

**CITY OF  
NORTH LITTLE ROCK,  
ARKANSAS**

**POPULAR  
ANNUAL  
FINANCIAL  
REPORT**

**FOR FISCAL YEAR ENDED  
DECEMBER 31, 2021**



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# MESSAGE FROM OUR CHIEF FINANCIAL OFFICER

Dear Citizens of North Little Rock,

We are pleased to present the City's Popular Annual Financial Report for the fiscal year ending December 31, 2021. This report is a condensed version of our Annual Comprehensive Financial Report (ACFR).

The City of North Little Rock Finance Department has prepared this report as a brief overview of where City revenue comes from and how those revenues are spent for the current year. It is intended for readers who prefer to read financial information in summary form and is not a substitute for the City's ACFR.

This report is derived from information contained in the ACFR, which is reported in conformity with generally accepted accounting principles (GAAP) and contains more detailed information needed to evaluate the City's financial position. This report only presents information for the City at the government wide level and general fund level and does not present information on the financial statements of its individual funds, fiduciary funds or component units. This PAFR is unaudited and is presented on a non-GAAP basis. The differences between the GAAP basis presentation in the ACFR and the non-GAAP presentation in the PAFR are as follows: the financial statement formats; the presentation of segregated funds; and the disclosure of all material financial and non-financial matters in the notes to the financial statements. For those interested, a copy of the City's ACFR is available online at [nlr.ar.gov/finance](http://nlr.ar.gov/finance) or by contacting the City's Finance Department at 501-975-8802.

We hope you find this financial summary easy to read and you come away with a better understanding of how the City's operations are funded.

Ember Strange  
Chief Financial Officer

# OVERVIEW 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 operates under the Mayor-Council form of government. Policy-making and legislative authority are vested in the City Council consisting of eight aldermen. 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.





## CITY OF NORTH LITTLE ROCK

The City of North Little Rock is a diverse and charming city with affordable neighborhoods and beautiful lakes. The City has outstanding parks and walking and bicycle trails on the picturesque riverfront along the Arkansas River. The City is linked by the Big Dam Bridge to trails in Little Rock, the state's capital city.

Dickey-Stephens ballpark is home to the Arkansas Travelers minor league baseball team. Also nearby is the historic USS Razorback Submarine at the City's Arkansas Inland Maritime Museum. This World War II submarine is open for guided tours.

North Little Rock has a rapidly growing downtown known as the Argenta District. The walkable Argenta District is home to many renowned galleries, museums and performing art venues. Argenta embraces all creativity, including food, wine and craft beer.



## OUR SERVICES

- Police & Fire Protection
- Municipal Electric Utility Services
- Maintenance of Streets, Drainage & Sidewalks.
- Trash Collection & Leaf Removal
- Parks & Recreation



# ELECTED OFFICIALS



Terry C. Hartwick  
Mayor

## City Councilmembers

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### Ward 1

Debi Ross  
Nathan Hamilton

### Ward 2

Linda Robinson  
Maurice Taylor

### City Attorney

Amy Fields

### Ward 3

Steve Baxter  
Ron Harris

### Ward 4

Jane Ginn  
Charlie Hight

### City Clerk

Diane Whitbey

# THE CITY'S NET POSITION

What is Net Position?

City Assets  
+Deferred Outflows  
-City Liabilities  
-Deferred Inflows  
Net Position

A positive net position indicates a measure of financial stability. The City's net position increased from \$193.9M in 2020 to \$212.3M in 2021. The increase is primarily the result of an increase in governmental activities of approximately \$16M. The increase is primarily due to increased sales tax collections due to an influx of federal aid to taxpayers to boost the economy as well as the increase in the price of goods and services.

The City participates in five statewide multi-employer defined benefit pension plans. The City also sponsors a single-employer defined benefit plan. The City's share of those collective pensions and OPEB net liabilities is \$144.5M which is the sole reason for the negative \$31.6M unrestricted net position.



# REVENUES & EXPENSES



The City's financial activities in total are made up of two broad classifications: governmental and business-type activities. Additionally, there are two main sources of revenue for the City: program revenues and general revenues. Program revenues include charges for services and general revenues include sales taxes, property taxes, and other revenues that are not generated through programming. Revenue for the City in 2021 totaled \$207.8M, an increase of \$19.8M or 10.5% compared to 2020. The increase is primarily due to increased sales tax collections due to an influx of federal aid to taxpayers to boost the economy as well as the increase in the price of goods and services.

Expenses for the City totaled \$189M in 2021, an increase of \$8M or 4% compared to 2021. This increase is primarily a result of the City purchasing the Blue Cross building for \$5M, the Greyhound Bus Station for \$500K and various other projects not completed in 2020 carried forward to 2021.

