

2021

FINANCE DEPARTMENT ANNUAL REPORT

August 31, 2022





City of Sharonville Elected,

2021 was another positive fiscal year for the City. After a wild and crazy 2020 landed softly, 2021 saw most financial aspects return to normal. I would like to thank the staff of the department for their hard work and the support of the Auditor, Treasurer, and Finance Committee. Rarely noticed unless something is wrong, their efforts are invaluable in keeping everything in the City moving. The department staff excelled in an environment that demanded constant change.

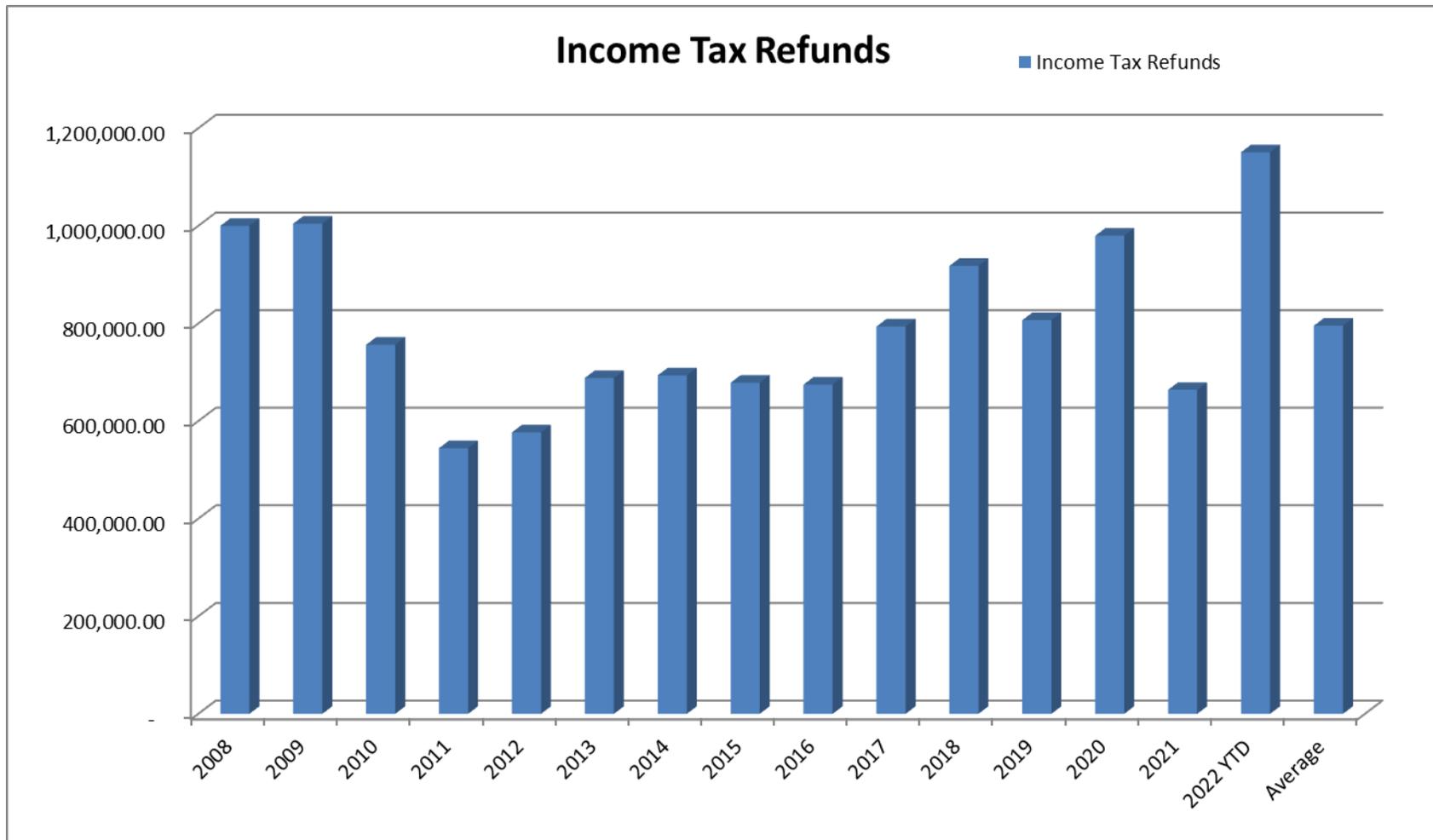
Team News

The Finance Department welcomed Sheri Rausch to our Tax team in March as a Part-Time Tax Analyst. Sheri had previous tax experience at the city of Mason, and has quickly become a valued team member. She has a bachelor's degree in Accountancy from the University of Illinois.

