



Annual Comprehensive Financial Report

For the year ended December 31, 2021

City of Little Rock, Arkansas

On the Cover: On April 9, 1722, French explorer Jean-Baptiste Bénard de la Harpe, sailing up the Arkansas River, came across a rock formation that jutted out into the river on the south bank. This was the first outcropping of rock he had seen along a river bank on his trip up the Mississippi River from New Orleans and then up the Arkansas River from the Mississippi. He “claimed” this area for France, and that notable rock formation subsequently became known as “La Petite Roche.”

For centuries prior to the French explorers, native peoples, including the Quapaw Tribe, which was located here during the time the French passed through, had known about the rock formation. The natural harbor it created made it ideal as a docking point when people traveled through the area. This made the rock, and the City of Little Rock which grew up on that spot afterwards, a center of commerce for the region.

The 1820 permanent settlement of Little Rock took place only a few yards from La Petite Roche. It was from this small area of a few square yards that approximately twenty pioneers established what is now a City consisting of 202,591 residents and encompassing 123 square miles.

In 2022, the Tricentennial of the French visitors and the subsequent naming of the area is being commemorated. Throughout the year, a series of events, programs, and projects will take place which look back at the past, discuss the present, and look forward to the future of the place we know as Little Rock.

On the cover are (clockwise from top left) a detail of a 1940s postcard depicting La Petite Roche as viewed from the Arkansas River, the La Petite Roche Tricentennial logo, a current photo looking down upon the top of La Petite Roche, and the Seal of the City of Little Rock, which dates back to at least the 1870s and features a stylized version of La Petite Roche as the centerpiece of the image.

(Credits: 1940s postcard published by A. Karcher Candy Co., image now in the public domain; Tricentennial logo designed by Lyuba Bogan; photo taken by Scott Whiteley Carter; City Seal)



Annual Comprehensive Financial Report

**CITY OF LITTLE ROCK,
ARKANSAS**

**FISCAL YEAR ENDED
DECEMBER 31, 2021**

**PREPARED BY:
THE DEPARTMENT OF FINANCE**

**SARA LENEHAN, CPA
Chief Financial Officer**

**ANITA WORLEY
Deputy DIRECTOR OF FINANCE**

City of Little Rock, Arkansas
Year Ended December 31, 2021

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INTRODUCTORY SECTION





FROM THE DESK OF
MAYOR FRANK SCOTT, JR.

June 30, 2022

To the Members of the Little Rock City Board of Directors
and the Citizens of the City of Little Rock:

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

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

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

CITY HALL, SUITE 203, 500 W. MARKHAM

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

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

Profile of the Government:

The City of Little Rock, incorporated in 1831, is located in the central part of Arkansas and is considered one of the State’s top growth areas. The City of Little Rock currently occupies a land area of 123 square miles and serves a population of 202,591, based on the 2020 census. The City of Little Rock is empowered to levy a property tax on both real and personal properties located within its boundaries. In addition, the City is empowered by State Statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City of Little Rock has operated under the City Manager form of government since July 27, 1993. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and ten (10) other members. The governing board is responsible for, among other things, passing ordinances, adopting the budget, and ratifying the hiring of both the City Manager and City Attorney. In accordance with Ordinance No. 19,791, adopted June 12, 2007, and by approval of voters at an election held on August 14, 2007, the Mayor is the full-time Chief Executive Officer of the City, with authority over issues such as preparation of the City Budget, Board and Commission appointment authority, and veto power. The Mayor provides direction and assigns duties to the City Manager, who serves as the City’s Chief Administrative Officer. The City Board of Directors are part-time and elected on a non-partisan basis.

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

The Annual Budget serves as the foundation for the City of Little Rock’s financial planning and control. All Departments of the City of Little Rock are required to submit requests for

appropriation to the Mayor and the City Manager. The Mayor and the City Manager then present a proposed budget to the Board of Directors for review. The Board of Directors must hold public hearings on the proposed budget and adopt a final budget on or before December 30th for the ensuing year. The appropriated budget is prepared by fund, function (e.g., public safety), and Department (e.g., Zoo), which is the legal level of control. Department Directors may make transfers of appropriations within a Department. Transfers of appropriations between Departments require the special approval of the Mayor and City Manager unless the amount is above \$50,000 and then it requires the approval of the Board of Directors. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 108 as part of the required supplementary information. Detail descriptions of the budget-to-actual variances are included in the MD&A on pages 14 - 19. For the Street Fund, this comparison is presented on page 110.

Factors Affecting Financial Condition:

With the potential sunset of a 3/8-cent sales tax for capital improvements looming at the end of 2021, a special election was held in September 2021 to vote on a proposed one-cent sales tax, which would have raised the tax rate in the City from 9% to 9.625%. The proposed sales tax failed and the 3/8-cent capital improvement sales tax sunset at the end of 2021. This will create challenges in the coming years as funding for capital improvements will be limited to bonds and short-term financing notes.

The information presented in the financial statements is perhaps best understood when considered from the broader perspective of the specific environment within which the City of Little Rock operates.

Local Economy: The primary challenge facing the City of Little Rock remains to provide a full complement of services that satisfy the needs of residents, balanced with the resources available to the City, in an efficient, cost-effective, and transparent manner.

According to data from Metroplan, the City of Little Rock's unemployment rate as of December 31, 2021, was 3.0%, compared with the Arkansas rate of 3.3% and the U.S. average of 3.9%. At the start of 2021, regional unemployment was running at 5.6%.

In a recent economic report from Metroplan, Jonathan Lupton reports that overall retail sales for the Little Rock MSA remained strong in 2021, up 9.6%, pumped upward by federal stimulus spending. Little Rock's top three sales taxpayers by industry for 2021 are other general merchandise stores, grocery stores, and full-service restaurants. The year 2021 saw re-emergence of inflation into the U.S. economy, which exceeded 5% year-over-year by June of 2021 and reached 7% by year's end. Businesses are hiking prices to confront challenges like labor shortage, transportation bottlenecks, and uncertainty about zigzagging demand as pandemic waves surge and ebb through the population. Shortages and constrained services will remain important factors in the economy through 2022. For an in-depth review of Jonathan Lupton's economic reports, please visit Metroplan's website at <https://metroplan.org>.

Long-Term Financial Planning: Little Rock residents passed an additional One (1)-Cent Local Sales Tax in September 2011, which became effective on January 1, 2012. The City held several public hearings in each Ward to discuss priority needs associated with Public Safety, Public Works, Jobs and Economic Development, Parks & Recreation, Zoo and Tourism, and other priorities, including fleet replacement, information technology needs, pension funding, and public transportation. The priority needs were divided between ongoing operating needs and capital needs. The 5/8-Cent permanent increase in sales tax for operations is reflected in the General Fund. The 3/8-Cent Sales Tax for capital projects, which expired on December 31, 2021, is reflected in the Sales Tax Capital Improvements Fund. The City has kept its promise to taxpayers in accordance with the spending plan outlined in Resolution No. 13,343 (July 11, 2011) and is well on its way to completing the designated capital projects. The tax increase provides funding for additional Police Officers, Code Enforcement Officers, new Fire and Police facilities, infrastructure projects, and a new emergency communications system. The temporary sales tax sunset at the end of 2021 and raised \$191,338,242 for capital projects, nearly \$4.5 million underestimate, over the ten (10) year period. The 3/8-Cent tax revenue generated over the ten (10)-year life represents 97.7% of the original forecasted amount. Interest earnings generated by the proceeds of short-term financing notes and accumulated tax proceeds provided \$2,878,202 to supplement projects. Of this amount, \$753,133 was allocated to public safety projects from interest earnings on short-term financing notes and \$1,180,785 to public safety projects and \$444,284 to park projects from earnings on accumulated tax proceeds, respectively. The remaining \$500,000 in interest earnings on accumulated tax proceeds was allocated to fleet replacement. Residual balances are transferred to other projects within the same allocation category as we complete projects. For an in-depth 2012 – 2021 Capital Project Fund (3/8-Cent Sales Tax) financial summary report, please visit the LR Cent webpage at <https://www.littlerock.gov/city-administration/lrcent/lrcent-committee/>.

On February 21, 2012, the Little Rock City Board of Directors approved Resolution No. 13,440, which appointed the Little Rock Citizen’s Evaluation of New Tax (LR CENT) Committee. The Committee, which is made of two (2) Co-Chairs, individuals from each of the City’s seven (7) Wards and three (3) At-Large Members, meets quarterly to evaluate the spending of the additional revenue that results from the One (1)-Cent Sales Tax increase.

Little Rock residents approved the issuance of Limited Tax Capital Improvement Bonds not to exceed \$105 million for street and drainage improvements. Up to \$73.5 million of the Bonds are dedicated to street improvements, with the remaining \$31.5 million available for drainage improvements throughout the City. The Bonds are secured by a three (3)-mill Ad Valorem Tax on taxable property located within the City of Little Rock. On July 24, 2013, the City issued the first series of Bonds in the amount of \$58,105,000. The second series of Bonds in the amount of \$43,475,000 was issued on November 28, 2018. The 2013 Bond issue was redeemed in full on April 1, 2021. In addition, in December 2018, the City issued \$32,570,000 in Hotel Gross Receipts Tax Bonds to finance a portion of the costs of improvements to MacArthur Park. The improvements include renovations and additions to, and furnishings and equipment for, the Arkansas Museum of Fine Arts and the MacArthur Museum of Arkansas Military History.

In 2002, the Board adopted a policy that established a designated reserve within the General Fund. At the end of the fiscal year, the Board reviews audited financial statements and determines the appropriate amount to place in the reserve. The General Fund goal was to set aside the greater of \$10,000,000, or 10%, of General Fund revenues in reserve. Before 2006, the Board had increased the reserve to \$9,418,000. In 2016, the City’s Management Team increased the reserve to \$10 million, with the intent of gradually increasing the designated reserve to achieve 10% of General Fund revenues. During 2021, the Board allocated another \$2 million to the reserve, which is currently \$12,000,000. The City is currently reviewing financial policies. A recommendation will be brought forward in 2022 to build a 17% unassigned fund balance in the General Fund, including the restricted reserve, representing approximately two months of annual operating revenues, excluding Transfers In.

Relevant Financial Policies: In accordance with the City’s financial policies, the Board of Directors has adopted budgets that ensure that current year expenditures are at, or below, current year revenues and available carryovers. Revenue growth within the General Fund is restricted by mill levy and franchise fee caps set in State Law. Little Rock levies the maximum mill levy (5 mills) for the General Fund. Franchise fees are at the maximum rate allowed under State Law. Further increases would require the consent of the utility or voter approval.

The 2021 financial outlook was better than anticipated, and two amendments were made to the budget for a total net impact of \$8.5 million, before transfers out.

In 2020, The City of Little Rock received one-time funding from the Federal Coronavirus Aid, Relief and Economic Security Act of 2020 (CARES) of approximately \$7.7 million, which helped cover a portion of Fire Emergency Medical Technician (EMT) salaries. The city will also receive one-time funding from the American Rescue Plan Act of approximately \$37.7 million over two years. The first half of the funding was received in May 2021 and the other half was received in June 2022.

On December 21, 2021, the Little Rock Board of Directors approved the 2022 Adopted Budget. Overall operating expenditures total \$287,541,393, an increase of \$230,301, or 0.08% more than the final 2021 Amended Budget. The Operating Budget changes for 2022 are summarized below:

	2021 Adopted	2021 Amended	2022 Adopted	Change	% Change
General Fund	\$ 210,100,969	\$ 224,924,924	\$ 222,166,164	\$ (2,758,760)	(1.23)%
Street Fund	21,279,119	22,028,976	23,108,438	1,079,462	4.90%
Fleet Services Fund	13,390,623	13,408,694	14,920,087	1,511,393	11.27%
Waste Disposal Fund	23,671,871	23,488,454	23,777,100	288,646	1.23%
Vehicle Storage Facility	1,699,157	1,699,157	1,786,550	87,393	5.14%
Parking Garage Fund	1,760,887	1,760,887	1,783,054	22,167	1.26%
	<u>\$ 271,902,626</u>	<u>\$ 287,311,092</u>	<u>\$ 287,541,393</u>	<u>\$ 230,301</u>	<u>0.08%</u>

The 2022 General Fund Budget supports 1,778 full-time equivalent (FTE) positions – 1,727 serving in General Fund Departments and 51 special positions funded through grants or special project allocations. This represents a net increase of 29 FTEs compared to the 2021 Adopted Budget staffing levels. The personnel budgets for the other operating funds include 438 FTEs, representing a decrease of 1 position in Fleet Services to a total of 62, a decrease of 3 positions in the Street Fund to a total of 217, 145 in the Waste Disposal Fund, and 14 in the Vehicle Storage Fund. Thus, a total of 2,216 full-time positions are authorized for the primary government’s operating funds.

Many of the initiatives supported by the sales tax implemented in 2012, such as increasing the number of filled police positions, increased funding for building maintenance, expanded park maintenance, Zoo deferred maintenance, annual fleet replacement, information technology staffing and maintenance, and new transit routes have been implemented and maintained. The 2022 Budget continues the commitment to Little Rock residents to fill vacant public safety positions and to support the initiatives outlined in the sales tax proposal.

Short-term financing notes are authorized under Amendment No. 78 to the Arkansas Constitution to acquire, construct, and install real and tangible personal property having an expected useful life of more than one (1) year. The notes are repaid from general revenues over a period of five (5) years. Principal and interest payments are included in the General Fund Budget for notes issued from 2017 to 2021. The 2022 Budget reflects a net decrease in debt service of \$728,393 associated with the 2021 retirement of the 2016, \$4.6 million note issued to advance initiatives included in the 3/8-Cent Sales Tax program, partially offset by the addition of the 2021 short-term note. Further discussion of this can be found in Note 5.

Funding of the Pulaski County Jail was continued in order to provide space for inmates in accordance with the City’s primary focus on Public Safety. 2022 funding for the detention center remained flat at \$2,394,153. In addition, an extra allocation is available from a \$20 local jail fine to contribute toward operations for expanded Pulaski County Jail space. Combined, the funding for the jail is budgeted at approximately \$2.55 million. Other outside agency funding increases include approximately \$400,000 for the Arkansas Museum of Fine Arts to a total of \$1,200,000, funding operations and maintenance. 2022 funding for Rock Region Metro remained flat at a total of \$9.85 million, of which \$2 million is provided by the Street Fund.

A Homeless Services Task Force was established in 2006 to address chronic homelessness within our community. The City increased funding to Jericho Way Day Resource Center by \$200,000 for 2022 to replace the North Little Rock contribution. The services provided to homeless individuals and families are focused on finding housing, job referral and case management services, and medical, dental, and psychiatric assistance. In addition, the City of Little Rock is working with the various support groups in Central Arkansas as part of the on-going process to address the needs of homeless individuals and families.

The City is appropriating approximately \$5 million for Children, Youth and Family Programs, including youth employment, skills center funding, and re-entry programming in 2022 as part of the City’s emphasis to foster and enhance youth and community development. City Staff will

continue to work with community groups, neighborhood associations, the faith-based community, and other groups to ensure resources are targeted appropriately.

The 2022 Budget includes a contingency allocation of \$1.1 million or approximately 0.5% of General Fund revenues. The City of Little Rock's Management Team is committed to managing the City in a sound and fiscally prudent manner while striving to deliver the quality and level of service that Little Rock residents expect with available resources.

Major Initiatives: The City of Little Rock continues to have new businesses open as we had over 1,300 new businesses opened in our City just last year, and nearly 70% of them are in our targeted wards 1,2,6, and 7. As a result of our partnership with the Chamber, the Little Rock metro area closed out 2021 with 4,324 new jobs created, \$134 million in new payroll, and \$633 million in new capital investment. Indeed.com has listed Little Rock as one of the top ten fastest growing cities for job openings. We are growing forward!

We've been committed to all areas of Little Rock with an equity-driven approach to our policies and programs. That includes our targeted revitalization plan, where we waive permitting fees for development south of I-630 and east of I-30. We've waived over \$1 million in fees, with nearly 55% of our City's development in 2021 in this targeted area!

The City of Little Rock has received 145 applications for our first two classes of BUILD Academy, our very own small business incubator. Our second cohort began on April 7 at our newly renovated Willie Hinton Business and Innovation Center in the heart of the 12th street corridor. We started a new program, Emprende, to provide business workshops and training for our Spanish-speaking business owners in April 2022 because we believe ownership should be available to all. In 2019, the City committed to increasing minority spending to at least 25% by 2023. We have increased our spending with diverse vendors from 13% to 23% since 2019.

Since 1959, the Port of Little Rock has been an economic driver for our region's economy. This economic engine was turbocharged over the last few years as major investments from HMS Manufacturing, Trex, and Amazon have nearly doubled the total employment there. The City will continue to identify economic development opportunities that result in the expansion, retention, or start-up of businesses that create jobs and generate sales tax, property tax, or other forms of revenue for the City.

The City's long-term outlook remains bright; most indicators continue showing competitive advantages in the local metropolitan area. As indicated above, economic projects are in development in all areas of the City.

The City of Little Rock has made great strides in utilizing technology to communicate with residents and businesses. The City's website, littlerock.gov, is designed to improve communication efforts. In addition, the City is proud of its government access channel, LRTV, which broadcasts information regarding the activities of the Little Rock City Board of Directors through live and taped coverage of Board Meetings and other official proceedings. It also produces programming regarding municipal affairs. The City launched a LR 311 Mobile App to

better enable residents to access City services. The app is available for download through the Apple App Store or Google Play Store. In March 2016, City Officials announced that Little Rock was one of only twenty-seven (27) municipalities around the U.S. participating in the What Works Cities Initiative through Bloomberg Philanthropies, part of an effort to embrace open data, create a framework for its usage, and make it readily available to residents. The City unveiled an Open Data Portal that includes several data sets covering such topics as planning and permitting, public safety statistics, 311 Requests, and the location of Police, Fire and Neighborhood Resource Centers. The data sets are live on the main data portal located at data.littlerock.gov.

In 2022, Little Rock will commemorate its founding and subsequent naming of the area. The 2021 Annual Comprehensive Financial Report cover highlights this Tricentennial with a detail of a 1940s postcard depicting La Petite Roche as viewed from the Arkansas River, the Tricentennial logo, a current photo of La Petite Roche, and a Seal of the City of Little Rock.

Awards and Acknowledgments:

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Little Rock for its Annual Comprehensive Financial Report for the fiscal year that ended December 31, 2020. The City of Little Rock has received a Certificate of Achievement for thirty-nine (39) years total. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one (1)-year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efforts of certain individuals: Deputy Director of Finance Anita Worley; Comptroller Debbie Carreiro, and the Accounting and Reporting Staff; Treasury Manager Scott Massanelli; Grants Manager Amanda Jones, and the Grants Staff; and Special Operations Manager Kasha Gansky. These individuals should be recognized for their contributions and devotion to meeting the highest accounting and financial reporting standards. In addition, credit must be given to the Board of Directors, the City Manager, and the City Staff for their unfailing support for maintaining the highest standards of professionalism in managing of the City of Little Rock's finances.

Respectfully submitted,


Frank Scott, Jr.
Mayor


Sara Lenehan, CPA
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Little Rock
Arkansas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

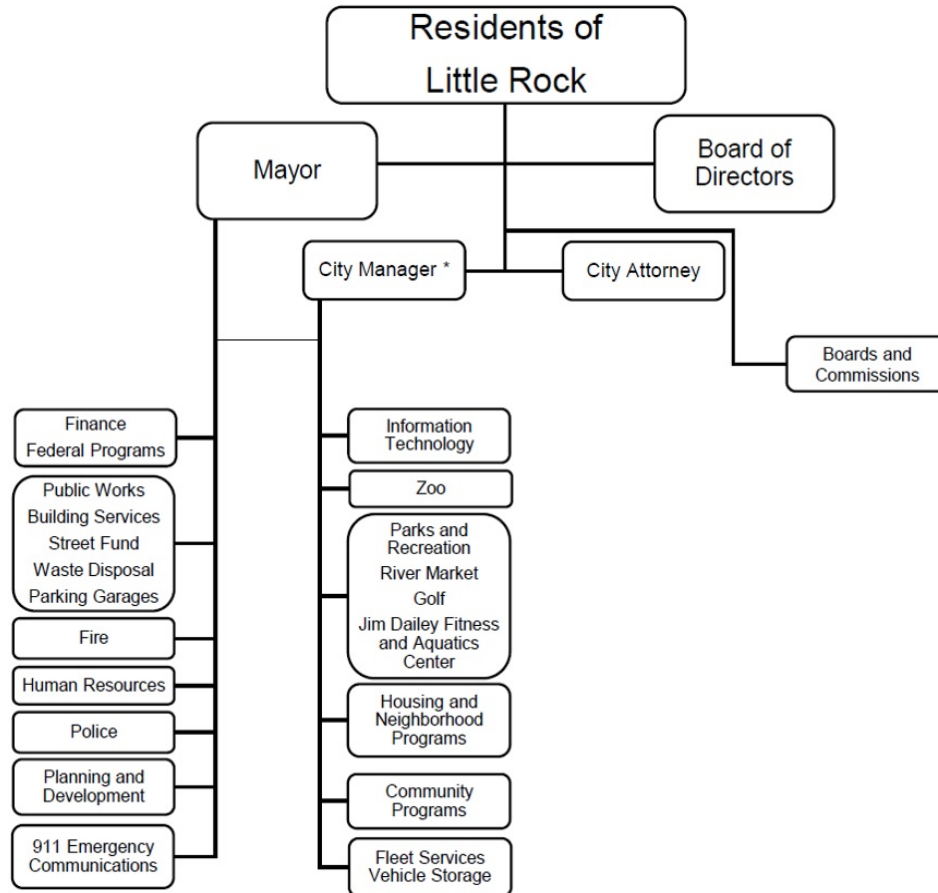
December 31, 2020

Christopher P. Morrill

Executive Director/CEO



City of Little Rock



***City Manager**

At the direction of the Mayor, the City Manager provides oversight to the departments of Finance, Police, Fire, Planning and Development, Public Works, and Human Resources; however those department leaders report directly to the Mayor.

The City Manager provides day-to-day direction to the remaining six departments: Information Technology, Zoo, Parks and Recreation, Housing and Neighborhood Programs, Community Programs, and Fleet Services.

Elected Officials:

Frank Scott, Jr.
Lance Hines
Virgil Miller
Ken Richardson
Kathy Webb
Capi Peck
Doris Wright
B.J. Wyrick
Dean Kumpuris
Antwan Phillips
Joan Adcock
Melanie Martin
Victor Fleming
Mark Leverett

Mayor
Vice-Mayor, Director – Ward 5
Director – Ward 1
Director – Ward 2
Director – Ward 3
Director – Ward 4
Director – Ward 6
Director – Ward 7
Director – Position 8
Director – Position 9
Director – Position 10
District Court First Division Judge
District Court Second Division Judge
District Court Third Division Judge

Appointed Officials:

Bruce T. Moore
Tom Carpenter

City Manager
City Attorney

FINANCIAL SECTION



Independent Auditor's Report

Honorable Frank Scott Jr., Mayor
and Members of the Board of Directors
City of Little Rock, Arkansas
Little Rock, Arkansas

Report on the Audit of the Financial Statements

Opinions

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

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

We did not audit the financial statements of Central Arkansas Transit Authority, Museum of Discovery, Arkansas Museum of Fine Arts, Little Rock Advertising and Promotion Commission, and the Little Rock Ambulance Authority, which represent 24%, 27%, and 43%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units as of December 31, 2021, and the respective changes in financial position, and where applicable, cashflows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Museum of Discovery, Arkansas Arts Center Foundation (component unit of Arkansas Museum of Fine Arts), and BlossomOutreach22, Inc. (component unit of Arkansas Museum of Fine Arts), component units included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Honorable Frank Scott Jr., Mayor
and Members of the Board of Directors
City of Little Rock, Arkansas
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

FORVIS,LLP

Little Rock, Arkansas
June 30, 2022

City of Little Rock, Arkansas
Management's Discussion and Analysis
December 31, 2021
(Unaudited)

The following discussions and analysis of the City of Little Rock's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2021. Readers should consider the information presented here in conjunction with our letter of transmittal at the front of this report and the City's financial statements that follow this section.

Financial Highlights

- The City continued to complete projects and initiatives supported by the additional one-cent local sales tax approved by the citizens of Little Rock that became effective on January 1, 2012. The tax supplements the 1/2-cent sales tax that has been in place since 1994. The additional one-cent tax includes a 5/8-cent ongoing tax for operations and a 3/8-cent ten (10) year limited tax to fund specified capital projects. The 3/8-cent portion of the tax expired on December 31, 2021.
- Total assets and deferred outflows of the City exceeded total liabilities and deferred inflows at the close of 2021 by \$572,686,275. Of this amount, \$619,901,835 reflects the net investment in capital assets; \$137,097,036 is restricted for debt service, streets and drainage, grant funds, capital projects, 911 funds, and other special projects; \$250,000 is restricted nonexpendable; and \$(184,562,596) is considered unrestricted.
- The City's 2021 total net position increased by \$64,034,518. Net position of the governmental activities increased \$61,283,228 and business-type activities increased \$2,751,290. The unrestricted net position of the City's governmental activities decreased \$14,834,151 to \$(191,566,094). The unrestricted net position of the City's business-type activities increased \$3,864,534 to \$7,003,498.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$179,703,831. The combined governmental funds balances increased \$13,803,531 from the prior year. The primary components of this change were the net increases in general fund balances of \$13,829,909, special revenue funds of \$6,103,737, and debt service funds of \$102,731, partially offset by the decrease in capital project funds of \$6,232,846. The components of these changes will be discussed in detail in the Financial Analysis of the Government's Funds. \$38,105,850 of the \$179,703,831 combined ending fund balances is considered unassigned at December 31, 2021, and \$116,921,158 is reported as restricted for capital improvements, debt service, streets and drainage infrastructure, grants, emergency 911, and special projects. In addition, \$2,908,807 of the governmental fund balances is nonspendable, primarily representing inventories and prepaid expenditures. The committed and assigned portions of the fund balances were \$39,123 and \$21,728,893, respectively.
- The general fund reported fund balances of \$61,888,693 at the end of the current year. Unassigned general fund balance was \$38,258,751, or 18% of total general fund expenditures (including transfers out). General fund balances increased \$13,829,909 for the year ended December 31, 2021.

- During the current year, the City's total debt decreased by \$21,702,673 (16% below 2020). The key factors in this decrease were the principal payments of \$21,650,000 for general obligation bonds, \$2,400,000 for revenue bonds, \$4,060,750 for temporary notes, \$812,325 for capital leases, and \$562,011 for net amortization of issuance premiums and discounts, partially offset by the addition of a \$5,925,000 temporary note for various capital projects and a \$1,857,413 capital lease for vehicles.
- At the close of the current year, net position of fiduciary funds was \$140,813,913 held in trust for pension and other postemployment benefits. Total fiduciary net position held in trust increased \$14,550,346 for the year ended December 31, 2021. The increase in net position is attributed to a net increase in investment income and the net change in the fair value of investments of \$15,280,858, plus contributions to the funds in the amount of \$9,504,052, partially offset by the payment of benefits to participants of \$9,299,443, and other participant transfers and administrative expenses of \$935,121. In addition, fiduciary funds include a custodial fund to account for monies held by the courts until they are distributed to various governmental agencies.
- The City's net pension liability decreased \$30,929,538 to \$208,664,413 for Governmental Activities and \$74,205 for Business-Type Activities. The net pension liability of \$208,738,618 and the related net deferred outflows and inflows of resources of \$4,375,112 are discussed in detail in *Note 7* on Pages 63-90 of this report. Pension expense decreased \$15,490,943 to \$34,511,850, with \$34,235,147 associated with Governmental Activities and \$276,703 associated with Business-Type Activities.
- The City's net postemployment benefits other than pensions (OPEB) liability of \$18,904,438 and related deferred outflows and inflows of resources of \$5,802,650 are discussed in detail in *Note 8* on Pages 90-95 of this report. OPEB expense of \$2,557,434 is associated with Governmental Activities.
- At December 31, 2021 the City's discretely presented component units reported net position of \$1,132,890,345, an increase of \$78,745,549.

Overview of the Financial Statements

This discussion and analysis is intended to introduce the City's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, as applicable, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position improves or deteriorates.

The *statement of activities* presents information showing how the government's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future periods (*e.g.*, uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). The governmental activities of the City include general government, public safety, and development. The business-type activities of the City include a solid waste system, vehicle storage, and parking garage operations.

The government-wide financial statements include not only the City itself (known as the primary government) but also the following discretely presented component units:

- Little Rock Water Reclamation Authority
- Bill and Hillary Clinton National Airport
- Oakland Fraternal Cemetery
- Mt. Holly Cemetery
- Little Rock Advertising and Promotion Commission
- Little Rock Port Authority
- Little Rock Ambulance Authority
- Central Arkansas Transit Authority (dba Rock Region Metro)
- Museum of Discovery
- Arkansas Museum of Fine Arts
- Little Rock Workforce Development Board
- Central Arkansas Library System

Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. Complete financial statements for these component units may be obtained by contacting the administrative offices listed on Page 36.

The government-wide financial statements can be found on Pages 21-22 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues,

expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twenty-one (21) individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, the sales tax capital improvement fund, the 2013 capital improvement fund (debt service), the street fund, and the American rescue plan - state and local fiscal recovery fund (SLFRF). Data from the other sixteen (16) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on Pages 23-26 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its solid waste, vehicle storage, and parking garage operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions for fleet operations. The services provided by the internal service fund predominantly benefit the governmental rather than the business-type activities. They have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the solid waste, vehicle storage, and parking garage operations. The Waste Disposal Fund and River Market Garage Fund are considered major enterprise funds of the City. The Fleet Fund is the only internal service fund.

The basic proprietary fund financial statements can be found on Pages 27-29 of this report.

Fiduciary Funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on Pages 30-31 of this report.

Notes to the Financial Statements. The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on Pages 34-106 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund budget, street fund budget, and the City's pension and other postemployment benefit information. The City adopts annual appropriation budgets for its general fund and street fund. Budgetary comparison statements have been provided to demonstrate compliance with the budgets. Required supplementary information can be found beginning on Page 107 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on Pages 128-142 of this report.

Government-wide Financial Analysis

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 183,496,179	\$ 164,233,738	\$ 18,490,427	\$ 13,866,923	\$ 201,986,606	\$ 178,100,661
Noncurrent and other assets	110,359,678	96,551,771	713,982	1,647,665	111,073,660	98,199,436
Capital assets	659,297,905	632,436,875	28,462,438	29,581,861	687,760,343	662,018,736
Total assets	953,153,762	893,222,384	47,666,847	45,096,449	1,000,820,609	938,318,833
Deferred outflows of resources	66,362,630	70,028,100	339,737	120,325	66,702,367	70,148,425
Current liabilities	80,398,005	59,785,727	3,479,495	2,702,337	83,877,500	62,488,064
Long-term liabilities outstanding	343,883,674	391,249,547	12,261,210	13,208,748	356,144,884	404,458,295
Total liabilities	424,281,679	451,035,274	15,740,705	15,911,085	440,022,384	466,946,359
Deferred inflows of resources	54,288,519	32,552,244	525,798	316,898	54,814,317	32,869,142
Net investment in capital assets	596,822,534	533,696,516	23,079,301	23,307,162	619,901,835	557,003,678
Restricted - expendable	135,439,754	122,448,393	1,657,282	2,542,665	137,097,036	124,991,058
Restricted - unexpendable	250,000	250,000	-	-	250,000	250,000
Unrestricted (deficit)	(191,566,094)	(176,731,943)	7,003,498	3,138,964	(184,562,596)	(173,592,979)
Total net position	\$ 540,946,194	\$ 479,662,966	\$ 31,740,081	\$ 28,988,791	\$ 572,686,275	\$ 508,651,757

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$572,686,275 at the close of the most recent fiscal year.

The largest portion of the City's net position, 108.2%, reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources since capital assets themselves cannot be utilized to liquidate these liabilities. An additional portion of the City's net position, 23.9%, represents resources subject to restrictions on how they may be used. The remaining unrestricted net position of \$(184,562,596) represents (32.2)% of the City's net position.

The following table summarizes the City's operations for the fiscal year ended December 31, 2021, with comparative totals for the fiscal year ended December 31, 2020.

Revenues	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<i>Program revenues:</i>						
Charges for services	\$ 31,515,181	\$ 29,666,841	\$ 28,329,033	\$ 27,895,077	\$ 59,844,214	\$ 57,561,918
Operating grants and contributions	40,744,859	40,578,867	-	-	40,744,859	40,578,867
Capital grants and contributions	24,319,712	5,602,611	-	-	24,319,712	5,602,611
<i>General revenues:</i>						
Property taxes	64,473,416	61,054,723	-	-	64,473,416	61,054,723
Sales taxes	151,788,411	130,975,321	-	-	151,788,411	130,975,321
Utility franchise taxes	31,432,173	29,714,100	-	-	31,432,173	29,714,100
Investment earnings (loss)	(505,636)	1,691,383	(82,788)	134,710	(588,424)	1,826,093
Other	3	-	-	-	3	-
Total revenues	343,768,119	299,283,846	28,246,245	28,029,787	372,014,364	327,313,633
Expenses						
General government	61,255,761	52,235,183	-	-	61,255,761	52,235,183
Public Works	39,957,927	38,618,295	-	-	39,957,927	38,618,295
Parks and recreation	15,236,418	41,645,355	-	-	15,236,418	41,645,355
River Market	1,081,976	887,997	-	-	1,081,976	887,997
Golf	1,969,055	1,912,674	-	-	1,969,055	1,912,674
Jim Dailey Fitness	819,547	764,511	-	-	819,547	764,511
Zoo	7,356,332	6,439,107	-	-	7,356,332	6,439,107
Public safety	141,471,693	156,295,359	-	-	141,471,693	156,295,359
Economic development	300,000	205,360	-	-	300,000	205,360
Education	119,815	27,000	-	-	119,815	27,000
Housing and neighborhood programs	10,940,380	8,089,873	-	-	10,940,380	8,089,873
Fiscal charges on long-term debt	3,779,600	4,626,302	-	-	3,779,600	4,626,302
Waste disposal	-	-	20,385,069	21,657,734	20,385,069	21,657,734
Parking system	-	-	1,658,313	1,521,759	1,658,313	1,521,759
Fleet	141,148	81,144	-	-	141,148	81,144
Vehicle storage	-	-	1,506,812	1,447,768	1,506,812	1,447,768
Total expenses	284,429,652	311,828,160	23,550,194	24,627,261	307,979,846	336,455,421
Change in net position before transfers	59,338,467	(12,544,314)	4,696,051	3,402,526	64,034,518	(9,141,788)
Transfers	1,944,761	1,909,301	(1,944,761)	(1,909,301)	-	-
Change in net position	61,283,228	(10,635,013)	2,751,290	1,493,225	64,034,518	(9,141,788)
Net Position, Beginning of Year	479,662,966	490,297,979	28,988,791	27,495,566	508,651,757	517,793,545
Net position, End of Year	\$ 540,946,194	\$ 479,662,966	\$ 31,740,081	\$ 28,988,791	\$ 572,686,275	\$ 508,651,757

Governmental Activities. Governmental activities increased the City's net position in the current year by \$61,283,228. The increase in current assets of \$19,262,441, an increase in noncurrent assets of \$13,807,907, an increase in net capital assets of \$26,861,030, and a decrease in noncurrent liabilities of \$21,062,562, excluding the net pension and the net OPEB liabilities, increased net position by \$81 million. A decrease in the net pension liability of \$30,828,479 net of an increase in related deferred inflows of \$22,224,406 and a decrease in deferred outflows of resources of \$6,481,507, resulted in a net increase to net position of \$2,122,566 associated with pensions. An increase in the net OPEB liability of \$4,525,168, net of an increase in related deferred outflows of \$3,130,530 and a decrease in deferred inflows of resources of \$488,131, resulted in a net decrease to net position of \$906,507 associated with OPEB. Amortization of the deferred loss on refunding of \$314,493, and the increase in current liabilities of \$20,612,278 decreased net position by an additional \$20.9 million.

Property tax represents 18.8% of the City's 2021 revenue from governmental activities, excluding transfers in. Property tax revenues increased 5.6% from 2020. Sales tax represents 44.2% of the City's 2021 governmental revenue and increased 15.9% in comparison to 2020 revenues. The increase is primarily attributed to economic development activities and the reopening of businesses most impacted by the Coronavirus Pandemic in 2020. Heaviest growth was experienced in NAICS categories including *Iron and Steel Mills and Ferroalloy Manufacturing; Electronic Shopping and Mail-Order Houses; Food Services and Drinking Places; Clothing Stores; General Merchandise Stores; Full Service Restaurants; Traveler Accommodation; Automotive Equipment Rental and Leasing; Electronics and Appliance Stores; and Machinery, Equipment, and Supplies Merchant Wholesalers*. The hotel gross receipts tax increased 70.9% due to the lifting of travel restrictions and the gradual return of tourism, convention, and special event activity. Charges for services, representing 9.2% of governmental revenues, increased 6.2% due primarily to the prior year impact of the Coronavirus on the Zoo, park related activities, fines and fees, and licenses and permits. Operating grants and contributions, including intergovernmental turnback revenues, representing 11.9% of revenue from governmental activities in 2021, increased 0.4% from 2020. Operating grants in 2021 included support from the American Rescue Plan - State and Local Fiscal Recovery Fund (SLFRF) allocation and other Coronavirus related grants that were comparable in total to the funding received in 2020 from the State's allocation of funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act in response to the pandemic health crisis. Capital grants and contributions, representing 7.1% of governmental revenues, increased approximately 334.1%, driven primarily by an increase in private-developer street and rights-of-way contributions, including approximately \$12.5 million associated with 21.2 lane miles of University Avenue (State Highway 70) from the State of Arkansas.

Excluding transfers in, current year expenses were 82.7% of current year revenues.

Business-type Activities. Business-type activities increased the City's net position by \$2,751,290. Key elements of this increase are as follows:

- Operating income increased net position by \$4,820,064. Net nonoperating revenues, including the net gain on disposal of capital assets, other income, and investment income, partially offset by interest expense, decreased net position by \$124,013. Net transfers decreased net position by \$1,944,761.
- Waste Disposal net position increased by \$1,551,574. Net income, before contributions and net transfers of \$1,950,648, was \$3,502,222, which was generated primarily by waste disposal and landfill services.
- River Market Garage operating income of \$997,091 was offset by net nonoperating expense of \$329,915. The primary component of net nonoperating expense was interest.
- Other nonmajor enterprise funds operating income increased net position by \$533,236.

Waste Disposal activities contribute 84.4% of the operating revenue to the business-type activities. Current year operating expenses, including transfers out, for business-type activities were 90.0% of current year operating revenues.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in

assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of December 31, 2021, the City’s governmental funds reported combined ending fund balances of \$179,703,831, an increase of \$13,803,531 compared to the prior year. A total of \$116,921,158 is reported as *restricted fund balance* for capital projects or debt service. In addition, \$2,908,807 of the governmental fund balances is *nonspendable*, representing primarily inventories and prepaid expenditures. The *committed* and *assigned* portions of the fund balances were \$39,123 and \$21,728,893, respectively. Approximately \$38,105,850 constitutes *unassigned fund balance* and is available for spending at the government’s discretion.

The general fund is the chief operating fund of the City. At December 31, 2021, unassigned fund balance of the general fund was \$38,258,751, while the total fund balance was \$61,888,693. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (including transfers out). Unassigned fund balance represents 17.6% of total General Fund expenditures (including transfers out), while total fund balance represents 28.4% of that same amount.

The special revenue funds had total fund balances of \$36,284,447. There was a net increase in fund balances of \$6,103,737 in 2021. Special revenues come primarily from intergovernmental sources, property taxes, and charges for services. Street fund (major fund) revenues are primarily from property taxes, state highway, wholesale fuel tax, severance tax turnback funds, and an allocation of the State's ½ cent highway sales tax dedicated to street construction, resurfacing, and other road related projects. American Rescue Plan - SLFRF fund (major fund) revenues are from the City's allocation of the Coronavirus State and Local Fiscal Recovery Funds to support the response to and recovery from the COVID-19 public health emergency. The City received \$18,856,700 from the first tranche in May 2021 of which \$3,961,882 has been expended and recognized as revenue. The increase in street fund balance in 2021 is primarily due to an increase in turnback revenues received from the State, including growth in the 1/2-cent 4-Lane Highway sales tax. Fund balance is restricted for future street and drainage projects. Emergency 911 funds are supported by a statewide public safety fee assessed on wireline and wireless phones to fund all PSAPS within the state. Funding is divided between E-911 centers based on the population each serves. The increase in fund balance is associated with a rate change implemented by the state legislature that took effect in October 2019 to better support emergency communications. The grant fund, Community Development Fund (CDBG), Neighborhood Housing Special Project Fund (NHSP), and Home Investment Partnership Fund (HIPP) account for grant funds received for specific programs. The monies are expended in accordance with each grant program. The increase in the HIPP fund is primarily attributed to program income. Net changes and ending fund balances by fund are:

Special Revenue Funds	Net Change	Ending Balance
Street	\$ 5,454,185	\$ 26,126,965
American Rescue Plan -SLFRF	57,214	57,214
Special Projects	(27,182)	4,034,092
Emergency 911	416,371	3,493,311
Grant Fund	1,633	17,775
CDBG	21,422	878,306
NHSP	609	17,779
HIPP	179,485	1,659,005

The debt service funds had total fund balances of \$24,550,199. The net increase in fund balances during 2021 was \$102,731. Revenues for debt service funds come from property tax, franchise fees, or sales tax set at the level necessary to meet debt service requirements. The debt service of the 2013 Capital Improvement Bonds (major fund), the 2015 Central Arkansas Library Bonds, and the 2017 Central

Arkansas Library Bonds is supported by dedicated property tax levies. The increase in fund balances for these funds is attributed to an increase in collections based on assessed value in 2020 for collection in 2021. The TIF #1 debt service funds are generated by increased assessed values attributed to growth in the redevelopment district. The 2017 Capital Improvement debt service is funded with dedicated franchise fees. The change is based on the level required to meet current debt service requirements. The 2018 Hotel Gross Receipts Bonds debt service is funded by a 2% hotel gross receipts tax levy. The increase is due to the lifting of travel restrictions and the recovery experienced in 2021 after a decline in 2020 tax revenues attributed to the impact of the Coronavirus pandemic. Net changes and ending fund balances by fund are:

Debt Service Funds	Net Change	Ending Balance
2013 Capital Improvements	\$ 131,792	\$ 14,601,542
2015 Central Arkansas Library	18,329	4,228,938
TIF #1 2014 Capital Improvement	(457,504)	423,938
2017 Central Arkansas Library	(17,144)	4,494,002
2017 Capital Improvement	(2,764)	16,570
2018 Hotel Gross Receipts	430,022	785,209

The capital project funds had total fund balances of \$56,980,492 at December 31, 2021. Fund balances decreased by a net of \$6,232,846 during the year. The increase in the Sales Tax Capital Improvement fund (major fund) reflects sales tax receipts from the dedicated 3/8-cent sales tax and investment income totaling \$23,017,645, net of capital outlay of \$10,638,879, contracted expenditures of \$5,552,812 associated primarily with economic development projects and port expansion, and transfers out of \$954,660, representing the principal portion of debt service associated with short-term financing utilized to advance projects. The decreases in the Capital Improvement Fund, 2018 Hotel Gross Receipts Tax Bond Fund, and 2015 Central Arkansas Library Capital Improvement Fund, are associated with the expenditure of bond proceeds for capital projects and major maintenance for streets and drainage, construction and capital improvements of the Arkansas Museum of Fine Arts, and Library capital improvements, respectively. The increase in the Short-Term Financing fund reflects funding from the issuance of a capital lease for vehicles in the amount of \$1,857,413 and the issuance of a temporary note in the amount of \$5,925,000 for various capital projects, net of capital outlay and other expenditures for assets below the capitalization threshold totaling \$7,050,725. The net changes and ending fund balances for the capital project funds are:

Capital Improvement Funds	Net Change	Ending Balance
Sales Tax Capital Improvements	\$ 5,871,294	\$ 42,278,073
Capital Improvements	(12,719,629)	11,099,738
2018 Hotel Gross Receipts Tax Bonds	(50)	9,527
Short-Term Financing	719,879	3,072,791
2015 Central Arkansas Library Capital Improvement	(121,059)	283,427
Port TIF	16,719	236,936

Proprietary Funds. The City's proprietary funds provide the same information found in the government-wide financial statements but with more detail.

At the end of the year, net position amounted to \$26,365,980, \$4,597,654, and \$776,447, for Waste Disposal, River Market Garage, and Vehicle Storage operations, respectively. Net position increased in the Waste Disposal Fund, River Market Garage Fund, and Vehicle Storage Fund by \$1,551,574,

\$667,176, and \$532,540, respectively. Factors concerning the finances of these funds have already been addressed in the discussion of the City’s business-type activities.

General Fund Budgetary Highlights

The original adopted general fund budget included revenues and expenditures of \$210,100,969. The final amended budget included increases in revenues, including transfers in, of \$15,688,955 and increases in total appropriations of \$14,823,955, resulting in an increase to budgeted fund balances of \$865,000 to \$48,923,784. During the year, there were two (2) budget amendments primarily associated with the evolving recovery from the Coronavirus pandemic. The first budget amendment was adopted on October 5, 2021, increasing revenues by \$14 million with \$12 attributed to growth in sales tax revenues, and increasing expenditure appropriations by \$11.8 million. The second amendment was adopted on December 12, 2021, to increase revenues by an additional \$1.6 million and to increase expenditure appropriations by \$3 million. The amendments also included the allocation of savings from authorized but vacant positions to departments and reallocated the budget for vacation and sick leave payouts for employees separating from service from general administration to departments as expenses were incurred.

