

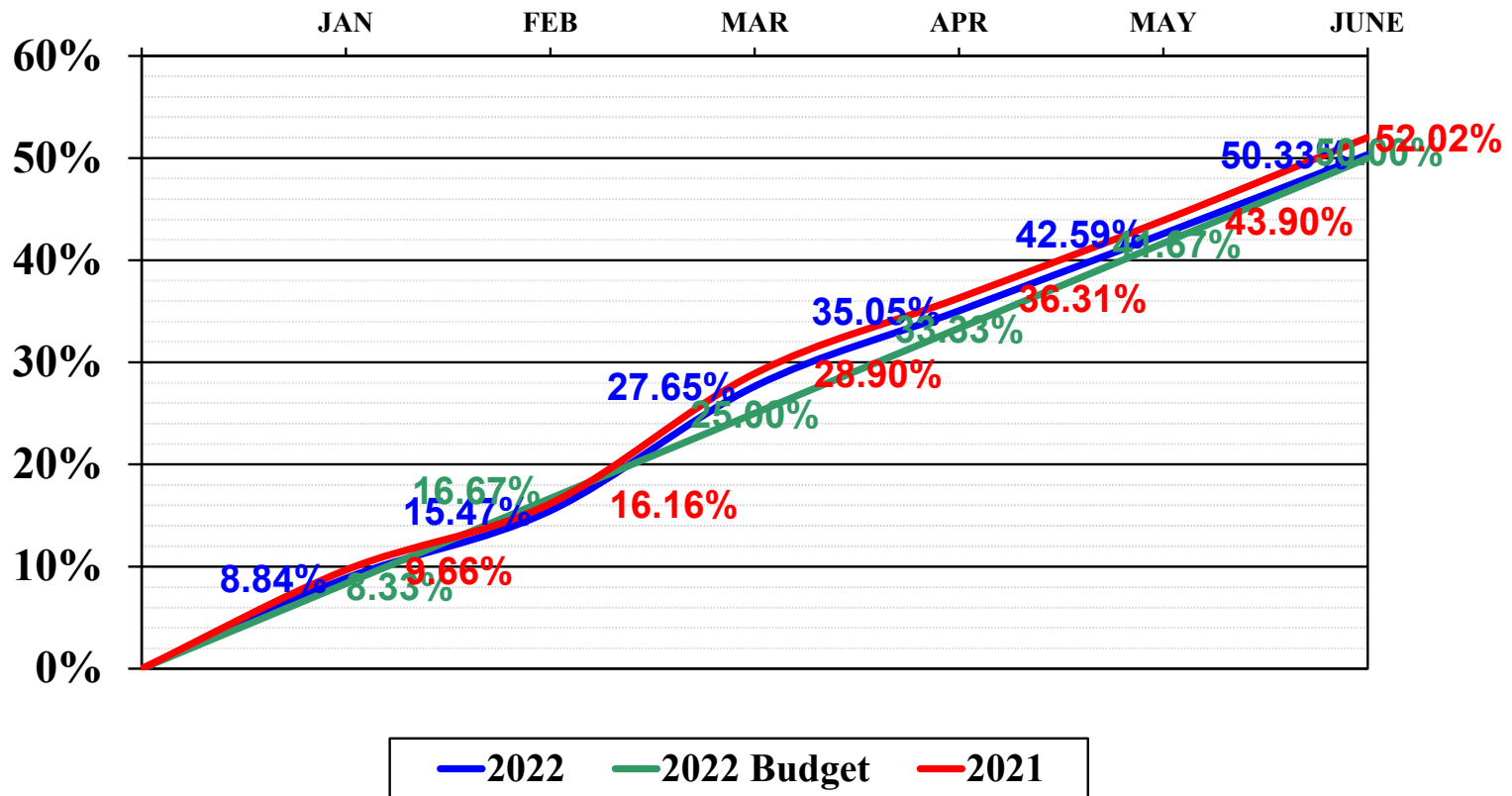
CITY OF LITTLE ROCK



Second Quarter 2022 Financial Report

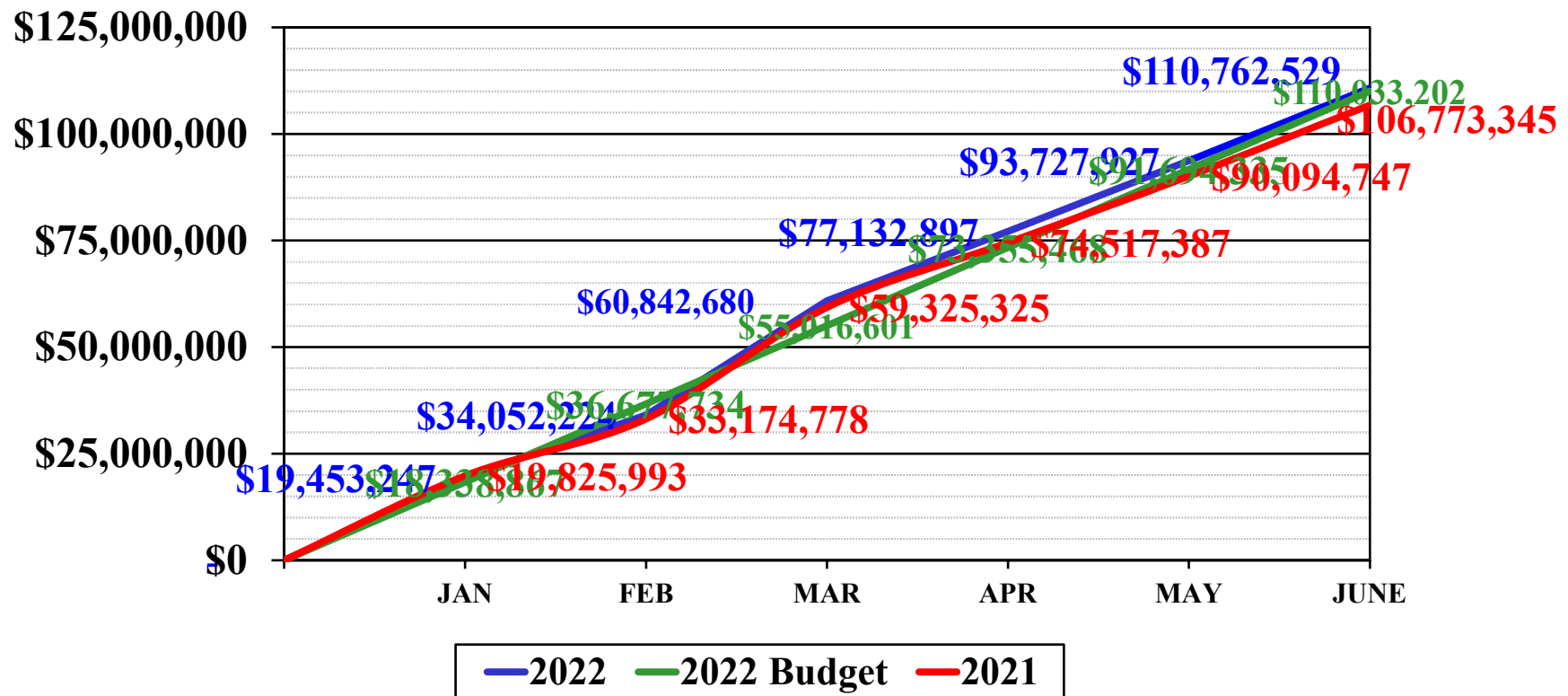
GENERAL FUND OPERATING REVENUES

BUDGET % COLLECTED - 2022 AND 2021



GENERAL FUND OPERATING REVENUES

2022 AND 2021



GENERAL FUND OPERATING REVENUES COMPARED TO ADOPTED BUDGET

| | | YTD | | Variance | |
|----|------------------------|----------------------|----------------------|----------------------|----------------------|
| | | Adopted | YTD | Favorable | Prior Year |
| | | <u>Budget</u> | <u>Revenues</u> | <u>(Unfavorable)</u> | <u>Revenues</u> |
| | REVENUES: | | | | |
| 1 | General property taxes | \$16,228,238 | \$14,329,558 | (\$1,898,679) | \$15,286,038 |
| 2 | Sales taxes | 59,869,925 | 63,651,953 | 3,782,028 | 61,078,426 |
| 3 | Licenses and permits | 6,246,000 | 9,568,080 | 3,322,080 | 9,264,641 |
| 4 | Intergovernmental | 5,351,966 | 0 | (5,351,966) | 0 |
| 5 | Charges for services | 5,632,402 | 6,060,384 | 427,982 | 5,693,237 |
| 6 | Fines and fees | 964,600 | 737,300 | (227,300) | 837,526 |
| 7 | Utility franchise fees | 15,182,609 | 15,328,798 | 146,190 | 14,087,757 |
| 8 | Investment income | 65,000 | 613,393 | 548,393 | 74,433 |
| 9 | Miscellaneous | 492,463 | 473,062 | (19,400) | 451,287 |
| 10 | TOTAL REVENUES | \$110,033,202 | \$110,762,529 | \$729,327 | \$106,773,345 |

