

CITY OF LITTLE ROCK, ARKANSAS

2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT



For the year ended
December 31, 2023

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF LITTLE ROCK, ARKANSAS

**FISCAL YEAR ENDED
DECEMBER 31, 2023**

**PREPARED BY:
THE DEPARTMENT OF FINANCE**

City of Little Rock, Arkansas
Year Ended December 31, 2023

Table of Contents

Table of Contents	i
Introductory Section (Unaudited)	
Letter of Transmittal	v
GFOA Certificate of Achievement for Excellence in Financial Reporting	xv
Organizational Chart	xvi
List of Elected and Appointed Officials	xvii
Financial Section	
Independent Auditor’s Report	1
Management’s Discussion and Analysis (Unaudited)	5
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	24
Statement of Activities	26
Fund Financial Statements:	
Balance Sheet – Governmental Funds	27
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	28
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	29
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	30
Statement of Net Position – Proprietary Funds	31
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	33
Statement of Cash Flows – Proprietary Funds	34
Statement of Fiduciary Net Position – Fiduciary Funds	36
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	37
Statement of Net Position – Discretely Presented Component Units	38
Statement of Activities – Discretely Presented Component Units	40
Notes to Financial Statements	41

City of Little Rock, Arkansas
Year Ended December 31, 2023

Table of Contents (Continued)

Required Supplementary Information (Unaudited)

Budgetary Comparison Schedule – General Fund	122
Notes to Budgetary Comparison Schedule – General Fund	123
Budgetary Comparison Schedule – Street Fund	124
Other Postemployment Benefit Plan – Schedule of Changes in the City’s Net OPEB Liability and Related Ratios	125
Other Postemployment Benefit Plan – Schedule of City Contributions	127
Other Postemployment Benefit Plan – Schedule of Investment Returns	129
Schedule of Changes in the City’s Net Pension Liability and Related Ratios	130
Schedule of City’s Contributions	134
Schedule of the City’s Proportionate Share of the Net Pension Liability and Contributions	138
Schedule of Investment Returns	143

Combining and Individual Fund Statements

Governmental Funds – Nonmajor:	
Combining Balance Sheet	147
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	148
Special Revenue Funds – Nonmajor:	
Combining Balance Sheet	149
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	150
Debt Service Funds – Nonmajor:	
Combining Balance Sheet	151
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	152
Capital Project Funds – Nonmajor:	
Combining Balance Sheet	153
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	154

City of Little Rock, Arkansas

Year Ended December 31, 2023

Table of Contents (Continued)

Fiduciary Funds	
Combining Statement of Fiduciary Net Position – Pension and Other Employee Benefit Trust Funds	157
Combining Statement of Changes in Fiduciary Net Position – Pension and Other Employee Benefit Trust Funds	158
Nonmajor Discretely Presented Component Units	
Combining Statement of Net Position	159
Combining Statement of Activities	161
Combining Statement of Revenues, Expenses and Changes in Net Position	162
Statistical Section (Unaudited)	
Net Position by Component – Accrual Basis of Accounting	164
Changes in Net Position – Accrual Basis of Accounting	165
General Governmental Tax Revenues by Source – Accrual Basis of Accounting	167
Fund Balances of Governmental Funds – Modified Accrual Basis of Accounting	168
Changes in Fund Balances of Governmental Funds – Modified Accrual Basis of Accounting	169
General Governmental Tax Revenues by Source – Modified Accrual Basis of Accounting	170
Assessed and Appraised Value of Taxable Property	171
Property Tax Rates and Tax Levies of Direct and Overlapping Governments	172
Principal Sales Taxpayers	173
Property Tax Levies and Collections	174
Ratios of Outstanding Debt by Type	175
Ratios of General Bonded Debt Outstanding	176
Direct and Overlapping Governmental Activities Debt	177
Legal Debt Margin Information	178
Pledged Revenue Bond Coverage	179
Demographic and Economic Statistics	180
Little Rock Area Principal Employers	181
Full-time Equivalent City Government Employees by Function	182
Operating Indicators by Function/Program	183
Capital Asset Statistics by Function	184

City of Little Rock, Arkansas
Year Ended December 31, 2023

Table of Contents (Continued)

Other Required Report

Independent Accountant’s Report on Compliance with Certain State Acts	185
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Single Audit Section

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> – Independent Auditor’s Report	186
Report on Compliance for each Major Federal Program and Report on Internal Control Over Compliance – Independent Auditor’s Report	188
Schedule of Expenditures of Federal Awards	191
Notes to the Schedule of Expenditures of Federal Awards	193
Schedule of Findings and Questioned Costs	194
Summary Schedule of Prior Audit Findings	196

Other Information (Unaudited)

Schedule of Expenditures of State Awards	197
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INTRODUCTORY SECTION





FROM THE DESK OF
MAYOR FRANK SCOTT, JR.

October 31, 2024

To the Members of the Little Rock City Board of Directors
and the Residents 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, 2023.

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 Mazars, LLP 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, 2023, 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, 2023, 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.

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 122 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 124.

Factors Affecting Financial Condition:

The 3/8-cent capital improvement sales tax, approved by voters in 2011, sunset on December 31, 2021. This will create challenges in the coming years as funding for capital improvements will be limited to bonds and short-term financing notes.

During the August 9, 2022 special election, Little Rock residents approved the issuance of Limited Tax General Obligation Capital Improvement Bonds not to exceed \$161.8 million in six (6) separate votes with aggregated principal amounts for capital improvements including street and drainage improvements, Park and Recreational improvements, Fire apparatus, District Court facility improvements and Port Industrial Park improvements.

On January 10, 2023 the City issued a tax-exempt promissory note in the principal amount of \$7,400,000 to finance the costs of acquisition of police vehicles for the Little Rock Police Department.

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, 2023, was 3.2%, compared with the Arkansas rate of 3.4% and the U.S. average of 3.7%. In a recent economic report from Metroplan, Jonathan Lupton reports that from 2017-2022 the Little Rock Metropolitan Statistical Area (MSA) saw an 8.9% growth in its gross domestic product (GDP) while at the same time overall population grew at 2.4%. Retail sales for the Little Rock MSA were up 3.2% in 2023 compared to 2022. Housing costs in Little Rock remain below the national median coming in at \$1,282 per month for owner housing costs in 2022

compared to \$1,775 nationally. Little Rock's overall sales tax growth in 2023 was 7.1%. Little Rock's top three sales taxpayers by industry for 2023 are other general merchandise stores, grocery stores, and building materials and supplies dealers. Inflation climbed from near-zero in the depths of the Covid-19 recession to a peak of near nine (9) percent in June 2022. Since then, rising federal interest rates have turned the inflation trend downward, ending 2023 at 3.4%. 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 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 3/8-Cent Sales Tax for capital projects, which sunset on December 31, 2021, is reflected in the Sales Tax Capital Improvements Fund. The tax raised \$191,338,242 for capital projects, nearly \$4.5 million underestimate, over the ten (10) year period, representing 97.7% of the original forecasted amount. Net Interest earnings (adjusted for changes in the fair market value of investments) generated by the proceeds of short-term financing notes and accumulated tax proceeds provided \$2,886,707 to supplement projects. Residual balances are transferred to other projects within the same allocation category as we complete projects. 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.

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 and the 2018 Bond issue was retired in 2022. 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 included renovations and additions to, and furnishings and equipment for, the Arkansas Museum of Fine Arts and the MacArthur Museum of Arkansas Military History. The grand reopening of the newly renovated Arkansas Museum of Fine Arts was held in April 2023.

On August 9, 2022, Little Rock residents approved the issuance of Limited Tax General Obligation Capital Improvement Bonds not to exceed \$161.8 million for street and drainage improvements, Park and Recreational improvements, District Court facility improvements and

Port Industrial Park improvements. Up to \$40.5 million of the Bonds are dedicated to street improvements, \$40.5 million available for drainage improvements, \$19.5 million to finance Fire Apparatus, \$37 million to finance Park and Recreation improvements throughout the City, \$8.5 million to finance District Court facility improvements, and \$15.8 million to finance Port Industrial Park improvements. The Bonds are secured by a three (3)-mill Ad Valorem Tax on taxable property located within the City of Little Rock. On December 21, 2022, the City issued \$53,510,000 Limited Tax General Obligation Capital Improvement Bonds, Series 2022A and \$5,055,000 Limited Tax General Obligation Capital Improvement Bonds, Taxable Series 2022B. On November 30, 2022, the City issued \$40,770,000 Library Construction and Refunding Bonds, Series 2022, which refunded the 2015 Library Construction and Refunding Bonds and provided approximately \$25.6 million in funding for new improvements for the Central Arkansas Library Systems. The bonds are limited obligations of the City of Little Rock, Arkansas payable solely from the collections from a 1.3-mill annual Ad Valorem Tax levied upon all taxable real and personal property located within the City of Little Rock.

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. Since 2016, the Board has increased the designated reserve to its current level of \$13.1 million, with the intent to continue to gradually increase the reserve to the desired level of 10% of General Fund revenues.

On July 30, 2024, the Board of Directors authorized placing on the November 5, 2024, ballot for voter consideration two questions to increase by an additional One (1)-Cent the Local Sales Tax. The City held public meetings 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, and housing needs. The priority needs were divided between ongoing operating needs and capital needs. Ultimately, the proposed sales tax is focused on four (4) key pillars, Public Safety, Public Infrastructure, Parks and Quality of Life, and Port and Economic Development. The 3/8-Cent permanent increase in sales tax for operations would be reflected in the General Fund. The tax increase would provide funding for Public Safety, Code Enforcement Officers, technology improvements, fleet replacement, infrastructure, housing needs, and parks maintenance and operations. The 5/8-Cent Sales Tax for capital projects would be for a ten (10) year term and sunset on March 31, 2035. The capital projects sales tax would fund infrastructure improvements including roads, equipment for trash collection, parks and quality of life improvements, investments in downtown, and port expansion and economic development. It is estimated that the additional One (1)-Cent the Local Sales Tax will generate \$65 million a year or \$650 million over ten (10) years.

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 2023 financial outlook was slightly better than anticipated and amendments were made to the budget for a total net impact of almost \$3.5 million to the General Fund, before transfers out.

The City received one-time funding from the American Rescue Plan Act (APRA) 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. The City continues to work to utilize the funding in accordance with the plan adopted by the Board of Directors.

On December 5, 2023, the Little Rock Board of Directors approved the 2024 Adopted Budget. Overall operating expenditures total \$330,622,668, an increase of \$13,934,357, or 4.21% more than the final 2023 Amended Budget. The Operating Budget changes for 2024 are summarized below:

	2023 Adopted	2023 Amended	2024 Adopted	Change	% Change
General Fund	\$ 240,747,276	\$ 244,227,633	\$ 257,510,221	\$ 13,282,588	5.44%
Street Fund	24,503,779	24,680,684	25,234,297	553,613	2.24%
Fleet Services Fund	18,709,088	18,709,088	18,575,988	(133,100)	(0.71)%
Waste Disposal Fund	25,485,100	25,485,100	25,712,800	227,700	0.89%
Vehicle Storage Facility	1,825,987	1,825,987	2,208,454	382,467	20.95%
Parking Garage Fund	1,759,819	1,759,819	1,380,908	(378,911)	(21.53)%
	<u>\$ 313,031,049</u>	<u>\$ 316,688,311</u>	<u>\$ 330,622,668</u>	<u>\$ 13,934,357</u>	<u>4.21%</u>

The 2024 General Fund Budget supports 1,823 full-time equivalent (FTE) positions – 1,768 serving in General Fund Departments and 55 special positions funded through grants or special project allocations. This represents a net increase of 4 FTEs compared to the 2023 Adopted Budget staffing levels. The personnel budgets for the other operating funds include 442 FTEs, representing an increase of 1 position in Fleet Services to a total of 64, an increase of 2 FTEs to 219 in the Street Fund, 145 in the Waste Disposal Fund, and a decrease of one (1) position in the Vehicle Storage Fund to a total of 14. Thus, a total of 2,265 full-time positions are authorized for the primary government’s operating funds.

The significant increase in the General Fund from the 2023 amended budget to the 2024 adopted budget is a result of salary increases of between 5-9% for police personnel, 1.75% for fire personnel and 2% for non uniform personnel. These increases account for nearly \$7.9 million of the approximately \$13.3 million increase.

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 2024 Budget continues the commitment to Little Rock residents to fill vacant public safety positions.

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 2019 to 2023. The 2024 Budget reflects an increase in debt service of \$1,648,382 associated with the issuance of \$7.4 million in new short-term financing in 2023 for the acquisition of 103 new Police Vehicles. Further discussion of this can be found in Note 5. Another short-term financing note was issued during 2024 for up to \$12 million to fund the construction of a new 4.9 megawatt (MW) Solar Facility that is projected to generate approximately 70 percent of the city's electrical usage.

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. 2024 funding for the detention center decreased from the 2023 adopted budget of \$2,910,000 to \$2,715,000. Other outside agency funding increases include \$1.8 million for the Arkansas Museum of Fine Arts to a total of \$4,000,000, funding operations and maintenance. 2023 funding for Rock Region Metro remained flat at a total of \$9.85 million, of which \$2 million is provided by the Street Fund. Funding for the Museum of Discovery increased by \$208,000 to \$400,000 in the 2024 adopted budget.

A Homeless Services Task Force was established in 2006 to address chronic homelessness within our community. The City funding to Jericho Way Day Resource Center remained flat for 2024 at \$600,000. 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 July 2023, City officials ceremonially broke ground on the Little Rock Micro Home Village, a two-acre, multi-unit complex to house unsheltered residents as they transition toward permanent housing. The Micro Home Village will have capacity for 206 residents. There will be 50 single units, 22 units that will accommodate families of (4) four and eight (8) units for families of (6) six. In addition, there will be 20 emergency shelter beds. A community center within the village will hold a commercial kitchen, dining hall, classrooms, offices, a health clinic, and a laundry room. Planning for the Little Rock Micro Home Village has been a three-year process led by Mayor Scott's Office and the City's Department of Housing and Neighborhood Programs. The Little Rock Board of Directors authorized \$3 million in federal American Rescue Plan Act funds for construction and management of the village. The Micro Home Village is expected to be completed in the first half of 2025 due to construction delays.

The City is appropriating approximately \$5 million for Children, Youth and Family Programs, including youth employment, skills center funding, and re-entry programming in 2024 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 2024 Budget includes a contingency allocation of \$1.275 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: We have been committed to all areas of Little Rock with an equity-driven approach to our policies and programs. In the first quarter of 2023, Main Event opened its doors and Topgolf opened its newest location at the end of the fourth quarter 2023 near I-430 and Colonel Glenn Road. It is expected to bring even more retail development in that growing corridor of West Little Rock.

In 2021, The City of Little Rock began a new program, BUILD Academy, which is our very own small business incubator. Our fourth cohort began on February 22, 2024 at our Willie Hinton Business and Innovation Center in the heart of the 12th street corridor. We are now in our third year of Emprende, a pathway of the City's BUILD Academy, which offers Little Rock's Spanish-speaking business owners a series of free classes to support their businesses. In 2019, the City committed to increasing minority spending to at least 25% by 2023. In 2024, the City established a goal of having 30% of its discretionary spending be with minority vendors. In 2023, 14.70% of discretionary spending was with minority vendors. In addition, as part of the OpportUnity Little Rock initiative, the City launched its Minority Business Enterprise Map to the public in April 2024 to highlight minority-owned business enterprises (MBEs) to allow consumers to identify minority-owned businesses in Little Rock.

The City of Little Rock continues to have new businesses open as we had over 1,261 new businesses opened in our City just last year. 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 has worked closely with the Port to purchase the necessary land to support expansions, like those announced by AFCO Steel and Amazon, to position ourselves for even more job growth.

The City's long-term outlook remains bright; most indicators continue to show 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.

The City continues to develop ways to foster understanding and strengthening the bond between the city and its residents and as such has created the R.O.C.K. Academy (Residents Obtaining Community Knowledge). A dynamic six-week program tailored to provide residents with an in-depth understanding of the inner workings of their City government.

We remain committed to elevating our City with our Little Rock residents and encourage our residents to be a part of Results in the Rock. In order to support city operations and capital improvements, the City is working to develop a comprehensive plan that will be funded by a proposed 1 cent sales tax increase of which 3/8th will be permanent and fund long-term maintenance and operational costs of the City and 5/8th will be for capital improvements that would “sunset” after 10 years. The initiative is based on four pillars: Public Safety, Public Infrastructure, Parks and Recreation, and Port and Economic Development. It is expected that the initiative will generate \$650 million over 10 years that will elevate the City’s progress and improve residents’ quality of life and place that will unite, grow and transform Little Rock.

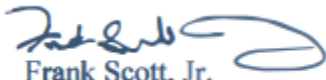
Awards and Acknowledgments:

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, 2022. The City of Little Rock has received a Certificate of Achievement for forty (41) 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 finance department staff. 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 the City of Little Rock's finances.

Respectfully submitted,


Frank Scott, Jr.
Mayor


Nicholas Sarpy
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Little Rock
Arkansas**

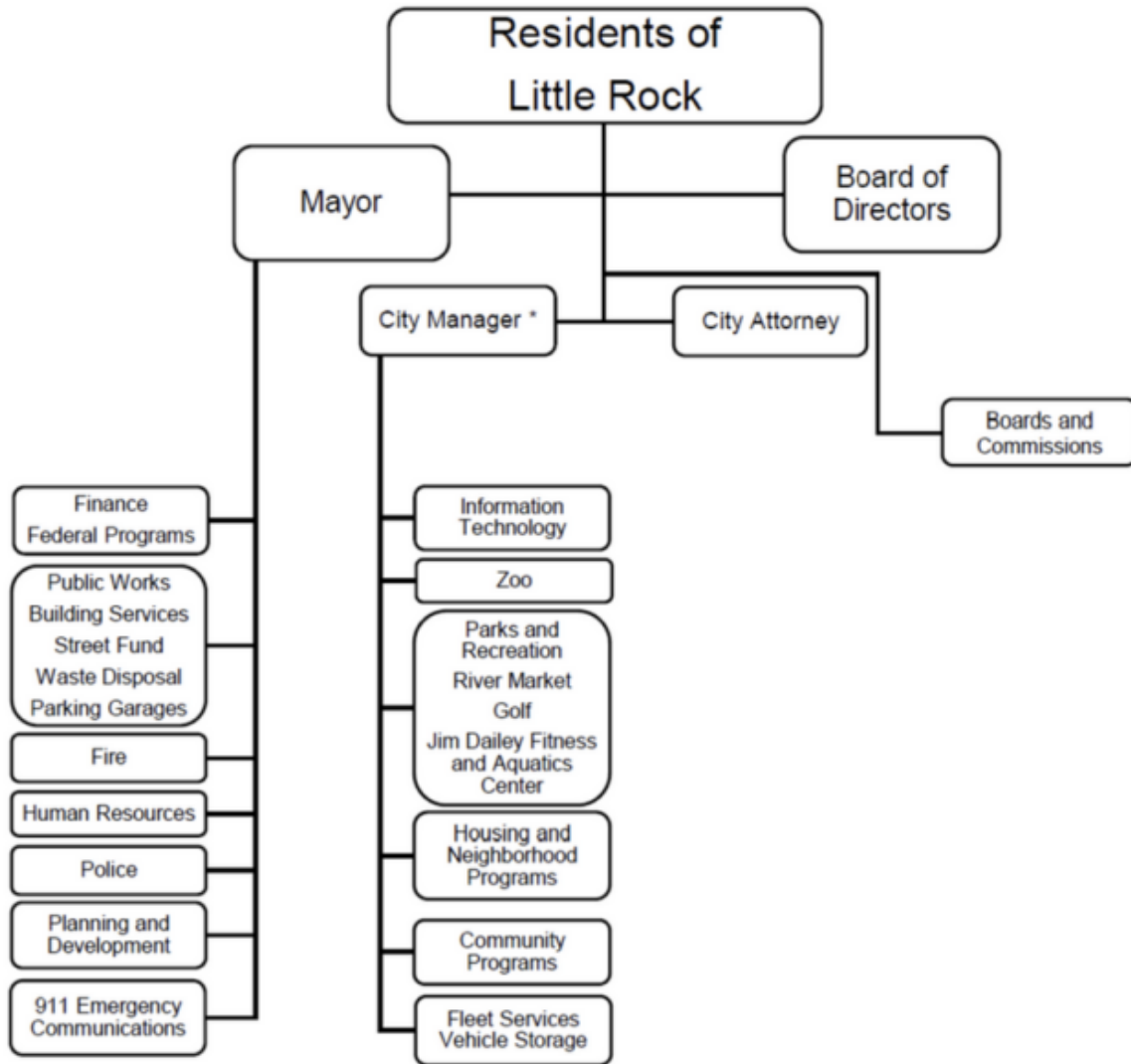
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

City Organizational Chart By Fund Responsibilities



***City Manager**

At the direction of the Mayor, the City Manager provides oversight to the departments of Finance, Police, Fire, 911 Emergency Communications, 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.	Mayor
Kathy Webb	Vice-Mayor, Director – Ward 3
Virgil Miller	Director – Ward 1
Ken Richardson	Director – Ward 2
Capi Peck	Director – Ward 4
Lance Hines	Director - Ward 5
Andrea Hogan Lewis	Director – Ward 6
B.J. Wyrick	Director – Ward 7
Dr. Dean Kumpuris	Director – Position 8
Antwan Phillips	Director – Position 9
Joan Adcock	Director – Position 10
Melanie Martin	District Court First Division Judge
Victor Fleming	District Court Second Division Judge
Mark Leverett	District Court Third Division Judge

Appointed Officials:

Emily Jordan Cox	Acting City Manager
Tom Carpenter	City Attorney

City of Little Rock Board of Directors



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, 2023 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, 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, 2023, 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 d/b/a Rock Region Metro, Museum of Discovery, Arkansas Museum of Fine Arts, Little Rock Advertising and Promotion Commission, and the Little Rock Ambulance Authority, which represent 24%, 28%, and 42%, of the assets and deferred outflows of resources, net position, and revenues, respectively, of the aggregate discretely presented component units as of December 31, 2023. 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, are 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 (*Government Auditing Standards*). 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* is 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024 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 Mazars, LLP

**Little Rock, Arkansas
October 31, 2024**

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City of Little Rock, Arkansas
Management's Discussion and Analysis
December 31, 2023
(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, 2023. 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

- Total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources at the close of 2023 by \$632,685,395. Of this amount, \$632,446,661 reflects the net investment in capital assets; \$163,834,666 is restricted for debt service, streets and drainage, grant funds, capital projects, 911 funds, and other special projects; \$250,000 is restricted nonexpendable; and \$(163,845,932) is an unrestricted deficit.
- The City's 2023 total net position increased by \$20,410,326. The City adopted GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements* (GASB 96) for the year ended December 31, 2023 which resulted in no adjustment to the beginning net position of governmental activities. Net position of the governmental activities increased \$16,020,136 and business-type activities increased \$4,390,190. The unrestricted deficit net position of the City's governmental activities increased \$14,593,970 to \$(179,042,508). The unrestricted net position of the City's business-type activities increased \$5,598,605 to \$15,196,576.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$268,743,230. The combined governmental funds balances increased \$17,208,141 from the prior year. The primary components of this change was the decrease in capital project funds of \$(13,895,334) primarily associated with spending the proceeds of the 2022 limited tax capital improvement bonds for the purpose of financing various capital improvements for the City and the Central Arkansas Library System, and the net increases in general fund balances of \$9,464,495, special revenue funds of \$11,137,066 and the increase of \$20,799,744 in the debt service funds primarily associated with the collection of property taxes for the repayment of the 2022 limited tax capital improvement bonds. The components of these changes will be discussed in detail in the Financial Analysis of the Government's Funds section. \$45,612,131 of the \$268,743,230 combined ending fund balances is considered unassigned at December 31, 2023, and \$185,521,302 is reported as restricted for capital improvements, debt service, streets and drainage infrastructure, grants, emergency 911, and special projects. In addition, \$2,781,460 of the governmental fund balances is nonspendable, primarily representing inventories and prepaid expenditures. The assigned portion of the fund balances is \$34,828,337. There is no committed fund balance for the year ended December 31, 2023.
- The general fund reported fund balances of \$92,571,975 at the end of the current year. Unassigned general fund balance was \$55,886,988, or 22% of total general fund expenditures (including transfers out). General fund balances increased \$9,464,495 for the year ended December 31, 2023.

- During the current year, the City's total debt increased by \$3,682,879, 2.0% above the prior year balance. The key factors in this increase was the issuance of a note payable of \$7,400,000, initiation of new subscription-based information technology arrangements of \$3,518,374, and the initiation of new leases of \$268,969, less principal payments of \$225,000 for general obligation bonds, \$2,275,000 for revenue bonds, \$2,329,987 for temporary notes, \$1,798,987 for leases, \$1,378,172 for subscription-based information technology arrangements, and the net amortization of issuance premiums and discounts of \$302,937.
- At the close of the current year, net position of fiduciary funds was \$143,161,849 held in trust for pensions (\$131,922,600) and other postemployment benefits (\$11,239,249). Total fiduciary net position held in trust increased by \$14,839,775 for the year ended December 31, 2023. The increase in net position is attributed to an increase in investment income of \$12,184,679, the payment of benefits to participants of \$8,265,188, and other participant transfers and administrative expenses of \$828,576, net of contributions to the funds in the amount of \$11,748,860. 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 increased \$113,070,515 to \$288,413,626 for Governmental Activities and \$1,375,404 for Business-Type Activities. The net pension liability of \$289,789,030 and the related net deferred outflows and inflows of resources of \$92,753,340 are discussed in detail in *Note 7* on pages 76-104 of this report. Pension expense increased \$33,306,237 to \$52,018,140, with \$51,517,109 associated with Governmental Activities and \$501,031 associated with Business-Type Activities.
- The City's net postemployment benefits other than pensions (OPEB) liability of \$24,497,707 and related net deferred outflows and inflows of resources of \$7,637,805 are discussed in detail in *Note 8* on pages 104-109 of this report. OPEB expense of \$3,922,251 is associated with Governmental Activities.
- At December 31, 2023 the City's discretely presented component units reported net position of \$1,253,990,078, an increase of \$65,032,014.

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 43.

The government-wide financial statements can be found on pages 24-26 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-five (25) 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 2022 capital improvement fund and related debt service fund, the street fund, the American Rescue Plan - state and local fiscal recovery fund (SLFRF), and the Grant Fund. Data from the other eighteen (18) 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 27-30 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 31-35 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 36-37 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 41-121 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 122 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 147-163 of this report.

Government-wide Financial Analysis

	Net Position				Total	
	Governmental Activities		Business-type Activities		2023	2022*
	2023	2022*	2023	2022*	2023	2022*
Assets						
Current assets	\$ 222,932,303	\$ 200,768,444	\$ 28,315,247	\$ 21,236,677	\$ 251,247,550	\$ 222,005,121
Noncurrent and other assets	181,063,890	185,586,178	5,400,694	5,467,529	186,464,584	191,053,707
Capital assets	673,851,005	659,140,340	25,026,811	26,937,168	698,877,816	686,077,508
Total assets	1,077,847,198	1,045,494,962	58,742,752	53,641,374	1,136,589,950	1,099,136,336
Deferred outflows of resources	125,697,095	72,572,387	1,031,693	1,444,366	126,728,788	74,016,753
Liabilities						
Long-term liabilities outstanding	513,296,262	390,585,136	3,563,378	2,752,908	516,859,640	393,338,044
Other liabilities	68,933,922	69,490,414	13,880,683	14,032,675	82,814,605	83,523,089
Total liabilities	582,230,184	460,075,550	17,444,061	16,785,583	599,674,245	476,861,133
Deferred inflows of resources	26,453,883	79,151,709	4,505,215	4,865,178	30,959,098	84,016,887
Net investment in capital and lease assets	611,243,139	607,353,621	21,203,522	22,496,039	632,446,661	629,849,660
Restricted - expendable	162,409,595	135,685,007	1,425,071	1,340,969	163,834,666	137,025,976
Restricted - nonexpendable	250,000	250,000	-	-	250,000	250,000
Unrestricted (deficit)	(179,042,508)	(164,448,538)	15,196,576	9,597,971	(163,845,932)	(154,850,567)
Total net position	\$ 594,860,226	\$ 578,840,090	\$ 37,825,169	\$ 33,434,979	\$ 632,685,395	\$ 612,275,069

* 2022 amounts have not been restated for the adoption of GASB 96, *Subscription-Based Information Technology Arrangements*.

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 \$632,685,395 at the close of the most recent fiscal year.

The largest portion of the City's net position, 99.96%, reflects its investment in capital and lease 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 residents; 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, 25.9%, represents resources subject to restrictions on how they may be used. The remaining unrestricted deficit net position of \$(163,845,932) represents (25.9)% of the City's net position.

The following table summarizes the City's operations for the fiscal year ended December 31, 2023, with comparative totals for the fiscal year ended December 31, 2022.

Revenues	Changes in Net Position				Total	
	Governmental Activities		Business-type Activities		2023	2022*
	2023	2022*	2023	2022*		
<i>Program revenues:</i>						
Charges for services	\$ 37,394,548	\$ 33,254,995	\$ 30,748,996	\$ 29,982,415	\$ 68,143,544	\$ 63,237,410
Operating grants and contributions	35,440,687	38,282,851	-	-	35,440,687	38,282,851
Capital grants and contributions	3,104,639	5,540,438	-	-	3,104,639	5,540,438
<i>General revenues:</i>						
Property taxes	71,007,524	67,315,382	-	-	71,007,524	67,315,382
Sales taxes	145,043,984	135,892,366	-	-	145,043,984	135,892,366
Utility franchise taxes	35,198,152	33,971,762	-	-	35,198,152	33,971,762
Grants and contributions not restricted to specific programs	8,521,875	4,619,172	-	-	8,521,875	4,619,172
Investment earnings (loss)	11,861,683	(6,929,856)	1,202,808	(496,033)	13,064,491	(7,425,889)
Total revenues	347,573,092	311,947,110	31,951,804	29,486,382	379,524,896	341,433,492
Expenses						
General government	75,533,259	60,770,407	-	-	75,533,259	60,770,407
Public Works	45,562,726	39,618,691	-	-	45,562,726	39,618,691
Parks and recreation	14,226,915	14,347,852	-	-	14,226,915	14,347,852
River Market	1,094,976	1,102,088	-	-	1,094,976	1,102,088
Golf	2,098,118	1,818,690	-	-	2,098,118	1,818,690
Jim Dailey Fitness	1,100,238	955,821	-	-	1,100,238	955,821
Zoo	9,202,827	8,706,384	-	-	9,202,827	8,706,384
Public safety	161,607,548	130,548,235	-	-	161,607,548	130,548,235
Economic development	2,453,222	200,000	-	-	2,453,222	200,000
Education	1,645,243	3,005,774	-	-	1,645,243	3,005,774
Housing and neighborhood programs	11,774,133	10,862,513	-	-	11,774,133	10,862,513
Fiscal charges on long-term debt	5,181,322	4,521,449	-	-	5,181,322	4,521,449
Waste disposal	-	-	22,985,284	22,714,914	22,985,284	22,714,914
Parking system	-	-	1,675,425	1,803,028	1,675,425	1,803,028
Fleet	1,327,538	84,945	-	-	1,327,538	84,945
Vehicle storage	-	-	1,645,796	1,450,998	1,645,796	1,450,998
Total expenses	332,808,065	276,542,849	26,306,505	25,968,940	359,114,570	302,511,789
Change in net position before transfers	14,765,027	35,404,261	5,645,299	3,517,442	20,410,326	38,921,703
Transfers	1,255,109	1,822,544	(1,255,109)	(1,822,544)	-	-
Change in net position	16,020,136	37,226,805	4,390,190	1,694,898	20,410,326	38,921,703
Net Position, Beginning of Year	578,840,090	541,613,285	33,434,979	31,740,081	612,275,069	573,353,366
Net position, End of Year	\$ 594,860,226	\$ 578,840,090	\$ 37,825,169	\$ 33,434,979	\$ 632,685,395	\$ 612,275,069

* 2022 amounts have not been restated for the adoption of GASB 96, *Subscription-Based Information Technology Arrangements*.

Governmental Activities. Governmental activities increased the City's net position in the current year by \$16,020,136. Property tax represents 20.4% of the City's 2023 revenue from governmental activities, excluding transfers in. Property tax revenues increased 5.5% from 2022 with an increase in assessed valuations. Sales tax represents 41.7% of the City's 2023 governmental revenue. Overall sales tax increased 6.7% in comparison to 2022 revenues primarily due to increased growth within the City and from increased prices from goods and services as a result of inflation. The hotel gross receipts tax which is included in sales taxes, decreased (14.2)% in 2023 compared to 2022 due to declining debt service. Charges for services, representing 10.8% of governmental revenues, increased 12.4% due to the Zoo, park related activities, fines and fees, and licenses and permits. Operating grants and contributions, including intergovernmental turnback revenues, representing 10.2% of revenue from governmental

activities in 2023, decreased (7.4)% from 2022. This decrease is related receiving less grant revenues in 2023 compared to 2022. Capital grants and contributions, representing 0.9% of governmental revenues, decreased approximately 44.0%, driven primarily by a decrease in private-developer street and rights-of-way contributions.

Excluding transfers in, current year expenses were 95.8% of current year revenues. An increase in the net OPEB liability of \$4,257,191 and a decrease in related deferred outflows of \$(1,513,688), net of a increase in deferred inflows of resources of \$628,801, resulted in a net decrease to net position of \$(2,114,702) associated with OPEB. Public Safety expenses increased by \$31,059,313 in 2023 compared to 2022 from increased personnel costs, salaries and benefits, including pension expenses which totaled \$9,068,861 in 2023 compared to pension expense of \$(18,038,225) in 2022 an increase of \$27,107,086. Additional increases in personnel costs and increased pension expenses contributed to the majority of the additional increase in year over year expenses.

Business-type Activities. Business-type activities increased the City's net position by \$4,390,190. Key elements of this increase are as follows:

Operating income increased net position by \$4,499,021. Net nonoperating expenses, including the net gain on disposal of capital assets, other income, the net investment loss, and interest expense, increased net position by \$1,146,278. Net transfers decreased net position by \$1,255,109.

- Waste Disposal operating income of \$2,796,578 plus net nonoperating revenues of \$594,308 less transfers out \$1,255,109, respectively, increased net position by \$2,135,777. Revenues are generated primarily by waste disposal and landfill services. Landfill revenues increased nearly 37% from 2022 due to increased usage at the landfill due to its affordable rates relative to other nearby landfills.
- River Market Garage operating income of \$1,123,105, plus net nonoperating revenues of \$468,770 increased net position by \$1,591,875. Expenses decreased in the River Market Garage fund by (7.1)% over the prior year due to a reduction in personnel costs of (27.0)% which was offset by an increase in service expenses of 18.1%. The primary component of net nonoperating revenues was investment income.
- Other nonmajor enterprise funds increased net position by \$662,538.

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 89.4% 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, 2023, the City's governmental funds reported combined ending fund balances of \$268,743,230, an increase of \$17,208,141 compared to the prior year. A total of \$185,521,302 is reported as *restricted fund balance* for capital projects or debt service. In addition, \$2,781,460 of the governmental fund balances is *nonspendable*, representing primarily inventories and prepaid

expenditures. The *assigned* portions of the fund balances is \$34,828,337. \$45,612,131 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, 2023, unassigned fund balance of the general fund was \$55,886,988, while the total fund balance was \$92,571,975. 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 22.3% of total General Fund expenditures (including transfers out), while total fund balance represents 36.9% of that same amount. The increase in general fund balances of \$9,464,495 is attributable to the implementation of GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* which increased fund balance by 3,518,374, net transfers in of \$1,870,720 for services provided to other funds and to fund capital projects, and the initiation of new leases of 215,125 . In addition, the City experienced strong growth in property tax, sales tax, and investment income in 2023 compared to 2022 which saw an investment loss as a result of the annual fair market value adjustment of investments as a result of the unprecedented increase in inflation rates to combat inflation by the Federal Reserve as discussed in *Governmental Activities* above.

