

DEBT MANAGEMENT

The City of Little Rock is authorized to issue General Obligation Bonds payable from ad valorem taxes to finance capital improvements. These bonds require majority voter approval prior to issuance. The Arkansas State constitution provides that the amount payable out of property taxes shall not exceed 20% of the City's assessed valuation. The City of Little Rock falls well below this statutory requirement. As of 12/31/2004, the amount of net debt outstanding was \$114,626,872. The legal debt margin allows the City flexibility to issue up to an additional \$390,130,038.

Generally, the City has experienced a stable financial condition as well as sound debt administration. For example, the City's net general obligation long-term debt per capita is \$625.75, well below \$1,200 per capita which would be a warning trend. This has allowed the City to enjoy favorable bond ratings on its General Obligation Bonds. The City has received an AA- bond rating from Standard & Poor's and an Aa3 rating from Moody's Investor Services.

CITY'S LEGAL DEBT MARGIN

2004 Assessed/Value:

(2003 Assessment collected in 2004)

Commercial & Personal Property	\$2,523,784,550
G.O. Debt Limit (20% of assessment)	504,756,910
Short-Term Financing Debt Limit (5% of assessment)	126,189,227
 Sub-Total Debt Limit	 630,946,137
 G.O. & Short-Term Bonds Outstanding @ 12/31/03	 125,521,961
 Less in Debt Service Fund	 10,895,089
 Outstanding Bonds, Net of Debt Service	 <u>114,626,872</u>
 Legal Debt Margin	 \$516,319,265

The legal debt limit is the maximum issuance of general obligation bonds. The debt limit is determined by combining the twenty percent (20%) of the assessed value of real estate in the Little Rock city limits for General Obligation Bonds with five percent (5%) of the assessed value of real estate in the Little Rock city limits for Short-Term Financing. For 2004, the legal debt limit is \$630,946,137 based on a total assessment of \$2,523,784,550. Each year it changes based upon the assessed value of real estate.

The City of Little Rock has three areas of current debt levels, which combined, equal the total debt level of the city. Current general obligation bonds as of December 31, 2004 total \$114,610,000. Short-term financings total \$10,911,961. Total general obligation bonds and short-term financings total \$125,521,961.

Even though by law the City can raise the general obligation and the short-term debt level to over \$630,946,137, it still has to have the resources to pay for it and in this case that would be an increase in value of existing and new property and/or an increase in millage. In the City of Little Rock's case, the millage required to fund over \$630 million in debt is approximately 18.54 mills. Currently, the property tax millage for the retirement of general obligation debt is 3.3 mills. This millage number can go as high as the legal debt limit will let it but only with the approval of voters. The voters of Little Rock at a special election held on November 4, 2003, continued the 3.3 mills annual ad valorem tax. Consequently, the City of Little Rock issued the \$70,635,000 Limited Tax General Obligation Bonds Series 2004 to finance capital improvements within the City of Little Rock.

By law, the City can only levy five mills for General Fund operations. The current levy is at the maximum. Since the City's General Fund budget is already extremely tight from current operations and expenses, general obligation debt will be issued when there is a voter approved millage increase for the retirement of the specific debt.

FUTURE DEBT SERVICE

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2005	\$7,471,238	\$4,223,511	\$11,694,749
2006	8,388,406	4,682,099	13,070,505
2007	8,417,652	4,378,204	12,795,856
2008	7,745,354	4,069,130	11,814,484
2009	7,109,455	3,782,699	10,892,154
2010	6,450,000	3,509,163	9,959,163
2011	6,720,000	3,252,698	9,972,698

BUDGET SUMMARIES

The following schedules summarize the audited 2003 operating results, the 2004 unaudited operating results, and the approved 2005 operating budget. The summaries are organized by fund type in a manner that is consistent with the fund organization in the City' audited Comprehensive Annual Financial Report.

The first summary is a recap of all of the six fund types included in this section. Following that, each of the fund types is summarized, and individual fund budget schedules then follow the summaries. The amounts reflected in this section are accumulated as follows: individual fund totals are included in the fund type summary; then the fund type summary totals are included in the recap of all fund types.

The City is required by state statute to budget for the administration, operation, maintenance and improvements of various City operations and is designed to demonstrate compliance with legal requirements. Other funds submitted are for informational purposes only.

The six types of funds are:

- General;
- Special Revenue;
- Capital;
- Proprietary;
- Fiduciary; and
- Debt Service.

For more information regarding these funds, see the section entitled FINANCIAL STRUCTURE.

**CITY OF LITTLE ROCK
BUDGET SUMMARY BY FUND TYPE
FOR YEARS 2003 - 2005**

	<u>GENERAL FUNDS</u>	<u>SPECIAL REVENUES</u>	<u>CAPITAL PROJECTS</u>	<u>ENTERPRISE FUNDS</u>	<u>INTERNAL SERVICE FUNDS</u>	<u>FIDUCIARY FUNDS</u>	<u>DEBT SERVICE FUNDS</u>
2003							
REVENUES:	\$103,105,763	\$30,671,009	\$5,000,298	\$37,235,359	\$6,235,325	\$44,347,966	\$11,476,148
EXPENDITURES:	<u>102,822,540</u>	<u>31,619,108</u>	<u>9,961,912</u>	<u>34,299,130</u>	<u>6,456,507</u>	<u>19,415,980</u>	<u>11,604,070</u>
REVENUES OVER (UNDER) EXPENDITURES	283,223	(948,099)	(4,961,614)	2,936,229	(221,182)	24,931,986	(127,922)
BEGINNING FUND BAL.	<u>7,843,138</u>	<u>10,733,292</u>	<u>21,943,704</u>	<u>14,599,910</u>	<u>3,948,183</u>	<u>163,620,921</u>	<u>13,832,041</u>
ENDING FUND BAL.	<u><u>8,126,361</u></u>	<u><u>9,785,193</u></u>	<u><u>16,982,090</u></u>	<u><u>17,536,139</u></u>	<u><u>3,727,001</u></u>	<u><u>188,552,907</u></u>	<u><u>13,704,119</u></u>
2004							
REVENUES:	112,564,394	32,063,276	92,434,780	38,420,666	7,096,230	27,060,587	24,171,471
EXPENDITURES:	<u>112,564,394</u>	<u>32,921,048</u>	<u>25,739,773</u>	<u>37,485,694</u>	<u>7,329,775</u>	<u>24,068,978</u>	<u>24,561,340</u>
REVENUES OVER (UNDER) EXPENDITURES		(857,772)	66,695,007	934,972	(233,545)	2,991,609	(389,869)
BEGINNING FUND BAL.	<u>8,126,361</u>	<u>9,785,193</u>	<u>16,982,090</u>	<u>17,536,139</u>	<u>3,727,001</u>	<u>188,552,907</u>	<u>13,704,119</u>
ENDING FUND BAL.	<u><u>8,126,361</u></u>	<u><u>8,927,420</u></u>	<u><u>83,677,097</u></u>	<u><u>18,471,109</u></u>	<u><u>3,493,456</u></u>	<u><u>191,544,516</u></u>	<u><u>13,314,250</u></u>
2005							
REVENUES:	113,396,953	13,779,254		27,094,316	7,136,203		
EXPENDITURES:	<u>113,396,953</u>	<u>14,522,925</u>		<u>26,336,687</u>	<u>7,136,203</u>		
REVENUES OVER (UNDER) EXPENDITURES		(743,671)		757,629			
BEGINNING FUND BAL.	<u>8,126,361</u>	<u>8,927,420</u>	<u>83,677,097</u>	<u>18,471,109</u>	<u>3,493,456</u>	<u>191,544,516</u>	<u>13,314,250</u>
ENDING FUND BAL.	<u><u>\$8,126,361</u></u>	<u><u>\$8,183,749</u></u>	<u><u>\$83,677,097</u></u>	<u><u>\$19,228,738</u></u>	<u><u>\$3,493,456</u></u>	<u><u>\$191,544,516</u></u>	<u><u>\$13,314,250</u></u>

**GENERAL GOVERNMENT SUMMARY
OPERATING BUDGET
2003 - 2005**

	ACTUAL 2,003	REVISED BUDGET 2004	ADOPTED BUDGET 2005
<u>GENERAL FUND -</u>			
REVENUES:	\$103,105,763	\$112,564,394	\$113,396,953
EXPENDITURES:	<u>102,822,540</u>	<u>112,564,394 *</u>	<u>113,396,953</u>
REVENUES OVER (UNDER) EXPENDITURES	283,223		
BEGINNING NET ASSETS	<u>7,843,138</u>	<u>8,126,361</u>	<u>8,126,361</u>
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	<u> </u>	<u> </u>	<u> </u>
ENDING NET ASSETS	<u><u>\$8,126,361</u></u>	<u><u>\$8,126,361</u></u>	<u><u>\$8,126,361</u></u>

The sources of operating revenue and the trends affecting them are discussed in the section of the budget titled REVENUES. The details of the operating budget by department and by service program are contained in the section of the budget titled EXPENDITURES. The transfers out primarily consist of appropriations for special projects and appropriations for FUTURE - Little Rock initiatives.

The General Government operating budget consists of: The City's General Fund; and user charges from the Fleet Internal Service Fund. The City of Little Rock utilizes a program budget for public information purposes and for Board consideration. Line item information is principally used internally for budgetary management and control purposes.

* General Fund Revised Budget Expenditures includes \$4,095,745 anticipated for Restricted Reserves. After the 2004 audit in March the actual amount for the Restricted Reserves will be known.

**SPECIAL REVENUE FUNDS
OPERATING BUDGET
2003 - 2005**

	ACTUAL 2003	REVISED BUDGET 2004	ADOPTED BUDGET 2005
<u>STREET -</u>			
REVENUES:	\$13,709,775	\$13,607,950	\$13,779,254
EXPENDITURES:	<u>12,913,566</u>	<u>14,021,876</u>	<u>14,522,925</u>
REVENUES OVER (UNDER) EXPENDITURES	796,209	(413,926)	(743,671)
BEGINNING FUND BALANCE	<u>1,474,329</u>	<u>2,270,538</u>	<u>1,856,612</u>
ENDING FUND BALANCE	<u><u>\$2,270,538</u></u>	<u><u>\$1,856,612</u></u>	<u><u>\$1,112,941</u></u>
<u>SPECIAL PROJECTS -</u>			
REVENUES:	\$6,268,092	\$7,356,734	
EXPENDITURES:	<u>7,005,285</u>	<u>6,606,113</u>	
REVENUES OVER (UNDER) EXPENDITURES	(737,193)	750,621	
BEGINNING FUND BALANCE	<u>3,375,311</u>	<u>2,638,118</u>	<u>3,388,739</u>
ENDING FUND BALANCE	<u><u>\$2,638,118</u></u>	<u><u>\$3,388,739</u></u>	<u><u>\$3,388,739</u></u>
<u>ECONOMIC DEVELOPMENT -</u>			
REVENUES:	\$2,389	\$2,547	
EXPENDITURES:		<u>2,975</u>	
REVENUES OVER (UNDER) EXPENDITURES	2,389	(428)	
BEGINNING FUND BALANCE	<u>115,204</u>	<u>117,593</u>	<u>117,165</u>
ENDING FUND BALANCE	<u><u>\$117,593</u></u>	<u><u>\$117,165</u></u>	<u><u>\$117,165</u></u>

