City of Benson
City Council Communication

Regular Meeting **October 12, 2015**

To: Mayor and Council Agenda Item # 5

From: Dustin DeSpain, Finance Director

Subject:

Review of City Finance with emphasis on August financial results and the City's financial position at August 31, 2015

Discussion:

Staff will present the attached power point slide show to summarize the results of City operations and the City's financial position at August 31, 2015.

Staff Recommendation:

Information only

CITY OF BENSON
INTEROFFICE MEMORANDUM

DATE: **October 12, 2015**

TO: **William Stephens, City Manager**

FROM: **Dustin DeSpain, Finance Director**

cc: **Benson City Council Members**

SUBJECT: **City Financial Results for the month of August, 2015**

Cash

- Our unrestricted **cash** balance this month is **$1.2M**. As a comparison, our unrestricted cash position in Aug of 2014 was **$705K**.

Citywide Results for All Funds

- **Revenues** from all sources were **$755K** for the month, compared with **$627K** for August 2014. Year to Date we show an increase in our overall revenues of **$94K**. This is mainly attributed to the new sales tax increase and retail sales statewide.
- **Personnel** costs were **$337K.** Year to Date our personnel costs city wide have decreased **$24K**.
- **Other operating expenditures** were **$270K** for the month. Year to Date we are showing a decrease in our expenditures over last year by **$23K**.
- **Capital expenditures** year to date are **$10K,** a decrease of **$25K** compared with the prior year.
- The **City Wide Net Position** was **$130K** during the month. Year to Date we have a **$412K** net position compared to a net position of **$53K** in the prior year.

General Fund

- **General Fund revenues** were **$330K**, an increase of **$18K** compared to the prior August. Noteworthy increases and decreases YTD include the following:
  - City Sales Tax is up **$8K**
  - Police Revenue is up **$5K**
  - State Sales Tax is up **$2K**
  - State Revenue Sharing is down **$279**
- **Direct operating expenditures** were **$105K** for August**. Compared to** August 2014 expenditures are up **$25K.**
- **Personnel costs** were **$221K**, an increase of **$20K** compared to August 2014. Year to Date, personnel costs are down **$21K**.
- The **General Fund Balance** was **$2K** during the month, a decrease of **$34K** compared to August 2014. Year to Date, the General Fund balance is **$129K**.

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Transit Fund

- The **Transit Fund** was **$10K** during the month, and **$11K** YTD.
- The **Budgeted Contribution** from the General Fund for this fiscal year is **$55K.**

Streets Fund

- The **Streets Fund Balance** was **$21K** during the month, and is **$21K** year to date.
- **Gasoline Tax** or HURF monies are up **$2K** compared to last year.

Enterprise Funds

- The **Natural Gas Fund** net position was **$985** for the month.
- The **Water Fund** net position was **$12K** for the month.
- The **Wastewater Fund** net position was **$18K** for the month.
- The **Sanitation Fund** balance was **$1K** for the month.
- The **Airport Fund** balance was **$11K** for the month.
- The **Golf Course Fund** balance was **$31K** for the month.

Summary

The strategies implemented during the budget process are working for the City. We are seeing the City's cash balance rebound. We are seeing revenue from both the State and City improve, as consumers gain more confidence. We are also starting to see the effects of the 1% sales tax approved this year, which is providing more retail tax for the City. The City management is watching our costs very closely, as we begin to restore services, in order to insure our reserves build for fiscal year.

General Fund

August 2015 compared to August 2014

10/2/2015

Description	Month of August 2015	Month of August 2014	Month of August Difference	Fiscal Year To Date 2015	Fiscal Year To Date 2014	Fiscal Year To Date Difference
Revenues						
Property Tax	3,200	8,138	(4,938)	7,686	35,762	(28,076)
City Sales Tax	183,005	176,281	6,724	443,394	447,281	(3,887)
Bed Tax	4,725	4,598	127	10,393	4,659	5,734
State Sales Tax	38,442	36,476	1,966	73,234	74,204	(970)
Franchise Tax	18,800	15,783	3,017	18,800	15,783	3,017
Auto Lieu Tax	10,393	10,744	(351)	31,014	29,415	1,599
Business Licenses	1,150	875	275	4,625	2,950	1,675
State Revenue Sharing	51,220	51,499	(279)	102,440	102,999	(559)
Property Rentals	8,089	270	7,819	15,487	15,279	208
Community Development Fees	3,547	1,414	2,133	14,341	2,938	11,403
Police Revenue	5,082	547	4,535	10,475	1,993	8,482
Animal Control Revenue	1,351	1,108	243	3,551	2,998	553
Fire Revenue	5	2,965	(2,960)	7	3,082	(3,075)
Library Revenue	723	20	703	2,104	980	1,124
Parks Revenue	455	1,263	(808)	2,333	3,793	(1,460)
Miscellaneous	135	530	(395)	7,625	4,829	2,796
Total Revenues	**330,320**	**312,511**	**17,809**	**747,509**	**748,945**	**(1,435)**
Expenditures						
Administration	25,860	31,479	(5,619)	57,340	78,458	(21,118)
City Council	3,443	1,511	1,932	5,508	3,237	2,271
Building	8,301	6,629	1,672	15,361	18,653	(3,292)
Police	132,269	112,774	19,495	247,005	250,225	(3,220)
Fire	26,102	24,763	1,339	45,172	44,246	926
Magistrate	11,249	0	11,249	11,249	2,315	8,934
Library	16,868	15,945	923	32,170	27,933	4,237
Parks	16,011	16,773	(762)	28,363	33,272	(4,909)
Finance	21,511	16,037	5,474	34,147	33,561	586
Recreation	14,799	9,358	5,441	28,356	23,724	4,632
Community Enrichment	4,013	2,516	1,497	19,005	23,530	(4,525)
Tourism	11,336	7,041	4,295	30,150	26,381	3,769
City Attorney	16,112	19,648	(3,536)	24,706	28,333	(3,627)
City Clerk	10,027	7,484	2,543	19,059	16,472	2,587
Planning & Zoning	4,497	3,565	932	8,340	12,381	(4,041)
Public Works	3,142	4,718	(1,576)	5,770	9,284	(3,514)
Debt Service	6,630	0	6,630	6,630	311,644	(305,014)
Total Expenditures	**332,169**	**280,241**	**51,928**	**618,330**	**943,649**	**(325,319)**
Net Position	**(1,849)**	**32,270**	**(34,119)**	**129,179**	**(194,704)**	**323,884**

