

2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024



CITY OF LITTLE ROCK
ARKANSAS



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ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024

PREPARED BY:
THE DEPARTMENT OF FINANCE

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CITY OF LITTLE ROCK
ARKANSAS



City of Little Rock, Arkansas

Year Ended December 31, 2024

Table of Contents

Table of Contents	i
Introductory Section (Unaudited)	
Letter of Transmittal	viii
GFOA Certificate of Achievement for Excellence in Financial Reporting	xviii
Organizational Chart	xix
List of Elected and Appointed Officials	xx
Financial Section	
Independent Auditor's Report	3
Management's Discussion and Analysis (Unaudited)	6
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	27
Statement of Activities	29
Fund Financial Statements:	
Balance Sheet – Governmental Funds	31
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	32
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	33
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	34
Statement of Net Position – Proprietary Funds	35
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	37
Statement of Cash Flows – Proprietary Funds	39
Statement of Fiduciary Net Position – Fiduciary Funds	41
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	42
Statement of Net Position – Discretely Presented Component Units	43
Statement of Activities – Discretely Presented Component Units	45
Notes to Financial Statements	46

City of Little Rock, Arkansas

Year Ended December 31, 2024

Table of Contents (Continued)

Required Supplementary Information (Unaudited)

Budgetary Comparison Schedule – General Fund	131
Notes to Budgetary Comparison Schedule – General Fund	132
Budgetary Comparison Schedule – Street Fund	133
Other Postemployment Benefit Plan – Schedule of Changes in the City’s Net OPEB Liability and Related Ratios	134
Other Postemployment Benefit Plan – Schedule of City Contributions	136
Other Postemployment Benefit Plan – Schedule of Investment Returns	138
Schedule of Changes in the City’s Net Pension Liability and Related Ratios	139
Schedule of City’s Contributions	143
Schedule of the City’s Proportionate Share of the Net Pension Liability and Contributions	147
Schedule of Investment Returns	150

Combining and Individual Fund Statements

Governmental Funds – Nonmajor:

Combining Balance Sheet	154
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	155

Special Revenue Funds – Nonmajor:

Combining Balance Sheet	156
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	157

Debt Service Funds – Nonmajor:

Combining Balance Sheet	158
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	159

Capital Project Funds – Nonmajor:

Combining Balance Sheet	160
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	161

City of Little Rock, Arkansas

Year Ended December 31, 2024

Table of Contents (Continued)

Fiduciary Funds

Combining Statement of Fiduciary Net Position – Pension and Other Employee Benefit Trust Funds	164
Combining Statement of Changes in Fiduciary Net Position – Pension and Other Employee Benefit Trust Funds	165

Nonmajor Discretely Presented Component Units

Combining Statement of Net Position	166
Combining Statement of Activities	168
Combining Statement of Revenues, Expenses and Changes in Net Position	169

Statistical Section (Unaudited)

Net Position by Component – Accrual Basis of Accounting	174
Changes in Net Position – Accrual Basis of Accounting	175
General Governmental Tax Revenues by Source – Accrual Basis of Accounting	177
Fund Balances of Governmental Funds – Modified Accrual Basis of Accounting	178
Changes in Fund Balances of Governmental Funds – Modified Accrual Basis of Accounting	179
General Governmental Tax Revenues by Source – Modified Accrual Basis of Accounting	180
Assessed and Appraised Value of Taxable Property	181
Property Tax Rates and Tax Levies of Direct and Overlapping Governments	182
Principal Sales Taxpayers	183
Property Tax Levies and Collections	184
Ratios of Outstanding Debt by Type	185
Ratios of General Bonded Debt Outstanding	186
Direct and Overlapping Governmental Activities Debt	187
Legal Debt Margin Information	188
Pledged Revenue Bond Coverage	189
Demographic and Economic Statistics	190
Little Rock Area Principal Employers	191
Full-time Equivalent City Government Employees by Function	192
Operating Indicators by Function/Program	193
Capital Asset Statistics by Function	194

City of Little Rock, Arkansas
Year Ended December 31, 2024

Table of Contents (Continued)

Other Required Report

Independent Accountant’s Report on Compliance with Certain State Acts	197
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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	201
Report on Compliance for each Major Federal Program and Report on Internal Control Over Compliance – Independent Auditor’s Report	203
Schedule of Expenditures of Federal Awards	206
Notes to the Schedule of Expenditures of Federal Awards	208
Schedule of Findings and Questioned Costs	209
Summary Schedule of Prior Audit Findings	211

Other Information (Unaudited)

Schedule of Expenditures of State Awards	213
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INTRODUCTORY SECTION



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FROM THE DESK OF
MAYOR FRANK SCOTT, JR.

July 11, 2025

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, 2024.

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, 2024, 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, 2024, 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 131 as part of the required supplementary information. Detail descriptions of the budget-to-actual variances are included in the MD&A on pages 15-20. For the Street Fund, this comparison is presented on page 133.

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. The City issued the second of three planned tranches on December 30, 2024, in two series. Series 2024A totaled \$26,565,000 and was tax-exempt in nature. Series 2024B totaled \$10,745,000 and was taxable in nature.

On May 22, 2024 the City issued a taxable promissory note in the principal amount of \$12,000,000 that is being utilized as a line of credit to make periodic performance payment requirements to finance the costs of the acquisition, construction, and installation of a solar photovoltaic array.

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, 2024, was 3.1%, compared with the Arkansas rate of 3.4% and the U.S. average of 4.1%. 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>.

The City of Little Rock utilizes Payment in Lieu of Taxes Agreements (PILOTS) in conjunction with issuance of industrial development bonds in order finance substantial industrial or significant developments within the City. These tax abatements result in the companies associated with the PILOTS paying from 0% to 35% of the amount which would be payable as ad valorem taxes that would have to be paid on the project. These tax abatements are used to help recruit significant investment to the City of Little Rock, create well paying jobs for residents of the City and the surrounding community, diversify the overall local economy as well as to continue to expand and grow Little Rock into a desirable location to Live, Play and Work for all.

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 \$2,886,951 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. The City issued the second of three planned tranches on December 30, 2024, in two series. Series 2024A totaled \$26,565,000 and was tax-exempt in nature. Series 2024B totaled \$10,745,000 and was taxable in nature.

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 was 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 have been reflected in the General Fund. The tax increase would have provided 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 have been for a ten (10) year term and sunset on March 31, 2035. The capital projects sales tax would have funded infrastructure improvements including roads, equipment for trash collection, parks and quality of life improvements, investments in downtown, and port expansion and economic development. It was estimated that the additional One (1)-Cent the Local Sales Tax would have generate \$65 million a year or \$650 million over ten (10) years. At the election held on November 5, 2024, the voters of the City of Little Rock rejected both sales tax measures. As a result the City will continue to do more with less resources.

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 2024 financial outlook was slightly better than anticipated and amendments were made to the budget for a total net impact of almost \$5.2 million to the General Fund.

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 26, 2024, the Little Rock Board of Directors approved the 2025 Adopted Budget. Overall operating expenditures total \$338,231,579, a decrease of \$6,795,516, or 2.01% less than the final 2024 Amended Budget primarily due to a reduction of transfers out in the Street Fund for capital improvements. The Operating Budget changes for 2025 are summarized below:

	2024 Adopted	2024 Amended	2025 Adopted	Change	% Change
General Fund	\$ 257,510,221	\$ 262,690,324	\$ 263,108,099	\$ 417,775	0.16%
Street Fund	25,234,297	34,290,365	26,443,200	(7,847,165)	(22.88)%
Fleet Services Fund	18,575,988	18,575,988	18,418,930	(157,058)	(0.85)%
Waste Disposal Fund	25,712,800	25,712,800	26,543,400	830,600	3.23%
Vehicle Storage Facility	2,208,454	2,360,066	2,292,195	(67,871)	(2.88)%
Parking Garage Fund	1,380,908	1,397,552	1,425,755	28,203	2.02%
	<u>\$ 330,622,668</u>	<u>\$ 345,027,095</u>	<u>\$ 338,231,579</u>	<u>\$ (6,795,516)</u>	<u>(2.01)%</u>

The 2025 General Fund Budget supports 1,838 full-time equivalent (FTE) positions – 1,780 serving in General Fund Departments and 58 special positions funded through grants or special project allocations. This represents a net increase of 15 FTEs compared to the 2024 Adopted Budget staffing levels. The personnel budgets for the other operating funds include 442 FTEs, which is the same as the 2024 Adopted Budget. Thus, a total of 2,280 full-time positions are authorized for the primary government’s operating funds.

The increase in the General Fund from the 2024 amended budget to the 2025 adopted budget is a result of salary increases of between 5-9% for police personnel, 5% for fire personnel and 1.75% for non uniform personnel offset by a \$4 million increase in vacancy savings for the General Fund which reduces the overall General Fund budget.

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 2025 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 2021 to 2024. The 2025 Budget reflects a decrease in debt service of \$1,207,492 associated with the repayment of the 2019 short-term note and the 2024 short-term note debt service payments not beginning until 2026. Further discussion of this can be found in Note 5.

Funding of the Pulaski County Jail was continued in order to provide space for inmates in accordance with the City’s primary focus on Public Safety. 2025 funding for the detention center stayed flat from the 2024 adopted budget amount of \$2,715,000. Other outside agency funding include \$4 million for the Arkansas Museum of Fine Arts, funding operations and maintenance. 2025 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 stayed flat at \$400,000 in the 2025 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 2025 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 four-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 funds for construction and management of the village. The Micro Home Village is expected to be completed in the first half of 2026 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 2025 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 2025 Budget includes a contingency allocation of \$1.3 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.

In 2021, The City of Little Rock began a new program, BUILD Academy, which is our very own small business incubator. Our fifth cohort began on February 27, 2025 at our Willie Hinton Business and Innovation Center in the heart of the 12th street corridor. We are now in our fourth 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.

The City of Little Rock continues to have new businesses open as we had over 1,047 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, Elopak, 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 and court new businesses to Little Rock 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.

During 2024, the City asked voters to support a Sales Tax Election that would have increased the Sales Tax rate by a penny. 3/8th of the penny would have been used for operations while 5/8th would have been used to support capital investments. Voters rejected the proposal on November 5, 2024. As a result, the City must continue to prioritize funding, ensuring that the City is funding areas that are important to our residents given the limited resources available and do more with less, as has been the case since the prior sales tax sunset in 2021.

In 2025, the City will assess City facilities and City property ownership and look at ways to put our assets to work. This could mean working with developers via a public-private partnership, to generate revenue from land and facilities that the City owns to support operations, investing in our deferred maintenance, or it could result in the sale of land or facilities.

The City will also continue to look at ways to address affordable housing and homelessness. The City is committed to working with our partners to ensure all residents who want a home are able to find one that is safe and secure.


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, 2023. The City of Little Rock has received a Certificate of Achievement for forty-two (42) 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

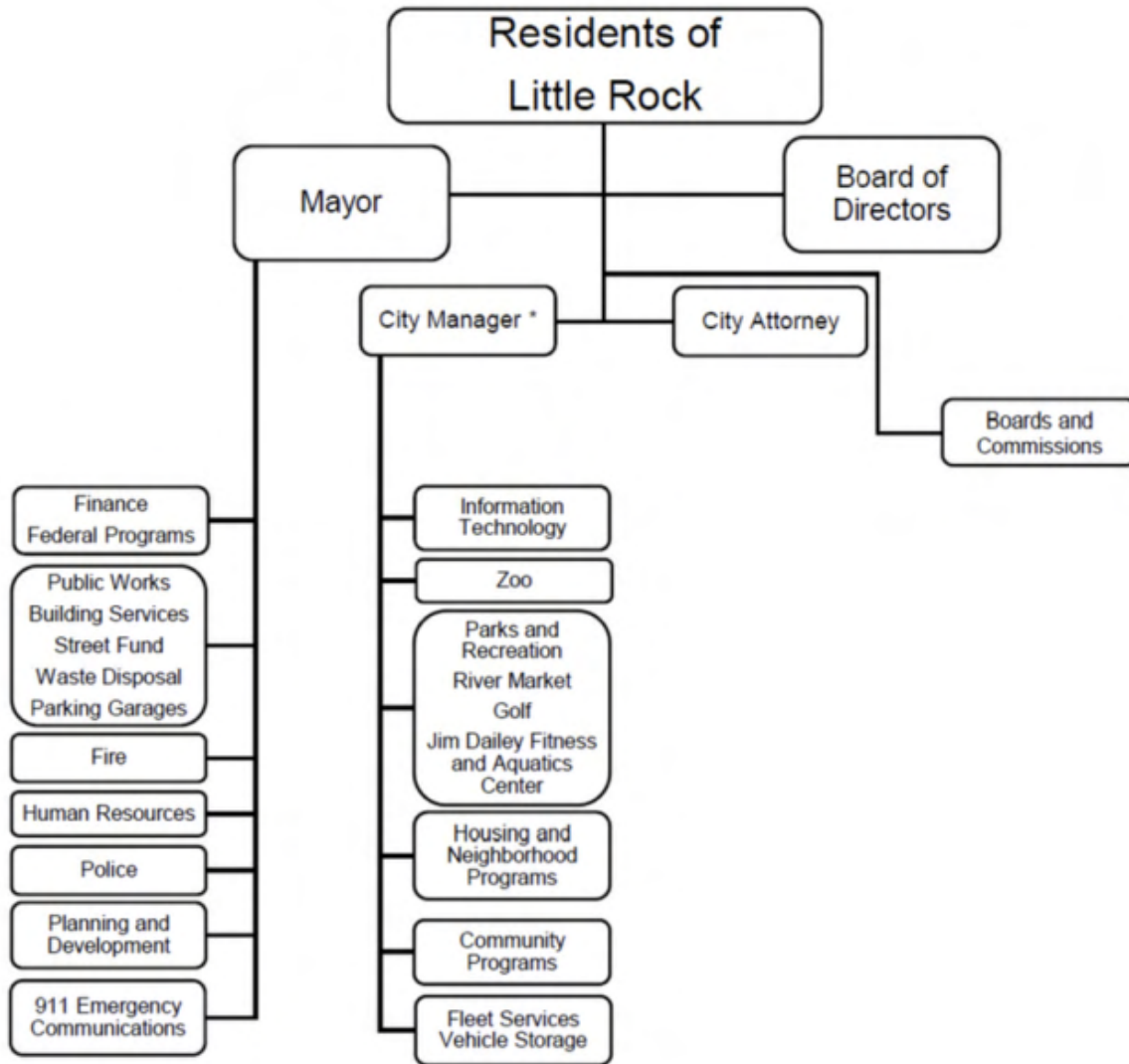
December 31, 2023

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.
B.J. Wyrick
Virgil Miller
Ken Richardson
Kathy Webb
Capi Peck
Lance Hines
Andrea Hogan Lewis
Dr. Dean Kumpuris
Antwan Phillips
Joan Adcock
Jill Stewart Kamps
Herb Wright
Mark Leverett

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

Appointed Officials:

Delphone Hubbard
Tom Carpenter

Acting City Manager
City Attorney

City of Little Rock Board of Directors



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FINANCIAL SECTION



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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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, 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 collectively represent 24%, 27%, and 38% of the assets and deferred outflows of resources, net position, and revenues, respectively, of the aggregate discretely presented component units as of December 31, 2024. 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.

