

# **CITY AUDITOR'S REPORT**

## **MONDAY, JULY 12, 2010**

### **2009 CITY AUDIT UPDATE**

THE 2009 CITYWIDE AUDIT, BY HERBEIN & COMPANY, IS NEARING COMPLETION.

AFTER THE VERY LAST FEW PIECES OF NECESSARY INFORMATION ARE RECEIVED, REVIEWED, COMPILED AND VERIFIED, THE FOLLOWING WILL BE THE TIMELINE FROM THIS POINT FORWARD:

1. 7/14 INTERNAL MEETING W/AUDITOR & FINANCE/ADMINISTRATION
2. 7/19 MEETING W/CITY COUNCIL AT FINANCE COMMITTEE
3. 7/26 2009 AUDIT PRESENTATION AT REGULAR COUNCIL MEETING

QUOTING FROM SECTION 914 OF READING'S CITY CHARTER, THE ANNUAL CITYWIDE AUDIT IS "...TO BE COMPLETED AND SUBMITTED TO THE MAYOR WITHIN ONE HUNDRED EIGHTY (180) DAYS OF THE CLOSE OF THE FISCAL YEAR." ANOTHER PART STATES "WITHIN THIRTY (30) DAYS OF COMPLETION, THE MAYOR SHALL PRESENT TO THE COUNCIL THE RESULTS OF THE ANNUAL AUDIT".

AT THE NEXT SCHEDULED COUNCIL MEETING (7/26), A REPRESENTATIVE FROM HERBEIN & COMPANY, OUR EXTERNAL AUDITOR, WILL FORMALLY PRESENT THE RESULTS OF THE AUDIT TO THE MAYOR, COUNCIL AND THE GENERAL PUBLIC.

## REAL ESTATE TAXES COLLECTED 2008-2010 (THROUGH 6/30/10)

THE FOLLOWING CHART ILLUSTRATES CITY REAL ESTATE TAXES COLLECTED IN 2008 THROUGH 06/30/10 AND BUDGETED AMOUNTS FROM 2008-2010.

SEVERAL ITEMS OF NOTE:

- IN 2008, **\$209,281 LESS** WAS COLLECTED THAN BUDGETED.
- IN 2009, **\$410,541 LESS** WAS COLLECTED THAN BUDGETED.
- CURRENT TAXES COLLECTED IN 2009 WERE **\$516,331 MORE** THAN CURRENT 2008 TAXES.
- PRIOR TAXES COLLECTED IN 2009 WERE **\$41,946 MORE** THAN PRIOR 2008 TAXES.
- PENALTY & INTEREST IN 2009 WAS **\$8,912 LESS** THAN IN 2008.

| PROP. TAXES | 2010 BUDGET | 2010 ACT 6/30 | 2009 BUDGET | 2009 ACTUAL | 2008 BUDGET | 2008 ACTUAL |
|-------------|-------------|---------------|-------------|-------------|-------------|-------------|
| DISC.       | -200,000    | -213,109      | -200,000    | -210,201    | -200,000    | -209,576    |
| CURR. YR.   | 15,771,240  | 14,178,428    | 15,000,579  | 14,928,185  | 14,250,579  | 14,411,854  |
| PRIOR YRS.  | 1,000,000   | 577,784       | 1,200,000   | 919,151     | 1,200,000   | 877,205     |
| PEN. & INT. | 170,000     | 86,085        | 180,000     | 132,903     | 180,000     | 141,815     |
| TOTALS      | 16,741,240  | 14,629,188    | 16,180,579  | 15,770,038  | 15,430,579  | 15,221,298  |

## COMPARISONS AS OF 6/30/XX

| PROP. TAXES | 2010 BUDGET | 2010 ACT 6/30 | 2009 BUDGET | 2009 ACT 6/30 | 2008 BUDGET | 2008 ACT 6/30 |
|-------------|-------------|---------------|-------------|---------------|-------------|---------------|
| DISC.       | -200,000    | -213,109      | -200,000    | -210,201      | -200,000    | -209,576      |
| CURR. YR.   | 15,771,240  | 14,178,428    | 15,000,579  | 13,527,270    | 14,250,579  | 13,057,820    |
| PRIOR YRS.  | 1,000,000   | 577,784       | 1,200,000   | 528,683       | 1,200,000   | 533,777       |
| PEN. & INT. | 170,000     | 86,085        | 180,000     | 81,229        | 180,000     | 93,970        |
| TOTALS      | 16,741,240  | 14,629,188    | 16,180,579  | 13,926,981    | 15,430,579  | 13,475,991    |

THE ABOVE-MENTIONED CHART ILLUSTRATES CITY REAL ESTATE TAXES COLLECTED AS OF JUNE 30<sup>TH</sup> (FROM 2008 TO 2010) AND BUDGETED AMOUNTS FROM 2008-2010.

SEVERAL ITEMS OF NOTE:

- WE ARE AT AN **89.9%** CURRENT BUDGETARY COLLECTION RATE AS OF 6/30/10 COMPARED TO A **90.2%** RATE AS OF 6/30/09 AND A **91.6%** RATE FOR 6/30/08.
- AS OF 6/30/10, CURRENT YEAR COLLECTIONS ARE **\$651,158 HIGHER** THAN IN 2009.
- AS OF 6/30/10, PRIOR YEARS COLLECTIONS ARE **\$49,101 HIGHER** THAN IN 2009.
- AS OF 6/30/10, PENALTY & INTEREST IS **\$4,856 HIGHER** THAN IN 2009.
- AS OF 6/30/10, TOTAL COLLECTIONS ARE **\$702,207 HIGHER** THAN IN 2009.