

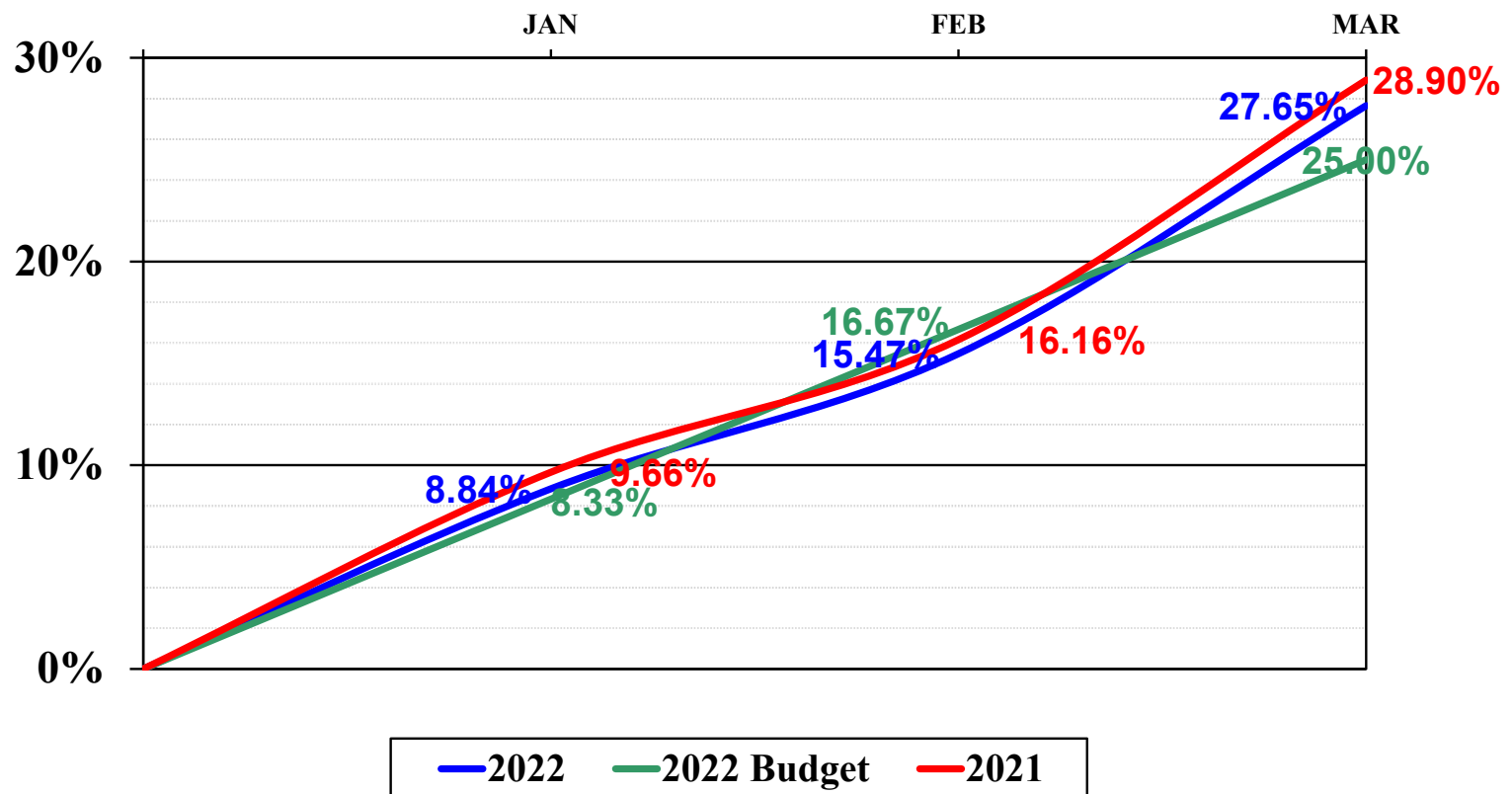
CITY OF LITTLE ROCK



First Quarter 2022 Financial Report

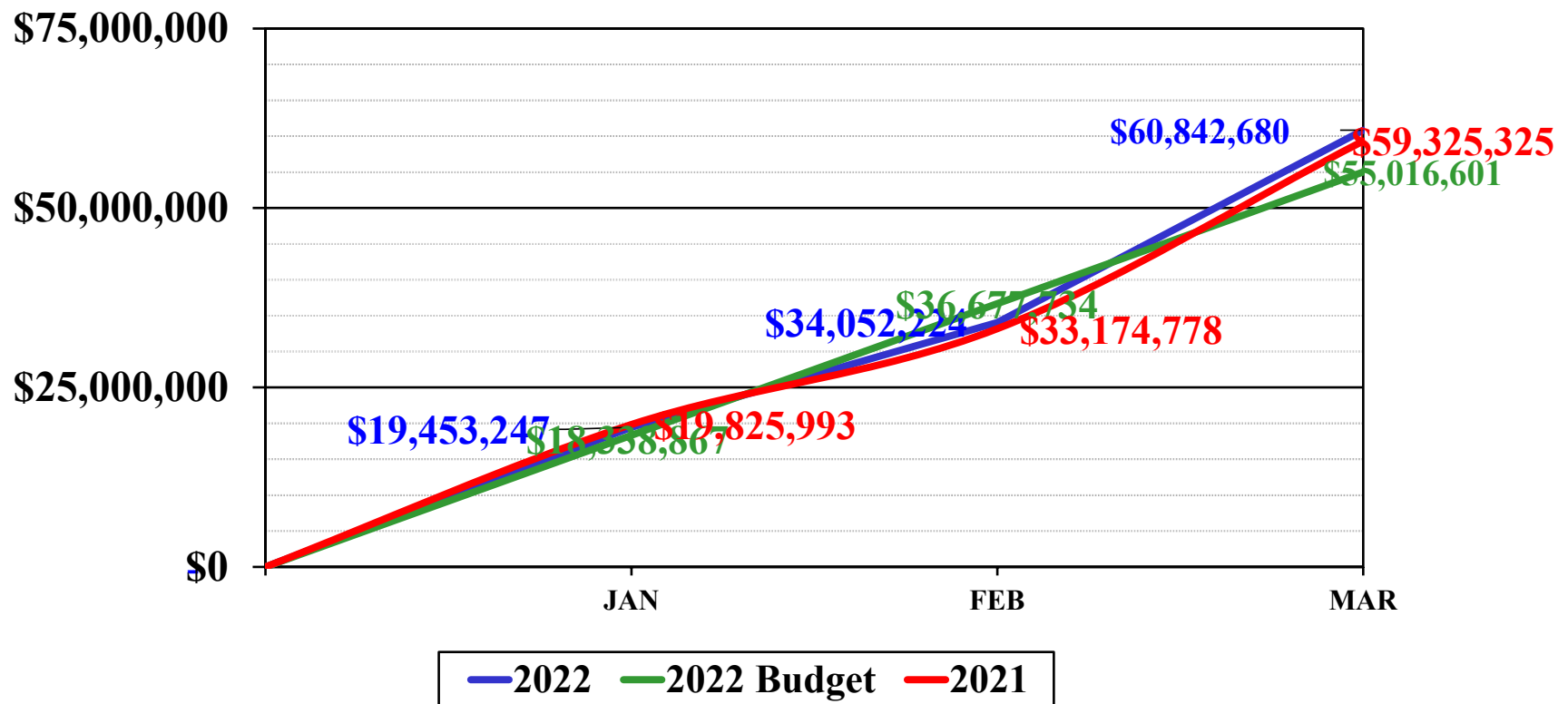
GENERAL FUND OPERATING REVENUES

BUDGET % COLLECTED - 2022 AND 2021



GENERAL FUND OPERATING REVENUES

2022 AND 2021



GENERAL FUND OPERATING REVENUES COMPARED TO ADOPTED BUDGET

	YTD Adopted Budget	YTD Revenues	Variance Favorable (Unfavorable)	Prior Year Revenues
REVENUES:				
1 General property taxes	\$8,114,119	\$11,219,349	\$3,105,230	\$12,688,762
2 Sales taxes	29,934,963	30,840,446	905,484	28,943,799
3 Licenses and permits	3,123,000	7,236,406	4,113,406	7,116,856
4 Intergovernmental	2,675,983	0	(2,675,983)	0
5 Charges for services	2,816,201	2,668,821	(147,380)	2,329,549
6 Fines and fees	482,300	342,998	(139,302)	403,987
7 Utility franchise fees	7,591,304	7,805,777	214,472	7,551,575
8 Investment income	32,500	490,993	458,493	43,405
9 Miscellaneous	246,231	237,891	(8,340)	247,393
10 TOTAL REVENUES	\$55,016,601	\$60,842,680	\$5,826,080	\$59,325,325