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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements are 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 July 11, 2025 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
July 11, 2025**

City of Little Rock, Arkansas
Management's Discussion and Analysis
December 31, 2024
(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, 2024. 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 2024 by \$629,913,943. Of this amount, \$633,164,431 reflects the net investment in capital assets; \$149,002,151 is restricted for debt service, streets and drainage, grant funds, capital projects, 911 funds, and other special projects; \$250,000 is restricted nonexpendable; and \$(152,502,639) is an unrestricted deficit.
- The City's 2024 total net position decreased by \$(2,771,452). Net position of the governmental activities decreased \$(7,487,255) and business-type activities increased \$4,715,803. The unrestricted deficit net position of the City's governmental activities decreased \$(6,318,762) to \$(172,723,746). The unrestricted net position of the City's business-type activities increased \$5,024,531 to \$20,221,107.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$270,797,090. The combined governmental funds balances increased \$2,053,860 from the prior year. The primary components of this change was the decrease in capital project funds of \$(2,998,884) 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 offset by the issuance of \$37,357,473 in 2024 bonds inclusive of premiums for capital improvements, and the decrease in general fund balances of \$(8,585,936), and increases in the special revenue funds of \$7,760,031 and \$5,878,649 in the debt service funds primarily associated with the collection of property taxes for the repayment of the 2022 limited tax capital improvement bonds and receiving funds from FEMA for the March 31, 2023 Tornado. The components of these changes will be discussed in detail in the Financial Analysis of the Government's Funds section. \$41,077,899 of the \$270,797,090 combined ending fund balances is considered unassigned at December 31, 2024, and \$192,449,315 is reported as restricted for capital improvements, debt service, streets and drainage infrastructure, grants, emergency 911, and special projects. In addition, \$2,813,552 of the governmental fund balances is nonspendable, primarily representing inventories and prepaid expenditures. The assigned portion of the fund balances is \$34,456,324. There is no committed fund balance for the year ended December 31, 2024.
- The general fund reported fund balances of \$83,986,039 at the end of the current year. Unassigned general fund balance was \$47,285,643, or 17% of total general fund expenditures (including transfers out). General fund balances decreased \$(8,585,936) for the year ended December 31, 2024.

- During the current year, the City's total debt increased by \$28,159,227, 17.1% above the prior year balance. The key factors in this increase was the issuance of a note payable of \$10,954,400, the issuance of the second tranche of the 2022 voter approved millage supported bonds for capital improvements of \$37,310,000, initiation of new subscription-based information technology arrangements of \$2,317,437, and the initiation of new leases of \$2,459,402, less principal payments of \$14,725,000 for general obligation bonds, \$2,365,000 for revenue bonds, \$3,740,323 for temporary notes, \$1,949,744 for leases, \$2,101,945 for subscription-based information technology arrangements. During the current year, the City issued bonds at a premium of \$491,721. The 2024 net amortization of issuance premiums and discounts was \$289,551.
- At the close of the current year, net position of fiduciary funds was \$160,517,520 of which the amount held in trust for pensions was (\$146,814,127), held in trust for other postemployment benefits was (\$13,677,487), held in trust for courts was (\$25,906). Total fiduciary net position held in trust increased by \$17,355,671 for the year ended December 31, 2024. The increase in net position is attributed to investment income of \$14,837,635, the payment of benefits to participants of \$7,969,520, and other participant transfers and administrative expenses of \$522,850, net of contributions to the funds in the amount of \$10,984,500, In addition, fiduciary funds include a custodial fund to account for monies held by the courts until they are distributed to various governmental agencies.
- The City's net pension liability decreased \$(32,135,364) to \$256,424,332 for Governmental Activities and \$1,229,334 for Business-Type Activities. The net pension liability of \$257,653,666 and the related net deferred outflows and inflows of resources of \$72,539,846 are discussed in detail in *Note 7* on pages 82-110 of this report. Pension expense decreased \$6,962,902 to \$45,055,238, with \$44,463,919 associated with Governmental Activities and \$591,319 associated with Business-Type Activities.
- The City's net postemployment benefits other than pensions (OPEB) liability of \$23,231,424 and related net deferred outflows and inflows of resources of \$3,940,482 are discussed in detail in *Note 8* on pages 110-116 of this report. OPEB expense of \$4,397,669 is associated with Governmental Activities.
- At December 31, 2024 the City's discretely presented component units reported net position of \$1,291,050,994, an increase of \$37,060,916.

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 48.

The government-wide financial statements can be found on pages 27-29 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 31-34 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 35-40 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 41-42 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 46-128 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 129 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 151-169 of this report.

Government-wide Financial Analysis

	Net Position				Total	
	Governmental Activities		Business-type Activities		2024	2023
	2024	2023	2024	2023		
Assets						
Current assets	\$ 206,117,281	\$ 222,932,303	\$ 33,471,306	\$ 28,315,247	\$ 239,588,587	\$ 251,247,550
Noncurrent and other assets	189,603,400	181,063,890	5,184,107	5,400,694	194,787,507	186,464,584
Capital assets	685,682,566	673,851,005	24,544,403	25,026,811	710,226,969	698,877,816
Total assets	1,081,403,247	1,077,847,198	63,199,816	58,742,752	1,144,603,063	1,136,589,950
Deferred outflows of resources	104,189,474	125,697,095	720,983	1,031,693	104,910,457	126,728,788
Liabilities						
Long-term liabilities outstanding	510,648,683	513,296,262	15,395,090	3,563,378	526,043,773	516,859,640
Other liabilities	59,066,507	68,933,922	1,834,640	13,880,683	60,901,147	82,814,605
Total liabilities	569,715,190	582,230,184	17,229,730	17,444,061	586,944,920	599,674,245
Deferred inflows of resources	28,504,560	26,453,883	4,150,097	4,505,215	32,654,657	30,959,098
Net investment in capital assets	612,354,694	611,243,139	20,809,737	21,203,522	633,164,431	632,446,661
Restricted - expendable	147,492,023	162,409,595	1,510,128	1,425,071	149,002,151	163,834,666
Restricted - nonexpendable	250,000	250,000	-	-	250,000	250,000
Unrestricted (deficit)	(172,723,746)	(179,042,508)	20,221,107	15,196,576	(152,502,639)	(163,845,932)
Total net position	\$ 587,372,971	\$ 594,860,226	\$ 42,540,972	\$ 37,825,169	\$ 629,913,943	\$ 632,685,395

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 \$629,913,943 at the close of the most recent fiscal year.

The largest portion of the City's net position, 100.52%, 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, 23.65%, represents resources subject to restrictions on how they may be used. The remaining unrestricted deficit net position of \$(152,502,639) represents (24.21)% of the City's net position.

The following table summarizes the City's operations for the fiscal year ended December 31, 2024, with comparative totals for the fiscal year ended December 31, 2023.

Revenues	Changes in Net Position				Total	
	Governmental Activities		Business-type Activities		2024	2023
	2024	2023	2024	2023		
<i>Program revenues:</i>						
Charges for services	\$ 35,492,673	\$ 37,394,548	\$ 29,606,714	\$ 30,748,996	\$ 65,099,387	\$ 68,143,544
Operating grants and contributions	41,646,449	35,440,687	-	-	41,646,449	35,440,687
Capital grants and contributions	5,580,550	3,104,639	2,327,154	-	7,907,704	3,104,639
<i>General revenues:</i>						
Property taxes	72,918,782	71,007,524	-	-	72,918,782	71,007,524
Sales taxes	144,620,121	145,043,984	-	-	144,620,121	145,043,984
Utility franchise taxes	34,297,602	35,198,152	-	-	34,297,602	35,198,152
Grants and contributions not restricted to specific programs	15,746,054	8,521,875	-	-	15,746,054	8,521,875
			-	-		
Other	6,397	-	-	-	6,397	-
Investment earnings	10,956,418	11,861,683	1,585,205	1,202,808	12,541,623	13,064,491
Total revenues	361,265,046	347,573,092	33,519,073	31,951,804	394,784,119	379,524,896
Expenses						
General government	82,253,647	75,533,259	-	-	82,253,647	75,533,259
Public Works	53,766,031	45,562,726	-	-	53,766,031	45,562,726
Parks and recreation	17,401,085	14,226,915	-	-	17,401,085	14,226,915
River Market	1,426,681	1,094,976	-	-	1,426,681	1,094,976
Golf	2,127,267	2,098,118	-	-	2,127,267	2,098,118
Jim Dailey Fitness	1,869,445	1,100,238	-	-	1,869,445	1,100,238
Zoo	10,398,351	9,202,827	-	-	10,398,351	9,202,827
Public safety	159,452,965	161,607,548	-	-	159,452,965	161,607,548
Economic development	3,028,439	2,453,222	-	-	3,028,439	2,453,222
Education	13,584,764	1,645,243	-	-	13,584,764	1,645,243
Housing and neighborhood programs	13,906,955	11,774,133	-	-	13,906,955	11,774,133
Fiscal charges on long-term debt	6,615,971	5,181,322	-	-	6,615,971	5,181,322
Waste disposal	-	-	24,250,170	22,985,284	24,250,170	22,985,284
Parking system	-	-	1,348,085	1,675,425	1,348,085	1,675,425
Fleet	3,926,290	1,327,538	-	-	3,926,290	1,327,538
Vehicle storage	-	-	2,199,425	1,645,796	2,199,425	1,645,796
Total expenses	369,757,891	332,808,065	27,797,680	26,306,505	397,555,571	359,114,570
Change in net position before transfers	(8,492,845)	14,765,027	5,721,393	5,645,299	(2,771,452)	20,410,326
Transfers	1,005,590	1,255,109	(1,005,590)	(1,255,109)	-	-
Change in net position	(7,487,255)	16,020,136	4,715,803	4,390,190	(2,771,452)	20,410,326
Net Position, Beginning of Year	594,860,226	578,840,090	37,825,169	33,434,979	632,685,395	612,275,069
Net position, End of Year	\$ 587,372,971	\$ 594,860,226	\$ 42,540,972	\$ 37,825,169	\$ 629,913,943	\$ 632,685,395

Governmental Activities. Governmental activities decreased the City's net position in the current year by \$(7,487,255). Property tax represents 20.2% of the City's 2024 revenue from governmental activities, excluding transfers in. Property tax revenues increased 2.7% from 2023 with an increase in assessed valuations. Sales tax represents 40.0% of the City's 2024 governmental revenue. Overall sales tax decreased (0.3)% in comparison to 2023 revenues due to a slower pace of spending in 2024. The hotel gross receipts tax which is included in sales taxes, decreased (4.0)% in 2024 compared to 2023 due to declining debt service. Charges for services, representing 9.8% of governmental revenues, decreased (5.1)% due to a decline in charges for services at the zoo and for parks and recreation services and a significant reduction in charges for services related to fire services in 2024 compared to 2023 as in 2023 insurance proceeds related to the March 31, 2023 tornado and the destruction of Fire Station 9 were

received. Operating grants and contributions, including intergovernmental turnback revenues, representing 11.5% of revenue from governmental activities in 2024, increased 17.5% from 2023. This increase is related increased grants and turnback revenues in 2024 compared to 2023. Capital grants and contributions, representing 1.5% of governmental revenues, increased approximately 79.7%, driven primarily by an increase in private-developer street and rights-of-way contributions and capital grants.

Excluding transfers in, current year expenses were 102.4% of current year revenues. The City saw a decrease in the net OPEB liability of \$(1,266,283) and a decrease in related deferred outflows of \$(2,864,220), net of a increase in deferred inflows of resources of \$833,103, resulted in a net decrease to net position of \$(2,431,040) associated with OPEB. 2024 saw a large increase in education expenses (\$11,939,521) compared to 2023 due to the ongoing construction of library facilities by the Central Arkansas Library System which are owned by the library; however, the debt is issued by the City for the libraries benefit. Further, 2024 saw increased salary and benefit costs.

Business-type Activities. Business-type activities increased the City's net position by \$4,715,803. Key elements of this increase are as follows:

Charges for services and investment earnings net of expenses increased net position by \$3,394,239. Net transfers decreased net position by \$1,005,590 and capital contributions increased net position by \$2,327,154.

- Waste Disposal operating income of \$1,980,338 plus capital contributions of \$2,327,154, less net nonoperating expenses of \$(638,001) and transfers out \$1,005,590, respectively, increased net position by \$2,663,901. Revenues are generated primarily by waste disposal and landfill services. Revenues increased by 1.7% from 2023 due to increased usage at the landfill due to increased landfill rates and overall city growth.
- River Market Garage operating income of \$1,124,934, plus net nonoperating revenues of \$653,016 increased net position by \$1,777,950. Expenses decreased in the River Market Garage fund by (19.5)% over the prior year due to a reduction in personnel costs of (60.9)% and a decrease in service expenses of (3.2)%. The primary component of net nonoperating revenues was investment income.
- Other nonmajor enterprise funds increased net position by \$273,952.

Waste Disposal activities contribute 84.9% of the operating revenue to the business-type activities. Current year operating expenses, including transfers out, for business-type activities were 92.5% 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, 2024, the City's governmental funds reported combined ending fund balances of \$270,797,090, an increase of \$2,053,860 compared to the prior year. A total of \$192,449,315 is reported as *restricted fund balance* for capital projects or debt service. In addition, \$2,813,552 of the governmental fund balances is *nonspendable*, representing primarily inventories and prepaid

expenditures. The *assigned* portions of the fund balances is \$34,456,324. \$41,077,899 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, 2024, unassigned fund balance of the general fund was \$47,285,643, while the total fund balance was \$83,986,039. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (including transfers out). Unassigned fund balance represents 17.3% of total General Fund expenditures (including transfers out), while total fund balance represents 30.7% of that same amount. The decrease in general fund balances of \$(8,585,936) is attributable to an increase in general government expenditures of \$10,488,888 compared to 2023 due to the purchase of security and safety cameras for the City, increases in contributions to outside agencies to support operations, and a 2% increase in salaries and associated benefits, an increase in police expenditures of \$6,405,570 for 2024 due to a 5% increase in salaries and associated benefits in addition to step and grade increases for police officers, and an increase of principal payments on debt including short-term financing notes, leases, and subscription-based information technology arrangements of \$1,868,702. These expenditure increases are offset by an increase in total revenues of \$4,741,925 in 2024 due to increases in property taxes from increased property values and increased intergovernmental revenues from insurance pension turnback funds.

The special revenue funds had total fund balances of \$51,128,343. There was a net increase in fund balances of \$7,760,031 in 2024. 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 \$15,746,054 was recognized as revenue and expended during the year. The increase in street fund balance in 2024 is primarily due to an increase in property tax revenues from increased property values. 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)	\$ 1,225,542	\$ 34,310,462
American Rescue Plan -SLFRF (major fund)	81,061	1,368,495
Special Projects	1,553,332	13,573,137
Emergency 911	1,240,409	6,310,211
Grant Fund (major fund)	4,067,113	(6,207,744)
CDBG	(171,504)	912,223
NHSP	(2,698)	12,201
HIPP	(233,224)	849,358
Total	\$ 7,760,031	\$ 51,128,343

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 increase 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 had expended funds for recovery efforts in 2023 and received the obligation of the funds during 2024.

