

BUSINESS AND INDUSTRY FUND

YEAR BEGINNING JULY 1, 2018

	FY 2011 <u>ACTUAL</u>	FY 2012 <u>ACTUAL</u>	FY 2013 <u>ACTUAL</u>	FY 2014 <u>ACTUAL</u>	FY 2015 <u>ACTUAL</u>	FY 2016 <u>ACTUALS</u>	FY 2017 <u>BUDGET</u>	FY 2017 <u>ACTUAL YTD</u>	FY 2018 <u>BUDGET</u>
REVENUES:									
Business & Industry Tax (Hotel)	\$ 334,472	\$ 297,045	\$ 310,884	\$ 342,603	\$ 401,460	\$ 440,886	\$ 376,473	\$ 324,778	\$ 394,372
Penalty/Interest	0	91	0	60	6,545	2,255	0	124	1,000
Transfers	62,220	62,220	62,220	62,200	14,200	14,200	0	0	0
Contributions									
Interest	176	273	246	66	62	1,621	1,000	(289)	(39)
Total Revenues	\$ 396,868	\$ 359,629	\$ 373,350	\$ 404,929	\$ 422,267	\$ 458,962	\$ 377,473	\$ 324,613	\$ 395,333
EXPENDITURES:									
Administrative Fees	\$ 6,690	\$ 6,293	\$ 6,267	\$ 6,297	\$ 6,297	\$ 8,818	\$ 6,297	\$ 6,297	\$ 6,297
Payment Discount	5,898	6,221	6,194	6,792	7,450	8,370	6,204	6,204	6,204
Interest Expense	13	0	0	0	391	0	0	0	0
Transfer									
Contributions									
Downtown Mainstreet Inc (DLSMS)	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Downtown Mainstreet Inc: Downtown Masterplan	0	0	0	0	0	0	0	0	0
LS Economic Development Council	250,916	250,911	250,911	250,911	217,968	217,968	250,911	250,911	275,500
LS Chamber of Commerce	40,780	50,700	50,700	50,700	51,043	51,043	51,043	51,043	51,043
Arts Commission									
Historic Preservation Grant									
Community Branding									
Total Expenditures	\$ 364,297	\$ 374,125	\$ 374,072	\$ 374,700	\$ 343,149	\$ 346,199	\$ 374,455	\$ 374,455	\$ 399,044
Excess of Revenues Over (Under) Expenditures	32,571	(14,496)	(722)	30,229	79,118	112,763	3,018	(49,842)	(3,711)
Fund Balance, Beginning of Year	\$ 29,322	\$ 61,893	\$ 47,397	\$ 46,675	\$ 76,904	\$ 156,022	\$ 268,785	\$ 271,803	\$ 271,803
Fund Balance	\$ 61,893	\$ 47,397	\$ 46,675	\$ 76,904	\$ 156,022	\$ 268,785	\$ 271,803	\$ 221,961	\$ 268,092
% of Total Expenditures to Ending Fund Balance	17.0%	12.7%	12.5%	20.5%	45.5%	77.6%	72.6%	59.3%	67.2%

The Business and Industry Tax fund was created to account for the license tax on certain gross receipts of hotels, motels and similar places of business, in an amount equal to 5% of gross daily rental receipts derived from transient guests for sleeping accommodations. The proceeds are used to promote the general economic welfare of the City including attraction and retention of business and industry to the community and the promotion and provision of facilities for tourism, conventions, and visitors. Businesses are allowed to deduct 2% processing fee if their tax is remitted before the 20th of the month. The 5 hotel/motels in the City have a total of 352 rooms with an average occupancy rate of 65.5% for fiscal years 2015, 2016, and 2017YTD.

Average Occupancy Rate:

- FY13 - 54.7%
- FY14 - 57.8%
- FY15 - 61.5%
- FY16 - 68.3%
- FY17 - 66.5% (YTD)

Revenues: FY18 hotel/motel tax estimate is a 3-year average of FY2014-2016. Revenue projections are based on the fundamentals of fund sources as seasonality and large one-time payments can inject unpredictability into the revenues. Since FY11, the City's General Fund transferred funds to the Business and Industry Fund to prevent a negative fund balance. That transfer was discontinued in FY17.

Expenditures: FY18 assumes the Business & Industry tax will fully support the expenditures and administration of the fund. The expenditures include the full contribution to Downtown Mainstreet Inc. and Lee's Summit Chamber of Commerce. The FY18 Request includes funding for additional services to be provided by the LS Economic Development Council in an effort to enhance economic development opportunities. The fund balance at year end is projected to be 67.2% of total expenditures.

