

# CITY AUDITOR'S REPORT

## MONDAY, JUNE 23, 2014

### 2014 ADMISSION FEE/TAX

WE RECEIVED CHECKS IN THE AMOUNT OF \$7,386.12 FROM THE READING PHILLIES FOR MAY'S ADMISSION FEES/TAXES. THE SANTANDER ARENA AND THE PERFORMING ARTS CENTER EVENT FEES TOTALLED \$10,745.94 FOR MAY'S SALES. EVENTS INCLUDED IN THESE RECEIPTS ARE FROM PERFORMANCES BY GAVIN DeGRAW, ALICE IN CHAINS, SCOOBY-DOO AND THE READING SYMPHONY ORCHESTRA, JUST TO NAME A FEW. ALSO THIS MONTH, WE RECEIVED \$5,456.08 FROM READING ROYALS HOCKEY FOR MAY'S SALES.

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

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

ADMISSION FEE/TAX	2010	2011	2012	2013	MAY 2014
READING PHILS -1 <sup>ST</sup> ENERGY STADIUM	\$98,219.57	\$104,498.69	\$96,043.94	\$93,720.02	\$31,999.74
READING ROYALS - SANTANDER ARENA	\$61,494.30	\$60,719.57	\$58,030.32	\$79,569.86	\$36,500.18
OTHER- SANTANDER ARENA	\$252,268.74	\$117,376.12	\$175,637.30	\$163,778.03	\$35,297.83
PERFORMING ARTS CENTER	\$100,701.62	\$140,860.56	\$95,120.89	\$102,545.31	\$66,511.90
<b>TOTAL REVENUE</b>	<b>\$512,684.23</b>	<b>\$423,454.94</b>	<b>\$424,832.45</b>	<b>\$439,613.22</b>	<b>\$170,309.65</b>
BUDGETED REVENUE	\$450,000.00	\$480,000.00	\$504,000.00	\$510,000.00	\$425,000.00
<b>OVER/UNDER BUDGET</b>	<b>\$62,684.23</b>	<b>-\$56,545.06</b>	<b>-\$79,167.55</b>	<b>-\$70,386.78</b>	

## REAL ESTATE TRANSFER TAX – 1/1/2010 TO 05/31/2014

THIS IS AN UPDATE ON THE REAL ESTATE TRANSFER TAX RECEIPTS SINCE I LAST REPORTED IN MY MAY 27, 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 - 05/2014. IN MAY 2014 THERE WERE 212 REAL ESTATE TRANSFER TRANSACTIONS, OF WHICH 161 WERE TAXABLE TRANSACTIONS. THE CITY'S PROCEEDS IN MAY TOTALLED \$229,074.13. THE 2014 BUDGET LISTS \$1,982,975 AS EXPECTED REVENUE.

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
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		235,519.00	191,760.76	221,457.20	349,449.25
July		360,628.81	155,694.65	121,372.42	222,286.60
August		238,208.80	126,717.87	179,026.81	185,037.44
September		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
<b>Jan.-May</b>	<b>877,442.09</b>	<b>1,061,468.34</b>	<b>822,254.83</b>	<b>771,812.82</b>	<b>1,273,597.57</b>
<b>Entire Year</b>		<b>2,978,840.74</b>	<b>1,973,221.21</b>	<b>2,232,736.22</b>	<b>2,813,198.43</b>
Budget	1,982,975.00	1,900,000.00	2,000,000.00	2,750,000.00	2,500,000.00
Over Budget		<b>1,078,840.74</b>	<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.

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
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		150-53=97	150-57=93	175-39=136	185-51=134
J		146-30=116	148-52=96	127-48=79	149-44=105
A		177-71=106	118-39=79	153-39=114	161-55=106
S		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

## **SNOW AND ICE GRANT-2014**

WE RECEIVED \$30,429.86 ON 06/11/14 FROM THE COMMONWEALTH OF PENNSYLVANIA FOR A SEVERE WEATHER GRANT. THIS IS A SUPPLEMENTAL PAYMENT, THE REGULAR PAYMENT USUALLY OCCURS IN NOVEMBER. WE BUDGETED \$50,000 IN REVENUE FOR 2014.

