

CITY OF NORTH LITTLE ROCK, ARKANSAS

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT



FOR THE YEAR ENDED DECEMBER 31, 2021

Cover photo by Bob Greenspan

On the Cover:

The 82,000 sq. ft. North Little Rock Justice Center opened in January 2022. The North Little Rock Police Department (NLRPD), North Little Rock District Courts, and North Little Rock Information Technology Department operate out of this new two-story facility. While individual substations are still present, the center is able to house all NLRPD divisions and acts as a centralized location, allowing increased sharing of information and coordination between divisions. The complex also offers a 5,000 sq. ft. public meeting room.

On the Dividers:

Photos from the grand opening of the North Little Rock Justice Center on Thursday, December 9, 2021. Photos by Rusty Gartrell and Jeff Caplinger

CITY OF NORTH LITTLE ROCK, ARKANSAS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
Fiscal Year Ended December 31, 2021



PREPARED BY:  
DEPARTMENT OF FINANCE  
Ember Strange, Chief Financial Officer  
Colleen Young, Assistant Chief Financial Officer  
Amanda Bonner, Comptroller

# City of North Little Rock, Arkansas

## Year Ended December 31, 2021

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# INTRODUCTORY SECTION





EMBER STRANGE  
Chief Financial Officer



PHONE: (501) 975-8802  
FAX: (501) 975-8830  
E-mail: [estrange@nlr.ar.gov](mailto:estrange@nlr.ar.gov)

May 26, 2022

To the Mayor, Members of the City Council and Citizens of the City of North Little Rock:

State law allows municipalities the option of publishing a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that option, we hereby issue the Annual Comprehensive Financial Report of the City of North Little Rock for the fiscal year ended December 31, 2021.

This report consists of management's representations concerning the finances of the City of North Little Rock. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of North Little Rock has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of North Little Rock's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of North Little Rock's comprehensive framework of internal controls has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of North Little Rock's financial statements have been audited by BKD, LLP, a firm of licensed independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of North Little Rock for the fiscal year ended December 31, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles utilized and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of North Little Rock's financial statements for the fiscal year ended December 31, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of North Little Rock was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of North Little Rock’s Single Audit Section included herein.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of North Little Rock’s MD&A can be found immediately following the report of the independent auditor.

## **Profile of the Government**

The City of North Little Rock was incorporated in 1904. The city is located in the central part of the State of Arkansas, right across the river from the state’s capital city. The City of North Little Rock currently occupies a land area of 56.25 square-miles and serves a population of 64,591 as of the 2020 census. The City of North Little Rock is authorized to levy a property tax on both real and personal properties located within its boundaries. In addition, the City is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City of North Little Rock operates under the Mayor-Council form of government. Policy-making and legislative authority are vested in the City Council consisting of eight alderman. The City Council is responsible for, among other things, passing ordinances, adopting the budget, and appointing committees. The Mayor is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government and for appointing the various department directors. The City Council and Mayor are elected on a non-partisan basis. The Mayor is elected to serve a four-year term. The council members serve four-year staggered terms with four council members elected every two years. All eight council members are elected by ward and the Mayor is elected at large.

The City of North Little Rock provides a full range of services, including police and fire protection, municipal electric utility services, the construction and maintenance of streets and other infrastructure, trash collection, and recreational activities and cultural events. Several services are provided through separate Boards and Commissions which act as a component of the City of North Little Rock and therefore have been included as an integral part of the City of North Little Rock’s financial statements. Additional information regarding the component units can be found in the notes to the financial statements (See Note 1).

The annual budget serves as the foundation for the City of North Little Rock's financial planning and control. All Departments of the City of North Little Rock are required to submit requests for appropriation to the Mayor. The Mayor utilizes these requests as the starting point for developing a proposed budget. The Mayor then presents a proposed budget to the City Council for review. The Council conducts work sessions with staff and conducts public discussions on the proposed budget. Arkansas statutes establish the fiscal year for municipalities as the calendar year and require municipal budgets be submitted to the City Council by December 1 of each year in Mayor-Council forms of government. The appropriated budget is prepared by fund, function (e.g., public safety) and Department (e.g., police). Department Directors may initiate transfers of appropriations within a Department. All amendments to the budget which increase the total amount of a fund must be approved by the City Council. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. These funds include the General Fund and most special revenue funds. For the General Fund, this comparison is presented on page 20 as part of the basic financial statements for the governmental funds. For the Street Fund, Parks and Recreation Fund, Equitable Sharing Fund, Sales Tax Capital Improvement Fund and the 2017 Capital Improvement Fund, these comparison schedules are presented on pages 108-112 as part of the other supplementary information.

## **Factors Affecting Financial Condition**

The information to the City of North Little Rock's long term future is best understood when it is considered from the broader perspective of the specific environment within which the City of North Little Rock operates.

### **Local Economy**

The financial conditions in the City of North Little Rock continued to show strong economic growth in 2021. The City's local sales taxes (which represent 67% of General Fund revenue, excluding transfers) increased 17% over the prior year.

### **Long-Term Financial Planning**

North Little Rock citizens passed an additional one (1)-Cent Local Sales Tax in August 2017 that was effective on January 1, 2018. The tax increase was divided between a one-half percent permanent tax for city operations and a one-half percent tax for capital improvements. The one-half cent, five year sales tax for capital projects, which expires at the end of 2022, is reflected in the 2017 Sales Tax Capital Improvement Fund. The capital projects funded by this tax include a new police and courts building, an upgrade of fire stations, and street and drainage improvements. The City intends to take a vote to the public on August 9, 2022 to extend the one-half cent, five year sales tax for capital projects. This extension would fund a new central fire station, vehicle and equipment upgrades for the police department, improvements to each community center, additional park upgrades and street, drainage and sidewalk improvements.

## Relevant Financial Policies

In May 2020, the City Council adopted a policy which established an emergency reserve within the General Fund. The emergency reserve equals or exceeds 25% of the operating and maintenance budget for the immediately preceding budget year. The Finance Director shall notify the Mayor and City Council immediately in writing should the balance fall below the minimum reserve level or should pending legislation threaten the required minimum reserve level. At 12/31/21, the General Fund emergency reserve was approximately \$18 million.

## Awards and Acknowledgements:

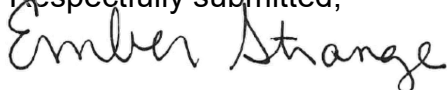
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Little Rock for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. This was the second consecutive year that the government has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the dedicated efforts of the City's Assistant Chief Financial Officer Colleen Young, Comptroller Amanda Bonner, Senior Accountant Keith Ivey, Accountant Samantha Elrod and Accountant Lauren Jones, as well as the services of the staff of the Finance Department and Human Resources Department. We would like to express appreciation to all members of these departments for their contributions and devotion to meeting the highest standards of accounting and financial reporting. In addition, credit must be given to the City Council and the City Staff for their unfailing support for maintaining the highest standards of professionalism in the management of the City of North Little Rock finances.

Respectfully submitted,



Ember Strange  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of North Little Rock  
Arkansas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

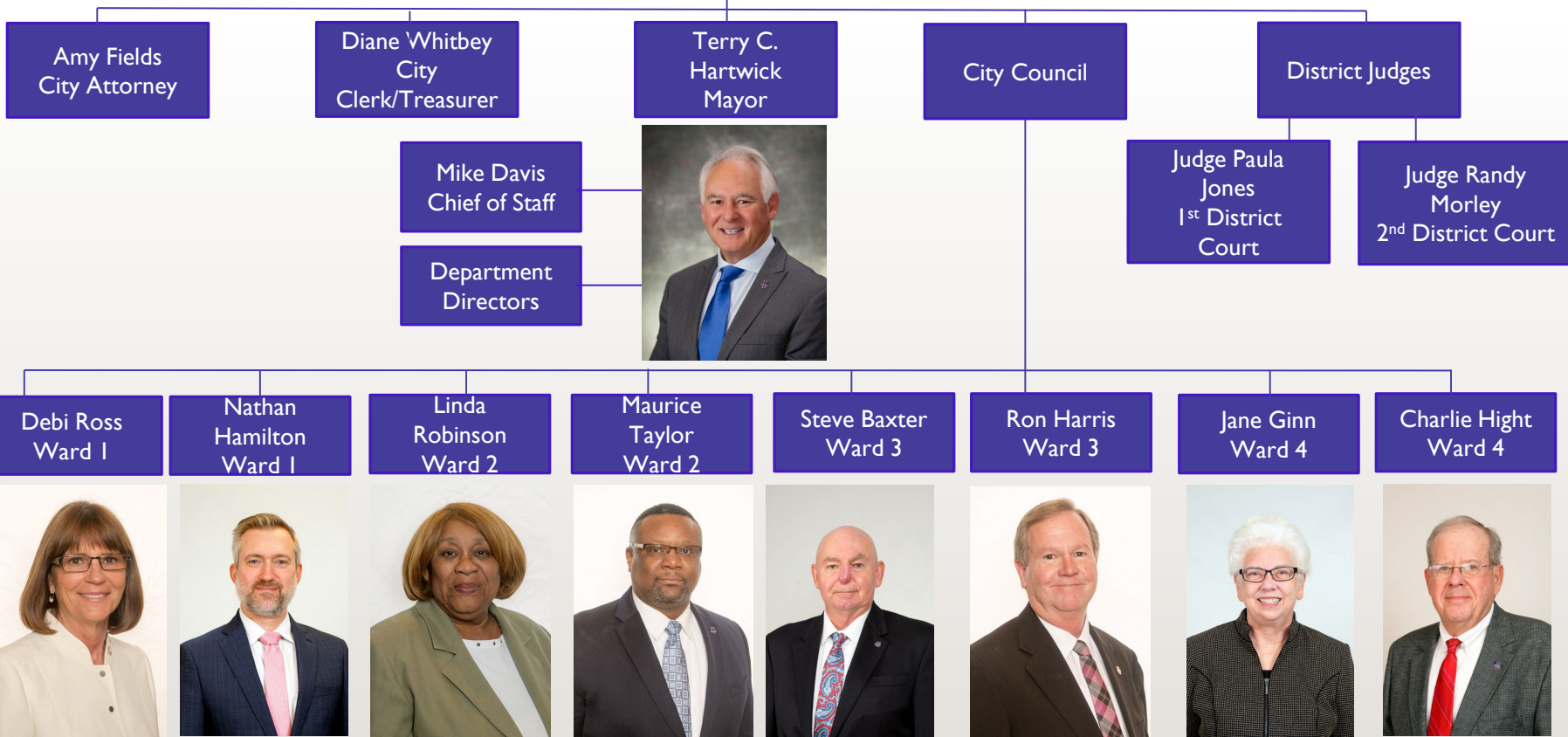
December 31, 2020

*Christopher P. Morill*

Executive Director/CEO

# CITY OF NORTH LITTLE ROCK ORGANIZATIONAL CHART

Citizens of North Little Rock



# City of North Little Rock, Arkansas

## List of Principal Officials Year Ended December 31, 2021

Chief of Staff	Mike Davis
Police Chief	Patrick Thessing
Fire Chief	Gerald Tucker
Chief Financial Officer	Ember Strange
North Little Rock Electric Department	Jessica Stephens (Interim)
Animal Services	David Miles
Code Enforcement	Felicia McHenry
Commerce	Mary Beth Bowman
Communications	Shara Brazear
Community Development	Donna Bryant
Economic Development	Robert Birch
Workforce Development and Education	Colleen Carr
Emergency Services	Leonard Montgomery
Engineering	Chris Wilbourn
Community Affairs/Fit 2 Live	LaKaisha Shelby
Hayes Senior Center	Steven Carr
History Commission	Sandra Smith
Human Resources	Betty Anderson
Information Technology	John Barber
Neighborhood Services	Dan Scott
Parks and Recreation	Steve Shields
Planning	Shawn Spencer
Safety	Kenny Stephens
Sanitation	Condo Breedlove
Street	Patrick Lane
Vehicle Maintenance	Kenny Brock

# FINANCIAL SECTION





## Independent Auditor's Report

Members of the City Council and  
Honorable Terry C. Hartwick, Mayor  
City of North Little Rock, Arkansas

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of North Little Rock, Arkansas (City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the North Little Rock Waste Water Utility and the North Little Rock Advertising and Promotion Commission, component units of the City, which represent 89%, 86% and 87%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units as of December 31, 2021. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these discretely presented component units, is based solely on the reports of the other auditors.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, and schedule of expenditures of federal awards required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements Federal Awards*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Members of the City Council and  
Honorable Terry C. Hartwick, Mayor  
City of North Little Rock, Arkansas  
Page 4

### ***Other Information***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2022, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

**BKD, LLP**

Dallas, Texas  
May 26, 2022

# City of North Little Rock, Arkansas

## Management Discussion and Analysis

### December 31, 2021

Management of the City of North Little Rock (City) provides this Management's Discussion and Analysis. This narrative overview of the City's financial activities is for the year ended December 31, 2021. We encourage readers to consider the information presented in conjunction with the City's financial statements, which follow.

#### FINANCIAL HIGHLIGHTS

The total assets and deferred outflows of resources of the City exceeded its total liabilities and deferred inflows of resources as of December 31, 2021 by \$212,255,098 (presented as "net position"). Within the total net position, unrestricted is negative \$31,555,415.

- The City's total net position increased by \$18,393,607 in 2021. Net position of governmental activities increased by \$16,009,194 primarily due to increased sales tax collections due to an influx of federal aid to consumers to boost the economy as well as the increase in the price of goods and services. Increases in food, lodging and motor fuel taxes also attributed to the increase in net position. Net position of business-type activities increased \$2,384,413.
- As of December 31, 2021, the City's governmental funds reports combined ending fund balances of \$71,720,587 an increase of \$2,211,741 from 2020. Approximately 42 percent of this amount, \$30,262,733 is available for spending at the City's discretion (unassigned fund balance).
- As of December 31, 2021, the unassigned fund balance for the General Fund was \$30,444,538 or 37 percent of total General Fund expenditures.
- As of December 31, 2021, the net position of the proprietary funds totaled \$157,473,583. Net position increased by \$2,384,413 during the year ended December 31, 2021.
- As of December 31, 2021, net position of fiduciary funds was \$59,676,517. There was an increase of \$5,725,999 in the total fiduciary net position held in trust for the year ended December 31, 2021 due to strong market performance.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

# City of North Little Rock, Arkansas

## Management Discussion and Analysis

### December 31, 2021

The *Statement of Activities* presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods, such as uncollected property taxes and earned but unused compensated absences.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City include general government (financial and administration), public safety, public works, community development, street, and parks and recreation. The business-type activities of the City include the City's Electric Department.

The government-wide financial statements include not only the City of North Little Rock (known as the primary government) but also legally separate component units. These consist of the North Little Rock Waste Water Utility, the William F. Laman Public Library, the North Little Rock Airport Commission and the North Little Rock Advertising and Promotion Commission. Financial information for the component units are reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on pages 14-15 of this reporting package.

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories - governmental funds, proprietary funds and fiduciary funds.

#### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

# **City of North Little Rock, Arkansas**

## **Management Discussion and Analysis**

### **December 31, 2021**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 16 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the 2017 Capital Improvement Fund, and ARPA Fund, which are considered to be major funds. Data for the other 13 governmental funds is combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 16-19 of this reporting package. A budget to actual comparison for the General Fund can be found on page 20 of this reporting package. Budgets for most of the special revenue funds can be found on pages 108-112.

#### ***Proprietary Funds***

The City maintains one type of proprietary fund. An enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its electric operations. The basic proprietary fund financial statements can be found on pages 21-23 of this reporting package.

#### ***Fiduciary Funds***

Fiduciary Funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has one fiduciary fund, the Non-Uniformed Employees Retirement Fund.

The basic fiduciary fund financial statements can be found on pages 24-25 of this reporting package.

#### ***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 28-88 of this reporting package.

**City of North Little Rock, Arkansas**  
**Management Discussion and Analysis**  
**December 31, 2021**

***Other Information***

In addition to the basic financial statements and accompanying notes, this report also includes certain required supplementary information and additional financial schedules. These can be found on pages 89-112 of this reporting package.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following table looks at the City as a whole and provides a summary of its net position for 2021 compared to 2020:

**CITY OF NORTH LITTLE ROCK, ARKANSAS**  
**NET POSITION**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 94,979,638	\$ 85,501,191	\$ 69,614,572	\$ 68,859,001	\$ 164,594,210	\$ 154,360,192
Capital assets	125,595,255	107,370,743	129,557,596	133,534,875	255,152,851	240,905,618
Total assets	220,574,893	192,871,934	199,172,168	202,393,876	419,747,061	395,265,810
Deferred outflows of resources	21,312,932	23,024,639	1,684,827	1,777,640	22,997,759	24,802,279
Total assets and deferred outflows of resources	\$ 241,887,825	\$ 215,896,573	\$ 200,856,995	\$ 204,171,516	\$ 442,744,820	\$ 420,068,089
Long-term liabilities	\$ 156,408,506	\$ 158,900,731	\$ 26,698,593	\$ 32,522,879	\$ 183,107,099	\$ 191,423,610
Other liabilities	14,628,611	7,594,486	15,095,591	15,148,577	29,724,202	22,743,063
Total liabilities	171,037,117	166,495,217	41,794,184	47,671,456	212,831,301	214,166,673
Deferred inflows of resources	16,069,193	10,629,035	1,589,228	1,410,890	17,658,421	12,039,925
Net Position						
Net investment in capital assets	113,011,793	96,586,369	108,760,225	107,272,083	221,772,018	203,858,452
Restricted	18,931,884	22,964,049	3,106,611	3,110,730	22,038,495	26,074,779
Unrestricted	(77,162,162)	(80,778,097)	45,606,747	44,706,357	(31,555,415)	(36,071,740)
Total net position	54,781,515	38,772,321	157,473,583	155,089,170	212,255,098	193,861,491
Total liabilities, deferred inflows of resources and net position	\$ 241,887,825	\$ 215,896,573	\$ 200,856,995	\$ 204,171,516	\$ 442,744,820	\$ 420,068,089



# City of North Little Rock, Arkansas

## Management Discussion and Analysis

### December 31, 2021

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$212,255,098 as of December 31, 2021. The largest portion of the City's net position (\$221,772,018 or 104 percent) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, infrastructure, and construction in progress), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$22,038,495 represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted net position of (\$31,555,415) is unrestricted and is a deficit balance due primarily to the net pension and other postemployment benefit liabilities recorded at year end.

#### ANALYSIS OF THE CITY'S OPERATIONS

The following table provides a summary of the City's operations for the year ended December 31, 2021 and 2020. Governmental activities increased the City's net position by \$16,009,194 for the year ended December 31, 2021 primarily due to increased sales tax collections due to an influx of federal aid to consumers to boost the economy as well as the increase in the price of goods and services. Increases in food, lodging and motor fuel taxes also attributed to the increase in net position.

At the end of 2021, operating grants and contributions in governmental funds were approximately \$800,000 below the prior year. This change is primarily associated with several COVID-19 specific grants the City received in 2020 to respond to COVID-19.

The increase in street expense in 2021 is primarily associated with the improvements of Highway 70/391 where the Amazon distribution facility opened in 2021. The expenses were fully reimbursed by the State and Amazon.

The decrease in public safety expense is associated with the decrease in pension expense in the current year for the Police and Fire – LOPFI plans, the Police Pension plan, and the Firemen's Pension and Relief plan. For more information on these plans see *Note 7*.

The increase in public works expense is due to the increase in the number of street and drainage maintenance projects the department did in 2021 over 2020. Also in 2021 the public works department began contracting out maintenance projects that the street department has handled in the past due to the large number of vacancies in the street department.

The increase in culture and recreation expense of approximately \$800,000 is primarily associated with maintenance in the parks that got deferred in 2020 due to the uncertainty of COVID-19 and a major roof replacement at the main community center.

**City of North Little Rock, Arkansas**  
**Management Discussion and Analysis**  
**December 31, 2021**

The primary change in business-type activities is related to an increase in revenue due to additional system load and weather was not as mild as in the previous year.

**CITY OF NORTH LITTLE ROCK, ARKANSAS**  
**CHANGES IN NET POSITION**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Revenues</b>						
Program Revenues						
Charges for services	\$ 9,283,739	\$ 9,009,418	\$ 93,857,877	\$ 87,823,545	\$ 103,141,616	\$ 96,832,963
Operating grants and contributions	2,391,152	3,207,844	873,714	-	3,264,866	3,207,844
Capital grants	3,279,733	2,794,546	-	62,241	3,279,733	2,856,787
General Revenues						
Taxes	89,901,294	78,029,727	-	-	89,901,294	78,029,727
Franchise fees	4,055,911	3,737,046	-	-	4,055,911	3,737,046
Investment Income	130,868	462,260	131,053	444,439	261,921	906,699
Miscellaneous	3,879,020	2,545,631	-	-	3,879,020	2,545,631
Total revenues	<u>112,921,717</u>	<u>99,786,472</u>	<u>94,862,644</u>	<u>88,330,225</u>	<u>207,784,361</u>	<u>188,116,697</u>
<b>Expenses</b>						
General government	25,654,068	26,601,470	-	-	25,654,068	26,601,470
Public safety	53,340,207	59,987,367	-	-	53,340,207	59,987,367
Public works	3,200,186	1,782,790	-	-	3,200,186	1,782,790
Street and traffic	10,793,629	7,902,594	-	-	10,793,629	7,902,594
Health and sanitation	6,840,427	5,634,372	-	-	6,840,427	5,634,372
Community development	615,673	1,165,136	-	-	615,673	1,165,136
Culture and recreation	9,795,437	8,985,499	-	-	9,795,437	8,985,499
Interest and agent fees	322,202	411,286	-	-	322,202	411,286
Electric department	-	-	78,828,925	68,631,031	78,828,925	68,631,031
Total expenses	<u>110,561,829</u>	<u>112,470,514</u>	<u>78,828,925</u>	<u>68,631,031</u>	<u>189,390,754</u>	<u>181,101,545</u>
<b>Increases (Decreases) in Net Position Before Transfers</b>	2,359,888	(12,684,042)	16,033,719	19,699,194	18,393,607	7,015,152
<b>Transfers</b>	<u>13,649,306</u>	<u>13,649,346</u>	<u>(13,649,306)</u>	<u>(13,649,346)</u>	<u>-</u>	<u>-</u>
<b>Increases in Net Position</b>	16,009,194	965,304	2,384,413	6,049,848	18,393,607	7,015,152
<b>Net Position, Beginning of Year</b>	<u>38,772,321</u>	<u>37,807,017</u>	<u>155,089,170</u>	<u>149,039,322</u>	<u>193,861,491</u>	<u>186,846,339</u>
<b>Net Position, End of Year</b>	<u>\$ 54,781,515</u>	<u>\$ 38,772,321</u>	<u>\$ 157,473,583</u>	<u>\$ 155,089,170</u>	<u>\$ 212,255,098</u>	<u>\$ 193,861,491</u>

**FINANCIAL ANALYSIS OF GOVERNMENTAL AND PROPRIETARY FUNDS**

**Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

# **City of North Little Rock, Arkansas**

## **Management Discussion and Analysis**

### **December 31, 2021**

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$71,720,587. Approximately 42 percent of this total amount or \$30,262,733 constitutes unassigned fund balances available for spending. The remainder of the fund balances are either nonspendable, restricted, committed, or assigned by designation by management for encumbrances. These amounts are \$1,311,765, \$17,020,792, \$22,097,116, and \$1,028,181, respectively.

The General Fund is the chief fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$30,444,538 while total fund balance was \$49,878,839. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the fund's total operational expenditures. Unassigned fund balance represents 37 percent of total expenditures, while total fund balance represents 61 percent of that same amount. The General Fund's fund balance increased by \$7,785,134 during the current fiscal year. Total revenues increased approximately \$12,000,000. The primary factor for this increase in fund balance was primarily due to the increase in sales tax collections. Expenditures increased approximately \$4,000,000. This increase was primarily a result of the City purchasing the Blue Cross building for \$5,000,000 and various other projects not completed in 2020 offset with the savings from vacant positions.

The 2017 Sales Tax Capital Improvement Fund has restricted fund balance of \$11,798,127 as of December 31, 2021. During 2021, fund balance decreased by \$4,568,976 due to planned capital outlays. The ARPA fund is a new fund for 2021 and is being used to account for federal grants related to the pandemic. Resources in this fund will be used in accordance with federal regulations.

#### **Proprietary Funds**

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Electric Department totaled \$45,606,747 as of December 31, 2021. The Electric Department's net position increased \$2,384,413. This increase is primarily due to additional system load.

#### **General Fund Budgetary Highlights**

Each January the departments evaluate their outstanding purchase orders that need to be rolled forward to the current year budget. In 2021 there was \$2.1 million in outstanding purchase orders from 2020 rolled forward. The City also made other revisions to the original revenues and budgeted expenditures as necessary during the year, as approved by the City Council. However, all departments remained diligent in keeping expenditures within budget. The final amended General Fund budgeted expenditures totaled \$86,271,905 as compared to the original budgeted expenditures of \$78,672,582 an increase of \$7,599,323. The majority of this increase in budgeted expenditures was an increase in Special Appropriations of \$6,722,365. This increase was due primarily to two amendments for the purchase of property. The City purchased the Greyhound building on East Washington and the Blue Cross building on Pershing. The City plans to move the majority of its city services to the Blue Cross building at the end of 2022. Overall, expenditures came in \$4.2 million under budget.

**City of North Little Rock, Arkansas**  
**Management Discussion and Analysis**  
**December 31, 2021**

Revenue exceeded the general fund final budget by approximately \$5.5 million at the end of 2021. The favorable variance is primarily associated with higher than anticipated sales tax revenues due to the influx of federal assistance to taxpayers to boost the economy. Final budgeted revenue exceeded the original budget by approximately \$8,600,000. The original revenue was based on historical trends. The increase in sales tax was not foreseen at the beginning of the year.

**CAPITAL ASSETS**

The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2021 amounts to \$255,152,851 net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, furniture, machinery and equipment, computer equipment, utility infrastructure, infrastructure assets, and vehicles. Major capital asset events during the current fiscal year included the following:

- Increases in infrastructure for governmental activities totaling \$1,127,366.
- Additions to governmental buildings totaling \$4,122,574.
- Additions to governmental land of \$344,659.
- Additions to governmental vehicles of \$2,618,038.
- Additions to governmental equipment of \$1,472,660.
- Additions to governmental CIP of \$14,334,056 primarily related to the development of the new Justice Center.
- Additions to the Electrical system CIP of \$6,598,131.
- Additions to the Electrical system plant and equipment totaling \$879,800.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and land rights	\$ 10,077,886	\$ 8,450,236	\$ 2,032,960	\$ 2,032,960	\$ 12,110,846	\$ 10,483,196
Construction in progress	24,492,510	19,718,492	8,568,235	6,317,103	33,060,745	26,035,595
Utility system plant and equipment	-	-	307,966,662	305,475,929	307,966,662	305,475,929
Infrastructure	59,772,927	51,778,639	-	-	59,772,927	51,778,639
Buildings	52,903,358	46,087,668	-	-	52,903,358	46,087,668
Land improvements	9,178,354	8,833,695	-	-	9,178,354	8,833,695
Vehicles	30,053,800	27,951,380	-	-	30,053,800	27,951,380
Equipment	31,376,029	29,949,206	-	-	31,376,029	29,949,206
Ships and watercraft	3,673,738	3,673,738	-	-	3,673,738	3,673,738
Accumulated depreciation	(95,933,347)	(89,072,311)	(189,010,261)	(180,291,117)	(284,943,608)	(269,363,428)
Total	\$ 125,595,255	\$ 107,370,743	\$ 129,557,596	\$ 133,534,875	\$ 255,152,851	\$ 240,905,618

Additional information on the City’s capital assets can be found in *Note 4* in the notes to the basic financial statements.

**City of North Little Rock, Arkansas**  
**Management Discussion and Analysis**  
**December 31, 2021**

**DEBT ADMINISTRATION**

At December 31, 2021, the City had \$32,157,952 outstanding debt consisting of revenue bonds, special obligation bond, and notes payable. Of this debt, \$31,966,976 was secured by specific revenue sources.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue bonds	\$ -	\$ -	\$ 20,924,530	\$ 26,432,337	\$ 20,924,530	\$ 26,432,337
Bonds payable	11,042,446	11,715,630	-	-	11,042,446	11,715,630
Notes payable	190,976	255,036	-	-	190,976	255,036
<b>Total</b>	<b>\$ 11,233,422</b>	<b>\$ 11,970,666</b>	<b>\$ 20,924,530</b>	<b>\$ 26,432,337</b>	<b>\$ 32,157,952</b>	<b>\$ 38,403,003</b>

Total long-term bonds and notes payable outstanding at December 31, 2021, decreased by \$6,245,051 due to scheduled bond payments.

Additional information regarding the City’s long-term debt can be found in *Note 5* of this report.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS RATES**

The current economic environment presents municipalities with unprecedented circumstances and challenges, which in some cases could result in declines in population, volume of business, constraints on liquidity and difficulty obtaining financing. The City plans to continue improvements to local infrastructure, invest in its utility systems, support planning and development in the City, and focus on delivery of services to its citizens and customers.

The original 2022 budget for the General Fund includes budgeted revenues of \$76,853,758, including net transfers of \$4,355,087, and expenditures of \$76,853,758.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the City’s finances for all with an interest in the City’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, City of North Little Rock, 120 Main Street, North Little Rock, Arkansas 72114.