The debt service funds had total fund balances of \$29,288,259. The increase in fund balances during 2024 was \$5,878,649. 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 2024, 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 2024, the City issued the second tranche of voter-approved bonds from the 2022 millage election, the 2024 Limited Tax Capital Improvement Bonds, Series 2024. The City issued the first tranche in December 2022, the 2022 Limited Tax Capital Improvement Bonds, Series 2022. The bonds are funded by new property tax levies that were approved by voters to fund the debt service on the 2022 and 2024 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 the 2022 and 2024 bond issues in 2024 exceeding debt service. Net changes and ending fund balances by fund are:

Debt Service Funds	Net Change	Ending Balance
2018 Capital Improvements	\$ 738	\$ 8,879
2015 Central Arkansas Library	7,250	330,252
TIF #1 2014 Capital Improvement	(251,974)	561,007
2017 Central Arkansas Library	6	257
2017 Capital Improvement	36,844	890,750
2018 Hotel Gross Receipts	(575,754)	693,652
2022 Library Construction and Refunding Bonds	2,128,897	8,026,621
2022 Capital Improvement Bonds (major fund)	4,532,642	18,776,841
Total	\$ 5,878,649	\$ 29,288,259

The capital project funds had total fund balances of \$106,394,449 at December 31, 2024. Fund balances decreased by a net of \$(2,998,884) 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 increase in the 2022 Capital Improvements Fund is associated with the issuance of the second tranche of voter-approved bonds from the 2022 millage election, the 2024 Limited Tax Capital Improvement Bonds, Series 2024 totaling 37,357,473 inclusive of premiums offset by expenditures stemming from the 2022 (first tranche) issuance continuing in 2024. A future bond issue will be done in one more series in 2026 to fund projects that include street and drainage improvements, fire apparatus, and parks and recreation improvements. The decrease in the 2022 Library Capital Improvement Fund is due to spending funds on construction of new or renovated library facilities in 2024 from the proceeds of the 2022 bond issue. The decreases in the 2015 Central Arkansas Library Capital Improvement Fund and the 2018 Hotel Gross Receipts Tax Bond Fund are associated with investment losses 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. 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)	\$ (8,984,950)	\$ 15,460,404
2022 Capital Improvements (major fund)	20,456,888	75,689,840
2022 Library Capital Improvements	(12,525,527)	13,074,592
Capital Improvements	(770,027)	1,458,786
2018 Hotel Gross Receipts Tax Bonds	(19)	9,446
Short-Term Financing	(1,163,122)	252,057
2015 Central Arkansas Library Capital Improvement	(2,670)	275,852
Port TIF	(9,457)	173,472
Total	\$ (2,998,884)	\$ 106,394,449

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 \$31,108,898, \$9,050,247, and \$2,381,827, 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 \$2,663,901, \$1,777,950, and \$273,952, 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 \$257,510,221 including transfers in and out. The final amended budget included increases in revenues, including transfers in, of \$4,637,537 and increases in total appropriations of \$5,180,103, resulting in a net decrease to budgeted fund balances of \$(542,566). During the year, there were four (4) budget amendments. The amendment, adopted on August 6, 2024 had no net effect on General Fund expenditures as the Fire department budget was reduced by \$6,600,000 and transfers out were increased by the same amount due to transferring the salary expenses to the ARPA grant in order to utilize the funds for capital improvements. The General Fund revenues were increased by \$138,841 while expenditures were decreased by \$901,064 via an amendment approved on November 19, 2024. The revenue increases included increases to charges for services of \$985,636, increases in property tax revenues of \$333,820, increases in franchise fees of \$1,050,400 offset by reductions in sales taxes of \$1,765,000 and investment income of \$943,000. The amendment decreased expenditures as a result of vacancy savings which were allocated to the departments generating the savings for the year through that point exceeding the adopted budget amount of \$7,000,000 by \$3,211,640 offset by vacation and sick leave payouts of \$1,858,805 for a net reduction of \$1,352,835. This reduction was offset by increases of \$143,000 to complete the expansion of the animal village, \$35,000 for learning and performance activities, and \$234,736 to cover expenditures in the prior year on a grant that the City ended up not receiving, but for which funds were expended in the Grant Fund. The third budget amendment of the year approved on December 19, 2024 had no net impact on the General Fund. The budget amendment reduced the police department budget by \$1,655,096 and increased transfers out by the same amount due to transferring salaries and benefits of the police department to the ARPA grant to help fund capital improvements. The fourth and final budget amendment was approved on May 6, 2025. The amendment increased revenues by \$4,498,696 and increased expenditures by \$6,081,167. The revenue increase is attributed to increased property taxes, investment income due to the fair market value adjustment offset by declines in franchise fees relative to prior expectations. The increase in expenditures was due to increased operational costs including salaries and benefits as well as a \$1,000,000 increase in transfers out related to the information technology data center refresh project.

Budget adjustments and actual results are shown as follows:

	General Fund Budget – Revenue					Explanation
	Original Budget	Adjustments	Amended Budget	Actual	Variance	
Property Taxes	\$ 37,892,783	\$ 1,169,603	\$ 39,062,386	\$ 39,091,658	\$ 29,272	The original budget for property tax revenues included a growth estimate of 6.4% compared to the 2023 amended budget. The budget amendment included an increase of approximately 3.1% due to increased valuations and collections. Actual results were slightly above the amended budget.
Sales Taxes	143,278,161	(993,716)	142,284,445	142,284,445	-	The original budget included a 2.5% increase from the 2023 amended budget. The budget amendment reflected actual results which was a reduction from the original budget due to a softening in sales tax revenues during the year.
Licenses & Permits	13,856,800	155,500	14,012,300	14,101,066	88,766	The original budget assumed growth of approximately 4.0% 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.
Intergovernmental	11,952,066	320,000	12,272,066	12,282,469	10,403	Intergovernmental exceeded the adopted budget by 2.8% due to increases in the insurance pension turnback funds received on behalf of the City.
Charges for Services	11,157,154	1,324,666	12,481,820	12,566,860	85,040	The adopted budget was flat from 2023. The budget amendment reflects increases in zoo revenues and parks and recreation revenues. Actual results exceeded the amended budget.
Fines & Fees	1,882,900	294,416	2,177,316	2,252,543	75,227	The 2024 adopted budget was a increase of 18.1% compared to the 2023 adopted budget. Actual traffic fine collections exceeded expectations at year end.
Utility Franchise Fees	32,591,550	222,806	32,814,356	32,790,352	(24,004)	The original budget was based on forecasts received directly from the utility service providers. Actual revenues were slightly below the amended budget.
Interest Earnings	1,126,300	2,185,262	3,311,562	2,327,554	(984,008)	The budget amendment reflects the expectations related to the change in the fair market value of investments at year end which came in lower than expected. The pooled cash investments are primarily in U.S. Agencies, Certificates of Deposit, and Municipal Bonds which are held to maturity.
Contributions	390,000	-	390,000	427,876	37,876	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 slightly above budget.
Miscellaneous	712,700	(41,000)	671,700	1,168,248	496,548	The actual variance includes increased revenues from seized funds, reimbursements for housing and neighborhood programs, and court fees.
Initiation of leases	-	-	-	2,453,555	2,453,555	The variance is a result of new leases in 2024.
Initiation of subscription-based information technology arrangements	-	-	-	521,201	521,201	The variance is the result of new subscription-based information technology arrangements entered into 2024.
Transfers In	2,669,807	-	2,669,807	2,555,048	(114,759)	The adopted budget includes transfers from other funds primarily associated with overhead. The actual variance is associated with transfers from other governmental funds being less than expected due to less than expected excess funds.
Total General Fund Revenue	<u>\$ 257,510,221</u>	<u>\$ 4,637,537</u>	<u>\$ 262,147,758</u>	<u>\$ 264,822,875</u>	<u>\$ 2,675,117</u>	

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	\$ 30,997,868	\$ (253,254)	\$ 30,744,614	\$ 38,566,810	\$ (7,822,196)	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 expenditures related to special projects that are included in the transfers out budget on an annual basis as well as utilizing excess fund balance for projects including security cameras.
Board of Directors	395,993	39,764	435,757	435,292	465	Immaterial
Community Programs	241,193	-	241,193	7,480,070	(7,238,877)	The 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	2,802,974	145,295	2,948,269	2,958,799	(10,530)	The budget amendment reflects savings from vacant positions (\$167,747), net of an allocation for vacation/sick payouts for separating employees (\$32,331). The actual variance is attributed to payouts that occurred at year end for retiring employees.
District court – first division (criminal)	1,505,870	(40,299)	1,465,571	1,458,060	7,511	The budget amendment reflects savings from vacant positions (\$39,422), net of an additional allocation for vacation/sick payouts for separating employees (\$12,039). The actual variance is attributed to savings in personnel costs, supplies, and contracted expenditures.
District court – second division (traffic)	1,382,497	(18,164)	1,364,333	1,361,493	2,840	The budget amendment reflects savings from vacant positions (\$35,993) offset by additional budget for vacation and sick payouts (\$5,445) and for services and maintenance. The actual variance is attributed to savings in costs from providing services.
District court – third division (environmental)	638,092	(5,411)	632,681	624,527	8,154	The budget amendment reflects savings from vacant positions, net of an additional allocation for vacation/sick payouts for separating employees (\$14,296). The variance is related to costs coming in under budget through management of the department's budget.
Finance	5,513,906	(388,221)	5,125,685	4,936,271	189,414	The budget amendment primarily reflects savings from vacant positions (\$585,018), net of an additional allocation for vacation/sick leave payouts for separating employees (\$41,456). The actual variance is attributed to savings from personnel costs, supplies, and contracts.
Human resources	2,814,973	285,271	3,100,244	3,509,670	(409,426)	The budget amendment reflects savings from vacant positions (\$111,836), net of an additional allocation for vacation/sick leave payouts for separating employees (\$9,959) increases of (\$270,701) for personnel services and (\$124,390) for services and other maintenance. The actual variance is associated with increased costs associated with two additional personnel added in 2024 that were not included in the 2024 budget.
Information technology	8,214,230	(105,904)	8,108,326	5,973,975	2,134,351	The budget amendment reflects savings from vacant positions (\$253,112), net of an additional allocation for vacation/sick leave payouts for separating employees (\$170,681). The actual variance is related to the reallocation of subscription-based information technology arrangements to capital outlays related to GASB Statement No. 96.

General Fund Budget – Expenditures						
	Original Budget	Adjustments	Final Budget	Actual	Variance Fav. (Unfav.)	Explanation
Planning & development	3,681,060	(41,097)	3,639,963	3,726,732	(86,769)	The budget amendment reflects savings from vacant positions (\$220,733), net of an additional allocation of \$111,563 for vacation/sick leave payouts. The variance is a result of increased payouts for employees separating from the City.
Public works	1,181,094	(30,013)	1,151,081	2,831,487	(1,680,406)	The actual variance is primarily associated with special project expenditures for facility improvements and repairs. The special project expenditures totaled \$1,681,133 and were budgeted as transfers out.
Parks & recreation	11,766,892	(575,429)	11,191,463	11,932,206	(740,743)	The budget amendment reflects savings from vacant positions (\$800,728), net of an additional allocation for vacation/sick payouts for separating employees (\$64,901). The actual variance is primarily attributed to special project expenditures which totaled \$988,022 and are budgeted as transfers out.
Rivermarket	1,119,224	80,578	1,199,802	1,272,354	(72,552)	The budget amendment was tied to personnel costs for operations at the Rivermarket. The actual variance was due to additional revenues not meeting budget resulting in additional costs that are split between the City and LRCVB for the last two years.
Golf	1,764,703	504,374	2,269,077	2,031,259	237,818	The budget amendment reflects savings from vacant positions (\$59,223) offset by additional budget for vacation and sick payouts (\$36,268) and additional budget of \$549,632 tied to operational needs. The actual variance is primarily attributed to costs coming in below expectations.
Jim Dailey Fitness & Aquatics	914,793	228,737	1,143,530	1,732,215	(588,685)	The budget amendment reflects savings from vacant positions (\$55,220), net of an additional allocation for vacation/sick payouts (\$3,529) and operational expenditures of \$259,332. The actual variance is primarily due to increased operational costs outpacing expectations.
Zoo	7,262,246	631,417	7,893,663	8,654,886	(761,223)	The budget amendment reflects the savings from vacant positions (\$88,954), partially offset by an additional allocation for vacation/sick payouts (\$46,370), and an increase of \$725,326 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.

General Fund Budget – Expenditures (Continued)						
	Original Budget	Adjustments	Amended Budget	Actual	Variance	Explanation
Fire	62,023,166	(6,209,108)	55,814,058	57,770,222	(1,956,164)	The budget amendment included a reduction of \$6.6 million for salaries that were moved to be ARPA grant funded, additionally fire salaries were reduced by \$434,847 due to vacancy savings offset by an increase of \$431,647 related to payouts of vacation/sick leave. There was also an additional allocation for fire pension contributions related to turnback funds (\$72,582). In addition, the Fire budget was increased related to supplies and services of \$570,108. The actual variance is attributed to personnel costs above expectations due to overtime.
Police	90,635,710	(5,023,447)	85,612,263	87,041,069	(1,428,806)	The budget amendment reflects savings from vacant positions (\$5,803,204), a reduction related to the closed pension plan (\$33,547), a reduction of \$1,825,252 for salaries charged to the ARPA grant, partially offset by additional allocations for vacation/sick payouts to separating employees (\$799,444), and an additional allocation for personnel and service adjustments of (\$962,301). The actual variance is primarily attributed to special project expenditures that were budgeted in prior years.
911 operations	5,045,670	46,379	5,092,049	5,089,947	2,102	The budget amendment reflects savings from vacant positions (\$806,078), net of additional allocations for vacation/sick leave payouts for separating employees (\$8,140), and additional allocation of \$528,878 for operations. The actual variance is immaterial.
Fleet	-	-	-	-	-	
Housing & neighborhood programs	7,894,173	(462,299)	7,431,874	8,685,318	(1,253,444)	The budget amendment reflects savings from vacant positions (\$412,963), a reduction related to the Micro Home Village operations which were budgeted in 2024 and moved to be a transfer out due to still working to construct the project (\$500,000), partially offset by additional allocations for vacation/sick payouts for separating employees (\$24,654), an additional allocation for personnel and supply costs (\$403,800). The actual variance includes special project expenditures of \$1,358,722 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	3,740,323	-	3,740,323	7,369,851	(3,629,528)	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. These expenditures were budgeted within the departments responsible for the subscriptions and leases.
Interest expense	330,584	-	330,584	579,540	(248,956)	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	-	63,325	6,926,076	(6,862,751)	The actual variance reflects special project capital expenditures that is reflected in the transfers out budget below as the expenditures occur in the general fund special projects fund. The actual results also include capital outlays related to new leases and subscription-based information technology arrangements initiated in 2024.
Transfers Out	12,579,662	9,370,934	21,950,596	460,682	21,489,914	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 \$6.6 million for projects including Senior Center Facility, Drainage Projects as Targeted Community Development, Little Rock Fire Department Capital Needs, the new West Little Rock Station, Infrastructure as Economic Development. \$1 million for the data center refresh project, \$32,946 for parks maintenance, \$234,736 to cover expenditures in a prior year on a grant that was not realized, \$500,000 for the micro home village construction, \$35,000 for learning and performance activities, \$170,156 for sidewalk improvements, and \$143,000 to complete the animal village construction. \$1.7 million for Investments to Affordable Housing and Efforts to Decrease Homelessness: Micro Home Village and Parks and Community Centers. 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, transfers to the Grant Fund for prior year grant expenditures, and transfers for parks maintenance.
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 2024.
Total General Fund Expenditures	<u>\$ 257,510,221</u>	<u>\$ 5,180,103</u>	<u>\$ 262,690,324</u>	<u>\$ 273,408,811</u>	<u>\$ (10,718,487)</u>	

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for governmental and business-type activities as of December 31, 2024, amounts to \$710,226,969 (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 2024 is \$11,349,153, or 1.6% (an increase of 1.76% for governmental activities and a decrease of (1.9)% for business-type activities).

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

	Governmental Activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Lease assets	\$ 3,693,362	\$ 3,271,802	\$ 29,905	\$ 34,628	\$ 3,723,267	\$ 3,306,430
Subscription-based information technology arrangements	2,687,117	2,835,935	624,470	-	3,311,587	2,835,935
Land	193,499,585	192,876,572	2,637,147	2,637,147	196,136,732	195,513,719
Buildings	82,566,283	78,133,400	13,581,104	13,914,627	96,147,387	92,048,027
Improvements other than buildings	13,673,949	5,796,970	277,376	1,117,723	13,951,325	6,914,693
Vehicles and equipment	28,735,880	22,726,797	6,781,823	5,592,218	35,517,703	28,319,015
Infrastructure	306,686,725	310,304,457	-	-	306,686,725	310,304,457
Construction in progress	54,139,665	57,905,072	612,578	1,730,468	54,752,243	59,635,540
Total	\$ 685,682,566	\$ 673,851,005	\$ 24,544,403	\$ 25,026,811	\$ 710,226,969	\$ 698,877,816

Major capital asset events during 2024 included the following:

- Infrastructure additions were \$12,457,248
- Vehicle and equipment additions were \$19,030,355
- Land and Rights-of-Way additions were \$623,013
- Construction in progress additions, net of transfers for assets placed in service, canceled projects or items that did not meet the capitalization threshold upon completion, decreased \$(4,883,297)
- New leases and subscription-based information technology arrangements were \$3,992,948
- Depreciation and amortization expense totaled \$38,320,328
- Asset retirements, net of accumulated depreciation, were \$936,762

Additional information on the City's capital assets can be found in *Note 4* on pages 67-71 of this report.

Long-term Debt. At December 31, 2024, the City's primary government had \$192,454,714 of long-term debt outstanding, including general obligation bonds of \$122,835,000, notes payable of \$19,379,620, leases of \$3,866,718, subscription-based information technology arrangement of \$2,259,587 and \$43,515,000 of bonds, secured solely by specified revenue sources (*i.e.*, revenue bonds). In addition, net issuance premiums and issuance discounts totaled \$2,282,865.