Budget adjustments and actual results are shown as follows:

	General Fund Budget – Revenue					Explanation
	Original Budget	Adjustments	Amended Budget	Actual	Variance	
Property Taxes	\$ 31,603,699	\$ 1,134,504	\$ 32,738,203	\$ 33,294,256	\$ 556,053	The original budget for property tax revenues included a growth estimate of 2.4%. The budget amendment included an increase of approximately 3.6% due to the timing of receipt of excess commissions associated with 2020 revenues. As a result, both 2020 excess commissions and 2021 excess commissions were reflected as 2021 revenues. The actual variance is due to better than anticipated growth in property values.
Sales Taxes	108,035,271	13,508,277	121,543,548	126,233,419	4,689,871	The original budget included a conservative recovery from the COVID-19 pandemic. The budget amendment reflected actual results through November receipt of September revenues. The actual variance includes stronger than anticipated fourth quarter growth and approximately \$1.5 million in revenue attributed to economic development construction projects that is subject to rebate through June 2022. Overall, sales tax grew over 15% from prior year, primarily in NAICS categories that were most impacted by the Coronavirus pandemic in 2020. In addition, federal stimulus checks and collection of sales tax on internet sales spurred growth.
Licenses & Permits	12,004,000	232,200	12,236,200	12,343,820	107,620	The original budget assumed growth of approximately 7%, primarily associated with mixed drink licenses and building permits following depressed revenues in 2020 due to the pandemic. The budget amendment was primarily attributed to an increase in business licenses and stronger growth in mixed drink supplements with the reopening of restaurants and bars, partially offset by a decrease in projected building and related permits. The actual variance reflects strong fourth quarter increases in mixed drink supplemental payments.
Intergovernmental	11,105,872	14,704	11,120,576	11,120,909	333	Insurance pension turnback revenues are received annually in July from the State of Arkansas. The budget amendment reflects an increase in the turnback revenue, which is intended to offset approximately 40% of pension cost for Police and Fire uniform personnel.

General Fund Budget – Revenue						
	Original Budget	Adjustments	Amended Budget	Actual	Variance	Explanation
Charges for Services	10,234,888	694,164	10,929,052	11,265,629	336,577	The adopted budget anticipated growth of 33.4% over the depressed revenues experienced in 2020 due to the suspension of activities during the height of the pandemic. The budget amendment reflects a faster recovery than expected associated with Zoo and Golf operations, partially offset by slower recovery in indoor activities. The actual variance is attributed growth in all park related activities with the gradual lifting of restrictions.
Fines & Fees	1,821,500	(138,423)	1,683,077	1,691,855	8,778	The budget amendment reflects the slow resumption of court activities following the onset of the pandemic, and the continued reduction in ticket volume. Actual revenues were slightly above the amended projection.
Utility Franchise Fees	29,138,856	458,000	29,596,856	29,924,273	327,417	The original budget was based on forecasts received directly from the utility service providers. The budget amendment included increases in Gas, Water and Water Reclamation revenues, partially offset by a decrease in forecasted revenues for Electric and Fiber Optics providers. The increased gas, water, and water reclamation revenues were attributed to higher usage during the first quarter with a historic snowstorm. Customers kept water running to avoid frozen pipes. In addition, rising natural gas prices increased heating bills.
Interest Earnings	250,000	(80,000)	170,000	(189,420)	(359,420)	The budget amendment reflects the impact of lower interest rates in the first part of the year which resulted in lower interest earnings. The actual variance is attributed to rising interest rates at the end of the year that negatively impacted the fair market value of investments.
Contributions	249,245	53,329	302,574	549,114	246,540	The budget reflects contributions from the Little Rock Convention and Visitor's Bureau (LRCVB) for operation of the River Market for a limited period. The amendment increased the contribution from LRCVB to reflect continued operation of the River Market. The actual variance is due to additional contributions and bequests received for the Zoo.
Miscellaneous	804,238	(187,800)	616,438	1,232,275	615,837	The budget amendment includes an adjustment for a reduction in miscellaneous pension revenues and insurance recoveries. The actual variance includes \$374,811 in special projects, including funds from North Little Rock to partner with the City to assist the unsheltered population, Housing and Neighborhood reimbursements and land bank revenues. In addition, seized funds contributed approximately \$109,000.
Transfers In	4,853,400	-	4,853,400	3,952,921	(900,479)	The adopted budget includes transfers from General fund special projects and from other funds. The General fund special projects are combined with the General fund for reporting purposes and the interfund transfers are eliminated. The actual variance includes the elimination of transfers from General fund special projects set aside in 2020 from a premium holiday to help offset increased health insurance cost in 2021.
Total General Fund Revenue	\$ 210,100,969	\$ 15,688,955	\$ 225,789,924	\$ 231,419,051	\$ 5,629,127	

Expenditures, budget adjustments, and actual results by General Fund department are shown below.

	General Fund Budget – Expenditures					Explanation
	Original Budget	Adjustments	Final Budget	Actual	Variance Fav. (Unfav.)	
General Administration	\$ 22,889,405	\$ 4,828,684	\$ 27,718,089	\$ 29,073,454	\$ (1,355,365)	The budget amendment is primarily associated with an additional appropriation for the purchase of land at the Port for economic development -\$5 million, and increased workers' compensation and OPEB contribution costs, net of the allocation of vacation and sick leave payouts to other departments for separating employees. The expenditures are originally budgeted in General Administration and allocated to departments as incurred. The actual variance includes special project expenditures of \$1.5 million that were included in the transfers out budget. The special project expenditures include Coronavirus response not funded with grants, funding for homelessness outreach, grant match, diversity, equity and inclusion, and other smaller projects.
Board of Directors	338,715	1,933	340,648	332,297	8,351	Immaterial
Community Programs	465,049	11,115	476,164	2,320,285	(1,844,121)	The budget amendment is due to the allocation of vacation and sick leave payouts. The actual variance is attributed to special project expenditures for Children, Youth, and Family, and Prevention, Intervention, and Treatment programs, which are budgeted as transfers out. Actual special project expenditures were \$1,904,869.
City Attorney	1,654,033	(69,644)	1,584,389	1,585,718	(1,329)	The budget amendment reflects savings from vacant positions (\$75,172), net of an allocation for vacation/sick payouts for separating employees (\$5,528). The actual variance is immaterial.
District court – first division (criminal)	1,343,070	(67,979)	1,275,091	1,171,463	103,628	The budget amendment reflects savings from vacant positions (\$81,961), net of an additional allocation for vacation/sick payouts for separating employees (\$5,528). In addition, \$7,500 was set aside at year-end in a special project for 2021 encumbrances carried over to 2022. The actual variance is attributed to savings in personnel cost, supplies, and contracted expenditures.
District court – second division (traffic)	1,255,694	(8,786)	1,246,908	1,209,137	37,771	The budget amendment reflects savings from vacant positions (\$10,825), net of an additional allocation for vacation/sick payouts (\$2,039). The actual variance is attributed to savings in contracted expenditures, utilities, travel, and training.
District court – third division (environmental)	539,585	(4,881)	534,704	515,094	19,610	The budget amendment reflects savings from vacant positions (\$7,147), and an additional allocation for vacation/sick payouts for separating employees (\$2,266). The actual variance is primarily attributed to additional personnel cost savings.
Finance	4,057,149	(163,908)	3,893,241	3,676,597	216,644	The budget amendment primarily reflects the reclassification of \$180,000 to transfers out to fund a special project for Finance projects that were deferred to 2022, net of an additional allocation for vacation/sick leave payouts for separating employees (\$16,092). The actual variance is primarily attributed to personnel cost savings due to vacant positions.
Human resources	2,051,039	26,845	2,077,884	2,155,495	(77,611)	The budget amendment reflects savings from vacant positions (\$77,718), net of an additional allocation for vacation/sick leave payouts for separating employees (\$104,563). The actual variance is primarily due to savings in software/hardware maintenance and contracted expenditures.

	General Fund Budget – Expenditures (Continued)					Explanation
	Original Budget	Adjustments	Amended Budget	Actual	Variance Fav. (Unfav.)	
Information technology	6,039,340	(526,836)	5,512,504	5,538,280	(25,776)	The budget amendment includes a \$400,000 reclassification to transfers out to fund a special project for IT expenditures that were deferred to 2022. In addition, the budget amendment reflects savings from vacant positions (\$232,449), net of an additional allocation for vacation/sick leave payouts for separating employees (\$105,613). The actual variance is immaterial.
Planning & development	2,708,492	(262,409)	2,446,083	2,385,991	60,092	The budget amendment includes savings from vacant positions (\$272,994), net of an additional allocation for vacation/sick payouts for separating employees (\$10,585). The actual variance is attributed to additional savings in personnel cost, utilities, and supplies and materials.
Public works	1,110,957	-	1,110,957	2,082,354	(971,397)	The actual variance in is primarily associated with special project expenditures for facility improvements and repairs. The special project expenditures totaled \$1,034,657 and were budgeted as transfers out. The remainder of the actual variance is attributed primarily to utility cost savings and other contracts.
Parks & recreation	10,181,728	(695,105)	9,486,623	9,611,410	(124,787)	The budget amendment reflects savings from vacant positions (\$678,723), net of an additional allocation for vacation/sick payouts for separating employees (\$87,450). In addition, \$132,000 was reclassified to transfers out to fund projects carried over to 2022. The December budget amendment included an additional allocation of \$28,168 to fund an increase in salaries for positions requiring a Commercial Driver's License. The actual variance is primarily due to special project expenditures for various summer park activities totaling \$761,787 that were budgeted as transfers out, net of additional savings in personnel cost
Rivermarket	774,678	151,900	926,578	985,407	(58,829)	The budget amendment increased appropriations for continued operation of the Rivermarket. The original budget anticipated a potential sale. Actual personnel cost, repairs and maintenance, and other supplies were slightly over budget.
Golf	1,572,011	196,870	1,768,881	1,779,528	(10,647)	The budget amendment reflects an increase in part-time personnel cost, operating expense, and pro-shop merchandise, which was more than offset by increased golf revenues. The actual variance is immaterial.
Jim Dailey Fitness & Aquatics	867,184	(27,272)	839,912	708,768	131,144	The budget amendment reflects savings from vacant positions (\$49,067), partially offset by an additional allocation for vacation/sick payouts \$21,795. The actual variance is attributed to additional personnel cost savings, primarily due to the delay in restoring part-time programming due to the pandemic.
Zoo	6,481,505	(1,442,307)	5,039,198	5,179,608	(140,410)	The budget amendment reflects the reclassification of \$1.52 million in operating expenses to the Grant fund to offset the Shuttered Venue Operator's grant award. In addition, the budget amendment includes savings from vacant positions (\$281,925), partially offset by an additional allocation for vacation/sick payouts (\$35,301, and \$325,000 for maintenance and gift shop merchandise. The actual variance is due to expenditure of special project funds set aside in a prior year that were not included in the operating budget.

General Fund Budget – Expenditures (Continued)

	Original Budget	Adjustments	Amended Budget	Actual	Variance	Explanation
Fire	53,350,321	4,409,032	57,759,353	56,749,254	1,010,099	The budget amendment included additional allocations for overtime and other personnel cost (\$3,755,000), vacation/sick leave payouts for separating employees (\$1,056,717), and the closed Fire pension plan contributions (\$150,903), partially offset by savings from vacant positions (\$553,588). The actual variance is primarily attributed to salary savings due to vacant positions and repairs and maintenance.
Police	80,200,891	(3,026,774)	77,174,117	76,533,193	640,924	The budget amendment reflects savings from vacant positions (\$3,732,233) and the reclassification of \$200,000 to transfers out to fund repairs and maintenance to the Southwest station in 2022, partially offset by additional allocations for vacation/sick payouts to separating employees (\$865,919), and an increase to the closed Police pension plan contribution (\$39,540). The actual variance is primarily attributed to additional personnel cost savings due to vacant positions.
Fleet	-	-	-	97,415	(97,415)	The actual Fleet variance is attributed to special project expenditures for fleet upfit for Police vehicles funded by a transfer in from the Fleet fund and for lease management expenses, partially offset by the special project allocation budgeted as transfers out.
Housing & neighborhood programs	5,710,466	(470,523)	5,239,943	5,817,827	(577,884)	The budget amendment reflects savings from vacant positions (\$715,526), partially offset by additional allocations for vacation/sick payouts for separating employees (\$35,503), salary adjustments for code enforcement officers (\$175,000), and enhancements to the 311 app for service requests (\$34,500). The actual variance includes special project expenditures of \$944,484 for weed lot maintenance, land bank acquisition, and residential and commercial demolitions which were budgeted as transfers out, partially offset by additional savings in personnel cost due to vacant positions.
Principal	4,060,750	-	4,060,750	4,822,741	(761,991)	The budget represents principal payments on temporary notes. The actual variance represents the principal portion of capital lease payments paid from the fleet replacement special project, budgeted as transfers out.
Interest expense	197,895	-	197,895	333,134	(135,239)	The budget represents the interest expense paid on temporary notes. The actual variance represents the interest paid on capital leases paid from the fleet replacement special project, budgeted as transfers out.
Capital outlay	-	42,500	42,500	2,586,753	(2,544,253)	Capital outlay was not budgeted separately. Budget allocations are made by Department. The amendment reflects an allocation for fencing to protect Code Enforcement vehicles for the Housing and Neighborhood Programs Department. The actual variance reflects special project capital expenditures (\$2.5 million) budgeted as transfers out or set aside in prior years for various capital purchases including vehicles and upfit (\$1.1 million), building construction and improvements (\$0.77 million), land improvements (\$.46 million), and equipment and machinery (\$.11 million).

	General Fund Budget – Expenditures					Explanation
	Original Budget	Adjustments	Final Budget	Actual	Variance Fav. (Unfav.)	
Transfers Out	8,251,012	5,921,500	14,172,512	337,939	13,834,573	The transfers out budget primarily consists of transfers to special projects as specified by the Board of Directors. The special projects are for programs the Board wants to track separately, and often involve projects that reach beyond the current fiscal year. The budget amendment includes additional allocations of \$5 million for projects including buildout of the 1st floor of the 12th Street Station, a Zoo stormwater outfall project, Fire Station 12 renovation - ADA compliance, targeted community development, historic Terry House and Daisy Bates House capital improvements and board room renovation. In addition, \$919,500 was reclassified from department budgets above to special projects to fund projects that were carried over to 2022. Special project expenditures are grouped with general fund expenditures above for reporting purposes, and the transfers out to special projects are eliminated, creating the variance from budget to actual.
Vacancy Savings	(6,000,000)	6,000,000	-	-	-	The budget adjustment reflects savings that occurs when authorized positions are vacant. As savings are achieved, the budgets of the applicable departments are reduced with an offset to the vacancy savings budget. The vacancy savings allocation was fully realized in 2021.
Total General Fund Expenditures	\$ 210,100,969	\$ 14,823,955	\$ 224,924,924	\$ 217,589,142	\$ 7,335,782	

Capital Assets and Debt Administration

Capital assets. The City’s investment in capital assets for governmental and business-type activities as of December 31, 2021, amounts to \$687,760,343 (net of accumulated depreciation). The investment in capital assets includes land, buildings, systems, improvements, vehicles and equipment, park facilities, roads, curbs and gutters, streets and sidewalks, and drainage systems. The total increase in the City’s net capital assets for 2021 is \$25,741,607, or 3.9% (an increase of 4.2% for governmental activities and a decrease of 3.8% for business-type activities).

	City of Little Rock Capital Assets, Net of Accumulated Depreciation					
	Governmental Activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 190,694,884	\$ 189,744,232	\$ 2,637,147	\$ 2,637,147	\$ 193,332,031	\$ 192,381,379
Buildings	74,090,625	76,904,054	11,875,374	12,608,806	85,965,999	89,512,860
Improvements other than buildings	7,486,935	9,325,102	5,367,332	5,964,425	12,854,267	15,289,527
Vehicles and equipment	19,010,065	17,177,914	6,993,165	8,149,425	26,003,230	25,327,339
Infrastructure	312,279,760	285,587,524	-	-	312,279,760	285,587,524
Construction in progress	55,735,636	53,698,049	1,589,420	222,058	57,325,056	53,920,107
Total	\$ 659,297,905	\$ 632,436,875	\$ 28,462,438	\$ 29,581,861	\$ 687,760,343	\$ 662,018,736

Major capital asset events during 2021 included the following:

- Infrastructure additions were \$42,595,485
- Vehicle and equipment additions were \$8,868,505
- Land and Right of Way additions were \$950,652
- Construction in progress additions, net of transfers for assets placed in service, were \$3,404,949
- Depreciation expense totaled \$29,621,033
- Asset retirements, net of accumulated depreciation, were \$270,663

Additional information on the City’s capital assets can be found in *Note 4* on Pages 52-54 of this report.

Long-term Debt. At December 31, 2021, the City’s primary government had \$109,487,130 of long-term debt outstanding, including general obligation bonds of \$43,755,000, notes payable of \$10,478,349, capital leases of \$4,593,781, and \$50,660,000 of bonds, secured solely by specified revenue sources (*i.e.*, revenue bonds). In addition, net issuance premiums and issuance discounts totaled \$1,753,950.

	City of Little Rock Long-term Debt					
	Governmental Activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 43,755,000	\$ 65,405,000	\$ -	\$ -	\$ 43,755,000	\$ 65,405,000
Revenue bonds	45,265,000	46,770,000	5,395,000	6,290,000	50,660,000	53,060,000
Notes Payable	10,478,349	8,614,099	-	-	10,478,349	8,614,099
Capital lease obligation	4,593,781	3,548,693	-	-	4,593,781	3,548,693
Total	\$ 104,092,130	\$ 124,337,792	\$ 5,395,000	\$ 6,290,000	\$ 109,487,130	\$ 130,627,792

Total long-term debt outstanding at December 31, 2021, decreased \$21,140,662, a decrease of 16.2%. The net decrease includes bonded debt retirements of \$24,050,000, principal payments on short-term financing notes in the amount of \$4,060,750, and principal payments on capital leases of \$812,325. The additions were partially offset by the issuance of note payable \$5,925,000 and capital leases in the amount of \$1,857,413.

The City’s general obligation bond rating by Standard & Poor’s Corporation and Moody’s Investors Service, Inc. are “AA” and “Aa1”, respectively. The City’s bond ratings are shown in the following table.

	Moody's Investors Service	Standard & Poor's
<u>General Obligation Debt</u>		
2013 Capital Improvement Bonds	Aa1	AA
2015 Library Capital Improvement and Refunding Bonds	Not Rated	AA
2017 Library Refunding Bonds	Aa1	Not Rated
TIF #1 2014 Capital Improvement	Not Rated	Not Rated
2018 Capital Improvement Bonds	Aa1	AA
<u>Revenue Debt</u>		
2003 Capital Improvement and Refunding Revenue	A3	A-
2007 Waste Disposal Capital Improvement Bonds	Aa2	AA-
2017 Capital Improvement Refunding Bond	Not Rated	AA-
2018 Hotel Gross Receipts Tax Bonds	Not Rated	BBB

The City is within all its legal debt limitations. Under the Arkansas Constitution, the City is allowed to issue general obligation debt up to 20% of total assessed valuation, with voter approval. Outstanding general obligation and governmental revenue bonds at December 31, 2021, of \$90,785,813 net of premiums and discounts are well below the statutory limit of \$975,946,914. In addition, the City is allowed to issue short-term financing (maturities of less than five years) up to 5% of total assessed valuation. Outstanding short-term financing, including capital leases at December 31, 2021, of \$15,072,130 are well below the statutory limit of \$243,986,729. Voter approval is not required for short-term financing.

S&P Global Ratings lowered its long-term rating on the 2018 Hotel Gross Receipts Tax Bonds, Series 2018 to BBB from A- in 2020 and revised the outlook to negative. The rating action reflected uncertainty regarding the duration of the ongoing Coronavirus pandemic and the impact on pledged revenue. In addition, the outlook on transportation industry bonds, including the 2003 Capital Improvement and Refunding Revenue Bonds issued to finance construction of the RiverMarket Parking Deck and advance refund the 1997 Capital Revenue Bonds (Second and Main Street Parking Project), was revised to negative due to the impact of the pandemic on the industry. Recently, the outlooks on the 2018 Hotel Gross Receipts Tax Bonds, Series 2018 and the 2003 Capital Improvement and Refunding Revenue Bonds were revised to stable.

Additional information regarding the City's long-term debt can be found in *Note 5* on Pages 55-61 of this report.

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the 2022 budget, adopted on December 21, 2021. As a result, the 2022 General Fund original adopted budget is \$222,166,164, reflecting an increase of 5.7% from the original 2021 adopted budget and a decrease of 1.2% from the final amended 2021 General Fund budget. Sales tax growth in 2021 included revenues associated with major economic development capital improvement projects in NAICS categories such as *Iron and Steel Mills and Ferroalloy Manufacturing*. Growth in this category was unusually strong. The 2022 adopted budget assumed that the unusual growth in that category would not continue. In addition, other revenue growth projections were conservatively projected with ongoing uncertainty regarding the impact of additional variants of the Coronavirus on the recovery.

The Mayor and the Board of Directors continue to place the highest premium on safety for the people of Little Rock and City employees. To meet the objectives of the 2022 budget, the City recognized the need to continue its pattern of cost containment designed to promote long-term fiscal stability.

The Board of Directors recently approved an Ordinance to call a special election on August 9, 2022, on the question of whether to issue bonds in the aggregate principal amount not to exceed \$161.8 million for various capital improvements and to renew and pledge a 3.0 mill ad valorem tax levy to the bonds. The 3.0 mill ad valorem tax levy is currently pledged to the City's Limited Tax General Obligation Capital Improvement Bonds, Series 2013, and Series 2018, which will be fully redeemed by October 1, 2022. There will be six (6) separate ballot questions before voters, each with stated maximum aggregate principal amounts including: Street Improvement Bonds - \$40.5 million, Drainage Improvement Bonds - \$40.5 million, Fire Apparatus Improvement Bonds - \$19.5 million, Park and Recreational Improvement Bonds - \$37 million, District Court Facility Improvement Bonds - \$8.5 million, and Port Industrial Park Improvement Bonds - \$15.8 million.

In addition, on June 6, 2022, the City received the second tranche of American Rescue Plan funding in the amount of \$18,856,700. The Mayor, City Manager, and Board of Directors have held several policy

discussions and will consider a Resolution regarding the spending plan for a portion of the second tranche in the coming weeks.

Despite the negative impacts of the Coronavirus pandemic, City officials are encouraged by economic development in all sectors of the City. The City continues to focus on recovery from the pandemic, while keeping up with population growth to maintain current levels of service to our residents. For additional discussion see the letter of transmittal in the introductory section of this report on Pages *v-xii*.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show accountability for the money it receives. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer's Office, 500 West Markham, Room 208, Little Rock, Arkansas 72201.

Financial Statements

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

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and cash equivalents	\$ 4,061,881	\$ 2,250,633	\$ 6,312,514	\$ 170,284,383
Investments	40,120,746	10,837,733	50,958,479	42,155,489
Restricted cash and investments - current	14,133,655	1,081,938	15,215,593	8,038,548
Accounts receivable, net of allowance for uncollectible accounts	122,074,907	3,998,862	126,073,769	76,918,598
Interest Receivable - current	-	-	-	63,157
Inventories	1,024,943	-	1,024,943	2,230,542
Prepaid expenses and other	2,080,047	321,261	2,401,308	3,403,118
Total current assets	183,496,179	18,490,427	201,986,606	303,093,835
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	36,960,974	336,843	37,297,817	22,466,607
Investments	87,248,798	1,440,121	88,688,919	56,532,057
Grants and other receivables	-	-	-	464,702
Interest receivable	283,561	18,956	302,517	14
Less amount required to meet current obligations	(14,133,655)	(1,081,938)	(15,215,593)	(6,009,407)
Total restricted assets	110,359,678	713,982	111,073,660	73,453,973
Capital assets - nondepreciable	246,430,520	4,226,567	250,657,087	341,821,861
Capital assets - depreciable, net	412,867,385	24,235,871	437,103,256	932,254,817
	659,297,905	28,462,438	687,760,343	1,274,076,678
Other assets				
Other	-	-	-	1,278,922
Total other assets	-	-	-	1,278,922
Total noncurrent assets	769,657,583	29,176,420	798,834,003	1,348,809,573
Total assets	953,153,762	47,666,847	1,000,820,609	1,651,903,408
Deferred Outflows of Resources				
Deferred outflows from pensions	54,255,367	339,737	54,595,104	1,864,589
Deferred outflows from OPEB	10,396,975	-	10,396,975	2,621,054
Loss on refunding	1,710,288	-	1,710,288	15,469,773
Total deferred outflows of resources	66,362,630	339,737	66,702,367	19,955,416
Total assets and deferred outflows of resources	\$ 1,019,516,392	\$ 48,006,584	\$ 1,067,522,976	\$ 1,671,858,824

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

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities, Deferred Inflows of Resources and Net Position				
Current liabilities				
Accounts payable	\$ 7,999,881	\$ 1,366,767	\$ 9,366,648	\$ 20,960,608
Accrued wages payable and related liabilities	10,770,015	-	10,770,015	5,102,484
Retainage payable	649,733	-	649,733	-
Accrued expenses and other	2,327,425	148,163	2,475,588	11,553,498
Accrued interest payable	734,212	137,151	871,363	3,432,497
Compensated absences - current portion	11,390,745	451,273	11,842,018	2,731,498
Notes payable - current portion	3,382,819	-	3,382,819	275,000
Capital lease obligation - current portion	1,041,624	-	1,041,624	-
Bonds payable - current portion	8,975,000	944,787	9,919,787	11,548,526
Other current liabilities	9,381,892	-	9,381,892	-
Unearned revenue	23,744,659	431,354	24,176,013	1,916,550
Total current liabilities	<u>80,398,005</u>	<u>3,479,495</u>	<u>83,877,500</u>	<u>57,520,661</u>
Noncurrent liabilities				
Notes payable	7,095,530	-	7,095,530	11,065,342
Capital lease obligation	3,552,157	-	3,552,157	-
Bonds payable, net of unamortized premium and discount	81,810,813	4,438,350	86,249,163	445,466,992
Net pension liability	208,664,413	74,205	208,738,618	5,406,389
Net OPEB liability	18,904,438	-	18,904,438	6,274,616
Compensated absences	23,518,213	256,216	23,774,429	526,506
Other long-term liabilities	338,110	7,492,439	7,830,549	418,206
Total noncurrent liabilities	<u>343,883,674</u>	<u>12,261,210</u>	<u>356,144,884</u>	<u>469,158,051</u>
Total liabilities	<u>424,281,679</u>	<u>15,740,705</u>	<u>440,022,384</u>	<u>526,678,712</u>
Deferred Inflows of Resources				
Deferred inflows from pensions	49,694,194	525,798	50,219,992	10,776,520
Deferred inflows from OPEB	4,594,325	-	4,594,325	1,513,247
Total deferred inflows of resources	<u>54,288,519</u>	<u>525,798</u>	<u>54,814,317</u>	<u>12,289,767</u>
Net Position				
Net investment in capital assets	596,822,534	23,079,301	619,901,835	810,645,642
Restricted - expendable				
Debt service	48,728,581	1,657,282	50,385,863	4,972,898
Grant funds (special revenue funds)	2,630,079	-	2,630,079	2,629,684
Street funds (special revenue funds)	32,996,224	-	32,996,224	-
Special projects (special revenue funds)	3,784,092	-	3,784,092	-
Capital projects (portion not in net investment in capital assets)	43,524,040	-	43,524,040	13,005,329
911 funds	3,493,311	-	3,493,311	-
Library capital projects	283,427	-	283,427	-
Library materials	-	-	-	3,588,228
Art Fund	-	-	-	53,030,752
Cemetery maintenance	-	-	-	2,941,732
Other restricted	-	-	-	4,096,260
Total restricted - expendable	<u>135,439,754</u>	<u>1,657,282</u>	<u>137,097,036</u>	<u>84,264,883</u>
Restricted - nonexpendable	250,000	-	250,000	19,150,665
Unrestricted (deficit)	(191,566,094)	7,003,498	(184,562,596)	218,829,155
Total net position	<u>540,946,194</u>	<u>31,740,081</u>	<u>572,686,275</u>	<u>1,132,890,345</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,019,516,392</u>	<u>\$ 48,006,584</u>	<u>\$ 1,067,522,976</u>	<u>\$ 1,671,858,824</u>

See Notes to Financial Statements

City of Little Rock, Arkansas

Statement of Activities

Year Ended December 31, 2021

Functions/Programs Primary Government	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Governmental Activities								
General administration	\$ 38,708,848	\$ 11,379,896	\$ 10,302,609	\$ 3,450,705	\$ (13,575,638)	\$ -	\$ (13,575,638)	\$ -
Board of Directors	332,297	-	-	-	(332,297)	-	(332,297)	-
Community programs	2,385,985	28,676	68,200	-	(2,289,109)	-	(2,289,109)	-
City attorney	1,585,718	1,500	-	-	(1,584,218)	-	(1,584,218)	-
District court - first division (criminal)	1,204,068	6,517	-	-	(1,197,551)	-	(1,197,551)	-
District court - second division (traffic)	1,264,534	39,604	-	-	(1,224,930)	-	(1,224,930)	-
District court - third division (environment)	515,421	245,920	-	-	(269,501)	-	(269,501)	-
Courts	-	1,346,973	-	-	1,346,973	-	1,346,973	-
Finance	4,016,208	371,133	15,609	-	(3,629,466)	-	(3,629,466)	-
Human resources	2,361,601	218,680	37,270	-	(2,105,651)	-	(2,105,651)	-
Information technology	6,338,320	739	778,153	-	(5,559,428)	-	(5,559,428)	-
Planning and development	2,542,761	2,245,568	56,499	-	(240,694)	-	(240,694)	-
Public works	39,957,927	631,745	16,438,731	19,833,520	(3,053,931)	-	(3,053,931)	-
Parks and recreation services	15,236,418	1,050,862	650,577	330,018	(13,204,961)	-	(13,204,961)	-
Rivermarket	1,081,976	407,544	322,917	-	(351,515)	-	(351,515)	-
Golf	1,969,055	1,255,997	-	-	(713,058)	-	(713,058)	-
Jim Dailey Fitness	819,547	165,523	-	-	(654,024)	-	(654,024)	-
Zoo	7,356,332	3,422,623	1,753,107	-	(2,180,602)	-	(2,180,602)	-
Fire	57,803,583	1,499,132	2,078,765	207,401	(54,018,285)	-	(54,018,285)	-
Police	83,668,110	5,572,866	3,580,862	498,068	(74,016,314)	-	(74,016,314)	-
Fleet	141,148	713,646	-	-	572,498	-	572,498	-
Economic development	300,000	-	-	-	(300,000)	-	(300,000)	-
Education	119,815	-	-	-	(119,815)	-	(119,815)	-
Housing and neighborhood programs	10,940,380	910,037	4,661,560	-	(5,368,783)	-	(5,368,783)	-
Fiscal charges on long term debt	3,779,600	-	-	-	(3,779,600)	-	(3,779,600)	-
Total governmental activities	<u>284,429,652</u>	<u>31,515,181</u>	<u>40,744,859</u>	<u>24,319,712</u>	<u>(187,849,900)</u>	<u>-</u>	<u>(187,849,900)</u>	<u>-</u>
Business-Type Activities								
Waste disposal	20,385,069	23,967,918	-	-	-	3,582,849	3,582,849	-
River Market Garage	1,658,313	2,321,067	-	-	-	662,754	662,754	-
Vehicle storage	1,506,812	2,040,048	-	-	-	533,236	533,236	-
Total business-type activities	<u>23,550,194</u>	<u>28,329,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,778,839</u>	<u>4,778,839</u>	<u>-</u>
Total primary government	<u>\$ 307,979,846</u>	<u>\$ 59,844,214</u>	<u>\$ 40,744,859</u>	<u>\$ 24,319,712</u>	<u>\$ (187,849,900)</u>	<u>\$ 4,778,839</u>	<u>\$ (183,071,061)</u>	<u>\$ -</u>
Total component units	<u>\$ 226,806,508</u>	<u>\$ 146,052,297</u>	<u>\$ 59,811,088</u>	<u>\$ 44,841,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,898,382</u>
General revenues								
General property taxes					64,473,416	-	64,473,416	20,027,382
Sales taxes					151,788,411	-	151,788,411	16,369,805
Utility franchise taxes					31,432,173	-	31,432,173	-
Investment income (loss)					(505,636)	(82,788)	(588,424)	9,799,724
Other					3	-	3	8,650,256
Transfers					1,944,761	(1,944,761)	-	-
Total general revenues and transfers					<u>249,133,128</u>	<u>(2,027,549)</u>	<u>247,105,579</u>	<u>54,847,167</u>
Change in Net Position					61,283,228	2,751,290	64,034,518	78,745,549
Net Position, Beginning of Year					<u>479,662,966</u>	<u>28,988,791</u>	<u>508,651,757</u>	<u>1,054,144,796</u>
Net Position, End of Year					<u>\$ 540,946,194</u>	<u>\$ 31,740,081</u>	<u>\$ 572,686,275</u>	<u>\$ 1,132,890,345</u>

See Notes to Financial Statements

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

	General	Sales Tax Capital Improvements	2013 Capital Improvements (Debt Service)	Street	American Rescue Plan - SLFRF	Other Governmental Funds	Total
Assets							
Cash and cash equivalents	\$ 8,467,972	\$ 6,938,288	\$ 34,344	\$ 4,102,011	\$ 14,883,376	\$ 6,249,950	\$ 40,675,941
Restricted cash	-	-	-	-	-	4,713,882	4,713,882
Investments	31,249,410	31,842,853	13,367,760	18,823,865	-	25,781,926	121,065,814
Accounts receivable, net	69,594,024	4,532,900	15,623,540	10,380,241	5,511	21,907,808	122,044,024
Due from other funds	9,422,742	-	-	-	-	-	9,422,742
Interest receivable	54,611	55,692	276	32,923	-	137,278	280,780
Inventories	50,483	-	-	-	-	557,027	607,510
Prepaid expenditures and other	1,811,443	-	-	11,964	81,890	146,000	2,051,297
Total assets	\$ 120,650,685	\$ 43,369,733	\$ 29,025,920	\$ 33,351,004	\$ 14,970,777	\$ 59,493,871	\$ 300,861,990
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 3,395,559	\$ 812,569	\$ -	\$ 354,780	\$ 18,744	\$ 3,052,446	\$ 7,634,098
Due to other funds	-	-	-	-	-	9,422,742	9,422,742
Accrued wages payable and related liabilities	10,770,015	-	-	-	-	-	10,770,015
Retainage payable	38,390	279,091	-	-	-	332,252	649,733
Accrued expenditures and other	2,327,425	-	-	-	-	-	2,327,425
Unearned revenue	6,799,409	-	-	-	14,894,819	2,050,431	23,744,659
Total liabilities	23,330,798	1,091,660	-	354,780	14,913,563	14,857,871	54,548,672
Deferred Inflows of Resources							
Unavailable revenues - property taxes	34,152,713	-	14,424,378	6,869,259	-	9,884,656	65,331,006
Unavailable revenues - traffic fines	1,278,481	-	-	-	-	-	1,278,481
Total deferred inflows of resources	35,431,194	-	14,424,378	6,869,259	-	9,884,656	66,609,487
Fund Balances							
Nonspendable	1,861,926	-	-	11,964	81,890	953,027	2,908,807
Restricted	-	42,278,073	14,601,542	26,115,001	-	33,926,542	116,921,158
Committed	39,123	-	-	-	-	-	39,123
Assigned	21,728,893	-	-	-	-	-	21,728,893
Unassigned	38,258,751	-	-	-	(24,676)	(128,225)	38,105,850
Total fund balances	61,888,693	42,278,073	14,601,542	26,126,965	57,214	34,751,344	179,703,831
Total liabilities, deferred inflows of resources and fund balances	\$ 120,650,685	\$ 43,369,733	\$ 29,025,920	\$ 33,351,004	\$ 14,970,777	\$ 59,493,871	\$ 300,861,990

See Notes to Financial Statements

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

Total fund balance - governmental funds	\$ 179,703,831
Amounts reported for governmentnal activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	656,298,257
Long-term liabilities and related deferred inflows/outflows of resources that are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(89,020,000)
Bond issuance premiums	(1,765,813)
Notes payable	(10,478,349)
Capital lease obligation	(4,593,781)
Accrued interest payable	(734,212)
Net pension liability	(208,614,944)
Deferred inflows and outflows of resources from pensions, OPEB, and deferred loss on refunding, net	12,198,152
Net OPEB liability	(18,904,438)
Workers' compensation liability	(338,110)
Accrued compensated absences	(34,381,173)
Property tax pension liability	(9,381,892)
The internal service fund is used to charge the costs of fleet management to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	4,349,179
Other long-term assets such as property taxes and traffic fines are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	<u>66,609,487</u>
Net position of governmental activities	<u><u>\$ 540,946,194</u></u>

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

	General	Sales Tax Capital Improvements	2013 Capital Improvements (Debt Service)	Street	American Rescue Plan - SLFRF	Other Governmental Funds	Total
Revenues							
General property taxes	\$ 33,294,256	\$ -	\$ 14,343,102	\$ 6,882,182	\$ -	\$ 9,226,614	\$ 63,746,154
Sales taxes	126,233,419	23,197,548	-	-	-	2,357,444	151,788,411
Licenses and permits	12,343,820	-	-	18,990	-	49,381	12,412,191
Intergovernmental	11,120,909	-	-	16,438,731	3,961,882	13,967,538	45,489,060
Charges for services	11,265,629	-	-	24,426	-	2,091,872	13,381,927
Fines and fees	1,691,855	-	-	-	-	517,466	2,209,321
Utility franchise taxes	29,924,273	-	-	-	-	1,507,900	31,432,173
Investment income (loss)	(189,420)	(209,603)	5,115	(134,670)	57,214	(21,357)	(492,721)
Contributions and donations	549,114	-	-	-	-	516,801	1,065,915
Miscellaneous	1,232,275	29,700	-	340,697	-	1,645,594	3,248,266
Total revenues	227,466,130	23,017,645	14,348,217	23,570,356	4,019,096	31,859,253	324,280,697
Expenditures							
General government							
General administration	29,073,454	4,905,675	-	-	3,168,120	445,083	37,592,332
Board of Directors	332,297	-	-	-	-	-	332,297
Community programs	2,320,285	-	-	-	-	65,700	2,385,985
City attorney	1,585,718	-	-	-	-	-	1,585,718
District court - first division (criminal)	1,171,463	-	-	-	-	19,109	1,190,572
District court - second division (traffic)	1,209,137	-	-	-	-	53,866	1,263,003
District court - third division (environment)	515,094	-	-	-	-	327	515,421
Finance	3,676,597	-	-	-	15,609	-	3,692,206
Human resources	2,155,495	-	-	-	-	205,830	2,361,325
Information technology	5,538,280	24,984	-	-	736,281	2,983	6,302,528
Planning and development	2,385,991	-	-	-	-	108,046	2,494,037
Total general government	49,963,811	4,930,659	-	-	3,920,010	900,944	59,715,424
Public works							
Public works	2,082,354	200	-	17,623,170	-	3,171,535	22,877,259
Parks and recreation services	9,611,410	304,918	-	-	-	2,944,885	12,861,213
Rivermarket	985,407	-	-	-	-	-	985,407
Golf	1,779,528	-	-	-	-	-	1,779,528
Jim Dailey Fitness	708,768	-	-	-	-	-	708,768
Zoo	5,179,608	6,012	-	-	-	1,535,396	6,721,016
Fire	56,749,254	198,430	-	-	-	367,857	57,315,541
Police	76,533,193	112,593	-	-	-	3,647,712	80,293,498
Fleet	97,415	-	-	-	-	17,156	114,571
Economic development	-	-	-	-	-	300,000	300,000
Education	-	-	-	-	-	119,815	119,815
Housing and neighborhood programs	5,817,827	-	-	-	-	4,834,792	10,652,619
Debt service							
Principal	4,822,741	-	13,400,000	-	-	9,805,334	28,028,075
Fiscal charges on long term debt	333,134	-	816,425	-	-	3,064,465	4,214,024
Capital Outlay	2,586,753	10,638,879	-	565,440	41,872	20,422,641	34,255,585
Total expenditures	217,251,203	16,191,691	14,216,425	18,188,610	3,961,882	51,132,532	320,942,343
Excess (Deficiency) of Revenues Over Expenditures							
	10,214,927	6,825,954	131,792	5,381,746	57,214	(19,273,279)	3,338,354
Other Financing Sources (Uses)							
Initiation of capital leases	-	-	-	-	-	1,857,413	1,857,413
Proceeds from long-term debt	-	-	-	-	-	5,925,000	5,925,000
Premiums on debt issuance	-	-	-	-	-	3	3
Transfers in	3,952,921	-	-	550,156	-	-	4,503,077
Transfers out	(337,939)	(954,660)	-	(477,717)	-	(50,000)	(1,820,316)
Total other financing sources (uses)	3,614,982	(954,660)	-	72,439	-	7,732,416	10,465,177
Net Change in Fund Balances	13,829,909	5,871,294	131,792	5,454,185	57,214	(11,540,863)	13,803,531
Fund Balances, Beginning of Year	48,058,784	36,406,779	14,469,750	20,672,780	-	46,292,207	165,900,300
Fund Balances, End of Year	\$ 61,888,693	\$ 42,278,073	\$ 14,601,542	\$ 26,126,965	\$ 57,214	\$ 34,751,344	\$ 179,703,831

See Notes to Financial Statements

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

Net change in fund balances - total governmental funds	\$ 13,803,531
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, for government-wide statements, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay purchases above capitalization threshold	34,255,585
Capital asset contributions	18,774,268
Retirements	(175,936)
Depreciation expense	(25,699,460)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Debt is used or incurred:	
Short-term note financing	(5,925,000)
Capital lease financing	(1,857,413)
Principal repayments:	
General obligation bonds	21,650,000
Revenue bonds	1,505,000
Notes payable	4,060,750
Amortization of bond premium	565,449
Net deferred offering charges	(314,493)
Capital lease obligation	812,325
Revenues that do not provide current financial resources, such as property taxes and fines and fees are not reported as revenues for the funds but are reported as revenues in the statement of activities.	990,738
Current year changes in accrued interest payable and the property tax pension liability do not require the use of current financial resources; therefore, they are not reported as expenditures in the governmental funds.	(89,748)
Current year changes in long-term liabilities for compensated absences and workers compensation do not require the use of current financial resources; therefore, they are not reported as expenditures in the governmental funds.	(830,698)
Current year pension and OPEB expenditures are reported on the fiscal year basis in the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows/inflows of resources balances.	1,141,677
The internal service fund is used to charge the costs of fleet management to individual funds. The change in net position of this fund is included in governmental activities in the statement of activities.	<u>(1,383,347)</u>
Change in net position of governmental activities	<u>\$ 61,283,228</u>

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

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)	Total	
Assets and Deferred Outflows of Resources					
Current assets					
Cash and cash equivalents	\$ 1,378,582	\$ 686,267	\$ 185,784	\$ 2,250,633	\$ 346,914
Investments	7,866,642	2,120,970	850,121	10,837,733	1,589,848
Restricted cash and investments - current	327,902	754,036	-	1,081,938	-
Accounts receivable	3,672,806	326,056	-	3,998,862	30,883
Inventories	-	-	-	-	417,433
Prepaid expenses and other	126,111	195,150	-	321,261	28,750
Total current assets	13,372,043	4,082,479	1,035,905	18,490,427	2,413,828
Noncurrent assets					
Restricted assets					
Cash and cash equivalents	336,843	-	-	336,843	-
Investments	-	1,440,121	-	1,440,121	-
Accrued interest	13,759	3,710	1,487	18,956	2,781
Less amount required to meet current obligation	(327,902)	(754,036)	-	(1,081,938)	-
Total restricted assets	22,700	689,795	1,487	713,982	2,781
Capital assets					
Construction in process	1,589,420	-	-	1,589,420	278,607
Land	1,814,495	822,652	-	2,637,147	270,154
Land improvements	4,164,120	-	174,802	4,338,922	-
Landfills, Cells 1, 2 and 4	18,672,293	-	-	18,672,293	-
Buildings and improvements	12,794,250	8,715,040	31,043	21,540,333	3,893,358
Vehicles	18,487,975	-	83,843	18,571,818	1,132,175
Furniture and equipment	4,575,661	244,552	81,765	4,901,978	1,563,019
Less accumulated depreciation	(39,117,633)	(4,331,920)	(339,920)	(43,789,473)	(4,137,665)
Net capital assets	22,980,581	5,450,324	31,533	28,462,438	2,999,648
Total noncurrent assets	23,003,281	6,140,119	33,020	29,176,420	3,002,429
Total assets	36,375,324	10,222,598	1,068,925	47,666,847	5,416,257
Deferred Outflows of resources					
Deferred outflows from pensions	301,988	-	37,749	339,737	226,491
Total deferred outflows of resources	301,988	-	37,749	339,737	226,491
Total assets and deferred outflows of resources	\$ 36,677,312	\$ 10,222,598	\$ 1,106,674	\$ 48,006,584	\$ 5,642,748