**City of North Little Rock, Arkansas**  
**Statement of Net Position**  
**December 31, 2021**

Assets	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Cash and cash equivalents	\$ 65,009,389	\$ 40,227,664	\$ 105,237,053	\$ 13,415,789
Investments	-	4,970,570	4,970,570	9,758,971
Accounts receivable – net of allowance	27,023,127	2,702,841	29,725,968	6,620,183
Prepaid expenses	1,311,765	635,776	1,947,541	1,353,172
Inventories	-	4,811,967	4,811,967	33,500
Restricted cash and cash equivalents	571,111	10,454,377	11,025,488	4,031,593
Notes receivable	-	1,565,000	1,565,000	171,195
Internal balances	1,064,246	(1,064,246)	-	-
Unbilled revenues	-	5,310,623	5,310,623	-
Capital assets – nondepreciable	34,570,396	10,601,195	45,171,591	15,733,907
Capital assets – depreciable, net	91,024,859	118,956,401	209,981,260	125,172,031
<b>Total assets</b>	<b>220,574,893</b>	<b>199,172,168</b>	<b>419,747,061</b>	<b>176,290,341</b>
<b>Deferred Outflows of Resources</b>				
Deferred loss on refunding	-	127,159	127,159	-
Deferred amount related to pensions	20,655,408	1,467,176	22,122,584	2,870,489
Deferred amount related to OPEB	657,524	90,492	748,016	-
<b>Total deferred outflows of resources</b>	<b>21,312,932</b>	<b>1,684,827</b>	<b>22,997,759</b>	<b>2,870,489</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 241,887,825</b>	<b>\$ 200,856,995</b>	<b>\$ 442,744,820</b>	<b>\$ 179,160,830</b>
<b>Liabilities</b>				
Accounts payable	\$ 4,151,644	\$ 1,503,974	\$ 5,655,618	\$ 763,589
Accrued expenses	3,733,967	412,617	4,146,584	3,419,845
Unearned revenue	5,014,180	-	5,014,180	-
Accrued interest	66,630	143,895	210,525	-
Noncurrent liabilities				
Due within one year				
Bonds payable	751,050	5,609,871	6,360,921	3,057,865
Notes payable	48,938	-	48,938	-
Accrued compensated absences	729,111	135,137	864,248	772,917
Total OPEB liability	133,091	-	133,091	-
Customer deposits	-	7,290,097	7,290,097	-
Due in more than one year				
Bonds payable, net of amortized premium	10,291,396	15,314,659	25,606,055	40,261,682
Notes payable	142,038	-	142,038	-
Reserve for bio-solids disposal	-	-	-	1,860,200
Net pension liability	128,720,608	8,921,201	137,641,809	3,218,203
Total OPEB liability	6,018,843	735,909	6,754,752	144,467
Accrued compensated absences	11,235,621	1,726,824	12,962,445	289,825
<b>Total liabilities</b>	<b>171,037,117</b>	<b>41,794,184</b>	<b>212,831,301</b>	<b>53,788,593</b>
<b>Deferred Inflows of Resources</b>				
Deferred amounts related to pensions	15,682,527	1,432,605	17,115,132	2,708,179
Deferred amount related to OPEB	386,666	156,623	543,289	-
<b>Total deferred inflows of resources</b>	<b>16,069,193</b>	<b>1,589,228</b>	<b>17,658,421</b>	<b>2,708,179</b>
<b>Net Position</b>				
Net investment in capital assets	113,011,793	108,760,225	221,772,018	94,763,840
Restricted				
Debt service	879,608	3,106,611	3,986,219	3,763,241
Capital projects	11,798,127	-	11,798,127	-
Street and traffic	4,345,690	-	4,345,690	-
Parks and recreation	1,019,666	-	1,019,666	-
Police – equitable sharing	196,135	-	196,135	-
Drainage improvement	692,658	-	692,658	-
Airport	-	-	-	1,970,478
Library	-	-	-	33,296
Unrestricted	(77,162,162)	45,606,747	(31,555,415)	22,133,203
<b>Total net position</b>	<b>54,781,515</b>	<b>157,473,583</b>	<b>212,255,098</b>	<b>122,664,058</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 241,887,825</b>	<b>\$ 200,856,995</b>	<b>\$ 442,744,820</b>	<b>\$ 179,160,830</b>

**City of North Little Rock, Arkansas**  
**Statement of Activities**  
**Year Ended December 31, 2021**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							Component Units
	Program Revenues				Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Primary Government</b>								
Governmental activities								
General government	\$ 25,654,068	\$ 4,398,923	\$ 74,483	\$ 1,791,343	\$ (19,389,319)	\$ -	\$ (19,389,319)	\$ -
Public safety	53,340,207	1,642,960	448,526	198,222	(51,050,499)	-	(51,050,499)	-
Public works	3,200,186	183,711	1,191,217	-	(1,825,258)	-	(1,825,258)	-
Street and traffic	10,793,629	-	-	-	(10,793,629)	-	(10,793,629)	-
Health and sanitation	6,840,427	1,196,866	-	1,014,662	(4,628,899)	-	(4,628,899)	-
Community development	615,673	-	335,681	275,506	(4,486)	-	(4,486)	-
Culture and recreation	9,795,437	1,861,279	341,245	-	(7,592,913)	-	(7,592,913)	-
Interest and fiscal charges on long-term debt	322,202	-	-	-	(322,202)	-	(322,202)	-
Total governmental activities	<u>110,561,829</u>	<u>9,283,739</u>	<u>2,391,152</u>	<u>3,279,733</u>	<u>(95,607,205)</u>	<u>-</u>	<u>(95,607,205)</u>	<u>-</u>
Business-type activities								
Electric Department	78,828,925	93,857,877	873,714	-	-	15,902,666	15,902,666	-
Total business-type activities	<u>78,828,925</u>	<u>93,857,877</u>	<u>873,714</u>	<u>-</u>	<u>-</u>	<u>15,902,666</u>	<u>15,902,666</u>	<u>-</u>
Total primary government	<u>\$ 189,390,754</u>	<u>\$ 103,141,616</u>	<u>\$ 3,264,866</u>	<u>\$ 3,279,733</u>	<u>(95,607,205)</u>	<u>15,902,666</u>	<u>(79,704,539)</u>	<u>-</u>
Total component units	<u>\$ 29,974,134</u>	<u>\$ 25,274,735</u>	<u>\$ 349,733</u>	<u>\$ 205,903</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,143,763)</u>
					72,015,308	-	72,015,308	8,300,341
					17,885,986	-	17,885,986	3,940,478
					4,055,911	-	4,055,911	-
					130,868	131,053	261,921	62,554
					3,879,020	-	3,879,020	140,785
					<u>13,649,306</u>	<u>(13,649,306)</u>	<u>-</u>	<u>-</u>
					<u>111,616,399</u>	<u>(13,518,253)</u>	<u>98,098,146</u>	<u>12,444,158</u>
					<u>16,009,194</u>	<u>2,384,413</u>	<u>18,393,607</u>	<u>8,300,395</u>
					<u>38,772,321</u>	<u>155,089,170</u>	<u>193,861,491</u>	<u>114,363,663</u>
					<u>\$ 54,781,515</u>	<u>\$ 157,473,583</u>	<u>\$ 212,255,098</u>	<u>\$ 122,664,058</u>

**City of North Little Rock, Arkansas**  
**Balance Sheet – Governmental Funds**  
**December 31, 2021**

<b>Assets</b>	<b>General Fund</b>	<b>2017 Sales Tax Capital Improvement</b>	<b>ARPA</b>	<b>Total Nonmajor Funds</b>	<b>Total</b>
Cash and cash equivalents	39,014,753	\$ 9,922,648	\$ 8,397,180	\$ 7,674,808	\$ 65,009,389
Property taxes receivable – net of allowance	9,210,841	-	-	2,086,164	11,297,005
Sales tax receivable	11,320,343	-	-	1,998,015	13,318,358
Franchise tax receivable	498,070	-	-	-	498,070
Accounts receivable	471,472	-	-	4,875	476,347
Due from other governments	18,126	-	-	1,415,221	1,433,347
Due from other funds	8,044,034	3,164,071	-	2,964,961	14,173,066
Prepays	1,148,945	-	-	162,820	1,311,765
Restricted cash equivalents	-	-	-	571,111	571,111
<b>Total assets</b>	<b>\$ 69,726,584</b>	<b>\$ 13,086,719</b>	<b>\$ 8,397,180</b>	<b>\$ 16,877,975</b>	<b>\$ 108,088,458</b>
<b>Liabilities</b>					
Accounts payable	1,947,771	\$ 426,283	\$ 1,108,652	\$ 668,938	\$ 4,151,644
Accrued expenses	3,544,003	-	-	189,964	3,733,967
Unearned revenue	6,468	-	5,007,712	-	5,014,180
Due to other funds	5,901,339	862,309	2,286,330	4,058,842	13,108,820
<b>Total liabilities</b>	<b>\$ 11,399,581</b>	<b>\$ 1,288,592</b>	<b>\$ 8,402,694</b>	<b>\$ 4,917,744</b>	<b>\$ 26,008,611</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues – property taxes	\$ 8,448,164	\$ -	\$ -	\$ 1,911,096	\$ 10,359,260
<b>Total deferred inflows of resources</b>	<b>\$ 8,448,164</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,911,096</b>	<b>\$ 10,359,260</b>
<b>Fund Balances</b>					
Nonspendable	\$ 1,148,945	\$ -	\$ -	\$ 162,820	\$ 1,311,765
Restricted					
Capital projects	-	11,798,127	-	4	11,798,131
Debt service	-	-	-	685,703	685,703
Street and traffic	-	-	-	2,628,499	2,628,499
Parks and recreation	-	-	-	1,019,666	1,019,666
Police – equitable sharing	-	-	-	196,135	196,135
Drainage improvement	-	-	-	692,658	692,658
Committed	18,015,356	-	-	4,081,760	22,097,116
Assigned	270,000	-	-	758,181	1,028,181
Unassigned	30,444,538	-	(5,514)	(176,291)	30,262,733
<b>Total fund balances</b>	<b>\$ 49,878,839</b>	<b>\$ 11,798,127</b>	<b>\$ (5,514)</b>	<b>\$ 10,049,135</b>	<b>\$ 71,720,587</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 69,726,584</b>	<b>\$ 13,086,719</b>	<b>\$ 8,397,180</b>	<b>\$ 16,877,975</b>	<b>\$ 108,088,458</b>



**City of North Little Rock, Arkansas**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**December 31, 2021**

Total fund balances – governmental funds	\$ 71,720,587
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation used in governmental activities are not current financial resources and therefore are not reported in the governmental funds	125,595,255
Property taxes are recognized as revenue in the period in which levied in the government-wide financial statements, but are reported as unavailable revenue in the governmental funds.	10,359,260
Interest accrued on long-term debt in governmental activities are not due and payable in the current period and therefore are not reported in the governmental funds	(66,630)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:	
Accrued compensated absences	(11,964,732)
Total OPEB liability	(6,151,934)
Net Pension Liability	(128,720,608)
Bonds payable, including premiums	(11,042,446)
Notes payable	(190,976)
Deferred outflows of resources and deferred inflows of resources represent flows of resources which relate to the future periods and, therefore, are not reported in the funds.	<u>5,243,739</u>
Net position of governmental activities	<u>\$ 54,781,515</u>

**City of North Little Rock, Arkansas**  
**Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances – Governmental Funds**  
**Year Ended December 31, 2021**

	General Fund	2017 Sales Tax Capital Improvement	ARPA	Total Nonmajor Funds	Total
<b>Revenues</b>					
Taxes – sales	\$ 60,816,259	\$ -	\$ -	\$ 11,199,049	\$ 72,015,308
Taxes – other	15,417,779	-	-	2,008,725	17,426,504
Franchise fees	4,055,911	-	-	-	4,055,911
Fines and forfeitures	1,336,936	-	-	-	1,336,936
Licenses and permits	4,081,812	-	-	4,939	4,086,751
Charges for services	1,862,132	-	-	1,997,920	3,860,052
Intergovernmental	176,138	-	3,379,905	2,114,842	5,670,885
Investments earnings	33,762	49,566	9,563	37,977	130,868
Miscellaneous	3,548,810	-	-	357,176	3,905,986
Total revenues	<u>\$ 91,329,539</u>	<u>\$ 49,566</u>	<u>\$ 3,389,468</u>	<u>\$ 17,720,628</u>	<u>\$ 112,489,201</u>
<b>Expenditures</b>					
Current					
General government					
Administration	\$ 2,388,112	\$ -	\$ -	\$ 70,972	\$ 2,459,084
City clerk	421,198	-	-	-	421,198
Code enforcement	1,087,107	-	-	-	1,087,107
Commerce	331,552	-	-	-	331,552
Communication	249,903	-	-	-	249,903
Finance	1,112,455	-	-	-	1,112,455
Information technology	4,202,864	-	-	-	4,202,864
1st district court	591,030	-	-	-	591,030
2nd district court	540,735	-	-	-	540,735
Legal	718,758	-	-	-	718,758
Human resources	877,617	-	-	-	877,617
Planning	1,004,735	-	-	-	1,004,735
Vehicle maintenance	1,167,053	-	-	-	1,167,053
Total general government	<u>14,693,119</u>	<u>-</u>	<u>-</u>	<u>70,972</u>	<u>14,764,091</u>
Animal shelter	682,359	-	-	-	682,359
Community development	-	-	-	602,485	602,485
Emergency services	1,894,406	-	-	35,261	1,929,667
Fit 2 live	181,180	-	-	-	181,180
Health	93,227	-	-	-	93,227
Neighborhood services	190,704	-	-	-	190,704
Parks and recreation	-	-	-	8,670,876	8,670,876
Public safety – fire	18,676,818	-	-	-	18,676,818
Public safety – police	24,619,802	164,474	16,327	27,485	24,828,088
Public works	1,175,575	924,581	-	1,056,236	3,156,392
Sanitation	5,246,322	-	1,014,662	-	6,260,984
Senior citizens	986,195	-	-	-	986,195
Special appropriations	7,237,641	-	102,496	-	7,340,137
Street and traffic	-	1,819,002	-	7,034,113	8,853,115
Capital outlay	6,353,284	12,566,620	447,681	6,279,418	25,647,003
Debt Service					
Principal	-	-	-	594,060	594,060
Interest and agent fees	-	-	-	469,385	469,385
Total expenditures	<u>82,030,632</u>	<u>15,474,677</u>	<u>1,581,166</u>	<u>24,840,291</u>	<u>123,926,766</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>9,298,907</u>	<u>(15,425,111)</u>	<u>1,808,302</u>	<u>(7,119,663)</u>	<u>(11,437,565)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	16,403,122	10,856,135	-	7,060,760	34,320,017
Transfers out	(17,916,895)	-	(1,813,816)	(940,000)	(20,670,711)
Total other financing sources (uses)	<u>(1,513,773)</u>	<u>10,856,135</u>	<u>(1,813,816)</u>	<u>6,120,760</u>	<u>13,649,306</u>
<b>Net Change in Fund Balances</b>	7,785,134	(4,568,976)	(5,514)	(998,903)	2,211,741
<b>Fund Balances, Beginning of the Year</b>	<u>42,093,705</u>	<u>16,367,103</u>	<u>-</u>	<u>11,048,038</u>	<u>69,508,846</u>
<b>Fund Balances, End of the Year</b>	<u>\$ 49,878,839</u>	<u>\$ 11,798,127</u>	<u>\$ (5,514)</u>	<u>\$ 10,049,135</u>	<u>\$ 71,720,587</u>

**City of North Little Rock, Arkansas**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**Year Ended December 31, 2021**

Net change in fund balances – total governmental funds	\$ 2,211,741
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital asset purchases	25,647,003
Retirements	(26,966)
Depreciation expense	(7,395,525)
Revenues that do not provide current financial resources, such as property taxes are not reported as revenues for the funds but are reported as revenues in the statement of activities.	459,482
Current year changes in long-term liabilities for compensated absences do not require the use of current financial resources; therefore, they are not reported as expenditures in the governmental funds.	(417,846)
Changes to Other Post Employment Benefit (OPEB) liability, net pension liability, OPEB and pension related deferred outflows and inflows of resources do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(5,209,938)
Interest accrued on notes payable in governmental activities are not due and payable and therefore are not reported as expenditures in the governmental funds. This is the net change in accrued interest payable.	3,999
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Principal payments:	
Notes payable	64,060
Bonds payable	530,000
Bond premium amortization	143,184
	143,184
Change in net position of governmental activities	\$ 16,009,194

**City of North Little Rock, Arkansas**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget**  
**and Actual – General Fund**  
**Year Ended December 31, 2021**

	Original Budget	Changes	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>					
Taxes – sales	\$ 49,065,000	\$ 9,600,000	\$ 58,665,000	\$ 60,816,259	\$ 2,151,259
Taxes – other	8,157,200	610,000	8,767,200	15,417,779	6,650,579
Franchise Fees	2,831,000	250,000	3,081,000	4,055,911	974,911
Fines and forfeitures	2,275,250	(855,000)	1,420,250	1,336,936	(83,314)
Licenses and permits	3,834,500	50,000	3,884,500	4,081,812	197,312
Charges for services	2,320,830	-	2,320,830	1,862,132	(458,698)
Intergovernmental	5,112,345	-	5,112,345	176,138	(4,936,207)
Investments earnings	63,000	-	63,000	33,762	(29,238)
Miscellaneous	3,543,175	(1,054,774)	2,488,401	3,548,810	1,060,409
	<u>\$ 77,202,300</u>	<u>\$ 8,600,226</u>	<u>\$ 85,802,526</u>	<u>\$ 91,329,539</u>	<u>\$ 5,527,013</u>
<b>Expenditures</b>					
<b>General Government</b>					
Administration	\$ 2,462,634	\$ 98,967	\$ 2,561,601	\$ 2,388,112	\$ 173,489
City clerk	432,335	-	432,335	421,198	11,137
Code enforcement	1,203,032	-	1,203,032	1,087,107	115,925
Commerce	331,677	-	331,677	331,552	125
Communication	206,948	30,000	236,948	249,903	(12,955)
Finance	1,182,650	-	1,182,650	1,112,455	70,195
Information technology	4,305,189	200,000	4,505,189	4,202,864	302,325
1st District Court	657,730	-	657,730	591,030	66,700
2nd District Court	620,862	-	620,862	540,735	80,127
Legal	868,049	-	868,049	718,758	149,291
Human Resources	902,991	-	902,991	877,617	25,374
Planning	1,051,389	57,862	1,109,251	1,004,735	104,516
Vehicle Maintenance	1,171,314	-	1,171,314	1,167,053	4,261
Total general government	<u>15,396,800</u>	<u>386,829</u>	<u>15,783,629</u>	<u>14,693,119</u>	<u>1,090,510</u>
Animal Shelter	911,356	-	911,356	682,359	228,997
Emergency Services	2,340,621	-	2,340,621	1,894,406	446,215
Fit 2 live	234,938	-	234,938	181,180	53,758
Health	87,928	-	87,928	93,227	(5,299)
Neighborhood Services	187,523	5,700	193,223	190,704	2,519
Public Safety – Fire	19,578,229	183,947	19,762,176	18,676,818	1,085,358
Public Safety – Police	25,108,828	234,420	25,343,248	24,619,802	723,446
Public Works	1,326,603	16,062	1,342,665	1,175,575	167,090
Sanitation	5,466,793	50,000	5,516,793	5,246,322	270,471
Senior Citizens	1,161,551	-	1,161,551	986,195	175,356
Special Appropriations	6,871,412	6,722,365	13,593,777	7,237,641	6,356,136
Capital Outlay	-	-	-	6,353,284	(6,353,284)
Total expenditures	<u>78,672,582</u>	<u>7,599,323</u>	<u>86,271,905</u>	<u>82,030,632</u>	<u>4,241,273</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,470,282)</u>	<u>1,000,903</u>	<u>(469,379)</u>	<u>9,298,907</u>	<u>9,768,286</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	16,305,189	200,000	16,505,189	16,403,122	102,067
Transfers Out	(14,834,907)	(2,825,000)	(17,659,907)	(17,916,895)	(256,988)
Total other financing sources (uses)	<u>1,470,282</u>	<u>(2,625,000)</u>	<u>(1,154,718)</u>	<u>(1,513,773)</u>	<u>(154,921)</u>
<b>Net Change in Fund Balance</b>	-	(1,624,097)	(1,624,097)	7,785,134	9,613,365
<b>Fund Balance, Beginning of the Year</b>	<u>42,093,705</u>	<u>-</u>	<u>42,093,705</u>	<u>42,093,705</u>	<u>-</u>
<b>Fund Balance, End of the Year</b>	<u>\$ 42,093,705</u>	<u>\$ (1,624,097)</u>	<u>\$ 40,469,608</u>	<u>\$ 49,878,839</u>	<u>\$ 9,613,365</u>

**City of North Little Rock, Arkansas**  
**Statement of Net Position – Proprietary Funds**  
**December 31, 2021**

	<u>Business-Type Activities Enterprise Fund Electric Department</u>
<b>Assets</b>	
Current Assets	
Cash & cash equivalents	\$ 40,227,664
Investments	4,970,570
Accounts receivable – net of allowance	2,694,285
Other receivables	8,556
Due from other funds	1,921
Notes Receivable	130,000
Unbilled revenues	5,310,623
Materials and supplies	4,811,967
Prepaid expenses	635,776
Total current assets	<u>58,791,362</u>
Noncurrent Assets	
Restricted cash & cash equivalents	10,454,377
Notes Receivable	1,435,000
Capital Assets	
Capital assets	318,567,857
Less: accumulated depreciation	(189,010,261)
Total capital assets – net	<u>129,557,596</u>
Total noncurrent assets	<u>141,446,973</u>
Total assets	<u>\$ 200,238,335</u>
<b>Deferred Outflows of Resources</b>	
Deferred loss on refunding	\$ 127,159
Deferred amount related to pensions	1,467,176
Deferred amount related to OPEB	90,492
Total deferred outflows of resources	<u>1,684,827</u>
Total assets and deferred outflows of resources	<u>\$ 201,923,162</u>
<b>Liabilities</b>	
Current Liabilities	
Accounts Payable	\$ 1,503,974
Accrued expenses and other liabilities	412,617
Due to other funds	1,066,167
Bonds payable – current portion	5,609,871
Accrued compensated absences – current portion	135,137
Accrued interest payable	143,895
Total current liabilities	<u>8,871,661</u>
Noncurrent Liabilities	
Customer deposits payable	7,290,097
Net pension liability	8,921,201
Total OPEB liability	735,909
Accrued compensated absences – noncurrent portion	1,726,824
Bonds payable – noncurrent portion	15,314,659
Total noncurrent liabilities	<u>33,988,690</u>
Total liabilities	<u>42,860,351</u>
<b>Deferred Inflows of Resources</b>	
Deferred amounts related to pensions	1,432,605
Deferred amount related to OPEB	156,623
Total deferred inflows of resources	<u>1,589,228</u>
<b>Net Position</b>	
Net investment in capital assets	108,760,225
Restricted - debt service	3,106,611
Unrestricted net position	45,606,747
Total net position	<u>157,473,583</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 201,923,162</u>

**City of North Little Rock, Arkansas**  
**Statement of Revenues, Expenses, and Changes in**  
**Net Position – Proprietary Funds**  
**Year Ended December 31, 2021**

	<b>Business-Type Activities Enterprise Fund Electric Department</b>
<b>Operating Revenues</b>	
Sales of electricity, net of uncollectible accounts	\$ 91,998,528
Penalty income	1,309,433
Miscellaneous income	549,916
Total revenues	93,857,877
<b>Operating Expenses</b>	
Salaries and fringe benefits	8,066,837
Purchased electricity	49,587,899
Maintenance	5,413,418
Franchise tax	370,254
Depreciation	10,874,998
Other services and charges	3,912,257
Total operating expenses	78,225,663
<b>Operating Income</b>	15,632,214
<b>Nonoperating Revenues (Expenses)</b>	
Interest and investment income	131,053
Interest expense	(595,262)
Trustee fees	(8,000)
Intergovernmental revenue	873,714
Total nonoperating revenues (expenses)	401,505
<b>Income Before Transfers Out</b>	16,033,719
<b>Transfers to Other City Funds</b>	13,649,306
<b>Change in Net Position</b>	2,384,413
<b>Net Position, Beginning of Year</b>	155,089,170
<b>Net Position, End of Year</b>	\$ 157,473,583

**City of North Little Rock, Arkansas**  
**Statement of Cash Flows – Proprietary Funds**  
**Year Ended December 31, 2021**

	<u><b>Business-Type Activities Enterprise Fund Electric Department</b></u>
<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 95,568,368
Payments to vendors	(7,827,282)
Payments for purchase of electricity	(49,587,899)
Payments for taxes	(370,254)
Payments to employees	(8,012,356)
Net cash flows provided by operating activities	<u>29,770,577</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Transfers to other funds	(13,649,306)
Repayment of loans to other funds	(2,465,161)
Net cash flows used by noncapital financing activities	<u>(16,114,467)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Repayment of long-term debt and bonds payable	(5,507,807)
Purchase of property, plant and equipment	(7,477,931)
Interest paid	(599,423)
Trustee payments	(8,000)
Proceeds from grants	873,714
Net cash flows used by capital and related financing activities	<u>(12,719,447)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sale of investments	3,111,461
Purchase of investments	(5,000,000)
Interest on investments	131,053
Net cash flows used by investing activities	<u>(1,757,486)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(820,823)
<b>Cash and Cash Equivalents, Beginning of the Year</b>	<u>51,502,864</u>
<b>Cash and Cash Equivalents, End of the Year</b>	<u>\$ 50,682,041</u>
<b>Reconciliation of Operating Income to Net Cash Provided from Operating Activities</b>	
Operating income	\$ 15,632,214
<b>Adjustments to Reconcile Operating Income to Net Cash Provided from (Used By) Operating Activities</b>	
Depreciation expense	11,455,210
(Increase) Decrease in assets and deferred outflows of resources	
Accounts receivable	973,713
Unbilled revenues	736,778
Prepaid expenses	1,089,864
Inventory	(1,089,216)
Deferred outflows of resources	50,427
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	1,025,617
Accrued expenses	(250,802)
Customer deposits payable	142,718
Pension and OPEB	(187,187)
Compensated absences	12,903
Deferred inflows of resources	178,338
Net cash provided by operating activities	<u>\$ 29,770,577</u>

**City of North Little Rock, Arkansas**  
**Statement of Fiduciary Net Position – Fiduciary Fund**  
**December 31, 2021**

	<u><b>Pension Trust Non-Uniform Employees Retirement Fund</b></u>
<b>Assets</b>	
Cash and cash equivalents	\$ 2,094,061
Investments, at fair value	
Mutual funds	18,104,049
Equities	<u>39,478,407</u>
Total assets	<u>59,676,517</u>
<b>Net Position</b>	
Net position – restricted for pensions	<u>\$ 59,676,517</u>
Total net position	<u><u>\$ 59,676,517</u></u>



**City of North Little Rock, Arkansas**  
**Statement of Changes in Fiduciary Net Position – Fiduciary Fund**  
**For the Year Ended December 31, 2021**

	<b>Pension Trust Non-Uniform Employees Retirement Fund</b>
<b>Additions</b>	
Contributions	
Employer	\$ 3,193,138
Members	1,351,664
Total contributions	4,544,802
Investment income	
Interest and dividend income	1,539,534
Appreciation in fair value of investments	4,779,194
Less investment expense	(217,714)
Net investment gain	6,101,014
Total additions	10,645,816
<b>Deductions</b>	
Benefits paid to participants	4,848,130
Administrative expenses	71,687
Total deductions	4,919,817
<b>Change in Net Position</b>	5,725,999
<b>Net Position Restricted for Pension Benefits, Beginning of Year</b>	53,950,518
<b>Net Position Restricted for Pension Benefits, End of Year</b>	\$ 59,676,517

**City of North Little Rock, Arkansas**  
**Statement Net Position – Discretely Presented Component Units**  
**December 31, 2021**

	Major Component Units			Nonmajor Component Unit	Total Component Units
	Waste Water Utility	William F. Laman Public Library	Airport Commission	Advertising and Promotion Commission	
<b>Assets</b>					
Cash and cash equivalents	\$ 5,475,273	\$ 4,353,075	2,121,785	\$ 1,465,656	\$ 13,415,789
Investments	9,758,971	-	-	-	9,758,971
Accounts receivable, net of allowance	2,610,194	3,925,554	80,139	4,296	6,620,183
Prepaid expenses and other	96,075	418,000	13,222	64,633	591,930
Inventories	33,195	305	-	-	33,500
Total current assets	17,973,708	8,696,934	2,215,146	1,534,585	30,420,373
<b>Noncurrent Assets</b>					
Restricted assets					
Cash and cash equivalents	2,488,970	33,296	-	-	2,522,266
Certificates of deposits	513,029	-	-	996,298	1,509,327
Other assets	761,242	-	-	-	761,242
Notes receivable	171,195	-	-	-	171,195
Capital assets, net	129,161,536	860,647	7,661,613	3,222,142	140,905,938
Total noncurrent assets	133,095,972	893,943	7,661,613	4,218,440	145,869,968
Total assets	151,069,680	9,590,877	9,876,759	5,753,025	176,290,341
<b>Deferred Outflows of Resources</b>					
Deferred outflows from pensions	2,487,309	274,746	23,783	84,651	2,870,489
Total deferred outflows of resources	2,487,309	274,746	23,783	84,651	2,870,489
Total assets and deferred outflows of resources	\$ 153,556,989	\$ 9,865,623	\$ 9,900,542	\$ 5,837,676	\$ 179,160,830
<b>Current Liabilities</b>					
Accounts payable	\$ 61,875	\$ 65,364	97,592	\$ 538,758	\$ 763,589
Other accrued liabilities	573,053	-	24,241	2,822,551	3,419,845
Bonds payable - current portion	3,057,865	-	-	-	3,057,865
Compensated absences	745,635	27,282	-	-	772,917
Total current liabilities	4,438,428	92,646	121,833	3,361,309	8,014,216
<b>Noncurrent Liabilities</b>					
Bonds payable – noncurrent portion	40,261,682	-	-	-	40,261,682
Reserve for bio-solids disposal	1,860,200	-	-	-	1,860,200
Net pension liability	1,373,351	1,523,906	126,992	193,954	3,218,203
Total OPEB liability	144,467	-	-	-	144,467
Compensated absences	-	154,601	-	135,224	289,825
Total noncurrent liabilities	43,639,700	1,678,507	126,992	329,178	45,774,377
Total liabilities	48,078,128	1,771,153	248,825	3,690,487	53,788,593
<b>Deferred Inflows of Resources</b>					
Deferred inflows from pensions	1,938,302	383,259	19,626	366,992	2,708,179
Total deferred inflows of resources	1,938,302	383,259	19,626	366,992	2,708,179
<b>Net Position</b>					
Net investment in capital assets	85,841,989	860,647	7,661,613	399,591	94,763,840
Restricted - expendable	3,763,241	-	1,970,478	-	5,733,719
Restricted - nonexpendable	-	33,296	-	-	33,296
Unrestricted	13,935,329	6,817,268	-	1,380,606	22,133,203
Total net position	103,540,559	7,711,211	9,632,091	1,780,197	122,664,058
Total liabilities, deferred inflows of resources and net position	\$ 153,556,989	\$ 9,865,623	\$ 9,900,542	\$ 5,837,676	\$ 179,160,830

The notes to the financial statements are an integral part of this statement.

**City of North Little Rock, Arkansas**  
**Statement of Revenues, Expenses, and Changes in Net Position – Discretely Presented Component Units**  
**For the Year Ended December 31, 2021**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Waste Water Utility	William F. Laman Public Library	Airport Commission	Advertising & Promotion Commission	
Governmental Activities									
William F. Laman Public Library Advertising & Promotion	\$ 3,256,313	\$ 104,798	\$ 349,733	\$ -	\$ -	\$ (2,801,782)	\$ -	\$ -	\$ (2,801,782)
	7,925,048	438,021	-	-	-	-	-	(7,487,027)	(7,487,027)
Total governmental activities	11,181,361	542,819	349,733	-	-	(2,801,782)	-	(7,487,027)	(10,288,809)
Business-type Activities									
Waste Water Utility	18,117,172	24,357,675	-	-	6,240,503	-	-	-	6,240,503
Airport Commission	675,601	374,241	-	205,903	-	-	(95,457)	-	(95,457)
Total business-type activities	18,792,773	24,731,916	-	205,903	6,240,503	-	(95,457)	-	6,145,046
Total component units	\$ 29,974,134	\$ 25,274,735	\$ 349,733	\$ 205,903	6,240,503	(2,801,782)	(95,457)	(7,487,027)	(4,143,763)
General revenues									
Taxes – other	-	-	-	-	-	3,940,478	-	-	3,940,478
Taxes – sales	-	-	-	-	-	-	10,064	8,290,277	8,300,341
Investment income	-	-	-	-	46,453	-	11,645	4,456	62,554
Other	-	-	-	-	51,512	2,506	4,727	82,040	140,785
Total general revenues	-	-	-	-	97,965	3,942,984	26,436	8,376,773	12,444,158
<b>Change in Net Position</b>					6,338,468	1,141,202	(69,021)	889,746	8,300,395
<b>Net Position, Beginning of Year</b>					97,202,091	6,570,009	9,701,112	890,451	114,363,663
<b>Net Position, End of Year</b>					\$ 103,540,559	\$ 7,711,211	\$ 9,632,091	\$ 1,780,197	\$ 122,664,058

## **Notes to Basic Financial Statements**

# City of North Little Rock, Arkansas

## Notes to the Financial Statements

### December 31, 2021

#### **Note 1: Summary of Significant Accounting Policies**

The City of North Little Rock, Arkansas (City) is a municipal corporation operating under the authority of Arkansas state statute. The City is governed by an elected, nine-member council comprised of the Mayor (elected at large) and eight district City Council members. The City provides a full range of municipal services. These include police and fire protection, emergency medical services, public works (streets and waste collections), public improvements, electric and sewer services, parks and recreation, planning and zoning, social, cultural, and general administrative services. The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America for state and local governments as defined by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting and reporting policies of the City.

#### ***Reporting Entity***

The accompanying government-wide financial statements present the financial statements of the City of North Little Rock, Arkansas and its component units. The component units are legally separate entities for which the City is considered to be financially accountable. Financial accountability is defined as the City's substantive appointment of the majority of the component unit's governing board. Furthermore, to be financially accountable, the City must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to or impose specific financial burdens on the City. These component units are further distinguished between blended component units, presented as part of the primary government, and discretely presented component units, presented separately.

Under the provisions of GASB Statement No. 84, *Fiduciary Activities*, which was adopted by the City in 2020, The Retirement System of The City of North Little Rock (The Non-Uniformed Employees Retirement Plan) is presented as a fiduciary component unit in the City's fiduciary fund statements.

The discrete component units discussed below are included in the City's reporting entity because of the significance of their operations or financial relationships with the City. The City has no blended component units.

#### ***Discretely Presented Component Units***

##### **Major Component Units**

*North Little Rock Waste Water Utility* - The North Little Rock Waste Water Utility maintains the City's wastewater facility. The City appoints a majority of the Utility's governing body. The City has the ability to remove appointed members of the Utility's governing body at will.