	City of Little Rock Long-term Debt					
	Governmental Activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 122,835,000	\$ 100,250,000	\$ -	\$ -	\$ 122,835,000	\$ 100,250,000
Revenue bonds	40,405,000	42,085,000	3,110,000	3,795,000	43,515,000	45,880,000
Notes payable	19,379,620	12,165,543	-	-	19,379,620	12,165,543
Subscription-based information technology arrangements	2,259,587	2,642,884	598,789	-	2,858,376	2,642,884
Leases	3,836,489	3,322,339	30,229	34,721	3,866,718	3,357,060
Total	\$ 188,715,696	\$ 160,465,766	\$ 3,739,018	\$ 3,829,721	\$ 192,454,714	\$ 164,295,487

Total long-term debt outstanding at December 31, 2024, increased \$28,159,227, an increase of 17.1%. The increase was attributable to a new note payable of \$10,954,400 for the construction and acquisition

of a new Solar Facility, the second issuance tied to the 2022 millage capital improvement program approved by voters in 2022 of \$37,310,000, the initiation of new leases and subscription-based information technology arrangements of \$2,459,402 and \$2,317,437, respectively. The net increase is offset by decreases from bonded debt retirements of \$17,090,000, principal payments on short-term financing notes in the amount of \$3,740,323, principal payments on leases of \$1,949,744, and principal payments on subscription-based information technology arrangements of \$2,101,945.

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>		
TIF #1 2014 Capital Improvement	Not Rated	Not Rated
2022 Limited Tax Capital Improvement Bonds	Aa1	AA
2022 Library Construction and Refunding Bonds	Not Rated	AA
2024 Limited Tax Capital Improvement Bonds	Aa1	AA
<u>Revenue Debt</u>		
2003 Capital Improvement and Refunding Revenue	A3	A-
2017 Capital Improvement Refunding Bond	Not Rated	AA-
2018 Hotel Gross Receipts Tax Bonds	Not Rated	BBB

The City is within all its legal debt limitations. Under the Arkansas Constitution, the City is allowed to issue general obligation debt up to 20% of total assessed valuation, with voter approval. Outstanding general obligation and governmental revenue bonds at December 31, 2024, of \$165,527,217 net of premiums and discounts are well below the statutory limit of \$1,171,835,317. 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, 2024, of \$23,216,109 are well below the statutory limit of \$292,958,829. 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. The outlook on the 2003 Capital Improvement and Refunding Revenue Bonds was confirmed as stable in November 2024. The City's 2024 Limited Tax Capital Improvement Bonds confirmed the City's rating at Aa1 from Moody's and AA from S&P.

Additional information regarding the City's long-term debt can be found in *Note 5* on pages 72-79 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 2025 budget, adopted on December 26, 2024. As a result, the 2025 General Fund original adopted budget is \$263,108,099, reflecting an increase of 2.17% from the original 2024 adopted budget. Sales tax revenue is expected to decrease from around \$143.3 million for 2024 to \$143.2 million for 2025, due to softness seen in sales tax revenues in 2024 and expected stability in the revenue due to impacts of inflation and lack of growth in real wages.

Little Rock continues to rebuild after the devastating tornado on March 31, 2023 – a tornado that destroyed hundreds of structures and impacted about 3,000 structures. The City continues to work to come back stronger and better than before the Tornado.

During 2024, the City asked voters to support a Sales Tax Election that would have increased the Sales Tax rate by a penny. 3/8th of the penny would have been used for operations while 5/8th would have been used to support capital investments. Voters rejected the proposal on November 5, 2024. As a result, the City must continue to prioritize our funding, ensuring that the City is funding areas that are important to our residents given the limited resources available and do more with less, as has been the case since the prior sales tax sunset in 2021.

The City also must evaluate how it ensures that it is taking care of its employees who provide services to our residents day in and day out. City employees are the lifeblood of the organization. The City will continue to look at how to implement the recently completed compensation study to ensure that all city employees are being paid a fair and livable wage for the work that they do.

Little Rock continues to perform well in attracting new businesses to the City and area to support quality jobs for our residents. The city continues to work towards landing a super site tenant at the Port of Little Rock. In the last five years, the city has created over 11,000 new jobs and over \$800 million in new investments in Little Rock. The city intends to keep this momentum going into 2025 as the city continues to grow at the Port of Little Rock and showcase the wonderful City to any and all businesses that are considering relocating or expanding their operations.

In 2025, we will assess City facilities and City property ownership and look at ways to put our assets to work. This could mean working with developers via a public-private partnership, to generate revenue from land and facilities that the City owns to support operations, investing in our deferred maintenance, or it could result in the sale of land or facilities.

The City will also continue to look at ways to address affordable housing and homelessness. The City of Little Rock is committed to working with its partners to ensure all residents who want a home are able to find one that is safe and secure. The city is excited to see the Micro Home Village open in 2025 and continue working with the land bank and developers to build more affordable housing within the City.

Financial management and stewardship are important at City Hall. The city is proud of the balanced budget the 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 the city's residents.

The City Board voted to proceed with a solar development project in 2024 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. It is

expected that this project will be completed in the latter half of 2025 or early 2026.

It's time to land the super site at the Port of Little Rock. The City of Little Rock has already invested more than 30 million dollars for land acquisition and infrastructure since 2019. From that, the City has generated over 800 million dollars in capital investment for the community.

The Little Rock regional economy remains strong and poised to continue to grow in 2025. The total number of jobs has increased to 401,400. Little Rock's unemployment has fallen to around 2.7%, which is lower than the U.S. average of 4.1%. Reductions in interest rates in 2024 are expected to continue to be a tailwind for growth and development in Little Rock, although we are still working through the effects of the significant increase in prices experienced coming out of the pandemic. In October 2024, the Consumer Price Index for All Urban Consumers (CPI-U) or more commonly, the inflation rate was a more manageable 2.6% for the past 12 months.

It is anticipated that overall sales tax revenue growth will moderate to less than 1% as consumers adjust to increased prices from the prior years and re-prioritize their budgets in 2025. Expected interest rate cuts in 2025, along with Little Rock's comparative economic diversity and low unemployment should continue to create stable revenue trends across all city funds.

The City must continue to invest in efforts to recruit businesses to add new jobs and industries. The City has been committed to all areas of Little Rock with an equity-driven approach to policies and programs. In addition to supporting local businesses, the City will continue recruiting companies to Little Rock, adding to the more than 11,000 jobs added since 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 City issued the second series of Capital Improvement bonds on December 30, 2024.

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 2025 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 *viii-xvii*.

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, 2024

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and cash equivalents	\$ 24,655,972	\$ 2,704,275	\$ 27,360,247	\$ 95,485,415
Investments	37,865,003	25,238,411	63,103,414	178,413,788
Restricted cash and investments - current	10,389,312	810,440	11,199,752	8,779,791
Receivables, net				
Accounts receivable	129,733,936	4,288,382	134,022,318	62,823,279
Lease receivable	35,390	209,081	244,471	2,516,874
Interest Receivable - current	71,764	95,949	167,713	326,097
Due from fiduciary funds	7,000	-	7,000	-
Inventories	1,125,438	-	1,125,438	2,952,784
Prepaid expenses and other	2,233,466	124,768	2,358,234	6,398,197
Total current assets	206,117,281	33,471,306	239,588,587	357,696,225
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	12,312,490	-	12,312,490	16,454,590
Investments	186,687,492	1,580,452	188,267,944	85,783,744
Grants and other receivables	-	-	-	3,365,844
Interest receivable	402,414	84,761	487,175	77,720
Less amount required to meet current obligations	(10,389,312)	(810,440)	(11,199,752)	(5,259,620)
Total restricted assets	189,013,084	854,773	189,867,857	100,422,278
Lease receivable - due in more than one year	590,316	4,329,334	4,919,650	55,922,866
Capital assets, net				
Lease assets, net	3,693,362	29,905	3,723,267	15,359,279
Nondepreciable	247,639,250	3,249,725	250,888,975	262,099,756
Capital assets - depreciable, net	431,662,837	20,640,303	452,303,140	1,108,488,581
Subscription assets, net	2,687,117	624,470	3,311,587	1,484,604
Total capital assets, net	685,682,566	24,544,403	710,226,969	1,387,432,220
Other assets				
Other	-	-	-	8,426,324
Total other assets	-	-	-	8,426,324
Total noncurrent assets	875,285,966	29,728,510	905,014,476	1,552,203,688
Total assets	1,081,403,247	63,199,816	1,144,603,063	1,909,899,913
Deferred Outflows of Resources				
Deferred outflows from pensions	95,137,648	720,983	95,858,631	3,754,253
Deferred outflows from OPEB	8,593,041	-	8,593,041	3,098,008
Loss on refunding	458,785	-	458,785	7,968,739
Total deferred outflows of resources	104,189,474	720,983	104,910,457	14,821,000
Total assets and deferred outflows of resources	\$ 1,185,592,721	\$ 63,920,799	\$ 1,249,513,520	\$ 1,924,720,913

See Notes to Financial Statements

City of Little Rock, Arkansas

Statement of Net Position

December 31, 2024

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities, Deferred Inflows of Resources and Net Position				
Current liabilities				
Accounts payable	\$ 16,730,159	\$ 1,125,563	\$ 17,855,722	\$ 14,484,582
Accrued wages payable and related liabilities	12,427,844	-	12,427,844	6,919,539
Retainage payable	721,707	-	721,707	-
Accrued expenses and other	3,492,941	87,001	3,579,942	14,124,359
Accrued interest payable	926,883	105,590	1,032,473	3,444,644
Compensated absences - current portion	22,256,576	658,368	22,914,944	2,936,473
Notes payable - current portion	2,619,725	-	2,619,725	-
Lease liability - current portion	1,285,076	16,889	1,301,965	3,030,561
Subscription Liability - Current	1,377,628	165,269	1,542,897	263,539
Bonds payable - current portion	4,180,000	725,000	4,905,000	18,018,599
Other current liabilities	11,326,879	-	11,326,879	-
Unearned revenue	14,298,193	516,486	14,814,679	3,579,665
Total current liabilities	91,643,611	3,400,166	95,043,777	66,801,961
Noncurrent liabilities				
Notes payable	16,759,895	-	16,759,895	22,432,888
Lease liability	2,551,413	13,340	2,564,753	258,868
Subscription Liability	881,959	433,520	1,315,479	157,388
Bonds payable, net of unamortized premium and discount	161,347,217	2,380,648	163,727,865	458,838,440
Net pension liability	256,424,332	1,229,334	257,653,666	17,778,769
Net OPEB liability	23,231,424	-	23,231,424	6,368,346
Compensated absences	16,010,347	311,808	16,322,155	564,540
Other long-term liabilities	864,992	9,460,914	10,325,906	134,012
Total noncurrent liabilities	478,071,579	13,829,564	491,901,143	506,533,251
Total liabilities	569,715,190	17,229,730	586,944,920	573,335,212
Deferred Inflows of Resources				
Deferred inflows from pensions	23,282,536	36,249	23,318,785	1,249,704
Deferred inflows from OPEB	4,652,559	-	4,652,559	2,478,758
Deferred inflows from leases	569,465	4,113,848	4,683,313	56,606,245
Total deferred inflows of resources	28,504,560	4,150,097	32,654,657	60,334,707
Net Position				
Net investment in capital and lease assets	612,354,694	20,809,737	633,164,431	876,720,462
Restricted - expendable				
Debt service	54,742,846	1,510,128	56,252,974	6,707,612
Grant funds (special revenue funds)	3,142,277	-	3,142,277	8,012,084
Street funds (special revenue funds)	42,693,083	-	42,693,083	-
Special projects (special revenue funds)	13,323,137	-	13,323,137	-
Capital projects (portion not in net investment in capital assets)	13,930,025	-	13,930,025	7,293,788
911 funds	6,310,211	-	6,310,211	-
Library capital projects	13,350,444	-	13,350,444	-
Library materials	-	-	-	2,945,872
Art Fund	-	-	-	9,733,224
Cemetery maintenance	-	-	-	2,872,522
Total restricted - expendable	147,492,023	1,510,128	149,002,151	37,565,102
Other restricted	-	-	-	3,451,749
Restricted - nonexpendable	250,000	-	250,000	19,097,055
Unrestricted (deficit)	(172,723,746)	20,221,107	(152,502,639)	354,216,626
Total net position	587,372,971	42,540,972	629,913,943	1,291,050,994
Total liabilities, deferred inflows of resources and net position	\$ 1,185,592,721	\$ 63,920,799	\$ 1,249,513,520	\$ 1,924,720,913

See Notes to Financial Statements

City of Little Rock, Arkansas

Statement of Activities

Year Ended December 31, 2024

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			
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities								
General administration	\$ 44,906,415	\$ 12,381,629	\$ 7,538,096	\$ 171,021	\$ (24,815,669)	\$ -	\$ (24,815,669)	\$ -
Board of Directors	435,292	-	-	-	(435,292)	-	(435,292)	-
Community programs	8,066,440	28,820	280,729	47,675	(7,709,216)	-	(7,709,216)	-
City attorney	2,959,965	-	-	-	(2,959,965)	-	(2,959,965)	-
Courts	3,478,931	1,889,449	-	-	(1,589,482)	-	(1,589,482)	-
Finance	5,078,630	15,272	(16,893)	-	(5,080,251)	-	(5,080,251)	-
Human resources	3,756,410	202,182	18,419	-	(3,535,809)	-	(3,535,809)	-
Information technology	9,060,180	(11,897)	628	-	(9,071,449)	-	(9,071,449)	-
Planning and development	4,511,384	2,966,957	115,003	-	(1,429,424)	-	(1,429,424)	-
Public works	53,766,031	269,754	22,482,927	4,023,845	(26,989,505)	-	(26,989,505)	-
Parks and recreation services	17,401,085	1,073,248	1,092,011	895,477	(14,340,349)	-	(14,340,349)	-
Rivermarket	1,426,681	396,786	419,526	-	(610,369)	-	(610,369)	-
Golf	2,127,267	1,461,572	-	-	(665,695)	-	(665,695)	-
Jim Dailey Fitness	1,869,445	442,248	-	-	(1,427,197)	-	(1,427,197)	-
Zoo	10,398,351	2,963,255	78,293	146,451	(7,210,352)	-	(7,210,352)	-
Fire	64,275,909	1,975,516	1,543,800	210,200	(60,546,393)	-	(60,546,393)	-
Police	89,916,451	3,533,886	4,612,790	85,881	(81,683,894)	-	(81,683,894)	-
911 operations	5,260,605	2,948,374	-	-	(2,312,231)	-	(2,312,231)	-
Fleet	3,926,290	1,803,495	-	-	(2,122,795)	-	(2,122,795)	-
Economic development	3,028,439	-	-	-	(3,028,439)	-	(3,028,439)	-
Education	13,584,764	-	-	-	(13,584,764)	-	(13,584,764)	-
Housing and neighborhood programs	13,906,955	1,152,127	3,481,120	-	(9,273,708)	-	(9,273,708)	-
Fiscal charges on long term debt	6,615,971	-	-	-	(6,615,971)	-	(6,615,971)	-
Total governmental activities	369,757,891	35,492,673	41,646,449	5,580,550	(287,038,219)	-	(287,038,219)	-
Business-Type Activities								
Waste disposal	24,250,170	24,937,567	-	2,327,154	-	3,014,551	3,014,551	-
River Market Garage	1,348,085	2,262,579	-	-	-	914,494	914,494	-
Vehicle storage	2,199,425	2,406,568	-	-	-	207,143	207,143	-
Total business-type activities	27,797,680	29,606,714	-	2,327,154	-	4,136,188	4,136,188	-
Total primary government	\$ 397,555,571	\$ 65,099,387	\$ 41,646,449	\$ 7,907,704	\$ (287,038,219)	\$ 4,136,188	\$ (282,902,031)	\$ -
Total component units	\$ 281,408,524	\$ 105,477,319	\$ 126,469,028	\$ 35,084,600	\$ -	\$ -	\$ -	\$ (14,377,577)
General revenues								
General property taxes					72,918,782	-	72,918,782	25,609,906
Sales taxes					144,620,121	-	144,620,121	1,812,322
Utility franchise taxes					34,297,602	-	34,297,602	-
Grants and contributions not restricted to specific programs					15,746,054	-	15,746,054	-
Investment income					10,956,418	1,585,205	12,541,623	21,117,244
Other					6,397	-	6,397	2,899,021
Transfers					1,005,590	(1,005,590)	-	-
Total general revenues and transfers					279,550,964	579,615	280,130,579	51,438,493
Change in Net Position					(7,487,255)	4,715,803	(2,771,452)	37,060,916
Net Position, beginning of year					594,860,226	37,825,169	632,685,395	1,253,990,078
Net Position, end of year					\$ 587,372,971	\$ 42,540,972	\$ 629,913,943	\$ 1,291,050,994

