



POPULAR ANNUAL FINANCIAL REPORT 2020

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For Fiscal Year Ended
December 31, 2020





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Message from our Chief Financial Officer (CFO)

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, 2020. This report is a condensed version of our Comprehensive Annual 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 notes to the financial statements. For those interested, a copy of the City's ACFR is available online at www.nlr.ar.gov/government/a_z_department_list/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 alderman. 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.



Mayor
Terry C. Hartwick



City Attorney
Amy Fields

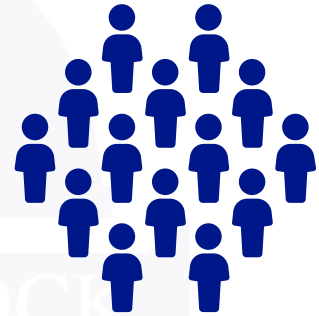


City Clerk & Treasurer
Diane Whitbey

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.

Population: 64,591



Dickey-Stephens ballpark is home to the finest minor league baseball team around, the Arkansas Travelers. 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.

Just North of the Arkansas River,
~56.25 square miles.

North Little Rock has a rapidly growing downtown with a business and historic residential district, many churches and faith-based organizations. Substantial business, industry, entertainment facilities, and restaurants also flourish throughout the rest of the city.





CITY COUNCILMEMBERS



WARD 1

Debi Ross
Nathan Hamilton



WARD 2

Linda Robinson
Maurice Taylor

WARD 3

Steve Baxter
Ron Harris



WARD 4

Jane Ginn
Charlie Hight



The City's Net Position

The Net Position of the City is equal to City assets and deferred outflows offset by City Liabilities and deferred inflows. Net position is the difference between what the City owns and what the City owes. A positive net position indicates a measure of financial stability. The City's net position increased from \$186.8M in 2019 to \$193.9M in 2020, the components of which are listed below. The increase is primarily the result of an increase in the net position of business-type activities.



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 \$146.5M which is the sole reason for the negative \$36M unrestricted net position.



Revenue and 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 2020 totaled \$188M, a decrease of \$5.2M or 2.7% compared to 2019. Expenses for the City totaled \$181M in 2020, a decrease of \$3.9M or 2.1% compared to 2019.

COVID-19 Impacts



Mayor Implemented Spending Freeze

- Began at the beginning of the pandemic
- Vacancy savings throughout the year
- Delayed the timing of the completion of capital projects