City of Benson Comparative Financial Summary - AUGUST 2015 to 2014

10/1/2015 — *17% of the fiscal year has elapsed*

Unrestricted Cash - All Funds	1,236,324.82							
	Month of August			Fiscal Year to Date through August			Percent of	2015-16
Description	2015	2014	Difference	2015	2014	Difference	Budget Used	Budget
Revenues from all Sources	754,537	627,127	127,410	1,487,565	1,393,858	**93,707**	**8%**	18,866,234
Expenditures from all Funds:								
Personnel	**337,676**	**303,558**	34,118	**651,571**	**675,430**	**(23,859)**	**13%**	**5,135,571**
Other Expenditures	**270,260**	**275,696**	(5,436)	**402,168**	**425,412**	**(23,245)**	**6%**	**6,235,783**
Bond/Debt Payments	**6,630**	**0**	6,630	**6,630**	**311,644**	**(305,014)**	**1%**	**669,355**
Capital Expenditures	**10,026**	**34,676**	(24,650)	**14,801**	**34,676**	**(19,875)**	**0%**	**6,825,525**
Total Expenditures	624,592	613,930	10,662	1,075,170	1,447,162	(371,992)	**6%**	18,866,234
Net Position	*129,945*	*13,197*	*116,749*	*412,396*	*(53,304)*	*465,700*		*0*
General Fund								
Revenues								
Revenues (see Gen. Fund Report for details)	**330,320**	**312,511**	**17,809**	**747,509**	**748,945**	**(1,436)**	**10%**	**7,437,903**
Expenditures								
Personnel	220,868	200,624	20,244	431,324	452,519	(21,195)	**13%**	3,300,178
Other Costs	104,671	79,618	25,053	180,376	179,486	890	**10%**	1,838,770
Contributions to Other Funds	0	0		0	0	0	**0%**	529,600
Contingency Reserves	0	0		0	0	0	**0%**	1,100,000
Debt Service	6,630	0	6,630	6,630	311,644	(305,014)	**1%**	669,355
Total Expenditures	**332,169**	**280,241**	**51,927**	**618,330**	**943,649**	**(325,319)**	**8%**	**7,437,903**
Fund Balance	**(1,849)**	**32,270**	**(34,118)**	**129,179**	**(194,704)**	**323,883**		**0**
Transit Fund								
Revenues								
Fares	639	605	34	1,239	1,333	(94)	**15%**	8,000
Grant Revenue	(350)	9,708	(10,058)	11,713	20,523	(8,810)	**3%**	416,155
Greyhound Revenue	379	57	322	741	57	684	**15%**	5,000
Contribution From General Fund	0	0	0	0	0	0	**0%**	54,966
Total Revenues	**668**	**10,370**	**(9,702)**	**13,693**	**21,856**	**(8,904)**	**3%**	**484,121**
Expenditures								
Personnel	7,597	7,467	130	15,646	15,227	419	**12%**	133,610
Other Costs	3,441	5,557	(2,116)	8,973	10,616	(1,643)	**13%**	66,886
Capital Costs	0	0	0		0	0	**0%**	283,625
Total Expenditures	**11,039**	**13,024**	**(1,985)**	**24,619**	**25,843**	**(1,224)**	**5%**	**484,121**
Fund Balance	**(10,371)**	**(2,654)**	**(7,717)**	**(10,926)**	**(3,987)**	**(7,680)**		**0**