See Notes to Financial Statements

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

	<u>Business-Type Activities</u>				Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)	Total	
Liabilities, Deferred Inflows of Resources and Net Position					
Current liabilities					
Accounts payable	\$ 1,185,860	\$ 161,848	\$ 19,059	\$ 1,366,767	\$ 365,783
Accrued expenses and other	148,163	-	-	148,163	-
Accrued interest	3,115	134,036	-	137,151	-
Compensated absences - current portion	405,088	-	46,185	451,273	455,464
Bonds payable - current portion	324,787	620,000	-	944,787	-
Unearned revenue	-	270,710	160,644	431,354	-
	<u>2,067,013</u>	<u>1,186,594</u>	<u>225,888</u>	<u>3,479,495</u>	<u>821,247</u>
Total current liabilities					
	<u>2,067,013</u>	<u>1,186,594</u>	<u>225,888</u>	<u>3,479,495</u>	<u>821,247</u>
Noncurrent liabilities					
Bonds payable, net of unamortized premium and discount	-	4,438,350	-	4,438,350	-
Net pension liability	65,959	-	8,246	74,205	49,469
Compensated absences	218,544	-	37,672	256,216	72,321
Other long-term liabilities	7,492,439	-	-	7,492,439	-
	<u>7,776,942</u>	<u>4,438,350</u>	<u>45,918</u>	<u>12,261,210</u>	<u>121,790</u>
Total noncurrent liabilities					
	<u>7,776,942</u>	<u>4,438,350</u>	<u>45,918</u>	<u>12,261,210</u>	<u>121,790</u>
Total liabilities	<u>9,843,955</u>	<u>5,624,944</u>	<u>271,806</u>	<u>15,740,705</u>	<u>943,037</u>
Deferred Inflows of Resources					
Deferred inflows from pensions	467,377	-	58,421	525,798	350,532
	<u>467,377</u>	<u>-</u>	<u>58,421</u>	<u>525,798</u>	<u>350,532</u>
Total deferred inflows of resources					
	<u>467,377</u>	<u>-</u>	<u>58,421</u>	<u>525,798</u>	<u>350,532</u>
Net Position					
Net investment in capital assets	22,655,794	391,974	31,533	23,079,301	2,999,648
Restricted - expandable					
Debt service	347,487	1,309,795	-	1,657,282	-
Unrestricted	3,362,699	2,895,885	744,914	7,003,498	1,349,531
	<u>26,365,980</u>	<u>4,597,654</u>	<u>776,447</u>	<u>31,740,081</u>	<u>4,349,179</u>
Total net position					
	<u>26,365,980</u>	<u>4,597,654</u>	<u>776,447</u>	<u>31,740,081</u>	<u>4,349,179</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 36,677,312</u>	<u>\$ 10,222,598</u>	<u>\$ 1,106,674</u>	<u>\$ 48,006,584</u>	<u>\$ 5,642,748</u>

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

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)	Total	
Operating Revenues					
Charges for services	\$ 23,665,787	\$ 2,067,904	\$ 2,029,523	\$ 27,763,214	\$ 11,762,938
Licenses and permits	-	253,163	10,525	263,688	-
Total operating revenues	<u>23,665,787</u>	<u>2,321,067</u>	<u>2,040,048</u>	<u>28,026,902</u>	<u>11,762,938</u>
Operating Expenses					
Salaries, wages, and employee benefits	7,511,336	481,425	683,753	8,676,514	3,528,722
Supplies and materials	1,240,171	19,250	38,321	1,297,742	4,515,019
Services	4,905,212	432,611	631,639	5,969,462	2,619,680
Repairs and maintenance	3,386,202	80,913	138,043	3,605,158	1,173,137
Other	-	85,000	-	85,000	-
Depreciation and amortization	3,333,129	224,777	15,056	3,572,962	348,611
Total operating expenses	<u>20,376,050</u>	<u>1,323,976</u>	<u>1,506,812</u>	<u>23,206,838</u>	<u>12,185,169</u>
Operating Income (Loss)	<u>3,289,737</u>	<u>997,091</u>	<u>533,236</u>	<u>4,820,064</u>	<u>(422,231)</u>
Nonoperating Revenues (Expenses)					
Investment (loss)	(62,278)	(13,927)	(6,583)	(82,788)	(12,915)
Interest expense	(24,533)	(286,662)	-	(311,195)	-
Loss on sale of capital asset	(5,690)	-	-	(5,690)	(210,201)
Other, net	304,986	(29,326)	-	275,660	-
Net nonoperating revenues (expenses)	<u>212,485</u>	<u>(329,915)</u>	<u>(6,583)</u>	<u>(124,013)</u>	<u>(223,116)</u>
Income (Loss) Before Contributions and Transfers	<u>3,502,222</u>	<u>667,176</u>	<u>526,653</u>	<u>4,696,051</u>	<u>(645,347)</u>
Transfers In	55,596	-	5,887	61,483	-
Transfers Out	(2,006,244)	-	-	(2,006,244)	(738,000)
	<u>(1,950,648)</u>	<u>-</u>	<u>5,887</u>	<u>(1,944,761)</u>	<u>(738,000)</u>
Changes in Net Position	1,551,574	667,176	532,540	2,751,290	(1,383,347)
Net Position, Beginning of Year	<u>24,814,406</u>	<u>3,930,478</u>	<u>243,907</u>	<u>28,988,791</u>	<u>5,732,526</u>
Net Position, End of Year	<u>\$ 26,365,980</u>	<u>\$ 4,597,654</u>	<u>\$ 776,447</u>	<u>\$ 31,740,081</u>	<u>\$ 4,349,179</u>

See Notes to Financial Statements

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

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)	Total	
Cash Flows From Operating Activities					
Receipts from customers	\$ 23,786,309	\$ 2,126,103	\$ 2,119,420	\$ 28,031,832	\$ -
Receipts from interfund services provided	-	-	-	-	11,738,386
Payments to employees	(7,541,417)	-	(711,844)	(8,253,261)	(3,481,639)
Payments to suppliers	(9,005,724)	(946,953)	(813,609)	(10,766,286)	(8,330,611)
Net cash provided by (used in) operating activities	<u>7,239,168</u>	<u>1,179,150</u>	<u>593,967</u>	<u>9,012,285</u>	<u>(73,864)</u>
Cash Flows From Noncapital Financing Activities					
Transfers to other funds	(2,006,244)	-	-	(2,006,244)	(738,000)
Transfers from other funds	55,596	-	5,887	61,483	-
Net transfers to/from other funds	<u>(1,950,648)</u>	<u>-</u>	<u>5,887</u>	<u>(1,944,761)</u>	<u>(738,000)</u>
Net cash provided by (used in) noncapital financing activities	<u>(1,950,648)</u>	<u>-</u>	<u>5,887</u>	<u>(1,944,761)</u>	<u>(738,000)</u>
Cash Flows From Capital and Related Financing Activities					
Proceeds from the sale of capital assets	7,946	-	-	7,946	-
Purchase of capital assets	(2,162,189)	-	-	(2,162,189)	(265,385)
Principal paid on long-term debt	(305,000)	(590,000)	-	(895,000)	-
Interest paid on long-term debt	(27,119)	(328,373)	-	(355,492)	-
Net cash used in capital and related financing activities	<u>(2,486,362)</u>	<u>(918,373)</u>	<u>-</u>	<u>(3,404,735)</u>	<u>(265,385)</u>
Cash Flows From Investing Activities					
Proceeds from sale of investments	4,323,473	-	-	4,323,473	175,317
Purchase of investments	(8,777,348)	(916,318)	(629,276)	(10,322,942)	(256,983)
Investment income (loss)	(73,613)	(16,783)	(7,913)	(98,309)	(14,625)
Net cash used in investing activities	<u>(4,527,488)</u>	<u>(933,101)</u>	<u>(637,189)</u>	<u>(6,097,778)</u>	<u>(96,291)</u>
Decrease in Cash and Cash Equivalents	<u>(1,725,330)</u>	<u>(672,324)</u>	<u>(37,335)</u>	<u>(2,434,989)</u>	<u>(1,173,540)</u>
Cash and Cash Equivalents, Beginning of Year	<u>3,440,755</u>	<u>1,358,592</u>	<u>223,119</u>	<u>5,022,466</u>	<u>1,520,454</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,715,425</u>	<u>\$ 686,268</u>	<u>\$ 185,784</u>	<u>\$ 2,587,477</u>	<u>\$ 346,914</u>
Presented on the Statement of Net Position - Proprietary Funds as Follows:					
Current assets					
Cash and cash equivalents	\$ 1,378,582	\$ 686,267	\$ 185,784	\$ 2,250,633	\$ 346,914
Noncurrent assets					
Cash and cash equivalents	336,843	-	-	336,843	-
	<u>\$ 1,715,425</u>	<u>\$ 686,267</u>	<u>\$ 185,784</u>	<u>\$ 2,587,476</u>	<u>\$ 346,914</u>

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended December 31, 2021

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)	Total	
Reconciliation of Operating Income (loss) to					
Net Cash Provided By (Used In) Operating Activities					
Operating income (loss)	\$ 3,289,737	\$ 997,091	\$ 533,236	\$ 4,820,064	\$ (422,231)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization expense	3,333,129	224,777	15,056	3,572,962	348,611
Changes in assets and liabilities					
Receivables, net	120,522	(211,482)	-	(90,960)	(24,552)
Due to/due from other funds, net	-	-	-	-	-
Prepaid expenses and other	(9,259)	(9,602)	-	(18,861)	(10,383)
Inventories	-	-	-	-	13,425
Deferred outflows of resources	(195,032)	-	(24,380)	(219,412)	(146,275)
Accounts payable	509,717	161,848	(5,606)	665,959	(25,817)
Accrued expenses and other	25,403	16,518	79,372	121,293	-
Compensated absences	69,093	-	(15,694)	53,399	121,465
Net pension liability	(89,831)	-	(11,228)	(101,059)	(67,374)
Deferred inflows of resources	185,689	-	23,210	208,899	139,267
	<u>\$ 7,239,168</u>	<u>\$ 1,179,150</u>	<u>\$ 593,966</u>	<u>\$ 9,012,284</u>	<u>\$ (73,864)</u>
Net cash provided by (used in) operating activities					
	<u>\$ 7,239,168</u>	<u>\$ 1,179,150</u>	<u>\$ 593,966</u>	<u>\$ 9,012,284</u>	<u>\$ (73,864)</u>
Schedule of noncash capital and related financing activities:					
Purchase of capital assets on account	\$ 53,759	\$ -	\$ -	\$ 53,759	\$ -

City of Little Rock, Arkansas
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
Assets		
Cash and cash equivalents	\$ 2,479,320	\$ 171,104
Investments		
Equities	64,260,832	-
Mutual funds and other investments	73,853,739	-
Receivables		
Accounts receivable	81,623	-
Accrued interest and dividends	145,399	-
	<u>\$ 140,820,913</u>	<u>\$ 171,104</u>
Liabilities		
Accounts payable	\$ 7,000	\$ 137,319
Accrued liabilities	-	33,785
	<u>7,000</u>	<u>\$ 171,104</u>
Net Position		
Net position restricted for pensions	131,089,761	-
Net position restricted for other postemployment benefits	9,724,152	-
	<u>\$ 140,813,913</u>	<u>\$ -</u>

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended December 31, 2021

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
Additions		
Contributions		
Employer	\$ 6,643,877	\$ -
Plan Members	2,308,602	-
Other	551,573	2,579,085
	9,504,052	2,579,085
Total contributions		
Investment Earnings		
Net increase in fair value of investments	9,307,397	-
Gain on sale of investments	4,434,334	-
Interest and dividends	1,781,551	2,167
	15,523,282	2,167
Less investment expense	242,424	-
	15,280,858	2,167
Net investment income		
Total additions	24,784,910	2,581,252
Deductions		
Benefits paid directly to participants	9,299,443	-
Distributions to other governments	-	2,581,252
Administrative expenses	454,343	-
Other	480,778	-
	10,234,564	2,581,252
Total deductions		
Change in Net Position	14,550,346	-
Net Position, Beginning of Year	126,263,567	-
Net Position, End of Year	\$ 140,813,913	\$ -

See Notes to Financial Statements

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

	Little Rock Water Reclamation Authority	Bill and Hillary Clinton National Airport	Other Component Units	Total
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and cash equivalents	\$ 47,231,964	\$ 41,199,072	\$ 81,853,347	\$ 170,284,383
Investments	-	-	42,155,489	42,155,489
Restricted cash and investments - current	6,009,407	-	2,029,141	8,038,548
Accounts receivable, net of allowance	10,132,065	6,497,035	60,289,498	76,918,598
Accrued interest receivable	7,078	55,953	126	63,157
Inventories	1,268,123	-	962,419	2,230,542
Prepaid expenses and other	894,151	807,138	1,701,829	3,403,118
Total current assets	65,542,788	48,559,198	188,991,849	303,093,835
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	6,789,997	12,540,627	3,135,983	22,466,607
Investments	4,725,151	39,970,003	11,836,903	56,532,057
Grants and other receivables	-	464,702	-	464,702
Interest receivable	-	-	14	14
	11,515,148	52,975,332	14,972,900	79,463,380
Less amounts required to meet current obligations	6,009,407	-	-	6,009,407
Total restricted assets	5,505,741	52,975,332	14,972,900	73,453,973
Capital assets				
Land	5,434,140	68,393,875	34,506,787	108,334,802
Construction in progress	136,373,213	14,737,475	82,376,371	233,487,059
Buildings, improvements, and other facilities	584,120,360	497,022,292	359,104,843	1,440,247,495
Vehicles	-	2,123,256	59,973,323	62,096,579
Furniture and equipment	81,286,558	26,772,316	57,673,629	165,732,503
Books/AV material	-	-	29,041,561	29,041,561
Other	-	-	12,678,128	12,678,128
	807,214,271	609,049,214	635,354,642	2,051,618,127
Less accumulated depreciation	244,757,335	276,428,231	256,355,883	777,541,449
Net capital assets	562,456,936	332,620,983	378,998,759	1,274,076,678
Other assets	-	-	1,278,922	1,278,922
Total other assets	-	-	1,278,922	1,278,922
Total noncurrent assets	567,962,677	385,596,315	395,250,581	1,348,809,573
Total assets	633,505,465	434,155,513	584,242,430	1,651,903,408
Deferred Outflows of Resources				
Loss on refunding	15,469,773	-	-	15,469,773
Deferred outflows from pensions	1,377,040	-	487,549	1,864,589
Deferred outflows from OPEB	2,621,054	-	-	2,621,054
Total deferred outflows of resources	19,467,867	-	487,549	19,955,416
Total assets and deferred outflows of resources	\$ 652,973,332	\$ 434,155,513	\$ 584,729,979	\$ 1,671,858,824

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Net Position (Continued)
Discretely Presented Component Units
December 31, 2021

	Little Rock Water Reclamation Authority	Bill and Hillary Clinton National Airport	Other Component Units	Total
Liabilities, Deferred Inflows of Resources and Net Position				
Current Liabilities				
Accounts payable	\$ 1,478,928	\$ 3,043,656	\$ 16,438,024	\$ 20,960,608
Accrued wages payable and related liabilities	315,564	1,678,438	3,108,482	5,102,484
Accrued interest payable	2,121,830		1,310,667	3,432,497
Capital lease - current portion	-	-	-	-
Bonds payable - current portion	9,540,000	-	2,008,526	11,548,526
Notes payable - current portion	-	-	275,000	275,000
Compensated absences - current portion	1,111,070	-	1,620,428	2,731,498
Unearned revenue	-	397,973	1,518,577	1,916,550
Accrued expenses and other	3,106,331	25,517	8,421,650	11,553,498
Total current liabilities	<u>17,673,723</u>	<u>5,145,584</u>	<u>34,701,354</u>	<u>57,520,661</u>
Noncurrent Liabilities				
Capital lease obligation	-	-	-	-
Bonds payable, net of unamortized premium and discount	377,175,663	-	68,291,329	445,466,992
Notes payable	-	-	11,065,342	11,065,342
Net pension liability	5,360,550	-	45,839	5,406,389
Total OPEB liability	6,274,616	-	-	6,274,616
Other long-term liabilities	-	-	418,206	418,206
Compensated absences	128,368	-	398,138	526,506
Total noncurrent liabilities	<u>388,939,197</u>	<u>-</u>	<u>80,218,854</u>	<u>469,158,051</u>
Total liabilities	<u>406,612,920</u>	<u>5,145,584</u>	<u>114,920,208</u>	<u>526,678,712</u>
Deferred Inflows of Resources				
Deferred inflows from pensions	10,070,308	-	706,212	10,776,520
Deferred inflows from OPEB	1,513,247	-	-	1,513,247
Total deferred inflows of resources	<u>11,583,555</u>	<u>-</u>	<u>706,212</u>	<u>12,289,767</u>
Net Position				
Net investment in capital assets	190,697,908	330,795,684	289,152,050	810,645,642
Restricted - expendable	4,972,898	13,005,329	66,286,656	84,264,883
Restricted - nonexpendable	0	0	19,150,665	19,150,665
Unrestricted	39,106,051	85,208,916	94,514,188	218,829,155
Total net position	<u>234,776,857</u>	<u>429,009,929</u>	<u>469,103,559</u>	<u>1,132,890,345</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 652,973,332</u>	<u>\$ 434,155,513</u>	<u>\$ 584,729,979</u>	<u>\$ 1,671,858,824</u>

City of Little Rock, Arkansas
Statement of Activities
Discretely Presented Component units
Year Ended December 31, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Little Rock Water Reclamation Authority	Bill and Hillary Clinton National Airport	Other Component Units	
Governmental Activities								
Other component units	\$ 28,130,018	\$ 929,646	\$ 4,058,295	\$ 909,747	\$ -	\$ -	\$ (22,232,330)	\$ (22,232,330)
Total governmental activities	28,130,018	929,646	4,058,295	909,747	-	-	(22,232,330)	(22,232,330)
Business-type Activities								
Little Rock Water Reclamation Authority	57,367,639	65,627,034	1,999,445	4,242,724	14,501,564	-	-	14,501,564
Bill and Hillary Clinton National Airport	43,365,668	31,529,193	12,221,118	14,183,086	-	14,567,729	-	14,567,729
Other component units	97,783,261	47,966,424	41,532,230	25,505,948	-	-	17,221,341	17,221,341
Total business-type activities	198,516,568	145,122,651	55,752,793	43,931,758	14,501,564	14,567,729	17,221,341	46,290,634
Total component units	\$ 226,646,586	\$ 146,052,297	\$ 59,811,088	\$ 44,841,505	\$ 14,501,564	\$ 14,567,729	\$ (5,010,989)	\$ 24,058,304
General revenues								
General property taxes					-	-	20,027,382	20,027,382
Sales taxes					-	-	16,369,805	16,369,805
Investment income					411,217	288,345	9,048,459	9,748,021
Other					(88,901)	3,792,918	4,838,020	8,542,037
Total general revenues					322,316	4,081,263	50,283,666	54,687,245
Changes in Net Position					14,823,880	18,648,992	45,272,677	78,745,549
Net Position, Beginning of Year					219,952,977	410,360,937	423,830,882	1,054,144,796
Net Position, End of Year					\$ 234,776,857	\$ 429,009,929	\$ 469,103,559	\$ 1,132,890,345

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2021

Note 1: Nature of Operations and Summary of Significant Accounting Policies

The City of Little Rock, Arkansas (City), is a municipal corporation operating under the authority of Arkansas state statute. The City operates under a city manager form of government. Ten elected directors and the Mayor set policy and employ the City Manager. The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America for state and local governments as defined by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting and reporting policies of the City.

Reporting Entity

The accompanying government-wide financial statements present the financial statements of the nonfiduciary activities of the City and its component units. All fiduciary activities are presented in the fund financial statements. The component units are legally separate entities for which the City is considered to be financially accountable. Accountability is defined as the City's substantive appointment of the majority of the component unit's governing board. Furthermore, to be financially accountable, the City must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to or impose specific financial burdens on the City. These component units are further distinguished between *Blended Component Units*, presented as part of the primary government, and *Discretely Presented Component Units*, presented separately.

The City's primary government consists of those funds or organizations that make up the legal entity for which it is financially responsible. Under these criteria, the following are included in a separate column in the government wide financial statements to emphasize that it is both legally and substantively separate from the primary government:

Discretely Presented Component Units

Major Component Units:

Little Rock Water Reclamation Authority (LRWRA) – The Mayor appoints the governing body of LRWRA with City Board approval. LRWRA receives no financial benefit from the City and provides water treatment services primarily to the citizens of Little Rock; however, the City has the power to impose its will on the LRWRA.

Bill and Hillary Clinton National Airport (Airport) – The Airport is controlled by a seven-member commission appointed by the Mayor with City Board approval. The City has the power to impose its will on the Airport. The Airport primarily serves the central Arkansas area.

There were no significant transactions between the major component units and the City in 2021.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2021

Other Component Units:

Little Rock Advertising and Promotion Commission (Commission) – The governing body of the Commission is appointed by the Commission subject to City Board approval. The City has the power to impose its will on the Commission. The Commission serves as the sales and advertising office for the City’s convention and tourism industry and oversees the Little Rock Convention and Visitors Bureau.

Little Rock Port Authority (LRPA) – The governing board of the LRPA is appointed by the Mayor with City Board approval. The City has the power to impose its will on the LRPA. LRPA operates the Port of Little Rock, which includes railroad and river port loading facilities and a foreign trade zone.

Little Rock Ambulance Authority (LRAA) – The LRAA, known publicly as Metropolitan Emergency Medical Services (MEMS), has a governing body of seven members, five of whom are appointed by the City Board. The City Board must also approve any rate changes for LRAA. LRAA provides emergency medical transportation services to the greater metropolitan area.

Central Arkansas Transit Authority (CATA) – CATA, which provides public transportation services to the greater metropolitan area, annually receives an operating subsidy from the City equal to 67% of the operating deficit. The City’s contributions to CATA are vital to its operations. In addition, five of the 12 members of its Board of Directors are appointed by the City Board. Based on the closely related nature and significance of this relationship, the City has concluded that it would be misleading to exclude CATA. Therefore, the city has included CATA in the City’s reporting entity as a discretely presented component unit.

Museum of Discovery and Arkansas Museum of Fine Arts – The Museum of Discovery and the Museum of Fine Arts, serving the greater metropolitan area’s cultural needs, receive significant operating subsidies from the City annually. The governing bodies of both organizations are appointed with City Board approval. The City has the power to impose its will on both organizations. Additionally, the City owns the facility of the Museum of Fine Arts. The Museum of Fine Arts has a fiscal year end of June 30.

Central Arkansas Library System (CALS) – CALS, providing Central Arkansas with library services, receives financial benefit from the City in the form of tax revenue, levied by the City but collected by the Library, and other nonoperating subsidies. In addition, six of the nine members of its Board of Trustees are appointed by the City Board.

Oakland Fraternal Cemetery (Cemetery) – The governing board of the Cemetery is appointed by the City Board. The City has the power to impose its will on the Cemetery. Additionally, the City owns the land that is occupied by the Cemetery. The Cemetery operates the Perpetual Care Fund to invest monies to be used for the future operations and maintenance of the Cemetery. The governing body of the Perpetual Care Fund is composed of three trustees, all of which are appointed by the Cemetery Board.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2021

Mt. Holly Cemetery (Mt. Holly) –The governing board of Mt. Holly is appointed by the City Board. The City has the power to impose its will on Mt. Holly. Additionally, the City owns the land that is occupied by Mt. Holly. Mt. Holly operates the Perpetual Care Fund to invest monies to be used for the future operations and maintenance of the Cemetery. The governing body of the Perpetual Care Fund is composed of three trustees, all of which are appointed by the Mt. Holly Board.

Little Rock Workforce Development Board (LRWDB) – LRWDB is a non-profit organization created to provide job training. The sitting Mayor of the City of Little Rock serves as the chief executive officer and appoints the board members. The City has the power to impose its will on the Board. The LRWDB has a fiscal year end of June 30.

Complete financial statements of the individual component units, except for Mt. Holly Cemetery and Oakland Fraternal Cemetery, which do not issue separate financial statements, can be obtained from their respective administrative offices.

Administrative Offices

Little Rock Water Reclamation Authority
221 East Capitol Avenue
Little Rock, Arkansas 72202

Arkansas Museum of Fine Arts
Ninth and Commerce
Little Rock, Arkansas 72202

Little Rock Advertising and Promotion Commission
7 Statehouse Plaza
Little Rock, Arkansas 72201

Little Rock Port Authority
7500 Lindsey Road
Little Rock, Arkansas 72206

Little Rock Ambulance Authority
1101 West 8th Street
Little Rock, Arkansas 72201

Central Arkansas Transit Authority
901 North Maple
North Little Rock, Arkansas 72114

Bill and Hillary Clinton National Airport
1 Airport Drive
Little Rock, Arkansas 72202

Central Arkansas Library System
100 Rock Street
Little Rock, Arkansas 72201

Museum of Discovery
500 President Clinton Avenue, Suite 150
Little Rock, Arkansas 72201

Little Rock Workforce Development Board
300 South University Avenue, Suite D14
Little Rock, Arkansas 72205-5209

Oakland Fraternal Cemetery
2101 Barber Street
Little Rock, Arkansas 72206

Mount Holly Cemetery
1 Sunset Drive
Little Rock, Arkansas 72206

Fiduciary Component Units - The City's Nonuniformed Employees' Defined Contribution Plan, Nonuniformed Employees' Defined Benefit Plan, 401(a) Money Purchase and Trust Retirement Fund, 2014 Defined Benefit Plan, and the Health Management Trust Fund are all reported as fiduciary component units under the provisions of GASB 84 and GASB 14, as amended.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2021

Government-wide and Fund Financial Statements

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

Government-wide Financial Statements

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

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund type-governmental, proprietary and fiduciary-are presented. The emphasis of fund financial statements is on major governmental and major enterprise funds, each displayed in a separate column. All other governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

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

The *Sales Tax Capital Improvements Fund (capital projects fund)*, designated as a major fund, accounts for the capital expenditures that are derived from the 3/8 cent capital sales tax dollars.

The *2013 Capital Improvements Fund (debt service fund)* accounts for the accumulation of resources for the payment of principal and interest on the 2013 limited tax general obligation debt of the City.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2021

The *Street Fund*, (*special revenue fund*), designated as a major fund, accounts for gasoline and road taxes received from state and county levies. Revenues are expended for maintenance and repair of streets and sidewalks.

The *American Rescue Plan - SLFRF Fund* accounts for the City's allocation of federal grant funds received through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan.

The City reports the following major enterprise funds:

The *Waste Disposal Fund* accounts for the activities of the City's waste disposal operations.

The *River Market Garage Fund* accounts for the operations of the City's two downtown parking garages.

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

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

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

Internal Service Fund – The internal service fund is used to account for centralized services provided to City departments on a cost-reimbursement basis. The City's internal service fund is the Fleet Service Fund.

Enterprise Fund – The nonmajor enterprise fund is used to account for vehicle storage whose operations are financed primarily or partially through user charges.

Pension and Other Post Employee Benefit Trust Funds – Accounts for assets held in trust for the Police Pension, Firemen's Pension and Relief Fund, Nonuniformed Employees' Defined Contribution Plan, Nonuniformed Employees' Defined Benefit Pension Plan, 2014 Defined Benefit Plan, the 401(a) Money Purchase and Trust Retirement Fund and the Health Management Trust Fund. Plan trustees must act in accordance with the specific purposes and terms of these retirement plans.

Custodial Fund – Accounts for monies collected and held by the courts until they are disbursed to various governmental agencies.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2021

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service fund) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

Government-wide, Proprietary and Fiduciary Funds

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations of the fund. All revenues and expenses not meeting this definition are reported as nonoperating items.

Nonexchange transactions, in which the City receives (or gives) value without directly giving (or receiving) equal value in exchange, include taxes; fines and forfeitures; grants, entitlements, and similar items; and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Franchise taxes, other taxes, and fines and forfeitures are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted.

Grants, entitlements and donations are recognized as revenues, net of estimated uncollectible amounts as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as unearned revenues. Grants and similar aid to other organizations are recognized as expenses as soon as recipients have met all eligibility requirements. Amounts paid before all eligibility requirements have been met are reported as prepaid items.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2021

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in available spendable resources. General capital asset acquisitions are reported as expenditures and issuances of general long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The City generally considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, local funds, and investment earnings and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met and the amount is received within one year of year-end. Other revenues are considered to be measurable and available only when cash is received by the City. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, and obligations for workers' compensation, which are recognized as expenditures when payment is due. Pension expenditures are recognized when contributed to a plan or when expected to be liquidated with expendable available financial resources.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits, cash on hand, certificates of deposit and short-term instruments with original maturities at purchase of 90 days or less. The City uses a pooled cash account for operating purposes in which all funds, except the pension trust and custodial funds, have an interest.

Investments and Investment Income

All investments in the City's Pension and Other Employee Benefit Trust Funds are carried at fair value. Fair value of collateralized mortgage obligations is estimated using a published pricing service.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Investment income includes dividend and interest income and the net change for the year in the fair value of investments. Investment income is credited to the fund from which the investments were made, except where required otherwise by bond indentures or City policy.

Inventories

Inventories consist of supplies, which are valued at cost, and merchandise and renovated housing available-for-sale (funded by grant programs) valued at the lower of average cost or market value. The costs of governmental fund type inventories are recorded as expenditures when purchased/constructed.

Prepaid Items

Prepaid items in governmental funds are accounted for under the consumption method.

Capital Assets

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

Capital assets are defined as assets with an initial value or cost greater than or equal to \$5,000 and an estimated useful life of greater than one year. Exceptions are for infrastructure assets, which are defined as having a constructed cost greater than \$250,000.

Capital assets are depreciated using the straight-line method over their estimated useful lives ranging from 15–50 years for infrastructure, 10–75 years for buildings and 3–25 years for land improvements, vehicles, and equipment.

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

Long-term Obligations

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

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2021

Compensated Absences

City employees earn sick pay and vacation leave benefits on the basis of length of service time. Subject to certain restrictions, City employees are compensated (historically from the fund that the employee is assigned) for unused sick and vacation time upon leaving the City's employment. All sick pay and vacation leave is accrued when incurred in the government-wide and proprietary fund financial statements. In governmental funds, a liability for these amounts is reported only as payments come due each period upon the occurrence of relevant events such as employee resignations and retirements. For governmental activities, the liability for compensated absences is generally liquidated from the general fund.

Unearned Revenue

Unearned revenue consists mainly of business licenses and grant funding received in advance.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's Health Management Trust Fund (HMT) Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has a deferred outflow for a bond refunding, which is the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred or amortized to interest expense over the shorter of the life of the refunded and new debt. In addition, the City has deferred outflows related to pensions & OPEB, consisting of the amount of contributions made to the pension plans after the measurement date, the net difference in investment experience between actual earnings and projected earnings on pension & OPEB plan investments, assumption changes, the difference in proportion changes, and the difference in expected and actual experience. Deferred outflows related to contributions made to the pension plan after the measurement date will be recognized as a reduction of net pension liability in year subsequent to the current fiscal

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2021

year end. The remaining amounts will be amortized to pension expense over future periods as shown within *Notes 7 & 8*.

Deferred inflows of resources represent an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City's deferred inflows include unavailable revenues in the governmental funds. The City also has deferred inflows related to pensions & OPEB. This consists of the difference between the expected and actual experience related to the pension & OPEB plans, the difference in assumption changes, and the net investment-proportion changes. These amounts are amortized over future periods to pension & OPEB expense as shown within *Notes 7 & 8*.

Net Position/Fund Balance

Net position of the government-wide financial statements and proprietary funds of the City are classified in four components. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets and other (non-debt) capital related liabilities as of fiscal year end, including accounts payable and retainage payable, plus capital-related deferred outflows of resources (such as a loss on refunding of outstanding capital debt). Restricted expendable net position are noncapital assets that must be used for a particular purpose as specified by creditors, grantors, or donors external to the City, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings. Restricted nonexpendable net position are noncapital assets that are required to be maintained in perpetuity as specified by parties external to the City, such as permanent endowments. Unrestricted net position is remaining assets and deferred outflows of resources less remaining liabilities and deferred inflows of resources that do not meet the definition of net investment in capital assets, restricted expendable or restricted nonexpendable.

When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first. For projects funded by tax-exempt debt proceeds and other sources, the debt proceeds are used first. The fund balances for the City's governmental funds are displayed in five components:

Nonspendable – Nonspendable fund balances are not in a spendable form or are required to be maintained intact.

Restricted – Restricted fund balances may be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – Committed fund balances may be used only for the specific purposes determined by ordinance of the Board of Directors. Commitments may be changed or lifted only by issuance of an ordinance by the Board of Directors.

Assigned – Assigned fund balances are intended to be used by the City for specific purposes as determined by the Mayor, City Manager, or the Board of Directors. The Mayor and City Manager are allowed to assign funds up to \$49,999. Any assignment of \$50,000 or more must be approved by the Board of Directors through a resolution. In governmental funds other than the general fund,

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2021

assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Stabilization Arrangement

The City has a general fund reserve, which was established by the City's financial policy. The general fund goal is to set aside \$10 million or ten (10) percent of budgeted general fund revenues, whichever is greater, into a restricted reserve fund, absent express action of the Board. The restricted reserve shall be maintained at that level thereafter. The monies in the reserve fund are readily available for appropriation or expenditure but are used if there is a need to do so because of some extraordinary circumstance not foreseen during the year. Funds can be used, at the Board's discretion, to meet a unique opportunity for the overall well-being of the City unforeseen during the regular budget process, to continue to operate budgeted City services at the level set forth in the annual budget after a catastrophic event or some unforeseen economic downturn that could not be reasonably predicted during the annual budget process, or to meet some legal obligation imposed upon the City as a result of administrative or legal action not reasonably anticipated during the annual budget process. As of December 31, 2021, the Board's established amount of the reserve is \$12,000,000, which is included in unassigned fund balance of the General Fund.

Budgetary Information

Annual budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General and Street Funds. All annual appropriations lapse at year end. The general fund, general fund special projects fund, and the seized money fund are combined into a single, aggregated presentation in the general fund financial statements. Both the general fund special projects fund and the seized money fund do not have appropriated budgets, since other means control the use of these resources (e.g., seized funds) and sometimes span a period of more than one fiscal year.

The capital projects funds are appropriated on a project-length basis. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2021

Pension Plan Descriptions

The City participates in six defined benefit pension plans; which are comprised of two single-employer defined benefit pension plans, three cost-sharing multiple employer defined benefit pension plans and one agent-multiple employer defined benefit pension plan, each of which are described and illustrated in detail in *Note 7*.

Future Adoption of Accounting Pronouncements

The GASB has issued the following potentially significant statements which the City has not yet adopted, and which require adoption subsequent to December 31, 2021:

Statement No.		Adoption Required in Fiscal Year
87	<i>Leases</i>	2022
91	<i>Conduit Debt Obligations</i>	2022
93	<i>Replacement of Interbank Offered Rates</i>	2022
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription-Based Information Technology Arrangements</i>	2023
99	<i>Omnibus 2022</i>	2023/2024

The impact of these standards on the City's net position has not been determined.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Note 2: Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires compliance with the provisions of state law.

City statute requires that deposits in financial institutions be collateralized with federal depository insurance and bonds or other interest-bearing securities of the United States, the State of Arkansas, Arkansas political subdivisions or agencies or instrumentalities of these entities at 104%. No legal opinion has been obtained regarding the enforceability of any of the collateral arrangements.

State statutes require all time and demand deposits to be fully insured or collateralized. Accounts with under \$250,000 balance of either an interest bearing account or non-interest bearing account are covered by FDIC deposit insurance. The total cash held in demand deposits has been fully collateralized and meets statutes' requirements. At December 31, 2021, none of the City's primary government bank balances were exposed to custodial credit risk.

Investments

The investment policy of the City is governed by State statute and a Council adopted City Investment Policy. Major controls stipulated in the Investment Policy include: depository limitations require Federal Deposit Insurance Corporation ("FDIC") insurance or full 100 percent collateralization; all collateral for repurchase agreements and deposits held by independent third party trustees; all settlement is delivery versus payment; all authorized investments are defined; and diversification guidelines are set as are maximum maturity and maximum weighted average maturity.

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

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

At December 31, 2021, the City had the following investments and maturities:

Type	Fair Value	Primary Government			
		Less Than 1	1-5	6-10	More than 10
Alternative Investments	\$ 8,443,256	\$ 8,443,256	\$ -	\$ -	\$ -
U.S. Agencies obligations	99,888,828	-	99,888,828	-	-
Fixed income funds	43,869,207	43,869,207	-	-	-
Bond Mutual funds	1,886,140	1,886,140	-	-	-
Mutual funds	690,191	690,191	-	-	-
Money Market Mutual funds	38,667,120	38,667,120	-	-	-
Equity funds	82,375,312	82,375,312	-	-	-
Municipal bonds	4,708,218	644,304	4,063,913	-	-
	<u>\$ 280,528,272</u>	<u>\$ 176,575,530</u>	<u>\$ 103,952,741</u>	<u>\$ -</u>	<u>\$ -</u>
Alternative Investments	5,831				
Money Market Fund	<u>1,336</u>				
	<u>\$ 280,535,439</u>				

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, the City records investments at fair value. However, for participating interest-earning investments contracts with maturities of one year or less at time of purchase, the City reports these investments at amortized cost.

Interest Rate Risk – The City’s policy does not limit the maturity of any single debt security. The City employs a maturity-spacing strategy regarding its investment portfolio. This includes a balanced or laddered maturity strategy with equal spacing of maturities held. The rationale for an equal maturity strategy is to provide the portfolio with some reinvestment risk protection, spreading reinvestment out over the full interest rate cycle. That is, there will be a relatively continuous cash flow over time from maturity laddering and these funds can be reinvested at the then current rates. The effects of overall interest rate change will tend to be averaged, and the extremes of return and risk will be truncated.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Credit Risk – Credit risk is the risk that the issuer or other counterparty will not fulfill its obligations. It is the City’s policy, excluding fiduciary funds, to invest almost exclusively in government-issued treasuries and agencies. At December 31, 2021, the City’s investments not directly guaranteed by the U.S. government were rated as follows:

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

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

Concentration of Credit Risk – The City places no limit on the amount that may be invested in any one issuer. A fund generally may invest no more than 10% of its total assets in the purchase of a single security.

Pension and OPEB trust funds had the following investments that exceeded five percent of net position:

Firemen’s Pension – Capital Point Partners, L.P.

Police Pension – Capital Point Partners, L.P.

Nonuniformed Employees’ Defined Contribution Plan – Reef America Reit Ii, Federated Hermes Fltg Rt Strategic Inc, Floating-Rate Advantage Fund I, Goldman Sachs Etf Tr Activebeta Us Lg, iShares Tr Msci Usa Min Vol, iShares Tr Rus 1000 Val Etf, iShares Tr Rus Mdcv Val Etf, Floating Rate Strategies - Instl, Pgin Floating Rate Income Cl Z

401(a) Money Purchase and Trust Retirement Fund – MissionSquare PLUS Fund R3, MissionSquare Target 2020 R3, MissionSquare MP Lng-Trm Gr R3, MissionSquare 500 Stock Idx R3

Nonuniformed Employees’ Defined Benefit Pension Plan – Reef America Reit Ii, Gs Short-Term Conservative Income Inst, T Rowe Price International Discovery, iShares Tr Msci Usa Min Vol, iShares Tr Rus 1000 Grw Etf, iShares Tr Rus 1000 Val Etf, iShares Tr Rus 2000 Grw Etf, iShares Tr Rus 2000 Val Etf, iShares Tr Rus Mdcv Val Etf

2014 Nonuniformed Employees’ Defined Benefit Pension Plan – Blackrock Total Return Instl Cl, Floating-Rate Advantage Fund I, Goldman Sachs Etf Tr Activebeta Us Lg, iShares Tr Msci Usa Min Vol, iShares Tr Rus 1000 Grw Etf, iShares Tr Rus 1000 Val Etf, Floating Rate Strategies - Instl, Pgin Floating Rate Income Cl Z

Health Management Trust Fund – Floating-Rate Advantage Fund I, iShares Tr Rus 1000 Grw Etf, iShares Tr Rus Md Cp Gr Etf, iShares Tr Russell 3000 Etf

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Fair Value of Assets – Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

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

Recurring Measurements

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

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2021				
Alternative Investments	\$ 8,443,256	\$ -	\$ 8,443,256	\$ -
U.S. Treasury obligations		-	-	-
U.S. agencies obligations	99,888,828	-	99,888,828	-
Fixed income funds	43,869,207	43,869,207	-	-
Bond Mutual funds	1,886,140	1,886,140	-	-
Mutual Funds	690,191	690,191	-	-
Money Market Mutual Funds	38,667,120		38,667,120	-
Equity Funds	82,375,312	82,375,312	-	-
Municipal Bonds	4,708,218	-	4,708,218	-
	<u>\$ 280,528,272</u>	<u>\$ 128,820,850</u>	<u>\$ 151,707,422</u>	<u>\$ -</u>
Investments Measured at the Net Asset Value (NAV)				
Alternative Investments	5,831			
Money Market Fund	1,336			
	<u>\$ 7,167</u>			

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Certain investments that are measured using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above approximate net asset value for the applicable investments.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The City has no Level 3 investments at December 31, 2021.