COVID Grants

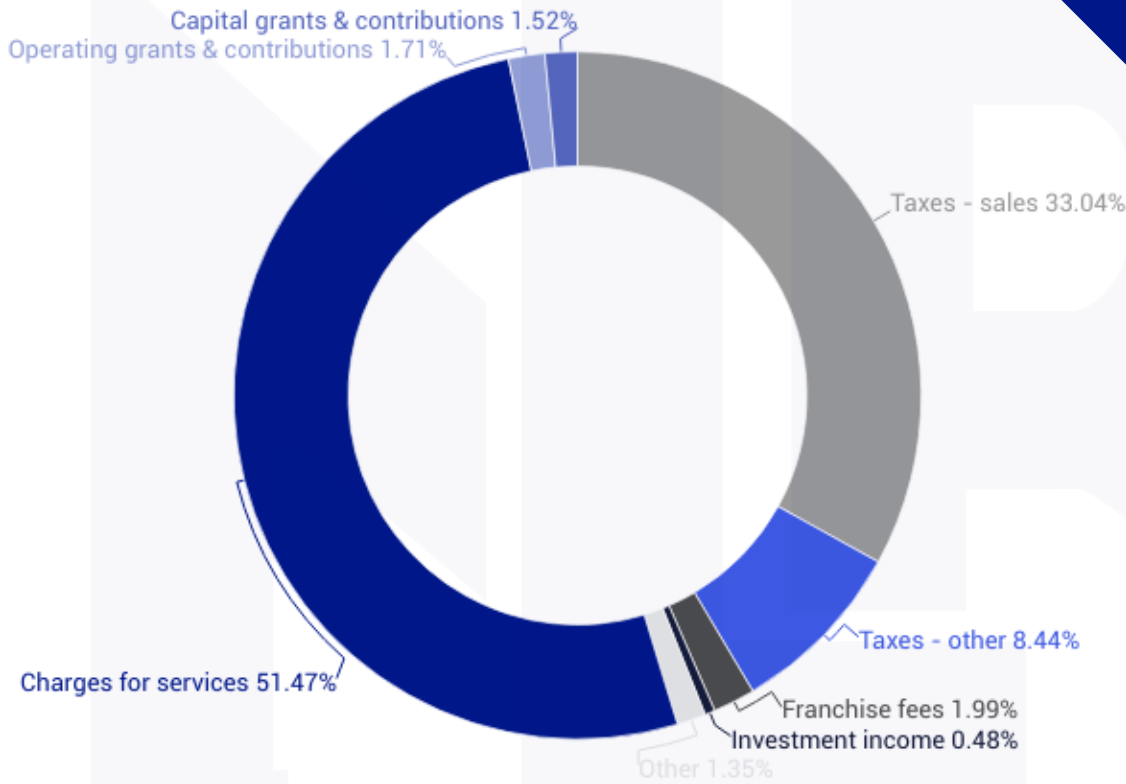
- Arkansas Department of Finance and Administration
 - Coronavirus Relief Fund: \$2.46M
- Department of Housing & Urban Development: \$789.8K
- Department of Justice - Coronavirus Emergency Supplemental Fund: \$132K

Budget Impacts

- Expenses in general fund ended below amended budget: \$10.8M
- General Fund fund balance increased: \$1.8M



