

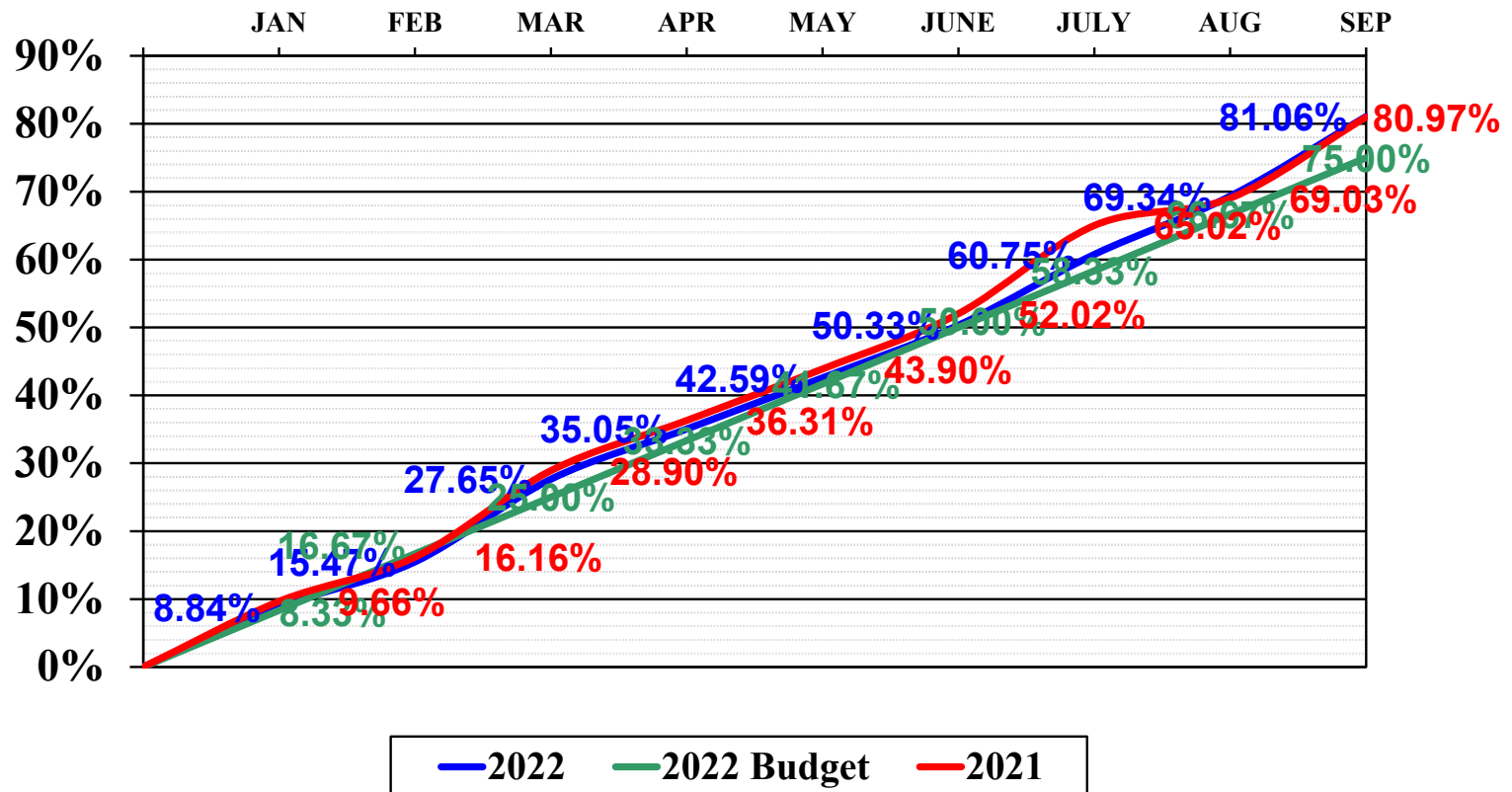
CITY OF LITTLE ROCK



Third Quarter 2022
Financial Report

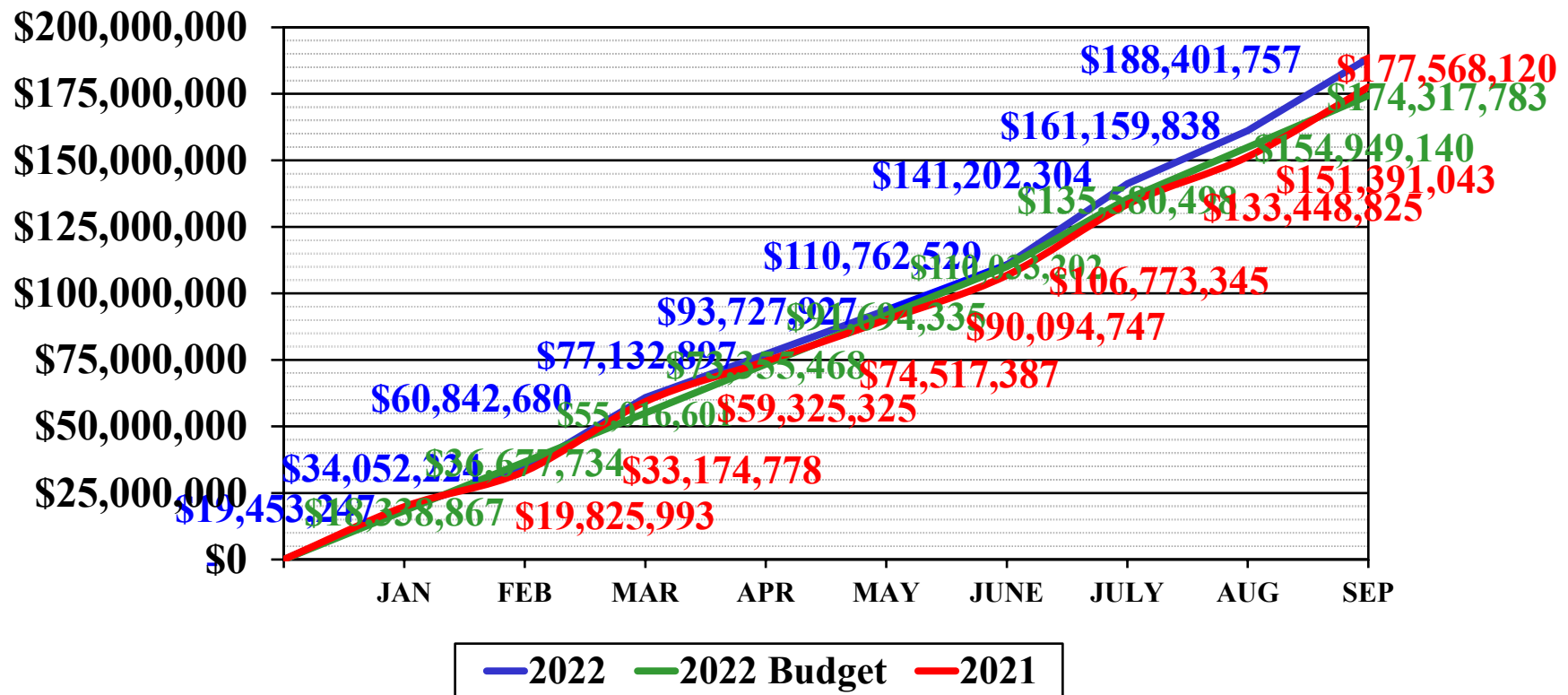
GENERAL FUND OPERATING REVENUES

BUDGET % COLLECTED - 2022 AND 2021



GENERAL FUND OPERATING REVENUES

2022 AND 2021



GENERAL FUND OPERATING REVENUES COMPARED TO AMENDED BUDGET

	YTD Amended Budget	YTD Revenues	Variance Favorable (Unfavorable)	Prior Year Revenues
REVENUES:				
1 General property taxes	\$24,566,306	\$29,848,365	\$5,282,059	\$30,168,278
2 Sales taxes	95,712,368	97,584,799	1,872,431	92,149,357
3 Licenses and permits	9,617,475	11,399,766	1,782,291	10,969,081
4 Intergovernmental	10,012,387	13,403,674	3,391,287	11,120,576
5 Charges for services	8,473,691	8,810,377	336,686	8,591,023
6 Fines and fees	1,162,275	1,168,127	5,852	1,184,556
7 Utility franchise fees	23,824,213	24,587,570	763,367	22,491,603
8 Investment income	259,875	755,737	495,862	140,274
9 Miscellaneous	689,194	843,343	154,150	753,372
10 TOTAL REVENUES	\$174,317,783	\$188,401,757	\$14,083,985	\$177,568,120