The special revenue funds had total fund balances of \$43,368,312. There was a net increase in fund balances of \$839,236 in 2023. 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 the funding in advance and \$8,521,875 was recognized as revenue and expended during the year. The increase in street fund balance in 2023 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. Net changes and ending fund balances by fund are:

Special Revenue Funds	Net Change	Ending Balance
Street (major fund)	\$ 4,264,890	\$ 33,084,920
American Rescue Plan -SLFRF (major fund)	931,774	1,287,434
Special Projects	5,334,325	12,019,805
Emergency 911	1,190,935	5,069,802
Grant Fund (major fund)	(10,297,830)	(10,274,857)
CDBG	(40,324)	1,083,727
NHSP	(3,347)	14,899
HIPP	(541,187)	1,082,582
Total	\$ 839,236	\$ 43,368,312

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 significant decline in fund balance for the Grant Fund (major fund) is directly tied to the Tornado that the City experienced in March 2023. As a result of the tornado the City has expended funds for recovery efforts and is currently waiting for obligation of those funds from FEMA to reimburse the City for the expenditures.

The debt service funds had total fund balances of \$23,409,610. The increase in fund balances during 2023 was \$20,799,744. Revenues for debt service funds come from property tax, franchise fees, or sales tax set at the level necessary to meet debt service requirements. In 2023, dedicated property tax levies were utilized to pay the debt service for the 2022 Capital Improvement Bonds and the 2022 Central Arkansas Library Bonds. The City issued the Library Construction and Refunding Bonds, Series 2022 to fund new library improvements and to refund the outstanding balance on the 2015 Library Bonds. In December 2022, the City issued the 2022 Limited Tax Capital Improvement Bonds, Series 2022. New property tax levies were approved by voters to fund debt service on the 2022 issuances beginning in 2023. 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 2018 Hotel Gross Receipts Bonds debt service is funded by a 2% hotel gross receipts tax levy. The increase in fund balance is due to tax collections for both 2022 bond issues in 2023 exceeding debt service. Net changes and ending fund balances by fund are:

Debt Service Funds	Net Change	Ending Balance
2018 Capital Improvements	\$ 8,141	\$ 8,141
2015 Central Arkansas Library	(183,050)	323,002
TIF #1 2014 Capital Improvement	232,712	812,981
2017 Central Arkansas Library	(324,074)	251
2017 Capital Improvement	836,040	853,906
2018 Hotel Gross Receipts	564,835	1,269,406
2022 Library Construction and Refunding Bonds	5,420,941	5,897,724
2022 Capital Improvement Bonds (major fund)	14,244,199	14,244,199
Total	\$ 20,799,744	\$ 23,409,610

The capital project funds had total fund balances of \$109,393,333 at December 31, 2023. Fund balances decreased by a net of \$(13,895,334) during the year. The decrease in the Sales Tax Capital Improvement fund (major fund) reflects expenditures of sales tax receipts collected prior to 2022 from the dedicated 3/8-cent sales tax and investment income on approved capital projects. The 3/8-cent sales tax sunset on December 31, 2021 but expenditures on approved projects will continue until funds are exhausted. The decrease in the 2022 Capital Improvements Fund is associated with the beginning to spend the proceeds from the issuance of the Series 2022 A - \$53,510,000 and 2022 B (taxable) - \$5,050,000 Limited Tax Capital Improvement Bonds on December 21, 2022. Future bonds will be issued in two or more series to fund projects that include street and drainage improvements, fire apparatus, parks and recreation and zoo improvements, construction of a district courts facility, and Port Industrial Park improvements. The increase in the 2022 Library Capital Improvement Fund is due to investment income generated from the proceeds of the 2022 bond issue. The increases in the 2015 Central Arkansas Library Capital Improvement Fund and the 2018 Hotel Gross Receipts Tax Bond Fund are associated with investment income earned during the year. The decrease in the Capital Improvement Fund is 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. The decrease in the Port TIF Fund is related to expenditure of property taxes from the assessment area for improvements to the Port area that are carried out by the Little Rock Port Authority. The decrease in the Short-Term Financing fund reflects expenditures for various capital projects from the issuance of short-term note obligations. The net changes and ending fund balances for the capital project funds are:

Capital Improvement Funds	Net Change	Ending Balance
Sales Tax Capital Improvements (major fund)	\$ (8,260,188)	\$ 24,445,354
2022 Capital Improvements (major fund)	(3,007,441)	55,232,952
2022 Library Capital Improvements	48,550	25,600,119
Capital Improvements	(2,110,165)	2,228,813
2018 Hotel Gross Receipts Tax Bonds	478	9,465
Short-Term Financing	(540,422)	1,415,179
2015 Central Arkansas Library Capital Improvement	7,713	278,522
Port TIF	(33,859)	182,929
Total	\$ (13,895,334)	\$ 109,393,333

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 \$28,444,997, \$7,272,297, and \$2,107,875, for Waste Disposal, River Market Garage, and Vehicle Storage operations, respectively. Net position changed in the Waste Disposal Fund, River Market Garage Fund, and Vehicle Storage Fund by \$2,135,777, \$1,591,875, and \$662,538, 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 \$240,747,276 including transfers in and out. The final amended budget included increases in revenues, including transfers in, of \$6,941,876 and increases in total appropriations of \$3,480,357, resulting in a net increase to budgeted fund balances of \$3,461,519. The amendment included appropriations for special projects utilizing increases in general fund net position generated in 2022. During the year, there was one (1) budget amendment. The amendment, adopted on October 17, 2023 increased General Fund revenues by \$6,941,876. The revenue increases included \$5,453,114 for sales tax related to receipts that were above the adopted budget. The amendment also saw property taxes increase by \$188,845 due to higher valuations. The amendment also included adjustments to licenses and permits from increased business license and mixed drink revenue, increases related to additional charges for services at Golf and the Little Rock Zoo offset by reductions in revenues at River Market and Tennis. The amendment also included an increase of \$330,863 related to pension turnback funds that are passed through and corresponded with an increase of appropriations of the same amount for a net impact of \$0 on the General Fund. The amendment resulted in a net decrease in personnel costs of \$1,095,550 through adjustments for the Police Department and Fire Department as a result of utilizing American Rescue Plan Act (ARPA) funds to cover the personnel costs. Operating expenditures were increased by \$1,845,044 for increased risk management costs, increases for economic development efforts, zoo operations, 911 operating expenses, animal services operations, police and parks operations, and for financial software. The amendment increased transfers out for special projects by \$2,400,000 for food deserts (\$1,000,000), high vision cameras for city departments (\$1,000,000), the city's compensation study (\$300,000), and \$100,000 for legal and financial advisor services. The amendment also allocated the \$7,000,000 in the original adopted budget for vacancy savings to the departments of the general fund based on the savings achieved during the year.

Budget adjustments and actual results are shown as follows:

	General Fund Budget – Revenue					Explanation
	Original Budget	Adjustments	Amended Budget	Actual	Variance	
Property Taxes	\$ 35,094,607	\$ 519,708	\$ 35,614,315	\$ 36,110,954	\$ 496,639	The original budget for property tax revenues included a growth estimate of 8.1% compared to the 2022 adopted budget. The budget amendment included an increase of approximately 1.5% due to increased valuations and collections. Actual results were slightly above the amended budget.
Sales Taxes	134,318,006	5,453,114	139,771,120	142,611,135	2,840,015	The original budget included a 12.2% increase from the 2022 adopted budget. The 2023 adopted budget was basically flat from the 2022 amended budget. The budget amendment reflected actual results with continued sales tax growth in areas previously impacted by the Coronavirus Pandemic including merchandise sales, restaurant and food services, drinking establishments, and travel related areas. Inflation also contributed to the growth rate.
Licenses & Permits	13,064,400	262,205	13,326,605	13,615,340	288,735	The original budget assumed growth of approximately 4.6% for business licenses, mixed drink supplements, and building permits. The budget amendment was primarily attributed to stronger growth in business licenses and supplemental mixed drink licenses. This portion of license and permit revenues grew 6.6% from 2022.
Intergovernmental	10,020,799	-	10,020,799	10,679,834	659,035	Intergovernmental exceeded the budget by 6.6%. This revenue declined 20% from the 2022 due to not receiving a one-time increase in the turnback revenue attributed to a special one-time law enforcement stipend awarded to qualified officers from the State totaling approximately \$2.6 million in 2022.
Charges for Services	11,260,292	371,237	11,631,529	12,421,920	790,391	The adopted budget was flat from 2022. The budget amendment reflects a slight increase in golf revenues, a 10% increase in zoo revenues offset by declines in revenues at the River Market and Tennis. Actual results exceeded anticipated revenues for the Jim Dailey Fitness and Aquatics Center and Golf.
Fines & Fees	1,594,600	-	1,594,600	1,975,994	381,394	The 2023 adopted budget was a decline of 17.3% compared to the 2022 adopted budget. Actual traffic fine collections exceeded expectations at year end.
Utility Franchise Fees	32,404,050	-	32,404,050	32,836,685	432,635	The original budget was based on forecasts received directly from the utility service providers. Actual revenues were in line with the budget.

	General Fund Budget – Revenue					Explanation
	Original Budget	Adjustments	Amended Budget	Actual	Variance	
Interest Earnings	450,000	335,612	785,612	2,459,197	1,673,585	The budget amendment reflects the impact of higher interest rates on realized cash and investment interest earnings. The actual variance is attributed to amortizing the significant fair market value adjustment in 2022 in 2023 as a result of rising interest rates. The pooled cash investments are primarily in U.S. Agencies, Certificates of Deposit, and Municipal Bonds which are held to maturity.
Contributions	367,400	-	367,400	390,342	22,942	The budget reflects contributions from the Little Rock Convention and Visitor's Bureau (LRCVB) for operation of the River Market in a net cost sharing arrangement. The actual revenues came in line with budget.
Miscellaneous	608,296	-	608,296	1,181,330	573,034	The actual variance includes increased revenues from seized funds, reimbursements for housing and neighborhood programs, and court fees.
Initiation of leases	-	-	-	215,125	215,125	The variance is a result of new leases in 2023.
Initiation of subscription-based information technology arrangements	-	-	-	3,518,374	3,518,374	The variance is the result of new subscription-based information technology arrangements entered into 2023 as part of the new GASB 96 implementation.
Transfers In	1,564,826	-	1,564,826	2,064,720	499,894	The adopted budget includes transfers from other funds primarily associated with overhead. The actual variance is associated with the transfer of net position from the Fleet Fund to the General Fund Special Projects Fund to fund vehicle replacements.
Total General Fund Revenue	\$ 240,747,276	\$ 6,941,876	\$ 247,689,152	\$ 260,080,950	\$ 12,391,798	

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

	General Fund Budget – Expenditures					Explanation
	Original Budget	Adjustments	Final Budget	Actual	Variance Fav. (Unfav.)	
General Administration	\$ 27,800,363	\$ (1,212,243)	\$ 26,588,120	\$ 32,680,540	\$ (6,092,420)	The budget amendment is primarily associated with the allocation of vacation and sick leave payouts to other departments for separating employees and allocated vacancy savings. The expenditures are originally budgeted in General Administration and allocated to departments as incurred. The actual variance includes the settlement of a legal action approved by the Board in 2024 that originated in 2023 or prior years, \$2M for Port Supersite Infrastructure, and improvements associated with the Board of Directors Board Room Upgrades.
Board of Directors	348,179	-	348,179	374,234	(26,055)	Immaterial
Community Programs	329,603	(47,613)	281,990	5,331,736	(5,049,746)	The budget amendment is due to the allocation of vacancy savings. 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.
City Attorney	2,563,580	(130,039)	2,433,541	2,261,631	171,910	The budget amendment reflects savings from vacant positions (\$147,158), net of an allocation for vacation/sick payouts for separating employees (\$6,404). The actual variance is attributed to savings in personnel costs.
District court – first division (criminal)	1,415,686	(45,216)	1,370,470	1,339,344	31,126	The budget amendment reflects savings from vacant positions (\$81,641), net of an additional allocation for vacation/sick payouts for separating employees (\$35,743). The actual variance is attributed to savings in personnel cost, supplies, and contracted expenditures.
District court – second division (traffic)	1,355,459	(12,441)	1,343,018	1,288,954	54,064	The budget amendment reflects savings from vacant positions (\$25,542). The actual variance is attributed to savings in contracted expenditures, utilities, travel, and training.

District court – third division (environmental)	588,888	(18,217)	570,671	587,585	(16,914)	The budget amendment reflects savings from vacant positions (\$24,878), net of an additional allocation for vacation/sick payouts for separating employees (\$6,661). The variance is immaterial.
Finance	4,807,797	(105,806)	4,701,991	4,450,044	251,947	The budget amendment primarily reflects savings from vacant positions (\$351,462), net of an additional allocation for vacation/sick leave payouts for separating employees (\$62,323). The amendment also includes \$50,000 for recruiting services and \$100,000 for software. The actual variance is attributed to savings from personnel costs, supplies, and contracts.
Human resources	2,538,165	(63,427)	2,474,738	2,964,340	(489,602)	The budget amendment reflects savings from vacant positions (\$132,973), net of an additional allocation for vacation/sick leave payouts for separating employees (\$1,238). The actual variance is associated with special project expenditures for work boots, employee wellness activities, and the City's residency incentive which were budgeted as transfers out.
Information technology	7,963,217	(161,374)	7,801,843	5,746,600	2,055,243	The budget amendment reflects savings from vacant positions (\$224,343), net of an additional allocation for vacation/sick leave payouts for separating employees (\$54,029). The actual variance is related to the reallocation of subscription-based information technology arrangements to capital outlays related to GASB Statement No. 96.
Planning & development	3,412,745	(119,053)	3,293,692	3,517,803	(224,111)	The budget amendment reflects savings from vacant positions (\$188,205), net of an additional allocation of \$13,219 for vacation/sick leave payouts. The variance is a result of increased payouts for employees separating from the City.
Public works	1,140,917	-	1,140,917	1,691,090	(550,173)	The actual variance is primarily associated with special project expenditures for facility improvements and repairs. The special project expenditures totaled \$612,034 and were budgeted as transfers out.
Parks & recreation	11,109,841	(358,043)	10,751,798	10,773,614	(21,816)	The budget amendment reflects savings from vacant positions (\$668,281), net of an additional allocation for vacation/sick payouts for separating employees (\$76,769). In addition, \$140,000 was allocated to increase park maintenance, and \$65,595 for wifi and cable services. The actual variance is primarily attributed to special project expenditures for various youth sport programs, environmental youth, and 21st Century learning programs budgeted as transfers out.
Rivermarket	1,071,692	-	1,071,692	998,408	73,284	The actual expenditures were below budget due to additional salary and utility cost savings.
Golf	1,797,682	(45,385)	1,752,297	2,005,924	(253,627)	The budget amendment reflects savings from vacant positions (\$65,385). Additional \$20,000 was included for increased concession expenditures. The actual variance is primarily attributed to increased contract costs, utility costs, and supplies and materials.
Jim Dailey Fitness & Aquatics	890,419	(41,647)	848,772	996,013	(147,241)	The budget amendment reflects savings from vacant positions (\$58,905), net of an additional allocation for vacation/sick payouts (\$6,458). The actual variance is primarily due to increased part-time personnel costs.
Zoo	7,267,821	46,504	7,314,325	8,492,537	(1,178,212)	The budget amendment reflects the savings from vacant positions (\$211,682), partially offset by an additional allocation for vacation/sick payouts (\$31,266), and an increase of \$200,000 for operations. The actual variance is due to expenditure of special project funds set aside in a prior years that were not included in the operating budget and increased expenses for contracts and utility expenditures.

General Fund Budget – Expenditures (Continued)

	Original Budget	Adjustments	Amended Budget	Actual	Variance	Explanation
Fire	59,158,357	(108,309)	59,050,048	58,265,260	784,788	The budget amendment included additional allocation for fire pension contributions related to turnback funds (\$129,028), additional pension costs based on the rate of 24% compared to the budgeted rate of 23.5% (\$321,981), and vacation/sick leave payouts for separating employees (\$91,338), partially offset by vacancy savings of (\$94,231). In addition, the Fire budget was reduced related to personnel costs of \$548,991. The actual variance is attributed to allocated salaries to the American Rescue Plan Act (ARPA) of \$1 million.
Police	85,054,047	(2,623,619)	82,430,428	80,635,499	1,794,929	The budget amendment reflects savings from vacant positions (\$3,589,821), partially offset by additional allocations for vacation/sick payouts to separating employees (\$518,914), an increase to the closed Police pension plan contribution (\$201,835), and an additional allocation for personnel adjustments of (\$261,887 and \$60,052). The actual variance is primarily attributed to additional personnel cost savings due to vacant positions, the allocation of lease expenditures and subscription-based information technology arrangements.
911 operations	4,948,663	(745,493)	4,203,170	4,353,923	(150,753)	The budget amendment reflects savings from vacant positions (\$914,010), net of additional allocations for vacation/sick leave payouts for separating employees (\$21,042), and additional allocation of \$126,449 for operations. The actual variance is attributed to overtime expenses due to the vacant positions of the department.
Fleet	-	-	-	-	-	
Housing & neighborhood programs	6,636,656	(271,222)	6,365,434	7,100,190	(734,756)	The budget amendment reflects savings from vacant positions (\$496,615), partially offset by additional allocations for vacation/sick payouts for separating employees (\$36,033), an additional allocation for animal services (\$180,000), Willie Hinton Neighborhood Resource Center (\$115,000), and Homeless Services (\$32,750). The actual variance includes special project expenditures of \$970,451 for weed lot maintenance, land bank acquisition, and residential and commercial demolitions which were budgeted as transfers out, partially offset by savings in other operating expenditures.
Principal	2,329,987	-	2,329,987	5,501,149	(3,171,162)	The budget represents principal payments on temporary notes. The actual variance represents the principal portion of lease payments paid from the fleet replacement special project, budgeted as transfers out as well as operating leases, and principal payments for subscription-based information technology arrangements which correspond with the implementation of GASB Statement No. 96. These expenditures were budgeted within the departments responsible for the subscriptions.
Interest expense	92,537	-	92,537	281,263	(188,726)	The budget represents the interest expense paid on temporary notes. The actual variance represents the interest paid on vehicle leases paid from the fleet replacement special project, budgeted as transfers out, operating leases, and the interest associated with subscription-based information technology arrangements.

General Fund Budget – Expenditures (Continued)						Explanation
Original Budget	Adjustments	Final Budget	Actual	Variance Fav. (Unfav.)		
Capital outlay	63,325	143,000	206,325	8,784,774	(8,578,449)	The budget amendment reflects the reallocation of capital outlay expenditures from department operating budgets. The actual variance reflects special project capital expenditures (\$5.01 million) budgeted as transfers out or set aside in prior years for various capital projects. The expenditures also include \$3.5 million of expenditures for new subscription-based information technology arrangements and new leases in 2023.
Transfers Out	13,061,650	2,400,000	15,461,650	194,000	15,267,650	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 wishes to track separately, and often involve projects that extend beyond the current fiscal year. The budget amendment includes additional allocations of \$2.4 million for projects including Food Deserts (\$1 million), high vision cameras (\$1 million), compensation study (\$300,000), legal counsel and financial advisor services (\$100,000). 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. The actual transfers reflected include transfers to the Street fund for parking enforcement.
Vacancy Savings	(7,000,000)	7,000,000	-	-	-	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 2023.
Total General Fund Expenditures	\$ 240,747,276	\$ 3,480,357	\$ 244,227,633	\$ 250,616,455	\$ (6,388,822)	

Capital Assets and Debt Administration

Capital assets. The City’s investment in capital assets for governmental and business-type activities as of December 31, 2023, amounts to \$698,877,816 (net of accumulated depreciation and amortization). The investment in capital assets includes lease assets, subscription-based information technology arrangements, 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 2023 is \$12,676,191, or 1.8% (an increase of 2.23% for governmental activities and a decrease of (7.1)% for business-type activities).

City of Little Rock
Capital Assets, Net of Accumulated Depreciation and Amortization

	Governmental Activities		Business-type activities		Total	
	2023	2022*	2023	2022*	2023	2022*
Lease assets	\$ 3,271,802	\$ 4,842,318	\$ 34,628	\$ -	\$ 3,306,430	\$ 4,842,318
Subscription-based information technology arrangements	2,835,935	-	-	-	2,835,935	-
Land	192,876,572	192,015,392	2,637,147	2,637,147	195,513,719	194,652,539
Buildings	78,133,400	79,645,068	13,914,627	14,253,805	92,048,027	93,898,873
Improvements other than buildings	5,796,970	6,926,946	1,117,723	1,941,115	6,914,693	8,868,061
Vehicles and equipment	22,726,797	12,709,915	5,592,218	6,686,199	28,319,015	19,396,114
Infrastructure	310,304,457	318,682,596	-	-	310,304,457	318,682,596
Construction in progress	57,905,072	44,318,105	1,730,468	1,543,019	59,635,540	45,861,124
Total	\$ 673,851,005	\$ 659,140,340	\$ 25,026,811	\$ 27,061,285	\$ 698,877,816	\$ 686,201,625

* 2022 amounts have not been restated for the adoption of GASB 96, *Subscription-Based Information Technology Arrangements*.

Major capital asset events during 2023 included the following:

- Infrastructure additions were \$7,696,597
- Vehicle and equipment additions were \$16,477,382
- Land and Rights-of-Way additions were \$861,180
- Construction in progress additions, net of transfers for assets placed in service, cancelled projects or items that did not meet the capitalization threshold upon completion, increased \$13,774,416
- New leases and subscription-based information technology arrangements were \$3,787,345
- Depreciation and amortization expense totaled \$29,410,011
- Asset retirements, net of accumulated depreciation, were \$6,709,149

Additional information on the City's capital assets can be found in *Note 4* on pages 63-66 of this report.

Long-term Debt. At December 31, 2023, the City's primary government had \$164,295,487 of long-term debt outstanding, including general obligation bonds of \$100,250,000, notes payable of \$12,165,543, leases of \$3,357,060, subscription-based information technology arrangement of \$2,642,884 and \$45,880,000 of bonds, secured solely by specified revenue sources (*i.e.*, revenue bonds). In addition, net issuance premiums and issuance discounts totaled \$2,080,695.

City of Little Rock
Long-term Debt

	Governmental Activities		Business-type activities		Total	
	2023	2022*	2023	2022*	2023	2022*
General obligation bonds	\$ 100,250,000	\$ 100,475,000	\$ -	\$ -	\$ 100,250,000	\$ 100,475,000
Revenue bonds	42,085,000	43,705,000	3,795,000	4,450,000	45,880,000	48,155,000
Notes payable	12,165,543	7,095,530	-	-	12,165,543	7,095,530
Subscription-based information technology arrangements	2,642,884	-	-	-	2,642,884	-
Leases	3,322,339	4,887,078	34,721	-	3,357,060	4,887,078
Total	\$ 160,465,766	\$ 156,162,608	\$ 3,829,721	\$ 4,450,000	\$ 164,295,487	\$ 160,612,608

* 2022 amounts have not been restated for the adoption of GASB 96, *Subscription-Based Information Technology Arrangements*.

Total long-term debt outstanding at December 31, 2023, increased \$3,682,879, an increase of 2.3%. The increase was attributable to a new note payable of \$7,400,000 for the acquisition of 103 police vehicles, the initiation of new leases and subscription-based information technology arrangements of \$268,969 and \$3,518,374, respectively. The net increase is offset by decreases from bonded debt retirements of \$2,500,000, principal payments on short-term financing notes in the amount of \$2,329,987, principal payments on leases of \$1,798,987, and principal payments on subscription-based information technology arrangements of \$1,378,172.

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>		
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
2022 Limited Tax Capital Improvement Bonds	Aa1	AA
2022 Library Construction and Refunding Bonds	Not Rated	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 bonds noted were retired in 2022. The 2015 Library Bonds were refunded by the issuance of the 2022 Library Construction and Refunding Bonds.

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, 2023, of \$144,422,127 net of premiums and discounts are well below the statutory limit of \$1,140,098,357. 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 at December 31, 2023, of \$15,487,882 are well below the statutory limit of \$285,024,589. 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. In 2022, 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 67-73 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 2024 budget, adopted on December 5, 2023. As a result, the 2024 General Fund original adopted budget is \$257,510,221, reflecting an increase of 7.0% from the original 2023 adopted budget. Sales tax revenue is expected to increase from around \$134 million for 2023 to \$143.3 million for 2024, which allows us to keep up with the growing needs of our City, adding additional funding for public safety, facility improvements, vehicle and equipment replacement, and technology upgrades.

Little Rock came together after the devastating tornado on March 31, 2023 – a tornado that destroyed hundreds of structures and impacted about 3,000 structures. We are rebuilding more quickly than many would expect. Merchants like Kroger, restaurants, and our neighborhood gathering places have rebuilt and reopened. We are investing in the restoration of our parks, and we continue to relax burdensome regulations and waive fees so that homeowners can get back on their feet quickly.

The City of Little Rock is committed to holding ourselves accountable to performance metrics that show our residents exactly how their city works for them. Accordingly, ROCKportfolio has been introduced, which is a progress portfolio of the citywide data strategy. A component of ROCKportfolio is the Little Rock City Wallet which is our very own open checkbook showing city employee salaries, contracts, financials, etc. – transparency at work.

Financial management and stewardship are important at City Hall. The City is proud of the balanced budget our City Board continues to pass each year; despite multiple crises the City has had to navigate. The City continues to identify ways to cut costs and invest back in our residents. The City Board voted to proceed with a solar development project that will green City operations while reducing electricity costs. The City will harness the power of solar energy to provide approximately 70 percent of the electricity for City operations. The City anticipates that this project will lower the City's electricity costs by \$1 million dollars annually and \$27 million over 20 years.

Comparable cities experiencing the progress and prosperity we want to see in Little Rock have leveraged sales tax initiatives to spark their growth. It's time to bolster our already strong public safety spending with new technology and replacements to aging police and fire fleets. It's time to land the super site at the Port of Little Rock. The City of Little Rock has already invested 30 million dollars for land acquisition and infrastructure since 2019. From that, we have generated approximately 831 million dollars in capital investment for our community. The time is now to talk to voters about a potential sales tax measure focused on Public Safety, Parks, Public Infrastructure, and the Port.

The Little Rock regional economy has stabilized in the aftermath of Covid-19, in line with national trends. Job growth has surpassed its pre-Covid peak. 2023 saw local job growth above the national average. By late 2023, the Little Rock metropolitan area had nearly 389,000 jobs, compared to the previous peak of about 382,400. Little Rock's unemployment has climbed to around 3.6%, still lower than the U.S. average of 3.7%. Interest rate hikes during 2022 and early 2023 has slowed the economy down only slightly while Inflation declined to about 3.1% annually by the end of 2023.

It is anticipated that economic growth will slow somewhat in 2024 with a decrease in the rate of sales tax growth but still above historical averages and thereby revenues in 2024 will be slightly more than 2023. Expected interest rate cuts in 2024, along with Little Rock's comparative economic diversity and low unemployment should continue to create stable revenue trends across all city funds.

As a City, we must continue to invest in efforts to recruit businesses to add new jobs and industries to our community. We've been committed to all areas of Little Rock with an equity-driven approach to our policies and programs. This year, we have allocated \$1.5 million for a downtown master plan to ensure that we are strategic and intentional about reimagining our City's core. We've made and kept promises when it comes to commercial development that enhances the quality of life for our residents. In the first quarter of 2023, Main Event opened its doors, as did Topgolf with its newest location near I-430 and Colonel Glenn Road. It is expected to bring even more retail development to that growing corridor of West Little Rock. In addition to supporting our local businesses, we will continue recruiting companies to Little Rock, adding to our total of more than 9,000 jobs since I took office in 2019.

On December 21, 2022, the City issued the first series of Capital Improvement bonds approved by voters at a Special Election held on August 9, 2022. There were 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. Voters also approved the pledge of a 3.0 mill ad valorem tax levy to the bonds.

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 2023 budget, the City recognized the need to continue its pattern of cost containment designed to promote long-term fiscal stability.

The City continues to focus on recovery from the pandemic and the March 31, 2023 tornado, utilizing funds received from the American Rescue Plan and assistance from FEMA, while keeping up with population growth to maintain current levels of service to our residents. City officials are encouraged by economic development in all sectors of the City. For additional discussion see the letter of transmittal in the introductory section of this report on pages *v-xiv*.

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 300, Little Rock, Arkansas 72201.

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Financial Statements

City of Little Rock, Arkansas
Statement of Net Position
December 31, 2023

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and cash equivalents	\$ 21,168,081	\$ 2,461,094	\$ 23,629,175	\$ 98,499,657
Investments	55,702,899	20,216,417	75,919,316	146,636,383
Restricted cash and investments - current	16,716,401	785,568	17,501,969	5,395,573
Receivables, net				
Accounts receivable	124,879,248	4,391,093	129,270,341	67,711,753
Lease receivable	61,373	187,249	248,622	2,879,364
Interest Receivable - current	-	-	-	292,661
Due from fiduciary funds	41,500	-	41,500	-
Inventories	1,285,389	-	1,285,389	2,423,946
Prepaid expenses and other	3,077,412	273,826	3,351,238	5,935,412
	<u>222,932,303</u>	<u>28,315,247</u>	<u>251,247,550</u>	<u>329,774,749</u>
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	14,417,043	-	14,417,043	23,150,678
Investments	181,729,439	1,510,133	183,239,572	84,616,365
Grants and other receivables	-	-	-	3,380,160
Interest receivable	896,293	137,714	1,034,007	58,452
Less amount required to meet current obligations	<u>(16,716,401)</u>	<u>(785,568)</u>	<u>(17,501,969)</u>	<u>(3,297,234)</u>
Total restricted assets	<u>180,326,374</u>	<u>862,279</u>	<u>181,188,653</u>	<u>107,908,421</u>
Lease receivable - due in more than one year	737,516	4,538,415	5,275,931	50,236,859
Capital assets, net				
Lease assets, net	3,271,802	34,628	3,306,430	15,462,255
Nondepreciable	250,781,644	4,367,615	255,149,259	230,487,364
Capital assets - depreciable, net	416,961,624	20,624,568	437,586,192	1,114,509,082
Subscription assets, net	2,835,935	-	2,835,935	1,081,460
Total capital assets, net	<u>673,851,005</u>	<u>25,026,811</u>	<u>698,877,816</u>	<u>1,361,540,161</u>
Other assets				
Other	-	-	-	1,356,440
Total other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,356,440</u>
Total noncurrent assets	<u>854,914,895</u>	<u>30,427,505</u>	<u>885,342,400</u>	<u>1,521,041,881</u>
Total assets	<u>1,077,847,198</u>	<u>58,742,752</u>	<u>1,136,589,950</u>	<u>1,850,816,630</u>
Deferred Outflows of Resources				
Deferred outflows from pensions	113,664,533	1,031,693	114,696,226	6,872,749
Deferred outflows from OPEB	11,457,261	-	11,457,261	3,136,433
Loss on refunding	575,301	-	575,301	10,087,340
Total deferred outflows of resources	<u>125,697,095</u>	<u>1,031,693</u>	<u>126,728,788</u>	<u>20,096,522</u>
Total assets and deferred outflows of resources	<u>\$ 1,203,544,293</u>	<u>\$ 59,774,445</u>	<u>\$ 1,263,318,738</u>	<u>\$ 1,870,913,152</u>

See Notes to Financial Statements

City of Little Rock, Arkansas

Statement of Net Position

December 31, 2023

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities, Deferred Inflows of Resources and Net Position				
Current liabilities				
Accounts payable	\$ 11,510,979	\$ 1,597,438	\$ 13,108,417	\$ 9,975,834
Accrued wages payable and related liabilities	14,372,600	-	14,372,600	5,885,432
Retainage payable	372,207	-	372,207	-
Accrued expenses and other	1,655,866	113,233	1,769,099	14,003,735
Accrued interest payable	858,007	100,669	958,676	3,204,662
Compensated absences - current portion	23,010,503	636,909	23,647,412	2,986,633
Notes payable - current portion	3,740,323	-	3,740,323	-
Lease liability - current portion	1,497,143	12,510	1,509,653	3,180,850
Subscription Liability - Current	1,570,927	-	1,570,927	207,143
Bonds payable - current portion	9,050,000	685,000	9,735,000	16,349,851
Other current liabilities	10,983,056	-	10,983,056	-
Unearned revenue	29,741,913	417,619	30,159,532	2,129,112
Total current liabilities	<u>108,363,524</u>	<u>3,563,378</u>	<u>111,926,902</u>	<u>57,923,252</u>
Noncurrent liabilities				
Notes payable	8,425,220	-	8,425,220	11,500,000
Lease liability	1,825,196	22,211	1,847,407	361,093
Subscription Liability	1,071,957	-	1,071,957	74,408
Bonds payable, net of unamortized premium and discount	135,372,127	3,103,568	138,475,695	463,316,436
Net pension liability	288,413,626	1,375,404	289,789,030	21,102,825
Net OPEB liability	24,497,707	-	24,497,707	6,607,750
Compensated absences	13,695,618	228,521	13,924,139	592,686
Other long-term liabilities	565,209	9,150,979	9,716,188	105,102
Total noncurrent liabilities	<u>473,866,660</u>	<u>13,880,683</u>	<u>487,747,343</u>	<u>503,660,300</u>
Total liabilities	<u>582,230,184</u>	<u>17,444,061</u>	<u>599,674,245</u>	<u>561,583,552</u>
Deferred Inflows of Resources				
Deferred inflows from pensions	21,875,983	66,903	21,942,886	839,996
Deferred inflows from OPEB	3,819,456	-	3,819,456	2,613,019
Deferred inflows from leases	758,444	4,438,312	5,196,756	51,886,507
Total deferred inflows of resources	<u>26,453,883</u>	<u>4,505,215</u>	<u>30,959,098</u>	<u>55,339,522</u>
Net Position				
Net investment in capital and lease assets	611,243,139	21,203,522	632,446,661	852,588,763
Restricted - expendable				
Debt service	48,955,129	1,425,071	50,380,200	5,112,988
Grant funds (special revenue funds)	3,468,642	-	3,468,642	1,532,921
Street funds (special revenue funds)	41,284,988	-	41,284,988	-
Special projects (special revenue funds)	11,769,805	-	11,769,805	-
Capital projects (portion not in net investment in capital assets)	25,982,588	-	25,982,588	11,970,113
911 funds	5,069,802	-	5,069,802	-
Library capital projects	25,878,641	-	25,878,641	-
Library materials	-	-	-	5,998,764
Art Fund	-	-	-	21,177,712
Cemetery maintenance	-	-	-	2,608,398
Total restricted - expendable	<u>162,409,595</u>	<u>1,425,071</u>	<u>163,834,666</u>	<u>48,400,896</u>
Other restricted	-	-	-	4,396,210
Restricted - nonexpendable	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>18,606,977</u>
Unrestricted (deficit)	<u>(179,042,508)</u>	<u>15,196,576</u>	<u>(163,845,932)</u>	<u>329,997,232</u>
Total net position	<u>594,860,226</u>	<u>37,825,169</u>	<u>632,685,395</u>	<u>1,253,990,078</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,203,544,293</u>	<u>\$ 59,774,445</u>	<u>\$ 1,263,318,738</u>	<u>\$ 1,870,913,152</u>