THE FOLLOWING CHART ILLUSTRATES SNOW & ICE GRANTS FROM 2000-2014:

YEAR	BUDGETED REV.	ACTUAL REVENUE	DIFFERENCE
2000	\$34,000	\$36,298	\$2,298
2001	\$34,000	\$45,465	\$11,465
2002	\$34,000	\$37,390	\$3,390
2003	\$45,500	\$51,346	\$5,846
2004	\$37,400	\$50,696	\$13,296
2005	\$50,000	\$42,623	(\$7,377)
2006	\$50,000	\$44,777	(\$5,223)
2007	\$50,000	\$46,833	(\$3,167)
2008	\$50,000	\$56,595	\$6,595
2009	\$50,000	\$49,330	(\$670)
2010	\$50,000	\$63,376	\$13,376
2011	\$50,000	\$66,957	\$16,957
2012	\$50,000	\$54,112	\$4,112
2013	\$50,000	\$70,915	\$20,915
<b>2014</b>	<b>\$50,000</b>	<b>\$30,430</b>	

## **2013 CITY AUDIT UPDATE**

THE 2013 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".

## **ACTUARY REPORTS-PENSION FUNDS-UPDATE**

THE FOLLOWING CHARTS AND GRAPHS PERTAIN TO THE CITY'S THREE (3) PENSION FUNDS; OFFICERS & EMPLOYEES, FIRE AND POLICE. THE DATA (1993-2013) SHOWS ACTUARIAL ASSET VALUES, ACCRUED LIABILITIES, UNFUNDED ACCRUED LIABILITIES AND FUNDED RATIOS. THE CHARTS REVEAL SOME INTERESTING INFORMATION, SUCH AS:

### **OFFICERS & EMPLOYEES PENSION FUND 1993-2013**

- FUNDED RATIO 74.22% (1993) TO 71.44% (2013)
- INCREASING FUNDED RATIO FROM 1993-2001
- DECREASING FUNDED RATIO FROM 2003-2005
- INCREASING FUNDED RATIO IN 2007
- DECREASING FUNDED RATIO FROM 2009-2013
- ACTUARIALLY "FULLY FUNDED" IN 1999, 2001 AND 2007
- LIABILITIES INCREASED FROM \$33.1 MILLION (1993) TO \$68.0 MILLION (2013)
- ACTUARIAL VALUE OF ASSETS INCREASED FROM \$24.6 MILLION (1993) TO \$48.6 MILLION (2013)

