

# 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, December 13, 2021

### Business Privilege Tax and Business Privilege Revenue Update - October 31, 2021

For the current year, the City budgeted \$1,466,400.00 in revenue for Business Privilege Tax and Business Privilege Tax Prior. And as of October 31, 2021, the City's combined revenue recorded for these two line items was \$1,721,744.87. However, \$624,500.00 less in revenue was budgeted in 2021 compared to 2020 for these line items, about \$45,000 more in revenue has been recorded in 2021 compared to 2020. And as of October 31, 2021, these line items have already exceeded their budget target by \$255,344.87.

The following chart explains revenue YTD comparison 2021 vs 2020

	2021 Budget	YTD 10/31/2021	Variance	2020 Budget	YTD 10/31/2020	Variance
Business Privilege Tax	1,385,600.00	1,662,573.16	276,973.16	1,877,750.00	1,623,946.17	(253,803.83)
Bus Priv Tax Prior Year	80,800.00	59,171.71	(21,628.29)	213,150.00	52,680.07	(160,469.93)
<b>Total</b>	<b>1,466,400.00</b>	<b>1,721,744.87</b>	<b>255,344.87</b>	<b>2,090,900.00</b>	<b>1,676,626.24</b>	<b>(414,273.76)</b>

### Per Capita Tax and Per Capita Tax Prior Revenue Update – October 31, 2021

For 2021, the administration budgeted \$450,000 in revenue for Per Capita Tax and Per Capita Tax Prior. And as of October 31, 2021, \$467,788.88 in revenue has been recorded, so these two line items have already exceeded their 2021 budget target by almost \$18,000. Even though \$140,000 more in revenue was budgeted in 2021 for the line item of Per Capita Tax Prior compared to 2020, \$197,278.60 of the \$200,000 budgeted amount for 2021 has already been recorded as of October 31, 2021 for this line item.



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

	<b>2021 Budget</b>	<b>YTD 10/31/2021</b>	<b>Variance</b>	<b>2020 Budget</b>	<b>YTD 10/31/2020</b>	<b>Variance</b>
<b>Per Capita Tax</b>	250,000.00	270,510.28	20,510.28	275,000.00	261,736.61	(13,263.39)
<b>Per Capita Tax Prior</b>	200,000.00	197,278.60	(2,721.40)	60,000.00	230,115.13	170,115.13
<b>Total</b>	<b>450,000.00</b>	<b>467,788.88</b>	<b>17,788.88</b>	<b>335,000.00</b>	<b>491,851.74</b>	<b>156,851.74</b>

**Rental – Parking Authority (RPA) Revenue Update - 2021**

Effective March 1, 2021, the City of Reading and the Reading Parking Authority entered into an agreement where the Reading Parking Authority will make an annual payment to the City in the amount of \$1,761,000.00. Although the City only originally budgeted \$508,900.00 in revenue for this line item for 2021, as of September 30, 2021, the City has already received \$1,027,250.00 from the RPA as a result of the agreement. And this amount only reflects the payments from March through September of this year.

The 2022 budget reflects a more accurate budget for this line item because it has incorporated the annual payment that will be received from the Reading Parking Authority.

**2021 Audit**

On December 16, 2021, the Finance Department and the City Auditor Office will meet with Herbein + Company for the purpose of planning the 2021 Audit.