



**TO:** Fruita City Council and Mayor

**FROM:** Margaret Sell, Finance Director/City Clerk

**DATE:** June 6, 2023

**AGENDA TEXT:** FINANCIAL REPORTS – A request to approve the April 2023 Financial Reports

### BACKGROUND

The following table provides a summary of sales and use tax revenues for the month compared to the same period in 2022. Inflationary issues affecting the entire country are having an impact on local and regional spending patterns with reductions in discretionary spending.

While total tax revenues are up \$91,671 from the prior year and ahead of budgeted amounts by \$168,501, monthly revenues from use tax on building materials are down 83%, lodging tax revenues are down 18%, and county sales tax revenues and use taxes on motor vehicles are flat from the prior year. While city sales tax revenues show an increase of 14% for the month, the prior year had a non-recurring credit. Adjusting the monthly totals for this anomaly, the March city sales tax revenue would show a decline of approximately 5% from the prior year. All sales and use tax revenues were budgeted/anticipated to decline in 2023 so these reductions do not currently have an overall negative impact on the 2023 Budget.

Historical and current year charts for each category of sales and use tax revenue are attached.

Summary of Sales and Use Tax Revenues - March 2023					
		Percent (%) Change		Dollar (\$) Change	
Type	Month	Month	Y-T-D	From prior year - YTD	Between actual and budget - YTD
City Sales Tax (2%)	Mar-23	14%	14%	\$ 99,502	\$ 130,501
Use tax on Motor Vehicles (2%)	Mar-23	0%	10%	\$ 16,654	\$ 28,617
Use tax on Building Materials (2%)	Mar-23	-83%	-22%	\$ (34,989)	\$ (47,780)
Lodging Tax (3%)	Mar-23	-18%	-3%	\$ (584)	\$ 3,194
County Sales Tax	Mar-23	0%	1%	\$ 9,551	\$ 46,734
Public Safety Tax	Mar-23	0%	1%	\$ 1,537	\$ 7,235
				<b>\$ 91,671</b>	<b>\$ 168,501</b>

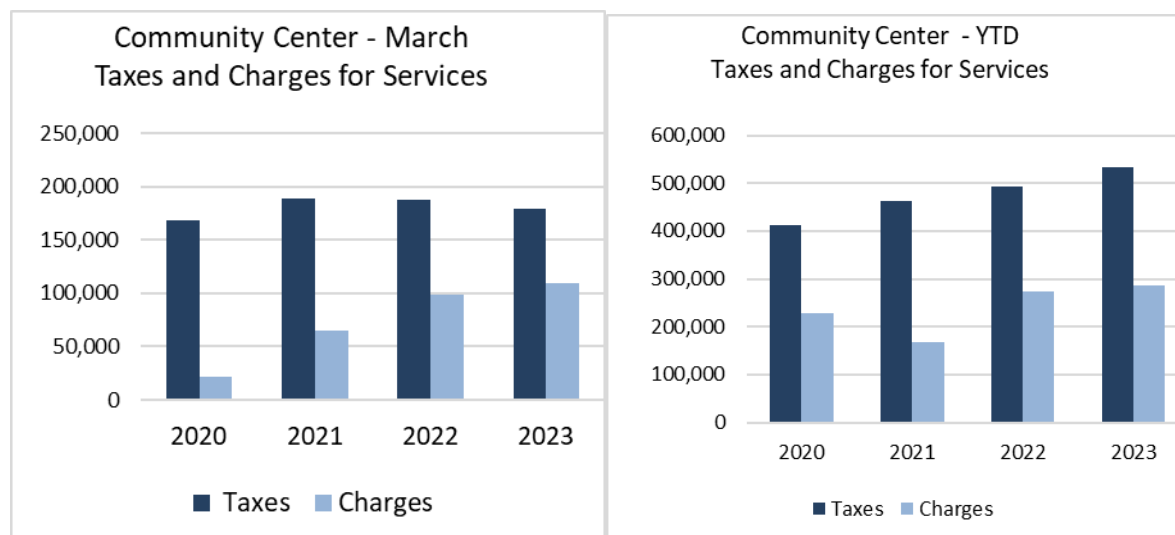
The following table shows a monthly comparison between March 2022 and 2023 city sales tax collections by NAICS category.

