

# 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, July 25, 2022

### Real Estate Transfer Tax - Update from 1/1/2018 to 6/30/2022

The City receives a tax levy of 3.5% on the value of the Real Estate Transfer Tax for properties sold. During the month of June of 2022, \$842,707.71 in revenue was recorded for this line item; this amount included a total of 240 Real Estate Transfer transactions of which 198 were taxable and 42 were non-taxable (see Table #2). For the current year, \$5.5 million was budgeted for this line item, and as of June 30, 2022, \$4,631,237.34 has already been recorded (see Table #1). Also during the month of June of the current year, two properties were sold for more than half of a million dollar threshold (see Table #3).

Table #1

Month	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		752,234.50	437,026.44	359,547.89	350,708.33
August		1,078,840.76	361,892.51	353,006.61	514,841.63
September		678,323.20	501,228.42	350,731.42	324,492.29
October		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
<b>Total Revenue</b>	<b>4,631,237.34</b>	<b>8,793,785.75</b>	<b>6,591,062.41</b>	<b>4,651,324.54</b>	<b>4,290,174.10</b>
<b>Total Budgeted</b>	<b>5,500,000.00</b>	<b>4,700,000.00</b>	<b>4,200,000.00</b>	<b>3,800,000.00</b>	<b>3,350,000.00</b>
<b>Over/(Under) Budget</b>	<b>(868,762.66)</b>	<b>4,093,785.75</b>	<b>2,391,062.41</b>	<b>851,324.54</b>	<b>940,174.10</b>



**Table #2**

	<b>Taxable</b>	<b>Non-Taxable</b>	<b>Total Transactions</b>
January	216	33	249
February	135	37	172
March	250	41	291
April	201	40	241
May	200	29	229
June	198	42	240

**Table #3**

<b>Month</b>	<b>Address</b>	<b>Sale Price</b>	<b>Rate - 3.5%</b>
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 8th Street	925,000.00	32,375.00
June	354 Penn Street	1,450,000.00	50,750.00
<b>Total</b>		<b>7,354,800.00</b>	<b>257,418.00</b>

### **Admission Fee Tax Revenue– Update as of June 30, 2022**

The majority of the revenue collected for the Admission Fee Tax comes from the Reading Royals, the Reading Phils and other events/concerts held at the Santander Arena and the Performing Arts Center. In 2022, the Administration budgeted \$200,000 for this revenue line item. And as of June 30, 2022, \$390,228.59 in revenue has already been collected, exceeding its budget target by \$190,228.59.

### **Admission Fee Tax Revenue - 2022:**

<b>Month</b>	<b>Reading Phils</b>	<b>Reading Royals</b>	<b>Santander Arena- Other</b>	<b>Performing Art Center</b>	<b>Varsity Spirit LLC</b>	<b>YTD Amount Recorded</b>
January	2,686.19	8,618.11	5,013.05	4,687.02		21,004.37
February	2,797.68	9,277.90	44,010.19	25,533.63		81,619.40
March	4,312.12	18,087.90	54,424.75	23,490.73	3,133.98	103,449.48
April	6,919.24	9,876.94	77,475.84	23,792.76		118,064.78
May	7,355.98		34,515.52	10,421.32		52,292.82
June	8,941.65		0.00	4,856.09		13,797.74
<b>Total</b>	<b>33,012.86</b>	<b>45,860.85</b>	<b>215,439.35</b>	<b>92,781.55</b>	<b>3,133.98</b>	<b>390,228.59</b>

## **User Fees Revenue – Update as of 5/31/2022**

For the fiscal year of 2022, the City budgeted \$3,000,000 for User Fees, which is the revenue collected for the EMS services that the City provides. And as of May 31, 2022, the City has recorded \$1,296,437.86. If the revenue received in the upcoming months continues with this same trend, most likely the User Fees Revenue line item will meet its budget target by 12/31/2022.

**The chart below illustrates User Fees Revenue vs. Budget from 2018 to 5/31/2022:**

	<b>5/31/2022</b>	<b>12/31/2021</b>	<b>12/31/2020</b>	<b>12/31/2019</b>	<b>12/31/2018</b>
<b>USER FEES-EMS</b>	1,296,437.86	3,287,855.40	2,405,142.53	3,333,157.10	2,808,204.15
<b>BUDGET</b>	3,000,000.00	3,033,500.00	3,196,000.00	3,095,000.00	2,900,000.00
<b>OVER/UNDER BUDGET</b>	<b>(1,703,562.14)</b>	<b>254,355.40</b>	<b>(790,857.47)</b>	<b>238,157.10</b>	<b>(91,795.85)</b>

### **Miscellaneous:**

On Tuesday, July 19, 2022, I communicated with the external auditors, and the tentative date for the next Audit Committee Meeting will be on August 25, 2022. At this meeting, we will receive an update on the status of the 2021 Audit, and any potential findings will be discussed.