



Staff Report

To: The Loop CID Board
 From: Carrie Gartner
 Date: June 24, 2022
 Re: FY2023 Revenues

Revenues

Our fiscal year runs from October 1 to September 30, and our operating budget reflects 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 perfectly mirror 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 about April.

The property assessment revenue line item is based on actual collections. Our FY2023 Budget is based on collections received from November 2021 through approximately March 2022—all of which reflect 2021 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.

Property Assessments	2021	2020	2019	2018	2017	2016	2015
October			38	0	0	0	0
November	7,688		9,541	5,829	3,239	0	14
December	51,681	7,766	35,752	38,563	40,496	6,056	5,837
January	8,084	46,758	19,585	21,481	11,201	23,298	24,615
February		10,991	159	922	8,123	20,360	24,310
March	229	718	130	102	37	4,929	1,914
April				367	0	0	0
May				102	0	0	0
June		1,093		0	0	0	0
July				0	26	0	26
August		1,245		898	0	0	0
September				0	587	0	0
Total	67,682	68,570	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. The charts below represent actual collections.

Sales Tax		2020	2019	2018	2017	2016
October	21,024	21,424	22,752	25,340	16,766	0
November	29,766	27,280	22,656	25,935	31,106	0
December	17,175	29,524	25,800	35,959	32,253	0
January	29,408	15,226	18,442	26,363	18,988	0
February	29,474	30,729	27,915	26,232	36,674	0
March	25,375	21,973	31,231	29,915	21,312	0
April	17,549	24,088	14,204	7,986	27,018	0
May		29,928	25,151	34,928	28,106	20,292
June		27,927	34,812	31,712	41,127	30,960
July		22,728	20,896	11,793	16,814	14,437
August		33,165	29,766	36,866	29,732	33,291
September		29,151	22,261	19,911	26,090	24,154
Total	169,771	313,143	295,886	312,939	325,986	123,133

Local Option Use Tax		2020	2019	2018	2017	2016
October	698	82	478	47	38	0
November	1,067	1,753	1,027	949	2,221	0
December	955	30	739	97	66	0
January	504	(191)	247	840	228	0
February	1,231	728	1,968	2,552	1,450	0
March	393	300	777	224	160	0
April	2,095	87	415	184	61	0
May		1,841	1,542	1,416	1,657	7
June		1,121	940	(1)	12	88
July		225	342	141	83	43
August		1,017	1,390	1,562	1,461	1,880
September		443	87	65	3	7
Total	6,942	7,435	9,951	8,076	7,440	2,025

Sales and Use Tax – Estimates v. Actuals

Our fiscal year runs October through September but our sales tax began in April so the estimates are drawn from the last complete 12 month period, rather than the last full fiscal year. The color-filled columns show the months which constitute a single fiscal year in our financial statements.

Starting with the FY2020 budget, our revenue estimates are based on the average of actual collections from the three previous years. Prior to that, we simply used the previous year's actual collections as our estimate. The three-year average allows us to compensate for unusually high or low years.

In FY2021 we reduced the three-year average by a certain percentage to account for COVID. This year, we reduced the three-year average by 10% to account for various changes with businesses within the CID. This is a conservative revision and next budget year we will have a better sense of impact.