Government wide Revenues

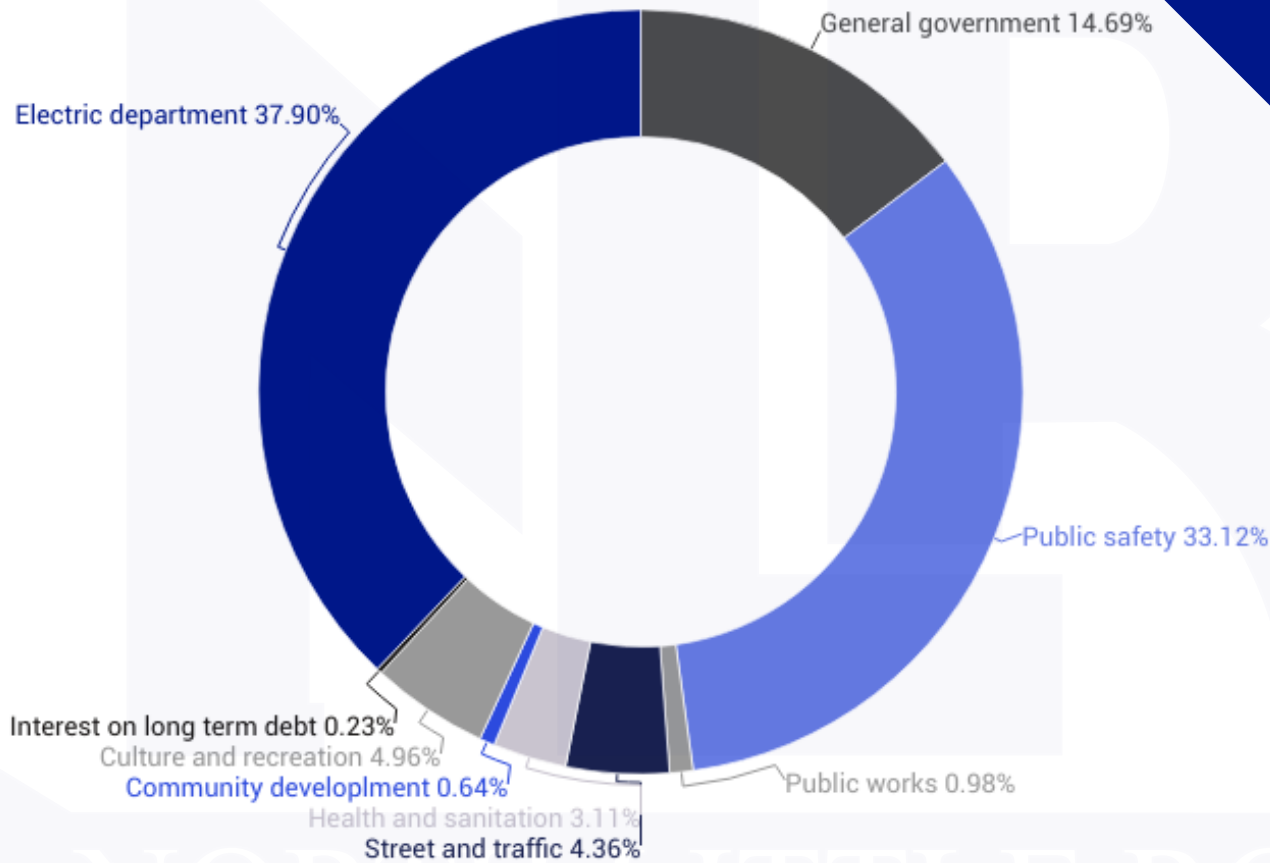


How Did We Do?

Total revenues for all of the City's activities were \$188 million in 2020, or a 2.7% decrease from 2019. The decrease stems primarily from a drop in Charges for Services related to the COVID-19 pandemic. While there was a decrease in revenue for 2020, sales tax revenue was higher than anticipated along with the influx of federal grant money received.



Government wide Expenditures



How Did We Do?