Revenues at the end of the 3rd quarter are approximately \$14.1 million or 8.1% above 3/4 of the amended budget, and approximately \$10.8 million or 6.1% above 2021 revenues.

GENERAL FUND OPERATING REVENUES COMPARED TO ADOPTED BUDGET

	YTD Adopted <u>Budget</u>	YTD <u>Revenues</u>	Variance Favorable <u>(Unfavorable)</u>	Prior Year <u>Revenues</u>
REVENUES:				
1 General property taxes	\$24,342,356	\$29,848,365	\$5,506,009	\$30,168,278
2 Sales taxes	89,804,888	97,584,799	7,779,911	92,149,357
3 Licenses and permits	9,369,000	11,399,766	2,030,766	10,969,081
4 Intergovernmental	8,027,949	13,403,674	5,375,725	11,120,576
5 Charges for services	8,448,603	8,810,377	361,774	8,591,023
6 Fines and fees	1,446,900	1,168,127	(278,773)	1,184,556
7 Utility franchise fees	22,773,913	24,587,570	1,813,657	22,491,603
8 Investment income	97,500	755,737	658,237	140,274
9 Miscellaneous	738,694	843,343	104,650	753,372
10 TOTAL REVENUES	\$165,049,802	\$188,401,757	\$23,351,955	\$177,568,120

