

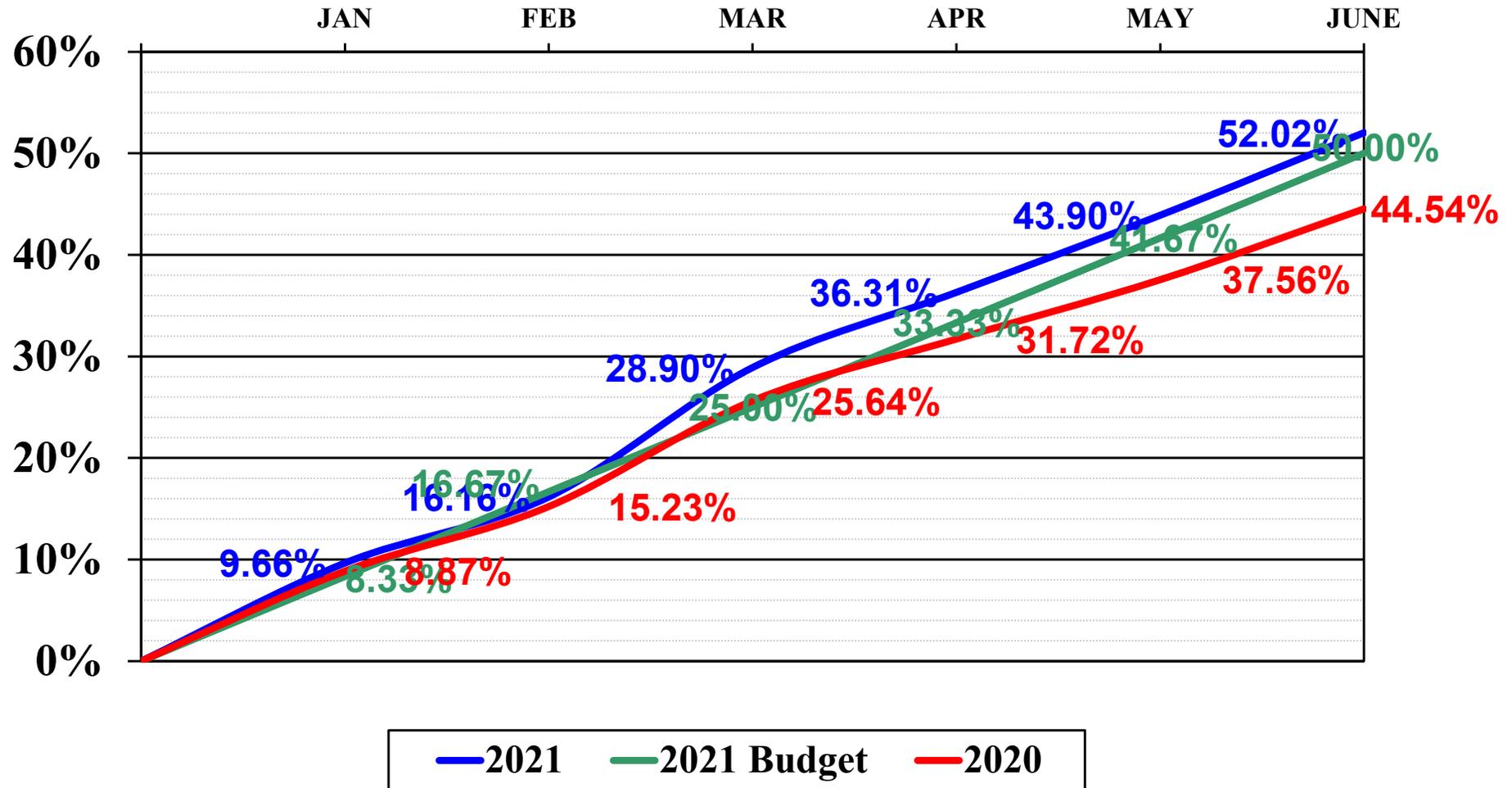
CITY OF LITTLE ROCK



Second Quarter 2021 Financial Report

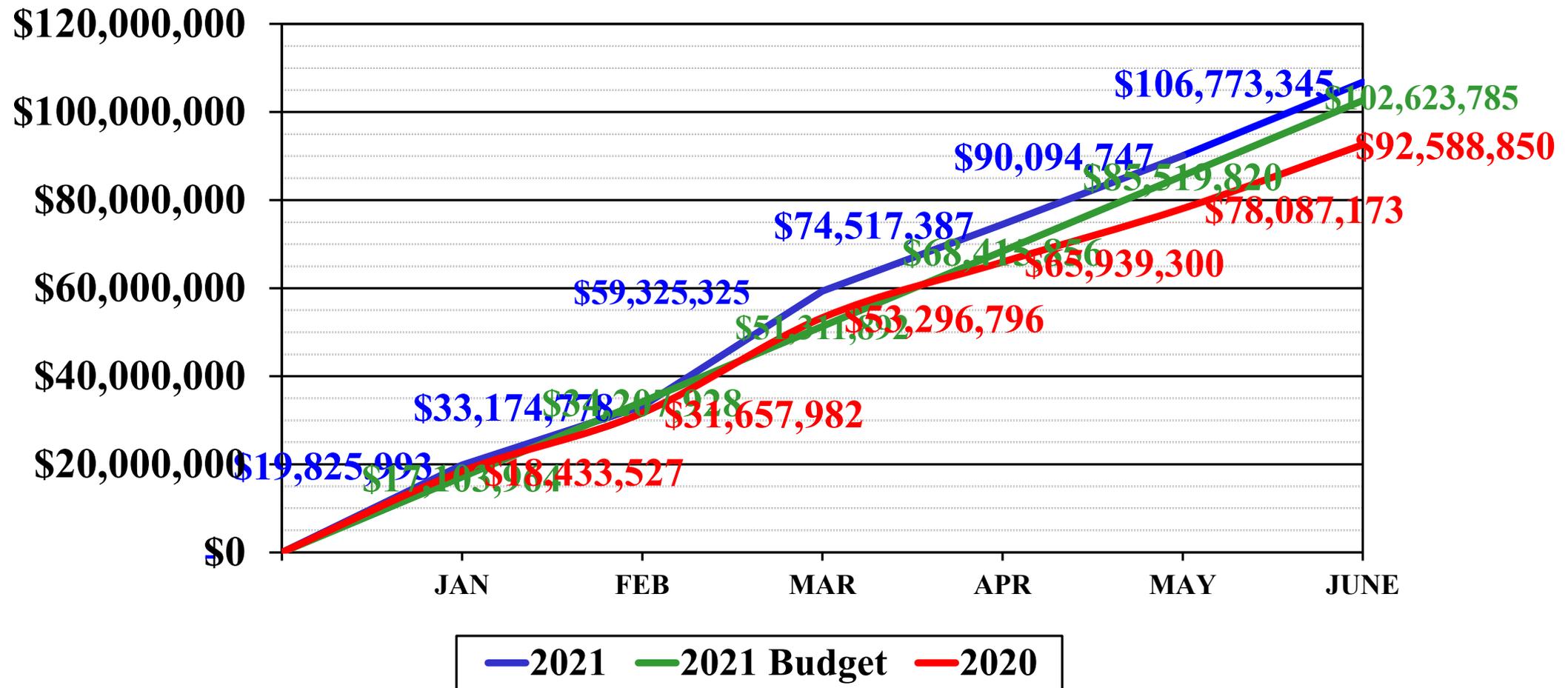
GENERAL FUND REVENUES

BUDGET % COLLECTED - 2021 AND 2020



GENERAL FUND REVENUES

2021 AND 2020



GENERAL FUND REVENUES COMPARED TO ADOPTED BUDGET

				Variance	
		YTD	YTD	Favorable	Prior Year
		<u>Budget</u>	<u>Revenues</u>	<u>(Unfavorable)</u>	<u>Revenues</u>
	REVENUES:				
1	General property taxes	\$15,801,850	\$15,286,038	(\$515,812)	\$13,266,503
2	Sales taxes	54,017,636	61,078,426	7,060,791	52,509,360
3	Licenses and permits	6,002,000	9,264,641	3,262,641	8,736,901
4	Intergovernmental	5,552,936	0	(5,552,936)	0
5	Charges for services	5,117,444	5,693,237	575,793	3,417,088
6	Fines and fees	910,750	837,526	(73,224)	614,782
7	Utility franchise fees	14,569,428	14,087,757	(481,671)	13,243,632
8	Investment income	125,000	74,433	(50,567)	178,017
9	Miscellaneous	526,742	451,287	(75,455)	622,567
10	TOTAL REVENUES	\$102,623,785	\$106,773,345	\$4,149,560	\$92,588,850