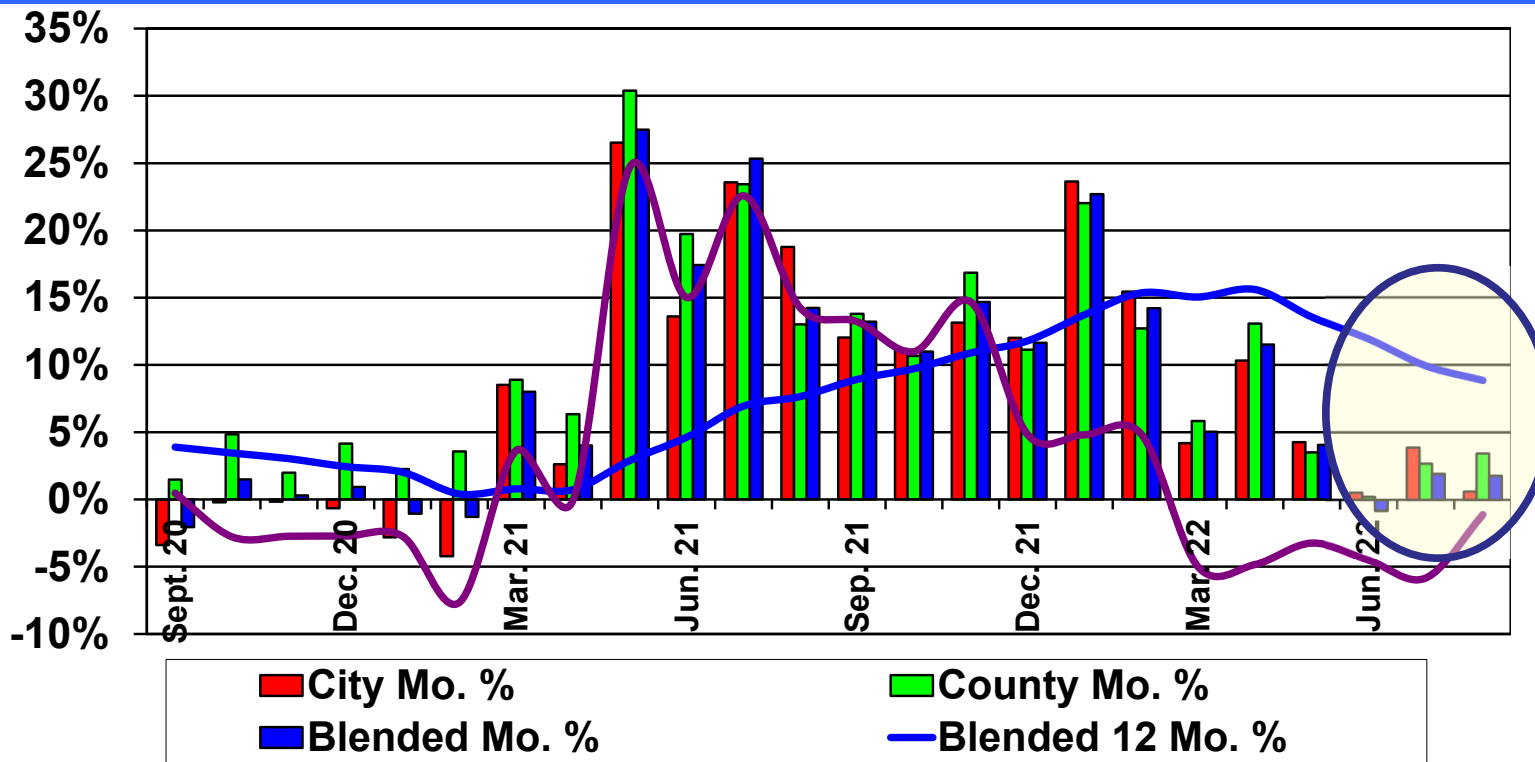
Revenues at the end of the 2nd quarter are approximately \$729,000 or 0.7% above 1/2 of the adopted budget, and approximately \$4 million above 2021 revenues.

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 | \$14,329,558 | \$15,286,038 | (\$956,479) |
| 2 | Sales taxes | 63,651,953 | 61,078,426 | 2,573,527 |
| 3 | Licenses and permits | 9,568,080 | 9,264,641 | 303,439 |
| 4 | Intergovernmental | - | - | - |
| 5 | Charges for services | 6,060,384 | 5,693,237 | 367,148 |
| 6 | Fines and fees | 737,300 | 837,526 | (100,227) |
| 7 | Utility franchise fees | 15,328,798 | 14,087,757 | 1,241,041 |
| 8 | Investment income | 613,393 | 74,433 | 538,960 |
| 9 | Miscellaneous | 473,062 | 451,287 | 21,776 |
| 10 | TOTAL REVENUES | \$110,762,529 | \$106,773,345 | \$3,989,184 |

Through the 2nd quarter, revenues exceed 2021 by approximately \$4 million. Due to the timing of receipt, 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 prices and increased electricity 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