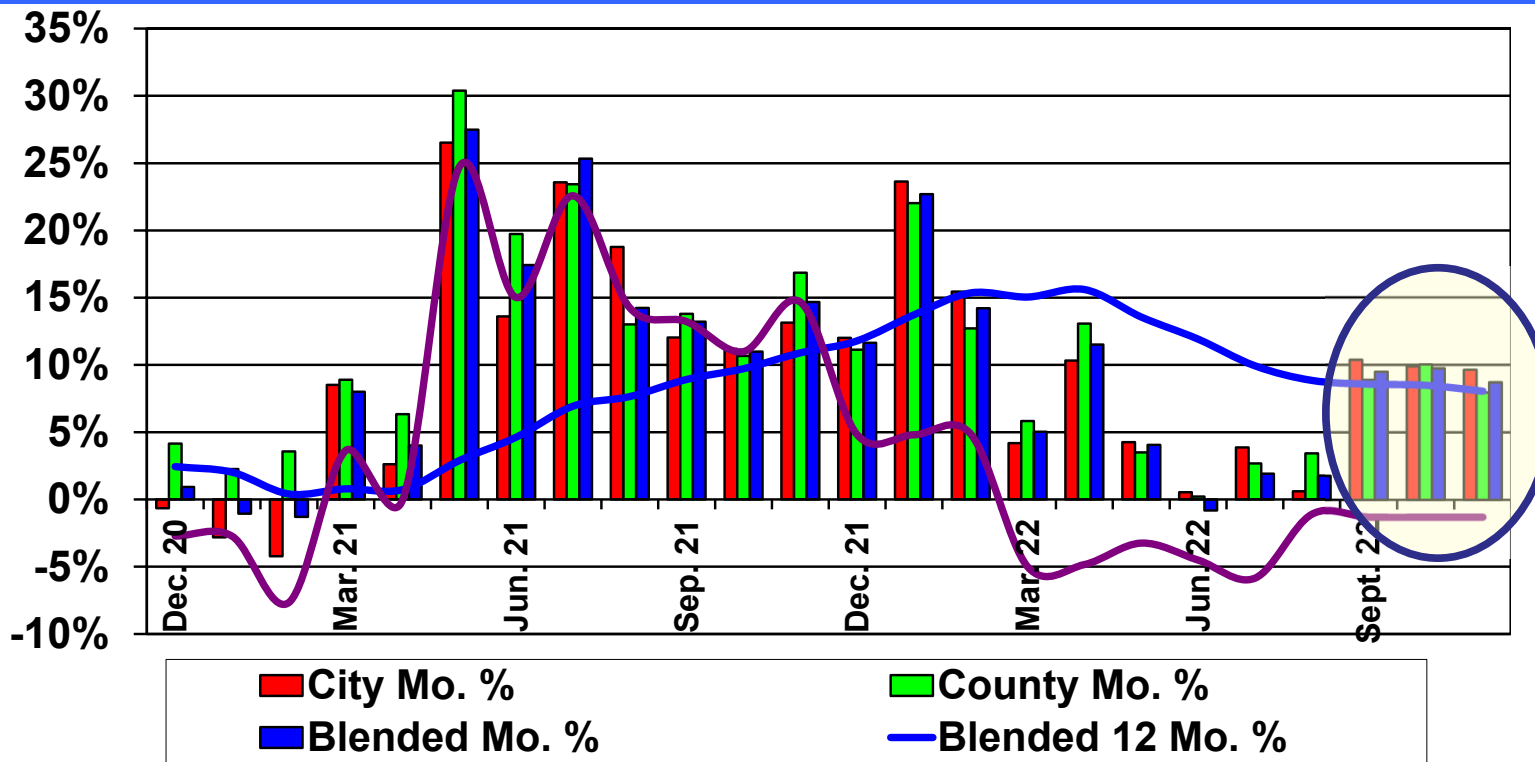
YTD Revenues were 14.1% above 3/4s of the Amended Budget at the end of the 3rd Quarter. The Budget Amendment included a net increase in anticipated revenues of \$12.4 million, primarily associated with sales taxes, intergovernmental revenues which included Police stipends from the State, and utility franchise fees.

GENERAL FUND OPERATING REVENUES COMPARED TO PRIOR YEAR

	YTD	Prior Year	Variance
	<u>Revenues</u>	<u>Revenues</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>
REVENUES:			
1 General property taxes	\$29,848,365	\$30,168,278	(\$319,913)
2 Sales taxes	97,584,799	92,149,357	5,435,442
3 Licenses and permits	11,399,766	10,969,081	430,684
4 Intergovernmental	13,403,674	11,120,576	2,283,098
5 Charges for services	8,810,377	8,591,023	219,354
6 Fines and fees	1,168,127	1,184,556	(16,429)
7 Utility franchise fees	24,587,570	22,491,603	2,095,967
8 Investment income	755,737	140,274	615,463
9 Miscellaneous	843,343	753,372	89,971
10 TOTAL REVENUES	\$188,401,757	\$177,568,120	\$10,833,637

As noted previously, revenues through the 3rd quarter exceeded 2021 revenues by approximately \$10.8 million. Sales tax will be discussed in detail in a moment. The increase in Intergovernmental Revenues is primarily attributed to one-time Police Stipends from the State. The increase in Franchise fees is primarily attributed to higher natural gas prices and increased cost recovery riders. In 2021, the PSC approved recovery of the extraordinary costs experienced due to the Feb 2021 Winter Storm. This additional surcharge increased the rates billed in 2022.