See Notes to Financial Statements

City of Little Rock, Arkansas

Statement of Activities

Year Ended December 31, 2023

Functions/Programs	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		Total	
					Governmental Activities	Business-Type Activities		
Primary Government								
Governmental Activities								
General administration	\$ 43,413,693	\$ 12,513,782	\$ 8,514,745	\$ 95,902	\$ (22,289,264)	\$ -	\$ (22,289,264)	\$ -
Board of Directors	374,234	-	-	-	(374,234)	-	(374,234)	-
Community programs	6,513,298	29,612	1,057,990	-	(5,425,696)	-	(5,425,696)	-
City attorney	2,261,631	-	-	-	(2,261,631)	-	(2,261,631)	-
Courts	3,244,200	1,767,236	-	-	(1,476,964)	-	(1,476,964)	-
Finance	4,778,167	78,599	-	-	(4,699,568)	-	(4,699,568)	-
Human resources	3,034,907	224,407	48,671	-	(2,761,829)	-	(2,761,829)	-
Information technology	7,707,834	(1,961)	139,500	93,642	(7,476,653)	-	(7,476,653)	-
Planning and development	4,205,295	2,646,551	135,888	45,524	(1,377,332)	-	(1,377,332)	-
Public works	45,562,726	309,617	18,074,352	1,012,320	(26,166,437)	-	(26,166,437)	-
Parks and recreation services	14,226,915	1,358,855	(465,817)	103,673	(13,230,204)	-	(13,230,204)	-
Rivermarket	1,094,976	287,941	365,459	-	(441,576)	-	(441,576)	-
Golf	2,098,118	1,396,329	-	-	(701,789)	-	(701,789)	-
Jim Dailey Fitness	1,100,238	412,731	-	-	(687,507)	-	(687,507)	-
Zoo	9,202,827	3,547,904	54,501	87,030	(5,513,392)	-	(5,513,392)	-
Fire	66,855,184	6,482,474	898,485	1,103,413	(58,370,812)	-	(58,370,812)	-
Police	90,039,080	1,594,042	3,157,915	525,170	(84,761,953)	-	(84,761,953)	-
911 operations	4,713,284	3,100,451	-	-	(1,612,833)	-	(1,612,833)	-
Fleet	1,327,538	1,111,163	-	22,762	(193,613)	-	(193,613)	-
Economic development	2,453,222	-	-	-	(2,453,222)	-	(2,453,222)	-
Education	1,645,243	-	-	-	(1,645,243)	-	(1,645,243)	-
Housing and neighborhood programs	11,774,133	534,815	3,458,998	15,203	(7,765,117)	-	(7,765,117)	-
Fiscal charges on long term debt	5,181,322	-	-	-	(5,181,322)	-	(5,181,322)	-
Total governmental activities	332,808,065	37,394,548	35,440,687	3,104,639	(256,868,191)	-	(256,868,191)	-
Business-Type Activities								
Waste disposal	22,985,284	25,976,307	-	-	-	2,991,023	2,991,023	-
River Market Garage	1,675,425	2,547,937	-	-	-	872,512	872,512	-
Vehicle storage	1,645,796	2,224,752	-	-	-	578,956	578,956	-
Total business-type activities	26,306,505	30,748,996	-	-	-	4,442,491	4,442,491	-
Total primary government	\$ 359,114,570	\$ 68,143,544	\$ 35,440,687	\$ 3,104,639	\$ (256,868,191)	\$ 4,442,491	\$ (252,425,700)	\$ -
Total component units	\$ 267,216,844	\$ 97,404,503	\$ 162,595,932	\$ 18,864,760	\$ -	\$ -	\$ -	\$ 11,648,351
General revenues								
General property taxes					71,007,524	-	71,007,524	24,418,743
Sales taxes					145,043,984	-	145,043,984	1,135,748
Utility franchise taxes					35,198,152	-	35,198,152	-
Grants and contributions not restricted to specific programs					8,521,875	-	8,521,875	-
Investment income					11,861,683	1,202,808	13,064,491	17,365,407
Other					-	-	-	10,463,765
Transfers					1,255,109	(1,255,109)	-	-
Total general revenues and transfers					272,888,327	(52,301)	272,836,026	53,383,663
Change in Net Position					16,020,136	4,390,190	20,410,326	65,032,014
Net Position, beginning of year					578,840,090	33,434,979	612,275,069	1,188,958,064
Net Position, end of year					\$ 594,860,226	\$ 37,825,169	\$ 632,685,395	\$ 1,253,990,078

See Notes to Financial Statements

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City of Little Rock, Arkansas

Balance Sheet

Governmental Funds

December 31, 2023

	General	Sales Tax Capital Improvements	2022 Capital Improvements	2022 Capital Improvements - Debt Service	Street	American Rescue Plan - SLFRF	Grant Fund	Other Governmental Funds	Total
Assets									
Cash and cash equivalents	\$ 8,129,230	\$ 2,389,101	\$ -	\$ 13,015,413	\$ 2,787,643	\$ 3,579,737	\$ 1,954,479	\$ 3,668,462	\$ 35,524,065
Restricted cash	-	-	-	-	-	-	-	37,425	37,425
Investments	58,016,141	23,076,284	55,587,163	-	26,921,440	19,974,476	-	53,633,390	237,208,894
Accounts receivable, net	77,550,783	-	-	18,335,104	11,724,614	5,511	7,150,961	10,091,783	124,858,756
Lease receivable	798,889	-	-	-	-	-	-	-	798,889
Due from other funds	17,235,462	-	-	-	-	-	-	-	17,235,462
Due from fiduciary funds	41,500	-	-	-	-	-	-	-	41,500
Interest receivable	282,825	97,690	-	-	113,967	236,956	-	163,909	895,347
Inventories	15,608	-	-	-	-	-	-	586,100	601,708
Prepaid expenditures and other	1,841,042	-	-	-	20,669	-	-	68,041	1,929,752
Total assets	\$ 163,911,480	\$ 25,563,075	\$ 55,587,163	\$ 31,350,517	\$ 41,568,333	\$ 23,796,680	\$ 9,105,440	\$ 68,249,110	\$ 419,131,798
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 5,485,621	\$ 765,872	\$ 354,211	\$ -	\$ 283,345	\$ 1,479,805	\$ 918,832	\$ 1,312,456	\$ 10,600,142
Due to other funds	-	-	-	-	-	418,968	16,649,990	166,504	17,235,462
Accrued wages payable and related liabilities	14,372,600	-	-	-	-	-	-	-	14,372,600
Retainage payable	20,358	351,849	-	-	-	-	-	-	372,207
Accrued expenditures and other	1,655,866	-	-	-	-	-	-	-	1,655,866
Unearned revenue	7,285,462	-	-	-	-	20,610,473	1,811,475	34,503	29,741,913
Total liabilities	28,819,907	1,117,721	354,211	-	283,345	22,509,246	19,380,297	1,513,463	73,978,190
Deferred Inflows of Resources									
Unavailable revenues - property taxes	40,251,802	-	-	17,106,318	8,200,068	-	-	8,584,394	74,142,582
Unavailable revenues - traffic fines	1,509,352	-	-	-	-	-	-	-	1,509,352
Deferred inflows from leases	758,444	-	-	-	-	-	-	-	758,444
Total deferred inflows of resources	42,519,598	-	-	17,106,318	8,200,068	-	-	8,584,394	76,410,378
Fund Balances									
Nonspendable	1,856,650	-	-	-	20,669	-	-	904,141	2,781,460
Restricted	-	24,445,354	55,232,952	14,244,199	33,064,251	1,287,434	-	57,247,112	185,521,302
Assigned	34,828,337	-	-	-	-	-	-	-	34,828,337
Unassigned	55,886,988	-	-	-	-	-	(10,274,857)	-	45,612,131
Total fund balances	92,571,975	24,445,354	55,232,952	14,244,199	33,084,920	1,287,434	(10,274,857)	58,151,253	268,743,230
Total liabilities, deferred inflows of resources and fund balances	\$ 163,911,480	\$ 25,563,075	\$ 55,587,163	\$ 31,350,517	\$ 41,568,333	\$ 23,796,680	\$ 9,105,440	\$ 68,249,110	\$ 419,131,798

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, 2023

Total fund balance - governmental funds	\$ 268,743,230
Amounts reported for governmental 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.	664,127,953
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,271,802
Subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,835,935
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	(142,335,000)
Bond issuance premiums	(2,087,127)
Notes payable	(12,165,543)
Leases	(3,322,339)
Subscription-based information technology arrangements	(2,642,884)
Accrued interest payable	(858,007)
Net pension liability	(287,496,691)
Deferred inflows and outflows of resources from pensions, OPEB, and deferred loss on refunding, net	99,358,463
Net OPEB liability	(24,497,707)
Workers' compensation liability	(565,209)
Accrued compensated absences	(36,070,552)
Property tax pension liability	(10,983,056)
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.	3,895,024
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>75,651,934</u>
Net position of governmental activities	<u><u>\$ 594,860,226</u></u>

City of Little Rock, Arkansas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2023

	General	Sales Tax Capital Improvements	2022 Capital Improvements	2022 Capital Improvements - Debt Service	Street	American Rescue Plan - SLFRF	Grant Fund	Other Governmental Funds	Total
Revenues									
General property taxes	\$ 36,110,954	\$ -	\$ -	\$ 15,544,414	\$ 7,465,457	\$ -	\$ -	\$ 7,477,332	\$ 66,598,157
Sales taxes	142,611,135	-	-	-	-	-	-	2,432,849	145,043,984
Licenses and permits	13,615,340	-	-	-	14,690	-	-	83,421	13,713,451
Intergovernmental	10,679,834	-	-	-	17,031,397	8,521,875	4,965,968	3,327,281	44,526,355
Charges for services	12,421,920	-	-	-	40,970	-	-	2,125,204	14,588,094
Fines and fees	1,975,994	-	-	-	-	-	-	710,439	2,686,433
Utility franchise taxes	32,836,685	-	-	-	-	-	-	2,361,467	35,198,152
Investment income	2,459,197	2,071,569	2,645,773	176,573	1,251,808	1,124,962	12,514	1,875,226	11,617,622
Contributions and donations	390,342	-	-	-	-	-	150,787	827,921	1,369,050
Miscellaneous	1,181,330	-	-	-	139,218	-	125,307	6,619,723	8,065,578
Total revenues	254,282,731	2,071,569	2,645,773	15,720,987	25,943,540	9,646,837	5,254,576	27,840,863	343,406,876
Expenditures									
General government									
General administration	32,680,540	-	2,188,222	-	-	339,060	4,033,002	786,912	40,027,736
Board of Directors	374,234	-	-	-	-	-	-	-	374,234
Community programs	5,331,736	-	-	-	-	697,033	484,529	-	6,513,298
City attorney	2,261,631	-	-	-	-	-	-	-	2,261,631
District court - first division (criminal)	1,339,344	-	-	-	-	-	-	1,133	1,340,477
District court - second division (traffic)	1,288,954	-	-	-	-	-	-	13,031	1,301,985
District court - third division (environment)	587,585	-	-	-	-	-	-	657	588,242
Finance	4,450,044	-	-	-	-	304,178	-	-	4,754,222
Human resources	2,964,340	-	-	-	-	-	-	70,291	3,034,631
Information technology	5,746,600	313,289	-	-	-	257,052	139,500	-	6,456,441
Planning and development	3,517,803	-	-	-	-	394,730	105,527	121,427	4,139,487
Total general government	60,542,811	313,289	2,188,222	-	-	1,992,053	4,762,558	993,451	70,792,384
Public works									
Parks and recreation services	1,691,090	821,310	8,334	-	20,282,804	150,417	5,988,761	33,197	28,975,913
Rivermarket	10,773,614	181,045	-	-	-	3,741	566,898	698,608	12,223,906
Golf	998,408	-	-	-	-	-	-	-	998,408
Jim Dailey Fitness	2,005,924	-	-	-	-	-	-	-	2,005,924
Zoo	996,013	-	-	-	-	-	-	-	996,013
Fire	8,492,537	123,634	-	-	-	-	2,354	-	8,618,525
Police	58,265,260	-	-	-	-	1,141,145	380,885	634,255	60,421,545
911 operations	80,635,499	30,078	-	-	-	799,324	1,697,854	229,591	83,392,346
Housing and neighborhood programs	4,353,923	-	-	-	-	-	-	360,891	4,714,814
Fleet	7,100,190	-	-	-	-	302,873	220,254	3,925,440	11,548,757
Economic development	-	-	-	-	-	-	-	6,595	6,595
Education	-	-	-	-	-	-	-	265,000	265,000
Debt service	-	-	-	-	-	-	-	1,645,243	1,645,243
Principal	5,501,149	-	-	-	2,148	-	-	1,845,000	7,348,297
Fiscal charges on long term debt	281,263	-	-	1,476,788	346	-	-	3,300,945	5,059,342
Capital Outlay	8,784,774	8,862,401	3,456,658	-	1,155,412	4,325,510	1,932,842	11,434,405	39,952,002
Total expenditures	250,422,455	10,331,757	5,653,214	1,476,788	21,440,710	8,715,063	15,552,406	25,372,621	338,965,014
Excess (Deficiency) of Revenues Over Expenditures	3,860,276	(8,260,188)	(3,007,441)	14,244,199	4,502,830	931,774	(10,297,830)	2,468,242	4,441,862
Other Financing Sources (Uses)									
Initiation of leases	215,125	-	-	-	15,277	-	-	-	230,402
Proceeds from long-term debt	-	-	-	-	-	-	-	7,400,000	7,400,000
Initiation of subscription-based information technology arrangements	3,518,374	-	-	-	-	-	-	-	3,518,374
Transfers in	2,064,720	-	-	-	284,000	-	-	512,107	2,860,827
Transfers out	(194,000)	-	-	-	(537,217)	-	-	(512,107)	(1,243,324)
Total other financing sources (uses)	5,604,219	-	-	-	(237,940)	-	-	7,400,000	12,766,279
Net Change in Fund Balances	9,464,495	(8,260,188)	(3,007,441)	14,244,199	4,264,890	931,774	(10,297,830)	9,868,242	17,208,141
Fund Balances, Beginning of Year, Previously Stated	83,107,480	32,705,542	58,240,393	-	28,820,030	355,660	-	48,305,984	251,535,089
Change in reporting entity	-	-	-	-	-	-	22,973	(22,973)	-
Fund Balances, Beginning of Year, As Restated	83,107,480	32,705,542	58,240,393	-	28,820,030	355,660	22,973	48,283,011	251,535,089
Fund Balances, End of Year	\$ 92,571,975	\$ 24,445,354	\$ 55,232,952	\$ 14,244,199	\$ 33,084,920	\$ 1,287,434	\$ (10,274,857)	\$ 58,151,253	\$ 268,743,230

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, 2023

Net change in fund balances - total governmental funds \$ 17,208,141

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	36,203,226
Capital outlay - lease assets	230,402
Capital outlay - subscription-based information technology arrangements	3,518,374
Capital asset contributions	3,104,639
Capital asset additions from non capital outlay expenditures	3,494,465
Retirements	(6,665,430)
Depreciation expense	(23,376,264)
Amortization of lease assets	(1,800,918)
Amortization of subscription-based information technology arrangements	(1,185,121)

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:

Notes Payable	(7,400,000)
Leases	(230,402)
Subscription-based information technology arrangements	(3,518,374)

Principal repayments:

General obligation bonds	225,000
Revenue bonds	1,620,000
Notes payable	2,329,987
Amortization of bond premium	305,376
Amortization of deferred loss on refunding	(116,516)
Leases obligation	1,795,139
Subscription-based information technology arrangements	1,378,172

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. 4,454,615

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. (943,952)

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. (1,664,803)

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. (11,761,073)

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. (1,184,547)

Change in net position of governmental activities \$ 16,020,136

City of Little Rock, Arkansas
Statement of Net Position
Proprietary Funds
December 31, 2023

	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	\$ 1,489,678	\$ 745,391	\$ 226,025	\$ 2,461,094	\$ 23,634
Investments	14,375,729	3,662,827	2,177,861	20,216,417	223,444
Restricted cash and investments - current	-	785,568	-	785,568	-
Receivables, net					
Accounts receivable	4,159,773	231,320	-	4,391,093	20,492
Lease receivable	-	187,249	-	187,249	-
Accrued interest	-	52,131	-	52,131	-
Inventories	-	-	-	-	683,681
Prepaid expenses and other	127,722	146,104	-	273,826	1,147,660
	20,152,902	5,810,590	2,403,886	28,367,378	2,098,911
Total current assets					
Noncurrent assets					
Restricted assets					
Investments	-	1,510,133	-	1,510,133	-
Accrued interest	60,857	15,506	9,220	85,583	946
Less amount required to meet current obligation	-	(785,568)	-	(785,568)	-
	60,857	740,071	9,220	810,148	946
Total restricted assets					
Lease receivable - due in more than one year	-	4,538,415	-	4,538,415	-
Capital assets					
Construction in progress	1,682,303	-	48,165	1,730,468	1,008,069
Land	1,814,495	822,652	-	2,637,147	270,154
Land improvements	4,164,120	-	174,802	4,338,922	-
Landfills cells	18,672,293	-	-	18,672,293	-
Buildings and improvements	12,794,250	8,715,040	31,043	21,540,333	3,893,358
Vehicles	19,752,021	-	61,965	19,813,986	1,402,796
Furniture and equipment	5,111,840	244,552	81,765	5,438,157	1,606,186
Lease assets	-	-	38,569	38,569	-
Less accumulated depreciation and amortization	(44,075,828)	(4,772,291)	(334,945)	(49,183,064)	(4,565,248)
	19,915,494	5,009,953	101,364	25,026,811	3,615,315
Net capital assets					
Total noncurrent assets	19,976,351	10,288,439	110,584	30,375,374	3,616,261
Total assets	40,129,253	16,099,029	2,514,470	58,742,752	5,715,172
Deferred Outflows of resources					
Deferred outflows from pensions	917,060	-	114,633	1,031,693	687,795
Total deferred outflows of resources	917,060	-	114,633	1,031,693	687,795
Total assets and deferred outflows of resources	\$ 41,046,313	\$ 16,099,029	\$ 2,629,103	\$ 59,774,445	\$ 6,402,967

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Net Position
Proprietary Funds
December 31, 2023

	<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	\$ 1,306,453	\$ 159,008	\$ 131,977	\$ 1,597,438	\$ 910,837
Accrued expenses and other	113,233	-	-	113,233	-
Accrued interest	-	100,567	102	100,669	-
Compensated absences - current portion	566,008	-	70,901	636,909	446,942
Bonds payable - current portion	-	685,000	-	685,000	-
Unearned revenue	-	340,277	77,342	417,619	-
Total current liabilities	<u>1,985,694</u>	<u>1,284,852</u>	<u>280,322</u>	<u>3,550,868</u>	<u>1,357,779</u>
Noncurrent liabilities					
Bonds payable, net of unamortized premium and discount	-	3,103,568	-	3,103,568	-
Net pension liability	1,222,581	-	152,823	1,375,404	916,935
Compensated absences	182,592	-	45,929	228,521	188,627
Lease liability	-	-	34,721	34,721	-
Other long-term liabilities	9,150,979	-	-	9,150,979	-
Total noncurrent liabilities	<u>10,556,152</u>	<u>3,103,568</u>	<u>233,473</u>	<u>13,893,193</u>	<u>1,105,562</u>
Total liabilities	<u>12,541,846</u>	<u>4,388,420</u>	<u>513,795</u>	<u>17,444,061</u>	<u>2,463,341</u>
Deferred Inflows of Resources					
Deferred inflows from pensions	59,470	-	7,433	66,903	44,602
Deferred inflows from leases	-	4,438,312	-	4,438,312	-
Total deferred inflows of resources	<u>59,470</u>	<u>4,438,312</u>	<u>7,433</u>	<u>4,505,215</u>	<u>44,602</u>
Net Position					
Net investment in capital assets	19,915,494	1,221,385	66,643	21,203,522	3,615,315
Restricted - expendable					
Debt service	-	1,425,071	-	1,425,071	-
Unrestricted	8,529,503	4,625,841	2,041,232	15,196,576	279,709
Total net position	<u>28,444,997</u>	<u>7,272,297</u>	<u>2,107,875</u>	<u>37,825,169</u>	<u>3,895,024</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 41,046,313</u>	<u>\$ 16,099,029</u>	<u>\$ 2,629,103</u>	<u>\$ 59,774,445</u>	<u>\$ 6,402,967</u>

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2023

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)	Total	
Operating Revenues					
Charges for services	\$ 25,781,862	\$ 2,203,916	\$ 2,212,099	\$ 30,197,877	\$ 14,466,918
Licenses and permits	-	344,021	12,653	356,674	-
Total operating revenues	<u>25,781,862</u>	<u>2,547,937</u>	<u>2,224,752</u>	<u>30,554,551</u>	<u>14,466,918</u>
Operating Expenses					
Salaries, wages, and employee benefits	8,564,539	437,908	790,869	9,793,316	4,026,405
Supplies and materials	1,439,683	19,425	39,662	1,498,770	6,723,376
Services	6,272,421	563,593	767,836	7,603,850	4,025,291
Repairs and maintenance	4,073,058	98,721	41,313	4,213,092	571,219
Other	-	85,000	634	85,634	-
Depreciation and amortization	2,635,583	220,185	5,100	2,860,868	186,841
Total operating expenses	<u>22,985,284</u>	<u>1,424,832</u>	<u>1,645,414</u>	<u>26,055,530</u>	<u>15,533,132</u>
Operating Income (Loss)	<u>2,796,578</u>	<u>1,123,105</u>	<u>579,338</u>	<u>4,499,021</u>	<u>(1,066,214)</u>
Nonoperating Revenues (Expenses)					
Investment income	399,863	719,363	83,582	1,202,808	244,061
Interest expense	-	(220,767)	(382)	(221,149)	-
Gain on disposal of capital assets	194,194	-	-	194,194	-
Other, net	251	(29,826)	-	(29,575)	-
Net nonoperating revenues (expenses)	<u>594,308</u>	<u>468,770</u>	<u>83,200</u>	<u>1,146,278</u>	<u>244,061</u>
Income Before Contributions and Transfers	<u>3,390,886</u>	<u>1,591,875</u>	<u>662,538</u>	<u>5,645,299</u>	<u>(822,153)</u>
Transfers Out	<u>(1,255,109)</u>	<u>-</u>	<u>-</u>	<u>(1,255,109)</u>	<u>(362,394)</u>
	<u>(1,255,109)</u>	<u>-</u>	<u>-</u>	<u>(1,255,109)</u>	<u>(362,394)</u>
Changes in Net Position	<u>2,135,777</u>	<u>1,591,875</u>	<u>662,538</u>	<u>4,390,190</u>	<u>(1,184,547)</u>
Net Position, beginning of year	<u>26,309,220</u>	<u>5,680,422</u>	<u>1,445,337</u>	<u>33,434,979</u>	<u>5,079,571</u>
Net Position, end of year	<u>\$ 28,444,997</u>	<u>\$ 7,272,297</u>	<u>\$ 2,107,875</u>	<u>\$ 37,825,169</u>	<u>\$ 3,895,024</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, 2023

	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	\$ 25,542,734	\$ 2,596,177	\$ 2,076,074	\$ 30,214,985	\$ -
Receipts from interfund services provided	-	-	-	-	14,463,865
Payments to employees	(8,418,041)	-	(752,387)	(9,170,428)	(3,875,139)
Payments to suppliers	(10,133,878)	(1,092,745)	(767,474)	(11,994,097)	(12,392,992)
Net cash provided by (used in) operating activities	6,990,815	1,503,432	556,213	9,050,460	(1,804,266)
Cash Flows From Noncapital Financing Activities					
Transfers to other funds	(1,255,109)	-	-	(1,255,109)	(362,394)
Net cash used in noncapital financing activities	(1,255,109)	-	-	(1,255,109)	(362,394)
Cash Flows From Capital and Related Financing Activities					
Proceeds from the sale of capital assets	1,421,626	-	-	1,421,626	-
Lease interest income	-	280,851	-	280,851	-
Purchase of capital assets	(2,098,064)	-	(44,907)	(2,142,971)	(871,453)
Principal paid on long-term debt	-	(655,000)	-	(655,000)	-
Interest paid on long-term debt	-	(265,348)	(280)	(265,628)	-
Net cash used in capital and related financing activities	(676,438)	(639,497)	(45,187)	(1,361,122)	(871,453)
Cash Flows From Investing Activities					
Proceeds from sale of investments	491,010	385,797	278,355	1,155,162	2,511,534
Purchase of investments	(6,579,569)	(1,676,424)	(996,776)	(9,252,769)	(102,267)
Investment income	1,056,601	581,139	183,643	1,821,383	261,240
Net cash provided by (used in) investing activities	(5,031,958)	(709,488)	(534,778)	(6,276,224)	2,670,507
Increase (Decrease) in Cash and Cash Equivalents	27,310	154,447	(23,752)	158,005	(367,606)
Cash and Cash Equivalents, Beginning of Year	1,462,368	590,944	249,777	2,303,089	391,240
Cash and Cash Equivalents, End of Year	\$ 1,489,678	\$ 745,391	\$ 226,025	\$ 2,461,094	\$ 23,634
Presented on the Statement of Net Position - Proprietary Funds as Follows:					
Current assets					
Cash and cash equivalents	\$ 1,489,678	\$ 745,391	\$ 226,025	\$ 2,461,094	\$ 23,634
	\$ 1,489,678	\$ 745,391	\$ 226,025	\$ 2,461,094	\$ 23,634

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended December 31, 2023

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)	Total	
Reconciliation of Operating Income to Net Cash Provided By Operating Activities					
Operating income (loss)	\$ 2,796,578	\$ 1,123,105	\$ 579,338	\$ 4,499,021	\$ (1,066,214)
Adjustment to reconcile operating income to net cash provided by (used in) operating activities					
Depreciation and amortization expense	2,635,583	220,185	5,100	2,860,868	186,841
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:					
Accounts receivable, net	(239,128)	370,195	-	131,067	(3,053)
Lease receivable	-	174,344	-	174,344	-
Prepaid expenses and other	17,439	21,601	-	39,040	(1,113,071)
Inventories	-	-	-	-	(146,819)
Deferred outflows of resources	366,821	-	45,852	412,673	275,117
Accounts payable	815,773	(84,043)	81,971	813,701	186,784
Accrued expenses and other	818,072	-	-	818,072	-
Compensated absences	92,478	-	31,731	124,209	110,749
Unearned revenue	-	1,621	(148,678)	(147,057)	-
Net pension liability	(280,458)	-	(35,057)	(315,515)	(210,343)
Deferred inflows of resources - pensions	(32,343)	-	(4,044)	(36,387)	(24,257)
Deferred inflows of resources - leases	-	(323,576)	-	(323,576)	-
	<u>\$ 6,990,815</u>	<u>\$ 1,503,432</u>	<u>\$ 556,213</u>	<u>\$ 9,050,460</u>	<u>\$ (1,804,266)</u>
Noncash investing and financing activities					
Decrease in fair value of investments	<u>\$ (692,592)</u>	<u>\$ (176,467)</u>	<u>\$ (104,925)</u>	<u>\$ (973,984)</u>	<u>\$ (10,765)</u>

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
Assets		
Cash and cash equivalents	\$ 10,474,405	\$ 106,321
Investments		
U.S. Government obligations	17,899,182	-
Equities	70,411,809	-
Mutual funds and other investments	44,142,018	-
Receivables		
Accounts receivable	81,630	-
Accrued interest and dividends	194,305	-
	<u>\$ 143,203,349</u>	<u>\$ 106,321</u>
Liabilities		
Accounts payable	\$ -	\$ 72,536
Due to primary government	41,500	-
Accrued liabilities	-	33,785
	<u>41,500</u>	<u>106,321</u>
Net Position		
Net position restricted for pensions	131,922,600	-
Net position restricted for other postemployment benefits	11,239,249	-
	<u>\$ 143,161,849</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, 2023

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
Additions		
Contributions		
Employer	\$ 7,402,319	\$ -
Plan Members	3,763,047	-
Other	583,494	2,858,452
	11,748,860	2,858,452
Total contributions		
Investment Earnings		
Net increase (decrease) in fair value of investments	8,539,693	-
Realized gain (loss) on sale of investments	115,803	-
Interest and dividends	4,047,100	7,978
	12,702,596	7,978
Less investment expense	517,917	-
	12,184,679	7,978
Net investment income		
Total additions	23,933,539	2,866,430
Deductions		
Benefits paid directly to participants	8,265,188	-
Distributions to other governments	601,580	2,866,430
Administrative expenses	226,893	-
Other	103	-
	9,093,764	2,866,430
Total deductions		
Change in Net Position	14,839,775	-
Net Position, Beginning of Year	128,322,074	-
Net Position, End of Year	\$ 143,161,849	\$ -

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Net Position
Discretely Presented Component Units
December 31, 2023

	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	\$ 19,210,345	\$ 26,859,162	\$ 52,430,150	\$ 98,499,657
Investments	54,337,147	30,995,905	61,303,331	146,636,383
Restricted cash and investments - current	3,297,234	-	2,098,339	5,395,573
Accounts receivable, net of allowance	8,012,252	6,293,359	53,406,142	67,711,753
Accrued interest receivable	17,733	141,660	133,268	292,661
Inventories	1,319,186	-	1,104,760	2,423,946
Lease receivable - current	-	1,914,243	965,121	2,879,364
Prepaid expenses and other	2,090,379	929,384	2,915,649	5,935,412
Total current assets	88,284,276	67,133,713	174,356,760	329,774,749
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	7,430,356	11,463,011	4,257,311	23,150,678
Investments	7,005,715	65,955,178	11,655,472	84,616,365
Grants and other receivables	-	507,102	-	507,102
Interest receivable	-	-	58,452	58,452
	14,436,071	77,925,291	15,971,235	108,332,597
Less amounts required to meet current obligations	3,297,234	-	-	3,297,234
Total restricted assets	11,138,837	77,925,291	15,971,235	105,035,363
Notes receivable	-	2,873,058	-	2,873,058
Lease receivable	-	46,360,862	3,875,997	50,236,859
Capital assets				
Lease assets	-	-	15,462,255	15,462,255
Land	5,434,140	68,476,486	38,657,560	112,568,186
Construction in progress	78,009,054	24,865,085	15,045,039	117,919,178
Buildings, improvements, and other facilities	692,726,799	523,243,779	488,965,354	1,704,935,932
Vehicles	-	2,182,056	72,563,428	74,745,484
Furniture and equipment	96,537,069	29,502,998	69,486,133	195,526,200
Subscription assets	523,479	-	557,981	1,081,460
Books/AV material	-	-	30,130,617	30,130,617
Other	-	-	547,267	547,267
	873,230,541	648,270,404	731,415,634	2,251,835,119
Less accumulated depreciation and amortization	283,285,102	314,621,071	293,470,245	891,376,418
Net capital assets	589,945,439	333,649,333	437,945,389	1,360,458,701
Other assets	-	-	1,356,440	1,356,440
Total other assets	-	-	1,356,440	1,356,440
Total noncurrent assets	601,084,276	460,808,544	459,149,061	1,521,041,881
Total assets	689,368,552	527,942,257	633,505,821	1,850,816,630
Deferred Outflows of Resources				
Loss on refunding	10,087,340	-	-	10,087,340
Deferred outflows from pensions	5,550,859	-	1,321,890	6,872,749
Deferred outflows from OPEB	3,136,433	-	-	3,136,433
Total deferred outflows of resources	18,774,632	-	1,321,890	20,096,522
Total assets and deferred outflows of resources	\$ 708,143,184	\$ 527,942,257	\$ 634,827,711	\$ 1,870,913,152

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Net Position
Discretely Presented Component Units
December 31, 2023

	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	\$ 35,235	\$ 5,084,405	\$ 4,856,194	\$ 9,975,834
Accrued wages payable and related liabilities	605,865	1,814,938	3,464,629	5,885,432
Accrued interest payable	1,963,336	-	1,241,326	3,204,662
Subscription liability	130,834	-	76,309	207,143
Leases payable	-	-	3,180,850	3,180,850
Bonds payable	14,145,535	-	2,204,316	16,349,851
Notes payable	-	-	-	-
Compensated absences	1,282,579	-	1,704,054	2,986,633
Unearned revenue	-	558,284	1,570,828	2,129,112
Accrued expenses and other	6,588,937	42,445	7,372,353	14,003,735
Total current liabilities	24,752,321	7,500,072	25,670,859	57,923,252
Noncurrent Liabilities				
Leases payable	-	-	361,093	361,093
Subscription liability	-	-	74,408	74,408
Bonds payable, net of unamortized premium and discount	399,556,124	-	63,760,312	463,316,436
Notes payable	-	-	11,500,000	11,500,000
Net pension liability	19,405,717	-	1,697,108	21,102,825
Total OPEB liability	6,607,750	-	-	6,607,750
Other long-term liabilities	-	-	105,102	105,102
Compensated absences	-	-	592,686	592,686
Total noncurrent liabilities	425,569,591	-	78,090,709	503,660,300
Total liabilities	450,321,912	7,500,072	103,761,568	561,583,552
Deferred Inflows of Resources				
Deferred inflows from pensions	676,650	-	163,346	839,996
Deferred inflows from leases	-	47,148,622	4,737,885	51,886,507
Deferred inflows from OPEB	2,613,019	-	-	2,613,019
Total deferred inflows of resources	3,289,669	47,148,622	4,901,231	55,339,522
Net Position				
Net investment in capital assets	182,427,260	330,437,070	339,724,433	852,588,763
Restricted - expendable	5,112,988	11,970,113	35,714,005	52,797,106
Restricted - nonexpendable	-	-	18,606,977	18,606,977
Unrestricted	66,991,355	130,886,380	132,119,497	329,997,232
Total net position	254,531,603	473,293,563	526,164,912	1,253,990,078
Total liabilities, deferred inflows of resources and net position	\$ 708,143,184	\$ 527,942,257	\$ 634,827,711	\$ 1,870,913,152

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Activities
Discretely Presented Component units
Year Ended December 31, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	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	Total
Governmental Activities								
Other component units	\$ 34,251,759	\$ 1,202,278	\$ 6,912,221	\$ -	\$ -	\$ -	\$ (26,137,260)	\$ (26,137,260)
Total governmental activities	34,251,759	1,202,278	6,912,221	-	-	-	(26,137,260)	(26,137,260)
Business-type Activities								
Little Rock Water Reclamation Authority	65,918,023	68,509,861	1,127,488	1,765,455	5,484,781	-	-	5,484,781
Bill and Hillary Clinton National Airport	47,103,951	40,179,772	9,171,318	17,099,305	-	19,346,444	-	19,346,444
Other component units	119,943,111	56,413,720	78,002,532	-	-	-	14,473,141	14,473,141
Total business-type activities	232,965,085	165,103,353	88,301,338	18,864,760	5,484,781	19,346,444	14,473,141	39,304,366
Total component units	\$ 267,216,844	\$ 166,305,631	\$ 95,213,559	\$ 18,864,760	\$ 5,484,781	\$ 19,346,444	\$ (11,664,119)	\$ 13,167,106
General revenues								
General property taxes					-	-	24,418,743	24,418,743
Sales taxes					-	-	1,135,748	1,135,748
Investment income					2,885,094	5,941,193	8,539,120	17,365,407
Other					(391,267)	3,362,167	5,974,110	8,945,010
Total general revenues					2,493,827	9,303,360	40,067,721	51,864,908
Changes in Net Position					7,978,608	28,649,804	28,403,602	65,032,014
Net Position, Beginning of Year					246,552,995	444,643,759	497,761,310	1,188,958,064
Net Position, End of Year					\$ 254,531,603	\$ 473,293,563	\$ 526,164,912	\$ 1,253,990,078

See Notes to Financial Statements

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2023

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 2023.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2023

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 d/b/a Rock Region Metro (RRM) – RRM, which provides public transportation services to the greater metropolitan area, annually receives an operating subsidy from the City equal to 71% of the operating deficit. The City’s contributions to RRM 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 RRM. Therefore, the city has included RRM 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.