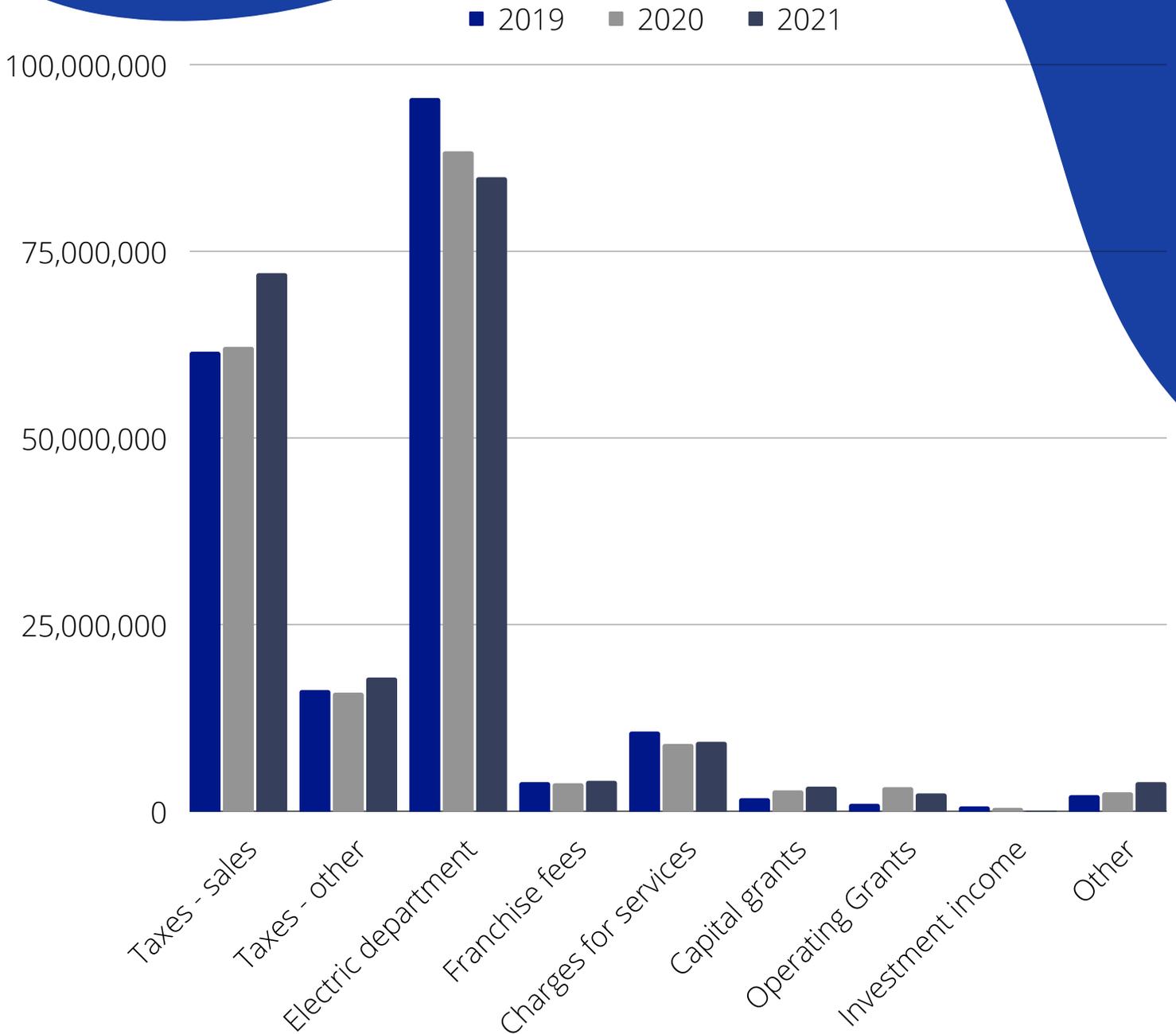


## **AMERICAN RESCUE PLAN ACT FUNDING PROJECTS**

On March 11, 2021, President Biden signed into law the American Rescue Plan Act (ARPA) , a \$1.9 trillion package, intended to provide continued relief from the impacts of the COVID-19 pandemic, including the public health and economic impacts. Included in this package was the Coronavirus State and Local Fiscal Recovery Fund. This fund provided \$350 billion to state, local and tribal governments across the country to support their response to and recovery from the COVID-19 pandemic. The City of North Little Rock was allocated \$16,769,719 through this fund. This money is to be received in two equal tranches. The City received the first tranche of \$8,384,859 on May 17, 2021. Some of the major projects funded through the ARPA funds are listed below:

- Property for Rose City Health Clinic
- Ladder truck for Fire Department
- New side loader trash trucks and cans for residents
- Patrol cars & equipment
- Pump track at the Quarry
- Battery backups for traffic lights

# GOVERNMENT WIDE REVENUES - LAST 3 YEARS



## HOW DID WE DO?

Total revenues for the City's activities were \$207.8 million in 2021, a 10.5% increase from 2020. This overall increase is primarily a result of higher than anticipated sales tax revenues due to the influx of federal assistance to taxpayers to boost the economy as well as the increase in the price of goods and services.

