



Staff Report

To: The Loop CID Board

From: Carrie Gartner

Date: June 9, 2020

Re: FY2021 Revenues

Revenues

Our fiscal year runs from October 1 to September 30, and our operating budget reflect this. Although we budget for an Oct-Sept fiscal year, we collect revenues at various times throughout the year so those collection schedules do not reflect our fiscal year.

Property Assessments

The CID property assessment is .4778 per \$100 of assessed valuation. Assessments are due to the county on December 31 for that calendar year. We generally receive payments from November to April or May.

The property assessment revenue line item is based on cash-on-hand. Our FY2021 Budget is based on collections received from November 2019 to about May 2020—all of which reflect 2019 property tax payments. I work with the Boone County Assessor and Collector to anticipate any substantial drops or increases in assessments as well as to track delinquent payments. As of March 2020, we had \$1931.20 in unpaid assessments. We also received word from some property owners about decreases in assessments.

		2020	2019	2018	2017	2016	2015
Property Assessments							
	October		38	0	0	0	0
	November		9,541	5,829	3,239	0	14
	December		35,752	38,563	40,496	6,056	5,837
	January		19,585	21,481	11,201	23,298	24,615
	February		159	922	8,123	20,360	24,310
	March		130	102	37	4,929	1,914
	April			367	0	0	0
	May			102	0	0	0
	June			0	0	0	0
	July			0	26	0	26
	August			898	0	0	0
	September			0	587	0	0
Total			65,204	68,264	63,710	54,644	56,717

Sales Tax

The CID sales tax began April 1, 2016 and includes sales tax and use tax. We have seen a considerable amount of variability across the last three years, likely resulting from changes to reporting methods instituted by the Department of Revenue.

		2020	2019	2018	2017	2016
Sales Tax						
	October	21,424	22,752	25,340	16,766	0
	November	27,280	22,656	25,935	31,106	0
	December	29,524	25,800	35,959	32,253	0
	January	15,226	18,442	26,363	18,988	0
	February	30,729	27,915	26,232	36,674	0
	March	21,973	31,231	29,915	21,312	0
	April	24,088	14,204	7,986	27,018	0
	May	29,928	25,151	34,928	28,106	20,292
	June		34,812	31,712	41,127	30,960
	July		20,896	11,793	16,814	14,437
	August		29,766	36,866	29,732	33,291
	September		22,261	19,911	26,090	24,154
Total		200,172	295,886	312,939	325,986	123,133

		2020	2019	2018	2017	2016
Local Option Use Tax						
	October	82	478	47	38	0
	November	1,753	1,027	949	2,221	0
	December	30	739	97	66	0
	January	(191)	247	840	228	0
	February	728	1,968	2,552	1,450	0
	March	300	777	224	160	0
	April	87	415	184	61	0
	May	1,841	1,542	1,416	1,657	7
	June		940	(1)	12	88
	July		342	141	83	43
	August		1,390	1,562	1,461	1,880
	September		87	65	3	7
Total		4,629	9,951	8,076	7,440	2,025

(Starting with the FY2020 budget, the revenue estimate was based on the average of actual collections from the three previous years, so comparisons of FY2020 estimates to past budget estimates would be akin to comparing apples to oranges.)

Sales and Use Tax – Estimates v. Actuals

			<i>3-year average</i>					
	2021 Est.	2020 Actual	2020 Est.	FY2019 Actual	2019 Est.	FY2018 Actual	2018 Est.	FY2017 Actual
October	23,374	21,506	21,807	23,230	25,386	25,386	16,805	16,805
November	26,533	29,033	27,965	23,682	26,884	26,884	33,328	33,328
December	30,717	29,555	31,638	26,539	36,056	36,056	32,319	32,319
January	20,309	15,035	21,703	18,690	27,203	27,203	19,216	19,216
February	30,041	31,456	32,264	29,883	28,783	28,783	38,125	38,125
March	28,140	22,273	27,873	32,008	30,139	30,139	21,472	21,472
April	16,622	24,174	16,622	14,618	8,170	8,170	27,078	27,078
May	30,933	31,769	28,802	26,693	29,763	36,344	20,299	29,763
June	36,201		34,633	35,752	41,139	31,711	31,048	41,139
July	16,690		14,437	21,239	16,896	11,934	14,480	16,896
August	33,592		34,931	31,156	31,193	38,428	35,172	31,193
September	22,805		23,410	22,347	26,092	19,975	24,161	26,092
Revenue Estimate	315,957	204,801	316,083	305,837	327,705	321,014	313,501	333,426
COVID-19 Revision (85%)	268,564							

COVID-19 Impact

The National Emergency was declared in mid-March so we have limited sales tax data to assess the impact of COVID-19. March sales are running at 165% of March 2019 and April sales are at 119% of April 2019 but we do not have a good sense of the rolling impact of the pandemic. As such, we are placing our estimates at 85% of the three-year average, or \$268,564. We can amend the budget anytime throughout the year through the normal public process if things change dramatically.

Fund Balance Draw Down

We anticipate increased legal fees for the upcoming fiscal year and the budget includes a draw down from our existing fund balance of \$40,000. This will allow funds in our yearly operating budget to be used for potential improvement projects along the street should we reach the point where we are confident of steady revenues despite COVID-19.

Total Revenues

			FY2020	FY2021	Change	
Revenue						
	Property Assessment		68,264.45	65,204.47	(3,059.98)	<i>current collections</i>
	Sales Tax		316,024.60	268,563.56	(47,461.04)	<i>3-year avg. @85% (COVID)</i>
	Fund Balance Draw Down		0	40,000	40,000	
	Total Revenue		384,289	373,768	(10,521.02)	

City Revenues

Below is an overview of sales along the corridor extrapolated from tax revenues. This amount does not include sales of autos or other motor vehicles as those are not taxed by the CID as per state statute. This also shows an extrapolation of city sales tax generated from these sales. (Note: FY2020 is still in the process of being collected.)

	2021 Est.	FY2019 Actual	FY2018 Actual	FY2017 Actual
Loop CID Revenues		305,837	321,014	333,426
	315,957			
COVID-19 Revision (85%)				
	268,564			
Total Sales	\$ 53,712,712	\$ 61,167,498	\$ 64,202,850	\$ 66,685,226
City Sales Tax (2%)	\$ 1,074,254	\$ 1,223,350	\$ 1,284,057	\$ 1,333,705