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, 2023

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

Rock Region Metro
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 Statement No. 84, *Fiduciary Activities* and GASB Statement No. 14, *The Financial Reporting Entity*, as amended.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2023

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 capital sales tax sunset on December 31, 2021.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2023

The *2022 Capital Improvements Fund (capital projects fund)*, designated as a major fund, accounts for the issuance of limited tax capital improvement bonds for the purpose of financing various capital improvements for the City.

The *2022 Capital Improvements Fund (debt service fund)* accounts for the accumulation of resources for the payment of principal and interest on the 2022 limited tax general obligation debt of the City.

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 (special revenue 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 *Grant Fund (special revenue fund)* accounts for grant funds received for various programs. These monies are expended to satisfy purposes as outlined by each federal program.

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.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2023

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

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2023

met all eligibility requirements. Amounts paid before all eligibility requirements have been met are reported as prepaid items.

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. Capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under leases, subscription-based information technology arrangements, public-public partnerships and contracts payables 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.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2023

Investments and Investment Income

All of the City's investments are carried at fair value. Fair value of collateralized mortgage obligations is estimated using a published pricing service.

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.

Leases

Lessee: The City is a lessee for noncancellable leases of buildings, equipment, vehicles, and land. The City recognizes a lease liability and an intangible right of use asset in the government-wide financial statements and the nonmajor enterprise fund (vehicle storage). The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right of use lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2023

reasonably certain to be extended (or not terminated).

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor: The City is a lessor for noncancellable leases of property. The City's general fund and the City's River Market Garage fund recognize a lease receivable and deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The City amortization of the lease receivable and the recognition of the related interest revenue of each financing arrangement is determined using the effective interest method. The lease term includes the noncancellable period of the lease. Any payments received are allocated first to the interest receivable and then to the lease receivable. Deferred inflows of resources are recognized as inflows of resources (revenue) coinciding with the reduction in lease receivables determined by the effective interest method. Interest income resulting from the lease financing arrangements is presented in investment income in the government-wide Statement of Activities, the Statement of Revenues, Expenditures and Changes in Fund Balances for governmental funds, and Statement of Revenues, Expenses and Changes in Net Position for proprietary funds.

The City monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2023

Depreciation and amortization expense is charged directly to the department/function based on the department that utilizes the related asset. Lease, public-public partnership, and subscription-based information technology arrangements assets are amortized over the life of the associated contract.

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.

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.

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.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2023

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 assets 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 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 assets 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 and OPEB. This consists of the difference between the expected and actual experience related to the pension and OPEB plans, assumption changes, and the net investment-proportion changes. These amounts are amortized over future periods to pension and OPEB expense as shown within *Notes 7 & 8*.

Deferred inflows related to lessor leases are described above under *Leases*.

Public-private partnership (PPP) amounts are recognized upon the contribution of improvements to the underlying PPP asset made by the operator in the PPP to the City. The deferred inflow of resources is recorded in an amount equal to the value of the contributed improvements at the time of the contribution. The inflow of resources is recognized in a systematic and rational manner over the term of the PPP

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 and lease assets consists of capital assets and lease assets, net of accumulated depreciation and amortization 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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2023

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, 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.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2023

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, 2023, the Board's established amount of the reserve is \$13,100,000, 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.

Pension Plan Descriptions

The City participates in seven 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 two agent-multiple employer defined benefit pension plan. In addition, the City sponsors two defined contribution pension plans. The pension plans are described and illustrated in detail in *Note 7*.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

Change in Reporting Entity

During 2023, the Grant Fund met the requirements to be reported as a major fund of the City. This change resulted in the following changes:

	Grant Fund (new major fund)	Nonmajor governmental	Total
Fund Balance, Beginning of Year - Previously Stated	\$ -	\$ 48,305,984	\$ 48,305,984
Change in Reporting Entity	22,973	(22,973)	-
Fund Balance, Beginning of Year - Restated	\$ 22,973	\$ 48,283,011	\$ 48,305,984

Adoption of Accounting Principle

The City adopted Governmental Accounting Standards Board (GASB) Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*, for the year ended December 31, 2023. Fiscal year 2023 beginning net position of governmental activities has not changed to reflect the addition of \$502,682 in subscription-based information technology arrangement assets as these assets are offset by a subscription-based information technology liability of \$502,682. The adoption of GASB 96 resulted in changes in the presentation of the financial statements and related disclosures in the notes to the financial statements. The City's primary government reported subscription-based information technology arrangement assets, net of accumulated amortization of \$2,835,935 and a subscription-based information technology arrangement liability of \$2,642,884 associated with subscription-based information technology arrangements at December 31, 2023.

The City adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, for the year ended December 31, 2023. The primary objective of this Statement is to improve the financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provide guidance for accounting and financial reporting for availability payment arrangements (APAs). The implementation of this accounting standard had no impact on the City's financial statements of the City, although Note 1 to the financial statements has been updated for this new accounting standard.

The City adopted those portions of GASB Statement No. 99, *Omnibus 2022*, applicable for the year ended December 31, 2023. This Statement establishes accounting and financial reporting requirements for specific issues related to derivative instruments, leases, public-private and public-public partnerships, subscription-based information technology arrangements (SBITAs), LIBOR usage extension, disclosures for nonmonetary transactions, pledging of revenues, government-wide financial statement focus. The implementation of this accounting standard did not have an impact on the City's financial statements.

The City early adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*, for the year ended December 31, 2023. The implementation of this accounting standard resulted in an additional note disclosure during the year as a result of moving the Grant Fund from a nonmajor governmental fund to a major governmental fund as previously shown in this Note 1.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2023

The City early adopted GASB Statement No. 101, *Compensated Absences*, for the year ended December 31, 2023. The implementation of this accounting standards did not impact the financial statements, but did impact the notes to the financial statements, Note 1 and Note 5, and the disclosures applicable to the standard which have been updated based on the contents of the statement.

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, 2023:

Statement No.		Adoption Required in Fiscal Year
99	<i>Omnibus 2022</i>	2024
102	<i>Certain Risk Disclosures</i>	2025
103	<i>Financial Reporting Model Improvements</i>	2026

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, 2023

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, 2023, 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, 2023

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, 2023, the City had the following investments and maturities, including cash and investments reported in fiduciary funds:

Primary Government					
Type	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More than 10
Real Estate funds	\$ 7,855,260	\$ 7,855,260	\$ -	\$ -	\$ -
U.S. Treasury obligations	24,089,555	766,758	23,322,797		
U.S. Agencies obligations	154,567,341	34,502,667	120,064,674		
Fixed income funds	16,973,000	16,973,000	-	-	-
Mutual funds	620,937	620,937	-	-	-
Money Market Mutual funds	122,333,367	122,333,367	-	-	-
Equity funds	84,624,350	84,624,350	-	-	-
Negotiable Certificates of Deposit	2,441,231	249,738	2,191,493	-	-
Municipal bonds	3,437,385	1,390,033	2,047,352	-	-
	<u>\$ 416,942,426</u>	<u>\$ 269,316,110</u>	<u>\$ 147,626,316</u>	<u>\$ -</u>	<u>\$ -</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.

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, 2023, 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+

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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, 2023 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. - \$1,031,175

Police Pension – Capital Point Partners, L.P. - \$1,020,074

Nonuniformed Employees’ Defined Contribution Plan – RREEF America REIT II - \$488,501, Federated Hermes Treasury Obligations Fund - \$1,340,684, Fidelity Investment Money Market Fund #2643 - \$592,507, United States Treasury Bill due 02/08/2024 - \$497,290, T Rowe Price International Discovery Fund - \$486,858, IShares MSCI USA Minimum Volatility Fund - \$707,342, IShares Russell 1000 Growth ETF Fund - \$660,911, IShares Russell 1000 Value ETF Fund - \$622,827, IShares Russell 2000 Growth ETF Fund - \$577,584, IShares Russell 2000 Value ETF Fund - \$506,686, and IShares Russell Midcap Growth ETF Fund - \$704,374.

401(a) Money Purchase and Trust Retirement Fund – MissionSquare PLUS Fund R3 - \$601,268, MissionSquare MP Long-Term Gr R3 - \$1,716,527, and MissionSquare 500 Stock Index R3 - \$450,018.

Nonuniformed Employees’ Defined Benefit Pension Plan – Fidelity Investment Money Market Fund #2643 - \$736,550, United States Treasury Bill due 01/25/2024 - \$996,630, United States Treasury Bill due 02/08/2024 - \$944,851, IShares MSCI Minimum Volatility Fund - \$745,577, IShares Russell 1000 Value ETF Fund - \$1,471,551, IShares Russell 2000 Growth ETF Fund - \$685,534, IShares Russell Mid Cap Growth ETF Fund - \$677,214, and IShares Russell Mid-Cap Value ETF Fund - \$937,879.

2014 Nonuniformed Employees’ Defined Benefit Pension Plan – Fidelity Investment Money Market Fund #2643 - \$7,184,442, Goldman Sachs Access Investment Grade Corporate Bond ETF Fund - \$5,476,274, United States Treasury Bill due 01/25/2024 - \$5,979,780, United States Treasury Bill due 02/08/2024 - \$5,967,480, IShares MSCI USA Minimum Volatility Fund - \$5,423,475, IShares Russell 1000 Growth ETF Fund - \$9,073,575, IShares Russell 1000 Value ETF Fund - \$9,127,088, IShares Russell 2000 Growth ETF Fund - \$5,825,021, and IShares Russell Mid Cap Growth ETF Fund - \$5,430,771.

Health Management Trust Fund – Federated Hermes Treasury Obligations Institutional Shares Fund - \$1,694,272 and IShares Russell 1000 Growth ETF Fund - \$762,473.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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, 2023:

	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, 2023				
Real Estate Funds	\$ 7,855,260	\$ -	\$ 7,855,260	\$ -
U.S. Treasury obligations	24,089,555	24,089,555	-	-
U.S. agencies obligations	154,567,342	-	154,567,342	-
Fixed income funds	16,973,000	16,973,000	-	-
Mutual Funds	620,937	620,937	-	-
Money Market Mutual Funds	122,333,367	122,333,367	-	-
Equity Funds	84,624,350	84,624,350	-	-
Negotiable Certificates of Deposit	2,441,230	-	2,441,230	-
Municipal Bonds	3,437,385	-	3,437,385	-
Total investments by fair value level	<u>\$ 416,942,426</u>	<u>\$ 248,641,209</u>	<u>\$ 168,301,217</u>	<u>\$ -</u>

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. The City has no investments that are measured using the net asset value per share at December 31, 2023.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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, 2023.

Summary of Carrying Values

The carrying values of deposits and investments shown above are included in the statements of net position, including the Statement of Fiduciary Net Position as follows:

	Primary Government
Carrying value	
Deposits	\$ 23,296,415
Investments	416,942,426
	\$ 440,238,841
Included in the following statements of net position captions	
Current Assets	
Cash and cash equivalents	\$ 23,629,175
Short-term investments	75,919,316
Noncurrent Assets	
Restricted cash and investments	197,656,615
Cash and investments - fiduciary funds	143,033,735
	\$ 440,238,841

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

Note 3: Receivables

Accounts Receivable

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	2022 Capital Improvements (Debt Service)	Street	American Rescue Plan SLFRF	Grant Fund	Nonmajor Governmental	Total Governmental Funds
Taxes	\$ 74,129,233	\$ 19,960,521	\$ 9,484,775	\$ -	\$ -	\$ 11,477,725	\$ 115,052,254
Licenses and permits	5,064,208	-	-	-	-	12,093	5,076,301
Intergovernmental	-	-	2,911,110	-	7,150,961	544,547	10,606,618
Fines and fees	11,886,969	-	-	-	-	-	11,886,969
Accounts	2,784,676	-	21,678	5,511	-	1,918	2,813,783
Gross receivables	93,865,086	19,960,521	12,417,563	5,511	7,150,961	12,036,283	145,435,925
Less: allowance for uncollectibles	(16,314,303)	(1,625,417)	(692,949)	-	-	(1,944,500)	(20,577,169)
Net receivables	\$ 77,550,783	\$ 18,335,104	\$ 11,724,614	\$ 5,511	\$ 7,150,961	\$ 10,091,783	\$ 124,858,756

Receivables	Waste Disposal	River Market Garage	Total Enterprise Funds	Internal Service Fund
Licenses and permits	\$ -	\$ 68,018	\$ 68,018	\$ -
Accounts	4,159,773	163,302	4,323,075	20,492
Gross receivables	4,159,773	231,320	4,391,093	20,492
Less: allowance for uncollectibles	-	-	-	-
Net receivables	\$ 4,159,773	\$ 231,320	\$ 4,391,093	\$ 20,492

Leases Receivable

The City leases a portion of its property to various third parties who use the space to conduct their operations, the terms of which expire from 2024 through 2055. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

Revenue recognized under lease contracts in governmental activities and business-type activities for the year ended December 31, 2023 was \$150,482 and \$656,557, respectively, which includes both lease revenue and interest.

The following is a schedule by year of minimum payments to be received under leases contracts that are included in the measurement of the lease receivable as of December 31, 2023:

Governmental Activities - Leases Receivable			
Years Ending December 31,	Principal	Interest	Total
2024	\$ 61,373	\$ 21,301	\$ 82,674
2025	65,358	17,560	82,918
2026	60,975	13,750	74,725
2027	55,914	10,494	66,408
2028	40,308	60,802	101,110
2029 - 2033	95,050	279,733	374,783
2034 - 2038	77,166	189,552	266,718
2039 - 2043	179,673	87,045	266,718
2044 - 2048	163,072	23,411	186,483
Total	<u>\$ 798,889</u>	<u>\$ 703,648</u>	<u>\$ 1,502,537</u>

Leases receivable - due in one year or less	\$ 61,373
Leases receivable - due in more than one year	737,516
Total leases receivable	<u>\$ 798,889</u>

Business-Type Activities - Leases Receivable			
Years Ending December 31,	Principal	Interest	Total
2024	\$ 187,249	\$ 296,778	\$ 484,027
2025	209,081	283,532	492,613
2026	234,061	269,379	503,440
2027	243,534	254,076	497,610
2028	252,294	239,194	491,488
2029 - 2033	402,106	1,071,341	1,473,447
2034 - 2038	332,320	965,023	1,297,343
2039 - 2043	451,540	850,383	1,301,923
2044 - 2048	754,042	661,459	1,415,501
2049 - 2053	1,178,719	358,187	1,536,906
2054 - 2055	480,718	25,941	506,659
Total	<u>\$ 4,725,664</u>	<u>\$ 5,275,293</u>	<u>\$ 10,000,957</u>

Leases receivable - due in one year or less	\$ 187,249
Leases receivable - due in more than one year	4,538,415
Total leases receivable	<u>\$ 4,725,664</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

Note 4: Capital Assets

A summary of changes in capital assets for the year ended December 31, 2023, is presented below:

Governmental Activities	Balance January 1, 2023	Increases	Decreases	Transfers	Balance December 31, 2023
Lease assets					
Leased land	\$ 316,465	\$ -	\$ -	\$ -	\$ 316,465
Leased buildings	2,140,468	14,175	-	-	2,154,643
Leased equipment	638,276	216,227	(48,796)	-	805,707
Leased vehicles	3,517,287	-	-	-	3,517,287
Total lease assets, amortizable	6,612,496	230,402	(48,796)	-	6,794,102
Less accumulated amortization					
Leased land	40,671	40,671	-	-	81,342
Leased buildings	340,152	343,437	-	-	683,589
Leased equipment	244,988	272,434	(48,796)	-	468,626
Leased vehicles	1,144,367	1,144,376	-	-	2,288,743
Total accumulated amortization	1,770,178	1,800,918	(48,796)	-	3,522,300
Total lease assets, net	4,842,318	(1,570,516)	-	-	3,271,802
Subscription-Based Information Technology Arrangement Assets					
Subscription-Based Information Technology Arrangement Assets	502,682	3,518,374	-	-	4,021,056
Less accumulated amortization					
Subscription-Based Information Technology Arrangement Assets	-	1,185,121	-	-	1,185,121
Total Subscription-Based Information Technology Arrangement Assets, net	502,682	2,333,253	-	-	2,835,935
Capital Assets, nondepreciable					
Land and right-of-way	192,015,392	861,180	-	-	192,876,572
Construction in progress	44,318,105	40,854,791	(4,808,033)	(22,459,791)	57,905,072
Total capital assets, nondepreciable	236,333,497	41,715,971	(4,808,033)	(22,459,791)	250,781,644
Capital Assets, depreciable					
Land improvements	24,090,904	-	-	-	24,090,904
Infrastructure	892,011,232	118,449	-	7,578,148	899,707,829
Buildings	135,681,317	721,352	(23,913)	1,223,493	137,602,249
Vehicles	55,904,504	1,051,254	(3,411,441)	11,282,403	64,826,720
Equipment	62,145,987	73,622	(149,711)	2,375,747	64,445,645
Total capital assets, depreciable	1,169,833,944	1,964,677	(3,585,065)	22,459,791	1,190,673,347
Less accumulated depreciation					
Land improvements	17,163,958	1,129,976	-	-	18,293,934

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

Infrastructure	573,328,636	16,074,736	-	-	589,403,372
Buildings	56,036,249	3,438,827	(6,227)	-	59,468,849
Vehicles	47,441,401	2,321,964	(1,563,488)	-	48,199,877
Equipment	<u>57,899,175</u>	<u>597,602</u>	<u>(151,086)</u>	-	<u>58,345,691</u>
Total accumulated depreciation	<u>751,869,419</u>	<u>23,563,105</u>	<u>(1,720,801)</u>	-	<u>773,711,723</u>
Total capital assets, depreciable, net	<u>417,964,525</u>	<u>(21,598,428)</u>	<u>(1,864,264)</u>	22,459,791	<u>416,961,624</u>
Total governmental activities, net	<u>\$ 659,643,022</u>	<u>\$ 20,880,280</u>	<u>\$ (6,672,297)</u>	\$ -	<u>\$ 673,851,005</u>

Business-Type Activities	Balance January 1, 2023 As Restated	Increases	Decreases	Transfers	Balance December 31, 2023
Lease assets					
Leased equipment	\$ -	\$ 38,569	\$ -	\$ -	\$ 38,569
Total lease assets, amortizable	<u>-</u>	<u>38,569</u>	<u>-</u>	<u>-</u>	<u>38,569</u>
Less accumulated amortization					
Leased equipment	-	3,941	-	-	3,941
Total accumulated amortization	<u>-</u>	<u>3,941</u>	<u>-</u>	<u>-</u>	<u>3,941</u>
Total lease assets, net	<u>-</u>	<u>34,628</u>	<u>-</u>	<u>-</u>	<u>34,628</u>
Capital Assets, nondepreciable					
Land	\$ 2,637,147	\$ -	\$ -	\$ -	\$ 2,637,147
Construction in progress	<u>1,543,019</u>	<u>824,676</u>	<u>-</u>	<u>(637,227)</u>	<u>1,730,468</u>
Total capital assets, nondepreciable	<u>4,180,166</u>	<u>824,676</u>	<u>-</u>	<u>(637,227)</u>	<u>4,367,615</u>
Capital Assets, depreciable					
Land improvements	4,338,922	-	-	-	4,338,922
Landfills, Cells 1, 2, 3, 4 and 5	18,672,293	-	-	-	18,672,293
Buildings and improvements	21,540,333	-	-	-	21,540,333
Vehicles	19,850,804	-	(36,818)	-	19,813,986
Furniture & Equipment	<u>4,811,621</u>	<u>-</u>	<u>(10,691)</u>	<u>637,227</u>	<u>5,438,157</u>
Total capital assets, depreciable	<u>69,213,973</u>	<u>-</u>	<u>(47,509)</u>	<u>637,227</u>	<u>69,803,691</u>
Less accumulated depreciation					
Land improvements	4,133,807	150,673	-	-	4,284,480
Landfills, Cells 1, 2, 3, 4 and 5	16,936,293	672,719	-	-	17,609,012
Buildings and improvements	7,286,528	339,178	-	-	7,625,706
Vehicles	14,265,028	1,477,523	(2)	-	15,742,549
Furniture & Equipment	<u>3,711,198</u>	<u>216,833</u>	<u>(10,655)</u>	<u>-</u>	<u>3,917,376</u>
Total accumulated depreciation	<u>46,332,854</u>	<u>2,856,926</u>	<u>(10,657)</u>	<u>-</u>	<u>49,179,123</u>
Total capital assets, depreciable, net	<u>22,881,119</u>	<u>(2,856,926)</u>	<u>(36,852)</u>	<u>637,227</u>	<u>20,624,568</u>
Total business-type activities, net	<u>\$ 27,061,285</u>	<u>\$ (1,997,622)</u>	<u>\$ (36,852)</u>	<u>\$ -</u>	<u>\$ 25,026,811</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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

Governmental Activities

General government	
Executive administration	\$ 156,844
District court - first division (criminal)	13,496
Finance	23,945
Human resources	276
Information technology	1,299,730
Planning and development	17,471
Fleet services	444,563
	1,956,325

Total general government 1,956,325

Public works	16,976,465
Parks and recreation services	2,003,009
River Market	96,568
Golf	92,194
Jim Dailey Fitness	104,225
Zoo	584,302
Fire	1,673,361
Police	2,837,318
Housing and neighborhood programs	225,376
	26,549,143

Total depreciation and amortization expense -
governmental activities 26,549,143

Business-Type Activities

Waste disposal	2,635,583
River Market garage	220,185
Vehicle storage	5,100
	2,860,868

Total depreciation and amortization expense -
business-type activities 2,860,868

Total depreciation and amortization expense -
primary government \$ 29,410,011

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

Net investment in capital assets is calculated as follows for the year ended December 31, 2023:

	Governmental Activities	Business-Type Activities	Business- Type Activities			Governmental Activities
			Waste Disposal	River Market Garage	Vehicle Storage	Internal Service Fund Fleet Fund
Total capital assets, net	\$ 673,851,005	\$ 25,026,811	\$ 19,915,494	\$ 5,009,953	\$ 101,364	\$ 3,615,315
Less:						
Bonds payable, net of premium and discount	144,422,127	3,788,568	-	3,788,568	-	-
Notes payable	12,165,543	-	-	-	-	-
Lease liability	3,322,339	34,721	-	-	34,721	-
Subscription-based information technology arrangements	2,642,884	-	-	-	-	-
Construction accounts payable and retainage	2,207,533	-	-	-	-	-
Total	164,760,426	3,823,289	-	3,788,568	34,721	-
Plus:						
Bonds issued for non-primary government capital assets	41,712,787	-	-	-	-	-
Unspent bond proceeds	59,864,472	-	-	-	-	-
Deferred outflow - loss on refunding	575,301	-	-	-	-	-
Total	102,152,560	-	-	-	-	-
Net investment in capital assets	\$ 611,243,139	\$ 21,203,522	\$ 19,915,494	\$ 1,221,385	\$ 66,643	\$ 3,615,315

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

Note 5: Long-term Liabilities

Changes in long-term liabilities for the year ended December 31, 2023, were as follows:

Governmental Activities	Balance January 1, 2023 *	Increases **	Decreases	Balance December 31, 2023	Amounts Due in One Year
Bonds payable					
Revenue bonds	\$ 43,705,000	\$ -	\$ 1,620,000	\$ 42,085,000	\$ 1,680,000
Add issuance premiums	1,045,990	-	143,204	902,786	-
	<u>44,750,990</u>	<u>-</u>	<u>1,763,204</u>	<u>42,987,786</u>	<u>1,680,000</u>
General obligation bonds	100,475,000	-	225,000	100,250,000	7,370,000
Add issuance premiums	1,346,513	-	162,172	1,184,341	-
	<u>101,821,513</u>	<u>-</u>	<u>387,172</u>	<u>101,434,341</u>	<u>7,370,000</u>
Bonds payable, net	146,572,503	-	2,150,376	144,422,127	9,050,000
Notes payable	7,095,530	7,400,000	2,329,987	12,165,543	3,740,323
Leases	4,887,078	230,400	1,795,139	3,322,339	1,497,143
Subscription-Based Information Technology Arrangements	502,682	3,518,374	1,378,172	2,642,884	1,570,927
Compensated absences	34,701,164	2,004,957	-	36,706,121	23,010,503
Workers' compensation	1,558,067	2,608,207	3,040,359	1,125,915	560,706
Total governmental activities long-term liabilities	<u>\$ 195,317,024</u>	<u>\$ 15,761,938</u>	<u>\$ 10,694,033</u>	<u>\$ 200,384,929</u>	<u>\$ 39,429,602</u>
Business-Type Activities					
Bonds payable					
Revenue bonds	\$ 4,450,000	\$ -	\$ 655,000	\$ 3,795,000	\$ 685,000
Less issuance discounts	(8,871)	-	(2,439)	(6,432)	-
Bonds payable, net	4,441,129	-	652,561	3,788,568	685,000
Leases	-	38,569	3,848	34,721	12,510
Compensated absences	741,221	124,209	-	865,430	636,909
Postclosure landfill costs	8,292,215	858,764	-	9,150,979	-
Total business-type activities long-term liabilities	<u>\$ 13,474,565</u>	<u>\$ 1,021,542</u>	<u>\$ 656,409</u>	<u>\$ 13,839,698</u>	<u>\$ 1,334,419</u>

* The beginning balance of Governmental Activities long-term liabilities has been restated for the implementation of GASB Statement No. 96 *Subscription-Based Information Technology Arrangements*.

** For the year ended December 31, 2023, the City of Little Rock implemented Governmental Accounting Standards Board Statement No. 101 *Compensated Absences*. Therefore, the change in compensated absences shown is the net increase in the balance for the year ended December 31, 2023.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

Bonds and notes payable at December 31, 2023, were as follows:

<u>Primary Government</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Original Issue</u>	<u>Total Outstanding</u>
General long-term obligations				
General obligation bonds	1.5%-6.0%	2043	\$ 101,950,000	\$ 100,250,000
Revenue bonds	2.0%-5.0%	2048	50,445,000	42,085,000
Notes payable - short-term financing	0.84%-3.70%	2028	18,975,000	12,165,543
Enterprise funds				
Revenue bonds	1.5%-6.0%	2028	11,855,000	3,795,000

Governmental Activities

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.

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, 2023

Library Construction and Refunding Bonds, Series 2022 - Bonds in the amount of \$40,770,000 were issued November 30, 2022 to (i) finance the cost of acquiring, constructing, and equipping the land and additional capital improvements to the public City libraries owned and operated by the City and the Central Arkansas Library System (CALs); (ii) refund the City's outstanding Library Construction and Refunding Bonds, Series 2015; (iii) pay interest on the Bonds on March 1, 2023; and (iv) pay the costs of issuing the bonds. The Library Construction and Refunding Bonds, Series 2022 are limited obligations of the City of Little Rock, Arkansas payable solely from the collections from a 1.3 mill annual ad valorem tax levied upon all taxable real and personal property located within the jurisdictional limits of the City. Interest is payable March 1, 2023 and semiannually thereafter on each September 1 and March 1. Principal payments are due annually on March 1 beginning on March 1, 2024.

Limited Tax General Obligations Capital Improvement Bonds, Series 2022 - On December 21, 2022, the City issued \$53,510,000 Limited Tax General Obligation Capital Improvement Bonds, Series 2022A and \$5,055,000 Limited Tax General Obligation Capital Improvement Bonds, Taxable Series 2022B for the purpose of financing various capital improvements. The Bonds are limited tax general obligations of the City, secured by all proceeds derived from the 3 mills annual ad valorem tax levied on all taxable and real and personal property located within the jurisdictional limits of the City. Interest is payable semiannually on each February 1 and August 1. Principal payments due annually on February 1 beginning in 2024.

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, 2023, the outstanding short-term financing agreements were as follows:

2023 Short-term Financing Note - The \$7,400,000 promissory note was issued to finance the costs of approximately 103 police vehicles for the Little Rock Police Department with principal and interest payable from general revenues. Due annually, payable on January 10, including interest at 3.70%.

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,

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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%.

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.

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 the 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, 2023

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, 2023.

Year	Primary Government			
	Governmental Activities		Business-Type Activities	
	General Obligation & Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 9,050,000	\$ 5,923,356	\$ 685,000	\$ 201,135
2025	4,180,000	5,604,456	725,000	164,830
2026	5,075,000	5,375,331	760,000	126,405
2027	6,810,000	5,080,581	805,000	86,125
2028	7,145,000	4,733,956	820,000	43,460
2029-2033	40,945,000	18,425,663	-	-
2034-2038	34,265,000	10,072,525	-	-
2039-2043	26,320,000	4,542,994	-	-
2044-2048	8,545,000	1,083,731	-	-
	<u>\$ 142,335,000</u>	<u>\$ 60,842,593</u>	<u>\$ 3,795,000</u>	<u>\$ 621,955</u>
	Notes Payable			
	Principal	Interest		
2024	\$ 3,740,323	\$ 330,584		
2025	2,619,725	243,689		
2026	2,683,071	180,343		
2027	1,532,854	115,530		
2028	1,589,570	58,814		
	<u>\$ 12,165,543</u>	<u>\$ 928,960</u>		

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

Pledged Revenues

The following is a summary of pledged revenues of the City for the year ended December 31, 2023:

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	\$ 24,185,806	\$ 1,506,650	6.2%	\$ 15,032,350	Until 2033
2014 TIF #1 Capital Improvement Bond	Property tax	\$ 498,374	\$ 61,650	12.4%	\$ 1,601,250	Until 2036
2022 Library Construction and Refunding Bonds	Property tax	6,758,465	\$ 1,419,739	21.0%	\$ 53,665,500	Until 2036
2022 Limited Tax GO Capital Improvement Bonds, Series 2022A & 2022B	Property tax	15,544,414	\$ 1,476,788	9.5%	\$ 84,749,268	Until 2043
2018 Hotel Gross Receipts Tax Bonds	Hotel/motel tax	\$ 3,009,007	\$ 1,924,894	64.0%	\$ 48,129,225	Until 2048
2003 Capital Improvement and Refunding Revenue Bonds	Specific parking revenues and other revenues in the Rivermarket Garage Fund	\$ 2,025,638	\$ 890,523	44.0%	\$ 4,416,955	Until 2028

Lease Obligations

The lease liability as of January 1, 2023 was \$4,887,078 for right-of-use assets. During 2023, the City entered into numerous additional lease agreements with an initial lease liability of \$268,969. Principal payments on leases totaled \$1,798,987 resulting in a lease liability of \$3,357,060 at year end.

The future principal and interest lease payments as of December 31, 2023, were as follows:

Year	Governmental Activities		Business-Type Activities	
	Leases Payable		Leases Payable	
	Principal	Interest	Principal	Interest
2024	\$ 1,497,143	\$ 107,560	\$ 12,510	\$ 1,003
2025	736,890	61,938	12,951	562
2026	353,981	40,105	9,260	125
2027	180,575	29,855	-	-
2028	179,592	21,975	-	-
2029-2033	374,158	22,128	-	-
	<u>\$ 3,322,339</u>	<u>\$ 283,561</u>	<u>\$ 34,721</u>	<u>\$ 1,690</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

Subscription-Based Information Technology Arrangements

The City adopted GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* as of January 1, 2023. The subscription-based information technology arrangements liability as of January 1, 2023 was restated to include the net present value of future payments of \$502,682 for right-of-use assets. During 2023, the City has entered into several new subscription-based information technology arrangements (SBITAs). The SBITAs include various desktop and server software subscriptions, cloud software subscriptions, and cash receipting software subscriptions. The total of the City's subscription assets are recorded at a cost of \$4,021,056, less accumulated amortization of \$1,185,121.

The future principal and interest subscription payments under SBITA agreements as of December 31, 2023 are as follows:

<u>Governmental Activities</u>		
<u>Subscriptions Payable</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,570,927	\$ 92,568
2025	1,071,957	37,615
	<u>\$ 2,642,884</u>	<u>\$ 130,183</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

Note 6: Interfund Balances and Transfers

Interfund receivables and payables as of December 31, 2023, are as follows:

	Interfund Receivables	Interfund Payables
Primary Government		
Governmental Funds		
General fund	\$ 17,235,462	\$ -
American Rescue Plan - SLFRF Fund		418,968
Grant Fund		16,649,990
Nonmajor governmental funds	-	166,504
Governmental Funds to/from Fiduciary Funds		
General fund	41,500	
Total governmental funds	<u>\$ 17,276,962</u>	<u>\$ 17,235,462</u>
Fiduciary Funds		
2014 defined benefit plan		41,500
Total fiduciary funds	-	41,500
Total	<u>\$ 17,276,962</u>	<u>\$ 17,276,962</u>

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.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

Interfund transfers in and transfers out for the year ended December 31, 2023, are as follows:

Interfund Transfers In	Interfund Transfers Out					Totals
	Governmental Funds			Proprietary Funds		
	General	Street	Other Nonmajor Governmental Funds	Waste Disposal	Internal Service Fund (Fleet)	
Governmental Funds						
General	\$ -	\$ 537,217	\$ -	\$ 1,165,109	\$ 362,394	\$ 2,064,720
Street	194,000	-	-	90,000	-	\$ 284,000
Other Nonmajor Governmental	-	-	512,107	-	-	\$ 512,107
Totals	<u>\$ 194,000</u>	<u>\$ 537,217</u>	<u>\$ 512,107</u>	<u>\$ 1,255,109</u>	<u>\$ 362,394</u>	<u>\$ 2,860,827</u>

Transfers from the general fund to the street fund are used for parking enforcement. Transfers from the general fund to other nonmajor governmental funds are used to fund special projects and meet debt service requirements. Transfers from the street fund and from the waste disposal fund to the general fund and the street fund are used to reimburse overhead cost and fund special projects. Transfers from other nonmajor governmental funds to other nonmajor governmental funds is due to the transfer of excess property tax collections dedicated to the retirement of the City's 2015 and 2017 Library Bonds that were received subsequent to the retirement of the bonds.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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-multiple employer defined benefit pension plans for the Firemen's Pension and Relief Fund and the Police Pension. The majority of Plan assets were transferred to the Arkansas Local Police and Fire Retirement System for these plans and are excluded from the City's financial statements. The rest of the plan assets are reported in fiduciary trust funds with the City, The Firemen's Pension and Relief Fund and The Police Pension. The City acts in a trustee capacity for the plan assets that were not transferred to the Arkansas Local Police and Fire Retirement System as these assets are long-term investments which are dedicated to funding The Firemen's Pension and the The Police Pension plans.