<b>Sales Tax Revenues by Category (3%)</b>					
Mar-23					
Description	2021	2022	2023	1 yr % Chg	1 yr \$ Chg
Retail Trade	219,941	216,712	203,944	-6%	(12,768)
Food	79,326	83,740	74,681	-11%	(9,059)
Other Miscellaneous	14,192	19,781	16,592	-16%	(3,189)
Utilities	23,585	32,964	37,610	14%	4,646
Manufacturing	12,853	15,772	13,117	-17%	(2,655)
Rental and Leasing	9,034	5,888	8,200	39%	2,312
Other Services	7,994	8,036	8,736	9%	700
Lodging	15,191	17,987	11,978	-33%	(6,009)
Wholesale Trade	16,449	17,369	20,514	18%	3,145
Communications	11,616	14,847	15,245	3%	398
Oil and Gas	1,307	-71,211	1,405	98%	72,616
<b>Total</b>	<b>411,488</b>	<b>361,885</b>	<b>412,022</b>	<b>14%</b>	<b>50,137</b>
<b>Remote retailers</b>	<b>42,449</b>	<b>49,045</b>	<b>49,452</b>	<b>1%</b>	<b>407</b>

A table showing year-to-date totals and a chart of the top 3 categories is attached. On an annual basis, sales tax on retail trade is flat compared to the prior year and food sales tax is down 6% from the prior year while utilities are up 28% over the prior year.

### **Community Center Fund Charges for Services –March 2023**

March 2023 charges for services (pass fees and recreation programs) were up 12% from the prior year while sales and use tax revenues were down 4% from the prior year. This reduction is due to the decrease in revenues from use tax on building materials. Annual revenues are up 4% and 8% respectively.



**Actual vs Budget Report –April 2023.** The attached Actual vs Budget report presents comparison information on budgeted vs actual revenues and expenses by fund and department for all funds. The following is a summary of the report by fund.

<b>Revenues and Expenses as Percentage of Budget - April 2023</b>		
<b>Column1</b>	<b>Revenues as a % Budget</b>	<b>Expenses as a % of Budget</b>
General Fund	38%	25%
Conservation Trust Fund	35%	9%
Economic Development Fund	14%	0%
Marketing	16%	32%
Public Places Fund	27%	83%
Community Center	36%	27%
Capital Projects	9%	13%
Debt Service	26%	24%
Devils Canyon Center	0%	0%
Irrigation Water *	2%	25%
Sewer*	16%	19%
Trash*	25%	17%
Fleet Maintenance Fund	100%	27%
<b>Total</b>	<b>25%</b>	<b>21%</b>

### **Audit of 2022 Financial Statements**

The City’s auditors, Chadwick, Steinkirchner, Davis and Co., PC, completed their field work on the City’s financial statements for FYE 12/31/2022 the week of May 15. A presentation of the final financial statements and auditors report will be made to the City Council in the near future.

### **FISCAL IMPACT**

None.

### **APPLICABILITY TO CITY GOALS AND OBJECTIVES**

These reports provide financial information to the Council to monitor the City’s financial position and may be used as a tool to hold staff accountable for accomplishing goals and objectives set forth in the Budget.

### **OPTIONS AVAILABLE TO THE COUNCIL**

- Approval of Financial Reports
- Approval of Financial Reports with clarification on specific items

### **RECOMMENDATION**

It is the recommendation of staff that the Council by motion:

**ACCEPT THE APRIL 2023 FINANCIAL REPORTS AS PRESENTED**