

**INTER-OFFICE MEMORANDUM**

**CITY OF HARRISBURG**

June 10, 2011

**TO:** Mayor Linda Thompson  
City Council Members  
Paul Wambach, Treasurer

**FROM:** Daniel Miller  
Controller

**SUBJECT:** General Fund Cash Flow Analysis

Attached is the City's 2010 cash flow analysis with actual collections and disbursements through May 30, 2011. Several items of significance regarding the reports are as follows:

1. The 2011 year-end projected cash deficit is \$5.35 million. This is calculated as follows: Projected revenues and transfers of \$52.87 million less projected operating expenses of \$45.22 million and debt service of \$10.77 million. This results in a 2011 projected budgetary deficit of \$3.12 million. From this, 2010 year-end negative cash balance of \$1.15 million is deducted along with 2010 year-end accounts payable balance of \$1.08 million.
2. The attached cash flow analysis uses 2010 General Fund actual revenues as a projection for current year performance and those numbers are replaced with actual 2011 data as it becomes available. Currently, actual data is represented through May 2011.
3. The only revenue item that has been broken out separately in the revenue section is Administrative Service Charges, Transfers-In, and Harrisburg Parking Authority – Coordinated Parking Fund (HPA-CPF) Transfers. Since these sources represent nearly 30% of the projected 2011 revenue, and due to the fact that they can be drawn upon in times of need, they warranted separate disclosure.
4. You will also notice that 2011 projected year-end revenue of \$52.87 million is significantly less than 2010 actual collections of \$56.54 million. This is primarily due to the General Fund not anticipating receiving one-time administrative service charge revenues of \$4.21 million from the Water Fund, as it did during 2010.
5. General Expenses on the attached analysis represent all remaining expenditures other than payroll and fringe benefits, which themselves total approximately 68% of the projected 2011 expenditures. General expenses are projected based upon 2011 budgeted expenses of \$55.99 million less projected payroll, health insurance, and debt service expenditures.

If you have any questions or concerns, please feel free to contact the Controller's Office. Thank you.

cc: Beth Ann Gabler, City Clerk  
Robert Kroboth, Finance Director  
Celia Spicher, Deputy Treasurer  
File

Harrisburg City 2011 General Fund Cash Flow	ACTUAL					PROJECTED							Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Beginning Cash Balance <sup>(1)</sup>	\$ (2,228,797)	\$ (903,134)	\$ 12,034	\$ 3,419,660	\$ 1,658,551	\$ 1,051,253	\$ (121,271)	\$ (1,762,098)	\$ (537,846)	\$ (3,093,738)	\$ (3,910,138)	\$ (3,956,256)	\$ (2,228,797)
Revenue Less Admin/Transfer <sup>(2)</sup>	1,346,775	3,220,285	12,014,158	1,785,367	3,476,384	2,716,990	941,172	2,414,783	4,718,015	1,758,874	1,449,566	1,456,771	37,299,140
Admin Service/Transfers In <sup>(3)</sup>	2,841,865	800,000	2,700,000	650,000	-	46,310	1,400,000	2,435,089	807,500	1,476,724	2,416,859	-	15,574,347
Sub-Total Sources	\$ 1,959,843	\$ 3,117,151	\$ 14,726,192	\$ 5,855,027	\$ 5,134,935	\$ 3,814,553	\$ 2,219,901	\$ 3,087,774	\$ 4,987,669	\$ 141,860	\$ (43,713)	\$ (2,499,485)	50,644,690
Less:													
Payroll <sup>(4)</sup>	\$ 2,348,957	\$ 2,222,214	\$ 3,215,966	\$ 2,329,733	\$ 2,101,785	\$ 2,221,574	\$ 2,221,574	\$ 2,221,574	\$ 3,332,361	\$ 2,221,574	\$ 2,221,574	\$ 2,221,574	28,880,460
Health Insurance <sup>(5)</sup>	(3,767)	444,345	1,100,460	948,680	404,516	866,489	877,502	877,502	877,502	877,502	877,502	877,502	9,025,735
General Expense (All Other) <sup>(6)</sup>	161,407	438,559	1,665,106	561,684	803,735	526,544	526,544	526,544	526,544	526,544	526,544	526,547	7,316,302
Sub-Total Uses	\$ 2,506,598	\$ 3,105,118	\$ 5,981,532	\$ 3,840,097	\$ 3,310,036	\$ 3,614,607	\$ 3,625,620	\$ 3,625,620	\$ 4,736,407	\$ 3,625,620	\$ 3,625,620	\$ 3,625,623	\$ 45,222,498
Est. Resources Available for Debt Service	\$ (546,754)	\$ 12,034	\$ 8,744,660	\$ 2,014,930	\$ 1,824,898	\$ 199,946	\$ (1,405,719)	\$ (537,846)	\$ 251,262	\$ (3,483,760)	\$ (3,669,333)	\$ (6,125,108)	\$ 5,422,193
Debt Service:													
City Debt Payments <sup>(7)</sup>	\$ 356,379	\$ -	\$ 5,325,000	\$ 356,379	\$ 773,645	\$ 321,217	\$ 356,379	\$ -	\$ 3,345,000	\$ 426,378	\$ 286,923	\$ (776,644)	\$ 10,770,657
THA Debt Payments*	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	\$ 356,379	\$ -	\$ 5,325,000	\$ 356,379	\$ 773,645	\$ 321,217	\$ 356,379	\$ -	\$ 3,345,000	\$ 426,378	\$ 286,923	\$ (776,644)	\$ 10,770,657
Surplus/(Deficit)	\$ (903,134)	\$ 12,034	\$ 3,419,660	\$ 1,658,551	\$ 1,051,253	\$ (121,271)	\$ (1,762,098)	\$ (537,846)	\$ (3,093,738)	\$ (3,910,138)	\$ (3,956,256)	\$ (5,348,464)	\$ (5,348,464)

