

*Interdepartmental
Correspondence Sheet*

April 9, 2025

TO: Mayor and Members of City Council

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FROM: Sheryl M.M. Long, City Manager

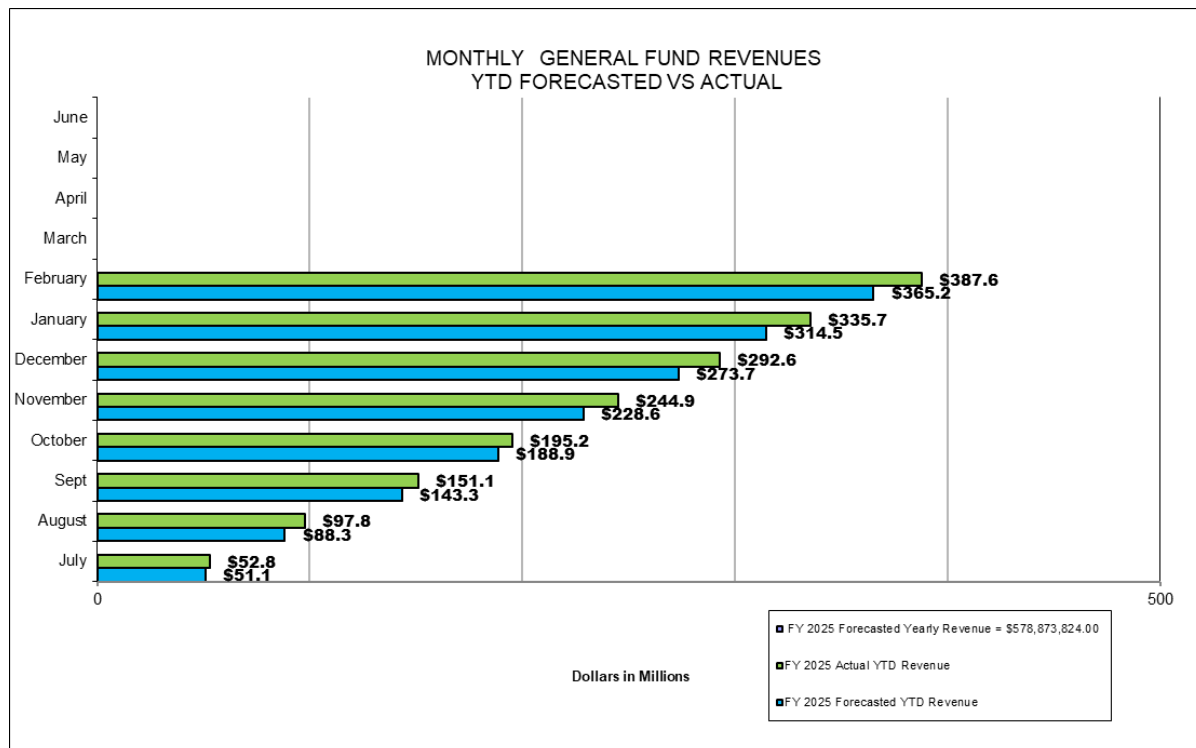
SUBJECT: Department of Finance Reports for the Month Ended February 28, 2025

***FEBRUARY 2025
MONTHLY FINANCIAL REPORTS***

The following report provides an update on the City of Cincinnati's financial condition as of the month ending February 28, 2025. This report represents the eighth report for the new 2025 fiscal year, ending June 30, 2025. Variances are based on current year estimates and prior year activity in attached schedules.

A more detailed explanation of revenues and expenditures is attached for review, including reports comparing the current year's actual revenue vs. forecasted revenue and prior year's actual revenue vs. current year actual revenue. Both of those reports are presented on a monthly and year-to-date basis.

The chart below portrays the performance of actual revenue collected against the forecasted revenue collected through February 28, 2025 and shows that actual revenue of \$387.6 million was above forecasted revenue of \$365.2 million by \$22.4 million.