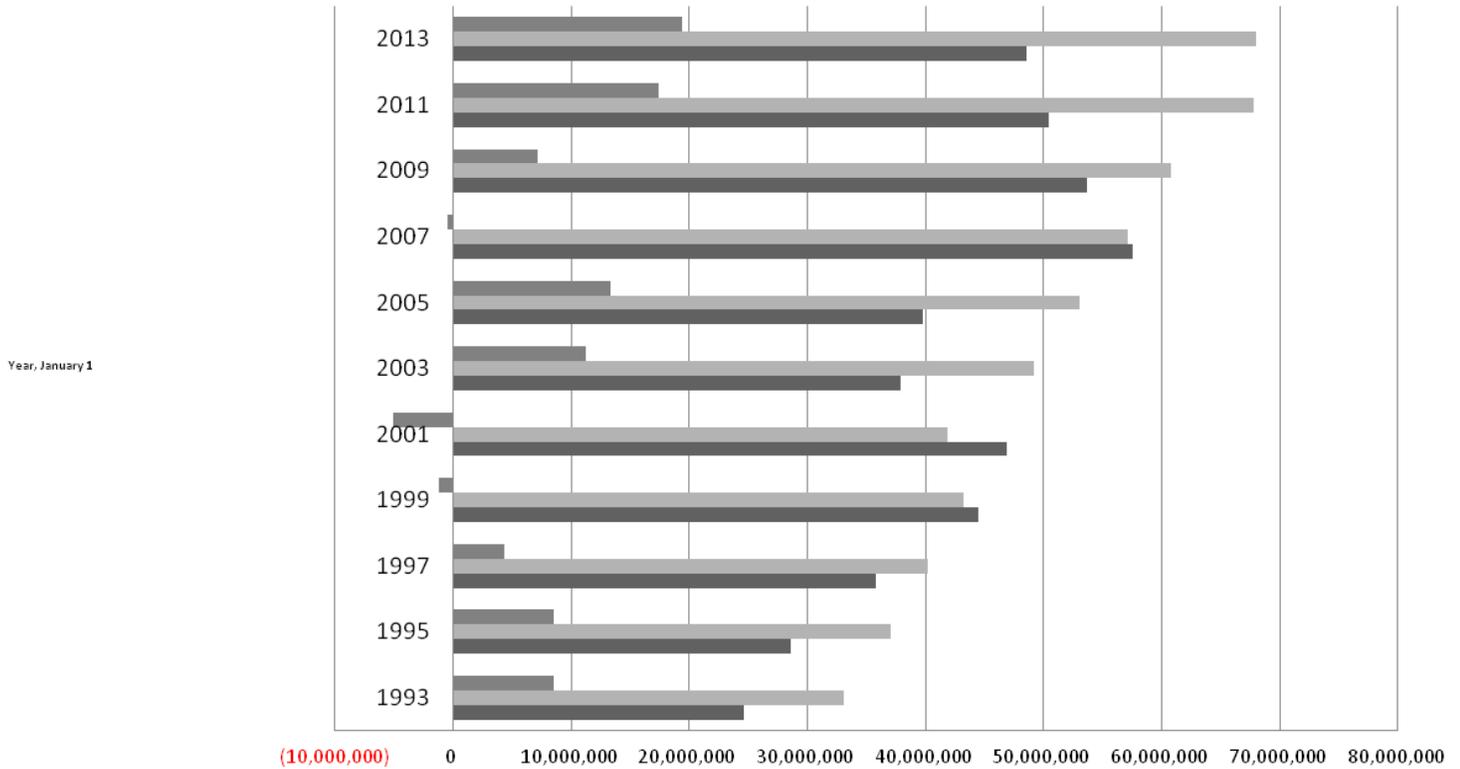
### **FIRE PENSION FUND 1993-2013**

- FUNDED RATIO 83.97% (1993) TO 81.69% (2013)
- INCREASING FUNDED RATIO FROM 1995-2001
- DECREASING FUNDED RATIO FROM 2003-2005
- INCREASING FUNDED RATIO IN 2007
- DECREASING FUNDED RATIO FROM 2009-2013
- ACTUARIALLY "FULLY FUNDED" IN 1997, 1999 AND 2001
- LIABILITIES INCREASED FROM \$19.2 MILLION (1993) TO \$68.6 MILLION (2013)
- ACTUARIAL VALUE OF ASSETS INCREASED FROM \$16.1 MILLION (1993) TO \$56.1 MILLION (2013)