# GOVERNMENT WIDE REVENUES - LAST 3 YEARS

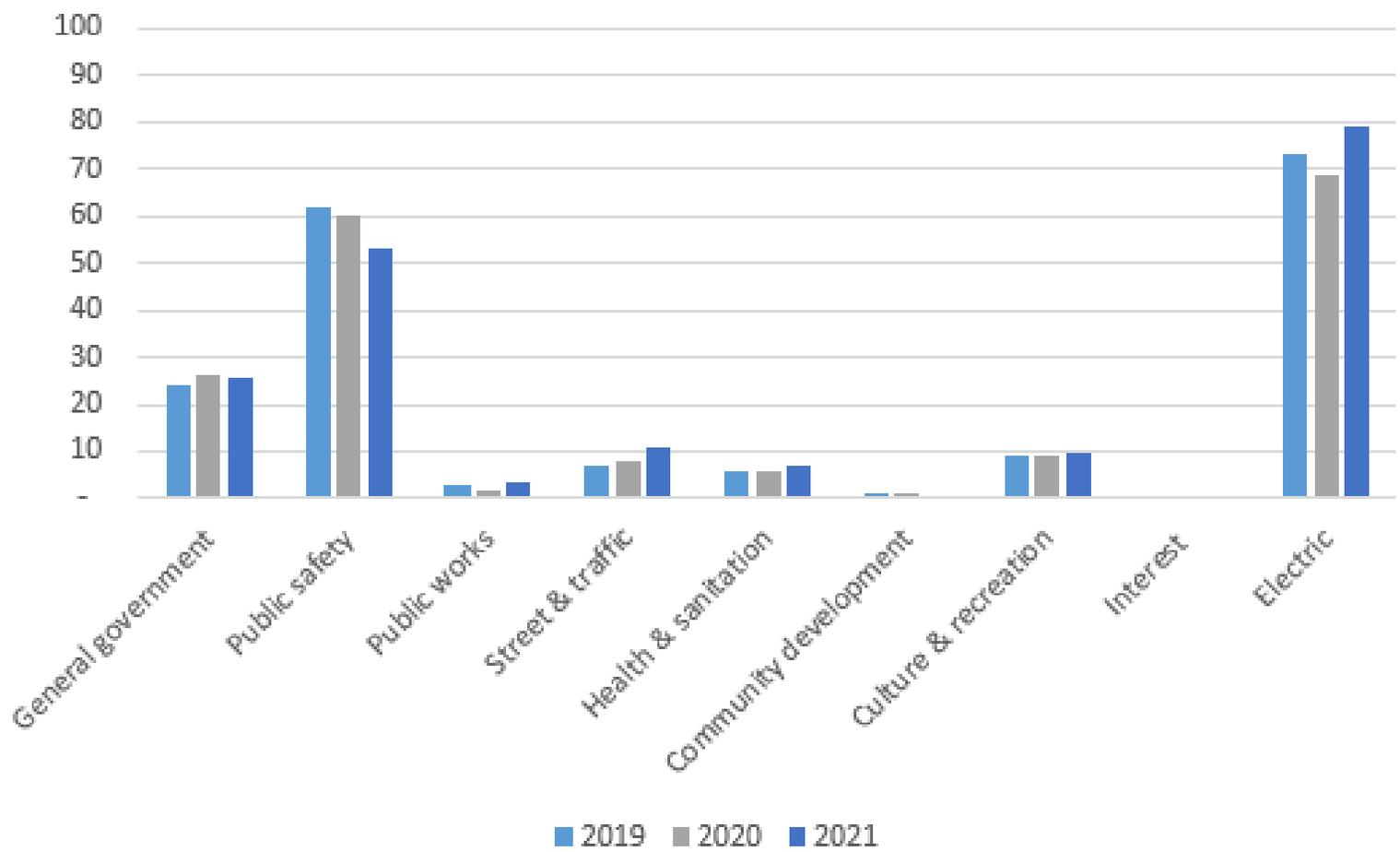
	<u>2019</u>	<u>2020</u>	<u>2021</u>
Taxes - sales	61,505,034	62,161,298	72,015,308
Taxes - other	16,217,949	15,868,429	17,885,986
Electric department	95,456,104	88,330,225	84,862,644
Franchise fees	3,883,894	3,737,046	4,055,911
Charges for services	10,650,665	9,009,418	9,283,739
Capital grants	1,767,996	2,794,546	3,279,733
Operating grants	1,035,577	3,207,844	2,391,152
Investment income	637,273	462,260	130,868
Other	2,176,717	2,545,631	3,879,020