The major revenue components of the General Fund are listed in the table below. This table highlights the year-to-date variance (favorable and unfavorable) in General Fund revenue collections as compared to forecasted revenue collections. Each major category that differs significantly from forecasted collections will be discussed in further detail.

GENERAL FUND REVENUE SOURCES

	FAVORABLE VARIANCE	(UNFAVORABLE) VARIANCE	PERCENTAGE VARIANCE
General Property Tax	215,174		0.51%
City Income Tax	10,178,887		4.48%
Admissions Tax	1,658,597		21.96%
Short Term Rental Excise Tax	282,897		22.69%
Licenses & Permits	1,091,940		5.30%
Fines, Forfeitures, & Penalties		(\$177,988)	-5.14%
Investment Income	3,936,245		52.62%
Local Government	349,294		3.31%
Casino	23,111		0.31%
Police	1,165,117		21.34%
Buildings and Inspections	92,918		2.39%
Fire		(\$698,367)	-9.33%
Parking Meter	13		0.04%
Other	4,222,426		20.20%
	23,216,619	(\$876,355)	
Difference	22,340,264		

General Fund (favorable variance) is \$22.4 million above the amount forecasted through February in the FY 2025 Budget. This is the eighth month's report for the fiscal year. What follows is an explanation of significant variances of individual General Fund revenue components.

Income Taxes (favorable variance) is \$10.2 million above the forecasted amount. Higher net profits are contributing to the variance. Withholdings are also coming in higher than anticipated.

Admissions Tax (favorable variance) is up \$1.7 million above the forecasted amount. An extra home football game, increase in concert events, and new revenue from marketplace facilitators make up the variance in this category.

Short Term Rental Tax (favorable variance) is up \$283k above the forecasted amount. The number of short term rentals and the use of the rentals is trending higher than expected so far this fiscal year.

Investment Income (favorable variance) is \$3.9 million above the forecasted amount. Reinvestment rates are trending higher than expected and more cash is being actively managed than originally planned to take advantage of the current market conditions.

Police (favorable variance) is \$1.2 million above the forecasted amount. Detail revenues are exceeding estimates so far this year.

Fire (unfavorable variance) is \$698k below the forecasted amount. CFD's EMS collector has started to submit payments again since the cyberattack earlier this calendar year. This variance should decrease in the coming months as more receipts are received, however, the revenue may not reach estimated amount due to lingering effects of the cyberattack.

Other (favorable variance) is up \$4.2 million from the forecasted amount. An unexpected payment from the County and the reclassification of the Mercy clawback payment to this revenue category represent a large portion of this variance. In addition, there are many other revenue sources in this category which fluctuate monthly. The Finance Department will monitor this category closely.

Restricted Funds:

Parking Systems Facilities (favorable variance) is up \$783k from the forecasted amount. Special events have created higher demand than estimated and there was a receipt that was made this year from a prior year billing that increased the variance. Parking systems are also experiencing more activity as businesses are establishing hybrid work schedules.

Convention Center (favorable variance) is \$1.5 million above the forecasted amount. New revenue is not estimated for FY 2025 as no events will be taking place, however the facility's final receipts for FY 2024 were received this fiscal year. TOT revenue is also exceeding estimates.

Sawyer Point (favorable variance) is up \$304k from the forecasted amount. Parking revenue at the park has increased from last year which is leading to a positive variance.

Submitted herewith are the following Department of Finance reports:

1. Comparative Statement of Revenue (Actual, Forecast and Prior Year) as of February 28, 2025.
2. Audit of the City Treasurer's Report for the month ended January 31, 2025.
3. Statement of Balances in the various funds as of February 28, 2025.

By approval of this report, City Council appropriates the revenues received in the various restricted funds on the attached Statement of Balances and as stated in greater detail on the records maintained by the Department of Finance, Division of Accounts & Audits. Such revenues are to be expended in accordance with the purposes for which the funds were established.

c: William "Billy" Weber, Assistant City Manager
Steve Webb, Finance Director