### **POLICE PENSION FUND 1993-2013**

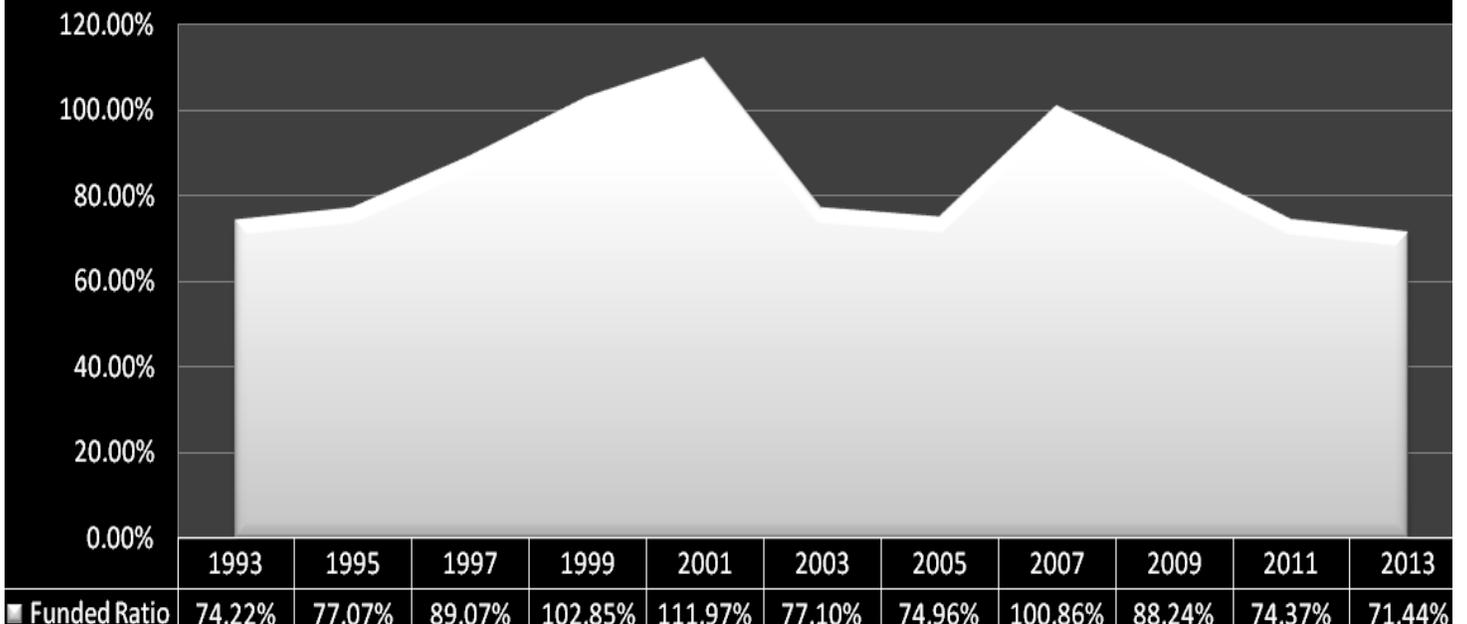
- FUNDED RATIO 54.97% (1993) TO 63.67% (2013)
- INCREASING FUNDED RATIO FROM 1993-1999
- DECREASING FUNDED RATIO FROM 2001-2005
- INCREASING FUNDED RATIO IN 2007
- DECREASING FUNDED RATIO FROM 2009-2013
- ACTUARIALLY "FULLY FUNDED" IN 1999 AND 2001
- LIABILITIES INCREASED FROM \$33.1 MILLION (1993) TO \$146.6 MILLION (2013)
- ACTUARIAL VALUE OF ASSETS INCREASED FROM \$18.2 MILLION (1993) TO \$93.3 MILLION (2013)