**SPECIAL REVENUE FUNDS
OPERATING BUDGET
2003 - 2005**

	<u>ACTUAL 2003</u>	<u>REVISED BUDGET 2004</u>	<u>ADOPTED BUDGET 2005</u>
<u>INFRASTRUCTURE -</u>			
REVENUES:	\$40,274	\$36,096	
EXPENDITURES:	<u>461,565</u>	<u>121,677</u>	
REVENUES OVER (UNDER) EXPENDITURES	(421,291)	(85,582)	
BEGINNING FUND BALANCE	<u>2,332,645</u>	<u>1,911,354</u>	<u>1,825,772</u>
ENDING FUND BALANCE	<u><u>\$1,911,354</u></u>	<u><u>\$1,825,772</u></u>	<u><u>\$1,825,772</u></u>
<u>EMERGENCY 911 -</u>			
REVENUES:	\$1,442,847	\$1,693,765	
EXPENDITURES:	<u>1,107,414</u>	<u>1,448,476</u>	
REVENUES OVER (UNDER) EXPENDITURES	335,433	245,289	
BEGINNING FUND BALANCE	<u>1,184,942</u>	<u>1,520,375</u>	<u>1,765,664</u>
ENDING FUND BALANCE	<u><u>\$1,520,375</u></u>	<u><u>\$1,765,664</u></u>	<u><u>\$1,765,664</u></u>
<u>GRANTS -</u>			
REVENUES:	\$3,110,038	\$4,848,153	
EXPENDITURES:	<u>3,248,285</u>	<u>6,292,476</u>	
REVENUES OVER (UNDER) EXPENDITURES	(138,247)	(1,444,323)	
BEGINNING FUND BALANCE	<u>101,562</u>	<u>(36,685)</u>	<u>(1,481,008)</u>
ENDING FUND BALANCE	<u><u>(\$36,685)</u></u>	<u><u>(\$1,481,008)</u></u>	<u><u>(\$1,481,008)</u></u>

**SPECIAL REVENUE FUNDS
OPERATING BUDGET
2003 - 2005**

	<u>ACTUAL 2003</u>	<u>REVISED BUDGET 2004</u>	<u>ADOPTED BUDGET 2005</u>
<u>CDBG/HIPP/NHSP -</u>			
REVENUES:	\$5,949,903	\$4,518,031	
EXPENDITURES:	<u>6,735,302</u>	<u>4,427,455</u>	
REVENUES OVER (UNDER) EXPENDITURES	(785,399)	90,576	
BEGINNING FUND BALANCE	<u>2,149,299</u>	<u>1,363,900</u>	<u>1,454,476</u>
ENDING FUND BALANCE	<u><u>\$1,363,900</u></u>	<u><u>\$1,454,476</u></u>	<u><u>\$1,454,476</u></u>
<u>WELFARE to WORK -</u>			
REVENUES:	\$147,691		
EXPENDITURES:	<u>147,691</u>		
REVENUES OVER (UNDER) EXPENDITURES			
BEGINNING FUND BALANCE			
ENDING FUND BALANCE	<u><u>\$0</u></u>		
TOTAL BEGINNING FUND BALANCE	10,733,292	9,785,193	8,927,420
TOTAL REVENUES	30,671,009	32,063,276	13,779,254
TOTAL EXPENDITURES	<u>31,619,108</u>	<u>32,921,048</u>	<u>14,522,925</u>
TOTAL ENDING FUND BALANCE	<u><u>\$9,785,193</u></u>	<u><u>\$8,927,420</u></u>	<u><u>\$8,183,749</u></u>

**CAPITAL FUNDS
OPERATING BUDGET
2003 - 2005**

	ACTUAL 2003	REVISED BUDGET 2004	ADOPTED BUDGET 2005
<u>1988 CAPITAL IMPROVEMENTS -</u>			
REVENUES:	\$79,124	\$109,988	
EXPENDITURES:	<u>118,641</u>	<u>339,956</u>	
REVENUES OVER (UNDER) EXPENDITURES	(39,517)	(229,968)	
BEGINNING FUND BALANCE	<u>2,506,698</u>	<u>2,467,181</u>	<u>2,237,212</u>
ENDING FUND BALANCE	<u><u>\$2,467,181</u></u>	<u><u>\$2,237,212</u></u>	<u><u>\$2,237,212</u></u>
<u>1997 CAPITAL IMPROV. REVENUE</u>			
REVENUES:	\$277,394		
EXPENDITURES:	<u>413,727</u>		
REVENUES OVER (UNDER) EXPENDITURES	(136,333)		
BEGINNING FUND BALANCE	<u>178,074</u>	<u>41,742</u>	<u>41,742</u>
ENDING FUND BALANCE	<u><u>\$41,742</u></u>	<u><u>\$41,742</u></u>	<u><u>\$41,742</u></u>
<u>1998 CAPITAL IMPROVEMENTS - PARKS -</u>			
REVENUES:	\$207,081	\$8,710	
EXPENDITURES:	<u>95,723</u>	<u>14,238</u>	
REVENUES OVER (UNDER) EXPENDITURES	111,358	(5,528)	
BEGINNING FUND BALANCE	<u>828,770</u>	<u>940,128</u>	<u>934,600</u>
ENDING FUND BALANCE	<u><u>\$940,128</u></u>	<u><u>\$934,600</u></u>	<u><u>\$934,600</u></u>

**CAPITAL FUNDS
OPERATING BUDGET
2003 - 2005**

	ACTUAL 2003	REVISED BUDGET 2004	ADOPTED BUDGET 2005
<u>1995 CAPITAL IMPROVEMENTS -</u>			
REVENUES:	\$13,122	\$16,135	
EXPENDITURES:	<u>235,126</u>	<u>143,401</u>	
REVENUES OVER (UNDER) EXPENDITURES	(222,004)	(127,266)	
BEGINNING FUND BALANCE	<u>894,921</u>	<u>672,919</u>	<u>545,653</u>
ENDING FUND BALANCE	<u><u>\$672,919</u></u>	<u><u>\$545,653</u></u>	<u><u>\$545,653</u></u>
<u>1998 CAPITAL IMPROVEMENTS -</u>			
REVENUES:	\$51,406	\$116,309	
EXPENDITURES:	<u>1,411,332</u>	<u>621,700</u>	
REVENUES OVER (UNDER) EXPENDITURES	(1,359,926)	(505,391)	
BEGINNING FUND BALANCE	<u>6,543,782</u>	<u>5,183,856</u>	<u>4,678,465</u>
ENDING FUND BALANCE	<u><u>\$5,183,856</u></u>	<u><u>\$4,678,465</u></u>	<u><u>\$4,678,465</u></u>
<u>1999 CAPITAL IMPROVEMENTS -</u>			
REVENUES:	\$62,802	\$80,710	
EXPENDITURES:	<u>1,333,584</u>	<u>5,502,208</u>	
REVENUES OVER (UNDER) EXPENDITURES	(1,270,782)	(5,421,498)	
BEGINNING FUND BALANCE	<u>8,635,032</u>	<u>7,364,251</u>	<u>1,942,753</u>
ENDING FUND BALANCE	<u><u>\$7,364,251</u></u>	<u><u>\$1,942,753</u></u>	<u><u>\$1,942,753</u></u>

**CAPITAL FUNDS
OPERATING BUDGET
2003 - 2005**

	ACTUAL 2003	REVISED BUDGET 2004	ADOPTED BUDGET 2005
<u>SHORT - TERM FINANCING</u>			
REVENUES:	\$4,309,369	\$4,347,782	
EXPENDITURES:	<u>5,288,412</u>	<u>3,154,038</u>	
REVENUES OVER (UNDER) EXPENDITURES	(979,043)	1,193,744	
BEGINNING FUND BALANCE	<u>1,244,520</u>	<u>265,476</u>	<u>1,459,220</u>
ENDING FUND BALANCE	<u><u>\$265,476</u></u>	<u><u>\$1,459,220</u></u>	<u><u>\$1,459,220</u></u>
<u>FIRE IMPROVEMENT FUNDING (2004)</u>			
REVENUES:		\$12,075,000	
EXPENDITURES:		<u>1,995,203</u>	
REVENUES OVER (UNDER) EXPENDITURES		10,079,797	
BEGINNING FUND BALANCE			<u>10,079,797</u>
ENDING FUND BALANCE		<u><u>\$10,079,797</u></u>	<u><u>\$10,079,797</u></u>
<u>POLICE IMPROVEMENT FUNDING (2004)</u>			
REVENUES:		\$850,000	
EXPENDITURES:		<u>341,966</u>	
REVENUES OVER (UNDER) EXPENDITURES		508,034	
BEGINNING FUND BALANCE			<u>508,034</u>
ENDING FUND BALANCE		<u><u>\$508,034</u></u>	<u><u>\$508,034</u></u>

**CAPITAL FUNDS
OPERATING BUDGET
2003 - 2005**

	ACTUAL 2003	REVISED BUDGET 2004	ADOPTED BUDGET 2005
<u>EMERGENCY COMMUNICATION IMM. (2004)</u>			
REVENUES:		\$10,975,154	
EXPENDITURES:		1,883,584	
REVENUES OVER (UNDER) EXPENDITURES		9,091,570	
BEGINNING FUND BALANCE			9,091,570
ENDING FUND BALANCE		\$9,091,570	\$9,091,570
<u>STREET IMPROVEMENT FUNDING (2004)</u>			
REVENUES:		\$24,865,000	
EXPENDITURES:		5,450,491	
REVENUES OVER (UNDER) EXPENDITURES		19,414,509	
BEGINNING FUND BALANCE			19,414,509
ENDING FUND BALANCE		\$19,414,509	\$19,414,509
<u>DRAINAGE IMPROVEMENT FUND (2004)</u>			
REVENUES:		\$4,120,000	
EXPENDITURES:		456,413	
REVENUES OVER (UNDER) EXPENDITURES		3,663,587	
BEGINNING FUND BALANCE			3,663,587
ENDING FUND BALANCE		\$3,663,587	\$3,663,587

**CAPITAL FUNDS
OPERATING BUDGET
2003 - 2005**

	ACTUAL 2003	REVISED BUDGET 2004	ADOPTED BUDGET 2005
<u>ANIMAL SERVICES IMPROVEMENT (2004)</u>			
REVENUES:		\$1,200,000	
EXPENDITURES:			
REVENUES OVER (UNDER) EXPENDITURES		1,200,000	
BEGINNING FUND BALANCE			1,200,000
ENDING FUND BALANCE		\$1,200,000	\$1,200,000
<u>ROB. & STATEHOUSE CONVENTION (2004)</u>			
REVENUES:		\$1,000,000	
EXPENDITURES:		656,404	
REVENUES OVER (UNDER) EXPENDITURES		343,596	
BEGINNING FUND BALANCE			343,596
ENDING FUND BALANCE		\$343,596	\$343,596
<u>LIBRARY IMPROVEMENT (2004)</u>			
REVENUES:		\$15,665,383	
EXPENDITURES:		1,081,449	
REVENUES OVER (UNDER) EXPENDITURES		14,583,934	
BEGINNING FUND BALANCE			14,583,934
ENDING FUND BALANCE		\$14,583,934	\$14,583,934

