

May 1, 2024

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

**FROM:** Sheryl M.M. Long, City Manager

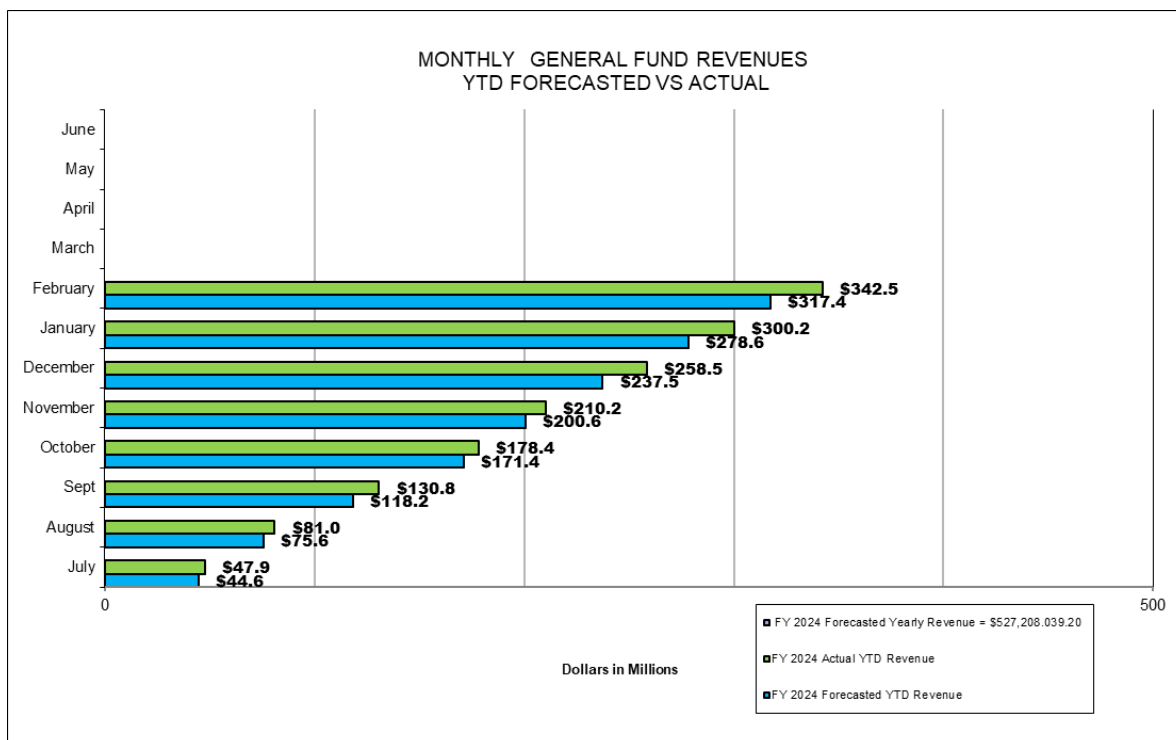
**SUBJECT:** Department of Finance Reports for the Month Ended February 29, 2024

***FEBRUARY 2024  
MONTHLY FINANCIAL REPORTS***

The following report provides an update on the condition of the City of Cincinnati’s revenue sources as of the month ending February 29, 2024. Previous monthly financial reports included information from the Budget Office related to expenditures; however, the remainder of the financial reports for this fiscal year will not include expenditure information. The revenue variances noted in this report are based on current year estimates and prior year activity in attached schedules.

A more detailed explanation of revenues 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.

The chart below portrays the performance of actual revenue collected against the forecasted revenue collected through February 29, 2024 and shows that actual revenue of \$342.5 million was above forecasted revenue of \$317.4 million by \$25.1 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.

<b>GENERAL FUND REVENUE SOURCES</b>		
	<b>FAVORABLE VARIANCE</b>	<b>(UNFAVORABLE) VARIANCE</b>
General Property Tax		(\$270,366)
City Income Tax	13,282,308	
Admissions Tax	2,406,716	
Short Term Rental Excise Tax	535,491	
Licenses & Permits		(\$1,054,678)
Fines, Forfeitures, & Penalties		(\$1,100,075)
Investment Income	6,362,875	
Local Government	252,448	
Casino	91,922	
Police	2,075,349	
Buildings and Inspections		(\$354,204)
Fire	730,010	
Parking Meter	30	
Other	2,129,637	
	<b>27,866,786</b>	<b>(\$2,779,323)</b>
Difference	25,087,464	

**General Fund (favorable variance) is \$25.1 million** above the amount forecasted through February in the FY 2024 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 Tax (favorable variance) is \$13.3 million** above the forecasted amount. Income Tax revenue was not projected to increase in FY 2024; however, withholding payments have exceeded estimates and some higher than projected net profits have been received. The Finance Department will continue to closely monitor this category.

**Admission Tax (favorable variance) is \$2.4 million** above estimate. Revenue from summer concerts and larger attendance for baseball games contributed to the positive variance in this category.

**Licenses & Permits (unfavorable variance) is \$1.1 million** below the forecasted amount. Energy aggregation is lagging behind the estimates due to the gas program getting started later in the 2<sup>nd</sup> quarter and solar field capacity market changes. A mid-year change in permitting for sidewalk closures is also adding to the negative variance.

**Fines, Forfeitures and Penalties (unfavorable variance) is down \$1.1 million.** Parking fine revenue is still below estimate. Upon closer monitoring, estimates will be reduced for the next fiscal year. Maintaining a full complement of enforcement officers and collections are contributing to the variance.

**Investment Income (favorable variance) is \$6.4 million** above the forecasted amount. A stronger than expected economy and unpredicted Federal Reserve rate hikes in late 2023 have resulted in higher interest earnings than originally estimated.

**Police (favorable variance) is up \$2.1 million.** A backlog of impounded vehicles was released for sale, there has been an increase in details, and a large payment from prior year charges was received this year. These events were not factored into the current year estimates so this category should finish the year ahead of the forecast.

**Fire (favorable variance) is \$730k** above the forecasted amount. An above average number of runs are being performed by the Fire Department resulting in this variance.

**Other (unfavorable variance) is \$2.1 million** below forecast. A one time accounting adjustment of Health Reimbursement Arrangements and a payment on an unplanned contract for Fire is contributing to this positive variance.

#### **Restricted Funds:**

**Community Health Centers (unfavorable variance) is \$4.6 million** below the forecasted amount. This variance is due to timing of the Medicaid reimbursement from the federal government. Once the payment is received the variance should level out and this fund should be on target by the end of the fiscal year.

Submitted herewith are the following Department of Finance reports:

1. Comparative Statement of Revenue (Actual, Forecast and Prior Year) as of February 29, 2024.
2. Audit of the City Treasurer's Report for the month ended January 31, 2024.
3. Statement of Balances in the various funds as of February 29, 2024.

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  
Karen Alder, Finance Director