*William F. Laman Public Library* - The William F. Laman Public Library operates the public library. The City owns the land and building, and also appoints a majority of the Library's board.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**December 31, 2021**

*North Little Rock Airport Commission* - The North Little Rock Airport Commission operates the municipal airport located within the City. The City appoints a majority of the Commission's board and, on an annual basis, appropriates funds for personnel, operations, capital expenditures and construction.

There were no other significant transactions between the major component units and the City or its other component unit in 2021.

**Nonmajor Component Unit**

*North Little Rock Advertising and Promotion Commission* - The governing body of the commission is appointed by the City Council. The City has the power to impose its will on the Commission. The Commission serves as the sales and advertising office for the City's tourism industry.

The North Little Rock Waste Water Utility, the North Little Rock Advertising and Promotion Commission, and the William F. Laman Public Library issue separately audited financial statements. Copies of which may be obtained from the management of those entities.

Administrative Offices

North Little Rock Waste Water Utility  
7400 Baucum Pike  
North Little Rock, Arkansas 72202

William F. Laman Public Library  
2801 Orange Street  
North Little Rock, Arkansas 72114

North Little Rock Advertising and Promotion Commission  
600 Main Street  
North Little Rock, Arkansas 72114

**Related Organizations**

*North Little Rock Housing Authority* - The North Little Rock Housing Authority was created by state statute and is legally separate from the City. The City appoints the commissioners. However, the City cannot impose its will on the Authority since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the commissioners. The Authority is fiscally independent, and no financial benefit or burden relationship exists with the City. Therefore, it is not included in the City's financial statements.

*North Little Rock Public Building Authority* - The North Little Rock Public Building Authority was created by state statute and is legally separate from the City. The City appoints the board members. However, the City cannot impose its will on the Authority since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the board of directors. The Authority is fiscally independent, and no financial benefit or burden relationship exists with the City. Therefore, it is not included in the City's financial statements.

*Central Arkansas Water* - Effective July 1, 2001, the North Little Rock Water Department and the Little Rock Water Department were merged into Central Arkansas Water. The City appoints a minority of the commissioners and the City cannot impose its will on the entity.

# City of North Little Rock, Arkansas

## Notes to the Financial Statements

### December 31, 2021

#### **Government-wide and Fund Financial Statements**

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements as follows:

#### **Government-Wide Financial Statements**

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component units. Fiduciary activities are excluded from the government-wide statements because they cannot be used to support the City's own programs. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity is offset by program revenues. Direct expenses are those that are clearly associated with a specific function or identifiable activity. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or identifiable activity and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or identifiable activity.

#### **Fund Financial Statements**

The fund financial statements provide information about the City's funds, including its fiduciary fund. Separate statements for each fund (governmental, proprietary and fiduciary) are presented. The emphasis of fund financial statements is on major governmental and major enterprise funds, each displayed in a separate column. All other governmental funds are aggregated and reported as nonmajor funds. The City has no nonmajor enterprise funds.

The City reports the following major governmental fund:

*General Fund* - The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*2017 Sales Tax Capital Improvement Fund* – Accounts for the ½ cent capital sales tax collection that began in January 2018. This ½ cent capital sales tax sunsets after five years. The revenue is for the purpose of constructing and improving public safety facilities and street improvements.

*ARPA Fund* - To account for grant funds received from the Coronavirus State and Local Fiscal Recovery Fund. These monies are expended to satisfy purposes as outlined by each federal program.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**December 31, 2021**

The City reports the following major enterprise fund:

*North Little Rock Electric Department* - This fund accounts for operations of the City's electric utility.

Other funds of the City include the following:

*Special Revenue Funds* - The special revenue funds are used to account for the proceeds of specific revenue sources, other than expendable trusts or major capital projects, which are legally restricted to expenditures for specified purposes.

*Debt Service Funds* - The debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

*Capital Projects Funds* - The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by enterprise funds.

*Pension Trust Fund* - The pension trust fund accounts for assets held in trust for the Non-Uniformed Employees' Retirement Fund. Plan trustees must act in accordance with the specific purposes and terms of the retirement plan.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities' column.

***Measurement Focus and Basis of Accounting***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.



# City of North Little Rock, Arkansas

## Notes to the Financial Statements

### December 31, 2021

#### ***Governmental Fund Financial Statements***

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

#### ***Budgets and Budgetary Accounting***

Annual operating budgets are prepared by the Finance Department on an annual basis. The budget reflects revenues expected to be received and expenditures expected to be incurred during the year. The Mayor is required by City and State law to submit the budget to the City Council for approval. The City Council subsequently adopts the budget by City ordinance no later than December 31 of each year. Department expenditures relating to budgeted items may not exceed their appropriated amount without approval. Transfers over budgeted amounts must receive City Council approval. The original budget of the General Fund was amended in 2021 to reflect actual expenditures, and more accurately reflect actual revenues. Appropriations for special projects are made each year by the City Council to finance specific events and capital outlays. These projects are carried forward until they are fully expended or repealed by the City Council's ordinance. Appropriations lapse at the end of each year.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**December 31, 2021**

***Cash and Cash Equivalents***

Cash and cash equivalents include cash on hand, demand deposits, certificates of deposit and short-term instruments with original maturities of three months or less at the date of purchase. For purposes of the statement of cash flows of the Enterprise Fund, the City considers all liquid investments, including restricted assets, with original maturities of three months or less to be cash and cash equivalents.

***Investments and Investment Income***

Generally, investments are stated at fair value or amortized cost and are held by the City in various forms as allowed by the laws of the State of Arkansas. The Electric Department carries debt securities with an original maturity of less than one year at amortized cost. All other investments of the Electric Department are carried at fair value using quoted market prices. Pension fund investments are carried at fair value using quoted market prices. The Waste Water Utility investments in securities are carried at fair value using quoted market prices. The City records all investment income earned in the respective funds. Investment income includes interest income, dividend income, other investment income, realized and unrealized gains and losses on investments carried at fair value (the net change for the year in the fair value of investments carried at fair value), investments carried at other than fair value, and other investment income. Investment income is included in unrestricted net position and is reflected as nonoperating revenue in the statement of revenues, expenses and changes in net position in Proprietary Funds.

***Restricted Assets***

Certain funds are held by the Governmental and Enterprise funds in accounts restricted for debt service, capital construction, utility operations and maintenance, and customer deposits. These funds are invested in certificates of deposits and securities as allowed by state law and the related debt agreements. The Waste Water Utility restricts certain assets for the payment of debt service, capital improvements, and repairs and maintenance. The William F. Laman Public Library restricted assets (donor endowment) consist of a certificate of deposit. The principal of the endowment is permanently restricted, while investment income must be spent on reference materials.

***Accounts Receivable***

Accounts receivable are recorded in the General, Special Revenue, Debt Service, and Proprietary fund types. The proprietary fund and Waste Water Utility (Utility) accounts receivable are stated at the amounts billed to customers. All funds and the Utility utilize the allowance method of accounting for uncollectible accounts receivable where appropriate. Management uses significant judgment in estimating uncollectible amounts, considering factors such as current overall economic conditions, industry-specific economic conditions, historical customer performance, and anticipated customer performance. While management believes the processes effectively address its exposure to doubtful accounts, changes in economic, industry, or specific customer conditions may require adjustment to the recorded allowance.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**December 31, 2021**

The electric department has a note receivable balance of \$1,565,000 as of December 31, 2021. The note is payable annually over the next nine years. The stated interest rate per the note is 5.25 percent.

Allowances have been established for December 31, 2021:

**Primary Government**

General Fund	\$ 624,955
Street Fund	149,321
Baring Cross Debt Service	22,346
Electric Department	105,587

**Component Units**

Waste Water Utility	\$ 10,000
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***Inventories***

All Governmental-type fund inventories are accounted for using the purchase method, whereby inventories are charged to expenditures when purchased. Governmental inventories are immaterial to the government-wide financial statements. Electric Department inventories are valued at the lower of cost or market using the average cost method. Waste Water Utility and William F. Laman Public Library inventories are valued at the lower of cost or market using the first-in, first-out method.

***Prepaid Items***

Prepaid balances are for payments made by the City in the current year for services occurring in the subsequent fiscal year, and a reserve for prepaid items has been recorded to signify that portion of the fund balance is not available for subsequent expenditures.

***Capital Assets***

Capital assets, which include infrastructure assets constructed since 1980, are reported in the government-wide financial statements, fund financial statements for the proprietary fund and all Discretely Presented Component Units. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of donation.

# City of North Little Rock, Arkansas

## Notes to the Financial Statements

### December 31, 2021

In connection with the adoption of GASB Statement No. 34, the City adopted a capitalization policy for infrastructure assets of \$250,000. The City defined machinery and equipment to be capitalized as those assets with value or cost greater than \$2,500 and an estimated useful life greater than one year. The cost of City additions includes contractual work, direct labor, materials and allocable overhead. For the Waste Water Utility, assets are constructed by utility work crews, independent contractors financed by utility funds, contributions to the Utility by independently financed waste water improvement districts, and contributions to the Utility by real estate developers in conjunction with property development. Assets acquired from improvement districts and real estate developers result in donated capital and have been so classified. The William F. Laman Public Library defines capital assets as assets with an initial cost of more than \$10,000 and a minimum estimated useful life of three years or more. Cost of repairs and maintenance that do not improve or extend the asset lives are charged to operations expense as incurred.

Capital assets are depreciated using the straight-line method over their estimated useful lives ranging from 15 to 50 years for infrastructure, 10 to 40 years for buildings, 5 to 50 years for electric plant, and 3 to 25 years for land improvements, vehicles, and equipment. Depreciation for the Waste Water Utility is provided using the straight-line method over estimated useful lives ranging from three to fifty years. Depreciation for the William F. Public Library is provided using the straight-line method over estimated useful lives ranging from three to twenty years.

Depreciation expense is charged directly to the department/function based on the department that utilizes the related asset.

#### ***Long-Term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the columns for governmental activities, business-type activities, and component units. These amounts are also reported as liabilities in the fund financial statements for the proprietary fund. Debt premiums are generally deferred and amortized using the effective interest rate method. Long-term debt is reported net of the applicable debt premium. Debt issuance costs are expensed.

Long-term liabilities expected to be financed from governmental fund types are not recorded in the governmental fund financial statements. Payments of principal and interest are recorded as expenditures on the statement of revenues, expenditures and changes in fund balance in the governmental fund financial statements.

In the fund financial statements, governmental fund types recognize debt premiums, as well as debt issuance costs, during the current period. The face amount of the debt issued, and premiums received are reported as other financing sources. Issuance costs, whether or not withheld from the actual proceeds received, are reported as debt service expenditures.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**December 31, 2021**

***Compensated Absences***

All full-time employees accumulate vacation and sick leave benefits in varying amounts based upon length of service. Upon termination or retirement, employees are paid for unused, accumulated amounts up to specified maximums. All compensated absences are accrued when incurred in the government-wide financial statements and proprietary fund financial statements. In governmental funds, a liability for these amounts is reported only as payments come due each period upon the occurrence of relevant events such as employee terminations, resignations and retirement. For governmental activities, the liability for compensated absences is generally liquidated from the general fund.

***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's defined benefit pension plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Postemployment Benefits Other Than Pensions (OPEB)***

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the City's Health Care Plan and additions to/deductions from the Plan have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has deferred outflows related to pensions and OPEB, consisting of the amount of contributions made to the pension plans after the measurement date, the difference in assumption changes, changes of proportion and the difference in expected and actual experience. Deferred outflows related to contributions made to the pension plan after the measurement date will be recognized as a reduction of net pension liability in year subsequent to the current fiscal year end. The remaining amounts will be amortized to pension expense over future periods.

The City also has deferred outflows related to loss on bond refunding which will be amortized over the life of the refunding bond or new bond, whichever is shorter.

# City of North Little Rock, Arkansas

## Notes to the Financial Statements

### December 31, 2021

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City deferred inflows related to pensions and OPEB. This consists of the difference between the expected and actual experience, the difference in assumption changes, the net difference in investment experience between actual earnings and projected earnings on investments and changes of proportion. These amounts are amortized over future periods to pension and OPEB expense.

The City's deferred inflows also include unavailable revenues in the governmental funds. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### ***Net Position/Fund Balance***

The net position of the government-wide financial statements and proprietary funds of the City are classified in four components.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for acquisition, construction, or improvements of those assets, and adding back unspent proceeds.

Restricted expendable net position represents noncapital assets that must be used for a particular purpose as specified by creditors, grantors or donors external to the City, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings.

Restricted nonexpendable net position represents noncapital assets that are required to be maintained in perpetuity as specified by parties external to the City, such as permanent endowments. The City has no restricted nonexpendable net position at December 31, 2021. The William F. Laman Library has restricted nonexpendable net position of \$33,296.

Unrestricted net position represents remaining assets and deferred outflows of resources less remaining liabilities and deferred inflows of resources that do not meet the definition of net investments in capital assets or restricted expendable/nonexpendable net position.

The fund balances for the City's governmental funds are displayed in five components:

*Nonspendable fund balance* - amounts that are not in a spendable form (such as prepaid expenses or inventory) or are required to be maintained intact.

*Restricted fund balance* - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Committed fund balance* - Committed fund balances may be used only for the specific purposes determined by ordinance of the City Council. Commitments may be changed or lifted only by issuance of an ordinance by the City Council.

**City of North Little Rock, Arkansas**  
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*Assigned fund balance* - assigned fund balances are intended to be used by the City for specific purposes as determined by the Mayor or the City Council. The Mayor is allowed to assign funds up to \$20,000. Any assignment of more than \$20,000 must be approved by the City Council. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

*Unassigned fund balance* – Residual amounts that are available for any purpose; positive amounts are reported only in the general fund.

*Flow assumptions* - When both restricted and unrestricted amounts of net position/fund balance are available for use for expenses/expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City’s policy to use fund balance in the following order: Committed, then Assigned, and lastly, Unassigned.

**Note 2: Deposits and Investments**

***Deposits***

Custodial credit risk is the risk that in the event of bank failure, the City’s deposits may not be returned, or the City will not be able to recover collateral securities in the possession of an outside party. It is the City’s policy to require collateralization of all deposits in excess of federal depository insurance. State statute requires that deposits in financial institutions be collateralized with federal depository insurance and bonds or other interest-bearing securities of the United States, the State of Arkansas, Arkansas political subdivisions or agencies, or instrumentalities of these entities. Deposits of the City’s reporting entity are insured or collateralized with securities held by the City, its agent, or by the pledging financial institution’s trust department, or its agent, in the name of the City or applicable public trust. At December 31, 2021, none of the City’s primary government bank balances were exposed to custodial credit risk.

At December 31, 2021, none of the City’s component unit bank balances were exposed to custodial credit risk.

***Summary of Carrying Values***

<b>Carrying Values</b>	<b><u>Primary Government</u></b>
Deposits	\$ 97,374,323
Investments	<u>83,535,305</u>
Total	<u><u>\$ 180,909,628</u></u>

**City of North Little Rock, Arkansas**  
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Included in the following statement of net position captions:

	<b>Primary Government</b>
Cash and cash equivalents	\$ 105,237,053
Investments	4,970,570
Restricted cash and investments	
Cash and cash equivalents	11,025,488
Fiduciary funds	59,676,517
Total	\$ 180,909,628

***Investments***

Arkansas statutes authorize the City to invest in direct obligations of the U.S. Government; obligations on which the principal and interest are fully guaranteed, or are fully secured, insured, or covered by commitments or agreements to purchase by the U.S. Government; obligations of agencies and instrumentalities created by acts of the United States Congress and authorized thereby to issue securities or evidence of indebtedness, regardless of guarantee of repayment by the U.S. Government; obligations of political subdivisions of the United States; certain obligations issued by the State Board of Education; short-term warrants of political subdivisions of the State of Arkansas and municipalities; the sale of federal funds with a maturity of not more than one business day; demand, savings or time deposits fully insured by a federal deposit insurance agency; repurchase agreements that are fully insured by obligations of the U.S. Government, any U.S. state or any political subdivision thereof; securities of, or other interest in, any open-end type investment company or investment trust registered under the *Investment Company Act of 1940*, and which is considered a money market fund, provided that the portfolio is limited principally to U.S. Government obligations and the investment company or trust takes delivery of collateral either directly or through an authorized custodian; and bank certificates of deposits.

Arkansas statutes also authorize the City to invest no more than 20 percent of its capital base in corporate debt obligations; revenue bond issues of any U.S. state, municipality, or political subdivision; industrial development bonds for corporate obligors issued through any U.S. state or political subdivision; securities or interest in an open-end or closed-end management type investment company or trust registered under the *Investment Company Act of 1940* with certain limitations; securities or interests issued, assumed, or guaranteed by certain international banks; and uninsured demand, savings, or time deposits or accounts of any depository institution chartered by the United States, any U.S. state, or the District of Columbia. The pension trust funds are authorized to also invest in common stocks, investment grade corporate bonds, and other appropriate securities.



**City of North Little Rock, Arkansas**  
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At December 31, 2021, the City had the following investments and maturities:

Type	Fair Value	Total			
		Maturities in Years			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. agencies obligations	\$ 12,709,169	\$ 7,738,599	\$ 4,970,570	\$ -	\$ -
Mutual funds	18,104,049	-	18,104,049	-	-
Money market mutual funds	13,243,680	13,243,680	-	-	-
Exchange traded funds	39,478,407	-	39,478,407	-	-
	<u>\$ 83,535,305</u>	<u>\$ 20,982,279</u>	<u>\$ 62,553,026</u>	<u>\$ -</u>	<u>\$ -</u>

**Interest Rate Risk**

The City has no formal policy to limit its exposure to fair value losses due to rising interest rates.

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the City's name, and are held by either the counterparty to the investment purchase or are held by the counterparty's trust department or agent but not held in the City's name. None of the City's investments owned at December 31, 2021, were subject to custodial credit risk.

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Provisions of debt agreements require that investments by the City in government obligations not directly guaranteed by the U.S. Government be rated no less than Aa by Moody's Investor Service and AA by Standard and Poor's Investor Service. At December 31, 2021, the City's investments not directly guaranteed by the U.S. government were rated as follows:

Investment Type	Rating Agency	Rating
Money Market Mutual Funds	S&P/Moody's	AAA/Aaa
U.S. Agency Obligations	S&P/Moody's	AA+/Aaa
U.S. Treasuries	S&P/Moody's	Aaa/AA+
Municipal Bonds	S&P/Moody's	A3 to Aa2/A3 to Aa2
Corporate Bonds	S&P/Moody's	Baa3 to AA+/B3 to Aaa+

**City of North Little Rock, Arkansas**  
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**Concentration of Credit Risk**

The City places no limit on the amount that the City may invest in any one issuer. The City had amounts deposited in common trust and money market funds totaling \$13,243,680 which are included in cash and restricted cash at December 31, 2021.

The pension trust fund had the following investments that exceeded five percent of net position:

*Nonuniformed Employees' Defined Contribution Plan* – Goldman Sachs Activebeta US Large Cap Equity Eft Actvbeta Lrg, iShares Russel Mid Cap Growth EFT, iShares Russel Mid Cap Value EFT, iShares Trust Russell 1000 Growth EFT, Eaton Vance Floating-rate Advantage Fund, Federated Hermes Floating Rate Str Inc Fund Fed Hrm Float Rt Income, Guggenheim Floating Rate Strategies Fund Fr CLASS Inst Mf, JPMORGAN Equity Income Fund CLASS I Mf, and Pgin Floating Rate Income Fund.

**Foreign Currency Risk**

The City has no foreign currency risk as all investments are in U.S. dollar-denominated assets.

**Fair Value of Assets**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- |                |   |
|----------------|---|
| <b>Level 1</b> | Quoted prices in active markets for identical assets or liabilities   |
| <b>Level 2</b> | Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities |
| <b>Level 3</b> | Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities  |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
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**Recurring Measurements**

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair hierarchy in which the fair value measurements fall at December 31, 2021:

	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Primary Government</b>				
U.S. agencies obligations	\$ 12,709,169	\$ -	\$ 12,709,169	\$ -
Mutual funds	18,104,049	18,104,049	-	-
Exchange traded funds	<u>39,478,407</u>	<u>39,478,407</u>	-	-
Total investments by fair value level	70,291,625	<u>\$ 57,582,456</u>	<u>\$ 12,709,169</u>	<u>\$ -</u>
Investments measured at the amortized cost				
Money market mutual funds	<u>13,243,680</u> *			
Total investments	<u>\$ 83,535,305</u>			

\* Included in Cash and Cash Equivalents Per Report

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

**Note 3: Property Tax Receivable, Deferred Revenue, and Property Tax Calendar**

Property taxes are assessed, collected and remitted to the City by Pulaski County. Taxes are levied on November 1 on the assessed value listed as of January 1 of that year for all real and personal property located in the City. Taxes are due and payable on the first Monday in January after the levy and become delinquent after October 16. The majority of collections occur between March and December. As a result, the property tax is not collected within the time frame necessary to finance the liabilities of the current period.

**City of North Little Rock, Arkansas**  
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In the governmental funds, property taxes are measurable when levied even though they are not available, and as a result, property taxes receivable and corresponding deferred inflow of resources are recorded on the levy date. In the government-wide financial statements, property taxes receivable and related revenues are recorded on the levy date.

Accordingly, a receivable, net of allowance for doubtful accounts, and a related revenue in the amount of \$11,297,005 has been recognized in the government-wide financial statements, while a receivable of \$11,297,005 and a related unavailable revenue from property taxes of \$10,359,260 have been recognized in the governmental fund statements.

The William F. Laman Public Library has recorded a receivable and a related revenue in the amount of \$3,925,554, which is recognized in the Discretely Presented Component Units Statement of Net Position.

Millage rates for 2021 taxes collectible in 2022 were 5.00 for the General Fund, 3.00 for the Library, 1.00 for the Police pension, 1.00 for the Fire pension, and 1.45 for the Street Fund.

**Note 4: Capital Assets**

The following is a summary of changes in the capital assets of governmental activities:

	January 1, 2021	Increases	Transfers	Decreases	December 31, 2021
<b>Governmental Activities</b>					
Capital assets, non-depreciable					
Land and land rights	\$ 8,450,236	\$ 1,627,650	\$ -	\$ -	\$ 10,077,886
Construction in progress	19,718,492	14,334,056	(9,560,038)	-	24,492,510
Total capital assets, non-depreciable	<u>28,168,728</u>	<u>15,961,706</u>	<u>(9,560,038)</u>	<u>-</u>	<u>34,570,396</u>
Capital assets, depreciable					
Infrastructure	51,778,639	1,127,366	6,866,922		59,772,927
Buildings and building improvements	46,087,668	4,122,574	2,693,116		52,903,358
Land Improvements	8,833,695	344,659		-	9,178,354
Vehicles	27,951,380	2,618,038		(515,618)	30,053,800
Equipment	29,949,206	1,472,660		(45,837)	31,376,029
Ships and watercrafts	3,673,738	-		-	3,673,738
Total capital assets, depreciable	<u>168,274,326</u>	<u>9,685,297</u>	<u>9,560,038</u>	<u>(561,455)</u>	<u>186,958,206</u>
Less accumulated depreciation					
Infrastructure	(20,856,043)	(2,099,394)	-	-	(22,955,437)
Buildings and building improvements	(24,248,569)	(1,375,639)	-	-	(25,624,208)
Land Improvements	(3,222,292)	(345,271)	-	-	(3,567,563)
Vehicles	(17,395,009)	(1,834,506)	-	515,618	(18,713,897)
Equipment	(22,175,045)	(1,660,425)	-	18,871	(23,816,599)
Ships and watercrafts	(1,175,353)	(80,290)	-	-	(1,255,643)
Total accumulated depreciation	<u>(89,072,311)</u>	<u>(7,395,525)</u>	<u>-</u>	<u>534,489</u>	<u>(95,933,347)</u>
Net capital assets, depreciable	<u>79,202,015</u>	<u>2,289,772</u>	<u>9,560,038</u>	<u>(26,966)</u>	<u>91,024,859</u>
Total governmental activities, net	<u>\$ 107,370,743</u>	<u>\$ 18,251,478</u>	<u>\$ -</u>	<u>\$ (26,966)</u>	<u>\$ 125,595,255</u>

**City of North Little Rock, Arkansas**  
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The following is a summary of changes in the capital assets of business-type activities:

	January 1, 2021	Increases	Transfers	Decreases	December 31, 2021
<b>Business-type Activities</b>					
Capital assets, non-depreciable					
Land and land rights	\$ 2,032,960	\$ -	\$ -	\$ -	\$ 2,032,960
Construction in progress	6,317,103	6,598,131	(4,346,999)	-	8,568,235
Total capital assets, non depreciable	8,350,063	6,598,131	(4,346,999)	-	10,601,195
Capital assets, depreciable					
Plant and equipment	305,475,929	879,800	4,346,999	(2,736,066)	307,966,662
Total capital assets, depreciable	305,475,929	879,800	4,346,999	(2,736,066)	307,966,662
Less accumulated depreciation	(180,291,117)	(11,455,210)	-	2,736,066	(189,010,261)
Net capital assets, depreciable	125,184,812	(10,575,410)	4,346,999	-	118,956,401
Total business-type activities, net	\$ 133,534,875	\$ (3,977,279)	\$ -	\$ -	\$ 129,557,596

The Electric Department allocates a portion of total depreciation expense to various operating expense accounts. The amount of depreciation expense that was allocated as of December 31, 2021, was \$580,212.

The following is a summary of changes in the capital assets of component units:

	January 1, 2021	Increases	Transfers	Decreases	December 31, 2021
<b>Component Units</b>					
Capital assets, non-depreciable					
Land and land rights	\$ 5,222,643	\$ -	\$ -	\$ -	\$ 5,222,643
Construction in progress	11,315,150	6,469,350	(7,273,236)	-	10,511,264
Total capital assets, non depreciable	16,537,793	6,469,350	(7,273,236)	-	15,733,907
Capital assets, depreciable					
Infrastructure	21,942,911	-	-	-	21,942,911
Buildings and Building Improvements	7,168,412	-	-	-	7,168,412
Plant	195,393,611	696,932	7,273,236	(74,157)	203,289,622
Equipment	2,223,266	21,531	-	-	2,244,797
Vehicles	62,655	-	-	-	62,655
Books and AV Materials	4,142,276	147,158	-	(25,117)	4,264,317
Total capital assets, depreciable	230,933,131	865,621	7,273,236	(99,274)	238,972,714
Less accumulated depreciation					
Infrastructure	(20,709,104)	(306,616)	-	-	(21,015,720)
Buildings and Building Improvements	(2,325,784)	(68,377)	-	-	(2,394,161)
Plant	(81,460,743)	(4,904,303)	-	71,323	(86,293,723)
Equipment	(205,302)	(110,347)	-	-	(315,649)
Vehicles	(40,587)	(5,955)	-	-	(46,542)
Books and AV Materials	(3,658,405)	(101,600)	-	25,117	(3,734,888)
Total accumulated depreciation	(108,399,925)	(5,497,198)	-	96,440	(113,800,683)
Net capital assets, depreciable	122,533,206	(4,631,577)	7,273,236	(2,834)	125,172,031
Total component units, net	\$ 139,070,999	\$ 1,837,773	\$ -	\$ (2,834)	\$ 140,905,938

**City of North Little Rock, Arkansas**  
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Depreciation expense was charged to functions/programs of the primary government and component units as follows:

**Governmental Activities**

**General Government**

Administrative	\$ 8,732
Animal Shelter	19,112
Code Enforcement	51,000
Community Planning	13,188
Emergency Services	253,775
Finance	1,451
General government	1,180,000
Health	23,217
Legal	5,579
1st District Court	5,156
Neighborhood Services	1,287
Human Resources	1,755
Public Safety – Fire	929,096
Public Safety – Police	1,174,624
Public Works	43,794
Parks & Recreation	1,263,577
Sanitation	281,819
Senior Citizens Center	237,804
Streets and Traffic	1,864,074
Information Technology	36,485

Total depreciation expense – governmental activities	7,395,525
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**Business-Type Activities**

Electric Department	10,874,998
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Total depreciation expense – business-type activities	10,874,998
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Total depreciation expense – primary government	\$ 18,270,523
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**Component Units**

Waste Water Utility	\$ 4,904,303
William F. Laman Public Library	175,932
Airport Commission	306,616
Advertising and Promotion	110,347

Total depreciation expense – component units	\$ 5,497,198
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The City had approximately \$5.9 million in capital outstanding commitments at year-end. Large commitments making up this total included a ladder truck totaling \$1.5 million, street and drainage improvements of approximately \$2.2 million, four side loader garbage trucks totaling approximately \$1.1 million, two front loader trucks totaling approximately \$350,000, and a police patrol vehicle and equipment totaling approximately \$386,000.

**City of North Little Rock, Arkansas**  
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**Note 5: Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended December 31, 2021:

	January 1, 2021	Additions	Retirements/ Deductions	December 31, 2021	Due Within One Year
<b>Governmental Activities</b>					
Special obligation bonds	\$ 10,495,000	\$ -	\$ (530,000)	\$ 9,965,000	\$ 615,000
Issuance premiums	1,220,630	-	(143,184)	1,077,446	136,050
Notes payable	255,036	-	(64,060)	190,976	48,938
Accrued compensated absences	11,546,886	1,118,905	(701,059)	11,964,732	729,111
	<u>\$ 23,517,552</u>	<u>\$ 1,118,905</u>	<u>\$ (1,438,303)</u>	<u>\$ 23,198,154</u>	<u>\$ 1,529,099</u>
Governmental activities long-term liabilities					
<b>Business-type Activities</b>					
Revenue bonds	\$ 26,432,337	\$ -	\$ (5,507,807)	\$ 20,924,530	\$ 5,609,871
Accrued compensated absences	1,849,058	114,510	(101,607)	1,861,961	135,137
	<u>\$ 28,281,395</u>	<u>\$ 114,510</u>	<u>\$ (5,609,414)</u>	<u>\$ 22,786,491</u>	<u>\$ 5,745,008</u>
Business-type activities long-term liabilities					
<b>Component Units</b>					
<b>Waste Water Utility</b>					
Revolving loan	\$ 46,151,593	\$ 597,957	\$ (3,430,003)	\$ 43,319,547	\$ 3,057,865
Reserve for Bio-Solids Disposal	1,685,690	174,510	-	1,860,200	-
Accrued compensated absences	841,170	-	(95,535)	745,635	745,635
<b>William F. Laman Public Library</b>					
Accrued compensated absences	186,967	22,961	(28,045)	181,883	27,282
<b>Advertising &amp; Promotion</b>					
Accrued compensated absences	110,809	72,048	(47,633)	135,224	-
	<u>\$ 48,976,229</u>	<u>\$ 867,476</u>	<u>\$ (3,601,216)</u>	<u>\$ 46,242,489</u>	<u>\$ 3,830,782</u>
Component unit long-term liabilities					

**City of North Little Rock, Arkansas**  
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**Governmental Activities**

**Bonds Payable**

***Capital Improvement Revenue Bonds, Series 2019A***

The City issued Capital Improvement Revenue Bonds, Series 2019A in the amount of \$9,305,000 in November 2019 to finance the cost of constructing a new police and courts facility, fund a debt service reserve and pay the expense of issuing the Series 2019-A Bonds. The bonds are specific obligations secured by a pledge of revenues derived by the City from all franchise fees collected from public utilities for the privilege of using the streets, highways and other public places in the City. The Bond shall bear interest at a fixed rate of 5.00 percent. Interest will be payable semiannually on May 1 and November 1 of each year, commencing May 1, 2020. The bonds were issued at a premium of \$1,293,976.

***Long Term Financing Obligations, Series 2019 Tax Increment Bond***

The City issued the Series 2019 Tax Increment Bonds in the amount of \$790,000 in July 2019. The bonds are special obligations of the City secured by and payable solely by the pledge of the incremental ad valorem tax receipts derived with respect to the real property within the City's Baring Cross Redevelopment District. The bonds were issued to finance the cost of construction of street and drainage infrastructure within the Redevelopment District. The Bond shall bear interest at a fixed rate of 5.25 percent. Interest will be payable semiannually on June 1 and December 1 of each year, commencing December 1, 2019.

