

CITY AUDITOR'S REPORT

MONDAY, OCTOBER 22, 2018

2018 ADMISSION FEE/TAX

WE RECEIVED CHECKS IN THE AMOUNT OF \$30,239.82 FROM THE READING FIGHTIN' PHILS FOR SEPTEMBER'S ADMISSION FEES/TAXES. INCLUDED IN THAT TOTAL IS \$3,674.57 FROM THE GRIDIRON CLASSIC FOOTBALL GAMES HELD AT THE STADIUM. THE SANTANDER ARENA AND THE PERFORMING ARTS CENTER ADMISSION FEES TOTALLED \$48,848.45 FOR SEPTEMBER EVENTS. THOSE EVENTS INCLUDED IN THE RECEIPTS ARE FROM PERFORMANCES BY OZUNA, ROMEO SANTOS, RODNEY CARRINGTON AND JO KOY, JUST TO NAME A FEW. WE HAVE NOT YET RECEIVED FROM READING ROYALS HOCKEY FOR SEPTEMBER'S SALES. THE TOTAL RECEIPTS FOR SEPTEMBER WERE \$79,088.27. THE 2018 BUDGET LISTS \$460,000 AS EXPECTED REVENUE.

THE FOLLOWING CHARTS LIST ANNUALLY (2014-SEPT. 2018) THE ADMISSION FEES BY SPORT/VENUE:

ADMISSION FEE/TAX thru 9/30	2014	2015	2016	2017	SEPT. 2018
READING PHILS -1 ST ENERGY STADIUM	\$77,476.84	\$82,740.60	\$82,542.23	\$81,378.32	\$78,986.64
READING ROYALS - SANTANDER ARENA	\$50,093.53	\$50,868.41	\$50,718.17	\$51,489.92	\$7,244.06
OTHER-SANTANDER ARENA	\$45,986.07	\$101,920.33	\$144,425.61	\$158,430.27	\$229,243.59
PERFORMING ARTS CENTER	\$75,440.64	\$87,358.79	\$101,303.78	\$102,128.13	\$132,434.24
YTD THRU 9/30	\$248,997.08	\$322,888.13	\$378,989.79	\$393,426.64	\$447,908.53
TOTAL REV. 12/31	\$336,387.68	\$445,795.62	\$496,138.72	\$577,007.11	
BUDGETED REVENUE	\$425,000.00	\$325,000.00	\$375,000.00	\$425,000.00	\$460,000.00
OVER/UNDER BUDGET	-\$88,612.32	\$120,795.62	\$121,138.72	\$152,007.11	

2018 REAL ESTATE TRANSFER TAX – 1/1/2014 TO 09/30/2018

THIS IS AN UPDATE ON THE REAL ESTATE TRANSFER TAX RECEIPTS SINCE I LAST REPORTED IN MY SEPTEMBER 24, 2018 REPORT. THIS TAX WAS 1% ('02), 1.5% ('03), 2% ('04-'05), AND 3.5% FOR ('06-'18).

THE FOLLOWING CHART ILLUSTRATES ACTUAL DATA FROM 01/2014 - 09/2018. IN SEPTEMBER 2018 THERE WERE 221 REAL ESTATE TRANSFER TRANSACTIONS, OF WHICH 180 WERE TAXABLE TRANSACTIONS. THE CITY'S PROCEEDS IN SEPTEMBER TOTALLED \$324,492.29 AND THE YEAR TO DATE TOTAL IS \$3,056,477.19. THE 2018 BUDGETED REVENUE IS \$3,350,000.