**CAPITAL FUNDS
OPERATING BUDGET
2003 - 2005**

	ACTUAL 2003	REVISED BUDGET 2004	ADOPTED BUDGET 2005
<u>ISSUANCE AND RESERVE FUND (2004)</u>			
REVENUES:		\$2,140,176	
EXPENDITURES:	<u>1,932,434</u>	<u>1,932,434</u>	
REVENUES OVER (UNDER) EXPENDITURES		207,742	
BEGINNING FUND BALANCE	<u> </u>	<u> </u>	<u>207,742</u>
ENDING FUND BALANCE	<u><u> </u></u>	<u><u>\$207,742</u></u>	<u><u>\$207,742</u></u>
<u>JUNIOR LIEN</u>			
REVENUES:		(\$567)	
EXPENDITURES:	<u>1,065,367</u>	<u>45,973</u>	
REVENUES OVER (UNDER) EXPENDITURES	(1,065,367)	(46,540)	
BEGINNING FUND BALANCE	<u>1,111,907</u>	<u>46,540</u>	<u> </u>
ENDING FUND BALANCE	<u><u>\$46,540</u></u>	<u><u>\$0</u></u>	<u><u> </u></u>
TOTAL CAPITAL BEGINNING BALANCE	21,943,704	16,982,090	83,677,097
TOTAL REVENUES	5,000,298	92,434,780	
TOTAL EXPENDITURES	9,961,912	25,739,773	
TOTAL CAPITAL ENDING FUND BALANCE	<u><u>\$16,982,090</u></u>	<u><u>\$83,677,097</u></u>	<u><u>\$83,677,097</u></u>

**ENTERPRISE FUNDS
OPERATING BUDGET
2003 - 2005**

	ACTUAL 2003	REVISED BUDGET 2004	ADOPTED BUDGET 2005
<u>WASTE DISPOSAL -</u>			
REVENUES:	\$17,130,639	\$19,203,756	\$14,800,400
EXPENDITURES:	<u>15,316,104</u>	<u>18,976,980</u>	<u>14,052,970</u>
REVENUES OVER (UNDER)	1,814,535	226,776	747,430
BEGINNING NET ASSETS	<u>7,923,757</u>	<u>9,738,292</u>	<u>9,965,068</u>
ENDING NET ASSETS	<u><u>\$9,738,292</u></u>	<u><u>\$9,965,068</u></u>	<u><u>\$10,712,498</u></u>
<u>RIVER MARKET -</u>			
REVENUES:	\$9,668,971	\$9,306,163	\$2,646,010
EXPENDITURES:	<u>9,835,184</u>	<u>9,037,216</u>	<u>2,653,660</u>
REVENUES OVER (UNDER)			
NET INCOME (LOSS)	(166,213)	268,947	(7,650)
BEGINNING NET ASSETS	<u>4,959,620</u>	<u>4,793,407</u>	<u>5,062,354</u>
ENDING NET ASSETS	<u><u>\$4,793,407</u></u>	<u><u>\$5,062,354</u></u>	<u><u>\$5,054,704</u></u>
<u>CONCESSIONS -</u>			
REVENUES:	\$177,659	\$96,972	\$128,831
EXPENDITURES:	<u>234,170</u>	<u>148,663</u>	<u>122,090</u>
REVENUES OVER (UNDER)			
EXPENDITURES	(56,511)	(51,691)	6,741
BEGINNING NET ASSETS	<u>(215,282)</u>	<u>(271,792)</u>	<u>(323,484)</u>
ENDING NET ASSETS	<u><u>(\$271,792)</u></u>	<u><u>(\$323,484)</u></u>	<u><u>(\$316,742)</u></u>

**ENTERPRISE FUNDS
OPERATING BUDGET
2003 - 2005**

	ACTUAL 2003	REVISED BUDGET 2004	ADOPTED BUDGET 2005
<u>ZOO -</u>			
REVENUES:	\$4,602,757	\$3,379,438	\$3,941,218
EXPENDITURES:	<u>3,617,119</u>	<u>3,595,443</u>	<u>3,941,218</u>
REVENUES OVER (UNDER) NET INCOME (LOSS)	985,638	(216,005)	
BEGINNING NET ASSETS	<u>1,947,464</u>	<u>2,933,101</u>	<u>2,717,096</u>
ENDING NET ASSETS	<u><u>\$2,933,102</u></u>	<u><u>\$2,717,096</u></u>	<u><u>\$2,717,096</u></u>
<u>GOLF -</u>			
REVENUES:	\$2,106,937	\$2,381,507	\$2,757,359
EXPENDITURES:	<u>2,404,857</u>	<u>2,775,829</u>	<u>2,752,221</u>
REVENUES OVER (UNDER) EXPENDITURES	(297,920)	(394,322)	5,138
BEGINNING NET ASSETS	<u>1,132,970</u>	<u>835,051</u>	<u>440,728</u>
ENDING NET ASSETS	<u><u>\$835,051</u></u>	<u><u>\$440,728</u></u>	<u><u>\$445,866</u></u>
<u>WAR MEMORIAL FITNESS CENTER -</u>			
REVENUES:	\$873,254	\$1,058,812	\$1,061,469
EXPENDITURES:	<u>972,708</u>	<u>940,644</u>	<u>1,058,678</u>
REVENUES OVER (UNDER) NET INCOME (LOSS)	(99,454)	118,168	2,791
BEGINNING NET ASSETS	<u>2,476,129</u>	<u>2,376,673</u>	<u>2,494,841</u>
ENDING NET ASSETS	<u><u>\$2,376,673</u></u>	<u><u>\$2,494,841</u></u>	<u><u>\$2,497,632</u></u>

**ENTERPRISE FUNDS
OPERATING BUDGET
2003 - 2005**

	ACTUAL 2003	REVISED BUDGET 2004	ADOPTED BUDGET 2005
<u>VEHICLE STORAGE FACILITY</u>			
REVENUES:	\$1,344,172	\$1,654,454	\$1,759,029
EXPENDITURES:	<u>1,415,746</u>	<u>1,573,700</u>	<u>1,755,850</u>
REVENUES OVER (UNDER) EXPENDITURES	(71,574)	80,754	3,179
BEGINNING NET ASSETS	<u>(40,526)</u>	<u>(112,100)</u>	<u>(31,347)</u>
ENDING NET ASSETS	<u><u>(\$112,100)</u></u>	<u><u>(\$31,347)</u></u>	<u><u>(\$28,168)</u></u>
<u>RECREATION SERVICES -</u>			
REVENUES:	\$1,330,970	\$1,339,564	
EXPENDITURES:	<u>503,242</u>	<u>437,219</u>	
REVENUES OVER (UNDER) EXPENDITURES	827,728	902,346	
BEGINNING NET ASSETS	<u>(3,584,222)</u>	<u>(2,756,493)</u>	<u>(1,854,147)</u>
ENDING NET ASSETS	<u><u>(\$2,756,493)</u></u>	<u><u>(\$1,854,147)</u></u>	<u><u>(\$1,854,147)</u></u>
TOTAL ENTERPRISE BEGINNING NET ASSETS	14,599,910	17,536,139	18,471,109
TOTAL REVENUES	37,235,359	38,420,666	27,094,316
TOTAL EXPENDITURES	<u>34,299,130</u>	<u>37,485,694</u>	<u>26,336,687</u>
TOTAL ENTERPRISE ENDING NET ASSETS	<u><u>\$17,536,139</u></u>	<u><u>\$18,471,109</u></u>	<u><u>\$19,228,738</u></u>

**FLEET INTERNAL SERVICE FUND
OPERATING BUDGET
2003 - 2005**

	ACTUAL 2003	REVISED BUDGET 2004	ADOPTED BUDGET 2005
<u>FLEET INTERNAL SERVICE -</u>			
REVENUES:	\$6,235,325	\$7,096,230	\$7,136,203
EXPENDITURES:	<u>6,456,507</u>	<u>7,329,775</u>	<u>7,136,203</u>
REVENUES OVER (UNDER) EXPENDITURES	(221,182)	(233,545)	
BEGINNING NET ASSETS	<u>3,948,183</u>	<u>3,727,001</u>	<u>3,493,456</u>
ENDING NET ASSETS	<u><u>\$3,727,001</u></u>	<u><u>\$3,493,456</u></u>	<u><u>\$3,493,456</u></u>

**FIDUCIARY FUNDS
OPERATING BUDGET
2003 - 2005**

	ACTUAL 2003	REVISED BUDGET 2004	ADOPTED BUDGET 2005
<u>POLICE PENSION & RELIEF FUND -</u>			
ADDITIONS:	\$18,056,546	\$10,937,632	
DEDUCTIONS:	<u>9,000,307</u>	<u>11,280,046</u>	
NET INCREASE (DECREASE)	9,056,239	(342,414)	
NET ASSETS HELD IN TRUST, BEGINNING	<u>55,002,925</u>	<u>64,059,162</u>	<u>63,716,748</u>
NET ASSETS HELD IN TRUST, ENDING	<u><u>\$64,059,162</u></u>	<u><u>\$63,716,748</u></u>	<u><u>\$63,716,748</u></u>
<u>FIRE PENSION & RELIEF FUND -</u>			
ADDITIONS:	\$16,575,686	\$8,767,969	
DEDUCTIONS:	<u>7,464,477</u>	<u>9,495,084</u>	
NET INCREASE (DECREASE)	9,111,209	(727,115)	
NET ASSETS HELD IN TRUST, BEGINNING	<u>78,015,963</u>	<u>87,127,171</u>	<u>86,400,055</u>
NET ASSETS HELD IN TRUST, ENDING	<u><u>\$87,127,171</u></u>	<u><u>\$86,400,055</u></u>	<u><u>\$86,400,055</u></u>
<u>MUNICIPAL JUDGE RETIREMENT FUND - *</u>			
ADDITIONS:	\$67,302	\$75,459	
DEDUCTIONS:	<u>85,443</u>	<u>107,559</u>	
NET INCREASE (DECREASE)	(18,141)	(32,100)	
NET ASSETS HELD IN TRUST, BEGINNING	<u>627,016</u>	<u>608,875</u>	<u>576,776</u>
NET ASSETS HELD IN TRUST, ENDING	<u><u>\$608,875</u></u>	<u><u>\$576,776</u></u>	<u><u>\$576,776</u></u>

* Replaced by statewide retirement system of District Judges and court clerks as of January 1, 2005.
All Assets must be transferred to the statewide system in January 2005.