# GOVERNMENT WIDE EXPENDITURES - 2019 -2021 (IN MILLIONS)

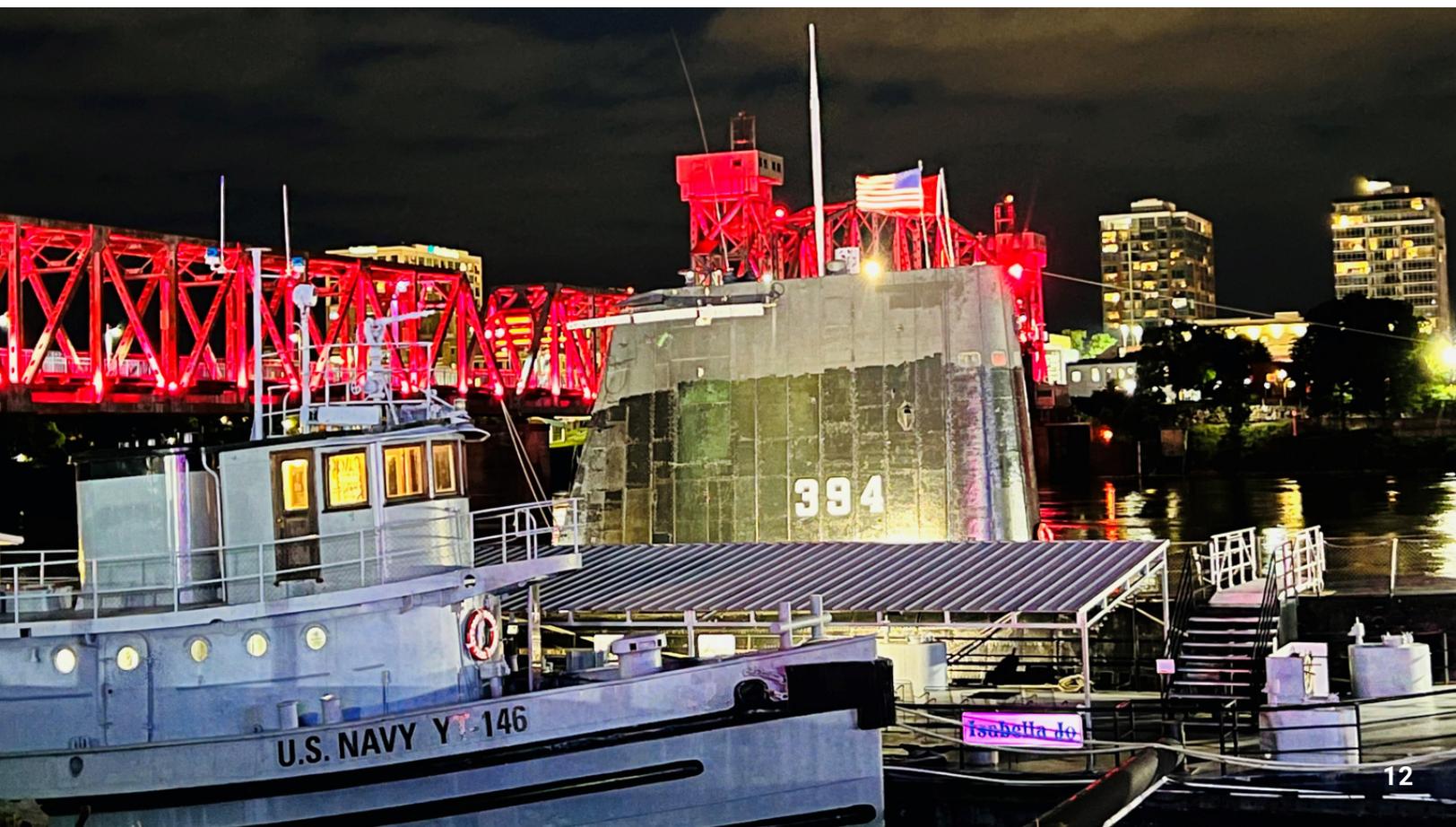
## HOW DID WE DO?

Total expenditures for the City's activities were \$189 million in 2021, a 4% increase from 2020. This overall increase is 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.