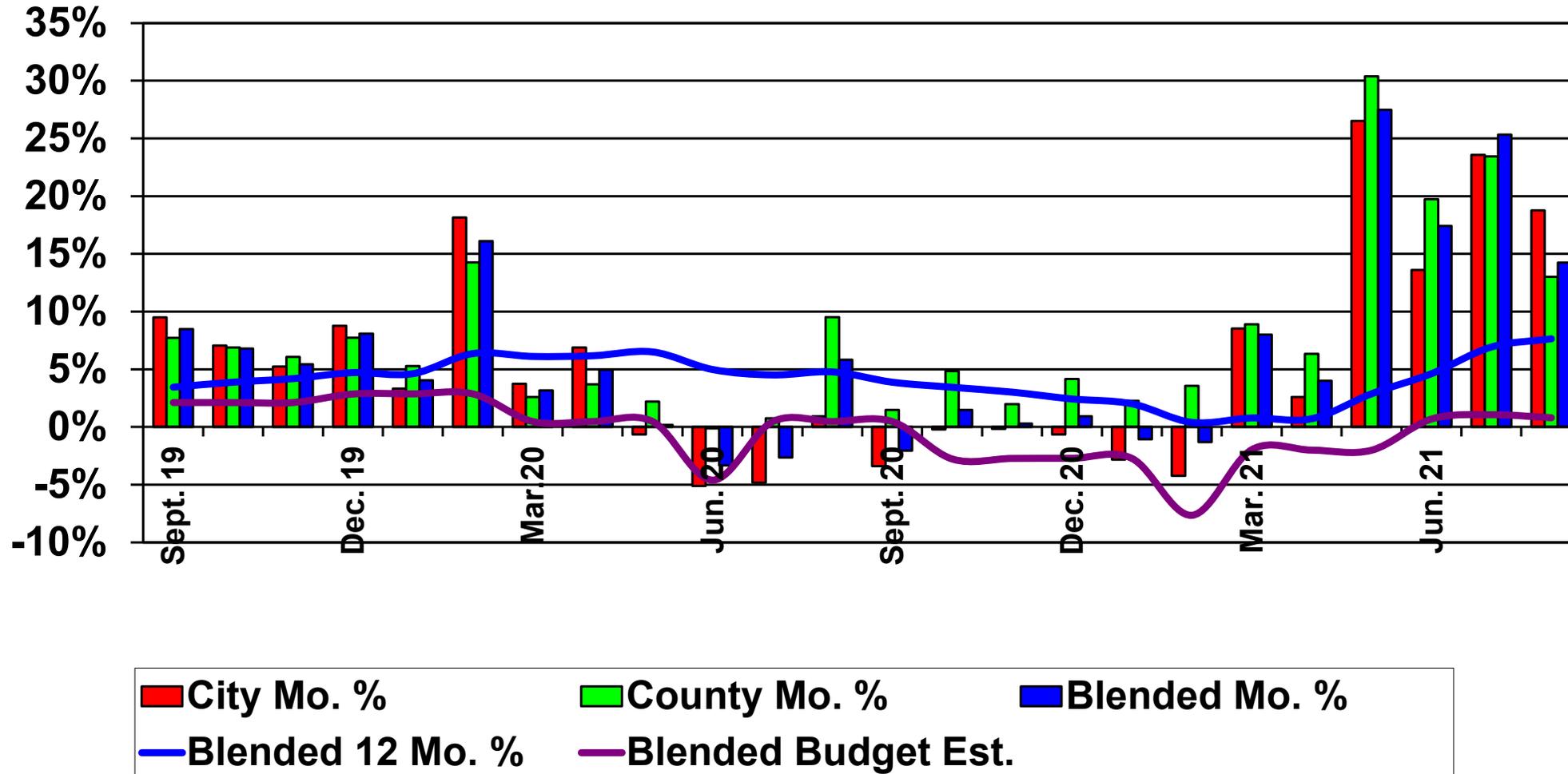
Revenues at the end of the first quarter were \$4.1 million or 4% above budget and approximately \$14.2 million or 15.3% above 2020 revenues. 2020 revenues were impacted by COVID-19 related closures beginning in March.

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	\$15,286,038	\$13,266,503	\$2,019,535
2 Sales taxes	61,078,426	52,509,360	8,569,066
3 Licenses and permits	9,264,641	8,736,901	527,740
4 Intergovernmental	-	-	-
5 Charges for services	5,693,237	3,417,088	2,276,149
6 Fines and fees	837,526	614,782	222,744
7 Utility franchise fees	14,087,757	13,243,632	844,125
8 Investment income	74,433	178,017	(103,584)
9 Miscellaneous	451,287	622,567	(171,280)
10 TOTAL REVENUES	\$106,773,345	\$92,588,850	\$14,184,495

As noted previously, \$1.1 million in 2020 excess commissions for property taxes received in March 2021 were included in 2021 revenues due to the timing or receipt. Sales tax is detailed on following slides. Licenses and permits, charges for services, fines and fees, and utility franchise fees are all improved over prior year, primarily due to the gradual lifting of COVID-19 related restrictions, and the reopening of facilities. Franchise fee increases are due to improved collection of delinquent accounts and the very cold temperatures during the 1st quarter of the year.

