

Attachment 1
Core Revenue Report
September 2021

The following tables include the FY21/22 budget and year to date revenues. The receipts represent funds received to date.

PROPERTY TAX

Property Tax is the first largest source of the General Fund revenue. The City typically receives property tax payments in December, April, and June. Unlike other tax revenues, property taxes were not impacted by COVID-19. The City will receive its first two property tax payments for FY21/22 in December 2021 and April 2022, with an additional minor payment to be received in June 2022. The following table presents FY21/22 budget, and revenues received to date.

Property Tax	Amended Budget	YTD Receipts	% of Amended Budget
FY21/22	8,418,000	-	0.0%

TRANSIENT OCCUPANCY TAX (TOT)

Transient Occupancy Tax (TOT) is the General Fund's second largest source of revenue which the City receives on a monthly basis. Unlike property taxes, TOT has been significantly impacted by COVID-19. The following table presents FY21/22 budget and revenues received to date.

Transient Occupancy Tax	Amended Budget	YTD Receipts	% of Amended Budget
FY21/22	4,703,000	1,404,053	29.9%

The City receives transient occupancy tax in the month following the stay. The revenues received in September is for August TOT Revenue.

The following table shows a monthly breakdown of TOT revenues when compared to the same month last year. The reduction in the 2020/21 TOT in December and January may have resulted from temporary COVID-19 restrictions. Also noted is the decline in the March 2019/20 TOT, due to COVID-19 pandemic.

Lodging Period	2019/20	2020/21	2021/22	Net Difference
July	839,162	289,435	673,475	384,040
August	807,047	340,019	730,578	390,559
September	608,652	327,958		
October	588,842	347,103		
November	485,652	216,516		
December	364,933	90,066		
January	372,122	109,118		
February	409,906	205,512		
March	145,558	334,004		
April	22,362	379,613		
May	56,465	428,612		
June	151,029	518,002		
	4,851,730	3,585,958	1,404,053	774,599
<i>September 2021 TOT Payments are anticipated to be received late October 2021</i>				

SALES AND USE TAX

Sale and Use tax is the third largest source of the City's General Fund revenues. The City receives a 1% Bradley Burns Tax and a 1% Measure U Transactions and Use Tax.

The impact of COVID-19 on the Sale and Use tax revenues has been less significant when compared to TOT. The following table presents FY21/22 budget and revenues received to date.

Sales and Use Tax	Amended Budget	YTD Receipts	% of Amended Budget
FY21/22	4,109,000	303,144	7.4%

In FY19/20, the City received sales tax monthly; however, two payments were advances, which were based on estimated sales, prior period tax receipts, adjustments, and current distributions. This was followed by a true-up within each quarter. Due to this methodology, the advance monthly tax contributions were not truly representative of actual performance.

In FY20/21, the State changed its tax collection methodology. The State now calculates a factor for each agency based on how the agency's sales tax performed last year to the statewide total, and then applies that factor to the total statewide prepayments they received for that month. If statewide prepayments are tracking higher than the agency's local sales, this could inflate the two advances. Additionally, the higher advances could also represent audit cases or late payments that they also processed during that month. This new methodology contributes to higher advance payments, with a lower true-up amount.

The impact of COVID-19 on the Sale and Use tax revenues has been less significant when compared to TOT. The following table presents FY21/22 budget and revenues received to date.

Tax Return Period	2019/20	2020/21	2021/22	Net Difference
July Advance	373,338	358,945	303,144	55,801
August Advance	439,453	427,105		
September True-up	376,610	243,269		
October Advance	297,095	343,188		
November Advance	323,622	333,869		
December True-up	496,186	302,359		
January Advance	244,631	281,830		
February Advance	322,132	339,550		
March True-up	171,312	239,864		
April Advance	241,956	314,606		
May Advance	398,893	395,212		
June True-Up	240,350	481,058		
	3,925,578	4,060,855	303,144	
August 2021 payments are anticipated to be received in late October as the State pays the City two months in arrears				
<i>(1) The October Fiscal Year 19/20 amount includes an annual sales tax payment of \$50,983. This represents an annual remittance for select businesses that are within the shared taxing jurisdictions of Monterey and Pacific Grove.</i>				