## Officers & Employees

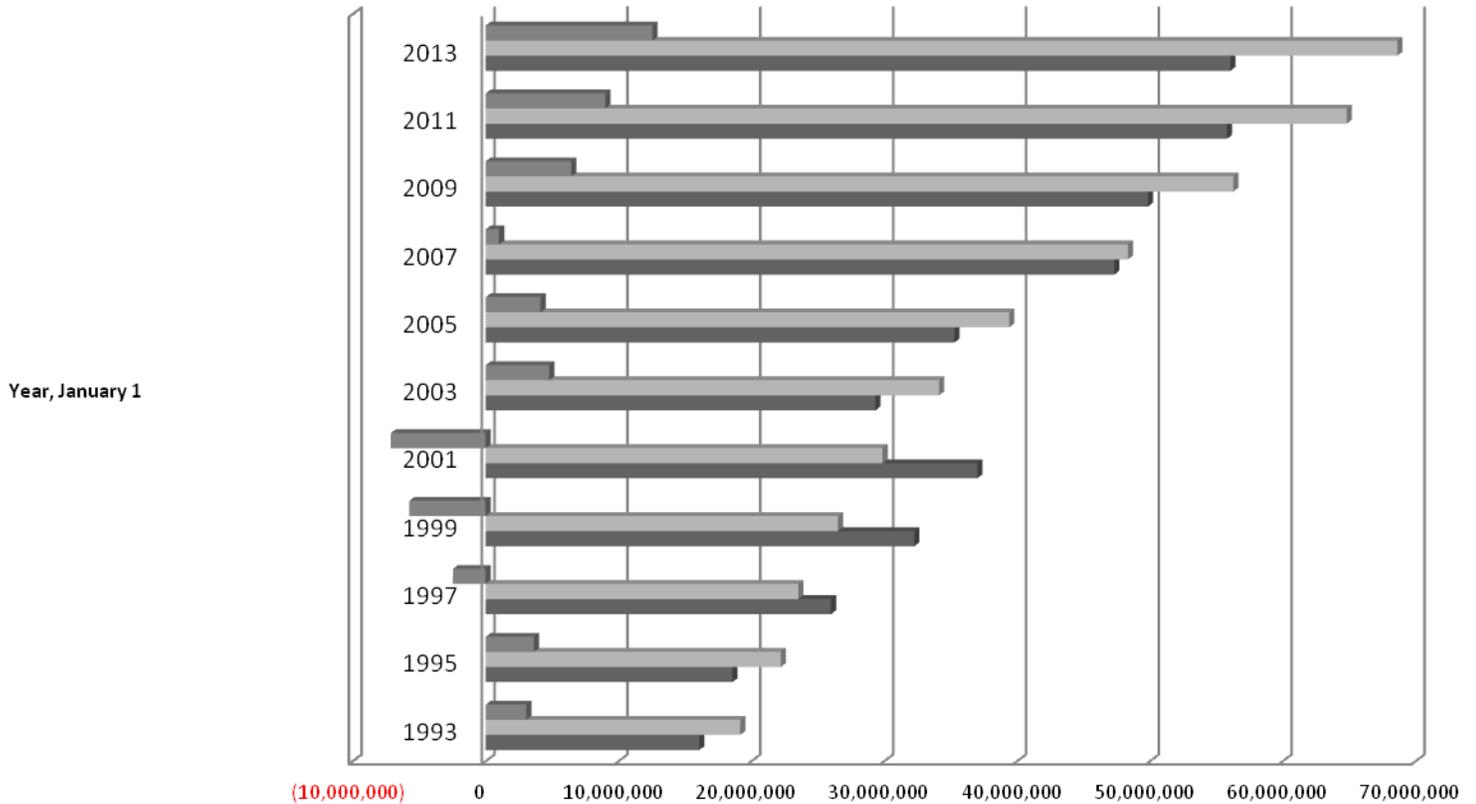


	1993	1995	1997	1999	2001	2003	2005	2007	2009	2011	2013
■ Unfunded Actuarial Accrued Liability	8,543,389	8,495,154	4,389,649	(1,234,497)	(5,009,541)	11,261,727	13,287,272	(490,415)	7,149,927	17,371,099	19,424,089
■ Entry Age Actuarial Accrued Liability	33,136,948	37,055,398	40,166,030	43,268,444	41,868,283	49,181,881	53,054,485	57,081,669	60,800,584	67,774,877	68,020,380
■ Actuarial Value of Assets	24,593,559	28,560,244	35,776,381	44,502,941	46,877,824	37,920,154	39,767,213	57,572,084	53,650,657	50,403,778	48,596,291