	2023 Est.	2022 Actual	2022 Est.	2021 Actual	2021 Est.	2020 Actual	2020 Est.	FY2019 Actual	2019 Est.	FY2018 Actual	2018 Est.	FY2017 Actual	2017 Est.	FY2016 Actual	FY2016 Est.
October	22,639	21,723	23,141	24,687	23,374	21,506	21,807	23,230	25,386	25,386	16,805	16,805	18,768		
November	29,395	30,833	27,012	28,319	26,533	29,033	27,965	23,682	26,884	26,884	33,328	33,328	18,470	-	
December	25,035	18,130	27,838	27,421	30,717	29,555	31,638	26,539	36,056	36,056	32,319	32,319	21,045	-	
January	23,504	29,911	19,763	25,564	20,309	15,035	21,703	18,690	27,203	27,203	19,216	19,216	18,201	-	
February	31,059	30,704	30,785	31,016	30,041	31,456	32,264	29,883	28,783	28,783	38,125	38,125	17,172	-	
March	23,012	25,768	25,092	20,994	28,140	22,273	27,873	32,008	30,139	30,139	21,472	21,472	19,162	-	
April	20,185	19,644	15,654	21,761	16,622	24,174	16,622	14,618	8,170	8,170	27,078	27,078	16,792	0	16,463
May	30,457		31,602	32,908	30,933	31,769	28,802	26,693	29,763	36,344	20,299	29,763	17,522	20,299	17,179
June	30,567		32,170	26,901	36,201	29,048	34,633	35,752	41,139	31,711	31,048	41,139	31,048	31,048	17,838
July	25,886		18,708	33,468	16,690	22,952	14,437	21,239	16,896	11,934	14,480	16,896	14,480	14,480	17,212
August	33,714		34,589	35,804	33,592	34,183	34,931	31,156	31,193	38,428	35,172	31,193	35,172	35,172	21,727
September	23,140		23,972	17,478	22,805	29,594	23,410	22,347	26,092	19,975	24,161	26,092	27,078	24,161	17,745
Loop CID Revenues	318,591	176,713	310,327	326,321	315,957	320,578	316,083	305,837	327,705	321,014	313,501	333,426	254,910	125,159	108,163
Business Shuffle Revision (90%)	286,732														
COVID-19 Revision (85%)					268,564										
COVID-19 Revision (90%)					284,361										

Total Revenues

We have additional revenue streams this year.

The City's Workforce Development Grant allocates \$150,000 for construction, \$85,000 for equipment, and \$15,000 for scholarships (\$5000/year). These funds are provided on a reimbursement basis so a portion of the funds for construction and equipment will be used in FY22 and the remainder in FY23. The revenue amounts reflect anticipated fiscal year in which they will be spent.

The draw down from our fund balance is for kitchen construction as well.

Kitchen revenues are limited by the smaller temporary location and the availability of storage space. We are currently implementing a better tracking system for hourly use to ensure that all clients are in the appropriate pricing tier. These should be in place soon and we anticipate some increase in revenues as a result. We are also reviewing future increases in storage costs and tiers. Our goal is to provide an affordable space for start-up businesses but we believe a small increase in tier pricing and a more realistic charge for cold storage would not be prohibitive to clients. We anticipate implementing any new prices upon the opening of the permanent kitchen, although the new prices are NOT reflected in this budget.

The drop in actual property assessments may even out as late payments come in (as it did in previous years). The drop in estimated sales tax revenues is a conservative estimate given recent changes in business mix.

		FY2022	FY2023	Change	
Revenue					
	Property Assessment	68,570	67,682	(888)	<i>current collections</i>
	Sales Tax	310,327	286,732	(23,595)	<i>3-year avg. - 10%</i>
	Regional Economic Development, Inc.	12,000	0	(12,000)	
	City Workforce Dev - Construction	0	141,699	141,699	
	City Workforce Dev - Equipment	0	50,000	50,000	<i>Partial - remainder in FY24,25</i>
	City Workforce Dev - Scholarship	0	5,000	5,000	<i>Partial - remainder in FY24,25</i>
	Fund Balance Draw Down	0	356,000	356,000	
	Kitchen Revenues	0	76,800	76,800	
	Total Revenue	390,896	983,913	593,017	

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: FY2022 is still in the process of being collected.)

	2023 Est.	2022 Actual	2021 Actual	2020 Actual	FY2019 Actual	FY2018 Actual	FY2017 Actual	FY2016 Actual
Loop CID Revenues	318,591	176,713	326,321	320,578	305,837	321,014	333,426	125,159
Business Shuffle Revision (90%)	286,732							
Total Sales	\$ 57,346,396		\$ 65,264,272	\$ 64,115,578	\$ 61,167,498	\$ 64,202,850	\$ 66,685,226	\$ 25,031,766
City Sales Tax (2%)	\$ 1,146,928		\$ 1,305,285	\$ 1,282,312	\$ 1,223,350	\$ 1,284,057	\$ 1,333,705	\$ 500,635