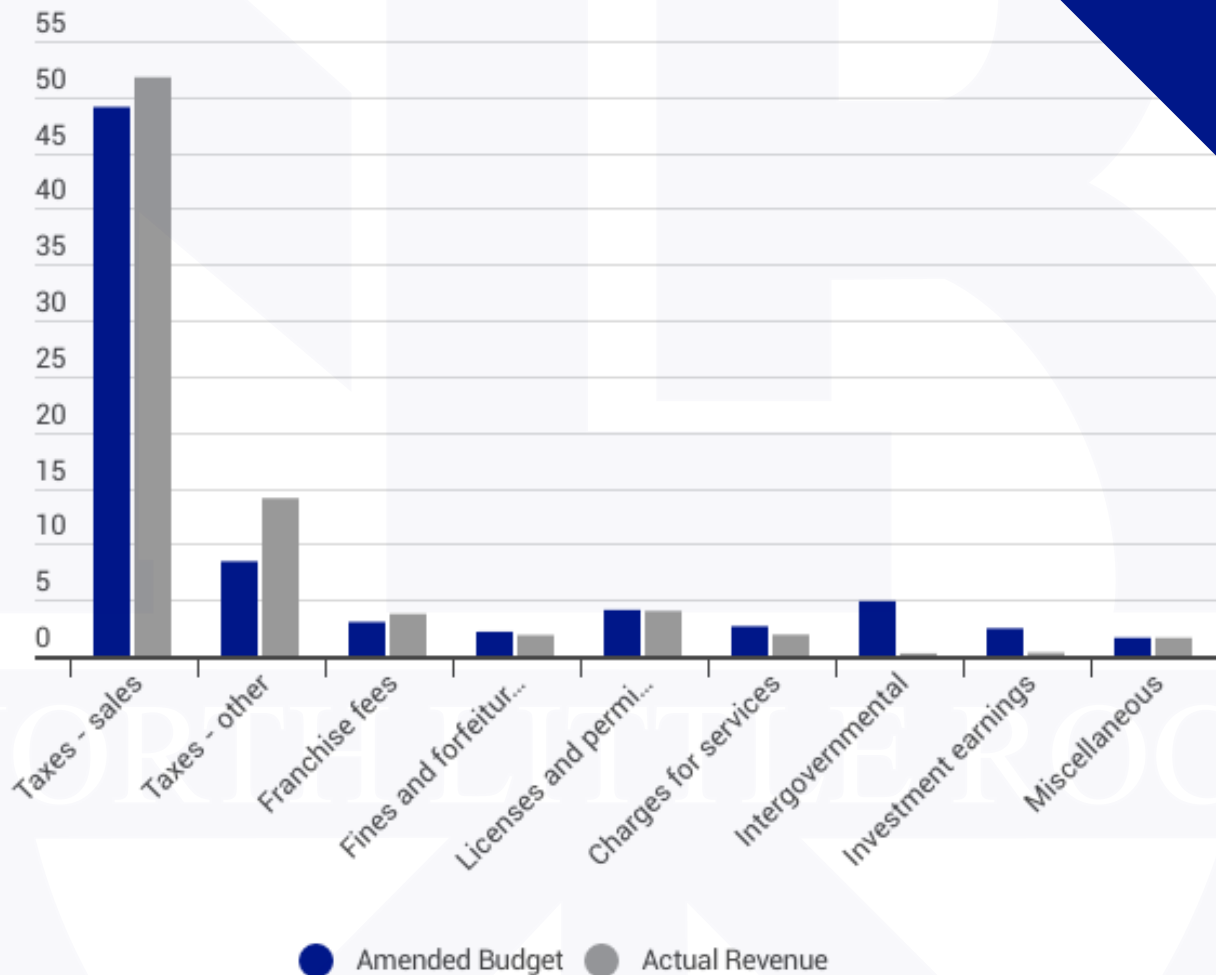
Total expenditures for the City's activities were \$181 million in 2020, a 2.1% decrease from 2019. This overall decrease is mainly due to the spending freeze the Mayor implemented due to the COVID-19 Pandemic.



General Fund Budget to Actual



General Fund Revenues (in millions)



How Did We Do?

