

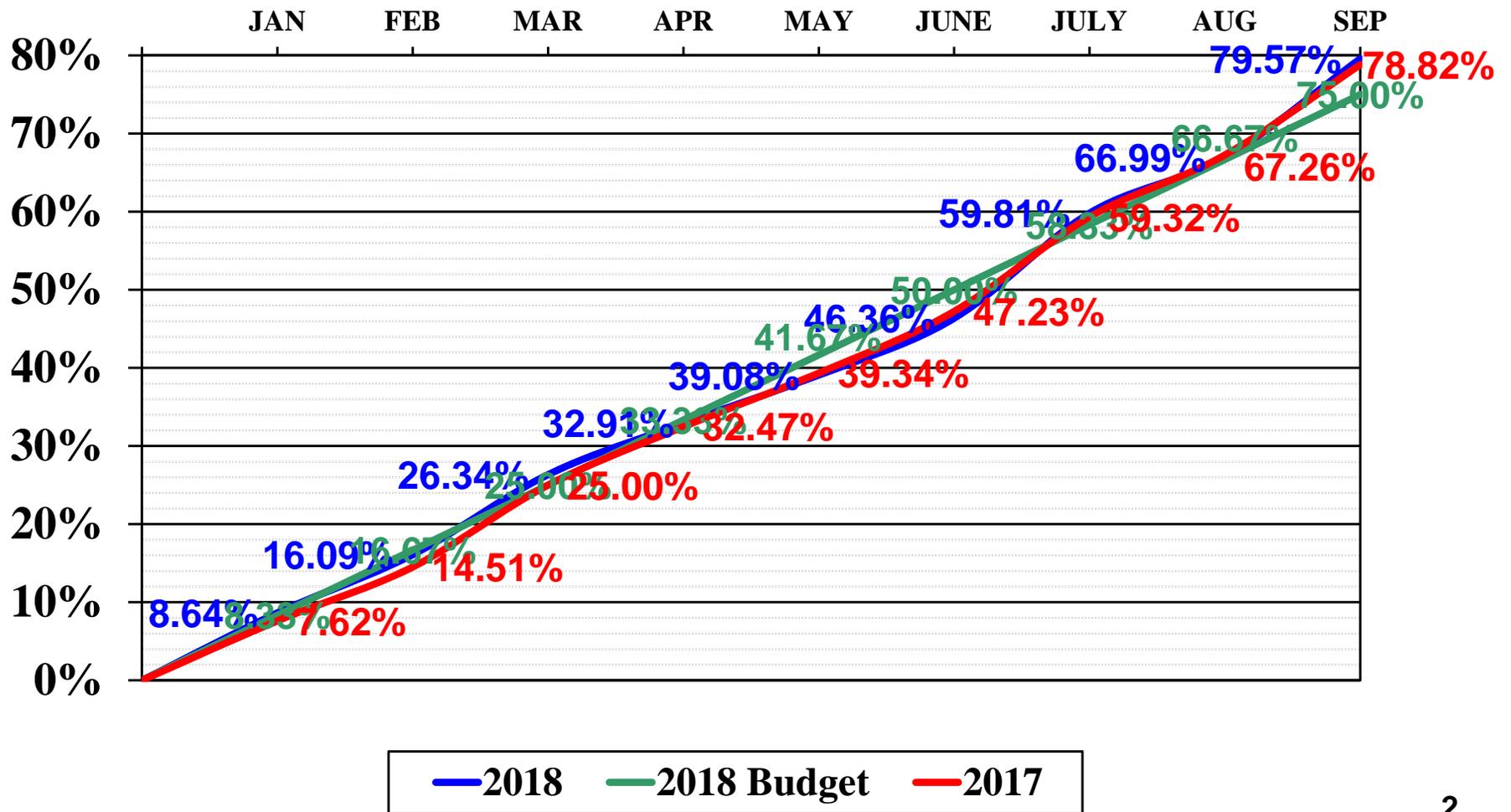
CITY OF LITTLE ROCK



Third Quarter 2018 Financial Report

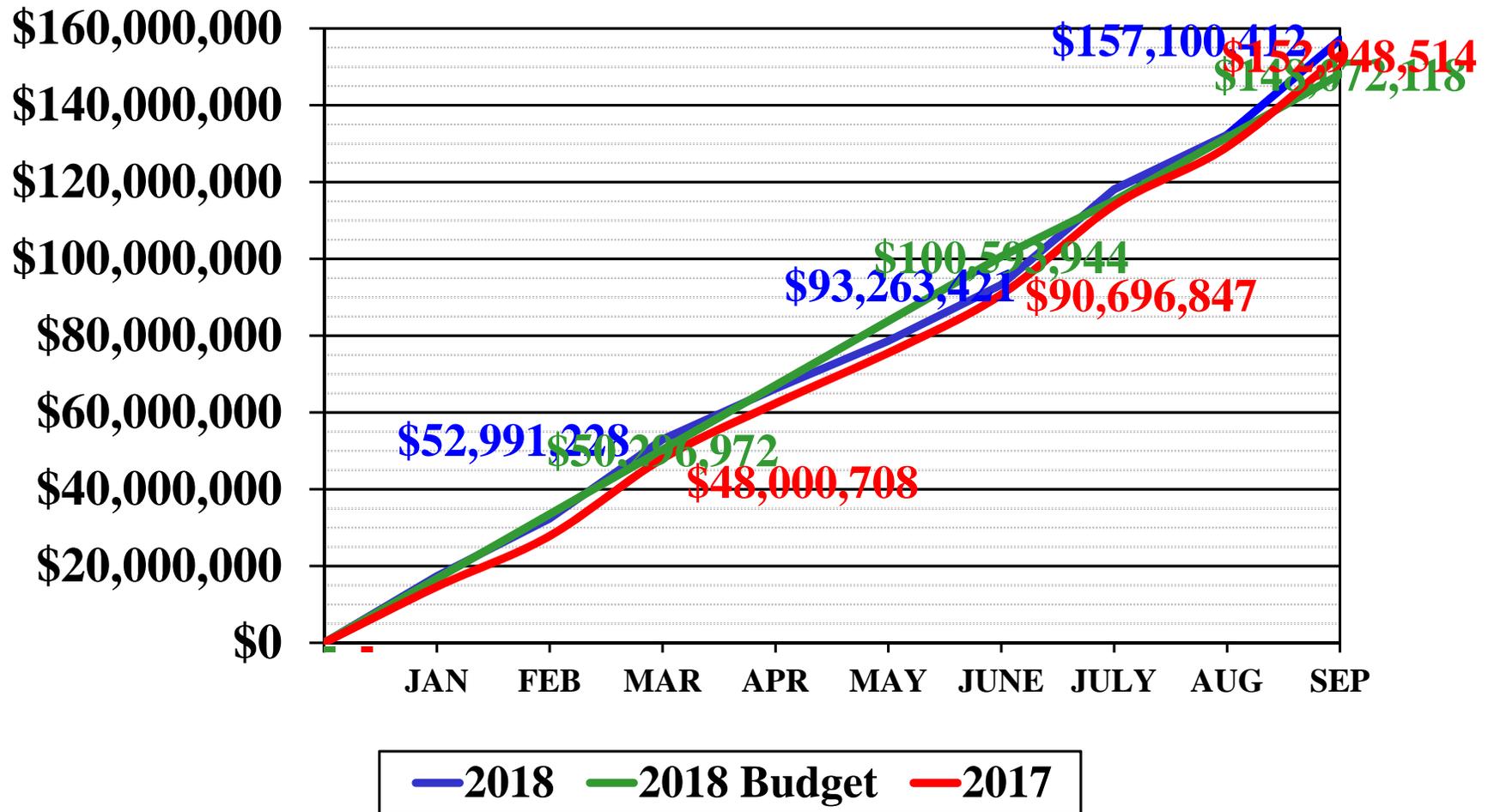
GENERAL FUND REVENUES

BUDGET % COLLECTED - 2018 AND 2017



GENERAL FUND REVENUES

2018 AND 2017



GENERAL FUND REVENUES COMPARED TO AMENDED BUDGET

				Variance	
		YTD	YTD	Favorable	Prior Year
		<u>Budget</u>	<u>Revenues</u>	<u>(Unfavorable)</u>	<u>Revenues</u>
REVENUES:					
1	General property taxes	\$21,698,864	\$27,149,171	\$5,450,308	\$26,363,548
2	Sales taxes	76,980,750	75,514,727	(1,466,023)	74,699,295
3	Licenses and permits	9,264,308	11,077,005	1,812,697	10,719,039
4	Intergovernmental	7,310,252	9,747,003	2,436,751	9,311,000
5	Charges for services	8,216,085	8,281,638	65,553	7,797,243
6	Fines and fees	1,683,263	1,550,066	(133,197)	1,559,504
7	Utility franchise fees	21,184,500	21,674,700	490,200	20,322,733
8	Investment income	273,750	617,914	344,164	463,384
9	Miscellaneous	1,460,348	1,488,188	27,840	1,712,768