The City also contributes to three cost-sharing multiple employer defined benefit pension plans, the Arkansas Local Police and Fire Retirement System (LOPFI) plans for Police and Fire, and the Arkansas Public Employers Retirement System (APERS). 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, 2023

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	\$ 1,954,175	\$ 769,600	\$ -	\$ 7,750,504
Investments						
U.S. government obligations	-	-	794,176	2,188,886	-	14,916,120
Equities	-	-	4,515,066	-	-	61,023,501
Mutual funds and other investments	1,020,074	1,031,175	1,084,345	8,621,541	7,074,500	18,944,376
Receivables						
Accounts receivable	-	-	-	-	48,759	32,871
Accrued interest and dividends	-	-	-	-	-	194,305
Total assets	1,020,074	1,031,301	8,347,762	11,580,027	7,123,259	102,861,677
Liabilities						
Due to primary government	-	-	-	-	-	41,500
Total liabilities	-	-	-	-	-	41,500
Net Position						
Net position restricted for pensions	\$ 1,020,074	\$ 1,031,301	\$ 8,347,762	\$ 11,580,027	\$ 7,123,259	\$ 102,820,177
Additions						
Contributions						
Employer	\$ -	\$ -	\$ 93,295	\$ -	\$ 317,244	\$ 5,184,231
Plan members	-	-	2,739	-	130,775	3,629,533
Other	-	-	48,659	534,835	-	-
Total contributions	-	-	144,693	534,835	448,019	8,813,764
Investment income (loss)						
Net increase (decrease) in fair value of investments	(350,954)	(350,954)	218,787	777,322	1,239,353	6,113,763
Realized gain (loss) on sale of investments	-	-	368,104	(51,692)	-	(271,681)
Interest and dividends	-	-	193,301	348,368	2,116	3,203,177
Less investment expense	(350,954)	(350,954)	780,192	1,073,998	1,241,469	9,045,259
	-	-	14,583	19,320	-	388,523
Net investment income (loss)	(350,954)	(350,954)	765,609	1,054,678	1,241,469	8,656,736
Total additions (reductions)	(350,954)	(350,954)	910,302	1,589,513	1,689,488	17,470,500
Deductions						
Benefits paid directly to participants	-	-	1,481,312	1,513,844	1,491,398	2,788,820
Distributions to other governments	300,790	300,790	-	-	-	-
Administrative expenses	-	-	33,800	36,587	-	156,506
Other	-	-	-	-	103	-
Total deductions	300,790	300,790	1,515,112	1,550,431	1,491,501	2,945,326
Net Increase (Decrease) in Net Position	(651,744)	(651,744)	(604,810)	39,082	197,987	14,525,174
Net Position Restricted for Pensions, Beginning of Year	1,671,818	1,683,045	8,952,572	11,540,945	6,925,272	88,295,003
Net Position Restricted for Pensions, End of Year	\$ 1,020,074	\$ 1,031,301	\$ 8,347,762	\$ 11,580,027	\$ 7,123,259	\$ 102,820,177

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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
Firemen's Pension and Relief Fund	\$ 43,505,248	\$ 10,922,469	\$ -	\$ 9,490,598
Police Pension	41,963,818	12,312,100	-	9,881,183
Nonuniformed Plan - Government Wide	762,659	590,529	-	223,914
Nonuniformed Plan - Fleet	53,834	41,684	-	15,806
2014 Defined Benefit Plan - Government Wide	12,227,261	9,153,226	631,865	4,696,939
2014 Defined Benefit Plan - Fleet	863,101	646,111	44,602	331,549
Police - LOPFI	101,822,888	43,016,679	10,761,554	15,023,426
Fire - LOPFI	86,931,279	36,895,166	10,429,827	11,815,787
APERS	283,538	86,569	8,135	37,907
	<u>\$ 288,413,626</u>	<u>\$ 113,664,533</u>	<u>\$ 21,875,983</u>	<u>\$ 51,517,109</u>
Business-Type Activities*	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Nonuniformed Plan - Waste Disposal	\$ 71,780	\$ 55,579	\$ -	\$ 21,074
Nonuniformed Plan - Vehicle Storage	8,973	6,948	-	2,634
2014 Defined Benefit Plan - Waste Disposal	1,150,801	861,481	59,470	422,065
2014 Defined Benefit Plan - Vehicle Storage	143,850	107,685	7,433	55,258
	<u>1,375,404</u>	<u>1,031,693</u>	<u>66,903</u>	<u>501,031</u>
Total Primary Government	<u>\$ 289,789,030</u>	<u>\$ 114,696,226</u>	<u>\$ 21,942,886</u>	<u>\$ 52,018,140</u>
2014 Defined Benefit Plan Discretely Presented Component Units	<u>\$ 1,777,923</u>	<u>\$ 1,386,633</u>	<u>\$ 174,749</u>	<u>\$ 679,412</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, 2023

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	248	55	-	9	239	255
Termed vested benefit	-	-	143	10	480	-
Active plan members	-	-	1	24	1,146	-
Members on Deferred Retirement Option Plan (DROP)	-	-	-	-	-	1
Total	248	55	144	43	1,865	256

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 trust and reported 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, 2023

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 2023. The participants contributed 6% of their salaries in 2023. 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 \$7,002,233 in 2023. 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, 2022 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 7.50% 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, 2023, 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, 2022 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, 2023

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 expected future real rates of return 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. Best estimates of arithmetic real returns for the 10-year period were based on capital market assumptions collected from several national investment consultants over a three-year period. The 3-year average arithmetic nominal expected return is 6.23%. For each major asset class that is included in the pension plan's target allocation as of December 31, 2021, these best estimates are summarized 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
U.S. Stock - Large Cap	21%	4.05%	0.85%
U.S. Stock - Small Cap	21%	4.65%	0.98%
International Equity	9%	5.27%	0.47%
Emerging Markets	9%	7.49%	0.67%
U.S. Corporate Bonds	25%	-0.35%	-0.09%
Real Estate	5%	3.76%	0.19%
Private Equity	10%	9.10%	0.91%
Total	<u>100%</u>		<u>3.98%</u>
Expected Inflation			2.25%
Total Return			<u>6.23%</u>

4. Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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, 2023 was measured as of December 31, 2022, 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, 2023:

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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	\$ 88,711,234	\$ 57,204,889	\$ 31,506,345
Charges for the year:			
Interest on total pension liability	5,832,616	-	5,832,616
Change of benefit terms	6,366,198	-	6,366,198
Difference between expected and actual return	1,617,925	-	1,617,925
Changes of assumptions	(1,508,377)	-	(1,508,377)
Benefit Payments, including refunds of employee contributions	(10,776,296)	(10,776,296)	-
Administrative expense	-	(47,786)	47,786
Contributions - employer	-	7,028,624	(7,028,624)
Net investment income	-	(7,272,683)	7,272,683
Other	-	601,304	(601,304)
Net Changes	<u>1,532,066</u>	<u>(10,466,837)</u>	<u>11,998,903</u>
Balances as of end of year	<u>\$ 90,243,300</u>	<u>\$ 46,738,052</u>	<u>\$ 43,505,248</u>

6. Sensitivity to Discount Rate Changes

The following presents the City's net pension liability calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Firemen's Pension and Relief Fund			
Net pension liability	\$ 49,792,508	\$ 43,505,248	\$ 37,852,771

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

For the year ended December 31, 2023, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$9,490,598, 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, 2023:

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	\$ 3,920,236	\$ -
Contributions subsequent to the measurement date	<u>7,002,233</u>	<u>-</u>
Total	<u>\$ 10,922,469</u>	<u>\$ -</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

At December 31, 2023, the City reported \$7,002,233 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, 2024.

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
2024	\$ (231,983)
2025	735,072
2026	1,271,544
2027	2,145,603
Total	\$ 3,920,236

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 trust and reported 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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2023

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 2023 were \$7,964,328. The liability for the Police Pension 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, 2022 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 7.50% 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, 2022, was 14 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, 2022 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 expected future real rates of return 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. Best estimates of arithmetic real returns for the 10-year period were based on capital market assumptions collected from several national

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

investment consultants over a three-year period. The 3-year average arithmetic nominal expected return is 6.23%. For each major asset class that is included in the pension plan's target allocation as of December 31, 2021, these best estimates are summarized 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
U.S. Stock - Large Cap	21%	4.05%	0.85%
U.S. Stock - Small Cap	21%	4.65%	0.98%
International Equity	9%	5.27%	0.47%
Emerging Markets	9%	7.49%	0.67%
U.S. Corporate Bonds	25%	-0.35%	-0.09%
Real Estate	5%	3.76%	0.19%
Private Equity	10%	9.10%	0.91%
Total	<u>100%</u>		<u>3.98%</u>
Expected Inflation			<u>2.25%</u>
Total Return			<u>6.23%</u>

4. Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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, 2023 was measured as of December 31, 2022, 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, 2023:

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	\$ 87,150,147	\$ 55,533,232	\$ 31,616,915
Charges for the year:			
Interest on total pension liability	5,790,301	-	5,790,301
Difference between expected and actual return	554,111	-	554,111
Changes of assumptions	(1,507,455)	-	(1,507,455)
Change in benefit terms	6,653,181	-	6,653,181
Benefit Payments, including refunds of employee contributions	(8,863,114)	(8,863,114)	-
Administrative expense	-	(47,486)	47,486
Contributions - employer	-	7,816,435	(7,816,435)
Net investment income	-	(7,227,018)	7,227,018
Other	-	601,304	(601,304)
Net Changes	<u>2,627,024</u>	<u>(7,719,879)</u>	<u>10,346,903</u>
Balances as of end of year	<u>\$ 89,777,171</u>	<u>\$ 47,813,353</u>	<u>\$ 41,963,818</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

6. Sensitivity to Discount Rate Changes

The following presents the City’s net pension liability calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

			1% Decrease 6.25%		Current Discount Rate 7.25%		1% Increase 8.25%
Police Pension	Net pension liability	\$	48,292,927	\$	41,963,818	\$	36,378,976

7. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended December 31, 2023, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$9,881,183, 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, 2023:

Police Pension	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual investment earnings on pension plan investments	\$ 4,347,772	\$ -
Contributions subsequent to the measurement date	7,964,328	-
Total	<u>\$ 12,312,100</u>	<u>\$ -</u>

At December 31, 2023, the City reported \$7,964,328 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, 2024.

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
2024	\$ 55,617
2025	845,023
2026	1,314,999
2027	<u>2,132,133</u>
Total	<u>\$ 4,347,772</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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.

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 2023 were \$-. 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, 2023 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, 2023, was one (1) year 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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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, 2023 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 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)
US Stocks - Large Cap	30%	4.50%
US Stocks - Small/Mid Cap	20%	5.25%
Foreign Equity	10%	4.25%
Real Estate	5%	3.75%
Fixed Income	30%	3.50%
Cash	5%	0.50%
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, 2023 was measured as of December 31, 2023, 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, 2023:

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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	\$ 12,991,512	\$ 11,540,945	\$ 1,450,567
Charges for the year:			
Interest on total pension liability	795,319	-	795,319
Transfers from DC plan	-	-	-
Difference between expected and actual return	163,538	-	163,538
Benefit payments, including refunds of employee contributions	(1,511,663)	(1,511,663)	-
Administrative expense	-	(16,352)	16,352
Contributions - employer	-	500,000	(500,000)
Net investment income	-	1,028,530	(1,028,530)
Other	-	-	-
Net Changes	(552,806)	515	(553,321)
Balances as of end of year	\$ 12,438,706	\$ 11,541,460	\$ 897,246

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.

The plan's Fiduciary Net Position as a percentage of total pension liability is 92.79% as of December 31, 2023.

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 one percentage point lower or one 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	\$ 1,733,332	\$ 897,246	\$ 154,631

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

For the year ended December 31, 2023, the City recognized pension expense of \$263,428, and reported deferred outflows of resources related to pensions from the following source for the Nonuniformed Plan, as determined by the City at December 31, 2023:

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

Nonuniformed Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 694,740	\$ -
Total	<u>\$ 694,740</u>	<u>\$ -</u>

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

Year Ending December 31,	Deferred Outflow of Resources
2024	\$ 199,937
2025	204,136
2026	353,023
2027	<u>(62,356)</u>
Total	<u>\$ 694,740</u>

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 2023 were \$5,184,231. Contributions to the plan are made from various city governmental and business type funds, as well as two (2) of the discretely presented component units. The liability for the plan has typically been liquidated from the general fund, fleet, waste disposal, and vehicle storage funds, and by the participating component units.

For additional Plan information, please refer to the Plan's financial statements which can be obtained by writing to the Plan's Board of Trustees, c/o Mr. Nicholas Sarpy, 500 W. Markham, Suite 300, Little Rock, AR 72201.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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 January 1, 2024 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, 2023, 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 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 January 1, 2024 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:

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

2014 Defined Benefit Plan Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
US Stocks - Large Cap	30%	4.50%
US Stocks - Small/Mid Cap	20%	5.25%
Foreign Equity	10%	4.25%
Real Estate	5%	3.75%
Fixed Income	30%	3.50%
Cash	5%	0.50%
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, 2023 was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024.

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, 2023:

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	\$ 107,688,084	\$ 88,295,003	\$ 19,393,081
Charges for the year:			
Service cost	5,803,499	-	5,803,499
Interest on total pension liability	7,115,352	-	7,115,352
Difference between expected and actual return	106,403	-	106,403
Benefit payments, including refunds of employee contributions	(2,788,821)	(2,788,821)	-
Administrative expense	-	(129,005)	129,005
Contributions - employer	-	5,184,231	(5,184,231)
Contributions - member	-	2,543,439	(2,543,439)
Service purchases	1,086,094	1,086,094	-
Net investment income	-	8,656,735	(8,656,735)
Other	-	(1)	1
Net Changes	<u>11,322,527</u>	<u>14,552,672</u>	<u>(3,230,145)</u>
Balances as of end of year	<u>\$ 119,010,611</u>	<u>\$ 102,847,675</u>	<u>\$ 16,162,936</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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 89.00% (89.45% in prior year), the Advertising and Promotion Commission's proportionate share was 10.5% (9.92% in prior year), the Workforce Investment Board's proportionate share was 0.40% (0.35% in prior year), and the Little Rock Port Authority's proportionate share was 0.10%, as shown on the following schedules.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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	\$ 95,712,176	\$ 78,374,762	\$ 17,337,414
Charges for the year:			
Service cost	5,191,130	-	5,191,130
Interest on total pension liability	6,364,559	-	6,364,559
Difference between expected and actual return	95,176	-	95,176
Benefit payments, including refunds of employee contributions	(2,494,552)	(2,494,552)	-
Administrative expense	-	(115,393)	115,393
Contributions - employer	-	4,637,205	(4,637,205)
Contributions - member	-	2,275,062	(2,275,062)
Changes in proportionate share	-	63,092	(63,092)
Service purchases	971,492	971,492	-
Net investment income	-	7,743,301	(7,743,301)
Other	1	-	1
Net Changes	<u>10,127,806</u>	<u>13,080,207</u>	<u>(2,952,401)</u>
Balances as of end of year	<u>\$ 105,839,982</u>	<u>\$ 91,454,969</u>	<u>\$ 14,385,013</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	\$ 11,356,490	\$ 9,436,575	\$ 1,919,915
Charges for the year:			
Service cost	575,447	-	575,447
Interest on total pension liability	705,525	-	705,525
Difference between expected and actual return	10,550	-	10,550
Benefit payments, including refunds of employee contributions	(276,526)	(276,526)	-
Administrative expense	-	(12,792)	12,792
Contributions - employer	-	514,044	(514,044)
Contributions - member	-	252,195	(252,195)
Changes in proportionate share	-	(97,479)	97,479
Service purchases	107,692	107,692	-
Net investment income	-	858,361	(858,361)
Other	-	-	-
Net Changes	<u>1,122,688</u>	<u>1,345,495</u>	<u>(222,807)</u>
Balances as of end of year	<u>\$ 12,479,178</u>	<u>\$ 10,782,070</u>	<u>\$ 1,697,108</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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	\$ 463,796	\$ 386,223	\$ 77,573
Charges for the year:			
Service cost	20,346	-	20,346
Interest on total pension liability	24,945	-	24,945
Difference between expected and actual return	373	-	373
Benefit Payments, including refunds of employee contributions	(9,777)	(9,777)	-
Administrative expense	-	(452)	452
Contributions - employer	-	18,175	(18,175)
Contributions - member	-	8,917	(8,917)
Changes in proportionate share	-	1,597	(1,597)
Service purchases	3,808	3,808	-
Net investment income	-	30,348	(30,348)
Net Changes	<u>39,695</u>	<u>52,616</u>	<u>(12,921)</u>
Balances as of end of year	<u>\$ 503,491</u>	<u>\$ 438,839</u>	<u>\$ 64,652</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	\$ 155,627	\$ 97,448	\$ 58,179
Charges for the year:			
Service cost	16,576	-	16,576
Interest on total pension liability	20,323	-	20,323
Difference between expected and actual return	304	-	304
Benefit payments, including refunds of employee contributions	(7,965)	(7,965)	-
Administrative expense	-	(368)	368
Contributions - employer	-	14,807	(14,807)
Contributions - member	-	7,265	(7,265)
Change in proportionate share	-	32,790	(32,790)
Service purchases	3,102	3,102	-
Net investment income	-	24,725	(24,725)
Net Changes	<u>32,340</u>	<u>74,356</u>	<u>(42,016)</u>
Balances as of end of year	<u>\$ 187,967</u>	<u>\$ 171,804</u>	<u>\$ 16,163</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
Year Ended December 31, 2023

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 one percentage point lower or one 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	\$ 30,436,273	\$ 14,385,013	\$ 1,174,121
Advertising & Promotion Commission	Net pension liability	3,590,796	1,697,108	138,520
Workforce Investment Board	Net pension liability	136,792	64,652	5,277
Little Rock Port Authority	Net pension liability	34,198	16,163	1,319
		<u>\$ 34,198,060</u>	<u>\$ 16,162,936</u>	<u>\$ 1,319,237</u>

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

For the year ended December 31, 2023, the City and its component units recognized pension expense of \$6,185,223, 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, 2023:

2014 Defined Benefit Plan - Primary Government	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,583,309	\$ 690,332
Changes of assumptions	1,761,474	-
Changes of proportion	77,225	53,038
Net difference between expected and actual investment earnings on pension plan investments	5,346,495	-
Total	<u>\$ 10,768,503</u>	<u>\$ 743,370</u>

Advertising and Promotion Commission	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 422,750	\$ 81,444
Changes of assumptions	207,814	-
Changes of proportion	60,560	81,902
Net difference between expected and actual investment earnings on pension plan investments	630,766	-
Total	<u>\$ 1,321,890</u>	<u>\$ 163,346</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

Workforce Investment Board	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 16,105	\$ 3,103
Changes of assumptions	7,917	-
Changes of proportion	-	691
Net difference between expected and actual investment earnings on pension plan investments	<u>24,029</u>	<u>-</u>
Total	<u>\$ 48,051</u>	<u>\$ 3,794</u>

Little Rock Port Authority	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,026	\$ 775
Changes of assumptions	1,979	-
Changes of proportion	4,680	6,834
Net difference between expected and actual investment earnings on pension plan investments	<u>6,007</u>	<u>-</u>
Total	<u>\$ 16,692</u>	<u>\$ 7,609</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
2024	2,382,623	278,289	10,004	2,634
2025	2,561,336	297,911	11,494	2,834
2026	3,240,036	375,440	14,534	3,594
2027	468,935	44,769	2,065	476
2028	852,302	108,199	3,857	(12)
Total thereafter	<u>510,419</u>	<u>63,374</u>	<u>2,303</u>	<u>(401)</u>
Total	<u>\$ 10,015,651</u>	<u>\$ 1,167,982</u>	<u>\$ 44,257</u>	<u>\$ 9,125</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
Notes to Financial Statements
Year Ended December 31, 2023

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 23.50% for participating policemen and 23.50% for participating firemen. City contributions for 2023 to the Plan were \$19,086,491. The liability for the plan has typically been liquidated from the general fund.

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

At December 31, 2023, the City reported a liability for LOPFI Police and LOPFI Fire of \$101,822,888 and \$86,931,279, respectively, for its proportionate share of the net pension liability.

The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The City’s proportionate share was 9.53673% and 8.14198% respectively, for LOPFI Police and LOPFI Fire compared to 9.97795% and 8.73367% 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, 2022. 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, 2023 the LOPFI Police and LOPFI Fire recognized pension expense of \$15,023,426 and \$11,815,787, respectively. At December 31, 2023, 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	\$ 6,693,218	\$ -
Assumption changes	1,110,066	7,894,996
Change in proportion	-	2,866,558
Net difference between expected and actual investment earnings on pension plan investments	24,785,452	-
Contributions subsequent to the measurement date	10,427,943	-
Total	\$ 43,016,679	\$ 10,761,554

LOPFI - Fire	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,714,331	\$ -
Assumption changes	947,717	6,740,350
Change in proportion	414,002	3,689,477
Net difference between expected and actual investment earnings on pension plan investments	21,160,568	-
Contributions subsequent to the measurement date	8,658,548	-
Total	\$ 36,895,166	\$ 10,429,827

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

At December 31, 2023, LOPFI Police and LOPFI Fire reported \$10,427,943 and \$8,658,548 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2023, related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	LOPFI Police	LOPFI Fire
2024	\$ 537,170	\$ (7,856)
2025	2,992,474	2,337,910
2026	6,577,276	5,470,552
2027	<u>11,720,262</u>	<u>10,006,185</u>
Total	<u>\$ 21,827,182</u>	<u>\$ 17,806,791</u>

Actuarial Assumptions

The total pension liability in the December 31, 2022, 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, 2022 actuarial valuation were last updated for the 2017 valuation pursuant to an experience study of the period 2012 through 2016.

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 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. Best estimates of arithmetic real returns for the 10-year period were based on capital market assumptions collected from several national investment consultants over a three-year period. The 3-year average arithmetic nominal expected return is 6.23%. For each major

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

asset class that is included in the pension plan's target allocation as of December 31, 2022, these best estimates are summarized in the table below:

LOPFI - Police and Fire Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Allocated-Weighted Long-term Expected Real Rate of Return
U.S. Stock - Large Cap	21%	4.05%	0.85%
U.S. Stock - Small Cap	21%	4.65%	0.98%
International Equity	9%	5.27%	0.47%
Emerging Markets	9%	7.49%	0.67%
U.S. Corporate Bonds	25%	-0.35%	-0.09%
Real Estate	5%	3.76%	0.19%
Private Equity	10%	9.10%	0.91%
Total	<u>100%</u>		<u>3.98%</u>
Expected Inflation			<u>2.25%</u>
Total Return			<u>6.23%</u>

Discount Rate

A single discount rate of 7.25% 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 7.25%, 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 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
LOPFI - Police	Net pension liability	\$ 151,620,140	\$ 101,822,888	\$ 61,525,461
LOPFI - Fire	Net pension liability	<u>129,445,672</u>	<u>86,931,279</u>	<u>52,527,359</u>
		<u>\$ 281,065,812</u>	<u>\$ 188,754,167</u>	<u>\$ 114,052,820</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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 42.61% for district judges and 15.32% for court clerks. City contributions for 2023 to the Plan were \$34,249.

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

At December 31, 2023, the City reported a liability of \$283,538 for its proportionate share of the net pension liability. The City’s proportionate share was .00972957% compared to .00944514% for the prior year. The net pension liability was measured as of June 30, 2023, 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, 2023. The City's liability for the plan has been liquidated from the general fund.

For the year ended December 31, 2023, the City recognized pension expense of \$37,907. At December 31, 2023, 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	\$ 16,005	\$ 1,558
Change in assumptions	13,329	-
Net difference between expected and actual investment earnings on pension plan investments	35,290	-
Change in proportion	4,513	6,577
Contributions subsequent to the measurement date	17,432	-
Total	<u>\$ 86,569</u>	<u>\$ 8,135</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

At December 31, 2023, APERS reported \$17,432 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2023, related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	APERS
2024	\$ 11,272
2025	7,976
2026	44,138
2027	(2,384)
2028	-
Total	\$ 61,002

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

APERS	
Valuation	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent-of-Payroll
Remaining Amortization	23 Years
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% wage inflation, 2.5% price inflation
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 weighing 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, 2023 are summarized in the table below:

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

APERS Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Broad Domestic Equity	37%	6.19%
International Equity	24%	6.77%
Real Estate	16%	3.34%
Absolute Return	5%	3.36%
Domestic Fixed	18%	1.79%
Total	<u>100%</u>	
Total Real Rate of Return		4.94%
Plus: Price Inflation - Actuarial Assumption		2.50%
Less: Investment Expenses (Passive)		0.00%
Net Expected Return		<u>7.44%</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	Current Discount Rate	1% Increase
		6.15%	7.15%	8.15%
APERS	Net pension liability (asset)	\$ 451,934	\$ 283,538	\$ 144,796

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

amount of benefits to be paid to any participant depends solely on the amounts contributed to the Plan plus investment earnings.

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 2023, City pension expense for its contributions to the Plan was \$93,295.

The *401(a) Money Purchase and Trust Retirement Fund* is a defined contribution pension plan established under Arkansas state law, covering selected employees. Pension expenses are 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 2023, City pension expense for its contributions to the Plan was \$317,244.

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, 2023, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	415
Inactive plan member entitled to but not receiving benefit payments	-
Active plan members	1,965
	2,380

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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 \$122 for single coverage and \$721 for basic family coverage. Contributions to the Plan by the City for the year ended December 31, 2023 were \$1,807,549. The liability for the plan has typically been liquidated from the general fund.

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 2023 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, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 12.54% 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

Notes to Financial Statements

Year Ended December 31, 2023

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, 2023, 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, 2023, 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 2023 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, 2023, 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
Notes to Financial Statements
Year Ended December 31, 2023

Net OPEB Liability of the City: The components of the net OPEB liability of the City at December 31, 2023, 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	\$ 29,493,935	\$ 9,253,419	\$ 20,240,516
Changes for the year:			
Service cost	924,179	-	924,179
Interest	2,094,624	-	2,094,624
Changes of benefit terms	(139,048)	-	(139,048)
Differences between expected and actual experience	554,819	-	554,819
Changes of assumptions or other inputs	3,798,261	-	3,798,261
Contributions - employer	-	1,807,549	(1,807,549)
Net investment Income	-	1,168,095	(1,168,095)
Benefit payments	(989,814)	(989,814)	-
Net changes	<u>6,243,021</u>	<u>1,985,830</u>	<u>4,257,191</u>
Balances as of End of Year	<u>\$ 35,736,956</u>	<u>\$ 11,239,249</u>	<u>\$ 24,497,707</u>

Plan fiduciary net position as a percentage
of the total OPEB liability 31.4%

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	\$ 27,216,715	\$ 24,497,707	\$ 22,038,078

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	\$ 21,726,392	\$ 24,497,707	\$ 27,645,690

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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	
Investments	
Equities	\$ 4,873,242
Mutual funds and other investments	6,366,007
Total assets	11,239,249
NET POSITION	
Net position restricted for other postemployment benefits	\$ 11,239,249
	Health Management Trust Fund
Additions	
Contributions	
Employer	\$ 1,807,549
Total contributions	1,807,549
Investment income	
Net decrease in fair value of investments	892,376
Realized gain on sale of investments	71,072
Interest and dividends	300,138
	1,263,586
Less investment expense	95,491
Net investment loss	1,168,095
Total additions	2,975,644
Deductions	
Benefits paid directly to participants	989,814
Total deductions	989,814
Net Decrease in Net Position	1,985,830
Net Position Restricted for Other Postemployment Benefits, Beginning of Year	9,253,419
Net Position Restricted for Other Postemployment Benefits, End of Year	\$ 11,239,249

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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

For the year ended December 31, 2023, the City recognized OPEB expense of \$3,922,251. At December 31, 2023, 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	\$ 3,167,937	\$ 868,361
Changes of assumptions	7,678,694	2,951,095
Net difference between expected and actual investment earnings on pension plan investments	610,630	-
Total	\$ 11,457,261	\$ 3,819,456

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
2024	\$	1,792,614
2025		1,885,829
2026		1,914,043
2027		1,341,205
2028		380,592
Thereafter		323,522
Total	\$	7,637,805

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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, 2022, to December 31, 2023:

Liability balance, January 1, 2022	\$	1,821,033
Claims and changes in estimates		1,829,059
Claims payments		<u>(2,092,025)</u>
Liability balance, December 31, 2022		1,558,067
Claims and changes in estimates		2,608,207
Claims payments		<u>(3,040,359)</u>
Liability balance, December 31, 2023	\$	<u><u>1,125,915</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. The AML Legal Defense Program is discussed further in *Note 12: Contingencies*.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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, 2023, property taxes receivable and related deferred inflows of resources of \$74,142,582 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 \$10,983,056 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 2022 for 2023 Collections
General purpose	5.00	5.00
Municipal improvements	3.00	3.00
Library operations	3.80	3.80
Library capital improvement bonds	1.80	1.30
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
Total	17.05	16.55

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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 \$9,150,979 is based on 78.0% use of Class I Waste total constructed capacity, and 82.7% use of Class IV Waste constructed capacity. The Waste Disposal Fund will recognize, as the remaining capacity is filled, an estimated additional \$12,775,628 for final closure and postclosure of the entire landfill, which is expected to close in or about the year 2058. These amounts are based on engineering estimates of what it would cost to perform all closure and postclosure care in 2020 actual unit prices, adjusted by Department of Environmental Quality inflation factors of 1.016 in 2021 and 1.062 in 2022 and 1.065 in 2023. 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 d/b/a Rock Region Metro (RRM)

The City has an ongoing interlocal agreement with Rock Region Metro to finance approximately 71% of its operating deficits. The City continued to fund RRM's operating deficits at this level in 2023 and anticipates comparable ongoing contributions for services to be maintained in the future.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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 officials and employees and civil rights suits against the municipal government. 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 to coverage from 2022 to 2023. 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 approximately \$1,040,000 at December 31, 2023, which has been accrued as a liability in the City's General Fund.

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, 2023. 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:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Parks and Recreation Construction	\$ 8,795,235	\$ 1,553,607
Little Rock Zoo Construction	-	796,207
Fire Apparatus	2,748,746	15,389,522
Police Vehicles and Equipment	9,439,137	1,246,223
Housing and Neighborhood Construction	581,146	440,985
City Facilities	2,163,052	413,092
Street and Drainage Construction	55,032,619	12,133,650

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

The remaining commitment amounts of \$31,973,286 for the widening of streets and bridges, the construction of City facilities, for the acquisition of Fire Apparatus and Police Vehicles and Equipment 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 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, 2023, the aggregate principal amount payable on these bonds was \$73,507,048.

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.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

Note 15: Fund Balance

The City classified governmental fund balances as follows:

	General Fund	Sales Tax Capital Improvements	2022 Capital Improvements	2022 Capital Improvements (Debt Service)	Street	American Rescue Plan SLFRF	Grant Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances									
Nonspendable									
Inventory	\$ 15,608	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 586,100	\$ 601,708
Prepays	1,841,042	-	-	-	20,669	-	-	68,041	1,929,752
Trust principal	-	-	-	-	-	-	-	250,000	250,000
Restricted									
Debt service	-	-	-	14,244,199	-	-	-	9,165,411	23,409,610
Capital improvements	-	24,445,354	55,232,952	-	-	-	-	29,715,027	109,393,333
Streets & Drainage Infrastructure	-	-	-	-	33,064,251	-	-	-	33,064,251
Grants	-	-	-	-	-	1,287,434	-	1,595,108	2,882,542
Emergency 911	-	-	-	-	-	-	-	5,020,350	5,020,350
Special Projects	-	-	-	-	-	-	-	11,751,216	11,751,216
Committed									
Cable network	-	-	-	-	-	-	-	-	-
Assigned									
General fund special projects	34,828,337	-	-	-	-	-	-	-	34,828,337
Unassigned	55,886,988	-	-	-	-	-	(10,274,857)	-	45,612,131
Total Fund Balances	\$ 92,571,975	\$ 24,445,354	\$ 55,232,952	\$ 14,244,199	\$ 33,084,920	\$ 1,287,434	\$ (10,274,857)	\$ 58,151,253	\$ 268,743,230

The negative unassigned fund balance in Grant Fund of (10,274,857) is attributed to the timing of reimbursement of grant expenditures and the obligation of funds related to the March 31, 2023 Tornado for which expenditures have already occurred.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

Note 16: Tax Abatement

The City of Little Rock has ten (10) 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, 2023 is:

Taxing Authority	Amount Due if PILOTS Were Not in Place	Actual Tax Collected Under PILOT Agreements	Tax Abatement
City of Little Rock	\$ 1,059,243	\$ 355,075	\$ 704,168
Little Rock School District	2,829,061	991,888	1,837,173
Pulaski County	437,986	151,255	286,731
Pulaski County Special School District	46,989	3,165	43,824
Total	<u>\$ 4,373,279</u>	<u>\$ 1,501,383</u>	<u>\$ 2,871,896</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

Note 17: Discretely Presented Component Units

Little Rock Water Reclamation Authority (LRWRA)

Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

Little Rock Water Reclamation Authority	Balance 1/1/2023	Additions	Disposals	Transfers	Balance 12/31/2023
Capital Assets, non-depreciable					
Land	\$ 5,434,140	\$ -	\$ -	\$ -	\$ 5,434,140
Construction in progress	<u>71,771,351</u>	<u>31,647,125</u>	<u>876,852</u>	<u>(24,532,570)</u>	<u>78,009,054</u>
Total capital assets, non-depreciable	77,205,491	31,647,125	876,852	(24,532,570)	83,443,194
Capital Assets, depreciable					
Buildings, improvements, and facilities	<u>669,271,913</u>	<u>1,541,750</u>	<u>-</u>	<u>21,913,136</u>	<u>692,726,799</u>
Equipment	<u>94,354,242</u>	<u>-</u>	<u>436,607</u>	<u>2,619,434</u>	<u>96,537,069</u>
Total capital assets, depreciable	763,626,155	1,541,750	436,607	24,532,570	789,263,868
Less accumulated depreciation	<u>262,912,247</u>	<u>20,474,883</u>	<u>436,057</u>	<u>-</u>	<u>282,951,073</u>
Total capital assets, net	<u>\$ 577,919,399</u>	<u>\$ 12,713,992</u>	<u>\$ 877,402</u>	<u>\$ -</u>	<u>\$ 589,755,989</u>

Subscription asset activity for the year ended December 31, 2023 was as follows:

	Balance 1/1/2023	Additions	Disposals	Transfers	Balance 12/31/2023
Subscription IT assets	\$ 475,922	\$ 47,557	\$ -	\$ -	\$ 523,479
Total Subscription IT assets	475,922	47,557	-	-	523,479
Less accumulated amortization subscription IT assets	<u>163,135</u>	<u>170,894</u>	<u>-</u>	<u>-</u>	<u>334,029</u>
Subscription Assets, net	<u>\$ 312,787</u>	<u>\$ (123,337)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,450</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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, 2023	Increases	Decreases	Balance December 31, 2023	Amounts Due in One Year
Little Rock Water Reclamation Authority					
Revenue bonds	\$ 395,077,417	\$ 192,711,473	\$ 176,319,477	\$ 411,469,413	\$ 14,145,535
Add issuance premiums	2,742,259	-	510,013	2,232,246	-
	<u>\$ 397,819,676</u>	<u>\$ 192,711,473</u>	<u>\$ 176,829,490</u>	<u>\$ 413,701,659</u>	<u>\$ 14,145,535</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
2024	14,145,535	9,517,035
2025	15,424,071	9,088,651
2026	17,609,785	8,606,481
2027	18,059,139	8,149,823
2028	18,457,220	10,879,131
2029-2033	101,166,649	31,573,619
2034-2038	90,905,683	20,527,148
2039-2043	45,838,150	12,363,253
2044-2048	43,595,973	6,991,475
2049-2053	46,267,208	2,315,209
	<u>\$ 411,469,413</u>	<u>\$ 120,011,825</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, 2023

At December 31, 2023, LRWRA reported a liability of \$19,405,717 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and 2022, 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, 2023, LRWRA’s proportion was 0.66590511%, which was an increase of 0.03215376% from its proportion measured as of June 30, 2022, of 0.69805887%.

