



*Interdepartmental
Correspondence Sheet*

October 20, 2021

TO: Mayor and Members of City Council

FROM: Paula Boggs Muething, City Manager

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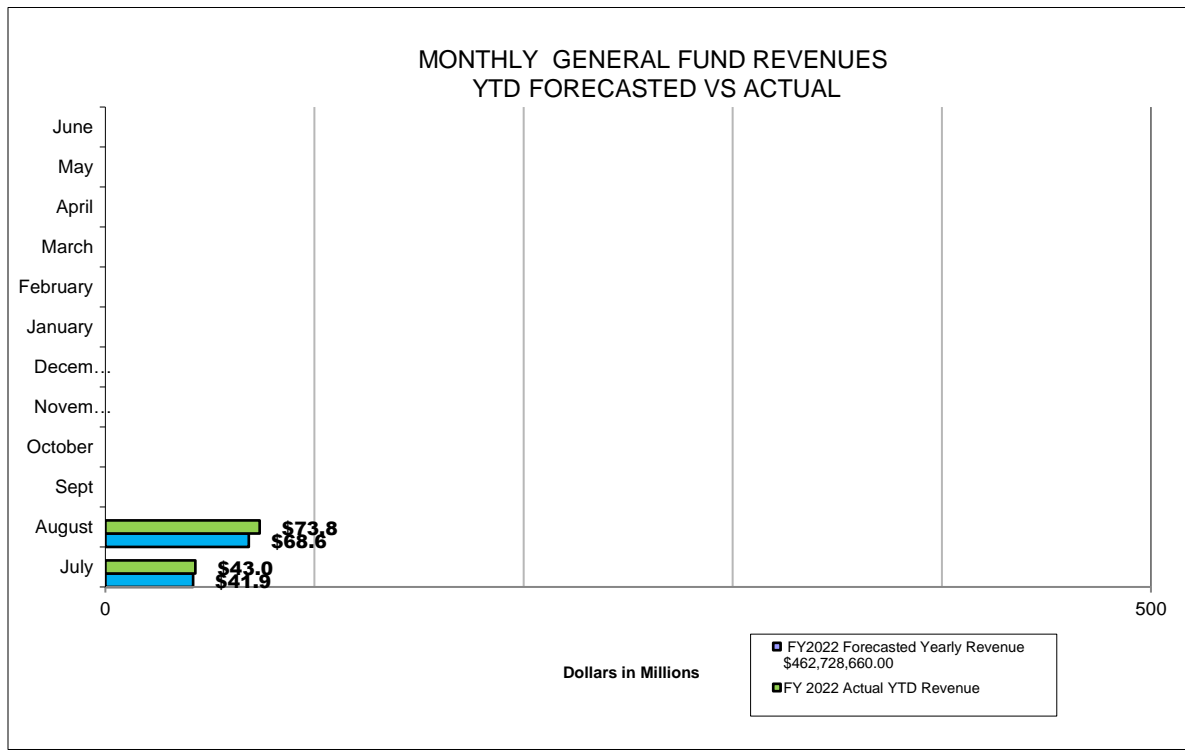
SUBJECT: Department of Finance Reports for the Month Ended August 31, 2021

**AUGUST 2021
MONTHLY FINANCIAL REPORTS**

The following report provides an update on the City of Cincinnati’s financial condition as of the month ending August 31, 2021. 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 August 31, 2021 and shows that actual revenue of \$73.8 million was above forecasted revenue of \$68.6 million by \$5.2 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	\$1,702,447	
City Income Tax	\$851,601	
Admissions Tax	\$313,283	
Short Term Rental Excise Tax	\$240,525	
Licenses & Permits	\$1,018,409	
Fines, Forfeitures, & Penalties	\$128,417	
Investment Income		
Local Government	\$402,446	
Casino	\$566,152	
Police		(\$9,009)
Buildings and Inspections	\$58,091	
Fire		(\$37,602)
Parking Meter	\$100	
Other		(\$49,077)
	<u>\$5,281,470</u>	<u>(\$95,688)</u>
Difference	\$5,185,783	

General Fund (favorable variance) is \$5.2 million above the amount forecasted thru August in the FY 2022 Budget. This is the second month's report for the new fiscal year. What follows is an explanation of significant variances of individual General Fund revenue components.

General Property Tax (favorable variance) is up \$1.7 million. Revenue is greater than projected as a result of higher assessed property values utilized by the County Auditor.

Income Tax (favorable variance) is \$852k above the forecasted amount. The monthly projections for the first half of the fiscal year include employer withholding for remote workers as allowed by state law through December 31, 2021. The projections for the second half of the fiscal year have been reduced to account for potential refunds to these remote workers. Administration is watching income tax trends very closely due to the shift to remote work.

Admission Tax (favorable variance) is \$313k above estimate. Most venues have reopened, and the positive variance reflects such. Fiscal year estimates are conservative due to the uncertainty of the COVID-19 variants.

Short Term Rental Excise Tax (favorable variance) is \$241k above projections. This positive variance reflects the increase in travel and economic activity in the city.

License & Permits (favorable variance) is up \$1 million. There has been an uptick in building permit applications this summer. A large project at the Playhouse in the Park has added to the positive variance.

Local Government (favorable variance) is up \$402k. The favorable variance is the result of increased revenue collection from the State of Ohio General Revenue tax sources.

Casino (favorable variance) is up \$566k. The casino revenue is outperforming current estimates which have been set at pre-pandemic levels.

Restricted Funds:

Aviation (favorable variance) is \$300k above estimate versus what is shown in the attached report. This is due to a correction in project costs that were returned to source. Next month this report and the attachment will align.

Municipal Golf (favorable variance) is up \$544k. The Cincinnati Recreation Commission has experienced an increase in the utilization of the golf courses as the weather has been more than favorable this summer for the sport.

Recreation Special (unfavorable variance) is down \$400k. The Cincinnati Recreation Commission has experienced a reduction in revenue due to the cancellation of some team sports as a result of a shortage of game officials.

Hazard Abatement (unfavorable variance) is \$164k below the forecasted amount. The Vacant Buildings Maintenance License revenue is down due to the increased number of license waivers requested during the pandemic. In addition, Vacant Foreclosure License revenue is below estimate as a result of the reduced number of foreclosures processed during the pandemic.

Submitted herewith are the following Department of Finance reports:

1. Comparative Statement of Revenue (Actual, Forecast and Prior Year) as of August 31, 2021.
2. Audit of the City Treasurer's Report for the month ended July 31, 2021
3. Statement of Balances in the various funds as of August 31, 2021.

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