

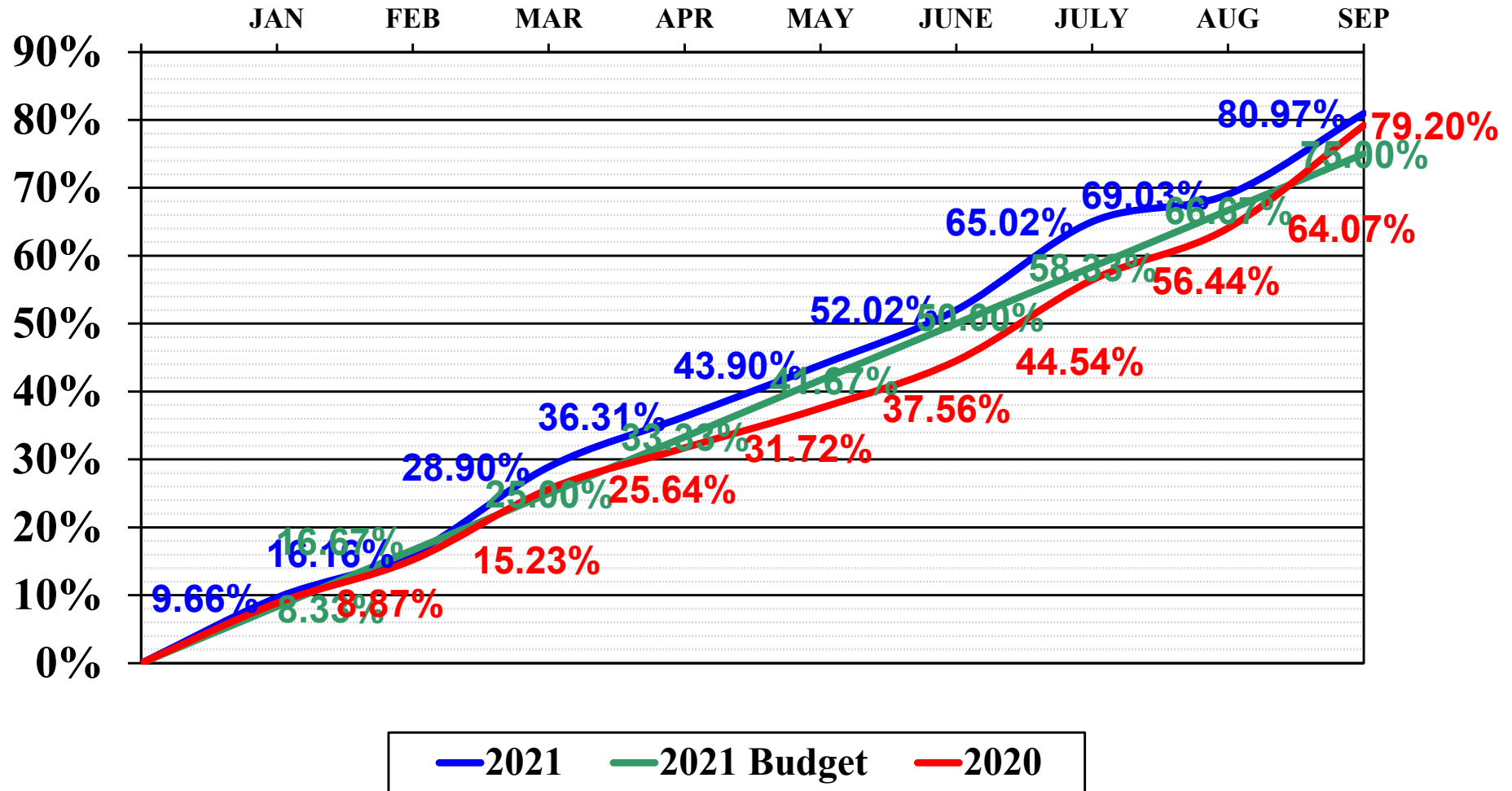
CITY OF LITTLE ROCK



Third Quarter 2021 Financial Report

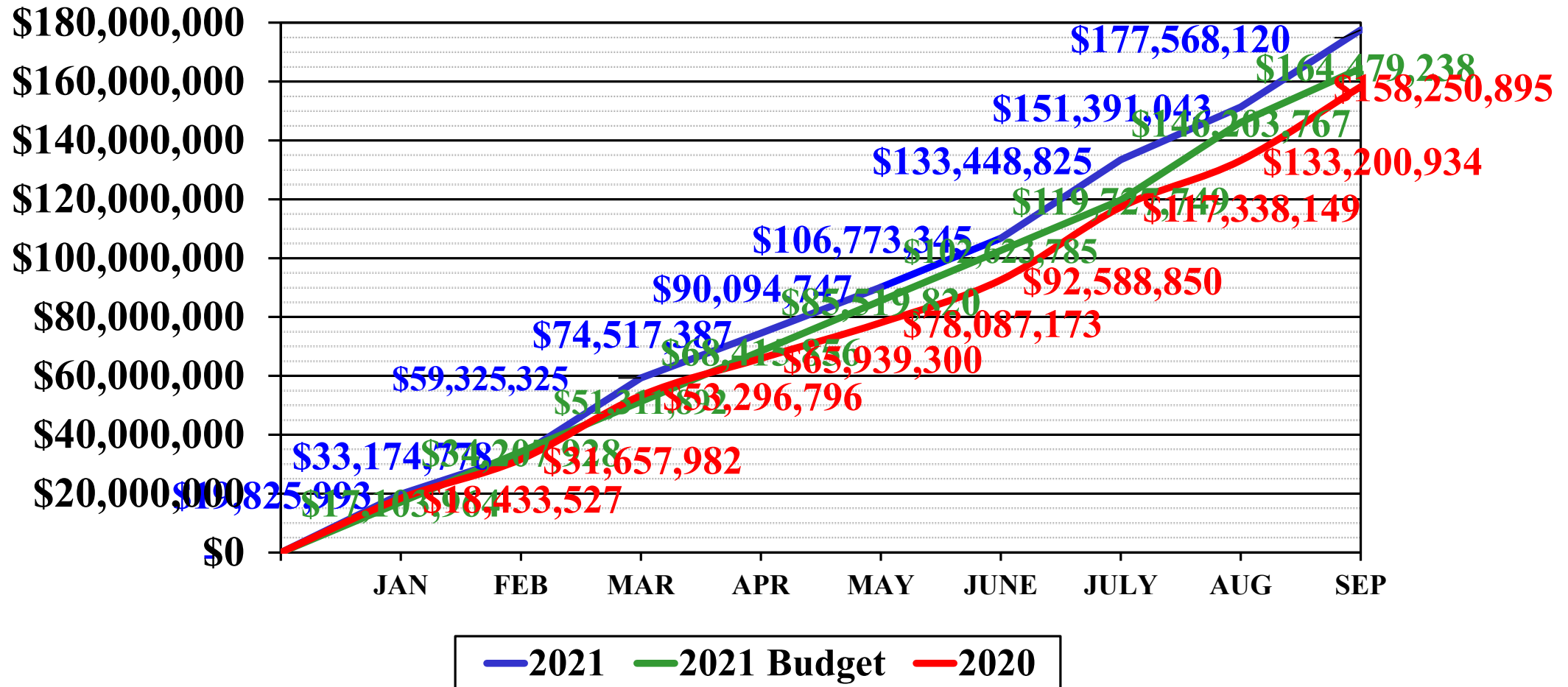
GENERAL FUND OPERATING REVENUES

BUDGET % COLLECTED - 2021 AND 2020



GENERAL FUND OPERATING REVENUES

2021 AND 2020



GENERAL FUND OPERATING REVENUES COMPARED TO AMENDED BUDGET

	YTD Amended <u>Budget</u>	YTD <u>Revenues</u>	Variance Favorable (Unfavorable)	Prior Year <u>Revenues</u>
REVENUES:				
1 General property taxes	\$24,553,652	\$30,168,278	\$5,614,625	\$28,255,519
2 Sales taxes	90,063,054	92,149,357	2,086,303	80,058,283
3 Licenses and permits	9,177,150	10,969,081	1,791,931	10,165,888
4 Intergovernmental	8,340,432	11,120,576	2,780,144	11,038,777
5 Charges for services	8,110,039	8,591,023	480,984	5,513,479
6 Fines and fees	1,260,506	1,184,556	(75,951)	941,489
7 Utility franchise fees	22,197,642	22,491,603	293,961	21,160,278
8 Investment income	127,500	140,274	12,774	218,030
9 Miscellaneous	649,262	753,372	104,110	899,153
10 TOTAL REVENUES	\$164,479,238	\$177,568,120	\$13,088,883	\$158,250,895

