

CITY AUDITOR'S REPORT

MONDAY, OCTOBER 14, 2013

MUNICIPAL SEWAGE RATE CALCULATIONS 4/1/14 – 3/31/15

THE NEW MUNICIPAL SEWAGE RATE CALCULATIONS AND NOTIFICATIONS WERE COMPLETED ON SEPTEMBER 30, 2013. THE NEW RATE, WHICH GOES INTO EFFECT ON 4/1/14 - 3/31/15, IS **2.30% LOWER** THAN THE CURRENT RATE.

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

THIS CHART LISTS THE MUNICIPAL SEWAGE RATES FROM 4/1/99-3/31/15:

YEAR	TREATMENT	TRANSPORTATION	TOTAL	% CHANGE
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	

2013 ADMISSION FEE/TAX

WE RECEIVED CHECKS IN THE AMOUNT OF \$6,097.73 FROM THE READING PHILLIES FOR AUGUST'S ADMISSION FEES/TAXES. THE SOVEREIGN CENTER AND THE PERFORMING ARTS CENTER EVENT FEES TOTALLED \$13,384.17 FOR AUGUST SALES. EVENTS INCLUDED IN THESE RECEIPTS ARE FROM PERFORMANCES BY AMERICAN IDOL, THERESA CAPUTO, AND JIM GAFFIGAN. ALSO THIS MONTH, WE RECEIVED \$5,313.73 FROM READING ROYALS HOCKEY FOR AUGUST'S SALES.

THE 2013 BUDGET LIST \$510,000 AS EXPECTED REVENUE.

THE FOLLOWING CHARTS LIST ANNUALLY (2009-AUGUST 2013) THE ADMISSION FEES BY SPORT/VENUE:

ADMISSION FEE/TAX	2009	2010	2011	2012	AUG. 2013
READING PHILS -1 ST ENERGY STADIUM	\$94,788.30	\$98,219.57	\$104,498.69	\$96,043.94	\$55,720.57
READING ROYALS - SOVEREIGN CENTER	\$55,054.89	\$61,494.30	\$60,719.57	\$58,030.32	\$60,556.39
OTHER- SOVEREIGN CENTER	\$232,589.23	\$252,268.74	\$117,376.12	\$175,637.30	\$89,330.88
PERFORMING ARTS CENTER	\$99,602.64	\$100,701.62	\$140,860.56	\$95,120.89	\$69,035.95
TOTAL REVENUE	\$482,035.06	\$512,684.23	\$423,454.94	\$424,832.45	\$274,643.79
BUDGETED REVENUE	\$600,000.00	\$450,000.00	\$480,000.00	\$504,000.00	\$510,000.00
OVER/UNDER BUDGET	-\$117,964.94	\$62,684.23	-\$56,545.06	-\$79,167.55	

REAL ESTATE TRANSFER TAX – 1/1/2009 TO 8/31/2013

THIS IS AN UPDATE ON THE REAL ESTATE TRANSFER TAX RECEIPTS SINCE I LAST REPORTED IN MY AUGUST 26, 2013 REPORT. THIS TAX WAS 1% ('02), 1.5% ('03), 2% ('04-'05), AND 3.5% FOR ('06-'13).

THE FOLLOWING CHART ILLUSTRATES ACTUAL DATA FROM 01/2009 - 08/2013. IN AUGUST 2013 THERE WERE 177 REAL ESTATE TRANSFER TRANSACTIONS, OF WHICH 106 WERE TAXABLE TRANSACTIONS. THE CITY'S PROCEEDS IN AUGUST TOTALLED \$238,208.80. THE 2013 BUDGET LISTS \$1,900,000 AS EXPECTED REVENUE.

