



MEMORANDUM

TO: Matthew H. Greeson, City Manager

FROM: Molly Roberts, Finance Director

DATE: August 4, 2011

SUBJECT: Income Tax Collection Update for July, 2011

Please find the summary reports for income tax collections for the month of July, 2011 attached. July, 2011 income tax collections are above July, 2010 collections by \$264,852 or 19.50% and above 2010 year to date collections by \$2,698,832 or 30.25%. Year to date collections are above estimates by \$1,351,451 or 26.98%. According to information provided by the Regional Income Tax Agency, approximately \$2,301,202 or 20.09% of the year to date collections is attributed to the income tax rate increase. Year to date income tax revenues have increased by \$232,955 or 2.03% without the income tax rate increase.

Income tax collections are reported as three different account types: withholding, individual and net profit filers. Collections were above the prior year reporting for withholding and individual accounts and below for net profit accounts. The breakdown of collections for the month of June, 2011 is indicated below:

- Withholding accounts equate to 73.09% of collections
- Individual accounts equate to 7.46% of collections
- Net profit accounts equate to 19.45% of collections.

It is important to note that while income tax collections are trending in a positive direction. We are still striving to build our fund balances to a level consistent with the adopted Carryover Balance/Reserve Policy. The Carryover Balance/Reserve Policy establishes an objective of maintaining a carryover reserve in the amount of 15% of the previous year's operating expense, which equates to \$3,361,703 for 2011.

**City of Worthington Income Tax Collections
Estimated vs Actual**

Month	2011 Estimated	2011 Actual	Monthly Variance Favorable/ (Unfavorable)	Cumulative Variance Favorable/ (Unfavorable)	Cumulative Percentage Increase/Decrease of Estimates
Jan	\$ 1,378,618.00	\$ 1,443,162.23	\$ 64,544.23	\$ 64,544.23	4.68%
Feb	1,156,131.00	1,716,180.90	\$ 560,049.90	\$ 624,594.13	24.64%
Mar	1,316,112.00	1,283,468.04	\$ (32,643.96)	\$ 591,950.17	15.37%
Apr	1,410,922.00	1,521,353.71	\$ 110,431.71	\$ 702,381.88	18.09%
May	1,645,122.00	2,195,760.50	\$ 550,638.50	\$ 1,253,020.38	28.66%
Jun	1,800,024.00	1,838,719.34	\$ 38,695.34	\$ 1,291,715.72	26.60%
Jul	1,563,508.00	1,623,243.70	\$ 59,735.70	\$ 1,351,451.42	26.98%
Aug	1,616,305.00	-			
Sep	1,726,134.00	-			
Oct	1,555,683.00	-			
Nov	1,701,898.00	-			
Dec	1,761,617.00	-			
Total	<u>\$ 18,632,074.00</u>	<u>\$ 11,621,888.42</u>	<u>\$ 1,351,451.42</u>		