# GOVERNMENT WIDE EXPENDITURES - LAST 3 YEARS

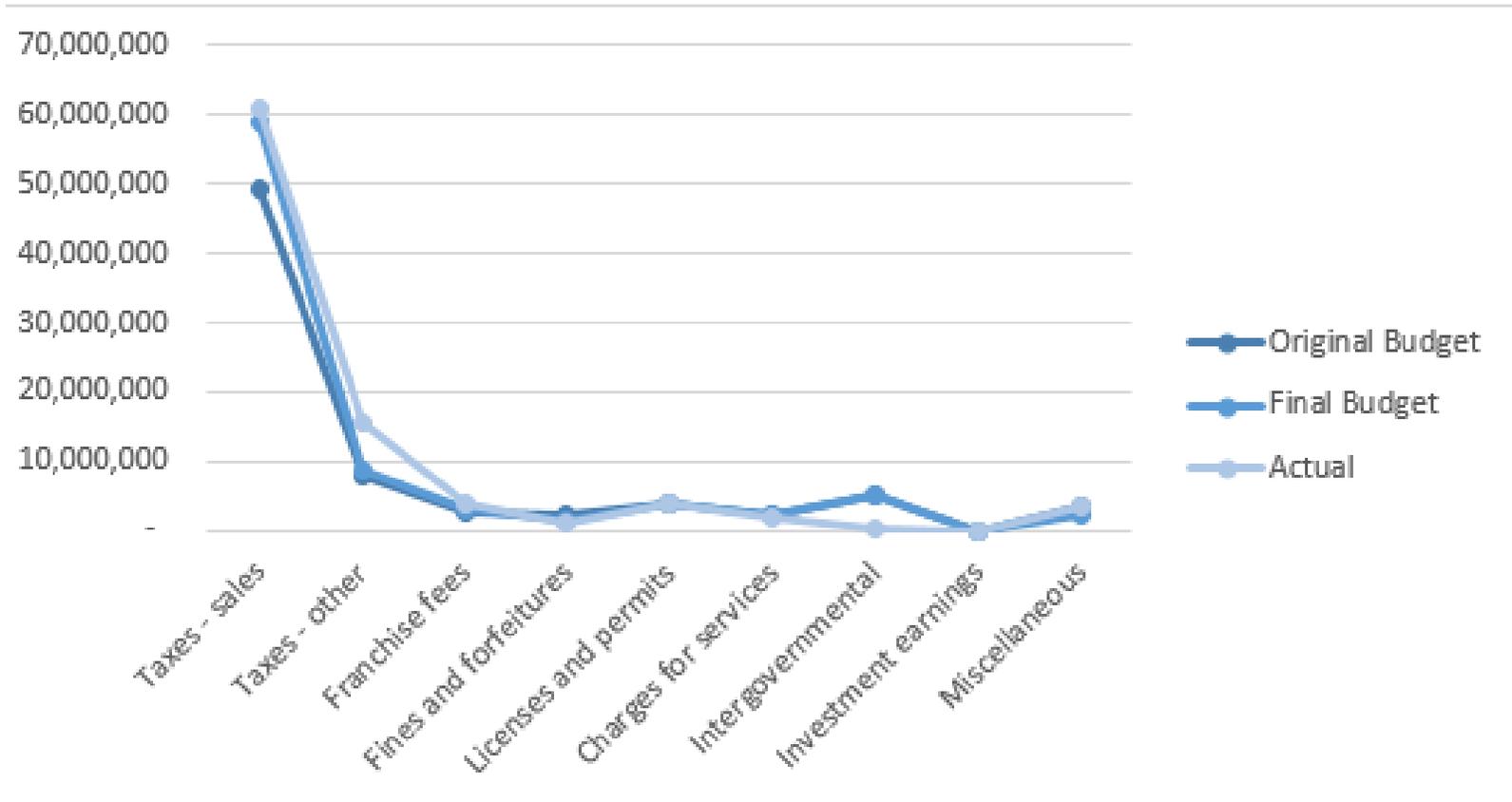
	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government	24,312,352	26,601,470	25,654,068
Public safety	61,910,602	59,987,367	53,340,207
Public works	2,650,674	1,782,790	3,200,186
Street & traffic	6,841,766	7,902,594	10,793,629
Health & sanitation	5,672,952	5,634,372	6,840,427
Community development	898,511	1,165,136	615,673
Culture & recreation	9,191,100	8,985,499	9,795,437
Interest	315,068	411,286	322,202
Electric	73,179,016	68,631,031	78,828,925



# GENERAL FUND BUDGET TO ACTUAL REVENUES

## HOW DID WE DO?

Budget performance identifies how well a City is able to budget and execute funds adequately. There were adjustments made to the budget throughout the year. The General Fund actual revenues outperformed the amended budget by approximately \$5.5M. This increase is primarily a result of higher than anticipated sales tax revenues due to the influx of federal assistance to taxpayers to boost the economy as well as the increase in the price of goods and services.



