

CITY OF READING, PENNSYLVANIA

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CITY AUDITOR

CITY AUDITOR'S REPORT Monday, November 14, 2022

Real Estate Transfer Tax - Update from 1/1/2018 to 10/31/2022

The City receives a 3.5% Real Estate Transfer Tax on the sale value of all taxable real estate transactions. As of October 31, 2022, \$7,785,680.40 in revenue was recorded for Real Estate Transfer Tax. During this period, a total of 2,301 Real Estate Transfer transactions were completed, of which 1,898 were taxable and 403 were non-taxable (see Table #2). For the current year, \$5.5 million was budgeted for this revenue line item, and as of October 31, 2022, this amount has exceeded its budget target by \$2,285,680.40.

Out of the total revenue collected, about one million dollars came for properties that were sold for half a million dollars or more. (See Table #3)

Month	10/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
January	702,030.86	535,849.04	323,123.52	223,920.68	293,105.03
February	512,582.49	523,300.89	511,220.85	615,116.21	204,053.26
March	954,153.08	1,178,885.61	601,103.82	266,411.11	348,937.95
April	736,240.82	717,308.73	235,765.07	548,506.44	347,097.22
May	883,522.38	447,710.27	157,245.87	441,084.11	322,871.76
June	842,707.71	719,042.39	1,464,932.00	363,997.72	350,369.72
July	793,696.36	752,234.50	437,026.44	359,547.89	350,708.33
August	747,631.78	1,078,840.76	361,892.51	353,006.61	514,841.63
September	654,921.99	678,323.20	501,228.42	350,731.42	324,492.29
October	958,192.93	480,665.62	493,787.54	340,908.53	389,823.15
November		844,193.89	510,649.58	330,855.79	267,444.32
December		837,430.85	993,086.79	457,238.03	576,429.44
Total Revenue	7,785,680.40	8,793,785.75	6,591,062.41	4,651,324.54	4,290,174.10
Total Budgeted	5,500,000.00	4,700,000.00	4,200,000.00	3,800,000.00	3,350,000.00
Over/(Under) Budget	2,285,680.40	4,093,785.75	2,391,062.41	851,324.54	940,174.10



Table #2

Month	Taxable	Non-Taxable	Total Transactions
January	216	33	249
February	135	37	172
March	250	41	291
April	201	40	241
May	200	29	229
June	199	41	240
July	209	43	252
August	166	50	216
September	149	47	196
October	173	42	215
Total	1898	403	2301

Table #3

Month	Property Address	Sale Price	Rate - 3.5%
January	527 Court St.	600,000.00	21,000.00
February	18 N 4th St.	\$525,000.00	18,375.00
March	920 Lancaster Ave.	\$2,958,333.00	103,541.66
April	1415 Alsace Rd.	\$575,000.00	20,125.00
April	1235 Lancaster Ave.	\$600,000.00	21,000.00
April	1220 Perkiomen Ave.	\$850,000.00	29,750.00
April	1041 Washington St.	\$550,000.00	19,250.00
May	232 N 6th Street	664,900.00	23,271.50
May	430 S 4th Street	840,000.00	29,400.00
May	1802 Hill Road	599,900.00	20,996.50
May	755 Hiester Ln	1,800,000.00	63,000.00
May	501 S 9th Street	1,075,000.00	37,625.00
June	500 N 9th Street	925,000.00	32,375.00
June	354 Penn Street	1,450,000.00	50,750.00
July	1619 Lorraine Rd	650,000.00	22,750.00
July	600 N 8th Street	1,000,000.00	35,000.00
July	930 Pike Street	1,280,000.00	44,800.00
July	952 Penn St	500,000.00	17,500.00
August	148 N 4th Street	2,250,000.00	78,750.00
August	1112 Muhlenberg	851,000.00	29,785.00
September	125 Morgantown Road	950,000.00	33,250.00
September	1025 Old Wyomissing Road	1,231,650.00	43,107.75
October	715 Clinton Street	1,350,000.00	47,250.00
October	708 Centre Avenue	525,000.00	18,375.00
October	1501 N 9th Street	600,000.00	21,000.00
October	783 Court Street	2,600,000.00	91,000.00
October	1200 N 11th Street	2,700,000.00	94,500.00
Total		30,500,783.00	1,067,527.41

Comcast Cable Franchise Fees – Update as of September 30, 2022

For the first three quarters of 2022, a total of \$556,486.53 was recorded in revenue for the Cable Franchise Fees. The revenue amount collected as of September 30, 2022, shows a decrease when compared to the revenue collected for the same period during the previous years.

In 2021, \$825,000 was budgeted for this line item and \$800,925.97 was collected. And for this year, there is a probability that the Comcast Cable Franchise Fees revenue may be under budget by about \$88,000.

The chart below demonstrates the Cable Franchise Budget to Actual from 2018 to 2022 YTD

	YTD 2022	2021	2020	2019	2018
1ST QUARTER	191,352.32	205,330.02	207,751.86	209,042.39	212,684.39
2ND QUARTER	185,733.50	204,350.84	206,508.34	210,579.70	214,578.59
3RD QUARTER	179,400.71	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	556,486.53	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	(268,513.47)	(24,074.03)	(56,502.80)	(51,379.29)	(79,076.58)

Miscellaneous:

- The Auditor Office and personnel from the Finance Department are schedule to meet with Herbein+Company during the first week of December to plan the 2022 annual audit.
- The City Controller has received confirmation via email that the annual Liquid Fuels allocation from the Commonwealth of Pennsylvania is scheduled to be received around November 8th. This revenue is restricted and only can be used for costs associated with construction/re-construction and maintenance of local roads, streets, and bridges.