	2013	2012	2011	2010	2009
January	268,600.36	88,765.23	90,044.35	159,017.30	148,961.51
February	96,300.63	260,520.16	135,391.03	106,687.67	142,169.66
March	190,399.70	151,719.15	214,724.17	229,645.70	185,351.64
April	323,534.14	142,353.83	156,823.78	393,268.60	258,946.66
May	182,633.51	178,896.46	174,829.49	384,978.30	242,328.73
June	235,519.00	191,760.76	221,457.20	349,449.25	204,198.52
July	360,628.81	155,694.65	121,372.42	222,286.60	182,852.57
August	238,208.80	126,717.87	179,026.81	185,037.44	189,488.42
September		120,767.46	187,496.67	128,921.23	301,455.52
October		241,408.93	255,432.51	204,050.03	273,838.88
November		177,323.40	287,145.90	240,401.03	214,016.65
December		137,293.31	208,991.89	209,455.28	232,908.94
JAN.-AUG.	1,895,824.95	1,296,428.11	1,293,669.25	2,030,370.86	1,554,297.71
Entire Year		1,973,221.21	2,232,736.22	2,813,198.43	2,576,517.70
Budget	1,900,000.00	2,000,000.00	2,750,000.00	2,500,000.00	5,000,000.00
Over Budget		<26,778.79>	<517,263.78>	313,198.43	<2,423,482.30>

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 2013 THERE WERE 134 TRANSACTIONS MINUS 44 NON-TAXABLE TRANSACTIONS, WHICH LEAVES 90 TAXABLE TRANSACTIONS.

	2013	2012	2011	2010	2009
J	134-44=90	108-36=72	101-44=57	145-54=91	123-55=68
F	132-55=77	103-36=67	126-49=77	103-37=66	137-44=93
M	183-55=128	179-56=123	144-43=101	212-67=145	167-47=120
A	180-55=125	159-41=118	121-31=90	193-59=134	163-54=109
M	168-53=115	160-35=125	168-52=116	208-73=135	169-40=129
J	150-53=97	150-57=93	175-39=136	185-51=134	171-60=111
J	146-30=116	148-52=96	127-48=79	149-44=105	161-62=99
A	177-71=106	118-39=79	153-39=114	161-55=106	141-48=93
S		112-39=73	141-40=101	114-31=83	137-39=98
O		225-53=172	181-52=129	201-72=129	219-67=152
N		145-42=103	149-31=118	120-33=87	175-65=110
D		138-50=88	172-61=111	153-45=108	163-44=119
T		1745-536=1209	1758-529=1229	1944-621=1323	1926-625=1301

REAL ESTATE TRANSFER TAX -\$1 MILLION + PROPERTIES 2013

THERE WAS ONE (1) \$1 MILLION + PROPERTY SOLD IN READING IN AUGUST, 2013. THAT BRINGS THE TOTAL NUMBER OF \$1 MILLION + PROPERTIES SOLD IN 2013 TO NINE (9). ALL WERE COMMERCIAL PROPERTIES AS OPPOSED TO RESIDENTIAL PROPERTIES. THROUGH 8/31/13, THE BELOW LISTED PROPERTIES TOTAL SALES PRICE WAS \$20,308,093 THUS RETURNING \$710,784 IN REAL ESTATE TRANSFER TAXES TO THE CITY.

