

June 14, 2023

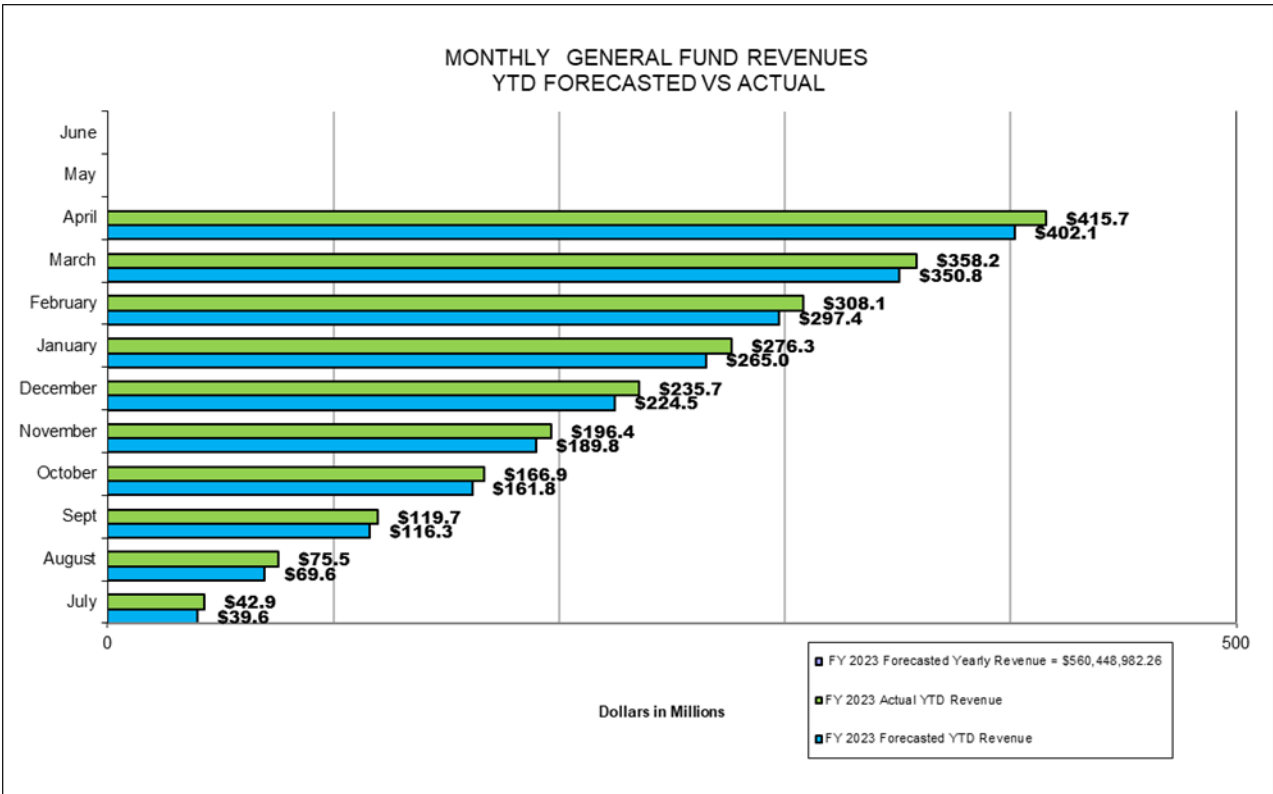
**TO:** Mayor and Members of City Council  
**FROM:** Sheryl M.M. Long, City Manager  
**SUBJECT:** Department of Finance Reports for the Month Ended April 30, 2023

**APRIL 2023**  
**MONTHLY FINANCIAL REPORTS**

The following report provides an update on the City of Cincinnati’s financial condition as of the month ending April 30, 2023. Variances 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 April 30, 2023 and shows that actual revenue of \$415.7 million was above forecasted revenue of \$402.1 million by \$13.6 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		(\$1,308,879)
City Income Tax	9,148,296	
Admissions Tax	1,815,106	
Short Term Rental Excise Tax	679,635	
Licenses & Permits	1,097,774	
Fines, Forfeitures, & Penalties		(\$897,063)
Investment Income	2,748,273	
Local Government		(\$371,860)
Casino	768,817	
Police	593,615	
Buildings and Inspections		(\$88,463)
Fire	717,330	
Parking Meter	500	
Other		(\$1,309,076)
	17,569,346	(\$3,975,340)
Difference	13,594,006	