For the year ended December 31, 2023, LRWRA recognized pension expense of \$3,139,911. At December 31, 2023, LRWRA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,095,412	\$ 106,607
Changes in proportion and differences between employer contributions and proportionate share	8,432	570,043
Changes in assumptions	912,309	-
Net difference between projected and actual earnings on pension plan investments	2,415,315	-
Contributions subsequent to the measurement date	1,119,391	-
Total	\$ 5,550,859	\$ 676,650

The \$1,119,391 reported as deferred outflows of resources at December 31, 2023, 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, 2024. 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	
2024	\$ 736,381
2025	507,124
2026	37,681
2027	2,769,057
	\$ 4,050,243

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

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%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate:

Sensitivity of Discount Rate		
1% Lower 6.00%	Discount Rate 7.00%	1% Higher 8.00%
\$ 30,930,967	\$ 19,405,717	\$ 9,910,002

Bill and Hillary Clinton National Airport (Airport)

Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance			Transfers/ Reclassifications	Balance
Bill and Hillary Clinton National Airport	1/1/2023	Additions	Disposals		12/31/2023
Capital Assets, non-depreciable					
Land	\$ 68,418,608	\$ 57,878	\$ -	\$ -	\$ 68,476,486
Construction in progress	6,703,833	19,213,951	-	(1,052,699)	24,865,085
Total capital assets, non-depreciable	75,122,441	19,271,829	-	(1,052,699)	93,341,571
Capital Assets, depreciable					
Buildings, improvements, and facilities	518,555,799	5,644,801	1,700,474	743,653	523,243,779
Vehicles	2,182,056	-	-	-	2,182,056
Equipment	28,517,170	799,977	123,195	309,046	29,502,998
Total capital assets, depreciable	549,255,025	6,444,778	1,823,669	1,052,699	554,928,833
Less accumulated depreciation	293,675,558	21,181,882	236,369	-	314,621,071
Total capital assets, net	<u>\$ 330,701,908</u>	<u>\$ 4,534,725</u>	<u>\$ 1,587,300</u>	<u>\$ -</u>	<u>\$ 333,649,333</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2023

Note 18: Subsequent Events

The Board of Directors for the City of Little Rock adopted Resolution No. 16,299 that authorized the Little Rock Port Authority to enter into a Mortgage and Promissory Note for \$3,350,000 for the purchase of approximately 13 tracts of land for use by the Little Rock Port Authority for Economic Development. The mortgage and promissory note has an interest rate of 6% per annum until its maturity. It is anticipated that funding to repay the mortgage and promissory note will come from future Limited Tax General Obligation Capital Improvement Bonds by the City of Little Rock as part of the port improvements component approved by voters on August 9, 2022.

The City issued a taxable promissory note on May 22, 2024, in the principal amount of \$12,000,000 and bearing interest at the rate of 6.93%. The note is being issued for the purpose of financing the costs of the acquisition, construction, and installation of a solar photovoltaic array. The note was executed and issued by the City under the Constitution and laws of the State of Arkansas, including particularly Amendment No. 78 to the Constitution of the State of Arkansas and Act No. 1808 of 2001 (codified as Title 14, Chapter 78 of the Arkansas Code of 1987 Annotated), and pursuant to Ordinance No. 22,445 of the City adopted on April 16, 2024, and is a valid and binding obligation of the City enforceable in accordance with its terms.

The Board of Directors for the City of Little Rock adopted Ordinance No. 22,449 on May 14, 2024, to issue Water Reclamation System Revenue Bond, Series 2024A in the amount of \$59,600,000 for betterments and improvements to the sewer system. The bonds are to be sold to the Arkansas Development Finance Authority at a price of par for a bond bearing interest at the rate of 0.25% per annum.

The Board of Directors for the City of Little Rock adopted Ordinance No. 22,507 on September 3, 2024, to issue Water Reclamation System Revenue Bond, Series 2024B in the amount of \$5,400,000 for betterments and improvements to the sewer system. The bonds are to be sold to the Arkansas Development Finance Authority at a price of par for a bond bearing interest at the rate of 0.25% per annum.

Museum of Discovery

The Museum of Discovery closed on a new market tax credit transaction in May 2024 resulting in two notes payable totaling approximately \$9,600,000 and bearing interest of 1.01637% with quarterly interest only payments through March 5, 2031. Starting June 5, 2031, the Museum of Discovery will make quarterly payments of interest and principal totaling \$86,160. The notes mature on May 16, 2054, at which time the remaining outstanding balance plus any accrued interest is due. Prepayment cannot be made on the notes in whole or in part prior to the seventh anniversary date of the loans. The funds are to be used in connection with the acquisition, assembly and installation of museum exhibits. As part of the transaction a separate foundation was created called the Museum of Discovery Supporting Foundation, Inc. The foundation is a guarantor on the notes.

REQUIRED SUPPLEMENTARY INFORMATION



City of Little Rock, Arkansas
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
General property taxes	\$ 35,094,607	\$ 35,614,315	\$ 36,110,954	\$ 496,639
Sales taxes	134,318,006	139,771,120	142,611,135	2,840,015
Licenses and permits	13,064,400	13,326,605	13,615,340	288,735
Intergovernmental	10,020,799	10,020,799	10,679,834	659,035
Charges for services	11,260,292	11,631,529	12,421,920	790,391
Fines and fees	1,594,600	1,594,600	1,975,994	381,394
Utility franchise taxes	32,404,050	32,404,050	32,836,685	432,635
Investment income	450,000	785,612	2,459,197	1,673,585
Contributions	367,400	367,400	390,342	22,942
Miscellaneous	608,296	608,296	1,181,330	573,034
Total revenues	239,182,450	246,124,326	254,282,731	8,158,405
Expenditures				
General government				
General administration	27,800,363	26,588,120	32,680,540	(6,092,420)
Board of directors	348,179	348,179	374,234	(26,055)
Community programs	329,603	281,990	5,331,736	(5,049,746)
City attorney	2,563,580	2,433,541	2,261,631	171,910
District court - first division (criminal)	1,415,686	1,370,470	1,339,344	31,126
District court - second division (traffic)	1,355,459	1,343,018	1,288,954	54,064
District court - third division (environment)	588,888	570,671	587,585	(16,914)
Finance	4,807,797	4,701,991	4,450,044	251,947
Human resources	2,538,165	2,474,738	2,964,340	(489,602)
Information technology	7,963,217	7,801,843	5,746,600	2,055,243
Planning and development	3,412,745	3,293,692	3,517,803	(224,111)
Total general government	53,123,682	51,208,253	60,542,811	(9,334,558)
Public works	1,140,917	1,140,917	1,691,090	(550,173)
Parks and recreation services	11,109,841	10,751,798	10,773,614	(21,816)
River Market	1,071,692	1,071,692	998,408	73,284
Golf	1,797,682	1,752,297	2,005,924	(253,627)
Jim Dailey Fitness	890,419	848,772	996,013	(147,241)
Zoo	7,267,821	7,314,325	8,492,537	(1,178,212)
Fire	59,158,357	59,050,048	58,265,260	784,788
Police	85,054,047	82,430,428	80,635,499	1,794,929
911 operations	4,948,663	4,203,170	4,353,923	(150,753)
Housing and neighborhood programs	6,636,656	6,365,434	7,100,190	(734,756)
Debt service				
Principal	2,329,987	2,329,987	5,501,149	(3,171,162)
Fiscal charges on long term debt	92,537	92,537	281,263	(188,726)
Capital Outlay	63,325	206,325	8,784,774	(8,578,449)
Vacancy savings	(7,000,000)	-	-	-
Total expenditures	227,685,626	228,765,983	250,422,455	(21,656,472)
Excess of Revenues Over Expenditures	11,496,824	17,358,343	3,860,276	(13,498,067)
Other Financing Sources (Uses)				
Initiation of leases	-	-	215,125	215,125
Initiation of subscription-based information technology arrangements	-	-	3,518,374	3,518,374
Transfers in	1,564,826	1,564,826	2,064,720	499,894
Transfers out	(13,061,650)	(15,461,650)	(194,000)	15,267,650
Total other financing sources (uses)	(11,496,824)	(13,896,824)	5,604,219	19,501,043
Net Change in Fund Balances	-	3,461,519	9,464,495	6,002,976
Fund Balances, Beginning of Year	83,107,480	83,107,480	83,107,480	-
Fund Balances, End of Year	\$ 83,107,480	\$ 86,568,999	\$ 92,571,975	\$ 6,002,976

City of Little Rock, Arkansas
Notes to Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2023

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 2023.

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
General property taxes	\$ 7,227,897	\$ 7,227,897	\$ 7,465,457	\$ 237,560
Licenses and permits	19,800	19,800	14,690	(5,110)
Intergovernmental	18,101,700	17,465,712	17,031,397	(434,315)
Charges for services	24,000	24,000	40,970	16,970
Investment income	200,000	361,492	1,251,808	890,316
Miscellaneous	52,300	52,300	139,218	86,918
Total revenues	25,625,697	25,151,201	25,943,540	792,339
Expenditures				
Public works	23,426,562	21,921,589	20,282,804	1,638,785
Principal	-	-	2,148	(2,148)
Fiscal charges on long term debt	-	-	346	(346)
Capital Outlay	-	-	1,155,412	(1,155,412)
Vacancy savings	(1,750,000)	(68,122)	-	(68,122)
Total expenditures	21,676,562	21,853,467	21,440,710	412,757
Excess of Revenues Over Expenditures	3,949,135	3,297,734	4,502,830	1,205,096
Other Financing Sources (Uses)				
Initiation of leases	-	-	15,277	15,277
Transfers in	284,000	284,000	284,000	-
Transfers out	(2,827,217)	(2,827,217)	(537,217)	2,290,000
Total other financing sources (uses)	(2,543,217)	(2,543,217)	(237,940)	2,305,277
Net Change in Fund Balances	1,405,918	754,517	4,264,890	3,510,373
Fund Balances, Beginning of Year	28,820,030	28,820,030	28,820,030	-
Fund Balances, End of Year	\$ 30,225,948	\$ 29,574,547	\$ 33,084,920	\$ 3,510,373

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, 2023

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	\$ 924,178	\$ 863,718	\$ 518,125	\$ 793,760	\$ 646,275	\$ 497,628	\$ 465,073
Interest	2,094,624	2,025,767	1,594,541	1,624,054	1,464,346	996,425	967,968
Changes of benefit terms	(139,048)	-	-	-	-	-	-
Differences between expected and actual experience	554,819	(918,599)	1,594,884	2,117,141	954,625	(333,893)	(494,955)
Changes of assumptions	3,798,261	-	3,185,480	(4,795,531)	-	6,512,888	-
Benefit payments	(989,813)	(1,105,541)	(1,050,927)	(920,156)	(766,956)	(789,620)	(854,207)
Net change in total OPEB liability	6,243,021	865,345	5,842,103	(1,180,732)	2,298,290	6,883,428	83,879
Total OPEB liability - Beginning	29,493,935	28,628,590	22,786,487	23,967,219	21,668,929	14,785,501	14,701,622
Total OPEB liability - Ending (a)	<u>\$ 35,736,956</u>	<u>\$ 29,493,935</u>	<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	\$ 1,807,549	\$ 1,875,580	\$ 1,650,927	\$ 2,075,331	\$ 1,893,956	\$ 1,226,087	\$ 1,385,762
Net investment income	1,168,094	(1,240,772)	716,935	897,665	801,217	(265,832)	283,245
Benefit payments	(989,813)	(1,105,541)	(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	1,985,830	(470,733)	1,316,935	2,052,840	1,879,198	124,500	775,333
Plan fiduciary net position - Beginning	9,253,419	9,724,152	8,407,217	6,354,377	4,475,179	4,350,679	3,575,346
Plan fiduciary net position - Ending (b)	<u>\$ 11,239,249</u>	<u>\$ 9,253,419</u>	<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>\$ 24,497,707</u>	<u>\$ 20,240,516</u>	<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	31.45%	31.37%	33.97%	36.90%	26.51%	20.65%	29.43%
Covered employee payroll	\$ 145,852,549	\$ 133,369,519	\$ 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	16.80%	15.18%	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, 2023

Notes to Schedule:

Changes in benefit terms:

In 2023, retirees who are not wellness qualified pay an additional monthly premium.

Changes of assumptions:

In 2023, changes include updates to (a) assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution Trends, (b) assumed Administrative Expenses and (c) Plan Coverage elections.

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, 2023

	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 1,807,549	\$ 1,875,580	\$ 1,650,927	\$ 2,075,331	\$ 1,893,956	\$ 1,226,087	\$ 1,290,674
Employer Contributions							
Paid into Plan Trust	817,736	770,039	600,000	1,155,175	1,127,000	436,467	531,555
For Pay-go Benefits	989,813	1,105,541	1,050,927	920,156	766,956	789,620	854,207
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (95,088)</u>
Covered employee payroll	\$ 145,852,549	\$ 133,369,519	\$ 129,759,532	\$ 121,439,142	\$ 118,463,332	\$ 118,048,877	\$ 111,272,744
Contributions as a percentage of covered employee payroll	1.24%	1.41%	1.27%	1.71%	1.60%	1.04%	1.25%

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, 2023

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, 2023

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%
12/31/2022	-12.6%
12/31/2023	12.5%

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, 2023

Firemen's Pension and Relief Fund

Fiscal Year ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Interest	\$ 5,832,616	\$ 6,089,311	\$ 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	6,366,198	-	-	-	7,372,380	-	-	-	-
Difference between expected and actual experience	1,617,925	809,345	1,106,008	1,507,648	1,934,916	(97,808)	(97,808)	(120,292)	(6,896,944)
Changes in assumptions	(1,508,377)	271,394	-	-	(16,406,953)	-	-	-	-
Benefit payments, including refunds of plan member contributions	(10,776,296)	(10,897,956)	(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	1,532,066	(3,727,906)	(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	88,711,234	92,439,140	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	\$ 90,243,300	\$ 88,711,234	\$ 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	\$ 7,028,624	\$ 6,756,246	\$ 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	(7,272,683)	7,575,375	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	(10,776,296)	(10,897,956)	(10,984,172)	(12,581,421)	(13,727,558)	(12,014,477)	(12,014,477)	(11,171,602)	(10,763,891)
Administrative expense	(47,786)	(62,874)	(71,480)	(68,075)	(95,039)	(39,957)	(39,957)	(225,141)	(9,491)
Other	601,304	581,630	(338,111)	324,541	(359,548)	500,961	500,961	567,243	(121,985)
Net Change in Plan Fiduciary Net Position	(10,466,837)	3,952,421	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	57,204,889	53,252,468	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	\$ 46,738,052	\$ 57,204,889	\$ 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	\$ 43,505,248	\$ 31,506,345	\$ 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	51.79%	64.48%	57.61%	54.26%	49.87%	50.10%	50.10%	47.80%	49.03%
Covered Payroll	\$ -	\$ 19,632	\$ 81,093	\$ 82,999	-	-	-	-	-
Plan's Net Pension Liability as a Percentage of Covered Payroll	N/A	160484.64%	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, 2023

Police Pension Plan

Fiscal Year ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Interest	\$ 5,790,301	\$ 5,908,663	\$ 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	6,653,181	-	-	-	-	4,833,941	-	-	-
Difference between expected and actual experience	554,111	1,356,030	1,390,152	1,044,177	(668,084)	1,089,772	(162,894)	626,074	2,845,816
Changes in assumptions	(1,507,455)	(368,002)	-	-	-	4,132,801	-	1,589,989	-
Benefit payments, including refunds of plan member contributions	(8,863,114)	(8,312,018)	(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	2,627,024	(1,415,327)	(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	87,150,147	88,565,474	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>\$ 89,777,171</u>	<u>\$ 87,150,147</u>	<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	\$ 7,816,435	\$ 7,795,857	\$ 7,870,625	\$ 7,724,738	\$ 7,385,981	\$ 7,683,405	\$ 6,520,729	\$ 7,562,305	\$ 5,939,677
Net investment income	(7,227,018)	7,081,996	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	(8,863,114)	(8,312,018)	(9,223,690)	(9,167,927)	(10,083,026)	(10,423,792)	(10,398,367)	(9,830,664)	(10,183,707)
Administrative expense	(47,486)	(58,779)	(63,851)	(55,570)	(69,799)	(62,862)	(67,899)	(83,836)	(59,497)
Other	601,304	581,630	(338,720)	(35,809)	(106,847)	-	109,384	198,741	935,047
Net Change in Plan Fiduciary Net Position	(7,719,879)	7,088,686	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	55,533,232	48,444,546	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>\$ 47,813,353</u>	<u>\$ 55,533,232</u>	<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>\$ 41,963,818</u>	<u>\$ 31,616,915</u>	<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	53.26%	63.72%	54.70%	49.94%	43.69%	45.79%	46.63%	46.61%	48.81%
Covered Payroll	\$ 126,603	\$ 199,096	\$ 221,886	\$ 266,630	\$ 261,209	\$ 407,678	\$ 603,022	\$ -	\$ -
Plan's Net Pension Liability as a Percentage of Covered Payroll	33145.99%	15880.24%	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, 2023

Nonuniformed Employees' Defined Benefit Plan

Fiscal Year ending December 31,	2023	2022	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	795,319	849,856	813,877	846,991	875,305	919,271	967,628	992,989	1,066,765
Transfers from DC plan	-	513,515	480,586	505,618	607,775	400,496	296,175	679,378	633,501
Difference between expected and actual experience	163,538	(398,685)	(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	(1,511,663)	(1,582,260)	(1,656,664)	(1,740,226)	(1,661,821)	(1,721,934)	(1,748,500)	(1,723,901)	(1,766,611)
Other	-	(1)	1	-	-	-	-	-	-
Net Change in Total Pension Liability	(552,806)	(617,575)	404,550	(491,509)	(597,854)	(709,703)	(609,151)	(186,263)	1,008,933
Total Pension Liability, Beginning of Year	12,991,512	13,609,087	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	\$ 12,438,706	\$ 12,991,512	\$ 13,609,087	\$ 13,204,537	\$ 13,696,046	\$ 14,293,900	\$ 15,003,603	\$ 15,612,754	\$ 15,799,017
Plan Fiduciary Net Position									
Employer contributions	\$ 500,000	\$ 573,594	\$ 443,866	\$ 476,368	\$ 563,400	\$ 540,783	\$ 701,854	\$ 883,340	\$ 878,715
Net investment income	1,028,530	(1,230,211)	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	(1,511,663)	(1,582,260)	(1,656,664)	(1,740,226)	(1,661,821)	(1,721,934)	(1,748,500)	(1,723,901)	(1,766,611)
Administrative expense	(16,352)	(14,317)	(16,913)	(14,076)	(19,769)	(18,093)	(21,430)	(19,799)	(30,007)
Other	-	513,515	480,586	505,618	607,775	400,496	296,175	679,377	635,094
Net Change in Plan Fiduciary Net Position	515	(1,739,679)	777,420	30,995	1,157,309	(1,523,071)	555,486	431,053	(360,629)
Plan Fiduciary Net Position, Beginning of Year	11,540,945	13,280,624	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	\$ 11,541,460	\$ 11,540,945	\$ 13,280,624	\$ 12,503,204	\$ 12,472,209	\$ 11,314,900	\$ 12,837,971	\$ 12,282,484	\$ 11,851,431
City's Net Pension Liability, End of Year	\$ 897,246	\$ 1,450,567	\$ 328,463	\$ 701,333	\$ 1,223,837	\$ 2,979,000	\$ 2,165,632	\$ 3,330,270	\$ 3,947,586
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	92.79%	88.83%	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	N/A	N/A	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, 2023

2014 Defined Benefit Pension Plan

Fiscal Year ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service Cost	\$ 5,803,499	\$ 4,992,258	\$ 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	1,086,094	250,700	70,987	315,411	56,548	1,219,814	438,242	847,020	151,953
Interest	7,115,352	6,219,900	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	106,403	4,392,750	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	(2,788,821)	(2,373,346)	(1,865,274)	(1,730,064)	(1,138,045)	(915,123)	(813,811)	(745,738)	(477,355)
Other	-	1	(2)	1	-	-	-	-	-
Net Change in Total Pension Liability	11,322,527	13,482,262	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	107,688,084	94,205,821	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	\$ 119,010,611	\$ 107,688,083	\$ 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	\$ 5,184,231	\$ 4,604,698	\$ 4,267,758	\$ 4,123,820	\$ 4,137,168	\$ 4,138,261	\$ 3,961,813	\$ 3,709,110	\$ 3,518,861
Plan member contributions	2,543,439	2,272,160	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	1,086,094	250,700	70,987	315,411	56,548	1,219,814	438,242	847,020	151,953
Net investment income	8,656,735	(10,011,057)	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	(2,788,821)	(2,373,346)	(1,865,274)	(1,730,064)	(1,138,045)	(915,123)	(813,811)	(745,738)	(477,355)
Administrative expense	(129,005)	(108,274)	(123,393)	(109,893)	(104,596)	(99,461)	(90,323)	(83,231)	(70,248)
Other	(1)	-	(1)	1	-	3,014	-	-	67,868
Net Change in Plan Fiduciary Net Position	14,552,672	(5,365,119)	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	88,295,003	93,660,122	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	\$ 102,847,675	\$ 88,295,003	\$ 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	\$ 16,162,936	\$ 19,393,080	\$ 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	86.42%	81.99%	99.42%	98.27%	96.14%	86.06%	95.67%	87.70%	88.28%
Covered Payroll	\$ 56,607,089	\$ 50,496,644	\$ 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	28.55%	38.40%	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, 2023

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	6,756,246	(3,537,030)	19,632	34414.46%
2022	3,240,676	6,777,674	(3,536,998)	-	N/A
2023	3,240,676	7,002,233	(3,761,557)	-	N/A

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	22 years beginning January 1, 2022
Asset valuation	5-year smoothed market; 20% corridor
Price Inflation	2.50%
Salary Increases	3.25%, which is the portion of the individual pay increase assumptions attributable to wage inflation
Investment rate of return	7.5%
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, 2023

Police Pension

Year Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014 \$	3,336,832 \$	5,939,677 \$	(2,602,845) \$	-	NA
2015	3,228,943	7,562,305	(4,333,362)	-	NA
2016	3,404,129	6,520,729	(3,116,600)	603,022	1081.34%
2017	3,704,417	7,683,405	(3,978,988)	407,678	1884.67%
2018	4,140,780	7,385,981	(3,245,201)	261,209	2827.61%
2019	4,195,272	7,724,738	(3,529,466)	266,630	2897.18%
2020	3,995,628	7,870,625	(3,874,997)	221,886	3547.15%
2021	3,998,220	7,795,857	(3,797,637)	199,096	3915.63%
2022	3,998,220	7,645,261	(3,647,041)	126,603	6038.77%
2023	3,998,220	7,964,328	(3,966,108)	126,603	6290.79%

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	18 years beginning January 1, 2022
Asset valuation	5-year smoothed market; 20% corridor
Price Inflation	2.5%
Salary Increases	3.25%, which is the portion of the individual pay increase assumptions attributable to wage inflation
Investment rate of return	7.5%
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, 2023

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%
2022	573,594	573,594	-	-	N/A
2023	-	500,000	(500,000)	-	N/A

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, 2023

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%
2022	3,257,034	4,604,698	(1,347,664)	50,496,044	9.12%
2023	5,490,888	5,184,231	306,657	56,607,089	9.16%

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	105% Pub-2010 General, below median income, with MP-2020 (Beginning with the 2022 ADC)

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, 2023

<u>LOPFI - Fire</u> <u>December 31</u>	<u>2023</u>	<u>2022</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	8.1420%	8.7337%	8.5923%	8.9970%	9.1357%	9.2811%	9.3431%	9.0473%	9.1091%
City's proportionate share of the net pension liability	\$ 86,931,279	\$ 44,132,529	\$ 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	\$ 33,598,106	\$ 3,383,779	\$ 32,321,851	\$ 31,820,677	\$ 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	258.74%	130.29%	182.76%	218.48%	272.71%	224.27%	181.69%	166.56%	115.99%
Plan fiduciary net position as a percentage of the total pension liability	69.20%	84.75%	77.79%	73.21%	66.09%	71.48%	72.87%	72.92%	79.14%
<u>LOPFI - Police</u> <u>December 31</u>	<u>2023</u>	<u>2022</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	9.5367%	9.9780%	10.1037%	10.1909%	10.0357%	9.8611%	9.8034%	9.7066%	10.0287%
City's proportionate share of the net pension liability	\$ 101,822,888	\$ 50,420,068	\$ 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	\$ 38,828,826	\$ 38,978,162	\$ 40,222,380	\$ 39,978,902	\$ 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	262.24%	129.35%	172.69%	196.98%	233.85%	190.34%	133.19%	120.68%	85.95%
Plan fiduciary net position as a percentage of the total pension liability	69.20%	84.75%	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.

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, 2023

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, 2023

<u>LOPFI - Fire</u>										
<u>December 31</u>	<u>2023</u>	<u>2022</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	\$ 8,658,548	\$ 7,895,555	\$ 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	(8,658,548)	(7,895,555)	(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	\$ 36,844,883	\$ 33,598,106	\$ 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%	23.50%	23.50%	23.58%	22.58%	21.04%	19.74%	
<u>LOPFI - Police</u>										
<u>December 31</u>	<u>2023</u>	<u>2022</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	\$ 10,427,943	\$ 9,124,774	\$ 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	(10,427,943)	(9,124,774)	(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	\$ 44,374,226	\$ 38,828,826	\$ 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	23.50%	23.50%	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, 2023

<u>APERS</u>										
June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2015
City's proportion of the net pension liability	0.00972957%	0.00944514%	0.00967830%	0.01026912%	0.01165470%	0.01199273%	0.02944190%	0.04438351%	0.04566542%	
City's proportionate share of the net pension liability	\$ 283,538	\$ 254,677	\$ 74,410	\$ 291,065	\$ 281,173	\$ 264,552	\$ 760,820	\$ 1,061,364	\$ 841,035	
City's covered payroll	\$ 203,415	\$ 187,238	\$ 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	139%	136%	40%	160%	140%	120%	197%	153%	158%	
Plan fiduciary net position as a percentage of the total pension liability	77.94%	78.31%	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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2015
Actuarially required contribution	\$ 34,249	\$ 31,671	\$ 29,632	\$ 29,742	\$ 32,284	\$ 34,459	\$ 206,468	\$ 211,675	\$ 212,565	
Contributions related to the actuarially required contribution	(34,249)	(31,671)	(29,632)	(29,742)	(32,284)	(34,459)	(206,468)	(211,675)	(212,565)	
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	
City's covered payroll	\$ 212,126	\$ 195,436	\$ 182,701	\$ 183,863	\$ 200,900	\$ 228,808	\$ 239,322	\$ 586,560	\$ 533,049	
Contributions as a percentage of covered payroll	16%	16%	16%	16%	16%	15%	86%	36%	40%	

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

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, 2023

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, 2023

	Fiscal Year Ending	Annual Money-weighted Rate of Return
Nonuniformed Employees' Defined Benefit Pension Plan	12/31/23	9.33%
	12/31/22	-9.44%
	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	12/31/23	9.49%
	12/31/22	-10.43%
	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%

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.

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. These bonds were refunded by the issuance of the 2022 Library Construction and Refunding Bonds.

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. The bonds were retired in 2022.

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.

2022 LIBRARY CONSTRUCTION AND REFUNDING BOND - The 2022 Central Arkansas Library bonds were issued to finance the cost of acquiring, constructing, and equipping the land and additional 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 2015, to pay interest due on the bonds on March 1, 2023, and to pay the costs of issuance of the bonds. The Series 2022 Bonds are limited obligations, payable solely from the collections of a 1.3 mill annual ad valorem tax.

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.

2018 CAPITAL IMPROVEMENTS FUND - Accounts for the accumulation of resources for the payment of principal and interest on the 2013 and 2018 Limited Tax General Obligation Capital Improvement Bonds. The bonds were retired in 2022.

The **Capital Projects Funds** account for the acquisition or construction of major capital assets from the issuance of general long-term debt and other financing sources.

SHORT TERM FINANCING – Accounts for the issuance and expenditure of Short Term Financing to acquire buildings, land, capital equipment, vehicles, and other tangible personal property for the City.

CAPITAL IMPROVEMENT FUND - The Capital Improvement fund accounts for the issuance of the 2013 and 2018 Limited Tax General Obligation Capital Improvement Bonds to finance street and drainage improvements for the City.

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.

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.

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

2018 HOTEL GROSS RECEIPTS TAX BOND - The 2018 Gross Receipts Tax Bond Fund accounts for expenditure of bond funds issued to finance a portion of the cost of improvements to MacArthur Park, including renovations and additions to, and furnishings and equipment for, the Arkansas Museum of Fine Arts and the MacArthur Museum of Arkansas Military History.

2022 LIBRARY CONSTRUCTION AND REFUNDING BOND - The 2022 Central Arkansas Library Construction and Refunding bond fund accounts for the issuance of bonds to finance the cost of acquiring, constructing, and equipping the land and additional capital improvements to the public city libraries operated by the City and the Central Arkansas Library System.

City of Little Rock, Arkansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 3,149,025	\$ 272,092	\$ 247,345	\$ 3,668,462
Restricted cash	-	1	37,424	37,425
Investments	15,593,824	7,987,074	30,052,492	53,633,390
Accounts receivable, net	558,558	9,388,032	145,193	10,091,783
Interest receivable	64,135	6,765	93,009	163,909
Inventories	586,100	-	-	586,100
Prepaid expenditures and other	68,041	-	-	68,041
	<u>\$ 20,019,683</u>	<u>\$ 17,653,964</u>	<u>\$ 30,575,463</u>	<u>\$ 68,249,110</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 547,861	\$ 49,352	\$ 715,243	\$ 1,312,456
Due to other funds	166,504	-	-	166,504
Unearned revenue	34,503	-	-	34,503
	<u>748,868</u>	<u>49,352</u>	<u>715,243</u>	<u>1,513,463</u>
Deferred Inflows of Resources				
Unavailable revenues - property taxes	-	8,439,201	145,193	8,584,394
	<u>-</u>	<u>8,439,201</u>	<u>145,193</u>	<u>8,584,394</u>
Fund Balances				
Nonspendable	904,141	-	-	904,141
Restricted	18,366,674	9,165,411	29,715,027	57,247,112
	<u>19,270,815</u>	<u>9,165,411</u>	<u>29,715,027</u>	<u>58,151,253</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,019,683</u>	<u>\$ 17,653,964</u>	<u>\$ 30,575,463</u>	<u>\$ 68,249,110</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2023

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
General property taxes	\$ -	\$ 7,256,839	\$ 220,493	\$ 7,477,332
Sales taxes	-	2,432,849	-	2,432,849
Licenses and permits	83,421	-	-	83,421
Intergovernmental	3,327,281	-	-	3,327,281
Charges for services	2,125,204	-	-	2,125,204
Fines and fees	710,439	-	-	710,439
Utility franchise taxes	-	2,361,467	-	2,361,467
Investment income	168,404	162,442	1,544,380	1,875,226
Contributions and donations	827,921	-	-	827,921
Miscellaneous	6,619,723	-	-	6,619,723
Total revenues	13,862,393	12,213,597	1,764,873	27,840,863
Expenditures				
General government				
General administration	786,912	-	-	786,912
District court - first division (criminal)	1,133	-	-	1,133
District court - second division (traffic)	13,031	-	-	13,031
District court - third division (environment)	657	-	-	657
Human resources	70,291	-	-	70,291
Planning and development	121,427	-	-	121,427
Total general government	993,451	-	-	993,451
Public works	17,790	-	15,407	33,197
Parks and recreation services	698,608	-	-	698,608
Fire	535,439	-	98,816	634,255
Police	229,591	-	-	229,591
911 operations	360,891	-	-	360,891
Housing and neighborhood programs	3,925,440	-	-	3,925,440
Fleet	6,595	-	-	6,595
Economic development	-	-	265,000	265,000
Education	-	-	1,645,243	1,645,243
Debt service				
Principal	-	1,845,000	-	1,845,000
Fiscal charges on long term debt	-	3,300,945	-	3,300,945
Capital Outlay	1,154,186	-	10,280,219	11,434,405
Total expenditures	7,921,991	5,145,945	12,304,685	25,372,621
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,940,402	7,067,652	(10,539,812)	2,468,242
Other Financing Sources (Uses)				
Proceeds from long-term debt	-	-	7,400,000	7,400,000
Transfers in	-	-	512,107	512,107
Transfers out	-	(512,107)	-	(512,107)
Total other financing sources (uses)	-	(512,107)	7,912,107	7,400,000
Net Change in Fund Balances	5,940,402	6,555,545	(2,627,705)	9,868,242
Fund Balances, Beginning of Year, Previously Stated	13,353,386	2,609,866	32,342,732	48,305,984
Change in reporting entity	(22,973)	-	-	(22,973)
Fund Balances, Beginning of Year, As Restated	13,330,413	2,609,866	32,342,732	48,283,011
Fund Balances, End of Year	\$ 19,270,815	\$ 9,165,411	\$ 29,715,027	\$ 58,151,253

City of Little Rock, Arkansas
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023

	Special Projects	Emergency 911	CDBG	NHSP	HIPP	Total
Assets						
Cash and cash equivalents	\$ 1,255,738	\$ 475,278	\$ 272,713	\$ 34,711	\$ 1,110,585	\$ 3,149,025
Investments	11,003,120	4,590,704	-	-	-	15,593,824
Accounts receivable, net	14,011	-	473,443	-	71,104	558,558
Interest receivable	44,701	19,434	-	-	-	64,135
Inventories	-	-	374,234	-	211,866	586,100
Prepaid expenditures and other	18,589	49,452	-	-	-	68,041
Total assets	<u>\$ 12,336,159</u>	<u>\$ 5,134,868</u>	<u>\$ 1,120,390</u>	<u>\$ 34,711</u>	<u>\$ 1,393,555</u>	<u>\$ 20,019,683</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 281,851	\$ 65,066	\$ 36,663	\$ -	\$ 164,281	\$ 547,861
Due to other funds	-	-	-	19,812	146,692	166,504
Unearned revenue	34,503	-	-	-	-	34,503
Total liabilities	<u>316,354</u>	<u>65,066</u>	<u>36,663</u>	<u>19,812</u>	<u>310,973</u>	<u>748,868</u>
Deferred Inflows of Resources						
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances						
Nonspendable	268,589	49,452	374,234	-	211,866	904,141
Restricted	11,751,216	5,020,350	709,493	14,899	870,716	18,366,674
Total fund balances	<u>12,019,805</u>	<u>5,069,802</u>	<u>1,083,727</u>	<u>14,899</u>	<u>1,082,582</u>	<u>19,270,815</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,336,159</u>	<u>\$ 5,134,868</u>	<u>\$ 1,120,390</u>	<u>\$ 34,711</u>	<u>\$ 1,393,555</u>	<u>\$ 20,019,683</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended December 31, 2023

