



# CITY OF READING, PENNSYLVANIA

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## CITY AUDITOR'S REPORT Monday, July 12, 2021

### Property Tax Revenue – Update as of June 30, 2021

For this fiscal year, 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 June 30, 2021, the City has collected \$20,384,838.23 or 83% of total amount budgeted.

For the fiscal year of 2020, the City collected \$18,935,940.19 which is \$1,448,898.04 less than the revenue collected this year for the same period of time. However \$178,945.00 less was budgeted in revenue this year.

The following charts explains Property Taxes Budget to Actual Comparison.

	2021 Budget	6/30/2021	Variance	2020 Budget	6/30/2020	Variance
Discount and Allowance	(367,000.00)	(393,230.70)	26,230.70	(367,000.00)	(333,093.91)	(33,906.09)
Property Tax Current	22,691,955.00	20,230,020.90	(2,461,934.10)	22,141,000.00	17,932,390.59	(4,208,609.41)
Property Tax Prior	1,720,100.00	461,346.32	(1,258,753.68)	2,450,000.00	1,145,210.78	(1,304,789.22)
Penalty & Interest	604,000.00	86,701.71	(517,298.29)	604,000.00	191,432.73	(412,567.27)
<b>Total Property Taxes</b>	<b>24,649,055.00</b>	<b>20,384,838.23</b>	<b>(4,211,755.37)</b>	<b>24,828,000.00</b>	<b>18,935,940.19</b>	<b>(5,959,871.99)</b>



## **Business Privilege Tax and Business Privilege Tax Prior as of June 30, 2021**

For the current fiscal year, the City budgeted \$1,466,400.00 for Business Privilege Tax and as of June 30, 2021, the City collected \$1,095,263.70, or 75% of total amount budgeted. Although more revenue was collected in 2020 than this year for the same period of time, we have to consider that \$624,500.00 less in revenue was budgeted this year.

**The following chart explains revenue YTD comparison 2021 vs 2020**

	<b>2021 Budget</b>	<b>YTD 6/30/2021</b>	<b>Variance</b>	<b>2020 Budget</b>	<b>YTD 6/30/2020</b>	<b>Variance</b>
<b>Business Privilege Tax</b>	1,385,600.00	1,052,824.41	(332,775.59)	1,877,750.00	1,225,518.42	(652,231.58)
<b>Business Priv Tax/ Prior Yr</b>	80,800.00	42,439.29	(38,360.71)	213,150.00	32,911.33	(180,238.67)
<b>Total</b>	<b>1,466,400.00</b>	<b>1,095,263.70</b>	<b>(371,136.30)</b>	<b>2,090,900.00</b>	<b>1,258,429.75</b>	<b>(832,470.25)</b>

## **Payment in Lieu of Taxes as of June 30, 2021**

The payment in Lieu of Taxes is the revenue that the City receives from nonprofit organizations. For 2021, the City budgeted \$126,824.00 for this line item and as of June 30, 2021, the City has collected \$121,743.93. From this amount, \$105,537.15 was received from the Reading Housing Authority, \$10,000.00 from Charles Evans Cemetery and \$6,206.78 from Albright College.

## **2020 Audit – Update as of June 30, 2021**

On June 30, 2021, at the second Audit Committee Meeting Mr. Turtell from Herbein & Company provided an overview on the status of the 2020 audit. As a result of the ongoing audit, Mr. Turtell mentioned that the General Fund has a preliminary revenue surplus balance of \$2.9 million dollars. Also less findings has been addressed compared to prior years audits. The first draft of this audit is expected to be completed by late-August and presented to City Council by early October.