***Long Term Financing Obligations, Series 2017-3 Tax Incremental Bonds***

\$1,105,000 tax incremental bonds issued January 30, 2017. Principal on the bond shall be paid annually, on a graduated basis, on December 1 of each year, commencing December 1, 2017, with the final payment due December 1, 2031. The Bond shall bear interest at a fixed rate of 2.25 percent. Interest will be payable semiannually on June 1 and December 1 of each year, commencing June 1, 2017. The bond was issued to refinance the cost associated with the creation of the Redevelopment District of the City of North Little Rock, Arkansas #2 (Lower Baring Cross Redevelopment District).

**Notes Payable**

In 2001, the State of Arkansas passed *Amendment No. 78* and *Act No. 1808*, allowing cities and counties to obtain short-term financing agreements for the purpose of acquiring, constructing, installing or renting real property or tangible personal property having an expected useful life of more than one year. These financing agreements may not mature over a period to exceed five years and may have fixed or variable interest rates to be repaid with general revenues.



**City of North Little Rock, Arkansas**  
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***Short Term Financing Obligations, Series 2017-1***

The \$77,526 note was issued to finance and acquire fitness equipment. Payments of principal and interest of \$1,420 due January 21, 2017, and on the same day each month thereafter until December 21, 2021, at which date all principal and accrued interest will be due and payable. The interest rate is 3.89 percent. This note was paid in full during 2021.

***Short Term Financing Obligations, Series 2020***

The \$250,000 note was issued to finance and acquire golf carts for the North Little Rock Burns Park Golf Course. Payments of principal and interest of \$4,485 beginning on October 15, 2020 and continuing on the same day of each month thereafter until September 15, 2025, at which date all principal and accrued interest will be due and payable. The interest rate is 2.89 percent.

***Business-Type Activities***

**Series 2020 Electric System Revenue Bonds**

On March 6, 2020 the Department issued a Series 2020 A & B refunding revenue bond totaling \$16,479,710. Principal on the bond shall be paid annually, on a graduated basis, on July 1 of each year, commencing July 1, 2020, with the final payment due July 1, 2025. The bond shall bear interest rates ranging between 1.853 percent and 1.921 percent. Interest will be payable semiannually on July 1 and December 1 of each year, commencing July 1, 2020.

**Series 2016 Electric System Revenue Bonds**

On November 1, 2016 the city issued the Electric System Revenue Refunding Bonds Series 2016 in the amount of \$13,850,000. The bonds were issued to refund the Series 2011 bonds. Principal on the Bond shall be paid annually, on a graduated basis, on May 1 of each year, commencing May 1, 2017, with the final payment due May 1, 2031. The weighted average maturity of the Bond shall not exceed 8.5 years. The Bond shall bear interest at a fixed rate per annum for 96 months equivalent to 2.47 percent and at a fixed rate per annum equivalent to 2.57 percent for the remaining 78 months. Interest will be payable semiannually on May 1 and November 1 of each year, commencing May 1, 2017.

***Discretely Presented Component Units***

**Waste Water Utility Revolving Loans**

The Waste Water Utility long-term debt consists of draws against revolving loan funds from the Arkansas Department of Pollution Control and Ecology administered by the Arkansas Development Finance Authority. The funds are to be used for improvements to publicly owned sewage treatment facilities. The loans are secured by the projects for which the funds are used and a pledge of the Utility's sewer revenues.

**City of North Little Rock, Arkansas**  
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In 2001, the Utility received a \$10,000,000 program award available for approved construction. The interest rate on the 2001 revolving loan fund is at 2.25 percent and a financing fee at 1 percent of the outstanding principal with semi-annual payments of interest and financing fee during the construction period. Repayment of principal, interest and financing fee of the 2001 loan began in October 2005 with payments to be made semi-annually over twenty years.

In 2008, the Utility received a \$14,000,000 program award available for approved construction. The interest rate on the 2008 revolving loan fund is at 1.75 percent and a financing fee at 1 percent of the outstanding principal with semi-annual payments of interest and financing fee during the project construction period. Repayment of principal, interest and financing fee of the 2008 loan began in April 2012 with payments to be made semi-annually over twenty years.

In 2012, the Utility received a \$21,000,000 program award available for approved construction. The interest rate on the 2012 revolving loan fund is at 1.5 percent and a financing fee at 1 percent of the outstanding principal with semi-annual payments of interest and financing fee during the project construction period. Repayment of principal, interest and financing fee of the 2012 loan began in April 2016 with payments to be made semi-annually over twenty years.

In 2016, the Utility received a \$30,000,000 program award available for approved construction. The interest rate on the 2016 revolving loan fund is at 1.25 percent and a financing fee at 1 percent of the outstanding principal with semi-annual payments of interest and financing fee during the project construction period. Repayment of principal, interest and financing fee of the 2016 loan will begin in April 2021 with payments to be made semi-annually over twenty years. As of December 31, 2021, \$10,812,125 was left to be drawn on the loan.

**Waste Water Utility Restricted Funds**

The Utility had certain debt service funds with AFDA, which are restricted to various uses. The Utility is required to deposit monthly with the AFDA, to be held in trust, an amount equal to 1/6 of the interest coming due on the next ensuing interest payment plus 1/6 of the next installment of principal due on the bonds. The required deposits shall be reduced by any amount in the Debt Service Fund available for meeting the purpose for which the deposit is required to be made. The total deposits held in trust as of December 31, 2021, totaled \$761,242.

**Pledged Revenues**

The following is a summary of pledged revenues of the City for the year ended December 31, 2021:

Debt	Revenue Pledged	Total Pledged Revenue	Current Year Debt Service Requirements	Percentage Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue Will Not Be Available For Other Purposes
2019 Capital Improvement Revenue Bonds	Franchise fees for public utilities	\$ 2,115,396	\$ 853,811	40.4%	\$ 11,074,189	Until 2034
2019 Tax Increment Financing (TIF)	Property tax	\$ 171,336	\$ 41,475	24%	\$ 1,037,013	Until 2031
2017 Tax Increment Financing (TIF)	Property tax	\$ 171,336	\$ 97,463	57%	\$ 920,125	Until 2031
2016 Electric System Revenue Refunding Bonds	Net revenues of the electric utility	\$ 26,507,212	\$ 1,145,366	4%	\$ 10,358,631	Until 2031
2020 Electric System Revenue Refunding Bonds	Net revenues of the electric utility	\$ 26,507,212	\$ 4,917,289	19%	\$ 12,248,790	Until 2025

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**Annual Debt Service Requirements**

The following schedule shows the annual debt service requirements to pay principal and interest on the revenue bonds and notes payable outstanding at December 31, 2021. Principal and interest are also disclosed for component units as follows:

<b>Governmental Activities</b>	<b>Special Obligation Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>Year Ending December 31,</b>			
2022	\$ 615,000	\$ 435,513	\$ 1,050,513
2023	640,000	405,838	1,045,838
2024	680,000	374,900	1,054,900
2025	705,000	342,038	1,047,038
2026	735,000	307,925	1,042,925
2027-2031	4,225,000	1,008,313	5,233,313
2032-2036	2,365,000	191,800	2,556,800
Total	<u>\$ 9,965,000</u>	<u>\$ 3,066,327</u>	<u>\$ 13,031,327</u>

	<b>Notes Payable</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>Year Ending December 31,</b>			
2022	48,938	4,874	53,812
2023	50,371	3,441	53,812
2024	51,847	1,966	53,813
2025	39,820	540	40,360
Total	<u>\$ 190,976</u>	<u>\$ 10,821</u>	<u>\$ 201,797</u>

<b>Business-Type Activities</b>	<b>Revenue Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>Year Ending December 31,</b>			
2022	\$ 5,609,871	\$ 403,060	\$ 6,012,931
2023	2,910,103	317,429	3,227,532
2024	2,971,911	256,013	3,227,924
2025	3,027,645	193,246	3,220,891
2026	1,000,000	153,759	1,153,759
2027-2031	5,405,000	359,384	5,764,384
Total	<u>\$ 20,924,530</u>	<u>\$ 1,682,891</u>	<u>\$ 22,607,421</u>

**City of North Little Rock, Arkansas**  
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<b>Component Units</b>	<b>Revolving Loans</b>		
	<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ 3,057,865	\$ 972,235	\$ 4,030,100
2023	3,139,462	897,695	4,037,157
2024	2,881,336	821,137	3,702,473
2025	2,608,707	759,262	3,367,969
2026	2,674,182	701,447	3,375,629
2027-2031	14,412,399	2,588,291	17,000,690
2032-2035	10,099,509	1,105,906	11,205,415
Thereafter	4,446,087	228,020	4,674,107
Total	<u>\$ 43,319,547</u>	<u>\$ 8,073,993</u>	<u>\$ 51,393,540</u>

**Note 6: Interfund Receivables, Payables and Transfers**

Interfund receivables and payables consisted of the following as of December 31, 2021:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
<b>Major Governmental Funds</b>		
General fund	\$ 8,044,034	\$ 5,901,339
ARPA fund	-	2,286,330
<b>Nonmajor Funds</b>		
Street fund	1,102,111	18,553
Parks fund	415,393	2,444,959
Community development	2,059	130,006
Police Equitable Sharing	605	-
Sales tax capital improvement fund	1,444,793	38,234
Grant fund	-	1,322,621
2017 Sales tax capital improvement fund	3,164,071	862,309
2019 Baring Cross TIF	-	104,469
<b>Major Enterprise Funds</b>		
Electric fund	1,921	1,066,167
Total	<u>\$ 14,174,987</u>	<u>\$ 14,174,987</u>

The outstanding balances between funds result mainly from the time lag between the dates: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between the funds are made.

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Interfund transfers in and transfers out consisted of the following as of December 31, 2021:

Interfund Transfers In	<b>Interfund Transfers Out</b>				
	<b>Governmental Funds</b>			<b>Proprietary Funds</b>	
	General	ARPA	Other Nonmajor Governmenta l Funds	Electric Fund	Totals
<b>Governmental Funds</b>					
General fund	\$ -	\$ 1,813,816	\$ 940,000	\$ 13,649,306	\$ 16,403,122
2017 sales tax capital improvement	10,856,135	-	-	-	10,856,135
Other nonmajor governmental funds	<u>7,060,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,060,760</u>
	<u>\$ 17,916,895</u>	<u>\$ 1,813,816</u>	<u>\$ 940,000</u>	<u>\$ 13,649,306</u>	<u>\$ 34,320,017</u>

Transfers are used to: (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) pay debt service in accordance with contractual or budgetary authorizations. The Electric Department transfers funds to the General Fund based on amounts directed and authorized by the City Council in the annual budget.

**Note 7: Pension Plans**

Substantially all of the City's employees receive retirement benefits. The City sponsors a single-employer defined benefit plan, The Non-Uniformed Employees Retirement Plan (Non-Uniformed Plan). The City also contributes to the Arkansas Local Police and Fire Retirement System (LOPFI), a state-wide agent, multiple-employer defined benefit pension plan. The City also contributes to the Arkansas Public Employees Retirement System (APERS), a state-wide agent, multiple-employer defined benefit pension plan. The plans are maintained in legally separate trusts and each Plan's assets may be used only for the payment of benefits to the members of that Plan or their beneficiaries in accordance with the terms of the Plan. Separate financial reports are issued only for the Non-Uniformed Plan.

A summary of the net pension liability, deferred outflows, deferred inflows and pension expense of each plan is shown below. Detailed discussion of each plan will follow in this note.

<b>Primary Government</b>	<b>Net Pension Liability</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>	<b>Pension Expense</b>
Nonuniform – Governmental Activities	\$ 21,175,948	\$ 3,810,042	\$ 4,551,346	\$ 1,785,422
Nonuniform – Business-Type Activities	8,921,201	1,467,176	1,432,605	890,228
Police – LOPFI	19,535,772	6,317,138	5,014,174	4,295,751
Fire – LOPFI	20,232,816	6,418,403	5,276,270	4,286,759
Police Pension	36,656,053	2,164,429	17,594	3,621,558
Firemen's Pension and Relief Fund	30,952,590	1,887,703	515,724	2,255,073
APERS	<u>167,429</u>	<u>57,693</u>	<u>307,419</u>	<u>16,066</u>
	<u>\$ 137,641,809</u>	<u>\$ 22,122,584</u>	<u>\$ 17,115,132</u>	<u>\$ 17,150,857</u>

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<b>Discretely Presented Component Units</b>	<b>Net Pension Liability</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>	<b>Pension Expense</b>
Nonuniform – Airport	\$ 126,992	\$ 23,783	\$ 19,626	\$ 15,010
Nonuniform – Library	1,523,906	274,746	383,259	136,589
Waste Water Utility	1,373,351	2,487,309	1,938,302	606,529
APERS – Advertising and Promotion Commission	193,954	84,651	366,992	5,699
	<u>\$ 3,218,203</u>	<u>\$ 2,870,489</u>	<u>\$ 2,708,179</u>	<u>\$ 763,827</u>

***Non-Uniformed Employees Retirement Plan***

**Plan Description**

All full-time, non-uniformed employees of the City are eligible to participate in “The Retirement System of the City of North Little Rock” (Non-Uniformed Plan) defined benefit plan. The provisions of the Non-Uniformed Plan call for employee contributions of 5 percent of base salary to be paid through payroll withholdings. Each month, the City contributes 11.85 percent of each employee’s monthly compensation. Before January 1, 2021, the City contributed 10 percent of each employee’s monthly compensation.

The Non-Uniformed Plan is a single-employer, defined benefit plan established under Arkansas state law. The Non-Uniformed Plan assets are administered by an independent fiduciary agent but governed by a Board of Trustees. The Non-Uniformed Plan provides retirement, disability, and survivor benefits to all regular, full-time, non-uniformed employees of the City.

**Benefits Provided**

The Non-Uniformed Plan provides retirement, disability and death benefits to plan members. Retirement benefits are determined as a percentage of the member’s Final Average Earnings.

Members are eligible to retire with a full benefit under the following conditions:

- At age 65
- At age 62 with 10 years of service
- Members may retire with a reduced benefit at age 55 with at least 10 years of service.
- Members are eligible for disability benefits at age 50 with 10 years of service.
- Death benefits are paid to a surviving spouse based upon age and length of service.

**City of North Little Rock, Arkansas**  
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***Number of Participants***

Membership in the Non-Uniformed Plan at December 31, 2021, is comprised of the following:

	<b>Nonuniformed Plan</b>
Retirees and beneficiaries receiving benefits	235
Active plan members	512
Total	747

***Contributions***

For the Non-Uniformed Plan as a whole, it is the actuary’s opinion that the city and member contributions scheduled to be 16.85 percent as required by the Non-Uniformed Plan are not expected to be sufficient to finance the cost of benefits earned by members during a given year. The recommended contribution level for the 2021 Plan Year for the City as a whole is 19.15 percent. For 2021, the City’s contributions to the Plan were \$3,193,138. Contributions to the plan are made from various city governmental and business type funds, as well as the City’s component units.

***Actuarial Assumptions***

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level of Percent of Pay (3.5% Growth)
Remaining Amortization Period	15 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	6.5%
Salary Increases	2.75% - 6.16% Annually
Mortality Table	Based on the Retirement Plans 2018 Mortality Table
Inflation	2.50%

**City of North Little Rock, Arkansas**  
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***Long-Term Expected Return on Plan Assets***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return. The target allocation of the plan and the long-term expected real rates of return are summarized in the table below:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Fixed Income	40%	2.25%
Domestic Equity	40%	4.75%
Foreign Equity	12%	6.25%
Alternatives	4%	4.50%
Cash	4%	0.25%
	<hr/>	
Total	<u>100%</u>	

***Single Discount Rate***

A single discount rate of 6.50 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.50 percent. The projection of cash flows, based on the assumptions made, found that the pension plan's net position together with the employer contributions and projected investment returns will be sufficient to meet benefit payments and expenses in all future years.

The City's net pension liability as of December 31, 2021, was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of this date.



**City of North Little Rock, Arkansas**  
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***Changes in Total Pension Liability***

Changes in the total pension liability, plan fiduciary net pension and the net pension liability through the respective fiscal years ended, are as follows for the Plan as determined by the City at December 31, 2021:

<b>Changes in Net Pension Liability – Nonuniformed Plan</b>			
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances as of Beginning of Year</b>	<u>\$ 86,475,397</u>	<u>\$ 53,950,518</u>	<u>\$ 32,524,879</u>
Charges for the year			
Service cost	2,580,665	-	2,580,665
Interest on total pension liability	5,547,208	-	5,547,208
Changes in benefit terms	-	-	-
Difference between expected and actual return	(18,268)	-	(18,268)
Administrative expense	-	(71,687)	71,687
Benefit payments, including refunds of employee contributions	(4,848,130)	(4,848,130)	-
Contributions – employer	-	3,193,138	(3,193,138)
Contributions – employee	-	1,351,664	(1,351,664)
Net investment income	-	6,101,014	(6,101,014)
Assumption change	1,687,692	-	1,687,692
Net changes	<u>4,949,167</u>	<u>5,725,999</u>	<u>(776,832)</u>
<b>Balances as of End of Year</b>	<u>\$ 91,424,564</u>	<u>\$ 59,676,517</u>	<u>\$ 31,748,047</u>

**City of North Little Rock, Arkansas**  
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The above amounts are allocated between government-wide (governmental activities), Electric (business-type activities), Airport (component unit) and the William F. Laman Public Library (component unit) on the basis of actual contributions by the participants of the employer in the measurement period. The primary government's proportionate share was 94.8 percent (94.6 in prior year), the Airport's proportionate share was 0.40 percent (no change from prior year), and the Library's proportionate share was 4.8 percent (5.0 percent in prior year).

<b>Changes in Net Pension Liability – Nonuniformed Plan (Primary Government)</b>			
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances as of Beginning of Year</b>	<u>\$ 81,978,676</u>	<u>\$ 51,145,091</u>	<u>\$ 30,833,585</u>
Charges for the year			
Service cost	2,446,470	-	2,446,470
Interest on total pension liability	5,258,753	-	5,258,753
Changes in benefit terms	-	-	-
Difference between expected and actual return	(17,318)	-	(17,318)
Administrative expense	-	(67,959)	67,959
Benefit payments, including refunds of employee contributions	(4,596,027)	(4,596,027)	-
Contributions – employer	-	3,027,095	(3,027,095)
Contributions – employee	-	1,281,377	(1,281,377)
Net investment income	-	5,783,761	(5,783,761)
Other	1,599,932	-	1,599,932
Net changes	<u>4,691,810</u>	<u>5,428,247</u>	<u>(736,437)</u>
<b>Balances as of End of Year</b>	<u>\$ 86,670,487</u>	<u>\$ 56,573,338</u>	<u>\$ 30,097,149</u>

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**Changes in Net Pension Liability – Nonuniformed Plan (Airport)**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances as of Beginning of Year</b>	\$ 345,902	\$ 215,802	\$ 130,100
Charges for the year			
Service cost	10,323	-	10,323
Interest on total pension liability	22,189	-	22,189
Changes in benefit terms	-	-	-
Difference between expected and actual return	(73)	-	(73)
Administrative expense	-	(287)	287
Benefit payments, including refunds of employee contributions	(19,393)	(19,393)	-
Contributions – employer	-	12,773	(12,773)
Contributions – employee	-	5,407	(5,407)
Net investment income	-	24,404	(24,404)
Other	6,751	-	6,751
Net changes	<u>19,797</u>	<u>22,904</u>	<u>(3,107)</u>
<b>Balances as of End of Year</b>	<u>\$ 365,698</u>	<u>\$ 238,706</u>	<u>\$ 126,992</u>

**Changes in Net Pension Liability – Nonuniformed Plan (Library)**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances as of Beginning of Year</b>	\$ 4,150,819	\$ 2,589,625	\$ 1,561,194
Charges for the year			
Service cost	123,872	-	123,872
Interest on total pension liability	266,266	-	266,266
Changes in benefit terms	-	-	-
Difference between expected and actual return	(877)	-	(877)
Administrative expense	-	(3,441)	3,441
Benefit payments, including refunds of employee contributions	(232,710)	(232,710)	-
Contributions – employer	-	153,271	(153,271)
Contributions – employee	-	64,880	(64,880)
Net investment income	-	292,849	(292,849)
Other	81,009	-	81,009
Net changes	<u>237,560</u>	<u>274,848</u>	<u>(37,288)</u>
<b>Balances as of End of Year</b>	<u>\$ 4,388,379</u>	<u>\$ 2,864,473</u>	<u>\$ 1,523,906</u>

**City of North Little Rock, Arkansas**  
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***Sensitivity of the Net Position Liability to Changes in the Discount Rate***

The following presents the City’s net pension liability calculated using the discount rate of 6.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	<b>1% Decrease in Discount Rate (5.5%)</b>	<b>Current Discount Rate Assumption (6.5%)</b>	<b>1% Increase in Discount Rate (7.5%)</b>
Non-Uniformed Plan – City net pension liability	\$ 40,775,330	\$ 30,097,149	\$ 21,196,780
Non-Uniformed Plan – Airport net pension liability	172,048	126,992	89,438
Non-Uniformed Plan – Library net pension liability	2,064,574	1,523,906	1,073,255
	<u>\$ 43,011,952</u>	<u>\$ 31,748,047</u>	<u>\$ 22,359,473</u>

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended December 31, 2021, the City and its component units recognized pension expense of \$2,827,249, and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the Non-Uniformed Plan at December 31, 2021:

<b>Nonuniform-Primary Government</b>	<b>Deferred Outflows of</b>	<b>Deferred Inflows of</b>
Differences between expected and actual experience	\$ 1,218,784	\$ 842,184
Changes of assumptions	2,663,594	1,944,995
Change in proportion	1,394,840	1,332,660
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>1,864,112</u>
Total	<u>\$ 5,277,218</u>	<u>\$ 5,983,951</u>

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<b>Nonuniform-Airport</b>	<b>Deferred Outflows of</b>	<b>Deferred Inflows of</b>
Differences between expected and actual experience	\$ 5,143	\$ 3,554
Changes of assumptions	11,239	8,207
Changes in proportion	7,401	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>7,865</u>
Total	<u>\$ 23,783</u>	<u>\$ 19,626</u>

<b>Nonuniform-Library</b>	<b>Deferred Outflows of</b>	<b>Deferred Inflows of</b>
Differences between expected and actual experience	\$ 61,711	\$ 42,642
Changes of assumptions	134,866	98,481
Changes in proportion	78,169	147,751
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>94,385</u>
Total	<u>\$ 274,746</u>	<u>\$ 383,259</u>

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Amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in pension expense as follows:

<b>Year Ending December 31,</b>	<b>Non-Uniform Plan (Primary Government)</b>	<b>Non-Uniform Plan (Airport)</b>	<b>Non-Uniform Plan (Library)</b>
2022	\$ (216,176)	\$ 2,808	\$ (9,833)
2023	(1,414,355)	(2,247)	(70,500)
2024	706,308	2,921	21,136
2025	(171,902)	(852)	(40,337)
2026	153,901	574	(11,026)
Total thereafter	<u>235,491</u>	<u>953</u>	<u>2,047</u>
Total	<u>\$ (706,733)</u>	<u>\$ 4,157</u>	<u>\$ (108,513)</u>

***Money-Weighted Rate of Return***

The annual money-weighted rate of return on pension plan investments is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense, adjusted for the changing amounts actually invested. The money-weighted rates of return are shown in the table below:

	<b>Fiscal Year Ending</b>	<b>Annual Money- Weighted Rate of Return</b>
Non-Uniform Plan	12/31/2021	11.35%
	12/31/2020	3.80%
	12/31/2019	17.73%
	12/31/2018	-6.79%
	12/31/2017	10.00%
	12/31/2016	5.20%
	12/31/2015	-3.65%

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**Arkansas Local Police and Fire Retirement System (LOPFI)**

**Plan Description**

The City participates in the LOPFI, a state-wide cost-sharing, multi-employer defined benefit plan administered by a seven-member Board of Trustees and created by Act 364 of the *1981 Arkansas General Assembly*. LOPFI provides retirement benefits for uniformed employees. LOPFI issues separate audited GAAP-basis postemployment benefit plan report. This report may be obtained by visiting the LOPFI website: [www.lopfi-prb.com](http://www.lopfi-prb.com).

**Benefits Provided**

Benefit Program 1 provides benefits to a member with five or more years (10 or more years for members hired after July 1, 2013) of credited service in force who has attained his or her normal retirement age consist of an annuity equal to the following:

- a. For each year of paid service resulting from employment in a position not also covered by social security, 2.94 percent of his or her final average pay (2.7 percent for those with retirement date prior to July 1, 2009); plus
- b. For each year of paid service resulting from employment in a position also covered by social security, 1.94 percent or his or her final average pay (1.7 percent for those with retirement date prior to July 1, 2009). In addition, if such member is retiring and if such member's age at retirement is younger than social security's minimum age for an unreduced retirement benefit, then such member receives a temporary annuity equal to 1 percent of his or her final average pay for each such year of paid service. Such temporary annuity terminates at the end of the calendar month in which the earliest of the following events occur: such member's death; or his or her attainment of such social security minimum age for unreduced benefits.
- c. In no event will the total of a. plus b. exceed, at the time of retirement, 100 percent of such final average pay; plus
- d. Effective July 1, 2016, for each year of volunteer service, \$6.41 per month, to a maximum of \$256.40 monthly.
- e. Before the date that the first payment of his or her annuity becomes due, but not thereafter, a member may elect to have his or her life annuity reduced, but not any temporary annuity which may be paid, and nominate a beneficiary in accordance with the provisions of one of four options. If a member does not elect an option, his or her annuity shall be paid to him or her as a life annuity.

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Benefit Program 2 says for each year of paid service rendered on or after the election date of Benefit Program 2 and resulting from employment in a position not also covered by social security, 3.28 percent of his or her final average pay, plus for each year of paid service rendered on or after the election date of Benefit Program 2 and resulting from employment in a position also covered by social security, 2.94 percent of his or her final average pay. A member will receive disability benefits computed in the same manner as normal retirement benefits if the member has five or more years of credit service (or 10 years of actual service if hired on or after July 1, 2013) and terminates employment because of becoming totally and permanently disabled from non-duty related causes. If the disability is determined to be duty related, a benefit is 65 percent of the member's final average pay. Prior to that date, the benefit was computed as if the member had completed 25 years of service.

***Contributions***

The employee contribution rate depends on the type of service being rendered and whether or not the service is also covered by social security. The different employee contribution rates are:

- a. Paid service not covered by social security: 8.5 percent of gross pay beginning July 1, 2009; 6 percent prior to that date
- b. Paid service also covered by social security: 2.5 percent of gross pay beginning July 1, 2009; no employee contributions prior to that date
- c. Paid service-benefit program 2: 8.5 percent of gross pay beginning July 1, 2009; 6 percent prior to that date
- d. Volunteer service: no employee contribution

The employee contribution rate is adjusted automatically every year to reflect changes in the composition of the employee group and other factors which affect cost. Contributions are determined on an actuarial basis in order to ensure that the individual system employers can honor their benefit commitments to covered employees. An individual entry age actuarial cost method valuation is used to determine normal cost. The City is required to contribute at an actuarially determined rate, which was 19.79 percent for participating policemen and 23.50 percent for participating firemen. City contributions for 2021 for police and fire to the Plan were \$2,513,286 and \$2,602,961, respectively.



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***Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions***

As of December 31, 2021, the City reported net pension liability for their proportionate share of the net pension liability of each plan as follows:

	<b><u>Net Pension Liability</u></b>
North Little Rock Fire	\$ 20,232,816
North Little Rock Police	\$ 19,535,772

To facilitate the separate actuarial valuations, LOPFI maintains separate accounts to identify additions, deductions and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer. The allocation percentages for each group as of December 31, 2021, are based on the ratio of each employer's contributions to the total employer contributions of the group for the fiscal year ended December 31, 2021. The contributions used excluded contributions made for prior service, excess benefits and irregular payments. The employer allocation percentages have been rounded for presentation purposes. Therefore, use of these percentages to recalculate individual employer amounts presented in the schedules of pension amounts by employer may result in immaterial differences due to rounding. The City's proportionate share of the net pension liability for each plan is as follows:

	<b><u>Proportionate Share Percentage</u></b>
North Little Rock Fire	2.94302% (2.84686% in prior year)
North Little Rock Police	2.84163% (2.71348% in prior year)

**City of North Little Rock, Arkansas**  
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For the year ended December 31, 2021, the LOPFI Fire and LOPFI Police recognized pension expense of \$4,286,759 and \$4,295,751, respectively. At December 31, 2021, LOPFI Fire and LOPFI Police reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>LOPFI – Fire</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,284,325	\$ -
Changes of assumptions	564,001	-
Changes in proportion	1,036,630	83,189
Net difference between projected and actual earnings on pension plan investments	-	5,193,081
Contributions subsequent to measurement date	<u>2,533,447</u>	<u>-</u>
Total	<u>\$ 6,418,403</u>	<u>\$ 5,276,270</u>

<b>LOPFI – Police</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,205,627	\$ -
Changes of assumptions	544,570	-
Change in proportion	1,051,626	-
Net difference between projected and actual earnings on pension plan investments	-	5,014,174
Contributions subsequent to the measurement date	<u>2,515,315</u>	<u>-</u>
Total	<u>\$ 6,317,138</u>	<u>\$ 5,014,174</u>

**City of North Little Rock, Arkansas**  
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At December 31, 2021, LOPFI Police and LOPFI Fire reported \$2,515,315 and \$2,533,447 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2021, related to pensions will be recognized in pension expense as follows:

	<b>Year Ending December 31,</b>	<b>LOPFI – Police</b>	<b>LOPFI – Fire</b>
2022		\$ 174,602	\$ 180,832
2023		(88,994)	(92,169)
2024		(1,614,560)	(1,672,168)
2025		<u>316,601</u>	<u>192,191</u>
Total		<u>\$ (1,212,351)</u>	<u>\$ (1,391,314)</u>

***Actuarial Assumptions***

The total pension liability as of December 31, 2021, was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions:

**Paid Service Assumptions**

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Asset valuation method	5-year smoothed market; 20% corridor
Price Inflation	2.50%
Salary Increases	3.75% to 18.25%, including inflation
Investment Rate of Return	7.00%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2012 – 2016.
Mortality	RP-2014 Healthy Annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016.

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The long term expected rate of return on pension plan investments was determined using a building block method in which expected future and real rates of return (expected returns, net of pension plan investment expense, and Inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan’s target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Fixed Income	30%	1.30%
Domestic Equity	42%	5.40%
Foreign Equity	18%	7.80%
Alternatives	<u>10%</u>	6.70%
 Total	 <u><u>100%</u></u>	
 Expected Inflation		 2.25%

***Discount Rate***

A single discount rate of 7 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7 percent. The projection of cash flows used to determine the single discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**City of North Little Rock, Arkansas**  
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***Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the City’s proportionate share of the net pension liability calculated using a single discount rate of 7 percent, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is one percent lower (6 percent) or one percent higher (8 percent).

		<b>1% Decrease 6.0%</b>	<b>Current Discount Rate 7.0%</b>	<b>1% Increase 8.0%</b>
LOPFI – Fire	Net pension liability	\$ 34,542,271	\$ 20,232,816	\$ 8,691,598
LOPFI – Police	Net pension liability	33,352,254	19,535,772	8,392,163
		<u>\$ 67,894,525</u>	<u>\$ 39,768,588</u>	<u>\$ 17,083,761</u>

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan’s fiduciary net position is available in the separately issued LOPFI financial report. That report may be obtained from the internet at [www.lopfi-prb.com](http://www.lopfi-prb.com).

***Police Pension***

**Plan Description and Funding Information**

The Police Pension is an agent multiple-employer defined benefit pension plan in which the City participates, established in accordance with legislation enacted by the Arkansas General Assembly. Benefit provisions are established by the *State of Arkansas Act #16, as amended*. The Plan assets are held by and managed by the Arkansas Local Police and Fire Retirement System and are excluded from the City’s financial statements.

The Arkansas Local Police and Fire Retirement System (LOPFI) is a statewide retirement system for police officers and firefighters of political subdivisions of the State of Arkansas. It was established under the authority of *Act 364 of 1981* and bears a fiduciary obligation to the participants of LOPFI. Local plans that are now being administered by LOPFI are included in the agent multiple-employers defined benefit pension plan for financial reporting purposes; however, the assets of the individual local plans can only be used to pay the benefit (or to refund any contribution) to plan members or beneficiaries of the individual local plan. LOPFI issues a publicly available financial report that includes financial statements and required supplementary information of the Plan, which may be obtained from the internet at [www.lopfi-prb.com](http://www.lopfi-prb.com).