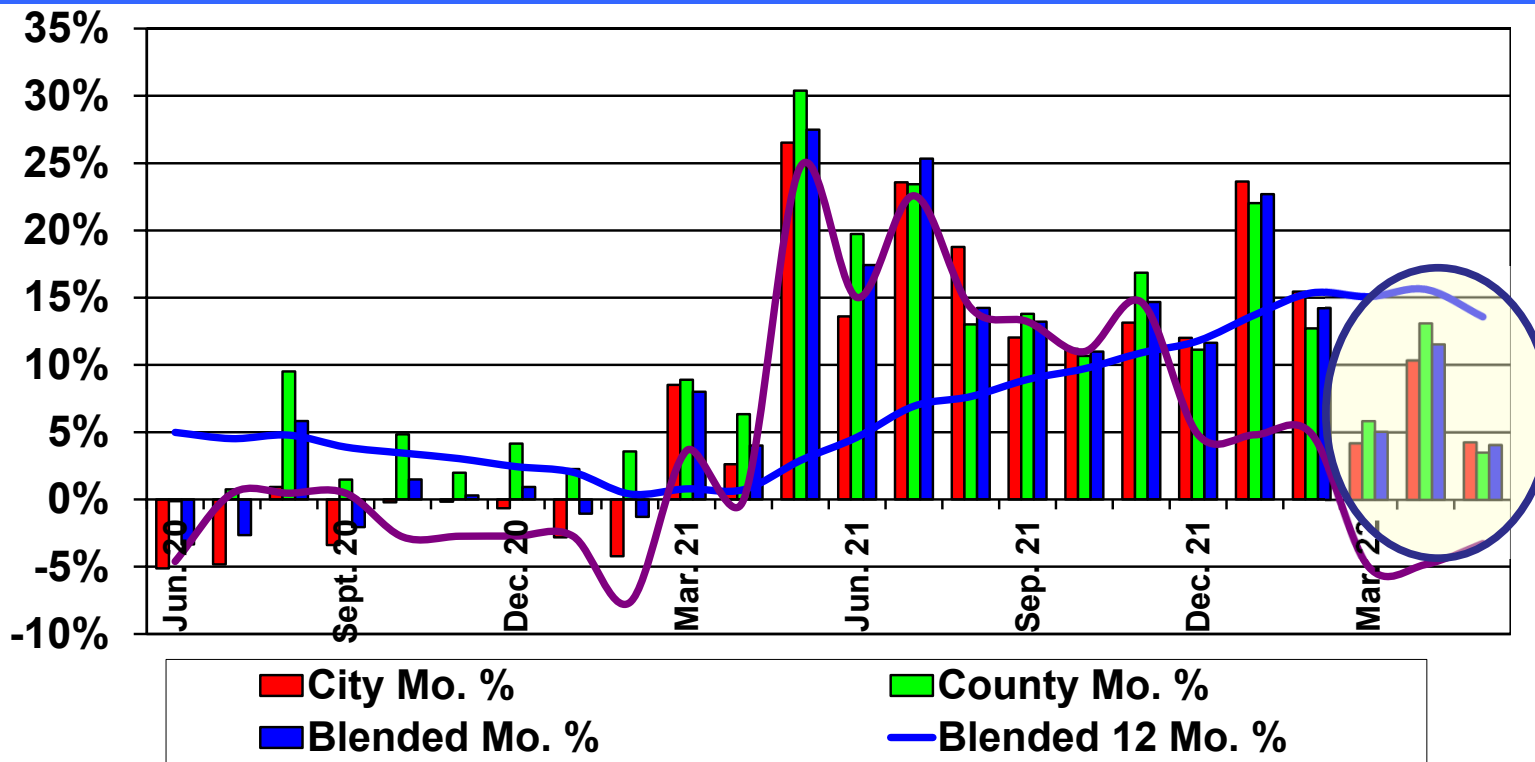
Revenues at the end of the first quarter are approximately \$5.8 million or 10.6% above 1/4th of the adopted budget, and approximately \$1.5 million above 2021 revenues.

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	\$11,219,349	\$12,688,762	(\$1,469,413)
2 Sales taxes	30,840,446	28,943,799	1,896,647
3 Licenses and permits	7,236,406	7,116,856	119,550
4 Intergovernmental	-	-	-
5 Charges for services	2,668,821	2,329,549	339,272
6 Fines and fees	342,998	403,987	(60,989)
7 Utility franchise fees	7,805,777	7,551,575	254,202
8 Investment income	490,993	43,405	447,589
9 Miscellaneous	237,891	247,393	(9,502)
10 TOTAL REVENUES	\$60,842,680	\$59,325,325	\$1,517,356

1st quarter 2022 revenues exceed 2021 by approximately \$1.5 million. Due to the timing of receipt, 1st quarter 2021 property tax revenues included \$1.13 million in excess commissions for 2020 resulting in increased 2021 revenues. Sales tax will be discussed in detail in a moment. The increase in Franchise fees is primarily attributed to higher natural gas billings. In 2021, the PSC approved recovery of the extraordinary gas 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