Summary of Carrying Values

The carrying values of deposits and investments shown above are included in the statements of net position as follows:

	Primary Government
Carrying value	
Deposits	\$ 43,487,285
Investments	280,535,439
	\$ 324,022,724
Included in the following statements of net position captions	
Current Assets	
Cash and cash equivalents	\$ 6,312,514
Short-term investments	50,958,479
Noncurrent Assets	
Restricted cash and investments	125,986,736
Cash and investments - fiduciary funds	140,764,995
	\$ 324,022,724

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Note 3: Receivables

Amounts are aggregated into a single account receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the major governmental funds, the nonmajor governmental funds in the aggregate, enterprise funds, and internal service fund, including the applicable allowances for uncollectible accounts:

Receivables	General	Sales Tax Capital Improvements	2013 Capital Improvements (Debt Service)	Street	American Rescue Plan SLFRF	Nonmajor Governmental	Total Governmental Funds
Taxes	\$ 63,792,761	\$ 4,425,200	\$ 17,417,179	\$ 8,262,763	\$ -	\$ 12,354,518	\$ 106,252,421
Licenses and permits	4,051,699	-	-	-	-	9,383	4,061,082
Intergovernmental	-	-	-	2,924,937	-	10,628,810	13,553,747
Fines and fees	10,779,650	-	-	-	-	-	10,779,650
Accounts	5,581,686	107,700	-	8,164	5,511	384,385	6,087,446
Gross receivables	84,205,796	4,532,900	17,417,179	11,195,864	5,511	23,377,096	140,734,346
Less: allowance for uncollectibles	(14,611,772)	-	(1,793,639)	(815,623)	-	(1,469,288)	(18,690,322)
Net receivables	\$ 69,594,024	\$ 4,532,900	\$ 15,623,540	\$ 10,380,241	\$ 5,511	\$ 21,907,808	\$ 122,044,024

Receivables	Waste Disposal	River Market Garage	Total Enterprise Funds	Internal Service Fund
Licenses and permits	-	113,475	113,475	-
Accounts	3,672,806	212,581	3,885,387	30,883
Gross receivables	3,672,806	326,056	3,998,862	30,883
Less: allowance for uncollectibles	-	-	-	-
Net receivables	\$ 3,672,806	\$ 326,056	\$ 3,998,862	\$ 30,883

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Note 4: Capital Assets

A summary of changes in capital assets for the year ended December 31, 2021, is presented below:

Governmental Activities	Balance January 1, 2021	Increases	Decreases	Transfers	Balance December 31, 2021
Capital Assets, nondepreciable					
Land and right-of-way	\$ 189,744,232	\$ 950,652	\$ -	\$ -	\$ 190,694,884
Construction in progress	53,698,049	26,726,103	-	(24,688,516)	55,735,636
Total capital assets, nondepreciable	<u>243,442,281</u>	<u>27,676,755</u>	<u>-</u>	<u>(24,688,516)</u>	<u>246,430,520</u>
Capital Assets, depreciable					
Land improvements	23,323,103	-	-	-	23,323,103
Infrastructure	826,697,595	24,709,974	-	17,885,511	869,293,080
Buildings	126,915,850	-	-	-	126,915,850
Vehicles	58,249,298	-	(2,213,920)	6,478,157	62,513,535
Equipment	61,225,185	701,108	(111,381)	324,848	62,139,760
Total capital assets, depreciable	<u>1,096,411,031</u>	<u>25,411,082</u>	<u>(2,325,301)</u>	<u>24,688,516</u>	<u>1,144,185,328</u>
Less accumulated depreciation					
Land improvements	13,998,001	1,838,167	-	-	15,836,168
Infrastructure	541,110,071	15,903,249	-	-	557,013,320
Buildings	50,011,796	2,813,429	-	-	52,825,225
Vehicles	46,850,622	3,933,721	(2,052,153)	-	48,732,190
Equipment	55,445,947	1,559,505	(94,412)	-	56,911,040
Total accumulated depreciation	<u>707,416,437</u>	<u>26,048,071</u>	<u>(2,146,565)</u>	<u>-</u>	<u>731,317,943</u>
Total capital assets, depreciable, net	<u>388,994,594</u>	<u>(636,989)</u>	<u>(178,736)</u>	<u>24,688,516</u>	<u>412,867,385</u>
Total governmental activities, net	<u>\$ 632,436,875</u>	<u>\$ 27,039,766</u>	<u>\$ (178,736)</u>	<u>\$ -</u>	<u>\$ 659,297,905</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Business-Type Activities	Balance January 1, 2021	Increases	Decreases	Transfers	Balance December 31, 2021
Capital Assets, nondepreciable					
Land	\$ 2,637,147	\$ -	\$ -	\$ -	\$ 2,637,147
Construction in progress	222,058	2,455,076	-	(1,087,714)	1,589,420
Total capital assets, nondepreciable	<u>2,859,205</u>	<u>2,455,076</u>	<u>-</u>	<u>(1,087,714)</u>	<u>4,226,567</u>
Capital Assets, depreciable					
Landfills, Cells 1, 2, 3, 4 and 5 and land improvements	23,197,503	-	-	(186,288)	23,011,215
Buildings	21,540,333	-	-	-	21,540,333
Vehicles	19,349,693	-	(1,170,227)	392,352	18,571,818
Equipment	3,929,938	90,390	-	881,650	4,901,978
Total capital assets, depreciable	<u>68,017,467</u>	<u>90,390</u>	<u>(1,170,227)</u>	<u>1,087,714</u>	<u>68,025,344</u>
Less accumulated depreciation					
Landfills, Cells 1, 2, 3, 4 and 5 and land improvements	17,233,078	410,805	-	-	17,643,883
Buildings	8,931,527	733,432	-	-	9,664,959
Vehicles	12,010,048	2,129,851	(1,078,300)	-	13,061,599
Equipment	3,120,158	298,874	-	-	3,419,032
Total accumulated depreciation	<u>41,294,811</u>	<u>3,572,962</u>	<u>(1,078,300)</u>	<u>-</u>	<u>43,789,473</u>
Total capital assets, depreciable, net	<u>26,722,656</u>	<u>(3,482,572)</u>	<u>(91,927)</u>	<u>1,087,714</u>	<u>24,235,871</u>
Total business-type activities, net	<u>\$ 29,581,861</u>	<u>\$ (1,027,496)</u>	<u>\$ (91,927)</u>	<u>\$ -</u>	<u>\$ 28,462,438</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities

General government	
Executive administration	\$ 223,010
District court - first division (criminal)	13,496
District court - second division (traffic)	1,531
Finance	25,636
Human resources	276
Information technology	35,792
Planning and development	48,724
Fleet services (internal service fund)	<u>348,611</u>
Total general government	697,076
Public works	17,053,455
Parks and recreation services	2,370,876
River Market	96,569
Golf	187,045
Jim Dailey Fitness	110,779
Zoo	635,316
Fire	1,763,554
Police	2,849,317
Housing and neighborhood programs	<u>284,084</u>
Total depreciation expense - governmental activities	<u>26,048,071</u>
Business-Type Activities	
Waste disposal	3,333,129
Second and Main parking	224,777
Vehicle storage	<u>15,056</u>
Total depreciation expense - business-type activities	<u>3,572,962</u>
Total depreciation expense - primary government	<u><u>\$ 29,621,033</u></u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Note 5: Long-term Liabilities

Changes in long-term liabilities for the year ended December 31, 2021, were as follows:

Governmental Activities	Balance January 1, 2021	Increases	Decreases	Balance December 31, 2021	Amounts Due in One Year
Bonds payable					
Revenue bonds	\$ 46,770,000	\$ -	\$ 1,505,000	\$ 45,265,000	\$ 1,560,000
Add issuance premiums	1,362,305	-	163,036	1,199,269	-
	<u>48,132,305</u>	<u>-</u>	<u>1,668,036</u>	<u>46,464,269</u>	<u>1,560,000</u>
General obligation bonds	65,405,000	-	21,650,000	43,755,000	7,415,000
Add issuance premiums	968,957	-	402,413	566,544	-
	<u>66,373,957</u>	<u>-</u>	<u>22,052,413</u>	<u>44,321,544</u>	<u>7,415,000</u>
Bonds payable, net	114,506,262	-	23,720,449	90,785,813	8,975,000
Notes payable	8,614,099	5,925,000	4,060,750	10,478,349	3,382,819
Capital lease obligation	3,548,693	1,857,413	812,325	4,593,781	1,041,624
Compensated absences	33,479,504	18,892,401	17,462,947	34,908,958	11,390,745
Workers' compensation	2,155,205	2,335,058	2,669,230	1,821,033	1,482,923
	<u>127,306,608</u>	<u>28,009,872</u>	<u>24,065,102</u>	<u>131,251,378</u>	<u>27,300,111</u>
Total governmental activities long-term liabilities	<u>\$ 162,303,763</u>	<u>\$ 29,009,872</u>	<u>\$ 48,725,701</u>	<u>\$ 142,587,934</u>	<u>\$ 26,273,111</u>
Business-Type Activities					
Bonds payable					
Revenue bonds	\$ 6,290,000	\$ -	\$ 895,000	\$ 5,395,000	\$ 945,000
Less issuance discounts	(15,301)	-	(3,438)	(11,863)	(213)
	<u>6,274,699</u>	<u>-</u>	<u>891,562</u>	<u>5,383,137</u>	<u>944,787</u>
Compensated absences	654,090	764,135	710,736	707,489	451,273
Postclosure landfill costs	7,480,189	12,250	-	7,492,439	-
	<u>8,158,978</u>	<u>776,385</u>	<u>710,736</u>	<u>13,583,065</u>	<u>451,273</u>
Total business-type activities long-term liabilities	<u>\$ 14,408,978</u>	<u>\$ 776,385</u>	<u>\$ 1,602,298</u>	<u>\$ 13,583,065</u>	<u>\$ 1,396,060</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Bonds and notes payable at December 31, 2021, were as follows:

Primary Government	Interest Rates	Final Maturity	Original Issue	Total Outstanding
General long-term obligations				
General obligation bonds	1.0%-6.0%	2036	\$ 98,635,000	\$ 43,755,000
Revenue bonds	2.0%-5.0%	2048	50,445,000	45,265,000
Notes payable - short-term financing	1.54%-2.25%	2024	16,825,000	10,478,349
Enterprise funds				
Revenue bonds	1.5%-6.0%	2028	15,255,000	5,395,000

Governmental Activities

2015 Library Construction and Refunding Bonds – Bonds in the amount of \$36,620,000 were issued to finance the cost of acquiring, constructing and equipping capital improvements to the public city libraries operated by the City and the Central Arkansas Library System, to refund the outstanding Library Construction Bonds, Series 2008 and Series 2009, and the City of Little Rock Residential Housing and Public Facilities Board Capital Improvement Revenue Bonds, Series 2007 (debt of Central Arkansas Library) and to pay interest due on the bonds until collections of the library tax become available for such payments and to pay the costs of issuance of the bonds. Principal payments are due annually on March 1. Interest payments are due semiannually on March 1 and September 1. The City issued the 2015 series to refund the Library Construction Bonds, Series 2008, and Series 2009, obtain additional funding for capital projects, and extend repayment period of existing debt. Reduction of debt service payments and economic gain related to this refunding was minimal.

2017 Library Refunding Bonds – Bonds in the amount of \$15,925,000 were issued to refund the City’s outstanding Library Construction and Improvement Bonds, Series 2012, and to pay the costs of issuance of the bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$291,294. This amount is recorded as a deferred outflow of resources and amortized over the remaining life of the refunding debt. The City refunded bonds to reduce its total debt service payments over twelve (12) years by \$2,225,317 and to obtain an economic gain (difference between the present values of the debt service payments on the old debt and the new debt) of \$1,636,845. The bonds are limited tax obligations payable solely from a 0.9 mill annual ad valorem tax. Principal payments are due annually on March 1. Interest payments are due semiannually on March 1 and September 1.

2013 Limited Tax General Obligation Capital Improvement Bonds – Bonds in the amount of \$58,105,000 were issued to finance street and drainage capital improvements for the City. The Series 2013 Bonds are limited tax general obligations of the City, secured by all proceeds derived from the 3 mills annual ad valorem tax levied by the City on all taxable and real and personal property located within the jurisdictional limits of the City. Principal payments are due annually on April 1 with final payment occurring in 2021. Interest payments are due semiannually on April 1 and October 1.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2021

Tax Incremental Financing 2014 Capital Improvement Bonds – The 2014 Tax Incremental Financing 2014 Capital Improvement Bonds for \$2,615,000 were issued in April 2014. The bonds are special obligations of the City secured by and payable solely by a pledge of the incremental ad valorem tax receipts derived with respect to the real property within the City’s Redevelopment District No. 1. The bond proceeds were used to finance the cost of acquisition, construction, and equipping of a major street system within Development District No. 1. The principal payment is due fully at maturity in 2036. Interest payments are due semiannually on March 1 and September 1.

Limited Tax General Obligations Capital Improvement Bonds, Series 2018 – Bonds in the amount of \$43,475,000 were issued to finance street and drainage capital improvements for the City. The Series 2018 Bonds are limited tax general obligations of the City, secured by all proceeds derived from the 3 mills annual ad valorem tax levied by the City on all taxable and real and personal property located within the jurisdictional limits of the City. Principal payments are due annually on April 1 with final payment scheduled in 2024. Interest payments are due semiannually on April 1 and October 1.

Capital Improvements Refunding Revenue Bonds, Series 2017 – The Capital Improvements Refunding Revenue Bonds, Series 2017 in the amount of \$17,875,000 were issued to advance refund the 2009 Parks and Recreation Capital Improvement Construction Revenue Bonds – Series A and Series B, to current refund the 2007 Capital Improvement Revenue Refunding Bonds and the 2002 Capital Improvement Junior Lien Revenue Bonds, to pay a premium for a municipal bond debt service reserve insurance policy and to pay expenses of issuing the Bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$1,262,388. This amount is recorded as a deferred outflow of resources and amortized over the remaining life of the refunding debt. The City refunded the bonds to reduce its total debt service payments over 6 years by \$8,612,773 and to obtain an economic gain (difference between the present values of the debt service payments on the old debt and the new debt) of \$4,178,697.

The Series 2017 bonds are not general obligations of the City but are special obligations secured solely by a pledge of revenues received by the City from all franchise fees charged to public utilities for the privilege of utilizing the City’s streets and right-of-way. Principal payments are due annually on April 1. Interest payments are due semiannually on April 1 and October 1.

Hotel Gross Receipts Tax Bonds, Series 2018 – The Hotel Gross Receipts Tax Bonds, Series 2018 for \$32,570,000 were issued to finance a portion of the costs of improvements to parks and the arts center. The Series 2018 bonds are not general obligations of the City but are special obligations secured solely by a pledge of revenues received by the City from all hotel gross receipt taxes from the renting, leasing or otherwise furnishing of hotel, motel, bed and breakfast or short-term condominium or apartment rental accommodations for sleeping for profit in the City. Principal payments are due annually on December 1. Interest payments are due semiannually on June 1 and December 1.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Notes Payable

In 2001, the State of Arkansas passed Amendment No. 78 and Act No. 1808, allowing cities and counties to obtain short-term financing agreements for the purpose of acquiring, constructing, installing, or renting real property or tangible personal property having an expected useful life of more than one year. These financing agreements may not mature over a period to exceed five years and may have fixed or variable interest rates to be repaid with general fund revenues. At December 31, 2021, the outstanding short-term financing agreements were as follows:

2021 Short-term Financing Note - The \$5,925,000 promissory note was issued to finance all or a portion of the costs of (a) park and recreational improvements, including the construction of basketball courts, a parking lot, and related improvements at Kanis Park, the acquisition, construction and installation of a new playground at MacArthur Park, and the acquisition, construction and installation of new walkways, lighting, and related improvements on or near the Crescent Lawn at MacArthur Park; (b) street improvements, including the reconstruction of Interstate Park Drive; (c) the acquisition of a Fire Truck for the Little Rock Fire Department; (d) the acquisition of mobile radios for the Little Rock Police Department and the Little Rock Fire Department; and (e) the acquisition of real property for the future expansion of the West Central Community Center. with principal and interest payable from general revenues. Due annually, payable on August 17, including interest at 0.84%.

2019 Short-term Financing Note – The \$5,650,000 promissory note was issued to finance the cost of the acquisition and installation of the second phase of a new computer aided dispatch system for quicker emergency response time for fire and police, the acquisition, construction and installation of improvements to Fire Station Number 12 and the acquisition of equipment for fire and police. Principal and interest are payable from general revenues. Due annually, payable on August 8, including interest at 2.25%.

2017 Short-term Financing Note – The \$5,250,000 promissory note was issued to finance the cost of acquiring sixty police vehicles, Lawson ERP financial system application add-ons, a Socrata performance measurement dashboard and to complete phase I of the CAD system upgrade. Principal and interest are payable from general revenues. Due annually, payable on August 8, including interest at 1.81%.

2016 Short-term Financing Note – The \$4,525,000 promissory note was issued to finance the cost of acquiring self-contained breathing apparatus for the Little Rock Fire Department, the acquisition and installation of a fire suppression system for the City’s main information data center, the acquisition of vehicles and equipment, the acquisition and installation of information technology equipment, and the acquisition and installation of new planning and permitting software and field devices with interest payable from general revenues. Due annually, payable on June 10, including interest at 1.541%. This note was retired on June 10, 2021.

2016 Short-term Financing Note (2) – The \$4,603,000 promissory note was issued to finance all or a portion of the costs of the construction of, and the acquisition and installation of equipment for, the Southwest Fire Station and the acquisition of vehicles and equipment for the Little Rock Fire Department with principal and interest payable from general revenues. Due annually, payable on December 22, including interest at 1.85%. This note was retired on December 22, 2021.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Other Liabilities

Other liabilities are typically funded by general revenues of the governmental activity that incurred the liability.

Business-Type Activities

Revenue Bonds – Revenue bonds are comprised of various issues for the purpose of acquiring, constructing, equipping, renovating, expanding, and refurbishing additions and improvements of City facilities.

2007 Waste Disposal Revenue Bonds – On March 12, 2007, the City issued \$3,400,000 in 2007 Waste Disposal Refunding and Improvement Bonds with an interest rate ranging from 5.38% to 5.75%. These bonds were issued to finance all or a portion of the costs of betterments and improvements to the System (the Project), fund a debt service reserve and pay expenses of issuing the bonds. The bonds constitute special obligations of the City, secured by a pledge of net revenues derived from the System. Interest payments are due semiannually each May 1 and November 1. To the extent not previously redeemed, the Bonds maturing on May 1, 2022, are subject to mandatory sinking fund redemption. These bonds are also subject to optional redemption at direction of the City beginning May 1, 2014.

2003 Capital Improvement and Refunding Revenue Bonds (Downtown Parking Projects) – On July 1, 2003, the City issued \$11,855,000 in 2003 Capital Improvement Revenue Bonds (Downtown Parking Projects) with an interest rate ranging from 4.8% to 5.4%. The bonds were issued to finance the construction of a new parking deck and advance refund the 1997 Capital Revenue Bonds (Second and Main Street Project) – Series 1997 previously used to construct a parking deck. The bonds constitute special obligations of the City, payable solely from the revenues of the two parking decks, together with all other parking revenues of the City that were not previously pledged by the City. Interest payments are due semiannually each January 1 and July 1. These bonds are subject to redemption in part by sinking fund installments due on July 1. These bonds are also subject to optional redemption at direction of the City beginning July 1, 2013. Extraordinary redemption may occur in the event that excess project funds exist.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds and revenue bonds, as well as notes payable, outstanding at December 31, 2021.

Year	Primary Government			
	Governmental Activities		Business-Type Activities	
	General Obligation & Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2022	\$ 8,975,000	\$ 3,255,006	\$ 945,000	\$ 277,416
2023	10,055,000	2,830,231	655,000	235,523
2024	9,805,000	2,482,356	685,000	201,135
2025	3,275,000	2,288,363	725,000	164,830
2026	3,410,000	2,156,344	760,000	126,405
2027-2029	19,210,000	8,619,838	1,625,000	129,585
2030-2034	16,295,000	5,096,775	-	-
2035-2039	6,480,000	3,144,563	-	-
2040-2046	7,890,000	1,738,313	-	-
2047-2048	3,625,000	225,844	-	-
	<u>\$ 89,020,000</u>	<u>\$ 31,837,633</u>	<u>\$ 5,395,000</u>	<u>\$ 1,134,894</u>

	Notes Payable	
	Principal	Interest
2022	\$ 3,382,819	\$ 147,433
2023	2,329,986	92,537
2024	2,365,739	56,784
2025	1,194,893	20,138
2026	1,204,912	10,121
	<u>\$ 10,478,349</u>	<u>\$ 327,013</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Pledged Revenues

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

Debt	Revenue Pledged	Total Pledged Revenue	Current Year Debt Service Requirements	Percentage Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue Will Not Be Available For Other Purposes
2017 Revenue Refunding Bonds	Franchise Fees for public utilities	20,785,927	1,507,900	7.3%	18,044,150	Until 2033
2015 Library Construction and Refunding Bonds	Property tax	4,234,108	2,092,656	49.4%	27,813,694	Until 2035
2017 Library Refunding Bonds	Property tax	4,234,108	1,905,144	45.0%	5,424,625	Until 2024
2013 Limited Tax General Obligation Capital Improvement Bonds	Property tax	14,343,102	1,358,125	9.5%	-	Until 2021
2014 TIF #1 Capital Improvement Bond	Property tax	439,706	105,600	24.0%	2,328,150	Until 2036
2018 Limited Tax GO Capital Improvement Bonds	Property tax	14,343,102	3,166,500	22.1%	15,267,500	Until 2024
2018 Hotel Gross Receipts Tax Bonds	Hotel/motel tax	2,357,444	1,927,144	81.7%	51,979,514	Until 2048
2007 Waste Disposal Revenue Bonds	Net revenues of the waste collection and disposal system	6,622,866	332,456	5.0%	334,344	Until 2022
2003 Capital improvement and Refunding Revenue Bonds	Specific parking revenues and other revenues in the Rivermarket Garage Fund	1,488,115	889,048	59.7%	6,195,550	Until 2028

Lease Obligations

The City entered into lease agreements as lessee for financing the acquisition of vehicles valued at approximately \$6,091,000. The vehicles have a five (5) year estimated useful life. This year, \$1,253,379 was included in depreciation expense. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of those minimum lease payments as of December 31, 2021, were as follows:

Year Ending December 31	Governmental Activities
2022	\$ 1,205,758
2023	1,205,758
2024	1,757,952
2025	790,244
2026	-
Total minimum lease payments	4,959,712
Less: amount representing interest	(365,931)
Present value of minimum lease payments	<u>\$ 4,593,781</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Note 6: Interfund Balances and Transfers

Interfund receivables and payables as of December 31, 2021, are as follows:

	Interfund Receivables	Interfund Payables
Primary Government		
Governmental Funds		
General fund	\$ 9,422,742	\$ -
Nonmajor governmental funds	-	9,422,742
	9,422,742	9,422,742
Total governmental funds	9,422,742	9,422,742
Total	\$ 9,422,742	\$ 9,422,742

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

Interfund transfers in and transfers out for the year ended December 31, 2021, are as follows:

Interfund Transfers In	Interfund Transfers Out							Totals
	Governmental Funds				Proprietary Funds			
	General	Street	Sales Tax Capital Improvements	Other Nonmajor Governmental Funds	Internal Service Fund	Waste Disposal	Vehicle Storage	
Governmental Funds								
General	\$ -	\$ 477,717	\$ 954,660	\$ 50,000	\$ 738,000	\$ 1,732,544	\$ -	\$ 3,952,921
Street	276,456	-	-	-	-	273,700	-	550,156
	276,456	477,717	954,660	50,000	738,000	2,006,244	-	4,503,077
Proprietary Funds								
Vehicle Storage fund	5,887	-	-	-	-	-	-	5,887
Waste Disposal Fund	55,596	-	-	-	-	-	-	55,596
	61,483	-	-	-	-	-	-	61,483
Totals	\$ 337,939	\$ 477,717	\$ 954,660	\$ 50,000	\$ 738,000	\$ 2,006,244	\$ -	\$ 4,564,560

Transfers are used to fund special projects and meet debt service requirements.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Note 7: Pension Plans

Pension Trust Funds

Substantially all of the City's employees receive retirement benefits. The City sponsors two single-employer defined benefit pension plans and two defined contribution pension plans. The Nonuniformed Employees' Defined Benefit Pension Plan, the 2014 Defined Benefit Plan, the Nonuniformed Employees' Defined Contribution Plan, and 401(a) Money Purchase and Trust Retirement Fund are reported as pension trust funds by the City. Separate stand-alone financial reports are not issued for these plans except for the 2014 Defined Benefit Plan.

In addition, the City participates in two agent agent-multiple employer defined benefit pension plans. The majority of Plan assets were transferred to the Arkansas Local Police and Fire Retirement System and are excluded from the City's financial statements. The rest of the plan assets are held in fiduciary funds with the City: The Firemen's Pension and Relief Fund and The Police Pension.

The City also contributes to three cost-sharing multiple employer defined benefit pension plans. The assets of the plans are maintained in legally separate trusts and each plan's assets may be used only for the payment of benefits to the members of that plan or their beneficiaries in accordance with the terms of the plan.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

The statement of fiduciary net position and the statement of changes in fiduciary net position for the Employee Retirement Plans are below:

	Police Pension	Firemen's Pension and Relief Fund	Nonuniformed Employees' Defined Contribution Plan	Nonuniformed Employees' Defined Benefit Plan	401(a) Money Purchase And Trust Retirement Fund	2014 Defined Benefit Plan
Assets						
Cash and cash equivalents	\$ -	\$ 126	\$ 210,744	\$ 367,528	\$ -	\$ 1,900,922
Investments						
U.S. government obligations	-	-	-	-	-	-
Equities	-	-	6,439,461	-	-	52,141,399
Mutual funds and other investments	1,196,537	1,207,638	6,091,005	12,891,188	8,950,219	39,472,972
Receivables						
Accounts receivable	-	-	164	-	32,059	49,400
Accrued interest and dividends	-	-	21,062	21,908	-	102,429
Total assets	1,196,537	1,207,764	12,762,436	13,280,624	8,982,278	93,667,122
Liabilities						
Accounts payable	-	-	-	-	-	7,000
Total liabilities	-	-	-	-	-	7,000
Net Position						
Net position restricted for pensions	\$ 1,196,537	\$ 1,207,764	\$ 12,762,436	\$ 13,280,624	\$ 8,982,278	\$ 93,660,122
Additions						
Contributions						
Employer	\$ -	\$ -	\$ 25,261	\$ 443,866	\$ 256,065	\$ 4,267,758
Plan members	-	-	14,024	-	190,486	2,104,092
Other	-	-	-	480,586	-	70,987
Total contributions	-	-	39,285	924,452	446,551	6,442,837
Investment income (loss)						
Net increase (decrease) in fair value of investments	454,430	454,430	(29,477)	704,720	1,581,305	5,642,826
Gain on sale of investments	-	-	1,648,236	669,022	-	1,940,891
Interest and dividends	-	-	172,018	195,551	-	1,285,834
	454,430	454,430	1,790,777	1,569,293	1,581,305	8,869,551
Less investment expense	-	-	22,557	16,913	-	116,393
Net investment income	454,430	454,430	1,768,220	1,552,380	1,581,305	8,753,158
Total additions	454,430	454,430	1,807,505	2,476,832	2,027,856	15,195,995
Deductions						
Benefits paid directly to participants	-	-	2,111,452	1,656,664	2,615,126	1,865,274
Administrative expenses	-	-	45,530	42,748	-	366,065
Other	-	-	480,586	-	192	-
Total deductions	-	-	2,637,568	1,699,412	2,615,318	2,231,339
Net Increase (Decrease) in Net Position	454,430	454,430	(830,063)	777,420	(587,462)	12,964,656
Net Position Restricted for Pensions, Beginning of Year	742,107	753,334	13,592,499	12,503,204	9,569,740	80,695,466
Net Position Restricted for Pensions, End of Year	\$ 1,196,537	\$ 1,207,764	\$ 12,762,436	\$ 13,280,624	\$ 8,982,278	\$ 93,660,122

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

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

Governmental Activities	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense (Income)
Firemen's Pension and Relief Fund	\$ 39,186,672	\$ 6,981,628	\$ 4,692,612	\$ 3,420,233
Police Pension	40,120,928	7,974,858	3,226,227	4,250,638
Nonuniformed Plan - Government Wide	279,194	-	592,984	554,574
Nonuniformed Plan - Fleet	19,707	-	41,858	39,146
2014 Defined Benefit Plan - Government Wide	421,635	3,208,613	4,372,882	2,058,727
2014 Defined Benefit Plan - Fleet	29,762	226,491	308,674	145,322
Police - LOPFI	69,461,261	19,568,739	18,292,443	13,677,607
Fire - LOPFI	59,070,844	16,276,185	17,987,987	10,221,121
APERS	74,410	18,853	178,527	(132,221)
	<u>\$ 208,664,413</u>	<u>\$ 54,255,367</u>	<u>\$ 49,694,194</u>	<u>\$ 34,235,147</u>

Business-Type Activities*	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense (Income)
Nonuniformed Plan - Waste Disposal	\$ 26,276	\$ -	\$ 55,812	\$ 52,195
Nonuniformed Plan - Vehicle Storage	3,286	-	6,975	6,525
2014 Defined Benefit Plan - Waste Disposal	39,683	301,988	411,565	193,763
2014 Defined Benefit Plan - Vehicle Storage	4,960	37,749	51,446	24,220
	<u>74,205</u>	<u>339,737</u>	<u>525,798</u>	<u>276,703</u>
 Total Primary Government	 <u>\$ 208,738,618</u>	 <u>\$ 54,595,104</u>	 <u>\$ 50,219,992</u>	 <u>\$ 34,511,850</u>
 2014 Defined Benefit Plan Discretely Presented Component Units	 <u>\$ 49,659</u>	 <u>\$ 403,614</u>	 <u>\$ 628,962</u>	 <u>\$ 242,470</u>

* Same amounts for proprietary funds' financial statements

Summary of Significant Accounting Policies

Basis of Accounting

The City of Little Rock's financial statements for its defined benefit and defined contribution plans are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. City contributions to each plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Determine Fair Value of Investments

The fair value of investments other than mutual funds is determined using quoted market prices. The fair value of investments in mutual funds is determined using the fund's current per share price.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Covered Employees Information

Employees covered by benefit terms consisted of the following at the measurement date:

	Firemen's Fund	Nonuniformed Defined Benefit Plan	Nonuniformed Defined Contribution Plan	401 (a) Defined Contribution Plan	2014 Defined Benefit Plan	Police Pension
Retirees and beneficiaries receiving benefits	266	59	-	-	167	272
Termed vested benefit	-	-	216	20	352	-
Active plan members	-	1	7	26	1,053	-
Members on Deferred Retirement Option Plan (DROP)	1	-	-	-	-	2
Total	<u>267</u>	<u>60</u>	<u>223</u>	<u>46</u>	<u>1,572</u>	<u>274</u>

Firemen's Pension and Relief Fund (Firemen's Fund)

1. Plan Description and Funding Information

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

This plan transfer resulted in a plan change from single-employer to multi-employer and a related change in measurement date to a year in arrears.

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

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2021

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

Contributions to the Firemen's Fund are set forth in Arkansas statute. The City's contribution to the Firemen's Fund consists of a one mill real and personal property tax collection and an insurance premium tax turnback collected by the State Insurance Commissioner. Additionally, the City contributes a percentage of the firemen's salaries, which amounted to 6% during 2021. The participants contributed 6% of their salaries in 2021. Participant contributions are returned without interest if the participant terminates covered employment. Contribution provisions applicable to the Fund are established by Arkansas code and may not be less than 6%. Administrative costs are financed through Fund assets approved by the Board of Trustees. The City's share of contributions was \$6,981,628 in 2021. The liability for the Firemen's Fund has typically been liquidated from the general fund.

2. Actuarial Methods and Assumptions

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

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

For the December 31, 2020 actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included a 7% investment rate of return (net of administrative expenses), projected salary increases of 3.25%, which includes an inflation rate of 2.5% and no costs of living increases. The remaining amortization period at December 31, 2020, was twenty-three (23) years using a closed amortization period based on projected future payroll. The mortality assumption was based on the RP-2014 Healthy Annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016. There were no factors that significantly affected the identification of trends such as changes in benefits, actuarial methods, or assumptions.

The actuarial assumptions used in the December 31, 2020 actuarial valuation were last updated for the 2017 valuation based on an experience study of the period 2012 through 2016.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

3. Long-term expected rate of return

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

Firemen's Pension Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Allocated-Weighted Long-term Expected Real Rate of Return
Fixed income	25%	0.90%	0.22%
Domestic equity	42%	5.10%	2.15%
Foreign equity	18%	7.10%	1.27%
Alternative investments	15%	7.40%	1.12%
	<u>100%</u>		<u>4.76%</u>
Expected Inflation			2.25%
Total Return			<u>7.01%</u>

4. Discount Rate

The discount rate used to measure the total pension liability was 7%. Based on plan funding expectations, no actuarial projection of cash flows was made as the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

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

5. Changes in Net Pension Liability

Changes in the total pension liability, plan fiduciary net position and the net pension liability are as follows for the Firemen's Fund as determined by the City at December 31, 2021:

Changes in Net Pension Liability - Firemen's Pension and Relief Fund			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 95,982,944	\$ 52,084,332	\$ 43,898,612
Charges for the year:			
Interest on total pension liability	6,334,360	-	6,334,360
Difference between expected and actual return	1,106,008	-	1,106,008
Changes of assumptions	-	-	-
Benefit Payments, including refunds of employee contributions	(10,984,172)	(10,984,172)	-
Administrative expense	-	(71,480)	71,480
Contributions - employer	-	6,782,326	(6,782,326)
Net investment income	-	5,779,573	(5,779,573)
Other	-	(338,111)	338,111
Net Changes	<u>(3,543,804)</u>	<u>1,168,136</u>	<u>(4,711,940)</u>
Balances as of end of year	<u>\$ 92,439,140</u>	<u>\$ 53,252,468</u>	<u>\$ 39,186,672</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

6. Sensitivity to Discount Rate Changes

The following presents the City's net pension liability calculated using the discount rate of 7%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

		1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Firemen's Pension and Relief Fund	Net pension liability	\$ 46,062,110	\$ 39,186,672	\$ 33,161,657

7. Pension Expense, Deferred Outflows of Resources Related to Pensions, and Deferred Inflows of Resources Related to Pensions.

For the year ended December 31, 2021, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$3,420,233, and reported deferred outflows and inflows of resources related to pensions from the following sources for the Firemen's Fund, as determined by the City at December 31, 2021:

Firemen's Pension and Relief Fund	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual investment earnings on pension plan investments	\$ -	\$ 4,692,612
Contributions subsequent to the measurement date	<u>6,981,628</u>	<u>-</u>
Total	<u>\$ 6,981,628</u>	<u>\$ 4,692,612</u>

At December 31, 2021, the City reported \$6,981,628 as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date, which will be recognized as a reduction in the net pension liability for the year ending December 31, 2022.

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

Year Ending December 31,	Deferred Inflow of Resources
2022	\$ (1,621,438)
2023	(1,031,177)
2024	(1,503,526)
2025	<u>(536,471)</u>
Total	<u>\$ (4,692,612)</u>

City of Little Rock, Arkansas

Notes to Financial Statements

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Police Pension

1. Plan Description and Funding Information

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

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

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

Contributions to the Police Pension are set forth in Arkansas statute. The City's contribution to the Police Pension consists of a one mill real and personal property tax collection, an insurance premium tax turnback collected by the State Insurance Commissioner, and a \$3 assessment against each court case plus 10% of fines and forfeitures collected. The City's contributions to the Plan for 2021 were \$7,974,858.

2. Actuarial Methods and Assumptions

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

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

For the December 31, 2020 actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included a 7.00% investment rate of return (net of administrative expenses), projected salary increases of 3.25%, which includes an inflation rate of 2.5% and no costs of living increases. The remaining amortization period at December 31, 2020, was 20 years using a closed amortization period based on projected future payroll. The mortality assumption was based on the RP-2014 Healthy Annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016. There were no factors that significantly affected the identification of trends such as changes in benefits, actuarial methods, or assumptions.

The actuarial assumptions used in the December 31, 2020 actuarial valuation were last updated for the 2017 valuation based on an experience study of the period 2012 through 2016.

3. Long-term expected rate of return

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

Police Pension Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Allocated-Weighted Long-term Expected Real Rate of Return
Fixed income	25%	0.90%	0.22%
Domestic equity	42%	5.10%	2.15%
Foreign equity	18%	7.10%	1.27%
Alternatives	15%	7.40%	1.12%
Total	<u>100%</u>		<u>4.76%</u>
Expected Inflation			<u>2.25%</u>
Total Return			<u>7.01%</u>

City of Little Rock, Arkansas
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4. Discount Rate

The discount rate used to measure the total pension liability was 7%. Based on plan funding expectations, no actuarial projection of cash flows was made as the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

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

5. Changes in the Net Pension Liability

Changes in the total pension liability, plan fiduciary net position and the net pension liability are as follows for the Police Pension as determined by the City at December 31, 2021:

Changes in Net Pension Liability - Police Pension			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Liability (a) - (b)
Balances as of beginning of year	\$ 90,394,244	\$ 45,138,578	\$ 45,255,666
Charges for the year:			
Interest on total pension liability	6,004,768	-	6,004,768
Difference between expected and actual return	1,390,152	-	1,390,152
Benefit Payments, including refunds of employee contributions	(9,223,690)	(9,223,690)	-
Administrative expense	-	(63,851)	63,851
Contributions - employer	-	7,870,625	(7,870,625)
Net investment income	-	5,061,604	(5,061,604)
Other	-	(338,720)	338,720
Net Changes	<u>(1,828,770)</u>	<u>3,305,968</u>	<u>(5,134,738)</u>
Balances as of end of year	<u>\$ 88,565,474</u>	<u>\$ 48,444,546</u>	<u>\$ 40,120,928</u>

6. Sensitivity to Discount Rate Changes

The following presents the City’s net pension liability calculated using the discount rate of 7%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Police Pension			
Net pension liability	\$ 46,824,748	\$ 40,120,928	\$ 34,335,103

City of Little Rock, Arkansas
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7. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended December 31, 2021, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$4,250,638, and reported deferred outflows and inflows of resources related to pensions from the following sources for the Police Pension, as determined by the City at December 31, 2021:

Police Pension	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual investment earnings on pension plan investments	\$ -	\$ 3,226,227
Contributions subsequent to the measurement date	<u>7,974,858</u>	<u>-</u>
Total	<u>\$ 7,974,858</u>	<u>\$ 3,226,227</u>

At December 31, 2021, the City reported \$7,974,858 as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending December 31, 2022.

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

Year Ending December 31,	Net Deferred Inflow of Resources
2022	\$ (967,906)
2023	(528,963)
2024	(1,259,382)
2025	<u>(469,976)</u>
Total	<u>\$ (3,226,227)</u>

Nonuniformed Employees' Defined Benefit Pension Plan (Nonuniformed Plan)

1. Plan Description and Funding Information

The ***Nonuniformed Employees' Defined Benefit Pension Plan (Nonuniformed Plan)*** is a single-employer defined benefit pension plan established under Arkansas state law. Benefit provisions are established and amended by City Ordinance #11088. Plan assets are administered by a Board of Trustees.

The Nonuniformed Plan provides retirement, disability, and survivor benefits to participating employees and/or their beneficiaries or dependents who have met eligibility requirements set forth in the Plan's benefit provisions.

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Under the original provisions of the Nonuniformed Plan, participants and the City were required to contribute a certain percentage of the participant's salary. Effective January 1, 1978, the Plan was frozen. Contributions continued to be required through December 31, 1980. As of January 1, 1981, participants of the Nonuniformed Plan became participants in the City of Little Rock Nonuniformed Employees' Defined Contribution Plan (Defined Contribution Plan), which became effective for all regular, nonuniformed employees of the City as of that date. Currently, the only contributions the City makes to the Plan on an annual basis are those required to make the Plan actuarially sound. These contributions are made on a one year lag. Contributions during 2021 were \$443,866. Administrative costs are financed by the Nonuniformed Plan Fund. The liability for the Nonuniformed Plan has typically been liquidated from the general fund, fleet, waste disposal, and vehicle storage funds.

2. Actuarial Methods and Assumptions

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

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

For the December 31, 2021 actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five (5)-year period. The actuarial assumptions included a 6.5% investment rate of return (net of administrative expenses), projected salary increases of 3.5%, which includes an inflation rate of 2.5% and no costs of living increases. The remaining amortization period at December 31, 2021, was two (2) years based on a 5-year closed level-dollar amortization beginning in 2018. The mortality assumption was updated based on the Pub-2010 for males/females, amount weighted Mortality Table for General employees with below median income, scaled at 105% with no setback. Generational mortality improvements are in accordance with MP-2020 from the table's base year of 2010 (both before and after the measurement date). There were no other factors that significantly affected the identification of trends such as changes in benefits.

The actuarial assumptions used in the December 31, 2021 actuarial valuation were based on the results of an actuarial experience study for the period 2008 through 2011.

3. Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return. The

City of Little Rock, Arkansas
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target allocation of the plan and the long-term expected real rates of return are shown in the table below:

Nonuniformed Defined Benefit Plan Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Fixed income	30%	2.25%
Domestic equity	50%	4.75%
Foreign equity	7%	6.25%
Alternatives	10%	4.50%
Cash	3%	0.25%
Total	<u>100%</u>	
Expected Inflation		2.50%

4. Discount Rate

The discount rate used to measure the total pension liability was 6.5%. Based on plan funding expectations, no actuarial projection of cash flows was made as the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

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

5. Changes in the Net Pension Liability

Changes in the total pension liability, plan fiduciary net position, and the net pension liability are as follows for the Nonuniformed Plan as determined by the City at December 31, 2021:

Changes in Net Pension Liability - Nonuniformed Plan			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 13,204,537	\$ 12,503,204	\$ 701,333
Charges for the year:			
Service Cost	1,594	-	1,594
Interest on total pension liability	813,877	-	813,877
Transfers from DC plan	480,586	480,586	-
Difference between expected and actual return	(192,984)	-	(192,984)
Changes of assumptions	958,140	-	958,140
Benefit Payments, including refunds of employee contributions	(1,656,664)	(1,656,664)	-
Administrative expense	-	(16,913)	16,913
Contributions - employer	-	443,866	(443,866)
Net investment income	-	1,526,545	(1,526,545)
Other	1	-	1
Net Changes	<u>404,550</u>	<u>777,420</u>	<u>(372,870)</u>
Balances as of end of year	<u>\$ 13,609,087</u>	<u>\$ 13,280,624</u>	<u>\$ 328,463</u>

City of Little Rock, Arkansas
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The above amounts are allocated between government-wide (governmental activities), Fleet (governmental activities), Waste Disposal (business-type activities), and Vehicle Storage (business-type activities) on the basis of covered payroll.

6. Sensitivity to Discount Rate Changes

The following presents the City's net pension liability calculated using the discount rate of 6.5%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

		1% Decrease 5.5%	Current Discount Rate 6.5%	1% Increase 7.5%
Nonuniformed Employees' Defined Benefit Pension Plan	Net pension liability (asset)	\$ 1,293,469	\$ 328,463	\$ (543,211)

7. Pension Expense and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the City recognized pension expense of \$652,440, and reported deferred inflows of resources related to pensions from the following source for the Nonuniformed Plan, as determined by the City at December 31, 2021:

Nonuniformed Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 697,629
Total	<u>\$ -</u>	<u>\$ 697,629</u>

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

Year Ending December 31,	Deferred Inflows of Resources
2022	\$ (47,603)
2023	(348,053)
2024	(153,086)
2025	(148,887)
Total	<u>\$ (697,629)</u>

City of Little Rock, Arkansas
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2014 Nonuniformed Employees' Defined Benefit Pension Plan (2014 Defined Benefit Plan)

1 Plan Description and Funding Information

The ***2014 Nonuniformed Employees' Defined Benefit Pension Plan (2014 Defined Benefit Plan)*** is a single-employer defined benefit pension plan established under Arkansas state law. Benefit provisions are established by City Ordinance #20778.

The 2014 Defined Benefit Plan provides retirement, disability, and survivor benefits to participating employees and/or their beneficiaries or dependents who have met eligibility requirements set forth in the Plan's benefit provisions.

Under the provisions of the 2014 Defined Benefit Plan, the City contributes 9% of the participant's salary. The participants contribute 4.5% of their salaries. City contributions during 2021 were \$4,267,758. Contributions to the plan are made from various city governmental and business type funds, as well as two (2) of the discreetly presented component units.

For additional Plan information, please refer to the Plan's financial statements which can be obtained by writing the Plan's Board of Trustees, c/o Ms. Sara Lenehan, 500 W. Markham, Suite 208, Little Rock, AR 72201.

2. Actuarial Methods and Assumptions

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

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

For the December 31, 2021 actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included a 6.5% investment rate of return (net of administrative expenses), projected salary increases of 2.5% to 7.2%, which includes an inflation rate of 2.5% and various future weighted average rates of cost of living adjustments (COLA) were calculated and it was decided to use a 1.5% COLA as a single point estimate of the two-thirds CPI described in the plan. The remaining amortization period at December 31, 2021, was 15 years using a level percent of salary basis, amortization period. The mortality assumption was updated based on the Pub-2010 for males/females, amount weighted Mortality Table for General employees with below median income, scaled at 105% with no setback. Generational mortality improvements are in accordance with MP-2020 from the table's base year of 2010 (both before and after the

City of Little Rock, Arkansas
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measurement date). There were no other factors that significantly affected the identification of trends such as changes in benefits.

The actuarial assumptions used in the December 31, 2021 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2007 through June 30, 2012.

3. Long-term expected rate of return

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

2014 Defined Benefit Plan Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Fixed income	30%	2.25%
Domestic equity	50%	4.75%
Foreign equity	7%	6.25%
Alternatives	10%	4.50%
Cash	3%	0.25%
Total	<u>100%</u>	
Expected Inflation		2.50%

4. Discount Rate

The discount rate used to measure the total pension liability was 6.5%. Based on plan funding expectations, no actuarial projection of cash flows was made as the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

The City’s net pension liability as of December 31, 2021 was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022.

City of Little Rock, Arkansas
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5. Changes in the Net Pension Liability

Changes in the total pension liability, plan fiduciary net position and the net pension liability are as follows for the 2014 Defined Benefit Plan as determined by the City at December 31, 2021:

Changes in Net Pension Liability - 2014 DB Plan			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 82,117,895	\$ 80,695,466	\$ 1,422,429
Charges for the year:			
Service Cost	5,216,735	-	5,216,735
Interest on total pension liability	5,449,815	-	5,449,815
Difference between expected and actual return	377,741	-	377,741
Changes of assumptions	2,837,924	-	2,837,924
Benefit Payments, including refunds of employee contributions	(1,865,274)	(1,865,274)	-
Administrative expense	-	(123,393)	123,393
Contributions - employer	-	4,267,758	(4,267,758)
Contributions - member	-	2,104,092	(2,104,092)
Changes in proportionate share	-	-	-
Service Purchases	70,987	70,987	-
Net investment income	-	8,510,487	(8,510,487)
Other	(2)	(1)	(1)
Net Changes	12,087,926	12,964,656	(876,730)
Balances as of end of year	\$ 94,205,821	\$ 93,660,122	\$ 545,699

The above amounts are allocated between government-wide (governmental activities), Fleet (governmental activities), Waste Disposal (business-type activities), Vehicle Storage (business-type activities), Advertising and Promotion Commission (component unit), Workforce Investment Board (component unit) and Little Rock Port Authority (component unit) on the basis of actual contributions by the participants of the employer in the measurement period. The primary government's proportionate share was 90.94% (87.6% in prior year), the Advertising and Promotion Commission's proportionate share was 8.37% (11.9% in prior year), the Workforce Investment Board's proportionate share was 0.40%, and the Little Rock Port Authority's proportionate share was 0.29% (0.1% in prior year), as shown on the following schedules.

City of Little Rock, Arkansas
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Changes in Net Pension Liability - Primary Government

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 72,659,221	\$ 71,413,173	\$ 1,246,048
Charges for the year:			
Service Cost	4,744,333	-	4,744,333
Interest on total pension liability	4,956,307	-	4,956,307
Difference between expected and actual return	343,535	-	343,535
Changes of assumptions	2,580,936	-	2,580,936
Benefit Payments, including refunds of employee contributions	(1,696,364)	(1,696,364)	-
Administrative expense	-	(112,219)	112,219
Contributions - employer	-	3,881,291	(3,881,291)
Contributions - member	-	1,913,556	(1,913,556)
Changes in proportionate share	-	(47,331)	47,331
Service Purchases	64,559	64,559	-
Net investment income	-	7,739,820	(7,739,820)
Other	(2)	-	(2)
Net Changes	<u>10,993,304</u>	<u>11,743,312</u>	<u>(750,008)</u>
Balances as of end of year	<u>\$ 83,652,525</u>	<u>\$ 83,156,485</u>	<u>\$ 496,040</u>

Changes in Net Pension Liability - Advertising and Promotion Commission

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 9,007,865	\$ 8,838,596	\$ 169,269
Charges for the year:			
Service Cost	436,653	-	436,653
Interest on total pension liability	456,162	-	456,162
Difference between expected and actual return	31,618	-	31,618
Changes of assumptions	237,541	-	237,541
Benefit Payments, including refunds of employee contributions	(156,128)	(156,128)	-
Administrative expense	-	(10,328)	10,328
Contributions - employer	-	357,221	(357,221)
Contributions - member	-	176,117	(176,117)
Changes in proportionate share	-	50,047	(50,047)
Service Purchases	5,942	5,942	-
Net investment income	-	712,347	(712,347)
Other	-	-	-
Net Changes	<u>1,011,788</u>	<u>1,135,218</u>	<u>(123,430)</u>
Balances as of end of year	<u>\$ 10,019,653</u>	<u>\$ 9,973,814</u>	<u>\$ 45,839</u>

City of Little Rock, Arkansas
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Changes in Net Pension Liability - Workforce Investment Board

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 368,693	\$ 363,003	\$ 5,690
Charges for the year:			
Service Cost	20,644	-	20,644
Interest on total pension liability	21,567	-	21,567
Difference between expected and actual return	1,495	-	1,495
Changes of assumptions	11,231	-	11,231
Benefit Payments, including refunds of employee contributions	(7,382)	(7,382)	-
Administrative expense	-	(488)	488
Contributions - employer	-	16,889	(16,889)
Contributions - member	-	8,327	(8,327)
Changes in proportionate share	-	37	(37)
Service Purchases	281	281	-
Net investment income	-	33,679	(33,679)
Other	-	-	-
Net Changes	<u>47,836</u>	<u>51,343</u>	<u>(3,507)</u>
Balances as of end of year	<u>\$ 416,529</u>	<u>\$ 414,346</u>	<u>\$ 2,183</u>

Note: The Workforce Investment Board follows standards established by the Financial Accounting Standards Board and is not required to record the net pension liability.

