

# CITY AUDITOR'S REPORT

## WEDNESDAY, JANUARY 27, 2016

### REAL ESTATE TRANSFER TAX – 1/1/2011 TO 12/31/2015

THIS IS AN UPDATE ON THE REAL ESTATE TRANSFER TAX RECEIPTS SINCE I LAST REPORTED IN MY DECEMBER 21, 2015 REPORT. THIS TAX WAS 1% ('02), 1.5% ('03), 2% ('04-'05), AND 3.5% FOR ('06-'15).

THE FOLLOWING CHART ILLUSTRATES ACTUAL DATA FROM 01/2011 - 12/2015. IN DECEMBER 2015 THERE WERE 166 REAL ESTATE TRANSFER TRANSACTIONS, OF WHICH 123 WERE TAXABLE TRANSACTIONS. THE CITY'S PROCEEDS IN DECEMBER TOTALLED \$271,629.17. THE YEAR TO DATE TOTAL IS \$3,208,026.86 OR MORE THAN \$1.3 MILLION HIGHER THAN BUDGETED. THE 2016 BUDGET LISTS \$2,200,000 AS EXPECTED REVENUE.

|                    | <b>2015</b>         | <b>2014</b>         | <b>2013</b>         | <b>2012</b>         | <b>2011</b>         |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| January            | 447,472.25          | 184,364.62          | 268,600.36          | 88,765.23           | 90,044.35           |
| February           | 136,325.79          | 79,506.95           | 96,300.63           | 260,520.16          | 135,391.03          |
| March              | 212,213.45          | 209,536.33          | 190,399.70          | 151,719.15          | 214,724.17          |
| April              | 234,429.18          | 174,960.06          | 323,534.14          | 142,353.83          | 156,823.78          |
| May                | 279,602.00          | 229,074.13          | 182,633.51          | 178,896.46          | 174,829.49          |
| June               | 179,077.99          | 184,215.78          | 235,519.00          | 191,760.76          | 221,457.20          |
| July               | 430,575.93          | 179,401.65          | 360,628.81          | 155,694.65          | 121,372.42          |
| August             | 337,420.45          | 212,909.86          | 238,208.80          | 126,717.87          | 179,026.81          |
| September          | 240,753.37          | 258,305.78          | 640,159.72          | 120,767.46          | 187,496.67          |
| October            | 256,548.97          | 271,499.71          | 167,947.97          | 241,408.93          | 255,432.51          |
| November           | 181,978.31          | 272,836.24          | 123,391.91          | 177,323.40          | 287,145.90          |
| December           | 271,629.17          | 253,304.41          | 151,516.19          | 137,293.31          | 208,991.89          |
| <b>Entire Year</b> | <b>3,208,026.86</b> | <b>2,509,915.52</b> | <b>2,978,840.74</b> | <b>1,973,221.21</b> | <b>2,232,736.22</b> |
| Budget             | 1,900,000.00        | 1,982,975.00        | 1,900,000.00        | 2,000,000.00        | 2,750,000.00        |
| Over Budget        | <b>1,308,026.86</b> | 526,940.52          | 1,078,840.74        | <26,778.79>         | <517,263.78>        |

## **REAL ESTATE TRANSFER TAX – 1/1/2011 TO 12/31/2015 (continued)**

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 2015 THERE WERE 120 TRANSACTIONS MINUS 32 NON-TAXABLE TRANSACTIONS, WHICH LEAVES 88 TAXABLE TRANSACTIONS.

|   | <b>2015</b>       | <b>2014</b>       | <b>2013</b>       | <b>2012</b>       | <b>2011</b>       |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| J | 120-32=88         | 152-64=88         | 134-44=90         | 108-36=72         | 101-44=57         |
| F | 143-56=87         | 100-41=59         | 132-55=77         | 103-36=67         | 126-49=77         |
| M | 193-48=145        | 170-39=131        | 183-55=128        | 179-56=123        | 144-43=101        |
| A | 174-49=125        | 157-32=125        | 180-55=125        | 159-41=118        | 121-31=90         |
| M | 218-65=153        | 212-51=161        | 168-53=115        | 160-35=125        | 168-52=116        |
| J | 172-56=116        | 159-50=109        | 150-53=97         | 150-57=93         | 175-39=136        |
| J | 175-52=123        | 149-43=106        | 146-30=116        | 148-52=96         | 127-48=79         |
| A | 180-44=136        | 150-41=109        | 177-71=106        | 118-39=79         | 153-39=114        |
| S | 211-48=163        | 202-49=153        | 224-50=174        | 112-39=73         | 141-40=101        |
| O | 201-66=135        | 223-71=152        | 170-56=114        | 225-53=172        | 181-52=129        |
| N | 139-38=101        | 162-49=113        | 134-35=99         | 145-42=103        | 149-31=118        |
| D | 166-43=123        | 196-68=128        | 138-53=85         | 138-50=88         | 172-61=111        |
| T | 2092-<br>597=1495 | 2032-<br>598=1434 | 1936-<br>610=1326 | 1745-<br>536=1209 | 1758-<br>529=1229 |

## **REAL ESTATE TRANSFER TAX -\$1 MILLION + PROPERTIES 2015**

THE NINTH \$1 MILLION + PROPERTY WAS SOLD IN READING IN DECEMBER. ALL PROPERTIES ARE COMMERCIAL PROPERTIES AS OPPOSED TO A RESIDENTIAL PROPERTIES.

