

# **CITY AUDITOR'S REPORT**

## **MONDAY, JUNE 10, 2013**

### **2012 CITY AUDIT UPDATE**

THE 2012 CITY AUDIT, BY HERBEIN & COMPANY, IS NEARING COMPLETION. WE DO NOT YET HAVE A "DRAFT" COPY OF THE AUDIT. AS SOON AS WE RECEIVE AND REVIEW THE "DRAFT" AUDIT AND THE ADMINISTRATION RESPONDS TO FINDINGS, COMPLETES MANAGEMENT'S DISCUSSION AND ANALYSIS AND PREPARES A CORRECTIVE ACTION PLAN, WE'LL MEET WITH COUNCIL AND THE AUDIT COMMITTEE TO REVIEW THE AUDIT. ONCE THE AUDIT IS FINALIZED, WE WILL SHARE THE RESULTS WITH THE MAYOR, COUNCIL AND THE GENERAL PUBLIC DURING A REGULARLY SCHEDULED 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".

### **UPDATE-FUTURE REPORTS**

UPCOMING REPORTS FROM THE CITY AUDITOR'S OFFICE WILL INCLUDE A FIRE ESCROW AUDIT, APPROPRIATION TRANSFER COMPLIANCE REPORTS, PAYMENTS IN LIEU OF TAXES AND PROPERTY TAX COLLECTION COMPARISON FROM 2011-2013.

## READING PARKING AUTHORITY AUDIT FROM 12/31/2012

THE AUDITOR'S OFFICE RECENTLY RECEIVED A COPY OF AN AUDIT FROM THE READING PARKING AUTHORITY. THIS AUDIT, PREPARED BY HERBEIN & COMPANY, PRESENTS THE FINANCIALS OF THE PARKING AUTHORITY AS OF 12/31/12.

### SOME BRIEF COMMENTARY AND OBSERVATIONS ARE AS FOLLOWS:

- THE CITY LENT THE PARKING AUTHORITY \$830,000 (1999), \$675,000 (2000) AND \$550,000 (2001) FOR BOND DEBT TALLING \$2,055,000.
- THE PARKING AUTHORITY HAS NOT NEEDED ANY CITY SUBSIDIES SINCE 2001.
- BY 2009, THE PARKING AUTHORITY HAD **REPAID IN FULL** ALL AMOUNTS DUE TO THE CITY **PLUS TRANSFERRED AN ADDITIONAL \$1.279 MILLION** TO THE CITY.
- OPERATING REVENUES HAVE INCREASED FROM \$7,769,974 (2007) TO \$8,428,623 (2012).
- OPERATING INCOME HAS GROWN FROM \$4,077,816 (2007) TO \$4,113,870 (2012).
- OPERATING EXPENSE HAS GROWN FROM \$3,692,158 (2007) TO \$4,314,753 (2012)
- THE PARKING AUTHORITY IS COMMITTED TOWARDS THE PFM ACT 47 RECOVERY PLAN, WITH INCREASED CONTRIBUTIONS TO THE CITY THROUGH 2014: (2011) \$1.35 MILLION, (2012) \$1.4 MILLION, (2013) \$2.0 MILLION, AND (2014) \$1.5 MILLION.

	<b>2007</b>	<b>2008</b>	<b>2009</b>
OPERATING REVENUES	7,769,974	7,923,473	8,064,729
OPERATING ADMIN. EXP.	-3,692,158	-4,069,877	-3,955,829
OPERATING INCOME	4,077,816	3,853,596	4,108,900
OTHER REV (EXP)	-1,403,348	-1,546,037	-3,511,423
NET INCOME (LOSS)	2,674,468	2,307,559	597,477
NET ASSETS 1/1	6,243,720	8,918,188	11,225,747
NET ASSETS 12/31	8,918,188	11,225,747	11,823,224
	<b>2010</b>	<b>2011</b>	<b>2012</b>
OPERATING REVENUES	8,097,941	8,361,345	8,428,623
OPERATING ADMIN. EXP.	-4,105,068	-4,317,302	-4,314,753
OPERATING INCOME	3,992,873	4,044,043	4,113,870
OTHER REV (EXP)	3,719,256	-2,297,339	-2,858,216
NET INCOME (LOSS)	7,712,129	1,746,704	1,255,654
NET ASSETS 1/1	11,823,224	19,535,353	21,282,057
NET ASSETS 12/31	19,535,353	21,282,057	22,537,711

ON BEHALF OF THE CITY OF READING, I WOULD LIKE TO THANK THE READING PARKING AUTHORITY BOARD MEMBERS AND THEIR EMPLOYEES FOR THEIR HARD WORK, DEDICATION AND CONTINUING IMPROVEMENTS IN READING.