See Notes to Financial Statements

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City of Little Rock, Arkansas

Balance Sheet

Governmental Funds

December 31, 2024

	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	\$ 7,309,168	\$ 1,452,851	\$ -	\$ 17,277,659	\$ 2,569,576	\$ 2,023,558	\$ 2,550,065	\$ 3,722,050	\$ 36,904,927
Restricted cash	-	-	-	-	-	-	-	38,422	38,422
Investments	42,693,029	16,075,403	82,666,534	-	28,393,641	11,550,869	-	42,870,351	224,249,827
Accounts receivable, net	81,537,914	-	-	19,015,106	12,077,067	5,511	6,822,190	10,266,285	129,724,073
Lease receivable	625,706	-	-	-	-	-	-	-	625,706
Due from other funds	21,230,078	-	-	-	-	-	-	-	21,230,078
Due from fiduciary funds	7,000	-	-	-	-	-	-	-	7,000
Interest receivable	173,195	53,987	-	-	95,357	-	-	150,623	473,162
Inventories	27,234	-	-	-	-	-	-	302,852	330,086
Prepaid expenditures and other	2,216,838	-	-	-	16,628	-	-	-	2,233,466
Total assets	\$ 155,820,162	\$ 17,582,241	\$ 82,666,534	\$ 36,292,765	\$ 43,152,269	\$ 13,579,938	\$ 9,372,255	\$ 57,350,583	\$ 415,816,747
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 4,923,137	\$ 1,520,367	\$ 2,854,051	\$ 39,650	\$ 459,188	\$ 1,833,771	\$ 3,398,150	\$ 563,509	\$ 15,591,823
Due to other funds	-	-	4,066,574	-	-	5,449,086	10,510,738	1,203,680	21,230,078
Accrued wages payable and related liabilities	12,427,844	-	-	-	-	-	-	-	12,427,844
Retainage payable	-	601,470	56,069	-	-	64,168	-	-	721,707
Accrued expenditures and other	3,492,941	-	-	-	-	-	-	-	3,492,941
Unearned revenue	7,725,888	-	-	-	-	4,864,418	1,671,111	36,776	14,298,193
Total liabilities	28,569,810	2,121,837	6,976,694	39,650	459,188	12,211,443	15,579,999	1,803,965	67,762,586
Deferred Inflows of Resources									
Unavailable revenues - property taxes	41,145,374	-	-	17,476,274	8,382,619	-	-	8,133,865	75,138,132
Unavailable revenues - traffic fines	1,549,474	-	-	-	-	-	-	-	1,549,474
Deferred inflows from leases	569,465	-	-	-	-	-	-	-	569,465
Total deferred inflows of resources	43,264,313	-	-	17,476,274	8,382,619	-	-	8,133,865	77,257,071
Fund Balances									
Nonspendable	2,244,072	-	-	-	16,628	-	-	552,852	2,813,552
Restricted	-	15,460,404	75,689,840	18,776,841	34,293,834	1,368,495	-	46,859,901	192,449,315
Assigned	34,456,324	-	-	-	-	-	-	-	34,456,324
Unassigned	47,285,643	-	-	-	-	-	(6,207,744)	-	41,077,899
Total fund balances	83,986,039	15,460,404	75,689,840	18,776,841	34,310,462	1,368,495	(6,207,744)	47,412,753	270,797,090
Total liabilities, deferred inflows of resources and fund balances	\$ 155,820,162	\$ 17,582,241	\$ 82,666,534	\$ 36,292,765	\$ 43,152,269	\$ 13,579,938	\$ 9,372,255	\$ 57,350,583	\$ 415,816,747

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, 2024

Total fund balance - governmental funds	\$ 270,797,090
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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.	675,839,771
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,693,362
Subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,793,004

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	(163,240,000)
Bond issuance premiums	(2,287,217)
Notes payable	(19,379,620)
Leases	(3,836,489)
Subscription-based information technology arrangements	(1,469,311)
Accrued interest payable	(911,184)
Net pension liability	(255,604,777)
Deferred inflows and outflows of resources from pensions, OPEB, and deferred loss on refunding, net	75,797,890
Net OPEB liability	(23,231,424)
Workers' compensation liability	(864,992)
Accrued compensated absences	(37,520,688)
Property tax pension liability	(11,326,879)

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.	2,436,829
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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.	76,687,606
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Net position of governmental activities	\$ 587,372,971
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City of Little Rock, Arkansas

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended December 31, 2024

	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	\$ 39,091,658	\$ -	\$ -	\$ 16,815,439	\$ 8,081,010	\$ -	\$ -	\$ 7,935,125	\$ 71,923,232
Sales taxes	142,284,445	-	-	-	-	-	-	2,335,676	144,620,121
Licenses and permits	14,101,066	-	-	-	17,290	-	-	62,118	14,180,474
Intergovernmental	12,282,469	-	-	-	16,909,777	15,746,054	12,651,392	3,368,954	60,958,646
Charges for services	12,566,860	-	-	-	34,131	-	30	1,969,438	14,570,459
Fines and fees	2,252,543	-	-	-	-	-	-	729,812	2,982,355
Utility franchise taxes	32,790,352	-	-	-	-	-	-	1,507,250	34,297,602
Investment income (loss)	2,327,554	1,270,857	2,770,785	415,300	1,268,550	880,889	21,596	1,997,406	10,952,937
Contributions and donations	427,876	-	-	-	-	-	29,729	156,424	614,029
Miscellaneous	1,168,248	160,587	-	-	77,201	-	244,381	2,931,854	4,582,271
Total revenues	259,293,071	1,431,444	2,770,785	17,230,739	26,387,959	16,626,943	12,947,128	22,994,057	359,682,126
Expenditures									
General government									
General administration	38,566,810	-	2,838,439	-	-	739,154	22,749	112,145	42,279,297
Board of Directors	435,292	-	-	-	-	-	-	-	435,292
Community programs	7,480,070	-	-	-	-	97,369	484,477	-	8,061,916
City attorney	2,958,799	-	-	-	-	-	-	-	2,958,799
District court - first division (criminal)	1,458,060	-	-	-	-	-	-	3,986	1,462,046
District court - second division (traffic)	1,361,493	-	-	-	-	-	-	16,676	1,378,169
District court - third division (environment)	624,527	-	-	-	-	-	-	-	624,527
Finance	4,936,271	-	-	-	-	266,749	11,612	-	5,214,632
Human resources	3,509,670	-	-	-	-	-	-	65,660	3,575,330
Information technology	5,973,975	271,607	-	-	-	198,777	-	-	6,444,359
Planning and development	3,726,732	-	-	-	-	579,571	96,589	38,819	4,441,711
Total general government	71,031,699	271,607	2,838,439	-	-	1,881,620	615,427	237,286	76,876,078
Public works	2,831,487	47,374	7,297,543	-	22,444,390	1,572,021	823,026	111,896	35,127,737
Parks and recreation services	11,932,206	110,087	3,996	-	-	11,400	858,140	811,296	13,727,125
Rivermarket	1,272,354	-	-	-	-	-	-	-	1,272,354
Golf	2,031,259	-	-	-	-	-	-	-	2,031,259
Jim Dailey Fitness	1,732,215	-	-	-	-	-	-	-	1,732,215
Zoo	8,654,886	682,770	-	-	-	-	30,742	(278)	9,368,120
Fire	57,770,222	-	-	-	-	6,986,283	1,259,572	836,347	66,852,424
Police	87,041,069	-	-	-	-	2,189,570	1,277,547	257,033	90,765,219
911 operations	5,089,947	-	-	-	-	-	-	169,266	5,259,213
Housing and neighborhood programs	8,685,318	-	-	-	-	206,131	83,124	4,060,135	13,034,708
Fleet	-	-	-	-	-	-	-	8,924	8,924
Economic development	-	-	-	-	-	-	-	190,000	190,000
Education	-	-	-	-	-	-	-	13,584,764	13,584,764
Debt service									
Principal	7,369,851	-	-	10,510,000	4,642	-	-	5,895,000	23,779,493
Fiscal charges on long term debt	579,540	-	-	2,632,345	381	-	-	3,602,682	6,814,948
Capital Outlay	6,926,076	9,304,556	9,531,392	-	2,412,787	3,698,857	4,167,173	13,899,311	49,940,152
Total expenditures	272,948,129	10,416,394	19,671,370	13,142,345	24,862,200	16,545,882	9,114,751	43,663,662	410,364,733
Excess (Deficiency) of Revenues Over Expenditures	(13,655,058)	(8,984,950)	(16,900,585)	4,088,394	1,525,759	81,061	3,832,377	(20,669,605)	(50,682,607)
Other Financing Sources (Uses)									
Initiation of leases	2,453,555	-	-	-	-	-	-	-	2,453,555
Initiation of subscription-based information technology arrangements	521,201	-	-	-	-	-	-	-	521,201
Issuance of debt	-	-	37,180,519	129,481	-	-	-	10,954,400	48,264,400
Premiums on debt issuance	-	-	176,954	314,767	-	-	-	-	491,721
Transfers in	2,555,048	-	-	-	284,000	-	234,736	31,946	3,105,730
Transfers out	(460,682)	-	-	-	(584,217)	-	-	(1,055,241)	(2,100,140)
Total other financing sources (uses)	5,069,122	-	37,357,473	444,248	(300,217)	-	234,736	9,931,105	52,736,467
Net Change in Fund Balances	(8,585,936)	(8,984,950)	20,456,888	4,532,642	1,225,542	81,061	4,067,113	(10,738,500)	2,053,860
Fund Balances, Beginning 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
Fund Balances, End of Year	\$ 83,986,039	\$ 15,460,404	\$ 75,689,840	\$ 18,776,841	\$ 34,310,462	\$ 1,368,495	\$ (6,207,744)	\$ 47,412,753	\$ 270,797,090

See Notes to Financial Statements

City of Little Rock, Arkansas

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities

Year Ended December 31, 2024

Net change in fund balances - total governmental funds \$ 2,053,860

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	46,965,396
Capital outlay - lease assets	2,453,555
Capital outlay - subscription-based information technology arrangements	521,201
Capital asset contributions	1,482,878
Capital asset additions from non capital outlay expenditures	3,645,222
Retirements	(8,826,591)
Depreciation expense	(31,555,087)
Amortization of lease assets	(2,025,597)
Amortization of subscription-based information technology arrangements	(1,570,530)

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:

General Obligation bonds, net of premium	(37,801,721)
Notes Payable	(10,954,400)
Leases	(2,453,555)
Subscription-based information technology arrangements	(521,201)

Principal repayments:

General obligation bonds	14,725,000
Revenue bonds	1,680,000
Notes payable	3,740,323
Amortization of bond premium	291,631
Amortization of deferred loss on refunding	(116,516)
Leases obligation	1,933,007
Subscription-based information technology arrangements	1,701,172

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.

1,035,672

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.

(397,000)

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.

(1,749,919)

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.

9,714,140

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.

(1,458,195)

Change in net position of governmental activities

\$ (7,487,255)

City of Little Rock, Arkansas
Statement of Net Position
Proprietary Funds
December 31, 2024

	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	\$ 1,665,220	\$ 817,305	\$ 221,750	\$ 2,704,275	\$ 25,113
Investments	18,289,978	4,500,921	2,447,512	25,238,411	302,668
Restricted cash and investments - current	-	810,440	-	810,440	-
Receivables, net					
Accounts receivable	3,974,973	313,409	-	4,288,382	9,863
Lease receivable	-	209,081	-	209,081	-
Accrued interest	-	95,949	-	95,949	-
Inventories	-	-	-	-	795,352
Prepaid expenses and other	-	124,768	-	124,768	-
Total current assets	23,930,171	6,871,873	2,669,262	33,471,306	1,132,996
Noncurrent assets					
Restricted assets					
Investments	-	1,580,452	-	1,580,452	-
Accrued interest	61,425	15,116	8,220	84,761	1,016
Less amount required to meet current obligation	-	(810,440)	-	(810,440)	-
Total restricted assets	61,425	785,128	8,220	854,773	1,016
 Lease receivable - due in more than one year	 -	 4,329,334	 -	 4,329,334	 -
Capital assets					
Construction in progress	534,134	67,815	10,629	612,578	926,664
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	36,893	21,546,183	3,893,358
Vehicles	19,212,107	-	287,186	19,499,293	1,353,105
Furniture and equipment	5,438,383	244,552	81,765	5,764,700	1,833,544
Lease assets	12,246	-	38,569	50,815	-
Subscription Asset	783,892	-	-	783,892	1,005,946
Less accumulated depreciation and amortization	(43,996,641)	(4,992,476)	(372,303)	(49,361,420)	(4,926,342)
Net capital assets	19,429,279	4,857,583	257,541	24,544,403	4,356,429
Total noncurrent assets	19,490,704	9,972,045	265,761	29,728,510	4,357,445
Total assets	43,420,875	16,843,918	2,935,023	63,199,816	5,490,441
Deferred Outflows of resources					
Deferred outflows from pensions	640,874	-	80,109	720,983	480,655
Total deferred outflows of resources	640,874	-	80,109	720,983	480,655
Total assets and deferred outflows of resources	\$ 44,061,749	\$ 16,843,918	\$ 3,015,132	\$ 63,920,799	\$ 5,971,096

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Net Position
Proprietary Funds
December 31, 2024

	Business-Type Activities				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	\$ 828,259	\$ 142,854	\$ 154,450	\$ 1,125,563	\$ 1,138,336
Accrued expenses and other	87,001	-	-	87,001	-
Accrued interest	20,086	85,440	64	105,590	15,699
Compensated absences - current portion	587,813	-	70,555	658,368	454,166
Bonds payable - current portion	-	725,000	-	725,000	-
Subscription Liability - Current	165,269	-	-	165,269	187,220
Lease Liability - Current	3,938	-	12,951	16,889	-
Unearned revenue	-	345,881	170,605	516,486	-
Total current liabilities	1,692,366	1,299,175	408,625	3,400,166	1,795,421
Noncurrent liabilities					
Bonds payable, net of unamortized premium and discount	-	2,380,648	-	2,380,648	-
Net pension liability	1,092,741	-	136,593	1,229,334	819,555
Compensated absences	237,007	-	74,801	311,808	292,069
Lease liability	4,081	-	9,259	13,340	-
Subscription Liability	433,520	-	-	433,520	603,056
Other long-term liabilities	9,460,914	-	-	9,460,914	-
Total noncurrent liabilities	11,228,263	2,380,648	220,653	13,829,564	1,714,680
Total liabilities	12,920,629	3,679,823	629,278	17,229,730	3,510,101
Deferred Inflows of Resources					
Deferred inflows from pensions	32,222	-	4,027	36,249	24,166
Deferred inflows from leases	-	4,113,848	-	4,113,848	-
Total deferred inflows of resources	32,222	4,113,848	4,027	4,150,097	24,166
Net Position					
Net investment in capital assets	18,822,471	1,751,935	235,331	20,809,737	3,566,153
Restricted - expendable	-	-	-	-	-
Debt service	-	1,510,128	-	1,510,128	-
Unrestricted	12,286,427	5,788,184	2,146,496	20,221,107	(1,129,324)
Total net position	31,108,898	9,050,247	2,381,827	42,540,972	2,436,829
Total liabilities, deferred inflows of resources and net position	\$ 44,061,749	\$ 16,843,918	\$ 3,015,132	\$ 63,920,799	\$ 5,971,096