**City of North Little Rock, Arkansas**  
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The Police Pension provides retirement benefits for policemen who have completed 20 years of service. Disability benefits are available to policemen who become permanently disabled, unless the disability is the direct result of gainful employment performed outside of the police department. The Police Pension also provides benefits for surviving spouses and dependent children of deceased policemen. No benefits are vested to participants until normal retirement. At normal retirement, participants may elect to continue working and enter the DROP for up to 10 years. All policemen hired after January 1, 1983, participate in the *Arkansas Local Police and Fire Retirement System created by Act 364 of 1981*. Therefore, the Police Pension is effectively closed to new members.

Contributions to the Police Pension are set forth in Arkansas statute. The City’s contribution to the Police Pension consists of a one mill real and personal property tax collection, an insurance premium tax turnback collected by the State Insurance Commissioner, and a \$3 assessment against each court case plus 10 percent of fines and forfeitures collected. The City’s contributions to the Plan for 2021 were \$1,805,304. The liability for the Police Pension has typically been liquidated from the general fund.

***Number of Participants***

Membership in the Police Plan at December 31, 2021, is comprised of the following:

	<b>Police Pension</b>
Retirees and beneficiaries receiving benefits	100
Members on Deferred Retirement Option Plan (DROP)	2
	102

***Actuarial Methods and Assumptions***

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**City of North Little Rock, Arkansas**  
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For the December 31, 2020, actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included a 7.0 percent investment rate of return (net of administrative expenses), projected salary increases of 3.25 percent, which includes an inflation rate of 2.50 percent and no costs of living increases. The remaining amortization period at January 1, 2021, was 18 years using a closed amortization period based on projected future payroll. The mortality assumption was based on the RP-2014 Health Annuitant, Disabled Retiree, and Employee mortality tables for males and females. There were no factors that significantly affected the identification of trends such as changes in benefits, actuarial methods, or assumptions.

The actuarial assumptions used in the December 31, 2020, actuarial valuation were based on the results of an actuarial experience study for the period 2012 through 2016.

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return. The rates were built on a target allocation for all local police and fire pension funds; the target for an individual fund will vary within the guidelines of Arkansas law and regulation. The target allocation and the long-term expected real rates of return are shown in the table below:

<b>Police Pension Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Fixed income	30%	1.30%
Domestic equity	42%	5.40%
Foreign equity	18%	7.80%
Alternatives	10%	6.70%
	<u>100%</u>	

***Discount Rate***

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.00 percent, and the resulting *Single Discount Rate* (SDR) is 2.00 percent, 2.76 percent in prior year.

The SDR is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects: 1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and 2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

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The City’s net pension liability as of December 31, 2021, was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

***Changes in the Net Pension Liability***

Changes in the total pension liability, plan fiduciary net position and the net pension liability are as follows for the Police Pension for the year ended December 31, 2021:

<b>Changes in Net Pension Liability – Police Pension</b>			
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances as of Beginning of Year, as Restated</b>	<u>\$ 35,115,418</u>	<u>\$ 475</u>	<u>\$ 35,114,943</u>
Charges for the year			
Interest on total pension liability	934,706	-	934,706
Difference between expected and actual return	(169,317)	-	(169,317)
Changes of assumptions	2,885,065	-	2,885,065
Benefit Payments, including refunds of employee contributions	(2,498,547)	(2,498,547)	-
Administrative expense	-	-	-
Contributions – member	-	3,097	(3,097)
Contributions – employer	-	2,106,247	(2,106,247)
Net investment income	-	-	-
Net Changes	<u>1,151,907</u>	<u>(389,203)</u>	<u>1,541,110</u>
<b>Balances as of End of Year</b>	<u><u>\$ 36,267,325</u></u>	<u><u>\$ (388,728)</u></u>	<u><u>\$ 36,656,053</u></u>

***Sensitivity to Discount Rate Changes***

The following presents the City’s net pension liability calculated using the discount rate of 2.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<b>1% Decrease 1.00%</b>	<b>Current Discount Rate 2.00%</b>	<b>1% Increase 3.00%</b>
Police Pension – Net pension liability	\$ 41,112,143	\$ 36,656,053	\$ 32,836,184



**City of North Little Rock, Arkansas**  
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***Pension Expense and Deferred Outflows of Resources***

For the year ended December 31, 2021, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$3,621,558, and reported deferred outflows of resources related to pensions from the following sources for the Police Pension, as determined by the City at December 31, 2021:

<b>Police Pension</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 17,594
Contributions subsequent to measurement date	2,164,429	-
Total	\$ 2,164,429	\$ 17,594

At December 31, 2021, Police Pension reported \$2,164,429 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2021, related to pensions will be recognized in pension expense as follows:

**Police**

<b>Year Ending December 31,</b>	
2022	\$ (18,081)
2023	4,359
2024	(3,872)
2025	-
2026	-
Total	\$ (17,594)

***Fireman’s Pension and Relief Fund***

**Plan Description and Funding Information**

The Firemen’s Pension and Relief Fund is an agent multiple-employer defined benefit pension plan in which the City participates, established in accordance with legislation enacted by the Arkansas General Assembly. Benefit provisions are established by the *State of Arkansas Act #14, as amended*. In 2018, the Board agreed to transfer the administration of the plan to the Arkansas Local Police and Fire Retirement System, and the majority of Plan assets were transferred to the Arkansas Local Police and Fire Retirement System and are excluded from the City’s financial statements.

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The Arkansas Local Police and Fire Retirement System (LOPFI) is a statewide retirement system for police officers and firefighters of political subdivisions of the State of Arkansas. It was established under the authority of *Act 364 of 1981* and bears a fiduciary obligation to the participants of LOPFI. Local plans that are now being administered by LOPFI are included in the agent multiple-employers defined benefit pension plan for financial reporting purposes; however, the assets of the individual local plans can only be used to pay the benefit (or to refund any contribution) to plan members or beneficiaries of the individual local plan. LOPFI issues a publicly available financial report that includes financial statements and required supplementary information of the Plan, which may be obtained from the internet at [www.lopfi-prb.com](http://www.lopfi-prb.com).

The Firemen’s Fund provides retirement benefits for firemen who have completed twenty (20) years of service. Disability benefits are available to firemen who become permanently disabled, unless the disability is the direct result of gainful employment performed outside of the fire department. The Firemen’s Fund also provides benefits for surviving spouses and dependent children of deceased firemen.

No benefits are vested to participants until normal retirement. At normal retirement, participants may elect to continue working and enter the DROP for up to ten (10) years. All firemen hired after January 1, 1983, participate in the *Arkansas Local Police and Fire Retirement System created by Act 364 of 1981*. Therefore, the Firemen’s Fund is effectively closed to new members.

Contributions to the Firemen’s Fund are set forth in Arkansas statute. The City’s contribution to the Firemen’s Fund consists of a one mill real and personal property tax collection and an insurance premium tax turnback collected by the State Insurance Commissioner. Contribution provisions applicable to the Fund are established by Arkansas code and may not be less than 6 percent. Administrative costs are financed through Fund assets approved by the Board of Trustees. The City’s share of contributions was \$1,591,524 in 2021. The liability for the Firemen’s Fund has typically been liquidated from the general fund.

***Number of Participants***

Membership in the Fireman’s Fund at December 31, 2021, is comprised of the following:

	<b>Firemen’s Fund</b>
Retirees and beneficiaries receiving benefits	107
Members on Deferred Retirement Option Plan (DROP)	2
Total	109

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***Actuarial Methods and Assumptions***

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the December 31, 2020, actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included a 7.0 percent investment rate of return (net of administrative expenses), projected salary increases of 3.25 percent, which includes an inflation rate of 2.50 percent and no costs of living increases. The remaining amortization period at January 1, 2021, was 18 years using a closed amortization period based on projected future payroll. The mortality assumption was based on the RP-2014 Health Annuitant, Disabled Retiree and Employee mortality tables for males and females. There were no factors that significantly affected the identification of trends such as changes in benefits, actuarial methods, or assumptions.

The actuarial assumptions used in the December 31, 2020, actuarial valuation were based on the results of an actuarial experience study for the period 2012 through 2016.

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return. The rates were built on a target allocation for all local police and fire pension funds; the target for an individual fund will vary within the guidelines of Arkansas law and regulation. The target allocation and the long-term expected real rates of return are shown in the table below:

<b>Firemen's Pension Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Fixed income	30%	1.30%
Domestic equity	42%	5.40%
Foreign equity	18%	7.80%
Alternative investments	10%	6.70%
	<u>100%</u>	

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***Discount Rate***

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent, the municipal bond rate is 2.00 percent, and the resulting *Single Discount Rate* (SDR) is 2.52 percent, 3.22 percent in prior year.

The SDR is equivalent to applying these two rates to the benefits that are projected to be paid during the different time period. The SDR reflects: 1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and 2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits).

The City’s net pension liability as of December 31, 2021, was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

***Changes in the Net Pension Liability***

Changes in the total pension liability, plan fiduciary net position and the net pension liability are as follows for the Fireman’s Fund for the year ended December 31, 2021:

<b>Changes in Net Pension Liability – Firemen’s Plan</b>			
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances as of Beginning of Year, as Restated</b>	<u>\$ 35,631,542</u>	<u>\$ 5,122,464</u>	<u>\$ 30,509,078</u>
Charges for the year			
Interest on total pension liability	1,094,731	-	1,094,731
Change of benefit terms	-	-	-
Difference between expected and actual return	(455,759)	-	(455,759)
Changes of assumptions	2,162,151	-	2,162,151
Benefit Payments, including refunds of employee contributions	(3,267,356)	(3,267,356)	-
Administrative expense	-	(7,078)	7,078
Contributions – member	-	2,697	(2,697)
Contributions – employer	-	1,789,674	(1,789,674)
Net investment income	-	572,318	(572,318)
Net Changes	<u>(466,233)</u>	<u>(909,745)</u>	<u>443,512</u>
<b>Balances as of End of Year</b>	<u>\$ 35,165,309</u>	<u>\$ 4,212,719</u>	<u>\$ 30,952,590</u>

**City of North Little Rock, Arkansas**  
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***Sensitivity to Discount Rate Changes***

The following presents the City’s net pension liability calculated using the discount rate of 2.52 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<b>1% Decrease 1.52%</b>	<b>Current Discount Rate 2.52%</b>	<b>1% Increase 3.52%</b>
Firemen’s Pension and Relief Fund – Net pension liability	\$ 34,435,794	\$ 30,952,590	\$ 27,836,997

***Pension Expense and Deferred Outflows of Resources***

For the year ended December 31, 2021, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$2,255,073, and reported deferred outflows of resources related to pensions from the following sources for the Firemen’s Pension and Relief Fund as determined by the City at December 31, 2021:

<b>Firemen’s Pension and Relief Fund</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 515,724
Contributions subsequent to measurement date	1,887,703	-
Total	\$ 1,887,703	\$ 515,724

At December 31, 2021, the Firemen’s Pension and Relief reported \$1,887,703 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2021, related to pensions will be recognized in pension expense as follows:

**Fire**

<b>Year Ending December 31,</b>	
2022	\$ (218,220)
2023	(75,227)
2024	(169,155)
2025	(53,122)
2026	-
Total	\$ (515,724)

**City of North Little Rock, Arkansas**  
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**Arkansas Public Employees Retirement System (APERS)**

**Plan Description**

The City also contributes to the Arkansas Public Employees Retirement System (APERS), which is a cost-sharing, multiple-employer, defined benefit plan which covers all State employees who are not covered by another authorized plan. The plan was established by the authority of the *Arkansas General Assembly with the passage of Act 177 of 1957*. The costs of administering the plan are paid out of investment earnings. The general administration and responsibility for the proper operation of the System is vested in the nine members of the Board of Trustees of the Arkansas Public Employees Retirement System (Board). Membership includes three state and three non-state employees, all appointed by the Governor, and three ex-officio trustees, including the Auditor of the State, the Treasurer of the State and the Director of the Department of Finance and Administration.

**Benefits Provided**

Benefit provisions are set forth in Arkansas Code Annotated, Title 24, Chapters 5 and 6 and may only be amended by the Arkansas General Assembly. APERS provides retirement, disability and death benefits. Retirement benefits are determined as a percentage of the member’s highest 3-year average compensation times the member’s years of service. The percentage used is based upon whether a member is contributory or non-contributory as follows:

Contributory, prior to 7/1/2005	2.07%
Contributory, on or after 7/1/2005, but prior to 7/1/2007	2.03%
Contributory on or after 7/1/2007	2.00%
Non-Contributory	1.72%

Members are eligible to retire with a full benefit under the following conditions:

- at age 65 with 5 years of service,
- at any age with 28 years actual service,
- at age 60 with 20 years of actual service if under the old contributory plan (prior to July 1, 2005), or
- at age 55 with 35 years of credited service for elected or public safety officials.

Members may retire with a reduced benefit at age 55 with at least five years of actual service at age 55 or at any age with 25 years of service.

Members are eligible for disability benefits with five years of service. Disability benefits are computed as an age and service benefit, based on service and pay at disability. Death benefits are paid to a surviving spouse as if the member had five years of service and the monthly benefit is computed as if the member had retired and elected the Joint & 75 percent Survivor option. A cost-of-living adjustment of 3 percent of the current benefit is added each year.

**City of North Little Rock, Arkansas**  
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***Contributions***

Contribution requirements are set forth in Arkansas Code Annotated, Title 24, Chapter 4. The contributions are expected to be sufficient to finance the costs of benefits earned by members during the year and make a level payment that, if paid annually over a reasonable period of future years, will fully cover the unfunded costs of benefit commitments for services previously rendered (A.C.A. 24-2-701)(a)). Members who began service prior to July 1, 2005 are not required to make contributions to APERS. Members who began service on or after July 1, 2005 are required to contribute 5 percent of their salary. Employers are required to contribute at a rate established by the Board of Trustees of APERS based on an actuary's determination of a rate required to fund the plan (A.C.A. 24-2-701(c)(3)). The City is required to contribute 15.32 percent for court clerks in 2021. City contributions to the plan in 2021 were \$66,621.

***APERS Fiduciary Net Position***

Detailed information about APERS's fiduciary net position is available in the separately issued APERS Financial Report available at <http://www.apers.org/annualreports>.

***Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions***

At December 31, 2021, the primary government and Advertising and Promotion Commission reported a liability of \$167,429 and \$193,954, respectively, for its proportionate share of the net pension liability. The City's proportionate share was .02177704 percent (.02133044 percent in prior year) for court clerks and .02522704 percent (.02589817 percent in prior year) for the Advertising and Promotions Commission. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on actual City contributions to the pension plan relative to the actual contributions of all participating APERS members for the year ended June 30, 2021.

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For the year ended December 31, 2021, the primary government and Advertising and Promotion Commission recognized pension expense of \$16,066 and \$5,699, respectively. At December 31, 2021, the City and its component units reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Court Clerks		A&P	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in expected and actual experience	\$ 3,832	\$ 10,738	\$ 4,439	\$ 12,439
Assumption changes	-	1,173	-	1,359
Change in proportion	20,550	1,613	34,647	12,739
Net difference between projected and actual earnings on pension plan investments	-	293,895	-	340,455
Contributions subsequent to the measurement date*	33,311	-	45,565	-
Total	\$ 57,693	\$ 307,419	\$ 84,651	\$ 366,992

\*Contributions made subsequent to measurement date of June 30, 2021.

At December 31, 2021, the primary government and Advertising and Promotion Commission reported \$33,311 and \$45,565, respectively, as deferred outflows of resources related to pensions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Court Clerks	A&P
2022	\$ (73,778)	\$ (67,216)
2023	(65,871)	(68,974)
2024	(73,136)	(88,397)
2025	(89,187)	(103,319)
2026	18,935	-
Total	\$ (283,037)	\$ (327,906)



**City of North Little Rock, Arkansas**  
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***Actuarial Assumptions***

The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed (Level Dollar, Closed for District Judges New Plan and Paid Off Old Plan and District Judges Still Paying Old Plan)
Remaining Amortization Period	26 years (7.6 years for District Judges New Plan and Paid Off Old Plan and 16 years for District Judges still paying Old Plan)
Asset Valuation Method	4-Year smoothed market; 25% corridor (Market Value for Still Paying Old Plan)
Investment Rate of Return	7.15%
Price Inflation Rate	2.50%
Wage Inflation Rate	3.25%
Salary Increases	3.25% to 9.85% including inflation (3.25% to 6.96% including inflation for District Judges)
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality Table	Based on RP-2000 Combined Healthy mortality table, projected to 2020 using Projection Scale BB, set-forward 2 years for males and 1 year for females
Average Service Life of All Members	4.1233
Cost of living adjustments	3.0% annual compounded increase

**City of North Little Rock, Arkansas**  
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of June 30, 2021, are summarized in the table below:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Broad Domestic Equity	37%	6.22%
International Equity	24%	6.69%
Real Assets	16%	4.81%
Absolute Return	5%	3.05%
Domestic Fixed	18%	0.57%
Total	100%	

***Discount Rate***

A single discount rate of 7.15 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.15 percent. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**City of North Little Rock, Arkansas**  
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***Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the plan’s net pension liability, calculated using a single discount rate of 7.15 percent, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

			<b>1% Decrease 6.15%</b>	<b>Current Discount Rate 7.15%</b>	<b>1% Increase 8.15%</b>
	City	Net pension liability	\$ 500,846	\$ 167,429	\$ (107,925)
	A&P	Net pension liability	\$ 580,192	\$ 193,954	\$ (125,023)

***Component Unit Pension Plans - Waste Water Utility***

The North Little Rock Waste Water Utility Defined Pension Plan is a single-employer sponsored plan administered by the Waste Water Utility. The Plan provides retirement, death, and disability benefits to plan members and beneficiaries. The Utility’s Board of Commissioners establishes benefit provisions and all other requirements. The Plan does not issue stand-alone financial statements, nor is it included in another public employee retirement system plan’s financial statements. Participants are not required to contribute to the Plan.

The Waste Water Utility is required to contribute to the Plan at an actuarially determined rate. The rate was 12.77 percent for the year ended December 31, 2021. Further information is included in the audited financial statements of the Waste Water Utility, audited by other auditors, and is not presented in this report.

**Note 8: Other Postemployment Benefit Plan**

	<b>Total OPEB Liability</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>	<b>OPEB Expense</b>
<b>Total Primary Government</b>				
OPEB – Governmental Activities	\$ 6,151,934	\$ 657,524	\$ 386,666	\$ 459,717
OPEB – Business-type Activities	735,909	90,492	156,623	63,317
	<u>\$ 6,887,843</u>	<u>\$ 748,016</u>	<u>\$ 543,289</u>	<u>\$ 523,034</u>

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
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***Plan Description***

The City of North Little Rock sponsors and administers a postemployment benefit plan (Plan). Arkansas statute provides that any municipal city official or employee vested in any of the City’s retirement plans with 20 years of service and attains 55 years of age may continue to participate in the City’s health care plan after retirement. In addition, members employed at least five years with age plus service exceeding 70 at retirement are eligible for benefits. The State of Arkansas has the authority to establish and amend the requirements of this statute. The plan is a single-employer defined benefit plan. No assets are accumulated in a trust that meet the criteria of paragraph 4 of GASB 75. The City does not issue stand- alone financial statements of the plan but all required information is presented in this report.

***Benefits Provided***

In addition to retirement benefits from the appropriate pension plan, individuals who have been employed full time for at least five years and meet the requirements of the “rule of 70” (age plus service equals at least 70) are eligible to continue health, dental, and vision insurance benefits under the City’s group plan following retirement. Benefits under the plan are currently fully insured. Once the retiree reaches age 65, the retiree may continue coverage, but the coverage becomes secondary to Medicare. If the retiree, under age 65, drops their coverage, they cannot get coverage again when they reach age 65.

***Employees Covered by Benefit Terms***

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	19
Inactive employees entitled to but not yet receiving benefits	-
Active employees	803
	822

***Premiums***

Retired participants must pay the same premium as the city is charging active employees. Retired participants pay monthly premiums between \$440.50 for single coverage and \$980.00 for family coverage. Benefits paid by the City for the year ended December 31, 2021 were \$108,621.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
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**Actuarial Assumptions**

The City's total OPEB liability was measured as of December 31, 2021, and the total OPEB liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions:

Inflation	3% per year
Healthcare Cost Trend Rates	8.0% in year 1, decreasing 0.5% each year to an ultimate rate of 5.0% in year 7
Discount Rate	2.25% (prior year was 1.93%)
Mortality Table	Based on retirement Plans 2014 Mortality Rate

**Total OPEB Liability**

The components of the total OPEB liability of the City at December 31, 2021, were as follows:

<b>Balance at January 1, 2021</b>	<u>\$ 6,688,731</u>
Changes for the year	
Service cost	357,542
Interest on total OPEB liability	144,830
Difference between expected and actual experience	-
Benefit payments	(115,186)
Effect of assumptions changes or inputs	<u>(188,074)</u>
Net Changes	<u>199,112</u>
<b>Balance at December 31, 2021</b>	<u>\$ 6,887,843</u>

**Sensitivity of the Total OPEB liability to Changes in the Discount Rate**

Regarding the sensitivity of the Total OPEB Liability to changes in the single discount rate calculated using a single discount rate of 2.25 percent, as well as what the total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher:

	<b>1% Decrease in Discount Rate (1.25%)</b>	<b>Current Discount Rate Assumption (2.25%)</b>	<b>1% Increase in Discount Rate (3.25%)</b>
Total OPEB liability	<u>\$ 7,471,163</u>	<u>\$ 6,887,843</u>	<u>\$ 6,332,443</u>

**City of North Little Rock, Arkansas**  
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***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates***

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease in Discount Rate (7%)</b>	<b>Current Health Care Trend Cost (8%)</b>	<b>1% Increase in Discount Rate (9%)</b>
Total OPEB liability	\$ 5,954,122	\$ 6,887,843	\$ 8,026,875

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended December 31, 2021, the City of North Little Rock recognized OPEB expense of \$459,717. At December 31, 2021, the City of North Little Rock reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences in expected and actual experience	\$ 32,472	\$ 223,973
Changes of assumptions	715,544	319,316
	\$ 748,016	\$ 543,289

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ending December 31</b>	
2022	\$ 20,662
2023	20,662
2024	20,662
2025	20,662
2026	20,662
Thereafter	101,417
Total	\$ 204,727

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
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**Note 9: Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The City funds all amounts of compensation deferred under the Plan, at the direction of the covered employee (through payroll deductions), through investments in the United States Conference of Mayors Deferred Compensation Program maintained by Nationwide and Citistreet. All assets of the Plan (including all deferred amounts, property and rights purchased with deferred amounts, and all income attributable to such deferred amounts, property or rights), have been placed in a trust and therefore, are no longer included in the government-wide or governmental funds financial statements of the City. The City does not contribute to this plan.

**Note 10: Insurance Coverage**

The City is exposed to various risks of losses related to torts, thefts of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains insurance coverage through the Arkansas Municipal League (Pool), which is an association of local governments, covering each of the above risks of loss. The City pays an annual premium to the Pool. The Pool's governing agreement specifies that the Pool will be self-sustaining through member premiums and will reinsure through commercial carriers for claims in excess of specified stop loss amounts. Management believes the coverage is adequate to preclude any significant uninsured risk exposure to the City. The William F. Laman Public Library, Airport Commission and Advertising & Promotion Commission are also participating with the City. Settled claims have not exceeded commercial coverage in any of the three preceding years, nor has there been a significant reduction in coverage during the year ending December 31, 2021.

The Waste Water Utility was insured at December 31, 2021, for general liability, automobile liability, and all risk replacement cost except worker's compensation with the Arkansas Public Entities Risk Management Association with claims administered by Gallagher Bassett Insurance Services of Little Rock. The Utility was insured with the Municipal League Workers Compensation Trust for worker's compensation. The policy effective dates are for a calendar year for all aforementioned policies of the Utility. The Utility was insured at December 31, 2021, with RSUI Indemnity Co. for blanket property coverage. Further information is available in the audited financial statements of the Utility.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
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**Note 11: Commitments**

In 2007, the City of North Little Rock, Arkansas entered into a power purchase agreement with the Missouri Joint Municipal Electric Utility Commission (MJMEUC). Under the agreement, the Department is committed to acquire approximately 60 megawatts of generating capacity from the Plum Point Energy Stations, which was constructed near Osceola, Arkansas and began power generation in 2010. The agreement runs through December 31, 2050, but may end prior to that date if the plant is retired, if certain termination provisions apply, or if otherwise agreed to by the parties. Under the agreement, the Department will pay its proportionate share of the fixed and variable costs of operating the plant and its share of MJMEUC's administrative and other costs associated with the contract. During 2021, the Department paid approximately \$10,035,000 in purchased power from MJMEUC.

The City of North Little Rock, Arkansas has an agreement with Entergy whereby Entergy has interconnected its transmission facilities with the City's facilities to transmit the hydroelectric power and energy generated at Murray Hydroelectric Plant (Plant) to the electric system. The agreement continues as long as the City is authorized to operate the Plant, unless terminated earlier by either party on not less than 60 months advance written notice. Rates are determined based upon agreed-upon formulas, with billings to be made on a monthly basis.

During 2012, the City of North Little Rock established an adjustable Energy Cost Recovery Rider (ECR) as a component of its electric rate structure. The ECR is designed to generate increases or decreases in billings to customers depending on increases or decreases in the cost of purchasing and providing power to its customers. In May of 2019, the City Council adopted Ordinance No. 9000 replacing the two-component ECR variable rider with a single component Power Cost Adjustment (PCA) rider. The PCA, in place with the new rate structure, is easier to calculate and has less variability.

During 2013, the City entered into an energy-only contract in order to capitalize on the cost-effective delivery of power from the Midcontinent Independent System Operator (MISO) market. Under the contract, the City will begin managing the output of its generation resources in the market by selling excess energy into the market at the current market price. When those resources produce insufficient energy, the City will purchase replacement energy from the market at the current market price. During 2021, the Department paid approximately \$20,900,000 in purchased power from MISO. Additionally, the Department paid approximately \$8,750,000 in transmission costs to MISO for the fiscal year ended December 31, 2021.

In 2015, the City of North Little Rock, Arkansas entered into a power purchase agreement with The Energy Authority, Inc. (TEA). Under the agreement, the Department agrees to purchase certain volumes of energy at an agreed upon price. During 2021, the Department paid approximately \$7,400,000 in purchased power from TEA.



**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
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**Note 12: Contingencies**

***Litigation***

In the normal course of operations, the City is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the City's self-insurance program or by commercial insurance; for example, allegations regarding employment practices or performances of contracts. The City evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. In this regard, various claims and lawsuits are pending against the City. In the opinion of the City Attorney's Office, the potential loss on all claims and lawsuits will not be significant in relation to the City's financial statements. Based on management's evaluation, no amounts were accrued for such liabilities as of December 31, 2021. Events could occur that would cause the estimate or ultimate loss to differ materially in the near term.

***Federal and State Grants***

In the normal course of operations, the City participates in several federal and state financial assistance programs. The financial assistance programs are subject to audit by granting agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. The City's grant programs have been audited in accordance with the provisions of the *Single Audit Act of 1984*, as amended by the *Single Audit Act of 1996*. Any liabilities for reimbursement that may arise, as the results of audits by the granting agencies, are not believed to be material by management.

# REQUIRED SUPPLEMENTARY INFORMATION



# City of North Little Rock, Arkansas

## Schedule of Changes in the City's Net Pension Liability and Related Ratios Last 7 Years

### Nonuniformed Employees' Defined Benefit Plan

Fiscal Year Ending December 31,	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>							
Service Cost	\$ 2,580,665	\$ 2,442,653	\$ 2,249,277	\$ 2,171,091	\$ 2,081,105	\$ 1,842,603	\$ 2,432,932
Interest	5,547,208	5,173,335	4,888,174	4,685,936	4,483,827	4,189,965	3,885,117
Difference between expected and actual experience	(18,268)	(665,282)	1,153,182	4,871	(228,243)	1,873,765	(1,495,386)
Changes in assumptions	1,687,692	3,043,281	-	-	-	4,089,326	(9,232,564)
Benefit payments, including refunds of plan member contributions	(4,848,130)	(3,774,079)	(4,226,370)	(3,352,897)	(3,191,730)	(2,787,461)	(2,755,249)
<b>Net Change in Total Pension Liability</b>	4,949,167	6,219,908	4,064,263	3,509,001	3,144,959	9,208,198	(7,165,150)
<b>Total Pension Liability, Beginning of Year</b>	86,475,396	80,255,488	76,191,225	72,682,224	69,537,265	60,329,067	67,494,217
<b>Total Pension Liability, End of Year</b>	<u>\$91,424,563</u>	<u>\$ 86,475,396</u>	<u>\$ 80,255,488</u>	<u>\$ 76,191,225</u>	<u>\$ 72,682,224</u>	<u>\$ 69,537,265</u>	<u>\$ 60,329,067</u>
<b>Plan Fiduciary Net Position</b>							
Employer contributions	\$ 3,193,138	\$ 2,741,804	\$ 2,462,350	\$ 2,389,157	\$ 2,220,368	\$ 1,364,281	\$ 1,133,620
Plan member contributions	1,351,664	1,370,902	1,231,175	1,195,958	996,081	909,519	755,749
Net investment income	6,101,014	1,969,255	7,836,754	(3,222,842)	4,326,066	2,153,389	(1,596,295)
Benefit payments, including refunds of plan member contributions	(4,848,130)	(3,774,079)	(4,226,370)	(3,352,897)	(3,191,730)	(2,787,461)	(2,755,249)
Administrative expense	(71,689)	(76,605)	(83,747)	(70,492)	(73,790)	(52,951)	(55,210)
<b>Net Change in Plan Fiduciary Net Position</b>	5,725,997	2,231,277	7,220,162	(3,061,116)	4,276,995	1,586,777	(2,517,385)
<b>Plan Fiduciary Net Position, Beginning of Year</b>	53,950,519	51,719,242	44,499,080	47,560,196	43,283,201	41,696,424	44,213,809
<b>Plan Fiduciary Net Position, End of Year</b>	<u>\$59,676,516</u>	<u>\$ 53,950,519</u>	<u>\$ 51,719,242</u>	<u>\$ 44,499,080</u>	<u>\$ 47,560,196</u>	<u>\$ 43,283,201</u>	<u>\$ 41,696,424</u>
<b>City's Net Pension Liability, End of Year</b>	<u>\$31,748,047</u>	<u>\$ 32,524,877</u>	<u>\$ 28,536,246</u>	<u>\$ 31,692,145</u>	<u>\$ 25,122,028</u>	<u>\$ 26,254,064</u>	<u>\$ 18,632,643</u>
<b>Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	65.27%	62.39%	64.44%	58.40%	65.44%	62.24%	69.11%
<b>Covered Payroll</b>	\$26,946,312	\$ 27,418,040	\$ 24,623,500	\$ 23,891,570	\$ 22,770,923	\$ 21,964,782	\$ 19,641,076
<b>Plan's Net Pension Liability as a Percentage of Covered Payroll</b>	117.82%	118.63%	115.89%	132.65%	110.33%	119.53%	94.87%

**Note to Schedule:**

Changes in assumptions:

In 2021, the Plan changed the mortality table improvement scale from MP-2014 to MP-2018.