CITY, COUNTY, AND BLENDED SALES TAX PERCENTAGE GROWTH

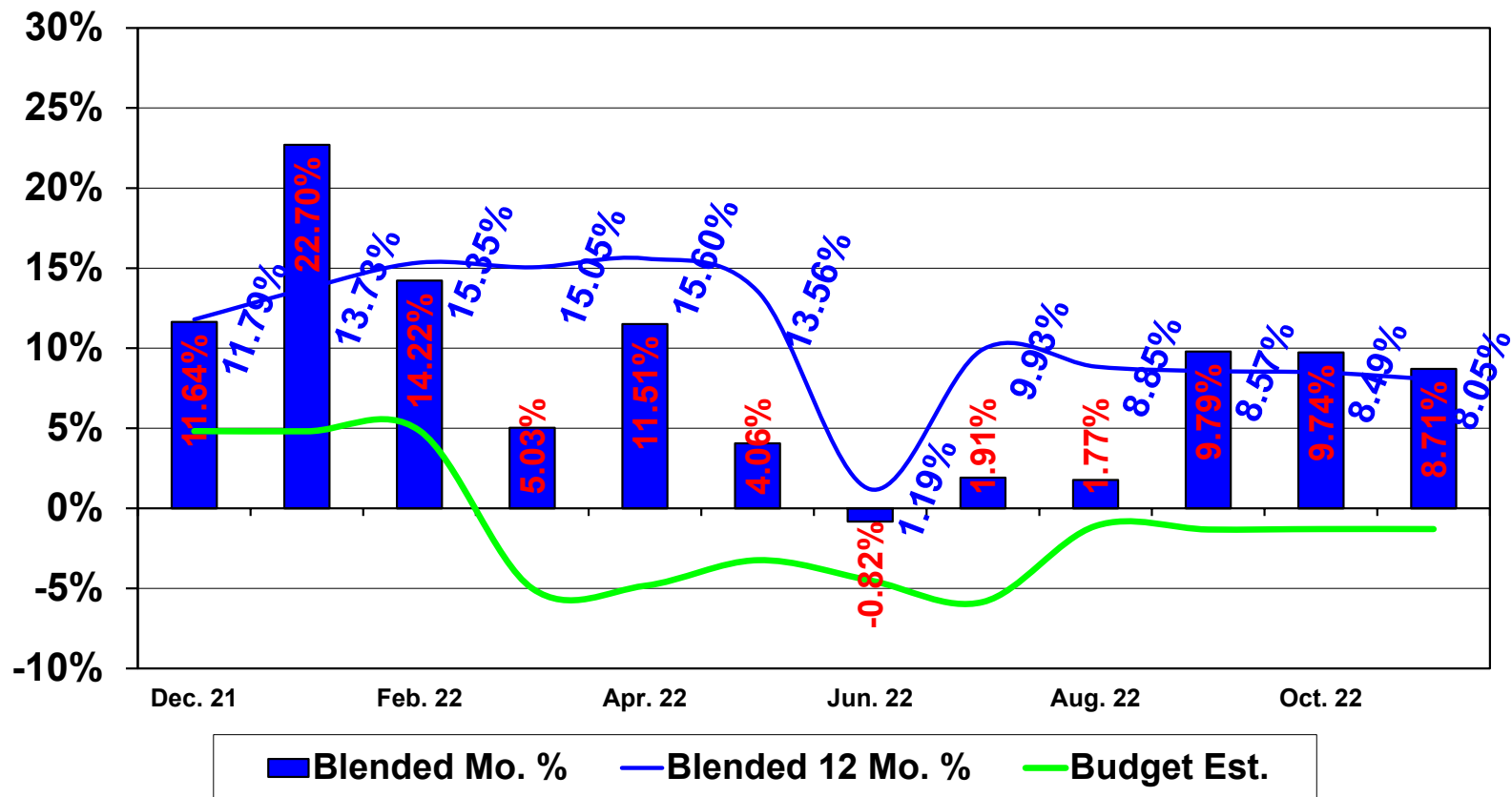


Blended sales tax results represent the total sales tax received by the City, which includes:

- (a) the City's share of the 1% County sales tax,
- (b) the City's local sales tax,
- (c) and the State Turnback.

Dates noted reflect the month revenue was received from the state for sales occurring two (2) months prior. For example (June 2022 receipt of April 2022 revenue).

BLENDING SALES TAX PERCENTAGE GROWTH COLLECTED OVER THE LAST TWELVE MONTHS



SALES TAX PERCENTAGE GROWTH COMPARISON TO BUDGET AND PRIOR YEAR

	For Sales In The Month Of	Month Collected	Sales & Use Tax Collections	Amended Budget	% Amended Budget Growth	Variance from Budget	% Var. from Budget	% Inc (Dec) Prior Year
1	Jan-22	Mar-22	\$9,589,101	\$9,589,101	5.03%	\$0	0.00%	5.03%
2	Feb-22	Apr-22	9,598,400	9,598,400	11.51%	0	0.00%	11.51%
3	Mar-22	May-22	11,501,389	11,501,389	4.06%	0	0.00%	4.06%
4	Apr-22	Jun-22	10,542,279	10,542,279	-0.82%	0	0.00%	-0.82%
5	May-22	Jul-22	11,420,259	11,420,259	1.91%	(0)	0.00%	1.91%
6	Jun-22	Aug-22	10,899,488	10,899,488	1.77%	(0)	0.00%	1.77%
7	Jul-22	Sep-22	11,085,326	9,991,049	-1.32%	1,094,277	10.95%	9.49%
8	Aug-22	Oct-22	11,399,649	10,253,589	-1.29%	1,146,060	11.18%	9.74%
9	Sep-22	Nov-22	11,142,975	10,117,889	-1.29%	1,025,086	10.13%	8.71%
10	2022 YTD		\$97,178,866	\$93,913,443	1.97%	\$3,265,423	3.48%	5.52%
11	Last 12 Mos		\$131,314,043	\$124,767,149	2.66%	\$6,546,894	5.25%	8.05%

CITY - 1.125% TAX

TOP TEN NAICS TAX CATEGORIES

2022 Highest Sales Tax by NAICS					
NAICS CODE	NACIS Category Name	YTD 2022	YTD 2021	Difference	Change
4529	Other General Merchandise Stores	\$ 3,961,938	\$ 4,187,003	\$ (225,065)	-5.4%
4451	Grocery Stores	\$ 3,614,095	\$ 3,387,148	\$ 226,946	6.7%
4441	Building Material and Supplies Dealers	\$ 2,762,452	\$ 2,641,141	\$ 121,311	4.6%
7221	Full-Service Restaurants	\$ 2,715,346	\$ 2,610,357	\$ 104,989	4.0%
4541	Electronic Shopping and Mail-Order Houses	\$ 2,578,102	\$ 2,496,961	\$ 81,141	3.2%
7225	Food Services and Drinking Places; Unknown Subclassification	\$ 2,047,053	\$ 1,574,115	\$ 472,939	30.0%
4431	Electronics and Appliance Stores	\$ 2,021,161	\$ 1,924,199	\$ 96,963	5.0%
2211	Electric Power Generation; Transmission and Distribution	\$ 1,752,921	\$ 1,238,972	\$ 513,948	41.5%
4481	Clothing Stores	\$ 1,562,360	\$ 1,525,365	\$ 36,995	2.4%
7211	Traveler Accommodation	\$ 1,362,436	\$ 1,024,020	\$ 338,416	33.0%
	Subtotal - Top 10 Highest Sales Tax NAICS Categories	\$ 24,377,863	\$ 22,609,279	\$ 1,768,584	7.8%