	Special Projects	Emergency 911	Grant Fund	CDBG	NHSP	HIPP	Total
Revenues							
Licenses and permits	\$ 83,421	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,421
Intergovernmental	221,257	-	-	2,209,911	-	896,113	3,327,281
Charges for services	775,956	1,349,248	-	-	-	-	2,125,204
Fines and fees	710,439	-	-	-	-	-	710,439
Investment income	(34,174)	202,578	-	-	-	-	168,404
Contributions and donations	827,921	-	-	-	-	-	827,921
Miscellaneous	6,532,060	-	-	(134,891)	100,961	121,593	6,619,723
Total revenues	9,116,880	1,551,826	-	2,075,020	100,961	1,017,706	13,862,393
Expenditures							
General government							
General administration	786,912	-	-	-	-	-	786,912
District court - first division (criminal)	1,133	-	-	-	-	-	1,133
District court - second division (traffic)	13,031	-	-	-	-	-	13,031
District court - third division (environment)	657	-	-	-	-	-	657
Human resources	70,291	-	-	-	-	-	70,291
Planning and development	121,427	-	-	-	-	-	121,427
Total general government	993,451	-	-	-	-	-	993,451
Public works							
Parks and recreation services	17,790	-	-	-	-	-	17,790
Fire	698,608	-	-	-	-	-	698,608
Police	535,439	-	-	-	-	-	535,439
911 operations	229,591	-	-	-	-	-	229,591
Housing and neighborhood programs	-	360,891	-	-	-	-	360,891
Fleet	146,895	-	-	2,115,344	104,308	1,558,893	3,925,440
Capital Outlay	6,595	-	-	-	-	-	6,595
	1,154,186	-	-	-	-	-	1,154,186
Total expenditures	3,782,555	360,891	-	2,115,344	104,308	1,558,893	7,921,991
Net Change in Fund Balances	5,334,325	1,190,935	-	(40,324)	(3,347)	(541,187)	5,940,402
Fund Balances, Beginning of Year, Previously Stated	6,685,480	3,878,867	22,973	1,124,051	18,246	1,623,769	13,353,386
Change in reporting entity	-	-	(22,973)	-	-	-	(22,973)
Fund Balances, Beginning of Year, As Restated	6,685,480	3,878,867	-	1,124,051	18,246	1,623,769	13,330,413
Fund Balances, End of Year	\$ 12,019,805	\$ 5,069,802	\$ -	\$ 1,083,727	\$ 14,899	\$ 1,082,582	\$ 19,270,815

City of Little Rock, Arkansas
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2023

	2015 Central Arkansas Library	TIF 1 2014 Capital Improvement	2017 Central Arkansas Library	2017 Capital Improvement	2022 Library Bonds	2018 Hotel Gross Receipts	2018 Capital Improvement	Total
Assets								
Cash and cash equivalents	\$ 16,139	\$ 5,216	\$ 251	\$ 77,556	\$ 136,731	\$ 28,058	\$ 8,141	\$ 272,092
Restricted cash	1	-	-	-	-	-	-	1
Investments	305,627	807,552	-	773,179	5,267,351	833,365	-	7,987,074
Accounts receivable, net	-	982,508	-	-	7,999,687	405,837	-	9,388,032
Interest receivable	1,235	213	-	3,171	-	2,146	-	6,765
	<u>323,002</u>	<u>1,795,489</u>	<u>251</u>	<u>853,906</u>	<u>13,403,769</u>	<u>1,269,406</u>	<u>8,141</u>	<u>17,653,964</u>
Total assets	<u>\$ 323,002</u>	<u>\$ 1,795,489</u>	<u>\$ 251</u>	<u>\$ 853,906</u>	<u>\$ 13,403,769</u>	<u>\$ 1,269,406</u>	<u>\$ 8,141</u>	<u>\$ 17,653,964</u>
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	-	-	-	-	49,352	-	-	49,352
Total liabilities	-	-	-	-	49,352	-	-	49,352
Deferred Inflows of Resources								
Unavailable revenues - property taxes	-	982,508	-	-	7,456,693	-	-	8,439,201
Total deferred inflows of resources	-	982,508	-	-	7,456,693	-	-	8,439,201
Fund Balances								
Restricted	323,002	812,981	251	853,906	5,897,724	1,269,406	8,141	9,165,411
Total fund balances	323,002	812,981	251	853,906	5,897,724	1,269,406	8,141	9,165,411
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 323,002</u>	<u>\$ 1,795,489</u>	<u>\$ 251</u>	<u>\$ 853,906</u>	<u>\$ 13,403,769</u>	<u>\$ 1,269,406</u>	<u>\$ 8,141</u>	<u>\$ 17,653,964</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended December 31, 2023

	2015 Central Arkansas Library	TIF 1 2014 Capital Improvement	2017 Central Arkansas Library	2017 Capital Improvement	2022 Library Bonds	2018 Hotel Gross Receipts	2018 Capital Improvement	Total
Revenues								
General property taxes	\$ -	\$ 498,374	\$ -	\$ -	\$ 6,758,465	\$ -	\$ -	\$ 7,256,839
Sales taxes	-	-	-	-	-	2,432,849	-	2,432,849
Utility franchise taxes	-	-	-	2,361,467	-	-	-	2,361,467
Investment income	4,732	22,600	251	(15,777)	82,215	60,280	8,141	162,442
Total revenues	4,732	520,974	251	2,345,690	6,840,680	2,493,129	8,141	12,213,597
Expenditures								
Debt Service								
Principal	-	225,000	-	980,000	-	640,000	-	1,845,000
Fiscal charges on long term debt	-	63,262	-	529,650	1,419,739	1,288,294	-	3,300,945
Total expenditures	-	288,262	-	1,509,650	1,419,739	1,928,294	-	5,145,945
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,732	232,712	251	836,040	5,420,941	564,835	8,141	7,067,652
Other Financing Sources (Uses)								
Transfers out	(187,782)	-	(324,325)	-	-	-	-	(512,107)
Total other financing sources (uses)	(187,782)	-	(324,325)	-	-	-	-	(512,107)
Net Change in Fund Balances	(183,050)	232,712	(324,074)	836,040	5,420,941	564,835	8,141	6,555,545
Fund Balances, Beginning of Year	506,052	580,269	324,325	17,866	476,783	704,571	-	2,609,866
Fund Balances, End of Year	\$ 323,002	\$ 812,981	\$ 251	\$ 853,906	\$ 5,897,724	\$ 1,269,406	\$ 8,141	\$ 9,165,411

City of Little Rock, Arkansas
Combining Balance Sheet
Nonmajor Capital Project Funds
Year Ended December 31, 2023

	Short-Term Financing	Capital Improvement	2015 Central Arkansas Library Capital Improvement	Port TIF	2018 Hotel Gross Receipts Tax Bonds	2022 Library Capital Improvement	Total
Assets							
Cash and cash equivalents	\$ 187,160	\$ 19,671	\$ 22,533	\$ 17,096	\$ 885	\$ -	\$ 247,345
Restricted cash	-	-	37,424	-	-	-	37,424
Investments	1,807,767	2,253,284	217,644	165,134	8,544	25,600,119	30,052,492
Accounts receivable, net	-	-	-	145,193	-	-	145,193
Interest receivable	7,653	83,700	921	699	36	-	93,009
Total assets	\$ 2,002,580	\$ 2,356,655	\$ 278,522	\$ 328,122	\$ 9,465	\$ 25,600,119	\$ 30,575,463
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	587,401	127,842	-	-	-	-	715,243
Total liabilities	587,401	127,842	-	-	-	-	715,243
Deferred Inflows of Resources							
Unavailable revenues - property taxes	-	-	-	145,193	-	-	145,193
Total deferred inflows of resources	-	-	-	145,193	-	-	145,193
Fund Balances							
Restricted	1,415,179	2,228,813	278,522	182,929	9,465	25,600,119	29,715,027
Total fund balances	1,415,179	2,228,813	278,522	182,929	9,465	25,600,119	29,715,027
Total liabilities, deferred inflows of resources and fund balances	\$ 2,002,580	\$ 2,356,655	\$ 278,522	\$ 328,122	\$ 9,465	\$ 25,600,119	\$ 30,575,463

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
Year Ended December 31, 2023

	Short-Term Financing	Capital Improvement	2015 Central Arkansas Library Capital Improvement	Port TIF	2018 Hotel Gross Receipts Tax Bonds	2022 Library Capital Improvement	Total
Revenues							
General property taxes	\$ -	\$ -	\$ -	\$ 220,493	\$ -	\$ -	\$ 220,493
Investment income	193,411	150,444	7,712	10,648	478	1,181,687	1,544,380
Total revenues	193,411	150,444	7,712	231,141	478	1,181,687	1,764,873
Expenditures							
General government							
Public works	-	15,407	-	-	-	-	15,407
Total general government	-	15,407	-	-	-	-	15,407
Fire	98,816	-	-	-	-	-	98,816
Economic development	-	-	-	265,000	-	-	265,000
Education	-	-	512,106	-	-	1,133,137	1,645,243
Capital Outlay	8,035,017	2,245,202	-	-	-	-	10,280,219
Total expenditures	8,133,833	2,260,609	512,106	265,000	-	1,133,137	12,304,685
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,940,422)	(2,110,165)	(504,394)	(33,859)	478	48,550	(10,539,812)
Other Financing Sources (Uses)							
Proceeds from long-term debt	7,400,000	-	-	-	-	-	7,400,000
Transfers in	-	-	512,107	-	-	-	512,107
Total other financing sources (uses)	7,400,000	-	512,107	-	-	-	7,912,107
Net Change in Fund Balances	(540,422)	(2,110,165)	7,713	(33,859)	478	48,550	(2,627,705)
Fund Balances, Beginning of Year	1,955,601	4,338,978	270,809	216,788	8,987	25,551,569	32,342,732
Fund Balances, End of Year	\$ 1,415,179	\$ 2,228,813	\$ 278,522	\$ 182,929	\$ 9,465	\$ 25,600,119	\$ 29,715,027

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 participants contribute 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 expenses are 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, 2023

	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		
Assets								
Cash and cash equivalents	\$ -	\$ 126	\$ 1,954,175	\$ 769,600	\$ -	\$ 7,750,504	\$ -	\$ 10,474,405
Investments								
U.S. Government obligations	-	-	794,176	2,188,886	-	14,916,120	-	17,899,182
Equities	-	-	4,515,066	-	-	61,023,501	4,873,242	70,411,809
Mutual funds and other investments	1,020,074	1,031,175	1,084,345	8,621,541	7,074,500	18,944,376	6,366,007	44,142,018
Receivables								
Accounts receivable	-	-	-	-	48,759	32,871	-	81,630
Accrued interest and dividends	-	-	-	-	-	194,305	-	194,305
Total assets	\$ 1,020,074	\$ 1,031,301	\$ 8,347,762	\$ 11,580,027	\$ 7,123,259	\$ 102,861,677	\$ 11,239,249	\$ 143,203,349
Liabilities								
Due to primary government	-	-	-	-	-	41,500	-	41,500
Total liabilities	-	-	-	-	-	41,500	-	41,500
Net Position								
Net position restricted for pensions	1,020,074	1,031,301	8,347,762	11,580,027	7,123,259	102,820,177	-	131,922,600
Net position restricted for other postemployment benefits	-	-	-	-	-	-	11,239,249	11,239,249
Total net position	\$ 1,020,074	\$ 1,031,301	\$ 8,347,762	\$ 11,580,027	\$ 7,123,259	\$ 102,820,177	\$ 11,239,249	\$ 143,161,849

City of Little Rock, Arkansas
Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
Year Ended December 31, 2023

	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	\$ -	\$ -	\$ 93,295	\$ -	\$ 317,244	\$ 5,184,231	\$ 1,807,549	\$ 7,402,319	
Plan Members	-	-	2,739	-	130,775	3,629,533	-	3,763,047	
Other	-	-	48,659	534,835	-	-	-	583,494	
Total contributions	-	-	144,693	534,835	448,019	8,813,764	1,807,549	11,748,860	
Investment income (loss)									
Net increase (decrease) in fair value of investments	(350,954)	(350,954)	218,787	777,322	1,239,353	6,113,763	892,376	8,539,693	
Realized gain (loss) on sale of investments	-	-	368,104	(51,692)	-	(271,681)	71,072	115,803	
Interest and dividends	-	-	193,301	348,368	2,116	3,203,177	300,138	4,047,100	
Less investment expense	(350,954)	(350,954)	780,192	1,073,998	1,241,469	9,045,259	1,263,586	12,702,596	
	-	-	14,583	19,320	-	388,523	95,491	517,917	
Net investment income (loss)	(350,954)	(350,954)	765,609	1,054,678	1,241,469	8,656,736	1,168,095	12,184,679	
Total additions	(350,954)	(350,954)	910,302	1,589,513	1,689,488	17,470,500	2,975,644	23,933,539	
Deductions									
Benefits paid directly to participants	-	-	1,481,312	1,513,844	1,491,398	2,788,820	989,814	8,265,188	
Distributions to other governments	300,790	300,790	-	-	-	-	-	601,580	
Administrative expenses	-	-	33,800	36,587	-	156,506	-	226,893	
Other	-	-	-	-	103	-	-	103	
Total deductions	300,790	300,790	1,515,112	1,550,431	1,491,501	2,945,326	989,814	9,093,764	
Change in Net Position	(651,744)	(651,744)	(604,810)	39,082	197,987	14,525,174	1,985,830	14,839,775	
Net Position, Beginning of Year	1,671,818	1,683,045	8,952,572	11,540,945	6,925,272	88,295,003	9,253,419	128,322,074	
Net Position, End of Year	\$ 1,020,074	\$ 1,031,301	\$ 8,347,762	\$ 11,580,027	\$ 7,123,259	\$ 102,820,177	\$ 11,239,249	\$ 143,161,849	

City of Little Rock, Arkansas
Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
December 31, 2023

	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	\$ 61,592	\$ 178,653	\$ 14,299,688	\$ 4,463,064	\$ 4,447,597	\$ 13,018,020	\$ 1,828,194	\$ 7,066,584	\$ 456,993	\$ 6,609,765	\$ 52,430,150
Investments	-	-	2,500,000	-	3,488,744	-	269,167	44,467,552	-	10,577,868	61,303,331
Restricted cash and investments - current	-	-	2,092,782	-	-	-	5,557	-	-	-	2,098,339
Accrued interest receivables	-	-	-	-	-	133,268	-	-	-	-	133,268
Accounts receivable, net of allowance	-	-	3,467,665	848,116	5,984,024	886,553	610,271	14,094,413	321,633	27,193,467	53,406,142
Inventories	-	-	-	-	364,362	546,283	30,280	163,835	-	-	1,104,760
Leases receivable - current	-	-	263,874	550,501	-	-	-	-	-	150,746	965,121
Prepaid expenses and other	-	-	716,736	162,801	508,413	141,979	27,572	982,976	-	375,172	2,915,649
Total current assets	61,592	178,653	23,340,745	6,024,482	14,793,140	14,726,103	2,771,041	66,775,360	778,626	44,907,018	174,356,760
Noncurrent assets											
Restricted assets											
Cash and cash equivalents	-	-	-	2,521,043	-	-	-	-	-	1,736,268	4,257,311
Investments	1,722,168	989,714	-	-	3,425,491	-	69,082	-	-	5,449,017	11,655,472
Lease receivable - noncurrent	-	-	2,842,120	480,998	-	-	-	-	-	552,879	3,875,997
Interest receivable	-	-	58,452	-	-	-	-	-	-	-	58,452
Total restricted assets	1,722,168	989,714	2,900,572	3,002,041	3,425,491	-	69,082	-	-	7,738,164	19,847,232
Capital assets											
Lease assets											
Land	10,400	13,089	4,178,128	26,176,630	968,885	1,737,512	-	11,856,531	-	5,572,916	38,657,560
Construction in progress	-	-	1,199,301	7,190,596	584,288	213,952	4,723,765	-	-	1,133,137	15,045,039
Buildings, improvements, and other facilities	474,814	99,211	140,173,425	48,782,376	14,424,531	44,894,920	4,479,975	119,206,804	-	116,429,298	488,965,354
Vehicles	11,834	-	8,721,732	-	9,766,744	54,053,467	-	-	9,651	-	72,563,428
Furniture and equipment	204,656	-	3,102,938	702,387	16,380,574	17,884,303	10,813,501	5,778,396	67,113	14,552,265	69,486,133
Books/AV materials	-	-	-	-	-	-	-	-	-	30,130,617	30,130,617
Other	-	-	227,522	-	-	-	-	-	-	319,745	547,267
Subscription Assets	-	-	557,981	-	-	-	-	-	-	-	557,981
Accumulated depreciation and amortization	(231,051)	(37,204)	(55,090,855)	(26,840,866)	(25,614,211)	(72,217,439)	(10,326,082)	(3,305,813)	(73,010)	(99,733,714)	(293,470,245)
Net capital assets	470,653	75,096	103,070,172	56,011,123	16,510,811	46,566,715	12,740,710	133,535,918	3,754	68,960,437	437,945,389
Other assets											
	-	64,748	-	-	1,291,692	-	-	-	-	-	1,356,440
Total noncurrent assets	2,192,821	1,129,558	105,970,744	59,013,164	21,227,994	46,566,715	12,809,792	133,535,918	3,754	76,698,601	459,149,061
Deferred Outflows of Resources											
Deferred outflows of resources from pensions	-	-	1,321,890	-	-	-	-	-	-	-	1,321,890
Total deferred outflows of resources	-	-	1,321,890	-	-	-	-	-	-	-	1,321,890
Total assets and deferred outflows of resources	\$ 2,254,413	\$ 1,308,211	\$ 130,633,379	\$ 65,037,646	\$ 36,021,134	\$ 61,292,818	\$ 15,580,833	\$ 200,311,278	\$ 782,380	\$ 121,605,619	\$ 634,827,711

City of Little Rock, Arkansas
Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
December 31, 2023

	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	\$ -	\$ -	\$ 1,690,407	\$ 26,027	\$ 735,853	\$ 400,157	\$ 134,780	\$ 1,635,815	\$ 8,220	\$ 224,935	\$ 4,856,194
Accrued wages payable and related liabilities	27,197	-	330,234	-	1,629,759	1,153,575	-	-	-	323,864	3,464,629
Accrued interest payable	-	-	1,209,124	-	-	-	-	-	-	32,202	1,241,326
Bonds payable - current portion	-	-	1,590,000	364,316	-	-	-	-	-	250,000	2,204,316
Compensated absences - current portion	-	-	592,480	147,482	-	-	-	-	-	964,092	1,704,054
Unearned revenue	-	-	838,986	-	-	-	233,517	498,325	-	-	1,570,828
Accrued expenses and other	-	-	3,461,591	130,725	27,408	7,259	120,234	3,052,268	572,868	-	7,372,353
Subscription Liability - Current	-	-	76,309	-	-	-	-	-	-	-	76,309
Lease liability - current	-	-	-	-	-	-	3,049,551	-	-	131,299	3,180,850
Total current liabilities	27,197	-	9,789,131	668,550	2,393,020	1,560,991	3,538,082	5,186,408	581,088	1,926,392	25,670,859
Noncurrent liabilities											
Bonds payable, net of unamortized premium	-	-	55,456,415	4,466,852	-	-	-	-	-	3,837,045	63,760,312
Notes payable	-	-	-	1,700,000	-	-	-	9,800,000	-	-	11,500,000
Net pension liability	-	-	1,697,108	-	-	-	-	-	-	-	1,697,108
Other long-term liabilities	-	-	-	105,102	-	-	-	-	-	-	105,102
Lease liability	-	-	-	-	-	-	-	-	-	361,093	361,093
Subscription Liability	-	-	74,408	-	-	-	-	-	-	-	74,408
Compensated absences	-	-	-	227,668	-	-	-	-	-	365,018	592,686
Total noncurrent liabilities	-	-	57,227,931	6,499,622	-	-	-	9,800,000	-	4,563,156	78,090,709
Total liabilities	27,197	-	67,017,062	7,168,172	2,393,020	1,560,991	3,538,082	14,986,408	581,088	6,489,548	103,761,568
Deferred Inflows of Resources											
Deferred inflows from pensions	-	-	163,346	-	-	-	-	-	-	-	163,346
Deferred inflows from leases	-	-	2,810,471	1,031,499	-	-	-	-	-	895,915	4,737,885
Total deferred inflows of resources	-	-	2,973,817	1,031,499	-	-	-	-	-	895,915	4,901,231
Net Position											
Net investment in capital assets	470,652	75,096	45,226,794	49,860,585	16,510,811	46,427,989	-	116,767,752	3,754	64,381,000	339,724,433
Restricted - expendable	1,618,684	989,714	33,940	2,140,413	-	2,221,857	1,532,921	21,177,712	-	5,998,764	35,714,005
Restricted - nonexpendable	-	-	-	-	-	-	-	14,689,022	-	3,917,955	18,606,977
Unrestricted	137,880	243,401	15,381,766	4,836,977	17,117,303	11,081,981	10,509,830	32,690,384	197,538	39,922,437	132,119,497
Total net position	2,227,216	1,308,211	60,642,500	56,837,975	33,628,114	59,731,827	12,042,751	185,324,870	201,292	114,220,156	526,164,912
Total liabilities, deferred inflows of resources and net position	\$ 2,254,413	\$ 1,308,211	\$ 130,633,379	\$ 65,037,646	\$ 36,021,134	\$ 61,292,818	\$ 15,580,833	\$ 200,311,278	\$ 782,380	\$ 121,605,619	\$ 634,827,711

City of Little Rock, Arkansas
Combining Statement of Activities
Nonmajor Discretely Presented Component Units
Year Ended December 31, 2023

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	\$ 31,443,878	\$ 1,193,961	\$ 4,017,262	\$ -	\$ (26,232,655)	\$ -	\$ (26,232,655)
Little Rock Workforce Development Board	2,807,881	8,317	2,894,959	-	95,395	-	95,395
Total governmental activities	34,251,759	1,202,278	6,912,221	-	(26,137,260)	-	(26,137,260)
Business-type Activities							
Oakland Fraternal Cemetery	242,904	235,755	-	-	-	(7,149)	(7,149)
Mt. Holly Cemetery	186,919	253,381	-	-	-	66,462	66,462
Little Rock Advertising and Promotion Commission	24,789,876	7,133,493	19,129,218	-	-	1,472,835	1,472,835
Little Rock Port Authority	6,404,784	5,067,182	-	-	-	(1,337,602)	(1,337,602)
Little Rock Ambulance Authority	35,933,133	35,178,219	-	-	-	(754,914)	(754,914)
Central Arkansas Transit Authority	27,250,035	1,898,420	36,280,439	-	-	10,928,824	10,928,824
Museum of Discovery	3,884,015	1,976,271	1,372,943	-	-	(534,801)	(534,801)
Arkansas Museum of Fine Arts	21,251,445	4,670,999	21,219,932	-	-	4,639,486	4,639,486
Total business-type activities	119,943,111	56,413,720	78,002,532	-	-	14,473,141	14,473,141
Total component units	<u>\$ 154,194,870</u>	<u>\$ 57,615,998</u>	<u>\$ 84,914,753</u>	<u>\$ -</u>	<u>\$ (26,137,260)</u>	<u>\$ 14,473,141</u>	<u>\$ (11,664,119)</u>
General revenues							
General property taxes					24,418,743	-	24,418,743
Sales taxes					1,135,748	-	1,135,748
Investment income					1,356,259	7,182,861	8,539,120
Other					265,855	5,708,255	5,974,110
Total general revenues					27,176,605	12,891,116	40,067,721
Change in net position					1,039,345	27,364,257	28,403,602
Net Position, Beginning of Year					113,382,103	384,379,207	497,761,310
Net Position, End of Year					<u>\$ 114,421,448</u>	<u>\$ 411,743,464</u>	<u>\$ 526,164,912</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, 2023

	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	\$ 235,755	\$ 253,381	\$ 6,923,523	\$ 5,067,182	\$ 33,278,030	\$ 1,898,420	\$ 1,944,634	\$ 1,660,331	\$ 51,261,256
Other	-	-	-	-	1,900,189	-	31,637	3,010,668	4,942,494
Total operating revenues	235,755	253,381	6,923,523	5,067,182	35,178,219	1,898,420	1,976,271	4,670,999	56,203,750
Operating Expenses									
Salaries, wages, and employee benefits	95,109	124,330	9,616,127	1,428,767	24,819,117	14,913,603	2,163,949	6,297,326	59,458,328
Supplies and materials	13,913	3,938	-	129,194	1,439,479	1,603,251	301,470	1,729,090	5,220,335
Services	28,636	32,804	4,094,871	1,215,914	3,626,187	3,136,480	624,714	3,406,857	16,166,463
Utilities	4,568	7,899	1,328,554	197,865	629,749	458,788	269,787	408,170	3,305,380
Repairs and maintenance	100,678	15,468	741,944	1,267,609	1,118,534	-	49,730	694,474	3,988,437
Other	-	-	2,238,868	348,766	1,792,311	1,065,366	-	5,950,203	11,395,514
Depreciation and amortization	-	2,480	4,410,796	1,512,998	2,507,756	6,072,547	474,365	2,511,509	17,492,451
Total operating expenses	242,904	186,919	22,431,160	6,101,113	35,933,133	27,250,035	3,884,015	20,997,629	117,026,908
Operating Income (Loss)	(7,149)	66,462	(15,507,637)	(1,033,931)	(754,914)	(25,351,615)	(1,907,744)	(16,326,630)	(60,823,158)
Nonoperating Revenues (Expenses)									
Intergovernmental revenue	-	-	19,129,218	-	-	20,723,595	-	5,858,666	45,711,479
Donations, contributions, and grants received	-	-	-	-	-	15,556,844	1,372,943	15,361,266	32,291,053
Investment income	78,276	-	426,316	104,836	298,414	314,032	249,546	5,711,441	7,182,861
Right to use lease rental interest	-	-	209,970	-	-	-	-	-	209,970
Interest expense	-	-	(2,358,716)	(303,671)	-	-	-	(253,816)	(2,916,203)
Other, net	-	-	44,835	5,071,989	554,431	-	37,000	-	5,708,255
Net nonoperating revenues (expenses)	78,276	-	17,451,623	4,873,154	852,845	36,594,471	1,659,489	26,677,557	88,187,415
Net Change in Net Position	71,127	66,462	1,943,986	3,839,223	97,931	11,242,856	(248,255)	10,350,927	27,364,257
Net Position, Beginning of Year	2,156,089	1,241,749	58,698,514	52,998,752	33,530,183	48,488,971	12,291,006	174,973,943	384,379,207
Net Position, End of Year	\$ 2,227,216	\$ 1,308,211	\$ 60,642,500	\$ 56,837,975	\$ 33,628,114	\$ 59,731,827	\$ 12,042,751	\$ 185,324,870	\$ 411,743,464

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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	164
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	170
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	175
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	180
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	182

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

Table 1

	<u>2014</u>	<u>2015 (1)</u>	<u>2016</u>	<u>2017</u>	<u>2018 (2)</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities										
Net investment in capital assets	\$ 549,795,437	\$ 547,314,893	\$ 546,408,833	\$ 531,056,399	\$ 532,916,954	\$ 543,911,661	\$ 533,696,516	\$ 596,822,534	\$ 607,353,621	\$ 611,243,139
Restricted	14,801,039	11,414,278	64,200,510	94,766,332	103,864,734	114,197,981	122,698,393	135,689,754	135,935,007	162,659,595
Unrestricted (deficit)	<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>	<u>(164,448,538)</u>	<u>(179,042,508)</u>
Total governmental activities net position	<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>	<u>\$ 578,840,090</u>	<u>\$ 594,860,226</u>
Business-type activities										
Net investment in capital assets	\$ 12,152,186	\$ 12,345,577	\$ 14,721,612	\$ 15,698,476	\$ 16,407,635	\$ 16,395,172	\$ 23,307,162	\$ 23,079,301	\$ 22,496,039	\$ 21,203,522
Restricted	2,980,184	3,102,528	1,737,901	1,759,592	1,839,896	2,212,804	2,542,665	1,657,282	1,340,969	1,425,071
Unrestricted (deficit)	<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>	<u>9,597,971</u>	<u>15,196,576</u>
Total business-type activities net position	<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>	<u>\$ 33,434,979</u>	<u>\$ 37,825,169</u>
Primary government										
Net investment in capital assets	\$ 561,947,623	\$ 559,660,470	\$ 561,130,445	\$ 546,754,875	\$ 549,324,589	\$ 560,306,833	\$ 557,003,678	\$ 619,901,835	\$ 629,849,660	\$ 632,446,661
Restricted	17,781,223	14,516,806	65,938,411	96,525,924	105,704,630	116,410,785	125,241,058	137,347,036	137,275,976	164,084,666
Unrestricted (deficit)	<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>	<u>(154,850,567)</u>	<u>(163,845,932)</u>
Total primary government net position	<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>	<u>\$ 612,275,069</u>	<u>\$ 632,685,395</u>

(1) 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.

(2) 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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Expenses										
Governmental activities										
General government	\$ 50,079,445	\$ 55,582,516	\$ 53,272,988	\$ 52,444,900	\$ 51,413,544	\$ 51,825,519	\$ 52,235,183	\$ 61,255,761	\$ 60,770,407	\$ 75,533,259
Public works	39,260,053	39,559,132	39,423,882	36,221,854	39,017,097	38,667,619	38,618,295	39,957,927	39,618,691	45,562,726
Parks and recreation services	11,436,512	11,324,541	13,144,116	14,871,467	17,180,915	17,962,635	41,645,355	15,236,418	14,347,852	14,226,915
Rivermarket	1,337,298	1,298,563	1,284,327	1,331,241	1,353,019	1,404,893	887,997	1,081,976	1,102,088	1,094,976
Golf	2,420,678	2,434,632	2,551,972	2,526,247	2,594,869	2,439,255	1,912,674	1,969,055	1,818,690	2,098,118
Jim Dailey Fitness	1,389,915	988,633	1,004,748	1,009,427	944,192	953,498	764,511	819,547	955,821	1,100,238
Zoo	6,920,847	10,754,587	7,466,778	7,419,725	7,467,458	7,153,851	6,439,107	7,356,332	8,706,384	9,202,827
Fire	48,017,977	36,708,372	51,670,486	54,864,567	55,250,732	58,868,639	64,046,333	57,803,583	51,724,011	66,855,184
Police	74,326,931	71,455,621	75,772,406	78,969,098	97,132,460	92,011,803	92,249,026	83,668,110	74,238,853	90,039,080
911 operations	-	-	-	-	-	-	-	-	4,585,371	4,713,284
Economic development	-	-	-	528,000	250,000	200,000	205,360	300,000	200,000	2,453,222
Education	6,505,814	5,773,774	10,131,712	7,130,903	2,501,134	763,492	27,000	119,815	3,005,774	1,645,243
Housing and neighborhood programs	6,996,437	10,142,884	9,149,127	9,942,239	9,844,864	9,373,900	8,089,873	10,940,380	10,862,513	11,774,133
Fleet	3,397,637	1,164,920	1,918,738	896,094	483,356	63,480	81,144	141,148	84,945	1,327,538
Interest Expense and fiscal charges on long-term debt	5,096,215	4,830,546	4,641,761	3,608,458	3,678,321	4,125,269	4,626,302	3,779,600	4,521,449	5,181,322
Total governmental activities expenses	257,185,759	252,018,721	271,433,041	271,764,220	289,111,961	285,813,853	311,828,160	284,429,652	276,542,849	332,808,065
Business-type activities										
Waste disposal	13,854,376	14,401,947	14,790,357	14,846,883	16,692,777	19,132,052	21,657,734	20,385,069	22,714,914	22,985,284
Rivermarket garage	1,938,758	1,985,775	2,087,989	1,964,207	2,191,965	2,146,710	1,521,759	1,658,313	1,803,028	1,675,425
Vehicle Storage	1,332,818	1,350,526	1,409,481	1,408,219	1,586,109	1,589,571	1,447,768	1,506,812	1,450,998	1,645,796
Total business-type activities expenses	17,125,952	17,738,248	18,287,827	18,219,309	20,470,851	22,868,333	24,627,261	23,550,194	25,968,940	26,306,505
Total primary government expenses	\$ 274,311,711	\$ 269,756,969	\$ 289,720,868	\$ 289,983,529	\$ 309,582,812	\$ 308,682,186	\$ 336,455,421	\$ 307,979,846	\$ 302,511,789	\$ 359,114,570
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 16,062,816	\$ 16,717,877	\$ 19,383,270	\$ 16,018,807	\$ 16,314,356	\$ 16,955,954	\$ 14,154,728	\$ 15,885,206	\$ 15,848,571	\$ 17,258,226
Public works	593,298	571,436	422,907	365,621	325,421	411,203	1,812,185	631,745	414,839	309,617
Parks and recreation services	1,506,979	1,539,875	2,360,546	2,729,707	2,573,039	1,812,398	868,641	1,050,862	1,181,952	1,358,855
Rivermarket	617,337	605,207	551,711	524,584	558,919	476,057	191,914	407,544	399,666	287,941
Golf	1,581,520	1,476,467	1,306,904	1,426,564	1,283,538	1,019,081	960,326	1,255,997	1,152,176	1,396,329
Jim Dailey Fitness	920,051	495,687	455,025	449,846	455,880	561,516	135,895	165,523	332,899	412,731
Zoo	3,869,582	3,798,687	4,191,378	4,202,332	3,440,997	3,391,686	1,313,288	3,422,623	3,733,929	3,547,904
Fire	2,602,223	2,562,979	2,724,322	2,677,645	2,882,895	2,869,900	1,826,533	1,499,132	1,980,587	6,482,474
Police	3,322,195	3,231,294	3,622,692	3,430,233	2,821,198	3,757,566	6,954,354	5,572,866	3,195,411	1,594,042
911 operations	-	-	-	-	-	-	-	-	3,006,992	3,100,451
Education	-	-	-	-	886	-	-	-	-	-
Fleet	229,248	-	-	-	689,291	449,253	559,309	713,646	771,858	1,111,163
Housing and neighborhood programs	669,271	945,430	794,696	822,456	1,437,279	1,074,006	889,668	910,037	1,236,115	534,815
Operating grants and contributions	5,396,151	6,041,316	4,619,575	4,330,755	29,379,100	32,172,071	40,578,867	40,744,859	38,282,851	35,440,687
Capital grants and contributions	1,379,420	591,966	2,415,017	1,568,435	6,328,314	9,722,917	5,602,611	24,319,712	5,540,438	3,104,639
Total governmental activities program revenues	\$ 38,750,091	\$ 38,578,221	\$ 42,848,043	\$ 38,546,985	\$ 68,491,113	\$ 74,673,608	\$ 75,848,319	\$ 96,579,752	\$ 77,078,284	\$ 75,939,874

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

Table 2

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Business-type activities										
Charges for services										
Waste disposal	\$ 17,452,777	\$ 17,761,020	\$ 17,975,553	\$ 17,959,296	\$ 18,291,143	\$ 18,909,436	\$ 23,534,488	\$ 23,967,918	\$ 25,039,773	\$ 25,976,307
Rivermarket garage	2,144,882	2,500,013	2,873,719	2,560,451	2,590,183	3,201,736	2,507,294	2,321,067	2,718,304	2,547,937
Vehicle storage	1,347,321	1,196,723	1,319,514	1,464,567	2,000,823	1,877,877	1,853,295	2,040,048	2,224,338	2,224,752
Capital grants and contributions	170,289	-	17,482	1,521	52,807	-	-	-	-	-
Total business-type activities program revenues	21,115,269	21,457,756	22,186,268	21,985,835	22,934,956	23,989,049	27,895,077	28,329,033	29,982,415	30,748,996
Total primary government program revenues	59,865,360	60,035,977	65,034,311	60,532,820	91,426,069	98,662,657	103,743,396	124,908,785	107,060,699	106,688,870
Net (expense)/revenue										
Governmental activities	(218,435,668)	(213,440,500)	(228,584,998)	(233,217,235)	(220,620,848)	(211,140,245)	(235,979,841)	(187,849,900)	(199,464,565)	(256,868,191)
Business-type activities	3,989,317	3,719,508	3,898,441	3,766,526	2,464,105	1,120,716	3,267,816	4,778,839	4,013,475	4,442,491
Total primary government net expense	<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>	<u>(195,451,090)</u>	<u>(252,425,700)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
General Property taxes	51,570,745	50,469,150	57,028,881	56,421,850	58,677,802	60,412,042	61,054,723	64,473,416	67,315,382	71,007,524
Sales taxes	114,294,652	118,312,110	118,220,534	120,269,724	121,474,064	132,033,373	130,975,321	151,788,411	135,892,366	145,043,984
Utility franchise taxes	29,898,410	31,065,494	29,599,082	29,326,328	29,965,553	31,182,685	29,714,100	31,432,173	33,971,762	35,198,152
Unrestricted grants and contributions	27,219,998	22,990,373	25,055,029	23,009,538	-	-	-	3	4,619,172	8,521,875
Investment income (loss)	1,131,952	775,618	559,560	1,094,589	1,591,250	4,416,791	1,691,383	(505,636)	(6,929,856)	11,861,683
Other	-	-	-	7,428,860	-	-	-	-	-	-
Transfers	1,804,131	1,816,098	1,801,106	1,880,606	1,581,764	1,784,335	1,909,301	1,944,761	1,822,544	1,255,109
Total governmental activities	<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>	<u>236,691,370</u>	<u>272,888,327</u>
Business-type activities										
Investment earnings	135,013	111,523	47,467	138,478	229,421	441,870	134,710	(82,788)	(496,033)	1,202,808
Special item - transfer of net pension obligation	-	-	-	-	-	-	-	-	-	-
Transfers	(1,804,131)	(1,816,098)	(1,801,106)	(1,880,606)	(1,581,764)	(1,784,335)	(1,909,301)	(1,944,761)	(1,822,544)	(1,255,109)
Total business-type activities	<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>	<u>(2,318,577)</u>	<u>(52,301)</u>
Total primary government	<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>	<u>234,372,793</u>	<u>272,836,026</u>
Changes in Net Position										
Governmental activities	7,484,220	11,988,343	3,679,194	6,214,260	(7,330,415)	18,688,981	(10,635,013)	61,283,228	37,226,805	16,020,136
Business-type activities	2,320,199	2,014,933	2,144,802	2,024,398	1,111,762	(221,749)	1,493,225	2,751,290	1,694,898	4,390,190
Change in accounting principle	-	(122,021,882)	-	-	(10,849,970)	-	-	-	667,091	-
Total primary government	<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>	<u>\$ 39,588,794</u>	<u>\$ 20,410,326</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 (1)	Utility Franchise Taxes	Total
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
2022	67,315,382	135,892,366 (2)	33,971,762	237,179,508
2023	71,007,524	145,043,984 (2)	35,198,152	251,249,658

- (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. The 3/8-cent portion of the tax dedicated to capital projects sunset on December 31, 2021. The 5/8-cent operating sales tax is ongoing.
- (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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Nonspendable	\$ 1,251,251	\$ 1,020,087	\$ 4,922,789	\$ 1,940,301	\$ 1,920,362	\$ 1,895,471	\$ 1,764,842	\$ 1,861,926	\$ 1,722,202	\$ 1,856,650
Committed	336,610	300,264	49,105	44,839	44,839	44,839	41,997	39,123	39,123	-
Assigned	8,009,164	12,331,036	11,141,556	14,194,561	9,608,799	9,792,389	15,731,728	21,728,893	38,038,638	34,828,337
Unassigned	24,713,596	25,567,858	24,009,361	24,414,818	22,175,496	27,447,279	30,520,217	38,258,751	43,307,517	55,886,988
Total general fund	<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>	<u>\$ 83,107,480</u>	<u>\$ 92,571,975</u>
All other governmental funds										
Nonspendable	\$ 1,532,884	\$ 1,647,604	\$ 1,382,990	\$ 640,314	\$ 1,034,773	\$ 946,656	\$ 965,057	\$ 965,057	\$ 1,162,810	\$ 924,810
Restricted	117,940,944	123,848,447	108,948,051	82,193,945	154,176,682	(1) 153,143,988	116,876,459	116,921,158	167,264,799	(2) 185,521,302
Unassigned	(3,219,899)	(2,853,464)	(2,633,318)	-	-	-	-	(152,901)	-	(10,274,857)
Total all other governmental funds	<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>\$ 117,733,314</u>	<u>\$ 168,427,609</u>	<u>\$ 176,171,255</u>

(1) 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.

