

CITY AUDITOR'S REPORT

MONDAY, MARCH 08, 2010

2009 CITY AUDIT

ON WEDNESDAY, FEBRUARY 17TH, A PRELIMINARY MEETING WAS HELD WITH MEMBERS OF THE AUDITOR'S OFFICE, THE ACCOUNTING/TREASURY MANAGER AND REPRESENTATIVES FROM HERBEIN & COMPANY REGARDING THE UPCOMING 2009 CITY AUDIT.

WITH THE COOPERATION OF BOTH THE CITY AUDITOR'S OFFICE AND THE FINANCE DEPARTMENT, WE ASSIGN RESPONSIBILITIES FOR TIMELY COMPLETION OF HERBEIN AND COMPANY'S REQUESTS. THERE ARE NUMEROUS REQUESTS FOR SUCH ITEMS AS INCOME STATEMENTS, BALANCE SHEETS, EXPENSE REPORTS, FIXED ASSET REPORTS, ANNUAL & CAPITAL BUDGETS, COUNCIL MINUTES, BANK AND INVESTMENT RECONCILIATIONS, PAYROLL REPORTS, ACCOUNTS RECEIVABLE/PAYABLE ANALYSIS, AND PENSION ACTUARY REPORTS.

WE EXPECT THE 2009 AUDIT TO OFFICIALLY COMMENCE ON MONDAY, APRIL 12, 2010. AS ALWAYS, I WILL PROVIDE THE ADMINISTRATION AND COUNCIL WITH PERIODIC UPDATES THROUGHOUT THE AUDIT PROCESS.

BATTLE OF THE BADGES 2010

ON SUNDAY, FEBRUARY 28TH, I ATTENDED THE 5TH ANNUAL BATTLE OF THE BADGES ICE HOCKEY GAME AT THE SOVEREIGN CENTER. THIS EVENT, PITTING READING POLICE VERSUS READING FIRE, RAISED MONEY FOR SCHOLARSHIPS FOR CHILDREN OF READING POLICE AND FIRE PERSONNEL. FOR THE FIRST TIME IN THIS ANNUAL MATCHUP, THE POLICE TEAM WON THE GAME, BY THE SCORE OF 6-0. OFFICER CHRISTOPHER CORTAZZO SCORED TWO GOALS AND OFFICER/GOALTENDER ERIC DRIESBACH EARNED A SHUTOUT.

2009 UNEMPLOYMENT COMPENSATION

THE UNEMPLOYMENT COMPENSATION EXPENSES FOR THE 4TH QUARTER OF 2009 WERE \$20,188.24. THE YEAR-TO-DATE TOTAL COSTS ARE NOW \$133,061.92 OR \$33,061.92 MORE THAN BUDGETED FOR THE ENTIRE YEAR OF 2009. THE 2010 BUDGET ESTIMATES \$755,000 FOR UNEMPLOYMENT COMPENSATIONS COSTS.

THE FOLLOWING CHART ILLUSTRATES THE UNEMPLOYMENT COSTS OF THE CITY FOR YEARS 1996- 2009:

YEAR	BUDGET	ACTUAL EXPENSE	VARIANCE
1996	\$44,856.00	\$40,732.38	\$4,123.62
1997	\$55,000.00	\$94,088.09	-\$39,088.09
1998	\$55,000.00	\$25,086.87	\$29,913.13
1999	\$55,000.00	\$26,085.08	\$28,914.92
2000	\$55,000.00	\$123,742.39	-\$68,742.39
2001	\$55,000.00	\$42,710.14	\$12,289.86
2002	\$55,000.00	\$33,494.50	\$21,505.50
2003	\$12,000.00	\$60,765.63	-\$48,765.63
2004	\$100,000.00	\$166,192.84	-\$66,192.84
2005	\$100,000.00	\$72,140.44	\$27,859.56
2006	\$100,000.00	\$52,913.27	\$47,086.73
2007	\$100,000.00	\$62,466.08	\$37,533.92
2008	\$80,000.00	\$58,968.37	\$21,031.63
2009	\$100,000.00	\$133,061.92	-\$33,061.92

BOLD INDICATES DEFICIT.