**FIDUCIARY FUNDS
OPERATING BUDGET
2003 - 2005**

	ACTUAL 2003	REVISED BUDGET 2004	ADOPTED BUDGET 2005
<u>NON-UNIFORM DEFINED BENEFIT FUND</u>			
ADDITIONS:	\$2,116,801	\$1,858,376	
DEDUCTIONS:	<u>1,159,537</u>	<u>1,026,352</u>	
NET INCREASE (DECREASE)	957,264	832,024	
NET ASSETS HELD IN TRUST, BEGINNING	<u>7,417,924</u>	<u>8,375,189</u>	<u>9,207,213</u>
NET ASSETS HELD IN TRUST, ENDING	<u><u>\$8,375,189</u></u>	<u><u>\$9,207,213</u></u>	<u><u>\$9,207,213</u></u>
<u>NON-UNIFORM DEFINED CONTRIBUTION</u>			
ADDITIONS:	\$6,589,310	\$5,040,165	
DEDUCTIONS:	<u>1,570,523</u>	<u>1,907,413</u>	
NET INCREASE (DECREASE)	5,018,787	3,132,752	
NET ASSETS HELD IN TRUST, BEGINNING	<u>20,855,169</u>	<u>25,873,956</u>	<u>29,006,708</u>
NET ASSETS HELD IN TRUST, ENDING	<u><u>\$25,873,956</u></u>	<u><u>\$29,006,708</u></u>	<u><u>\$29,006,708</u></u>
<u>401 (A) PENSION FUND -</u>			
ADDITIONS:	\$942,321	\$380,986	
DEDUCTIONS:	<u>135,693</u>	<u>252,524</u>	
NET INCREASE (DECREASE)	806,628	128,462	
NET ASSETS HELD IN TRUST, BEGINNING	<u>1,701,924</u>	<u>2,508,552</u>	<u>2,637,015</u>
NET ASSETS HELD IN TRUST, ENDING	<u><u>\$2,508,552</u></u>	<u><u>\$2,637,015</u></u>	<u><u>\$2,637,015</u></u>

**FIDUCIARY FUNDS
OPERATING BUDGET
2003 - 2005**

	ACTUAL 2003	REVISED BUDGET 2004	ADOPTED BUDGET 2005
TOTAL NET ASSETS BEGINNING	<u>163,620,921</u>	<u>188,552,907</u>	<u>191,544,516</u>
TOTAL ADDITIONS	44,347,966	27,060,587	
TOTAL DEDUCTIONS	<u>19,415,980</u>	<u>24,068,978</u>	<u> </u>
TOTAL NET ASSETS ENDING	<u><u>\$188,552,907</u></u>	<u><u>\$191,544,516</u></u>	<u><u>\$191,544,516</u></u>

**DEBT SERVICE FUNDS
OPERATING BUDGET
2003 - 2005**

	ACTUAL 2003	REVISED BUDGET 2004	ADOPTED BUDGET 2005
<u>1999 IMPROVEMENT BONDS FUND (LIBRARY)</u>			
REVENUE:	\$2,286,962	\$1,443,159	
EXPENDITURES:	<u>2,256,155</u>	<u>3,571,336</u>	
NET INCREASE (DECREASE)	30,807	(2,128,177)	
BEGINNING FUND BALANCE	<u>2,336,046</u>	<u>2,366,853</u>	<u>238,676</u>
ENDING FUND BALANCE	<u><u>\$2,366,853</u></u>	<u><u>\$238,676</u></u>	<u><u>\$238,676</u></u>
<u>2001 REFUNDING BOND ISSUE FUND</u>			
REVENUES:	\$7,463,739	\$46,144	
EXPENDITURES:	<u>7,535,245</u>	<u>7,553,274</u>	
NET INCREASE (DECREASE)	(71,506)	(7,507,130)	
BEGINNING FUND BALANCE	<u>7,578,636</u>	<u>7,507,130</u>	
ENDING FUND BALANCE	<u><u>\$7,507,130</u></u>	<u><u>\$0</u></u>	
<u>1998 INFRASTRUCTURE DEBT SERVICE</u>			
REVENUE:	\$1,410,318	\$1,552,795	
EXPENDITURES:	<u>1,499,820</u>	<u>1,496,823</u>	
NET INCREASE (DECREASE)	(89,502)	55,972	
BEGINNING FUND BALANCE	<u>1,616,776</u>	<u>1,527,274</u>	<u>1,583,247</u>
ENDING FUND BALANCE	<u><u>\$1,527,274</u></u>	<u><u>\$1,583,247</u></u>	<u><u>\$1,583,247</u></u>

**DEBT SERVICE FUNDS
OPERATING BUDGET
2003 - 2005**

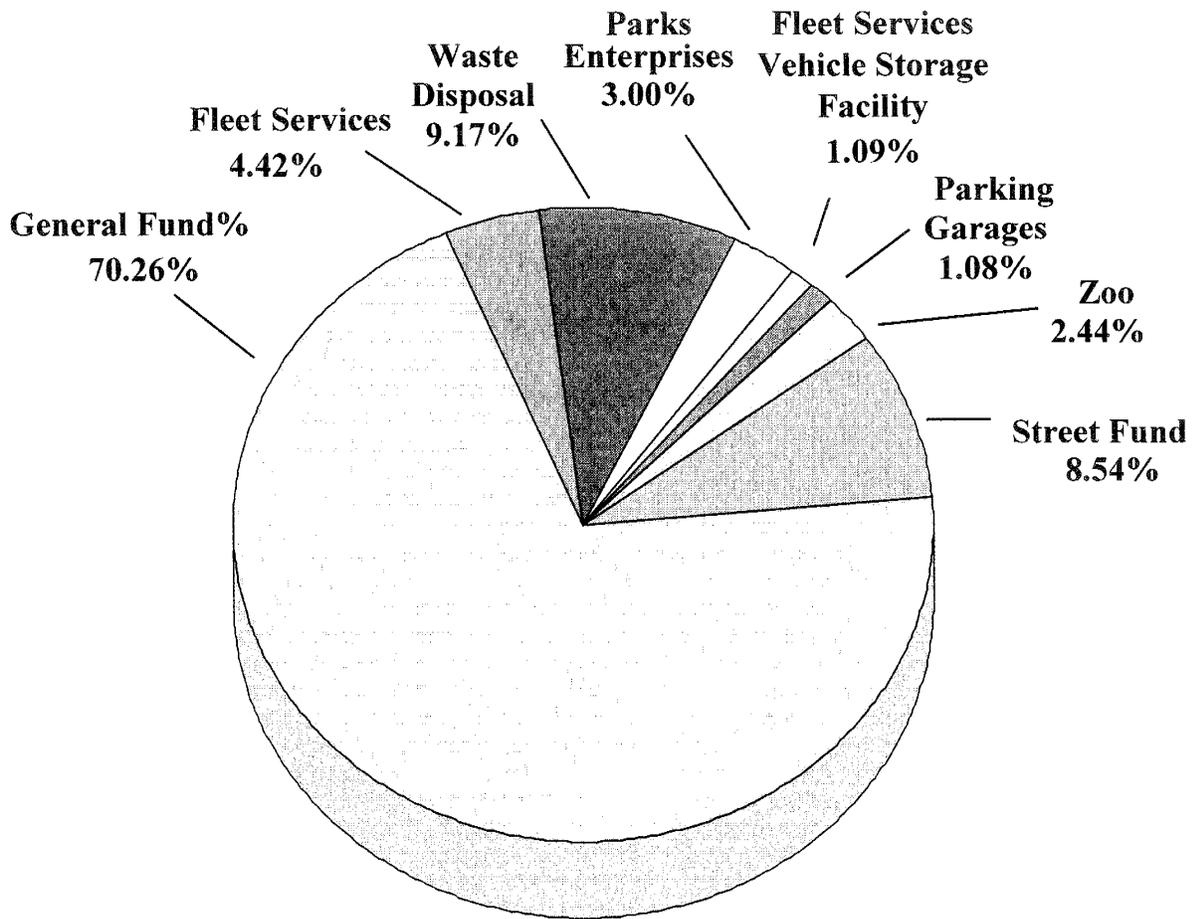
	ACTUAL 2003	REVISED BUDGET 2004	ADOPTED BUDGET 2005
<u>2002 CIP JUNIOR LIEN BONDS</u>			
REVENUE:	\$315,129	\$356,064	
EXPENDITURES:	<u>312,850</u>	<u>323,448</u>	
NET INCREASE (DECREASE)	2,279	32,616	
BEGINNING FUND BALANCE	<u>4,022</u>	<u>6,301</u>	<u>38,917</u>
ENDING FUND BALANCE	<u><u>\$6,301</u></u>	<u><u>\$38,917</u></u>	<u><u>\$38,917</u></u>
<u>2004 LIMITED TAX GO CIP BONDS</u>			
REVENUE:			
EXPENDITURES:			
NET INCREASE (DECREASE)			
BEGINNING FUND BALANCE	<u>2,296,561</u>	<u>2,296,561</u>	<u>2,296,561</u>
ENDING FUND BALANCE	<u><u>\$2,296,561</u></u>	<u><u>\$2,296,561</u></u>	<u><u>\$2,296,561</u></u>
<u>2004 IMPROVEMENT BONDS DEBT SERVICE</u>			
REVENUE:		\$10,153,033	
EXPENDITURES:		<u>2,013,419</u>	
NET INCREASE (DECREASE)		8,139,614	
BEGINNING FUND BALANCE			<u>8,139,614</u>
ENDING FUND BALANCE		<u><u>\$8,139,614</u></u>	<u><u>\$8,139,614</u></u>

**DEBT SERVICE FUNDS
OPERATING BUDGET
2003 - 2005**

	ACTUAL 2003	REVISED BUDGET 2004	ADOPTED BUDGET 2005
<u>2004 LIBRARY IMP. BONDS DEBT SERVICE</u>			
REVENUE:		\$1,172,351	
EXPENDITURES:		160,127	
NET INCREASE (DECREASE)		1,012,224	
BEGINNING FUND BALANCE			1,012,224
ENDING FUND BALANCE		\$1,012,224	\$1,012,224
<u>2004 LIBRARY IMP. BONDS REFUNDING</u>			
REVENUE:		\$9,447,925	
EXPENDITURES:		9,442,913	
NET INCREASE (DECREASE)		5,011	
BEGINNING FUND BALANCE			5,011
ENDING FUND BALANCE		\$5,011	\$5,011
TOTAL BEGINNING FUND BALANCE	\$13,832,041	\$13,704,119	\$13,314,250
TOTAL REVENUES	11,476,148	24,171,471	
TOTAL EXPENDITURES	11,604,070	24,561,340	
TOTAL ENDING FUND BALANCE	\$13,704,119	\$13,314,250	\$13,314,250

