



Quarterly Financial Report Sales Tax

Capitola sales tax revenue received for second quarter, 2011-12 is \$1,575,000. Year-to-date revenue received is \$2.6 million. Sales performance for local businesses shows a 3.3% increase over 2010-11 for Q2 and a 4.4% increase for year-to-date. Sales tax is on budget for all comparisons. According to MuniServices, Capitola's municipal revenue professionals, total California sales tax receipts increased 8.0% over 2010-11 for Q2 and Northern California increased 8.4%.

The top twenty-five businesses, those with greater than \$3.5 million annual sales, increased sales tax revenue for second quarter by \$22,900. The twenty-five local businesses in the \$1.7 - \$3.5 million annual sales range had the greatest increase in taxable sales over prior year, with 9.6% for \$13,800 in additional sales tax revenue for Q2. Other groups achieved 5-6% increases over prior year, with two exceptions. The five businesses over \$13 million increased only 1.9% as a whole and ranged from a 16% increase to a 6.7% decrease. The approximately 300 businesses having sales less than \$640,000 dropped 7.7% in sales, and provided \$10,300 less sales tax revenue.

	SALES TAX REVENUE - Q2						
	2011-12 Actual	2011-12 Budget	2010-11 Actual	2011-12 Actual vs. 2011-12 Budget		2011-12 Actual vs. 2010-11 Actual	
	\$	\$	\$	\$	%	\$	%
Bradley Burns (3/4%)	\$ 877,241	\$ 871,400	\$ 850,163	\$ 5,841	0.7%	\$ 27,078	3.2%
Triple Flip (1/4% alloc. Bradley Burns)	\$ 448,720	\$ 449,000	\$ 510,595	\$ (280)	-0.1%	\$ (61,875)	-12.1%
Local Tax (1/4%)	\$ 248,768	\$ 245,900	\$ 239,917	\$ 2,868	1.2%	\$ 8,851	3.7%
Total Year-To-Date Sales Tax	\$ 1,574,729	\$ 1,566,300	\$ 1,600,675	\$ 8,429	0.5%	\$ (25,946)	-1.6%
Memo: Current performance (a)	\$ 1,126,009	\$ 1,117,300	\$ 1,090,080	\$ 8,709	0.8%	\$ 35,929	3.3%
	SALES TAX REVENUE - YTD PERFORMANCE THROUGH Q2						
	2011-12 Actual	2011-12 Budget	2010-11 Actual	2011-12 Actual vs. 2011-12 Budget		2011-12 Actual vs. 2010-11 Actual	
	\$	\$	\$	\$	%	\$	%
Bradley Burns (3/4%)	\$ 1,689,403	\$ 1,683,500	\$ 1,619,545	\$ 5,903	0.4%	\$ 69,858	4.3%
Triple Flip (1/4% alloc. Bradley Burns)	\$ 448,720	\$ 449,000	\$ 510,595	\$ (280)	-0.1%	\$ (61,875)	-12.1%
Local Tax (1/4%)	\$ 478,037	\$ 475,200	\$ 455,573	\$ 2,837	0.6%	\$ 22,464	4.9%
Total Year-To-Date Sales Tax	\$ 2,616,160	\$ 2,607,700	\$ 2,585,713	\$ 8,460	0.3%	\$ 30,447	1.2%
Memo: Current performance (a)	\$ 2,167,440	\$ 2,158,700	\$ 2,075,118	\$ 8,740	0.4%	\$ 92,322	4.4%

(a) Current performance figures include 3/4 of the Bradley Burns 1% sales tax and the 1/4% local district tax. These are revenues received based on sales performance for the current period. Triple flip, or in lieu, sales tax receipts are not included because they are accrued and allocated separately from the current period sales performance of the reporting entities.

Below is an analysis of sales tax revenue for Q2, 2011-12 by geographic area. The 41st Avenue corridor is the dominant provider of City sales tax revenue with 83.9% of total revenue and 43.5% of the total stores. The other three geographic areas combine for the remaining 16.1% of sales tax revenue and 56.5% of the stores and businesses.

SALES TAX BY GEOGRAPHIC AREA				
Area	Q2	% of Total Sales	# of Businesses	% of Total Businesses
41st Avenue Corridor	\$ 881,139	83.9%	292	43.5%
Upper Village	\$ 82,158	7.8%	75	11.2%
Village	\$ 56,383	5.4%	101	15.1%
Kennedy Drive	\$ 9,781	0.9%	4	0.6%
	\$ 1,029,461	98.0%	472	70.3%
Other	\$ 21,096	2.0%	199	29.7%
Total Sales Tax revenue	\$ 1,050,557	100.0%	671	100.0%

Sales tax revenue by segment shows 68% of sales tax fairly evenly spread among the top five segments and 32% spread among six smaller segments.