Revenues at the end of the third quarter were \$13.1 million or 7.96% above budget and approximately \$19.3 million or 12.2% above 2020 revenues. This is largely due to the timing of property tax and intergovernmental revenues. In addition, sales tax revenues continue to beat forecast, particularly in areas negatively impacted by COVID-19 related closures in 2020.

GENERAL FUND OPERATING REVENUES COMPARED TO ADOPTED BUDGET

	YTD Original <u>Budget</u>	YTD <u>Revenues</u>	Variance Favorable (Unfavorable)	Prior Year <u>Revenues</u>
REVENUES:				
1 General property taxes	\$23,702,774	\$30,168,278	\$6,465,503	\$28,255,519
2 Sales taxes	81,026,453	92,149,357	11,122,904	80,058,283
3 Licenses and permits	9,003,000	10,969,081	1,966,081	10,165,888
4 Intergovernmental	8,329,404	11,120,576	2,791,172	11,038,777
5 Charges for services	7,676,166	8,591,023	914,857	5,513,479
6 Fines and fees	1,366,125	1,184,556	(181,569)	941,489
7 Utility franchise fees	21,854,142	22,491,603	637,461	21,160,278
8 Investment income	187,500	140,274	(47,226)	218,030
9 Miscellaneous	790,112	753,372	(36,740)	899,153
10 TOTAL REVENUES	\$153,935,677	\$177,568,120	\$23,632,443	\$158,250,895