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, 2024

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)	Total	
Operating Revenues					
Charges for services	\$ 26,210,423	\$ 1,929,094	\$ 2,413,110	\$ 30,552,627	\$ 15,966,706
Licenses and permits	-	326,011	5,545	331,556	-
Total operating revenues	26,210,423	2,255,105	2,418,655	30,884,183	15,966,706
Operating Expenses					
Salaries, wages, and employee benefits	9,789,417	171,365	908,726	10,869,508	4,191,445
Supplies and materials	1,442,762	5,307	80,514	1,528,583	6,690,475
Services	6,133,316	545,429	844,848	7,523,593	4,971,330
Repairs and maintenance	4,327,809	102,884	309,110	4,739,803	1,187,730
Other	-	85,000	4,208	89,208	10,611
Depreciation and amortization	2,536,781	220,186	51,053	2,808,020	361,092
Total operating expenses	24,230,085	1,130,171	2,198,459	27,558,715	17,412,683
Operating Income (Loss)	1,980,338	1,124,934	220,196	3,325,468	(1,445,977)
Nonoperating Revenues (Expenses)					
Investment income	654,941	863,456	66,808	1,585,205	3,481
Interest expense	(20,086)	(188,088)	(965)	(209,139)	(15,699)
Loss on disposal of capital assets	(1,273,254)	-	(12,087)	(1,285,341)	-
Other, net	398	(22,352)	-	(21,954)	-
Net nonoperating revenues (expenses)	(638,001)	653,016	53,756	68,771	(12,218)
Income Before Contributions and Transfers	1,342,337	1,777,950	273,952	3,394,239	(1,458,195)
Capital Contributions	2,327,154	-	-	2,327,154	-
Transfers Out	(1,005,590)	-	-	(1,005,590)	-
	1,321,564	-	-	1,321,564	-
Changes in Net Position	2,663,901	1,777,950	273,952	4,715,803	(1,458,195)
Net Position, beginning of year	28,444,997	7,272,297	2,107,875	37,825,169	3,895,024
Net Position, end of year	\$ 31,108,898	\$ 9,050,247	\$ 2,381,827	\$ 42,540,972	\$ 2,436,829

See Notes to Financial Statements

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City of Little Rock, Arkansas

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2024

	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	\$ 26,395,223	\$ 2,041,405	\$ 2,511,918	\$ 30,948,546	\$ -
Receipts from interfund services provided	-	-	-	-	15,977,335
Payments to employees	(9,594,099)	-	(865,312)	(10,459,411)	(3,991,455)
Payments to suppliers	(11,970,656)	(904,803)	(1,216,207)	(14,091,666)	(11,596,658)
Net cash provided by operating activities	4,830,468	1,136,602	430,399	6,397,469	389,222
Cash Flows From Noncapital Financing Activities					
Transfers to other funds	(1,005,590)	-	-	(1,005,590)	-
Net cash used in noncapital financing activities	(1,005,590)	-	-	(1,005,590)	-
Cash Flows From Capital and Related Financing Activities					
Proceeds from the sale of capital assets	85,955	-	-	85,955	-
Lease interest income	-	574,288	-	574,288	-
Purchase of capital assets	(286,085)	(67,816)	(219,317)	(573,218)	(96,260)
Principal paid on long-term debt	(189,330)	(685,000)	(12,511)	(886,841)	(215,670)
Interest paid on long-term debt	-	(223,487)	(1,003)	(224,490)	-
Net cash used in capital and related financing activities	(389,460)	(402,015)	(232,831)	(1,024,306)	(311,930)
Cash Flows From Investing Activities					
Proceeds from sale of investments	14,563,591	3,632,709	2,190,757	20,387,057	234,212
Purchase of investments	(18,730,290)	(4,609,276)	(2,506,434)	(25,846,000)	(309,955)
Investment income (loss)	906,823	313,894	113,834	1,334,551	(70)
Net cash used in investing activities	(3,259,876)	(662,673)	(201,843)	(4,124,392)	(75,813)
Increase (Decrease) in Cash and Cash Equivalents	175,542	71,914	(4,275)	243,181	1,479
Cash and Cash Equivalents, Beginning of Year	1,489,678	745,391	226,025	2,461,094	23,634
Cash and Cash Equivalents, End of Year	<u>\$ 1,665,220</u>	<u>\$ 817,305</u>	<u>\$ 221,750</u>	<u>\$ 2,704,275</u>	<u>\$ 25,113</u>
Presented on the Statement of Net Position - Proprietary Funds as Follows:					
Current assets					
Cash and cash equivalents	\$ 1,665,220	\$ 817,305	\$ 221,750	\$ 2,704,275	\$ 25,113
	<u>\$ 1,665,220</u>	<u>\$ 817,305</u>	<u>\$ 221,750</u>	<u>\$ 2,704,275</u>	<u>\$ 25,113</u>

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended December 31, 2024

	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)	\$ 1,980,338	\$ 1,124,934	\$ 220,196	\$ 3,325,468	\$ (1,445,977)
Adjustment to reconcile operating income to net cash provided by operating activities					
Depreciation and amortization expense	2,536,781	220,186	51,053	2,808,020	361,092
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:					
Accounts receivable, net	184,800	(82,089)	-	102,711	10,629
Lease receivable	-	187,249	-	187,249	-
Prepaid expenses and other	127,722	21,336	-	149,058	1,147,660
Inventories	-	-	-	-	(111,671)
Deferred outflows of resources	276,186	-	34,524	310,710	207,140
Accounts payable	(478,194)	(16,154)	22,473	(471,875)	227,499
Accrued expenses and other	283,703	-	-	283,703	-
Compensated absences	76,220	-	28,526	104,746	110,666
Unearned revenue	-	5,604	93,263	98,867	-
Net pension liability	(129,840)	-	(16,230)	(146,070)	(97,380)
Deferred inflows of resources - pensions	(27,248)	-	(3,406)	(30,654)	(20,436)
Deferred inflows of resources - leases	-	(324,464)	-	(324,464)	-
Net cash provided by operating activities	<u>\$ 4,830,468</u>	<u>\$ 1,136,602</u>	<u>\$ 430,399</u>	<u>\$ 6,397,469</u>	<u>\$ 389,222</u>
Noncash investing and financing activities					
Increase in fair value of investments	\$ 252,450	\$ 68,154	\$ 46,026	\$ 366,630	\$ (3,481)
Initiation of leases	\$ 12,245	\$ -	\$ -	\$ 12,245	\$ -
Initiation of subscription-based information technology arrangements	\$ 783,892	\$ -	\$ -	\$ 783,892	\$ 1,005,946

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
Assets		
Cash and cash equivalents	\$ 12,130,230	\$ 132,259
Investments		
U.S. Government obligations	7,395,887	-
Equities	84,610,750	-
Mutual funds and other investments	55,732,266	-
Receivables		
Accounts receivable	317,535	-
Accrued interest and dividends	311,946	-
	<hr/>	<hr/>
Total Assets	\$ 160,498,614	\$ 132,259
	<hr/>	<hr/>
Liabilities		
Accounts payable	\$ -	\$ 72,349
Due to primary government	7,000	-
Accrued liabilities	-	34,004
	<hr/>	<hr/>
Total Liabilities	7,000	106,353
	<hr/>	<hr/>
Net Position		
Net position restricted for pensions	146,814,127	-
Net position restricted for other postemployment benefits	13,677,487	-
Net position restricted for courts	-	25,906
	<hr/>	<hr/>
Total Net Position	\$ 160,491,614	\$ 25,906
	<hr/>	<hr/>

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended December 31, 2024

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
Additions		
Contributions		
Employer	\$ 7,961,111	\$ -
Plan Members	2,875,446	-
Other	147,943	2,703,430
	<u>10,984,500</u>	<u>2,703,430</u>
Total contributions		
	<u>10,984,500</u>	<u>2,703,430</u>
Investment Earnings		
Net increase (decrease) in fair value of investments	10,467,483	-
Realized gain on sale of investments	724,682	-
Interest and dividends	3,986,049	47,801
	<u>15,178,214</u>	<u>47,801</u>
Less investment expense	340,579	-
	<u>14,837,635</u>	<u>47,801</u>
Net investment income		
	<u>14,837,635</u>	<u>47,801</u>
Total additions		
	<u>25,822,135</u>	<u>2,751,231</u>
Deductions		
Benefits paid directly to participants	7,969,520	-
Distributions to other governments	-	2,725,325
Administrative expenses	522,946	-
Other	(96)	-
	<u>8,492,370</u>	<u>2,725,325</u>
Total deductions		
	<u>8,492,370</u>	<u>2,725,325</u>
Change in Net Position	17,329,765	25,906
Net Position, Beginning of Year	143,161,849	-
Net Position, End of Year	<u>\$ 160,491,614</u>	<u>\$ 25,906</u>

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Net Position
Discretely Presented Component Units
December 31, 2024

	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	\$ 15,579,283	\$ 33,817,717	\$ 46,088,415	\$ 95,485,415
Investments	61,526,374	48,963,816	67,923,598	178,413,788
Restricted cash and investments - current	5,259,620	-	3,520,171	8,779,791
Accounts receivable, net of allowance	5,567,652	5,995,563	51,260,064	62,823,279
Accrued interest receivable	38,663	182,350	105,084	326,097
Inventories	1,841,009	-	1,111,775	2,952,784
Lease receivable - current	-	1,643,422	873,452	2,516,874
Prepaid expenses and other	2,244,226	1,085,236	3,068,735	6,398,197
Total current assets	92,056,827	91,688,104	173,951,294	357,696,225
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	7,420,619	6,694,488	2,339,483	16,454,590
Investments	7,128,272	58,178,560	20,476,912	85,783,744
Grants and other receivables	-	599,300	-	599,300
Interest receivable	-	-	77,720	77,720
	14,548,891	65,472,348	22,894,115	102,915,354
Less amounts required to meet current obligations	5,259,620	-	-	5,259,620
Total restricted assets	9,289,271	65,472,348	22,894,115	97,655,734
Notes receivable	-	2,766,544	-	2,766,544
Lease receivable	-	52,740,358	3,182,508	55,922,866
Capital assets				
Lease assets	-	-	15,359,279	15,359,279
Land	5,434,140	68,558,802	44,572,836	118,565,778
Construction in progress	88,219,241	23,866,907	31,447,830	143,533,978
Buildings, improvements, and other facilities	702,625,518	527,692,377	491,437,149	1,721,755,044
Vehicles	-	3,010,780	75,998,096	79,008,876
Furniture and equipment	104,215,318	32,046,661	77,377,944	213,639,923
Subscription assets	513,326	-	971,278	1,484,604
Books/AV material	-	-	30,698,662	30,698,662
Other	-	-	547,267	547,267
	901,007,543	655,175,527	768,410,341	2,323,108,807
Less accumulated depreciation and amortization	304,294,677	318,938,337	313,928,177	937,161,191
Net capital assets	596,712,866	336,237,190	454,482,164	1,385,947,616
Other assets	-	-	8,426,324	8,426,324
Total other assets	-	-	8,426,324	8,426,324
Total noncurrent assets	606,002,137	457,216,440	488,985,111	1,552,203,688
Total assets	698,058,964	548,904,544	662,936,405	1,909,899,913
Deferred Outflows of Resources				
Loss on refunding	7,968,739	-	-	7,968,739
Deferred outflows from pensions	2,890,610	-	863,643	3,754,253
Deferred outflows from OPEB	3,098,008	-	-	3,098,008
Total deferred outflows of resources	13,957,357	-	863,643	14,821,000
Total assets and deferred outflows of resources	\$ 712,016,321	\$ 548,904,544	\$ 663,800,048	\$ 1,924,720,913

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Net Position
Discretely Presented Component Units
December 31, 2024

	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	\$ 442,388	\$ 10,535,031	\$ 3,507,163	\$ 14,484,582
Accrued wages payable and related liabilities	997,020	1,961,865	3,960,654	6,919,539
Accrued interest payable	2,237,527	-	1,207,117	3,444,644
Subscription liability	125,818	-	137,721	263,539
Leases payable	-	-	3,030,561	3,030,561
Bonds payable	15,713,587	-	2,305,012	18,018,599
Notes payable	-	-	-	-
Compensated absences	1,225,724	-	1,710,749	2,936,473
Unearned revenue	-	399,541	3,180,124	3,579,665
Accrued expenses and other	6,669,046	41,985	7,413,328	14,124,359
Total current liabilities	27,411,110	12,938,422	26,452,429	66,801,961
Noncurrent Liabilities				
Leases payable	-	-	258,868	258,868
Subscription liability	-	-	157,388	157,388
Bonds payable, net of unamortized premium and discount	397,494,577	-	61,343,863	458,838,440
Notes payable	-	-	22,432,888	22,432,888
Net pension liability	16,378,805	-	1,399,964	17,778,769
Total OPEB liability	6,368,346	-	-	6,368,346
Other long-term liabilities	-	-	134,012	134,012
Compensated absences	135,142	-	429,398	564,540
Total noncurrent liabilities	420,376,870	-	86,156,381	506,533,251
Total liabilities	447,787,980	12,938,422	112,608,810	573,335,212
Deferred Inflows of Resources				
Deferred inflows from pensions	1,106,735	-	142,969	1,249,704
Deferred inflows from leases	-	52,689,897	3,916,348	56,606,245
Deferred inflows from OPEB	2,478,758	-	-	2,478,758
Total deferred inflows of resources	3,585,493	52,689,897	4,059,317	60,334,707
Net Position				
Net investment in capital assets	187,834,140	327,717,457	361,168,865	876,720,462
Restricted - expendable	6,707,612	7,293,788	27,015,451	41,016,851
Restricted - nonexpendable	-	-	19,097,055	19,097,055
Unrestricted	66,101,096	148,264,980	139,850,550	354,216,626
Total net position	260,642,848	483,276,225	547,131,921	1,291,050,994
Total liabilities, deferred inflows of resources and net position	\$ 712,016,321	\$ 548,904,544	\$ 663,800,048	\$ 1,924,720,913

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Activities
Discretely Presented Component units
Year Ended December 31, 2024

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	\$ 34,256,550	\$ 1,101,481	\$ 4,731,098	\$ 13,584,737	\$ -	\$ -	\$ (14,839,234)	\$ (14,839,234)
Total governmental activities	34,256,550	1,101,481	4,731,098	13,584,737	-	-	(14,839,234)	(14,839,234)
Business-type Activities								
Little Rock Water Reclamation Authority	66,659,610	66,681,877	1,332,495	1,688,381	3,043,143	-	-	3,043,143
Bill and Hillary Clinton National Airport	48,721,959	42,337,426	120,372	12,701,660	-	6,437,499	-	6,437,499
Other component units	131,770,405	62,993,670	54,935,681	7,109,822	-	-	(6,731,232)	(6,731,232)
Total business-type activities	247,151,974	172,012,973	56,388,548	21,499,863	3,043,143	6,437,499	(6,731,232)	2,749,410
Total component units	\$ 281,408,524	\$ 173,114,454	\$ 61,119,646	\$ 35,084,600	\$ 3,043,143	\$ 6,437,499	\$ (21,570,466)	\$ (12,089,824)
General revenues								
General property taxes					-	-	25,609,906	25,609,906
Sales taxes					-	-	1,812,322	1,812,322
Investment income					4,023,360	8,623,771	8,470,113	21,117,244
Other					(955,258)	(5,078,608)	6,645,134	611,268
Total general revenues					3,068,102	3,545,163	42,537,475	49,150,740
Changes in Net Position					6,111,245	9,982,662	20,967,009	37,060,916
Net Position, Beginning of Year					254,531,603	473,293,563	526,164,912	1,253,990,078
Net Position, End of Year					\$ 260,642,848	\$ 483,276,225	\$ 547,131,921	\$ 1,291,050,994

See Notes to Financial Statements

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

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 2024.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

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, 2024

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, 2024

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, 2024

The *2022 Capital Improvements Fund (capital projects 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)*, 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)*, designated as a major 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*, designated as a major 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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024, 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, 2024

Adoption of Accounting Principle

The City adopted those portions of GASB Statement No. 99, *Omnibus 2022*, applicable for the year ended December 31, 2024. 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.