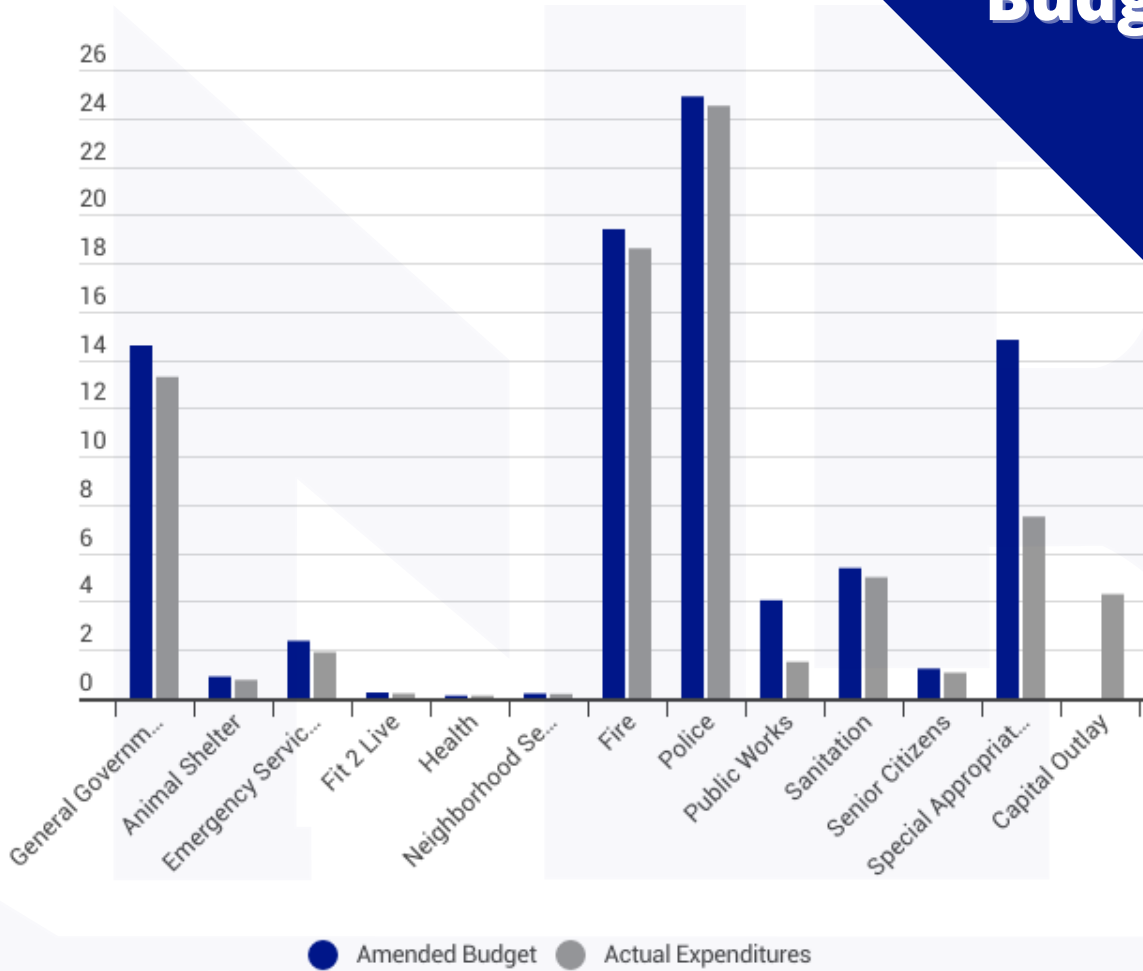
Budget Performance identifies how well a City is able to budget and execute funds adequately. There were adjustments that can be connected to the COVID-19 Pandemic impacts.

Highlight:

The City's actual revenues outperformed the anticipated budget. Revenue exceeded the general fund original budget by approximately \$2.6 million at the end of 2020. This is primarily associated with higher than anticipated sales tax revenues due to the influx of federal assistance to taxpayers to boost the economy.

