



TO: Fruita City Council and Mayor

FROM: Margaret Sell, Finance Director/City Clerk

DATE: June 20, 2023

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

BACKGROUND

The following table provides a summary of sales and use tax revenues for April sales compared to the same period in 2022. With the exception of lodging taxes, all other sales and use tax revenues either show minimal growth or a reduction from the prior year. Reductions in sales and use tax revenues were anticipated in the development of 2023 Budget and, in total, these revenues are currently \$226,000 ahead of budget through April 2023.

Use tax revenues reflect spending on high-ticket items (new construction and vehicles). Revenues from use tax on building materials have been down 3 of the 4 months this year (24% y-t-d reduction from 2022) and are currently trending below budget for the year. Use tax revenues on motor vehicles are down 2 of the 4 months this year (3% y-t-d reduction from 2022) but are currently trending slightly ahead of budget for the year. This decline in use tax revenues can be attributed to economic conditions which include higher inflation and the cost of borrowing money, and consumer confidence in the economy.

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

Summary of Sales and Use Tax Revenues - April 2023					
		Percent (%) Change		Dollar (\$) Change	
Type	Month	Month	Y-T-D	From prior year - YTD	Between actual and budget - YTD
City Sales Tax (2%)	Apr-23	1%	10%	\$ 102,577	\$ 147,116
Use tax on Motor Vehicles (2%)	Apr-23	-32%	-3%	\$ (8,524)	\$ 9,103
Use tax on Building Materials (2%)	Apr-23	-5%	-24%	\$ (37,222)	\$ (5,725)
Lodging Tax (3%)	Apr-23	16%	5%	\$ 1,636	\$ 7,817
County Sales Tax	Apr-23	-1%	1%	\$ 7,200	\$ 58,358
Public Safety Tax	Apr-23	-2%	1%	\$ 1,430	\$ 9,264
				\$ 67,097	\$ 225,933

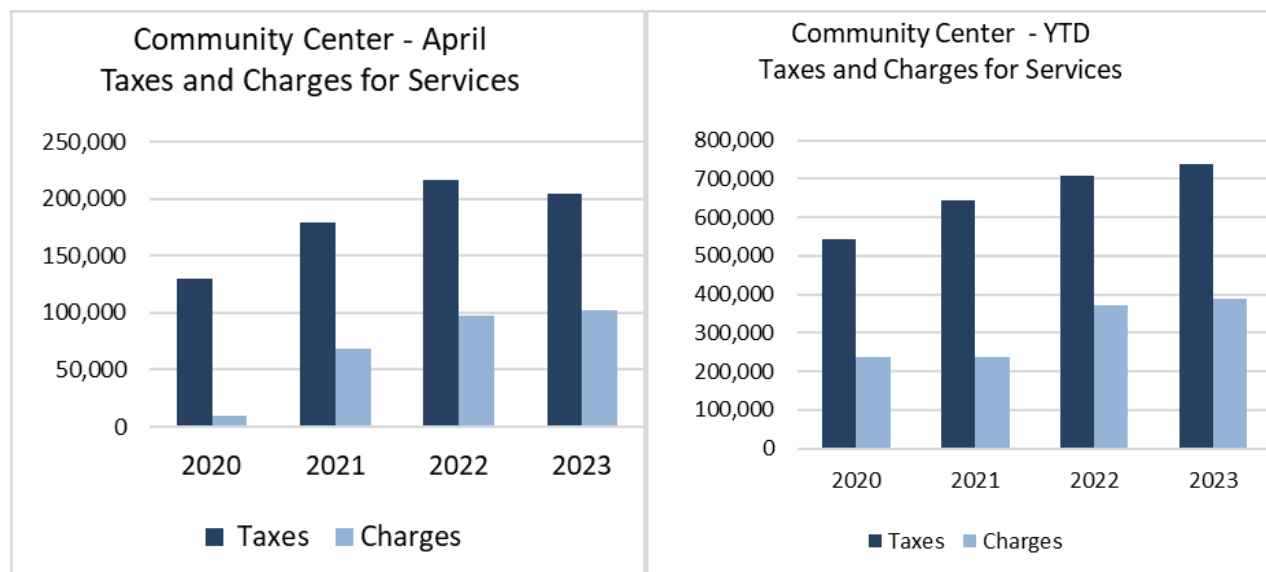
The following table shows a monthly comparison between April 2022 and 2023 city sales tax collections by NAICS category.

Sales Tax Revenues by Category (3%)					
Apr-23					
Description	2021	2022	2023	1 yr % Chg	1 yr \$ Chg
Retail Trade	217,112	235,530	255,827	9%	20,297
Food	80,927	81,378	79,386	-2%	(1,992)
Other Miscellaneous	14,608	16,015	17,599	10%	1,584
Utilities	21,053	25,621	28,093	10%	2,472
Manufacturing	10,266	12,982	12,009	-7%	(973)
Rental and Leasing	10,005	7,876	7,650	-3%	(226)
Other Services	4,105	9,505	6,709	-29%	(2,796)
Lodging	20,611	19,698	18,870	-4%	(828)
Wholesale Trade	19,729	37,661	18,566	-51%	(19,095)
Communications	13,302	13,499	15,277	13%	1,778
Oil and Gas	956	1,822	6,213	241%	4,391
Total	412,674	461,587	466,199	1%	4,612
Remote retailers	43,082	43,369	51,040	18%	7,671

A table showing year-to-date totals and a chart of the top 3 categories is attached.

Community Center Fund Charges for Services –April 2023

April 2023 charges for services (pass fees and recreation programs) were up 6% from the prior year while sales and use tax revenues were down 6% from the prior year. Annual revenues are up 5% and 4% respectively.



Actual vs Budget Report –May 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.

Revenues and Expenses as Percentage of Budget - May 2023		
Column1 ▼	Revenues as a % Budget ▼	Expenses as a % of Budget ▼
General Fund	47%	29%
Conservation Trust Fund	35%	9%
Economic Development Fund	28%	60%
Marketing	24%	42%
Public Places Fund	40%	83%
Community Center	44%	31%
Capital Projects	9%	18%
Debt Service	27%	24%
Devils Canyon Center	0%	0%
Irrigation Water *	35%	30%
Sewer*	21%	21%
Trash*	34%	33%
Fleet Maintenance Fund	100%	33%
Total	31%	26%

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 MAY 2023 FINANCIAL REPORTS AS PRESENTED