

CITY OF READING, PENNSYLVANIA

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CITY AUDITOR'S REPORT Monday, March 28, 2022

Property Tax Revenue – Update as of December 31, 2021

In 2021, within the General Fund, the City budgeted \$24,649,055.00 for Property Taxes, which includes Property Tax Current, Property Tax Prior, Penalty & Interest, and Discount & Allowance. And as of December 31, 2021, the City recorded about \$26 million, which exceeded its budget target by approximately \$1.6 million. In 2020, the City recorded about \$24.3 million, or 98% of the total amount budgeted, and the Property Taxes revenue ended up with a shortfall of about half a million dollars. However, \$178,945.00 less was budgeted for this revenue line item in 2021 compared to 2020.

In 2022, within the General Fund, the City budgeted \$25,631,683 for Property Taxes.

The following chart shows the Property Taxes Budget to Actual Comparison:

Property Taxes	2021 Budget	12/31/2021	Variance	2020 Budget	12/31/2020	Variance
Discount and Allowance	(367,000.00)	(393,802.59)	(26,802.59)	(367,000.00)	(333,272.14)	33,727.86
Property Tax Current	22,691,955.00	23,476,237.78	784,282.78	22,141,000.00	22,270,877.31	129,877.31
Property Tax Prior	1,720,100.00	2,524,601.75	804,501.75	2,450,000.00	2,077,171.00	(372,829.00)
Penalty and Interest	604,000.00	690,545.93	86,545.93	604,000.00	313,156.12	(290,843.88)
Total Property Taxes	24,649,055.00	26,297,582.87	1,648,527.87	24,828,000.00	24,327,932.29	(500,067.71)



Program Update

In 2020, the City was awarded \$2,200,060 by the US Department of Housing and Urban Development. The deadline for the City to utilize this grant money is September 30, 2022. However, According to a recent notice that was received, this deadline could change if HUD finds that it is necessary to do so. As of December 31, 2021, the City had disbursed about one million dollars to assist residents with rent and utility bills. And the City still can utilize \$1.2 million dollars to continue supporting residents with their rent and utility bills directly related to COVID-19.

Miscellaneous Updates

On April 4, 2021, our external auditor, Herbein & Company, will begin the field work for the City's 2021 Financial and Compliance Audit. Updates on this audit will be provided to City Council and the Administration as it progresses.