10	TOTAL REVENUES	\$148,072,118	\$157,100,412	\$9,028,293	\$152,948,514

Revenues were approximately \$9 million above budget and approximately \$4 million above the same period a year ago.

GENERAL FUND REVENUES COMPARED TO THE ORIGINAL ADOPTED BUDGET

	YTD Original <u>Budget</u>	YTD <u>Revenues</u>	Variance Favorable <u>(Unfavorable)</u>	Prior Year <u>Revenues</u>	
REVENUES:					
1	General property taxes	\$22,167,614	\$27,149,171	\$4,981,557	\$26,363,548
2	Sales taxes	78,461,250	75,514,727	(2,946,523)	74,699,295
3	Licenses and permits	8,875,808	11,077,005	2,201,197	10,719,039
4	Intergovernmental	6,983,325	9,747,003	2,763,678	9,311,000
5	Charges for services	8,808,810	8,281,638	(527,172)	7,797,243
6	Fines and fees	1,788,263	1,550,066	(238,197)	1,559,504
7	Utility franchise fees	22,109,250	21,674,700	(434,550)	20,322,733
8	Investment income	236,250	617,914	381,664	463,384
9	Miscellaneous	1,460,348	1,488,188	27,840	1,712,768
10	TOTAL REVENUES	\$150,890,918	\$157,100,412	\$6,209,494	\$152,948,514