Changes in Net Pension Liability - Little Rock Port Authority

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 82,118	\$ 80,696	\$ 1,422
Charges for the year:			
Service Cost	15,105	-	15,105
Interest on total pension liability	15,780	-	15,780
Difference between expected and actual return	1,094	-	1,094
Changes of assumptions	8,217	-	8,217
Benefit Payments, including refunds of employee contributions	(5,401)	(5,401)	-
Administrative expense	-	(357)	357
Contributions - employer	-	12,357	(12,357)
Contributions - member	-	6,092	(6,092)
Change in proportionate share	-	(2,753)	2,753
Service Purchases	206	206	-
Net investment income	-	24,642	(24,642)
Other	-	-	-
Net Changes	<u>35,001</u>	<u>34,786</u>	<u>215</u>
Balances as of end of year	<u>\$ 117,119</u>	<u>\$ 115,482</u>	<u>\$ 1,637</u>

Note: The net pension liability was immaterial to the Little Rock Port Authority's financial statements and was not recorded in their financial statements.

City of Little Rock, Arkansas
Notes to Financial Statements
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6. Sensitivity to Discount Rate Changes

The following presents the City's net pension liability calculated using the discount rate of 6.5%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

2014 Defined Benefit Pension Plan		1% Decrease 5.5%	Current Discount Rate 6.5%	1% Increase 7.5%
City of Little Rock	Net pension liability (asset)	\$ 13,964,926	\$ 496,040	\$ (10,574,170)
Advertising & Promotion Commission	Net pension liability (asset)	1,290,488	45,839	(977,151)
Workforce Investment Board	Net pension liability (asset)	61,452	2,183	(46,531)
Little Rock Port Authority	Net pension liability (asset)	46,089	1,637	(34,898)
		<u>\$ 15,362,955</u>	<u>\$ 545,699</u>	<u>\$ (11,632,750)</u>

7. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the City and its component units recognized pension expense of \$2,664,502, and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the 2014 Defined Benefit Plan, as determined by the City at December 31, 2021:

2014 Defined Benefit Plan - Primary Government	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 849,169	\$ 1,502,067
Changes of assumptions	2,817,562	25,621
Changes of proportion	108,110	27,914
Net difference between expected and actual investment earnings on pension plan investments	-	3,588,965
Total	<u>\$ 3,774,841</u>	<u>\$ 5,144,567</u>

Advertising and Promotion Commission	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 78,471	\$ 138,805
Changes of assumptions	260,369	2,368
Changes of proportion	29,986	114,662
Net difference between expected and actual investment earnings on pension plan investments	-	331,654
Total	<u>\$ 368,826</u>	<u>\$ 587,489</u>

City of Little Rock, Arkansas
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Workforce Investment Board	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,737	\$ 6,610
Changes of assumptions	12,399	113
Changes of proportion	-	2,072
Net difference between expected and actual investment earnings on pension plan investments	-	15,794
Total	<u>\$ 16,136</u>	<u>\$ 24,589</u>

Little Rock Port Authority	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,802	\$ 4,957
Changes of assumptions	9,298	84
Changes of proportion	6,552	-
Net difference between expected and actual investment earnings on pension plan investments	-	11,843
Total	<u>\$ 18,652</u>	<u>\$ 16,884</u>

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

Year Ending December 31,	Primary Government	Advertising and Promotion Commission	Workforce Investment Board	Little Rock Port Authority
2022	(206,302)	(29,283)	(1,639)	225
2023	(1,491,056)	(148,006)	(7,292)	(4,015)
2024	(527,877)	(59,000)	(3,054)	(836)
2025	(345,365)	(43,580)	(1,563)	(236)
2026	347,773	17,989	1,477	2,044
Total thereafter	<u>853,101</u>	<u>43,217</u>	<u>3,618</u>	<u>4,586</u>
Total	<u>\$ (1,369,726)</u>	<u>\$ (218,663)</u>	<u>\$ (8,453)</u>	<u>\$ 1,768</u>

Local Police and Fire Retirement System (LOPFI)

The *Local Police and Fire Retirement System (LOPFI)* is a statewide cost-sharing multiple-employer defined benefit pension plan that provides retirement, disability, and survivor benefits to police and fire employees of political subdivisions of the State of Arkansas. LOPFI was created by Act 364 of the 1981 General Assembly. The authority to establish and amend benefit provisions is set forth in Arkansas state statutes and is vested in the Arkansas Legislature with the concurrence of the Governor. Employees hired after January 1, 1983, whose political subdivision had a retirement system in effect at July 1, 1981, are eligible to participate in the Plan. LOPFI issues a publicly available financial report that includes financial statements and required supplementary information of the Plan, which may be obtained from the internet at www.lopfi-prb.com or by contacting the following:

City of Little Rock, Arkansas
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Arkansas Local Police and Fire Retirement System
P.O. Drawer 34164
Little Rock, Arkansas 72203
501.682.1745

Contribution requirements are set forth in Arkansas statute. LOPFI members were required to contribute 8.5% of their annual covered salary. The City is required to contribute at an actuarially determined rate, which was 23.23% for participating policemen and 23.50% for participating firemen. City contributions for 2021 to the Plan were \$17,014,965.

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

At December 31, 2021, the LOPFI Police and LOPFI Fire reported a liability of \$69,461,261 and \$59,070,844, respectively, for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The City’s proportionate share was 10.10368% and 8.59231% respectively, for LOPFI Police and LOPFI Fire compared to 10.19091% and 8.99695% respectively, for the prior year. The allocation percentages are based on the ratio of each employer’s contributions to total employer contributions of the group for the fiscal year ended December 31, 2020. The contributions used excluded contributions made for prior service, excess benefits, and irregular payments. The employer allocation percentages have been rounded for presentation purposes.

For the year ended December 31, 2021 the LOPFI Police and LOPFI Fire recognized pension expense of \$13,677,607 and \$10,221,121, respectively. At December 31, 2021, LOPFI Police and LOPFI Fire reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

LOPFI - Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 7,842,316	\$ -
Assumption changes	1,936,272	-
Change in proportion	735,524	464,090
Net difference between expected and actual investment earnings on pension plan investments	-	17,828,353
Contributions subsequent to the measurement date	9,054,627	-
Total	<u>\$ 19,568,739</u>	<u>\$ 18,292,443</u>

LOPFI - Fire	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,669,214	\$ -
Assumption changes	1,646,633	-
Change in proportion	-	2,826,494
Net difference between expected and actual investment earnings on pension plan investments	-	15,161,493
Contributions subsequent to the measurement date	7,960,338	-
Total	<u>\$ 16,276,185</u>	<u>\$ 17,987,987</u>

City of Little Rock, Arkansas
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At December 31, 2021, LOPFI Police and LOPFI Fire reported \$9,054,627 and \$7,960,338 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2021, related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	LOPFI Police	LOPFI Fire
2022	\$ 620,814	\$ 527,949
2023	(316,426)	(269,093)
2024	(5,740,717)	(4,881,986)
2025	(2,342,002)	(5,049,010)
Total	\$ (7,778,331)	\$ (9,672,140)

Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	LOPFI - Police	LOPFI - Fire
Wage inflation	3.25%	3.25%
Price inflation	2.50%	2.50%
Salary increases	3.75% - 18.25%, including inflation	3.75% - 18.25%, including inflation
Investment rate of return	7.50%	7.50%
Actuarial cost method	Entry age normal	Entry age normal
Asset valuation method	5-year smoothed market; 20% corridor	5-year smoothed market; 20% corridor

Mortality rates were based on the RP-2014 Healthy Annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016.

The actuarial assumptions used in the December 31, 2020 actuarial valuation were last updated for the 2017 valuation pursuant to an experience study of the period 2012 through 2016.

City of Little Rock, Arkansas
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Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan’s target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

LOPFI - Police and Fire Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Allocated-Weighted Long-term Expected Real Rate of Return
Fixed income	25%	0.90%	0.22%
Domestic equity	42%	5.10%	2.15%
Foreign equity	18%	7.10%	1.27%
Alternative investments	15%	7.40%	1.12%
Total	<u>100%</u>		<u>4.76%</u>
Expected Inflation			<u>2.25%</u>
Total Return			<u>7.01%</u>

Discount Rate

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

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the City’s net pension liability, calculated using a single discount rate of 7%, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

Local Police and Fire Retirement System (LOPFI)		1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
LOPFI - Police	Net pension liability	\$ 118,587,047	\$ 69,461,261	\$ 29,839,118
LOPFI - Fire	Net pension liability	<u>100,848,074</u>	<u>59,070,844</u>	<u>25,375,601</u>
		<u>\$ 219,435,121</u>	<u>\$ 128,532,105</u>	<u>\$ 55,214,719</u>

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

The following plan description of the Arkansas Public Employees Retirement System (APERS) is provided for general information purposes only. Participants should refer to Arkansas Code Annotated, Title 24 for more complete information. Detailed information about the pension plan fiduciary net pension is available in a separately issued APERS financial report. That report may be obtained from the internet at www.apers.org.

APERS is a cost-sharing multiple-employer defined benefit pension plan, which provides benefits for the City’s municipal judges and court clerks. The plan was established by the authority of the Arkansas General Assembly with the passage of Act 177 of 1957. The costs of administering the plan are paid out of investment earnings.

The general administration and responsibility for the proper operation of the System is vested in the nine members of the Board of Trustees of the Arkansas Public Employees Retirement System (the Board). Membership includes three state and three non-state employees, all appointed by the Governor, and three ex-officio trustees, including the Auditor of the State, the Treasurer of the State and the Director of the Department of Finance and Administration.

Contributions are set forth in Arkansas statute. The City is required to contribute at an actuarially determined rate, which was 38.99% for district judges and 15.32% for court clerks. City contributions for 2021 to the Plan were \$29,632.

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

At December 31, 2021, the City reported a liability of \$74,410 for its proportionate share of the net pension liability. The City’s proportionate share was .0096783% compared to .01026912% for the prior year. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on actual City contributions to the pension plan relative to the actual contributions of all participating APERS members for the year ended June 30, 2021.

For the year ended December 31, 2021, the City recognized pension income of \$132,221. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

APERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 1,703	\$ 4,772
Change in assumptions	-	522
Net difference between expected and actual investment earnings on pension plan investments	-	130,615
Change in proportion	2,327	42,618
Contributions subsequent to the measurement date	14,823	-
Total	<u>\$ 18,853</u>	<u>\$ 178,527</u>

City of Little Rock, Arkansas
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At December 31, 2021, APERS reported \$14,823 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2021, related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	APERS
2022	\$ (32,789)
2023	(29,275)
2024	(32,504)
2025	(39,638)
2026	(40,291)
Total	\$ (174,497)

Actuarial Assumptions

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

	APERS
Valuation	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent-of-Payroll
Remaining Amortization	26 year closed
Asset Valuation Method	4-Year smoothed Market with 25% corridor
Investment rate of return	7.15%
Projected salary increases	3.25%-9.85%
Inflation	3.25%
Cost of living adjustments	3.0% annual compounded increase

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

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APERS Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Broad domestic equity	37%	6.22%
International equity	24%	6.69%
Real assets	16%	4.81%
Absolute return	5%	3.05%
Domestic fixed	18%	0.57%
Total	<u>100%</u>	
Total Real Rate of Return		4.93%
Plus: Price Inflation - Actuarial Assumption		2.50%
Less: Investment Expenses (Passive)		0.00%
Net Expected Return		<u>7.43%</u>

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

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the City’s net pension liability, calculated using a single discount rate of 7.15 percent, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
APERS			
Net pension liability (asset)	\$ 222,589	\$ 74,410	\$ (47,965)

Defined Contribution Plans

The *Nonuniformed Employees’ Defined Contribution Plan (Nonuniformed Contribution Plan)* is a defined contribution plan administered by an independent fiduciary agent but governed by a Board of Trustees consisting of City officials. The Nonuniformed Contribution Plan provides retirement, disability, and survivor benefits for nonuniformed full-time employees who have met eligibility requirements as defined by the Plan, with the exception of certain executives and officials who are enrolled in alternate plans. The Nonuniformed Contribution Plan began on January 1, 1981; benefit provisions are established by City Resolution #6482, as amended. The amount of benefits to be paid to any participant depends solely on amounts contributed to the Plan plus investment earnings.

City of Little Rock, Arkansas
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The Plan requires that employees contribute no less than 3.5% and may contribute an additional 10% of their base salary. Only contributions up to 3.5% are pre-tax. The City is required to contribute 4% of covered payroll each pay period. Participants become fully vested in employer contributions and investment earnings credited to their account after five years of service. Nonvested City contributions and investment earnings are forfeited when participants leave covered employment and are transferred to a separate account, which may be used to reduce City contributions. During 2021, City pension expense for its contributions to the Plan was \$25,261.

The *401(a) Money Purchase and Trust Retirement Fund* is a defined contribution pension plan established under Arkansas state law, covering selected employees. Pension expense is recorded for the amount of the City’s required contributions, determined in accordance with the terms of the Plan. The Plan is administered by a Board of Trustees. The Plan provides retirement benefits to plan members and their beneficiaries. Benefit provisions and contribution requirements are contained in the plan documents and were established, and can be amended, by action of the City’s Board of Directors. During 2021, City pension expense for its contributions to the Plan was \$256,065.

Note 8: Other Postemployment Benefits

General Information about the OPEB Plan

Plan Description: The City of Little Rock sponsors and administers an informal single-employer defined benefit other postemployment benefit health care plan (Health Management Trust Fund). Arkansas statute provides that any municipal city official or employee vested in any of the City’s retirement plans with 20 years of service and attains 55 years of age may continue to participate in the City’s health care plan after retirement. In addition, members employed at least five years with age plus service exceeding 70 at retirement are eligible for benefits. The State of Arkansas has the authority to establish and amend the requirements of this statute. The City does not issue stand-alone financial statements of the plan, but all required information is presented in this report.

Benefits Provided: In addition to retirement benefits from the appropriate pension plan, individuals who have been employed full time for at least five years and meet the requirements of the “rule of 70” (age plus service equals at least 70) are eligible to continue health, dental, and vision insurance benefits under the City’s group plan following retirement. The Plan provides fully insured pre-Medicare group health benefits and self-funded dental and vision benefits for eligible retirees. An eligible retiree who has retired from full-time employment pays a portion of the cost.

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

Inactive plan members or beneficiaries currently receiving benefit payments	336
Inactive plan member entitled to but not receiving benefit payments	-
Active plan members	1,813
	2,149

City of Little Rock, Arkansas
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Contributions: The contribution requirements of plan members are established by the City and may be amended as needed for the first six months of retirement. Plan members pay the entire cost of monthly insurance premiums at the same rate charged to active employees and receive a benefit from the blended premium rate from all of the employees participating in the City’s health insurance plan. After paying full premiums for six months, members are eligible for City-subsidized rates (75% of the single premium rates are paid by the City). Retired participants pay monthly premiums between \$137 for single coverage and \$800 for basic family coverage. Contributions to the Plan by the City for the year ended December 31, 2021 were \$1,650,927.

Investments

Investment Policy. The plan’s policy in regard to the allocation of invested assets is established by the City. Per the Investment Policy, there is a 40% mutual fund target asset allocation. Based upon recent investments, approximately half of this target allocation is invested in Fixed Income Securities mutual funds and half is invested in Equity Securities mutual funds, resulting in the following target allocations for each asset class. The current Target Asset Allocation, Long-Term Expected Real Rate of Return for each asset class and Geometric return at the end of 2021 is as follows:

Asset Class	Target Allocation Policy	Long Term Expected Real Rate of Return	Allocated-Weighted Long-term Expected Real Rate of Return
Money Market	3%	1.00%	0.03%
Fixed Income	40%	3.00%	1.20%
Equity	57%	6.75%	3.85%
Investment Expense	0%		(0.50)%
Total	<u>100%</u>		4.58%
Expected Inflation			<u>2.50%</u>
Total Return			<u><u>7.08%</u></u>

Rate of return. For the year ended December 31, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 8.3 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments used is a proxy for annual long-term asset returns that are expected based on this allocation. In order to demonstrate the sufficiency of the 7.0% annual return assumption, the Plan has assumed that the mutual fund investments reflect both equities and fixed income investments.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding

City of Little Rock, Arkansas

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expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized in the table above.

Net OPEB Liability

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

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases (including inflation)	4.00%
Investment rate of return	7.00%
Healthcare cost trend rates	7.5% in fiscal year 2022 decreasing 0.5% per year to an ultimate rate of 4.25% for later years

Assumed mortality rates and the mortality improvement scale have been updated to reflect the Society of Actuaries' most recently published mortality study for public plan sponsors valuation. Mortality:

- i. Active Participants: Pub-2010 Public General Employee mortality table for males and females with MP-2021 Projection Scale projected generationally from the year 2010.
- ii. Retirees and Retiree Spouses: Pub-2010 General Retiree Mortality table for males and female retirees with MP-2021 Projection Scale projected generationally from the year 2010 and 2010 Contingent Survivor for male and female spouses with MP-2021 Projection Scale projected generationally from year 2010.
- iii. Disabled Retirees: Pub-2010 Disabled mortality tables and MP-2021 Projection Scale projected generationally from the year 2010.

Assumptions for Per Capita health Benefit Costs and assumed Health Benefits Costs and Retiree Contribution Trends have been updated since the previous valuation to reflect recent experience and its effect on our short-term expectations. The Administrative assumptions, for expenses which are directly related to the payment of benefits, were updated to reflect current expense levels. Furthermore, new explicit Plan Coverage elections and Dependents' Status/Coverage elections have been selected to reflect the implicit subsidies inherent in each of the medical and dental plans for both retirees and covered spouses based on recent plan experience and the actuary's best expectations of future plan experience.

Discount rate. The discount rate used to measure the total OPEB liability was 7%. The projection of cash flows used to determine the discount rate assumed that City contributions into the plan are equal to projected benefit payments out of the plan plus the average of recent annual prefunding contributions that have been made by the City in accordance with Paragraph No. 50 of GASB No. 74 and Paragraph No. 38 of GASB No. 75. The long-term expected rate of return was also 7%. The plan operates on a pay-go basis and accumulates assets in a trust in addition to the pay-go amount. As of December 31, 2021, the accumulated funds and expected contributions are projected to be sufficient to cover benefit payments in all future years. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

City of Little Rock, Arkansas
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Net OPEB Liability of the City: The components of the net OPEB liability of the City at December 31, 2021, were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of Beginning of Year	\$ 22,786,487	\$ 8,407,217	\$ 14,379,270
Changes for the year:			
Service cost	518,125	-	518,125
Interest	1,594,541	-	1,594,541
Differences between expected and actual experience	1,594,884	-	1,594,884
Changes of assumptions	3,185,480	-	3,185,480
Contributions - employer	-	1,650,927	(1,650,927)
Net investment income	-	716,935	(716,935)
Benefit payments	(1,050,927)	(1,050,927)	-
Administrative expense	-	-	-
Net changes	5,842,103	1,316,935	4,525,168
Balances as of End of Year	<u>\$ 28,628,590</u>	<u>\$ 9,724,152</u>	<u>\$ 18,904,438</u>

Plan fiduciary net position as a percentage
of the total OPEB liability 34.0%

Sensitivity of the net OPEB liability to changes in the discount rate: The following presents the net OPEB liability of the Health Management Trust Fund, as well as what the Health Management Trust Fund's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current discount rate of 7.0%:

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Net OPEB Liability	\$ 21,097,362	\$ 18,904,438	\$ 16,919,258

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability of Health Management Trust Fund, as well as what Health Management Trust Fund's net OPEB liability would be if calculated using healthcare cost trend rates that are 1- percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (6.5% - 3.25%)	Healthcare Cost Trend Rates (7.5% - 4.25%)	1% Increase (8.5% - 5.25%)
Net OPEB liability	\$ 16,663,927	\$ 18,904,438	\$ 21,405,421

City of Little Rock, Arkansas
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OPEB plan fiduciary net position. The statement of fiduciary net position and the statement of changes in fiduciary net position for the Health Management Trust Fund (OPEB) are below:

	Health Management Trust Fund
ASSETS	
Cash and cash equivalents	\$ -
Investments	
Equities	5,679,972
Mutual funds and other investments	4,044,180
Total assets	9,724,152
NET POSITION	
Net position restricted for other postemployment benefits	\$ 9,724,152
Additions	
Contributions	
Employer	\$ 1,650,927
Total contributions	1,650,927
Investment income	
Net increase in fair value of investments	499,163
Gain on sale of investments	176,185
Interest and dividends	128,148
	803,496
Less investment expense	86,561
Net investment income	716,935
Total additions	2,367,862
Deductions	
Benefits paid directly to participants	1,050,927
Administrative expenses	-
Total deductions	1,050,927
Net Increase in Net Position	1,316,935
Net Position Restricted for Other Postemployment Benefits, Beginning of Year	8,407,217
Net Position Restricted for Other Postemployment Benefits, End of Year	\$ 9,724,152

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

For the year ended December 31, 2021, the City recognized OPEB expense of \$2,557,434. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,751,997	\$ 285,146
Changes of assumptions	6,644,978	3,873,313
Net difference between expected and actual investment earnings on pension plan investments	-	435,866
	\$ 10,396,975	\$ 4,594,325
Total	\$ 10,396,975	\$ 4,594,325

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

Year Ending December 31,	Amount
2022	\$ 1,049,963
2023	928,964
2024	1,021,802
2025	1,115,017
2026	1,143,229
Thereafter	543,675
Total	\$ 5,802,650

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Note 9: Risk Management

Workers' Compensation

The City participates in a self-funded workers' compensation plan. All full-time employees are covered by the plan. It is self-funded to a maximum of \$750,000 per occurrence, per employee. Coverage amounts in excess of this limit have been obtained by means of a stop loss reinsurance policy. The City records an estimated liability and liquidates that liability within the General Fund based on claims made against the City. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not yet reported based on historical experience. Settlements have not exceeded coverage in each of the past three years. The following represents the changes in approximate aggregate liabilities of the workers' compensation plan for the City from January 1, 2020, to December 31, 2021:

Liability balance, January 1, 2020	\$	1,415,399
Claims and changes in estimates		2,872,473
Claims payments		<u>(2,132,667)</u>
Liability balance, December 31, 2020		2,155,205
Claims and changes in estimates		2,335,058
Claims payments		<u>(2,669,230)</u>
Liability balance, December 31, 2021	\$	<u><u>1,821,033</u></u>

Insurance Coverage

The City and its component units have various insurance policies to cover their potential liability risk areas, *i.e.*, automobile, personal property, contents and outside structures and workers' compensation. The type of coverage and the liability limits vary with each entity. Coverage is provided both commercially and through the Arkansas Municipal League (AML), which is an association of local governments. AML provides the City with automobile and legal defense coverage. Fixed premiums are set annually by AML based on such factors as claims experience, employee class multipliers and population. For risks covered by AML, the City pays no deductible; however, the City pays a \$3,000 fee to AML for each legal matter it handles. There have been no significant reductions in coverage from 2020 to 2021; nor have settlement amounts exceeded insurance coverage for each of the past three years.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Note 10: Property Taxes

City property taxes are levied each November 1 on the assessed value listed as of January 1 for all real and personal property located in the City. The property tax is considered due the first Monday in January (the lien date) after the levy; however, the tax is not considered delinquent until October 11 of that year. As a result, the majority of the tax is not collected within the time frame necessary to finance the liabilities of the current period. Property taxes, which remain delinquent for a period of three years, are certified to the land commissioner where a lien is recorded and held on file. If property taxes remain delinquent for a period of seven years, the property will be subsequently sold by the land commissioner. If proceeds from the sale are sufficient to cover all claims, the City will collect on the past due property taxes. Pulaski County is the collecting agent and remits collections to the City, net of a collection fee, on a monthly basis.

In the governmental funds, property taxes are measurable when levied even though not available. As a result, at December 31, 2021, property taxes receivable and related deferred inflows of resources of \$65,331,006 have been recorded in the governmental funds. In the government-wide statement of net position, property taxes are considered earned at the time levied. The government-wide financial statements also include \$9,381,892 in the other current liabilities, which is the 1 mil property tax levy for the Policemen’s & Fireman’s pension and relief and fund. This revenue is due to the closed Policemen’s pension and relief fund administered by the Local Police and Fire Retirement System (LOPFI). In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible. The appraised value of taxable property upon which the property tax is levied is determined by the county assessor. The assessor estimates full market value of the property and applies the statutory rate of 20% to arrive at assessed value.

Mileages available to finance City operations and for other purposes are as follows:

Description	Millage Limit	Levied 2020 for 2021 Collections
General purpose	5.00	5.00
Municipal improvements	3.00	3.00
Library operations	3.30	3.30
Library capital improvement bonds	1.80	1.80
Firemen's relief and pension fund	1.00	1.00
Policemen's pension and relief fund	1.00	1.00
Roads	1.45	1.45
	<hr/>	<hr/>
Total	<u>16.55</u>	<u>16.55</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Note 11: Landfill Closure and Postclosure Care Cost

Federal and state laws and regulations require the Solid Waste Landfill to close the landfill that began accepting waste after October 9, 1993, by (1) covering the site with an impermeable cap, (2) implementing additional groundwater monitoring, (3) providing a minimum of 30 years of postclosure care and (4) demonstrating financial assurance for the closure and postclosure care. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The cumulative recognition of this liability of \$7,492,439 is based on 71.4% use of Class I Waste total constructed capacity, and 80.1% use of Class IV Waste constructed capacity. The Waste Disposal Fund will recognize, as the remaining capacity is filled, an estimated additional \$11,263,613 for final closure and postclosure of the entire landfill, which is expected to close in or about the year 2065. These amounts are based on engineering estimates of what it would cost to perform all closure and postclosure care in 2021. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The City Waste Disposal Fund demonstrates financial assurance for closure and postclosure care through the Environmental Protection Agency's Local Government Financial Test, 40 CFR Part 258, Subpart G, dated November 27, 1996. In this test, the City demonstrates that it is capable of meeting its financial obligations at its municipal solid waste landfill facility through a bond rating requirement where all outstanding general obligation bonds have a current investment grade bond rating.

Note 12: Contingencies

Federal Grant Programs

The City of Little Rock participates in several federal financial assistance programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act, as amended. Accordingly, the City of Little Rock's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City of Little Rock anticipates such amounts, if any, will be immaterial.

Central Arkansas Transit Authority

The City has an ongoing interlocal agreement with the Central Arkansas Transit Authority (CATA) to finance approximately 71% of its operating deficits. The City continued to fund CATA's operating deficits at this level in 2021 and anticipates comparable ongoing contributions for services to be maintained in the future.

Risk Management

The City is a member of the Arkansas Municipal Legal Defense Program (AMLDP), which provides extraordinary legal defense and extraordinary expenses in suits against municipal

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

officials and employees and civil rights suits against the municipal government. The Program only pays judgments for actual damages (not punitive damages) imposed on municipal governments and their officials and employees; which will not exceed 25% of the Program’s available funds at the time the lawsuit was filed, or the judgment becomes final, or \$1 million, whichever is less. In the opinion of the City Attorney, the amount of financial exposure to the City as a result of litigation matters handled by the Program is not significant to the City.

The City, its agencies, and its employees are defendants in numerous legal proceedings, many of which normally occur in governmental operations. Such litigation includes, but is not limited to, claims assessed against the City for property damage and personal injury, other alleged torts, and alleged violations of state and federal laws. It is not possible to predict with certainty or exactitude the ultimate outcome of all lawsuits pending or threatened against the City. Based on the current status of all of the legal proceedings, it is the opinion of the City Attorney and management that the ultimate outcome will not have a material adverse impact on the City’s financial position. However, events could occur in the near term that would cause these estimates to change materially.

Construction and Other Significant Commitments

Construction commitments. The City of Little Rock has active construction projects as of December 31, 2021. The projects include street construction in areas with economic development, newly developed housing, widening of streets and bridges, and the construction of additional City facilities. At year end, the City of Little Rock's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Parks and Recreation Construction	\$ 1,975,057	\$ 592,077
Police Headquarters Construction	7,262,527	719,840
Street and Drainage Construction	24,770,011	10,462,883
General Government Construction	10,508,485	429,432

The remaining commitment amounts of \$12,204,232 for the widening of streets and bridges and the construction of City facilities projects were encumbered at fiscal year-end. As discussed earlier in Note 1: Nature of Operations and Summary of Significant Accounting Policies, *Budgetary Information*, the encumbrances and related appropriation technically lapse at the end of the year but are reappropriated and become part of the subsequent year’s budget because performance under the executory contract is expected in the next year.

Note 13: Conduit Debt Obligations

From time to time, the City has issued economic development and other revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial, commercial, health care facilities and other deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

mortgage loans. Neither, the City, the State nor any political subdivision thereof, is obligated in any manner for repayment of the bonds.

As of December 31, 2021, the aggregate principal amount payable on these bonds was approximately \$91,098,332.

Note 14: Jointly Governed Organization

In 2001, the City of Little Rock and the City of North Little Rock entered into an agreement to create an entity to own and operate a consolidated water system. The created entity serves customers located within the corporate limits of the City parties. Under GASB 14, the entity is considered a jointly governed organization. The City has no ongoing financial responsibility for this entity. Financial statements for Central Arkansas Water can be found at www.carkw.com.

Note 15: Fund Balance

The City classified governmental fund balances as follows:

	General Fund	Sales Tax Capital Improvements	2013 Capital Improvements (Debt Service)	Street	American Rescue Plan SLFRF	Other Governmental Funds	Total Governmental Funds
Fund Balances							
Nonspendable							
Inventory	\$ 50,483	\$ -	\$ -	\$ -	\$ -	\$ 557,027	\$ 607,510
Prepays	1,811,443	-	-	11,964	81,890	146,000	2,051,297
Trust principal	-	-	-	-	-	250,000	250,000
Restricted							
Debt service	-	-	14,601,542	-	-	9,948,657	24,550,199
Capital improvements	-	42,278,073	-	-	-	14,702,419	56,980,492
Streets & Drainage Infrastructure	-	-	-	26,115,001	-	-	26,115,001
Grants	-	-	-	-	-	1,998,063	1,998,063
Emergency 911	-	-	-	-	-	3,493,311	3,493,311
Special Projects	-	-	-	-	-	3,784,092	3,784,092
Committed							
Cable network	39,123	-	-	-	-	-	39,123
Assigned							
General fund special projects	21,728,893	-	-	-	-	-	21,728,893
Unassigned	38,258,751	-	-	-	(24,676)	(128,225)	38,105,850
Total Fund Balances	\$ 61,888,693	\$ 42,278,073	\$ 14,601,542	\$ 26,126,965	\$ 57,214	\$ 34,751,344	\$ 179,703,831

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Note 16: Tax Abatement

The City of Little Rock has thirteen (13) active Payment in Lieu of Taxes Agreements (PILOTS) associated with the issuance of industrial development bonds under the provisions of the Municipalities and Counties Industrial Development Revenue Bond Law, Ark. Code Ann. §§ 14-164-201 to 224, for the purpose of financing substantial industrial projects consisting of the acquisition of land, construction of buildings, and acquisition and installation of equipment located within the City (the “project”). The project is leased by the City to the company that will be utilizing the bond proceeds, pursuant to one or more lease agreements (collectively, the “Lease”), for rentals sufficient to pay debt service on the bonds. The Lease provides that the company is obligated to pay all taxes and assessments levied and assessed on the project during the term of the Lease. The company is informed and understands that, notwithstanding the provisions of the lease, under Article 16, Section 5 of the Constitution of the State of Arkansas, as interpreted by the Arkansas Supreme Court in *Wayland v. Snapp*, 233 Ark. 57, 334 S.W.2nd 633 (1960), and *Pulaski County v. Jacuzzi Bros. Div.*, 332 Ark. 91, 964S.W.2nd 788 (1998), and Ark. Code Ann. §§ 14-164-701 to 703, the project will be exempt from ad valorem taxes because it is owned by the City and used for a public purpose within the meaning of the applicable Constitutional and statutory provisions affording the exemption. Thus, the company understands that it, as Lessee of the project owned by the City, will, in fact, pay no ad valorem taxes on the project property under the provisions of the Lease. The City does not wish to lose all tax revenues, which would otherwise be received by it if the property involved were privately owned. Therefore, to induce the City to proceed with the issuance of the bonds for the industrial development project, which will inure to the benefit of the company, and for other valuable consideration, the company agrees to pay the City an annual sum equal to amounts ranging from 0% to 35% of the amount which would be payable as ad valorem taxes that would have to be paid on the project to the State of Arkansas, the City, Pulaski County, the Little Rock School District, and/or other political subdivisions of the State of Arkansas (taxing authorities) if the project were not exempt from ad valorem taxes under the provisions of the Constitution of the State of Arkansas as referenced above. Information relevant to the disclosure of taxes abated under this program for the year ended December 31, 2021 is:

Taxing Authority	Amount Due if PILOTS Were Not in Place	Actual Tax Collected Under PILOT Agreements	Tax Abatement
City of Little Rock	\$ 1,198,770	\$ 349,997	\$ 848,773
Little Rock School District	3,276,497	947,234	2,329,263
Pulaski County	506,033	144,471	361,562
Pulaski County Special School District	47,355	3,165	44,190
Total	<u>\$ 5,028,655</u>	<u>\$ 1,444,867</u>	<u>\$ 3,583,788</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Note 17: Discretely Presented Component Units

Little Rock Water Reclamation Authority (LRWRA)

Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

Little Rock Water Reclamation Authority	Balance 1/1/2021	Additions	Disposals	Transfers	Balance 12/31/2021
Capital Assets, non-depreciable					
Land	\$ 5,434,140	\$ -	\$ -	\$ -	\$ 5,434,140
Construction in progress	<u>117,239,227</u>	<u>35,469,531</u>	<u>75,336</u>	<u>(16,260,209)</u>	<u>136,373,213</u>
Total capital assets, non-depreciable	122,673,367	35,469,531	75,336	(16,260,209)	141,807,353
Capital Assets, depreciable					
Buildings, improvements, and facilities	568,468,048	-	-	15,652,312	584,120,360
Equipment	<u>80,997,237</u>	<u>1,105,107</u>	<u>1,423,683</u>	<u>607,897</u>	<u>81,286,558</u>
Total capital assets, depreciable	649,465,285	1,105,107	1,423,683	16,260,209	665,406,918
Less accumulated depreciation	<u>227,074,300</u>	<u>18,277,820</u>	<u>594,785</u>	<u>-</u>	<u>244,757,335</u>
Total capital assets, net	<u>\$ 545,064,352</u>	<u>\$ 18,296,818</u>	<u>\$ 904,234</u>	<u>\$ -</u>	<u>\$ 562,456,936</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Long-Term Liabilities

Long-term debt consists of Sewer Revenue Bonds for which the changes in the year are as follows:

Component Units	Balance, January 1, 2021	Increases	Decreases	Balance December 31, 2021	Amounts Due in One Year
Little Rock Water Reclamation Authority					
Revenue bonds	\$ 354,263,405	\$ 133,473,081	\$ 104,400,000	\$ 383,336,486	\$ 9,540,000
Add issuance premiums	<u>7,462,696</u>	<u>880,460</u>	<u>4,963,979</u>	<u>3,379,177</u>	<u>-</u>
	<u>\$ 361,726,101</u>	<u>\$ 134,353,541</u>	<u>\$ 109,363,979</u>	<u>\$ 386,715,663</u>	<u>\$ 9,540,000</u>

The annual requirements to amortize sewer bond indebtedness outstanding, and scheduled, including interest are as follows:

Year	Little Rock Water Reclamation Authority	
	Principal	Interest
2022	\$ 9,540,000	\$ 9,446,418
2023	6,560,000	9,421,438
2024	13,878,085	9,211,364
2025	15,144,164	8,752,732
2026	17,346,596	8,248,295
2027-2031	95,260,631	34,369,449
2032-2036	104,333,411	23,167,137
2037-2041	48,702,298	12,656,772
2042-2046	32,356,643	7,242,424
2047-2051	30,369,251	2,361,437
2052-2053	<u>9,845,407</u>	<u>39,887</u>
	<u>\$ 383,336,486</u>	<u>\$ 124,917,353</u>

Net Pension Liability

LRWRA participates in the Arkansas Public Employees Retirement System (APERS). The general information and actuarial assumptions related to this plan can be found in *Note 7* above. See below for information about LRWRA's Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

At December 31, 2021, LRWRA reported a liability of \$5,360,550 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and 2020, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of those dates. LRWRA's proportion of the net pension liability was based on LRWRA's contributions to the pension plan relative to the contributions of all participating APERS members. At June 30, 2021, LRWRA's proportion was 0.69723272%, which was a decrease of 0.01235433% from its proportion measured as of June 30, 2020, of 0.70958705%.

For the year ended December 31, 2021, LRWRA recognized pension expense of \$586,995. At December 31, 2021, LRWRA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 122,685	\$ 343,793
Changes in proportion and differences between employer contributions and proportionate share	108,668	279,378
Changes in assumptions	-	37,550
Net difference between projected and actual earnings on pension plan investments	-	9,409,587
Contributions subsequent to the measurement date	1,145,687	-
Total	\$ 1,377,040	\$ 10,070,308

The \$1,145,687 reported as deferred outflows of resources at December 31, 2021, related to pensions resulting from LRWRA's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	
2022	\$ (2,374,827)
2023	(2,189,811)
2024	(2,418,793)
2025	(2,855,524)
	\$ (9,838,955)

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2021

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the proportionate share of the net pension liability using the discount rate of 7.15%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

Sensitivity of Discount Rate		
1% Lower	Discount Rate	1% Higher
6.15%	7.15%	8.15%
\$ 16,035,518	\$ 5,360,550	\$ (3,455,436)

Bill and Hillary Clinton National Airport (Airport)

Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance	Additions	Disposals	Transfers/ Reclassifications	Balance
Bill and Hillary Clinton National Airport	1/1/2021				12/31/2021
Capital Assets, non-depreciable					
Land	\$ 68,262,902	\$ 130,973	\$ -	\$ -	\$ 68,393,875
Construction in progress	<u>11,291,309</u>	<u>13,760,885</u>	<u>34,818</u>	<u>(10,279,901)</u>	<u>14,737,475</u>
Total capital assets, non-depreciable	79,554,211	13,891,858	34,818	(10,279,901)	83,131,350
Capital Assets, depreciable					
Buildings, improvements, and facilities	489,385,060	1,894,313	3,646,099	9,389,018	497,022,292
Vehicles	2,372,312	50,381	299,437	-	2,123,256
Equipment	<u>25,757,789</u>	<u>152,296</u>	<u>28,652</u>	<u>890,883</u>	<u>26,772,316</u>
Total capital assets, depreciable	517,515,161	2,096,990	3,974,188	10,279,901	525,917,864
Less accumulated depreciation	<u>259,637,963</u>	<u>20,376,862</u>	<u>3,586,594</u>	<u>-</u>	<u>276,428,231</u>
Total capital assets, net	<u>\$ 337,431,409</u>	<u>\$ (4,388,014)</u>	<u>\$ 422,412</u>	<u>\$ -</u>	<u>\$ 332,620,983</u>

REQUIRED SUPPLEMENTARY INFORMATION



City of Little Rock, Arkansas
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
General property taxes	\$ 31,603,699	\$ 32,738,203	\$ 33,294,256	\$ 556,053
Sales taxes	108,035,271	121,543,548	126,233,419	4,689,871
Licenses and permits	12,004,000	12,236,200	12,343,820	107,620
Intergovernmental	11,105,872	11,120,576	11,120,909	333
Charges for services	10,234,888	10,929,052	11,265,629	336,577
Fines and fees	1,821,500	1,683,077	1,691,855	8,778
Utility franchise taxes	29,138,856	29,596,856	29,924,273	327,417
Investment income (loss)	250,000	170,000	(189,420)	(359,420)
Contributions	249,245	302,574	549,114	246,540
Miscellaneous	804,238	616,438	1,232,275	615,837
Total revenues	205,247,569	220,936,524	227,466,130	6,529,606
Expenditures				
General government				
General administration	22,889,405	27,718,089	29,073,454	(1,355,365)
Board of directors	338,715	340,648	332,297	8,351
Community programs	465,049	476,164	2,320,285	(1,844,121)
City attorney	1,654,033	1,584,389	1,585,718	(1,329)
District court - first division (criminal)	1,343,070	1,275,091	1,171,463	103,628
District court - second division (traffic)	1,255,694	1,246,908	1,209,137	37,771
District court - third division (environment)	539,585	534,704	515,094	19,610
Finance	4,057,149	3,893,241	3,676,597	216,644
Human resources	2,051,039	2,077,884	2,155,495	(77,611)
Information technology	6,039,340	5,512,504	5,538,280	(25,776)
Planning and development	2,708,492	2,446,083	2,385,991	60,092
Total general government	43,341,571	47,105,705	49,963,811	(2,858,106)
Public works	1,110,957	1,110,957	2,082,354	(971,397)
Parks and recreation services	10,181,728	9,486,623	9,611,410	(124,787)
River Market	774,678	926,578	985,407	(58,829)
Golf	1,572,011	1,768,881	1,779,528	(10,647)
Jim Dailey Fitness	867,184	839,912	708,768	131,144
Zoo	6,481,505	5,039,198	5,179,608	(140,410)
Fire	53,350,321	57,759,353	56,749,254	1,010,099
Police	80,200,891	77,174,117	76,533,193	640,924
Fleet	-	-	97,415	(97,415)
Housing and neighborhood programs	5,710,466	5,239,943	5,817,827	(577,884)
Debt service				
Principal	4,060,750	4,060,750	4,822,741	(761,991)
Fiscal charges on long term debt	197,895	197,895	333,134	(135,239)
Capital Outlay	-	42,500	2,586,753	(2,544,253)
Vacancy savings	(6,000,000)	-	-	-
Total expenditures	201,849,957	210,752,412	217,251,203	(6,498,791)
Excess of Revenues Over Expenditures	3,397,612	10,184,112	10,214,927	30,815
Other Financing Sources (Uses)				
Transfers in	4,853,400	4,853,400	3,952,921	(900,479)
Transfers out	(8,251,012)	(14,172,512)	(337,939)	13,834,573
Total other financing sources (uses)	(3,397,612)	(9,319,112)	3,614,982	12,934,094
Net Change in Fund Balances	-	865,000	13,829,909	12,964,909
Fund Balances, Beginning of Year	48,058,784	48,058,784	48,058,784	-
Fund Balances, End of Year	\$ 48,058,784	\$ 48,923,784	\$ 61,888,693	\$ 12,964,909

City of Little Rock, Arkansas
Notes to Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2021

Budgets and Budgetary Accounting

An annual operating budget is prepared for the General Fund by the Mayor and City Manager. The budget reflects revenues expected to be received during the year and expenditures expected to be incurred. The Mayor and City Manager are required by city and state law to submit these Required Supplementary Information budgets to the Board of Directors for approval. The Board of Directors subsequently adopts this budget by City ordinance by December 30. Departmental expenditures relating to budget items may not exceed their appropriated amounts without approval. As specified in the budget ordinance, the Mayor and City Manager have authority to approve budget transfers between departments up to \$50,000. Transfers over this amount must receive Board of Directors' approval. The original budget of the General Fund was amended during 2021.

Appropriations for special projects are made each year by the Board of Directors to finance specific events and capital outlays. These projects are carried forward each year until they are fully expended or repealed by Board of Directors' ordinance.

The City prepares its annual operating budget on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Appropriations lapse at the end of each year. The *Budgetary Comparison Schedule – General Fund* presents the original and revised budget amounts in comparison to the actual amounts of revenues and expenditures for the current year. A discussion of the change from the original budget to the final budget and an explanation of variances from actual to the final budget is available in Management's Discussion and Analysis.