City of Worthington Income Tax Collections

Yearly Comparison

<u>Month</u>	<u>Monthly Total 2010</u>	<u>Cumulative Total 2010</u>	<u>86.40% General Fund</u>	<u>13.60% CIP Fund</u>	<u>Monthly Total 2011</u>	<u>Cumulative Total 2011</u>	<u>86.40% General Fund</u>	<u>13.60% CIP Fund</u>	<u>Monthly Increase 2011/2010</u>	<u>Cumulative Increase 2011/2010</u>
Jan	\$ 1,197,756.49	\$ 1,197,756.49	\$ 1,034,861.61	\$ 162,894.88	\$1,443,162.23	\$1,443,162.23	\$1,246,892.17	\$196,270.06	20.49%	20.49%
Feb	1,004,457.95	2,202,214.44	\$ 867,851.63	\$ 136,606.24	\$1,716,180.90	\$3,159,343.13	\$1,482,780.30	\$233,400.60	70.86%	43.46%
Mar	1,143,451.36	3,345,665.80	987,941.98	155,509.38	\$1,283,468.04	\$4,442,811.17	\$1,108,916.39	\$174,551.65	12.25%	32.79%
Apr	1,225,822.86	4,571,488.66	1,059,110.97	166,711.89	\$1,521,353.71	\$5,964,164.88	\$1,314,449.61	\$206,904.10	24.11%	30.46%
May	1,429,298.09	6,000,786.75	1,234,913.55	194,384.54	\$2,195,760.50	\$8,159,925.38	\$1,897,137.07	\$298,623.43	53.63%	35.98%
Jun	1,563,878.22	7,564,664.97	1,340,971.05	222,906.93	\$1,838,719.34	\$9,998,644.72	\$1,588,653.51	\$250,065.83	17.57%	32.18%
Jul	1,358,391.32	8,923,056.29	1,173,650.10	184,741.30	\$1,623,243.70	\$11,621,888.42	\$1,391,943.36	\$231,300.34	19.50%	30.25%
Aug	1,404,261.14	10,327,317.43	1,213,281.62	190,979.60						
Sep	1,499,682.22	11,826,999.65	1,295,725.44	203,956.86						
Oct	1,351,592.21	13,178,591.86	1,167,775.67	183,816.62						
Nov	1,478,918.84	14,657,510.70	1,277,785.88	201,132.96						
Dec	1,532,855.90	16,190,366.60	1,324,387.50	208,468.40						
Total	\$ 16,190,366.60		\$ 13,978,256.99	\$ 2,212,109.61	\$11,621,888.42	\$11,621,888.42	\$10,030,772.39	\$1,591,116.03		

Income Tax Rate increased to 2.0% on January 1, 2004.

Income Tax Rate increased to 2.5% on July 1, 2010.

Additional 6.4% is being set aside in a Reserve Account in the General Fund until a balance of \$1.5 million is obtained.

**City of Worthington Income Tax Collections
Monthly Comparison**

Month	2006	2007	2008	2009	2010	2011
Jan	\$ 1,069,253.96	\$ 1,276,204.13	\$ 1,340,934.57	\$ 1,292,415.41	\$1,197,756.49	\$1,443,162.23
Feb	1,312,604.18	1,251,043.74	1,414,793.27	1,168,164.70	\$1,004,457.95	\$1,716,180.90
Mar	1,132,444.55	1,242,730.81	1,214,088.84	1,279,767.18	\$1,143,451.36	\$1,283,468.04
Apr	1,021,574.05	1,054,284.51	1,240,724.46	1,169,285.60	\$1,225,822.86	\$1,521,353.71
May	1,560,743.11	1,666,353.49	1,993,520.12	1,312,695.84	\$1,429,298.09	\$2,195,760.50
Jun	1,742,018.52	1,625,603.23	1,557,166.92	1,662,181.88	\$1,563,878.22	\$1,838,719.34
Jul	1,336,951.59	1,177,697.37	1,282,428.79	1,815,363.34	\$1,358,391.32	\$1,623,243.70
Aug	1,247,791.29	1,238,261.58	1,395,932.96	1,118,633.50	\$1,404,261.14	
Sep	1,190,103.68	1,320,777.18	1,245,595.55	1,265,175.93	\$1,499,682.22	
Oct	1,339,542.02	1,205,065.10	1,318,752.46	1,163,932.38	\$1,351,592.21	
Nov	1,278,239.60	1,408,494.28	1,206,995.39	1,165,687.35	\$1,478,918.84	
Dec	1,093,430.63	1,187,960.61	1,372,282.58	1,310,298.02	\$1,532,855.90	
Total	\$ 15,324,697.18	\$ 15,654,476.03	\$ 16,583,215.91	\$ 15,723,601.13	\$16,190,366.60	\$11,621,888.42

Income Tax Rate increased to 2.0% on January 1, 2004.
Income Tax Rate increased to 2.5% on July 1, 2010.