



MEMORANDUM

TO: Matthew H. Greeson, City Manager

FROM: Molly Roberts, Finance Director

DATE: September 16, 2011

SUBJECT: Income Tax Collection Update for August, 2011

Please find the summary reports for income tax collections for the month of August, 2011 attached. August, 2011 income tax collections are above August, 2010 collections by \$454,927 or 32.40% and above 2010 year to date collections by \$3,153,760 or 30.54%. Year to date collections are above estimates by \$1,594,335 or 32.02%. According to information provided by the Regional Income Tax Agency, approximately \$2,681,451 or 19.89% of the year to date collections is attributed to the income tax rate increase. Year to date income tax revenues have increased by \$307,334 or 2.28% 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 all account types. The breakdown of collections for the month of August, 2011 is indicated below:

- Withholding accounts equate to 86.20% of collections
- Individual accounts equate to 11.05% of collections
- Net profit accounts equate to 2.74% 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	1,859,188.58	\$ 242,883.58	\$ 1,594,335.00	32.02%
Sep	1,726,134.00	-			
Oct	1,555,683.00	-			
Nov	1,701,898.00	-			
Dec	1,761,617.00	-			
Total	\$ 18,632,074.00	\$ 13,481,077.00	\$ 1,594,335.00		

City of Worthington Income Tax Collections

Yearly Comparison

Month	Monthly Total 2010	Cumulative Total 2010	86.40% General Fund	13.60% CIP Fund	Monthly Total 2011	Cumulative Total 2011	86.40% General Fund	13.60% CIP Fund	Monthly Increase 2011/2010	Cumulative Increase 2011/2010
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	\$1,859,188.58	\$13,481,077.00	\$1,606,338.93	\$252,849.65	32.40%	30.54%
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	\$13,481,077.00	\$13,481,077.00	\$11,637,111.33	\$1,843,965.67		

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	\$1,859,188.58
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	\$13,481,077.00

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