

City of Jonesboro
 Overview of Observations Regarding Financial Statements
 December 2020

Select Data - Year to Date	Actual	Budget	\$ Variance	% Change	Status
Revenue	\$ 67,561,172	\$ 64,489,535	\$ 3,071,637	5%	Favorable
Expense	66,105,918	73,419,955	(7,314,037)	-10%	Favorable
Surplus (Deficit)	\$ 1,455,254	\$ (8,930,420)	\$ 10,385,674		Favorable
Select Data - Year to Date	Actual	Budget	\$ Variance	% Change	Status
Sales Tax (Combined)	\$ 35,896,041	\$ 34,014,000	\$ 1,882,041	6%	Favorable
State Turnback (Combined)	4,427,550	4,268,000	159,550	4%	Favorable
State Highway 1/2 Cent Sales Tax	1,647,559	1,550,000	97,559	6%	Favorable
Fuel Purchases	756,074	1,202,216	(446,142)	-37%	Favorable
Select Data - Year to Date	Curr Yr	Prev Yr	\$ Variance	% Change	Status
Franchise Fee	\$ 1,565,621	\$ 1,715,784	\$ (150,163)	-9%	Unfavorable
A & P Tax	565,553	692,688	(127,135)	-18%	Unfavorable
Alcohol Beverage Tax	395,970	484,939	(88,969)	-18%	Unfavorable

Overview:

- 10 measurable goals - 7 are Favorable comparing to budget. 3 are Unfavorable comparing to previous year.
- Projections forecasted a budget deficit of (\$8.9) million for the year. Actual performance is a surplus of \$1.5 million, resulting in a favorable variance of approximately \$10.4 million for the year.
- Current surplus includes unbudgeted revenue of \$1.2 million resulting from settlement of insurance claims relating to tornado destruction of City property, and \$2.6 million resulting from Covid Grant money. Approximately \$250,000 in expenses relating to the tornado destruction have been incurred. Considering this, surplus is approximately \$6.8 million favorable compared to budget for the year. Considering this non-recurring activity, revised Revenue & Expense % change would be (1%) and (10%), respectively.
- Revenue distributions from sales activities continue to perform better than year-to-date budget projections. The current month Sales Tax Distribution, representing tax activity from two months prior, continue the previous trend of revenues exceeding the same month of the previous year; however, we continue to monitor for COVID-19 impact in sales tax revenues.
- This report illustrates continuing pressure on A&P and Alcohol Beverage Tax YTD.
- The large swing in Actual to Budget variances can be attributed to various projects, primarily Federal Grant related, in which the timing of the projects did not align with the 2020 Budget year. Applicable projects have been re-budgeted for FY 2021.