This slide shows the NAICS Categories that generated the most **local** sales tax revenue through September 30, 2022, representing approximately 46% of the City's local sales tax revenue. The net revenue growth in the top 10 categories was 7.8%, while the overall growth in the local sales tax through September was 5.83%. This does not include the City's portion of the County 1% tax, allocated based on population, or the state tax turnback allocation. The County tax and state turnback allocations grew 5.98% and decreased 7.62%, respectively, for a blended growth rate of 5.52% through the end of the 3rd quarter.

CITY - 1.125% TAX

TOP TEN NAICS CATEGORY INCREASES BY AMOUNT

2022 Top Positive Sales Tax Differences					
NAICS CODE	NACIS Category Name	YTD 2022	YTD 2021	Difference	Change
4523	General Merchandise Stores; including Warehouse Clubs and Supercenters	\$ 850,650	\$ 236,931	\$ 613,719	259.0%
2211	Electric Power Generation; Transmission and Distribution	\$ 1,752,921	\$ 1,238,972	\$ 513,948	41.5%
7225	Food Services and Drinking Places; Unknown Subclassification	\$ 2,047,053	\$ 1,574,115	\$ 472,939	30.0%
7211	Traveler Accommodation	\$ 1,362,436	\$ 1,024,020	\$ 338,416	33.0%
2212	Natural Gas Distribution	\$ 835,062	\$ 591,150	\$ 243,912	41.3%
4451	Grocery Stores	\$ 3,614,095	\$ 3,387,148	\$ 226,946	6.7%
5321	Automotive Equipment Rental and Leasing	\$ 1,336,232	\$ 1,131,459	\$ 204,773	18.1%
8111	Automotive Repair and Maintenance	\$ 1,116,792	\$ 952,335	\$ 164,456	17.3%
2382	Building Equipment Contractors	\$ 470,851	\$ 332,065	\$ 138,786	41.8%
4521	Department Stores	\$ 396,767	\$ 261,151	\$ 135,616	51.9%
	Subtotal - Top Positive Sales Tax NAICS Categories	\$ 13,782,858	\$ 10,729,347	\$ 3,053,512	28.5%

- **Food Services and Drinking Places; Traveler Accommodation, and Automotive Equipment Rental and Leasing** reflect industries that were still heavily impacted by COVID in the first half of 2021. Increases in these categories reflect the lifting of COVID restrictions and the return of customers.
- **General Merchandise Stores; including Warehouse Clubs and Supercenters** appears to be a new category separated from **General Merchandise Stores** (There must be a minimum of three businesses for an NAICS Category to be reported).
- **Electric Power Generation and Natural Gas Distribution** reflect the increase in natural gas cost and the cost recovery rider approved by the PSC to recover costs associated with last year's winter storm event. This also impacts Franchise Fee Revenues which will be shown later.

CITY - 1.125% TAX

TOP TEN NAICS CATEGORY DECREASES BY AMOUNT

2022 Top Negative Sales Tax Differences					
NAICS CODE	NACIS Category Name	YTD 2022	YTD 2021	Difference	Change
3311	Iron and Steel Mills and Ferroalloy Manufacturing	\$ 1,268	\$ 976,023	\$ (974,755)	-99.9%
4238	Machinery; Equipment; and Supplies Merchant Wholesalers	\$ 225,790	\$ 703,161	\$ (477,371)	-67.9%
4529	Other General Merchandise Stores	\$ 3,961,938	\$ 4,187,003	\$ (225,065)	-5.4%
5142	Data Processing Services	\$ 58,764	\$ 223,760	\$ (164,997)	-73.7%
4539	Other Miscellaneous Store Retailers	\$ 662,592	\$ 800,209	\$ (137,617)	-17.2%
4213	Lumber and Other Construction Materials Wholesalers	\$ 193,323	\$ 288,620	\$ (95,298)	-33.0%
2362	Nonresidential Building Construction	\$ (115,844)	\$ (33,694)	\$ (82,150)	243.8%
3345	Navigational; Measuring; Electromedical; and Control Instruments Manufacturing	\$ 63,030	\$ 128,361	\$ (65,330)	-50.9%
4453	Beer; Wine; and Liquor Stores	\$ 691,337	\$ 753,645	\$ (62,308)	-8.3%
9300	NAICS with Less Than 3 Businesses	\$ (301,849)	\$ (241,776)	\$ (60,073)	24.8%
	Subtotal - Top Negative Sales Tax NAICS Categories	\$ 5,440,349	\$ 7,785,313	\$ (2,344,964)	-30.1%

- The NAICS categories with the largest increases by amount offset the NAICS categories with the largest decreases by amount, with a net increase of approximately \$708,000.
- **Iron and Steel Mills and Ferroalloy Manufacturing** declined **\$974,755** through the 3rd quarter.
- The decrease in **Other General Merchandise Stores** is more than offset by the increase in **General Merchandise Stores; including Warehouse Clubs and Supercenters** on the previous slide.