At the end of 2020, the pension board approved a change that allowed anyone at the age 62 with 30 years of service to retire with 2% multiplier. At that time it was assumed everyone at age 62 would retire.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

# City of North Little Rock, Arkansas

## Schedule of Changes in the City's Net Pension Liability and Related Ratios

### Last 6 Years

#### Police Pension Plan

Fiscal Year Ending December 31,	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>						
Service Cost	\$ -	\$ -	\$ 15,917	\$ 15,204	\$ 10,573	\$ 16,248
Interest	934,706	1,160,441	1,117,341	1,250,577	1,271,018	1,312,455
Difference between expected and actual experience	(169,317)	712,195	517,137	686,422	(39,875)	569,326
Changes in assumptions	2,885,065	3,301,888	(1,258,960)	1,341,560	(556,753)	221,478
Benefit payments, including refunds of plan member contributions	<u>(2,498,547)</u>	<u>(2,507,532)</u>	<u>(2,577,015)</u>	<u>(2,608,595)</u>	<u>(2,726,985)</u>	<u>(2,613,959)</u>
<b>Net Change in Total Pension Liability</b>	1,151,907	2,666,992	(2,185,580)	685,168	(2,042,022)	(494,452)
<b>Total Pension Liability, Beginning of Year</b>	<u>35,115,418</u>	<u>32,448,426</u>	<u>34,634,006</u>	<u>33,948,838</u>	<u>35,990,860</u>	<u>36,485,312</u>
<b>Total Pension Liability, End of Year</b>	<u>\$ 36,267,325</u>	<u>\$ 35,115,418</u>	<u>\$ 32,448,426</u>	<u>\$ 34,634,006</u>	<u>\$ 33,948,838</u>	<u>\$ 35,990,860</u>
<b>Plan Fiduciary Net Position</b>						
Employer contributions	\$ 2,106,247	\$ 2,111,338	\$ 2,027,867	\$ 1,984,413	\$ 1,890,091	\$ 1,790,813
Plan member contributions	3,097	2,924	(13,040)	6,179	7,608	10,961
Net investment income	-	31,005	(18,924)	154,359	101,074	4,546
Benefit payments, including refunds of plan member contributions	(2,498,547)	(2,507,532)	(2,577,015)	(2,608,595)	(2,726,985)	(2,613,959)
Administrative expense	-	(273)	(1,255)	(1,979)	(3,794)	(6,131)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,400</u>	<u>-</u>
<b>Net Change in Plan Fiduciary Net Position</b>	(389,203)	(362,538)	(582,367)	(465,623)	(684,606)	(813,770)
<b>Plan Fiduciary Net Position, Beginning of Year</b>	<u>475</u>	<u>363,013</u>	<u>945,380</u>	<u>1,411,003</u>	<u>2,095,609</u>	<u>2,909,379</u>
<b>Plan Fiduciary Net Position, End of Year</b>	<u>\$ (388,728)</u>	<u>\$ 475</u>	<u>\$ 363,013</u>	<u>\$ 945,380</u>	<u>\$ 1,411,003</u>	<u>\$ 2,095,609</u>
<b>City's Net Pension Liability, End of Year</b>	<u>\$ 36,656,053</u>	<u>\$ 35,114,943</u>	<u>\$ 32,085,413</u>	<u>\$ 33,688,626</u>	<u>\$ 32,537,835</u>	<u>\$ 33,895,251</u>
<b>Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	0.00%	0.00%	1.12%	2.73%	4.16%	5.82%
<b>Covered Payroll</b>	\$ 175,942	\$ 170,821	\$ 168,808	\$ 157,318	\$ 159,587	\$ 241,190
<b>Plan's Net Pension Liability as a Percentage of Covered Payroll</b>	20834.17%	20556.57%	19007.05%	21414.35%	20388.78%	14053.34%

**Note:** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

**City of North Little Rock, Arkansas**  
**Schedule of Changes in the City's Net Pension Liability and Related Ratios**  
**Last 6 Years**

**Firemen's Pension and Relief Fund**

Fiscal Year Ending December 31,	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>						
Service Cost	\$ -	\$ -	\$ -	\$ 10,947	\$ 5,116	\$ 4,999
Interest	1,094,731	1,333,982	1,340,002	1,538,822	1,602,202	1,699,456
Difference between expected and actual experience	(455,759)	868,397	1,231,363	26,604	(460,276)	(62,242)
Changes in assumptions	2,162,151	2,658,115	(318,154)	1,164,792	(373,622)	610,411
Benefit payments, including refunds of plan member contributions	<u>(3,267,356)</u>	<u>(3,214,307)</u>	<u>(3,368,736)</u>	<u>(3,359,082)</u>	<u>(2,931,504)</u>	<u>(2,958,538)</u>
<b>Net Change in Total Pension Liability</b>	(466,233)	1,646,187	(1,115,525)	(617,917)	(2,158,084)	(705,914)
<b>Total Pension Liability, Beginning of Year</b>	<u>35,631,542</u>	<u>33,985,355</u>	<u>35,100,880</u>	<u>35,718,797</u>	<u>37,876,881</u>	<u>38,582,795</u>
<b>Total Pension Liability, End of Year</b>	<u>\$ 35,165,309</u>	<u>\$ 35,631,542</u>	<u>\$ 33,985,355</u>	<u>\$ 35,100,880</u>	<u>\$ 35,718,797</u>	<u>\$ 37,876,881</u>
<b>Plan Fiduciary Net Position</b>						
Employer contributions	\$ 1,789,674	\$ 1,646,347	\$ 1,609,846	\$ 1,695,189	\$ 1,716,157	\$ 1,555,853
Plan member contributions	2,697	4,243	4,306	8,568	15,673	17,631
Net investment income	572,318	928,740	(195,176)	1,054,331	498,767	17,659
Benefit payments, including refunds of plan member contributions	(3,267,356)	(3,214,307)	(3,368,736)	(3,359,082)	(2,931,504)	(2,958,538)
Administrative expense	(7,078)	(8,168)	(12,940)	(13,517)	(16,296)	(22,518)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,200</u>	<u>-</u>
<b>Net Change in Plan Fiduciary Net Position</b>	(909,745)	(643,145)	(1,962,700)	(614,511)	(686,003)	(1,389,913)
<b>Plan Fiduciary Net Position, Beginning of Year</b>	<u>5,122,464</u>	<u>5,765,609</u>	<u>7,728,309</u>	<u>8,342,820</u>	<u>9,028,823</u>	<u>10,418,736</u>
<b>Plan Fiduciary Net Position, End of Year</b>	<u>4,212,719</u>	<u>5,122,464</u>	<u>5,765,609</u>	<u>7,728,309</u>	<u>8,342,820</u>	<u>9,028,823</u>
<b>City's Net Pension Liability, End of Year</b>	<u>\$ 30,952,590</u>	<u>\$ 30,509,078</u>	<u>\$ 28,219,746</u>	<u>\$ 27,372,571</u>	<u>\$ 27,375,977</u>	<u>\$ 28,848,058</u>
<b>Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	11.98%	14.38%	16.96%	22.02%	23.36%	23.84%
<b>Covered Payroll</b>	\$ 183,387	\$ 250,678	\$ 333,149	\$ 411,211	\$ 526,042	\$ 510,473
<b>Plan's Net Pension Liability as a Percentage of Covered Payroll</b>	16878.29%	12170.62%	8470.61%	6656.58%	5204.14%	5651.24%

**Note:** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

**City of North Little Rock, Arkansas**  
**Schedule of City's Proportionate Share of the Net Pension Liability and Related Ratios – LOPFI**  
**Last 6 Years**

**LOPFI – Fire**

<b>December 31</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
City's proportion of the net pension liability	2.94302%	2.84686%	2.67953%	2.73119%	2.74166%	2.49184%
City's proportionate share of the net pension liability	\$ 20,232,816	\$ 21,998,832	\$ 8,691,598	\$ 19,407,730	\$ 15,642,023	\$ 9,020,695
City's covered payroll	\$ 11,093,451	\$ 10,429,122	\$ 9,557,042	\$ 9,359,122	\$ 8,707,186	\$ 7,931,178
City's proportionate share of the net pension liability as a percentage of covered payroll	182.39%	210.94%	90.94%	207.37%	179.64%	113.74%
Plan fiduciary net position as a percentage of the total pension liability	77.79%	73.21%	66.09%	71.48%	72.87%	79.14%

**LOPFI – Police**

<b>December 31</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
City's proportion of the net pension liability	2.84163%	2.71348%	2.63745%	2.55587%	2.51139%	2.30461%
City's proportionate share of the net pension liability	\$ 19,535,772	\$ 20,968,132	\$ 8,392,163	\$ 18,161,919	\$ 14,328,255	\$ 8,342,893
City's covered payroll	\$ 13,375,657	\$ 13,486,861	\$ 12,257,002	\$ 11,783,650	\$ 10,999,885	\$ 10,825,411
City's proportionate share of the net pension liability as a percentage of covered payroll	146.05%	155.47%	68.47%	154.13%	130.26%	77.07%
Plan fiduciary net position as a percentage of the total pension liability	77.79%	73.21%	66.09%	71.48%	72.87%	79.14%

**Note:** Information in this schedule has been determined as of the measurement date (December 31 of the year prior to the most recent fiscal year-end) of the City's net pension liability.

**Note:** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

**City of North Little Rock, Arkansas**  
**Schedule of City's Proportionate Share of the Net Pension Liability and Related Ratios – APERS**  
**Last 7 Years**

<b>June 30</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
City's proportion of the net pension liability	0.02177704%	0.02133044%	0.02077864%	0.19836180%	0.02245346%
City's proportionate share of the net pension liability	\$ 167,429	\$ 610,815	\$ 501,291	\$ 437,573	\$ 580,229
City's covered payroll	\$ 415,428	\$ 411,537	\$ 402,283	\$ 828,592	\$ 795,081
City's proportionate share of the net pension liability as a percentage of it covered payroll	40.30%	148.42%	124.61%	52.81%	72.98%
Plan fiduciary net position as a percentage of the total pension liability	93.57%	75.38%	78.55%	79.59%	75.65%
<b>June 30</b>	<b>2016</b>	<b>2015</b>			
City's proportion of the net pension liability	0.02077350%	0.02105517%			
City's proportionate share of the net pension liability	\$ 496,767	\$ 387,780			
City's covered payroll	\$ 735,118	\$ 697,720			
City's proportionate share of the net pension liability as a percentage of it covered payroll	67.58%	55.58%			
Plan fiduciary net position as a percentage of the total pension liability	75.50%	80.39%			

**Note:** Information in this schedule has been determined as of the measurement date (June 30 of the fiscal year) of the City's net pension liability.

**Note:** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

**City of North Little Rock, Arkansas**  
**Schedule of City's Contributions – Non-Uniformed Plan**  
**Last 7 Years**

<u>December 31</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 4,109,313	\$ 3,879,653	\$ 3,679,618	\$ 3,098,871	\$ 3,321,094
Contribution in relation of the contractually required contribution	<u>3,193,138</u>	<u>2,741,804</u>	<u>2,462,350</u>	<u>2,389,157</u>	<u>2,220,368</u>
Contribution deficiency (excess)	<u>\$ 916,175</u>	<u>\$ 1,137,849</u>	<u>\$ 1,217,268</u>	<u>\$ 709,714</u>	<u>\$ 1,100,726</u>
City's covered payroll	\$ 26,946,312	\$ 27,418,040	\$ 24,623,500	\$ 26,546,189	\$ 24,670,756
Contributions as a percentage of covered payroll	11.85%	10.00%	10.00%	9.00%	9.00%

<u>December 31</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,759,795	\$ 2,063,177
Contribution in relation of the contractually required contribution	<u>1,364,281</u>	<u>1,133,620</u>
Contribution deficiency (excess)	<u>\$ 1,395,514</u>	<u>\$ 929,557</u>
City's covered payroll	\$ 21,964,782	\$ 19,641,076
Contributions as a percentage of covered payroll	6.21%	5.77%

**Note:** Information in this schedule has been determined as of the City's most recent year-end.

**Note:** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

**Key Assumptions for ADC:**

Cost method	Entry age normal
Amortization method	Level Percentage of Pay (3.5% Growth)
Remaining amortization	15 years
Asset valuation	Market related value
Investment rate of return	6.50%
Mortality	RP-2014 Table



**City of North Little Rock, Arkansas**  
**Schedule of City's Contributions – Police Pension**  
**Last 6 Years**

Fiscal Year Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ 1,586,655	\$ 1,586,655	\$ -	\$ 241,190	657.84%
2017	1,626,971	1,626,971	-	159,587	1019.49%
2018	1,705,029	1,705,029	-	157,318	1083.81%
2019	1,708,560	1,708,560	-	168,808	1012.13%
2020	1,813,500	1,813,500	-	170,821	1061.64%
2021	1,805,304	1,805,304	-	175,942	1026.08%

**Note:** A full 10 year schedule will be completed as information is available.

**Key Assumptions for ADC:**

Cost method	Individual entry age normal
Amortization method	Closed amortization period based on projected future payroll
Remaining amortization	18 years beginning January 1, 2020
Asset valuation	5-year smoothed market; 20% corridor
Investment rate of return	7.50%
Mortality	RP-2014 Healthy Annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016.

**City of North Little Rock, Arkansas**  
**Schedule of City's Contributions – Firemen's Pension and Relief Fund**  
**Last 6 Years**

Fiscal Year Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ 1,367,855	\$ 1,367,855	\$ -	\$ 510,473	267.96%
2017	1,517,418	1,517,418	-	526,042	288.46%
2018	1,487,237	1,487,237	-	411,211	361.67%
2019	1,458,360	1,458,360	-	333,149	437.75%
2020	1,457,352	1,457,352	-	250,678	581.36%
2021	1,591,524	1,591,524	-	183,387	867.85%

**Note:** A full 10 year schedule will be completed as information is available.

**Key Assumptions for ADC:**

Cost method	Individual entry age normal
Amortization method	Closed amortization period based on projected future payroll
Remaining amortization	18 years beginning January 1, 2020
Asset valuation	5-year smoothed market; 20% corridor
Investment rate of return	7.50%
Mortality	RP-2014 Healthy Annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016.

# City of North Little Rock, Arkansas

## Schedule of City's Contributions – LOPFI

### Last 6 Years

#### LOPFI – Fire

December 31	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 2,602,961	\$ 2,375,754	\$ 2,092,256	\$ 1,487,237	\$ 1,517,419	\$ 1,478,724
Contribution in relation of the contractually required contribution	<u>2,602,961</u>	<u>2,375,754</u>	<u>2,092,256</u>	<u>1,487,237</u>	<u>1,517,419</u>	<u>1,478,724</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	11,093,451	10,429,122	9,557,042	9,359,122	8,707,186	7,931,178
Contributions as a percentage of covered payroll	23.46%	22.78%	21.89%	15.89%	17.43%	18.64%

**Note:** Information in this schedule has been determined as of the City's most recent year-end.

**Note:** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

#### LOPFI – Police

December 31	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 2,513,286	\$ 2,264,444	\$ 2,059,395	\$ 1,705,029	\$ 1,626,971	\$ 1,367,615
Contribution in relation of the contractually required contribution	<u>2,513,286</u>	<u>2,264,444</u>	<u>2,059,395</u>	<u>1,705,029</u>	<u>1,626,971</u>	<u>1,367,615</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	13,375,657	13,486,861	12,257,002	11,783,650	10,999,885	10,825,411
Contributions as a percentage of covered payroll	18.79%	16.79%	16.80%	14.47%	14.79%	12.63%

**Note:** Information in this schedule has been determined as of the City's most recent year-end.

**Note:** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

**City of North Little Rock, Arkansas**  
**Schedule of City's Contributions – APERS**  
**Last 6 Years**

<b>December 31</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Contractually required contribution	\$ 66,621	\$ 63,761	\$ 66,070	\$ 54,804	\$ 58,679
Contribution in relation of the contractually required contribution	<u>66,621</u>	<u>63,761</u>	<u>66,070</u>	<u>54,804</u>	<u>58,679</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	415,343	411,627	431,266	377,959	401,636
Contributions as a percentage of covered-employee payroll	16.04%	15.49%	15.32%	14.50%	14.61%

<b>December 31</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 54,575	\$ 55,139
Contribution in relation of the contractually required contribution	<u>54,575</u>	<u>55,139</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	370,754	368,084
Contributions as a percentage of covered-employee payroll	14.72%	14.98%

**Note:** Information in this schedule has been determined as of the City's most recent year-end.

**Note:** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

**City of North Little Rock, Arkansas**  
**Schedule of Changes in the City's Total OPEB Liability and Related Ratios**  
**December 31, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability, Beginning of Year</b>	\$ 6,688,731	\$ 5,765,549	\$ 5,321,410	\$ 5,471,163
Changes for the year				
Service cost	357,542	244,533	299,941	258,689
Interest	144,830	193,302	201,695	172,888
Difference between expected and actual experience	-	(64,719)	-	(207,822)
Benefit payments	(115,186)	(161,142)	(160,545)	(150,996)
Changes of assumptions	<u>(188,074)</u>	<u>711,208</u>	<u>179,508</u>	<u>(222,512)</u>
<b>Total OPEB Liability, End of Year</b>	<u>\$ 6,887,843</u>	<u>\$ 6,688,731</u>	<u>\$ 5,842,009</u>	<u>\$ 5,321,410</u>
Covered Payroll	\$ 26,946,312	\$ 27,418,040	\$ 24,623,500	\$ 23,891,570
Total OPEB Liability as a Percentage of Covered Payroll	25.56%	24.40%	23.73%	22.27%

**Notes to Schedule:**

**Changes in Benefit Terms:** None

**Changes of Assumptions:** Changes of assumptions reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

December 31, 2017 - 3.16%

December 31, 2018 - 3.64%

December 31, 2019 - 3.26%

December 31, 2020 - 1.93%

December 31, 2021 - 2.25%

**Note:** The City began to report the above information when it implemented GASB Statement 75 in fiscal year 2018.

This OPEB schedule is intended to present information for ten years. Additional information will be displayed as it becomes available.

No amounts are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

## **Other Supplementary Information**

## **NONMAJOR GOVERNMENTAL FUNDS**

The **Special Revenue Funds** account for resources which are designated by law or contractual agreement for particular functions or activities and are legally required to be accounted for in separate funds. Such resources are derived from specific taxes, federal grant and entitlement monies, and multi-year appropriations.

**STREET FUND** – Accounts for gasoline and road taxes received from state and county levies. Revenues are expended for maintenance and repair of streets and sidewalks.

**PARKS AND RECREATION FUND** – Accounts for hotel, motel and restaurant taxes designated for parks. Revenues are expended for maintenance and development of City parks.

**COMMUNITY DEVELOPMENT FUND (CDBG)** – Accounts for CDBG and other funds received from the U.S. Department of Housing and Urban Development. These monies are expended for things such as to provide housing or housing assistance to qualifying citizens and to improve neighborhood streets and drainage.

**EQUITABLE SHARING FUND** – Accounts for the proceeds of the sharing distributions from state and federal agencies related to law enforcement investigations. These monies are expended in accordance with state and federal regulations.

**DRAINAGE IMPROVEMENT FUND** – Accounts for the fees paid by new developments to be used to construct storm water drainage that serve such developments.

**GRANT FUND** – Accounts for grant funds received for various programs. These monies are expended to satisfy purposes as outlined by each federal program.

The **Debt Service Funds** account for the accumulation of resources for the payment of principal and interest on general long-term debt.

**BARING CROSS DEBT SERVICE** – The 2019 Tax Increment Bonds were issued to finance the cost of construction of street and drainage infrastructure within the Lower Baring Cross Redevelopment District. The 2017 Tax Increment Bonds were issued to refund the 2011 Tax Increment Bond and to pay the cost associated with the issuance of the Series 2017 Bonds.

**2019 CAPITAL IMPROVEMENT REVENUE BONDS** – 2019 Capital Improvement Revenue Bonds are special obligation of the City payable by a pledge of revenues derived from franchise fees collected from public utilities for the privilege of using the streets, highways and other public places in the City.

The **Capital Projects Funds** account for the acquisition or construction of major capital assets from the proceeds from general obligation bond issues and other financing sources.

**PARKS CAPITAL IMPROVEMENT FUND** – Accounts for capital projects being completed in City parks. Revenue is received from a transfer from the Parks and Recreation fund.

**SALES TAX CAPITAL IMPROVEMENT FUND** – Accounts for ¼ of a cent sales tax proceeds transferred to this fund to acquire capital equipment, vehicles and drainage and other improvements for the City.

**SPECIAL PROJECTS INFRASTRUCTURE FUND** – Accounts for appropriations to be spent on one-time, multi-year capital projects that benefit the entire City.

**2010 SALES TAX CAPITAL IMPROVEMENT FUND** – Accounts for proceeds of the 2010 Short Term Financing to acquire capital equipment, vehicles and other capital needs of the City.

**2019 CAPITAL IMPROVEMENT FUND** – The 2019 Capital Improvement Bonds were issued for the purpose of constructing the police and courts building.



**City of North Little Rock, Arkansas**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
**December 31, 2021**

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 3,971,396	\$ 208,575	\$ 3,494,837	\$ 7,674,808
Property taxes receivable	1,881,769	204,395	-	2,086,164
Sales tax receivable	1,998,015	-	-	1,998,015
Accounts receivable	4,875	-	-	4,875
Due from other governments	1,415,221	-	-	1,415,221
Prepays	162,820	-	-	162,820
Due from other funds	1,520,168	-	1,444,793	2,964,961
Restricted cash equivalents	-	571,107	4	571,111
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total assets	<u>\$ 10,954,264</u>	<u>\$ 984,077</u>	<u>\$ 4,939,634</u>	<u>\$ 16,877,975</u>
<b>Liabilities</b>				
Accounts payable	\$ 607,483	\$ -	\$ 61,455	\$ 668,938
Accrued expenses	189,964	-	-	189,964
Unearned revenue	-	-	-	-
Due to other funds	3,916,139	104,469	38,234	4,058,842
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total liabilities	<u>4,713,586</u>	<u>104,469</u>	<u>99,689</u>	<u>4,917,744</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues – property taxes	1,717,191	193,905	-	1,911,096
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total deferred inflows of resources	<u>1,717,191</u>	<u>193,905</u>	<u>-</u>	<u>1,911,096</u>
<b>Fund Balance</b>				
Nonspendable	162,820	-	-	162,820
Restricted	4,536,958	685,703	4	5,222,665
Committed	-	-	4,081,760	4,081,760
Assigned	-	-	758,181	758,181
Unassigned	(176,291)	-	-	(176,291)
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total fund balance	<u>4,523,487</u>	<u>685,703</u>	<u>4,839,945</u>	<u>10,049,135</u>
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 10,954,264</u>	<u>\$ 984,077</u>	<u>\$ 4,939,634</u>	<u>\$ 16,877,975</u>

**City of North Little Rock, Arkansas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**– Nonmajor Governmental Funds**  
**Year Ended December 31, 2021**

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total</b>
<b>Revenues</b>				
Taxes – sales	\$ 11,199,049	\$ -	\$ -	\$ 11,199,049
Taxes – other	1,837,389	171,336	-	2,008,725
Charges for services	1,997,920	-	-	1,997,920
Licenses and permits	4,939	-	-	4,939
Intergovernmental	2,114,842	-	-	2,114,842
Investments earnings	19,296	895	17,786	37,977
Miscellaneous	357,176	-	-	357,176
	<u>\$ 17,530,611</u>	<u>\$ 172,231</u>	<u>\$ 17,786</u>	<u>\$ 17,720,628</u>
<b>Total revenues</b>				
<b>Expenditures</b>				
Current				
Street and traffic	\$ 6,718,569	\$ -	\$ 315,544	\$ 7,034,113
Administration	70,972	-	-	70,972
Parks and recreation	8,670,876	-	-	8,670,876
Community development	602,485	-	-	602,485
Emergency services	35,261	-	-	35,261
Public safety – police	27,485	-	-	27,485
Public works	1,021,557	-	34,679	1,056,236
Sanitation	-	-	-	-
Special appropriations	-	-	-	-
Capital outlay	447,999	-	5,831,419	6,279,418
Debt service				
Principal	64,060	530,000	-	594,060
Interest and agent fees	6,797	462,588	-	469,385
	<u>17,666,061</u>	<u>992,588</u>	<u>6,181,642</u>	<u>24,840,291</u>
<b>Total expenditures</b>				
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>				
	<u>(135,450)</u>	<u>(820,357)</u>	<u>(6,163,856)</u>	<u>(7,119,663)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	850,000	782,691	5,428,069	7,060,760
Transfers Out	-	-	(940,000)	(940,000)
	<u>850,000</u>	<u>782,691</u>	<u>4,488,069</u>	<u>6,120,760</u>
<b>Total other financing sources (uses)</b>				
<b>Net Change in Fund Balance</b>				
	714,550	(37,666)	(1,675,787)	(998,903)
<b>Fund Balance, Beginning of the Year</b>				
	<u>3,808,937</u>	<u>723,369</u>	<u>6,515,732</u>	<u>11,048,038</u>
<b>Fund Balance, End of the Year</b>				
	<u>\$ 4,523,487</u>	<u>\$ 685,703</u>	<u>\$ 4,839,945</u>	<u>\$ 10,049,135</u>

**City of North Little Rock, Arkansas**  
**Combining Balance Sheet – Nonmajor Special Revenue Funds**  
**December 31, 2021**

	<u>Street</u>	<u>Parks and Recreation</u>	<u>Community Development</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 726,426	\$ 2,354,282	\$ 2,500
Property taxes receivable	1,881,769	-	-
Sales tax receivable	932,542	1,065,473	-
Accounts receivable	-	4,875	-
Prepays	64,738	98,082	-
Due from other governments	-	-	125,887
Due from other funds	1,102,111	415,393	2,059
	<u>\$ 4,707,586</u>	<u>\$ 3,938,105</u>	<u>\$ 130,446</u>
<b>Liabilities</b>			
Accounts payable	\$ 206,254	\$ 257,785	\$ 127,345
Accrued expenses	72,351	117,613	-
Unearned revenue	-	-	-
Due to other funds	18,553	2,444,959	130,006
	<u>297,158</u>	<u>2,820,357</u>	<u>257,351</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues – property taxes	1,717,191	-	-
	<u>1,717,191</u>	<u>-</u>	<u>-</u>
<b>Fund Balance (Deficit)</b>			
Nonspendable	64,738	98,082	-
Restricted			
Street and traffic	2,628,499	-	-
Parks and recreation	-	1,019,666	-
Police – equitable sharing	-	-	-
Drainage improvement	-	-	-
Unassigned	-	-	(126,905)
	<u>2,693,237</u>	<u>1,117,748</u>	<u>(126,905)</u>
Total liabilities, deferred inflows of resources, and fund balance (deficit)	<u>\$ 4,707,586</u>	<u>\$ 3,938,105</u>	<u>\$ 130,446</u>

<b>Equitable Sharing</b>	<b>Drainage Improvement</b>	<b>Grant</b>	<b>Total</b>
\$ 195,530	\$ 692,658	\$ -	\$ 3,971,396
-	-	-	1,881,769
-	-	-	1,998,015
-	-	-	4,875
-	-	-	162,820
-	-	1,289,334	1,415,221
605	-	-	1,520,168
<u>\$ 196,135</u>	<u>\$ 692,658</u>	<u>\$ 1,289,334</u>	<u>10,954,264</u>
\$ -	\$ -	\$ 16,099	\$ 607,483
-	-	-	189,964
-	-	-	-
-	-	1,322,621	3,916,139
-	-	1,338,720	4,713,586
-	-	-	1,717,191
-	-	-	1,717,191
-	-	-	162,820
-	-	-	2,628,499
-	-	-	1,019,666
196,135	-	-	196,135
-	692,658	-	692,658
-	-	(49,386)	(176,291)
<u>196,135</u>	<u>692,658</u>	<u>(49,386)</u>	<u>4,523,487</u>
<u>\$ 196,135</u>	<u>\$ 692,658</u>	<u>\$ 1,289,334</u>	<u>\$ 10,954,264</u>

**City of North Little Rock, Arkansas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**(Deficit) – Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2021**

	<u>Street</u>	<u>Parks and Recreation</u>	<u>Community Development</u>
<b>Revenues</b>			
Taxes – sales	\$ 5,270,544	\$ 5,928,505	\$ -
Taxes – other	1,837,389	-	-
Charges for services	-	1,861,284	-
Licenses and permits	4,939	-	-
Intergovernmental	-	-	611,189
Investments earnings	7,586	8,592	-
Miscellaneous	57,186	299,990	-
	<u>\$ 7,177,644</u>	<u>\$ 8,098,371</u>	<u>\$ 611,189</u>
<b>Expenditures</b>			
Current			
Street and traffic	\$ 6,718,569	\$ -	\$ -
Administration	-	-	-
Parks and recreation	-	8,648,668	-
Community development	-	-	602,485
Emergency services	-	-	-
Public safety – police	-	-	-
Public works	-	-	-
Sanitation	-	-	-
Special appropriations	-	-	-
Capital outlay	59,476	48,437	-
Debt service			
Principal	-	64,060	-
Interest and agent fees	-	6,797	-
	<u>6,778,045</u>	<u>8,767,962</u>	<u>602,485</u>
<b>Excess (Deficiency) of Revenues</b>			
<b>Over (Under) Expenditures</b>	<u>399,599</u>	<u>(669,591)</u>	<u>8,704</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	850,000	-
Transfers Out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>850,000</u>	<u>-</u>
<b>Net Change in Fund Balance (Deficit)</b>	399,599	180,409	8,704
<b>Fund Balance (Deficit), Beginning of the Year</b>	<u>2,293,638</u>	<u>937,339</u>	<u>(135,609)</u>
<b>Fund Balance (Deficit), End of the Year</b>	<u>\$ 2,693,237</u>	<u>\$ 1,117,748</u>	<u>\$ (126,905)</u>

<b>Equitable Sharing</b>	<b>Drainage Improvement</b>	<b>Grant</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ 11,199,049
-	-	-	1,837,389
-	136,636	-	1,997,920
-	-	-	4,939
119,369	-	1,384,284	2,114,842
525	2,593	-	19,296
-	-	-	357,176
<u>\$ 119,894</u>	<u>\$ 139,229</u>	<u>\$ 1,384,284</u>	<u>\$ 17,530,611</u>
\$ -	\$ -	\$ -	\$ 6,718,569
-	-	70,972	70,972
-	-	22,208	8,670,876
-	-	-	602,485
-	-	35,261	35,261
14,639	-	12,846	27,485
-	-	1,021,557	1,021,557
-	-	-	-
-	-	-	-
35,307	117,149	187,630	447,999
-	-	-	64,060
-	-	-	6,797
<u>49,946</u>	<u>117,149</u>	<u>1,350,474</u>	<u>17,666,061</u>
<u>69,948</u>	<u>22,080</u>	<u>33,810</u>	<u>(135,450)</u>
-	-	-	850,000
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>850,000</u>
69,948	22,080	33,810	714,550
<u>126,187</u>	<u>670,578</u>	<u>(83,196)</u>	<u>3,808,937</u>
<u>\$ 196,135</u>	<u>\$ 692,658</u>	<u>\$ (49,386)</u>	<u>\$ 4,523,487</u>

**City of North Little Rock, Arkansas**  
**Combining Balance Sheet – Nonmajor Debt Service Funds**  
**December 31, 2021**

	<b>Baring Cross Debt Service</b>	<b>2019 Capital Improvement Debt Service</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 208,575	\$ -	\$ 208,575
Property taxes receivable	204,395	-	204,395
Restricted cash equivalents	-	571,107	571,107
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 412,970</u>	<u>\$ 571,107</u>	<u>\$ 984,077</u>
<b>Liabilities</b>			
Due to other funds	\$ 104,469	\$ -	\$ 104,469
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>104,469</u>	<u>-</u>	<u>104,469</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues – property taxes	193,905	-	193,905
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	<u>193,905</u>	<u>-</u>	<u>193,905</u>
<b>Fund Balance</b>			
Restricted	114,596	571,107	685,703
	<hr/>	<hr/>	<hr/>
Total fund balance	<u>114,596</u>	<u>571,107</u>	<u>685,703</u>
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 412,970</u>	<u>\$ 571,107</u>	<u>\$ 984,077</u>

**City of North Little Rock, Arkansas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**– Nonmajor Debt Service Funds**  
**Year Ended December 31, 2021**

	<b>Baring Cross Debt Service</b>	<b>2019 Capital Improvement Debt Service</b>	<b>Total</b>
<b>Revenues</b>			
Taxes – other	\$ 171,336	\$ -	\$ 171,336
Investments earnings	685	210	895
Total revenues	<u>\$ 172,021</u>	<u>\$ 210</u>	<u>\$ 172,231</u>
<b>Expenditures</b>			
Debt Service			
Principal	\$ 70,000	\$ 460,000	\$ 530,000
Interest and agent fees	68,938	393,650	462,588
Total expenditures	<u>138,938</u>	<u>853,650</u>	<u>992,588</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>33,083</u>	<u>(853,440)</u>	<u>(820,357)</u>
<b>Other Financing Sources</b>			
Transfers In	<u>-</u>	<u>782,691</u>	<u>782,691</u>
Total other financing sources	<u>-</u>	<u>782,691</u>	<u>782,691</u>
<b>Net Change in Fund Balance (Deficit)</b>	33,083	(70,749)	(37,666)
<b>Fund Balance, Beginning of the Year</b>	<u>81,513</u>	<u>641,856</u>	<u>723,369</u>
<b>Fund Balance, End of the Year</b>	<u>\$ 114,596</u>	<u>\$ 571,107</u>	<u>\$ 685,703</u>



