

To the Mayor and Members of the City Council

June 14, 2011

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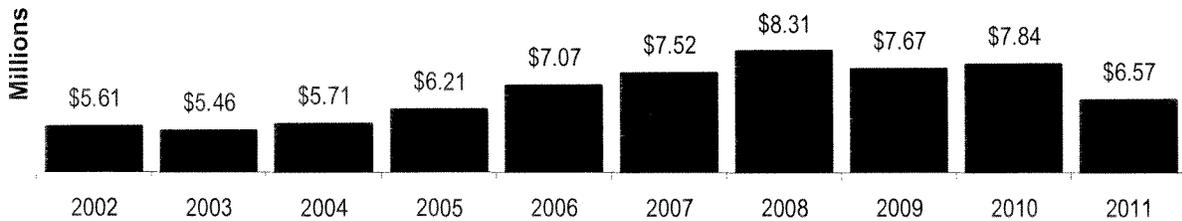
SUBJECT: June 2011 – Sales Tax Update

In response to the volatile nature of sales tax revenue, the Staff is committed to providing you a brief update of the sales tax collections. The Texas Comptroller’s Office posted results on June 7th. The results are dependent upon the timeliness and accuracy of sales tax payers’ returns. This payment from the State represents taxes collected on sales that occurred primarily in April and in prior months. In this report, you will see our sales tax collection compared to last year and the impact on the current year’s budget.

MONTHLY SALES TAX COLLECTIONS FOR APRIL

CITY OF FORT WORTH

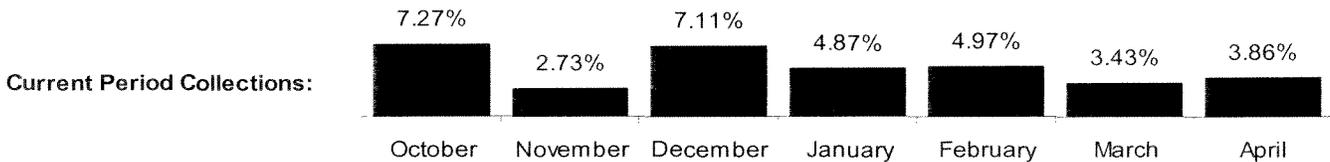
APRIL FY2011	\$ 6,572,158	<u>DOLLAR VARIANCE</u>	<u>% VARIANCE</u>
APRIL FY2010	\$ 7,841,444	(\$1,269,286) ↓	-16.19% ↓



Note: The City’s April sales tax collections were down **\$1,269,286** compared to last year. Just as in the prior month, this decline is due to a single audit adjustment. Last month, an entity filed a refund for taxes paid on tax exempt equipment and received a \$1.1M credit. This month, the same entity was granted an additional \$1.4M adjustment after a legal judgment. The refunds stemmed from an audit that occurred in prior years. Although this is an unusual event, the Comptroller has informed Staff that unfortunately additional adjustments are expected in the following months.

COLLECTION DETAIL FOR CITY SALES TAX

	APRIL 2010	APRIL 2011	CHANGE
Current Period Collections:	\$ 7,716,178	\$ 8,014,261	3.86% ↑
Other Collections:	86,100	47,690	-44.61%
Audit Collections:	153,856	(1,413,062)	-1018.43%
Service Fee:	(159,123)	(132,978)	-16.43%
Retainage:	44,434	56,248	26.59%
Net Payment	\$ 7,841,444	\$ 6,572,158	-16.19% ↓



City Sales Tax Trend: Variance for the most recent months vs. same period last year.

Note: Despite the audit adjustment, as you can see above, “Current Period” collections have a positive trend signaling continued improvement in real economic activity.

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CITY OF FORT WORTH BUDGET COMPARISON - FY2011

	YTD BUDGET	YTD ACTUAL	YTD VARIANCE	
CITY OF FORT WORTH	\$ 55,301,331	\$ 57,839,354	4.59%	↑
CRIME CONTROL AND PREVENTION DIST.	\$ 24,242,382	\$ 26,645,718	9.91%	↑
MASS TRANSIT AUTHORITY - THE "T"	\$ 26,144,770	\$ 27,149,787	3.84%	↑
	ADOPTED BUDGET	BUDGET RE-ESTIMATE	YR END VARIANCE	
CITY OF FORT WORTH	\$ 96,351,438	\$ 98,889,461	2.63%	↑
CRIME CONTROL AND PREVENTION DIST.	\$ 42,237,472	\$ 44,640,807	5.69%	↑
MASS TRANSIT AUTHORITY - THE "T"	\$ 45,552,000	\$ 46,557,016	2.21%	↑

Note: Although the City has approximately \$2.5M in audit adjustments from prior periods, total collections are **\$2,538,023** more than budget. Staff recommends maintaining a conservative forecast, due to additional audit adjustments by the Comptroller.

The following chart demonstrates how our trend compares to the state and other cities:

**CITY OF FORT WORTH
CITY COMPARISONS - FY 2011 v. FY 2010**

CITY	QTR 1	QTR 2	APRIL	YTD
GRAPEVINE	13.59%	3.00%	9.60%	8.61%
EULESS	7.28%	6.60%	2.25%	6.24%
HURST	6.62%	2.80%	8.76%	5.35%
BURLESON	14.02%	-1.10%	-1.96%	5.34%
SOUTHLAKE	2.15%	8.00%	4.40%	4.74%
DALLAS	3.59%	4.70%	3.23%	4.01%
ARLINGTON	8.10%	0.50%	-1.68%	3.48%
WATAUGA	6.13%	0.40%	1.63%	3.11%
FORT WORTH	9.29%	0.90%	-16.19%	2.24%
KELLER	2.81%	-2.40%	6.81%	1.07%
NORTH RICHLAND HILLS	5.27%	-3.00%	-2.11%	0.79%
GRAND PRAIRIE	-6.73%	-2.70%	2.03%	-3.85%
BEDFORD	-0.61%	-7.90%	-3.11%	-4.17%
STATE TOTAL	8.26%	10.00%	11.39%	9.47%

Note: YTD collections for Fort Worth are up **2.24%** compared to last year.

Again, hopefully you find this additional information helpful. If you have any questions, please call Horatio Porter, Budget Officer, at 817.392.2379.

for Charles W. Daniels
Tom Higgins
 Interim City Manager