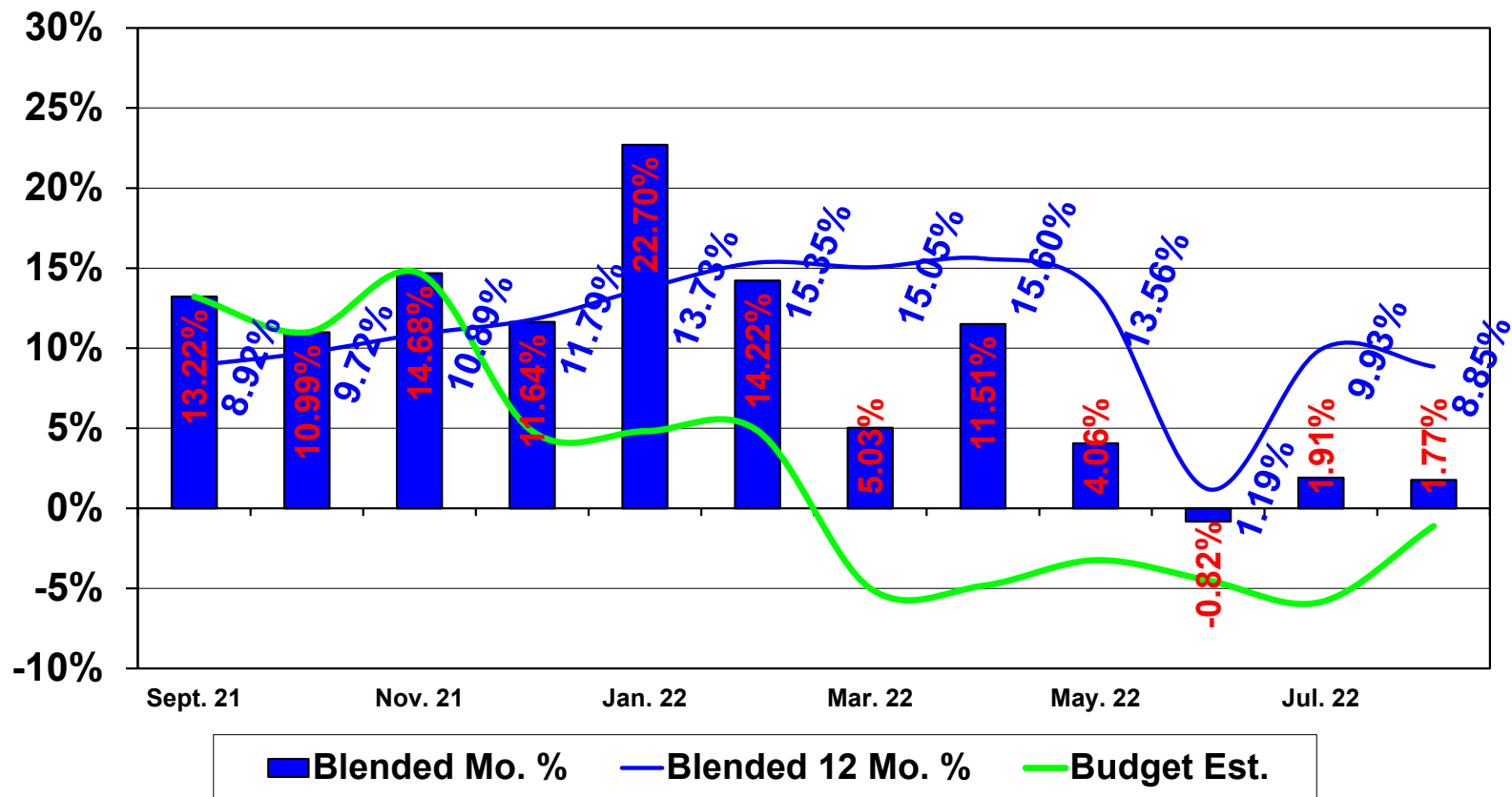


Blended sales tax results represent the total sales tax received by the City, which includes:

- (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 | Budget | % Adopted Budget Growth | Variance from Budget | % Var. from Budget | % Inc (Dec) Prior Year |
|---|------------------------------|--------------------|-----------------------------------|---------------|-------------------------------|-------------------------|--------------------------|------------------------------|
| 1 | Jan-22 | Mar-22 | \$9,589,101 | \$8,673,773 | -5.00% | \$915,328 | 10.55% | 5.03% |
| 2 | Feb-22 | Apr-22 | 9,598,400 | 8,190,958 | -4.84% | 1,407,442 | 17.18% | 11.51% |
| 3 | Mar-22 | May-22 | 11,501,389 | 10,694,972 | -3.24% | 806,417 | 7.54% | 4.06% |
| 4 | Apr-22 | Jun-22 | 10,542,279 | 10,150,894 | -4.50% | 391,385 | 3.86% | -0.82% |
| 5 | May-22 | Jul-22 | 11,420,259 | 10,550,442 | -5.85% | 869,817 | 8.24% | 1.91% |
| 6 | Jun-22 | Aug-22 | 10,899,488 | 10,591,581 | -1.10% | 307,907 | 2.91% | 1.77% |
| 6 | 2022 YTD | | \$63,550,916 | \$58,852,620 | -4.05% | \$4,698,296 | 7.98% | 3.61% |
| 7 | Last 12 Mos | | \$128,448,950 | \$120,469,182 | 2.09% | \$7,979,768 | 6.62% | 8.85% |

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 | |
| 4529 | Other General Merchandise Stores | \$ 2,591,603.09 | \$ 2,828,329.21 | \$ (236,726.12) | -8.4% |
| 4451 | Grocery Stores | \$ 2,406,236.06 | \$ 2,292,251.03 | \$ 113,985.03 | 5.0% |
| 4441 | Building Material and Supplies Dealers | \$ 1,852,693.36 | \$ 1,774,705.75 | \$ 77,987.61 | 4.4% |
| 7221 | Full-Service Restaurants | \$ 1,798,993.41 | \$ 1,737,446.83 | \$ 61,546.58 | 3.5% |
| 4541 | Electronic Shopping and Mail-Order Houses | \$ 1,698,757.55 | \$ 1,713,493.82 | \$ (14,736.26) | -0.9% |
| 7225 | Food Services and Drinking Places; Unknown Subclassification | \$ 1,337,476.57 | \$ 1,033,286.02 | \$ 304,190.55 | 29.4% |
| 4431 | Electronics and Appliance Stores | \$ 1,311,064.98 | \$ 1,314,068.44 | \$ (3,003.46) | -0.2% |
| 4481 | Clothing Stores | \$ 1,034,877.38 | \$ 998,676.89 | \$ 36,200.50 | 3.6% |
| 2211 | Electric Power Generation; Transmission and Distribution | \$ 915,684.39 | \$ 649,617.20 | \$ 266,067.20 | 41.0% |
| 7211 | Traveler Accommodation | \$ 884,797.47 | \$ 617,810.29 | \$ 266,987.18 | 43.2% |
| | Subtotal - Top 10 Highest Sales Tax NAICS Categories | \$ 15,832,184.26 | \$ 14,959,685.45 | \$ 872,498.81 | 5.8% |