ELECTRIC FRANCHISE FEES

		<u>2022 KWH</u>	<u>2021 KWH</u>	<u>2022 Revenue</u>	<u>2021 Revenue</u>	<u>Usage Chng</u>	<u>Rev Chng</u>
	<u>Month</u>	<u>KWH</u>	<u>KWH</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Incr (Decr)</u>	<u>Incr (Decr)</u>
1	January	240,132,976	251,652,736	1,038,562	1,060,947	-4.58%	-2.11%
2	February	257,647,139	229,331,008	1,055,770	926,750	12.35%	13.92%
3	March	227,280,489	249,676,687	1,011,339	1,075,144	-8.97%	-5.93%
4	April	197,455,479	284,157,593	951,798	860,646	-30.51%	10.59%
5	May	225,600,358	209,830,538	1,058,897	917,622	7.52%	15.40%
6	June	269,827,702	260,542,405	1,416,161	1,227,095	3.56%	15.41%
7	July	338,833,855	317,739,114	1,781,903	1,524,802	6.64%	16.86%
8	August	339,927,703	321,274,181	1,808,274	1,585,905	5.81%	14.02%
9	September	301,013,500	314,817,910	1,542,620	1,509,713	-4.38%	2.18%
10		2,397,719,201	2,439,022,172	\$11,665,323	\$10,688,623	-1.69%	9.14%

The 2022 amended budget is \$14,803,700, an increase of 7.9% from prior year actual results based on information received from Entergy Arkansas and actual results through June 2022. Usage decreased 1.69% and revenues increased 9.14% through September. At the end of the 3rd quarter, revenues are approximately \$102,400 above budget based on the monthly projections provided by Entergy.

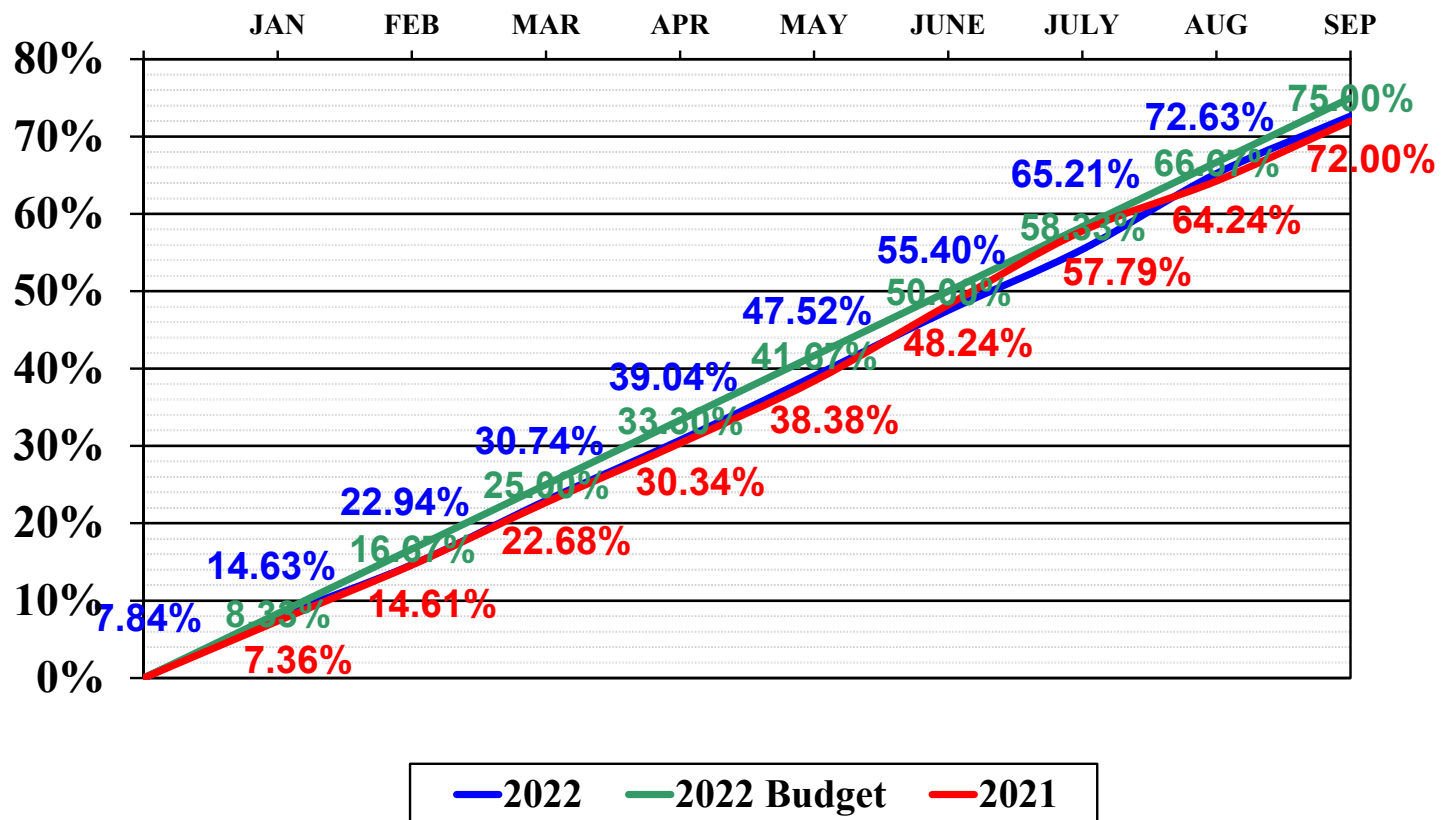
GAS FRANCHISE FEES

		2022 Mcf	2021 Mcf	2022 Rev	2021 Rev	Usage Chng	Rev Chng
	<u>Month</u>	<u>Mcf</u>	<u>Mcf</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Incr (Decr)</u>	<u>Incr (Decr)</u>
1	January	1,218,422	1,552,735	704,170	545,428	-21.53%	29.10%
2	February	1,614,744	1,664,710	836,677	547,479	-3.00%	52.82%
3	March	1,281,065	1,388,136	653,175	452,649	-7.71%	44.30%
4	April	820,322	697,414	367,575	227,191	17.62%	61.79%
5	May	504,236	545,643	202,318	200,374	-7.59%	0.97%
6	June	390,642	389,655	140,629	140,299	0.25%	0.24%
7	July	326,376	337,837	116,815	119,829	-3.39%	-2.52%
8	August	310,751	317,004	113,802	106,946	-1.97%	6.41%
9	September	331,494	328,397	120,208	91,575	0.94%	31.27%
10		6,798,052	7,221,531	\$3,255,369	\$2,431,772	-5.86%	33.87%

