

September 16, 2020

TO: Mayor and Members of City Council **202001536**

FROM: Paula Boggs Muething, Interim City Manager

SUBJECT: Department of Finance Reports for the Month Ended July 31, 2020

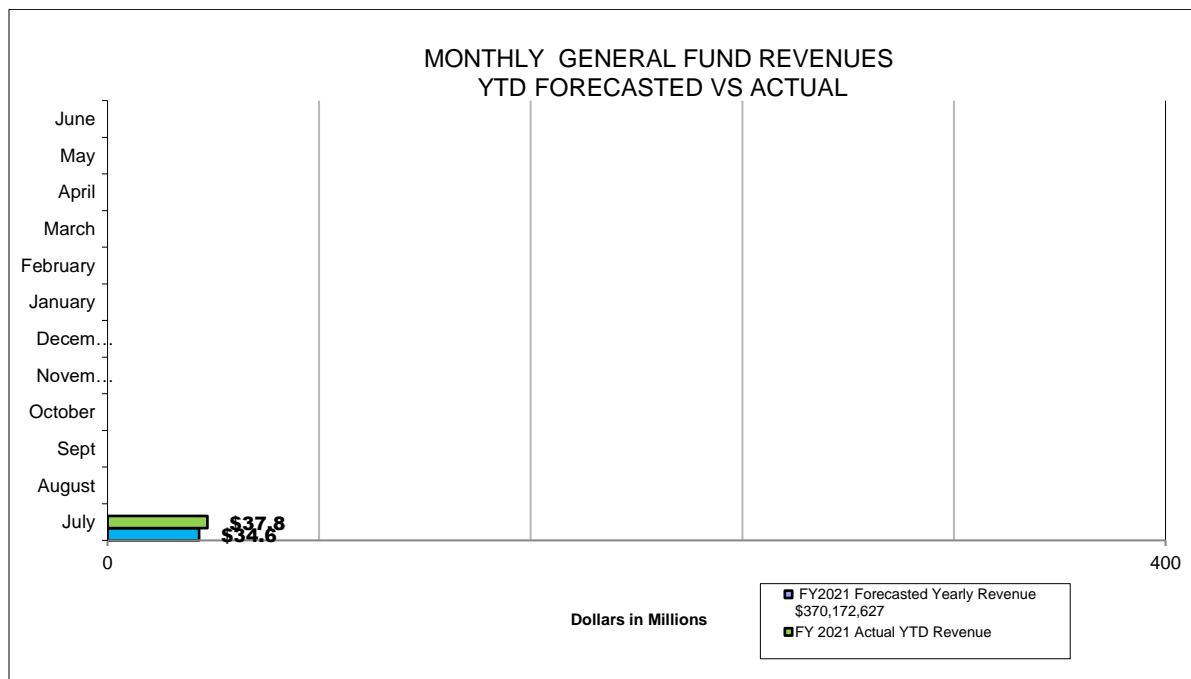
**JULY 2020
MONTHLY FINANCIAL REPORTS**

The following report provides an update on the City of Cincinnati’s financial condition as of the month ending July 31, 2020. This report represents the first report for the new 2021 fiscal year, ending June 30, 2021. 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 current year actual revenue vs. forecasted revenue and prior year actual revenue vs. current year actual revenue. Both of those reports are presented on a monthly and year to date basis.

Beginning with the September report there will be a new format which will be a joint report between the Finance department and the Budget office. This new format is intended to give a more complete reporting of the revenues and expenditures as monitored by the Budget office.

The chart below portrays the performance of actual revenue collected against the forecasted revenue collected through July 31, 2020 and shows that actual revenues of \$37.8 million was above forecasted revenues of \$34.6 million by \$3.2 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
General Property Tax		(\$6,805)
City Income Tax	\$2,466,659	
Admission Tax		(\$43,326)
Short Term Rental Excise Tax	\$10,907	
Licenses & Permits		(\$198,914)
Fines, Forfeitures, & Penalties		(\$359,817)
Investment Income		
Local Government	\$62,663	
Casino	\$100,326	
Police		(\$55,305)
Buildings and Inspections	\$207,158	
Fire	\$176,462	
Parking Meter		(\$115,886)
Other	\$999,327	
	\$4,023,501	(\$780,053)
Difference	\$3,243,448	

General Fund (favorable variance) is \$3.2 million above the amount forecasted thru July in the FY 2021 Budget. This is the first month's report for the new fiscal year. What follows is an explanation of significant variances of individual General Fund revenue components.

Income Taxes (favorable variance) is \$2.5 million above the forecasted amount. This is the first month of the new fiscal year and as such there is not enough data to discern any trends. However, overall, this variance represents an 45% increase over last year at this time due to the tax deadline being shifted from April 15th to July 15th. This shift is factored in the July projection. Employer withholdings are slightly below prior year collections. The tax component represents 71% of the total General Fund percentage, Administration continues to evaluate and watch for trends.

License & Permits (unfavorable variance) is down \$199k. The unfavorable variance is due to the current COVID19 overall slowdown.

Fines, Forfeitures & Penalties (unfavorable variance) is down \$360k. Parking fines are lower than estimated due to the lack of traffic at the meters resulting in less tickets. If this trend continues, the estimates in this revenue category will not be met for the fiscal year.

Casino (favorable variance) is up \$100k. Due to the COVID19 epidemic the FY 2021 revenue estimate was adjusted downward to account for the casino closures and restrictions on patrons permitted on the properties once they reopened.

Buildings and Inspections (favorable variance) is up \$207k. FY 2021 is continuing to realize an increase similar to FY 2020. This favorable variance continued in July.

Fire (favorable variance) is up \$176k. This favorable variance is a result of higher than expected collections related to EMS runs.

Other (favorable variance) is up \$999k. The majority of this is a result of revenue received by the Fire Department from a SAFER grant as a reimbursement for prior year expenses.

Restricted Funds:

Water Works Fund (favorable variance) is up \$ 476k. For July, the favorable variance was 3.3% over projections; however, down 2.8% when compared to the prior year. This is only the first month of reporting for the fiscal year, Administration will continue to monitor and report, as necessary.

Parking Meter (unfavorable variance) is down \$109k. The unfavorable variance is due reduced economic activity as a result of the COVID-19 pandemic.

Municipal Golf (favorable variance) is up \$189k. The City has experienced an increase in the utilization of the golf courses as people are looking for outside activities during the pandemic.

Sawyer Point (unfavorable variance) is down \$53k. The unfavorable variance is a result of less economic activity at the park as a result of the pandemic restrictions.

Recreation Special (unfavorable variance) is down \$104k. The Cincinnati Recreation Commission has experienced a reduction in revenue due to the cancellation of recreation center programs as a result of the pandemic.

CAGIS (unfavorable variance) is down \$119k. The unfavorable variance is due to the continued timing of billing and receipt of revenue. The department carefully watches the fund expenses to ensure they do not exceed revenues in a given fiscal year.

CLEAR (unfavorable variance) is down \$371k. The department continues to monitor the fund to ensure that expenditures do not exceed revenue in the fiscal year.

Submitted herewith are the following Department of Finance reports:

1. Comparative Statement of Revenue and Expenditures (Actual, Forecast and Prior Year) as of July 31, 2020.
2. Statement of Balances in the various funds as of July 31, 2020.

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: Christopher A. Bigham, Assistant City Manager
Karen Alder, Finance Director