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CITY OF LITTLE ROCK 2005 BUDGET SUMMARY ALL FUNDS RESOURCES

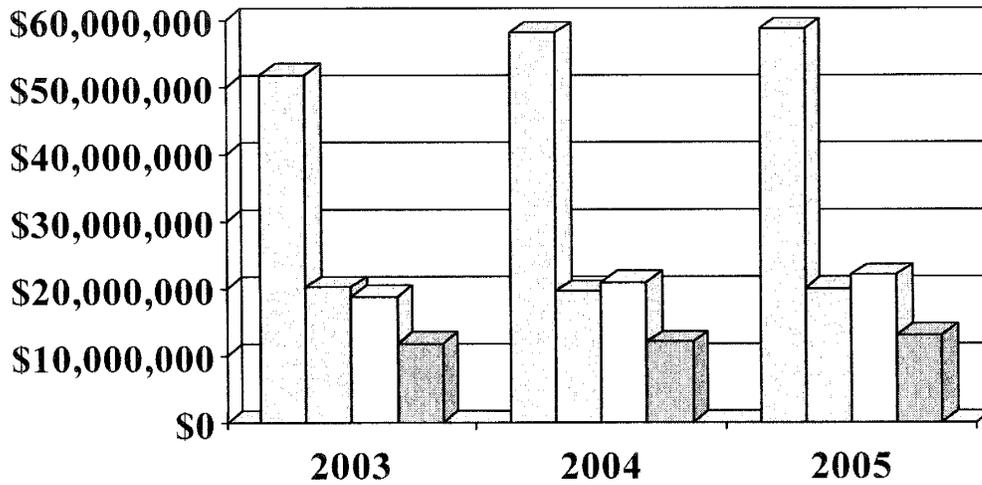


\$161,406,726

**CITY OF LITTLE ROCK
2005 OPERATING REVENUE**

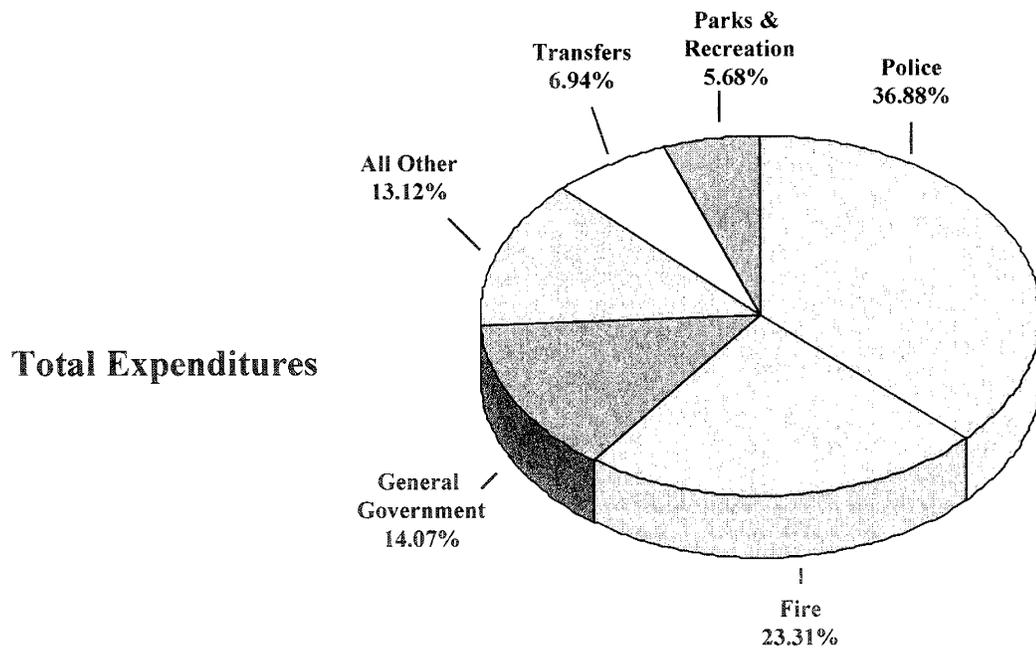
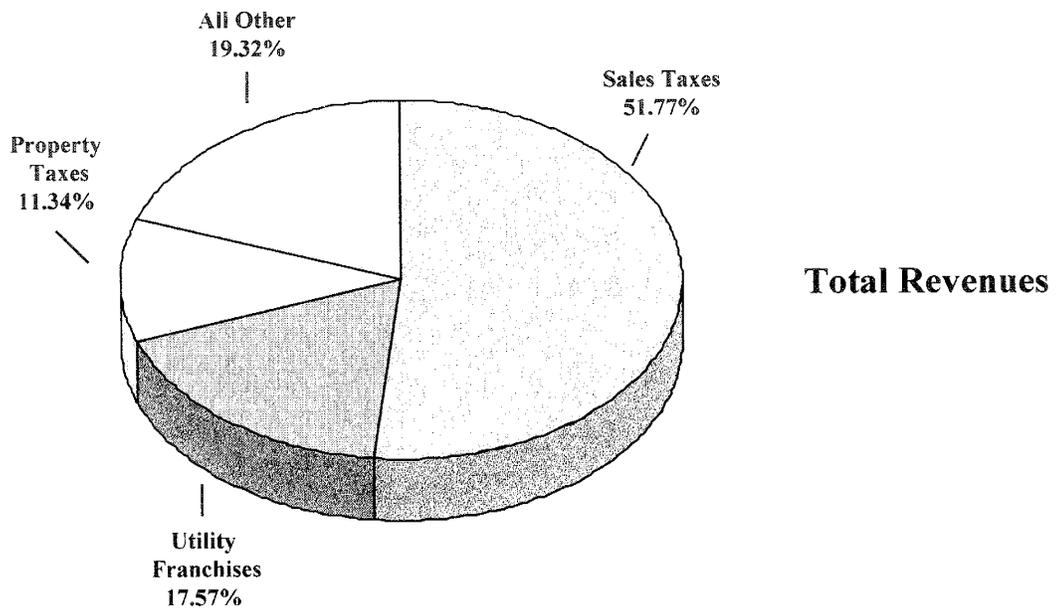
REVENUES:	2003 ACTUAL	2004 ADOPTED	2005 ADOPTED	04/05 DIFF	% CHANGE
Property Taxes	\$11,620,707	\$11,934,955	\$12,862,034	\$927,079	8%
Sales Tax	51,240,766	58,149,909	58,703,537	553,628	1%
Interest Earnings	54,352	171,111	360,943	189,832	111%
Utility Franchises	19,755,331	19,471,740	19,918,549	446,809	2%
Business Licenses	5,348,142	5,353,289	5,375,140	21,851	0%
Mixed Drinks	1,075,012	1,091,848	1,079,135	-12,713	-1%
Building, Related Permits	2,240,397	1,990,000	2,400,499	410,499	21%
Fines	3,384,532	3,739,677	3,480,296	-259,381	-7%
Park Revenue	440,473	438,275	498,260	59,985	14%
Airport Reimbursement	1,846,780	2,036,851	1,999,754	-37,097	-2%
Salary Reimbursement 911	1,007,132	1,047,417	1,089,314	41,897	4%
Insurance Pension Turnback	1,834,379	2,235,000	2,764,330	529,330	24%
All Other	1,166,770	1,744,936	1,546,790	-198,146	-11%
Transfers In	2,090,990	1,002,048	1,318,372	316,324	32%
Total General Fund	103,105,763	110,407,056	113,396,953	2,989,897	3%
Other Budgeted Funds					
Zoo	3,429,778	3,375,695	3,941,218	565,523	17%
Golf	1,493,166	2,478,096	2,757,359	279,263	11%
War Memorial Fitness Center	730,151	1,063,250	1,061,469	-1,781	0%
Concessions	177,660	119,780	128,831	9,051	8%
River Market	638,330	907,513	904,757	-2,756	0%
Waste Disposal	13,577,363	14,441,666	14,800,400	358,734	2%
Vehicle Storage Facility	1,344,172	1,464,687	1,759,029	294,342	20%
Parking Garages			1,741,253	1,741,253	
Street	13,384,775	13,607,950	13,779,254	171,304	1%
Fleet Services	6,235,324	6,643,557	7,136,203	492,646	7%
Total Other Budgeted Funds	41,010,719	44,102,194	48,009,773	3,907,579	9%
Total All Budgeted Funds	\$144,116,482	\$154,509,250	\$161,406,726	\$6,897,476	4%

General Government Summary of Revenues 2003-2005



□ Sales Taxes □ Utility Franchises □ All Other □ Property Taxes

FY 2005 GENERAL FUND



**CITY OF LITTLE ROCK
2005 OPERATING REVENUE**

	<u>2003 ACTUAL BUDGET</u>	<u>2004 ADOPTED BUDGET</u>	<u>2005 ADOPTED BUDGET</u>
GENERAL FUND			
Property Taxes	\$ 10,706,114	\$ 10,991,460	\$ 11,917,734
Homestead Taxes	798,907	824,515	833,354
Act 9 Industry Payment	115,686	118,980	110,946
Total Property Taxes	\$ <u>11,620,707</u>	\$ <u>11,934,955</u>	\$ <u>12,862,034</u>
County Sales & Use Tax	\$ 29,257,891	\$ 35,996,690	\$ 34,893,328
City Sales Tax	\$ 19,198,914	\$ 19,312,566	\$ 20,879,680
State Tax Turnback	\$ 2,783,961	\$ 2,840,653	\$ 2,930,531
Interest Income	\$ 54,352	\$ 171,111	\$ 360,943
Interest On Bank			
Total Interest Income	\$ <u>54,352</u>	\$ <u>171,111</u>	\$ <u>360,943</u>
UTILITY FRANCHISE -			
Entergy	\$ 8,593,779	\$ 8,432,740	\$ 8,729,924
S W Bell	1,897,782	1,833,200	1,586,589
Long Dist. Franchise Fees	1,158,168	1,116,147	908,465
Centerpoint/Ark	3,487,549	3,652,200	3,665,108
Central Ark Water	1,129,866	1,077,630	1,190,858
LR Waste Water	1,284,586	1,260,813	1,445,812
Fiber Optics	596,901	540,790	733,752
Cable TV	1,606,700	1,558,220	1,557,276
Total Utility Franchises	\$ <u>19,755,331</u>	\$ <u>19,471,740</u>	\$ <u>19,817,784</u>
BUSINESS LICENSES -			
General Business Licenses	\$ 5,277,428	\$ 5,287,089	\$ 5,375,140
Wrecker Franchise	70,714	66,200	100,765
Total Business Licenses	\$ <u>5,348,142</u>	\$ <u>5,353,289</u>	\$ <u>5,475,905</u>
Mixed Drinks Licenses	\$ 1,075,012	\$ 1,091,848	\$ 1,079,135
BLDG. & RELATED PERMITS -			
Building & Excavation Permits	\$ 1,145,947	\$ 1,050,000	\$ 1,263,350
Electrical Permits	388,957	330,000	398,500
HVAC Permits	347,238	290,000	331,039
Plumbing Permits	358,255	320,000	407,610
Total Building & Related Permits	\$ <u>2,240,397</u>	\$ <u>1,990,000</u>	\$ <u>2,400,499</u>
FINES			
Fines - Criminal	\$ 472,442	\$ 650,000	\$ 579,000
Fines - Traffic	2,271,546	2,350,000	2,312,725
Fines - Car seat	4,601	3,405	4,382
Fines - Parking	391,937	475,277	334,905
Fines - Environmental	54,761	58,000	62,524
Fines - Animal Control	189,246	202,995	175,890
Total Fines	\$ <u>3,384,532</u>	\$ <u>3,739,677</u>	\$ <u>3,469,426</u>

CITY OF LITTLE ROCK
2005 OPERATING REVENUE

	2003 ACTUAL BUDGET	2004 ADOPTED BUDGET	2005 ADOPTED BUDGET
	<u> </u>	<u> </u>	<u> </u>
Airport - Security Guards	\$ 918,805	\$ 1,097,300	\$ 841,455
Airport - Fire Protection	927,975	939,551	1,158,299
Total Airport Reimbursement	\$ <u>1,846,780</u>	\$ <u>2,036,851</u>	\$ <u>1,999,754</u>
PARK REVENUE -			
Tennis Fees - Rebsamen & Walker	\$ 54,002	\$ 54,503	\$ 48,850
University Park Adult Center	54,188	54,650	46,794
SWLR Community Complex	72,831	71,364	86,210
Athletics Fees	165,190	164,273	191,800
Community Center & Miscellaneous Fees	76,243	75,467	101,306
Amusement Park	3,300	3,300	3,300
Swimming Pools	14,718	14,718	20,000
Total Park Revenue	\$ <u>440,473</u>	\$ <u>438,275</u>	\$ <u>498,260</u>
ALL OTHER GENERAL FUND			
Tower Lease	\$ 222,168	\$ 209,000	\$ 221,860
School Resources Officer Reimbursement	350,994	340,000	113,100
Insurance Turnback	1,834,379	2,235,000	2,764,330
Salary Reimbursement 911-Fund 250	1,007,132	1,047,417	1,089,314
Sundries	120,443	100,000	103,500
All Other	473,167	1,095,936	1,119,198
Transfers	2,090,990	1,002,048	1,318,372
Total All Other	\$ <u>6,099,273</u>	\$ <u>6,029,401</u>	\$ <u>6,729,674</u>
TOTAL GENERAL FUND	\$ <u>103,105,763</u>	\$ <u>110,407,056</u>	\$ <u>113,396,953</u>
ZOO ENTERPRISE FUND			
Zoo Café	\$ 200,072	\$ 229,840	\$ 229,500
Zoo Admissions	901,174	580,161	1,086,000
Gift Shop	223,412	250,000	248,250
Education	51,163	55,000	64,000
Zoo Special	219,794	370,000	350,000
Membership	135,157	165,000	190,000
Miscellaneous	29,070	38,000	50,000
Zoo Camel	16,961	16,000	19,000
Zoo Rent	2,760	5,000	7,000
Outside Support	63,104	240,000	139,000
Other	30,701		25,000
Lorikeet Nectar Sales			25,000
Interest-O&M reserve	53,224		
Transfers	<u>1,503,185</u>	<u>1,426,694</u>	<u>1,508,468</u>
TOTAL ZOO ENTERPRISE FUND	\$ <u>3,429,778</u>	\$ <u>3,375,695</u>	\$ <u>3,941,218</u>