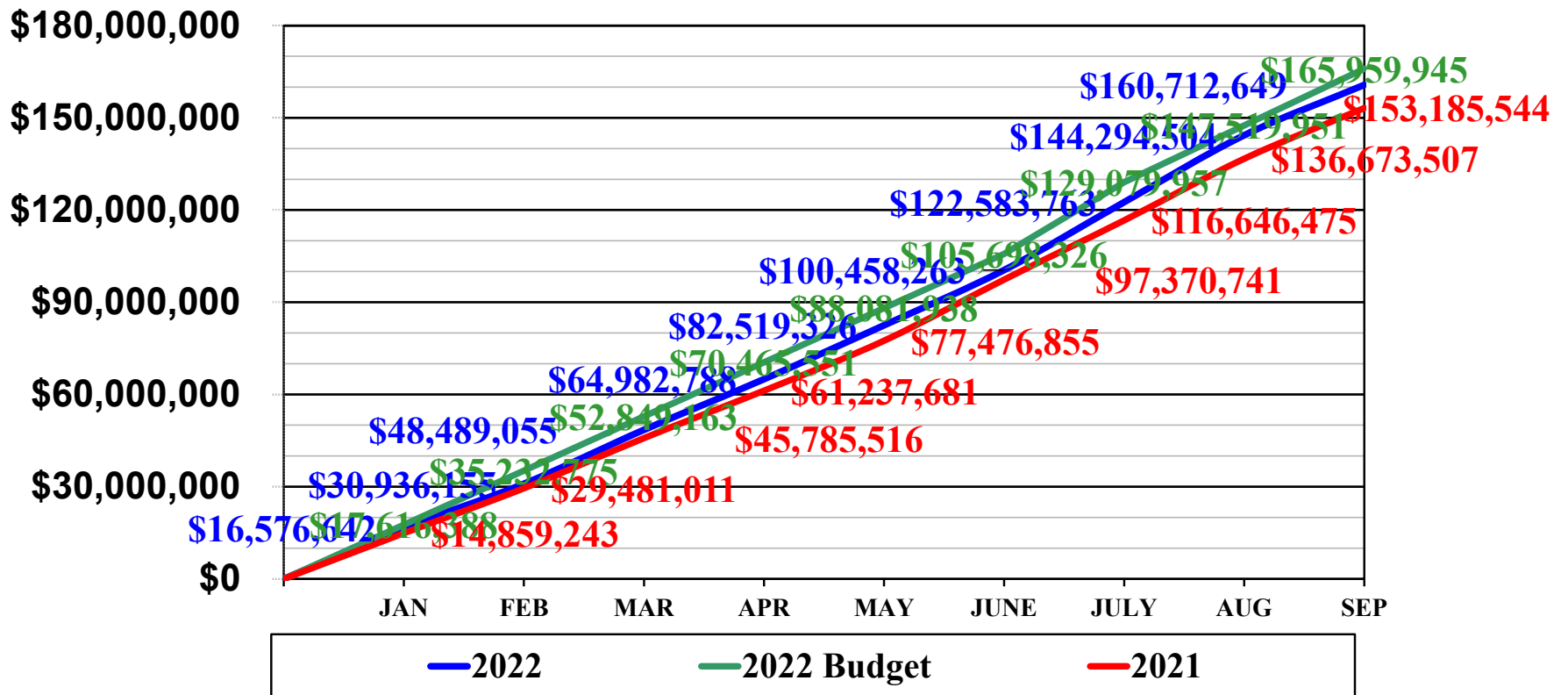
The 2022 amended budget is \$4,063,300, reflecting an increase of 24.1% from 2021 actual results. In 2021, the PSC approved recovery of the extraordinary gas costs experienced due to the Feb 2021 Winter Storm. Per the utility, homes that use natural gas may spend 30% more than a year ago. Revenues through the end of September 2022 are approximately 33.9%, above the same period a year ago.

GENERAL FUND OPERATING EXPENDITURES

BUDGET % EXPENDED - 2022 AND 2021



GENERAL FUND OPERATING EXPENDITURES 2022 AND 2021



GENERAL FUND OPERATING EXPENDITURES COMPARED TO BUDGET (SLIDE 1 OF 2)

	YTD <u>Budget</u>	YTD <u>Expenses</u>	Variance Favorable <u>(Unfavorable)</u>	Prior Year <u>Expenses</u>
EXPENDITURES:				
GENERAL GOVERNMENT:				
1 Executive Administration	\$22,559,056	\$17,083,234	\$5,475,821	\$16,871,987
2 Board of Directors	258,506	240,865	17,641	231,748
3 Community Programs	227,455	224,087	3,368	322,060
4 City Attorney	1,458,390	1,343,258	115,132	1,159,802
5 District Court - (Criminal)	1,036,331	943,814	92,517	882,664
6 District Court - (Environmental)	429,065	414,307	14,758	381,168
7 District Court - (Traffic)	965,522	927,149	38,372	921,983
8 Finance	3,143,872	3,104,754	39,118	2,748,049
9 Human Resources	1,584,755	1,536,814	47,942	1,489,260
10 Information Technology	4,695,743	4,076,898	618,845	3,965,301
11 Planning and Development	2,281,599	2,159,549	122,050	1,719,298
12 TOTAL GENERAL GOVERNMENT	<u>38,640,293</u>	<u>32,054,728</u>	<u>6,585,564</u>	<u>30,693,321</u>