This slide shows the NAICS Categories that generated the most **local** sales tax revenue through June 30, 2022, representing approximately 45% of the City's local sales tax revenue. The net revenue growth in the top 10 categories was 5.8%, while the overall growth in the local sales tax through June was 3.75%. 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 4.46% and decreased 9.98%, respectively, for a blended growth rate of 3.61% in the first half of the year.

CITY - 1.125% TAX

TOP TEN NAICS CATEGORY INCREASES BY AMOUNT

| 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 | \$ 555,192.72 | \$ 7,768.65 | \$ 547,424.07 | 7046.6% |
| 7225 | Food Services and Drinking Places; Unknown Subclassification | \$ 1,337,476.57 | \$ 1,033,286.02 | \$ 304,190.55 | 29.4% |
| 7211 | Traveler Accommodation | \$ 884,797.47 | \$ 617,810.29 | \$ 266,987.18 | 43.2% |
| 2211 | Electric Power Generation; Transmission and Distribution | \$ 915,684.39 | \$ 649,617.20 | \$ 266,067.20 | 41.0% |
| 2212 | Natural Gas Distribution | \$ 739,684.02 | \$ 511,245.32 | \$ 228,438.70 | 44.7% |
| 5321 | Automotive Equipment Rental and Leasing | \$ 864,968.56 | \$ 689,837.06 | \$ 175,131.51 | 25.4% |
| 4451 | Grocery Stores | \$ 2,406,236.06 | \$ 2,292,251.03 | \$ 113,985.03 | 5.0% |
| 8111 | Automotive Repair and Maintenance | \$ 724,184.61 | \$ 615,661.33 | \$ 108,523.28 | 17.6% |
| 3323 | Architectural and Structural Metals Manufacturing | \$ 186,552.80 | \$ 88,668.17 | \$ 97,884.64 | 110.4% |
| 2382 | Building Equipment Contractors | \$ 295,628.19 | \$ 199,738.07 | \$ 95,890.12 | 48.0% |
| | Subtotal - Top Positive Sales Tax NAICS Categories | \$ 8,910,405.39 | \$ 6,705,883.13 | \$ 2,204,522.27 | 32.9% |

- **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, and primarily in the 1st quarter 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

| Top Negative Sales Tax Differences | | | | | |
|------------------------------------|--|-----------------|-----------------|-------------------|---------|
| NAICS CODE | NACIS Category Name | YTD 2022 | YTD 2021 | Difference | |
| 3311 | Iron and Steel Mills and Ferroalloy Manufacturing | \$ - | \$ 976,769.35 | \$ (976,769.35) | -100.0% |
| 4238 | Machinery; Equipment; and Supplies Merchant Wholesalers | \$ 121,502.09 | \$ 504,402.83 | \$ (382,900.74) | -75.9% |
| 4529 | Other General Merchandise Stores | \$ 2,591,603.09 | \$ 2,828,329.21 | \$ (236,726.12) | -8.4% |
| 5142 | Data Processing Services | \$ 30,116.59 | \$ 201,596.82 | \$ (171,480.23) | -85.1% |
| 2373 | Highway; Street; and Bridge Construction | \$ (132,725.50) | \$ (50,677.19) | \$ (82,048.31) | 161.9% |
| 9211 | Executive; Legislative; and Other General Government Support | \$ (144,221.96) | \$ (75,212.38) | \$ (69,009.58) | 91.8% |
| 3345 | Navigational; Measuring; Electromedical; and Control Instruments Manufacturing | \$ 36,835.86 | \$ 99,997.55 | \$ (63,161.69) | -63.2% |
| 4216 | Electrical Goods Wholesalers | \$ 433,103.72 | \$ 494,594.03 | \$ (61,490.31) | -12.4% |
| 4213 | Lumber and Other Construction Materials Wholesalers | \$ 91,293.88 | \$ 148,235.15 | \$ (56,941.27) | -38.4% |
| 5133 | Telecommunications | \$ 453,502.34 | \$ 508,362.20 | \$ (54,859.86) | -10.8% |
| | Subtotal - Top Negative Sales Tax NAICS Categories | \$ 3,481,010.11 | \$ 5,636,397.56 | \$ (2,155,387.45) | -38.2% |

- The NAICS categories with the largest decreases by amount offset the NAICS categories with the largest increases by amount. Both represented changes of approximately **\$2.2 million**.
- **Iron and Steel Mills and Ferroalloy Manufacturing** declined **\$976,769** through the 2nd 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>Month</u> | <u>2022 KWH</u> KWH | <u>2021 KWH</u> KWH | <u>2022 Revenue</u> Revenue | <u>2021 Revenue</u> Revenue | <u>Usage Chng</u> Incr (Decr) | <u>Rev Chng</u> Incr (Decr) |
|---|--------------|------------------------|------------------------|--------------------------------|--------------------------------|----------------------------------|--------------------------------|
| 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 | | 1,417,944,143 | 1,485,190,967 | \$6,532,527 | \$6,068,203 | -4.53% | 7.65% |

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 4.53% and revenues increased 7.65% through June. At the end of the 2nd quarter, revenues are approximately \$54,500 below budget based on the monthly projections provided by Entergy. The Electric Franchise Fee budget was decreased by \$96,300 in the recent budget amendment.