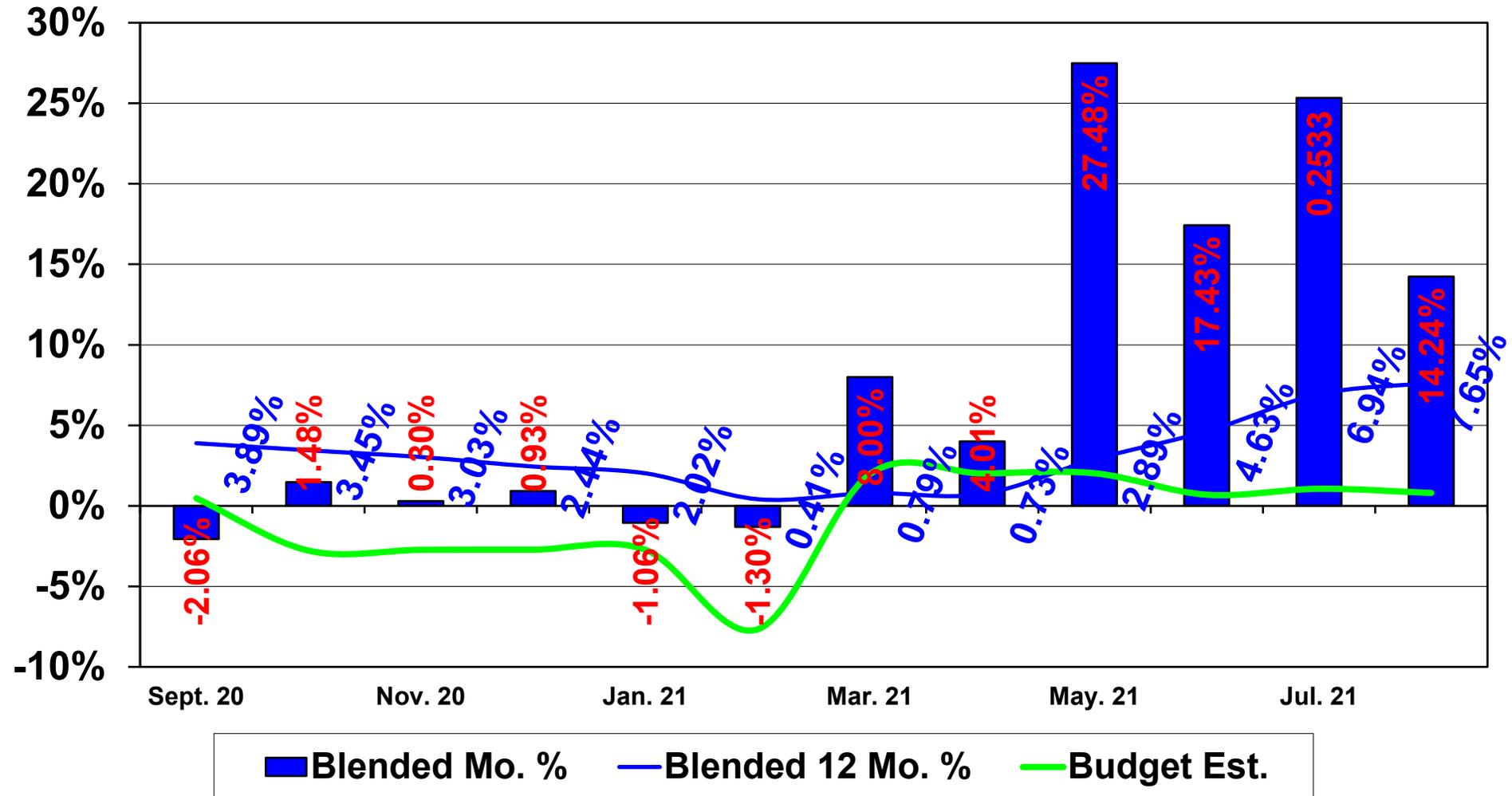
CITY, COUNTY, AND BLENDED SALES TAX PERCENTAGE GROWTH



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.

BLENDED SALES TAX PERCENTAGE GROWTH COLLECTED OVER THE LAST TWELVE MONTHS



SALES TAX PERCENTAGE GROWTH COMPARISON TO BUDGET AND PRIOR YEAR

			Sales & Use		% Amended		%	%
	Month	For Sales In	Tax	Amended	Budget	Variance	Var. from	Inc (Dec)
	Collected	The Month Of	Collections	Budget	Growth	from Budget	Budget	Prior Year
1	Mar-21	Jan-21	\$9,130,230	\$8,286,853	-1.97%	\$843,377	10.18%	8.00%
2	Apr-21	Feb-21	8,607,560	8,109,467	-2.01%	498,093	6.14%	4.01%
3	May-21	Mar-21	11,052,660	8,495,035	-2.02%	2,557,625	30.11%	27.48%
4	Jun-21	Apr-21	10,629,369	9,114,454	0.69%	1,514,915	16.62%	17.43%
5	Jul-21	May-21	11,206,158	9,035,857	1.06%	2,170,301	24.02%	25.33%
6	Aug-21	Jun-21	10,709,407	9,449,553	0.80%	1,259,854	13.33%	14.24%
7	2021 YTD		\$61,335,384	\$52,491,219	-0.52%	\$8,844,165	16.85%	16.24%
8	Last 12 Mos		\$118,008,469	\$107,791,295	-1.67%	\$10,217,174	9.48%	7.65%

The adopted budget anticipated a decline in sales tax revenues in the 1st quarter in comparison to the pre-COVID-19 results of 1Q 2020 with gradual improvement over prior year. The high favorable variances in May – August are in comparison to the initial months of COVID-19, when most businesses were closed to customers or operating at a very limited capacity. In addition, unusual construction related activities boosted results. However, local tax rebates may pull back some of the increase in future periods. Businesses have twelve (12) months to claim rebates. Additional information by NAICS code follows. YTD results are 16.24% above the same period a year ago and 7.65% above the prior twelve-months.

CITY - 1.5% TAX

TOP TEN NAICS CATEGORY INCREASES

Top Positive Sales Tax Differences					
NAICS CODE	NACIS Category Name	YTD 2021	YTD 2020	Difference	
3311	Iron and Steel Mills and Ferroalloy Manufacturing	\$ 1,302,359.13	\$ 32,066.28	\$ 1,270,292.85	3961.46%
4541	Electronic Shopping and Mail-Order Houses	\$ 2,284,658.42	\$ 1,656,507.73	\$ 628,150.69	37.92%
4481	Clothing Stores	\$ 1,331,569.18	\$ 864,728.23	\$ 466,840.95	53.99%
4238	Machinery; Equipment; and Supplies Merchant Wholesalers	\$ 672,537.10	\$ 247,453.18	\$ 425,083.92	171.78%
7225	Food Services and Drinking Places; Unknown Subclassification	\$ 1,377,714.69	\$ 982,846.00	\$ 394,868.69	40.18%
7221	Full-Service Restaurants	\$ 2,316,595.77	\$ 1,922,975.71	\$ 393,620.06	20.47%
4431	Electronics and Appliance Stores	\$ 1,752,091.25	\$ 1,460,514.15	\$ 291,577.10	19.96%
2212	Natural Gas Distribution	\$ 681,660.43	\$ 405,934.64	\$ 275,725.79	67.92%
5142	Data Processing Services	\$ 268,795.76	\$ 53,686.48	\$ 215,109.28	400.68%
5321	Automotive Equipment Rental and Leasing	\$ 919,782.74	\$ 708,727.61	\$ 211,055.13	29.78%