(2) The increase in restricted fund balance is associated with the issuance of the 2022 Limited Tax General Obligation Capital Improvement Bonds and the 2022 Library Construction and Refunding Bonds, net of the retirement of the 2018 Limited Tax General Obligation Capital Improvement Bonds and the 2015 and 2017 Library Bonds.

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

Table 5

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes ¹	\$ 194,663,920	\$ 199,880,800	\$ 202,216,633	\$ 204,081,781	\$ 207,544,681	\$ 221,433,380	\$ 218,846,540	\$ 246,966,738	\$ 232,777,301	\$ 246,840,293
Licenses and permits	11,116,890	11,098,754	11,348,110	12,032,656	12,315,181	12,576,341	11,367,370	12,412,191	12,873,101	13,713,451
Intergovernmental	26,327,221	26,216,512	26,048,300	28,908,728	30,101,194	34,944,865	44,959,306	45,489,060	43,733,882	44,526,355
Charges for services	14,176,733	13,515,573	13,843,724	13,935,093	13,018,458	14,046,316	11,760,705	13,381,927	14,072,567	14,588,094
Fines and fees	4,044,070	3,704,630	3,681,279	3,078,148	3,006,967	2,813,142	1,910,941	2,209,321	2,436,200	2,686,433
Investment income (loss)	1,131,960	775,618	559,559	1,094,588	1,591,250	4,416,791	1,668,919	(492,721)	(6,745,057)	11,617,622
Miscellaneous	5,032,976	4,822,969	7,292,255	5,419,449	6,532,450	6,231,795	5,977,060	4,314,181	4,783,991	9,434,628
Total revenues	<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>	<u>303,931,985</u>	<u>343,406,876</u>
Expenditures										
General government	58,771,868	50,921,165	51,281,442	53,947,370	53,935,979	50,687,819	50,060,420	59,715,424	58,794,483	70,792,384
Public works	33,693,594	33,928,160	41,316,142	39,128,675	32,953,097	39,954,170	22,326,117	22,847,559	22,314,426	28,975,913
Parks and recreation	12,626,851	12,898,624	16,192,534	13,054,954	16,877,968	17,715,791	39,121,874	12,861,213	12,250,216	12,223,906
Rivermarket	1,227,229	1,188,494	1,183,258	1,234,672	1,256,450	1,305,221	791,428	985,407	1,005,519	998,408
Golf	2,376,310	2,390,265	2,507,605	2,482,543	2,414,872	2,264,745	1,661,082	1,779,528	1,718,615	2,005,924
Jim Dailey Fitness	1,253,776	855,515	896,483	901,162	869,902	855,754	646,573	708,768	849,638	996,013
Zoo	7,486,377	7,370,338	7,474,065	7,509,037	7,669,263	7,506,371	5,771,502	6,721,016	8,090,283	8,618,525
Fire department	46,506,763	46,461,030	50,119,894	50,702,393	52,333,556	57,112,963	54,002,304	57,315,541	58,598,833	60,421,545
Police department	82,062,673	72,434,859	72,974,267	76,847,967	80,083,124	81,444,508	80,172,902	80,293,498	78,912,093	83,392,346
911 operations	-	-	-	-	-	-	-	-	4,584,933	4,714,814
Housing and neighborhood programs	9,154,001	10,182,817	9,249,603	9,649,948	9,669,689	9,040,871	7,742,551	10,652,619	10,676,048	11,548,757
Fleet	-	665,112	1,918,739	921,145	1,014,420	3,649,256	81,144	114,571	84,945	6,595
Economic Development	-	-	-	-	-	-	205,360	300,000	200,000	265,000
Education	-	5,761,938	9,989,686	6,988,877	2,501,134	763,492	27,000	119,815	3,005,774	1,645,243
Debt service										
Principal	22,020,574	26,140,438	23,024,131	27,620,797	22,782,724	25,735,150	25,453,737	28,028,075	29,923,237	7,348,297
Fiscal changes on long term debt	5,297,890	5,145,133	5,145,133	5,054,785	4,298,095	4,298,095	5,015,783	4,214,024	4,426,556	5,059,342
Capital Outlay	-	-	-	-	-	-	34,682,836	34,255,585	19,883,709	39,952,002
Total expenditures	<u>282,477,906</u>	<u>276,343,888</u>	<u>293,272,982</u>	<u>296,044,325</u>	<u>288,660,273</u>	<u>302,334,206</u>	<u>327,762,613</u>	<u>320,912,643</u>	<u>315,319,308</u>	<u>338,965,014</u>
Deficiency of revenues under expenditures	<u>(25,984,136)</u>	<u>(16,329,032)</u>	<u>(28,283,122)</u>	<u>(27,493,882)</u>	<u>(14,550,092)</u>	<u>(5,871,576)</u>	<u>(31,271,772)</u>	<u>3,368,054</u>	<u>(11,387,323)</u>	<u>4,441,862</u>
Other financing sources (uses)										
Transfers in	10,179,324	10,783,984	11,276,919	13,344,426	9,519,740	6,807,170	5,201,544	4,503,077	22,685,016	2,860,827
Transfers out	(8,251,193)	(8,553,142)	(9,475,813)	(10,963,820)	(6,937,976)	(4,272,835)	(2,609,528)	(1,820,316)	(20,862,472)	(1,243,324)
Transfers to component units	-	-	-	-	-	-	-	-	-	-
Proceeds from long term debt	2,615,000	42,530,000	11,978,000	39,050,000	76,045,000	5,650,000	-	5,925,000	99,335,000	7,400,000
Premium on bonds issued	-	112,763	-	2,407,764	1,455,501	-	-	3	1,508,685	-
Payments to refunded bond escrow agent	-	(17,247,291)	-	(40,736,244)	-	-	-	-	(19,505,462)	-
Initiation of subscription-based information technology arrangements	-	-	-	-	-	-	-	-	-	3,518,374
Initiation of leases	5,916,000	-	-	-	-	2,924,374	1,309,434	1,857,413	57,814	230,402
Total other financing sources	<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>	<u>83,218,581</u>	<u>12,766,279</u>
Net change in fund balances	<u>\$ (15,525,005)</u>	<u>\$ 11,297,282</u>	<u>\$ (14,504,016)</u>	<u>\$ (24,391,756)</u>	<u>\$ 65,532,173</u>	<u>\$ 5,237,133</u>	<u>\$ (27,370,322)</u>	<u>\$ 13,833,231</u>	<u>\$ 71,831,258</u>	<u>\$ 17,208,141</u>
Debt service as a percentage of noncapital expenditures	10.4%	12.2%	10.2%	11.9%	9.8%	11.3%	10.4%	11.2%	11.6%	4.1%

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

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 (1)	Utility Franchise Taxes	Total
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 (2)	29,714,100	218,846,540
2021	63,746,154	151,788,411 (2)	31,432,173	246,966,738
2022	62,913,173	135,892,366 (2)	33,971,762	232,777,301
2023	66,598,157	145,043,984 (2)	35,198,152	246,840,293

(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. The 3/8-cent portion of the tax sunset on December 31, 2021. The 5/8-cent operating portion of the sales tax is on-going.

(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	Utility				
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	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	17.05	24,176,182,300	20%
2022	4,011,070,758	1,079,054,005	283,762,390	5,373,887,153	16.55	26,634,478,610	20%
2023	4,236,182,246	1,171,604,490	292,705,050	5,700,491,786	16.55	28,252,621,030	20%

Source: Pulaski County Tax Assessor.

The year noted represents the year assessed for collection in the following year. For example, the 2023 amounts represent the 2023 assessment for collection in 2024.

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 2015 Library Capital Improvement and Refunding Bonds.

(2) The direct tax rate for Library operations was increased from 3.3 to 3.8 mills.

(3) The direct tax rate for Library bonds was decreased from 1.8 to 1.3 mills.

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
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
2022	17.05	17.05	7.05	7.05	46.40	46.40	70.50	70.50
2023	16.55	16.55	7.05	7.05	46.40	46.40	70.00	70.00

Tax Levies

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
2022	\$ 65,345,884	\$ 63,187,101	\$ 189,233,736	\$ 317,766,721
2023	\$ 69,245,077	\$ 69,507,895	\$ 204,414,171	\$ 343,167,143

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.

Data on this schedule shows taxes levied in the prior year for collection in the current year.

Taxes are due and payable on or before October 10. Taxes are recorded as delinquent after October 10 and a 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
Fire pension and police pension	1 mill each

City of Little Rock, Arkansas

Principal Sales Taxpayers

December 31, 2023

The City of Little Rock, Arkansas's largest own-source revenue is sales taxes. The City's sales tax revenues are generated from a permanent one and one-eighth (1.125)-cent local general sales tax. Prior to 2022, the City also assessed a three-eighth (0.375)-cent sales tax for capital projects which sunset on December 31, 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 2023, the City's local 1.125-cent sales tax generated revenue of \$78,717,250. The City's share of the county 1-cent tax generated revenue of \$60,587,539.

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 1/8 Cent Sales Tax by Industry	Tax Collected	% of Total
Other General Merchandise Stores	\$ 6,090,953	7.74%
Grocery Stores	5,234,090	6.65%
Building Material and Supplies Dealers	4,023,508	5.11%
Electronic Shopping and Mail-Order Houses	3,785,390	4.81%
Full-Service Restaurants	3,566,037	4.53%
Food Services and Drinking Places; Unknown Subclassification	3,196,903	4.06%
Electronics and Appliance Stores	2,727,794	3.47%
Electric Power Generation; Transmission and Distribution	2,609,943	3.32%
Clothing Stores	2,238,021	2.84%
Traveler Accommodation	1,961,564	2.49%
Totals	\$ 35,434,203	45.02%

Little Rock Top Ten 1 Cent County Sales Tax by Industry	Tax Collected	% of Total
Other General Merchandise Stores	\$ 5,777,924	9.54%
Building Material and Supplies Dealers	3,840,595	6.34%
Grocery Stores	3,410,331	5.63%
Electronic Shopping and Mail-Order Houses	3,127,358	5.16%
Full-Service Restaurants	2,577,706	4.25%
Food Services and Drinking Places; Unknown Subclassification	2,290,048	3.78%
Electric Power Generation; Transmission and Distribution	2,237,753	3.69%
Electronics and Appliance Stores	1,706,234	2.82%
Clothing Stores	1,399,796	2.31%
Automotive Repair and Maintenance	1,239,179	2.05%
Totals	\$ 27,606,924	45.57%

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
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%
2022	65,345,884	58,476,965	89.49%	4,141,027	62,617,992	95.83%
2023	69,245,077	62,524,713	90.29%	3,795,398	66,320,111	95.78%

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	Leases	Subscriptions	Revenue Bonds	Leases				
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 (3)	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	- (4)	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	
2022	101,821,513 (6)	44,750,990	7,095,530	4,887,078	- (5)	4,441,129	-	162,996,240	2.00%	791.51	
2023	101,434,341	42,987,786	12,165,543	3,322,339	2,642,884 (7)	3,788,568	34,721	166,376,182	1.94%	796.71	

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

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

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

(5) GASB 87 - Leases was implemented in 2022.

(6) In 2022, the City issued \$40,770,000 in limited tax general obligation bonds to finance capital improvements for the Central Arkansas Library and to refund the 2015 Library bonds. In addition, the City issued 2022 Limited Tax Capital Improvement Bonds, Series 2022A - \$53,510,000 and 2022B (taxable) - \$5,055,000 to finance various capital improvements for the City.

(7) In 2023, GASB 96 *Subscription-Based Information Technology Arrangements* was implemented.

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)
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%	110.40
2022	101,821,513 (6)	1,093,589	100,727,924	1.87%	497.20
2023	101,434,341	21,327,223	80,107,118	1.41%	383.60

Note: Details regarding the City's outstanding debt can be found in *Note 5* 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 2013, the City issued \$58,105,000 in limited tax general obligation bonds to finance various capital improvements for the City.
- (4) In 2015, the City issued \$36,620,000 in limited tax general obligation bonds to refund the outstanding Library Construction Bonds, Series 2008 and Series 2009, to fund additional capital improvements for the Central Arkansas Library System.
- (5) In 2018, the City issued \$43,475,000 in limited tax general obligation bonds to finance street and drainage improvements for the City.
- (6) In 2022, the City issued \$40,770,000 in Library construction and refunding bonds. The 2017 Library bonds were retired and the 2015 Library bonds were refunded. In addition, the City issued \$53,510,000 in limited tax general obligation capital improvement bonds - Series 2022A and \$5,055,000 in limited tax general obligation capital improvement bonds - Series 2022B (taxable). The 2018 limited tax general obligation capital improvement bonds were retired.

City of Little Rock, Arkansas
Direct and Overlapping Governmental Activities Debt
December 31, 2023

Table 13

Governmental Unit	Debt Available for Retirement	Percentage Applicable (2)	City's Share of Overlapping Debt
Direct:			
City of Little Rock, Arkansas	\$ 159,910,009 (1)	100%	\$ 159,910,009
Overlapping:			
Little Rock Public School District	412,200,971	100%	412,200,971
Total direct and overlapping debt	<u>\$ 572,110,980</u>		<u>\$ 572,110,980</u>
Ratio, direct and estimated overlapping debt to fiscal 2023 assessed valuation (3)			10.04%
Per capita direct and estimated overlapping debt (4)			<u>\$ 2,740</u>

(1) The City's overlapping debt includes governmental activities outstanding debt.

(2) The percentage applicable to the City of Little Rock is based on the relative assessed values within the City.

(3) Assessed valuation from Table 7, \$5,700,491,786

(4) Based on Table 16, 208,830

City of Little Rock, Arkansas

Legal Debt Margin Information

Last Ten Years

Table 14

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 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	\$ 1,343,471,789	\$ 1,425,122,946
Total net debt applicable to limit	<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>	<u>112,710,532</u>	<u>95,595,000</u>
Legal debt margin	<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>	<u>\$ 1,230,761,257</u>	<u>\$ 1,329,527,946</u>
Total net debt applicable to the limit as a percentage of debt limit	12.70%	10.68%	11.38%	9.69%	7.48%	6.91%	4.67%	3.07%	8.39%	6.71%

Legal Debt Margin Calculation for 2022

Assessed value	\$ 5,700,491,786
Debt limit:	
General obligation debt limitation (1)	1,140,098,357
Short-term financing debt limitation (2)	<u>285,024,589</u>
Total debt limitation	<u>1,425,122,946</u>
Debt applicable to limit:	
General obligation and short-term financing	116,922,223
Less: Amount set aside for repayment in debt services funds	<u>21,327,223</u>
Total net debt applicable to limit	<u>95,595,000</u>
Legal debt margin	<u>\$ 1,329,527,946</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 - Retired as of May 1, 2022						
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	6,622,866	305,000	27,456	332,456	19.92
2022	2,835,490	610,000	1,315,394	1,925,394	1.47		24,925,943	19,666,848	5,259,095	325,000	9,344	334,344	15.73
2023	2,432,849	640,000	1,284,894	1,924,894	1.26		N/A	N/A	N/A	N/A	N/A	N/A	N/A
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	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	1,766,122	560,000	328,448	888,448	1.99
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
2022	23,174,036	950,000	555,150	1,505,150	15.40		3,022,028	1,298,639	1,723,389	620,000	268,073	888,073	1.94
2023	24,185,806	980,000	526,650	1,506,650	16.05		3,113,499	1,204,647	1,908,852	655,000	235,523	890,523	2.14

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.

The Waste Disposal Revenue Bonds were retired in 2022.

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
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)	2.7%
2022	205,932 (5)	8,154,907,200	39,600	37.9	18.6	21,456 (3)	2.5%
2023	208,830 (6)	8,570,174,370	41,039	36.9	17.5	26,095 (7)	3.2%

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

(6) Metroplan

(7) US Census Bureau

City of Little Rock, Arkansas
Little Rock Area Principal Employers
Current Year and Ten Years

Table 17

Employer	2023			2013	
	Employees	Rank	Percentage of Total City Employment	Employees	Rank
State of Arkansas (MSA)	34,900	1	18.52%	32,200	1
Local Government (MSA)	27,200	2	14.43%	28,800	2
Federal Government (MSA)	9,900	3	5.25%	9,200	3
University of Arkansas Medical Sciences	9,100	4	4.83%	8,500	4
Baptist Health	5,360	5	2.84%	7,000	5
Little Rock Air Force Base	4,500	6	2.39%	4,500	6
Arkansas Children's Hospital	4,000	7	2.12%		
Little Rock School District	3,500	8	1.86%		
Central Arkansas Veterans Health Care	2,800	9	1.49%	3,500	9
Entergy Arkansas	2,740	10	1.45%	2,738	10
Axiom				4,388	7
Little Rock School District				3,511	8
	104,000		55.19%	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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
General Administration	47	47	63	67	69	32	33	33	35	36
Racial Cultural Diversity	2	2	-	-	-	-	-	-	-	-
City Clerk	2	2	3	3	3	-	-	-	-	-
Board of Directors	1	1	1	1	1	1	1	1	1	1
Community Programs	10	11	13	11	13	12	12	13	14	20
City Attorney	18	19	20	18	18	16	16	16	18	23
District Court- First Division	21	21	20	20	20	20	20	20	21	21
District Court - Second Division	17	17	18	18	18	18	18	18	19	19
District Court - Third Division	8	8	8	8	8	7	7	7	8	8
Finance	41	42	43	43	42	41	43	46	52	53
Human Resources	19	20	20	22	23	22	22	25	26	25
Management Support/Information Technology	39	39	39	39	39	39	39	41	42	43
Planning and Development	39	39	39	39	39	38	38	39	46	46
Housing and Neighborhood Programs	103	104	105	107	106	98	98	99	99	105
Public Works - General	13	13	12	12	12	12	12	12	12	12
Parks and Recreation	122	127	130	128	129	106	106	106	106	107
Golf	21	22	22	21	20	14	15	15	15	15
Jim Dailey Fitness & Aquatic Center	9	9	9	9	8	8	8	8	8	8
Zoo	59	61	62	63	62	62	62	63	64	64
Fire	421	421	422	421	433	432	432	433	433	445
Police	716	717	733	748	748	744	743	754	694	703
911 Emergency Communications	-	-	-	-	-	-	-	-	65	65
Total General Fund	<u>1,728</u>	<u>1,742</u>	<u>1,782</u>	<u>1,798</u>	<u>1,811</u>	<u>1,722</u>	<u>1,725</u>	<u>1,749</u>	<u>1,778</u>	<u>1,819</u>
Waste Disposal	113	113	113	121	121	130	144	145	145	145
Public Works - Street	213	213	216	215	216	216	219	220	217	217
Fleet Services	61	61	63	63	63	63	63	63	62	63
Vehicle Storage Facility	15	15	13	13	13	13	13	14	14	15
Total Other Funds	<u>402</u>	<u>402</u>	<u>405</u>	<u>412</u>	<u>413</u>	<u>422</u>	<u>439</u>	<u>442</u>	<u>438</u>	<u>440</u>
Total Personnel	<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>	<u>2,216</u>	<u>2,259</u>

(1) In 2022, 911 Emergency Communications became a separate division. Existing positions were transferred from the Police Department and a new 911 Communications Director was hired.

City of Little Rock, Arkansas
Operating Indicators by Function/Program
Last Ten Years

Table 19

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Planning and Development										
Total building permits issued	2,024	2,059	2,276	2,283	1,957	2,015	1,965	2,303	2,440	2,188
Estimated building cost	\$ 593,559,207	\$ 414,586,125	\$ 448,913,149	\$ 502,609,225	\$ 617,187,924	\$ 551,240,708	\$ 443,609,792	\$ 549,425,210	\$ 643,686,232	\$ 710,308,830
New commercial construction permits	62	45	40	50	31	76	68	88	39	37
Commercial construction value	\$ 189,748,670	\$ 137,075,636	\$ 116,870,836	\$ 138,433,381	\$ 295,268,496	\$ 85,798,573	\$ 115,488,838	\$ 166,577,215	\$ 186,213,017	\$ 95,745,928
New residential construction permits	343	335	337	481	329	413	415	540	375	564
Residential construction value	\$ 92,447,772	\$ 89,366,181	\$ 97,554,075	\$ 130,595,311	\$ 108,394,465	\$ 125,590,680	\$ 131,972,141	\$ 166,474,819	\$ 169,820,056	\$ 215,213,333
Fire										
Number of uniformed employees	415	415	416	416	414	426	426	426	426	448
Fires and explosions	1,274	1,302	1,274	1,296	1,288	1,131	1,125	1,257	1,467	1,388
Overpressure rupture, explosion, overhear (no fire)	76	72	116	(112	69	125	90	83	49
Rescue, emergency medical calls	16,934	17,985	18,455	21,246	21,431	20,280	16,702	15,603	18,426	18,907
Hazardous condition, standby	1,383	1,371	1,384	1,095	1,065	1,088	1,044	787	980	1,166
Service calls	1,503	1,638	1,780	1,882	2,184	2,320	2,646	2,537	3,312	3,132
Good intent calls	3,839	3,419	3,179	3,841	4,301	3,910	3,496	3,023	3,330	4,062
False alarm calls	3,258	4,343	3,790	3,504	4,046	4,155	3,830	4,061	4,787	4,500
Natural disaster calls	26	17	47	27	46	60	31	8	27	38
Other calls	685	437	-	-	144	117	131	110	140	244
Total calls	29,393	30,999	30,441	33,307	35,031	33,556	29,130	27,476	32,552	33,486
Police										
Number of uniformed employees	574	574	590	593	594	594	594	594	594	596
Calls for service	150,367	162,844	162,363	159,051	153,828	153,786	165,460	172,692	223,766	154,127
Arrests	9,289	8,373	9,097	10,321	11,291	11,018	8,173	7,031	7,221	7,775
Accidents (fatality and serious injury)	12,622	12,465	11,200	12,275	12,274	44	54	223	189	56
Training man hours	38,507	16,230	30,241	31,000	130,000	111,360	74,056	74,450	72,338	86,500
Uniform Crime Reporting (UCR) Part I offenses	16,494	14,932	16,849	17,030	15,694	15,185	13,362	14,814	14,492	14,739
Clearance rate - all crimes	20.13%	20.70%	7.23%	15.77%	14.80%	18.19%	22.41%	18.03%	15.01%	15.00%
Public Works										
Miles of graded and surface treatment	422	422	419	419	408	408	408	405	398	398
Drainage ditches maintained	1,578	1,578	1,571	1,571	1,571	1,571	1,571	1,569	1,568	1,568
Traffic signals repaired	2,288	2,179	2,096	1,557	1,799	1,707	1,800	1,126	800	800
Solid Waste/Garbage Collections										
Solid waste disposal monthly service rate	\$ 22.02	\$ 22.02	\$ 22.02	\$ 22.02	\$ 22.02	\$ 22.02	\$ 28.90	\$ 29.68	\$ 29.68	\$ 29.68
On-Call service	28,148	25,523	28,098	31,124	36,929	40,815	28,017	27,200	28,000	28,000
Knuckleboom truck service	6,864	6,198	9,014	7,379	7,925	7,546	7,201	6,314	7,000	7,000
Roll-offs service	1,935	1,149	1,136	752	769	779	571	884	900	900
Carts	5,121	6,667	6,220	5,134	4,993	4,994	1,432	1,859	1,900	1,900
Dead animals collected	309	328	312	384	520	392	351	443	450	450
Curbside recycling tonnage	10,219	9,839	9,381	8,795	8,596	7,682	7,013	6,000	6,000	6,000
Class I and IV tonnage	119,013	124,617	135,104	134,752	136,232	143,020	105,318	131,114	134,000	134,000
Yard Waste tonnage	30,562	27,529	28,978	27,053	23,775	24,200	23,699	22,975	23,000	23,000
Parks and Recreation										
Total recorded parks attendance	613,042	675,314	612,066	599,452	545,888	210,687	158,981	235,863	250,000	475,652
Zoo attendance	307,046	267,314	280,279	265,268	237,653	240,229	101,482	233,020	206,425	224,386
Zoo outreach program	18,700	46,202	22,626	40,424	35,238	20,844	5,520	2,529	2,529	5,519

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fire Stations	21	21	21	21	21	22	22	22	22	22
Police Stations	11	11	11	11	10	10	10	10	10	10
Public Works										
Miles of Streets	2,465	2,468	2,478	2,485	2,490	2,490	2,486	2,494	2,501	2,501
Miles of paved - permanent streets	2,046	2,050	2,057	2,066	2,082	2,082	2,082	2,089	2,103	2,103
Alleys	63	63	63	63	63	63	63	63	63	63
Waste Disposal										
Storm Sewers Maintained	361	363	367	369	373	373	373	376	379	379
Miles of sanitary sewer	1,368	1,375	1,384	1,385	1,385	1,399	1,404	1,404	1,416	1,404
Solid waste containers purchased	2,138	1,740	2,900	4,110	5,220	4,130	1,160	3,480	3,480	3,480
Parks and Recreation										
Acreage	6,077	6,077	6,077	6,078	6,141	6,140	6,140	6,140	6,140	6,140
Number of parks	62	62	63	63	63	63	63	63	63	63
Number of playgrounds	46	46	42	42	42	44	44	39	41	38
Number of tennis courts	48	48	43	41	41	41	41	34	34	35
Number of basketball courts	37	37	35	35	35	36	36	35	35	25
Number of museums	1	1	1	1	1	1	1	1	1	2
Number of golf courses	3	3	3	3	3	2	2	2	2	2
Number of ball fields	25	29	26	26	25	25	25	30	30	23
Number of play fields	22	22	22	22	20	20	22	22	22	5
Number of zoos	1	1	1	1	1	1	1	1	1	1
Number of adult centers	3	1	1	1	1	1	1	1	1	1
Number of community centers	4	6	6	6	8	8	9	9	9	7
Number of fitness centers	1	1	1	1	1	1	1	1	1	1
Number of swimming pools	2	3	3	3	3	3	3	3	3	3
Number of soccer fields	12	12	13	13	13	13	13	13	13	14
Number of pavilions	28	28	31	33	32	32	32	32	33	24
Number of pickleball courts	-	-	-	-	-	-	-	6	6	6
Number of volleyball courts	8	10	13	13	17	17	17	17	17	10

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, 2023:

- (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 is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the City's compliance with the aforementioned requirements above based upon our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2023.

Forvis Mazars, LLP

**Little Rock, Arkansas
October 31, 2024**

SINGLE AUDIT SECTION



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 (*Government Auditing Standards*), 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 31, 2024. 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 the 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 instances of reportable noncompliance associated with the Museum of Discovery, Arkansas Museum of Fine Arts Foundation and BlossomOutreach22, Inc.

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

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

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 Mazars, LLP

**Little Rock, Arkansas
October 31, 2024**

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, 2023. 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, 2023.

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, and Little Rock Water Reclamation Authority, which expended \$22,362,964, \$20,145,520, and \$4,852,379, respectively, in federal awards, which are not included in the City's schedule of expenditures of federal awards for the year ended December 31, 2023. 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

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

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 Mazars, LLP

**Little Rock, Arkansas
October 31, 2024**

City of Little Rock, Arkansas
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

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 Housing and Urban Development</u>				
Direct Programs:				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 341,609	\$ 1,796,884
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	N/A	-	1,846
<i>Total CDBG - Entitlement Grants Cluster</i>			341,609	1,798,730
Pass-Through From:				
Arkansas Department of Human Services				
Emergency Solutions Grant Program	14.231	4600047334	-	334,074
COVID-19 Emergency Solutions Grant Program	14.231	4600047378	-	141,000
Direct Programs:				
HOME Investment Partnerships Program				
	14.239	N/A	-	981,872
Housing Opportunities for Persons with Aids (HOPWA)				
COVID-19 Housing Opportunities for Persons with Aids (HOPWA)	14.241	N/A	494,441	576,983
	14.241	N/A	72	72
<i>Total Housing Opportunities for Persons with Aids (HOPWA)</i>			494,513	577,055
Neighborhood Stabilization Program (Recovery Act Funded)				
	14.256	N/A	-	8,890
Continuum of Care Program	14.267	N/A	-	52,777
Total Department of Housing and Urban Development			836,122	3,894,398
<u>Department of Interior</u>				
Pass-Through From:				
National Parks Service				
Historic Preservation Fund Grants-In-Aid	15.904	P20AP00034	-	5,250
Arkansas Department of Heritage				
Historic Preservation Fund Grants-In-Aid	15.904	22-CLG-05, 23-CLG-05	-	100,277
Total Department of Interior			-	105,527
<u>Department of Justice</u>				
Pass-Through From:				
Arkansas Department of Finance and Administration				
Crime Victim Assistance	16.575	200441-19VG/2019-V2-GX-0010 2020-V2-GX-0061	-	305,427
Pass-Through From:				
Arkansas Department of Finance and Administration				
Violence Against Women Formula Grants	16.588	220442-22SL	-	80,044
Pass-Through From:				
Arkansas Department of Finance and Administration				
Project Safe Neighborhoods	16.609	247391-21EL	-	489
Direct Programs:				
Public Safety Partnership and Community Policing Grants				
	16.710	N/A	-	286,201
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	6,685	383,891
Byrne Criminal Justice Innovation Program	16.817	N/A	-	166,729
Equitable Sharing Program	16.922	N/A	-	5,628
Total Department of Justice			6,685	1,228,409

**City of Little Rock, Arkansas
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023**

(Continued)

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>Department of Transportation</u>				
Pass-Through From:				
Arkansas Department of Transportation Highway Planning and Construction	20.205	JOB 016639, JOB 061693	\$ -	\$970,999
Total Department of Transportation			-	970,999
<u>Department of Treasury</u>				
Direct Programs:				
Equitable Sharing	21.016	N/A	-	753,023
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	682,371	8,711,514
Total Department of Treasury			682,371	9,464,537
<u>Department of Education</u>				
Pass-Through From:				
Arkansas Department of Education Twenty-First Century Community Learning Centers	84.287C	S287C210004	-	121,523
Arkansas State University COVID-19 Education Stabilization Fund	84.425U	21-117-22	-	253,264
Total Department of Education			-	374,787
<u>Department of Health and Human Services</u>				
Direct Programs:				
Temporary Assistance for Needy Families	93.558	N/A	-	234,736
Total Department of Health and Human Services			-	234,736
<u>Department of Homeland Security</u>				
Direct Programs:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4698-AR	-	344,210
Pass-Through From:				
Arkansas Department of Emergency Management Emergency Management Performance Grants (EMPG)	97.042	EMT-2023-EP-00004-S01	-	36,275
Homeland Security Grant Program	97.067	EMW-2020-SS-00047 EMW-2021-SS-00020-S01 EMW-2022-SS-00017-S01	139,500	509,282
Total Department of Homeland Security			139,500	889,767
Total Expenditures of Federal Awards			\$ 1,664,678	\$ 17,163,160

The accompanying notes are an integral part of this schedule

City of Little Rock, Arkansas
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

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, 2023. 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% 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, 2023.

City of Little Rock, Arkansas
Schedule of Findings and Questioned Costs
Year Ended December 31, 2023

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

7. Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
<i>CDBG - Entitlement Grants Cluster</i>	
14.218	Community Development Block Grants/Entitlement Grants
14.218	COVID-19 Community Development Block Grants/Entitlement Grants
21.016	Equitable Sharing Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

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

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

**City of Little Rock, Arkansas
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2023**

Reference Number	Summary of Finding	Status
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No matters are reportable.

Other Information

City of Little Rock, Arkansas
Schedule of Expenditures of State Awards (Unaudited)
Year Ended December 31, 2023

<u>Program Grantor/Program Title</u>	<u>State Awards</u>
Arkansas Department of Health	
Pass-through Arkansas Department of Emergency Management	
Hazard Mitigation Kanis Road	<u>\$ 89,105</u>
Total State Awards	<u><u>\$ 89,105</u></u>