ALSO NOTE THAT IN 1997, 2000 AND 2004 RE-ORGANIZATIONS OCCURRED.

HOUSING/RENTAL PERMITS 2004-2010

THE FOLLOWING CHART ILLUSTRATES HOUSING/RENTAL PERMIT REVENUES BUDGETED AND RECEIVED FROM 1/1/2004 - 3/1/2010.

YEAR	BUDGETED REVENUE	ACTUAL REVENUE	DIFFERENCE
2004	827,387	802,878	-24,509
2005	850,000	667,110	-182,890
2006	825,000	754,277	-70,723
2007	825,000	251,347	-573,653
2008	800,000	619,118	-180,882
2009	1,050,000	393,911	-656,089
2010-MARCH 1	1,768,071	940,430	

PROPERTY TAXES 1994 – 2010

THE FOLLOWING IS A COMPARISON ON TOTAL REAL ESTATE TAX ASSESSMENTS, EXEMPTIONS AND ABATEMENTS, TAXABLE ASSESSMENTS AND ACTUAL BILLINGS FOR THE YEARS 1994-2010:

	TOTAL ASSESSMENTS	EXEMPTIONS & ABATEMENTS	TAXABLE ASSESSMENTS	ACTUAL BILLINGS
2010	2,115,458,800	651,534,600	1,463,924,200	17,486,575
2009	2,115,997,800	651,671,100	1,464,326,700	16,759,219
2008	2,098,790,200	643,136,000	1,455,654,200	15,866,631
2007	2,089,443,900	625,862,200	1,463,581,700	15,953,041
2006	2,076,331,800	628,077,780	1,448,254,020	15,061,842
2005	2,076,474,400	620,934,560	1,455,539,840	14,992,060
2004	2,068,890,300	621,170,140	1,447,720,160	14,911,518
2003	2,077,022,100	622,669,620	1,454,352,480	14,979,831
2002	2,060,666,900	622,986,500	1,437,680,400	14,808,108
2001	2,042,308,600	605,301,621	1,437,006,979	14,801,172
2000	2,050,682,200	573,876,780	1,476,805,420	15,211,096
1999	2,061,594,300	563,855,008	1,497,739,292	15,426,715
1998	2,073,992,000	570,834,996	1,503,157,004	15,482,517
1997	2,068,095,400	543,734,468	1,510,720,132	16,013,633
1996	2,083,243,900	558,882,968	1,524,360,932	16,158,226
1995	2,111,358,900	561,674,002	1,549,684,898	16,426,660
1994	2,144,082,150	520,834,847	1,623,247,303	17,206,421

AS YOU CAN SEE FROM THE ABOVE CHART, SEVERAL TRENDS ARE OCCURRING.

- TOTAL ASSESSMENTS HAVE DECREASED BY \$28,623,350 FROM 1994-2010.
- EXEMPTIONS & ABATEMENTS HAVE INCREASED \$130.7 MILLION FROM 1994-2010.
- EXEMPTIONS AND ABATEMENTS HAVE STEADILY INCREASED PERCENTAGE-WISE FROM 24.3% OF TOTAL ASSESSMENTS IN 1994 TO 30.8% IN 2010.
- TAXABLE ASSESSMENTS HAVE DECREASED BY \$159 MILLION FROM 1994-2010.
- ACTUAL BILLINGS HAVE INCREASED BY ONLY \$280,154 FROM 1994-2010.

NOTE: MILLAGE RATES	1994-1997	10.6 MILLS
	1998-2005	10.3 MILLS
	2006	10.4 MILLS
	2007-2008	10.9 MILLS
	2009	11.445 MILLS
	2010	11.945 MILLS