CITY OF LITTLE ROCK
2005 OPERATING REVENUE

	2003 ACTUAL BUDGET	2004 ADOPTED BUDGET	2005 ADOPTED BUDGET
	<u> </u>	<u> </u>	<u> </u>
GOLF ENTERPRISE FUND			
Golf Fees - Rebsamen	\$ 706,779	\$ 780,000	\$ 829,145
Golf Fees - War Memorial	285,348	320,000	320,000
Golf Fees - Hindman	350,980	370,000	411,700
Golf Fees - First Tee			44,000
Parking	110,807	131,200	
Hindman Merchandise Sales			39,600
Rebsamen Merchandise Sales			63,800
War Memorial Merchandise Sales			37,400
Concessions - Rebsamen	176	88,000	85,000
Concessions - Hindman	6,426		8,000
Concessions - War Memorial Golf	3,221		5,700
Other	10,072		10,800
Transfers	<u>19,358</u>	<u>788,896</u>	<u>902,214</u>
TOTAL GOLF ENTERPRISE FUND	\$ <u>1,493,166</u>	\$ <u>2,478,096</u>	\$ <u>2,757,359</u>
WAR MEMORIAL FITNESS CENTER ENTERPRISE FUND			
Monthly Membership	\$ 304,475	\$ 313,274	\$ 294,390
Daily Fees	85,987	91,952	87,493
Annual Fees	50,447	35,710	68,154
Special Fees	16,401	16,307	10,246
Corporate Fees	203,066	187,058	191,000
Special Events	2,736		3,500
Outdoor Pool	19,186	19,373	20,084
Other	40,791	36,289	29,258
Transfers	<u>7,062</u>	<u>363,287</u>	<u>357,344</u>
TOTAL WM FITNESS CENTER ENTERPRISE FUND	\$ <u>730,151</u>	\$ <u>1,063,250</u>	\$ <u>1,061,469</u>
CONCESSIONS ENTERPRISE FUND			
Rebsamen Golf Course	\$ 78,408	\$	\$
War Memorial Golf Course		3,300	3,843
Interstate Park Softball Complex	16,894	12,500	15,998
Catering	58,247	62,700	49,793
Vending	22,896	24,100	16,700
Rebsamen Tennis Center	863	1,000	487
Sale Of Merchandise	351	400	175
Transfers		<u>15,780</u>	<u>41,835</u>
TOTAL CONCESSIONS ENTERPRISE FUND	\$ <u>177,660</u>	\$ <u>119,780</u>	\$ <u>128,831</u>

**CITY OF LITTLE ROCK
2005 OPERATING REVENUE**

	<u>2003 ACTUAL BUDGET</u>	<u>2004 ADOPTED BUDGET</u>	<u>2005 ADOPTED BUDGET</u>
RIVER MARKET ENTERPRISE FUND			
Amphitheater	\$ 99,560	\$ 100,225	\$ 64,298
Rental Fees	186,373	188,047	219,000
Riverfront Access	94,374	87,773	150,000
Fees For Services	61,802	46,371	58,000
Sundries	16,220	15,989	7,302
Transfers	<u>180,000</u>	<u>469,108</u>	<u>406,157</u>
TOTAL RIVERMARKET ENTERPRISE FUND	\$ <u>638,330</u>	\$ <u>907,513</u>	\$ <u>904,757</u>
WASTE DISPOSAL ENTERPRISE FUND			
Sanitation Fees	\$ 12,833,587	\$ 13,619,768	\$ 14,261,987
Landfill Fees	414,610	347,976	242,703
Interest On Investments	263,933	416,097	230,000
Yard Waste	14,152	14,689	15,598
Compost Sale	44,553	43,135	47,622
Other	<u>6,527</u>	<u> </u>	<u>2,490</u>
TOTAL WASTE DISPOSAL ENTERPRISE FUND	\$ <u>13,577,363</u>	\$ <u>14,441,666</u>	\$ <u>14,800,400</u>
FLEET SERVICES VEHICLE STORAGE FACILITY			
Impound Administration	\$ 127,807	\$ 129,910	\$ 120,200
Storage Fees	401,426	365,129	460,700
Wrecker Fees	345,054	542,882	609,900
Vehicle Auction Sale	387,091	347,500	489,360
Taxi Permit	2,019	2,059	2,265
Taxi Vehicle Permit	3,390	3,458	3,804
Taxi Driver Permits	419	376	414
Specialized Operator Permit	1,800	2,601	2,020
Specialized Vehicle Permit	2,750	1,836	2,861
Sales Tax	35,004	36,478	40,126
Impound Miscellaneous	<u>37,413</u>	<u>32,458</u>	<u>27,379</u>
TOTAL FLEET SERVICES VEHICLE STORAGE FACILITY	\$ <u>1,344,172</u>	\$ <u>1,464,687</u>	\$ <u>1,759,029</u>
STREET FUND			
1/2 County Road Tax	\$ 3,105,797	\$ 3,196,400	\$ 3,442,500
ST Homestead	231,672	239,100	235,500
State Gas Tax Turnback	8,742,378	8,799,888	8,982,325
Street Repair Reimbursement	406,355	178,062	
Parking Meters	301,518	370,000	
Interest On Investments	39,522	54,500	39,589
Sundries	55,380	52,800	35,000
Transfer In	<u>502,152</u>	<u>717,200</u>	<u>1,044,340</u>
TOTAL STREET FUND	\$ <u>13,384,775</u>	\$ <u>13,607,950</u>	\$ <u>13,779,254</u>

**CITY OF LITTLE ROCK
2005 OPERATING REVENUE**

	2003 ACTUAL BUDGET	2004 ADOPTED BUDGET	2005 ADOPTED BUDGET
	<u> </u>	<u> </u>	<u> </u>
PARKING GARAGES			
Statehouse Parking			\$ 583,596
RiverMarket Parking Deck			373,505
Business License - Auto/Truck			112,345
Street Repair Reimbursement			300,000
Parking Meters			370,000
Interest on Investments			10,000
Sundries			<u>250</u>
TOTAL PARKING GARAGES			\$ 1,749,696
FLEET INTERNAL SERVICE FUND			
Fleet Labor	\$ 2,140,467	\$ 2,281,944	\$ 2,302,474
Fuel Fees	1,081,145	1,120,455	1,604,148
Motor Pool	18,014	19,236	25,360
Miscellaneous Sales	10,174		
Variable Maintenance	2,335,853	2,600,436	2,625,727
Insurance Totaled	228,834		
Fleet Management	391,993	379,419	330,294
Interest on investment	28,845	25,665	30,000
Other	<u> </u>	<u>216,402</u>	<u>218,200</u>
TOTAL FLEET INTERNAL SERVICE FUND	\$ <u>6,235,324</u>	\$ <u>6,643,557</u>	\$ <u>7,136,203</u>

REVENUE TRENDS

OVERALL

Total General Fund operating revenues increased substantially in 2004, as indicated in the table below. (in millions of dollars):

	<u>REVENUES</u>	<u>% CHANGE</u>
2001 Operating Revenues	106.4	
2002 Operating Revenues	104.1	-2.16%
2003 Operating Revenues	102.6	-1.44%
2004 Operating Revenues	110.4	7.60%
2005 Operating Revenues	113.4	2.72%

The General Fund revenue is related to the state of the national and local economy. An upturn in the economy boost consumer optimism which has a direct correlation to retail sales. Sales taxes make up roughly half of all General Fund operating revenues and is and is usually the bellwether to determine if the operating budget is met.

PROPERTY TAXES

Residents, utilities and businesses in Little Rock are assessed and levied property taxes as follows:

- Assessed value is an amount equal to 20 percent of market value, and the levied millage is applied against the assessed value. With the passage of Amendment 79, the highest a residential property appraisal can be raised annually is 5%, regardless of the new market value of the property. A non-residential property or an investment property is limited to 10% annually.
- Any annual increase in the value of utility and carrier real property is limited to ten percent of the assessed value for the previous year.
- Tax levies, expressed in terms of millage (one mill equals \$1 in tax per \$1,000 in assessed value), are passed by local governments and certified to the County Tax Collector, who bills and collects the taxes.
- Taxes are remitted to the City monthly by the County Treasurer as payments are received throughout the year.

The General Assembly exercised its homestead exemption authority with the passage of Act 1598 of 2001 (Amendment 79), which provides that, effective with the assessment year 2000 and thereafter, the amount of real property taxes assessed on the homestead of each property owner is reduced by \$300.

The assessed value of non-utility, real and personal property within the City has been growing at a five-year average annual rate of 3.64%.

The City tax levies the past two years have been as follows:

	<u>2002 Payable 2003</u>	<u>2003 Payable 2004</u>
General Operation	5.00	5.00
Bond Retirement	3.30	3.30
Library System	3.80	3.80
Police & Firemen's Pensions	<u>2.00</u>	<u>2.00</u>
	14.10	14.10

The City also receives approximately one-half of the collections from a 2.90 mill road tax levied by the County and restricted to use for street repair and maintenance.

A Little Rock property owner's tax assessment for 2004 would include 5.60 mills levied by the County and 46.40 mills levied by the local school district, in addition to the City millage. The total millage would be 69.00 for calendar year 2005.

The general operations 5.0 mill levy is the maximum rate allowable under state law for general city operations.

COUNTY SALES TAX

The City receives its pro rata share of a one percent countywide sales tax. The distribution is based on the Little Rock population as a percent of Pulaski County's total population. The City comprises approximately 51% of the County population and therefore receives this percentage of the one percent tax, which includes use taxes. Use taxes, paid mostly by businesses, resemble sales taxes but apply to goods bought from such out-of-state merchants as catalog vendors. Use taxes generally generate approximately \$3,000,000 in annual revenues.

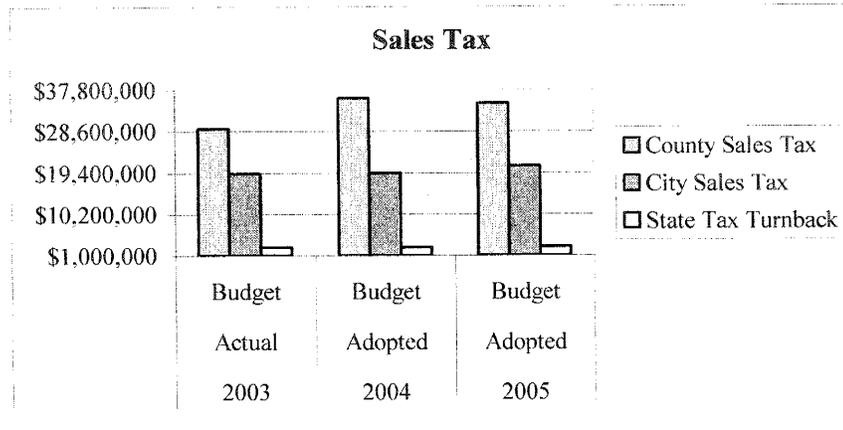
LOCAL SALES TAX

The City receives annual revenues of over \$20,000,000 from a one-half percent local sales tax that was the result of a 1993 special election. There is a two-month delay from the time the actual sales tax are collected by the businesses and remitted to the State until the County disburses this amount to the City, less a 3% administrative charge. The growth of the county sales tax is expected to be 4.75% while the city one-half cent is expected to grow by 4.00%. Though it is hard to quantify, the addition of the Presidential Library has had a positive impact on sales tax growth.

