

City of Jonesboro  
April YTD2018 Financial Report  
Management Discussion and Analysis

Overall Results (**Fiscal YTD for the 4 months ended 4/30/2018**)

**Summary:**

Year to date total expenditures exceeded revenues by \$3.2M. Fund balances at the end of the period totaled \$38.3M. Actual YTD revenues exceeded the budget by \$555K (outlined below) while expenditures were less than the budget by \$917K (outlined below). O&M only spending was less than budget by \$1.9M. YTD capital spending was \$4.6M compared to an original annual budget of \$14.1M. The \$4.6M YTD capital spending includes the \$1.3M shooting range land acquisition completed in January.

**Reserves:**

The excess over required reserves of \$8.7M stood at \$22.8M in O&M funds, combined with STIP committed capital improvement funds of \$7.4M for a total excess of \$30.2M. The total of all funds including the reserve stood at \$38.3M.

**Revenues:**

Total revenues exceeded the budget by \$555K. This was primarily due to building permits \$141K over budget, franchise fees over budget by \$370, state turnback over budget by \$184K. However some of the difference in the first half of the year is due to the timing of the monthly budget spread.

**Sales Tax:**

YTD Sales Tax collections were \$10.56M. This represents 51.9% of total revenues (reduced by the pass-through library millage tax). State Turn Back funds (including the ½ cent highway tax) totaled \$1.89M or 9.3% of total revenues. Sales Tax and Turn Back monies combined totaled 61.2% of revenues. Sales tax compared to budget for the 1 month was 9.83% lower, and compared to the prior year was (\$230K) or 9.13% lower. The trend in the year over year increases is declining based on comparison to the four most recent periods.

The ½% Highway Tax totaled \$125K for the month and is now \$505K YTD. This tax is set to expire in June 2023.

**Other Major Revenue Sources:**

Franchise tax revenues totaled \$322K exceeding the budget by \$247K. YTD Franchise Tax revenue exceeded prior year by \$263K. Franchise tax represents 4.6% of total revenue (reduced by the pass-through library millage tax).

As a result, Sales Tax, State Turn Back and Franchise Tax revenue equal 65.8% of the total revenues collected YTD.

**O&M Expenditures:**

Total O&M YTD expenditures were lower than budget by \$1.9M. This was primarily due to lower spending in the Police and Fire Departments compared to budget by \$519K and \$652K, respectively.

Decreases in spending can be greatly attributed to the timing and spreading of budgets earlier in the year.

**Other Key Line Items:**

Hotel and Occupancy taxes were \$193K for the YTD period. This is \$12K or 6% below the prior year.

Alcohol beverage taxes increased by \$6K compared to prior year for a total YTD tax of \$152K. ABC audits are being updated for 2018 to include requests for the establishment's state ET-1 Form. This will provide corroboration of reported revenues.

Fuel purchases increased \$30K compared to the same month 2017, and increased \$62K for the year. Gallons purchased increased 9,300 compared to the same month last year and increased 11,375 for the same YTD period. The fuel price for the month averaged \$2.14 for an annual average of \$2.08 compared to an annual prior year average of \$1.903. The \$62K increase spending year over year was the result of both higher usage and higher per gallon prices.

Fuel was budgeted at \$2.25 for the year.

**Pension Accounts:**

City matching contributions to the new plan were \$23K during the month and \$103K for the YTD period.

**Cash Investments:**

YTD interest earnings were \$220,627 compared to a budget of \$168,654.

Rates for the month varied from 1.11% on the Cemetery Fund certificate at First Community to a high of 2.30% on all deposits and 1.94% on investments at Centennial. Rates were requested in late February with 1.94% being the prevailing rate with no penalty. At the end of the month, there was a total of \$38.9M invested in interest bearing accounts.