	2018	2017	2016	2015	2014
January	293,105.03	276,076.87	192,536.00	447,472.25	184,364.62
February	204,053.26	210,173.34	170,629.07	136,325.79	79,506.95
March	348,937.95	297,329.36	220,051.13	212,213.45	209,536.33
April	347,097.22	581,143.64	279,084.30	234,429.18	174,960.06
May	322,871.76	313,275.46	777,337.35	279,602.00	229,074.13
June	350,369.72	528,760.06	268,082.88	179,077.99	184,215.78
July	350,708.33	374,898.32	207,575.28	430,575.93	179,401.65
August	514,841.63	264,020.74	426,785.52	337,420.45	212,909.86
September	324,492.29	291,320.27	411,260.51	240,753.37	258,305.78
October		238,576.24	236,985.93	256,548.97	271,499.71
November		309,954.88	210,393.54	181,978.31	272,836.24
December		336,617.89	271,891.35	271,629.17	253,304.41
Jan.-Sept.	3,056,477.19	3,136,998.06	2,953,342.04	2,497,870.41	1,712,275.16
Entire Year		4,022,147.07	3,672,612.86	3,208,026.86	2,509,915.52
Budget	3,350,000.00	2,750,000.00	2,200,000.00	1,900,000.00	1,982,975.00
Over Budget		1,272,147.07	1,472,612.86	1,308,026.86	526,940.52

REAL ESTATE TRANSFER TAX – 1/1/2014 TO 09/30/2018

THE FOLLOWING CHARTS LISTS THE TOTAL NUMBER OF MONTHLY REAL ESTATE TRANSFER TRANSACTION MINUS NON-TAXABLE TRANSACTIONS TO ARRIVE AT TAXABLE TRANSACTIONS. FOR EXAMPLE, IN JANUARY 2018 THERE WERE 162 TRANSACTIONS MINUS 32 NON-TAXABLE TRANSACTIONS, WHICH LEAVES 130 TAXABLE TRANSACTIONS.

	2018	2017	2016	2015	2014
J	162-32=130	152-41=111	153-38=115	120-32=88	152-64=88
F	136-33=103	156-41=115	146-44=102	143-56=87	100-41=59
M	190-27=163	226-46=180	185-43=142	193-48=145	170-39=131
A	207-43=164	179-56=123	176-38=138	174-49=125	157-32=125
M	193-43=150	186-45=141	194-53=141	218-65=153	212-51=161
J	211-42=169	201-40=161	182-46=136	172-56=116	159-50=109
J	196-33=163	206-41=165	154-40=114	175-52=123	149-43=106
A	225-33=192	193-55=138	181-44=137	180-44=136	150-41=109
S	221-41=180	240-41=199	244-39=205	211-48=163	202-49=153
O		173-33=140	157-29=128	201-66=135	223-71=152
N		179-38=141	157-51=106	139-38=101	162-49=113
D		204-31=173	176-34=142	166-43=123	196-68=128
T		2295-	2105-	2092-	2032-

		508=1787	499=1606	597=1495	598=1434
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READING PARKING AUTHORITY AUDIT FROM 12/31/2017

ON 9/26/18, THE AUDITOR'S OFFICE RECEIVED A COPY OF AN AUDIT FROM THE READING PARKING AUTHORITY. THIS AUDIT, PREPARED BY HERBEIN & COMPANY, PRESENTS THE FINANCIALS OF THE PARKING AUTHORITY AS OF 12/31/17.

SOME BRIEF COMMENTARY AND OBSERVATIONS ARE AS FOLLOWS:

- THE CITY LENT THE PARKING AUTHORITY \$2,055,000 FROM 1999-2001 TOWARDS BOND DEBT REPAYMENTS.
- THE PARKING AUTHORITY HAS NOT NEEDED ANY CITY SUBSIDIES SINCE 2001.
- BY 2009, THE PARKING AUTHORITY HAD REPAID IN FULL ALL AMOUNTS DUE TO THE CITY PLUS TRANSFERRED AN ADDITIONAL \$1.279 MILLION TO THE CITY.
- OPERATING REVENUES DECREASED FROM \$8,428,623 (2012) TO \$7,382,451 (2017).
- OPERATING EXPENSES INCREASED FROM \$4,314,753 (2012) TO \$5,438,534 (2017).
- OPERATING INCOME DECREASED FROM \$4,113,870 (2012) TO \$1,943,917 (2017).
- THE PARKING AUTHORITY CONTRIBUTED \$6,750,000 TO THE CITY IN ACCORD WITH OUR ACT 47 RECOVERY PLAN FROM 2011-2014.
- **IN 2015, THE RPA GAVE AN ADDITIONAL ONE-TIME ONLY CONTRIBUTION OF \$3,068,558 FOR THE CITY'S BUDGET, WHICH RESULTED IN THE NET LOSS OF \$3,050,029 FOR THE RPA.**
- **IN 2017, THE PARKING AUTHORITY'S NET INCOME WAS \$608,254, ITS LARGEST GAIN SINCE 2012 AND THE CITY BUDGETED REVENUE OF \$1,490,000 FROM RPA BUT ONLY RECEIVED \$1,000,000.**