STATE TAX TURNBACK

The State General Assembly, through the Office of Budget, appropriates and then distributes an amount for turnback to cities. The distribution is based on population. The revenues were steady until 2001. The turnback funds are based on the state economy. The turnback funds should result in approximately \$3 million dollars a year. July 1st of every year, the Office of the Budget at State will set the appropriation for the year.

The City also receives turnback funds directed to the Street Department. The Gas Tax Turnback is based on the latest census



and gallons consumed. Basically, 15% of all the tax on gasoline consumption goes to municipal aid or gas turnback. Fiscal Year 2004 saw an almost 11% increase because of relatively high and stable gas prices with levelized consumption. The same should hold true for 2005.

INTEREST EARNINGS

Interest earned on investments and bank deposits of the General Fund and certain bond retirement funds legally can be used for any municipal purpose. Short-term interest rates such as the Fed Funds rate was cut eleven times in 2001, once in 2002, and once in 2003. In 2004, a change in direction occurred with the Fed increasing the short-term rates five times. As of December 31, 2004, the Fed Funds rate was at 2.25% while the Discount Rate was at 3.25%. With the passage of the 3.3 millage for capital improvements, over \$70,000,000 was received from bond proceeds and the capital improvements will further gain from the interest earned on the funds during construction.

UTILITY FRANCHISES

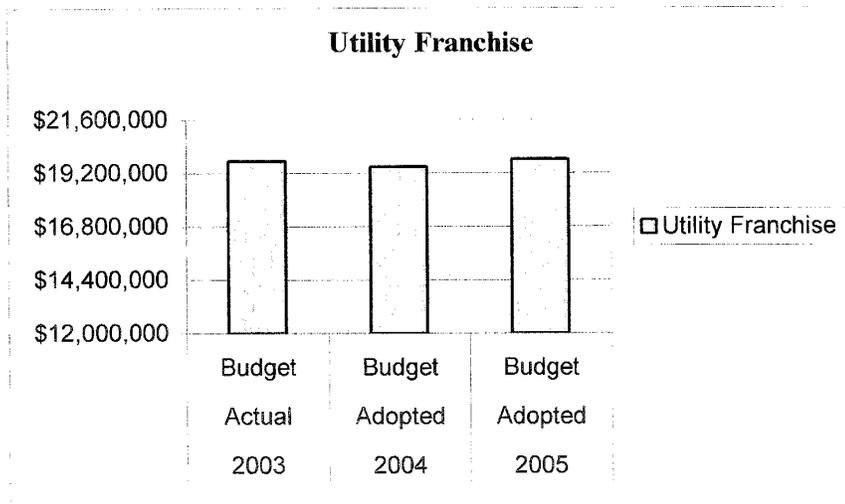
Utility franchise fees are charged to public utilities for the privilege of using the City's streets and rights-of-way. Below are the public utilities which pay the franchise fee and the annual rate, which is normally based on gross revenues of the company:

- Entergy 5.20% of gross revenue collection for the current calendar year or \$8.8 million, whichever is greater

CenterPoint Energy Arkla	5.20% of gross revenue for the current calendar year or \$2.1 million, whichever is greater
SBC Communications and other local access providers	7.32% of local exchange access line charges for the previous calendar year
Comcast Cable	5.00% of gross revenues
Central Arkansas Water	6.90% of gross revenues from water sales to customers within the City.
WasteWater Utility	5.00% of gross revenues
Fiber Optics	7.32% of gross revenues
Long Distance Franchise	\$0.004 per minute

Entergy’s franchise fee payments for 2004 were substantially higher than 2003 because of purchased power costs. Entergy Arkansas has been given permission to upgrade facilities worth \$235 million. The upgrades will not affect Entergy’s rates until the construction is complete, scheduled for fall 2005. Once the project is complete, the company can initiate a rate case that would include the project’s costs. CenterPoint Energy Arkla payments have a direct correlation to the severity of the weather. 2004 revenues were approximately 4.90% higher over 2003, the result of higher natural gas prices and low gas inventories.

Revenue from Fiber Optics and Long Distance Franchise fees are all significantly lower because of fundamental changes in the structure of their revenues. SBC Communications fees which are based on local access lines, saw increased



competition and reduced existing second lines. Fiber Optics revenues reflected the merging and the filing of bankruptcy regarding major telecommunication companies. Overall Long Distance franchise fees are trending lower as a result of increased cell phone use and long distance calling cards. This trend should continue for the next few years.

Comcast Cable historically has been one of the City’s leading growth franchise customers, however the local cable market has been saturated and increased competition

from satellite companies has reduced the growth rate and leveled the franchise payment to 2003 levels. Internet hookup and usage is not included in the franchise agreement.

To a certain extent, Central Arkansas Water and WasteWater are related to weather, particularly water used as irrigation in the summer months. For fiscal year 2004, Little Rock residents saw a 7% increase in their water bills. For fiscal year 2005, the scheduled increase is 7.2%.

BUSINESS LICENSES

Business licenses are required annually for every business operating within the City limits. These taxes are billed, collected and administered by the City's Treasury Management Division, which is part of the Finance Department. Business license revenue for 2004 was slightly above a year ago. Business license revenues increase and decrease according to the status of the national and local

MIXED DRINK PERMITS

The City levies a 10% tax on public liquor sales within the City and a 5% tax on sales by private clubs. Mixed drink revenues in 2003 were only marginally lower than 2002. Revenues for 2004 increased by about 1%.

BUILDING AND RELATED PERMITS

Revenues from Building and Related permits remain steady, resulting from a continued downtown revitalization. The opening of the Clinton Presidential Library has generated more economic activity such as the opening of the First Security Building and construction of Heifer International.

FINES

Fines consist of Animal Fines, Traffic, Criminal, Parking and Environmental. 2004 showed a substantial increase in Traffic Fines, the result of aggressive serving of warrants by the Police Department. Revenue from parking tickets decreased slightly for 2004 because many meters were out of commission for certain periods of time.

PARK REVENUE

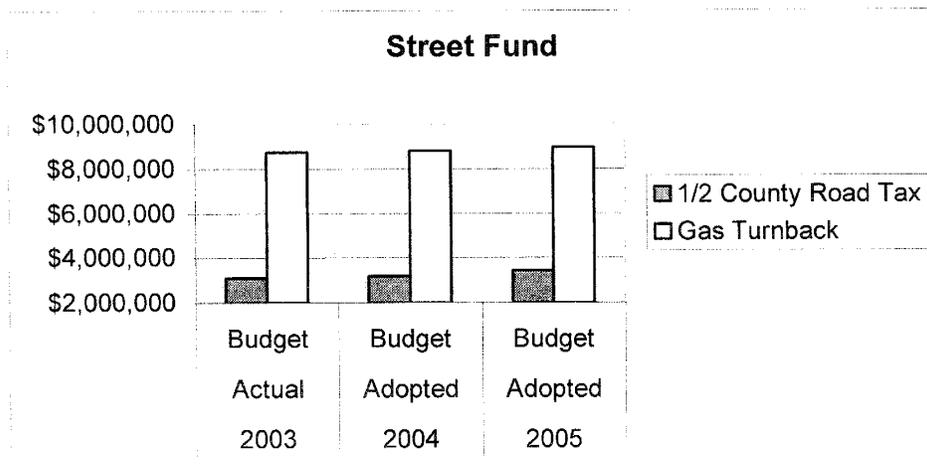
General Fund park revenues consist of tennis fees, community centers and athletics fees. These revenues have remained steady throughout the past five years. For 2004, revenues from the City's three golf courses have all risen. Weather plays a crucial role in determining trends, however the Park Department is in the process of a rate structure that balances optimizing revenues and at the same time maintaining customers.

AIRPORT REIMBURSEMENT

The Little Rock National Airport reimburses the City for expenses related to police and fire protection. As a result of September 11, 2001, there has been increased security at the airport resulting in increased reimbursements. This trend of increased security at the airport should continue for the foreseeable future.

STREET GAS TAX TURNBACK

The City also receives turnback funds directed to the Street Department. The Gas Tax Turnback is based on the latest census and gallons consumed. Basically, 15% of all the tax on gasoline consumption goes to municipal aid or gas turnback. Fiscal Year 2004 saw an almost 11% increased because of relatively high and stable gas prices with leveled consumption. The same should hold true for 2005.



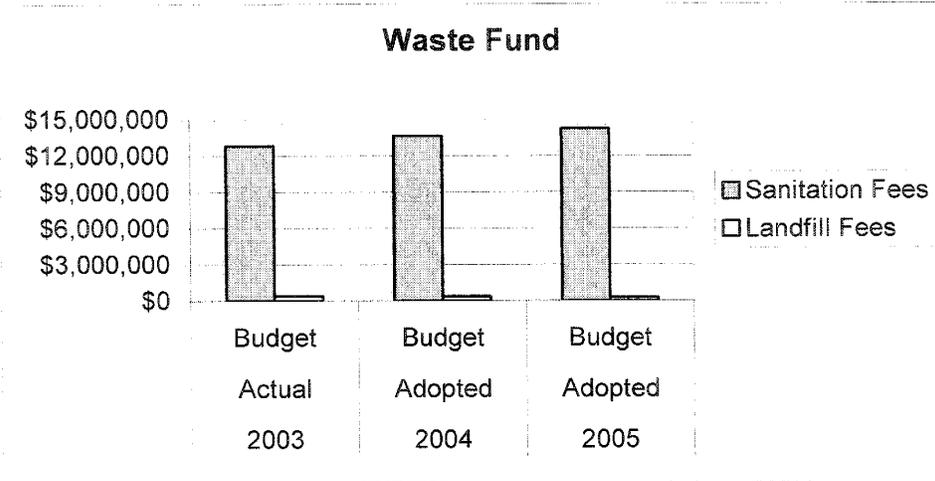
BOND & INTEREST FUND

Revenues from this fund are used to finance the debt service on the \$70,635,000 Limited Tax Bond Issue, Series 2004. Voters in November 2003, approved to continue a 3.3 annual property tax millage. The millage, along with the Homestead Credit, which is monies generated from a half-cent sales tax, should produce almost \$8 million dollars a year to pay debt service and call existing bonds.