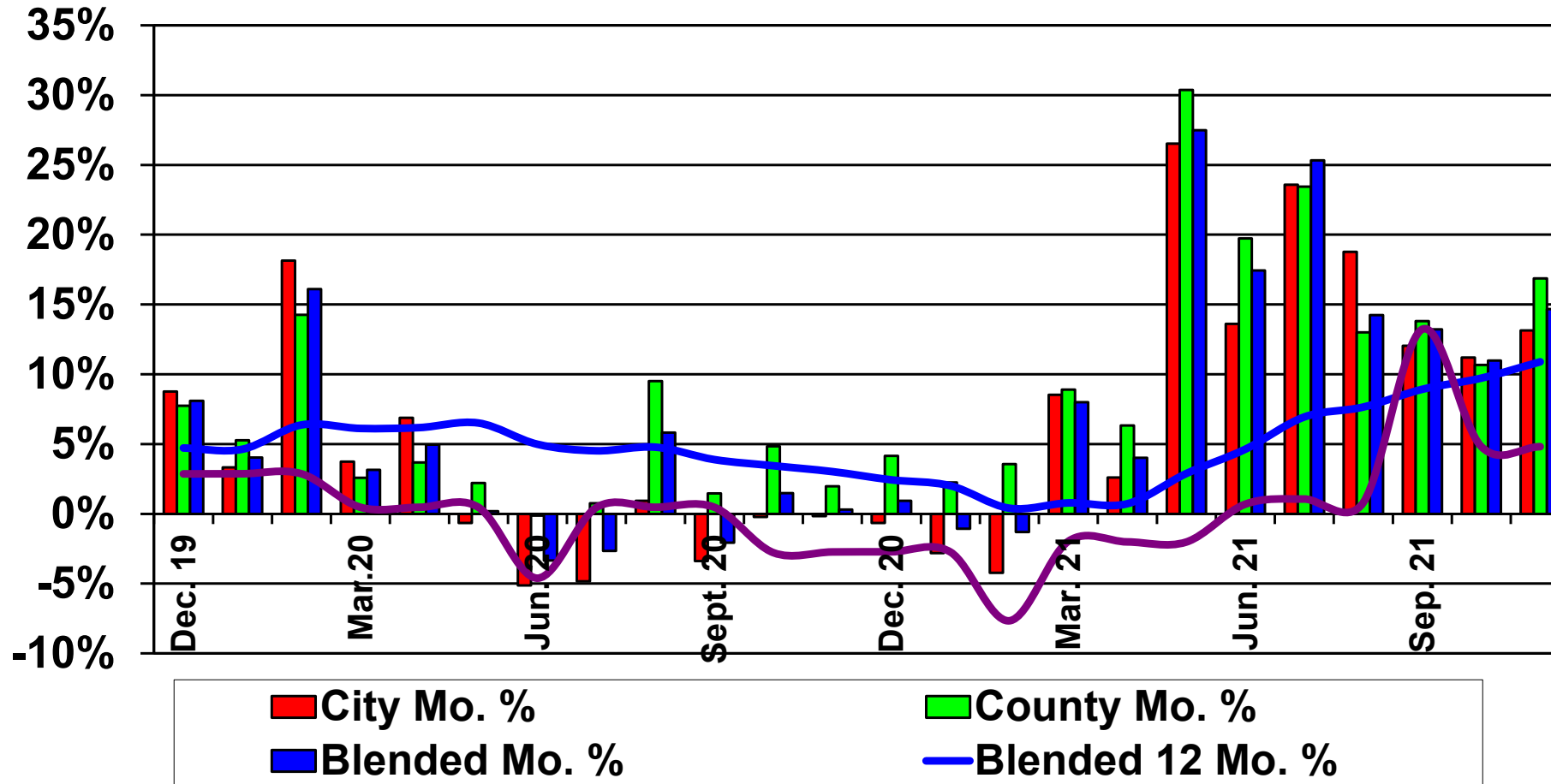
The adopted budget was amended on October 5, 2021, increasing annual projected revenues by \$14,058,081. The largest adjustment was to sales tax revenues, which increased \$12,048,801.

GENERAL FUND OPERATING REVENUES COMPARED TO PRIOR YEAR

			Variance
	YTD	Prior Year	Favorable
	<u>Revenues</u>	<u>Revenues</u>	<u>(Unfavorable)</u>
REVENUES:			
1 General property taxes	\$30,168,278	\$28,255,519	\$1,912,759
2 Sales taxes	92,149,357	80,058,283	12,091,074
3 Licenses and permits	10,969,081	10,165,888	803,193
4 Intergovernmental	11,120,576	11,038,777	81,799
5 Charges for services	8,591,023	5,513,479	3,077,544
6 Fines and fees	1,184,556	941,489	243,067
7 Utility franchise fees	22,491,603	21,160,278	1,331,325
8 Investment income	140,274	218,030	(77,756)
9 Miscellaneous	753,372	899,153	(145,781)
10 TOTAL REVENUES	\$177,568,120	\$158,250,895	\$19,317,225

Due to the timing of receipt, 2021 property tax revenues include \$1.1 million in excess commissions for 2020. Sales tax, Licenses and permits, charges for services, fines and fees, and utility franchise fees are all improved over prior year, primarily due to the lifting of COVID-19 related restrictions, and the reopening of facilities. Increased franchise fee revenues are due to improved collection of delinquent accounts and the very cold temperatures experienced during the 1st quarter of the year.