- Revenues from the 10 NAICS Categories with the largest increase in amounts in 2021 compared to the same period in 2020 are shown above. **Iron and Steel Mills and Ferroalloy Manufacturing** leads the way with a **3,691% increase**. This is likely associated with the 1-30 bridge construction and other large economic development projects such as Costco in West Little Rock. Rebates on this unusual increase may still be outstanding and can be claimed for up to twelve (12) months from the initial purchase.
- **Electronic Shopping and Mail-Order Houses** reflects the increase in internet sales with growth of **38%**.
- **Food Services and Drinking Places**; and **Full-Service Restaurants** increased **40%** and **20.5%** reflecting gradual reopening of bars and restaurants.
- **Natural Gas Distribution** reflects the extreme winter weather experienced with record snowstorms in February.

COUNTY – 1% TAX

TOP TEN NAIACS CATEGORY INCREASES

Top Positive Sales Tax Differences					
NAICS CODE	NACIS Category Name	YTD 2021	YTD 2020	Difference	% Change
4541	Electronic Shopping and Mail-Order Houses	\$ 2,704,912.24	\$ 1,959,483.58	\$ 745,428.66	38.04%
7225	Food Services and Drinking Places; Unknown Subclassification	\$ 1,519,621.01	\$ 982,366.96	\$ 537,254.05	54.69%
4431	Electronics and Appliance Stores	\$ 1,794,083.23	\$ 1,346,916.84	\$ 447,166.39	33.20%
4481	Clothing Stores	\$ 1,249,733.51	\$ 825,397.54	\$ 424,335.97	51.41%
7221	Full-Service Restaurants	\$ 2,547,736.87	\$ 2,228,630.22	\$ 319,106.65	14.32%
4238	Machinery; Equipment; and Supplies Merchant Wholesalers	\$ 527,516.95	\$ 210,984.28	\$ 316,532.67	150.03%
4216	Electrical Goods Wholesalers	\$ 822,349.08	\$ 520,413.59	\$ 301,935.49	58.02%
4529	Other General Merchandise Stores	\$ 5,189,722.67	\$ 4,913,755.83	\$ 275,966.84	5.62%
4539	Other Miscellaneous Store Retailers	\$ 832,972.49	\$ 576,880.12	\$ 256,092.37	44.39%
7211	Traveler Accommodation	\$ 782,358.11	\$ 573,343.57	\$ 209,014.54	36.46%

- The City receives approximately 50% of the County 1% tax based on population. Like the City, the large growth occurred in ***Electronic Shopping and Mail-Order Houses; Food Services and Drinking Places; Full-Service Restaurants; and Machinery, Equipment, and Supplies.***
- ***Iron and Steel Mills and Ferroalloy Manufacturing*** fell just out of the top ten for the County due to comparison to projects in the 2nd quarter of 2020 outside of Little Rock City limits.
- County revenues are also subject to rebate for up to twelve (12) months.

REVENUE PROVIDED BY 2012 SALES TAX

		2021 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	2,853,396	1,712,037	4,565,433	2,629,262	1,577,557	4,206,819	8.52%
2	April	February	2,665,403	1,599,242	4,264,644	2,597,519	1,558,512	4,156,031	2.61%
3	May	March	3,380,310	2,028,186	5,408,496	2,671,786	1,603,071	4,274,857	26.52%
4	June	April	3,232,317	1,939,390	5,171,707	2,845,057	1,707,034	4,552,091	13.61%
5	July	May	3,236,572	1,941,943	5,178,515	2,619,076	1,571,446	4,190,522	23.58%
6	August	June	3,318,945	1,991,367	5,310,312	2,794,411	1,676,646	4,471,057	18.77%
7	YTD Total		\$18,686,942	\$11,212,165	\$29,899,107	\$16,157,110	\$9,694,266	\$25,851,377	15.66%
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)	
8	2012 Total	28,992,457	17,449,867	46,442,324	n/a	n/a	n/a	n/a	
9	2013 Total	29,220,016	17,573,702	46,793,718	28,992,457	17,449,867	46,442,324	0.76%	
10	2014 Total	29,608,840	17,849,353	47,458,193	29,220,016	17,573,702	46,793,718	1.42%	
11	2015 Total	30,773,111	18,430,387	49,203,498	29,608,840	17,849,353	47,458,193	3.68%	
12	2016 Total	30,789,996	18,473,997	49,263,993	30,773,111	18,430,387	49,203,498	0.12%	
13	2017 Total	31,366,925	18,820,155	50,187,081	30,789,996	18,473,997	49,263,993	1.87%	
14	2018 Total	31,678,593	19,007,156	50,685,748	31,366,925	18,820,155	50,187,081	0.99%	
15	2019 Total	33,967,300	20,380,380	54,347,679	31,678,593	19,007,156	50,685,748	7.22%	
16	2020 Total	33,592,828	20,155,697	53,748,525	33,967,300	20,380,380	54,347,679	-1.10%	
17	2012 - 2020	\$279,990,066	\$168,140,694	\$448,130,760					
18	Grand Total - Life to Date	\$298,677,007	\$179,352,859	\$478,029,866					

