

CITY AUDITOR'S REPORT

MONDAY, OCTOBER 10, 2016

HAPPY COLUMBUS DAY

MUNICIPAL SEWAGE RATE CALCULATIONS 4/1/17 – 3/31/18

THE NEW **MUNICIPAL** SEWAGE RATE CALCULATIONS AND NOTIFICATIONS WERE COMPLETED ON SEPTEMBER 30, 2016. THE NEW RATE, WHICH GOES INTO EFFECT ON 4/1/17 - 3/31/18, IS **2.31% LOWER** THAN THE CURRENT RATE.

THE TREATMENT RATE AND THE TRANSPORTATION RATE BOTH DECREASED COMPARED TO LAST YEAR.

THIS CHART LISTS THE MUNICIPAL SEWAGE RATES FROM 4/1/99-3/31/18:

YEAR	TREATMENT	TRANSPORTATION	TOTAL	% CHANGE
4/1/17-3/31/18	237.73	52.75	290.49	-2.31%
4/1/16-3/31/17	243.99	53.37	297.35	+3.63%
4/1/15-3/31/16	242.49	44.45	286.94	+5.03%
4/1/14-3/31/15	233.57	39.62	273.19	-2.30%
4/1/13-3/31/14	243.86	35.75	279.61	-3.30%
4/1/12-3/31/13	255.55	33.60	289.15	-0.53%
4/1/11-3/31/12	252.00	38.70	290.70	+16.41%
4/1/10-3/31/11	220.17	29.56	249.73	+7.92%
4/1/09-3/31/10	205.02	26.39	231.41	-3.35%
4/1/08-3/31/09	210.69	28.75	239.44	+16.00%
4/1/07-3/31/08	179.04	27.38	206.42	+20.33
4/1/06-3/31/07	151.06	20.19	171.55	-0.64%
4/1/05-3/31/06	154.62	18.03	172.65	+21.70%
4/1/04-3/31/05	125.05	16.81	141.86	+4.16%
4/1/03-3/31/04	122.07	14.13	136.20	+ 1.09%
4/1/02-3/31/03	120.23	14.51	134.74	- 11.04%
4/1/01-3/31/02	134.18	17.27	151.45	+ 5.20%
4/1/00-3/31/01	130.62	13.34	143.96	+ 5.99%
4/1/99-3/31/00	123.45	12.37	135.82	

PENSION-STATE AID

WE RECENTLY RECEIVED \$3,517,215.54 FROM THE COMMONWEALTH OF PENNSYLVANIA FOR MUNICIPAL PENSION STATE AID. THE CITY BUDGETED \$3.2 MILLION AS REVENUE, THUS AN ADDITIONAL \$317,215.54 IN ADDITIONAL FUNDING IN 2016.

THE TOTAL MMO (MINIMUM MUNICIPAL OBLIGATION) FOR 2016 IS \$15,487,100.47, THUS AFTER SUBTRACTING STATE AID THE CITY STILLS IS REQUIRED TO CONTRIBUTE AN ADDITIONAL \$11,969,884.93 BY DECEMBER 31,2016.

I WILL PRESENT IN MY NEXT REPORT A MULTI-YEAR CHART SHOWING THE ANNUAL MMO, STATE AID & NET CITY CONTRIBUTIONS WHICH WILL REVEAL HOW PENSION COSTS HAVE GREATLY EFFECTED OUR BUDGETING & FISCAL DISTRESS LEVELS.

2015 CITY AUDIT UPDATE

ON FRIDAY OCTOBER 7TH, THE ACTING DIRECTOR OF ADMINISTRATIVE SERVICES, CONTROLLER, ACCOUNTING/TREASURY MANAGER AND I MET WITH AUDIT PARTNER (CHRISTOPHER TURTELL) FROM HERBEIN & COMPANY TO DISCUSS THE 2015 "DRAFT" AUDIT.

THE FOLLOWING IS THE CURRENT TIMELINE REGARDING THE 2015 AUDIT:

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| 1. 10/7/16 | "DRAFT" AUDITS TO ADMINISTRATION & CITY COUNCIL |
| 2. 10/11/16 | MEETING WITH AUDIT COMMITTEE |
| 3. 10/17/16 | MEETING W/CITY COUNCIL AND AUDIT COMMITTEE |
| 4. 10/24/16 | 2015 FINAL AUDIT PRESENTATION AT COUNCIL MEETING |

AT THE LAST REGULARLY SCHEDULED COUNCIL MEETING IN OCTOBER (10/24), REPRESENTATIVES FROM HERBEIN & COMPANY, OUR EXTERNAL AUDITORS, WILL FORMALLY PRESENT THE RESULTS OF THE 2015 AUDIT TO THE MAYOR, COUNCIL AND THE GENERAL PUBLIC.