Description	Month of August 2015	Month of August 2014	Month of August Difference	Fiscal Year to Date through August 2015	Fiscal Year to Date through August 2014	Fiscal Year to Date through August Difference	Percent of Budget Used	2015-16 Budget
Capital Projects Fund								
Revenues								
Construction Sales Tax	6,336	(18,773)	25,109	16,086	0	16,086	**3%**	500,000
Grant Revenue	0	0	0	0	0	0	**#DIV/0!**	
Hanger Financing	0	0	0	0	0	0	**#DIV/0!**	0
Series 2010 Bond Proceeds	0	0	0	0	0	0	**0%**	284,600
Total Revenues	**6,336**	**(18,773)**	**25,109**	**16,086**	**0**	**16,086**	**2%**	**784,600**
Expenditures								
Walmart Payment	0	0	0	0	0	0	**0%**	250,000
Utility Rate Studies	0	0	0	0	0	0	**0%**	15,000
County Dump Trucks	0	0	0	0	0	0	**#DIV/0!**	0
Park Master Plan	0	0	0	0	0	0	**0%**	30,000
UAS Infrastructure Development	0	0	0	0	0	0	**0%**	50,000
City Hall Improvements	0	0	0	0	0	0	**0%**	20,000
Airport Hangers	0	0	0	0	0	0	**#DIV/0!**	0
Pavement Management	0	34,676	(34,676)	0	34,676	(34,676)	**0%**	200,000
ATV Gator	0	0	0	0	0	0	**0%**	10,000
Update Lions Park Master Plan	0	0	0	0	0	0	**0%**	9,600
Park, Trails Open Spaces Master Plan	0	0	0	0	0	0	**0%**	15,000
Street Signage Replacement	0	0	0	0	0	0		0
Other Projects	0	0	0	0	0	0		185,000
Total Expenditures	**0**	**34,676**	**(34,676)**	**0**	**34,676**	**(34,676)**	**0%**	**784,600**
Fund Balance	**6,336**	**(53,449)**	**59,785**	**16,086**	**(34,676)**	**50,762**		**0**
Streets Fund								
Revenues								
Gasoline Tax	29,624	29,263	361	63,242	61,068	2,174	**17%**	370,990
Lottery	0	0	0	0	0	0	**0%**	0
Series 2010 Bond	0	0	0	0	0	0	**0%**	0
Total Revenues	**29,624**	**29,263**	**361**	**63,242**	**61,068**	**2,174**	**17%**	**370,990**
Expenditures								
Personnel	10,691	10,761	(70)	20,233	22,782	(2,549)	**11%**	176,076
Other Costs	17,638	16,317	1,321	21,118	19,798	1,320	**11%**	194,914
Pavement Project	0	0	0		0	0	**0%**	0
Total Expenditures	**28,328**	**27,078**	**1,250**	**41,351**	**42,580**	**(1,229)**	**11%**	**370,990**
Fund Balance	**1,296**	**2,185**	**(889)**	**21,891**	**18,488**	**3,403**		**0**
Impact Fee Fund								
Revenues								
Total Revenues	**0**	**0**	0	**0**	**0**	0	**#DIV/0!**	**0**
Total Expenditures	**0**	**0**	0	**0**	**0**	0	**#DIV/0!**	**0**
Fund Balance	**0**	**0**	**0**	**0**	**0**	**0**		**0**

Description	Month of August 2015	Month of August 2014	Month of August Difference	Fiscal Year to Date through August 2015	Fiscal Year to Date through August 2014	Fiscal Year to Date through August Difference	Percent of Budget Used	2015-16 Budget
Grants Fund								
Total Revenues	**145,891**	**0**	145,891	**145,891**	**0**	145,891	**3%**	**5,400,000**
Total Expenditures	**476**	**0**	476	**476**	**0**	476	**0%**	**5,400,000**
Fund Balance	**145,415**	**0**	**145,415**	**145,415**	**0**	**145,415**		**0**
Fire Pension Fund								
Revenues								
Contribution from State Fund	0	0	0	0	0	0	**0%**	6,000
Contribution from Fire, Inc.	197	0	197	333	0	333	**28%**	1,200
Contribution from General Fund	0	0	0	0	0	0	**0%**	23,800
Interest Income	0	354	(354)	0	354	(354)	**0%**	5,000
Total Revenues	**197**	**354**	**(157)**	**333**	**354**	**(21)**	**1%**	**36,000**
Expenditures								
Pension Payments	2,400	2,200	200	4,800	4,400	400	**13%**	36,000
Total Expenditures	**2,400**	**2,200**	**200**	**4,800**	**4,400**	**400**	**13%**	**36,000**
Fund Balance	**(2,203)**	**(1,846)**	**(357)**	**(4,467)**	**(4,046)**	**(421)**		**0**
Enterprise Funds								
Natural Gas Fund								
Revenues								
Gas Revenues	37,942	43,167	(5,225)	75,731	86,175	(10,444)	**8%**	909,500
Series 2010 Bond Proceeds	0	0	0	0	0	0	**0%**	130,000
Total Revenues	**37,942**	**43,167**	**(5,225)**	**75,731**	**86,175**	**(10,444)**	**7%**	**1,039,500**
Expenditures								
Personnel	19,116	16,997	2,119	36,136	37,967	(1,831)	**10%**	354,533
Gas Purchased	11,336	0	11,336	11,336	0	11,336	**3%**	400,000
Other	6,505	8,545	(2,040)	19,901	20,921	(1,020)	**13%**	154,967
Capital Projects	0	0	0	0	0	0	**0%**	130,000
Total Expenditures	**36,957**	**25,542**	**11,415**	**67,373**	**58,887**	**8,485**	**6%**	**1,039,500**
Net Position	**985**	**17,625**	**(16,640)**	**8,358**	**27,288**	**(18,929)**		**0**
Water Fund								
Revenues								
Revenues	62,646	68,862	(6,216)	127,672	138,827	(11,155)	**17%**	752,000
Series 2010 Bond Proceeds	0	0	0	0	0	0	**0%**	25,000
Total Revenues	**62,646**	**68,862**	**(6,216)**	**127,672**	**138,827**	**(11,155)**	**16%**	**777,000**
Expenditures								
Personnel	29,700	23,625	6,075	56,719	51,111	5,608	**16%**	353,988
Other	20,748	18,620	2,128	23,423	21,045	2,378	**7%**	343,012
Capital Projects	0	0	0	0	0	0	**0%**	80,000
Total Expenditures	**50,448**	**42,245**	**8,203**	**80,142**	**72,156**	**7,986**	**10%**	**777,000**
Net Position	**12,198**	**26,617**	**(14,419)**	**47,530**	**66,671**	**(19,141)**		**0**