ELECTRIC FRANCHISE FEES

		<u>2021 KWH</u>	<u>2020 KWH</u>	<u>2021 Revenue</u>	<u>2020 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	251,652,736	250,657,178	1,060,947	981,072	0.40%	8.14%
2	February	229,331,008	240,972,724	926,750	1,055,951	-4.83%	-12.24%
3	March	249,676,687	227,824,355	1,075,144	1,011,843	9.59%	6.26%
4	April	284,157,593	211,970,481	860,646	909,024	34.06%	-5.32%
5	May	209,830,538	201,189,912	917,622	879,740	4.29%	4.31%
6	June	260,542,405	245,253,070	1,227,095	1,170,842	6.23%	4.80%
7		1,485,190,967	1,377,867,720	\$6,068,203	\$6,008,472	7.79%	0.99%

The adopted budget is \$13,896,000, an increase of 4.7% from the 2020 amended budget of \$13.3 million based on information received from Entergy. Actual revenues are only 0.99% above prior year with increased usage of 7.79%

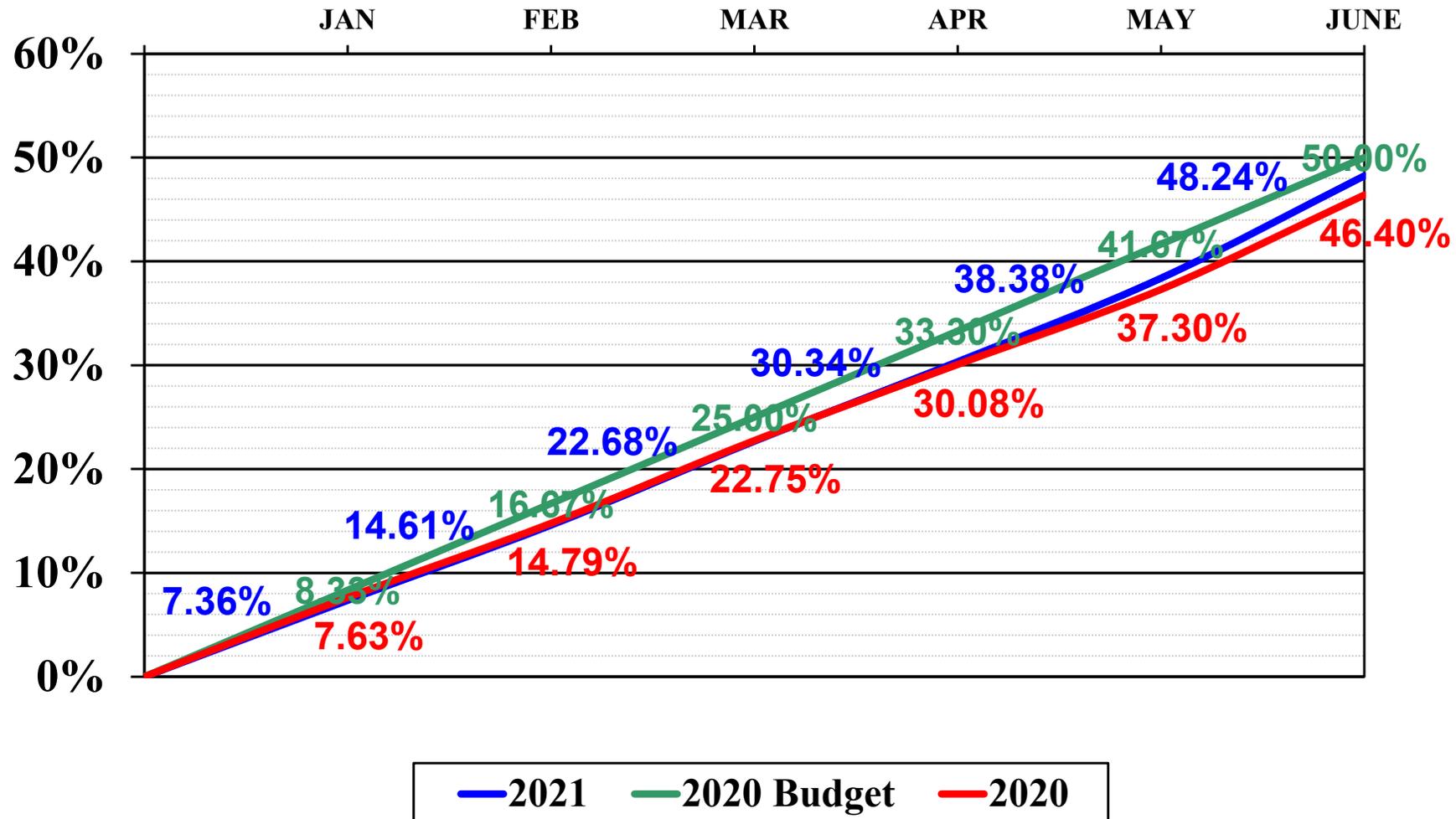
GAS FRANCHISE FEES

		2021 Mcf	2020 Mcf	2021 Rev	2020 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	1,552,735	1,316,654	545,428	512,937	17.93%	6.33%
2	February	1,664,710	1,384,676	547,479	497,936	20.22%	9.95%
3	March	1,388,136	1,168,708	452,649	406,089	18.78%	11.47%
4	April	697,414	702,130	227,191	220,380	-0.67%	3.09%
5	May	545,643	557,847	200,374	162,122	-2.19%	23.60%
6	June	389,655	405,633	140,299	116,121	-3.94%	20.82%
7		6,238,293	5,535,648	\$2,113,422	\$1,915,584	12.69%	10.33%