# GENERAL FUND BUDGET TO ACTUAL REVENUES

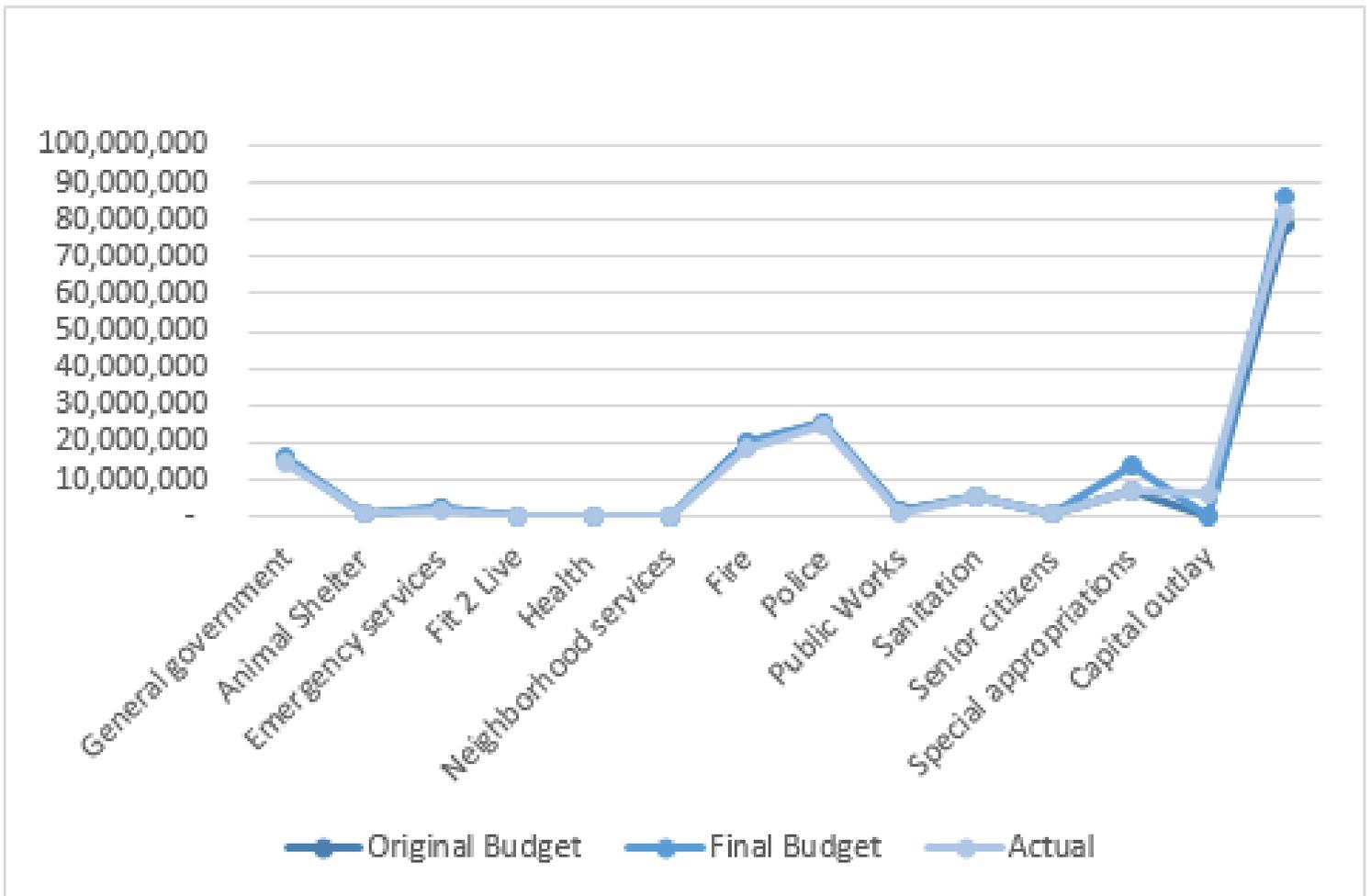
	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>
Taxes - sales	49,065,000	58,665,000	60,816,259
Taxes - other	8,157,200	8,767,200	15,417,779
Franchise fees	2,831,000	3,081,000	4,055,911
Fines and forfeitures	2,275,250	1,420,250	1,336,936
Licenses and permits	3,834,500	3,884,500	4,081,812
Charges for services	2,320,830	2,320,830	1,862,132
Intergovernmental	5,112,345	5,112,345	176,138
Investment earnings	63,000	63,000	33,762
Miscellaneous	3,543,175	2,488,401	3,548,810



# GENERAL FUND BUDGET TO ACTUAL EXPENSES

## HOW DID WE DO?

The General Fund final budget increased approximately 10% over the original budget in 2021. This increase was primarily due to two budget 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 ended the year approximately \$4.2 million under the amended budget.