	2012	2013	2014
OPERATING REVENUES	8,428,623	8,359,522	7,821,891
OPERATING ADMIN. EXP.	-4,314,753	-5,066,758	-5,043,870
OPERATING INCOME	4,113,870	3,292,764	2,728,021
OTHER REV (EXP)	-2,858,216	-3,717,143	-2,460,692
NET INCOME (LOSS)	1,255,654	-424,379	317,329
NET ASSETS 1/1	21,282,057	22,004,719	21,580,340
NET ASSETS 12/31	<u>22,004,719</u> <u>RESTATED</u>	21,580,340	21,897,669
	2015	2016	2017
OPERATING REVENUES	7,595,267	7,535,942	7,382,451
OPERATING ADMIN. EXP.	-5,041,293	-5,335,836	-5,438,534
OPERATING INCOME	2,553,974	2,200,106	1,943,917
OTHER REV (EXP)	-5,604,003	-2,206,689	-1,335,663
NET INCOME (LOSS)	-3,050,029	-6,583	608,254
NET ASSETS 1/1	21,897,669	18,847,640	18,841,057

NET ASSETS 12/31	18,847,640	18,841,057	19,449,311
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MUNICIPAL SEWAGE RATE CALCULATIONS 4/1/19 – 3/31/20

THE NEW **MUNICIPAL** SEWAGE RATE CALCULATIONS (OLD IMA's) AND NOTIFICATIONS WERE COMPLETED ON SEPTEMBER 28, 2018. THE NEW RATE, WHICH GOES INTO EFFECT ON 4/1/19 - 3/31/20, IS **0.02% LOWER** THAN THE EXISTING RATE.

THE TREATMENT RATE DECREASED AND THE TRANSPORTATION RATE INCREASED COMPARED TO LAST YEAR.

THIS CHART LISTS THE MUNICIPAL SEWAGE RATES FROM 4/1/99-3/31/20:

YEAR	TREATMENT	TRANSPORTATION	TOTAL	% CHANGE
4/1/19-3/31/20	255.28	34.36	289.64	-0.02%
4/1/18-3/31/19	257.73	31.97	289.70	-0.27%
4/1/17-3/31/18	237.73	52.75	290.49	-2.31%
4/1/16-3/31/17	243.99	53.37	297.35	+3.63%
4/1/15-3/31/16	242.49	44.45	286.94	+5.03%
4/1/14-3/31/15	233.57	39.62	273.19	-2.30%
4/1/13-3/31/14	243.86	35.75	279.61	-3.30%
4/1/12-3/31/13	255.55	33.60	289.15	-0.53%
4/1/11-3/31/12	252.00	38.70	290.70	+16.41%
4/1/10-3/31/11	220.17	29.56	249.73	+7.92%
4/1/09-3/31/10	205.02	26.39	231.41	-3.35%
4/1/08-3/31/09	210.69	28.75	239.44	+16.00%
4/1/07-3/31/08	179.04	27.38	206.42	+20.33
4/1/06-3/31/07	151.06	20.19	171.55	-0.64%
4/1/05-3/31/06	154.62	18.03	172.65	+21.70%
4/1/04-3/31/05	125.05	16.81	141.86	+4.16%
4/1/03-3/31/04	122.07	14.13	136.20	+ 1.09%
4/1/02-3/31/03	120.23	14.51	134.74	- 11.04%
4/1/01-3/31/02	134.18	17.27	151.45	+ 5.20%
4/1/00-3/31/01	130.62	13.34	143.96	+ 5.99%
4/1/99-3/31/00	123.45	12.37	135.82	