



CITY OF READING, PENNSYLVANIA

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CITY AUDITOR'S REPORT
Monday, April 13, 2020

UPDATE-2019 AUDIT

Although our external auditors from Herbein & Company are not physically here working on the 2019 audit; the City Auditor along with our staff from the accounting and finance departments have been providing to them the information that is needed to start the audit. And this will prevent the 2019 audit from falling behind.

Also, on April 1, 2020, the 2019 DCED financial audit report was filled by our external auditor, Herbein and Company.

USER FEES REVENUE AS OF 3/31/2020

For the current fiscal year, the City budgeted \$3,138,000.00 for User Fees which is the revenue collected for the EMS service that the City provides, and as of March 31, 2020, the City has received \$794,894.52 for this line item. However in 2019, only \$1,934,339.96 in revenue was received due to the fact that the City opted to do business with a new company in order to lower the fee cost.

Under this situation, the City expects to receive a portion of the total revenue budgeted in 2019 during this year; and this could explain the large amount of revenue that has been received in the first quarter of 2020.

Table with 6 columns: YTD 3/31/2020, 2019, 2018, 2017, 2016. Rows include USER FEES-EMS, BUDGET, and OVER/UNDER BUDGET.



REAL ESTATE TRANSFER TAX-2020 REVENUE REPORT

The chart illustrates that for the previous four years, the City has budgeted conservatively in anticipating the total revenue that has been received from the Real Estate Transfer Tax line item.

For every taxable property sold within the City, the City receives 3.5% on the value of the Real Estate Transferred by the Deed.

For the first Q of the current year, the City has received a total of \$1,435,448.19 which is the highest amount compared to the same period of time of the previous four years.

Although, the City has budgeted \$4.2 million for this line item which is higher than 2019 budget target, it is less than \$4.6 million collected in 2019.

	YTD 1/31/2020	2019	2018	2017	+2016
January	323,123.52	223,920.68	293,105.03	276,076.87	192,536.00
February	511,220.85	615,116.21	204,053.26	210,173.34	170,629.07
March	601,103.82	266,411.11	348,937.95	297,329.36	220,051.13
April		548,506.44	347,097.22	581,143.64	279,084.30
May		441,084.11	322,871.76	313,275.46	777,337.35
June		363,997.72	350,369.72	528,760.06	268,082.88
July		359,547.89	350,708.33	374,898.32	207,575.28
August		353,006.61	514,841.63	264,020.74	426,785.52
September		350,731.42	324,492.29	291,320.27	411,260.51
October		340,908.53	389,823.15	238,576.24	236,985.93
November		330,855.79	267,444.32	309,954.88	210,393.54
December		457,238.03	576,429.44	336,617.89	271,891.35
Total Revenue- 3/31	1,435,448.19	1,105,448.00	846,096.24	783,579.57	583,216.20
Total Revenue/12/31		4,651,324.54	4,290,174.10	4,022,147.07	3,672,612.86
TOTAL BUDGET	4,200,000.00	3,800,000.00	3,350,000.00	2,750,000.00	2,200,000.00
Over/(Under) Budget		851,324.54	940,174.10	1,272,147.07	1,472,612.86

The following chart explains that during the first Q of 2020, 524 transactions were completed in the City. However 91 transactions were non-taxable. That being said, the revenue that has been received is based on 433 taxable transactions.

	Total Transactions		Non-Taxable		Taxable
January	162		29		133
February	190		26		164
March	172		36		136
Total	524		91		433