**City of North Little Rock, Arkansas**  
**Combining Balance Sheet – Nonmajor Capital Projects Funds**  
**December 31, 2021**

	<u>Parks Capital Improvement</u>	<u>Sales Tax Capital Improvement</u>	<u>Special Projects Infrastructure</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 599,555	\$ 2,735,476	\$ 158,626
Due from other funds	-	1,444,793	-
Restricted cash equivalents	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 599,555</u>	<u>\$ 4,180,269</u>	<u>\$ 158,626</u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 61,455	\$ -
Due to other funds	-	38,234	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>99,689</u>	<u>-</u>
<b>Fund Balance</b>			
Restricted	-	-	-
Committed	-	4,080,580	-
Assigned	599,555	-	158,626
	<hr/>	<hr/>	<hr/>
Total fund balance	<u>599,555</u>	<u>4,080,580</u>	<u>158,626</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 599,555</u>	<u>\$ 4,180,269</u>	<u>\$ 158,626</u>

<b>2010 Sales Tax Capital Improvement</b>	<b>2019 Capital Improvement</b>	<b>Total</b>
\$ 1,180	\$ -	\$ 3,494,837
-	-	1,444,793
-	4	4
<u>\$ 1,180</u>	<u>\$ 4</u>	<u>\$ 4,939,634</u>
\$ -	\$ -	\$ 61,455
-	-	38,234
-	-	99,689
-	4	4
1,180	-	4,081,760
-	-	758,181
<u>1,180</u>	<u>4</u>	<u>4,839,945</u>
<u>\$ 1,180</u>	<u>\$ 4</u>	<u>\$ 4,939,634</u>

**City of North Little Rock, Arkansas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**– Nonmajor Capital Projects Funds**  
**Year Ended December 31, 2021**

	<b><u>Parks Capital Improvement</u></b>	<b><u>Sales Tax Capital Improvement</u></b>	<b><u>Special Projects Infrastructure</u></b>
<b>Revenues</b>			
Investments earnings	\$ 2,197	\$ 14,163	\$ 1,238
Total revenues	<u>\$ 2,197</u>	<u>\$ 14,163</u>	<u>\$ 1,238</u>
<b>Expenditures</b>			
Current			
Street	\$ -	\$ 315,544	\$ -
Public works	-	-	-
Capital outlay	<u>-</u>	<u>3,066,157</u>	<u>14,739</u>
Total expenditures	<u>-</u>	<u>3,381,701</u>	<u>14,739</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>2,197</u>	<u>(3,367,538)</u>	<u>(13,501)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	5,428,069	-
Transfers out	<u>-</u>	<u>(940,000)</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>4,488,069</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	2,197	1,120,531	(13,501)
<b>Fund Balance, Beginning of the Year</b>	<u>597,358</u>	<u>2,960,049</u>	<u>172,127</u>
<b>Fund Balance, End of the Year</b>	<u>\$ 599,555</u>	<u>\$ 4,080,580</u>	<u>\$ 158,626</u>

<b>2010 Sales Tax Capital Improvement</b>	<b>2019 Capital Improvement</b>	<b>Total</b>
\$ 129	\$ 59	\$ 17,786
<u>\$ 129</u>	<u>\$ 59</u>	<u>\$ 17,786</u>
\$ -	\$ -	\$ 315,544
34,679	-	34,679
-	2,750,523	5,831,419
<u>34,679</u>	<u>2,750,523</u>	<u>6,181,642</u>
<u>(34,550)</u>	<u>(2,750,464)</u>	<u>(6,163,856)</u>
-	-	5,428,069
-	-	<u>(940,000)</u>
-	-	<u>4,488,069</u>
(34,550)	(2,750,464)	(1,675,787)
<u>35,730</u>	<u>2,750,468</u>	<u>6,515,732</u>
<u>\$ 1,180</u>	<u>\$ 4</u>	<u>\$ 4,839,945</u>

**City of North Little Rock, Arkansas**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance – Budget and Actual – Street Fund**  
**Year Ended December 31, 2021**

	<b>Original Budget</b>	<b>Changes</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>					
Taxes – sales	\$ 4,590,000	\$ -	\$ 4,590,000	\$ 5,270,544	\$ 680,544
Taxes – other	1,700,000	51,000	1,751,000	1,837,389	86,389
Licenses and permits	15,000	-	15,000	4,939	(10,061)
Investments earnings	10,000	-	10,000	7,586	(2,414)
Miscellaneous	725,500	10,528	736,028	57,186	(678,842)
	<u>\$ 7,040,500</u>	<u>\$ 61,528</u>	<u>\$ 7,102,028</u>	<u>\$ 7,177,644</u>	<u>\$ 75,616</u>
<b>Expenditures</b>					
Street and traffic	\$ 7,016,500	\$ 872,484	\$ 7,888,984	\$ 6,718,569	\$ 1,170,415
Capital outlay	24,000	82,320	106,320	59,476	46,844
	<u>7,040,500</u>	<u>954,804</u>	<u>7,995,304</u>	<u>6,778,045</u>	<u>1,217,259</u>
<b>Net Change in Fund Balance</b>	-	(893,276)	(893,276)	399,599	1,292,875
<b>Fund Balance, Beginning of the Year</b>	<u>2,293,638</u>	<u>-</u>	<u>2,293,638</u>	<u>2,293,638</u>	<u>-</u>
<b>Fund Balance, End of the Year</b>	<u>\$ 2,293,638</u>	<u>\$ (893,276)</u>	<u>\$ 1,400,362</u>	<u>\$ 2,693,237</u>	<u>\$ 1,292,875</u>

**City of North Little Rock, Arkansas**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance – Budget and Actual – Parks and Recreation Fund**  
**Year Ended December 31, 2021**

	<u>Original Budget</u>	<u>Changes</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>					
Taxes – sales	\$ 5,125,000	\$ 665,000	\$ 5,790,000	\$ 5,928,505	\$ 138,505
Charges for services	1,541,344	160,000	1,701,344	1,861,284	159,940
Investments earnings	2,500	-	2,500	8,592	6,092
Miscellaneous	695,000	241,712	936,712	299,990	(636,722)
Total revenues	<u>\$ 7,363,844</u>	<u>\$ 1,066,712</u>	<u>\$ 8,430,556</u>	<u>\$ 8,098,371</u>	<u>\$ (332,185)</u>
<b>Expenditures</b>					
Parks and recreation	\$ 8,213,844	\$ 622,497	\$ 8,836,341	\$ 8,648,668	\$ 187,673
Capital outlay	-	-	-	48,437	(48,437)
Debt service					
Principal	-	-	-	64,060	(64,060)
Interest and agent fees	-	-	-	6,797	(6,797)
Total expenditures	<u>8,213,844</u>	<u>622,497</u>	<u>8,836,341</u>	<u>8,767,962</u>	<u>68,379</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(850,000)</u>	<u>444,215</u>	<u>(405,785)</u>	<u>(669,591)</u>	<u>(263,806)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	<u>850,000</u>	<u>-</u>	<u>850,000</u>	<u>850,000</u>	<u>-</u>
Total other financing sources (uses)	<u>850,000</u>	<u>-</u>	<u>850,000</u>	<u>850,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>444,215</u>	<u>444,215</u>	<u>180,409</u>	<u>(263,806)</u>
<b>Fund Balance, Beginning of the Year</b>	<u>937,339</u>	<u>-</u>	<u>937,339</u>	<u>937,339</u>	<u>-</u>
<b>Fund Balance, End of the Year</b>	<u>\$ 937,339</u>	<u>\$ 444,215</u>	<u>\$ 1,381,554</u>	<u>\$ 1,117,748</u>	<u>\$ (263,806)</u>

**City of North Little Rock, Arkansas**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance – Budget and Actual – Equitable Sharing Fund**  
**Year Ended December 31, 2021**

	<u>Original Budget</u>	<u>Changes</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>					
Intergovernmental	\$ 55,000	\$ -	\$ 55,000	\$ 119,369	\$ 64,369
Investments earnings	500	-	500	525	25
Miscellaneous	4,500	-	4,500	-	(4,500)
Total revenues	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 119,894</u>	<u>\$ 59,894</u>
<b>Expenditures</b>					
Public safety – police (including capital outlay)	\$ 60,000	\$ 12,067	\$ 72,067	\$ 49,946	\$ 22,121
Total expenditures	<u>60,000</u>	<u>12,067</u>	<u>72,067</u>	<u>49,946</u>	<u>22,121</u>
<b>Net Change in Fund Balance</b>	-	(12,067)	(12,067)	69,948	82,015
<b>Fund Balance, Beginning of the Year</b>	<u>126,187</u>	-	<u>126,187</u>	<u>126,187</u>	-
<b>Fund Balance, End of the Year</b>	<u>\$ 126,187</u>	<u>\$ (12,067)</u>	<u>\$ 114,120</u>	<u>\$ 196,135</u>	<u>\$ 82,015</u>

**City of North Little Rock, Arkansas**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance – Budget and Actual – Sales Tax Capital Improvement Fund**  
**Year Ended December 31, 2021**

	<b>Original Budget</b>	<b>Changes</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>					
Miscellaneous	\$ 654,386	\$ -	\$ 654,386	\$ -	\$ (654,386)
Investments earnings	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>14,163</u>	<u>(5,837)</u>
Total revenues	<u>\$ 674,386</u>	<u>\$ -</u>	<u>\$ 674,386</u>	<u>\$ 14,163</u>	<u>\$ (660,223)</u>
<b>Expenditures</b>					
Street	\$ -	\$ -	\$ -	\$ 315,544	\$ (315,544)
Capital outlay	<u>4,109,386</u>	<u>1,875,289</u>	<u>5,984,675</u>	<u>3,066,157</u>	<u>2,918,518</u>
Total expenditures	<u>4,109,386</u>	<u>1,875,289</u>	<u>5,984,675</u>	<u>3,381,701</u>	<u>2,602,974</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(3,435,000)</u>	<u>(1,875,289)</u>	<u>(5,310,289)</u>	<u>(3,367,538)</u>	<u>1,942,751</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	3,435,000	(875,000)	4,310,000	5,428,069	1,118,069
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(940,000)</u>	<u>(940,000)</u>
Total other financing sources (uses)	<u>3,435,000</u>	<u>(875,000)</u>	<u>4,310,000</u>	<u>4,488,069</u>	<u>178,069</u>
<b>Net Change in Fund Balance</b>	-	(2,750,289)	(1,000,289)	1,120,531	2,120,820
<b>Fund Balance, Beginning of the Year</b>	<u>2,960,049</u>	<u>-</u>	<u>2,960,049</u>	<u>2,960,049</u>	<u>-</u>
<b>Fund Balance, End of the Year</b>	<u>\$ 2,960,049</u>	<u>\$ (2,750,289)</u>	<u>\$ 1,959,760</u>	<u>\$ 4,080,580</u>	<u>\$ 2,120,820</u>



**City of North Little Rock, Arkansas**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance – Budget and Actual – 2017 Sales Tax Capital Improvement Fund**  
**Year Ended December 31, 2021**

	<b>Original Budget</b>	<b>Changes</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>					
Investments earnings	\$ -	\$ -	\$ -	\$ 49,566	\$ 49,566
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,566</u>	<u>\$ 49,566</u>
<b>Expenditures</b>					
Public safety – police	\$ -	\$ -	\$ -	\$ 164,474	\$ (164,474)
Public works	-	-	-	924,581	(924,581)
Street and traffic	-	-	-	1,819,002	(1,819,002)
Capital outlay	<u>8,600,000</u>	<u>17,838,169</u>	<u>26,438,169</u>	<u>12,566,620</u>	<u>13,871,549</u>
Total expenditures	<u>8,600,000</u>	<u>17,838,169</u>	<u>26,438,169</u>	<u>15,474,677</u>	<u>10,963,492</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(8,600,000)</u>	<u>(17,838,169)</u>	<u>(26,438,169)</u>	<u>(15,425,111)</u>	<u>11,013,058</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	<u>8,750,000</u>	<u>(1,750,000)</u>	<u>10,500,000</u>	<u>10,856,135</u>	<u>356,135</u>
<b>Total Other Financing Sources (Uses)</b>	<u>8,750,000</u>	<u>(1,750,000)</u>	<u>10,500,000</u>	<u>10,856,135</u>	<u>356,135</u>
<b>Net Change in Fund Balance</b>	150,000	(19,588,169)	(15,938,169)	(4,568,976)	11,369,193
<b>Fund Balance, Beginning of the Year</b>	<u>16,367,103</u>	<u>-</u>	<u>16,367,103</u>	<u>16,367,103</u>	<u>-</u>
<b>Fund Balance, End of the Year</b>	<u>\$ 16,517,103</u>	<u>\$(19,588,169)</u>	<u>\$ 428,934</u>	<u>\$ 11,798,127</u>	<u>\$ 11,369,193</u>

# STATISTICAL SECTION



**City of North Little Rock, Arkansas**  
**Statistical Section**  
**(Unaudited)**

This section of the City of North Little Rock, Arkansas annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information reflects about the City’s overall financial health.

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**Financial Trends (Tables 1–6)**

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**Revenue Capacity (Tables 7-10)**

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**Debt Capacity (Tables 11–14)**

These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future ..... 124

**Demographic and Economic Information (Table 15)**

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**Operating Information (Tables 16-19)**

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**City of North Little Rock, Arkansas**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 1**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020<sup>(1)</sup></u>	<u>2021</u>
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 59,083,476	\$ 59,166,958	\$ 62,915,426	\$ 64,950,657	\$ 71,815,036	\$ 77,828,156	\$ 83,669,833	\$ 88,578,170	\$ 96,586,369	\$ 113,011,793
Restricted	519,375	2,328,557	1,892,023	1,704,038	2,232,076	2,527,403	-	7,545,786	22,964,049	18,931,884
Unrestricted (deficit)	28,974,489	27,520,685	31,124,594	9,579,065	(4,793,593)	(7,948,848)	(3,096,150)	(79,203,245)	(80,778,097)	(77,162,162)
Total governmental activities net position	<u>\$ 88,577,340</u>	<u>\$ 89,016,200</u>	<u>\$ 95,932,043</u>	<u>\$ 76,233,760</u>	<u>\$ 69,253,519</u>	<u>\$ 72,406,711</u>	<u>\$ 80,573,683</u>	<u>\$ 16,920,711</u>	<u>\$ 38,772,321</u>	<u>\$ 54,781,515</u>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 79,570,017	\$ 85,491,569	\$ 91,572,859	\$ 101,865,437	\$ 106,379,890	\$ 113,882,253	\$ 115,621,652	\$ 105,196,767	\$ 107,272,083	\$ 108,760,225
Restricted	19,141,121	15,744,918	15,688,015	15,356,221	4,987,495	10,525,161	10,657,111	3,166,687	3,110,730	3,106,611
Unrestricted (deficit)	(2,390,995)	(1,930,109)	8,513,735	2,148,550	9,028,777	3,628,809	11,104,480	40,675,868	44,706,357	45,606,747
Total business-type activities net position	<u>\$ 96,320,143</u>	<u>\$ 99,306,378</u>	<u>\$ 115,774,609</u>	<u>\$ 119,370,208</u>	<u>\$ 120,396,162</u>	<u>\$ 128,036,223</u>	<u>\$ 137,383,243</u>	<u>\$ 149,039,322</u>	<u>\$ 155,089,170</u>	<u>\$ 157,473,583</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 138,653,493	\$ 144,658,527	\$ 154,488,285	\$ 166,816,094	\$ 178,194,926	\$ 191,710,409	\$ 199,291,485	\$ 193,774,937	\$ 203,858,452	\$ 221,772,018
Restricted	19,660,496	18,073,475	17,580,038	17,060,259	7,219,571	13,052,564	10,657,111	10,712,473	26,074,779	22,038,495
Unrestricted (deficit)	26,583,494	25,590,576	39,638,329	11,727,615	4,235,184	(4,320,039)	8,008,330	(38,527,377)	(36,071,740)	(31,555,415)
Total primary government net position	<u>\$ 184,897,483</u>	<u>\$ 188,322,578</u>	<u>\$ 211,706,652</u>	<u>\$ 195,603,968</u>	<u>\$ 189,649,681</u>	<u>\$ 200,442,934</u>	<u>\$ 217,956,926</u>	<u>\$ 165,960,033</u>	<u>\$ 193,861,491</u>	<u>\$ 212,255,098</u>

(1) 2020 governmental activities beginning net position was restated for a change in the measurement date for various pension plans. Prior year's net position have not been updated for this change.

**City of North Little Rock, Arkansas**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 2**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities										
General government	\$ 20,646,378	\$ 28,169,440	\$ 19,951,630	\$ 14,044,077	\$ 17,518,071	\$ 21,670,423	\$ 25,657,328	\$ 24,312,352	\$ 26,601,470	\$ 25,654,068
Public safety	35,650,056	34,598,547	38,701,265	41,160,354	54,742,749	45,907,394	42,344,278	61,910,602	59,987,367	53,340,207
Public works	1,052,433	813,200	677,643	863,116	1,113,145	1,132,566	1,028,141	2,650,674	1,782,790	3,200,186
Street and traffic	2,190,617	2,110,807	2,253,354	3,194,899	2,440,182	5,555,518	14,669,174	6,841,766	7,902,594	10,793,629
Health and sanitation	5,307,288	5,839,420	3,926,160	4,955,822	4,997,929	4,697,221	4,893,759	5,672,952	5,634,372	6,840,427
Community development	4,348,277	1,411,141	1,179,457	2,406,171	2,029,428	1,699,839	287,952	898,511	1,165,136	615,673
Culture and recreation	3,344,189	6,992,540	7,083,912	6,619,136	8,490,298	8,428,770	7,867,602	9,191,100	8,985,499	9,795,437
Interest and fiscal charges	232,890	237,264	105,398	63,184	37,673	48,957	36,874	315,068	411,286	322,202
Total governmental activities expenses	<u>72,772,128</u>	<u>80,172,359</u>	<u>73,878,819</u>	<u>73,306,759</u>	<u>91,369,475</u>	<u>89,140,688</u>	<u>96,785,108</u>	<u>111,793,025</u>	<u>112,470,514</u>	<u>110,561,829</u>
Business-type activities										
Electric department	81,522,370	83,243,071	75,909,179	72,817,920	70,454,991	72,050,817	74,677,547	73,179,016	68,631,031	78,828,925
Utilities Accounting Department	-	-	-	-	3,022,544	1,690,056	793,643	-	-	-
Total business-type activities expenses	<u>81,522,370</u>	<u>83,243,071</u>	<u>75,909,179</u>	<u>72,817,920</u>	<u>73,477,535</u>	<u>73,740,873</u>	<u>75,471,190</u>	<u>73,179,016</u>	<u>68,631,031</u>	<u>78,828,925</u>
Total primary government expenses	<u>\$ 154,294,498</u>	<u>\$ 163,415,430</u>	<u>\$ 149,787,998</u>	<u>\$ 146,124,679</u>	<u>\$ 164,847,010</u>	<u>\$ 162,881,561</u>	<u>\$ 172,256,298</u>	<u>\$ 184,972,041</u>	<u>\$ 181,101,545</u>	<u>\$ 189,390,754</u>
<b>Program Revenues</b>										
Governmental activities										
Charges for services										
General government	\$ 2,522,091	\$ 2,490,774	\$ 2,768,921	\$ 3,080,894	\$ 3,306,825	\$ 3,381,707	\$ 3,886,267	\$ 4,742,957	\$ 4,202,639	\$ 4,398,923
Public safety	3,454,944	3,639,677	3,610,421	3,314,597	3,255,331	2,935,147	3,323,813	3,153,614	2,258,289	1,642,960
Public works	-	-	-	-	-	-	-	-	-	183,711
Street and traffic	36,504	70,657	27,031	27,080	5,700	39,660	153,971	213,386	67,987	-
Health and sanitation	721,565	794,162	804,422	923,910	808,971	888,294	954,822	1,042,275	1,100,416	1,196,866
Culture and recreation	1,495,111	1,415,709	1,284,269	1,273,852	1,491,754	1,763,352	1,356,283	1,498,433	1,380,087	1,861,279
Operating grants and contributions	2,210,404	835,650	333,141	196,479	1,326,271	1,614,112	404,425	1,035,577	3,207,844	2,391,152
Capital grants and contributions	7,829,373	3,236,971	1,940,766	1,412,468	1,706,993	7,653,537	3,416,216	1,767,996	2,794,546	3,279,733
Total governmental activities program revenues	<u>18,269,992</u>	<u>12,483,600</u>	<u>10,768,971</u>	<u>10,229,280</u>	<u>11,901,845</u>	<u>18,275,809</u>	<u>13,495,797</u>	<u>13,454,238</u>	<u>15,011,808</u>	<u>14,954,624</u>
Business-type activities										
Charges for services										
Electric department	94,294,219	95,782,990	96,222,583	91,547,365	82,798,486	89,964,914	93,739,108	93,442,310	87,823,545	93,857,877
Utilities Accounting Department	-	-	-	-	2,396,386	1,590,733	960,315	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	873,714
Capital grants and contributions	-	-	-	-	-	-	-	1,500,000	62,241	-
Total business-type activities program revenues	<u>94,294,219</u>	<u>95,782,990</u>	<u>96,222,583</u>	<u>91,547,365</u>	<u>85,194,872</u>	<u>91,555,647</u>	<u>94,699,423</u>	<u>94,942,310</u>	<u>87,885,786</u>	<u>94,731,591</u>
Total primary government program revenues	<u>\$ 112,564,211</u>	<u>\$ 108,266,590</u>	<u>\$ 106,991,554</u>	<u>\$ 101,776,645</u>	<u>\$ 97,096,717</u>	<u>\$ 109,831,456</u>	<u>\$ 108,195,220</u>	<u>\$ 108,396,548</u>	<u>\$ 102,897,594</u>	<u>\$ 109,686,215</u>
Net (expense)/revenue										
Governmental activities	\$ (54,502,136)	\$ (67,688,759)	\$ (63,109,848)	\$ (63,077,479)	\$ (79,467,630)	\$ (70,864,879)	\$ (83,289,311)	\$ (98,338,787)	\$ (97,458,706)	\$ (95,607,205)
Business-type activities	12,771,849	12,539,919	20,313,404	18,729,445	11,717,337	17,814,774	19,228,233	21,763,294	19,254,755	15,902,666
Total primary government net expense	<u>\$ (41,730,287)</u>	<u>\$ (55,148,840)</u>	<u>\$ (42,796,444)</u>	<u>\$ (44,348,034)</u>	<u>\$ (67,750,293)</u>	<u>\$ (53,050,105)</u>	<u>\$ (64,061,078)</u>	<u>\$ (76,575,493)</u>	<u>\$ (78,203,951)</u>	<u>\$ (79,704,539)</u>

**City of North Little Rock, Arkansas**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 2**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities										
General revenues										
Taxes – sales	\$ 37,316,637	\$ 38,308,972	\$ 39,373,366	\$ 40,960,942	\$ 40,714,914	\$ 41,317,871	\$ 57,921,583	\$ 61,505,034	\$ 62,161,298	\$ 72,015,308
Taxes – other	12,428,865	12,981,695	13,540,945	14,615,168	14,120,158	15,080,258	15,046,525	16,217,949	15,868,429	17,885,986
Utility franchise taxes	2,738,721	3,051,992	3,181,670	3,191,694	2,975,695	3,022,080	3,834,205	3,883,894	3,737,046	4,055,911
Investment income (loss)	61,029	51,789	75,000	101,692	140,856	143,579	253,047	637,273	462,260	130,868
Unrestricted grants and contributions	-	-	-	-	-	-	578,067	-	-	-
Other	1,095,215	1,733,171	1,854,710	996,764	2,535,766	2,529,664	1,822,856	2,176,717	2,545,631	3,879,020
Transfers	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	11,930,000	12,000,000	10,621,009	13,649,346	13,649,306
Total governmental activities	<u>65,640,467</u>	<u>68,127,619</u>	<u>70,025,691</u>	<u>71,866,260</u>	<u>72,487,389</u>	<u>74,023,452</u>	<u>91,456,283</u>	<u>95,041,876</u>	<u>98,424,010</u>	<u>111,616,399</u>
Business-type activities										
Investment earnings	500,750	95,118	83,313	210,467	93,787	197,214	289,464	513,794	444,439	131,053
Other	1,098,130	2,351,198	8,071,514	4,318,952	1,214,830	1,622,692	2,204,272	-	-	-
Transfers	(12,000,000)	(12,000,000)	(12,000,000)	(12,000,000)	(12,000,000)	(12,000,000)	(12,000,000)	(10,621,009)	(13,649,346)	(13,649,306)
Total business-type activities	<u>(10,401,120)</u>	<u>(9,553,684)</u>	<u>(3,845,173)</u>	<u>(7,470,581)</u>	<u>(10,691,383)</u>	<u>(10,180,094)</u>	<u>(9,506,264)</u>	<u>(10,107,215)</u>	<u>(13,204,907)</u>	<u>(13,518,253)</u>
Total primary government	<u>\$ 55,239,347</u>	<u>\$ 58,573,935</u>	<u>\$ 66,180,518</u>	<u>\$ 64,395,679</u>	<u>\$ 61,796,006</u>	<u>\$ 63,843,358</u>	<u>\$ 81,950,019</u>	<u>\$ 84,934,661</u>	<u>\$ 85,219,103</u>	<u>\$ 98,098,146</u>
<b>Changes in Net Position</b>										
Governmental activities	\$ 11,138,331	\$ 438,860	\$ 6,915,843	\$ 8,788,781	\$ (6,980,241)	\$ 3,158,573	\$ 8,166,972	\$ (3,296,911)	\$ 965,304	\$ 16,009,194
Business-type activities	2,370,729	2,986,235	16,468,231	11,258,864	1,025,954	7,634,680	9,721,969	11,656,079	6,049,848	2,384,413
Total primary government	<u>\$ 13,509,060</u>	<u>\$ 3,425,095</u>	<u>\$ 23,384,074</u>	<u>\$ 20,047,645</u>	<u>\$ (5,954,287)</u>	<u>\$ 10,793,253</u>	<u>\$ 17,888,941</u>	<u>\$ 8,359,168</u>	<u>\$ 7,015,152</u>	<u>\$ 18,393,607</u>

**City of North Little Rock, Arkansas**  
**General Governmental Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 3**

<b>Year</b>	<b>Taxes Other</b>	<b>Taxes Sales</b>	<b>Utility Franchise Taxes</b>	<b>Total</b>
2012	\$ 12,214,147	\$ 37,316,637	\$ 2,754,180	\$ 52,284,964
2013	12,561,686	38,308,972	2,945,150	53,815,808
2014	13,175,818	39,373,366	3,090,107	55,639,291
2015	13,630,033	40,960,942	3,174,174	57,765,149
2016	13,953,068	40,714,914	2,901,943	57,569,925
2017	14,724,341	41,317,871	2,864,329	58,906,541
2018	14,993,301	57,921,583 <sup>(1)</sup>	2,942,394	75,857,278
2019	16,203,498	61,505,034	3,883,894	81,592,426
2020	15,868,429	61,897,024	3,737,046	81,502,499
2021	17,885,986	72,015,308 <sup>(2)</sup>	4,055,911	93,957,205

(1) The citizens of North Little Rock passed an additional one-cent local sales tax in August 2017 which went into effect on January 1, 2018.

(2) The increase in primarily related to an increase in City and County sales tax collections in 2021 due to an influx of federal aid to consumers to boost the economy as well as the increase in the price of goods and services.

**City of North Little Rock, Arkansas**  
**Fund Balance of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

**Table 4**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,488,242	\$ 1,148,945
Committed	-	-	-	-	-	-	-	-	-	18,015,356
Assigned	750,630	6,477,762	7,911,210	10,995,941	12,308,091	7,609,980	170,288	270,000	270,000	270,000
Unassigned	19,279,287	13,971,179	15,543,579	14,738,107	12,449,750	18,277,147	34,017,542	39,975,982	40,335,463	30,444,538
<b>Total general fund</b>	<b>\$ 20,029,917</b>	<b>\$ 20,448,941</b>	<b>\$ 23,454,789</b>	<b>\$ 25,734,048</b>	<b>\$ 24,757,841</b>	<b>\$ 25,887,127</b>	<b>\$ 34,187,830</b>	<b>\$ 40,245,982</b>	<b>\$ 42,093,705</b>	<b>\$ 49,878,839</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,820
Restricted	3,976,637	6,399,966	6,262,519	10,976,446	10,473,281	11,962,162	16,715,588	16,459,696	7,501,579	17,020,792
Committed	-	-	-	-	-	-	-	13,480,478	2,995,779	4,081,760
Assigned	4,855,689	2,789,243	2,820,114	-	-	-	-	955,629	769,485	758,181
Unassigned	-	(932,383)	(19,301)	-	-	-	(67,859)	(73,294)	(218,805)	(181,805)
<b>Total all other governmental funds</b>	<b>\$ 8,832,326</b>	<b>\$ 8,256,826</b>	<b>\$ 9,063,332</b>	<b>\$ 10,976,446</b>	<b>\$ 10,473,281</b>	<b>\$ 11,962,162</b>	<b>\$ 16,647,729</b>	<b>\$ 30,822,509</b>	<b>\$ 11,048,038</b>	<b>\$ 21,841,748</b>



**City of North Little Rock, Arkansas**  
**Changes in Fund Balance of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

**Table 5**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes – sales	\$ 37,316,637	\$ 38,107,045	\$ 39,373,366	\$ 40,960,942	\$ 40,714,914	\$ 41,317,871	\$ 57,921,583	\$ 61,505,034	\$ 61,897,024	\$ 72,015,308
Taxes – other	12,214,147	12,561,686	13,175,818	13,630,033	13,953,068	14,724,341	14,993,301	16,203,498	15,868,429	17,426,504
Franchise fees	2,738,721	3,051,992	3,181,670	3,191,694	2,975,695	3,022,080	3,834,205	3,883,894	3,737,046	4,055,911
Fines and forfeitures	3,078,131	3,185,906	2,871,963	2,865,368	2,830,850	2,209,000	2,030,672	2,154,232	1,843,421	1,336,936
Licenses and permits	2,373,004	2,412,887	2,611,210	2,694,459	2,708,444	2,897,123	3,432,168	4,280,681	4,012,429	4,086,751
Charges for services	2,779,080	2,812,186	2,876,666	3,060,506	3,329,287	3,902,037	4,212,316	4,215,752	3,153,568	3,860,052
Intergovernmental	10,039,777	4,072,621	2,424,024	1,608,947	3,033,264	9,267,649	4,398,708	2,803,573	6,004,894	5,670,885
Investment earnings	61,029	51,789	75,000	101,692	140,856	143,579	253,047	637,273	462,260	130,868
Miscellaneous	1,095,215	1,733,171	1,925,236	1,226,722	2,418,217	3,917,791	1,822,856	2,244,764	2,483,444	3,905,986
Total revenues	71,695,741	67,989,283	68,514,953	69,340,363	72,104,595	81,401,471	92,898,856	97,928,701	99,462,515	112,489,201
<b>Expenditures</b>										
General government	7,619,865	8,246,407	7,748,764	7,803,010	8,426,930	9,006,554	9,109,578	12,549,794	13,422,535	14,764,091
Animal shelter	710,062	683,836	722,066	758,706	787,006	733,546	800,807	802,112	749,860	682,359
Community development	4,193,464	1,235,837	981,360	1,145,414	654,364	643,192	287,952	882,737	1,149,897	602,485
Emergency services	1,730,048	1,573,784	1,463,989	1,604,573	1,966,098	1,837,787	1,909,070	2,028,599	2,021,023	1,929,667
Fit 2 Live	-	-	132,481	146,933	155,657	127,210	173,855	184,221	189,166	181,180
Health	404,550	411,868	420,889	196,912	78,071	245,217	121,754	95,281	133,542	93,227
Neighborhood services	154,354	174,845	158,112	164,090	174,839	204,288	189,592	171,971	169,060	190,704
Parks and recreation	5,829,907	5,863,535	5,415,227	5,834,379	7,220,455	8,965,828	597,211	8,032,479	7,672,299	8,670,876
Public safety – fire	13,509,556	14,205,145	14,456,478	16,267,613	16,545,450	16,444,094	16,658,888	19,063,092	18,686,275	18,676,818
Public safety – police	20,132,196	21,076,234	20,900,702	21,587,940	22,524,446	23,117,459	23,776,320	23,908,322	24,570,426	24,828,088
Public works	1,025,014	831,751	647,605	849,837	1,070,419	1,147,806	1,028,141	2,613,126	1,746,623	3,156,392
Sanitation	4,750,674	5,441,511	4,452,936	4,436,801	4,441,956	4,471,118	4,598,150	5,108,572	4,987,955	6,260,984
Senior citizens	918,477	902,499	926,884	887,376	919,528	1,011,537	902,633	1,094,334	1,054,989	986,195
Special appropriations	9,161,600	7,470,713	5,888,389	5,759,614	7,424,577	12,649,392	7,310,799	6,498,909	7,464,739	7,340,137
Street and traffic	5,219,777	5,093,242	4,805,707	4,760,634	5,361,379	6,010,465	14,669,174	5,098,436	6,004,037	8,853,115
Capital outlay	6,285,083	8,697,363	5,492,017	1,611,661	4,376,727	3,706,562	9,525,001	12,320,239	23,733,371	25,647,003
Debt service										
Principal	2,182,711	2,966,550	2,958,304	3,008,807	3,672,012	414,745	442,708	400,551	682,284	594,060
Interest	232,890	170,952	122,712	93,732	46,214	42,282	40,953	48,266	487,327	469,385
Bond issuance costs	-	-	-	-	-	-	-	205,274	-	-
Total expenditures	84,060,228	85,046,072	77,694,622	76,918,032	85,846,128	90,779,082	92,142,586	101,106,315	114,925,408	123,926,766
Deficiency of revenues under expenditures	(12,364,487)	(17,056,789)	(9,179,669)	(7,577,669)	(13,741,533)	(9,377,611)	756,270	(3,177,614)	(15,462,893)	(11,437,565)
<b>Other Financing Sources (Uses)</b>										
Transfers in	15,675,245	16,926,534	16,637,985	16,643,137	17,885,975	14,283,090	25,832,841	30,273,227	32,260,903	34,320,017
Transfers out	(3,979,504)	(5,127,861)	(4,927,307)	(4,873,095)	(5,760,814)	(2,290,922)	(13,602,841)	(18,251,657)	(18,611,557)	(20,670,711)
Net debt proceeds	-	5,101,640	1,281,347	-	137,000	3,610	-	11,388,976	253,902	-
Total other financing sources	11,695,741	16,900,313	12,992,025	11,770,042	12,262,161	11,995,778	12,230,000	23,410,546	13,903,248	13,649,306
Net change in fund balances	\$ (668,746)	\$ (156,476)	\$ 3,812,356	\$ 4,192,373	\$ (1,479,372)	\$ 2,618,167	\$ 12,986,270	\$ 20,232,932	\$ (1,559,645)	\$ 2,211,741
Debt service as a percentage of noncapital expenditures	8.0%	8.6%	4.3%	4.1%	4.6%	0.5%	0.6%	0.5%	1.3%	1.1%

**City of North Little Rock, Arkansas**  
**General Governmental Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

**Table 6**

<b>Year</b>	<b>Taxes Other</b>	<b>Taxes Sales</b>	<b>Utility Franchise Taxes</b>	<b>Total</b>
2012	\$ 12,214,147	\$ 37,316,637	\$ 2,754,180	\$ 52,284,964
2013	12,561,686	38,308,972	2,945,150	53,815,808
2014	13,175,818	39,373,366	3,090,107	55,639,291
2015	13,630,033	40,960,942	3,174,174	57,765,149
2016	13,953,068	40,714,914	2,901,943	57,569,925
2017	14,724,341	41,317,871	2,864,329	58,906,541
2018	14,993,301	57,921,583 <sup>(1)</sup>	2,942,394	75,857,278
2019	16,203,498	61,505,034	3,883,894	81,592,426
2020	15,868,429	61,897,024	3,737,046	81,502,499
2021	17,426,504	72,015,308	4,055,911	93,497,723

(1) The citizens of North Little Rock passed an additional one-cent local sales tax in August 2017 which went into effect on January 1, 2018.