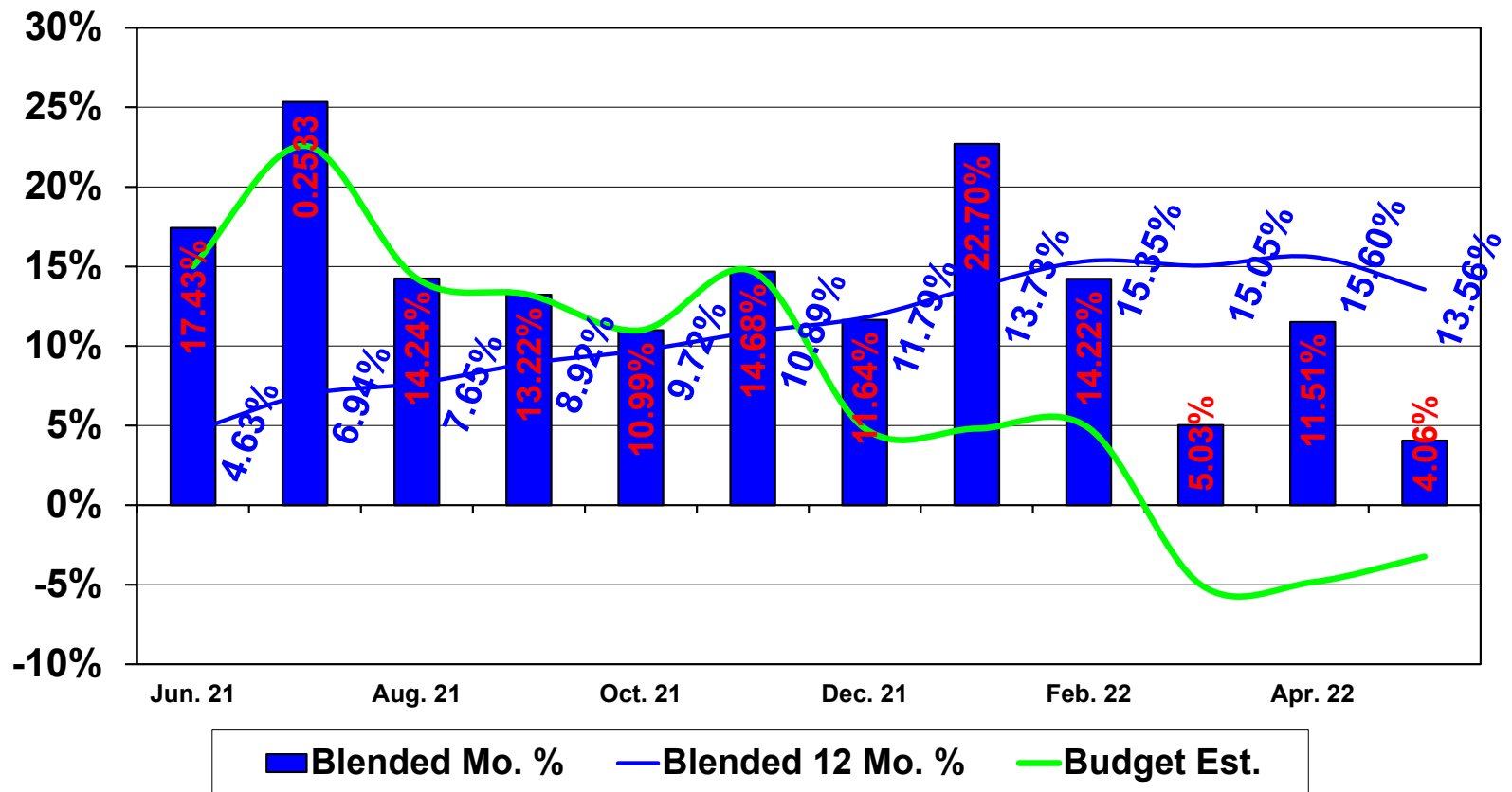


Blended sales tax results represent the total sales tax received by the City, which includes:

- (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 (Mar. 2022 receipt of Jan. 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	Apr-21	Jun-21	10,629,369	10,410,671	15.01%	218,698	2.10%	17.43%
2	May-21	Jul-21	11,206,158	10,960,158	22.58%	246,000	2.24%	25.33%
3	Jun-21	Aug-21	10,709,407	10,709,407	14.24%	0	0.00%	14.24%
4	Jul-21	Sep-21	10,124,677	10,124,677	13.22%	(0)	0.00%	13.22%
5	Aug-21	Oct-21	10,387,788	10,387,788	10.99%	0	0.00%	10.99%
6	Sep-21	Nov-21	10,250,391	10,250,391	14.68%	0	0.00%	14.68%
7	Oct-21	Dec-21	10,365,889	9,732,602	4.82%	633,287	6.51%	11.64%
8	Nov-21	Jan-22	10,952,876	9,355,802	4.81%	1,597,074	17.07%	22.70%
9	Dec-21	Feb-22	12,816,412	11,765,302	4.85%	1,051,110	8.93%	14.22%
10	2021 YTD		\$97,442,968	\$93,696,798	11.49%	\$3,746,170	4.00%	15.95%
11	Jan-22	Mar-22	\$9,589,101	\$8,673,773	-5.00%	\$915,328	10.55%	5.03%
12	Feb-22	Apr-22	9,598,400	\$8,190,958	-4.84%	\$1,407,442	17.18%	11.51%
13	Mar-22	May-22	11,501,389	\$10,694,972	-3.24%	\$806,417	7.54%	4.06%
14	2022 YTD		\$30,688,890	\$27,559,703	-4.27%	\$3,129,187	11.35%	6.59%
15	Last 12 Mos		\$128,131,859	\$121,256,501	7.47%	\$6,875,358	5.67%	13.56%