Description	Month of August 2015	Month of August 2014	Month of August Difference	Fiscal Year to Date through August 2015	Fiscal Year to Date through August 2014	Fiscal Year to Date through August Difference	Percent of Budget Used	2015-16 Budget
Wastewater Fund								
Revenues								
Revenues	56,393	67,896	(11,503)	117,666	127,496	(9,830)	**16%**	737,000
Whetstone Fees	0	0	0	0	0	0	**0%**	12,000
Series 2010 Bond	0	0	0	0	0	0		90,000
Total Revenues	**56,393**	**67,896**	**(11,503)**	**117,666**	**127,496**	**(9,830)**	**14%**	**839,000**
Expenditures								
Personnel	20,440	18,751	1,689	38,327	40,126	(1,799)	**12%**	330,024
Other	17,481	29,225	(11,744)	30,268	37,102	(6,834)	**7%**	418,976
Capital Projects	0	0	0	0	0	0	**0%**	90,000
Whetstone Fees	0	0	0		0	0	**#DIV/0!**	0
Total Expenditures	**37,921**	**47,976**	**(10,055)**	**68,595**	**77,228**	**(8,633)**	**8%**	**839,000**
Net Position	**18,471**	**19,920**	**(1,449)**	**49,071**	**50,268**	**(1,197)**		**0**
Sanitation Fund								
Total Revenues	**49,231**	**52,201**	(2,970)	**99,074**	**105,366**	(6,292)	**16%**	**635,000**
Expenditures								
Personnel	1,949	1,497	452	3,677	3,373	304	**14%**	**25,599**
Other	45,847	46,345	(498)	45,886	46,345	(459)	**8%**	**609,401**
Total Expenditures	**47,796**	**47,842**	(46)	**49,564**	**49,718**	(154)	**8%**	**635,000**
Net Position	**1,435**	**4,359**	**(2,924)**	**49,510**	**55,648**	**(6,138)**		**0**
Airport Fund								
Revenues								
Business Revenue	105	0	105	130	1,507	(1,377)	**1%**	20,000
Insurance Recoveries	0	0			0	0		0
Contribution from General Fund	0	0	0	0	0	0	**0%**	100,800
Total Revenues	**105**	**0**	**105**	**130**	**1,507**	**(1,377)**	**0%**	**120,800**
Total Expenditures	**11,037**	**4,882**	**6,155**	**14,841**	**9,454**	**5,387**	**12%**	**120,800**
Net Position	**(10,932)**	**(4,882)**	**(6,050)**	**(14,711)**	**(7,947)**	**(6,764)**		**0**

Description	Month of August 2015	Month of August 2014	Month of August Difference	Fiscal Year to Date through August 2015	Fiscal Year to Date through August 2014	Fiscal Year to Date through August Difference	Percent of Budget Used	2015-16 Budget
San Pedro Golf Course								
Revenues								
Golf Operations	20,598	46,733	(26,135)	49,316	70,486	(21,170)	**9%**	543,366
Food & Beverage	14,586	14,543	43	31,223	31,778	(555)	**10%**	306,500
Contribution from General Fund	0	0	0	0	0	0	**0%**	91,454
AGS Donations	0	0	0	0	0	0		0
Total Revenues	**35,184**	**61,276**	**(26,092)**	**80,539**	**102,264**	**(21,725)**	**9%**	**941,320**
Expenditures								
Golf Operations								
Personnel	9,340	4,622	4,718	17,824	9,811	8,013	**11%**	164,584
Other Costs	7,242	15,201	(7,959)	10,405	19,365	(8,960)	**8%**	132,146
Total Golf Operations	**16,582**	**19,823**	**(3,241)**	**28,229**	**29,176**	**(947)**	**10%**	**296,730**
Maintenance								
Personnel	7,532	12,534	(5,002)	13,393	28,197	(14,804)	**9%**	145,617
Other Costs	13,721	36,021	(22,300)	14,522	36,254	(21,732)	**9%**	157,312
Total Maintenance	**21,253**	**48,555**	**(27,302)**	**27,915**	**64,451**	**(36,536)**	**9%**	**302,929**
Food & Beverage								
Personnel	10,443	6,680	3,763	18,293	14,317	3,976	**12%**	151,362
Other Costs	8,192	13,165	(4,973)	16,318	20,626	(4,308)	**12%**	132,999
Total Food & Beverage	**18,635**	**19,845**	**(1,210)**	**34,611**	**34,943**	**(332)**	**12%**	**284,361**
Capital Projects	9,550	0	9,550	14,325	0	14,325	**25%**	57,300
Total Expenditures	**66,020**	**88,221**	**(22,203)**	**105,080**	**128,570**	**(23,490)**	**11%**	**941,320**
Net Position	**(30,836)**	**(26,945)**	**(3,889)**	**(24,541)**	**(26,306)**	**1,765**		**0**
Totals for all Enterprise Funds								
Total Revenues	**241,501**	**293,402**	**(51,901)**	**500,811**	**561,635**	**(60,824)**	**12%**	**4,352,620**
Expenditures								
Personnel	**98,520**	**84,706**	**13,362**	**184,369**	**184,902**	**(533)**	**12%**	**1,525,707**
Other	**142,109**	**172,004**	**(29,443)**	**186,901**	**211,112**	**(24,211)**	**8%**	**2,469,613**
Capital Projects	**9,550**	**0**	**9,550**	**14,325**	**0**	**14,325**	**4%**	**357,300**
Total Expenditures	**250,179**	**256,708**	**(6,531)**	**385,595**	**396,013**	**(10,419)**	**9%**	**4,352,620**
Net Position	**(8,679)**	**36,694**	**(45,371)**	**115,216**	**165,622**	**(50,405)**		**0**