At the end of 2021 both Faye Woebkenberg and David Winks retired (or re-retired) from the tax office. At the end of this year Margie Shelton will be retiring. We're extremely sad to see them go!

In April 2022 we lost Katy Kanelopoulos as she went explore new opportunities.

- Refunds in general are up and at an all-time high in 2022. We have been keeping an eye on this for most of the year. I am slowing down on making too many economic predictions off this data. There is a direct correlation between larger collections leading to larger refunds. 2021 saw significant spikes in business profit collections. This bundled with the work from home situation get us to this scenario quickly. I am a little more surprised that 2021 was so far below average.



- We continued tax collection efforts through the Mayor’s Court and in 2022 have been complementing with the Attorney General’s (AG) office. In 2021 \$196,361 came in through Mayor’s Court. 2022 YTD we have collected \$70,916 through the court. We have begun filing delinquent balances with the AG, and started to see a steady stream of collections. With the ability to withhold State of Ohio income tax refunds as well as IRS refunds for payments we anticipate AG collections to really pick up in the first three to four months of 2023. Court filings will begin to focus more on non-filers.
- 2021 was another successful year in maintaining costs and revenues exceeding estimates. The City continued to practice of making set-asides at year end for fund balance amounts over our fund balance goal. This practice has allowed us to accelerate debt repayment and greatly accelerate capital initiatives to improve infrastructure along with providing better and safer equipment to use in modernized facilities.

General Fund Year-End Set Aside History					
	Debt	Capital	Separation	Facility Improvement	Total
2015	829,762.50	745,000.00	200,000.00		1,774,762.50
2016		2,000,000.00	150,000.00		2,150,000.00
2017		3,790,282.71	100,000.00	100,000.00	3,990,282.71
2018*	2,350,000.00	942,891.20			3,292,891.20
2019	2,573,269.59	2,573,269.59			5,146,539.18
2020	1,353,847.87	1,353,847.87			2,707,695.74
2021	1,014,251.44	4,172,428.76		200,000.00	5,386,680.20
	\$ 7,106,879.96	\$ 15,577,720.13	\$ 450,000.00	\$ 100,000.00	\$ 19,062,171.33
*:					
During 2018 Council elected to pay off a BAN that was conduit debt to a Hotel Developer. There was an option in the loan to the developer to convert the BAN to an interest bearing loan. This created a long term receivable for the General Fund.					

Fire Fund Year-End Set Aside History				
	405 Capital Bldg	430 Capital Equipment	Separation Benefits	Total
2015		431,373.82	200,000.00	631,373.82
2016		300,000.00	200,000.00	500,000.00
2017	893,705.30	260,000.00	150,000.00	1,303,705.30
2018	1,400,000.00	400,000.00	100,000.00	1,900,000.00
2019		900,000.00	100,000.00	1,000,000.00
2020	250,000.00	500,000.00	100,000.00	850,000.00
2021	900,000.00	300,000.00	100,000.00	1,300,000.00
	\$ 3,443,705.30	\$ 3,091,373.82	\$ 950,000.00	\$7,485,079.12

- 2021 BANS- In June 2022 the 2021 BAN was paid in full rather than rolling the note. This returned the General Fund to debt free status.
- In November we secured financing for the Convention Center Exhibit Hall Expansion. The underwriter received \$79 million in orders for \$17.5 million in bonds. We obtained all-in interest costs of 2.83%. As of August 2022, interest rates are a little under 2% higher than they were last November. This would translate in almost \$5 million more in interest to issue those bonds today.

Did someone say charts and graphs...

- Between the budget process and monthly Auditor and Treasurer Reports a lot of traditional financial information is routinely presented and always available. Attached are updated versions of some of my favorite financial information:
 - Historic General Fund revenue data from ACFR's (*See Attached*)
 - 2021 ACFR Stat Table 'Income Tax Collections Current and Nine Years Ago' (*See Attached*)

Historic General Fund GAAP Revenues

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Taxes	13,237,650	12,922,865	13,833,078	12,898,910	11,789,151	12,365,802	13,567,301	14,059,366	14,973,767
Other Local Taxes*	-	-	-	-	-	-	-	-	-
Intergovernmental	940,856	830,657	1,137,797	1,605,879	966,258	1,015,573	897,206	1,020,684	901,321
Charges for Services	416,411	403,548	367,352	291,680	325,141	370,795	340,551	390,547	368,499
Licenses and permits	478,054	443,838	396,991	523,759	467,005	483,849	525,503	533,099	474,164
Investment earnings	408,432	693,592	640,359	366,731	40,328	19,968	15,130	17,991	78,561
Special Assessments	-	-	-	-	-	-	-	-	-
Fines and forfeitures	372,107	376,310	348,751	288,905	300,539	340,708	360,446	384,302	339,465
All other revenues	184,181	95,683	59,220	141,236	213,840	375,883	423,896	274,025	304,583
TOTAL	16,037,691	15,766,493	16,783,548	16,117,100	14,102,262	14,972,578	16,130,033	16,680,014	17,440,360