CITY - 1.125% TAX

TOP TEN NAICS TAX CATEGORIES

2022 Highest Sales Tax by NAICS					
NAICS CODE	NAICIS Category Name	YTD 2022 @ 1.125% tax rate	YTD 2021 Adjusted to 1.25% tax rate	General Fund Change	% Change
4529	Other General Merchandise Stores	\$ 1,204,904.92	\$ 1,350,000.38	\$ (145,095.46)	-10.7%
4451	Grocery Stores	\$ 1,189,855.25	\$ 1,136,775.64	\$ 53,079.61	4.7%
7221	Full-Service Restaurants	\$ 858,371.15	\$ 787,683.77	\$ 70,687.38	9.0%
4541	Electronic Shopping and Mail-Order Houses	\$ 846,518.07	\$ 779,136.61	\$ 67,381.46	8.6%
4441	Building Material and Supplies Dealers	\$ 812,825.53	\$ 745,941.53	\$ 66,884.00	9.0%
4431	Electronics and Appliance Stores	\$ 669,863.20	\$ 660,054.41	\$ 9,808.79	1.5%
7225	Food Services and Drinking Places; Unknown Subclassification	\$ 635,111.10	\$ 454,419.38	\$ 180,691.72	39.8%
2212	Natural Gas Distribution	\$ 534,353.04	\$ 373,244.66	\$ 161,108.38	43.2%
2211	Electric Power Generation; Transmission and Distribution	\$ 501,698.00	\$ 329,118.86	\$ 172,579.15	52.4%
4481	Clothing Stores	\$ 480,831.65	\$ 455,301.62	\$ 25,530.04	5.6%
	Subtotal - Top 10 Highest Sales Tax NAICS Categories	\$ 7,734,331.91	\$ 7,071,676.85	\$ 662,655.06	9.4%

This slide shows the NAICS Categories that generated the most **local** sales tax revenue during 1Q2022, representing approximately 45% of the City's local sales tax revenue. The net revenue growth in the top 10 categories was 9.4%, while the overall growth in the local sales tax for the 1st quarter was 6.05%. 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 7.06% and 11.93%, respectively, for a blended growth rate of 6.59% in the first 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 @ 1.125% tax rate	YTD 2021 Adjusted to 1.25% tax rate	Difference	% Change
4523	General Merchandise Stores; including Warehouse Clubs and Supercenters	\$ 263,082.50	\$ 2,878.79	\$ 260,203.71	9038.6%
7225	Food Services and Drinking Places; Unknown Subclassification	\$ 635,111.10	\$ 454,419.38	\$ 180,691.72	39.8%
2211	Electric Power Generation; Transmission and Distribution	\$ 501,698.00	\$ 329,118.86	\$ 172,579.15	52.4%
2212	Natural Gas Distribution	\$ 534,353.04	\$ 373,244.66	\$ 161,108.38	43.2%
7211	Traveler Accommodation	\$ 391,266.00	\$ 241,631.10	\$ 149,634.90	61.9%
5321	Automotive Equipment Rental and Leasing	\$ 402,809.70	\$ 276,142.48	\$ 126,667.22	45.9%
4922	Local Messengers and Local Delivery	\$ 163,221.39	\$ 47,679.00	\$ 115,542.39	242.3%
3323	Architectural and Structural Metals Manufacturing	\$ 123,522.38	\$ 40,576.85	\$ 82,945.54	204.4%
4214	Professional and Commercial Equipment and Supplies Wholesalers	\$ 415,314.31	\$ 343,284.16	\$ 72,030.15	21.0%
7221	Full-Service Restaurants	\$ 858,371.15	\$ 787,683.77	\$ 70,687.38	9.0%
		\$ 4,288,749.57	\$ 2,896,659.04	\$ 1,392,090.53	48.1%

- **Food Services and Drinking Places; Traveler Accommodation, Automotive Equipment Rental and Leasing, and Full-Service Restaurants;** reflect industries that were still heavily impacted by COVID in the first quarter of 2021. Increases in these categories reflect the lifting of COVID restrictions.
- **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).
- **Natural Gas Distribution** is a result of 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 Adjusted to 1.25% tax rate	Difference	% Change
3311	Iron and Steel Mills and Ferroalloy Manufacturing	\$ -	\$ 654,645.00	\$ (654,645.00)	-100.0%
4238	Machinery; Equipment; and Supplies Merchant Wholesalers	\$ 59,850.66	\$ 248,722.54	\$ (188,871.88)	-75.9%
5142	Data Processing Services	\$ 5,216.46	\$ 178,579.13	\$ (173,362.67)	-97.1%
4529	Other General Merchandise Stores	\$ 1,204,904.92	\$ 1,350,000.38	\$ (145,095.46)	-10.7%
9211	Executive; Legislative; and Other General Government Support	\$ (144,221.96)	\$ (2,228.62)	\$ (141,993.34)	6371.4%
2373	Highway; Street; and Bridge Construction	\$ (47,655.10)	\$ (2,989.21)	\$ (44,665.89)	1494.2%
3345	Navigational; Measuring; Electromedical; and Control Instruments Manufacturing	\$ 20,896.41	\$ 60,918.59	\$ (40,022.18)	-65.7%
4218	Machinery; Equipment; and Supplies Wholesalers	\$ 197,398.46	\$ 228,970.62	\$ (31,572.16)	-13.8%
4216	Electrical Goods Wholesalers	\$ 240,932.80	\$ 264,488.71	\$ (23,555.91)	-8.9%
3279	Other Nonmetallic Mineral Product Manufacturing	\$ 4,636.20	\$ 24,993.86	\$ (20,357.66)	-81.5%
		\$ 1,541,958.85	\$ 3,006,101.00	\$ (1,464,142.15)	-48.7%

