



CITY OF READING, PENNSYLVANIA

OFFICE OF THE CITY AUDITOR
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CITY AUDITOR'S REPORT Monday, January 13, 2020

Real Estate Transfer Tax-2019 Revenue

	2019	2018	2017	2016	2015
January	223,920.68	293,105.03	276,076.87	192,536.00	447,472.25
February	615,116.21	204,053.26	210,173.34	170,629.07	136,325.79
March	266,411.11	348,937.95	297,329.36	220,051.13	212,213.45
April	548,506.44	347,097.22	581,143.64	279,084.30	234,429.18
May	441,084.11	322,871.76	313,275.46	777,337.35	279,602.00
June	363,997.72	350,369.72	528,760.06	268,082.88	179,077.99
July	359,547.89	350,708.33	374,898.32	207,575.28	430,575.93
August	353,006.61	514,841.63	264,020.74	426,785.52	337,420.45
September	350,731.42	324,492.29	291,320.27	411,260.51	240,753.37
October	340,908.53	389,823.15	238,576.24	236,985.93	256,548.97
November	330,855.79	267,444.32	309,954.88	210,393.54	181,978.31
December	457,238.03	576,429.44	336,617.89	271,891.35	271,629.17
Entire Year	4,651,324.54	4,290,174.10	4,022,147.07	3,672,612.86	3,208,026.86
Budget	3,800,000.00	3,350,000.00	2,750,000.00	2,200,000.00	1,900,000.00
Over/(Under) Budget	851,324.54	940,174.10	1,272,147.07	1,472,612.86	1,308,026.86



For any properties sold, the City receives 3.5% on the value of Real Estate transferred unless the property is tax exempt. For the month of December of 2019, the city has received \$457,238.03.

For the fiscal year of 2019, the City budgeted 3.8 million and \$4,651,324.54 has been received.

That being said, in 2019 the City has exceeded its budget expectations for this line item again and the Real Estate Transfer Tax ended with a positive variance of \$851,324.54.

For the fiscal year of 2020, the City budgeted \$4.2 million and if the Real Estate market continues the same trend as it did in 2019, it will not be an issue for the City to meet its budget expectations in 2020.

PROPERTY TAX UPDATE – DECEMBER 31, 2019

For the current fiscal year, the City budgeted \$24,505,200.00 for Property Tax, including amounts budgeted for Property Tax Prior, Penalty & Interest, and Discount & Allowance. As of 12/31/2019, the City has collected \$23,552,703.43 or 96% for these line items.

General Fund	2019 Budget	YTD 12/31/2019	Variance
Property Tax Current	21,951,200.00	21,315,810.62	(635,389.38)
Property Tax Prior	2,317,000.00	2,099,060.85	(217,939.15)
Penalty & Interest	604,000.00	502,174.20	(101,825.80)
Discount & Allowance	(367,000.00)	(364,341.72)	2,658.28
TOTAL	24,505,200.00	23,552,703.95	(952,496.05)

EARNED INCOME TAX UPDATE – DECEMBER 31, 2019

For the fiscal year of 2019, the City budgeted \$16,500,000.00 for Earned Income Tax and as of December 31st, 2019, the City has received \$15,279,791.10. That being said, as of December 31, 2019, the City has a negative variance of \$1,220,208.90. However, the Earned Income Tax Prior has already exceeded its budget expectations by almost a million dollars.

For the Earned Income Tax Prior, the City has budgeted \$5,500,000.00 for the fiscal year of 2019 and as of December 31, 2019, the City has received \$6,469,594.80. This line item already has exceeded its budget expectations and as of December 31, 2019, it has a positive variance of \$969,597.80.

The following chart illustrates the revenue that the City has received for the Earned Income Tax and Earned Income Tax Prior as of December 31, 2019.

	Budget	YTD as of Dec-31-2019	Variance
2019-Earned Income Tax	16,500,000.00	15,279,791.10	(1,220,208.90)
2019-EIT Prior	5,500,000.00	6,469,594.80	969,597.80

In regards to the 2018 Audit, The Accounting Department has booked all the entries that have been recommended per our external auditors and the Auditor Office is at the end of completing a review of all the transactions to make sure our general ledger matches the first draft of the 2018 audit. And we will meet with our external auditors at the audit committee meeting on January 22, 2020.