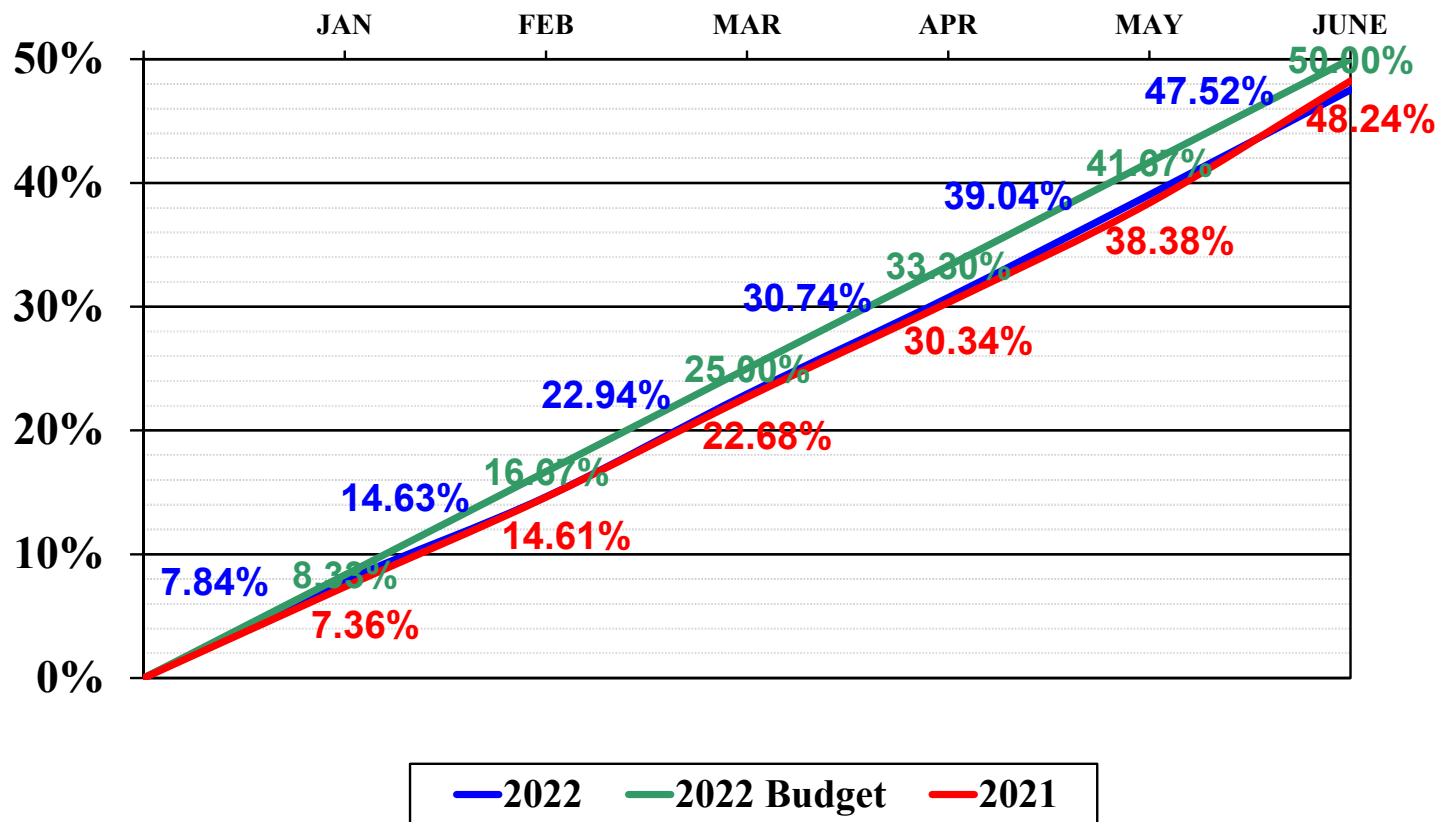
GAS FRANCHISE FEES

| | | 2022 Mcf | 2021 Mcf | 2022 Rev | 2021 Rev | Usage Chng | Rev Chng |
|---|--------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| | Month | Mcf | Mcf | Revenue | Revenue | Incr (Decr) | Incr (Decr) |
| 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 | | 5,829,431 | 6,238,293 | \$2,904,544 | \$2,113,422 | -6.55% | 37.43% |