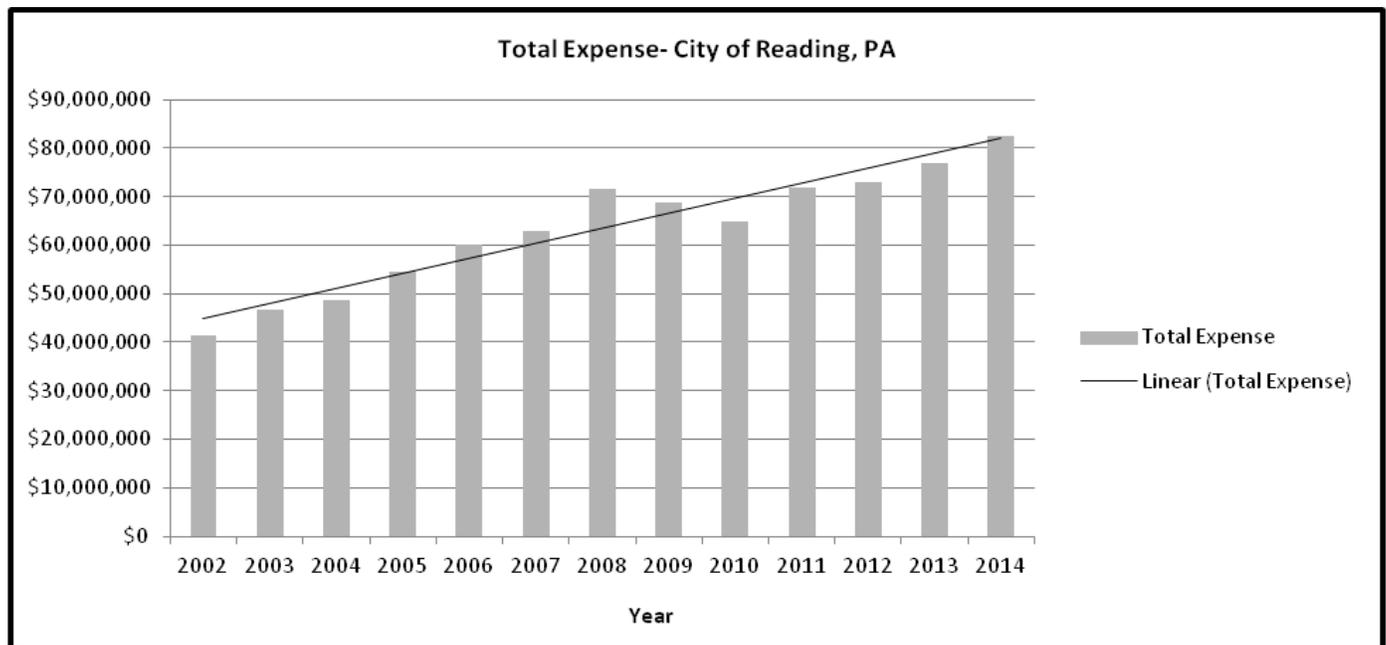
DATE	PROPERTY ADDRESS	SALE PRICE	RATE 3.5%	TAX AMOUNT
01/07/13	2040 Centre Ave.	\$1,204,079	3.5%	\$42,143
01/11/13	825 E. Wyomissing. Blvd.	\$2,844,416	3.5%	\$99,555
4/16/13	100 N. 5 th Street	\$1,100,000	3.5%	\$38,500
4/16/13	112 N. 5 th Street	\$1,000,000	3.5%	\$35,000
4/22/13	936 N. 9 th Street	\$2,040,913	3.5%	\$71,432
5/30/13	200 Penn Street	\$1,460,000	3.5%	\$51,100
6/28/13	W. Robeson Street	\$2,360,000	3.5%	\$82,600
7/02/13	50 N. 4 TH Street	\$5,798,685	3.5%	\$202,954
8/14/13	443-445 Penn Street	\$2,500,000	3.5%	\$87,500
total		\$20,308,093	3.5%	\$710,784

- 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.

CITY GENERAL FUND BUDGET 2002-2014 (PROPOSED)

Year	Total Expense
2002	\$41,389,347
2003	\$46,570,481
2004	\$48,672,784
2005	\$54,579,590
2006	\$60,193,043
2007	\$63,050,454
2008	\$71,554,145
2009	\$68,880,826
2010	\$64,944,810
2011	\$71,996,270
2012	\$73,098,526
2013	\$76,932,310
2014	\$82,575,039

The graph below illustrates budgeted expenses for the City General Fund from 2002-2014. In 2002, the CGF expense budget was \$41,839,347 and twelve (12) years later, it is nearly double at the proposed amount of \$82,575,039.



TOTAL EXPENSE YEAR OVER YEAR 2002-2014 (PROPOSED)

Year	Total Expense	Year over Year
2002	\$41,389,347	
2003	\$46,570,481	13%
2004	\$48,672,784	5%
2005	\$54,579,590	12%
2006	\$60,193,043	10%
2007	\$63,050,454	5%
2008	\$71,554,145	13%
2009	\$68,880,826	-4%
2010	\$64,944,810	-6%
2011	\$71,996,270	11%
2012	\$73,098,526	2%
2013	\$76,932,310	5%
2014	\$82,575,039	7%

This chart reveals the increase (or decrease) in the CGF Budget for the period at 2002-2014 proposed. In ten (10) of the last twelve (12) years, the budget has increased. Only in 2009-2010 did we see a decrease in the annual CGF Budget.

