

# CITY OF NORTH LITTLE ROCK, ARKANSAS

## POPULAR ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

📅 DECEMBER 31, 2024 ☆



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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 12/31/2024. 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 operates under the Mayor-Council form of government. Policy-making and legislative authority are vested in the City Council consisting of eight council members. 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 COUNCIL

### Ward 1

Debi Ross

Nathan Hamilton

### Ward 3

Steve Baxter

Ron Harris

### Ward 2

Linda Robinson

Nicole Hart

### Ward 4

Vince Insalaco

Scott Fowler

# ABOUT US

- Incorporated in 1904
- Located in the central part of the State of Arkansas
- Linked by the Big Dam Bridge to trails in Little Rock, the state's capital city
- Diverse and charming city with affordable neighborhoods and beautiful lakes
- Home to the Arkansas Travelers minor league baseball team
- Home of the historic USS Razorback Submarine (WWII submarine)



## CITY SERVICES

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



# DEMOGRAPHICS

## ECONOMY

- Median household income - \$51,194
- Median housing value - \$169,500
- Persons per Household - 2.12
- Unemployment Rate - 3.6%

## EDUCATION

- High school graduates - 90.4%
- Bachelor degree or higher - 30.1%



## DIVERSITY

- |                             |       |
|-----------------------------|-------|
| • White (Non-Hispanic)      | 43.0% |
| • Black or African American | 44.0% |
| • Asian                     | 1.0%  |
| • Hispanic or Latino        | 7.2%  |
| • Female                    | 51.9% |

## DEMOGRAPHICS

- |                                  |          |
|----------------------------------|----------|
| • Population                     | 64,591   |
| • Square Miles                   | 56.25    |
| • Total Retail Sales, per capita | \$51,820 |



# CITY EVENTS

In May each year, the Pulaski County Fair  
is held along the river  
The 3<sup>rd</sup> Friday of each month, the Argenta  
Arts District hosts the Art Walk  
In the Fall the Argenta Vibe Music Series is  
held in the Plaza  
Various concerts are held throughout the  
year at Simmons Arena





# 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 total net position increased from 290.6M in 2023 to 322.4M in 2024. The increase is primarily the result of an increase in governmental activities of approximately \$23M.

Total revenues, excluding transfers, decreased approximately \$10 million compared to the prior year. However, governmental revenues, excluding transfers exceeded governmental expenditures by approximately \$10 million contributing to the increase in net position. In 2023 the City was struck by an EF3 tornado resulting in millions of dollars of one-time unplanned expenditures that did not carryover to the current year. The increase in net position is also attributed to transfers in of \$13.9 million from the Electric Department.

At the end of 2024, operating grants and contributions in governmental funds were approximately \$14 million less than the prior year and \$3.2 million less than the prior year in the business-type activities. These changes are primarily associated with the FEMA Disaster Aid funding as a result of the March 31, 2023 tornado.

Grants not restricted to specific programs increased approximately \$875,000 in the current year. In 2022, the City received its second tranche of ARPA funding and continued spending the first tranche. In 2024, the City expended the remaining ARPA funds on two pumper trucks, a line truck and a bucket truck.

Miscellaneous revenue increased by approximately \$2 million as a result of properties that were sold in 2024 that were no longer available for sale, specifically, property sold in downtown to Argenta Hospitality for the future site of the Tempo by Hilton hotel.



# GOVERNMENT WIDE REVENUE

## LAST 3 YEARS

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Taxes - sales	75,845,699	80,691,742	78,972,144
Taxes - other	18,154,620	19,736,443	20,881,552
Electric department	102,966,537	106,771,617	102,263,034
Franchise fees	4,352,373	4,587,543	4,283,043
Charges for services	10,925,330	10,968,870	12,130,730
Capital grants	8,272,491	4,773,558	5,002,001
Operating grants	6,715,847	19,597,260	2,489,532
Investment Income	179,173	4,501,141	4,487,051
Other	<u>3,244,686</u>	<u>3,009,310</u>	<u>5,880,967</u>
Total Revenues	230,656,756	254,637,484	236,390,054

### HOW DID WE DO?

The City’s financial activities in total are made up of two broad classifications: governmental and business-type activities (see pages 14-15 of the 2024 ACFR). 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. Total revenues for the City’s activities were \$236.4 million in 2024, a 7.7% decrease from 2023. This overall decrease is primarily a result of grant funds received in 2023 for the March 31, 2023 tornado. At the end of 2024, operating grants and contributions in governmental funds were approximately \$14 million less than the prior year and \$3.2 million less than the prior year in the business-type activities. These changes are primarily associated with the FEMA Disaster Aid funding as a result of the March 31, 2023 tornado.

