

CITY AUDITOR'S REPORT

MONDAY, OCTOBER 27, 2014

2014 ADMISSION FEE/TAX

WE RECEIVED CHECKS IN THE AMOUNT OF \$27,699.79 FROM THE READING PHILLIES FOR SEPTEMBER'S ADMISSION FEES/TAXES. THERE WERE NO EVENTS HELD AT THE SANTANDER ARENA IN SEPTEMBER. KIP MOORE AND ERASURE PLAYED AT THE PERFORMING ARTS CENTER IN SEPTEMBER BRINGING IN \$3,147.77 IN ADMISSION FEES/TAXES. ALSO THIS MONTH, WE RECEIVED \$3,808.73 FROM READING ROYALS HOCKEY FOR SEPTEMBER'S SALES.

THE 2014 BUDGET LIST \$425,000 AS EXPECTED REVENUE.

THE FOLLOWING CHARTS LIST ANNUALLY (2010-SEPTEMBER 2014) THE ADMISSION FEES BY SPORT/VENUE:

ADMISSION FEE/TAX	2010	2011	2012	2013	SEPT. 2014
READING PHILS -1 ST ENERGY STADIUM	\$98,219.57	\$104,498.69	\$96,043.94	\$93,720.02	\$77,476.84
READING ROYALS - SANTANDER ARENA	\$61,494.30	\$60,719.57	\$58,030.32	\$79,569.86	\$50,093.53
OTHER- SANTANDER ARENA	\$252,268.74	\$117,376.12	\$175,637.30	\$163,778.03	\$45,986.07
PERFORMING ARTS CENTER	\$100,701.62	\$140,860.56	\$95,120.89	\$102,545.31	\$75,440.64
TOTAL REVENUE	\$512,684.23	\$423,454.94	\$424,832.45	\$439,613.22	\$248,997.08
BUDGETED REVENUE	\$450,000.00	\$480,000.00	\$504,000.00	\$510,000.00	\$425,000.00
OVER/UNDER BUDGET	\$62,684.23	-\$56,545.06	-\$79,167.55	-\$70,386.78	

REAL ESTATE TRANSFER TAX – 1/1/2010 TO 09/30/2014

THIS IS AN UPDATE ON THE REAL ESTATE TRANSFER TAX RECEIPTS SINCE I LAST REPORTED IN MY OCTOBER 13, 2014 REPORT. THIS TAX WAS 1% ('02), 1.5% ('03), 2% ('04-'05), AND 3.5% FOR ('06-'14).

THE FOLLOWING CHART ILLUSTRATES ACTUAL DATA FROM 01/2010 - 09/2014. IN SEPTEMBER 2014 THERE WERE 202 REAL ESTATE TRANSFER TRANSACTIONS, OF WHICH 153 WERE TAXABLE TRANSACTIONS. THE CITY'S PROCEEDS IN SEPTEMBER TOTALLED \$258,305.78. THE 2014 BUDGET LISTS \$1,982,975 AS EXPECTED REVENUE.

	2014	2013	2012	2011	2010
January	184,364.62	268,600.36	88,765.23	90,044.35	159,017.30
February	79,506.95	96,300.63	260,520.16	135,391.03	106,687.67
March	209,536.33	190,399.70	151,719.15	214,724.17	229,645.70
April	174,960.06	323,534.14	142,353.83	156,823.78	393,268.60
May	229,074.13	182,633.51	178,896.46	174,829.49	384,978.30
June	184,215.78	235,519.00	191,760.76	221,457.20	349,449.25
July	179,401.65	360,628.81	155,694.65	121,372.42	222,286.60
August	212,909.86	238,208.80	126,717.87	179,026.81	185,037.44
September	258,305.78	640,159.72	120,767.46	187,496.67	128,921.23
October		167,947.97	241,408.93	255,432.51	204,050.03
November		123,391.91	177,323.40	287,145.90	240,401.03
December		151,516.19	137,293.31	208,991.89	209,455.28
Jan.-Sept.	1,712,275.16	2,535,984.67	1,417,195.57	1,481,165.92	2,159,292.09
Entire Year		2,978,840.74	1,973,221.21	2,232,736.22	2,813,198.43
Budget	1,982,975.00	1,900,000.00	2,000,000.00	2,750,000.00	2,500,000.00
Over Budget		1,078,840.74	<26,778.79>	<517,263.78>	313,198.43

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 2014 THERE WERE 152 TRANSACTIONS MINUS 64 NON-TAXABLE TRANSACTIONS, WHICH LEAVES 88 TAXABLE TRANSACTIONS.