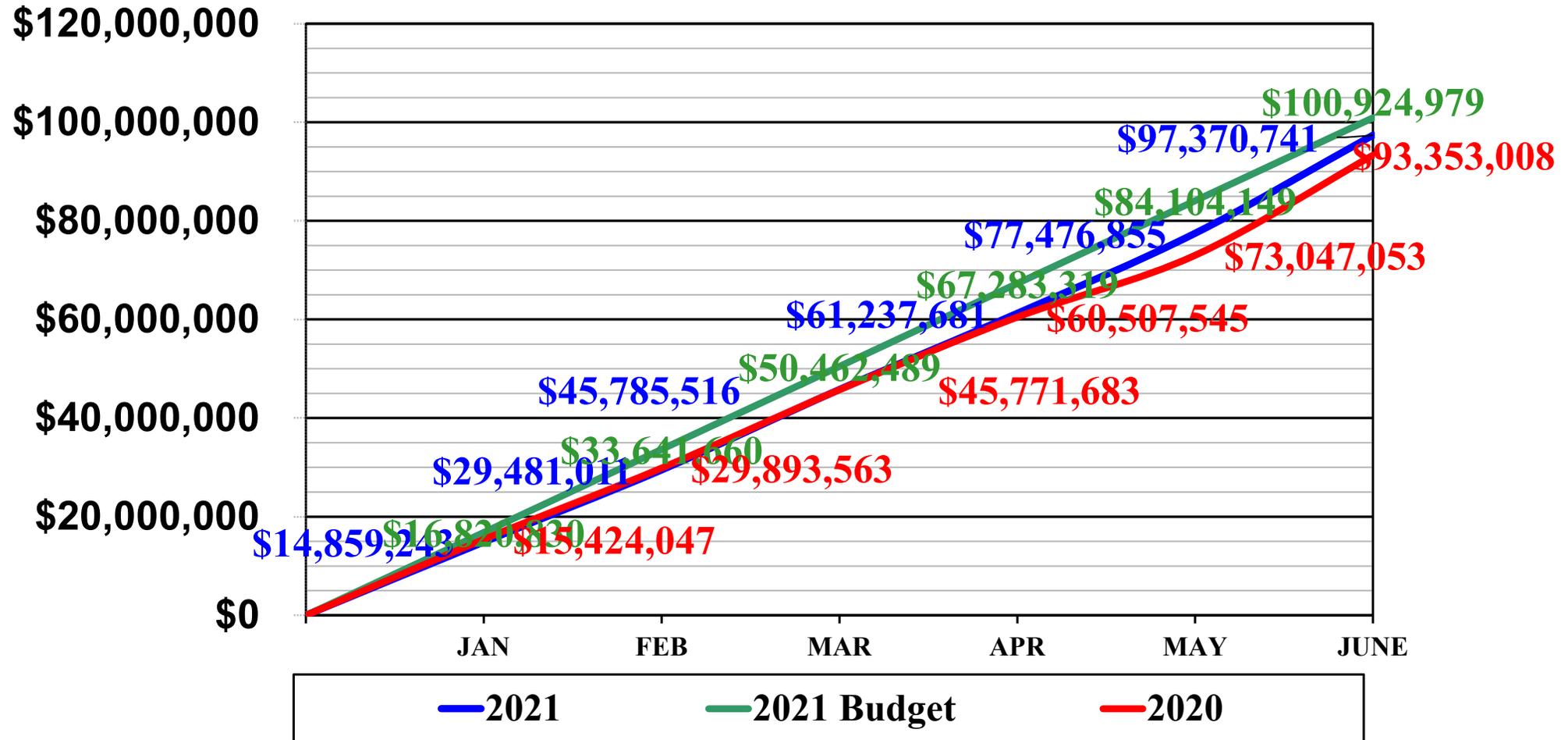
The 2021 adopted budget is \$2,878,300, reflecting a decrease of 8% from the 2020 final amended budget of \$3,131,500. Traditionally, the 1st quarter of the year is the strongest period for gas revenues. The colder than average temperatures in the 1st quarter, coupled with the extreme snowstorm in late February resulted in increased usage of 12.7% and increased revenue of 10.33% from prior.

GENERAL FUND EXPENDITURES

BUDGET % EXPENDED - 2021 AND 2020



GENERAL FUND EXPENDITURES 2021 AND 2020



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

				Variance	
		YTD	YTD	Favorable	Prior Year
		<u>Budget</u>	<u>Expenses</u>	<u>(Unfavorable)</u>	<u>Expenses</u>
	EXPENDITURES:				
	GENERAL GOVERNMENT:				
1	Executive Administration	\$10,810,433	\$10,708,795	\$101,638	\$9,685,847
2	Board of Directors	170,324	154,474	15,850	157,895
3	Community Programs	232,525	218,705	13,820	237,015
4	City Attorney	799,196	779,612	19,584	770,228
5	District Court - (Criminal)	651,147	587,783	63,364	592,498
6	District Court - (Environmental)	269,779	251,346	18,433	248,216
7	District Court - (Traffic)	624,660	618,781	5,879	602,823
8	Finance	2,035,333	1,705,660	329,673	1,707,579
9	Human Resources	1,009,891	978,183	31,708	776,979
10	Information Technology	2,968,497	2,489,451	479,045	2,698,251
11	Planning and Development	1,252,696	1,118,660	134,035	1,211,950
12	TOTAL GENERAL GOVERNMENT	20,824,477	19,611,449	1,213,028	18,689,279