Benson
Arizona
Founded in 1880
Gateway to the San Pedro Valley

FINANCIAL HIGHLIGHTS
AUGUST, 2015

Citywide Financial Highlights

Cash

- Unrestricted Cash sits at $1.2M
- Bond Proceeds are $1.07M

Fund Balances

- Revenues exceeded our Expenditures by **$130K** for the month
- $412 for the Fiscal Year
- $53K was fund balance for 2014 YTD

Citywide Financial Results

Revenues

- Monthly Revenues: $754K
- Fiscal Year: $1.5M
  - $93K increase from YTD through Aug 2014

Personnel

- Monthly Personnel: $338K
  - An increase of $34K compared to Aug 2014

Other Costs

- Other Expenditures were $270K for the month
  - A decrease of $5K compared to Aug 2014

General Fund

Revenues

- Monthly Revenues:$330K
- Fiscal Year: $748K
- An increase $18K from 2014

Expenditures

- Monthly Personnel: $221K
  - An increase of $20K from Aug 2014
  - Other Expenses: $104K
  - An increase of $25K for Aug 2014

Fund Balance

- Revenues did not exceed Expenditures by $2K for the month
- $129K YTD Fund Balance and Increase from Fiscal YTD through Aug 2014 (194K) of 324K

Enterprise Funds

Gas

- Monthly Revenues: $38K YTD Revenues: $76K
- Fund Balance YTD: $8K

Water

- Monthly Revenues: $63K YTD Revenues: $128K
- Fund Balance YTD: $48K

Wastewater

- Monthly Revenues: $56K YTD Revenues: $118K
- Fund Balance YTD: $49K

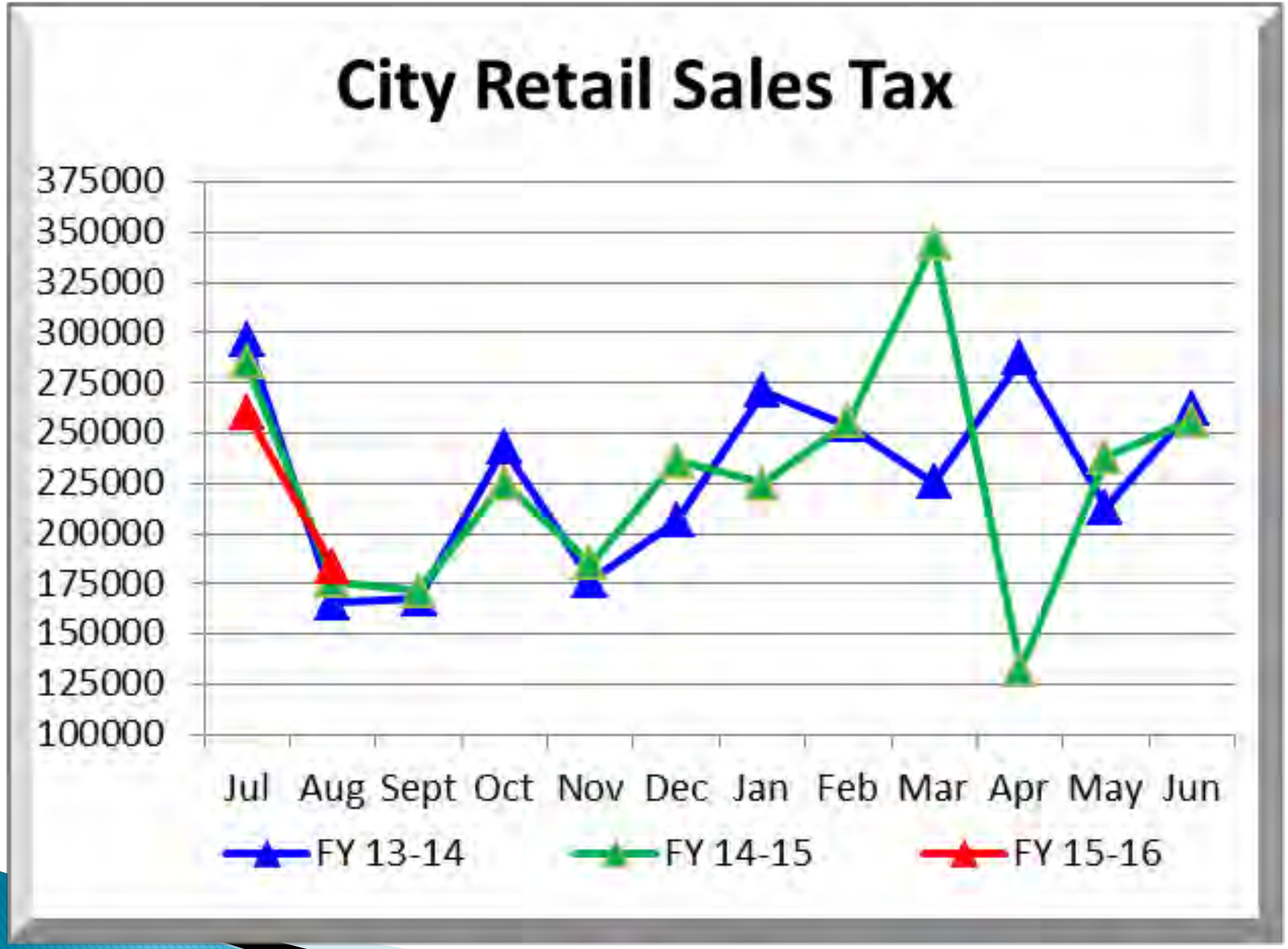
Sanitation

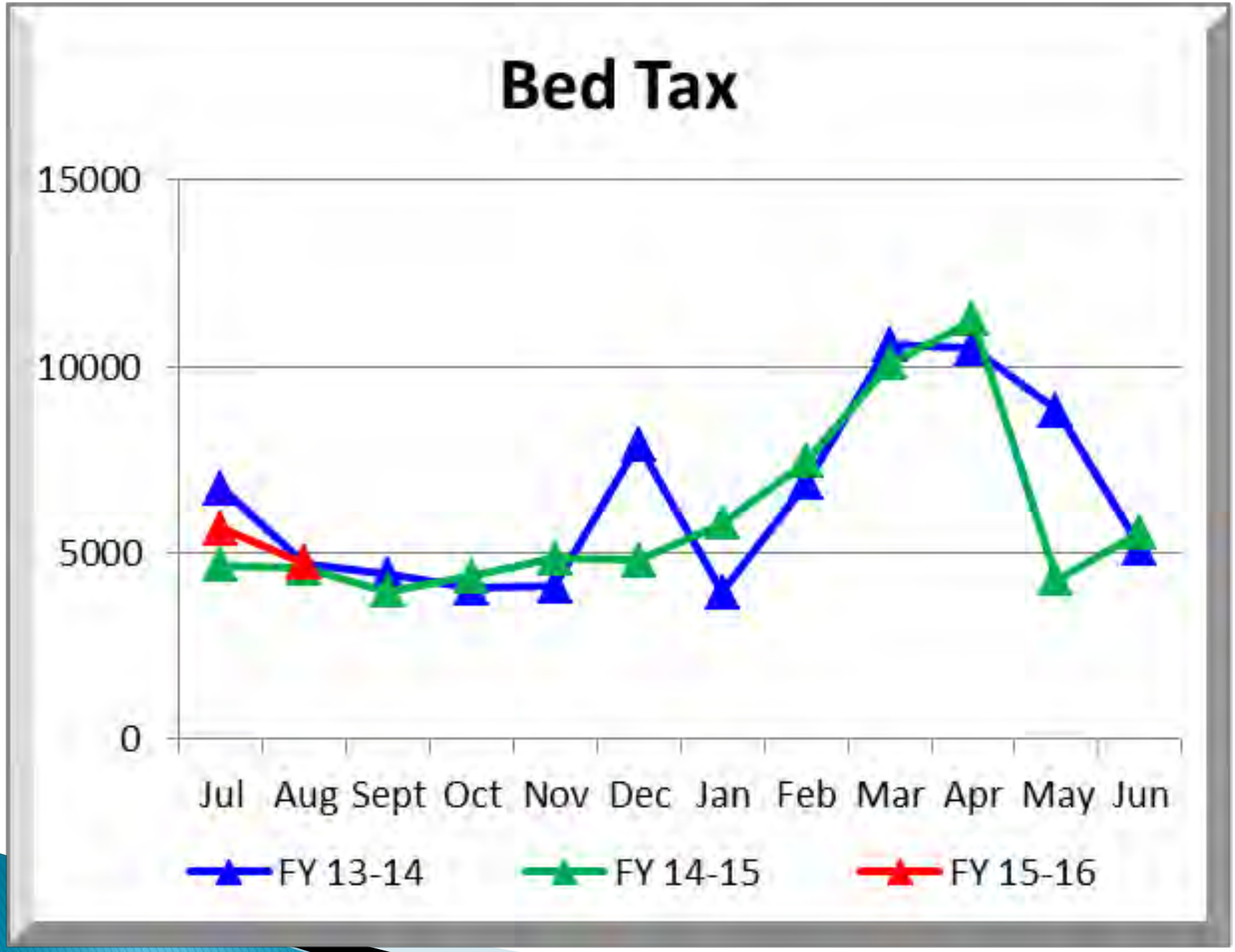
- Monthly Revenues: $49K YTD Revenues: $99K
- Fund Balance YTD: $50K

Golf Course

- Operations Fund Balance $27K for Aug, $21K YTD
  - 2014-22K Aug, 23K YTD
- Food & Bev Fund Balance $4K for Aug, $3K YTD
  - 2014-5K Aug, 3K YTD

Sales Tax Analysis


City Retail Sales Tax
375000
350000
325000
300000
275000
250000
225000
200000
175000
150000
125000
100000
Jul
Aug
Sept
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
FY 13-14
FY 14-15
FY 15-16