	2014	2013	2012	2011	2010
J	152-64=88	134-44=90	108-36=72	101-44=57	145-54=91
F	100-41=59	132-55=77	103-36=67	126-49=77	103-37=66
M	170-39=131	183-55=128	179-56=123	144-43=101	212-67=145
A	157-32=125	180-55=125	159-41=118	121-31=90	193-59=134
M	212-51=161	168-53=115	160-35=125	168-52=116	208-73=135
J	159-50=109	150-53=97	150-57=93	175-39=136	185-51=134
J	149-43=106	146-30=116	148-52=96	127-48=79	149-44=105
A	150-41=109	177-71=106	118-39=79	153-39=114	161-55=106
S	202-49=153	224-50=174	112-39=73	141-40=101	114-31=83
O		170-56=114	225-53=172	181-52=129	201-72=129
N		134-35=99	145-42=103	149-31=118	120-33=87
D		138-53=85	138-50=88	172-61=111	153-45=108
T		1936-610=1326	1745-536=1209	1758-529=1229	1944-621=1323

REAL ESTATE TRANSFER TAX -\$1 MILLION + PROPERTIES 2014

THE FIRST ONE (1) \$1 MILLION + PROPERTY SOLD IN READING DURING 2014 HAPPENED IN SEPTEMBER. THIS IS A COMMERCIAL PROPERTY AS OPPOSED TO A RESIDENTIAL PROPERTY.

DATE	PROPERTY ADDRESS	SALE PRICE	RATE 3.5%	TAX AMOUNT
09/12/14	801 Penn Street	\$1,055,762	3.5%	\$36,952

- 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.

PUBLIC UTILITY REALTY TAX 1997-2014

ON 10/08/14, WE RECEIVED \$58,178.57 FOR THE STATE PUBLIC UTILITY REALTY TAX FROM THE COMMONWEALTH OF PA. STARTING IN 1999, THERE WAS A CHANGE IN THE FORMULA TO CALCULATE THE AMOUNTS PAYABLE TO MUNICIPALITIES FOR THE STATE PUBLIC UTILITY REALTY TAX. AS THE FOLLOWING CHART REVEALS, WE HAVE EXPERIENCED A MAJOR REDUCTION IN THIS REVENUE SOURCE SINCE 1999. THE ESTIMATED REVENUE FROM THIS SOURCE IN 2015 IS EXPECTED TO BE \$49,000.00.

PUBLIC UTILITY TAX	BUDGET	ACTUAL
1997	291,000	277,867
1998	291,000	267,198
1999	290,000	205,284
2000	170,000	80,921
2001	60,000	41,693
2002	80,000	35,924
2003	42,000	39,294
2004	36,000	29,027
2005	40,000	42,151
2006	40,000	51,455
2007	51,000	48,885
2008	51,000	45,976
2009	46,000	43,342
2010	46,000	40,781
2011	45,000	45,721
2012	45,000	49,068
2013	49,000	50,473
2014	49,000	58,179

2011-2012--2013 PENSION FUNDS STATE AUDIT

ON 10/23/14, A PENSION EXIT AUDIT CONFERENCE WAS HELD WITH STATE AUDITORS REGARDING ALL THREE (3) PENSION FUNDS (POLICE, FIRE, AND OFFICER'S & EMPLOYEES) FOR THE YEARS 2011, 2012 AND 2013. SEVERAL MEMBERS OF THE ADMINISTRATION, INCLUDING THE MAYOR, MANAGING DIRECTOR, DIRECTOR OF ADMINISTRATIVE SERVICES, PENSION COORDINATOR AND I WERE IN ATTENDENCE.

THESE "DRAFT" AUDITS ARE STILL SUBJECT TO SEVERAL LEVELS OF REVIEW IN HARRISBURG. WHEN THE AUDITS ARE REVIEWED AND APPROVED IN HARRISBURG AND FINAL AUDITS ARE RECEIVED, WE WILL SHARE THOSE AUDITS WITH ALL CONCERNED PARTIES.