2009 Ending Cash Balance (comparison)	\$ 5,387,600	\$ 4,873,534	\$ 7,245,118	\$ 4,194,317	\$ 5,409,555	\$ 4,125,253	\$ 4,243,958	\$ 4,113,280	\$ 2,629,381	\$ (117,746)	\$ 117,815	\$ 1,527,333	
2010 Ending Cash Balance (comparison)	\$ 887,371	\$ 2,752,706	\$ 422,020	\$ 6,029,955	\$ 2,755,070	\$ 1,863,945	\$ (298,568)	\$ 952,699	\$ 164,427	\$ (68,298)	\$ 827,168	\$ (1,153,040)	

\*Assumes the City will not make any guarantee payments on behalf of THA for the 2011 year.

Required Debt Serv Res Fund Pymts	-	-	-	-	-	-	-	-	-	-	-	-	-
Req Debt Serv Res Fd Pymts/County	-	-	-	-	-	-	-	-	-	-	-	-	-
County Gauranteed Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
City General Fund Debt Payments:													
Capitalized Lease Obligation	356,379			356,379			356,379			356,379		236,455	1,661,972
G.O. Refunding Bonds - Series D of 1997			2,760,000						1,735,000				4,495,000
G.O. Refunding Notes - Series F of 1997			2,565,000						1,610,000				4,175,000
2008 PIB Loan \$2,400,000.00							297,742						297,742
Pension Bond (Retired in 2010)													-
HRA Guar. Revenue Note (TRAN)					321,744						85,520	(2,999)	404,265
HRA Guarr. Rev. Bonds-Ser A-2 of 2005					451,901						201,403		653,304
DCED Loan							23,475						23,475
PA Infrastructure Bank 2004 Loans										69,999			69,999
2010 City Debt Service Revenue <sup>(7)</sup>												(1,010,100)	(1,010,100)
	356,379	-	5,325,000	356,379	773,645	321,217	356,379	-	3,345,000	426,378	286,923	(776,644)	10,770,657

<sup>(1)</sup> December 2010 year-end cash balance per financial management system of negative \$1,153,040 plus year-end accounts payable balance of \$1,075,757. June through December are estimates based on projected/actual revenues and expenditures.

<sup>(2)</sup> Total General Fund revenue less administrative service charge, interfund transfers, and Harrisburg Parking Authority (HPA) Coordinated Parking Fund (CPF) transfers (See footnote three). Projected figures are 2010 actual receipts.

<sup>(3)</sup> Total budgeted administrative service charges, interfund transfers, and HPA-CPF transfers of \$15,574,347. Projected figures are 2010 actual receipts with November and December adjusted to reconcile to 2011 adopted budget.

<sup>(4)</sup> Projections based on average actual General Fund payroll of \$1,110,787 for January through May 2011.

<sup>(5)</sup> Projections based on actual incurred health benefits of \$3,760,723 through May (May benefits of \$866,489 expensed on June books).

<sup>(6)</sup> Based on total budgeted expenses of \$55,993,154 less projected payroll (footnote 4), projected health insurance (footnote 5), and budgeted transfers to the debt service fund (footnote 7).

<sup>(7)</sup> The City has budget \$1,010,100 million revenue in the Debt Service Fund from sale of artifacts and various City Island park permit revenue for repayment of the above debt.