Bed Tax
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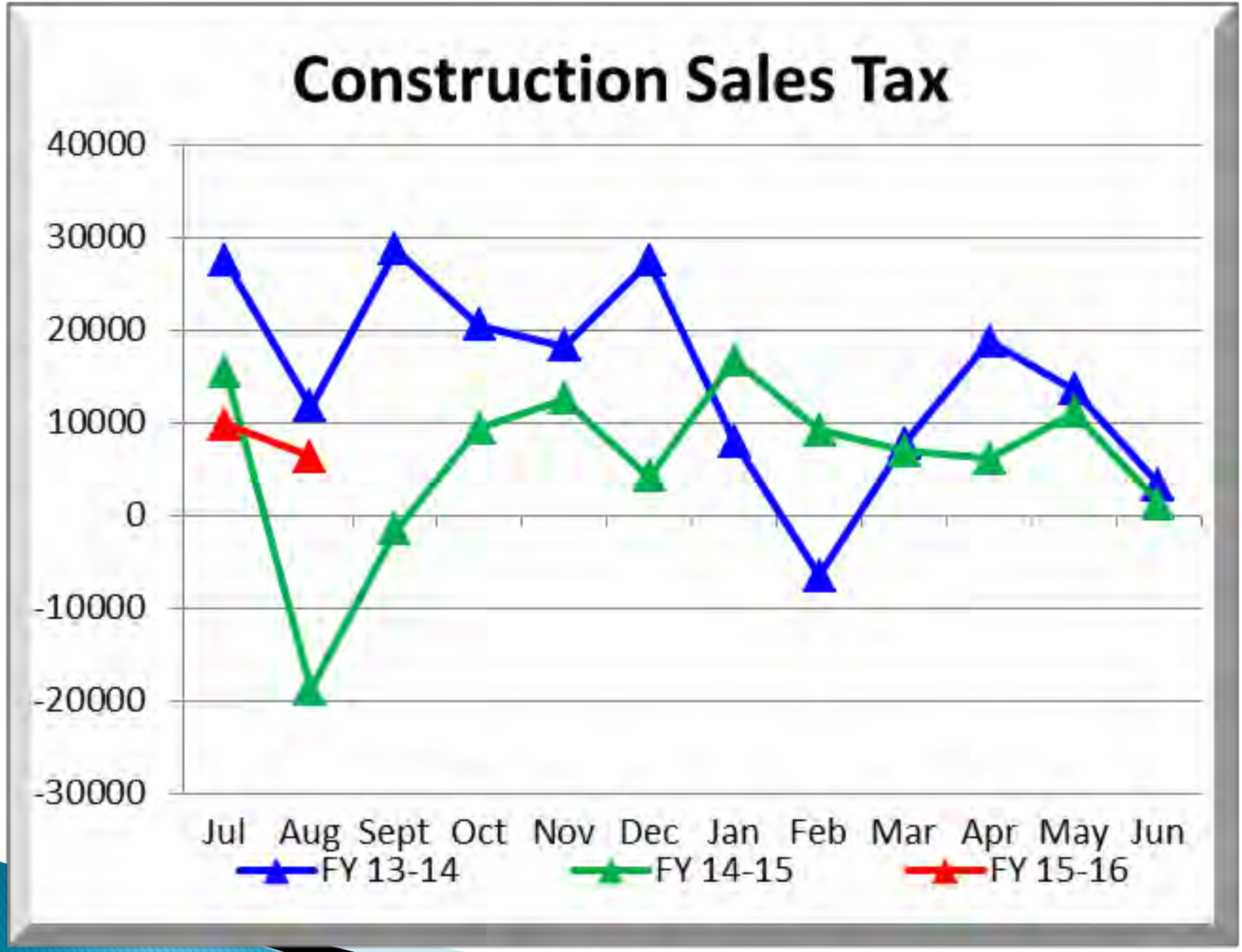
10000
5000
0
Jul
Aug
Sept
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
FY 13-14
FY 14-15
FY 15-16