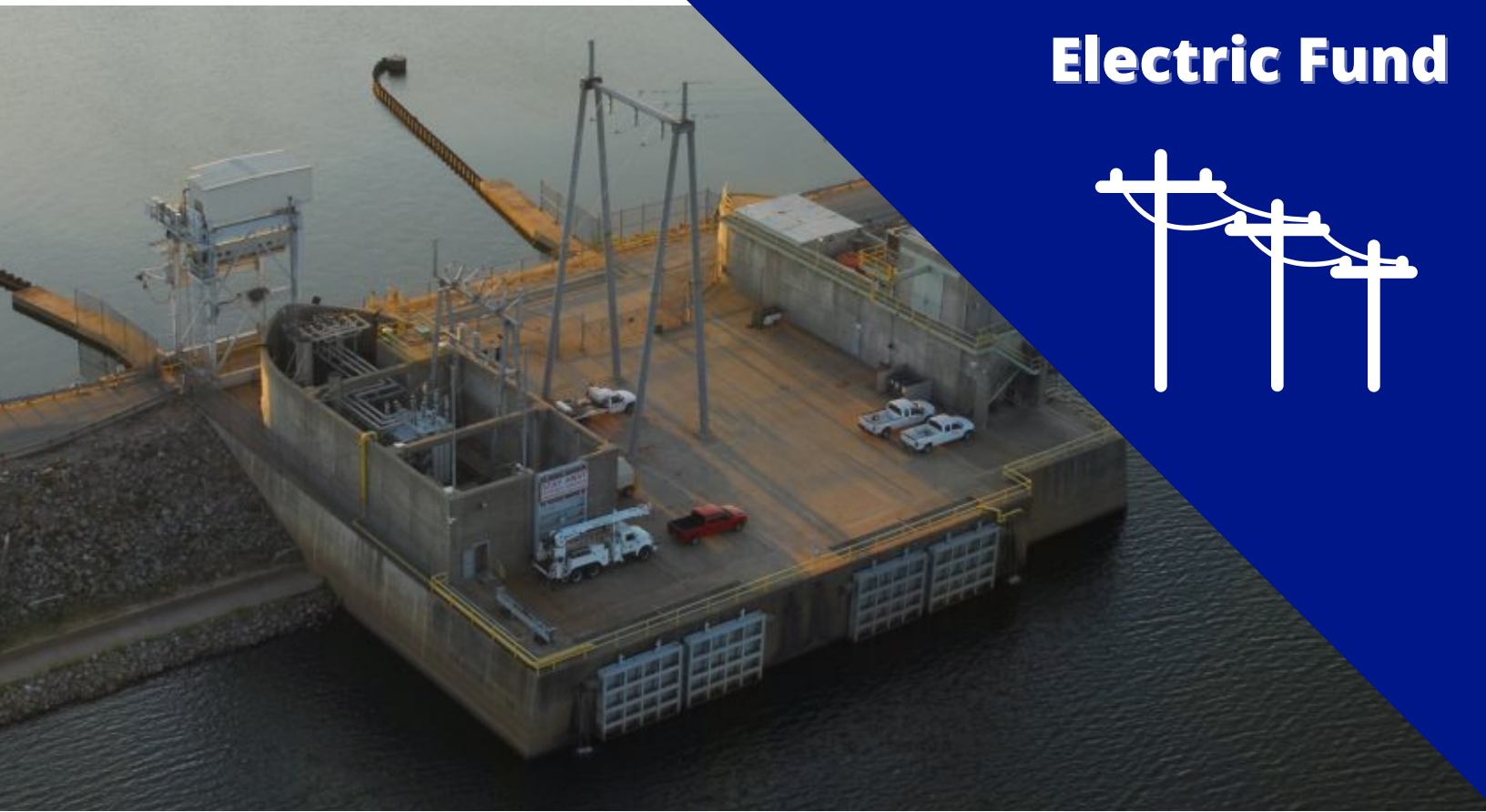
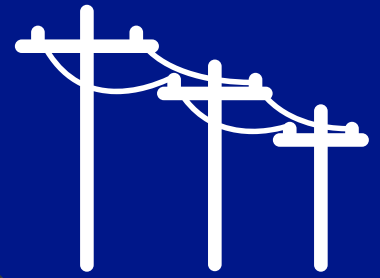
General Fund Budget to Actual

General Fund Expenditures (in millions)



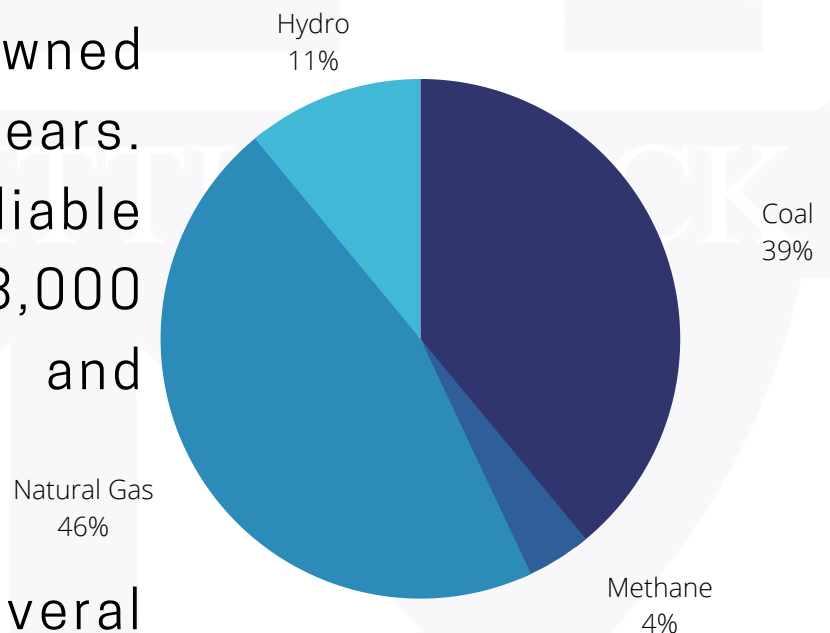
Expenses in the general fund ended the year approximately \$10.8 million below the amended budget. This is partially due to the spending freeze the Mayor implemented due to the COVID-19 Pandemic and vacancy savings throughout the year.