| <b>DATE</b> | <b>PROPERTY ADDRESS</b>          | <b>SALE PRICE</b> | <b>RATE<br/>3.5%</b> | <b>TAX AMOUNT</b> |
|-------------|----------------------------------|-------------------|----------------------|-------------------|
| 01/14/15    | 825 Morgantown Rd.               | \$6,000,000       | 3.5%                 | \$210,000         |
| 01/16/15    | 600 Morgantown Rd.               | \$2,700,000       | 3.5%                 | \$94,500          |
| 05/29/15    | 645 Penn Street                  | \$1,700,000       | 3.5%                 | \$59,500          |
| 7/1/15      | 825 East Wyomissing Blvd.        | \$2,500,000       | 3.5%                 | \$87,500          |
| 7/14/15     | 100 South 3 <sup>rd</sup> Street | \$1,175,000       | 3.5%                 | \$41,125          |
| 7/21/15     | 600 South 6 <sup>th</sup> Street | \$2,100,000       | 3.5%                 | \$73,500          |
| 8/20/15     | 958 East Wyomissing Blvd.        | \$3,653,760       | 3.5%                 | \$127,882         |
| 10/2/15     | 443 Penn Street                  | \$2,067,780       | 3.5%                 | \$72,372          |
| 12/22/15    | 323 N 4 <sup>TH</sup> Street     | \$1,000,000       | 3.5%                 | \$35,000          |
| total       |                                  | \$22,896,540      | 3.5%                 | \$801,379         |

- IN 2014, THERE WERE TWO (2) PROPERTIES SOLD IN EXCESS OF \$1 MILLION
- IN 2013, THERE WERE TEN (10) PROPERTIES SOLD IN EXCESS OF \$1 MILLION(w/CNA)
- IN 2012, THERE WERE TWO (2) PROPERTIES SOLD IN EXCESS OF \$1 MILLION
- IN 2011, THERE WERE FIVE (5) PROPERTIES SOLD IN EXCESS OF \$1 MILLION
- IN 2010, THERE WERE SIX (6) PROPERTIES SOLD IN EXCESS OF \$1 MILLION.

- IN 2009, THERE WERE ZERO (0) PROPERTIES SOLD IN EXCESS OF \$1 MILLION.
- IN 2008, THERE WERE FOUR (4) PROPERTIES SOLD IN EXCESS OF \$1 MILLION.
- IN 2007, THERE WERE TWELVE (12) PROPERTIES SOLD IN EXCESS OF \$1 MILLION.

## **2015 ADMISSION FEE/TAX**

WE RECEIVED CHECKS IN THE AMOUNT OF \$2,417.92 FROM THE READING FIGHTIN' PHILS FOR DECEMBER'S ADMISSION FEES/TAXES. THE SANTANDER ARENA AND THE PERFORMING ARTS CENTER ADMISSION FEES TOTALLED \$29,234.60 FOR DECEMBER EVENTS. THOSE EVENTS INCLUDED IN THE RECEIPTS ARE FROM PERFORMANCES BY LEWIS BLACK, PEPPA PIG, JOHN PRINE, MANNHEIM STEAMROLLER, STRAIGHT NO CHASER AND THE READING SYMPHONY ORCHESTRA, JUST TO NAME A FEW. ALSO THIS MONTH, WE RECEIVED \$7,814.74 FROM READING ROYALS HOCKEY FOR DECEMBER'S SALES.

THE 2016 BUDGET LIST \$375,000 AS EXPECTED REVENUE.

THE FOLLOWING CHARTS LIST ANNUALLY (2011-2015) THE ADMISSION FEES BY SPORT/VENUE:

| ADMISSION FEE/TAX                                   | 2011                | 2012                | 2013                | 2014                | 2015                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| READING PHILS<br>-1 <sup>ST</sup> ENERGY<br>STADIUM | \$104,498.69        | \$96,043.94         | \$93,720.02         | \$83,965.24         | \$90,207.37         |
| READING ROYALS -<br>SANTANDER<br>ARENA              | \$60,719.57         | \$58,030.32         | \$79,569.86         | \$68,419.39         | \$70,252.03         |
| OTHER-<br>SANTANDER<br>ARENA                        | \$117,376.12        | \$175,637.30        | \$163,778.03        | \$78,803.12         | \$154,506.05        |
| PERFORMING<br>ARTS CENTER                           | \$140,860.56        | \$95,120.89         | \$102,545.31        | \$105,199.93        | \$130,830.17        |
| <b>TOTAL<br/>REVENUE</b>                            | <b>\$423,454.94</b> | <b>\$424,832.45</b> | <b>\$439,613.22</b> | <b>\$336,387.68</b> | <b>\$445,795.62</b> |
| BUDGETED<br>REVENUE                                 | \$480,000.00        | \$504,000.00        | \$510,000.00        | \$425,000.00        | \$325,000.00        |
| <b>OVER/UNDER<br/>BUDGET</b>                        | <b>-\$56,545.06</b> | <b>-\$79,167.55</b> | <b>-\$70,386.78</b> | <b>-\$88,612.32</b> | <b>\$120,795.62</b> |

## **MS-965 REPORT FOR 2015**

THE CITY OF READING HAS COMPLETED AND FILED ITS 2015 MS-965 REPORT WITH THE PENNSYLVANIA DEPARTMENT OF TRANSPORTATION (PENNDOT). THIS REPORT SUMMARIZES OUR 2015 EXPENDITURES AND REVENUES REGARDING THE LIQUID FUELS (MOTOR LICENSE) FUND.

WE ARE ALSO EXPECTING THIS SPRING, THE RELEASE OF GRANT FUNDING OF APPROXIMATELY \$1,800,000 FROM THE PENNSYLVANIA DEPARTMENT OF TREASURY FOR STREET REPAIRS, WINTER ROAD MAINTENANCE COSTS AND PAVING PROJECTS.

THE AUDITOR'S OFFICE WILL REPORT ON THE RECEIPT OF THE 2016 LIQUID FUELS GRANT WHEN IT HAPPENS.