ENTERPRISE FUNDS

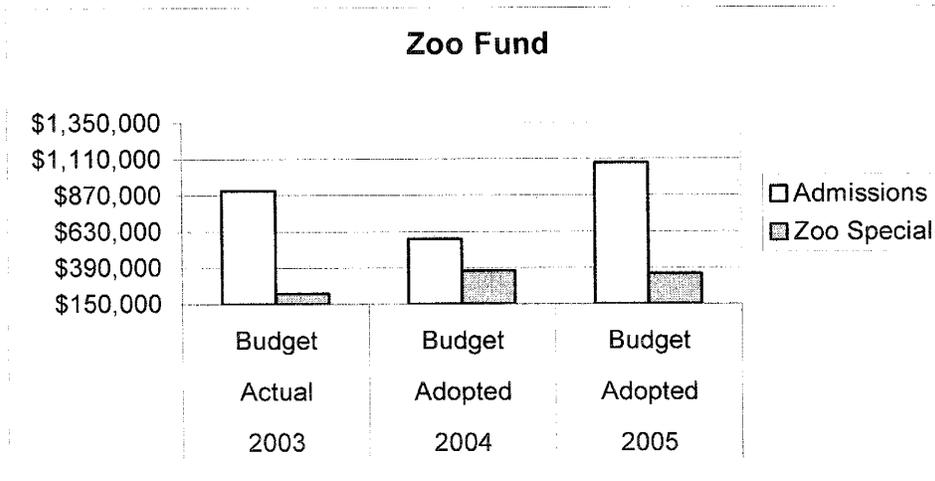
WASTE DISPOSAL

Beginning July 1, 2004, the monthly residential rate increased \$2.08 to \$20.99. There are approximately 170 commercial vendors paying a rate of \$34.11 a month. Sanitation fees should generate approximately \$13.7 millions dollars annually.



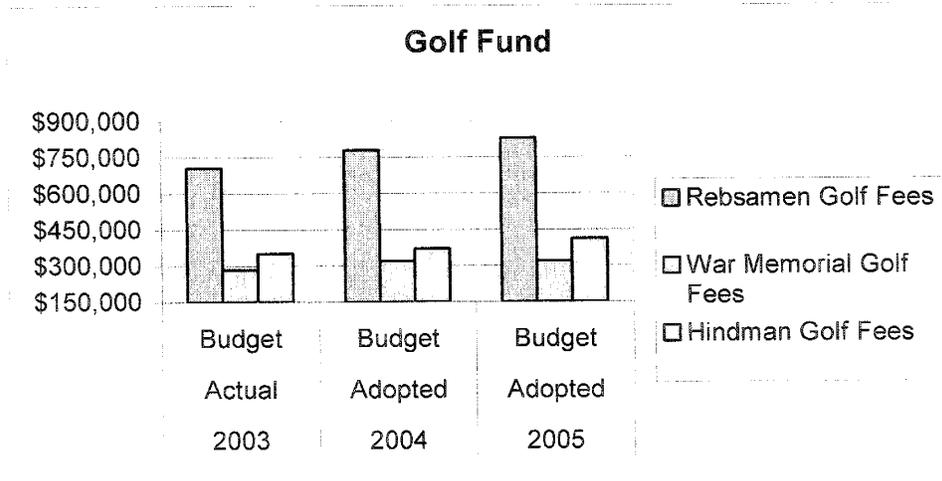
ZOO

Zoo admissions make up the largest revenue source for Zoo with over \$900,000 dollars generated at the gate. The Zoo also relies heavily on donations and fundraisers.



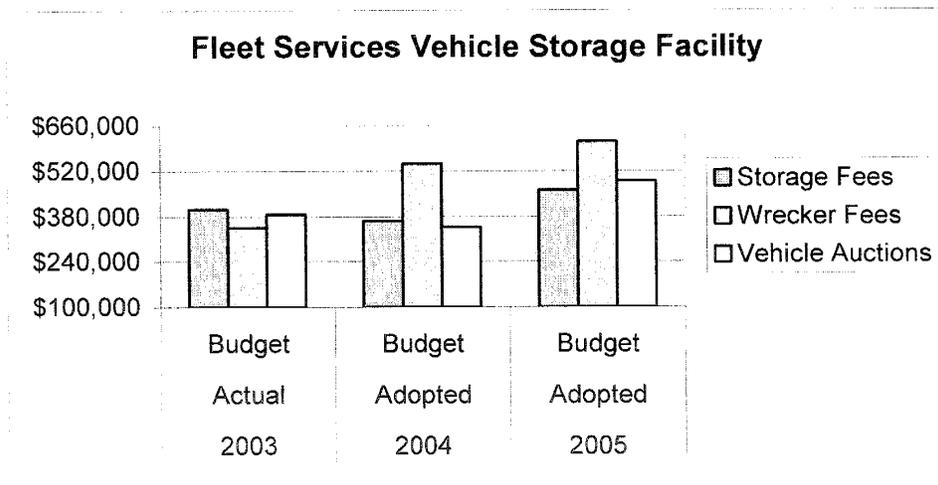
GOLF

As previously stated, the City operates three public golf courses and relies heavily on green fees and concessions to operate these courses. Total green fees from the three golf courses generate around \$1.5 million annually.



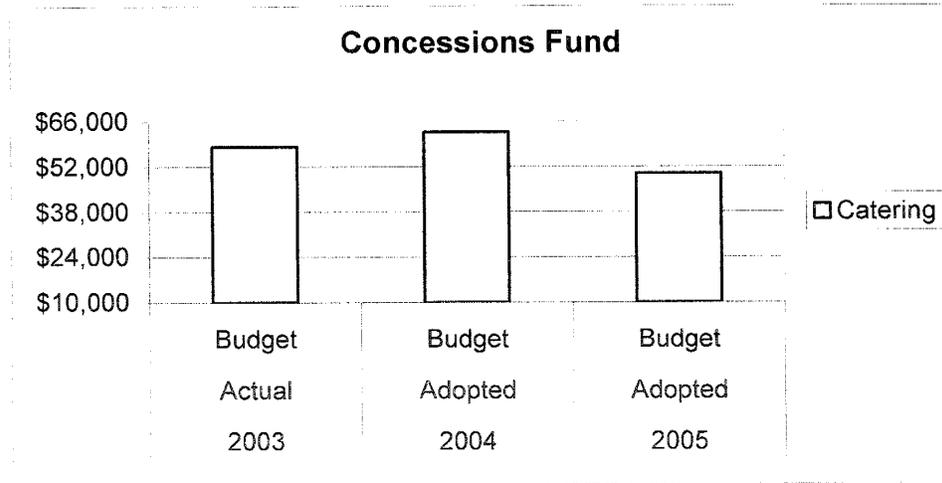
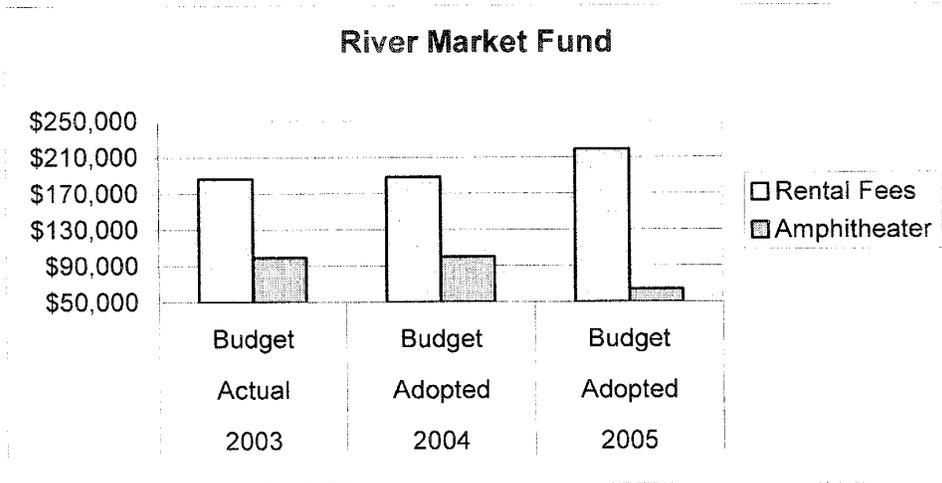
VEHICLE STORAGE FACILITY

Vehicle Storage Facility revenues consist mainly of storage fees, wrecker fees, and auction sales. These three main sources generate approximately 85% of total revenues. For 2005, the Little Rock Board of Directors approved increasing the daily storage fee for vehicles stored at the Vehicle Storage Facility from \$23 to \$25 per day.



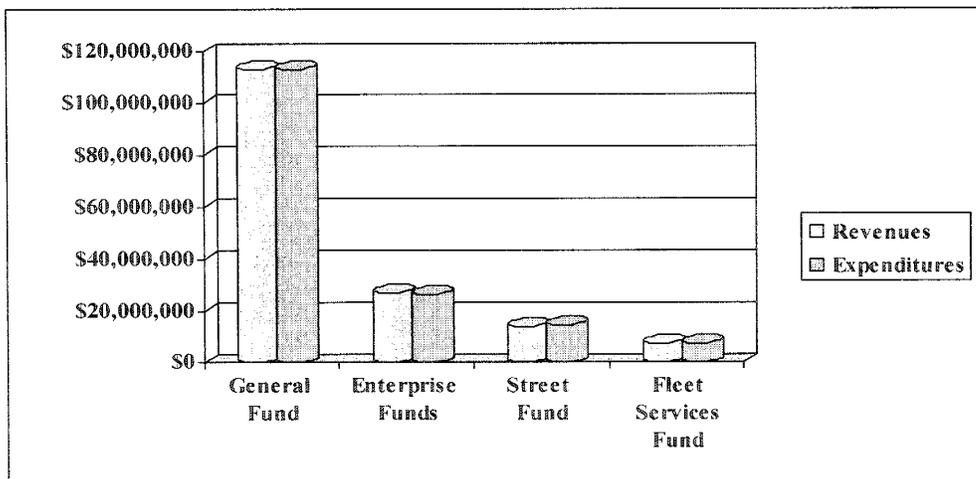
MISCELLANEOUS ENTERPRISE REVENUES

Other Enterprise Revenues fund the River Market, Concessions and downtown-parking garages. The revenues associated with the new parking garage include parking meter revenue and street repairs. Other sources include revenues from the Second and Main Street Parking Facility and annual business license fees received from the rental and/or leasing of automobiles and trucks



2005 Operating Funds Budget Summaries

	General	Enterprise Funds	Street	Fleet Services	Total
Revenues					
General Property Taxes	\$12,862,034		\$3,678,000		\$16,540,034
Sales Taxes	58,703,537				58,703,537
License and Permits	5,869,925				5,869,925
Intergovernmental	2,764,330		8,982,325		11,746,655
Charge for Service	6,683,812	23,638,298		6,888,003	37,210,113
Fines and Fees	3,469,426				3,469,426
Utility Franchise Fees	19,817,784				19,817,784
Investment Income	360,943	240,000	39,589	30,000	670,532
Miscellaneous	1,546,790		35,000	218,200	1,799,990
Transfers In	1,318,372	3,216,018	1,044,340		5,578,730
Total Revenues	113,396,953	27,094,316	13,779,254	7,136,203	161,406,726
Expenditures					
Personal	81,303,904	9,674,423	7,994,664	2,632,540	101,605,531
Supplies & Maintenance	7,302,712	4,883,374	3,129,080	3,312,950	18,628,116
Debt Service	3,110,037	2,653,642			5,763,679
Closure/Post Closure		188,092			188,092
Contractual	13,810,382	2,832,538	2,361,714	97,700	19,102,334
Capital Outlay		234,400	68,871		303,271
Services and Other Expenses		2,537,588	507,033	948,910	3,993,531
Depreciation		390,466		137,486	527,952
Reserves	500,000				500,000
Transfers Out	7,369,918	2,942,164	461,563	6,617	10,780,262
Total Expenditures	113,396,953	26,336,687	14,522,925	7,136,203	161,392,768
Net Change in Fund Balance		757,629	(743,671)		13,958
Fund Balances - Beginning	8,126,361	27,516,096	1,112,941	3,493,456	40,248,854
Fund Balances - Ending	\$8,126,361	\$28,273,725	\$369,270	\$3,493,456	\$40,262,812



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