CITY, COUNTY, AND BLENDED SALES TAX PERCENTAGE GROWTH

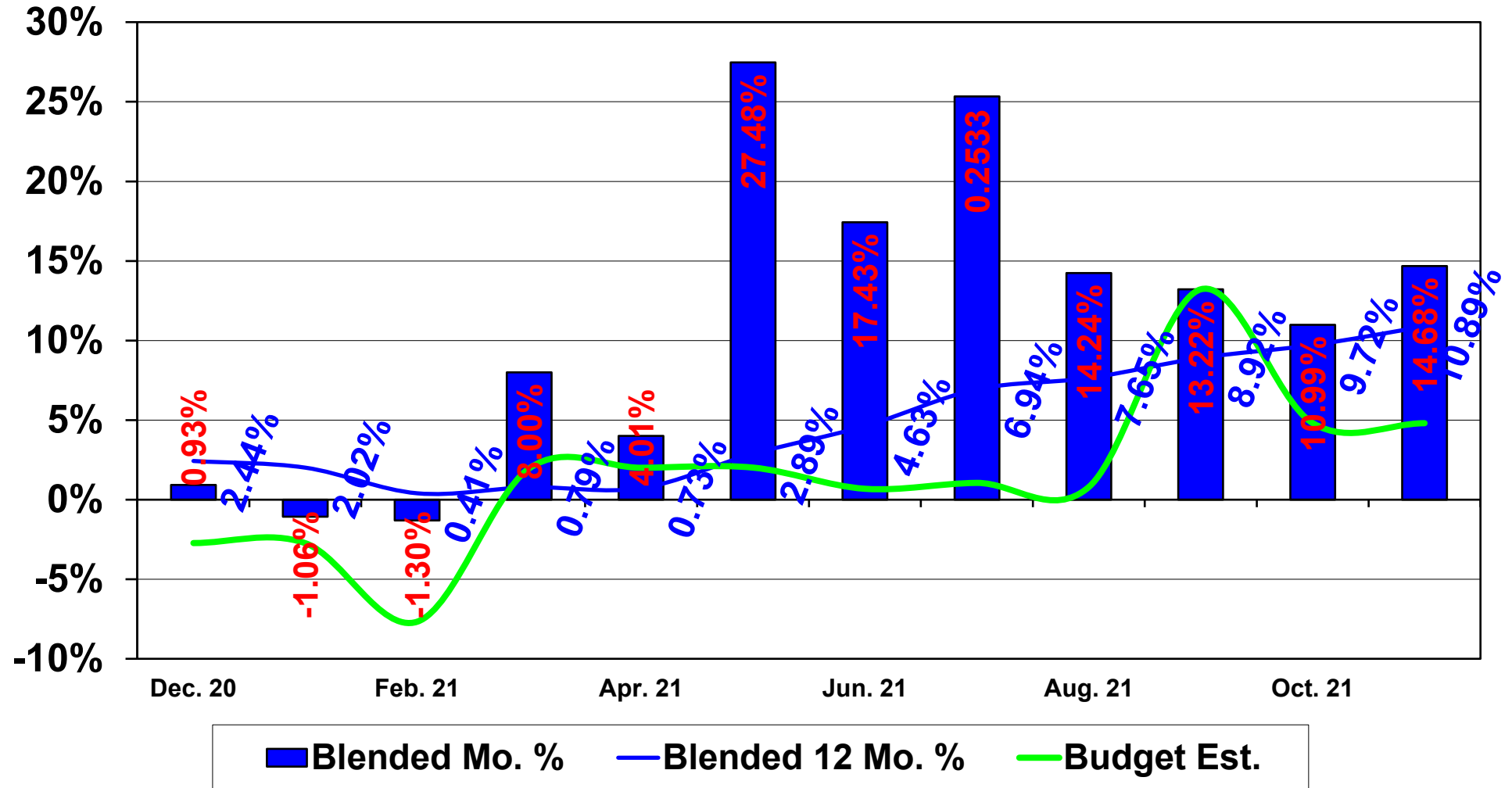


Blended sales tax results represent the total sales tax received by the City, which includes:

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

Dates noted reflect the month revenue was received from the state for sales occurring two (2) months prior. For example (Nov. 2021 receipt of Sept. 2021 revenue).

BLENDING SALES TAX PERCENTAGE GROWTH COLLECTED OVER THE LAST TWELVE MONTHS



SALES TAX PERCENTAGE GROWTH COMPARISON TO BUDGET AND PRIOR YEAR

	Month	For Sales In	Sales & Use	% Amended	%	%		
	Collected	The Month Of	Tax Collections	Amended Budget	Budget Growth	Variance from Budget	Var. from Budget	Inc (Dec) Prior Year
1	Mar-21	Jan-21	\$9,130,230	\$8,761,430	3.64%	\$368,800	4.21%	8.00%
2	Apr-21	Feb-21	8,607,560	8,271,760	-0.05%	335,800	4.06%	4.01%
3	May-21	Mar-21	11,052,660	10,813,560	24.72%	239,100	2.21%	27.48%
4	Jun-21	Apr-21	10,629,369	10,410,669	15.01%	218,700	2.10%	17.43%
5	Jul-21	May-21	11,206,158	10,960,158	22.58%	246,000	2.24%	25.33%
6	Aug-21	Jun-21	10,709,407	10,709,408	14.24%	(1)	0.00%	14.24%
7	Sep-21	Jul-21	10,124,677	10,124,677	13.22%	(0)	0.00%	13.22%
8	Oct-21	Aug-21	10,387,788	9,810,502	4.82%	577,286	5.88%	10.99%
9	Nov-21	Sep-21	10,250,391	9,368,202	4.81%	882,189	9.42%	14.68%
10	2021 YTD		\$92,098,241	\$89,230,366	11.53%	\$2,867,875	3.21%	15.11%
11	Last 12 Mos		\$121,530,928	\$117,453,282	7.17%	\$4,077,646	3.47%	10.89%

The high favorable variances in May – November for sales occurring from March – September are in comparison to the months with the heaviest impact 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. Results during the 3rd quarter have been consistent, between \$10.1 million and \$10.4 million. Additional information by NAICS code follows. YTD results are 15.11% above the same period a year ago and 10.89% above the prior twelve (12) months.