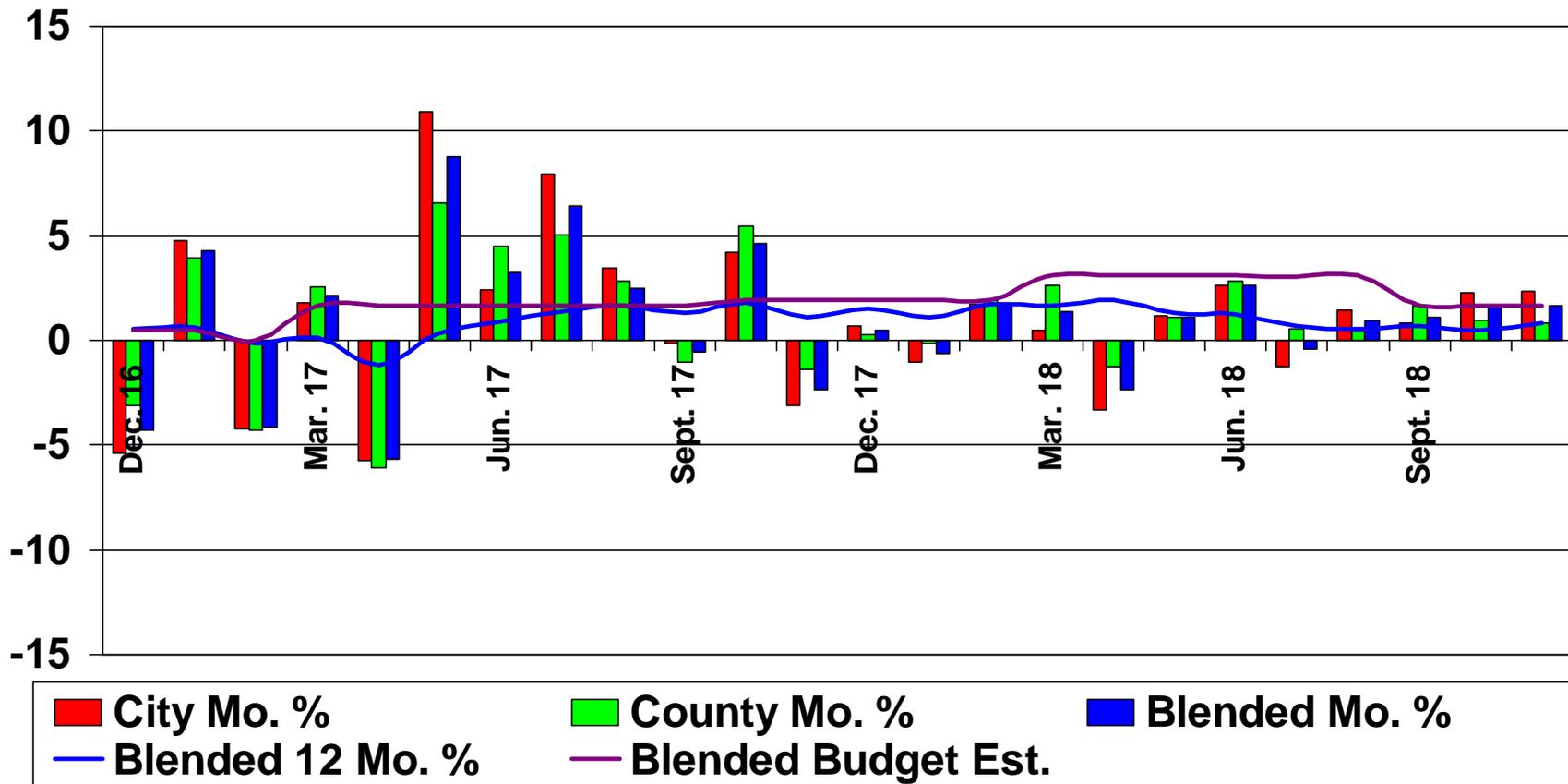
The 2018 Amended Budget was adopted on August 21, 2018. The primary revenue adjustments included in the amendment were a reduction in the property tax forecast due to a reduction in the property tax original charge to 1.5%; a reduction in the sales tax forecast to 1.17% based on experience through July receipt of May revenues; a reduction in franchise fees due to the impact of the Federal Tax Cuts and Jobs Act; and a reduction in the charges for services forecast associated with unfavorable weather; partially offset by increases in licenses and permit revenues and intergovernmental revenues. The favorable variance is due to the timing of annual revenues such as property taxes, intergovernmental revenues and business licenses, which are substantially complete. 5

GENERAL FUND REVENUES COMPARED TO PRIOR YEAR

			Variance
	YTD	Prior Year	Favorable
	<u>Revenues</u>	<u>Revenues</u>	<u>(Unfavorable)</u>
REVENUES:			
1 General property taxes	\$27,149,171	\$26,363,548	\$785,623
2 Sales taxes	75,514,727	74,699,295	815,432
3 Licenses and permits	11,077,005	10,719,039	357,965
4 Intergovernmental	9,747,003	9,311,000	436,003
5 Charges for services	8,281,638	7,797,243	484,396
6 Fines and fees	1,550,066	1,559,504	(9,438)
7 Utility franchise fees	21,674,700	20,322,733	1,351,966
8 Investment income	617,914	463,384	154,530
9 Miscellaneous	1,488,188	1,712,768	(224,580)
10 TOTAL REVENUES	\$157,100,412	\$152,948,514	\$4,151,897

