



CITY OF READING, PENNSYLVANIA

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CITY AUDITOR

CITY AUDITOR'S REPORT
Monday, January 11, 2021

Per Capita Tax and Per Capita Tax Prior - Update as of November 30, 2020

For the fiscal year of 2020, the City budgeted \$335,000.00 for Per Capita Tax and Per Capita Tax Prior, and as of November 30, 2020, the City has collected \$519,980.00, and this line item has already exceeded the budget target by \$184,980.00.

For the 2019 fiscal year, the City budgeted for this revenue line item \$305,000.00 and the City collected \$467,112.46 for the same reporting period. Although \$30,000.00 more was budgeted in 2020 than 2019. In comparison more revenue has been collected in 2020.

After reviewing the 2021 budget one of my recommendations was to increase the revenue line item for Per Capita Tax Prior.

Per Capital and Per Capital Tax Prior revenue.

Table with 7 columns: Category, 2020 Budget, 11/30/2020, Variance, 2019 Budget, 11/30/2019, Variance. Rows include Per Capital Tax, Per Capital Tax Prior, and Total.



Earned Income Tax and Earned Income Tax Prior – Update as of December 31, 2020

For the current fiscal year, the City budgeted \$22,361,000.00 for Earned Income Tax & Earned Income Tax Prior, and as of December 31, 2020, the City has collected \$20,649,612.51 or 92% of total amount budgeted. The revenue collected for Earned Income Tax Prior has exceeded it budget target by \$663,059.77. Based on the City’s historical trend the largest amount of this revenue is collected by the second quarter of the year.

In 2019, for the same period the City collected \$21,749,385.90 or 99% of the total amount budgeted. This is an indicator that more revenue was collected in 2019 compare to 2020. However, during this year \$361,000.00 more revenue was budgeted than last year and also the revenue that will be receiving during the first 60 days of this year, it will be accrued to 2020.

Earned Income Tax & Earned Income Tax Prior revenue.

	2020	YTD	YTD	2019	YTD	YTD
	Budget	12/31/2020	Variance	Budget	12/31/2019	Variance
Earned Income Tax	16,861,000.00	14,486,552.74	(2,374,447.26)	16,500,000.00	15,279,791.10	(1,220,208.90)
EIT Prior	5,500,000.00	6,163,059.77	663,059.77	5,500,000.00	6,469,594.80	969,594.80
Total	22,361,000.00	20,649,612.51	(1,711,387.49)	22,000,000.00	21,749,385.90	(250,614.10)

I would like to welcome Ms. Caroline Rodriguez who started her new position as the Auditing Coordinator for the City of Reading on January 4, 2021. Ms. Rodriguez earned a Master degree in Accountancy from the University of Phoenix, and she has worked as an auditor for the Auditor General in PA, and her last position was with Broward County in Florida where she hold the title as an internal auditor.