CITY - 1.5% TAX

TOP TEN NAICS CATEGORY INCREASES

Top Positive Sales Tax Differences Year-to-Date					
NAICS CODE	NACIS Category Name	YTD 2021	YTD 2020	Difference	Pct Change
3311	Iron and Steel Mills and Ferroalloy Manufacturing	\$ 1,301,364.44	\$ 9,331.13	\$ 1,292,033.31	13846.48%
4541	Electronic Shopping and Mail-Order Houses	\$ 3,329,280.67	\$ 2,631,995.76	\$ 697,284.91	26.49%
7225	Food Services and Drinking Places; Unknown Subclassification	\$ 2,098,819.36	\$ 1,510,199.28	\$ 588,620.08	38.98%
4481	Clothing Stores	\$ 2,033,819.40	\$ 1,450,518.92	\$ 583,300.48	40.21%
4238	Machinery; Equipment; and Supplies Merchant Wholesalers	\$ 937,548.31	\$ 380,100.99	\$ 557,447.32	146.66%
7221	Full-Service Restaurants	\$ 3,480,475.64	\$ 2,945,417.29	\$ 535,058.35	18.17%
7211	Traveler Accommodation	\$ 1,365,360.66	\$ 929,692.22	\$ 435,668.44	46.86%
5321	Automotive Equipment Rental and Leasing	\$ 1,508,611.37	\$ 1,087,124.87	\$ 421,486.50	38.77%
4539	Other Miscellaneous Store Retailers	\$ 1,066,945.58	\$ 725,363.03	\$ 341,582.55	47.09%
4523	General Merchandise Stores; including Warehouse Clubs and Supercenters	\$ 315,908.19	\$ 488.72	\$ 315,419.47	64539.91%

- 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 **13,846% 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 **26%** (down from 38% at the end of the 2nd quarter).
- ***Food Services and Drinking Places; Full-Service Restaurants; and Traveler Accommodation*** increased **39%, 18%, and 47%**, respectively, reflecting the gradual reopening of bars and restaurants, and relaxation of travel restrictions.
- Other large growth categories include ***Clothing Stores; and Machinery, Equipment, and Supplies Merchant Wholesalers.***

COUNTY – 1% TAX

TOP TEN NAICS CATEGORY INCREASES

Top Positive Sales Tax Differences					
NAICS CODE	NACIS Category Name	YTD 2021	YTD 2020	Difference	Pct. Change
4541	Electronic Shopping and Mail-Order Houses	\$ 3,996,039.83	\$ 3,144,303.88	\$ 851,735.95	27.09%
7225	Food Services and Drinking Places; Unknown Subclassification	\$ 2,315,777.60	\$ 1,526,622.85	\$ 789,154.75	51.69%
4431	Electronics and Appliance Stores	\$ 2,684,547.91	\$ 2,144,462.85	\$ 540,085.06	25.19%
4481	Clothing Stores	\$ 1,898,466.86	\$ 1,375,226.10	\$ 523,240.76	38.05%
4238	Machinery; Equipment; and Supplies Merchant Wholesalers	\$ 783,490.97	\$ 323,684.65	\$ 459,806.32	142.05%
4539	Other Miscellaneous Store Retailers	\$ 1,363,442.04	\$ 956,936.81	\$ 406,505.23	42.48%
7211	Traveler Accommodation	\$ 1,282,944.59	\$ 877,961.35	\$ 404,983.24	46.13%
7221	Full-Service Restaurants	\$ 3,814,556.47	\$ 3,420,399.94	\$ 394,156.53	11.52%
4529	Other General Merchandise Stores	\$ 7,661,813.51	\$ 7,270,457.74	\$ 391,355.77	5.38%
4216	Electrical Goods Wholesalers	\$ 1,237,134.40	\$ 864,868.76	\$ 372,265.64	43.04%

- 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

	Month Collected	For Sales in the Month of	2021 Tax Receipts			Prior Year Tax Receipts			% Inc (Dec)
			5/8 Cent Operating	3/8 Cent Capital	Cent Tax Proceeds	5/8 Cent Operating	3/8 Cent Capital	New Tax Proceeds	
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	September	July	3,084,792	1,850,875	4,935,668	2,753,191	1,651,915	4,405,105	12.04%
8	October	August	3,186,716	1,912,030	5,098,746	2,865,896	1,719,537	4,585,433	11.19%
9	November	September	3,130,770	1,878,462	5,009,232	2,767,058	1,660,235	4,427,293	13.14%
10	YTD Total		\$28,089,220	\$16,853,532	\$44,942,753	\$24,543,255	\$14,725,953	\$39,269,208	14.45%