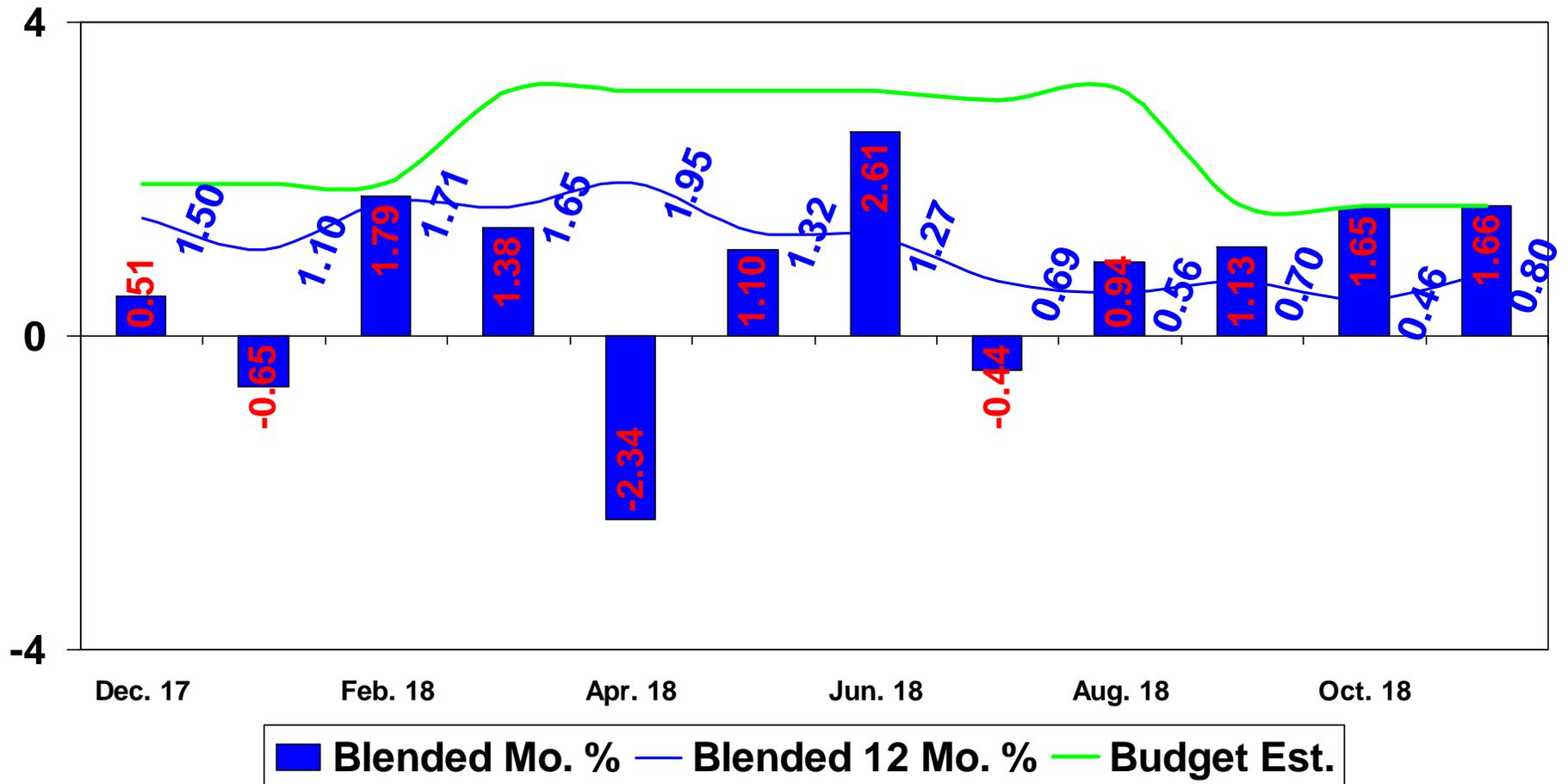
The increase in charges for services and utility franchise fee revenues is primarily due to the issuance of the 2017 Capital Improvement Refunding Bonds which refunded the 2009 Parks and Recreation Bonds, the 2007 Capital Improvement Bonds, and the 2002 Jr. Lien Bonds. The refunding eliminated the commitment of Park revenues to debt service and reduced the annual franchise fee debt service commitment.

CITY, COUNTY, AND BLENDED SALES TAX PERCENTAGE GROWTH (EXCLUDING THE IMPACT OF THE INCREASED LOCAL RATE)



Note: Blended sales tax results represent the total sales tax received by the City, including the City's share of the County sales tax, the City sales tax, and the State Turnback.

BLENDING SALES TAX PERCENTAGE GROWTH COLLECTED OVER THE LAST TWELVE MONTHS (EXCLUDING THE IMPACT OF THE INCREASED LOCAL RATE)



