



**TO:** Fruita City Council and Mayor

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

**DATE:** May 21, 2024

**AGENDA TEXT:** FINANCIAL REPORTS – A request to approve the April 2024 Financial Reports

**BACKGROUND**

Summary of Sales and Use Tax Revenues -March 2024					
Type	Month	Percent (%) Change		Dollar (\$) Change	
		Month	Y-T-D	From prior year - YTD	Between actual and budget - YTD
City Sales Tax (2%)	Mar-24	11.2%	8%	\$ 56,066	\$ 56,066
Use tax on Motor Vehicles (2%)	Mar-24	-28.2%	-6%	\$ (9,517)	\$ (24,124)
Use tax on Building Materials (2%)	Mar-24	1.4%	-17.0%	\$ (19,457)	\$ (19,457)
Lodging Tax (3%)	Mar-24	11.8%	1%	\$ 175	\$ 2,556
County Sales Tax	Mar-24	2.1%	4%	\$ 30,045	\$ 30,045
Public Safety Tax	Mar-24	-3.9%	1%	\$ 1,567	\$ (711)
				<b>\$ 58,879</b>	<b>\$ 44,375</b>

**Overall Performance:** Collectively, sales and use tax revenues have exceeded the budget through March by \$44,375.

**Sales Tax Revenue Increase:** This increase is largely driven by city and county sales tax revenues, which increased \$86,111 year-to-date compared to the prior year. The increase in city sales tax revenues indicates strong local retail activity or economic growth within the city.

**Use Tax on Building Materials and Motor Vehicle Decrease:** Revenues from use taxes on building materials and motor vehicles continue to decline, down both from the previous year and from the 2024 budgeted amounts by \$43,581. The continued decline in use tax revenues from building materials and motor vehicles points to reduced spending in these sectors, possibly due to higher interest rates, supply chain issues and economic uncertainty.

**Lodging Tax Increase:** Lodging tax revenues are relatively flat compared to the prior year but have shown positive growth, increasing 12% for the month and up 1% compared to the prior year. The rise in lodging tax revenues suggests an increase in tourism or business travel, contributing positively to the local economy.

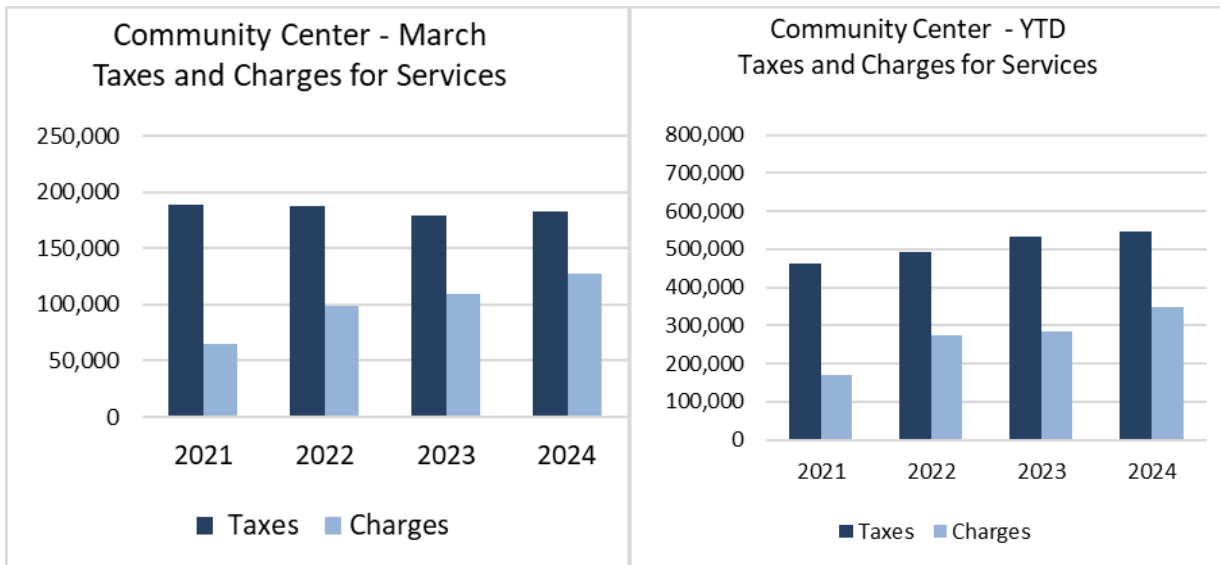
**City Sales Tax by NAICS category:**

The following table shows a monthly comparison between March 2023 and 2024 city sales tax collections by NAICS category. Retail trade had the largest increases (\$14,579) from the prior year and the largest reductions were in utilities (\$-5,714). Remote sales were up 9% over the prior year.

<b>Sales Tax Revenues by Category (3%)</b>					
Mar-24					
<b>Description</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>1 yr % Chg</b>	<b>1 yr \$ Chg</b>
Retail Trade	216,712	203,944	218,523	7%	14,579
Food	83,740	74,681	84,612	13%	9,931
Other Miscellaneous	19,781	16,592	18,077	9%	1,485
Utilities	32,964	37,610	31,896	-15%	(5,714)
Manufacturing	15,772	13,117	12,272	-6%	(845)
Rental and Leasing	5,888	8,200	12,988	58%	4,788
Other Services	8,036	8,736	20,383	133%	11,647
Lodging	17,987	11,978	18,402	54%	6,424
Wholesale Trade	17,369	20,514	17,167	-16%	(3,347)
Communications	14,847	15,245	14,631	-4%	(614)
Oil and Gas	-71,211	1,405	3,725	165%	2,320
<b>Total</b>	<b>361,885</b>	<b>412,022</b>	<b>452,676</b>	<b>10%</b>	<b>40,654</b>
<b>Remote retailers</b>	<b>49,045</b>	<b>49,452</b>	<b>53,699</b>	<b>9%</b>	<b>4,247</b>

**Community Center Fund Charges for Services and Tax Revenues – March 2024**

March charges for services (pass fees and recreation programs) were up 16% from the prior year while the 1% sales and use tax revenues were up 2% from the prior year. This increase in charges for services is primarily due to an increase in pass fees of approximately 14% (the first increase since 2017).



**Actual vs Budget Report – April 2024.** The attached Actual vs Budget report presents information on budgeted vs actual revenues and expenses by fund and department for all funds for April 2024. Also attached is an actual vs budget listing of General Fund revenues by account through April 2024. The following is a summary of the report by fund.

Revenues and Expenses as Percentage of Budget - April 2024 (33%)		
Column 1	Revenues as a % of Budget	Expenses as a % of Budget
General Fund	39%	19%
Conservation Trust Fund	27%	0%
Economic Development Fund	20%	0%
Marketing	19%	31%
Public Places Fund	20%	61%
Community Center	33%	22%
Fruita Housing Authority	0%	0%
Capital Projects	4%	7%
Debt Service	26%	23%
Devils Canyon Center	0%	0%
Irrigation Water *	3%	39%
Sewer*	22%	25%
Trash*	26%	17%
Fleet Maintenance Fund	100%	26%
<b>Total</b>	<b>23%</b>	<b>17%</b>

**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 2024 FINANCIAL REPORTS AS PRESENTED**