**General Fund (favorable variance) is \$13.6 million** above the amount forecasted thru April in the FY 2023 Budget. This is the tenth month's report for the fiscal year. What follows is an explanation of significant variances of individual General Fund revenue components.

**Property Tax (unfavorable variance) is \$1.3 million** below estimate due to the decrease in the millage for this half. The millage for the second half is set at a higher rate which will offset this unfavorable variance. The Administration anticipates Property Tax revenue will be on target at year end. This is a semi-annual payment. The second payment will be received in May.

**Income Tax (favorable variance) is \$9.1 million** above the forecasted amount. This amount can fluctuate throughout the year as quarterly net profits are due. The Finance Department will continue to watch the trends, including those related to remote work, very closely.

**Admission Tax (favorable variance) is \$1.8 million** above estimate. Many estimates were set at pre-pandemic levels; however, businesses have rebounded stronger than expected.

**Short Term Rental (favorable variance) is \$680k** above the forecasted amount. The variance is attributed to large one-time events, like Blink and a month-long running of Hamilton, as well as increased attendance at the Bengals games. These events have brought more people to our area to visit, in turn in need of a place to stay.

**Licenses and Permits (favorable variance) is \$1.1 million** above estimate. The State of Ohio is clearing backlog in Beer and Liquor License collections experienced during the pandemic which is contributing to the positive variance in this category. We are also seeing an increase in Commercial Solid Waste revenue as a result of the efforts of OES in expanding this program.

**Fines, Forfeitures and Penalties (unfavorable variance) is \$897k** below the forecasted amount. There was a prior year adjustment from parking fine revenue to the Streetcar Fund causing the negative variance. The one-time adjustment will keep this category below its current year estimate but will not affect future years.

**Investment Income (favorable variance) is \$2.7 million above estimate.** This is a result of better interest rates and the utilization of an additional investment manager yielding results above our projections. The market is volatile right now with the banking crisis so Finance will keep an eye on the rates going forward this Fiscal Year.

**Casino (favorable variance) is \$769k** above the forecasted amount. Estimates were increased above pre pandemic levels; however, gambling revenues statewide are stronger than expected.

**Fire (favorable variance) is \$717k** above the forecasted amount. There has been an increase in Basic Life Support runs contributing to the increased revenue.

**Other (unfavorable variance) is \$1.3 million** below forecast. This category is made up of many small sources of revenue that fluctuate from time to time. The Finance Department will continue to monitor these various revenue sources.

#### **Restricted Funds:**

**Parking Garages (favorable variance) is up \$978k.** The estimate was very conservative this year as the decline from the pandemic is still lingering in this category. We are monitoring how many companies are bringing their employees back to the office and utilizing the lots and garages.

**Municipal Golf (favorable variance) is \$4.5 million** above estimate. Rates were increased midyear and new technology at one of the courses is adding to the variance. Finance will adjust the estimates in the next fiscal year to consider these additions. Favorable Spring weather is also contributing to higher revenue. April was a record month for the fund.

**Parking Meter (unfavorable variance) is \$1.1 million** below estimate. Even with a reduction in the current year's estimate from last year, there is still less demand leading to a negative variance.

**Sawyer Point (unfavorable variance) is down \$253k.** This variance is partly due to a large concert cancellation at the beginning of the fiscal year and less demand for parking at the riverfront.

Submitted herewith are the following Department of Finance reports:

1. Comparative Statement of Revenue (Actual, Forecast and Prior Year) as of April 30, 2023.
2. Audit of the City Treasurer's Report for the month ended March 31, 2023.
3. Statement of Balances in the various funds as of April 30, 2023.

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