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.



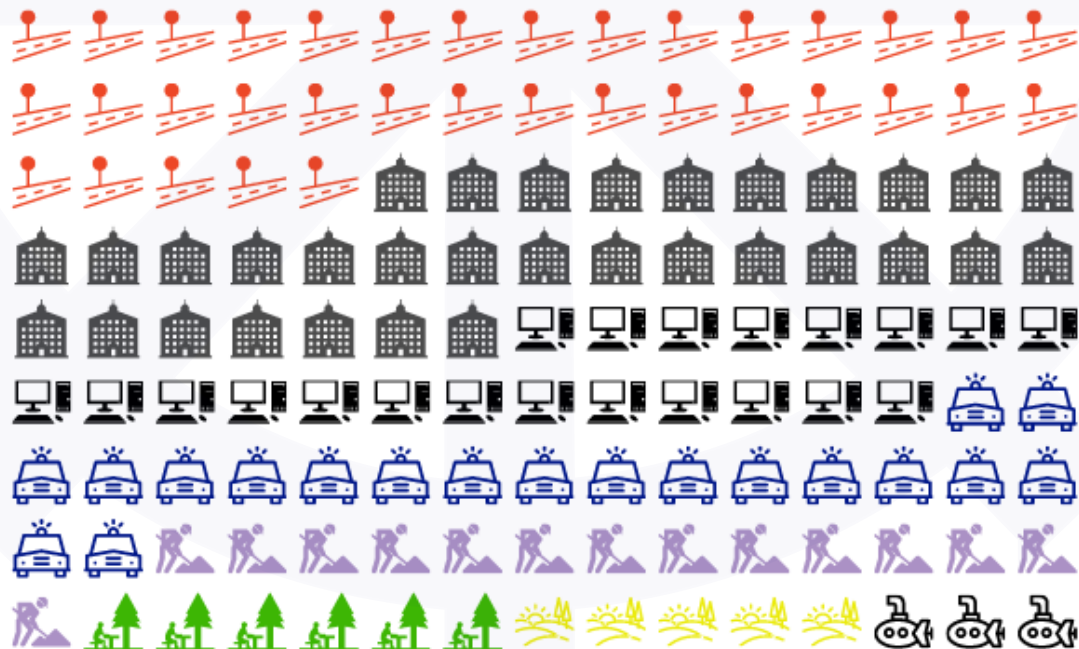
Capital Assets



Major capital asset projects and purchases for governmental activities during the fiscal year included the following:

- Infrastructure - \$3M
- Buildings - \$3.5M
- Land - \$382K
- Vehicles - \$3.5M
- Equipment - \$1.8M