SALES TAX PERCENTAGE GROWTH COMPARISON TO BUDGET AND PRIOR YEAR

	Month	Sales & Use Tax Collected	Amended Budget	% Amended Budget Change	Variance from Budget	% Var. from Budget	% Inc (Dec) Prior Year
1	Dec-17	8,361,927	8,480,937	1.94%	(119,010)	-1.40%	0.51%
2	Jan-18	8,248,955	8,463,415	1.94%	(214,460)	-2.53%	-0.65%
3	Feb-18	9,988,509	10,003,929	1.95%	(15,420)	-0.15%	1.79%
4	2017 YTD	26,599,392	26,948,281	1.94%	(348,889)	-1.29%	0.62%
5	Mar-18	7,704,357	7,704,357	1.38%	-	0.00%	1.38%
6	Apr-18	7,578,538	7,578,538	-2.34%	-	0.00%	-2.34%
7	May-18	8,954,207	8,954,207	1.10%	-	0.00%	1.10%
8	Jun-18	8,174,008	8,174,008	2.61%	-	0.00%	2.61%
9	Jul-18	8,953,386	8,953,386	-0.44%	-	0.00%	-0.44%
10	Aug-18	8,624,756	8,686,481	1.67%	(61,725)	-0.71%	0.94%
11	Sep-18	8,415,748	8,459,732	1.66%	(43,984)	-0.52%	1.13%
12	Oct-18	8,636,782	8,637,486	1.66%	(704)	-0.01%	1.65%
13	Nov-18	8,451,362	8,451,424	1.66%	(62)	0.00%	1.66%
14	2018 YTD	75,493,143	75,599,618	1.00%	(106,475)	-0.14%	0.86%
15	Last 12 Mos	102,092,535	102,547,899	1.25%	(455,364)	-0.44%	0.80%

REVENUE PROVIDED BY NEW SALES TAX

		2018 Tax Receipts			Prior Year Tax Receipts				
Month Collected	For Sales in the Month of	5/8 Cent Operating	3/8 Cent Capital	New Tax Proceeds	5/8 Cent Operating	3/8 Cent Capital	New Tax Proceeds	% Inc (Dec)	
1	March	January	2,360,797	1,416,478	3,777,276	2,348,813	1,409,288	3,758,101	0.51%
2	April	February	2,313,729	1,388,237	3,701,966	2,392,937	1,435,762	3,828,699	-3.31%
3	May	March	2,785,686	1,671,412	4,457,098	2,753,987	1,652,392	4,406,380	1.15%
4	June	April	2,531,290	1,518,774	4,050,065	2,467,110	1,480,266	3,947,376	2.60%
5	July	May	2,656,002	1,593,601	4,249,603	2,688,996	1,613,398	4,302,394	-1.23%
6	August	June	2,687,748	1,612,649	4,300,397	2,649,800	1,589,880	4,239,680	1.43%
7	September	July	2,602,497	1,561,498	4,163,995	2,581,691	1,549,015	4,130,706	0.81%
8	October	August	2,683,153	1,609,892	4,293,045	2,623,937	1,574,362	4,198,299	2.26%
9	November	September	2,633,698	1,580,219	4,213,917	2,573,044	1,543,826	4,116,870	2.36%
10	YTD Total		\$23,254,601	\$13,952,761	\$37,207,362	\$23,080,316	\$13,848,189	\$36,928,505	0.76%
Month Collected	For Sales in the Month of	5/8 Cent Operating	3/8 Cent Capital	New Tax Proceeds	5/8 Cent Operating	3/8 Cent Capital	New Tax Proceeds	% Inc (Dec)	
11	2012 Total		28,992,457	17,449,867	46,442,324	n/a	n/a	n/a	n/a
12	2013 Total		29,220,016	17,573,702	46,793,718	28,992,457	17,449,867	46,442,324	0.76%
13	2014 Total		29,608,840	17,849,353	47,458,193	29,220,016	17,573,702	46,793,718	1.42%
14	2015 Total		30,773,111	18,430,387	49,203,498	29,608,840	17,849,353	47,458,193	3.68%
15	2016 Total		30,789,996	18,473,997	49,263,993	30,773,111	18,430,387	49,203,498	0.12%
16	2017 Total		31,366,925	18,820,155	50,187,081	30,789,996	18,473,997	49,263,993	1.87%
17	Grand Total - Life to Date		\$204,005,947	\$122,550,223	\$326,556,169				

ELECTRIC FRANCHISE FEES

		Year 2018	Year 2017	2018	2017	Usage	Revenue
	<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	277,020,868	260,447,619	1,186,228	1,013,721	6.36%	17.02%
2	February	256,557,029	233,056,734	1,106,837	908,686	10.08%	21.81%
3	March	234,589,779	228,362,262	994,322	885,328	2.73%	12.31%
4	April	220,227,048	223,094,193	753,207	910,848	-1.29%	-17.31%
5	May	223,313,619	227,891,831	774,750	941,331	-2.01%	-17.70%
6	June	306,480,398	269,812,553	1,156,495	1,220,034	13.59%	-5.21%
7	July	348,017,908	320,565,047	1,335,012	1,459,771	8.56%	-8.55%
8	August	345,432,289	330,602,385	1,317,813	1,511,235	4.49%	-12.80%
9	September	337,975,492	301,979,644	1,268,925	1,367,665	11.92%	-7.22%
10	YTD	2,549,614,430	2,395,812,268	\$9,893,590	\$10,218,620	6.42%	-3.18%

The amended budget adopted in August reduced the anticipated revenue for Entergy Franchise Fees to \$12,312,000, a decrease of \$2,146,000 from the original adopted budget, which was based on information from Entergy and a rate increase previously approved by the PSC. The increase was reversed in April due to the impact of the Tax Cut and Jobs Act of 2017 which generated tax savings for the utility, offsetting the need for the (cost recovery) rate increase. As of the end of the third quarter, results are approximately \$94,600 above the amended budget projection.