	Month Collected	For Sales in the Month of	5/8 Cent Operating	3/8 Cent Capital	Cent 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	2018 Total		31,678,593	19,007,156	50,685,748	31,366,925	18,820,155	50,187,081	0.99%
18	2019 Total		33,967,300	20,380,380	54,347,679	31,678,593	19,007,156	50,685,748	7.22%
19	2020 Total		33,592,828	20,155,697	53,748,525	33,967,300	20,380,380	54,347,679	-1.10%
20	2012 - 2020		\$279,990,066	\$168,140,694	\$448,130,760				
21	Grand Total - Life to Date		\$308,079,286	\$184,994,226	\$493,073,512				

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	July	317,739,114	304,819,183	1,524,802	1,455,954	4.24%	4.73%
8	August	321,274,181	324,214,705	1,585,905	1,439,771	-0.91%	10.15%
9	September	314,817,910	306,037,988	1,509,713	1,458,775	2.87%	3.49%
10	YTD	2,439,022,172	2,312,939,596	\$10,688,623	\$10,362,972	5.45%	3.14%

The 2021 amended budget is \$13,759,000, an increase of 3.4% from prior year actual results. Current revenues are 3.14% above prior year and are expected to be in line with the amended budget at year-end.

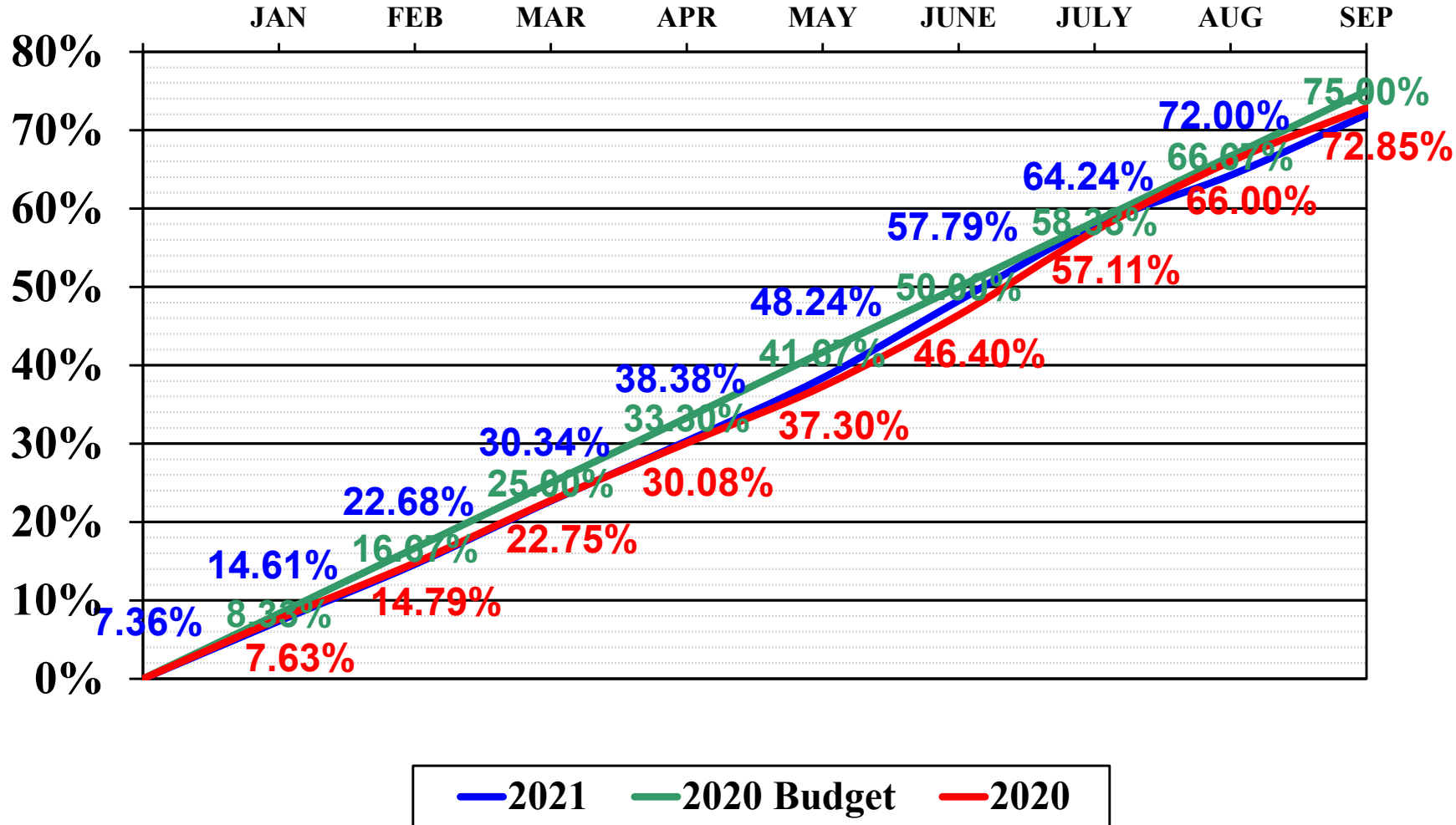
GAS FRANCHISE FEES

		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	July	337,837	328,012	119,829	104,201	3.00%	15.00%
8	August	317,004	300,277	106,946	106,431	5.57%	0.48%
9	September	328,397	331,383	91,575	100,083	-0.90%	-8.50%
10	YTD	7,221,531	6,495,320	\$2,431,772	\$2,226,299	11.18%	9.23%