# GENERAL FUND BUDGET TO ACTUAL EXPENSES

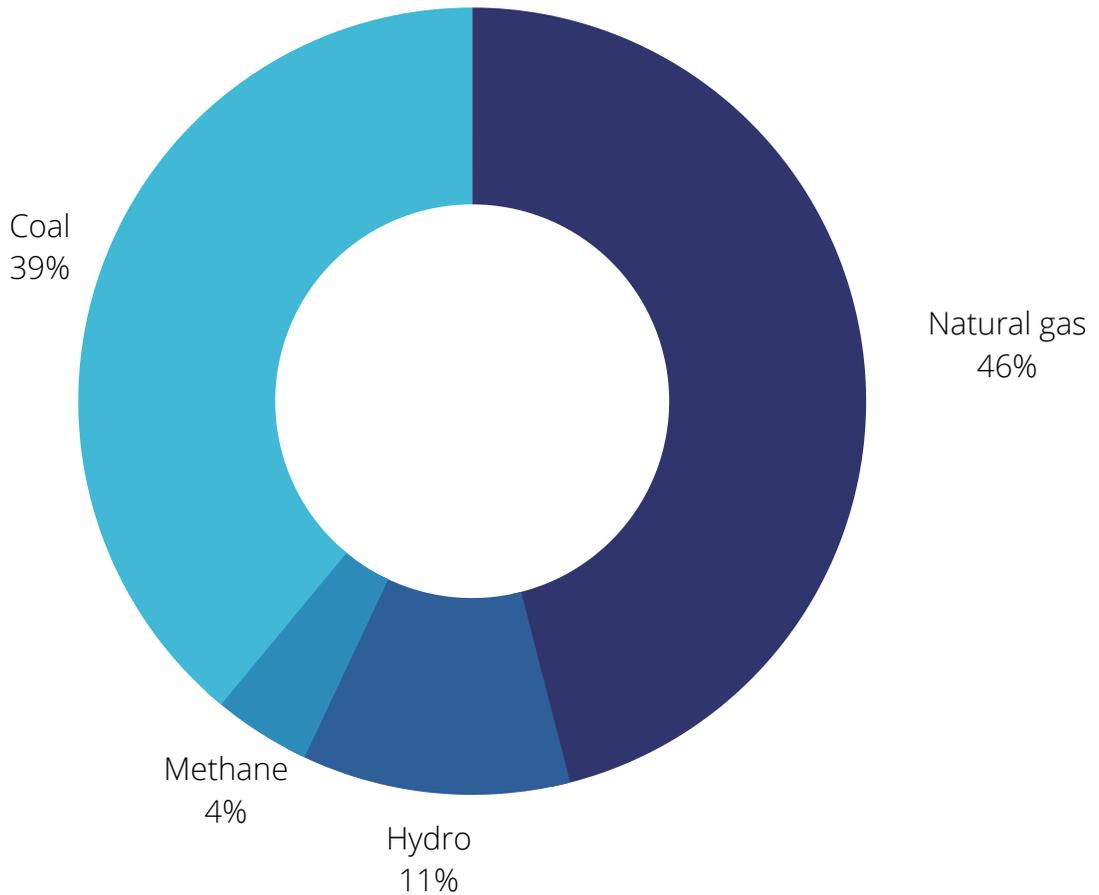
	<b>Original <u>Budget</u></b>	<b>Amended <u>Budget</u></b>	<b><u>Actual</u></b>
General government	15,396,800	15,783,629	14,693,119
Animal shelter	911,356	911,356	682,359
Emergency services	2,340,621	2,340,621	1,894,406
Fit 2 live	234,938	234,938	181,180
Health	87,928	87,928	93,227
Neighborhood services	187,523	193,223	190,704
Fire	19,578,229	19,762,176	18,676,818
Police	25,108,828	25,343,248	24,619,802
Public works	1,326,603	1,342,665	1,175,575
Sanitation	5,466,793	5,516,793	5,246,322
Senior citizens	1,161,551	1,161,551	986,195
Special appropriations	6,871,412	13,593,777	7,237,641
Capital outlay	0	0	6,353,284