## Officers & Employees

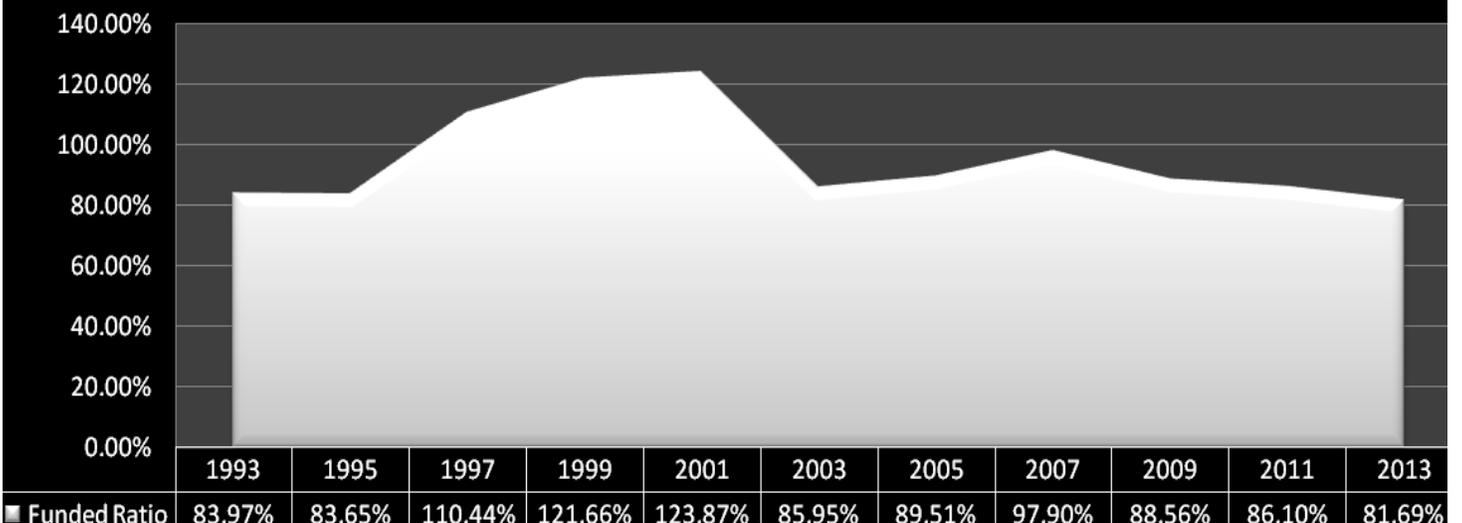


## Fire

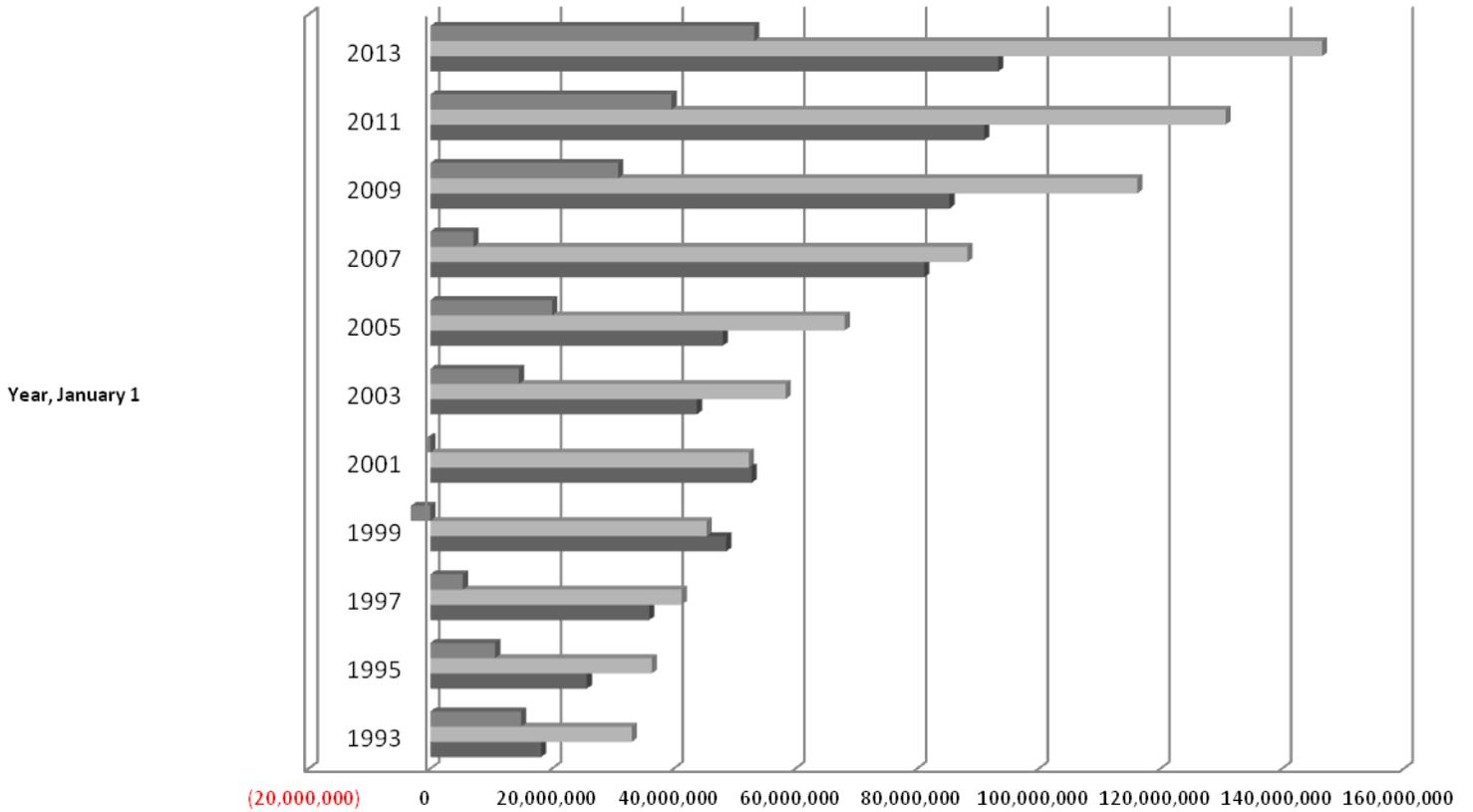


	1993	1995	1997	1999	2001	2003	2005	2007	2009	2011	2013
■ Unfunded Actuarial Accrued Liability	3,071,406	3,633,252	(2,457,447)	(5,746,113)	(7,133,522)	4,796,264	4,133,781	1,016,848	6,439,256	9,008,595	12,565,000
■ Entry Age Actuarial Accrued Liability	19,165,000	22,218,885	23,538,748	26,523,695	29,878,839	34,142,374	39,418,713	48,343,372	56,291,280	64,823,775	68,631,000
■ Actuarial Value of Assets	16,093,594	18,585,633	25,996,195	32,269,808	37,012,361	29,346,110	35,284,932	47,326,524	49,852,024	55,815,180	56,066,000