GENERAL FUND EXPENDITURES COMPARED TO BUDGET (SLIDE 2 OF 2)

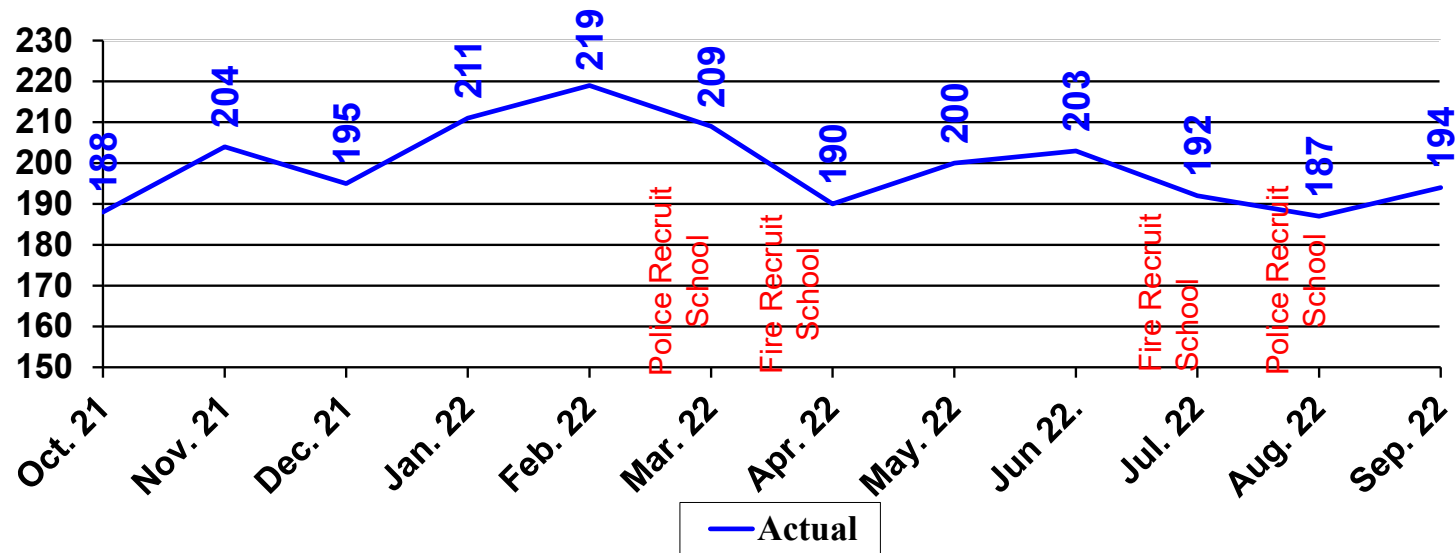
	YTD <u>Budget</u>	YTD <u>Expenses</u>	Variance Favorable (Unfavorable)	Prior Year <u>Expenses</u>
EXPENDITURES:				
13 PUBLIC WORKS	855,506	787,447	68,058	718,109
14 PARKS & RECREATION	7,654,714	7,511,449	143,265	6,980,556
15 RIVERMARKET	868,060	782,627	85,433	698,392
16 GOLF	1,212,287	1,279,730	(67,443)	1,366,814
17 JIM DAILEY FITNESS & AQUATICS	614,117	629,418	(15,301)	552,748
18 ZOO	5,127,944	5,802,125	(674,181)	4,861,261
19 FIRE	42,216,768	42,981,738	(764,970)	42,901,138
20 POLICE	58,628,798	58,334,562	294,236	57,508,388
21 911 OPERATIONS	3,176,194	2,899,784	276,410	0
22 HOUSING & NEIGHBORHOOD	4,317,578	4,118,792	198,786	3,642,489
23 DEBT SERVICE:				
24 Principal	2,537,114	3,382,818	(845,704)	3,106,093
25 Fiscal Charges on Long Term Debt	110,575	147,433	(36,858)	156,235
26 Capital Outlay	0	0	0	0
SAVINGS FROM AUTHORIZED BUT				
27 UNFILLED POSITIONS	0	0	0	0
28 TOTAL EXPENDITURES	\$165,959,945	\$160,712,649	\$5,247,296	\$153,185,544

GENERAL FUND

AUTHORIZED BUT UNFILLED POSITIONS AND VACATION/SICK PAYOUTS

- Savings from Authorized but Unfilled Positions
 - \$6,691,700
2022 adopted budget achieved
 - 194 budgeted positions were unfilled in the General Fund as of the last pay period in September.
- Vacation/Sick Payouts
 - \$1,750,000
2022 adopted budget
 - \$1,280,383
paid out through the end of the 3rd quarter

GENERAL FUND AUTHORIZED BUT UNFILLED POSITIONS LAST TWELVE MONTHS



The number of vacant Uniformed Police positions was 75 as of the last payroll in September including 66 Officers, 6 Sergeants, 2 Majors, and the Chief.

The most recent query as of 1/12/23 showed 86 Uniform PD vacancies – 77 Officers, 6 Sergeants, 1 Lieutenant, and 2 Assistant Chiefs. Per Chief Helton – 33 recruits are scheduled for the next class.