# ELECTRIC FUND

The North Little Rock Electric Department (NLRED) is a fund of the City and has been a consumer-owned utility for over 100 years. NLRED provides reliable service to more than 38,000 residential, commercial and industrial customers.

NLRED relies on several different energy resources to comprise NLRED's power portfolio.

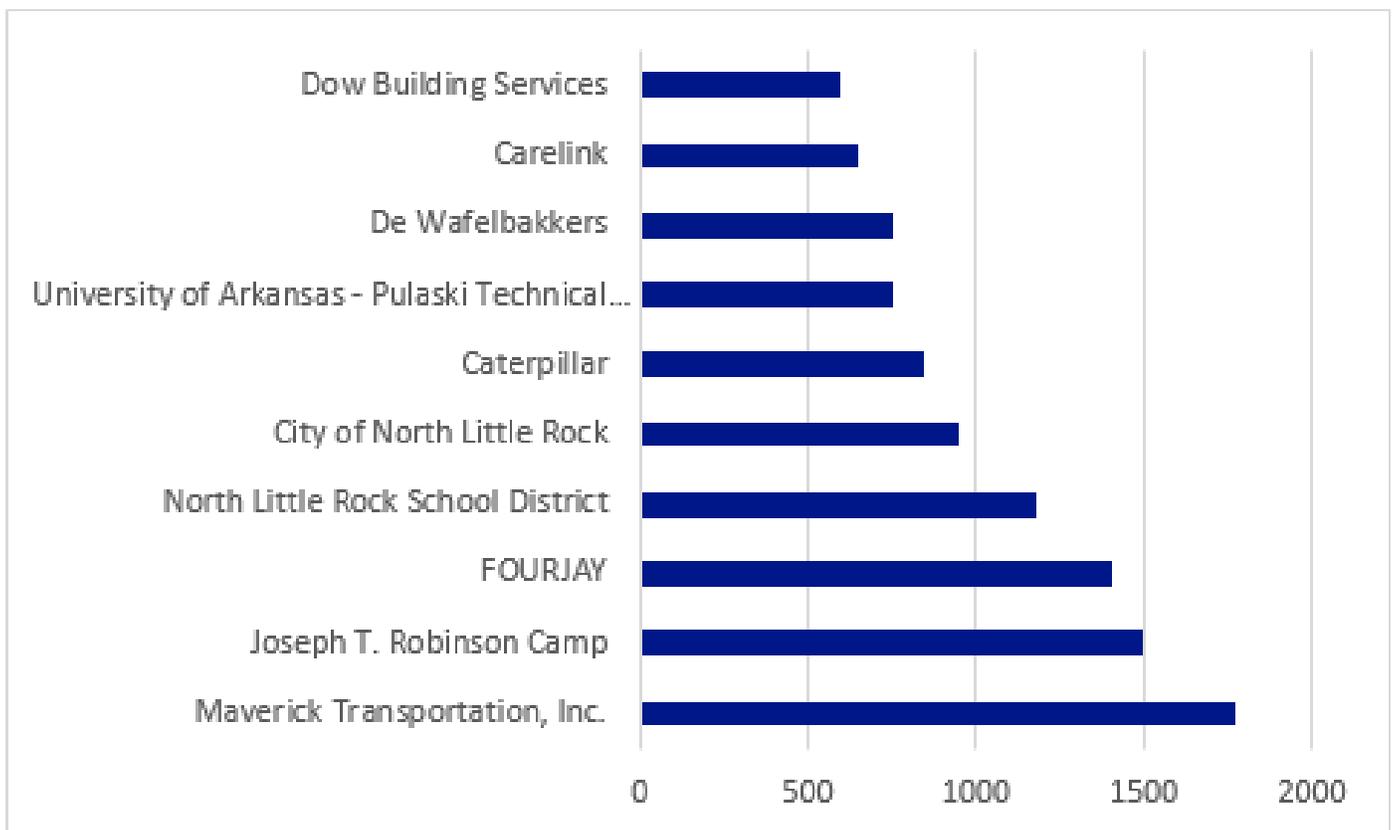
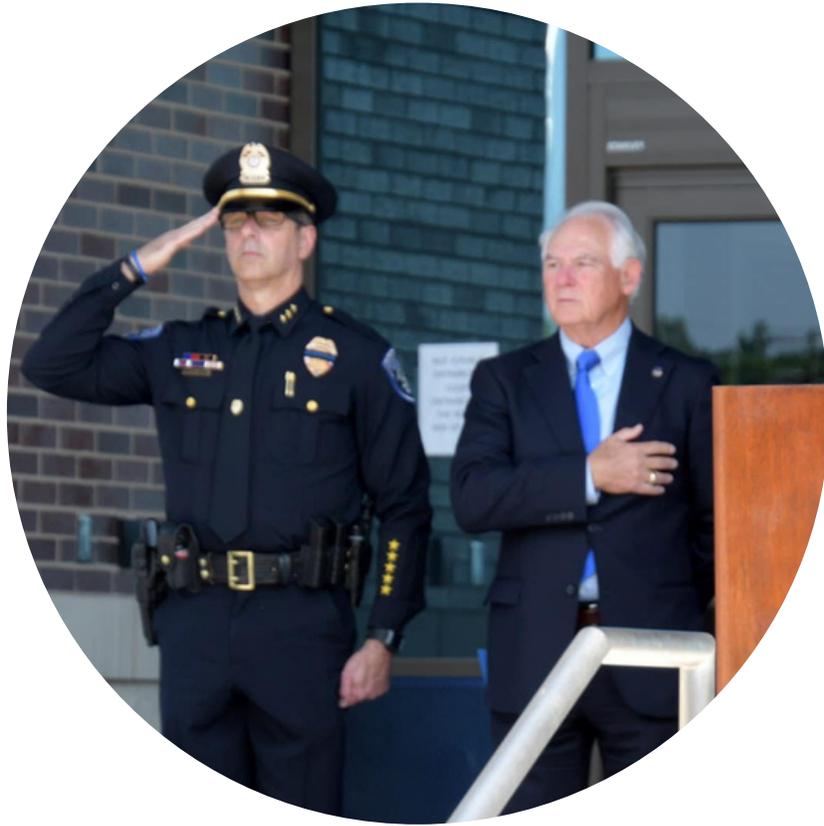


# DEMOGRAPHIC & ECONOMIC STATISTICS



- Population 64,591
- Square Miles 56.25
  
- Median Household Income \$43,831
- Median Value of Owner-Occupied Homes \$144,100
- Unemployment Rate 4.4%
- Percent of Population Age 25+  
with a graduate degree or higher 10.7%

# PRINCIPAL EMPLOYERS OF THE CITY OF NORTH LITTLE ROCK





## MAJOR CAPITAL ASSET PURCHASES DURING 2021

● Infrastructure	\$ 1.1M
● Governmental Buildings	\$ 4.1M
● Governmental Land	\$ .34M
● Governmental Vehicles	\$ 2.6M
● Governmental Equipment	\$ 1.5M
● Governmental CIP	\$ 14.3M
● Electrical System CIP	\$ 6.6M
● Electrical System plant and equipment	\$ .88M



# GLOSSARY OF TERMS

**Net position** - The difference between an entity's assets plus deferred outflows of resources and its liabilities plus deferred inflows of resources.

**Deferred outflows of resources** - A consumption of net assets by the government that is applicable to a future reporting period.

**Deferred inflows of resources** - An acquisition of net assets by the government that is applicable to a future reporting period.

**CIP** - Construction in progress.





Government Finance Officers Association

**Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting**

Presented to

**City of North Little Rock**

**Arkansas**

For its Annual Financial Report  
for the Fiscal Year Ended

**December 31, 2020**

*Christopher P. Morrill*

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of North Little Rock for its Popular Annual Financial Report for the fiscal year ended 12/31/2020. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of North Little Rock has received a Popular Award for the fiscal year ended 12/31/2020. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.



For additional information and details from our 2021 Annual Comprehensive Financial Report, please visit:

[http://nlr.ar.gov/government/a\\_z\\_department\\_list/finance](http://nlr.ar.gov/government/a_z_department_list/finance)



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