City of Little Rock, Arkansas
Budgetary Comparison Schedule
Street Fund
Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
General property taxes	\$ 6,406,003	\$ 6,762,403	\$ 6,882,182	\$ 119,779
Licenses and permits	21,860	21,860	18,990	(2,870)
Intergovernmental	14,032,400	16,050,000	16,438,731	388,731
Charges for services	16,700	16,700	24,426	7,726
Investment income (loss)	220,000	85,750	(134,670)	(220,420)
Miscellaneous	32,000	239,500	340,697	101,197
Total revenues	<u>20,728,963</u>	<u>23,176,213</u>	<u>23,570,356</u>	<u>394,143</u>
Expenditures				
Public works	21,001,402	19,263,509	17,623,170	1,640,339
Capital Outlay	-	-	565,440	(565,440)
Vacancy savings	(1,850,000)	-	-	-
Total expenditures	<u>19,151,402</u>	<u>19,263,509</u>	<u>18,188,610</u>	<u>1,074,899</u>
Excess of Revenues Over Expenditures	<u>1,577,561</u>	<u>3,912,704</u>	<u>5,381,746</u>	<u>1,469,042</u>
Other Financing Sources (Uses)				
Transfers in	550,156	550,156	550,156	-
Transfers out	(2,127,717)	(2,765,467)	(477,717)	2,287,750
Total other financing sources (uses)	<u>(1,577,561)</u>	<u>(2,215,311)</u>	<u>72,439</u>	<u>2,287,750</u>
Net Change in Fund Balances	-	1,697,393	5,454,185	3,756,792
Fund Balances, Beginning of Year	<u>20,672,780</u>	<u>20,672,780</u>	<u>20,672,780</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 20,672,780</u>	<u>\$ 22,370,173</u>	<u>\$ 26,126,965</u>	<u>\$ 3,756,792</u>

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City of Little Rock, Arkansas
Required Supplementary Information
Other Postemployment Benefit Plan
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability					
Service cost	\$ 518,125	\$ 793,760	\$ 646,275	\$ 497,628	\$ 465,073
Interest	1,594,541	1,624,054	1,464,346	996,425	967,968
Differences between expected and actual experience	1,594,884	2,117,141	954,625	(333,893)	(494,955)
Changes of assumptions	3,185,480	(4,795,531)	-	6,512,888	-
Benefit payments	(1,050,927)	(920,156)	(766,956)	(789,620)	(854,207)
Net change in total OPEB liability	5,842,103	(1,180,732)	2,298,290	6,883,428	83,879
Total OPEB liability - Beginning	<u>22,786,487</u>	<u>23,967,219</u>	<u>21,668,929</u>	<u>14,785,501</u>	<u>14,701,622</u>
Total OPEB liability - Ending (a)	<u>\$ 28,628,590</u>	<u>\$ 22,786,487</u>	<u>\$ 23,967,219</u>	<u>\$ 21,668,929</u>	<u>\$ 14,785,501</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 1,650,927	\$ 2,075,331	\$ 1,893,956	\$ 1,226,087	\$ 1,385,762
Net investment income	716,935	897,665	801,217	(265,832)	283,245
Benefit payments	(1,050,927)	(920,156)	(766,956)	(789,620)	(854,207)
Administrative expense	-	-	(49,019)	(46,135)	(39,467)
Net change in plan fiduciary net position	1,316,935	2,052,840	1,879,198	124,500	775,333
Plan fiduciary net position - Beginning	<u>8,407,217</u>	<u>6,354,377</u>	<u>4,475,179</u>	<u>4,350,679</u>	<u>3,575,346</u>
Plan fiduciary net position - Ending (b)	<u>\$ 9,724,152</u>	<u>\$ 8,407,217</u>	<u>\$ 6,354,377</u>	<u>\$ 4,475,179</u>	<u>\$ 4,350,679</u>
City's net OPEB liability - Ending (a) - (b)	<u>\$ 18,904,438</u>	<u>\$ 14,379,270</u>	<u>\$ 17,612,842</u>	<u>\$ 17,193,750</u>	<u>\$ 10,434,822</u>
Plan fiduciary net position as a percentage of the total OPEB liability	33.97%	36.90%	26.51%	20.65%	29.43%
Covered employee payroll	\$ 129,759,532	\$ 121,439,142	\$ 118,463,332	\$ 118,048,877	\$ 111,272,744
City's net OPEB liability as a percentage of covered employee payroll	14.57%	11.84%	14.87%	14.56%	9.38%

City of Little Rock, Arkansas
Required Supplementary Information
Other Postemployment Benefit Plan
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
Year Ended December 31, 2021

Notes to Schedule:

Changes of assumptions:

In 2021, assumed mortality rates and the mortality improvement scale have been updated to reflect the Society of Actuaries' most recently published mortality study for public plan sponsors valuation. Changes in assumptions include updates to (a) assumed Per Capita Health Benefits Cost and assumed Health Benefits Cost and Retiree Contribution Trends, (b) assumed Administrative Expenses, (c) new explicit Plan Coverage elections, and (d) assumed mortality rates and the mortality improvement projection scale.

In 2020, the Plan changed the mortality table improvement scale from MP-2019 to MP-2020. In addition, the Plan changed the inflation rate from 2.5% to 3.0% to reflect expected increases in overall inflation. Finally, the Plan changed the assumed utilization rate from 95% to 70% to better reflect actual historical utilization and sponsor expectations for the future.

In 2018, the Plan changed the mortality table improvement scale from MP-2017 to MP-2018. Also, the Plan has incorporated estimated initial year claims costs into the valuation rather than valuing the plan using expected premiums paid.

The information in this schedule has been determined as of the measurement date (December 31) of the City's net OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision, only periods for which such information is available are presented.

City of Little Rock, Arkansas
Required Supplementary Information
Other Postemployment Benefit Plan
Schedule of City Contributions
Year Ended December 31, 2021

	2021	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 1,650,927	\$ 2,075,331	\$ 1,893,956	\$ 1,226,087	\$ 1,290,674
Employer Contributions					
Paid into Plan Trust	600,000	1,155,175	1,127,000	436,467	531,555
For Pay-go Benefits	1,050,927	920,156	766,956	789,620	854,207
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (95,088)</u>
Covered employee payroll	\$ 129,759,532	\$ 121,439,142	\$ 118,463,332	\$ 118,048,877	\$ 111,272,744
Contributions as a percentage of employee payroll	0.81%	0.76%	0.65%	0.67%	0.77%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Inflation	2.5% per annum
Healthcare cost trend rates	7.5% in year 1 graded downward 0.5% per year to an ultimate rate of 4.25% for later years
Investment rate of return	7%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	
Active Participants	Pub-2010 Public General Employee Mortality Table for males and females with MP-2021 Projections Scale projected generationally from the year 2010.
Retirees and Retiree Spouses:	Pub-2010 General Retiree Mortality Table for male and female retirees with MP-2021 Projection Scale projected generationally from the year 2010 and Pub-2010 Contingent Survivor Mortality for male and female spouses with MP-2021 Projection Scale projected generationally from the year 2010.
Disabled Retirees:	Pub-2010 Disabled Mortality Tables and MP-2021 Projection Scale projected generationally from the year 2010.

City of Little Rock, Arkansas
Required Supplementary Information
Other Postemployment Benefit Plan
Schedule of City Contributions
Year Ended December 31, 2021

Other information:

The information in this schedule has been determined as of the most recent fiscal year end (December 31) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision, only periods for which such information is available are presented.

City of Little Rock, Arkansas
Required Supplementary Information
Other Postemployment Benefit Plan
Schedule of Investment Returns
Year Ended December 31, 2021

Fiscal Year Ending	Annual Money- Weighted Rate of Return
12/31/2017	6.3%
12/31/2018	-6.8%
12/31/2019	14.9%
12/31/2020	12.9%
12/31/2021	8.3%

Other Information:

The information in this schedule has been determined as of the measurement date (December 31) of the City's net OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision, only periods for which such information is available are presented.

City of Little Rock, Arkansas
Required Supplementary Information
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Year Ended December 31, 2021

Firemen's Pension and Relief Fund

Fiscal Year ending December 31,	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Interest	\$ 6,334,360	\$ 6,592,169	\$ 5,448,952	\$ 5,807,041	\$ 5,807,041	\$ 6,088,293	\$ 6,649,073
Changes of benefit terms	-	-	7,372,380	-	-	-	-
Difference between expected and actual experience	1,106,008	1,507,648	1,934,916	(97,808)	(97,808)	(120,292)	(6,896,944)
Changes in assumptions	-	-	(16,406,953)	-	-	-	-
Benefit payments, including refunds of plan member contributions	(10,984,172)	(12,581,421)	(13,727,558)	(12,014,477)	(12,014,477)	(11,171,601)	(10,763,891)
Net Change in Total Pension Liability	(3,543,804)	(4,481,604)	(15,378,263)	(6,305,244)	(6,305,244)	(5,203,600)	(11,011,762)
Total Pension Liability, Beginning of Year	95,982,944	100,464,548	115,842,811	122,148,055	122,148,055	127,351,655	138,363,417
Total Pension Liability, End of Year	\$ 92,439,140	\$ 95,982,944	\$ 100,464,548	\$ 115,842,811	\$ 115,842,811	\$ 122,148,055	\$ 127,351,655
Plan Fiduciary Net Position							
Employer contributions	\$ 6,782,326	\$ 6,568,351	\$ 6,197,376	\$ 5,683,879	\$ 5,683,879	\$ 5,424,494	\$ 5,312,855
Plan member contributions	-	-	3,324	3,388	3,388	3,324	14,993
Net investment income	5,779,573	7,740,452	44,684	5,512,667	5,512,667	1,356,915	(2,774,677)
Benefit payments, including refunds of plan member contributions	(10,984,172)	(12,581,421)	(13,727,558)	(12,014,477)	(12,014,477)	(11,171,602)	(10,763,891)
Administrative expense	(71,480)	(68,075)	(95,039)	(39,957)	(39,957)	(225,141)	(9,491)
Other	(338,111)	324,541	(359,548)	500,961	500,961	567,243	(121,985)
Net Change in Plan Fiduciary Net Position	1,168,136	1,983,848	(7,936,761)	(353,539)	(353,539)	(4,044,767)	(8,342,196)
Plan Fiduciary Net Position, Beginning of Year	52,084,332	50,100,484	58,037,245	58,390,784	58,390,784	62,435,551	70,777,747
Plan Fiduciary Net Position, End of Year	\$ 53,252,468	\$ 52,084,332	\$ 50,100,484	\$ 58,037,245	\$ 58,037,245	\$ 58,390,784	\$ 62,435,551
City's Net Pension Liability, End of Year	\$ 39,186,672	\$ 43,898,612	\$ 50,364,064	\$ 57,805,566	\$ 57,805,566	\$ 63,757,271	\$ 64,916,104
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	57.61%	54.26%	49.87%	50.10%	50.10%	47.80%	49.03%
Covered Payroll	\$ 81,093	\$ 82,999	-	-	-	-	-
Plan's Net Pension Liability as a Percentage of Covered Payroll	48323.13%	52890.53%	NA	NA	NA	NA	NA

Plan Note: In FY2018, Plan assets were transferred to LOPFI, resulting in a change in measurement date. This information is presented as of the measurement date, which is December 31.

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Year Ended December 31, 2021

Police Pension Plan

Fiscal Year ending December 31,	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Interest	\$ 6,004,768	\$ 6,145,217	\$ 6,416,604	\$ 6,607,291	\$ 6,892,598	\$ 7,172,978	\$ 7,172,118
Changes of benefit terms	-	-	-	4,833,941	-	-	-
Difference between expected and actual experience	1,390,152	1,044,177	(668,084)	1,089,772	(162,894)	626,074	2,845,816
Changes in assumptions	-	-	-	4,132,801	-	1,589,989	-
Benefit payments, including refunds of plan member contributions	(9,223,690)	(9,167,927)	(10,083,026)	(10,423,792)	(10,398,367)	(9,830,664)	(10,183,707)
Net Change in Total Pension Liability	(1,828,770)	(1,978,533)	(4,334,506)	6,240,013	(3,668,663)	(441,623)	(165,773)
Total Pension Liability, Beginning of Year	90,394,244	92,372,777	96,707,283	90,467,270	94,135,933	94,577,556	94,743,329
Total Pension Liability, End of Year	<u>\$ 88,565,474</u>	<u>\$ 90,394,244</u>	<u>\$ 92,372,777</u>	<u>\$ 96,707,283</u>	<u>\$ 90,467,270</u>	<u>\$ 94,135,933</u>	<u>\$ 94,577,556</u>
Plan Fiduciary Net Position							
Employer contributions	\$ 7,870,625	\$ 7,724,738	\$ 7,385,981	\$ 7,683,405	\$ 6,520,729	\$ 7,562,305	\$ 5,939,677
Net investment income	5,061,604	6,318,520	(1,057,308)	4,903,340	2,140,374	(130,408)	2,503,835
Benefit payments, including refunds of plan member contributions	(9,223,690)	(9,167,927)	(10,083,026)	(10,423,792)	(10,398,367)	(9,830,664)	(10,183,707)
Administrative expense	(63,851)	(55,570)	(69,799)	(62,862)	(67,899)	(83,836)	(59,497)
Other	(338,720)	(35,809)	(106,847)	-	109,384	198,741	935,047
Net Change in Plan Fiduciary Net Position	3,305,968	4,783,952	(3,930,999)	2,100,091	(1,695,779)	(2,283,862)	(864,645)
Plan Fiduciary Net Position, Beginning of Year	45,138,578	40,354,626	44,285,625	42,185,534	43,881,313	46,165,175	47,029,820
Plan Fiduciary Net Position, End of Year	<u>\$ 48,444,546</u>	<u>\$ 45,138,578</u>	<u>\$ 40,354,626</u>	<u>\$ 44,285,625</u>	<u>\$ 42,185,534</u>	<u>\$ 43,881,313</u>	<u>\$ 46,165,175</u>
City's Net Pension Liability, End of Year	<u>\$ 40,120,928</u>	<u>\$ 45,255,666</u>	<u>\$ 52,018,151</u>	<u>\$ 52,421,658</u>	<u>\$ 48,281,736</u>	<u>\$ 50,254,620</u>	<u>\$ 48,412,381</u>
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	54.70%	49.94%	43.69%	45.79%	46.63%	46.61%	48.81%
Covered Payroll	\$ 221,886	\$ 266,630	\$ 261,209	\$ 407,678	\$ 603,022	\$ -	\$ -
Plan's Net Pension Liability as a Percentage of Covered Payroll	18081.78%	16973.21%	19914.38%	12858.59%	8006.63%	NA	NA

Note: A full 10 year schedule will be completed as information is available.
This information is presented as of the measurement date, which is December 31.

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Year Ended December 31, 2021

Nonuniformed Employees' Defined Benefit Plan

Fiscal Year ending December 31,	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service Cost	\$ 1,594	\$ 4,912	\$ 6,472	\$ 7,561	\$ 8,073	\$ 9,627	\$ 35,084
Interest	813,877	846,991	875,305	919,271	967,628	992,989	1,066,765
Transfers from DC plan	480,586	505,618	607,775	400,496	296,175	679,378	633,501
Difference between expected and actual experience	(192,984)	(108,804)	(425,585)	(315,097)	(132,527)	(144,356)	(167,591)
Changes in assumptions	958,140	-	-	-	-	-	1,207,785
Benefit payments, including refunds of plan member contributions	(1,656,664)	(1,740,226)	(1,661,821)	(1,721,934)	(1,748,500)	(1,723,901)	(1,766,611)
Other	1	-	-	-	-	-	-
Net Change in Total Pension Liability	404,550	(491,509)	(597,854)	(709,703)	(609,151)	(186,263)	1,008,933
Total Pension Liability, Beginning of Year	13,204,537	13,696,046	14,293,900	15,003,603	15,612,754	15,799,017	14,790,084
Total Pension Liability, End of Year	<u>\$ 13,609,087</u>	<u>\$ 13,204,537</u>	<u>\$ 13,696,046</u>	<u>\$ 14,293,900</u>	<u>\$ 15,003,603</u>	<u>\$ 15,612,754</u>	<u>\$ 15,799,017</u>
Plan Fiduciary Net Position							
Employer contributions	\$ 443,866	\$ 476,368	\$ 563,400	\$ 540,783	\$ 701,854	\$ 883,340	\$ 878,715
Net investment income	1,526,545	803,311	1,667,724	(724,323)	1,327,387	612,036	(77,820)
Benefit payments, including refunds of plan member contributions	(1,656,664)	(1,740,226)	(1,661,821)	(1,721,934)	(1,748,500)	(1,723,901)	(1,766,611)
Administrative expense	(16,913)	(14,076)	(19,769)	(18,093)	(21,430)	(19,799)	(30,007)
Other	480,586	505,618	607,775	400,496	296,175	679,377	635,094
Net Change in Plan Fiduciary Net Position	777,420	30,995	1,157,309	(1,523,071)	555,486	431,053	(360,629)
Plan Fiduciary Net Position, Beginning of Year	12,503,204	12,472,209	11,314,900	12,837,971	12,282,485	11,851,431	12,212,060
Plan Fiduciary Net Position, End of Year	<u>\$ 13,280,624</u>	<u>\$ 12,503,204</u>	<u>\$ 12,472,209</u>	<u>\$ 11,314,900</u>	<u>\$ 12,837,971</u>	<u>\$ 12,282,484</u>	<u>\$ 11,851,431</u>
City's Net Pension Liability, End of Year	<u>\$ 328,463</u>	<u>\$ 701,333</u>	<u>\$ 1,223,837</u>	<u>\$ 2,979,000</u>	<u>\$ 2,165,632</u>	<u>\$ 3,330,270</u>	<u>\$ 3,947,586</u>
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	97.59%	94.69%	91.06%	79.16%	85.57%	78.67%	75.01%
Covered Payroll	\$ 54,000	\$ 108,404	\$ 327,820	\$ 431,444	\$ 504,071	\$ 672,281	\$ 641,799
Plan's Net Pension Liability as a Percentage of Covered Payroll	608.26%	646.96%	373.33%	690.47%	429.63%	495.37%	615.08%

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Year Ended December 31, 2021

2014 Defined Benefit Pension Plan

Fiscal Year ending December 31,	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service Cost	\$ 5,216,735	\$ 5,213,048	\$ 5,190,179	\$ 5,353,447	\$ 4,846,744	\$ 4,670,895	\$ 4,961,436
Service cost - service purchase	70,987	315,411	56,548	1,219,814	438,242	847,020	151,953
Interest	5,449,815	4,850,703	4,375,275	3,809,455	3,325,532	2,796,992	2,361,643
Changes of benefit terms	-	-	-	471,274	-	-	-
Difference between expected and actual experience	377,741	804,874	(1,066,308)	(226,568)	(970,056)	(932,229)	(588,761)
Changes in assumptions	2,837,924	-	-	-	-	1,849,331	(126,844)
Benefit payments, including refunds of plan member contributions	(1,865,274)	(1,730,064)	(1,138,045)	(915,123)	(813,811)	(745,738)	(477,355)
Other	(2)	1					
Net Change in Total Pension Liability	12,087,926	9,453,973	7,417,649	9,712,299	6,826,651	8,486,271	6,282,072
Total Pension Liability, Beginning of Year	82,117,895	72,663,922	65,246,273	55,533,974	48,707,323	40,221,052	33,938,980
Total Pension Liability, End of Year	\$ 94,205,821	\$ 82,117,895	\$ 72,663,922	\$ 65,246,273	\$ 55,533,974	\$ 48,707,323	\$ 40,221,052
Plan Fiduciary Net Position							
Employer contributions	\$ 4,267,758	\$ 4,123,820	\$ 4,137,168	\$ 4,138,261	\$ 3,961,813	\$ 3,709,110	\$ 3,518,861
Plan member contributions	2,104,092	2,034,277	2,038,394	2,069,065	1,980,710	1,855,506	1,758,973
Contributions - employee service purchase	70,987	315,411	56,548	1,219,814	438,242	847,020	151,953
Net investment income	8,510,487	6,205,013	8,713,372	(3,389,302)	4,936,031	1,623,353	(495,929)
Benefit payments, including refunds of plan member contributions	(1,865,274)	(1,730,064)	(1,138,045)	(915,123)	(813,811)	(745,738)	(477,355)
Administrative expense	(123,393)	(109,893)	(104,596)	(99,461)	(90,323)	(83,231)	(70,248)
Other	(1)	1	-	3,014	-	-	67,868
Net Change in Plan Fiduciary Net Position	12,964,656	10,838,565	13,702,841	3,026,268	10,412,662	7,206,020	4,454,123
Plan Fiduciary Net Position, Beginning of Year	80,695,466	69,856,901	56,154,060	53,127,792	42,715,130	35,509,110	31,054,987
Plan Fiduciary Net Position, End of Year	\$ 93,660,122	\$ 80,695,466	\$ 69,856,901	\$ 56,154,060	\$ 53,127,792	\$ 42,715,130	\$ 35,509,110
City's Net Pension Liability, End of Year	\$ 545,699	\$ 1,422,429	\$ 2,807,021	\$ 9,092,213	\$ 2,406,182	\$ 5,992,193	\$ 4,711,942
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	99.42%	98.27%	96.14%	86.06%	95.67%	87.70%	88.28%
Covered Payroll	\$ 46,752,867	\$ 45,255,778	\$ 45,298,886	\$ 45,980,678	\$ 44,020,144	\$ 42,382,105	\$ 40,252,708
Plan's Net Pension Liability as a Percentage of Covered Payroll	1.17%	3.14%	6.20%	19.77%	5.47%	14.14%	11.71%

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of City Contributions
Year Ended December 31, 2021

Firemen's Pension and Relief Fund

Year Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 16,048,838	\$ 5,312,855	\$ 10,735,983	-	NA
2016	15,407,946	5,424,494	9,983,452	-	NA
2017	15,273,095	5,683,879	9,589,216	-	NA
2018	13,703,688	6,197,376	7,506,312	-	NA
2019	3,162,420	6,568,351	(3,405,931)	82,999	NA
2020	3,216,816	6,782,326	(3,565,510)	81,093	8363.64%
2021	3,219,216	6,981,628	(3,762,412)	19,632	35562.49%

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

Actual contributions reflect the employer contribution which includes assets reported as Premium Tax money and the Future Supplement.

Plan Note: In FY2018, Plan assets were transferred to LOPFI, resulting in a change in measurement date.

Key Assumptions for ADC:

Cost method	Entry age normal
Amortization method	Closed amortization period based on projected future payroll
Remaining amortization	23 years beginning January 1, 2020
Asset valuation	5-year smoothed market; 20% corridor
Investment rate of return	7.0%
Mortality	RP-2014 Healthy annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016.

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of City Contributions
Year Ended December 31, 2021

Cost method	Entry age normal
Amortization method	Closed amortization period based on projected future payroll
Remaining amortization	23 years beginning January 1, 2020
Asset valuation	5-year smoothed market; 20% corridor
Investment rate of return	7.0%
Mortality	RP-2014 Healthy annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016.

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

Actual contributions reflect the employer contribution which includes assets reported as Premium Tax money, the Future Supplement and the Police Supplement.

Key Assumptions for ADC:

Cost method	Entry age normal
Amortization method	Closed amortization period based on projected future payroll
Remaining amortization	20 years beginning January 1, 2020
Asset valuation	5-year smoothed market; 20% corridor
Investment rate of return	7.0%
Mortality	RP-2014 Healthy annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016.

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of City Contributions
Year Ended December 31, 2021

Nonuniformed Employees' Defined Benefit Pension Plan

Year Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 878,715	\$ 878,715	-	\$ 641,799	136.91%
2016	883,340	883,340	-	548,887	160.93%
2017	701,854	701,854	-	504,071	139.24%
2018	540,783	540,783	-	431,444	125.34%
2019	563,400	563,400	-	327,820	171.86%
2020	476,368	476,368	-	108,404	439.44%
2021	443,866	443,866	-	54,000	821.97%

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

Key Assumptions for ADC:

Cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization	5 years, open prior to 2018; closed in 2018
Asset valuation	Market related value
Investment rate of return	7.0% before 2016, 6.5% after
Mortality	Pub-2010 Public Retirement Plans for males/females, amount weighted Mortality Table for General employees with below median income, scaled at 105% with no setback. Generational mortality improvements are in accordance with MP-2020 from the table's base year of 2010 (both before and after the measurement date)

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of City Contributions
Year Ended December 31, 2021

2014 Defined Benefit Plan

Year Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 3,424,938	\$ 3,518,861	\$ (93,923)	\$ 40,252,708	8.74%
2016	3,252,674	3,709,110	(456,436)	42,382,105	8.75%
2017	3,666,878	3,961,813	(294,935)	44,020,144	9.00%
2018	3,577,297	4,138,261	(560,964)	45,980,678	9.00%
2019	4,076,900	4,137,168	(60,268)	45,298,886	9.13%
2020	3,539,002	4,123,820	(584,818)	45,255,778	9.11%
2021	3,581,270	4,267,758	(686,488)	46,752,867	9.13%

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

Key Assumptions for ADC:

Cost method	Entry age normal
Amortization method	Level percent of salary
Remaining amortization	15 years
Asset valuation	Market value
Investment rate of return	6.5%
Mortality	Pub-2010 Public Retirement Plans for males/females, amount weighted Mortality Table for General employees with below median income, scaled at 105% with no setback. Generational mortality improvements are in accordance with MP-2020 from the table's base year of 2010 (both before and after the measurement date)

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability and
Contributions
Year Ended December 31, 2021

<u>LOPFI - Fire</u>								
<u>December 31</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
City's proportion of the net pension liability	8.5923%	8.9970%	9.1357%	9.2811%	9.3431%	9.0473%	9.1091%	
City's proportionate share of the net pension liability	\$ 59,070,844	\$ 69,523,081	\$ 82,438,479	\$ 65,951,155	\$ 53,305,095	\$ 47,477,923	\$ 32,975,778	
City's covered payroll	\$ 33,873,779	\$ 32,321,851	\$ 30,229,601	\$ 29,407,250	\$ 29,337,988	\$ 28,505,619	\$ 28,430,617	
City's proportionate share of the net pension liability as a percentage of covered payroll	174.39%	215.10%	272.71%	224.27%	181.69%	166.56%	115.99%	
Plan fiduciary net position as a percentage of the total pension liability	77.79%	73.21%	66.09%	71.48%	72.87%	72.92%	79.14%	

<u>LOPFI - Police</u>								
<u>December 31</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
City's proportion of the net pension liability	10.1037%	10.1909%	10.0357%	9.8611%	9.8034%	9.7066%	10.0287%	
City's proportionate share of the net pension liability	\$ 69,461,261	\$ 78,749,351	\$ 90,559,803	\$ 70,073,033	\$ 55,931,186	\$ 50,937,762	\$ 36,304,815	
City's covered payroll	\$ 38,978,162	\$ 40,222,380	\$ 38,726,243	\$ 36,814,269	\$ 41,992,172	\$ 42,209,708	\$ 42,239,324	
City's proportionate share of the net pension liability as a percentage of covered payroll	178.21%	195.78%	233.85%	190.34%	133.19%	120.68%	85.95%	
Plan fiduciary net position as a percentage of the total pension liability	77.79%	73.21%	66.09%	71.48%	72.87%	72.92%	79.14%	

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

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability and
Contributions (Continued)
Year Ended December 31, 2021

<u>LOPFI - Fire</u>							
<u>December 31</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially required contribution	\$ 7,960,338	\$ 7,595,635	\$ 7,477,859	\$ 7,128,140	\$ 6,640,157	\$ 6,172,838	\$ 5,627,114
Contributions related to the actuarially required contribution	(7,960,338)	(7,595,635)	(7,477,859)	(7,128,140)	(6,640,157)	(6,172,838)	(5,627,114)
Contribution deficiency (excess)	-	-	-	-	-	-	-
City's covered payroll	\$ 33,873,779	\$ 32,321,851	\$ 31,820,677	\$ 30,229,601	\$ 29,407,250	\$ 29,337,988	\$ 28,505,619
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.58%	22.58%	21.04%	19.74%
<u>LOPFI - Police</u>							
<u>December 31</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially required contribution	\$ 9,054,627	\$ 8,941,435	\$ 8,487,521	\$ 7,834,319	\$ 7,079,384	\$ 6,470,527	\$ 6,056,539
Contributions related to the actuarially required contribution	(9,054,627)	(8,941,435)	(8,487,521)	(7,834,319)	(7,079,384)	(6,470,527)	(6,056,539)
Contribution deficiency (excess)	-	-	-	-	-	-	-
City's covered payroll	\$ 38,978,162	\$ 40,222,380	\$ 39,978,902	\$ 38,726,243	\$ 36,814,269	\$ 41,992,172	\$ 42,209,708
Contributions as a percentage of covered payroll	23.23%	22.23%	21.23%	20.23%	19.23%	15.41%	14.35%

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

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability and
Contributions (Continued)
Year Ended December 31, 2021

<u>APERS</u> June 30,	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.00967830%	0.01026912%	0.01165470%	0.01199273%	0.02944190%	0.04438351%	0.04566542%
City's proportionate share of the net pension liability	\$ 74,410	\$ 291,065	\$ 281,173	\$ 264,552	\$ 760,820	\$ 1,061,364	\$ 841,035
City's covered payroll	\$ 184,294	\$ 181,696	\$ 200,898	\$ 220,824	\$ 386,077	\$ 691,532	\$ 532,755
City's proportionate share of the net pension liability as a percentage of covered payroll	40%	160%	140%	120%	197%	153%	158%
Plan fiduciary net position as a percentage of the total pension liability	93.57%	75.38%	78.55%	79.59%	75.65%	80.39%	80.39%

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

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

<u>APERS</u> December 31	2021	2020	2019	2018	2017	2016	2015
Actuarially required contribution	\$ 29,632	\$ 29,742	\$ 32,284	\$ 34,459	\$ 206,468	\$ 211,675	\$ 212,565
Contributions related to the actuarially required contribution	(29,632)	(29,742)	(32,284)	(34,459)	(206,468)	(211,675)	(212,565)
Contribution deficiency (excess)	-	-	-	-	-	-	-
City's covered payroll	\$ 182,701	\$ 183,863	\$ 200,900	\$ 228,808	\$ 239,322	\$ 586,560	\$ 533,049
Contributions as a percentage of covered payroll	16%	16%	16%	15%	86%	36%	40%

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

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of Investment Returns
Year Ended December 31, 2021

	Fiscal Year Ending	Annual Money-weighted Rate of Return
Nonuniformed Employees' Defined Benefit Pension Plan	12/31/21	12.59%
	12/31/20	6.65%
	12/31/19	15.08%
	12/31/18	-5.82%
	12/31/17	11.16%
	12/31/16	5.20%
	12/31/15	-0.64%
2014 Defined Benefit Pension Plan	12/31/21	10.26%
	12/31/20	8.60%
	12/31/19	14.86%
	12/31/18	-6.02%
	12/31/17	10.86%
	12/31/16	4.24%
	12/31/15	-1.48%

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NONMAJOR GOVERNMENTAL FUNDS

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

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

EMERGENCY 9-1-1 FUND – Accounts for remittances for emergency telephone service charges by local telephone companies. These monies are used to establish and operate the uniform emergency telephone number network (9-1-1) for Little Rock.

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

COMMUNITY DEVELOPMENT FUND (CDBG) – Accounts for CDBG and other funds received from the U.S. Department of Housing and Urban Development. These monies are expended to provide housing or housing assistance to qualifying citizens, to improve neighborhood streets and drainage and to operate community health and recreation facilities.

NEIGHBORHOOD HOUSING SPECIAL PROJECT FUND (NHSP) – Accounts for the proceeds of Community Development Block Grant – Section 108 Guaranteed Loan Program and other City funds that are utilized to provide housing and housing assistance to qualifying citizens and to improve neighborhood infrastructure.

HOME INVESTMENT PARTNERSHIP FUND (HIPP) – Accounts for HOME and other funds received from the U.S. Department of Housing and Urban Development. These monies are expended to provide housing or housing assistance to qualifying citizens, to improve neighborhood streets and drainage and to operate community health and recreation facilities.

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

2015 CENTRAL ARKANSAS LIBRARY – The 2015 Central Arkansas Library bonds were issued to finance the cost of acquiring, constructing and equipping capital improvements to the public city libraries operated by the City and the Central Arkansas Library System, to refund the outstanding Library Construction Bonds, Series 2008, and Series 2009, to pay interest due on the bonds until collections of the library tax become available for such payments and to pay the costs of issuance of the bonds. The Series 2015 Bonds are limited obligations, payable solely from the collections of the Library Tax.

TIF #1 2014 CAPITAL IMPROVEMENT BOND – The 2014 TIF #1 Capital Improvements bonds were issued to finance the costs of acquisition, construction and equipping of a major street system within Redevelopment District No. 1.

2017 CENTRAL ARKANSAS LIBRARY – The 2017 Central Arkansas Library Refunding Bonds were issued to refund the City's outstanding Library Construction and Improvement Bonds, Series 2012, and to pay the costs of issuance of the bonds. The bonds are limited tax obligations payable solely from a 0.9 mill annual ad valorem tax.

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

2017 CAPITAL IMPROVEMENTS REFUNDING REVENUE BOND – The Capital Improvements Refunding Revenue Bonds, Series 2017 were issued to advance refund the 2009 Parks and Recreation Capital Improvement Construction Revenue Bonds – Series A and Series B, to current refund the 2007 Capital Improvement Revenue Refunding Bonds and the 2002 Capital Improvement Junior Lien Revenue Bonds, to pay a premium for a municipal bond debt service reserve insurance policy and to pay expenses of issuing the Bonds. The Series 2017 bonds are not general obligations of the City but are special obligations secured solely by a pledge of revenues received by the City from all franchise fees charged to public utilities for the privilege of utilizing the City’s streets and right-of-way.

2018 HOTEL GROSS RECEIPTS BOND – Accounts for the accumulation of resources for the payment of principal and interest on the 2018 hotel tax revenue debt of the City.

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

SHORT TERM FINANCING – Accounts for proceeds of 2011 Short Term Financing to acquire capital equipment, vehicles and an enterprise resource planning system for the City.

CAPITAL IMPROVEMENTS FUND - The Capital Improvement fund account for the proceeds of the 2013 Limited Tax General Obligation Capital Improvement Bonds issued to finance various capital improvements for the City.

TAX INCREMENT FINANCING PORT – The Tax Incremental Financing Development District established within the Port of the City of Little Rock was set up in order to levy taxes on property located within the redevelopment district and to the school board of any school district that includes property located within the redevelopment district. Funds from this levy are to be used for public infrastructure projects including reconstruction of streets within the redevelopment district to bring them to interstate-weight capable standards, installation of water and sewer lines to areas within the redevelopment district that are currently not served, construction of dockside improvements including cranes and warehouses, construction of additional railroad facilities and site preparation.

2015 CENTRAL ARKANSAS LIBRARY – The 2015 Central Arkansas Library Bonds were issued to finance the cost of acquiring, constructing and equipping capital improvements to the public city libraries.

2018 GROSS RECEIPTS TAX BOND - The 2018 Gross Receipts Tax bonds accounts for the accumulation of resources for the payment of principal and interest on the 2018 tax revenue debt of the City

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

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 5,534,683	\$ 44,201	\$ 671,066	\$ 6,249,950
Restricted cash	-	4,713,699	183	4,713,882
Investments	7,295,480	4,198,634	14,287,812	25,781,926
Accounts receivable, net	10,640,111	10,745,773	521,924	21,907,808
Interest receivable	11,916	354	125,008	137,278
Inventories	557,027	-	-	557,027
Prepaid expenditures and other	146,000	-	-	146,000
	<u>\$ 24,185,217</u>	<u>\$ 19,702,661</u>	<u>\$ 15,605,993</u>	<u>\$ 59,493,871</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 2,520,248	\$ -	\$ 532,198	\$ 3,052,446
Due to other funds	9,422,742	-	-	9,422,742
Retainage payable	91,528	-	240,724	332,252
Unearned revenue	2,050,431	-	-	2,050,431
	<u>14,084,949</u>	<u>-</u>	<u>772,922</u>	<u>14,857,871</u>
Deferred Inflows of Resources				
Unavailable revenues - property taxes	-	9,754,004	130,652	9,884,656
	<u>-</u>	<u>9,754,004</u>	<u>130,652</u>	<u>9,884,656</u>
Fund Balances				
Nonspendable	953,027	-	-	953,027
Restricted	9,275,466	9,948,657	14,702,419	33,926,542
Unassigned	(128,225)	-	-	(128,225)
	<u>10,100,268</u>	<u>9,948,657</u>	<u>14,702,419</u>	<u>34,751,344</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 24,185,217</u>	<u>\$ 19,702,661</u>	<u>\$ 15,605,993</u>	<u>\$ 59,493,871</u>

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

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
General property taxes	\$ -	\$ 8,907,922	\$ 318,692	\$ 9,226,614
Sales taxes	-	2,357,444	-	2,357,444
Licenses and permits	49,381	-	-	49,381
Intergovernmental	13,967,538	-	-	13,967,538
Charges for services	2,091,872	-	-	2,091,872
Fines and fees	517,466	-	-	517,466
Utility franchise taxes	-	1,507,900	-	1,507,900
Investment income (loss)	(61,664)	4,377	35,930	(21,357)
Contributions and donations	516,801	-	-	516,801
Miscellaneous	1,645,594	-	-	1,645,594
Total revenues	18,726,988	12,777,643	354,622	31,859,253
Expenditures				
General government				
General administration	445,083	-	-	445,083
Community programs	65,700	-	-	65,700
District court - first division (criminal)	19,109	-	-	19,109
District court - second division (traffic)	53,866	-	-	53,866
District court - third division (environment)	327	-	-	327
Human resources	205,830	-	-	205,830
Information technology	-	-	2,983	2,983
Planning and development	108,046	-	-	108,046
Total general government	897,961	-	2,983	900,944
Public works	67,691	-	3,103,844	3,171,535
Parks and recreation services	1,139,350	-	1,805,535	2,944,885
Zoo	1,535,396	-	-	1,535,396
Fire	312,447	-	55,410	367,857
Police	2,057,017	-	1,590,695	3,647,712
Fleet	17,156	-	-	17,156
Economic development	-	-	300,000	300,000
Education	-	-	119,815	119,815
Housing and neighborhood programs	4,834,792	-	-	4,834,792
Debt service				
Principal	50,334	9,755,000	-	9,805,334
Fiscal charges on long term debt	12,758	3,051,707	-	3,064,465
Capital Outlay	7,159,748	-	13,262,893	20,422,641
Total expenditures	18,084,650	12,806,707	20,241,175	51,132,532
Excess (Deficiency) of Revenues Over (Under) Expenditures	642,338	(29,064)	(19,886,553)	(19,273,279)
Other Financing Sources (Uses)				
Initiation of capital leases	-	-	1,857,413	1,857,413
Proceeds from long-term debt	-	-	5,925,000	5,925,000
Premiums on debt issuance	-	3	-	3
Transfers out	(50,000)	-	-	(50,000)
Total other financing sources (uses)	(50,000)	3	7,782,413	7,732,416
Net Change in Fund Balances	592,338	(29,061)	(12,104,140)	(11,540,863)
Fund Balances, Beginning of Year	9,507,930	9,977,718	26,806,559	46,292,207
Fund Balances, End of Year	\$ 10,100,268	\$ 9,948,657	\$ 14,702,419	\$ 34,751,344

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

	Special Projects	Emergency 911	Grant Fund	CDBG	NHSP	HIPP	Total
Assets							
Cash and cash equivalents	\$ 866,061	\$ 776,669	\$ 1,742,755	\$ 532,960	\$ 26,085	\$ 1,590,153	\$ 5,534,683
Investments	3,731,006	3,564,474	-	-	-	-	7,295,480
Accounts receivable, net	11,301	-	9,911,497	600,747	-	116,566	10,640,111
Interest receivable	5,682	6,234	-	-	-	-	11,916
Inventories	-	-	-	399,616	-	157,411	557,027
Prepaid expenditures and other	-	-	146,000	-	-	-	146,000
Total assets	<u>\$ 4,614,050</u>	<u>\$ 4,347,377</u>	<u>\$ 11,800,252</u>	<u>\$ 1,533,323</u>	<u>\$ 26,085</u>	<u>\$ 1,864,130</u>	<u>\$ 24,185,217</u>
Liabilities and Fund Balances							
Liabilities							
Accounts payable	551,300	854,066	835,330	229,408	-	50,144	2,520,248
Due to other funds	-	-	8,833,846	425,609	8,306	154,981	9,422,742
Retainage payable	-	-	91,528	-	-	-	91,528
Unearned revenue	28,658	-	2,021,773	-	-	-	2,050,431
Total liabilities	<u>579,958</u>	<u>854,066</u>	<u>11,782,477</u>	<u>655,017</u>	<u>8,306</u>	<u>205,125</u>	<u>14,084,949</u>
Fund Balances							
Nonspendable	250,000	-	146,000	399,616	-	157,411	953,027
Restricted	3,784,092	3,493,311	-	478,690	17,779	1,501,594	9,275,466
Unassigned	-	-	(128,225)	-	-	-	(128,225)
Total fund balances	<u>4,034,092</u>	<u>3,493,311</u>	<u>17,775</u>	<u>878,306</u>	<u>17,779</u>	<u>1,659,005</u>	<u>10,100,268</u>
Total liabilities and fund balances	<u>\$ 4,614,050</u>	<u>\$ 4,347,377</u>	<u>\$ 11,800,252</u>	<u>\$ 1,533,323</u>	<u>\$ 26,085</u>	<u>\$ 1,864,130</u>	<u>\$ 24,185,217</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended December 31, 2021

	Special Projects	Emergency 911	Grant Fund	CDBG	NHSP	HIPP	Total
Revenues							
Licenses and permits	\$ 49,381	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,381
Intergovernmental	488,756	-	9,015,212	3,498,999	-	964,571	13,967,538
Charges for services	729,570	1,362,302	-	-	-	-	2,091,872
Fines and fees	507,913	9,553	-	-	-	-	517,466
Investment income (loss)	(41,761)	(27,161)	7,258	-	-	-	(61,664)
Contributions and donations	354,137	-	162,664	-	-	-	516,801
Miscellaneous	1,255,842	-	-	21,999	60,588	307,165	1,645,594
Total revenues	3,343,838	1,344,694	9,185,134	3,520,998	60,588	1,271,736	18,726,988
Expenditures							
General government							
General administration	117,458	-	327,625	-	-	-	445,083
Community programs	-	-	65,700	-	-	-	65,700
District court - first division (criminal)	19,109	-	-	-	-	-	19,109
District court - second division (traffic)	53,866	-	-	-	-	-	53,866
District court - third division (environment)	327	-	-	-	-	-	327
Human resources	205,830	-	-	-	-	-	205,830
Planning and development	51,547	-	56,499	-	-	-	108,046
Total general government	448,137	-	449,824	-	-	-	897,961
Public works							
Public works	67,691	-	-	-	-	-	67,691
Parks and recreation services	747,620	-	391,730	-	-	-	1,139,350
Zoo	14,713	-	1,520,683	-	-	-	1,535,396
Fire	311,927	-	520	-	-	-	312,447
Police	540,349	228,323	1,288,345	-	-	-	2,057,017
Fleet	17,156	-	-	-	-	-	17,156
Housing and neighborhood programs	112,543	-	70,443	3,499,576	59,979	1,092,251	4,834,792
Principal	50,334	-	-	-	-	-	50,334
Fiscal charges on long term debt	12,758	-	-	-	-	-	12,758
Capital Outlay	997,792	700,000	5,461,956	-	-	-	7,159,748
Total expenditures	3,321,020	928,323	9,183,501	3,499,576	59,979	1,092,251	18,084,650
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,818	416,371	1,633	21,422	609	179,485	642,338
Other Financing Sources (Uses)							
Transfers out	(50,000)	-	-	-	-	-	(50,000)
Total other financing sources (uses)	(50,000)	-	-	-	-	-	(50,000)
Net Change in Fund Balances	(27,182)	416,371	1,633	21,422	609	179,485	592,338
Fund Balances, Beginning of Year	4,061,274	3,076,940	16,142	856,884	17,170	1,479,520	9,507,930
Fund Balances, End of Year	\$ 4,034,092	\$ 3,493,311	\$ 17,775	\$ 878,306	\$ 17,779	\$ 1,659,005	\$ 10,100,268

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

	2015 Central Arkansas Library	TIF #1 2014 Capital Improvement	2017 Central Arkansas Library	2017 Capital Improvement	2018 Hotel Gross Receipts	Total
Assets						
Cash and cash equivalents	\$ -	\$ 4,209	\$ 38,075	\$ 1,917	\$ -	\$ 44,201
Restricted cash	3,937,991	383,363	-	-	392,345	4,713,699
Investments	-	19,320	4,164,676	14,638	-	4,198,634
Accounts receivable, net	4,617,273	1,118,364	4,617,272	-	392,864	10,745,773
Interest receivable	-	34	305	15	-	354
Total assets	<u>\$ 8,555,264</u>	<u>\$ 1,525,290</u>	<u>\$ 8,820,328</u>	<u>\$ 16,570</u>	<u>\$ 785,209</u>	<u>\$ 19,702,661</u>
Deferred Inflows of Resources and Fund Balances						
Deferred Inflows of Resources						
Unavailable revenues - property taxes	4,326,326	1,101,352	4,326,326	-	-	9,754,004
Total deferred inflows of resources	<u>4,326,326</u>	<u>1,101,352</u>	<u>4,326,326</u>	<u>-</u>	<u>-</u>	<u>9,754,004</u>
Fund Balances						
Restricted	4,228,938	423,938	4,494,002	16,570	785,209	9,948,657
Total fund balances	<u>4,228,938</u>	<u>423,938</u>	<u>4,494,002</u>	<u>16,570</u>	<u>785,209</u>	<u>9,948,657</u>
Total deferred inflows of resources and fund balances	<u>\$ 8,555,264</u>	<u>\$ 1,525,290</u>	<u>\$ 8,820,328</u>	<u>\$ 16,570</u>	<u>\$ 785,209</u>	<u>\$ 19,702,661</u>

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

	2015 Central Arkansas Library	TIF #1 2014 Capital Improvement	2017 Central Arkansas Library	2017 Capital Improvement	2018 Hotel Gross Receipts	Total
Revenues						
General property taxes	\$ 4,234,108	\$ 439,706	\$ 4,234,108	\$ -	\$ -	\$ 8,907,922
Sales taxes	-	-	-	-	2,357,444	2,357,444
Utility franchise taxes	-	-	-	1,507,900	-	1,507,900
Investment income (loss)	3,377	3	389	236	372	4,377
Total revenues	<u>4,237,485</u>	<u>439,709</u>	<u>4,234,497</u>	<u>1,508,136</u>	<u>2,357,816</u>	<u>12,777,643</u>
Expenditures						
Debt Service						
Principal	3,460,000	790,000	4,000,000	925,000	580,000	9,755,000
Fiscal charges on long term debt	759,156	107,213	251,644	585,900	1,347,794	3,051,707
Total expenditures	<u>4,219,156</u>	<u>897,213</u>	<u>4,251,644</u>	<u>1,510,900</u>	<u>1,927,794</u>	<u>12,806,707</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>18,329</u>	<u>(457,504)</u>	<u>(17,147)</u>	<u>(2,764)</u>	<u>430,022</u>	<u>(29,064)</u>
Other Financing Sources (Uses)						
Premiums on debt issuance	-	-	3	-	-	3
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>
Net Change in Fund Balances	18,329	(457,504)	(17,144)	(2,764)	430,022	(29,061)
Fund Balances, Beginning of Year	<u>4,210,609</u>	<u>881,442</u>	<u>4,511,146</u>	<u>19,334</u>	<u>355,187</u>	<u>9,977,718</u>
Fund Balances, End of Year	<u>\$ 4,228,938</u>	<u>\$ 423,938</u>	<u>\$ 4,494,002</u>	<u>\$ 16,570</u>	<u>\$ 785,209</u>	<u>\$ 9,948,657</u>

City of Little Rock, Arkansas
Combining Balance Sheet
Nonmajor Capital Project Funds
Year Ended December 31, 2021

	Short-Term Financing	Capital Improvement	2015 Central Arkansas Library Capital Improvement	Port TIF	2018 Hotel Gross Receipts Tax Bonds	Total
Assets						
Cash and cash equivalents	\$ 584,692	\$ -	\$ 43,916	\$ 40,756	\$ 1,702	\$ 671,066
Restricted cash	-	-	183	-	-	183
Investments	2,683,406	11,207,997	201,551	187,047	7,811	14,287,812
Accounts receivable, net	-	382,467	-	139,457	-	521,924
Interest receivable	4,693	82,196	37,777	328	14	125,008
	<u>3,272,791</u>	<u>11,672,660</u>	<u>283,427</u>	<u>367,588</u>	<u>9,527</u>	<u>15,605,993</u>
Total assets						
	<u>\$ 3,272,791</u>	<u>\$ 11,672,660</u>	<u>\$ 283,427</u>	<u>\$ 367,588</u>	<u>\$ 9,527</u>	<u>\$ 15,605,993</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	200,000	332,198	-	-	-	532,198
Retainage payable	-	240,724	-	-	-	240,724
	<u>200,000</u>	<u>572,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>772,922</u>
Total liabilities						
	<u>200,000</u>	<u>572,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>772,922</u>
Deferred Inflows of Resources						
Unavailable revenues - property taxes	-	-	-	130,652	-	130,652
	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,652</u>	<u>-</u>	<u>130,652</u>
Total deferred inflows of resources						
	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,652</u>	<u>-</u>	<u>130,652</u>
Fund Balances						
Restricted	3,072,791	11,099,738	283,427	236,936	9,527	14,702,419
	<u>3,072,791</u>	<u>11,099,738</u>	<u>283,427</u>	<u>236,936</u>	<u>9,527</u>	<u>14,702,419</u>
Total fund balances						
	<u>3,072,791</u>	<u>11,099,738</u>	<u>283,427</u>	<u>236,936</u>	<u>9,527</u>	<u>14,702,419</u>
Total liabilities, deferred inflows of resources and fund balances						
	<u>\$ 3,272,791</u>	<u>\$ 11,672,660</u>	<u>\$ 283,427</u>	<u>\$ 367,588</u>	<u>\$ 9,527</u>	<u>\$ 15,605,993</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
Year Ended December 31, 2021

	Short-Term Financing	Capital Improvement	2015 Central Arkansas Library Capital Improvement	Port TIF	2018 Hotel Gross Receipts Tax Bonds	Total
Revenues						
General property taxes	\$ -	\$ -	\$ -	\$ 318,692	\$ -	\$ 318,692
Investment income (loss)	(11,809)	51,006	(1,244)	(1,973)	(50)	35,930
Total revenues	(11,809)	51,006	(1,244)	316,719	(50)	354,622
Expenditures						
General government						
Information technology	2,983	-	-	-	-	2,983
Public works	-	3,103,844	-	-	-	3,103,844
Parks and recreation services	1,805,535	-	-	-	-	1,805,535
Total general government	1,808,518	3,103,844	-	-	-	4,912,362
Fire	55,410	-	-	-	-	55,410
Police	1,590,695	-	-	-	-	1,590,695
Economic development	-	-	-	300,000	-	300,000
Education	-	-	119,815	-	-	119,815
Capital Outlay	3,596,102	9,666,791	-	-	-	13,262,893
Total expenditures	7,050,725	12,770,635	119,815	300,000	-	20,241,175
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,062,534)	(12,719,629)	(121,059)	16,719	(50)	(19,886,553)
Other Financing Sources (Uses)						
Initiation of capital leases	1,857,413	-	-	-	-	1,857,413
Proceeds from long-term debt	5,925,000	-	-	-	-	5,925,000
Total other financing sources (uses)	7,782,413	-	-	-	-	7,782,413
Net Change in Fund Balances	719,879	(12,719,629)	(121,059)	16,719	(50)	(12,104,140)
Fund Balances, Beginning of Year	2,352,912	23,819,367	404,486	220,217	9,577	26,806,559
Fund Balances, End of Year	\$ 3,072,791	\$ 11,099,738	\$ 283,427	\$ 236,936	\$ 9,527	\$ 14,702,419

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

Trust Funds account for assets held in the Firemen's Pension and Relief Fund, the Police Pension Fund, the Nonuniformed Employees' Defined Contribution Plan, the Nonuniformed Employees' Defined Benefit Pension Plan, the 401(a) Money Purchase and Trust Retirement Fund, the 2014 Defined Benefit Plan and Health Management Trust. Fund trustees must act in accordance with the specific purposes and terms of these retirement plans.