## Fire



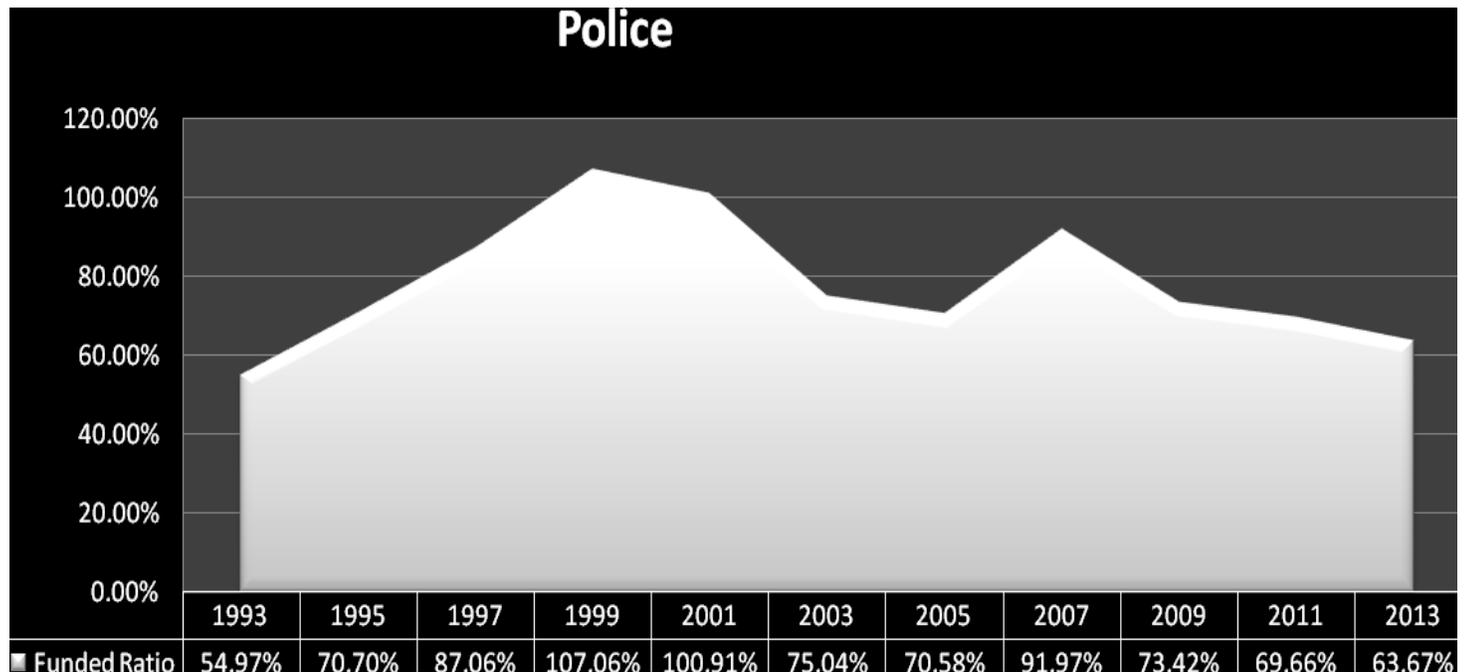
# Police



(20,000,000)

	1993	1995	1997	1999	2001	2003	2005	2007	2009	2011	2013
■ Unfunded Actuarial Accrued Liability	14,906,447	10,666,549	5,348,858	(3,207,232)	(474,435)	14,580,369	20,045,530	7,087,629	30,889,168	39,658,941	53,244,000
■ Entry Age Actuarial Accrued Liability	33,101,477	36,405,102	41,320,033	45,425,156	52,342,305	58,403,692	68,124,235	88,275,688	116,213,452	130,699,482	146,571,000
■ Actuarial Value of Assets	18,195,030	25,738,553	35,971,175	48,632,388	52,816,740	43,823,323	48,078,705	81,188,059	85,324,284	91,040,541	93,327,000

# Police



	1993	1995	1997	1999	2001	2003	2005	2007	2009	2011	2013
■ Funded Ratio	54.97%	70.70%	87.06%	107.06%	100.91%	75.04%	70.58%	91.97%	73.42%	69.66%	63.67%