Construction Sales Tax
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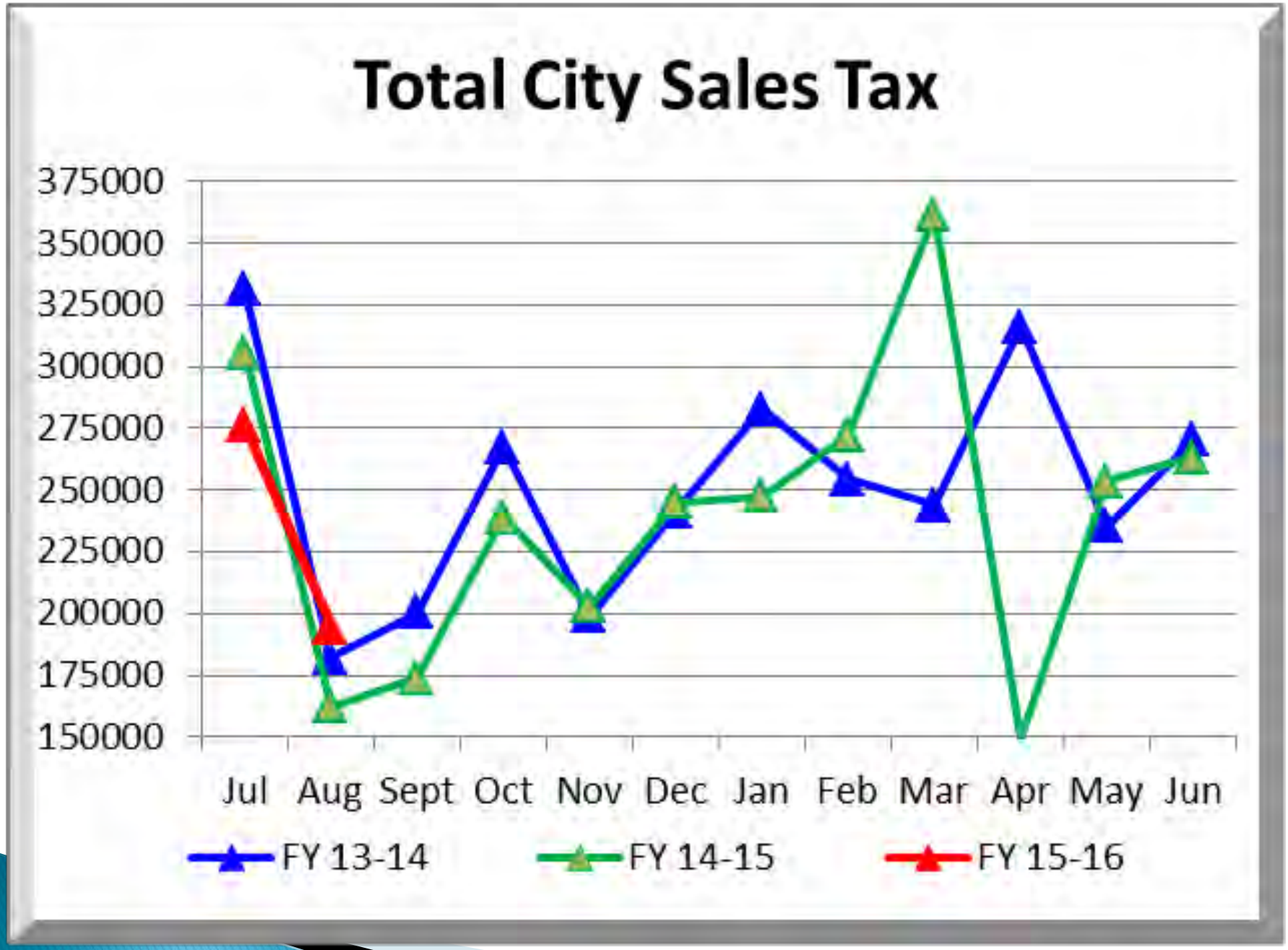
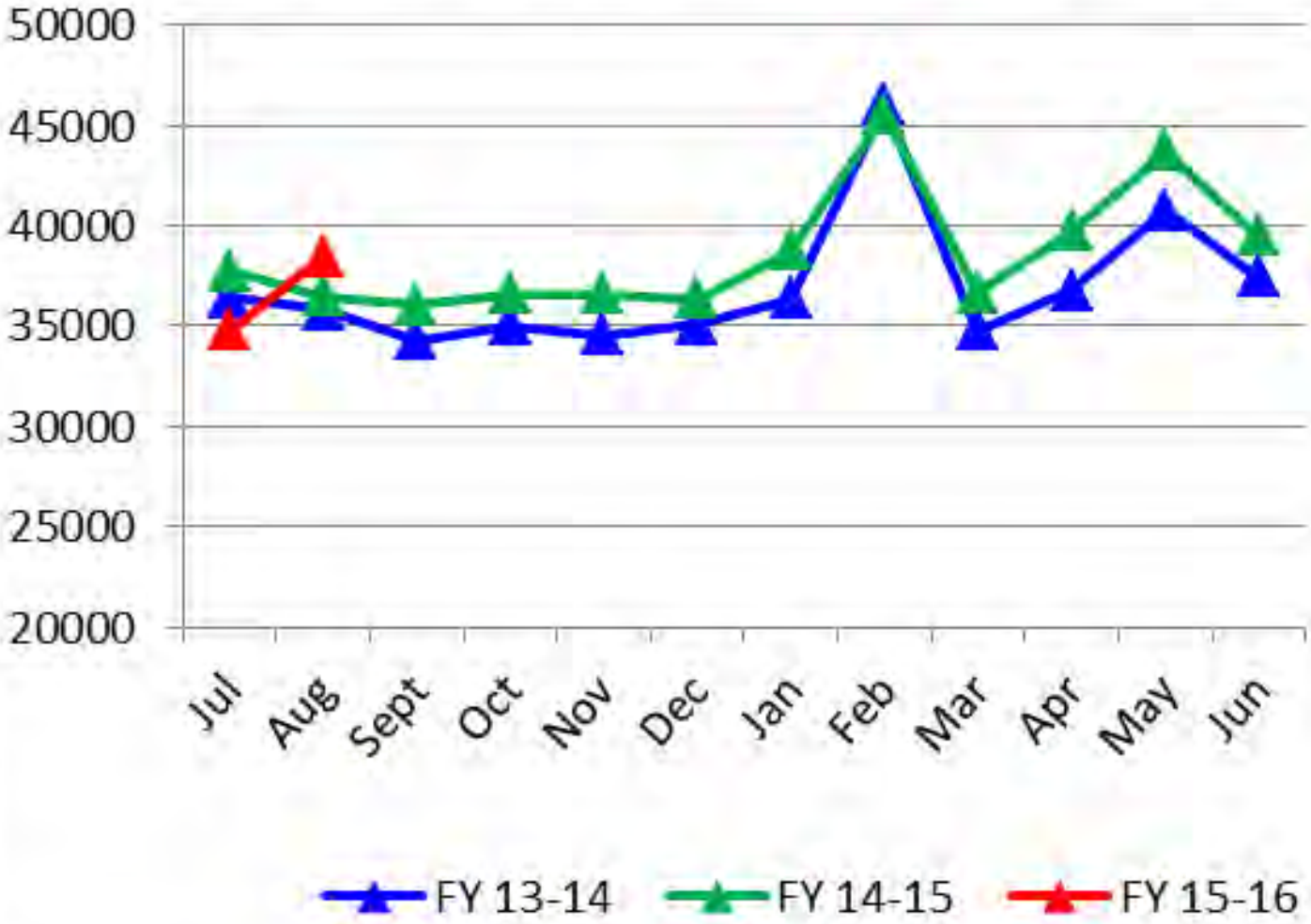
30000
20000
10000
0
-10000
-20000
-30000
Jul
Aug
Sept
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
FY 13-14
FY 14-15
FY 15-16


Total City Sales Tax
375000
350000
325000
300000
275000
250000
225000
200000
175000
150000
Jul
Aug
Sept
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
FY 13-14
FY 14-15
FY 15-16

State Retail Sales Tax Collections