Fireman's Pension and Relief Fund accounts funds held in trust for firemen who have completed twenty (20) years of service. It is an agent multiple-employer defined benefit pension plan in which the City participates, established in accordance with legislation enacted by the Arkansas General Assembly. Benefit provisions are established by State of Arkansas Act #14, as amended.

Police Pension accounts for funds held in trust for the retirement benefits for policemen who have completed twenty (20) years of service. It is an agent multiple-employer defined benefit pension plan in which the City participates, established in accordance with legislation enacted by the Arkansas General Assembly. Benefit provisions are established by State of Arkansas Act #14, as amended.

Nonuniformed Employees' Defined Benefit Pension Plan is a single-employer defined benefit pension plan established and amended by City ordinance #11088. This fund accounts for monies held in trust to provide retirement, disability, and survivor benefits to participating employees and/or their beneficiaries or dependents who have met eligibility requirements set forth in the Plan's benefit provisions. Plan assets are administered by a Board of Trustees.

2014 Nonuniformed Employees' Defined Benefit Pension Plan is a single employer defined benefit pension plan established under Arkansas state law. This fund accounts for monies held in trust to provide retirement , disability, and survivor benefits to participating employees and/or their beneficiaries or dependents who have met eligibility requirements set forth in the Plan's benefit provisions. survivor benefits to participating employees and/or their beneficiaries or dependents who have met eligibility requirements set forth in the Plan's benefit provisions. Under the provisions of the 2014 Defined Benefit Plan, the City contributes 9% of the participant's salary. The participant contributes 4.5% of their salaries.

Nonuniformed Employees' Defined Contribution Plan is a defined contribution plan administered by and independent fiduciary agent but governed by a Board of Trustees consisting of city officials. This plan provides retirement, disability, and survivor benefits for nonuniformed full-time employees who have met eligibility requirements as defined by the Plan, with exception of certain executives and officials who are enrolled in alternate plans. The plan requires that employees contribute no less than 3.5% and may contribute an additional 10% of their base salary. The City is required to contribute 4% of covered payroll each pay period.

401(a) Money Purchase and Trust Retirement Fund is a defined contribution pension plan established under Arkansas state law covering selected employees. Pension expense is recorded for the amount of the City's required contributions, determined in accordance with the terms of the plan. Benefit provisions and contribution requirements are contained in the plan documents and were established, and can be amended, by the City's Board of Directors.

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
(continued)

Health Management Trust Is an informal single-employer defined benefit other postemployment benefit health care plan (Health Management Trust Fund), sponsored, and administered by the City. Arkansas statute provides that any municipal city official or employee vested in any of the City's retirement plans with 20 years of service and attains 55 years of age may continue to participate in the City's health care plan after retirement. In addition, members employed at least five years with age plus service exceeding 70 at retirement are eligible for benefits. The State of Arkansas has the authority to establish and amend the requirements of this statute.

City of Little Rock, Arkansas
Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
December 31, 2021

	Employee Retirement Plans							Total
	Police Pension	Firemen's Pension and Relief Fund	Nonuniformed Employees' Defined Contribution Plan	Nonuniformed Employees' Defined Benefit Pension Plan	401(a) Money Purchase And Trust Retirement Fund	2014 Defined Benefit Plan	Health Management Trust Fund	
Assets								
Cash and cash equivalents	\$ -	\$ 126	\$ 210,744	\$ 367,528	\$ -	\$ 1,900,922	\$ -	\$ 2,479,320
Investments								
Equities	-	-	6,439,461	-	-	52,141,399	5,679,972	64,260,832
Mutual funds and other investments	1,196,537	1,207,638	6,091,005	12,891,188	8,950,219	39,472,972	4,044,180	73,853,739
Receivables								
Accounts receivable	-	-	164	-	32,059	49,400	-	81,623
Accrued interest and dividends	-	-	21,062	21,908	-	102,429	-	145,399
Total assets	\$ 1,196,537	\$ 1,207,764	\$ 12,762,436	\$ 13,280,624	\$ 8,982,278	\$ 93,667,122	\$ 9,724,152	\$ 140,820,913
Liabilities								
Accounts payable	-	-	-	-	-	7,000	-	7,000
Total liabilities	-	-	-	-	-	7,000	-	7,000
Net Position								
Net position restricted for pensions	\$ 1,196,537	\$ 1,207,764	\$ 12,762,436	\$ 13,280,624	\$ 8,982,278	\$ 93,660,122	\$ -	\$ 131,089,761
Net position restricted for other postemployment benefits	-	-	-	-	-	-	9,724,152	9,724,152
Total net position	\$ 1,196,537	\$ 1,207,764	\$ 12,762,436	\$ 13,280,624	\$ 8,982,278	\$ 93,660,122	\$ 9,724,152	\$ 140,813,913

City of Little Rock, Arkansas
Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
Year Ended December 31, 2021

	Employee Retirement Plans							Health Management Trust Fund	Total
	Police Pension	Firemen's Pension and Relief Fund	Nonuniformed Employees' Defined Contribution Plan	Nonuniformed Employees' Defined Benefit Pension Plan	401(a) Money Purchase And Trust Retirement Fund	2014 Defined Benefit Plan			
Additions									
Contributions									
Employer	\$ -	\$ -	\$ 25,261	\$ 443,866	\$ 256,065	\$ 4,267,758	\$ 1,650,927	\$ 6,643,877	
Plan Members	-	-	14,024	-	190,486	2,104,092	-	2,308,602	
Other	-	-	-	480,586	-	70,987	-	551,573	
Total contributions	-	-	39,285	924,452	446,551	6,442,837	1,650,927	9,504,052	
Investment income (loss)									
Net increase in fair value of investments	454,430	454,430	(29,477)	704,720	1,581,305	5,642,826	499,163	9,307,397	
Gain on sale of investments	-	-	1,648,236	669,022	-	1,940,891	176,185	4,434,334	
Interest and dividends	-	-	172,018	195,551	-	1,285,834	128,148	1,781,551	
	454,430	454,430	1,790,777	1,569,293	1,581,305	8,869,551	803,496	15,523,282	
Less investment expense	-	-	22,557	16,913	-	116,393	86,561	242,424	
Net investment loss	454,430	454,430	1,768,220	1,552,380	1,581,305	8,753,158	716,935	15,280,858	
Total additions	454,430	454,430	1,807,505	2,476,832	2,027,856	15,195,995	2,367,862	24,784,910	
Deductions									
Benefits paid directly to participants	-	-	2,111,452	1,656,664	2,615,126	1,865,274	1,050,927	9,299,443	
Administrative expenses	-	-	45,530	42,748	-	366,065	-	454,343	
Other	-	-	480,586	-	192	-	-	480,778	
Total deductions	-	-	2,637,568	1,699,412	2,615,318	2,231,339	1,050,927	10,234,564	
Change in Net Position	454,430	454,430	(830,063)	777,420	(587,462)	12,964,656	1,316,935	14,550,346	
Net Position, Beginning of Year	742,107	753,334	13,592,499	12,503,204	9,569,740	80,695,466	8,407,217	126,263,567	
Net Position, End of Year	1,196,537	1,207,764	12,762,436	13,280,624	8,982,278	93,660,122	9,724,152	140,813,913	

City of Little Rock, Arkansas
Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
December 31, 2021

	Oakland Fraternal Cemetery	Mt. Holly Cemetery	Little Rock Advertising and Promotion Commission	Little Rock Port Authority	Little Rock Ambulance Authority	Central Arkansas Transit Authority	Museum of Discovery	Arkansas Museum of Fine Arts	Little Rock Workforce Development Board	Central Arkansas Library System	Total
Assets											
Current assets											
Cash and cash equivalents	\$ 69,261	\$ 70,304	\$ 17,509,600	\$ 4,783,308	\$ 9,947,750	\$ 4,481,149	\$ 4,283,030	\$ 28,741,510	\$ 30,274	\$ 11,937,161	\$ 81,853,347
Investments	-	-	-	-	500,000	-	-	41,655,489	-	-	42,155,489
Restricted cash and investments - current	-	-	2,029,141	-	-	-	-	-	-	-	2,029,141
Accrued interest receivables	-	-	-	-	-	126	-	-	-	-	126
Accounts receivable, net of allowance	-	-	2,465,473	267,708	6,922,827	138,213	360,903	27,634,209	321,633	22,178,532	60,289,498
Inventories	-	-	-	-	440,477	451,788	12,516	57,638	-	-	962,419
Prepaid expenses and other	-	-	594,236	136,309	499,481	113,638	26,724	121,448	-	209,993	1,701,829
Total current assets	69,261	70,304	22,598,450	5,187,325	18,310,535	5,184,914	4,683,173	98,210,294	351,907	34,325,686	188,991,849
Noncurrent assets											
Restricted assets											
Cash and cash equivalents	-	-	-	1,343,100	-	-	298,736	-	-	1,494,147	3,135,983
Investments	1,980,033	1,081,501	-	-	500,006	-	2,258,448	-	-	6,016,915	11,836,903
Interest receivable	-	-	14	-	-	-	-	-	-	-	14
Total restricted assets	1,980,033	1,081,501	14	1,343,100	500,006	-	2,557,184	-	-	7,511,062	14,972,900
Capital assets											
Land	10,400	13,089	4,178,128	22,025,857	968,885	1,737,512	-	-	-	5,572,916	34,506,787
Construction in progress	-	-	447,741	3,275,629	133,350	-	1,429,313	77,090,338	-	-	82,376,371
Buildings, improvements, and other facilities	449,946	99,211	135,553,713	46,159,483	14,379,792	42,916,854	3,356,851	57,465	-	116,131,528	359,104,843
Vehicles	11,834	-	5,883,432	-	8,921,867	45,146,539	-	-	9,651	-	59,973,323
Furniture and equipment	204,656	-	3,102,938	702,387	14,433,598	15,159,198	8,787,717	1,066,794	67,113	14,149,228	57,673,629
Books/AV materials	-	-	-	-	-	-	-	-	-	29,041,561	29,041,561
Other	-	-	501,852	-	-	-	-	11,856,531	-	319,745	12,678,128
Less accumulated depreciation	(231,051)	(32,244)	(48,110,936)	(23,815,842)	(21,207,108)	(64,118,742)	(9,562,981)	(780,095)	(69,149)	(88,427,735)	(256,355,883)
Net capital assets	445,785	80,056	101,556,868	48,347,514	17,630,384	40,841,361	4,010,900	89,291,033	7,615	76,787,243	378,998,759
Other assets	-	-	-	-	438,611	-	-	840,311	-	-	1,278,922
Total noncurrent assets	2,425,818	1,161,557	101,556,882	49,690,614	18,569,001	40,841,361	6,568,084	90,131,344	7,615	84,298,305	395,250,581
Deferred Outflows of Resources											
Deferred outflows of resources from pensions	-	-	487,549	-	-	-	-	-	-	-	487,549
Total deferred outflows of resources	-	-	487,549	-	-	-	-	-	-	-	487,549
Total assets and deferred outflows of resources	\$ 2,495,079	\$ 1,231,861	\$ 124,642,881	\$ 54,877,939	\$ 36,879,536	\$ 46,026,275	\$ 11,251,257	\$ 188,341,638	\$ 359,522	\$ 118,623,991	\$ 584,729,979

City of Little Rock, Arkansas
Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
December 31, 2021

	Oakland Fraternal Cemetery	Mt. Holly Cemetery	Little Rock Advertising and Promotion Commission	Little Rock Port Authority	Little Rock Ambulance Authority	Central Arkansas Transit Authority	Museum of Discovery	Arkansas Museum of Fine Arts	Little Rock Workforce Development Board	Central Arkansas Library System	Total
Liabilities, Deferred Inflows of Resources and Net Position											
Current liabilities											
Accounts payable	\$ -	\$ -	\$ 1,286,204	\$ 253,929	\$ 614,170	\$ 404,012	\$ 98,692	\$ 13,105,404	\$ 333,380	\$ 342,233	\$ 16,438,024
Accrued wages payable and related liabilities	1,964	-	219,342	-	1,361,536	1,093,594	-	-	-	432,046	3,108,482
Accrued interest payable	-	-	1,278,465	-	-	-	-	-	-	32,202	1,310,667
Bonds payable - current portion	-	-	1,440,000	338,526	-	-	-	-	-	230,000	2,008,526
Notes payable - current portion	-	-	-	275,000	-	-	-	-	-	-	275,000
Compensated absences - current portion	-	-	713,401	135,848	-	-	-	-	-	771,179	1,620,428
Unearned revenue	-	-	1,079,511	-	-	-	120,113	276,999	-	41,954	1,518,577
Accrued expenses and other	-	-	3,580,172	70,548	33,261	6,525	102,287	4,616,990	11,867	-	8,421,650
Total current liabilities	1,964	-	9,597,095	1,073,851	2,008,967	1,504,131	321,092	17,999,393	345,247	1,849,614	34,701,354
Noncurrent liabilities											
Bonds payable, net of unamortized premium	-	-	58,784,358	5,189,516	-	-	-	-	-	4,317,455	68,291,329
Notes payable	-	-	-	1,265,342	-	-	-	9,800,000	-	-	11,065,342
Net pension liability	-	-	45,839	-	-	-	-	-	-	-	45,839
Other long-term liabilities	-	-	-	54,443	-	-	-	-	-	363,763	418,206
Compensated absences	-	-	-	151,812	-	-	-	-	-	246,326	398,138
Total noncurrent liabilities	-	-	58,830,197	6,661,113	-	-	-	9,800,000	-	4,927,544	80,218,854
Total liabilities	1,964	-	68,427,292	7,734,964	2,008,967	1,504,131	321,092	27,799,393	345,247	6,777,158	114,920,208
Deferred Inflows of Resources											
Deferred inflows from pensions	-	-	706,212	-	-	-	-	-	-	-	706,212
Total deferred inflows of resources	-	-	706,212	-	-	-	-	-	-	-	706,212
Net Position											
Net investment in capital assets	445,785	80,056	40,953,873	41,133,664	17,630,384	40,841,361	4,010,900	71,816,239	-	72,239,788	289,152,050
Restricted - expendable	1,860,231	1,081,501	33,940	1,343,100	-	2,719,220	2,629,684	53,030,752	-	3,588,228	66,286,656
Restricted - nonexpendable	-	-	-	-	-	-	-	15,232,710	-	3,917,955	19,150,665
Unrestricted	187,099	70,304	14,521,564	4,666,211	17,240,185	961,563	4,289,581	20,462,544	14,275	32,100,862	94,514,188
Total net position	2,493,115	1,231,861	55,509,377	47,142,975	34,870,569	44,522,144	10,930,165	160,542,245	14,275	111,846,833	469,103,559
Total liabilities, deferred inflows of resources and net position	\$ 2,495,079	\$ 1,231,861	\$ 124,642,881	\$ 54,877,939	\$ 36,879,536	\$ 46,026,275	\$ 11,251,257	\$ 188,341,638	\$ 359,522	\$ 118,623,991	\$ 584,729,979

City of Little Rock, Arkansas
Combining Statement of Activities
Nonmajor Discretely Presented Component Units
Year Ended December 31, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities							
Central Arkansas Library System	\$ 26,208,126	\$ 929,646	\$ 2,122,336	\$ 909,747	\$ (22,246,397)	\$ -	\$ (22,246,397)
Little Rock Workforce Development Board	1,921,892	-	1,935,959	-	14,067	-	14,067
Total governmental activities	28,130,018	929,646	4,058,295	909,747	(22,232,330)	-	(22,232,330)
Business-type Activities							
Oakland Fraternal Cemetery	207,855	230,588	-	-	-	22,733	22,733
Mt. Holly Cemetery	168,462	158,437	-	-	-	(10,025)	(10,025)
Little Rock Advertising and Promotion Commission	18,082,706	4,281,699	3,133,376	-	-	(10,667,631)	(10,667,631)
Little Rock Port Authority	4,951,977	2,877,454	8,884,532	755,038	-	7,565,047	7,565,047
Little Rock Ambulance Authority	35,730,716	38,297,568	-	-	-	2,566,852	2,566,852
Central Arkansas Transit Authority	25,961,323	1,385,585	27,029,010	-	-	2,453,272	2,453,272
Museum of Discovery	3,254,950	559,768	-	2,564,754	-	(130,428)	(130,428)
Arkansas Museum of Fine Arts	9,425,272	175,325	2,485,312	22,186,156	-	15,421,521	15,421,521
Total business-type activities	97,783,261	47,966,424	41,532,230	25,505,948	-	17,221,341	17,221,341
Total component units	<u>\$ 125,913,279</u>	<u>\$ 48,896,070</u>	<u>\$ 45,590,525</u>	<u>\$ 26,415,695</u>	<u>\$ (22,232,330)</u>	<u>\$ 17,221,341</u>	<u>\$ (5,010,989)</u>
General revenues							
General property taxes					20,027,382	-	20,027,382
Sales taxes					1,192,330	15,177,475	16,369,805
Investment income (loss)					649,343	8,399,116	9,048,459
Other					16,896	4,821,124	4,838,020
Total general revenues					21,885,951	28,397,715	50,283,666
Change in net position					(346,379)	45,619,056	45,272,677
Net Position, Beginning of Year					112,207,487	311,623,395	423,830,882
Net Position, End of Year					<u>\$ 111,861,108</u>	<u>\$ 357,242,451</u>	<u>\$ 469,103,559</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Discretely Presented Component Units
Year Ended December 31, 2021

	Oakland Fraternal Cemetery	Mt. Holly Cemetery	Little Rock Advertising and Promotion Commission	Little Rock Port Authority	Little Rock Ambulance Authority	Central Arkansas Transit Authority	Museum of Discovery	Arkansas Museum of Fine Arts	Total
Operating Revenues									
Charges for goods and services	\$ 230,588	\$ 158,437	\$ 4,281,699	\$ 2,877,454	\$ 35,797,845	\$ 1,385,585	\$ 552,581	\$ 175,325	\$ 45,459,514
Other	-	-	-	-	2,499,723	-	7,187	-	2,506,910
Total operating revenues	230,588	158,437	4,281,699	2,877,454	38,297,568	1,385,585	559,768	175,325	47,966,424
Operating Expenses									
Salaries, wages, and employee benefits	70,636	121,713	6,225,301	1,384,450	24,888,843	14,169,682	1,557,740	4,126,556	52,544,921
Supplies and materials	11,725	4,075	30,713	113,311	1,705,260	1,868,284	173,114	211,612	4,118,094
Services	51,242	10,259	2,088,614	996,900	3,244,582	3,130,295	186,922	4,208,131	13,916,945
Utilities	3,857	7,868	1,204,343	83,740	602,267	344,338	491,230	103,695	2,841,338
Repairs and maintenance	70,395	20,193	710,394	686,840	1,001,040	-	458,379	118,891	3,066,132
Other	-	1,874	1,608,547	281,284	1,857,529	1,045,289	-	437,067	5,231,590
Depreciation and amortization	-	2,480	3,719,806	1,218,125	2,431,195	5,403,435	387,565	111,750	13,274,356
Total operating expenses	207,855	168,462	15,587,718	4,764,650	35,730,716	25,961,323	3,254,950	9,317,702	94,993,376
Operating Income (Loss)	22,733	(10,025)	(11,306,019)	(1,887,196)	2,566,852	(24,575,738)	(2,695,182)	(9,142,377)	(47,026,952)
Nonoperating Revenues (Expenses)									
Intergovernmental revenue	-	-	3,133,376	8,764,532	-	20,999,072	-	2,485,312	35,382,292
Donations, contributions, and grants received	-	-	15,177,475	875,038	-	6,029,938	2,564,754	22,186,156	46,833,361
Investment income (loss)	(72,955)	-	5,922	29,583	51,879	286	257,982	8,126,419	8,399,116
Interest expense	-	-	(2,494,988)	(187,327)	-	-	-	(107,570)	(2,789,885)
Other, net	-	31,507	215,746	(359,238)	504,594	-	4,428,515	-	4,821,124
Net nonoperating revenues (expenses)	(72,955)	31,507	16,037,531	9,122,588	556,473	27,029,296	7,251,251	32,690,317	92,646,008
Net Change in Net Position	(50,222)	21,482	4,731,512	7,235,392	3,123,325	2,453,558	4,556,069	23,547,940	45,619,056
Net Position, Beginning of Year	2,543,337	1,210,379	50,777,865	39,907,583	31,747,244	42,068,586	6,374,096	136,994,305	311,623,395
Net Position, End of Year	\$ 2,493,115	\$ 1,231,861	\$ 55,509,377	\$ 47,142,975	\$ 34,870,569	\$ 44,522,144	\$ 10,930,165	\$ 160,542,245	\$ 357,242,451

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STATISTICAL SECTION



City of Little Rock, Arkansas
Statistical Section
(Unaudited)

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

Contents	Page
Financial Trends (Tables 1–5)	
These schedules contain trend information to assist the reader in understanding how the City's financial performance and well-being have changed over time	146
Revenue Capacity (Tables 6–10)	
These schedules contain information to help the reader assess the City's most significant revenue sources, local sales taxes and property taxes	151
Debt Capacity (Tables 11–15)	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future	156
Demographic and Economic Information (Tables 16–17)	
These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the City's financial activities take place	161
Operating Information (Tables 18–20)	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to services the City provides and the activities it performs	163

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

Table 1

	<u>2012 (1)</u>	<u>2013 (2)</u>	<u>2014</u>	<u>2015 (3)</u>	<u>2016</u>	<u>2017</u>	<u>2018 (4)</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities										
Net investment in capital assets	\$ 533,940,568	\$ 539,105,312	\$ 549,795,437	\$ 547,314,893	\$ 546,408,833	\$ 531,056,399	\$ 532,916,954	\$ 543,911,661	\$ 533,696,516	\$ 596,822,534
Restricted	24,208,928	13,951,009	14,801,039	11,414,278	64,200,510	94,766,332	103,864,734	114,197,981	122,698,393	135,689,754
Unrestricted (deficit)	<u>(46,682,528)</u>	<u>28,926,155</u>	<u>24,870,220</u>	<u>(78,833,242)</u>	<u>(127,034,220)</u>	<u>(136,283,348)</u>	<u>(165,172,690)</u>	<u>(167,811,663)</u>	<u>(176,731,943)</u>	<u>(191,566,094)</u>
Total governmental activities net position	<u>\$ 511,466,968</u>	<u>\$ 581,982,476</u>	<u>\$ 589,466,696</u>	<u>\$ 479,895,929</u>	<u>\$ 483,575,123</u>	<u>\$ 489,539,383</u>	<u>\$ 471,608,998</u>	<u>\$ 490,297,979</u>	<u>\$ 479,662,966</u>	<u>\$ 540,946,194</u>
Business-type activities										
Net investment in capital assets	\$ 8,983,518	\$ 9,423,026	\$ 12,152,186	\$ 12,345,577	\$ 14,721,612	\$ 15,698,476	\$ 16,407,635	\$ 16,395,172	\$ 23,307,162	\$ 23,079,301
Restricted	3,769,248	2,856,964	2,980,184	3,102,528	1,737,901	1,759,592	1,839,896	2,212,804	2,542,665	1,657,282
Unrestricted (deficit)	<u>3,806,762</u>	<u>6,284,003</u>	<u>5,751,822</u>	<u>6,988,248</u>	<u>8,121,642</u>	<u>9,147,485</u>	<u>9,469,784</u>	<u>8,887,590</u>	<u>3,138,964</u>	<u>7,003,498</u>
Total business-type activities net position	<u>\$ 16,559,528</u>	<u>\$ 18,563,993</u>	<u>\$ 20,884,192</u>	<u>\$ 22,436,353</u>	<u>\$ 24,581,155</u>	<u>\$ 26,605,553</u>	<u>\$ 27,717,315</u>	<u>\$ 27,495,566</u>	<u>\$ 28,988,791</u>	<u>\$ 31,740,081</u>
Primary government										
Net investment in capital assets	\$ 542,924,086	\$ 548,528,338	\$ 561,947,623	\$ 559,660,470	\$ 561,130,445	\$ 546,754,875	\$ 549,324,589	\$ 560,306,833	\$ 557,003,678	\$ 619,901,835
Restricted	27,978,176	16,807,973	17,781,223	14,516,806	65,938,411	96,525,924	105,704,630	116,410,785	125,241,058	137,347,036
Unrestricted (deficit)	<u>(42,875,766)</u>	<u>35,210,158</u>	<u>30,622,042</u>	<u>(71,844,994)</u>	<u>(118,912,578)</u>	<u>(127,135,863)</u>	<u>(155,702,906)</u>	<u>(158,924,073)</u>	<u>(173,592,979)</u>	<u>(184,562,596)</u>
Total primary government net position	<u>\$ 528,026,496</u>	<u>\$ 600,546,469</u>	<u>\$ 610,350,888</u>	<u>\$ 502,332,282</u>	<u>\$ 508,156,278</u>	<u>\$ 516,144,936</u>	<u>\$ 499,326,313</u>	<u>\$ 517,793,545</u>	<u>\$ 508,651,757</u>	<u>\$ 572,686,275</u>

(1) At the end of 2012, the City consolidated the Presidential Park, River Market, Golf Fitness and Aquatics, and Zoo Enterprise funds into the general fund.

(2) At the end of 2013 the City transferred administration of the Police Pension and Relief Fund to the Arkansas Local Police and Fire Retirement System. This is the primary reason for the increase of unrestricted net position of the governmental activities.

(3) During 2015, the City adopted Governmental Accounting Standards Board Statements 68 and 71. This is the primary reason for the significant decrease of unrestricted net position of the governmental activities.

(4) During 2018, the City adopted Governmental Accounting Standards Board Statement 75. This is the primary reason for the significant decrease of unrestricted net position of the governmental activities.

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

Table 2

	<u>2012 ¹</u>	<u>2013 ²</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenses										
Governmental activities										
General government	\$ 45,722,245	\$ 48,076,292	\$ 50,079,445	\$ 55,582,516	\$ 53,272,988	\$ 52,444,900	\$ 51,413,544	\$ 51,825,519	\$ 52,235,183	\$ 61,255,761
Public works	36,100,501	36,968,065	39,260,053	39,559,132	39,423,882	36,221,854	39,017,097	38,667,619	38,618,295	39,957,927
Parks and recreation services	10,131,868	11,209,542	11,436,512	11,324,541	13,144,116	14,871,467	17,180,915	17,962,635	41,645,355	15,236,418
Rivermarket	-	1,298,266	1,337,298	1,298,563	1,284,327	1,331,241	1,353,019	1,404,893	887,997	1,081,976
Golf	-	2,162,056	2,420,678	2,434,632	2,551,972	2,526,247	2,594,869	2,439,255	1,912,674	1,969,055
Jim Dailey Fitness	-	983,422	1,389,915	988,633	1,004,748	1,009,427	944,192	953,498	764,511	819,547
Zoo	-	6,927,190	6,920,847	10,754,587	7,466,778	7,419,725	7,467,458	7,153,851	6,439,107	7,356,332
Fire	49,271,456	48,798,721	48,017,977	36,708,372	51,670,486	54,864,567	55,250,732	58,868,639	64,046,333	57,803,583
Police	66,192,652	64,480,813	74,326,931	71,455,621	75,772,406	78,969,098	97,132,460	92,011,803	92,249,026	83,668,110
Economic development	-	-	-	-	-	528,000	250,000	200,000	205,360	300,000
Education	10,523,654	11,361,720	6,505,814	5,773,774	10,131,712	7,130,903	2,501,134	763,492	27,000	119,815
Housing and neighborhood programs	12,611,955	9,238,779	6,996,437	10,142,884	9,149,127	9,942,239	9,844,864	9,373,900	8,089,873	10,940,380
Fleet	2,758,088	2,714,412	3,397,637	1,164,920	1,918,738	896,094	483,356	63,480	81,144	141,148
Interest Expense and fiscal charges on long-term debt	3,804,266	4,203,511	5,096,215	4,830,546	4,641,761	3,608,458	3,678,321	4,125,269	4,626,302	3,779,600
Total governmental activities expenses	<u>237,116,685</u>	<u>248,422,789</u>	<u>257,185,759</u>	<u>252,018,721</u>	<u>271,433,041</u>	<u>271,764,220</u>	<u>289,111,961</u>	<u>285,813,853</u>	<u>311,828,160</u>	<u>284,429,652</u>
Business-type activities										
Presidential park	636,683	-	-	-	-	-	-	-	-	-
Waste disposal	14,715,628	15,117,230	13,854,376	14,401,947	14,790,357	14,846,883	16,692,777	19,132,052	21,657,734	20,385,069
Rivermarket garage	1,703,329	1,729,131	1,938,758	1,985,775	2,087,989	1,964,207	2,191,965	2,146,710	1,521,759	1,658,313
Riverfront park	1,283,222	-	-	-	-	-	-	-	-	-
Zoo	6,125,411	-	-	-	-	-	-	-	-	-
Vehicle Storage	1,284,946	1,333,659	1,332,818	1,350,526	1,409,481	1,408,219	1,586,109	1,589,571	1,447,768	1,506,812
Golf courses	2,443,065	-	-	-	-	-	-	-	-	-
Fitness center	1,000,345	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	<u>29,192,629</u>	<u>18,180,020</u>	<u>17,125,952</u>	<u>17,738,248</u>	<u>18,287,827</u>	<u>18,219,309</u>	<u>20,470,851</u>	<u>22,868,333</u>	<u>24,627,261</u>	<u>23,550,194</u>
Total primary government expenses	<u>\$ 266,309,314</u>	<u>\$ 266,602,809</u>	<u>\$ 274,311,711</u>	<u>\$ 269,756,969</u>	<u>\$ 289,720,868</u>	<u>\$ 289,983,529</u>	<u>\$ 309,582,812</u>	<u>\$ 308,682,186</u>	<u>\$ 336,455,421</u>	<u>\$ 307,979,846</u>
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 15,479,490	\$ 15,945,908	\$ 16,062,816	\$ 16,717,877	\$ 19,383,270	\$ 16,018,807	\$ 16,314,356	\$ 16,955,954	\$ 14,154,728	\$ 15,885,206
Public works	560,006	387,436	593,298	571,436	422,907	365,621	325,421	411,203	1,812,185	631,745
Parks and recreation services	1,379,534	1,998,020	1,506,979	1,539,875	2,360,546	2,729,707	2,573,039	1,812,398	868,641	1,050,862
Rivermarket	-	650,259	617,337	605,207	551,711	524,584	558,919	476,057	191,914	407,544
Golf	-	1,497,233	1,581,520	1,476,467	1,306,904	1,426,564	1,283,538	1,019,081	960,326	1,255,997
Jim Dailey Fitness	-	638,214	920,051	495,687	455,025	449,846	455,880	561,516	135,895	165,523
Zoo	-	3,579,391	3,869,582	3,798,687	4,191,378	4,202,332	3,440,997	3,391,686	1,313,288	3,422,623
Fire	2,525,884	1,260,256	2,602,223	2,562,979	2,724,322	2,677,645	2,882,895	2,869,900	1,826,533	1,499,132
Police	3,162,965	5,253,340	3,322,195	3,231,294	3,622,692	3,430,233	2,821,198	3,757,566	6,954,354	5,572,866
Education	-	-	-	-	-	-	886	-	-	-
Fleet	100,151	343,534	229,248	-	-	-	689,291	449,253	559,309	713,646
Housing and neighborhood programs	1,179,396	458,891	669,271	945,430	794,696	822,456	1,437,279	1,074,006	889,668	910,037
Operating grants and contributions	12,873,846	8,133,436	5,396,151	6,041,316	4,619,575	4,330,755	29,379,100	32,172,071	40,578,867	40,744,859
Capital grants and contributions	4,313,770	2,028,323	1,379,420	591,966	2,415,017	1,568,435	6,328,314	9,722,917	5,602,611	24,319,712
Total governmental activities program revenues	<u>\$ 41,575,042</u>	<u>\$ 42,174,241</u>	<u>\$ 38,750,091</u>	<u>\$ 38,578,221</u>	<u>\$ 42,848,043</u>	<u>\$ 38,546,985</u>	<u>\$ 68,491,113</u>	<u>\$ 74,673,608</u>	<u>\$ 75,848,319</u>	<u>\$ 96,579,752</u>

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

Table 2

	2012 ¹	2013 ²	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities										
Charges for services										
Waste disposal	\$ 16,511,682	\$ 18,588,177	\$ 17,452,777	\$ 17,761,020	\$ 17,975,553	\$ 17,959,296	\$ 18,291,143	\$ 18,909,436	\$ 23,534,488	\$ 23,967,918
Rivermarket garage	2,138,957	2,138,022	2,144,882	2,500,013	2,873,719	2,560,451	2,590,183	3,201,736	2,507,294	2,321,067
Riverfront park	631,316	-	-	-	-	-	-	-	-	-
Zoo	3,508,321	-	-	-	-	-	-	-	-	-
Vehicle storage	1,359,763	1,362,661	1,347,321	1,196,723	1,319,514	1,464,567	2,000,823	1,877,877	1,853,295	2,040,048
Golf courses	1,797,901	-	-	-	-	-	-	-	-	-
Fitness center	683,632	-	-	-	-	-	-	-	-	-
Capital grants and contributions	3,250,743	-	170,289	-	17,482	1,521	52,807	-	-	-
Total business-type activities program revenues	<u>29,882,315</u>	<u>22,088,860</u>	<u>21,115,269</u>	<u>21,457,756</u>	<u>22,186,268</u>	<u>21,985,835</u>	<u>22,934,956</u>	<u>23,989,049</u>	<u>27,895,077</u>	<u>28,329,033</u>
Total primary government program revenues	<u>71,457,357</u>	<u>64,263,101</u>	<u>59,865,360</u>	<u>60,035,977</u>	<u>65,034,311</u>	<u>60,532,820</u>	<u>91,426,069</u>	<u>98,662,657</u>	<u>103,743,396</u>	<u>124,908,785</u>
Net (expense)/revenue										
Governmental activities	(195,541,643)	(206,248,548)	(218,435,668)	(213,440,500)	(228,584,998)	(233,217,235)	(220,620,848)	(211,140,245)	(235,979,841)	(187,849,900)
Business-type activities	689,686	3,908,840	3,989,317	3,719,508	3,898,441	3,766,526	2,464,105	1,120,716	3,267,816	4,778,839
Total primary government net expense	<u>(194,851,957)</u>	<u>(202,339,708)</u>	<u>(214,446,351)</u>	<u>(209,720,992)</u>	<u>(224,686,557)</u>	<u>(229,450,709)</u>	<u>(218,156,743)</u>	<u>(210,019,529)</u>	<u>(232,712,025)</u>	<u>(183,071,061)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
General Property taxes	49,532,522	52,833,701	51,570,745	50,469,150	57,028,881	56,421,850	58,677,802	60,412,042	61,054,723	64,473,416
Sales taxes	111,987,226	112,749,306	114,294,652	118,312,110	118,220,534	120,269,724	121,474,064	132,033,373	130,975,321	151,788,411
Utility franchise taxes	29,176,325	29,707,701	29,898,410	31,065,494	29,599,082	29,326,328	29,965,553	31,182,685	29,714,100	31,432,173
Investment income (loss)	144,886	(116,617)	1,131,952	775,618	559,560	1,094,589	1,591,250	4,416,791	1,691,383	(505,636)
Unrestricted grants and contributions	22,250,304	23,452,078	27,219,998	22,990,373	25,055,029	23,009,538	-	-	-	3
Other	735,885	(148,720)	-	-	-	7,428,860	-	-	-	-
Transfers	9,184,248	1,661,580	1,804,131	1,816,098	1,801,106	1,880,606	1,581,764	1,784,335	1,909,301	1,944,761
Total governmental activities	<u>223,011,396</u>	<u>220,139,029</u>	<u>225,919,888</u>	<u>225,428,843</u>	<u>232,264,192</u>	<u>239,431,495</u>	<u>213,290,433</u>	<u>229,829,226</u>	<u>225,344,828</u>	<u>249,133,128</u>
Business-type activities										
Investment earnings	23,771	(28,446)	135,013	111,523	47,467	138,478	229,421	441,870	134,710	(82,788)
Special item - transfer of net pension obligation	-	57,079,030	-	-	-	-	-	-	-	-
Transfers	(9,184,248)	(1,661,580)	(1,804,131)	(1,816,098)	(1,801,106)	(1,880,606)	(1,581,764)	(1,784,335)	(1,909,301)	(1,944,761)
Total business-type activities	<u>(9,160,477)</u>	<u>55,389,004</u>	<u>(1,669,118)</u>	<u>(1,704,575)</u>	<u>(1,753,639)</u>	<u>(1,742,128)</u>	<u>(1,352,343)</u>	<u>(1,342,465)</u>	<u>(1,774,591)</u>	<u>(2,027,549)</u>
Total primary government	<u>213,850,919</u>	<u>275,528,033</u>	<u>224,250,770</u>	<u>223,724,268</u>	<u>230,510,553</u>	<u>237,689,367</u>	<u>211,938,090</u>	<u>228,486,761</u>	<u>223,570,237</u>	<u>247,105,579</u>
Changes in Net Position										
Governmental activities	27,469,753	13,890,481	7,484,220	11,988,343	3,679,194	6,214,260	(7,330,415)	18,688,981	(10,635,013)	61,283,228
Business-type activities	(8,470,791)	59,297,844	2,320,199	2,014,933	2,144,802	2,024,398	1,111,762	(221,749)	1,493,225	2,751,290
Change in accounting principle	-	(668,352)	-	(122,021,882)	-	-	(10,849,970)	-	-	-
Total primary government	<u>\$ 18,998,962</u>	<u>\$ 72,519,973</u>	<u>\$ 9,804,419</u>	<u>\$ (108,018,606)</u>	<u>\$ 5,823,996</u>	<u>\$ 8,238,658</u>	<u>\$ (17,068,623)</u>	<u>\$ 18,467,232</u>	<u>\$ (9,141,788)</u>	<u>\$ 64,034,518</u>

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

Table 3

Year	General Property Taxes	Sales Tax	Utility Franchise Taxes	Total
2012	49,532,522	111,987,226 (1)	29,176,325	\$ 190,696,072
2013	52,833,701	112,749,306	19,707,701	185,290,708
2014	51,570,745	114,294,652	29,898,410	195,763,807
2015	50,469,150	118,312,110	31,065,494	199,846,754
2016	57,028,881	118,220,534	29,599,082	204,848,497
2017	56,421,850	120,269,724	29,326,328	206,017,902
2018	58,677,802	121,474,064	29,965,553	210,117,419
2019	60,412,042	132,033,373 (2)	31,182,685	223,628,098
2020	61,054,723	130,975,321 (2)	29,714,100	221,744,142
2021	64,473,416	151,788,411 (2)	31,432,173	247,693,998

- (1) The citizens of Little Rock passed on additional one-cent local sales tax in September 2011 which went into effect on January 1, 2012.
- (2) Includes the 2% Hotel Gross Receipts Tax that is pledged to debt service on the 2018 Hotel Tax Bonds.

City of Little Rock, Arkansas
Fund Balances of Governmental Funds
Last Ten Fiscal Year
(Modified Accrual Basis of Accounting)

Table 4

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Nonspendable	\$ 1,163,347 ⁽¹⁾	\$ 1,329,476	\$ 1,251,251	\$ 1,020,087	\$ 4,922,789	\$ 1,940,301	\$ 1,920,362	\$ 1,895,471	\$ 1,764,842	\$ 1,861,926
Committed	368,577	337,892	336,610	300,264	49,105	44,839	44,839	44,839	41,997	39,123
Assigned	7,502,079	9,487,930	8,009,164	12,331,036	11,141,556	14,194,561	9,608,799	9,792,389	15,731,728	21,728,893
Unassigned	17,456,493 ⁽²⁾	24,369,411 ⁽⁴⁾	24,713,596	25,567,858	24,009,361	24,414,818	22,175,496	27,447,279	30,520,217	38,258,751
Total general fund	<u>\$ 26,490,496</u>	<u>\$ 35,524,709</u>	<u>\$ 34,310,621</u>	<u>\$ 39,219,245</u>	<u>\$ 40,122,811</u>	<u>\$ 40,594,519</u>	<u>\$ 33,749,496</u>	<u>\$ 39,179,978</u>	<u>\$ 48,058,784</u>	<u>\$ 61,888,693</u>
All other governmental funds										
Nonspendable	\$ -	\$ 1,229,513	\$ 1,532,884	\$ 1,647,604	\$ 1,382,990	\$ 640,314	\$ 1,034,773	\$ 946,656	\$ 965,057	\$ 1,046,881
Restricted	77,448,650 ⁽³⁾	131,954,068 ⁽⁵⁾	117,940,944 ⁽⁶⁾	123,848,447	108,948,051	82,193,945	154,176,682	153,143,988	116,876,459	116,921,158
Unassigned	(2,397)	(2,618,735)	(3,219,899)	(2,853,464)	(2,633,318)	-	-	-	-	(152,901)
Total all other governmental funds	<u>\$ 77,446,253</u>	<u>\$ 130,564,846</u>	<u>\$ 116,253,929</u>	<u>\$ 122,642,587</u>	<u>\$ 107,697,723</u>	<u>\$ 82,834,259</u>	<u>\$ 155,211,455</u>	<u>\$ 154,090,644</u>	<u>\$ 117,841,516</u>	<u>\$ 117,815,138</u>

(1) The increase in unassigned fund balance is primarily associated with the 5/8 cent operating portion of the new sales tax.

