



CITY OF READING, PENNSYLVANIA

OFFICE OF THE CITY AUDITOR
ROOM 2-36
815 WASHINGTON STREET
READING, PA 19601-3690
(610) 655-6123

MARIA M. RODRIGUEZ
CITY AUDITOR

CITY AUDITOR'S REPORT Monday, April 12, 2021

UPDATE-2020 AUDIT

The 2020 Municipal Annual Audit and financial report has been completed by our external auditor, Herbein and Company, and this report currently shows an unadjusted general fund deficit of (\$677,882). On March 31, 2021, this report was filed with the State by Michael Oppenheimer, City Controller.

2021 STATE MOTOR LICENSE REVENUE

On March 30, 2021, the City received \$1,976,407.72 in revenue from the Commonwealth of PA for the City's Liquid Fuels (Motor License) Fund. And as of March 31, 2021, this account has a balance of \$8,383,687.87. This revenue is restricted to be used for costs associated with construction/ reconstruction and maintenance for local roads, streets and bridges. The major part of this balance is a carry-over from prior years, and due to the Pandemic some of the paving projects for 2020 were not completed.

The following chart illustrates budget to actual amount received from the State since 2012

YEAR	BUDGETED	YTD REVENUE	VARIANCE
2021	1,920,580.00	1,976,407.72	55,827.72
2020	2,101,610.00	2,129,216.59	27,606.59
2019	2,101,610.00	2,186,337.07	84,727.07
2018	2,101,610.00	2,136,872.00	35,262.00
2017	1,800,000.00	2,036,946.00	236,946.00
2016	1,800,000.00	1,947,077.00	147,077.00
2015	1,600,000.00	1,665,473.00	65,473.00
2014	1,364,200.00	1,513,088.00	149,088.00
2013	1,364,200.00	1,402,043.00	38,043.00
2012	1,295,000.00	1,426,955.00	131,955.00



EARNED INCOME TAX – UPDATE OF 2021 VS 2020

The majority of the revenue of the EIT Prior is collected during the first quarter of the year. For the current fiscal year, the City budgeted \$4,730,000.00 and as of March 31, 2021, \$4,430,061.46 in revenue has been collected for this line item. After reviewing the revenue collected during the first quarter of 2020, the City collected \$1,051,606.50 more in 2020 than in 2021. As a result, our Finance Director, Mr. Kelly is working closely with PFM regarding an updated detailed report which will be presented to the administration and the City Auditor.

Earned Income Tax revenue - 2021 vs 2020 comparison

	2021 Budget	1st Q - 2021	2020 Budget	1st Q-2020	2021 Vs 2020
Earned Income Tax	15,512,120.00	54,321.47	16,861,000.00	72,552.38	(18,230.91)
EIT Prior	4,730,000.00	4,430,061.46	5,500,000.00	5,481,667.96	(1,051,606.50)
TOTALS	20,242,120.00	4,484,382.93	22,361,000.00	5,554,220.34	(1,069,837.41)

TRAFFIC FINES MOTOR CODES

The Fines Motor Codes revenue is the money that the City receives for parking violation tickets giving by the City Police Officers which are collected by the Reading Parking Authority. For the fiscal year of 2020, the City budgeted \$347,480.00 in revenue. On my report dated November 9, 2020, I stated that the City has received \$100,000.00 from the Reading Parking Authority for this line item.

Most recent, on March 19, 2021, the City received another check in the amount of \$92,475.00 that has been accrued to the fiscal year of 2020. That being said, in 2020, the City has collected a total of \$192,475.00 and the year ended with a negative variance of \$155,005.00. In comparison with the fiscal year of 2019, the negative variance of 2020 is greater than 2019 variance by \$92,413.11.

Traffic Fines Motor Codes Revenue - 2020 Vs 2019 comparison

	YTD Revenue	2020		YTD Revenue	2019
2020 Budget	12/31/2020	Variance	2019 Budget	12/31/2019	Variance
347,480.00	192,475.00	(155,005.00)	340,000.00	277,408.11	(62,591.89)