- The NAICS categories with the largest decreases by amount offset the NAICS categories with the largest increases by amount. Both represented changes of approximately **48%** with a **combined net decrease of approximately \$72,000**.
- ***Iron and Steel Mills and Ferroalloy Manufacturing*** declined **\$654,645** in the first quarter.
- The decrease in ***Other General Merchandise Stores*** is 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		725,060,604	730,660,431	\$3,105,671	\$3,062,841	-0.77%	1.40%

The 2022 budget is \$14,900,000, an increase of 8.5% from prior year actual results based on information received from Entergy Arkansas. Usage decreased 0.77% and revenues increased 1.4% through March. At the end of the first quarter, revenues are approximately \$46,600 below budget based on the monthly projections provided by Entergy.

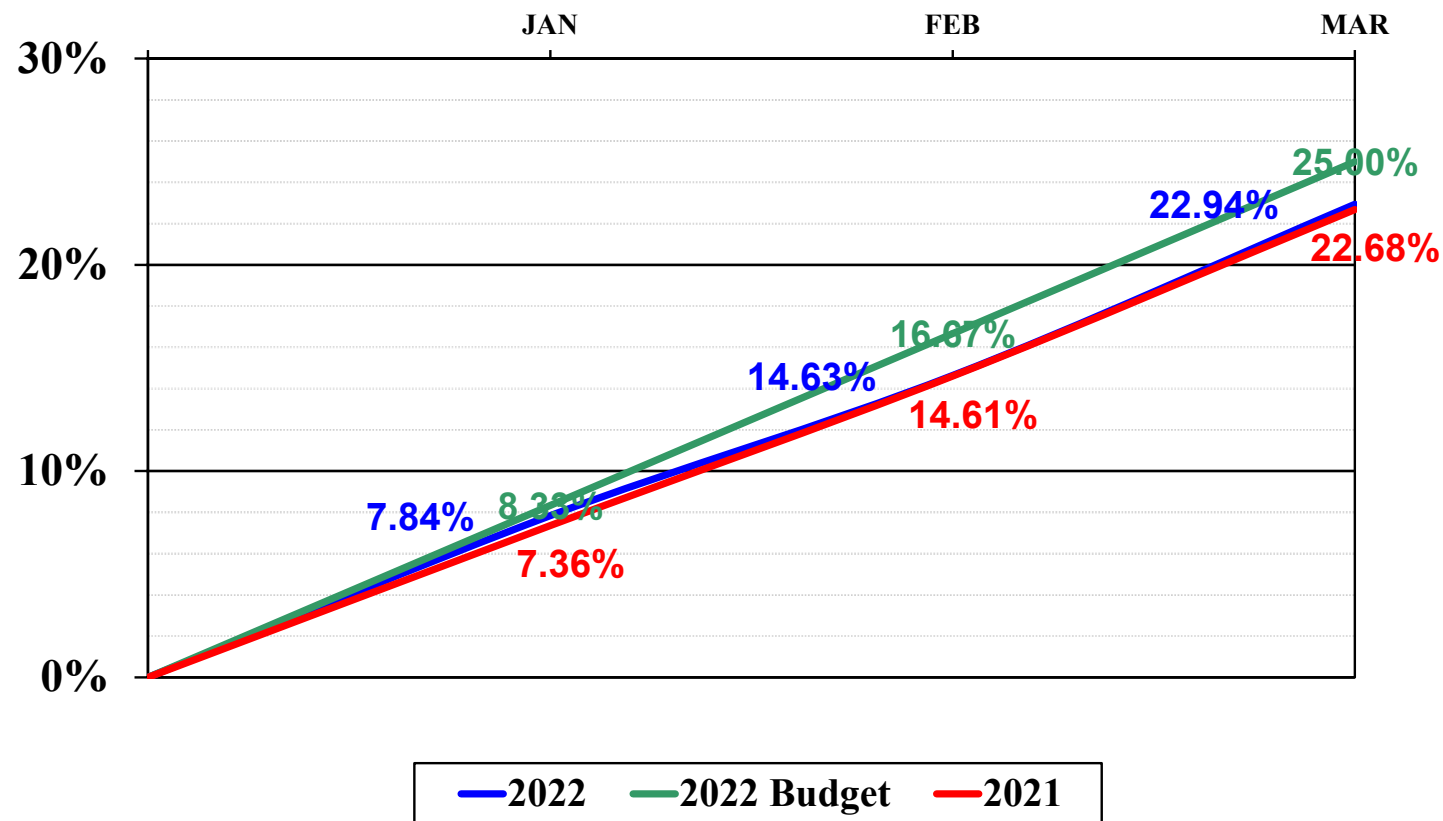
GAS FRANCHISE FEES

		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		4,114,231	4,605,581	\$2,194,021	\$1,545,557	-10.67%	41.96%

