



# CITY OF READING, PENNSYLVANIA

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## CITY AUDITOR'S REPORT Monday, May 10, 2021

### 2021 Cable Franchise Fees Revenue– Update as of 03/31/2021

For the fiscal year of 2021, the City budgeted \$825,000.00 in revenue for the Cable Franchise Fees. Due to the fact that less revenue was collected in previous years, the administration with the recommendation of the City Auditor Office opted to budget \$50,000.00 less for 2021 compared to 2020 budget. For the first quarter of the current year, the City collected \$205,330.02 in revenue for this line item. If this line item continue the same trend of the first quarter for the remaining of this year, the City might meet its budget expectations for 2021.

Furthermore, the chart below demonstrates that less revenue was collected during the first quarter of this year compared to the first quarters of the previous four years.

The chart below illustrates revenue collected from the Cable Franchise Fees

	2021	2020	2019	2018	2017
1 <sup>st</sup> Quarter	205,330.02	207,751.86	209,042.39	212,684.39	229,932.97
2nd Quarter		206,508.34	210,579.70	214,578.59	236,184.17
3er Quarter		203,557.64	199,517.55	208,734.78	224,527.59
4 <sup>th</sup> Quarter		200,679.36	204,481.07	214,925.66	223,161.86
<b>TOTAL REVENUE</b>		<b>818,497.20</b>	<b>823,620.71</b>	<b>850,923.42</b>	<b>913,806.59</b>
<b>Total Budgeted</b>	<b>825,000.00</b>	<b>875,000.00</b>	<b>875,000.00</b>	<b>930,000.00</b>	<b>875,000.00</b>
<b>OVER/UNDER BUDGET</b>		<b>(56,502.80)</b>	<b>(51,379.29)</b>	<b>(79,076.58)</b>	<b>38,806.59</b>



## User Fees Revenue – Update as of 3/31/2021

User Fees is the revenue collected for the EMS service that the City provides to the community. For the current fiscal year the City budgeted \$3,009,500.00, and for the first quarter of this year, the City collected \$876,287.19. If this revenue continue this trend for the next three quarters of this year, there is a probability that the City could exceed the budget target for this revenue line item in 2021.

**The Chart below explains the revenue collected YTD for the fiscal years of 2017 through 2021**

	3/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
<b>USER FEES-EMS</b>	876,287.19	2,405,142.53	3,333,157.10	2,808,204.15	2,912,755.52
<b>BUDGET</b>	3,009,500.00	3,196,000.00	3,095,000.00	2,900,000.00	2,900,000.00
<b>OVER/UNDER BUDGET</b>		<b>(790,857.47)</b>	<b>238,157.10</b>	<b>(91,795.85)</b>	<b>12,755.52</b>

## Unemployment Compensation (UC) - 2020 Analysis

For the fiscal year of 2020, the City had a total expense of \$129,409.52 for Unemployment Compensation. Due to the Pandemic, the City received a credit of \$36,783.91 from the Federal Government COVID Disaster UC Relief. The majority of this credit was applied to the 3<sup>rd</sup> and 4<sup>th</sup> Q to the City UC account. As a result, the total UC expense for the year was \$92,768.47, and the City UC Account ended with a Credit balance of \$142.86 which will be applied and reflected on the City next statements of accounts in 2021.

<b>UC- COVID 19 - 2020 Analysis</b>	<b>Q 1</b>	<b>Q 2</b>	<b>Q 3</b>	<b>Q 4</b>	<b>Total</b>
<b>UC - Invoices</b>	23,541.11	37,390.62	33,223.56	35,254.23	129,409.52
<b>City Payments</b>	(23,541.11)	(37,390.62)	(31,836.74)	-	(92,768.47)
<b>UC - Total Credit</b>	-	-	(1,386.82)	(35,397.09)	(36,783.91)
<b>UC - Ending Bal. as of 12/31/20</b>					<b>(142.86)</b>

For the fiscal year of 2020, the City allocated \$71,600.00 to cover the expense of Unemployment Compensation. Although a credit was applied to the City UC Account, the year ended with a negative variance of \$21,168.47

**The following chart illustrates the Unemployment Compensation cost of the City for the last 5 years**

<b>Year</b>	<b>Budget</b>	<b>Annual Expenses</b>	<b>Variance</b>
2016	100,000.00	116,761.38	(16,761.38)
2017	100,000.00	81,852.56	18,147.44
2018	100,000.00	43,271.49	56,728.51
2019	71,600.00	25,152.40	46,447.60
2020	71,600.00	92,768.47	(21,168.47)