	2014	2015	2016	2017	2018	2019	2020	2021	Average 2005-2021	5 YR Avg w/o 2020
Taxes	15,510,046	16,255,876	16,950,991	17,790,792	18,500,564	19,223,403	18,408,138	21,021,578	15,488,781	18,988,895
Other Local Taxes*	-	-	-	206,332	216,798	221,538	-	48,264	40,761	138,586
Intergovernmental	424,601	332,350	279,738	264,541	257,921	278,886	270,476	475,703	700,026	309,505
Charges for Services	359,915	355,844	415,080	456,821	455,908	444,755	142,680	338,909	367,320	367,815
Licenses and permits	658,217	546,038	492,497	708,908	584,614	569,385	503,502	541,178	525,329	581,517
Investment earnings	143,318	141,174	213,402	362,792	610,287	1,044,203	698,980	21,480	324,513	547,548
Special Assessments	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	308,043	325,246	260,842	170,267	172,824	181,626	54,487	255,860	284,749	167,013
All other revenues	588,806	147,104	202,167	297,663	261,666	499,220	978,890	153,793	305,992	438,246
TOTAL	17,992,946	18,103,632	18,814,717	20,258,116	21,060,582	22,463,016	21,057,153	22,856,765	18,037,471	21,539,126

*: Lodging tax (prior to 2017 was blended w/Income tax in Taxes. Ord 2019-71E changed allocation of Hotel Tax

City of Sharonville, Ohio

*Income Tax Collections
Current Year and Nine Years Ago*

2020 was 27.40; 2019 was 27.93

Since 1999 this % has been as high as 38.97% in 2002. The current 24.75% is a new low.

Calendar Year 2021

Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	0.08%	\$517,458,434	24.75%	\$7,761,877	24.75%
All Others	12,593	99.92%	1,573,530,033	75.25%	23,602,950	75.25%
Total	12,603	100.00%	\$2,090,988,467	100.00%	\$31,364,827	100.00%

Calendar Year 2012

Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	0.08%	\$407,313,531	28.36%	\$6,109,703	28.36%
All Others	12,938	99.92%	1,028,760,353	71.64%	15,431,405	71.64%
Total	12,948	100.00%	\$1,436,073,884	100.00%	\$21,541,108	100.00%

2020: \$28,039,158
2019: \$29,439,516

So what's coming up...

- The time to start the 2021 Budget Process is already upon us.
 - The Council Budget Work Session is penciled in for November 10th. We are targeting to provide Elected Officials a digital budget packet on November 1st.
- An updated GFOA Risk Study and Fund Balance analysis is drafted. The update will revisit the fund balance recommendations and provide an enhanced risk analysis from what was in the 2014 study. Finance Committee recommended we do a work session with Council as a whole to review the study with GFOA and discuss next steps for a five year capital update. MORE SOON TO COME.
- Income Taxes collections are performing strong in 2022. The big take away is Withholdings are trending ahead of pre-pandemic rates. The increases in Business Profits (Net Profit Collections) remain historically high. Business profits are far more concentrated and more subject to fluctuation than withholdings.

AUDITOR & TREASURER'S REPORT

July 31, 2022

Tax Report

Income Tax										
YEAR-TO-DATE	2018		2019		2020		2021		2022	
BUSINESS PROFITS	\$ 2,901,479.44	-12.35%	\$ 2,543,018.68	-17.88%	\$ 2,088,273.92	112.08%	\$ 4,428,824.52	-4.88%	\$ 4,212,614.05	
INDIVIDUAL	\$ 904,366.59	13.49%	\$ 1,026,367.93	-4.25%	\$ 982,734.16	3.93%	\$ 1,021,384.41	3.38%	\$ 1,055,955.30	
WITHHOLDING	\$ 13,022,516.67	5.60%	\$ 13,751,747.83	-3.37%	\$ 13,288,084.90	0.80%	\$ 13,394,841.75	6.15%	\$ 14,219,188.37	
INTEREST & PENALTY	\$ 99,227.55	58.68%	\$ 157,458.71	-15.08%	\$ 133,707.19	26.14%	\$ 168,662.15	17.05%	\$ 197,419.38	
TOTAL RECEIPTS	\$ 16,927,590.25	3.26%	\$ 17,478,593.15	-5.64%	\$ 16,492,800.17	15.28%	\$ 19,013,712.83	3.53%	\$ 19,685,177.10	