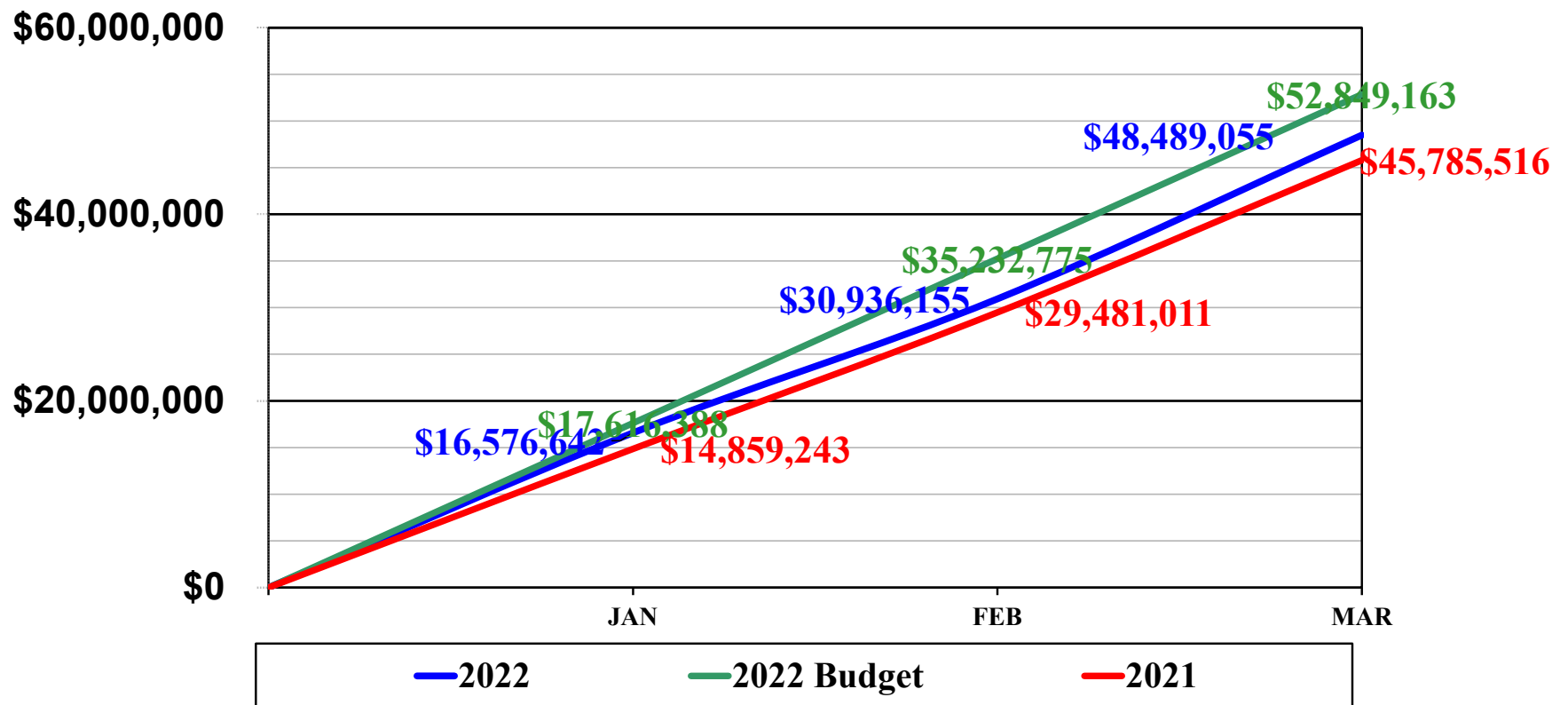
The 2022 adopted budget is \$3,506,300, reflecting an increase of 7.1% from 2021 actual results. Budget projections were obtained from the Summit Energy. In 2021, the PSC approved recovery of the extraordinary gas costs experienced due to the Feb 2021 Winter Storm. This additional surcharge increases the expected payments in 2022 by almost \$600,000. Per the utility, homes that use natural gas may spend 30% more than a year ago. Revenues through the end of March 2022 are approximately 42%, \$648,465, 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	\$6,414,493	\$4,876,850	\$1,537,643	\$5,217,455
2 Board of Directors	86,169	76,874	9,294	74,339
3 Community Programs	82,273	104,483	(22,211)	110,034
4 City Attorney	458,935	415,268	43,666	382,293
5 District Court - (Criminal)	349,196	321,977	27,219	299,856
6 District Court - (Environmental)	143,590	138,529	5,061	127,500
7 District Court - (Traffic)	327,796	283,745	44,051	323,292
8 Finance	1,084,682	929,999	154,683	808,396
9 Human Resources	558,120	484,292	73,828	466,441
10 Information Technology	1,596,920	1,253,770	343,150	1,175,303
11 Planning and Development	785,871	696,005	89,866	553,763
12 TOTAL GENERAL GOVERNMENT	11,888,044	9,581,793	2,306,251	9,538,673