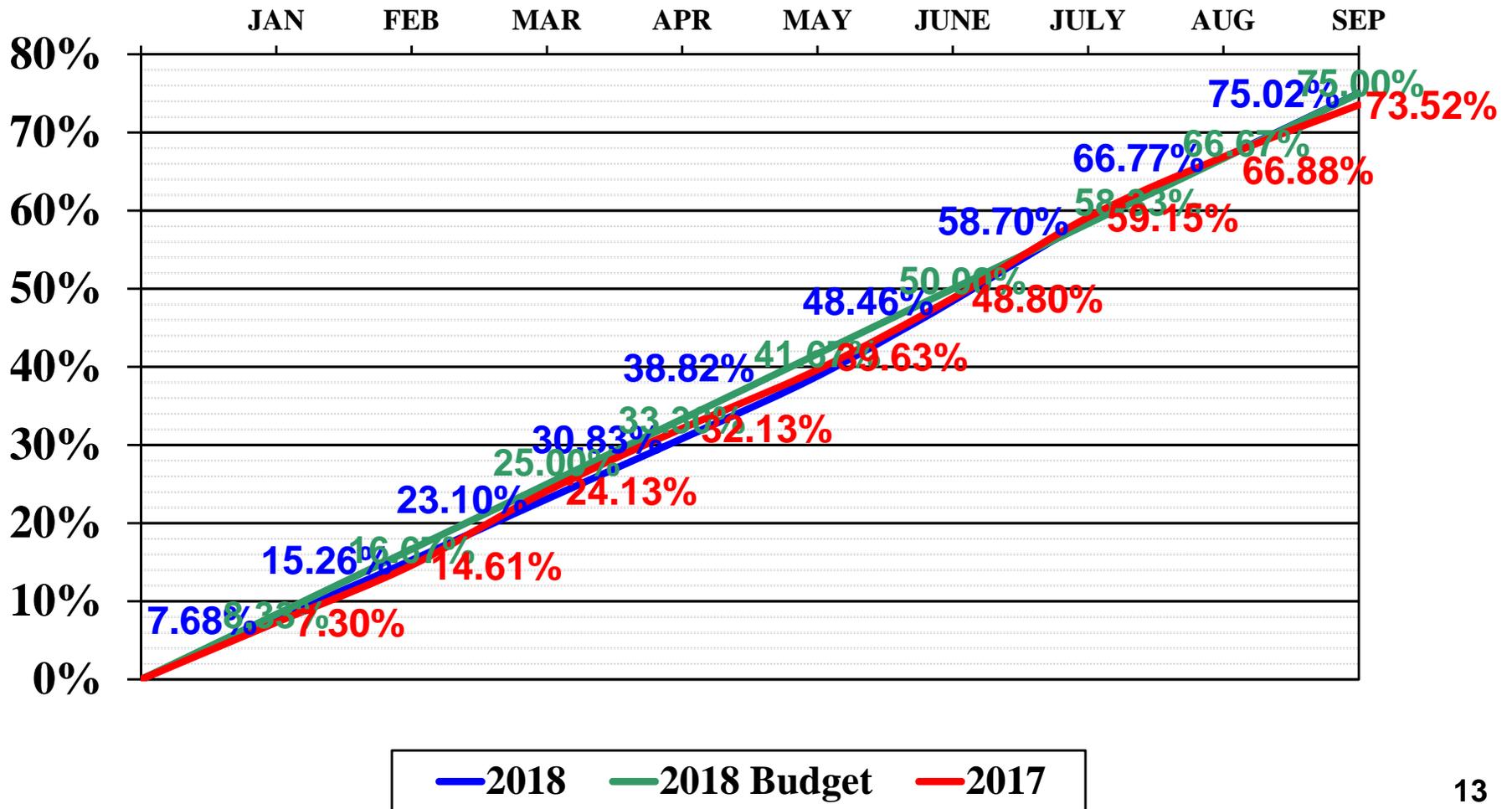
GAS FRANCHISE FEES

		Year 2018	Year 2017	2018	2017	Usage	Revenue
	<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	1,015,663	883,054	712,260	569,112	15.02%	25.15%
2	February	919,113	663,761	607,084	418,528	38.47%	45.05%
3	March	692,475	549,375	437,877	335,564	26.05%	30.49%
4	April	525,482	426,383	288,107	212,346	23.24%	35.68%
5	May	422,733	323,148	185,636	142,795	30.82%	30.00%
6	June	296,932	305,502	112,114	118,386	-2.81%	-5.30%
7	July	273,685	266,676	102,772	103,549	2.63%	-0.75%
8	August	288,398	236,926	97,663	96,486	21.72%	1.22%
9	September	297,224	278,795	101,579	103,409	6.61%	1.77%
10	YTD	4,731,705	3,933,620	\$2,645,090	\$2,100,174	20.29%	25.95%