(2) The increase in restricted fund balance is associated with 3/8 capital portion of the new sales tax in addition to the debt service and capital projects associated with the issuance of the 2012 Library Capital Improvement and Refunding Bonds.

(3) The increase in unassigned fund balance is associated with the excess receipts of approximately \$6.9 million that resulted when the 2004 Limited Tax Bonds were deceased.

(4) The increase in restricted fund balance is associated with the issuance of the 2013 Capital Improvement Bonds.

(5) The decrease in restricted fund balance is associated with the expenditures in the 2012 Central Arkansas Library Fund and the 2013 Capital Improvement Fund.

(6) The increase in restricted fund balance is associated with the issuance of the 2018 Limited Tax General Obligation Capital Improvement Bonds and the 2018 Hotel Gross Receipts Tax Bonds.

City of Little rock, Arkansas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Table 5

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes ¹	\$ 191,473,338	\$ 191,323,825	\$ 194,663,920	\$ 199,880,800	\$ 202,216,633	\$ 204,081,781	\$ 207,544,681	\$ 221,433,380	\$ 218,846,540	\$ 246,966,738
Licenses and permits	10,137,945	10,602,406	11,116,890	11,098,754	11,348,110	12,032,656	12,315,181	12,576,341	11,367,370	12,412,191
Intergovernmental	31,893,228	27,403,766	26,327,221	26,216,512	26,048,300	28,908,728	30,101,194	34,944,865	44,959,306	45,489,060
Charges for services	7,084,384	14,045,775	14,176,733	13,515,573	13,843,724	13,935,093	13,018,458	14,046,316	11,760,705	13,381,927
Fines and fees	4,030,384	4,395,755	4,044,070	3,704,630	3,681,279	3,078,148	3,006,967	2,813,142	1,910,941	2,209,321
Investment income (loss)	144,886	(116,609)	1,131,960	775,618	559,559	1,094,588	1,591,250	4,416,791	1,668,919	(492,721)
Miscellaneous	4,339,836	4,247,918	5,032,976	4,822,969	7,292,255	5,419,449	6,532,450	6,231,795	5,977,060	4,314,181
Total revenues	<u>249,104,001</u>	<u>251,902,836</u>	<u>256,493,770</u>	<u>260,014,856</u>	<u>264,989,860</u>	<u>268,550,443</u>	<u>274,110,181</u>	<u>296,462,630</u>	<u>296,490,841</u>	<u>324,280,697</u>
Expenditures										
General government	57,247,916	61,183,366	58,771,868	50,921,165	51,281,442	53,947,370	53,935,979	50,687,819	50,060,420	59,715,424
Public works	25,760,174	26,713,458	33,693,594	33,928,160	41,316,142	39,128,675	32,953,097	39,954,170	22,326,117	22,847,559
Parks and recreation and zoo	10,612,514	15,318,714	12,626,851	12,898,624	16,192,534	13,054,954	16,877,968	17,715,791	39,121,874	12,861,213
Rivermarket	-	1,188,197	1,227,229	1,188,494	1,183,258	1,234,672	1,256,450	1,305,221	791,428	985,407
Golf	-	2,386,863	2,376,310	2,390,265	2,507,605	2,482,543	2,414,872	2,264,745	1,661,082	1,779,528
Jim Dailey Fitness	-	847,283	1,253,776	855,515	896,483	901,162	869,902	855,754	646,573	708,768
Zoo	-	7,096,614	7,486,377	7,370,338	7,474,065	7,509,037	7,669,263	7,506,371	5,771,502	6,721,016
Fire department	46,728,504	44,669,680	46,506,763	46,461,030	50,119,894	50,702,393	52,333,556	57,112,963	54,002,304	57,315,541
Police department	71,360,040	72,904,543	82,062,673	72,434,859	72,974,267	76,847,967	80,083,124	81,444,508	80,172,902	80,293,498
Housing and neighborhood programs	12,695,568	8,740,138	9,154,001	10,182,817	9,249,603	9,649,948	9,669,689	9,040,871	7,742,551	10,652,619
Fleet	-	-	-	665,112	1,918,739	921,145	1,014,420	3,649,256	81,144	114,571
Economic Development	-	-	-	-	-	-	-	-	205,360	300,000
Education	-	-	-	5,761,938	9,989,686	6,988,877	2,501,134	763,492	27,000	119,815
Debt service										
Principal	22,368,344	14,186,058	22,020,574	26,140,438	23,024,131	27,620,797	22,782,724	25,735,150	25,453,737	28,028,075
Fiscal changes on long term debt	3,003,040	4,180,925	5,297,890	5,027,652	4,682,416	4,561,399	3,115,344	5,225,557	5,015,783	4,214,024
Bond issuance costs	107,193	148,720	-	117,481	-	493,386	1,182,751	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	34,682,836	34,255,585
Total expenditures	<u>249,883,293</u>	<u>259,564,559</u>	<u>282,477,906</u>	<u>276,343,888</u>	<u>292,810,265</u>	<u>296,044,325</u>	<u>288,660,273</u>	<u>303,261,668</u>	<u>327,762,613</u>	<u>320,912,643</u>
Deficiency of revenues under expenditures	<u>(779,292)</u>	<u>(7,661,723)</u>	<u>(25,984,136)</u>	<u>(16,329,032)</u>	<u>(27,820,405)</u>	<u>(27,493,882)</u>	<u>(14,550,092)</u>	<u>(6,799,038)</u>	<u>(31,271,772)</u>	<u>3,368,054</u>
Other financing sources (uses)										
Transfers in	9,671,846	16,823,595	10,179,324	10,783,984	11,276,919	13,344,426	9,519,740	6,807,170	5,201,544	4,503,077
Transfers out	(21,696,652)	(14,866,015)	(8,251,193)	(8,553,142)	(9,475,813)	(10,963,820)	(6,937,976)	(4,272,835)	(2,609,528)	(1,820,316)
Proceeds from long term debt	49,595,001	65,805,000	2,615,000	42,530,000	11,978,000	39,050,000	76,045,000	5,650,000	-	5,925,000
Premium on bonds issued	756,028	2,051,949	-	112,763	-	2,407,764	1,455,501	-	-	3
Payments to refunded bond escrow agent	(6,350,143)	-	-	(17,247,291)	-	(40,736,244)	-	-	-	-
Initiation of Capital leases	-	-	5,916,000	-	-	-	-	2,924,374	1,309,434	1,857,413
Total other financing sources	<u>31,976,080</u>	<u>69,814,529</u>	<u>10,459,131</u>	<u>27,626,314</u>	<u>13,779,106</u>	<u>3,102,126</u>	<u>80,082,265</u>	<u>11,108,709</u>	<u>3,901,450</u>	<u>10,465,177</u>
Net change in fund balances	<u>\$ 31,196,788</u>	<u>\$ 62,152,806</u>	<u>\$ (15,525,005)</u>	<u>\$ 11,297,282</u>	<u>\$ (14,041,299)</u>	<u>\$ (24,391,756)</u>	<u>\$ 65,532,173</u>	<u>\$ 4,309,671</u>	<u>\$ (27,370,322)</u>	<u>\$ 13,833,231</u>
Debt service as a percentage of noncapital expenditures	13.7%	7.8%	10.4%	12.2%	10.2%	11.9%	9.8%	11.3%	10.4%	11.2%

(1) See the schedule of General Government Tax Revenues by Source (modified accrual basis of accounting) on page 151.

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

Table 6

Year	General Property Taxes	Sales Taxes	Utility Franchise Taxes	Total
2012	\$ 50,309,787	\$ 111,987,226 (1)	\$ 29,176,325	\$ 191,473,338
2013	48,866,818	112,749,306	29,707,701	191,323,825
2014	50,470,858	114,294,652	29,898,410	194,663,920
2015	50,503,196	118,312,110	31,065,494	199,880,800
2016	54,397,017	118,220,534	29,599,082	202,216,633
2017	54,485,729	120,269,724	29,326,328	204,081,781
2018	56,105,064	121,474,063	29,965,553	207,544,680
2019	58,217,322	132,033,373 (2)	31,182,685	221,433,380
2020	58,157,119	130,975,321	29,714,100	218,846,540
2021	63,746,154	151,788,411	31,432,173	246,966,738

(1) The citizens of Little Rock passed an additional one-cent local sales tax in September 2011 which went into effect on January 1, 2012.

(2) Includes the 2% Hotel Gross Receipts Tax that is pledged to debt service on the 2018 Hotel Tax Bonds.

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

Table 7

Year	Real Property		Personal Property		Total Taxable Assessed Value	Total Direct Tax Rate	Total Appraised Value	Assessed Value as a Percentage of Appraised Value
	Real	Real	Real	Utility				
2012	\$ 2,732,143,368	\$ 800,186,894	\$ 239,180,450	\$ 3,771,510,712	16.65	(1) \$ 18,857,553,560	20%	
2013	2,840,238,586	765,722,146	257,211,894	3,863,172,626	16.65	19,315,863,130	20%	
2014	2,933,524,621	794,658,400	275,131,285	4,003,314,306	16.65	20,122,674,340	20%	
2015	3,008,366,567	787,937,640	252,624,940	4,048,929,147	16.55	(2) 20,201,526,950	20%	
2016	3,117,379,881	858,956,525	253,978,240	4,230,314,646	16.55	21,050,648,700	20%	
2017	3,213,577,682	842,285,575	239,815,220	4,295,678,477	16.55	21,347,370,760	20%	
2018	3,383,352,274	835,678,550	239,937,630	4,458,968,454	16.55	22,119,142,820	20%	
2019	3,524,794,031	867,123,910	245,697,775	4,637,615,716	16.55	23,014,561,860	20%	
2020	3,622,833,643	868,891,340	260,165,285	4,751,890,268	16.55	23,501,839,400	20%	
2021	3,691,913,456	915,003,040	272,818,075	4,879,734,571	16.55	24,176,182,300	20%	

Source: Pulaski County Tax Assessor.

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

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

Note: The Arkansas Public Service Commission has combined the personal and real estate service accounts.

Both are considered personal PSC accounts.

(1) The direct tax rate was reduced 1 mill for the 2012 Library Capital Improvement and Refunding Bonds and 3 mills for the future issuance of up to \$105 million in capital improvement bonds approved by voters on September 11, 2012.

(2) The direct tax rate was reduced 1 mill for the 2015 Library Capital Improvement and Refunding Bonds.

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

Table 8

Year	Little Rock		Pulaski County		Little Rock School District		Totals	
	Real	Personal	Real	Personal	Real	Personal	Real	Personal
2012	17.05	17.05	7.05	7.05	46.40	46.40	70.50	70.50
2013	16.65	16.65	7.05	7.05	46.40	46.40	70.10	70.10
2014	16.65	16.65	7.05	7.05	46.40	46.40	70.10	70.10
2015	16.65	16.65	7.05	7.05	46.40	46.40	70.10	70.10
2016	16.55	16.55	7.05	7.05	46.40	46.40	70.00	70.00
2017	16.55	16.55	7.05	7.05	46.40	46.40	70.00	70.00
2018	16.55	16.55	7.05	7.05	46.40	46.40	70.00	70.00
2019	16.55	16.55	7.05	7.05	46.40	46.40	70.00	70.00
2020	16.55	16.55	7.05	7.05	46.40	46.40	70.00	70.00
2021	16.55	16.55	7.05	7.05	46.40	46.40	70.00	70.00

Tax Levies

2012	\$ 51,282,012	\$ 48,464,111	\$ 152,324,353	\$ 252,070,476
2013	50,385,921	49,084,104	153,876,053	253,346,078
2014	51,613,055	50,553,806	156,509,422	258,676,283
2015	53,396,476	52,080,512	161,329,413	266,806,401
2016	53,782,561	53,185,616	161,724,101	268,692,278
2017	56,364,487	55,175,845	168,350,134	279,890,466
2018	57,324,101	55,667,587	169,767,421	282,759,109
2019	59,626,225	57,637,586	175,659,292	292,923,103
2020	61,986,496	59,806,627	182,516,350	304,309,473
2021	63,760,446	61,248,395	185,255,134	310,263,975

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

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

State statutory limits on City tax rate:

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

City of Little Rock, Arkansas

Principal Sales Taxpayers

December 31, 2021

The City of Little Rock, Arkansas's largest own-source revenue is sales taxes. The City's sales tax revenues are generated from two separate tax levies: a permanent one and one-eighth (1.125)-cent local general sales tax, and a three-eighth (0.375)-cent local sales tax for capital improvements, which sunset at the end of 2021. Taxes are assessed based on the point-of-sale. In addition, the City receives a portion of the county's one (1.0)-cent sales tax based on population. The City of Little Rock makes up approximately 51% of the county population and receives a like proportion of the county tax. In 2021, the combined 1.5-cent city sales tax generated revenue of \$92,790,192. The City's share of the county 1-cent tax generated revenue of \$53,421,968.

According to Arkansas State Statutes, the City is required to keep the identity of individual taxpayers confidential. Therefore, the City of Little Rock is not able to identify the top 10 taxpayers. However, Little Rock has a diverse economic sales tax base. Revenues generated by the top ten industry codes are listed below.

Table 9

Little Rock Top Ten 1 1/2 Cent Sales Tax by Industry	Tax Collected	% of Total
Other General Merchandise Stores	\$ 7,410,766	7.99%
Grocery Stores	6,132,787	6.61%
Electronic Shopping and Mail-Order Houses	4,748,007	5.12%
Full-Service Restaurants	4,509,955	4.86%
Building Material and Supplies Dealers	4,500,236	4.85%
Electronics and Appliance Stores	3,605,341	3.89%
Clothing Stores	2,888,205	3.11%
Food Services and Drinking Places; Unknown Subclassification	2,854,728	3.08%
Professional and Commercial Equipment and Supplies Wholesalers	2,150,987	2.32%
Electric Power Generation; Transmission and Distribution	2,101,221	2.26%
Totals	<u>\$ 40,902,233</u>	<u>44.09%</u>

Little Rock Top Ten 1 Cent County Sales Tax by Industry	Tax Collected	% of Total
Other General Merchandise Stores	\$ 5,175,179	9.69%
Grocery Stores	3,046,752	5.70%
Building Material and Supplies Dealers	3,042,434	5.70%
Electronic Shopping and Mail-Order Houses	2,831,256	5.30%
Full-Service Restaurants	2,502,125	4.68%
Electronics and Appliance Stores	1,858,016	3.48%
Food Services and Drinking Places; Unknown Subclassification	1,577,334	2.95%
Electric Power Generation; Transmission and Distribution	1,503,938	2.82%
Clothing Stores	1,366,571	2.56%
Sporting Goods; Hobby; and Musical Instrument Stores	1,084,498	2.03%
Totals	<u>\$ 23,988,103</u>	<u>44.91%</u>

*Twelve Months Ended January 2021

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

Table 10

Year	Total Tax Levy In Prior Year	Taxes Levied in the Prior Year Collected within the current year		Collections of Delinquent Levies	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 51,282,012	\$ 46,805,016	91.27%	\$ 3,200,327	\$ 50,005,343	97.51%
2013	50,385,921	45,233,261	89.77%	2,832,651	48,065,912	95.40%
2014	51,613,055	47,315,821	91.67%	2,805,622	50,121,443	97.11%
2015	53,396,476	48,850,999	91.49%	2,564,574	51,415,573	96.29%
2016	53,782,561	49,486,679	92.01%	2,606,358	52,093,037	96.86%
2017	56,364,487	50,946,371	90.39%	2,742,826	53,689,197	95.25%
2018	57,324,101	52,552,647	91.68%	3,137,897	55,690,544	97.15%
2019	59,626,225	54,658,989	91.67%	3,206,963	57,865,952	97.05%
2020	61,986,496	54,757,924	88.34%	3,055,485	57,813,409	93.27%
2021	63,760,446	60,429,413	94.78%	3,045,220	63,474,633	99.55%

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

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

Table 11

Year	Governmental Activities				Business Type Activities		Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds				
2012	\$ 61,274,083 ⁽²⁾	\$ 28,588,343 ⁽³⁾	\$ 23,383,504 ⁽⁴⁾	-	\$ 16,307,477 ⁽³⁾	\$ 129,553,407	2.42%	669.44	
2013	114,087,394 ⁽⁵⁾	26,962,094	25,472,446 ⁽⁶⁾	-	13,816,450	180,338,384	3.21%	931.87	
2014	102,395,291	25,265,845	25,312,871	-	12,401,141	165,375,148	2.91%	854.55	
2015	106,214,395	23,491,830	23,907,433	-	10,935,832	164,549,490	2.92%	850.28	
2016	93,476,815	21,642,815	27,321,300	-	9,405,524	151,846,454	2.46%	784.64	
2017	74,133,457	19,495,588	22,530,551	-	8,691,748	124,851,344	2.10%	645.15	
2018	103,289,199 ⁽⁷⁾	51,231,535	15,192,827	-	7,926,463	177,640,024	2.81%	917.92	
2019	85,179,234	49,754,831	13,824,223	2,802,828 ⁽⁸⁾	7,120,801	158,681,917	2.20%	819.96	
2020	66,373,957	48,132,305	8,614,099	3,548,693	6,274,699	132,943,753	1.90%	687.04	
2021	44,321,544	46,464,269	10,478,349	4,593,781	5,383,137	111,241,080	1.56%	540.18	

Note: Details regarding the City's outstanding debt can be found in *Note 5* to the financial statements.

(1) See *Table 16*, Schedule of Demographic and Economic Statistics for personal income and population data.

(2) In 2012, the City issued \$31,015,000 of library improvement bonds to finance capital improvements to the Central Arkansas Library, offset by approximately \$23,000,000 in general obligation debt payments.

(3) In 2012 the City transferred the 2009 parks and recreation capital improvement refunding bonds series B in the amount of approximately \$11.8 million from business-type to governmental activities due to the consolidation of the recreation service funds with the general fund. The transfer did not impact the outstanding debt of the City.

(4) The increase in notes payable is associated with the issuance of \$18,580,000 of 2012 short term financing notes.

(5) In 2013, the City issued \$58,105,000 in limited tax general obligation bonds to finance street and drainage improvements for the City.

(6) In 2013, the City issued \$7.7 million of short-term financing notes.

(7) In 2018, the City issued \$43,475,000 in limited tax general obligation bonds to finance street and drainage improvements for the City.

(8) In 2019, 2020, and 2021, the City entered into a Capital Lease for the acquisition of City Vehicles.

City of Little Rock, Arkansas
Ratios of General Bonded Debt Outstanding
Last Ten Years

Table 12

Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Appraised Value of Property (1)	Per Capita (2)
2012	\$ 61,274,083 (2)	\$ 19,342,676	\$ 41,931,407	1.11%	316.67
2013	114,087,394 (3)	16,923,578	97,163,816	2.52%	502.08
2014	102,395,291	20,845,865	81,549,426	2.04%	421.39
2015	106,214,395	14,880,687	91,333,708	2.26%	471.95
2016	93,476,815 (4)	18,299,509	75,177,306	1.78%	388.47
2017	74,133,457	16,381,890	57,751,567	1.34%	298.42
2018	103,289,199 (5)	22,255,918	81,033,281	1.82%	418.72
2019	85,179,234	21,678,709	63,500,525	1.37%	328.13
2020	66,373,957	23,059,339	43,314,618	0.91%	223.82
2021	44,321,544	21,954,920	22,366,624	0.45%	108.61

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

(1) See *Table 7*, Schedule of Assessed and Appraised Value of Taxable Property for property value data.

(2) See *Table 16*, Schedule of Demographic and Economic Statistics for personal income and population data.

(3) In 2012, the City issued \$31,015,000 of library improvement bonds to finance capital improvements to the Central Arkansas Library, offset by approximately \$23,000,000 in general obligation debt payments.

(4) In 2013, the City issued \$58,105,000 in limited tax general obligation bonds to finance various capital improvements for the City.

(5) In 2018, the City issued \$43,475,000 in limited tax general obligation bonds to finance street and drainage improvements for the City.

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

Table 13

Governmental Unit	Debt Available for Retirement	Percentage Applicable	City's Share of Overlapping Debt
City of Little Rock, Arkansas	\$ 105,857,942 (1)	100%	\$ 105,857,942
Little Rock Public School District	<u>225,112,179</u>	100%	<u>225,112,179</u>
Total direct and overlapping debt	<u>\$ 330,970,121</u>		<u>\$ 330,970,121</u>

(1) The City's overlapping debt includes governmental activities outstanding debt.

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

Table 14

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 942,877,678	\$ 965,793,157	\$ 1,000,828,577	\$ 1,012,232,287	\$ 1,057,578,662	\$ 1,073,919,619	\$ 1,114,742,114	\$ 1,159,403,929	\$ 1,187,972,567	\$ 1,219,933,643
Total net debt applicable to limit	<u>64,275,828</u>	<u>122,636,262</u>	<u>106,862,297</u>	<u>115,241,141</u>	<u>102,498,606</u>	<u>80,282,118</u>	<u>98,331,753</u>	<u>80,127,576</u>	<u>55,477,410</u>	<u>37,438,752</u>
Legal debt margin	<u>\$ 878,601,850</u>	<u>\$ 843,156,895</u>	<u>\$ 893,966,280</u>	<u>\$ 896,991,146</u>	<u>\$ 955,080,056</u>	<u>\$ 993,637,501</u>	<u>\$ 1,016,410,361</u>	<u>\$ 1,079,276,353</u>	<u>\$ 1,132,495,157</u>	<u>\$ 1,182,494,891</u>
Total net debt applicable to the limit as a percentage of debt limit	4.70%	6.82%	12.70%	10.68%	11.38%	9.69%	7.48%	6.91%	4.67%	3.07%

Legal Debt Margin Calculation for 2020

Assessed value	\$ 4,879,734,571
Debt limit:	
General obligation debt limitation (1)	975,946,914
Short-term financing debt limitation (2)	<u>243,986,729</u>
Total debt limitation	<u>1,219,933,643</u>
Debt applicable to limit:	
General obligation and short-term financing	59,393,674
Less: Amount set aside for repayment in debt services funds	<u>21,954,920</u>
Total net debt applicable to limit	<u>37,438,754</u>
Legal debt margin	<u>\$ 1,182,494,889</u>

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

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

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

Table 15

Governmental Activities Revenue Bonds*						Business-type Activities Revenue Bonds*						
Hotel Gross Receipts Tax Bonds						Waste Disposal Revenue Bonds						
Debt Service Requirements						Debt Service Requirements						
Fiscal Year	Pledged Revenues(1)	Principal	Interest	Total	Coverage	Pledged Revenues	Operating Expenses(4)	Net Available Revenues(3)	Principal	Interest	Total	Coverage
2018	\$ -	\$ -	\$ -	\$ -	-	\$ 18,291,143	\$ 14,359,447	\$ 3,931,696	\$ 260,000	\$ 76,188	\$ 336,188	11.69
2019	2,657,965	425,000	1,338,731	1,763,731	1.51	18,909,436	16,228,510	2,680,926	275,000	60,806	335,806	7.98
2020	1,379,772	555,000	1,372,144	1,927,144	0.72	22,718,165	18,551,517	4,166,648	290,000	44,563	334,563	12.45
2021	2,357,444	580,000	1,344,394	1,924,394	1.23	23,665,787	17,042,921	6,622,867	305,000	27,456	332,456	19.92
2017 Capital Improvement Franchise Fee Revenue Refunding Bonds						Rivermarket Parking Garage Bonds						
Debt Service Requirements						Debt Service Requirements						
Fiscal Year	Pledged Revenues(2)	Principal	Interest	Total	Coverage	Pledged Revenues(5)	Operating Expenses(4)	Net Available Revenues(3)	Principal	Interest	Total	Coverage
2018	\$ 20,154,897	\$ 930,000	\$ 574,462	\$ 1,504,462	13.40	\$ 2,977,508	\$ 1,489,472	\$ 1,488,036	\$ 510,000	\$ 381,830	\$ 891,830	1.67
2019	21,511,340	870,000	635,850	1,505,850	14.29	3,566,588	1,514,035	2,052,553	535,000	356,535	891,535	2.30
2020	20,094,116	895,000	609,750	1,504,750	13.35	2,696,007	929,885	1,206,039	560,000	328,448	888,448	1.36
2021	20,785,927	925,000	582,900	1,507,900	13.78	2,589,167	1,099,199	1,489,968	590,000	299,048	889,048	1.68

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

* Primary government pledged revenue bond coverage is presented starting with fiscal year 2018

- (1) Hotel Gross Receipts Tax Bonds are backed by all hotel gross receipt taxes from the renting, leasing or otherwise furnishing of hotel, motel, bed and breakfast or short-term condominium or apartment rental accommodations for sleeping for profit in the City.
- (2) 2017 Capital Improvement Franchise Fee Revenue Refunding Bonds are backed by franchise fee revenues.
- (3) Waste Disposal Revenue Bonds are backed with a pledge of net revenues of the waste collection and disposal system.
- (4) Operating expenses do not include interest or depreciation expenses.
- (5) 2003 Capital Improvement and Refunding Revenue Bonds are backed with a pledge of specific parking revenues and other revenues in the Rivermarket Garage Fund.

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

Table 16

Year	Population	Personal Income (2)	Per Capita Income (2)	Median Age	Percent of Population Age 25+ MA/Professional Degree or Higher	School Enrollment	Unemployment Rate
2012	193,524 ⁽⁴⁾	\$ 5,350,164,504	\$ 27,646	36.8	15.8	27,344 ⁽³⁾	6.8%
2013	193,524 ⁽⁴⁾	5,448,087,648	28,152	36.6	15.8	27,369 ⁽³⁾	6.7%
2014	193,524 ⁽⁴⁾	5,686,122,168	29,382	36.1	15.8	26,943 ⁽³⁾	5.9%
2015	193,524 ⁽⁴⁾	5,632,516,020	29,105	35.6	15.8	26,767 ⁽³⁾	4.8%
2016	193,524 ⁽⁴⁾	6,170,125,692	31,883	36.6	12.5	26,239 ⁽³⁾	3.5%
2017	193,524 ⁽⁴⁾	6,090,840,798	30,678	35.9	15.4	25,930 ⁽³⁾	3.0%
2018	193,524 ⁽⁴⁾	6,498,189,714	32,719	36.0	15.6	25,685 ⁽³⁾	3.3%
2019	193,524 ⁽⁴⁾	7,224,250,920	37,330	37.2	17.2	23,237 ⁽³⁾	3.4%
2020	193,524 ⁽⁴⁾	6,847,131,918	34,701	37.4	19.3	23,180 ⁽³⁾	4.5%
2021	205,932 ⁽⁵⁾	7,146,046,332	34,701	37.4	18.3	22,054 ⁽³⁾	3.1%

Data Sources: Metroplan - Council of Local Governments, Pulaski County, Little Rock Public Schools, State Library

(1) 2000 Census

(2) The State Library provides per capita income. Personal Income is a calculation of per capita income multiplied by the population.

(3) Little Rock Public Schools

(4) 2010 Census

(5) 2020 Census

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

Table 17

Employer	2021			2012	
	Employees	Rank	Percentage of Total City Employment	Employees	Rank
State of Arkansas (MSA)	35,200	1	18.87%	32,200	1
Local Government (MSA)	26,500	2	14.21%	28,800	2
Federal Government (MSA)	10,200	3	5.47%	9,200	3
University of Arkansas Medical Sciences	9,700	4	5.20%	8,500	4
Baptist Health	7,340	5	3.94%	7,000	5
Little Rock Air Force Base	4,500	6	2.41%	4,500	6
Arkansas Children's Hospital	4,370	7	2.34%		
Central Arkansas Veterans Health Care	4,000	8	2.14%	3,500	9
Little Rock School District	3,970	9	2.13%		
CHI St. Vincent Health System	3,000	10	1.61%		
Entergy Arkansas				2,738	10
Axiom				4,388	7
Public School Districts				3,511	8
	108,780		58.32%	104,337	

Source: Metroplan - Council of Local Governments

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

Table 18

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government:										
General Administration	47	47	47	47	63	67	69	32	33	33
Racial Cultural Diversity	2	2	2	2	-	-	-	-	-	-
City Clerk	2	2	2	2	3	3	3	-	-	-
Mayor and Board of Directors	1	1	1	1	1	1	1	1	1	1
Community Programs	10	10	10	11	13	11	13	12	12	13
City Attorney	18	18	18	19	20	18	18	16	16	16
District Court- First Division	21	21	21	21	20	20	20	20	20	20
District Court - Second Division	17	17	17	17	18	18	18	18	18	18
District Court - Third Division	7	7	8	8	8	8	8	7	7	7
Finance	40	41	41	42	43	43	42	41	43	46
Human Resources	19	19	19	20	20	22	23	22	22	25
Management Support/Information Technology	38	39	39	39	39	39	39	39	39	41
Planning and Development	39	39	39	39	39	39	39	38	38	39
Housing and Neighborhood Programs	96	103	103	104	105	107	106	98	98	99
Public Works	13	13	13	13	12	12	12	12	12	12
Parks and Recreation	117	119	122	127	130	128	129	106	106	106
Golf	21	21	21	22	22	21	20	14	15	15
Jim Dailey Fitness & Aquatic Center	9	9	9	9	9	9	8	8	8	8
Zoo	56	59	59	61	62	63	62	62	62	63
Fire	421	421	421	421	422	421	433	432	432	433
Police	709	716	716	717	733	748	748	744	743	754
Total General Fund	<u>1,703</u>	<u>1,724</u>	<u>1,728</u>	<u>1,742</u>	<u>1,782</u>	<u>1,798</u>	<u>1,811</u>	<u>1722</u>	<u>1725</u>	<u>1749</u>
Waste Disposal	112	113	113	113	113	121	121	130	144	145
Public Works - Street	211	213	213	213	216	215	216	216	219	220
Fleet Services	59	61	61	61	63	63	63	63	63	63
Vehicle Storage Facility	15	15	15	15	13	13	13	13	13	14
Total Other Funds	<u>397</u>	<u>402</u>	<u>402</u>	<u>402</u>	<u>405</u>	<u>412</u>	<u>413</u>	<u>422</u>	<u>439</u>	<u>442</u>
Total Personnel	<u>2,100</u>	<u>2,126</u>	<u>2,130</u>	<u>2,144</u>	<u>2,187</u>	<u>2,210</u>	<u>2,224</u>	<u>2,144</u>	<u>2,164</u>	<u>2,191</u>

City of Little Rock, Arkansas Operating Indicators by Function/Program Last Ten Years

Table 19

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Planning and Development										
Total building permits issued	2,011	2,000	2,024	2,059	2,276	2,283	1,957	2,015	1,965	2,303
Estimated building cost	\$ 391,789,405	\$ 385,865,486	\$ 593,559,207	\$ 414,586,125	\$ 448,913,149	\$ 502,609,225	\$ 617,187,924	\$ 551,240,708	\$ 443,609,792	\$ 549,425,210
New commercial construction permits	94	38	62	45	40	50	31	76	68	88
Commercial construction value	\$ 115,487,012	\$ 86,866,172	\$ 189,748,670	\$ 137,075,636	\$ 116,870,836	\$ 138,433,381	\$ 295,268,496	\$ 85,798,573	\$ 115,488,838	\$ 166,577,215
New residential construction permits	349	359	343	335	337	481	329	413	415	540
Residential construction value	\$ 78,991,948	\$ 96,044,242	\$ 92,447,772	\$ 89,366,181	\$ 97,554,075	\$ 130,595,311	\$ 108,394,465	\$ 125,590,680	\$ 131,972,141	\$ 166,474,819
Fire										
Number of uniformed employees	403	415	415	415	416	416	414	426	426	426
Fires and explosions	1,595	1,241	1,274	1,302	1,274	1,296	1,288	1,131	1,125	1,257
Overpressure rupture, explosion, overheat (no fire)	96	62	76	72	116	- (1)	112	69	125	90
Rescue, emergency medical calls	15,890	16,312	16,934	17,985	18,455	21,246	21,431	20,280	16,702	15,603
Hazardous condition, standby	1,420	1,233	1,383	1,371	1,384	1,095	1,065	1,088	1,044	787
Service calls	1,437	1,440	1,503	1,638	1,780	1,882	2,184	2,320	2,646	2,537
Good intent calls	3,426	3,846	3,839	3,419	3,179	3,841	4,301	3,910	3,496	3,023
False alarm calls	2,753	2,770	3,258	4,343	3,790	3,504	4,046	4,155	3,830	4,061
Natural disaster calls	37	22	26	17	47	27	46	60	31	8
Other calls	136	140	685	437	-	-	144	117	131	110
Total calls	27,193	27,481	29,393	30,999	30,441	33,307	35,031	33,556	29,130	27,476
Police										
Number of uniformed employees	577	574	574	574	590	593	594	594	594	594
Calls for service	157,093	158,635	150,367	162,844	162,363	159,051	153,828	153,786	165,460	172,692
Arrests	9,778	8,847	9,289	8,373	9,097	10,321	11,291	11,018	8,173	7,031
Accidents (fatality and serious injury)	5,308	5,029	12,622	12,465	11,200	12,275	12,274	44	54	223
Training man hours	36,780	37,568	38,507	16,230	30,241	31,000	130,000	111,360	74,056	74,450
Uniform Crime Reporting (UCR) Part I offenses	17,330	17,358	16,494	14,932	16,849	17,030	15,694	15,185	13,362	14,814
Clearance rate - all crimes	21.66%	18.83%	20.13%	20.70%	7.23%	15.77%	14.80%	18.19%	22.41%	18.03%
Public Works										
Miles of graded and surface treatment	422	422	422	422	419	419	408	408	408	405
Drainage ditches maintained	1,578	1,578	1,578	1,578	1,571	1,571	1,571	1,571	1,571	1,569
Traffic signals repaired	293	2,568	2,288	2,179	2,096	1,557	1,799	1,707	1,800	1,126
Solid Waste/Garbage Collections										
Solid waste disposal monthly service rate	\$ 20.99	\$ 22.02	\$ 22.02	\$ 22.02	\$ 22.02	\$ 22.02	\$ 22.02	\$ 22.02	\$ 28.90	\$ 29.68
On-Call service	25,601	26,649	28,148	25,523	28,098	31,124	36,929	40,815	28,017	27,200
KB's service	5,164	8,675	6,864	6,198	9,014	7,379	7,925	7,546	7,201	6,314
Roll-offs service	1,973	2,058	1,935	1,149	1,136	752	769	779	571	884
Carts	5,742	5,501	5,121	6,667	6,220	5,134	4,993	4,994	1,432	1,859
Dead animals collected	329	265	309	328	312	384	520	392	351	443
Curbside recycling tonnage	9,307	10,287	10,219	9,839	9,381	8,795	8,596	7,682	7,013	6,000
Class I and IV tonnage	104,226	131,773	119,013	124,617	135,104	134,752	136,232	143,020	105,318	131,114
Yard Waste tonnage	30,690	47,881	30,562	27,529	28,978	27,053	23,775	24,200	23,699	22,975
Parks and Recreation										
Total recorded parks attendance	604,702	617,537	613,042	675,314	612,066	599,452	545,888	210,687	158,981	235,863
Zoo attendance	323,040	313,762	307,046	267,314	280,279	265,268	237,653	240,229	101,482	233,020
Zoo outreach program	21,584	37,018	18,700	46,202	22,626	40,424	35,238	20,844	5,520	2,529

Source: Various city departments.

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

(1) In 2017, the fire department changed systems and was not able to track this information. They anticipate being able to track in the future.

City of Little Rock, Arkansas Capital Asset Statistics By Function Last Ten Years

Table 20

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fire Stations	21	21	21	21	21	21	21	22	22	22
Police Stations	10	10	11	11	11	11	10	10	10	10
Public Works										
Miles of Streets	2,448	2,461	2,465	2,468	2,478	2,485	2,490	2,490	2,486	2,494
Miles of paved - permanent streets	2,026	2,039	2,046	2,050	2,057	2,066	2,082	2,082	2,082	2,089
Alleys	63	63	63	63	63	63	63	63	63	63
Waste Disposal										
Miles of storm sewer	359	361	361	363	367	369	373	373	373	376
Miles of sanitary sewer	1,400	1,365	1,368	1,375	1,384	1,385	1,385	1,399	1,404	1,404
Solid waste containers purchased	4,176	3,654	2,138	1,740	2,900	4,110	5,220	4,130	1,160	3,480
Parks and Recreation										
Acreage	6,315	6,319	6,077	6,077	6,077	6,078	6,141	6,140	6,140	6,140
Number of parks	59	59	62	62	63	63	63	63	63	63
Number of playgrounds	46	46	46	46	42	42	42	44	44	39
Number of tennis courts	48	48	48	48	43	41	41	41	41	34
Number of basketball courts	37	37	37	37	35	35	35	36	36	35
Number of museums	1	1	1	1	1	1	1	1	1	1
Number of golf courses	3	3	3	3	3	3	3	2	2	2
Number of ball fields	25	25	25	29	26	26	25	25	25	30
Number of play fields	20	20	22	22	22	22	20	20	22	22
Number of zoos	1	1	1	1	1	1	1	1	1	1
Number of adult centers	1	1	3	1	1	1	1	1	1	1
Number of community centers	4	5	4	6	6	6	8	8	9	9
Number of fitness centers	1	1	1	1	1	1	1	1	1	1
Number of swimming pools	3	3	2	3	3	3	3	3	3	3
Number of soccer fields	9	9	12	12	13	13	13	13	13	13
Number of pavilions	22	22	28	28	31	33	32	32	32	32
Number of pickleball courts	-	-	-	-	-	-	-	-	-	6
Number of volleyball courts	9	9	8	10	13	13	17	17	17	17

Source: Various city departments.

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

OTHER REQUIRED REPORT



Independent Accountant's Report on Compliance with Certain State Acts

Honorable Frank Scott Jr., Mayor
and Members of the Board of Directors
City of Little Rock, Arkansas
Little Rock, Arkansas

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

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

Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, management's assertion that the City of Little Rock, Arkansas, complied, in all material respects, with the aforementioned requirements for the year ended December 31, 2021, is fairly stated, in all material respects.

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

This report is intended solely for the information and use of the board of directors, management and the State of Arkansas, and is not intended to be and should not be used by anyone other than these specified parties.

FORVIS, LLP

Little Rock, Arkansas
June 30, 2022

SINGLE AUDIT SECTION



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

Independent Auditor's Report

Honorable Frank Scott Jr., Mayor
and Members of the Board of Directors
City of Little Rock, Arkansas
Little Rock, Arkansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Little Rock, Arkansas (City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2022. Our report includes a reference to other auditors who audited the financial statements of Central Arkansas Transit Authority, Museum of Discovery, Arkansas Museum of Fine Arts, Little Rock Advertising and Promotion Commission and the Little Rock Ambulance Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Museum of Discovery, Arkansas Museum of Fine Arts Foundation (component unit of Arkansas Museum of Fine Arts), and BlossomOutreach22, Inc. (component unit of Arkansas Museum of Fine Arts), component units included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with component units or that are reported on separately by those auditors who audited the financial statements of these entities.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

FORVIS,LLP

Little Rock, Arkansas
June 30, 2022

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance

Independent Auditor's Report

Honorable Frank Scott Jr., Mayor
and Members of the Board of Directors
City of Little Rock, Arkansas
Little Rock, Arkansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The City's basic financial statements include the operations of the Central Arkansas Transit Authority, Bill and Hillary Clinton National Airport, Little Rock Water Reclamation Authority, Little Rock Workforce Development Board and Little Rock Ambulance Authority, which expended \$13,240,236, \$23,881,375, \$4,505,990, \$1,935,959, and \$1,164,759, respectively, in federal awards, which are not included in the City's schedule of expenditures of federal awards for the year ended December 31, 2021. Our compliance audit, described in the "Opinion on Each Major Federal Program" section above, does not include the operations of these component units because each engaged other auditors to perform separate audits of compliance.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

FORVIS,LLP

Little Rock, Arkansas
June 30, 2022

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

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Commerce				
Direct Program:				
<i>Economic Development Cluster</i>				
Economic Adjustment Assistance	11.307	N/A	\$ -	\$ 1,676,494
<i>Total Economic Development Cluster</i>			-	1,676,494
Total Department of Commerce			-	1,676,494
Department of Housing and Urban Development				
Direct Programs:				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	14.218	N/A	115,084	1,907,359
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	N/A	1,030,146	1,075,785
<i>Total CDBG - Entitlement Grants Cluster</i>			1,145,230	2,983,144
Pass-Through From:				
Arkansas Department of Human Services				
COVID-19 Emergency Solutions Grant Program	14.231	4600047334, 4600047378	-	508,137
Direct Programs:				
HOME Investment Partnerships Program	14.239	N/A	23,975	558,319
Housing Opportunities for Persons with Aids (HOPWA)	14.241	N/A	443,042	502,027
COVID-19 Housing Opportunities for Persons with Aids (HOPWA)	14.241	N/A	15,804	31,905
<i>Total Housing Opportunities for Persons with Aids (HOPWA)</i>			458,846	533,932
Neighborhood Stabilization Program (Recovery Act Funded)	14.256	N/A	-	8,467
Continuum of Care Program	14.267	N/A	-	70,442
Total Department of Housing and Urban Development			1,628,051	4,662,441
Department of Interior				
Pass-Through From:				
Department of Arkansas Heritage				
Historic Preservation Fund Grants-In-Aid	15.904	20-CLG-07	-	56,499
Department of Arkansas Parks and Tourism				
Outdoor Recreation Acquisition, Development and Planning	15.916	ORLF	-	36,558
Total Department of Interior			-	93,057
Department of Justice				
Direct Program:				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	N/A	-	66,009
Pass-Through From:				
Arkansas Department of Finance and Administration				
Crime Victim Assistance	16.575	200441-19VG/2019-V2-GX-0010 210441-19VG/2019-V2-GX-0010	-	324,863
Direct Program:				
Crime Victim Assistance/Discretionary Grants	16.582	N/A	-	32,077
Pass-Through From:				
Arkansas Department of Finance and Administration				
Violence Against Women Formula Grants	16.588	2018-WF-AX-0042/200442-18SL, 210442-20SL	-	108,099
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	-	579,379
Equitable Sharing Program	16.922	N/A	-	321,410
Total Department of Justice			-	1,431,837

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

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>Department of Labor</u>				
Pass-Through From:				
Little Rock Workforce Development Board WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	NDWG AR-30-81	\$ -	\$ 39
Total Department of Labor			-	39
<u>Department of Transportation</u>				
Pass-Through From:				
Arkansas Department of Transportation <i>Highway Planning and Construction Cluster</i> Highway Planning and Construction	20.205	JOB #060907, JOB #061468, JOB #061552	-	859,309
<i>Total Highway Planning and Construction Cluster</i>			-	859,309
Pass-Through From:				
Arkansas Department of Transportation <i>Highway Safety Cluster</i> National Priority Safety Programs <i>Total Highway Safety Cluster</i>	20.616	M-TAP	-	47,712
			-	47,712
Total Department of Transportation			-	907,021
<u>Department of Treasury</u>				
Direct Programs:				
Equitable Sharing	21.016	N/A	-	98,486
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	3,961,882
Total Department of Treasury			-	4,060,368
<u>National Endowment for the Arts</u>				
Pass-Through From:				
Arkansas Humanities Council COVID-19 Promotion of the Humanities Federal/State Partnership	45.129	ARP-21-2021	-	16,649
Total National Endowment for the Arts			-	16,649
<u>Small Business Administration</u>				
Direct Program:				
COVID-19 Shuttered Venue Operators Grant	59.075	N/A	-	1,520,683
Total Small Business Administration			-	1,520,683
<u>United States Department of Education</u>				
Pass-Through From:				
Arkansas Department of Education Twenty-First Century Community Learning Centers	84.287C	S287C160004	-	243,398
Total United States Department of Education			-	243,398

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

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>Department of Homeland Security</u>				
Pass-Through From:				
Arkansas Department of Emergency Management Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4441-DR-AR	\$ -	\$ 6,000
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4518-DR-AR	-	59,349
<i>Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)</i>			<u>-</u>	<u>65,349</u>
Hazard Mitigation Grant	97.039	FEMA-4318-DR-AR-#0005	-	35,000
Emergency Management Performance Grants (EMPG)	97.042	EP-00003	-	26,235
Homeland Security Grant Program	97.067	EMT-2020-EP-00003 FY18 HSGP Bomb Squad, HSGP MMRS 2018, LETPA (LRPD/SWAT) 2017, SWAT 19, SWAT/LRPD 2018	-	526,670
Total Department of Homeland Security			<u>-</u>	<u>653,254</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 1,628,051</u>	<u>\$ 15,265,241</u>

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

Note 1: Basis of Presentation

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

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Note 4: Federal Loan Programs

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

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

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified Qualified Adverse Disclaimer

2. Internal control over financial reporting:

Significant deficiency(ies) identified? Yes None reported

Material weakness(es) identified? Yes No

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

Federal Awards

4. Internal control over major federal awards programs:

Significant deficiency(ies) identified? Yes None reported

Material weakness(es) identified? Yes No

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

Unmodified Qualified Adverse Disclaimer

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

Yes No

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

7. Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
11.307	Economic Development Cluster/Economic Adjustment Assistance
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
59.075	COVID-19 Shuttered Venue Operators Grant

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

9. Auditee qualified as a low-risk auditee?

Yes

No

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

Section II – Financial Statement Findings

Reference Number	Finding
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No matters are reportable.

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

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
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No matters are reportable.

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

Reference Number	Summary of Finding	Status
	No matters are reportable.	

OTHER INFORMATION



City of Little Rock, Arkansas
Schedule of Expenditures of State Awards (Unaudited)
Year Ended December 31, 2021

Program Grantor/Program Title	State Awards
Arkansas Department of Parks, Heritage and Tourism	
Pass-through Arkansas Department of Heritage	
Dapht Outdoor Park Improvement Grant	\$ 250,000
Arkansas Department of Transportation	
Pass-through Arkansas Department of Heritage	
ARDOT I440 FDP Interchange Improvement Grant	589,239
Marine Fuel Boat Ramp Grant	96,209
Total State Awards	\$ 935,448