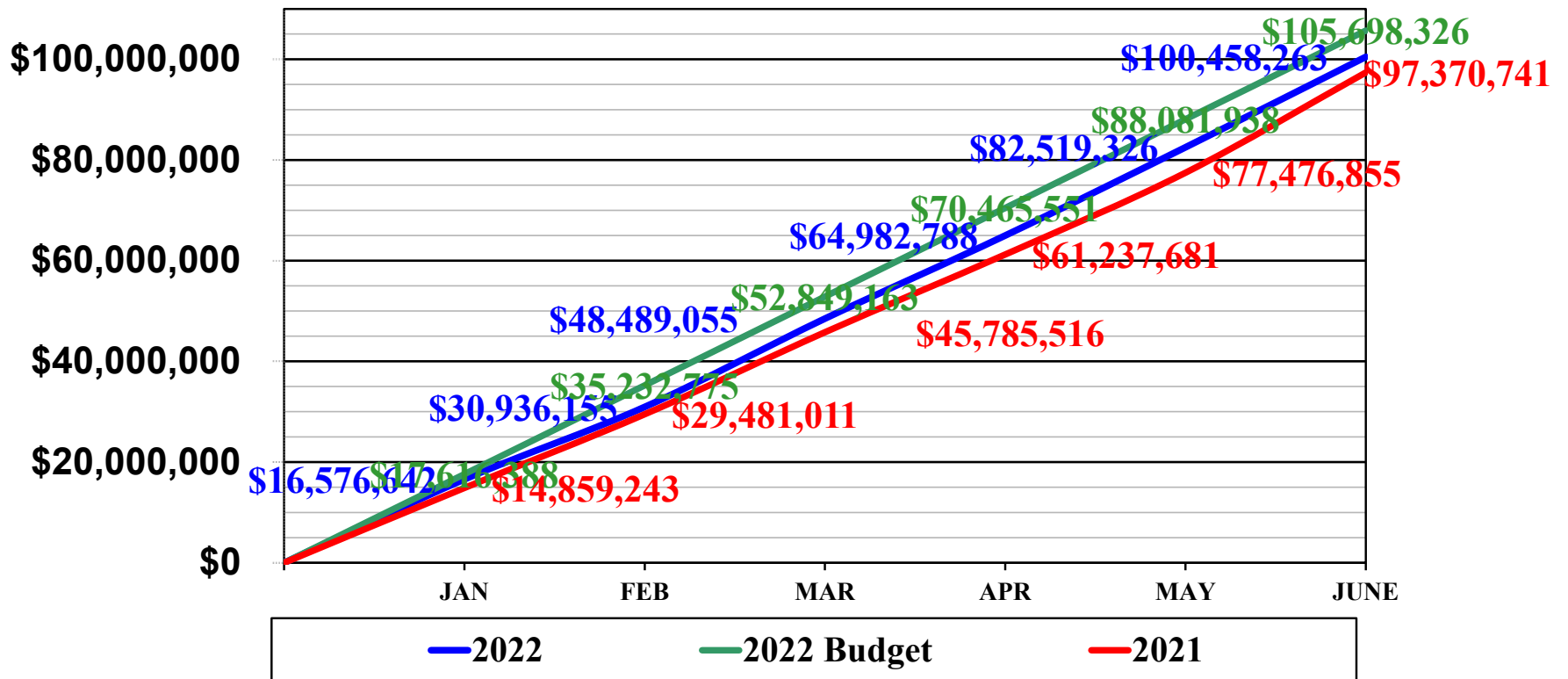
The 2022 adopted budget is \$3,506,300, reflecting an increase of 7.1% from 2021 actual results. Budget projections were obtained from the Summit Energy. In 2021, the PSC approved recovery of the extraordinary gas costs experienced due to the Feb 2021 Winter Storm. This additional surcharge increases 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 June 2022 are approximately 37%, \$791,122, above the same period a year ago. The recent budget amendment includes an increase in gas franchise fees.

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)

| | <u>YTD Budget</u> | <u>YTD Expenses</u> | <u>Variance Favorable (Unfavorable)</u> | <u>Prior Year Expenses</u> |
|------------------------------------|-----------------------|-------------------------|---|--------------------------------|
| EXPENDITURES: | | | | |
| GENERAL GOVERNMENT: | | | | |
| 1 Executive Administration | \$12,500,415 | \$10,912,718 | \$1,587,697 | \$10,708,795 |
| 2 Board of Directors | 172,337 | 155,661 | 16,676 | 154,474 |
| 3 Community Programs | 151,637 | 164,073 | (12,437) | 218,705 |
| 4 City Attorney | 897,978 | 860,523 | 37,455 | 779,612 |
| 5 District Court - (Criminal) | 690,007 | 622,616 | 67,391 | 587,783 |
| 6 District Court - (Environmental) | 286,044 | 274,497 | 11,547 | 251,346 |
| 7 District Court - (Traffic) | 643,681 | 565,063 | 78,618 | 618,781 |
| 8 Finance | 2,092,498 | 2,019,710 | 72,788 | 1,705,660 |
| 9 Human Resources | 1,082,106 | 1,043,469 | 38,637 | 978,183 |
| 10 Information Technology | 3,130,007 | 2,984,495 | 145,512 | 2,489,451 |
| 11 Planning and Development | 1,505,128 | 1,380,806 | 124,321 | 1,118,660 |
| 12 TOTAL GENERAL GOVERNMENT | 23,151,835 | 20,983,629 | 2,168,206 | 19,611,449 |