**City of North Little Rock, Arkansas**  
**Assessed and Appraised Value of Taxable Property**  
**Last Ten Fiscal Years**

**Table 7**

Year	Real Property	Personal Property		Total Taxable Assessed Value	Total Direct Tax Rate	Total Appraised Value	Assessed Value as a Percentage of Appraised Value
	Real	Real	Utility				
2012	\$ 696,189,505	\$ 247,882,190	\$ 49,702,030	\$ 993,773,725	11.45	\$ 4,943,240,800	20%
2013	734,494,296	256,614,360	57,834,030	1,048,942,686	11.45	5,218,626,690	20%
2014	758,072,584	261,348,185	59,233,420	1,078,654,189	11.45	5,373,637,980	20%
2015	782,619,329	260,164,425	62,071,555	1,104,855,309	11.45	5,500,550,940	20%
2016	796,981,751	282,164,000	62,671,740	1,141,817,491	11.45	5,683,179,740	20%
2017	809,452,684	283,349,520	61,783,970	1,154,586,174	11.45	5,740,783,620	20%
2018	848,276,771	279,631,280	64,942,015	1,192,850,066	11.45	5,930,166,770	20%
2019	875,224,375	291,576,805	64,474,950	1,231,276,130	11.45	6,118,376,710	20%
2020	897,561,277	295,703,490	64,302,635	1,257,567,402	11.45	6,238,993,180	20%
2021	919,171,847	309,865,670	69,293,955	1,298,331,472	11.45	6,436,296,080	20%

**Source:** Pulaski County Tax Assessor.

**Note:** Tax rates are per \$1,000 of assessed value.

**Note:** Tax collections show do not include Act 9 Real Estate Valuations.

**Note:** The Arkansas Public Service Commission has combined the personal and real estate public service accounts. Both are considered personal PSC accounts.

**City of North Little Rock, Arkansas**  
**Property Tax Rates and Tax Levies of Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**Local Tax Rates – Per \$1,000 of Assessed Value**

**Table 8**

Year	North Little Rock		Pulaski County		North Little Rock School District		Totals	
	Real	Personal	Real	Personal	Real	Personal	Real	Personal
2012	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80
2013	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80
2014	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80
2015	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80
2016	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80
2017	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80
2018	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80
2019	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80
2020	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80
2021	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80

**Tax Levies**

2012	\$ 11,017,315	\$ 41,139,307	\$ 29,909,595	82,066,217
2013	11,345,792	41,681,878	35,006,437	88,034,107
2014	11,976,874	42,943,103	36,560,743	91,480,720
2015	12,325,393	44,246,866	36,373,134	92,945,393
2016	12,620,106	45,136,887	36,560,111	94,317,104
2017	13,040,506	46,834,699	37,375,812	97,251,017
2018	13,181,294	47,282,686	36,866,631	97,330,611
2019	13,614,397	48,949,768	37,642,574	100,206,739
2020	14,197,870	50,794,124	38,868,908	103,860,902
2021	14,527,186	51,998,836	39,139,572	105,665,594

**Note:** Property assessments are made, tax rates (millages) are established, and taxes are levied in one year for payment by the taxpayer and collection by local governments the following year.

Taxes are due and payable on or before October 15. Taxes are recorded as delinquent after October 15 and a 10 percent penalty is added.

State statutory limits on City tax rate:

General operation	5 mills
General improvement bonds	Unlimited subject to voter approval
Industrial development bonds	5 mills
Firemen's pension and policemen's pension	1 mill each

**City of North Little Rock, Arkansas**  
**Principal Sales Taxpayers**  
**December 31, 2021**

**Table 9**

The City of North Little Rock, Arkansas' largest own-source revenue is sales taxes. Sales taxes primarily come from two separate taxes; a two cent city tax based on point of sale and a portion of the county's one cent tax based on population. The City of North Little Rock makes up approximately 16 percent of the county population and receives a like proportion of the county tax. In 2021, the two cent city sales tax generated revenue of approximately \$43,600,000.

According to Arkansas State Statutes, the City is required to keep the identity of individual taxpayers confidential. Therefore, the City of North Little Rock is not able to identify the top 10 taxpayers. However, North Little Rock has a diverse economic sales tax base.

<b>North Little Rock Top Ten 2 Cent Sales Taxpayers Industry</b>	<b>Tax Collected 2021</b>	<b>% of Total</b>	<b>Tax Collected 2020 (1)</b>	<b>% of Total</b>
Other General Merchandise Stores	\$ 4,311,646	9.90%	\$ 4,016,965	10.90%
Building Material and Supplies Dealers	3,435,092	7.90%	3,061,401	8.30%
Grocery Stores	2,448,772	5.60%	2,494,870	6.80%
Full-Service Restaurants	2,346,893	5.40%	2,317,725	6.30%
Electronic Shopping and Mail-Order Houses	1,749,576	4.00%	1,434,838	3.90%
Restaurants and Other Eating Places	1,477,535	3.40%	971,745	2.60%
Electronics and Appliance Stores	1,451,569	3.30%	1,153,243	3.10%
Electric Power Generation, Transmission, and Distribution	1,230,700	2.80%	1,810,949	4.90%
Clothing Stores	1,223,190	2.80%	-	0.00%
Automotive Parts, Accessories, and Tire Stores	1,067,513	2.40%	916,806	2.50%
Gasoline Stations	1,050,154	2.40%	926,366	2.50%
Totals	<u>\$ 21,792,640</u>	<u>49.90%</u>	<u>\$ 19,104,908</u>	<u>51.80%</u>

(1) Information was not available regarding major employers for 2012, but the City is working towards building a 10-year history.

**City of North Little Rock, Arkansas**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

**Table 10**

Year	Total Tax Levy In Prior Year	Taxes Levied in the Prior Year Collected within the current year	
		Amount	Percentage of Levy
2012	\$ 11,017,315	\$ 10,610,692	96.31%
2013	11,345,792	10,880,790	95.90%
2014	11,976,874	11,545,579	96.40%
2015	12,325,393	11,952,517	96.97%
2016	12,620,106	12,068,574	95.63%
2017	13,040,506	12,817,766	98.29%
2018	13,181,294	12,577,036	95.42%
2019	13,614,397	13,492,689	99.11%
2020	14,197,870	13,292,552	93.62%
2021	14,527,186	14,321,125	93.62%

**Note:** Property assessments are made, tax rates (millages) are established, and taxes are levied in one year for payment by the taxpayer and collection by local governments the following year. Data is not available to show the current level by year of outstanding delinquent taxes.

**City of North Little Rock, Arkansas**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

**Table 11**

Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
	Special Obligation Bonds	Revenue Bonds	Notes Payable	Bond Premium	Revenue Bonds				
2012	\$ -	\$ -	\$ 6,959,976	\$ -	\$ 71,780,000	\$ 78,739,976	3.43%	\$ 1,263.80	
2013	-	-	9,095,301	-	68,845,000	77,940,301	3.27%	1,250.97	
2014	-	-	7,418,344	-	65,790,000	73,208,344	2.90%	1,175.02	
2015	-	-	4,409,537	-	60,115,000	64,524,537	2.61%	1,035.64	
2016	-	-	882,137	-	45,655,000	46,537,137	1.80%	746.94	
2017	-	-	1,926,678	-	41,360,000	43,286,678	1.64%	694.77	
2018	-	-	1,483,969	-	36,450,000	37,933,969	1.42%	608.85	
2019	11,005,000 <sup>(2)</sup>	-	173,418	1,293,976	31,415,000	43,887,394	1.55%	704.41	
2020	10,495,000	-	255,036	1,220,630	26,432,337	38,403,003	1.32%	616.38	
2021	9,965,000	-	190,976	1,077,446	20,924,530	32,157,952	1.13%	516.15	

**Note:** Details regarding the City's outstanding debt can be found in *Note 4* to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

(2) In 2019, the City issued Series 2019-A Capital Improvement Revenue bonds in the amount of \$9,305,000 for the acquisition, construction, and equipping of a new police and courts building.

**City of North Little Rock, Arkansas**  
**Direct and Overlapping Governmental Activities Debt**  
**December 31, 2021**

**Table 12**

<u>Governmental Unit</u>	<u>Debt Available for Retirement</u>	<u>Percentage Applicable</u>	<u>City's Share of Overlapping Debt</u>
City of North Little Rock, Arkansas	\$ 11,233,422 <sup>(1)</sup>	100%	\$ 11,233,422
North Little Rock Public School District	<u>189,325,000</u>	100%	<u>189,325,000</u>
Total direct and overlapping debt	<u>\$ 200,558,422</u>		<u>\$ 200,558,422</u>

(1) The City's overlapping debt is equal to the total governmental activities debt found in Table 11.



**City of North Little Rock, Arkansas**  
**Legal Debt Margin Information**  
**Last Ten Years**

**Table 13**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt limit	\$ 248,443,431	\$ 262,235,672	\$ 269,663,547	\$ 220,971,062	\$ 228,363,498	\$ 288,646,544	\$ 298,212,517	\$ 307,819,033	\$ 314,391,851	\$ 324,582,868
Total net debt applicable to limit	<u>10,641,616</u>	<u>7,795,301</u>	<u>6,118,344</u>	<u>3,109,537</u>	<u>882,137</u>	<u>886,677</u>	<u>508,969</u>	<u>173,418</u>	<u>255,037</u>	<u>190,976</u>
Legal debt margin	<u>\$ 237,801,815</u>	<u>\$ 254,440,371</u>	<u>\$ 263,545,203</u>	<u>\$ 217,861,525</u>	<u>\$ 227,481,361</u>	<u>\$ 287,759,867</u>	<u>\$ 297,703,548</u>	<u>\$ 307,645,615</u>	<u>\$ 314,136,814</u>	<u>\$ 324,391,892</u>
Total net debt applicable to the limit as a percentage of debt limit	4.28%	2.97%	2.27%	1.41%	0.39%	0.31%	0.17%	0.06%	0.08%	0.06%

**Legal Debt Margin Calculation for 2020**

Assessed value	\$ 1,298,331,472
Debt limit	
General obligation debt limitation (1)	259,666,294
Short-term financing debt limitation (2)	<u>64,916,574</u>
Total debt limitation	<u>324,582,868</u>
Debt applicable to limit	
General obligation and short-term financing	190,976
Less: Amount set aside for repayment in debt services funds	<u>-</u>
Total net debt applicable to limit	<u>190,976</u>
Legal debt margin	<u>\$ 324,391,892</u>

**Note:** Computation of the City's legal debt margin is set forth in Amendments 78 and 62 to the Constitution of the State of Arkansas.

- (1) General obligation debt is not to exceed 20% of assessed value.
- (2) Short-term financing debt is not to exceed 5% of assessed value.

**City of North Little Rock, Arkansas**  
**Pledged Revenue Bond Coverage**  
**Last Ten Years**

**Table 14**

<b>Governmental Activities Revenue Bonds</b>							
<b>2019 Capital Improvement Revenue Bonds</b>							
<b>Debt Service</b>							
<b>Fiscal Year</b>	<b>Pledged Revenues</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Coverage Ratio</b>		
2020	\$ 1,956,911	\$ 445,000	\$ 411,299	\$ 856,299	2.29		
2021	\$ 2,115,396	\$ 460,000	\$ 391,850	\$ 851,850	2.48		

<b>Special Assessment Bonds</b>							
<b>Debt Service</b>							
<b>Fiscal Year</b>	<b>Pledged Revenues</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Coverage Ratio</b>		
2020	\$ 141,664	\$ 65,000	\$ 71,050	\$ 136,050	1.04		
2021	\$ 171,336	\$ 70,000	\$ 68,938	\$ 138,938	1.23		

<b>Business-type Activities Revenue Bonds</b>							
<b>Electric System Revenue Bonds</b>							
<b>Debt Service</b>							
<b>Fiscal Year</b>	<b>Gross Revenue</b>	<b>Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Coverage Ratio</b>
2020	\$ 88,267,984	\$ 57,007,701	\$ 31,260,283	\$ 5,507,807	\$ 781,379	\$ 6,289,186	4.97
2021	\$ 93,988,930	\$ 67,350,665	\$ 26,638,265	\$ 5,609,871	\$ 403,060	\$ 6,012,931	4.43

**Note:** Pledged revenue bond coverage is presented starting with fiscal year 2020 and the City will build the 10 year history. Gross revenue includes interest income. Operating expenses excludes depreciation.

**City of North Little Rock, Arkansas**  
**Demographic and Economic Statistics**  
**Last Ten Years**

**Table 15**

Year	Population	Personal Income <sup>(2)</sup>	Per Capita Income <sup>(2)</sup>	Median Age	Percent of Population Age 25+ Grad/ Professional Degree or Higher	School Enrollment	Unemployment Rate
2012	62,304 <sup>(1)</sup>	\$ 2,520,632,928	40,457	35.9	9.4	8,610 <sup>(3)</sup>	6.7%
2013	62,304 <sup>(1)</sup>	2,470,228,992	39,648	35.9	10.3	8,553 <sup>(3)</sup>	6.4%
2014	62,304 <sup>(1)</sup>	2,582,126,976	41,444	36.4	10.2	8,576 <sup>(3)</sup>	5.4%
2015	62,304 <sup>(1)</sup>	2,636,331,456	42,314	36.5	11.1	8,413 <sup>(3)</sup>	4.5%
2016	62,304 <sup>(1)</sup>	2,676,766,752	42,963	36.7	11.7	8,405 <sup>(3)</sup>	3.5%
2017	62,304 <sup>(1)</sup>	2,735,207,904	43,901	36.9	12.1	8,427 <sup>(3)</sup>	3.3%
2018	62,304 <sup>(1)</sup>	2,835,579,648	45,512	37.3	11.8	8,145 <sup>(3)</sup>	3.3%
2019	62,304 <sup>(1)</sup>	2,946,167,254	47,287	37.3	11.8	8,076 <sup>(3)</sup>	3.2%
2020	62,304 <sup>(1)</sup>	2,900,874,240	46,560 <sup>(4)</sup>	37.3	11.9	8,017 <sup>(3)</sup>	4.3%
2021	64,591 <sup>(5)</sup>	3,219,021,667	49,837	35.2	10.7	7,685 <sup>(3)</sup>	4.4%

**Data Sources:** U.S. Census Bureau, U.S. Bureau of Economic Analysis, Bureau of Labor Statistics, Arkansas Department of Education

(1) 2010 Census

(2) Per capita personal income is for the Little Rock - North Little Rock - Conway MSA. Personal income is a calculation of per capita income multiplied by the population.

(3) North Little Rock School District

(4) Per capita personal income for 2019 estimated on the 3.9% increase in per capital personal income in Arkansas, reported by the U.S. Bureau of Economic Analysis.

(5) 2020 Census

**City of North Little Rock, Arkansas**  
**North Little Rock Area Principal Employers**  
**Current Year and Ten Years Ago**

**Table 16**

Employer	2021			2012 (1)	
	Employees	Rank	Percentage of Total City Employment	Employees	Rank
Maverick Transportation, Inc.	1,771	1	2.69%	-	
Joseph T Robinson Camp	1,500	2	2.28%	-	
FOURJAY	1,400	3	2.12%	-	
North Little Rock School District	1,176	4	1.78%	-	
City of North Little Rock	953	5	1.45%	-	
Caterpillar	850	6	1.29%	-	
University of Arkansas - Pulaski Technical College	750	7	1.14%	-	
De Wafelbakkers	750	8	1.14%	-	
CareLink	650	9	0.91%	-	
Dow Building Services	600	10	0.99%	-	
	10,400		15.78%	-	

**Source:** Arkansas Economic Development Commission, Dun & Bradstreet, Metro Little Rock Alliance

(1) Information was not available regarding major employers for 2012, but the City is working towards building a 10-year history.

**City of North Little Rock, Arkansas**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Years**

**Table 17**

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Administration	10	10	9	8	8	8	9	9	9	9
City Clerk	4	4	4	4	4	4	5	5	5	5
Code Enforcement	13	13	13	14	14	14	13	13	13	13
Commerce	4	4	4	4	4	4	4	4	4	4
Communications	-	1	1	1	1	1	1	1	1	1
District Court – First Division	9	9	9	9	9	9	9	8	8	8
District Court – Second Division	9	9	9	9	9	9	9	9	9	9
Finance	11	12	12	13	13	13	14	14	14	17 <sup>(5)</sup>
Fiscal Control	2	-	-	-	-	-	-	-	-	-
Human Resources	8	8	8	8	8	8	8	9	9	9
Legal	8	8	8	8	8	8	8	8	8	8
Planning	8	12	12	12	12	12	12	13	13	13
Vehicle Maintenance	13	13	13	13	13	13	13	13	13	14
Animal Shelter	9	9	9	9	9	9	9	10	11	11
Emergency Services	29	29	32	32	32	32	32	32	32	32
Fit 2 Live – Wellness	-	-	2	1	1	1	1	1	1	2
Health	5	5	5	-	-	-	-	-	-	-
Neighborhood Services	2	2	2	2	2	2	2	2	2	2
Fire	151	151	151	151	175	175	175	166 <sup>(1)</sup>	166	166
Police	238	238	238	238	239	240	240	239 <sup>(2)</sup>	239	237 <sup>(5)</sup>
Public Works	15	11	10	11	11	11	11	11	11	11
Sanitation	42	41	41	39	39	39	39	39	39	39
Senior Citizens Center	7	8	8	8	8	8	8	8	8	8
Total general fund	597	597	600	594	619	620	622	614	615	618
Community Development	6	6	6	6	5	5	5	5	4	4
Electric	102	102	103	103	101	104	131	134 <sup>(3)</sup>	134	138
Information Technology	-	-	-	-	-	-	-	21 <sup>(4)</sup>	21	23
Parks & Recreation	62	63	64	64	71	71	79	85	86	93
Street	53	53	53	53	53	53	58	58	58	58
Traffic Services	12	13	13	13	13	13	13	14	14	15
Utilities Accounting	43	43	43	43	43	43	10	- <sup>(3)</sup>	-	-
Total other funds	278	280	282	282	286	289	296	317	317	331
Total personnel	875	877	882	876	905	909	918	931	932	949

- (1) The decrease in Fire Department personnel is related to grant-funded positions terminated upon expiration of funding.
- (2) One position moved from the Police Department to the Information Technology Department.
- (3) The positions previously in Utilities Accounting were moved to Electric. Additionally, five positions were moved from Electric to the Information Technology Department.
- (4) A central Information Technology Department was established.
- (5) Three positions moved from the Police Department to the Finance Department.

**City of North Little Rock, Arkansas**  
**Operating Indicators by Function**  
**Last Ten Years**

**Table 18**

<b>Function</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Animal Shelter										
Animals Handled	3,809	3,668	3,865	3,368	3,350	3,195	3,443	2,557	2,304	2,363
Adoptions	841	833	674	668	722	887	968	806	563	765
Fire										
Number of uniformed employees	148	148	148	148	172	172	172	163	160	160
Fires and explosions		438	470	555	512	496	519	453	523	210
Rescue, emergency medical calls		5,936	6,157	6,605	7,112	7,261	7,044	6,775	6,347	5,936
Service calls		1,060	1,082	1,066	1,158	1,250	1,340	1,085	266	1,402
False alarm calls		792	802	733	835	857	838	869	802	871
Other calls		2,177	2,222	1,833	2,207	2,317	2,325	2,119	3,409	4,378
Total calls	<u>10,849<sup>(1)</sup></u>	<u>10,403</u>	<u>10,733</u>	<u>10,940</u>	<u>11,824</u>	<u>12,181</u>	<u>12,066</u>	<u>11,301</u>	<u>11,347</u>	<u>12,797</u>
Police										
Number of uniformed employees	202	202	202	202	202	202	201	201	178	201
Calls for service	97,271	94,671	97,558	94,413	91,273	94,986	109,715	90,058	72,537	100,731
Arrests	7,588	7,765	8,655	8,421	8,176	7,311	7,225	6,862	6,317	5,448

**Sources:** Various city departments.

**Note:** Indicators are not available for the general government function.

(1) Only total calls for service data available

**City of North Little Rock, Arkansas**  
**Capital Asset Statistics by Function**  
**Last Ten Years**

**Table 19**

<b>Function</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Fire Stations	10	10	10	10	11	11	11	11	11	11
Police Stations	4	4	4	4	4	4	4	4	4	4
Parks and Recreation										
Number of parks	34	34	33	31	32	34	35	35	35	35
Number of playground areas	46	46	46	46	47	49	50	51	51	51
Number of tennis courts	40	40	40	40	40	40	40	40	40	40
Number of golf courses	3	3	3	2	2	2	2	2	2	2
Number of disc golf courses	4	4	4	4	4	4	4	4	4	5
Number of community centers	5	5	5	5	5	5	5	5	5	5
Number of swimming pools/splash	3	3	3	3	3	3	3	3	3	3
Number of pavilions	49	49	49	49	49	51	51	51	51	51

**Source:** Various city departments.

**Note:** No capital asset indicators are available for the general government.

# OTHER REQUIRED REPORT





## Independent Accountant's Report on Compliance with Certain Arkansas State Acts

Honorable Terry C. Hartwick, Mayor  
and Members of the City Council  
City of North Little Rock, Arkansas

We have examined management's assertions that the City of North Little Rock, Arkansas (City), complied with the requirements of the *Arkansas Act 15 of 1985* and the following Arkansas statutes during the year ended December 31, 2021.

- (1) Arkansas Municipal Accounting Law, §14-59-101 et seq.;
- (2) Arkansas District Courts and City Courts Accounting Law, §16-10-201 et seq.;
- (3) Improvement contracts, §§ 22-9-202 – 22-9-204;
- (4) Budgets, purchases, and payments of claims, etc., § 14-58-201 et seq. and 14-58-301 et seq.;
- (5) Investment of public funds, § 19-1-501 et seq.; and
- (6) Deposit of public funds, §§ 19-8-101 – 19-8-107.

Management of the City is responsible for its compliance with the aforementioned Act and State Statutes. Our responsibility is to express an opinion on management's assertion about the City's compliance with the aforementioned requirements above based upon our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with the requirements mentioned above, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with the requirements mentioned above. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance with the requirements mentioned above, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirement relating to the engagement.

In our opinion, the City of North Little Rock, Arkansas, complied, in all material respects, with the aforementioned requirements during the year ended December 31, 2021.

*BKD, LLP*

Dallas, Texas  
May 26, 2022

# SINGLE AUDIT SECTION



IN MEMORY OF THOSE POLICE OFFICERS  
WHO MADE THE ULTIMATE SACRIFICE FOR  
THE SAKE OF THE HUMAN RIGHT TO PEACE:

FRANK NEIGHBORS	NOV. 22, 1929
JERRELL P. VAUGHAN	APR. 16, 1963
JERRY C. DAVIS	JAN. 7, 1982
RALPH "MAC" MCMORAN	APRIL 23, 2008
SGT. J. L. WILSON	MAY 7, 2020

ASST. ATTY. GEN. MATTHEW S. G.

**City of North Little Rock, Arkansas**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Direct Programs:				
<i>CDBG – Entitlement Grants Cluster</i>				
COVID-19 – Community Development Block Grants/Entitlement Grants	14.218		\$ -	\$ 27,386
Community Development Block Grants/Entitlement Grants	14.218		71,588	554,365
<i>Total CDBG – Entitlement Grants Cluster</i>			<u>71,588</u>	<u>581,751</u>
HOME Investment Partnerships Program	14.239		-	20,734
<b>Total Department of Housing and Urban Development</b>			<u>71,588</u>	<u>602,485</u>
<b><u>Department of Justice</u></b>				
Passed through from:				
Arkansas Department of Finance and Administration				
COVID-19 – Coronavirus Emergency Supplemental Fund	16.034	2020-VD-BX-0427	-	29,787
Direct Program:				
Edward Byrne Memorial Justice Assistance Grant	16.738		-	517
<b>Total Department of Justice</b>			<u>-</u>	<u>30,304</u>
<b><u>Department of Transportation</u></b>				
<i>Highway Planning and Construction Cluster</i>				
Direct Program:				
Highway Planning and Construction Cluster				
Highway Planning and Construction Program	20.205		-	1,206,112
<i>Highway Safety Cluster</i>				
Passed through from:				
Arkansas State Police				
Highway Safety Cluster				
State and Community Highway Safety	20.600	M5X-2021-06-06-18, DD-2021-02-02-	-	3,624
Child Safety and Child Booster	20.613		-	5,000
National Priority Safety Programs	20.616	OP-2020-02-02-18, SE-2021-01-01-18	-	3,705
<i>Total Highway Safety Cluster</i>			<u>-</u>	<u>12,329</u>
<b>Total Department of Transportation</b>			<u>-</u>	<u>1,218,441</u>
<b><u>U.S. Department of Treasury</u></b>				
Direct Program:				
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027		-	3,320,502
<b>Total U. S. Department of Treasury</b>			<u>-</u>	<u>3,320,502</u>

**City of North Little Rock, Arkansas**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**Year Ended December 31, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b><u>Department of Homeland Security</u></b>				
Passed through from:				
Arkansas Department of Emergency Management				
Emergency Management Performance Grants	97.042	EMT-2019-EP-00002-S01	\$ -	\$ 35,260
Disaster Grants				
Public Assistance (Presidentially Declared Disasters)	97.036	4441	-	58,167
Direct Program:				
Assistance to Firefighters Grant	97.044		-	12,752
<b>Total Department of Homeland Security</b>			<b>-</b>	<b>106,179</b>
<b>Total Federal Awards Expended</b>			<b>\$ 71,588</b>	<b>\$ 5,277,911</b>

**City of North Little Rock, Arkansas**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2021**

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the City of North Little Rock, Arkansas (City) under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note 3: Indirect Cost Rate**

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 4: Federal Loan Programs**

The City did not have any federal loan programs during the year ended December 31, 2021.

**Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards***

**Independent Auditor's Report**

Honorable Mayor and  
Members of City Council  
City of North Little Rock, Arkansas  
North Little Rock, Arkansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of North Little Rock, Arkansas (City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 26, 2022, which contained a reference to the reports of other auditors.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Honorable Mayor and  
Members of City Council  
City of North Little Rock, Arkansas  
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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**BKD, LLP**

Dallas, Texas  
May 26, 2022

**Report on Compliance for Each Major Federal Program and  
Report on Internal Control Over Compliance**

**Independent Auditor's Report**

Honorable Mayor and  
Members of City Council  
City of North Little Rock, Arkansas  
North Little Rock, Arkansas

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of North Little Rock, Arkansas' (City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.



### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Honorable Mayor and  
Members of City Council  
City of North Little Rock, Arkansas  
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## Report on Internal Control Over Compliance

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*BKD, LLP*

Dallas, Texas  
May 26, 2022

# City of North Little Rock, Arkansas

## Schedule of Findings and Questioned Costs

### Year Ended December 31, 2021

#### Section I – Summary of Auditor’s Results

##### *Financial Statements*

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified       Qualified       Adverse       Disclaimer

2. Internal control over financial reporting:

Significant deficiency(ies) identified?       Yes       None reported

Material weakness(es) identified?       Yes       No

3. Noncompliance material to the financial statements noted?       Yes       No

##### *Federal Awards*

4. Internal control over major federal awards programs:

Significant deficiency(ies) identified?       Yes       None reported

Material weakness(es) identified?       Yes       No

5. Type of auditor’s report issued on compliance for major federal programs:

Unmodified       Qualified       Adverse       Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)?

Yes       No

**City of North Little Rock, Arkansas**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2021**

7. Identification of major federal programs:

Cluster/Program	AL Number
<i>Highway Planning and Construction Cluster</i>	
Highway Planning and Construction Program	20.205
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.

9. Auditee qualified as a low-risk auditee?

Yes       No

**City of North Little Rock, Arkansas**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2021**

**Section II – Financial Statement Findings**

<b>Reference Number</b>	<b>Finding</b>
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No matters are reportable.

**Section III – Federal Award Findings and Questioned Costs**

<b>Reference Number</b>	<b>Finding</b>
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No matters are reportable.

**City of North Little Rock, Arkansas**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended December 31, 2021**

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
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No matters are reportable.