



*Interdepartmental  
Correspondence Sheet*

August 4, 2021

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

**FROM:** Paula Boggs Muething, City Manager

**202102504**

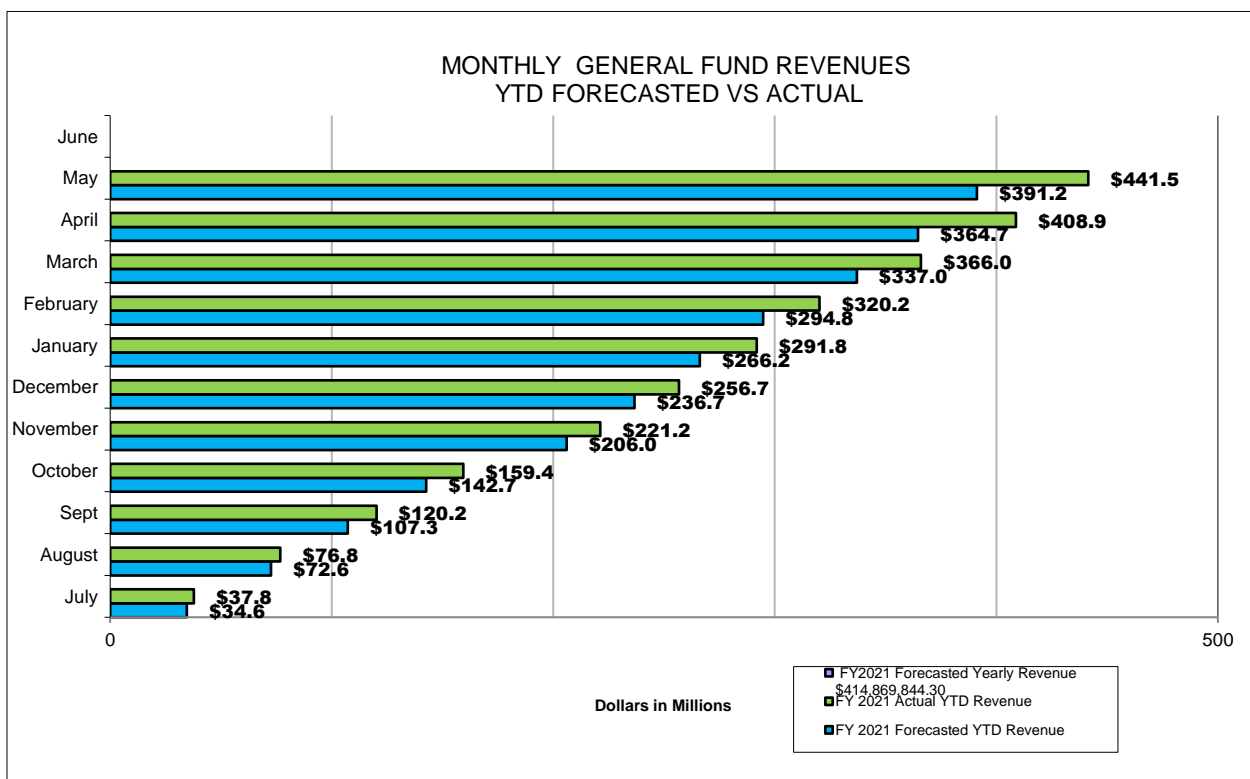
**SUBJECT:** Department of Finance Report for the Month Ended May 31, 2021

**MAY 2021  
MONTHLY FINANCIAL REPORTS**

The following report provides an update on the City of Cincinnati’s financial condition as of the month ending May 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 May 31, 2021, and shows that actual revenue of \$441.5 million was above forecasted revenue of \$391.2 million by \$50.3 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>
-------------------------------------

	FAVORABLE VARIANCE	(UNFAVORABLE) VARIANCE
General Property Tax	\$3,752,980	
City Income Tax	\$53,632,140	
Admission Tax		(\$1,386,172)
Short Term Rental		
Excise Tax	\$307,609	
Licenses & Permits		(\$768,231)
Fines, Forfeitures, & Penalties		(\$1,940,590)
Investment Income	\$281,227	
Local Government	\$776,167	
Casino	\$2,228,109	
Police		(\$160,867)
Buildings and Inspections	\$568,879	
Fire	\$284,644	
Parking Meter		(\$1,883,722)
Other		(\$5,377,909)
	\$61,831,755	(\$11,517,491)
Difference	\$50,314,264	

**General Fund (favorable variance) is \$50.3 million** above the amount forecasted thru May in the FY 2021 Budget. What follows is an explanation of significant variances of individual General Fund revenue components.