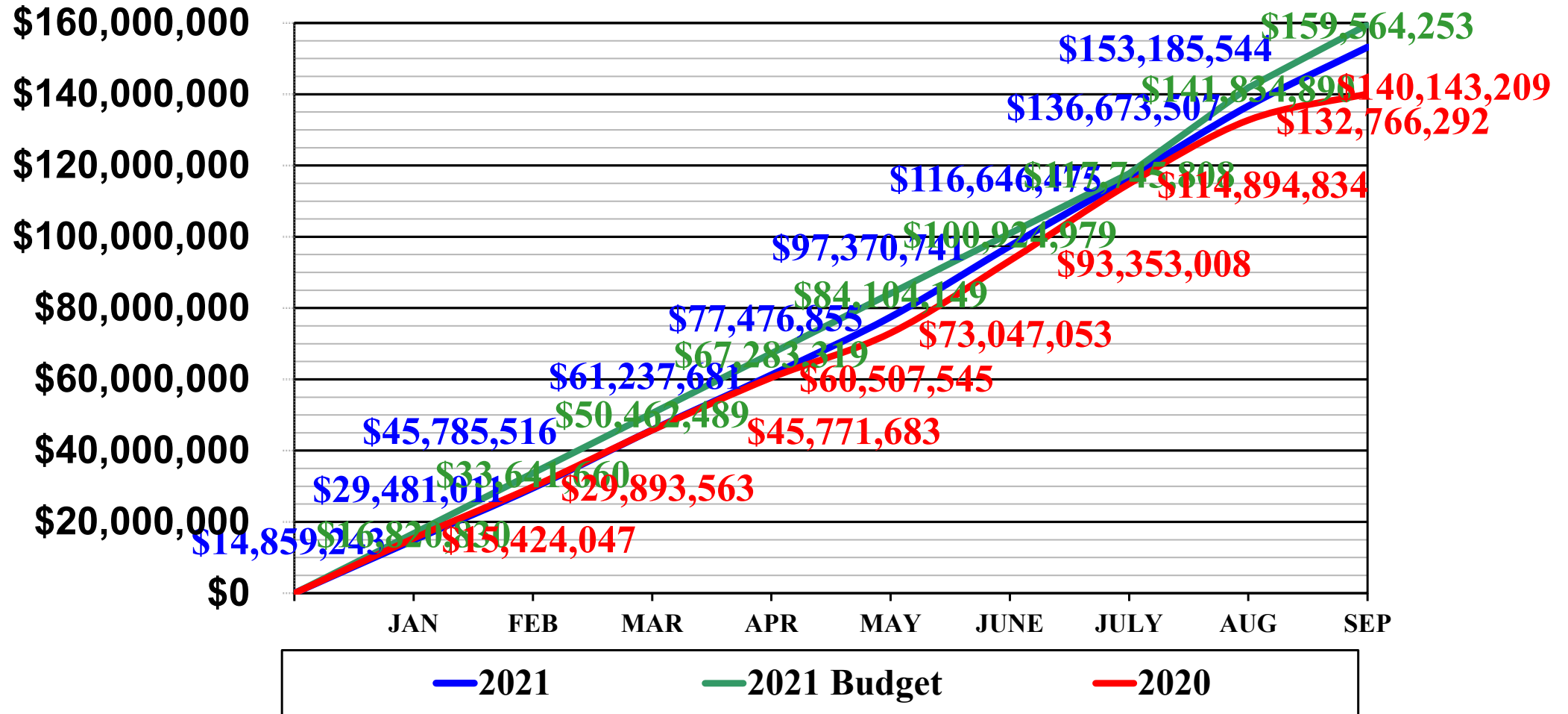
The 2021 amended budget is \$3,188,300, reflecting an increase of 9.5% from 2020 actual results. Revenues are expected to be in line with the amended budget.

GENERAL FUND OPERATING EXPENDITURES

BUDGET % EXPENDED - 2021 AND 2020



GENERAL FUND OPERATING EXPENDITURES 2021 AND 2020



GENERAL FUND OPERATING 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	\$21,002,660	\$16,871,987	\$4,130,674	\$15,686,892
2	Board of Directors	255,486	231,748	23,738	239,746
3	Community Programs	357,123	322,060	35,063	320,026
4	City Attorney	1,188,292	1,159,802	28,490	1,145,430
5	District Court - (Criminal)	956,111	882,664	73,446	888,564
6	District Court - (Environmental)	401,028	381,168	19,860	370,454
7	District Court - (Traffic)	933,652	921,983	11,669	898,809
8	Finance	3,054,782	2,748,049	306,733	2,499,648
9	Human Resources	1,507,837	1,489,260	18,577	1,188,007
10	Information Technology	4,432,406	3,965,301	467,104	3,946,417
11	Planning and Development	1,834,562	1,719,298	115,264	1,759,585
12	TOTAL GENERAL GOVERNMENT	35,923,938	30,693,321	5,230,617	28,943,578