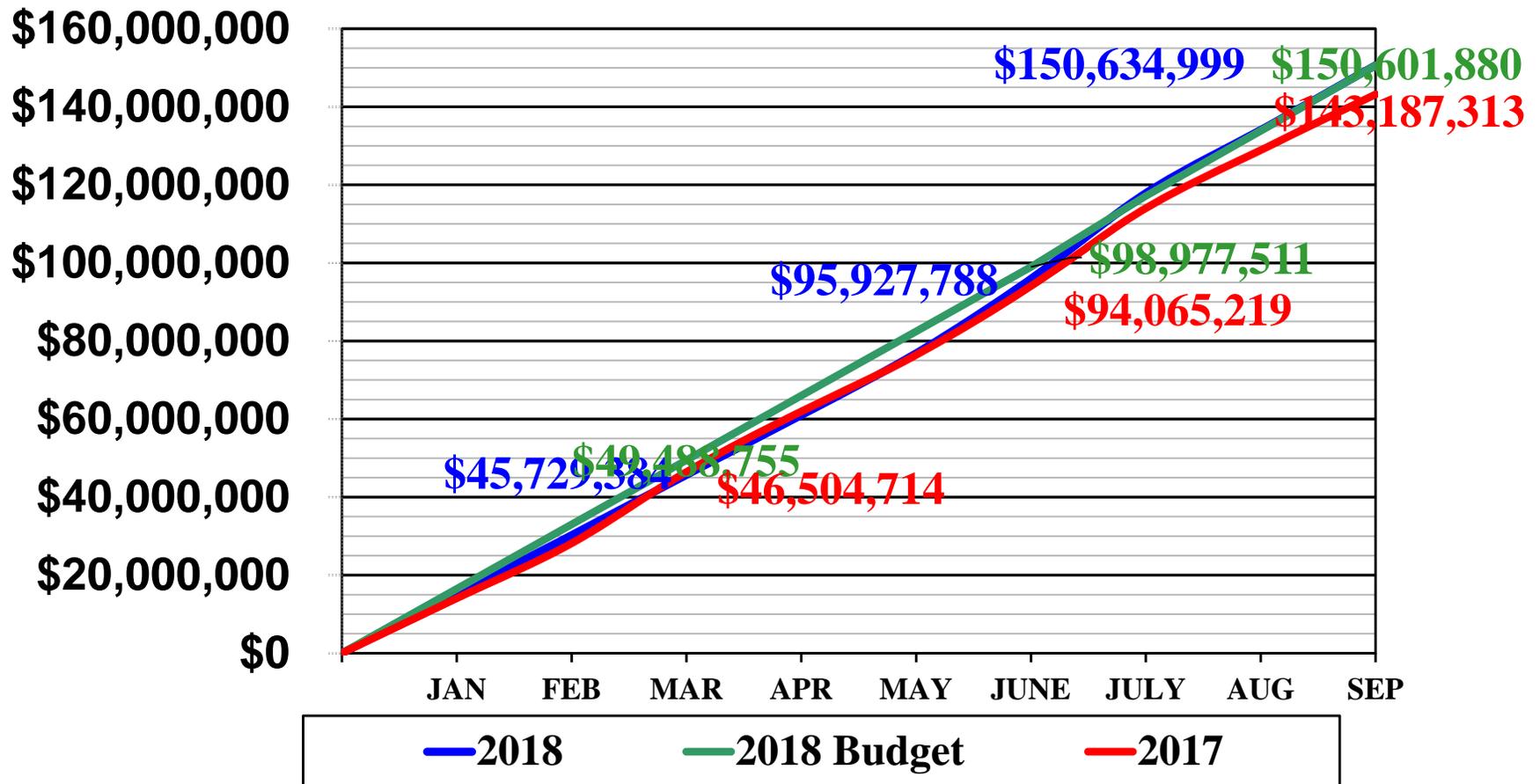
The adopted budget is \$2,940,000, representing a 4.6% increase from 2017 actual results. Results for the first half of the year were 30.4% above prior year, primarily due to increased usage of 22.89%. The Budget Amendment included an increase of approximately \$463,000 to \$3,403,000, reflecting the actual revenue growth over budget through June. Through the end of the third quarter, results trail the amended budget by only \$15,000, with usage growth of 20.29% and revenue growth of 25.95% over the same period a year ago. CenterPoint recently announced a decrease in rates due to the Tax Cut and Jobs Act of 2017 that will take place beginning in October. The average reduction in utility bills is projected to be approximately 9.5% through the end of the year.

GENERAL FUND EXPENDITURES

BUDGET % EXPENDED - 2018 AND 2017



GENERAL FUND EXPENDITURES 2018 AND 2017



GENERAL FUND EXPENDITURES COMPARED TO BUDGET

	YTD Budget	YTD Expenses	Variance Favorable (Unfavorable)	Prior Year Expenses
EXPENDITURES:				
GENERAL GOVERNMENT:				
1 General Administration	\$16,559,535	\$15,868,429	\$691,106	\$14,353,364
2 Board of Directors	252,931	282,972	(30,041)	283,251
3 Community Programs	449,480	469,825	(20,345)	450,175
4 City Attorney	1,493,660	1,509,262	(15,602)	1,301,754
5 District Court - (Criminal)	956,843	889,513	67,329	881,547
6 District Court - (Environmental)	399,641	410,702	(11,061)	373,399
7 District Court - (Traffic)	920,336	938,120	(17,785)	935,898
8 Finance	2,671,277	2,670,765	512	2,561,958
9 Human Resources	1,400,495	1,403,620	(3,125)	1,234,595
10 Information Technology	3,701,960	3,298,699	403,261	3,111,749
11 Planning and Development	1,858,390	1,801,649	56,741	1,811,335
12 TOTAL GENERAL GOVERNMENT	30,664,544	29,543,555	1,120,990	27,299,024
13 PUBLIC WORKS	796,007	697,044	98,962	664,768
14 PARKS & RECREATION	7,692,724	7,718,371	(25,647)	7,705,784
15 RIVERMARKET	957,536	939,703	17,833	892,245
16 GOLF	1,797,007	1,987,193	(190,187)	2,014,305
17 JIM DAILEY FITNESS & AQUATICS	684,449	699,251	(14,802)	695,027
18 ZOO	4,997,382	5,127,394	(130,012)	5,198,444
19 FIRE	37,783,449	39,479,417	(1,695,968)	36,033,065
20 POLICE	56,436,295	54,318,366	2,117,929	49,958,724
21 HOUSING & NEIGHBORHOOD	4,051,486	3,972,524	78,962	3,809,036
22 DEBT SERVICE:			0	
23 Principal	5,503,262	5,874,878	(371,617)	8,604,723
24 Interest	292,259	277,304	14,955	311,170
25 Agent Fees	18,000	0	18,000	1,000
SAVINGS FROM AUTHORIZED BUT UNFILLED POSITIONS	(1,072,518)	0	(1,072,518)	0
27 TOTAL EXPENDITURES	\$150,601,880	\$150,634,999	(\$33,119)	\$143,187,313