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

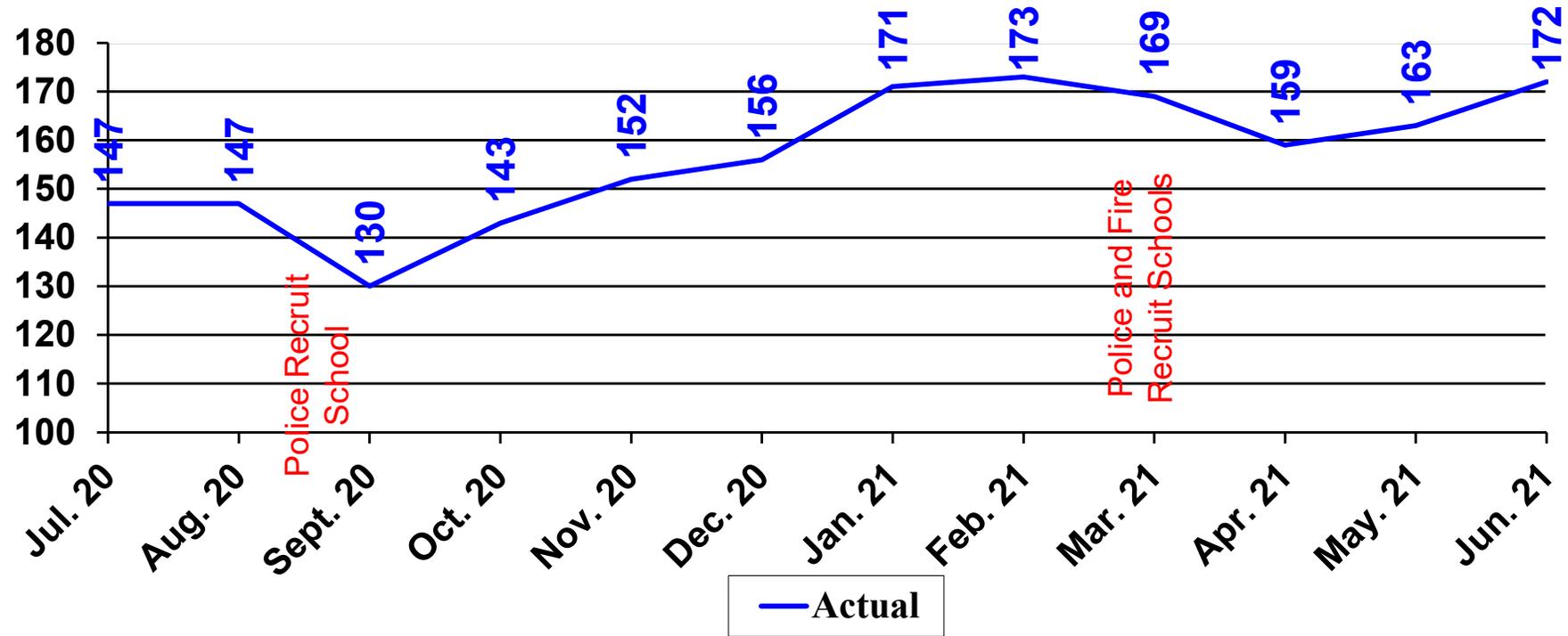
	EXPENDITURES:				
13	PUBLIC WORKS	555,479	454,385	101,093	436,467
14	PARKS & RECREATION	4,827,849	4,314,413	513,435	4,366,496
15	RIVERMARKET	387,339	382,224	5,115	415,458
16	GOLF	778,847	861,295	(82,449)	802,096
17	JIM DAILEY FITNESS & AQUATICS	417,460	344,801	72,659	348,066
18	ZOO	3,134,686	3,238,551	(103,865)	2,714,917
19	FIRE	26,763,812	27,892,813	(1,129,002)	24,397,220
20	POLICE	38,955,545	36,993,871	1,961,674	36,638,076
21	HOUSING & NEIGHBORHOOD	2,580,684	2,329,832	250,852	2,350,936
22	DEBT SERVICE:				
23	Principal	2,030,375	932,734	1,097,641	2,143,299
24	Interest	86,948	14,373	72,574	50,696
25	Agent Fees	12,000	0	12,000	0
26	SAVINGS FROM AUTHORIZED BUT UNFILLED POSITIONS	(430,519)	0	(430,519)	0
27	TOTAL EXPENDITURES	\$100,924,979	\$97,370,741	\$3,554,237	\$93,353,008

GENERAL FUND

AUTHORIZED BUT UNFILLED POSITIONS AND VACATION/SICK PAYOUTS

- Savings from Authorized but Unfilled Positions
 - \$6,000,000
2021 adopted budget
 - \$5,138,961 achieved
 - 172 budgeted positions were unfilled in the General Fund at the end of the 2nd quarter
- Vacation/Sick Payouts
 - \$1,250,000
2021 adopted budget
 - \$1,142,942
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 forty-four (44) as of the last payroll in June: forty-two (42) Officers and two (2) Sergeants. A Police recruit school that began 2/15/21 recently graduated 11 Officers. A Fire recruit school with 29 members began on 3/29/21. The latest Police recruit school began on 8/16/21.