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

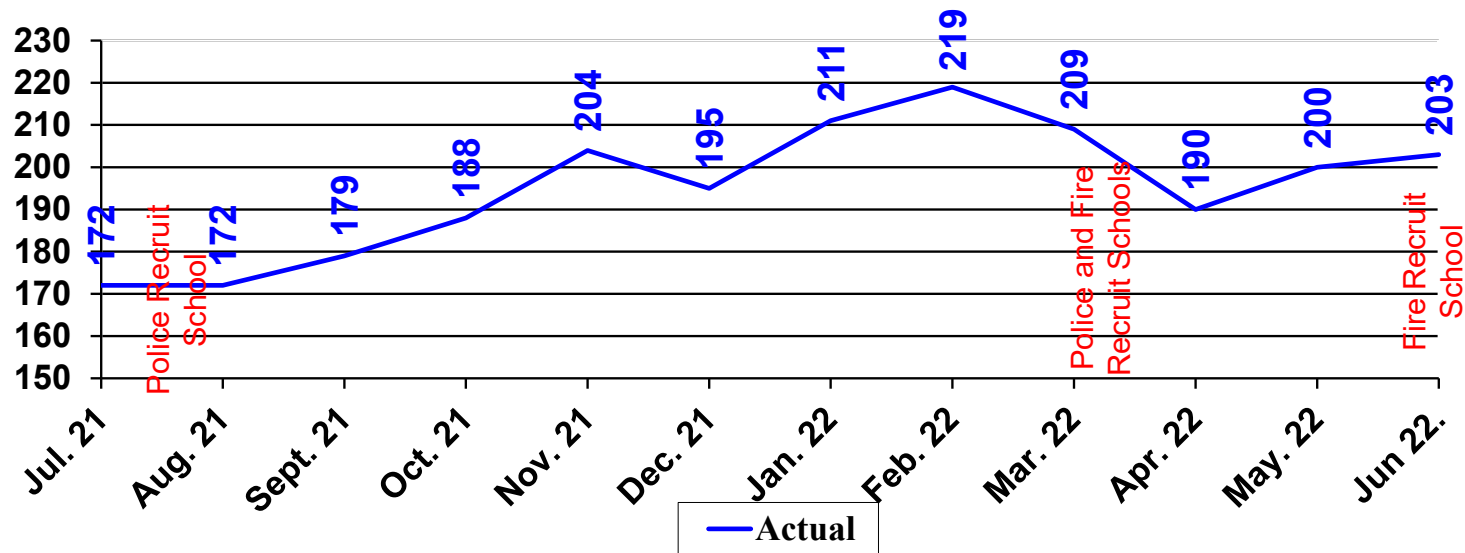
| | YTD <u>Budget</u> | YTD <u>Expenses</u> | Variance Favorable <u>(Unfavorable)</u> | Prior Year <u>Expenses</u> |
|---------------------------------------|----------------------|------------------------|---|-------------------------------|
| EXPENDITURES: | | | | |
| GENERAL GOVERNMENT: | | | | |
| 13 PUBLIC WORKS | 567,078 | 529,445 | 37,633 | 454,385 |
| 14 PARKS & RECREATION | 5,020,353 | 4,740,369 | 279,984 | 4,314,413 |
| 15 RIVERMARKET | 578,707 | 553,507 | 25,199 | 382,224 |
| 16 GOLF | 799,472 | 800,566 | (1,094) | 861,295 |
| 17 JIM DAILEY FITNESS & AQUATICS | 408,616 | 367,560 | 41,056 | 344,801 |
| 18 ZOO | 3,407,576 | 3,804,951 | (397,375) | 3,238,551 |
| 19 FIRE | 27,611,046 | 27,931,438 | (320,392) | 27,892,813 |
| 20 POLICE | 37,426,960 | 36,136,496 | 1,290,464 | 36,993,871 |
| 21 911 OPERATIONS | 2,099,230 | 1,947,317 | 151,913 | 0 |
| 22 HOUSING & NEIGHBORHOOD | 2,862,329 | 2,662,985 | 199,343 | 2,329,832 |
| 23 DEBT SERVICE: | | | | |
| 24 Principal | 1,691,410 | 0 | 1,691,410 | 932,734 |
| 25 Fiscal Charges on Long Term Debt | 73,717 | 0 | 73,717 | 14,373 |
| 26 Capital Outlay | 0 | 0 | 0 | 0 |
| SAVINGS FROM AUTHORIZED BUT | | | | |
| 27 UNFILLED POSITIONS | 0 | 0 | 0 | 0 |
| 28 TOTAL EXPENDITURES | \$105,698,326 | \$100,458,263 | \$5,240,063 | \$97,370,741 |

GENERAL FUND

AUTHORIZED BUT UNFILLED POSITIONS AND VACATION/SICK PAYOUTS

- Savings from Authorized but Unfilled Positions
 - \$6 691,700
2022 adopted budget achieved
 - 203 budgeted positions were unfilled in the General Fund as of the last pay period in June.
- Vacation/Sick Payouts
 - \$1,750,000
2022 adopted budget
 - \$972,299
paid out through the end of the 2nd quarter

GENERAL FUND AUTHORIZED BUT UNFILLED POSITIONS LAST TWELVE MONTHS



The number of vacant Uniformed Police positions was seventy-four (74) as of the last payroll in June: Sixty-seven (67) Officers, and five (5) Sergeants, one (1) Major, and the Chief.