



CITY OF READING, PENNSYLVANIA

OFFICE OF THE CITY AUDITOR
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CITY AUDITOR

CITY AUDITOR'S REPORT Monday, May 9, 2022

Property Tax Revenue – Update as of March 31, 2022

In 2022, within the General Fund, the City budgeted \$25,631,683 for Property Taxes, which includes Property Tax Current, Property Tax Prior, Penalty & Interest, and Discount & Allowance. And as of March 31, 2022, the City recorded about \$2.8 million, which is \$644,645.02 less when compared to the same period in 2022. Also in 2022, \$982,628 more was budgeted for Property Taxes than in 2021. In 2021, the City recorded about \$3.4 million for Property Taxes during the first quarter, and the year ended with a surplus of about \$1.7 million for this revenue line item.

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

Property Taxes	2022 Budget	YTD 3/31/2022	Variance	2021 Budget	YTD 3/31/2021	Variance
Discount and Allowance	(383,557.00)	(84,139.25)	299,417.75	(367,000.00)	(59,376.37)	307,623.63
Property Tax Current	23,013,390.00	2,300,562.33	(20,712,827.67)	22,691,955.00	2,968,799.49	(19,723,155.51)
Property Tax Prior	2,349,282.00	494,707.32	(1,854,574.68)	1,720,100.00	458,195.63	(1,261,904.37)
Penalty and Interest	652,568.00	121,323.09	(531,244.91)	604,000.00	79,479.76	(524,520.24)
Total	25,631,683.00	2,832,453.49	(22,799,229.51)	24,649,055.00	3,447,098.51	(21,201,956.49)



Comcast Cable Franchise Fees –Update as of March 31, 2022

For the first quarter of 2022, \$191,352.32 was recorded for the revenue line item of Cable Franchise Fees. This has been the lowest revenue recorded for the first quarter in comparison to the first quarter of the previous four years. In 2021, \$825,000 was budgeted and only \$800,925.97 was collected. This year, \$825,000 was budgeted, which is the same amount that was budgeted in 2021.

	2022	2021	2020	2019	2018
1ST QUARTER	191,352.32	205,330.02	207,751.86	209,042.39	212,684.39
2ND QUARTER		204,350.84	206,508.34	210,579.70	214,578.59
3RD QUARTER		197,767.57	203,557.64	199,517.55	208,734.78
4TH QUARTER		193,477.54	200,679.36	204,481.07	214,925.66
Total Revenue		800,925.97	818,497.20	823,620.71	850,923.42
Total Budgeted	825,000.00	825,000.00	875,000.00	875,000.00	930,000.00
Over/(Under) Budget		(24,074.03)	(56,502.80)	(51,379.29)	(79,076.58)

Business Privilege License – Update as of March 31, 2022

For the revenue line item of Business Privilege License, the administration has been very consistent in budgeting for this line item. The chart below shows that \$280,000 has been budgeted since 2019, and it also shows how much revenue has been collected during the first quarter since 2018. During the first quarter of this year, \$189,606.40 has been recorded.

BUSINESS PRIVILEGE LICENSE	2022	2021	2020	2019	2018
Budgeted Amount	280,000.00	280,000.00	280,000.00	280,000.00	275,000.00
Revenue as of 3/31	189,606.40	162,200.14	206,441.54	215,024.12	215,589.70
Over/(Under) Budget	(90,393.60)	(117,799.86)	(73,558.46)	(64,975.88)	(59,410.30)

Miscellaneous Updates

During the month of March, our external auditors from Herbien + Company were here for a couple of days, and they communicated to us that a lot of progress has already been accomplished for the 2021 Financial Statements Audit.