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

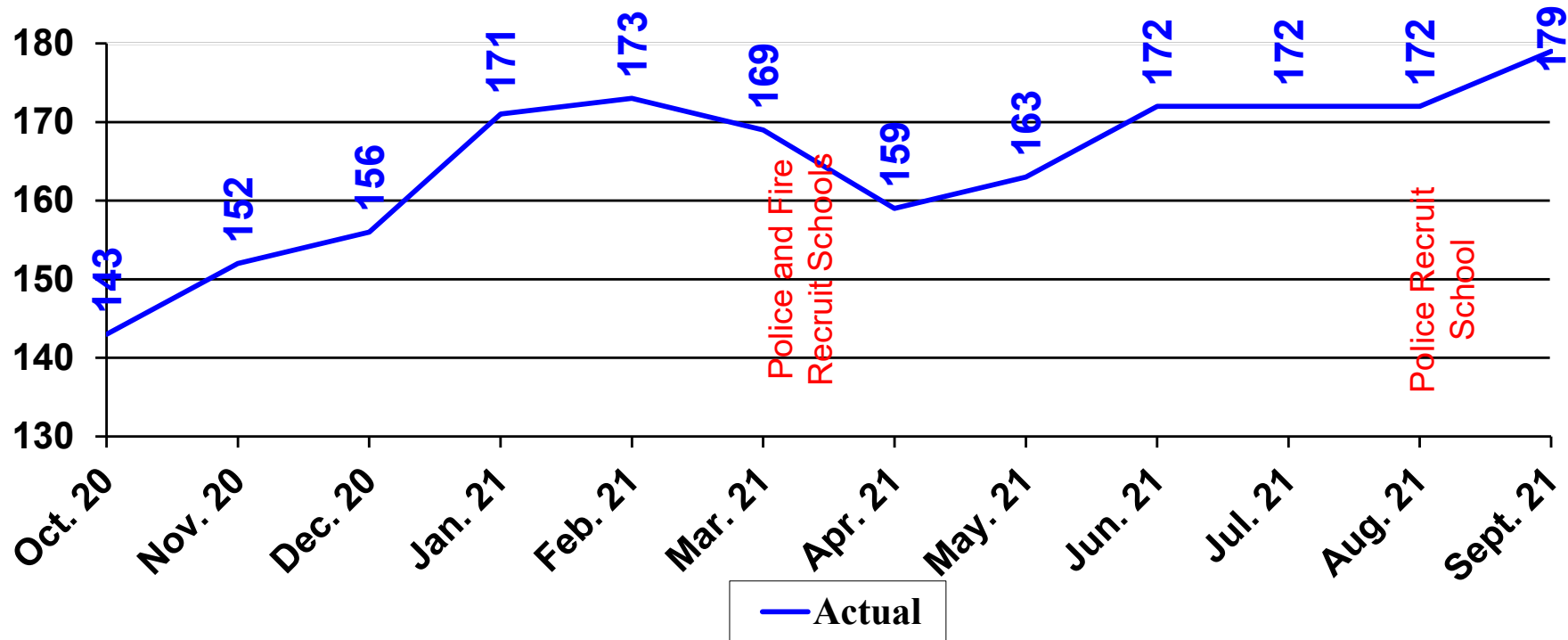
		YTD	YTD	Variance	
		<u>Budget</u>	<u>Expenses</u>	<u>Favorable</u>	<u>Prior Year</u>
				<u>(Unfavorable)</u>	<u>Expenses</u>
	EXPENDITURES:				
13	PUBLIC WORKS	833,218	718,109	115,109	685,179
14	PARKS & RECREATION	7,180,598	6,980,556	200,041	6,185,770
15	RIVERMARKET	581,009	698,392	(117,383)	555,357
16	GOLF	1,326,661	1,366,814	(40,154)	1,266,044
17	JIM DAILEY FITNESS & AQUATICS	629,934	552,748	77,186	448,500
18	ZOO	4,901,096	4,861,261	39,835	4,174,890
19	FIRE	43,169,575	42,901,138	268,437	32,015,062
20	POLICE	57,870,072	57,508,388	361,684	57,908,265
21	HOUSING & NEIGHBORHOOD	3,954,184	3,642,489	311,695	3,451,347
22	DEBT SERVICE:				
23	Principal	3,045,563	3,106,093	(60,531)	4,272,854
24	Interest	130,421	156,235	(25,813)	236,362
25	Agent Fees	18,000	0	18,000	0
	SAVINGS FROM AUTHORIZED BUT				
26	UNFILLED POSITIONS	0	0	0	0
27	TOTAL EXPENDITURES	\$159,564,266	\$153,185,544	\$6,378,722	\$140,143,209

GENERAL FUND

AUTHORIZED BUT UNFILLED POSITIONS AND VACATION/SICK PAYOUTS

- Savings from Authorized but Unfilled Positions
 - \$7,000,000
2021 amended budget
 - \$7,000,000 achieved
 - 179 budgeted positions were unfilled in the General Fund at the end of the 3rd quarter
- Vacation/Sick Payouts
 - \$2,250,000
2021 adopted budget
 - \$1,941,547
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 forty-nine (49) as of the last payroll in September: forty-seven (47) Officers and two (2) Sergeants. A Fire recruit school with 29 members began on 3/29/21 and graduated on 7/17/21. Police recruit schools were held beginning 2/15/21 and beginning 8/16/21.