**General Property Tax (favorable variance) is \$3.8 million** above the forecasted amount. The City received the final settlement for FY2021 in April. Revenue is greater than projected as a result of higher assessed property values utilized by the County Auditor.

**Income Tax (favorable variance) is \$53.6 million** above the forecasted amount. The Ohio legislature passed House Bill 110 which allows employees that worked from home to claim a refund for the taxes that were legally remitted by their employers in accordance with the emergency order beginning with tax year 2021. As a result, a large portion of these revenues will need to be refunded.

**Admission Tax (unfavorable variance) is \$1.4 million** below estimate. Most venues that generate admission tax had been closed or open with very limited capacity most of the fiscal year due to the pandemic. While additional venues are starting to open with limited capacity, the estimate in this revenue category will still not be met for the fiscal year.

**License & Permits (unfavorable variance) is down \$768k.** The Beer and Liquor Tax permit application and payment deadline was extended by the State due to the pandemic. The delayed first quarter payment should be received in FY 2022; therefore, this category

will stay below the estimate this year.

**Fines, Forfeitures & Penalties (unfavorable variance) is down \$1.9 million.** Parking fines make up most of the revenue in this category, and parking fines continue to be significantly below the annual estimate as a result of the pandemic.

**Local Government (favorable variance) is \$776k** above the forecasted amount. The favorable variance is the result of increased revenue collection from the State of Ohio General Revenue tax sources.

**Casino (favorable variance) is up \$2.2 million.** Despite the pandemic and limited capacity, the casino revenues continue to exceed estimates.

**Buildings and Inspections (favorable variance) is up \$569k.** This favorable variance is due to above average hearings, increased compliance inspections being done, and collections related to elevator inspections.

**Parking Meter (unfavorable variance) is \$1.9 million** below estimate. The unfavorable variance is due to reduced economic activity earlier in the fiscal year as a result of the COVID-19 pandemic.

**Other (unfavorable variance) is \$5.4 million** below forecast. This category is made up of many small sources of revenue that fluctuate from time to time. Finance will continue to monitor these various revenue sources.

#### **Restricted Funds:**

**Convention Center (unfavorable variance) is down \$4.4 million.** Many conventions cancelled this fiscal year due to the COVID-19 pandemic. The convention center has hosted some smaller events; however, the estimate in this revenue category will still not be met for the fiscal year.

**Municipal Golf (favorable variance) is up \$2.3 million.** The Cincinnati Recreation Commission experienced an increase in the utilization of the golf courses as people looked for outside activities during the pandemic, resulting in increased revenue.

**Parking Meter (unfavorable variance) is down \$782k.** Parking Meter revenue is not meeting estimates due to reduced economic activity as a result of the COVID-19 pandemic.

**Sawyer Point (unfavorable variance) is down \$320k.** The unfavorable variance is due to less economic activity earlier in the fiscal year at the park as a result of the pandemic restrictions.

**Recreation Special (unfavorable variance) is down \$3.7 million.** The Cincinnati Recreation Commission experienced a reduction in revenue due to the cancellation of recreation center programs as a result of the pandemic.

**Hazard Abatement (unfavorable variance) is down \$932K.** The Vacant Buildings Maintenance License revenue is down due to the 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 May 31, 2021.

2. Audit of the City Treasurer's Report for the month ended April 30, 2021.
3. Statement of Balances in the various funds as of May 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 Weber, Assistant City Manager  
Karen Alder, Finance Director

Attachments