GENERAL FUND

AUTHORIZED BUT UNFILLED POSITIONS AND VACATION/SICK PAYOUTS

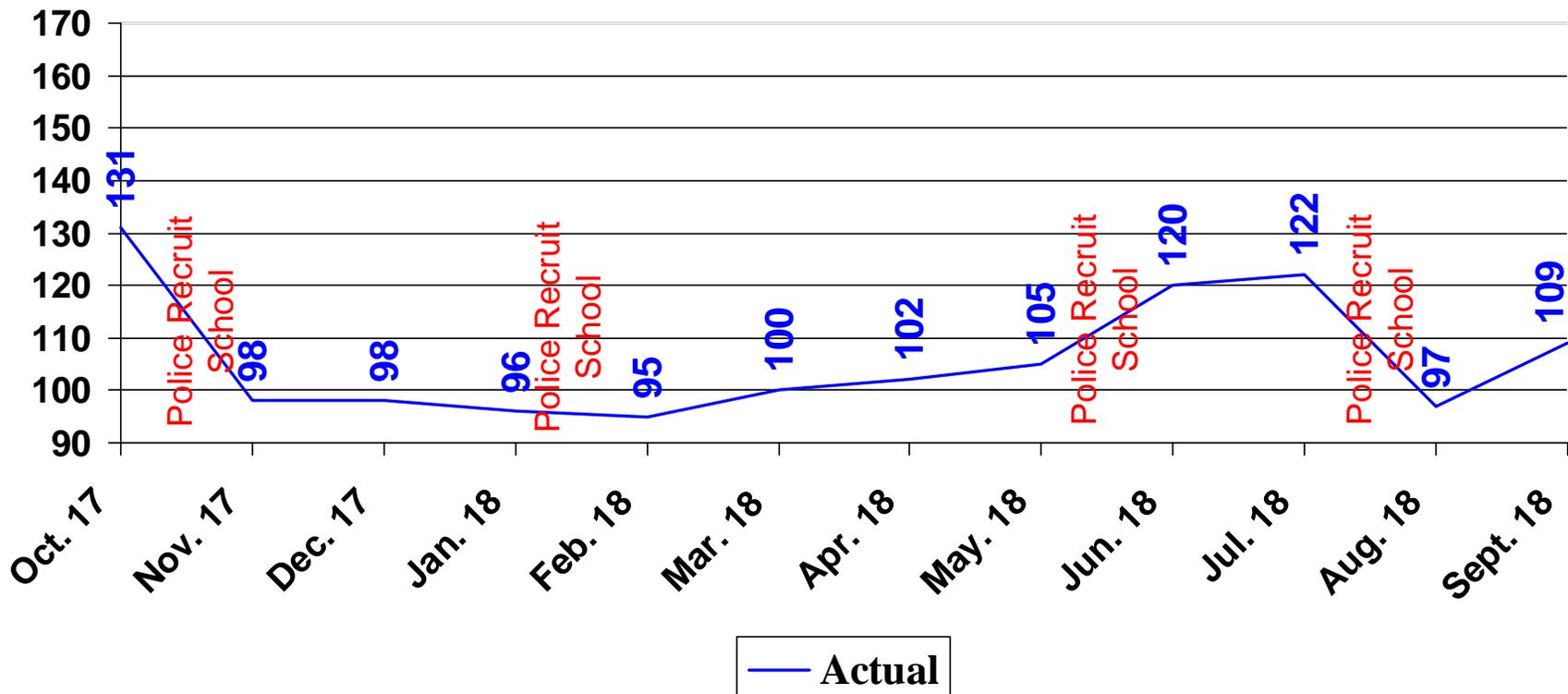
➤ Savings from Authorized but Unfilled Positions

- \$6,288,000
2018 amended budget
requirement
- \$4,857,974
Achieved through the
9/21/18 Payroll
- 109 budgeted positions
unfilled in the General
Fund at the end of the
third quarter

➤ Vacation/Sick Payouts

- \$1,273,400
2018 amended budget
- \$972,688 YTD

GENERAL FUND AUTHORIZED BUT UNFILLED POSITIONS LAST TWELVE MONTHS



The number of vacant Police Officer positions declined from 72 (July 2017) to 11 (September 2018). A recruit school is in progress that began in August. Another recruit school is planned for February 2019.