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

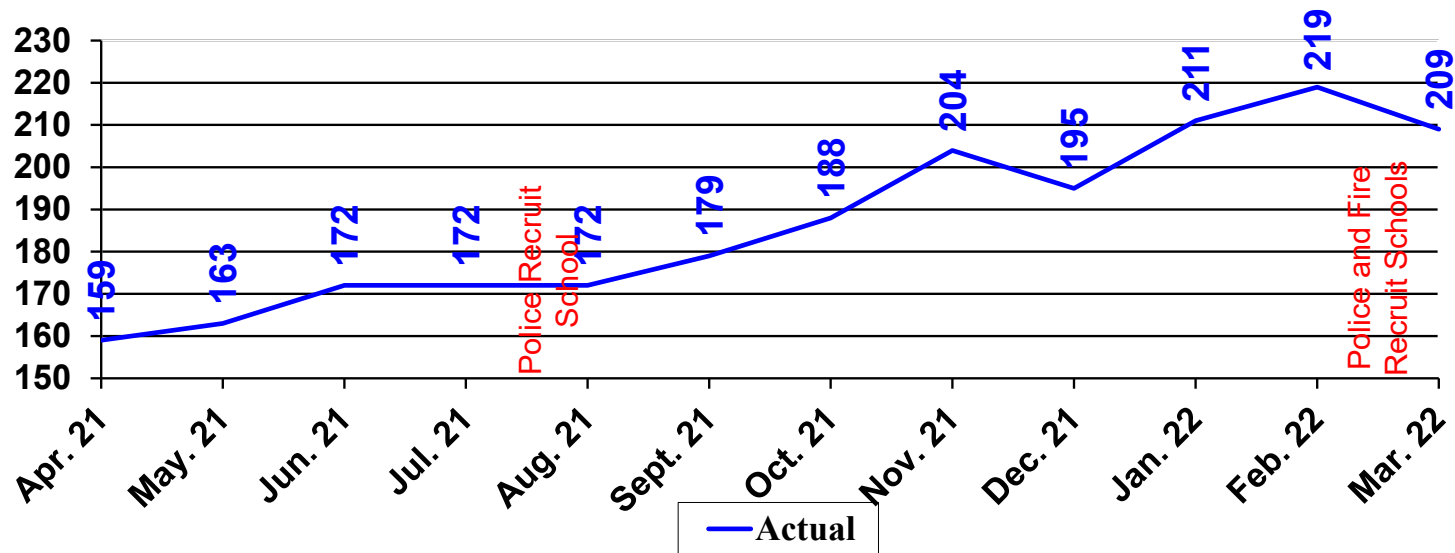
	YTD <u>Budget</u>	YTD <u>Expenses</u>	Variance Favorable <u>(Unfavorable)</u>	Prior Year <u>Expenses</u>
EXPENDITURES:				
13 PUBLIC WORKS	281,500	256,974	24,526	218,752
14 PARKS & RECREATION	2,615,317	2,318,550	296,767	2,031,762
15 RIVERMARKET	289,353	201,954	87,399	160,933
16 GOLF	416,202	377,530	38,672	367,626
17 JIM DAILEY FITNESS & AQUATICS	214,909	174,850	40,059	192,985
18 ZOO	1,728,787	1,719,777	9,011	1,485,672
19 FIRE	13,763,638	13,641,502	122,136	12,853,203
20 POLICE	19,009,906	17,931,983	1,077,923	17,780,989
21 911 OPERATIONS	1,126,258	978,495	147,763	0
22 HOUSING & NEIGHBORHOOD	1,496,585	1,305,648	190,937	1,154,921
23 DEBT SERVICE:				
24 Principal	845,705	0	845,705	0
25 Fiscal Charges on Long Term Debt	36,858	0	36,858	0
26 Capital Outlay	0	0	0	0
SAVINGS FROM AUTHORIZED BUT				
27 UNFILLED POSITIONS	(863,898)	0	(863,898)	0
28 TOTAL EXPENDITURES	<u>\$52,849,163</u>	<u>\$48,489,055</u>	<u>\$4,360,108</u>	<u>\$45,785,516</u>

GENERAL FUND

AUTHORIZED BUT UNFILLED POSITIONS AND VACATION/SICK PAYOUTS

- Savings from Authorized but Unfilled Positions
 - \$6,691,700
2022 adopted budget
 - \$3,236,108 achieved
 - 209 budgeted positions were unfilled in the General Fund as of the last pay period in March.
- Vacation/Sick Payouts
 - \$1,750,000
2022 adopted budget
 - \$360,295
paid out through the end of the 1st quarter

GENERAL FUND AUTHORIZED BUT UNFILLED POSITIONS LAST TWELVE MONTHS



The number of vacant Uniformed Police positions was fifty-seven (57) as of the last payroll in March: Fifty-one (51) Officers, and five (5) Sergeants, and one (1) Lieutenant.