# Government Wide Expenditures

## Last 3 Years

	<u>2022</u>	<u>2023</u>	<u>2024</u>
General government	30,660,183	50,216,265	33,822,606
Public safety	47,950,176	44,671,828	58,016,021
Public works	1,394,466	2,959,471	2,383,848
Street & traffic	9,786,423	8,950,164	9,233,849
Health & sanitation	6,551,846	7,088,623	7,131,884
Community dev.	1,446,767	950,774	1,019,042
Culture & recreation	10,427,475	11,935,917	10,788,074
Interest	301,671	296,603	253,247
Electric	<u>89,306,365</u>	<u>82,204,333</u>	<u>82,030,298</u>
Total Expenses	197,825,372	209,273,978	204,678,869

### HOW DID WE DO?

Total expenditures for the City’s activities were \$197.8 million in 2024, a 2.2% decrease from 2023. This overall decrease is primarily a result of the March 31st tornado and the costs associated with debris removal around the City and in Burns Park.



# General Fund Budget to Actual Revenues

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>
Taxes - sales	62,650,000	65,400,000	66,345,703
Taxes - other	9,830,000	10,530,000	17,691,839
Franchise fees	3,273,850	3,273,850	4,283,043
Fines & forfeitures	1,532,400	1,532,400	2,057,329
Licenses & permits	4,572,750	4,762,750	4,489,583
Charges for services	2,435,000	3,135,000	3,201,239
Intergovernmental	5,912,318	5,912,318	224,672
Investment earnings	1,030,000	1,388,000	1,769,762
Miscellaneous	1,844,897	2,567,522	2,645,728
Total Revenues	93,081,215	98,501,840	102,708,862

## 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 \$4.2M. This increase is primarily a result of higher than anticipated revenue from taxes other than sales tax.

# General Fund Budget to Actual Expenses

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>
General government	19,242,866	19,818,429	17,732,582
Animal shelter	1,065,074	1,065,074	1,039,856
Emergency services	2,780,480	2,992,841	2,831,284
Fit 2 live	151,037	151,037	99,861
Health	105,435	105,435	97,873
Neighborhood services	468,092	468,092	448,179
Parks and recreation	-	-	254,483
Fire	22,574,453	22,615,707	21,448,576
Police	29,593,945	31,026,064	30,656,632
Public Works	881,913	881,913	891,221
Sanitation	6,061,699	6,661,699	6,481,882
Senior citizens	1,090,593	1,090,593	1,075,387
Special appropriations	7,382,039	8,800,484	7,699,560
Capital Outlay	510,189	5,396,145	4,813,944
Debt Service			
Principal retirement	-	-	622,556
Interest & fiscal charges	-	-	-
Total Expenses	91,907,815	101,073,513	96,193,876

## HOW DID WE DO?

Total expenditures for the City's activities were \$96.2 million in 2024, a 8.5% decrease from 2023. This overall decrease is primarily a result of the March 31, 2023 tornado and the costs associated with debris removal around the City and in Burns Park. More than 600,000 cubic yards of debris was removed from the City resulting in a cost of approximately \$18 million. FEMA reimbursed the City 75% of this cost.

# Electric Department

The City of North Little Rock owns a municipal electric department (NLRED) which is reflected in the ACFR in the business-type activities. As of December 31, 2024, total assets and deferred outflows exceeded total liabilities and deferred inflows by \$183,923,132 for NLRED. Of the total net position, \$119,871,318 was invested in capital assets, \$1,805,967 was restricted for debt service, and \$62,245,847 was unrestricted.

## Key Ratios:

Current Ratio:	11.37
Debt Utilization Ratio:	4%





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, 2023

*Christopher P. Merrill*

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 12/31/2023. 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. 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 the 2024 award.