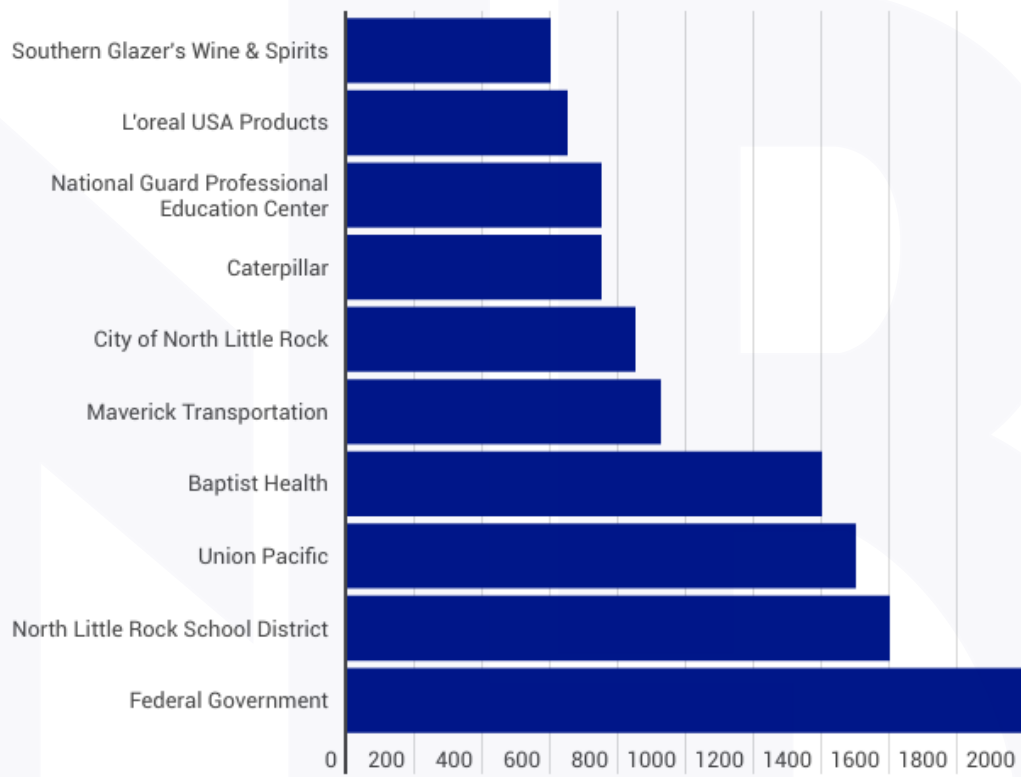
Governmental Capital Assets (in millions)



● Infrastructure ● Buildings ● Equipment ● Vehicles ● CIP ● Land Improvements

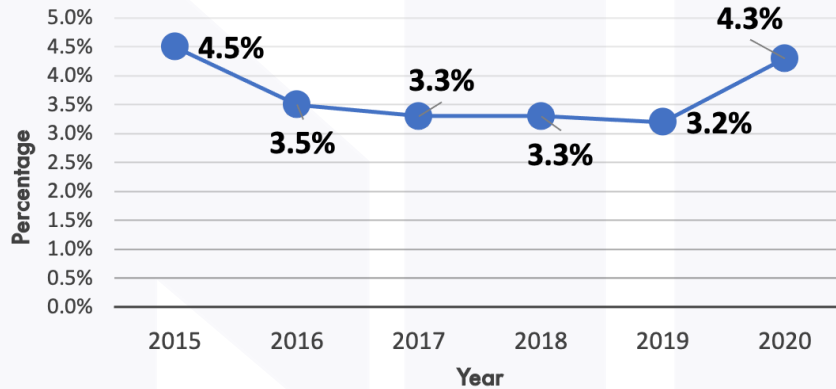
● Land ● Ships & Watercraft

Primary Employers of North Little Rock



Demographic and Economic Statistics

Unemployment Rate (2015-2020)



Percent of Population Age 25+ Grad/
Professional Degree or Higher





For additional information and details from our 2020 Comprehensive Annual Financial Report, please visit
http://nlr.ar.gov/government/a_z_department_list/finance



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<http://nlr.ar.gov>

