Liberty Fire Station	26,000.00	26,000.00		22.02	25,977.98			0%
NHS Home-ownership Assistance	75,000.00	75,000.00		-	75,000.00			0%
NHS Major System Rehabilitation	75,000.00	75,000.00		-	75,000.00			0%
N 14 St Speed Tables	35,000.00	35,000.00		17,080.79	17,919.21			49%
Pendora Park	10,000.00	10,000.00		110.10	9,889.90			1%
Reading Iron Playground Improvements	125,000.00	125,000.00		44.04	124,955.96			0%

Facade Improvements – Residential	35,000.00	35,000.00		-	35,000.00			0%
Public Services – Activity Delivery Expenses	11,000.00	11,000.00		-	11,000.00			0%
Northwest Tennis Program	4,000.00	4,000.00		-	4,000.00			0%
Baer Park Boxing Program	4,000.00	4,000.00		22.02	3,977.98			1%
Community Policing	286,109.21	286,109.21		232,612.03	53,497.18			81%
Human Relations Fair Housing	19,000.00	19,000.00		14,491.94	4,508.06			76%
NEAR – Pendora	9,000.00	9,000.00		44.04	8,955.96			0%
Oakbrook Tennis Program	4,000.00	4,000.00		-	4,000.00			0%
Olivet's Southeast Program	74,000.00	74,000.00		57,883.46	16,116.54			78%
Olivet's & Library Summer Program	14,000.00	14,000.00		14,000.00	-			100%
RAFT - 3rd and Spruce	5,000.00	5,000.00		22.02	4,977.98			0%
Riverside Tennis Program	4,000.00	4,000.00		-	4,000.00			0%
Southern Tennis Program	4,000.00	4,000.00		-	4,000.00			0%
TOTAL	3,492,591.21	3,492,591.21	88,251.52	1,614,297.41	1,878,293.80			46%
<u>ESG</u>								
Emergency Shelter Grant Admin	6,773.84	6,773.84		3,202.84	3,571.00			47%
Opportunity House- operations	6,126.65	6,126.65		1,214.15	4,912.50			20%
Opportunity House- essential svcs	11,000.00	11,000.00		8,935.91	2,064.09			81%
TOTAL	23,900.49	23,900.49		13,352.90	10,547.59			56%
<u>HESG</u>								
Emergency Shelter Grant Admin	6,800.00	6,800.00		-	6,800.00			0%
Homeless Prv - Catholic Charities	8,000.00			-	8,000.00			0%

		8,000.00						
Mary's Shelter - Operations	36,405.60	36,405.60		9,696.74	26,708.86			27%
Mary's Shelter - Essential Services	84,946.40	84,946.40		9,806.36	75,140.04			12%
TOTAL	136,152.00	136,152.00		19,503.10	116,648.90			14%
<u>Other Accounts</u>	Balances	Add	Interest	Spent	Balances			
EZ FRED	29,880.39			20,000.00	9,880.39			
HOME PROG INC	7,534.93	8,911.85		7,534.93	8,911.85			
CDBG PROG INC	70,756.66	10,390.18		81,146.84	-			
UDAG	209,879.98	30,000.00		57,841.92	182,038.06			
SEC 108	452,652.51	675,454.70		753,221.07	374,886.14			
STATE OF PA - CDC (Microloan Prog)	550,000.00	20,000.00		97,124.14	472,875.86			
FAMILY BUSINESS PROGRAM	570,180.58		2,130.94	-	572,311.52			
CDBG EN Borrowed from 2010	258,781.91			-	258,781.91			
CDBG PI spent for 2011 Projects	125,032.13			-	125,032.13			
TOTAL CDBG EN BALANCE(12/12/11)	\$2,579,029.81			-	2,579,029.81			
TOTAL CDBG PI BALANCE (12/12/11)	-			-	-			
<u>CDBG Funds To Be Spent</u>								
Line of Credit	\$2,579,029.81							
TTL CDBG 2009 - 2011 To Be Spent	2,382,898.95							
Difference	196,130.86							
<u>CDBG 2011 Timelines Test</u>								
**Timelines Test Amount	4,206,765.00							
Estimated Line of Credit								

	2,579,029.81							
Over/(under Cap)	(1,627,735.19)							

**Note: In compliance with CDBG Timelines rules by November 1, 2011, CDBG line of credit must be below \$4,206,765.00 (current year grant times 1.5)

PR 02/PR 27 HOME program reconcilliation						12/12/2011
Program Year	Grant Balance (PR 27)	Admin Balance (PR 27)	OCR Balance (PR 02)	NHS Balance (PR 02)	Unprogrammed	
2008	\$ 55,070.05	\$ 10,113.67	\$ -	\$ 46,249.00	(1,292.62)	
2009	\$ 267,838.00	\$ 107,135.20	\$ 26,620.46	\$ 128,303.83	5,778.51	
2010	\$ 878,400.48	\$ 106,811.40	\$ (20,274.71)	\$ 44,423.84	706,890.53	
2011	\$ 943,508.00	\$ 94,350.80	\$ 801,085.50	\$ 160,217.10	(112,145.40)	
Current	\$ 2,144,816.53	\$ 318,411.07	\$ 807,431.25	\$ 379,193.77	\$ 599,231.02	