



CITY OF READING, PENNSYLVANIA

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CITY AUDITOR'S REPORT Monday, January 25, 2021

Local Services Tax Prior-Update as of December 31, 2020

For the fiscal year of 2020, the City budgeted \$1,216,410.00 for the Local Service Tax totals and as of December 31, 2020, the City has collected \$854,442.56 or 70% of total amount budgeted. For the FY of 2019, the City budgeted \$1,200,000.00 total for this line item and \$1,189,060.87 or 99% was collected for the same period of time for 2019.

Although this report is showing that the revenue collected is as of December 31, 2020, we must take into consideration that any revenues receive for this line item during the first sixty days of the current year will be accrued to 2020.

The chart below illustrates revenues collected for Occupation Tax totals:

	2020 Budget	12/31/2020	Variance	2019 Budget	12/31/2019	Variance
Local Services Tax	1,016,410.00	827,745.55	(188,664.45)	1,000,000.00	1,174,870.29	174,870.29
Local Services Tax Prior	200,000.00	26,697.01	(173,302.99)	200,000.00	14,190.58	(185,809.42)
Total	1,216,410.00	854,442.56	(361,967.44)	1,200,000.00	1,189,060.87	(10,939.13)

Business Privilege Tax/Business Privilege Tax Prior-Update as of December 31, 2020

For the fiscal year of 2020, the City budgeted \$2,090,900.00 for Business Privilege Tax total and as of December 31, 2020, the City has collected \$1,850,977.24 or 89% of total amount budgeted. For the same period of 2019, the City collected \$1,833,123.12 of total amount budgeted. Although the same Percentage has been collected for both years, \$30,900 more was budgeted for the fiscal year of 2020.



The following chart illustrates the revenues collected for Business Privilege Tax Prior totals:

	2020 Budget	12/30/2020	Variance	2019 Budget	12/31/2019	Variance
Business Privilege Tax	1,877,750.00	1,772,840.16	(104,909.84)	1,850,000.00	1,732,317.83	(117,682.17)
Bus Privilege Tax Prior	213,150.00	78,137.08	(135,012.92)	210,000.00	100,805.29	(109,194.71)
Total	2,090,900.00	1,850,977.24	(239,922.76)	2,060,000.00	1,833,123.12	(226,876.88)

On January 14, 2021, an email was received from Mr. John Boyle, Department of the Auditor General, stating the completion of the audits for the Reading Pension Funds for the period of January 1, 2018 to December 31, 2019. The City has three pension funds which are the Police, Fire, and the O & E. During these audits, the City Auditor office along with the pension administrator and the City controller assisted Mr. John Boyle with these audits.

I would like to thank you, Mr. Michael Oppenheimer for taking the initiative to revised the MMO calculations for the fiscal year of 2018 and 2019 before Mr. John Boyle started the pension funds audits. Due to some corrections completed by Mr. Oppenheimer, the findings were reduced from two findings to only one finding for the Police and Fire pension funds, and there were two findings under the O & E pension fund audit.

Also I want to thank, Ms. Lilliana Castillo our City pension administrator for assisting the external auditor during the audit process.