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, 2024:

Statement No.		Adoption Required in Fiscal Year
102	<i>Certain Risk Disclosures</i>	2025
103	<i>Financial Reporting Model Improvements</i>	2026
104	<i>Disclosure of Certain Capital Assets</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, 2024

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, 2024, 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, 2024

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, 2024, the City had the following investments and maturities, including cash and investments reported in fiduciary funds:

		Primary Government			
		Maturities in Years			
Type	Fair Value	Less Than 1	1-5	6-10	More than 10
Real Estate funds	\$ 7,224,445	\$ 7,224,445	\$ -	\$ -	\$ -
U.S. Treasury obligations	26,186,419	24,934,131	1,252,288	-	-
U.S. Agencies obligations	128,732,545	37,789,610	90,942,935	-	-
Fixed income funds	33,751,165	33,751,165	-	-	-
Mutual funds	682,596	682,596	-	-	-
Money Market Mutual funds	140,140,827	140,140,827	-	-	-
Equity funds	98,680,586	98,680,586	-	-	-
Negotiable Certificates of Deposit	2,578,593	339,188	2,239,405	-	-
Municipal bonds	2,108,962	-	2,108,962	-	-
	<u>\$ 440,086,138</u>	<u>\$ 343,542,548</u>	<u>\$ 96,543,590</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, 2024, 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, 2024

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, 2024 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. - \$625,157

Police Pension – Capital Point Partners, L.P. - \$614,056

Non-Uniformed Employees' Defined Contribution Plan 804 – Federated Hermes Treasury Obligations Fund - \$992,743, Fidelity Investment Money Market Fund #2643 - \$757,473, IShares MSCI USA Minimum Volatility Fund - \$574,738, IShares MSCI Emerging Mrkt - \$184,301, IShares Russell 1000 Growth ETF Fund - \$791,113, IShares Russell 1000 Value ETF Fund - \$619,630, IShares Russell 2000 Growth ETF Fund - \$659,108, IShares Russell Midcap Value ETF Fund - \$453,983, and IShares Russell Midcap Growth ETF Fund - \$769,753.

401(a) Money Purchase and Trust Retirement Fund – MissionSquare PLUS Fund R3 - \$588,399, MissionSquare MP Long-Term Gr R3 - \$1,724,047, and MissionSquare 500 Stock Index R3 - \$538,223, MissionSquare Growth & Inc R3 - \$700,335.

Non-Uniformed Employees' Defined Benefit Pension Plan – Fidelity Investment Money Market Fund #2643 - \$1,226,200, IShares MSCI Minimum Volatility Fund - \$848,388, IShares Russell 1000 Growth - \$978,249, IShares Russell 1000 Value ETF Fund - \$906,026, IShares Russell 2000 Growth ETF Fund - \$782,295, IShares Russell Mid Cap Growth ETF Fund - \$821,720, and IShares Russell Mid-Cap Value ETF Fund - \$732,064.

2014 Non-Uniformed Employees' Defined Benefit Pension Plan – Fidelity Investment Money Market Fund #2643 - \$9,146,505, Goldman Sachs Treasury Access 0-1 Year EFT - \$7,298,591, IShares MSCI USA Minimum Volatility Fund - \$6,171,349, IShares Russell 1000 Growth ETF Fund - \$10,951,890, IShares Russell 1000 Value ETF Fund - 10,225,100, IShares Russell 2000 Growth ETF Fund - \$6,647,203, and IShares Russell Mid Cap Growth ETF Fund - \$8,030,880.

Health Management Trust Fund – Federated Hermes Treasury Obligations Institutional Shares Fund - \$1,381,920 and IShares Russell 1000 Growth ETF Fund - \$1,009,973.70, SPDR S&P EF TR Unit - \$1,019,193, IShare TR Russell 1000Value ETF - \$802,724, and IShare TR Russell Midcap GR ETF - \$707,265.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

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, 2024:

	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, 2024				
Real Estate Funds	\$ 7,224,445	\$ -	\$ 7,224,445	\$ -
U.S. Treasury obligations	26,186,419	26,186,419	-	-
U.S. agencies obligations	128,732,545	-	128,732,545	-
Fixed income funds	33,751,165	33,751,165	-	-
Mutual Funds	682,596	682,596	-	-
Money Market Mutual Funds	140,140,827	140,140,827	-	-
Equity Funds	98,680,586	98,680,586	-	-
Negotiable Certificates of Deposit	2,578,593	-	2,578,593	-
Municipal Bonds	2,108,962	-	2,108,962	-
Total investments by fair value level	<u>\$ 440,086,138</u>	<u>\$ 299,441,593</u>	<u>\$ 140,644,545</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, 2024.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

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, 2024.

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	\$ 10,959,349
Investments	440,086,138
	<u>\$ 451,045,487</u>
Included in the following statements of net position captions	
Current Assets	
Cash and cash equivalents	\$ 27,360,247
Short-term investments	63,103,414
Noncurrent Assets	
Restricted cash and investments	200,580,434
Cash and investments - fiduciary funds	160,001,392
	<u>\$ 451,045,487</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

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	Nonmajor Governmental	Total Governmental Funds
Taxes	\$ 78,579,001	\$ 20,513,307	\$ 9,730,897	\$ -	\$ -	\$ 11,922,089	\$ 120,745,294
Licenses and permits	5,608,412	-	-	-	-	14,241	5,622,652
Intergovernmental	-	-	2,929,203	-	6,822,190	1,042,603	10,793,996
Fines and fees	12,341,349	-	-	-	-	-	12,341,349
Accounts	2,188,889	-	25,570	5,511	-	1,918	2,221,888
Gross receivables	98,717,650	20,513,307	12,685,670	5,511	6,822,190	12,980,851	151,725,179
Less: allowance for uncollectibles	(17,179,736)	(1,498,201)	(608,603)	-	-	(2,714,566)	(22,001,105)
Net receivables	\$ 81,537,914	\$ 19,015,106	\$ 12,077,067	\$ 5,511	\$ 6,822,190	\$ 10,266,285	\$ 129,724,073

Receivables	Waste Disposal	River Market Garage	Total Enterprise Funds	Internal Service Fund
Licenses and permits	\$ -	\$ 177,456	\$ 177,456	\$ -
Accounts	3,974,973	135,953	4,110,926	9,863
Gross receivables	3,974,973	313,409	4,288,382	9,863
Less: allowance for uncollectibles	-	-	-	-
Net receivables	\$ 3,974,973	\$ 313,409	\$ 4,288,382	\$ 9,863

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 2025 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, 2024

Revenue recognized under lease contracts in governmental activities and business-type activities for the year ended December 31, 2024 was \$119,565 and \$645,823, 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, 2024:

Governmental Activities - Leases Receivable				
Years Ending December 31,	Principal	Interest	Total	
2025	\$ 35,390	\$ 12,020	\$	47,410
2026	29,272	9,945		39,217
2027	22,376	8,524		30,900
2028	23,707	60,537		84,244
2029	25,159	59,085		84,244
2030 - 2034	69,891	273,992		343,883
2035 - 2039	108,848	157,870		266,718
2040 - 2044	190,999	75,719		266,718
2045 - 2049	120,064	13,076		133,140
Total	\$ 625,706	\$ 670,768	\$	1,296,474

Leases receivable - due in one year or less	\$ 35,390
Leases receivable - due in more than one year	590,316
Total leases receivable	<u>\$ 625,706</u>

Business-Type Activities - Leases Receivable				
Years Ending December 31,	Principal	Interest	Total	
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	176,033	222,711		398,744
2030 - 2034	302,943	1,050,478		1,353,421
2035 - 2039	325,416	943,933		1,269,349
2040 - 2044	507,226	820,391		1,327,617
2045 - 2049	824,371	611,002		1,435,373
2050 - 2054	1,280,688	279,923		1,560,611
2055	182,768	3,895		186,663
Total	\$ 4,538,415	\$ 4,978,514	\$	9,516,929

Leases receivable - due in one year or less	\$ 209,081
Leases receivable - due in more than one year	4,329,334
Total leases receivable	<u>\$ 4,538,415</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

Note 4: Capital Assets

A summary of changes in capital assets for the year ended December 31, 2024, is presented below:

Governmental Activities	Balance January 1, 2024	Increases	Decreases	Transfers	Balance December 31, 2024
Lease assets					
Leased land	\$ 316,465	\$ -	\$ -	\$ -	\$ 316,465
Leased buildings	2,154,643	-	(14,175)	-	2,140,468
Leased equipment	805,707	255,829	(487,243)	-	574,293
Leased vehicles	3,517,287	2,191,328	(1,340,035)	-	4,368,580
Total lease assets, amortizable	6,794,102	2,447,157	(1,841,453)	-	7,399,806
Less accumulated amortization					
Leased land	81,342	40,782	-	-	122,124
Leased buildings	683,589	351,974	(14,175)	-	1,021,388
Leased equipment	468,626	262,359	(487,243)	-	243,742
Leased vehicles	2,288,743	1,370,482	(1,340,035)	-	2,319,190
Total accumulated amortization	3,522,300	2,025,597	(1,841,453)	-	3,706,444
Total lease assets, net	3,271,802	421,560	-	-	3,693,362
Subscription-Based Information Technology Arrangements					
Subscription-Based Information Technology Arrangements	4,021,056	1,533,545	-	-	5,554,601
Less accumulated amortization					
Subscription-Based Information Technology Arrangements	1,185,121	1,682,363	-	-	2,867,484
Total Subscription-Based Information Technology Arrangements, net	2,835,935	(148,818)	-	-	2,687,117
Capital Assets, nondepreciable					
Land and right-of-way	192,876,572	623,013	-	-	193,499,585
Construction in progress	57,905,072	33,232,752	(8,126,470)	(28,871,689)	54,139,665
Total capital assets, nondepreciable	250,781,644	33,855,765	(8,126,470)	(28,871,689)	247,639,250
Capital Assets, depreciable					
Land improvements	24,090,904	4,641,346	-	5,719,411	34,451,661
Infrastructure	899,707,829	1,400,378.00	-	11,056,870	912,165,077
Buildings	137,602,249	2,334,615	(975,804)	5,900,861	144,861,921
Vehicles	64,826,720	4,260,897	(3,943,679)	1,937,919	67,081,857
Equipment	64,445,645	5,933,398	(96,237)	4,256,628	74,539,434
Total capital assets, depreciable	1,190,673,347	18,570,634	(5,015,720)	28,871,689	1,233,099,950
Less accumulated depreciation					
Land improvements	18,293,934	2,483,778	-	-	20,777,712
Infrastructure	589,403,372	16,074,980	-	-	605,478,352

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

Buildings	59,468,849	3,610,753	(783,964)	-	62,295,638
Vehicles	48,199,877	5,702,762	(3,205,341)	-	50,697,298
Equipment	58,345,691	3,932,075	(89,653)	-	62,188,113
Total accumulated depreciation	773,711,723	31,804,348	(4,078,958)	-	801,437,113
Total capital assets, depreciable, net	416,961,624	(13,233,714)	(936,762)	28,871,689	431,662,837
Total governmental activities, net	\$ 673,851,005	\$ 20,894,793	\$ (9,063,232)	\$ -	\$ 685,682,566

Business-Type Activities	Balance January 1, 2024	Increases	Decreases	Transfers	Balance December 31, 2024
Lease assets					
Leased equipment	\$ 38,569	\$ 12,246	\$ -	\$ -	\$ 50,815
Total lease assets, amortizable	38,569	12,246	-	-	50,815
Less accumulated amortization					
Leased equipment	3,941	16,969	-	-	20,910
Total accumulated amortization	3,941	16,969	-	-	20,910
Total lease assets, net	34,628	(4,723)	-	-	29,905
Subscription-Based Information Technology Arrangements					
Subscription-Based Information Technology Arrangements	-	783,892	-	-	783,892
Less accumulated amortization					
Subscription-Based Information Technology Arrangements	-	159,422	-	-	159,422
Subscription-Based Information Technology Arrangements, net	-	624,470	-	-	624,470
Capital Assets, nondepreciable					
Land	2,637,147	-	-	-	2,637,147
Construction in progress	1,730,468	376,390	(1,393,389)	(100,891)	612,578
Total capital assets, nondepreciable	4,367,615	376,390	(1,393,389)	(100,891)	3,249,725
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	-	-	5,850	21,546,183
Vehicles	19,813,986	2,295,370	(2,629,663)	19,600	19,499,293
Furniture & Equipment	5,438,157	251,102	-	75,441	5,764,700
Total capital assets, depreciable	69,803,691	2,546,472	(2,629,663)	100,891	69,821,391
Less accumulated depreciation					
Land improvements	4,284,480	25,554	-	-	4,310,034

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

Landfills, Cells 1, 2, 3, 4 and 5	17,609,012	814,793	-	-	18,423,805
Buildings and improvements	7,625,706	339,373	-	-	7,965,079
Vehicles	15,742,549	1,144,482	(2,629,663)	-	14,257,368
Furniture & Equipment	<u>3,917,376</u>	<u>307,426</u>	<u>-</u>	<u>-</u>	<u>4,224,802</u>
Total accumulated depreciation	<u>49,179,123</u>	<u>2,631,628</u>	<u>(2,629,663)</u>	<u>-</u>	<u>49,181,088</u>
Total capital assets, depreciable, net	<u>20,624,568</u>	<u>(85,156)</u>	<u>-</u>	<u>100,891</u>	<u>20,640,303</u>
Total business-type activities, net	<u>\$ 25,026,811</u>	<u>\$ 910,981</u>	<u>\$ (1,393,389)</u>	<u>\$ -</u>	<u>\$ 24,544,403</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

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

Governmental Activities

General government	
Executive administration	479,604
Community programs	4,524
City attorney	1,166
District court - first division (criminal)	8,181
District court - second division (traffic)	1,730
District court - third division (environmental)	4,109
Finance	43,420
Human resources	1,658
Information technology	1,597,368
Planning and development	67,618
Fleet services	1,976,542
 Total general government	 4,185,920

Public works	18,595,641
Parks and recreation services	3,686,960
River market	154,327
Golf	96,008
Jim Dailey fitness	137,230
Zoo	1,030,231
Fire	3,780,742
Police	3,440,058
911 operations	1,392
Housing and neighborhood programs	403,799

Total depreciation and amortization expense - governmental activities	35,512,308
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Business-Type Activities

Waste disposal	2,536,781
River Market garage	220,186
Vehicle storage	51,053

Total depreciation and amortization expense - business-type activities	2,808,020
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Total depreciation and amortization expense - primary government	38,320,328
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City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

Net investment in capital assets is calculated as follows for the year ended December 31, 2024:

			Business- Type Activities			Governmental Activities
	Governmental Activities	Business-Type Activities	Waste Disposal	River Market Garage	Vehicle Storage	Internal Service Fund Fleet Fund
Total capital assets, net	\$ 685,682,566	\$ 24,544,403	\$ 19,429,279	\$ 4,857,583	\$ 257,541	\$ 4,356,429
Less:						
Bonds payable, net of premium and discount	165,527,217	3,105,648	-	3,105,648	-	-
Notes payable	19,379,620	-	-	-	-	-
Lease liability	3,836,489	30,229	8,019	-	22,210	-
Subscription-based information technology arrangements	2,259,587	598,789	598,789	-	-	790,276
Construction accounts payable and retainage	5,171,396	-	-	-	-	-
Total	196,174,309	3,734,666	606,808	3,105,648	22,210	790,276
Plus:						
Bonds issued for non-primary government capital assets	38,010,890	-	-	-	-	-
Unspent bond proceeds	84,376,762	-	-	-	-	-
Deferred outflow - loss on refunding	458,785	-	-	-	-	-
Total	122,846,437	-	-	-	-	-
Net investment in capital assets	\$ 612,354,694	\$ 20,809,737	\$ 18,822,471	\$ 1,751,935	\$ 235,331	\$ 3,566,153

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

Note 5: Long-term Liabilities

Changes in long-term liabilities for the year ended December 31, 2024, were as follows:

Governmental Activities	Balance January 1, 2024	Increases	Decreases	Balance December 31, 2024	Amounts Due in One Year
Bonds payable					
Revenue bonds	\$ 42,085,000	\$ -	\$ 1,680,000	\$ 40,405,000	\$ 1,750,000
Add issuance premiums	902,786	-	132,814	769,972	-
	<u>42,987,786</u>	<u>-</u>	<u>1,812,814</u>	<u>41,174,972</u>	<u>1,750,000</u>
General obligation bonds	100,250,000	37,310,000	14,725,000	122,835,000	2,430,000
Add issuance premiums	1,184,341	491,721	158,817	1,517,245	-
	<u>101,434,341</u>	<u>37,801,721</u>	<u>14,883,817</u>	<u>124,352,245</u>	<u>2,430,000</u>
Bonds payable, net	144,422,127	37,801,721	16,696,631	165,527,217	4,180,000
Notes payable	12,165,543	10,954,400	3,740,323	19,379,620	2,619,725
Leases	3,322,339	2,447,157	1,933,007	3,836,489	1,285,076
Subscription-Based Information Technology Arrangements	2,642,884	1,533,545	1,916,842	2,259,587	1,377,628
Compensated absences	36,706,121	20,254,247	18,693,445	38,266,923	22,256,576
Workers' compensation	1,125,915	3,269,137	2,671,961	1,723,091	858,099
	<u>101,434,341</u>	<u>37,801,721</u>	<u>14,883,817</u>	<u>124,352,245</u>	<u>2,430,000</u>
Total governmental activities long-term liabilities	<u>\$ 200,384,929</u>	<u>\$ 76,260,207</u>	<u>\$ 45,652,209</u>	<u>\$ 230,992,927</u>	<u>\$ 32,577,104</u>
Business-Type Activities					
Bonds payable					
Revenue bonds	\$ 3,795,000	\$ -	\$ 685,000	\$ 3,110,000	\$ 725,000
Less issuance discounts	(6,432)	-	(2,080)	(4,352)	-
Bonds payable, net	3,788,568	-	682,920	3,105,648	725,000
Leases	34,721	12,245	16,737	30,229	16,889
Subscription-Based Information Technology Arrangements	-	783,892	185,103	598,789	165,269
Compensated absences	865,430	700,950	596,205	970,176	658,368
Postclosure landfill costs	9,150,979	309,935	-	9,460,914	-
	<u>9,150,979</u>	<u>309,935</u>	<u>-</u>	<u>9,460,914</u>	<u>-</u>
Total business-type activities long-term liabilities	<u>\$ 13,839,698</u>	<u>\$ 1,807,022</u>	<u>\$ 1,480,965</u>	<u>\$ 14,165,756</u>	<u>\$ 1,565,526</u>

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

Bonds and notes payable at December 31, 2024, were as follows:

Primary Government	Interest Rates	Final Maturity	Original Issue	Total Outstanding
General long-term obligations				
General obligation bonds	3.65%-6.0%	2045	\$ 139,260,000	\$ 122,835,000
Revenue bonds	2.0%-5.0%	2048	50,445,000	40,405,000
Notes payable - short-term financing	0.84%-6.93%	2029	29,929,400	19,379,620
Enterprise funds				
Revenue bonds	1.5%-5.3%	2028	11,855,000	3,110,000

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, 2024

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. On March 1, 2025, \$3,700,000 in principal was called from surplus tax collections.

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. On February 1, 2025, \$14,860,000 in principal was called from surplus tax collections.

Limited Tax General Obligations Capital Improvement Bonds, Series 2024 - On December 30, 2024, the City issued \$26,565,000 Limited Tax General Obligation Capital Improvement Bonds, Series 2024A and \$10,745,000 Limited Tax General Obligation Capital Improvement Bonds, Taxable Series 2024B 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, real and personal property located within the jurisdictional limits of the City. Interest is payable semiannually on each February 1st and August 1st. Principal payments are due annually on February 1st beginning in 2026.

Authorized but Unissued

On August 9, 2022, voters authorized the City of Little Rock to issue \$161,800,000 in Limited Tax General Obligation Capital Improvement Bonds. The bonds are secured by all proceeds derived from the 3 mills annual ad valorem tax levied on all taxable, real and personal property located within the jurisdictional limits of the City. The below chart shows the ballot item, the voter approved authorization, and the remaining authorization as of December 31, 2024.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

Ballot Item	Voter Authorization	Series 2022 Bonds	Series 2024 Bonds	Balance of Authorization
Street Improvements	\$ 40,500,000	\$ 23,070,792	\$ -	\$ 17,429,209
Drainage Improvements	40,500,000	12,968,086	-	27,531,914
Park and Recreational Imp*	37,000,000	10,107,994	13,179,079	13,712,927
Fire Improvements	19,500,000	7,077,503	5,948,272	6,474,225
District Court Improvements	8,500,000	568,087	7,931,913	-
LR Port (Taxable)	15,800,000	5,055,000	10,745,000	-
Total	\$ 161,800,000	\$ 58,847,462	\$ 37,804,264	\$ 65,148,275

*Park and Recreational Improvements are split two-thirds to Parks and Recreation Improvements and one-third to improvements at the Little Rock Zoo. The remaining authorization is for Parks and Recreation Improvements as all of the funding for the zoo has been issued as of December 31, 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, 2024, the outstanding short-term financing agreements were as follows:

2024 Short-term Financing Note-The \$12,000,000 promissory note was issued to finance the costs of acquiring, constructing and installing a solar photovoltaic array with principal and interest payable from general revenues. Though \$12,000,000 was approved \$10,954,400 was drawn in 2024. The remaining \$1,045,600 is to expected to be drawn in 2025. Due annually, payable on May 22, 2026 including interest at 6.93% .

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

dispatch system for quicker emergency response time for fire and police, the acquisition, construction, and installation of improvements to Fire Station Number 12 and the acquisition of equipment for fire and police. Principal and interest are payable from general revenues. Due annually, payable on August 8, including interest at 2.25%.

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, 2024

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, 2024.

Year	Primary Government			
	Governmental Activities		Business-Type Activities	
	General Obligation & Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 4,180,000	\$ 6,213,953	\$ 725,000	\$ 164,830
2026	9,375,000	6,530,212	760,000	126,405
2027	9,960,000	6,067,418	805,000	86,125
2028	10,440,000	5,575,453	820,000	43,460
2029	8,585,000	5,134,344	-	-
2030-2034	47,480,000	19,472,619	-	-
2035-2039	37,280,000	10,383,750	-	-
2040-2044	26,895,000	4,139,222	-	-
2045-2049	9,045,000	770,828	-	-
	<u>\$ 163,240,000</u>	<u>\$ 64,287,799</u>	<u>\$ 3,110,000</u>	<u>\$ 420,820</u>
	Notes Payable			
	Principal	Interest		
2025	\$ 2,619,725	\$ 243,689		
2026	5,379,127	1,041,351		
2027	4,422,353	783,094		
2028	4,685,087	520,360		
2029	2,273,328	238,135		
	<u>\$ 19,379,620</u>	<u>\$ 2,826,629</u>		

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

Pledged Revenues

The following is a summary of pledged revenues of the City for the year ended December 31, 2024:

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	\$ 21,795,254	\$ 1,507,250	6.9%	\$ 13,525,100	Until 2033
2014 TIF #1 Capital Improvement Bond	Property tax	\$ 417,950	\$ 41,400	9.9%	\$ 447,850	Until 2036
2022 Library Construction and Refunding Bonds	Property tax	7,296,854	\$ 5,368,125	73.6%	\$ 47,697,375	Until 2036
2022 Limited Tax GO Capital Improvement Bonds, Series 2022A & 2022B	Property tax	16,815,439	\$ 2,058,122	12.2%	\$ 68,088,710	Until 2042
2024 Limited Tax GO Capital Improvement Bonds, Series 2024A & 2024B	Property tax	16,815,439	\$ -	0.0%	\$ 51,562,433	Until 2045
2018 Hotel Gross Receipts Tax Bonds	Hotel/motel tax	\$ 2,335,676	\$ 1,922,894	82.3%	\$ 46,206,331	Until 2048
2003 Capital Improvement and Refunding Revenue Bonds	Specific parking revenues and other revenues in the Rivermarket Garage Fund	\$ 2,954,409	\$ 886,135	30.0%	\$ 3,530,820	Until 2028

Lease Obligations

The lease liability as of January 1, 2024 was \$3,322,339 for right-of-use assets. During 2024, the City entered into numerous additional lease agreements with an initial lease liability of \$2,459,402. Principal payments on leases totaled \$1,949,744 resulting in a lease liability of \$3,866,718 at year end.

The future principal and interest lease payments as of December 31, 2024, were as follows:

Year	Governmental Activities		Business-Type Activities	
	Leases Payable		Leases Payable	
	Principal	Interest	Principal	Interest
2025	\$ 1,285,076	\$ 124,822	\$ 16,889	\$ 851
2026	917,711	83,400	13,340	271
2027	638,310	53,293	-	-
2028	493,977	32,510	-	-
2029	278,615	15,372	-	-
2030-2034	222,800	8,196	-	-
	<u>\$ 3,836,489</u>	<u>\$ 317,593</u>	<u>\$ 30,229</u>	<u>\$ 1,122</u>

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

Subscription-Based Information Technology Arrangements

The subscription-based information technology arrangements (SBITAs) liability as of January 1, 2024, was \$2,642,884. During 2024, the City entered into several new subscription-based information technology arrangements (SBITAs). The SBITAs include cloud software subscriptions. The total of the City's subscription assets are recorded at a cost of \$6,338,493 , less accumulated amortization of \$3,026,906.

The future principal and interest subscription payments under SBITA agreements as of December 31, 2024 are as follows:

Year	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Subscriptions Payable</u>		<u>Subscriptions Payable</u>	
	Principal	Interest	Principal	Interest
2025	\$ 1,377,628	\$ 79,461	\$ 165,269	\$ 19,833
2026	315,352	31,750	163,145	15,606
2027	308,483	20,398	169,019	9,733
2028	258,124	9,313	101,356	3,649
	<u>\$ 2,259,587</u>	<u>\$ 140,922</u>	<u>\$ 598,789</u>	<u>\$ 48,821</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

Note 6: Interfund Balances and Transfers

Interfund receivables and payables as of December 31, 2024, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Primary Government		
Governmental Funds		
General fund	\$ 21,230,078	\$ -
2022 Capital Improvements fund		4,066,574
American Rescue Plan - SLFRF Fund		5,449,086
Grant Fund		10,510,738
Nonmajor governmental funds	-	1,203,680
	<u> </u>	<u> </u>
Governmental Funds to/from Fiduciary Funds		
General fund	7,000	
	<u> </u>	<u> </u>
Total governmental funds	<u>\$ 21,237,078</u>	<u>\$ 21,230,078</u>
Fiduciary Funds		
2014 defined benefit plan		7,000
	<u> </u>	<u> </u>
Total fiduciary funds	<u>-</u>	<u>7,000</u>
Total	<u>\$ 21,237,078</u>	<u>\$ 21,237,078</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, 2024

Interfund transfers in and transfers out for the year ended December 31, 2024, are as follows:

Interfund Transfers In	Interfund Transfers Out				Totals
	Governmental Funds			Proprietary Funds	
	General	Street	Other	Waste Disposal	
			Nonmajor Governmental Funds		
Governmental Funds					
General	\$ -	\$ 584,217	\$ 1,055,241	\$ 915,590	\$ 2,555,048
Street	194,000	-	-	90,000	\$ 284,000
Grants	234,736	-	-	-	\$ 234,736
Other Nonmajor Governmental	31,946	-	-	-	\$ 31,946
Totals	\$ 460,682	\$ 584,217	\$ 1,055,241	\$ 1,005,590	\$ 3,105,730

Transfers from the general fund to the street fund are used for parking enforcement. Transfers from the general fund to the Grants Fund and 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 the General Fund is due to the transfer of excess tax collections from the Hotel Gross Receipts Tax Bonds, Series 2018, also known as the 1% for Arts, that is used to fund parks and recreation and zoo special projects.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

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, 2024

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	\$ 1,752,995	\$ 1,230,604	\$ -	\$ 9,146,505
Investments						
U.S. government obligations	-	-	-	445,756	-	6,950,131
Equities	-	-	4,994,942	-	-	71,756,583
Mutual funds and other investments	614,056	625,157	866,631	9,433,935	7,879,233	30,494,992
Receivables						
Accounts receivable	-	-	-	261,415	54,889	1,231
Accrued interest and dividends	-	-	-	-	-	311,946
Total assets	614,056	625,283	7,614,568	11,371,710	7,934,122	118,661,388
Liabilities						
Due to primary government	-	-	-	-	-	7,000
Total liabilities	-	-	-	-	-	7,000
Net Position						
Net position restricted for pensions	\$ 614,056	\$ 625,283	\$ 7,614,568	\$ 11,371,710	\$ 7,934,122	\$ 118,654,388
Additions						
Contributions						
Employer	\$ -	\$ -	\$ 5,123	\$ 227,320	\$ 209,768	\$ 5,552,271
Plan members	-	-	1,391	-	99,947	2,774,108
Other	-	-	21,454	17,559	-	108,930
Total contributions	-	-	27,968	244,879	309,715	8,435,309
Investment income (loss)						
Net increase (decrease) in fair value of investments	(406,018)	(406,018)	(33,550)	281,469	712,438	9,020,182
Realized gain on sale of investments	-	-	221,387	482,501	-	-
Interest and dividends	-	-	643,802	299,601	9,683	2,692,505
	(406,018)	(406,018)	831,639	1,063,571	722,121	11,712,687
Less investment expense	-	-	18,466	14,609	-	191,520
Net investment income (loss)	(406,018)	(406,018)	813,173	1,048,962	722,121	11,521,167
Total additions (reductions)	(406,018)	(406,018)	841,141	1,293,841	1,031,836	19,956,476
Deductions						
Benefits paid directly to participants	-	-	1,547,563	1,459,926	221,069	3,668,323
Administrative expenses	-	-	26,772	42,232	-	453,942
Other	-	-	-	-	(96)	-
Total deductions	-	-	1,574,335	1,502,158	220,973	4,122,265
Net Increase (Decrease) in Net Position	(406,018)	(406,018)	(733,194)	(208,317)	810,863	15,834,211
Net Position Restricted for Pensions, Beginning of Year	1,020,074	1,031,301	8,347,762	11,580,027	7,123,259	102,820,177
Net Position Restricted for Pensions, End of Year	\$ 614,056	\$ 625,283	\$ 7,614,568	\$ 11,371,710	\$ 7,934,122	\$ 118,654,388

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

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	\$ 36,461,239	\$ 14,336,876	\$ 4,779,232	\$ 11,987,171
Police Pension	34,092,006	15,205,809	4,756,194	12,945,683
Nonuniformed Plan - Government Wide	466,807	143,810	-	150,867
Nonuniformed Plan - Fleet	32,950	10,151	-	10,649
2014 Defined Benefit Plan - Government Wide	11,143,565	6,665,471	342,352	5,433,815
2014 Defined Benefit Plan - Fleet	786,605	470,504	24,166	383,563
Police - LOPFI	94,600,470	31,894,861	6,342,315	10,672,270
Fire - LOPFI	78,579,217	26,350,073	7,026,529	2,797,131
APERS	261,473	60,093	11,748	82,770
	<u>\$ 256,424,332</u>	<u>\$ 95,137,648</u>	<u>\$ 23,282,536</u>	<u>\$ 44,463,919</u>
Business-Type Activities*	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Nonuniformed Plan - Waste Disposal	\$ 43,935	\$ 13,535	\$ -	\$ 14,199
Nonuniformed Plan - Vehicle Storage	5,492	1,692	-	1,775
2014 Defined Benefit Plan - Waste Disposal	1,048,806	627,339	32,221	511,418
2014 Defined Benefit Plan - Vehicle Storage	131,101	78,417	4,028	63,927
	<u>1,229,334</u>	<u>720,983</u>	<u>36,249</u>	<u>591,319</u>
Total Primary Government	<u>\$ 257,653,666</u>	<u>\$ 95,858,631</u>	<u>\$ 23,318,785</u>	<u>\$ 45,055,238</u>
2014 Defined Benefit Plan Discretely Presented Component Units	<u>\$ 1,472,879</u>	<u>\$ 909,941</u>	<u>\$ 150,841</u>	<u>\$ 708,519</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, 2024

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	238	53	-	5	302	249
Termed vested benefit	-	-	144	-	200	-
Active plan members	-	-	-	19	1,186	-
Members on Deferred Retirement Option Plan (DROP)	-	-	-	-	-	1
Total	238	53	144	24	1,688	250

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, 2024

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 2024. The participants contributed 6% of their salaries in 2024. 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 \$7,900,062 in 2024. 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, 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-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, 2024, was twenty-two (22) 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, 2023 actuarial valuation were last updated for the 2021 valuation based on an experience study of the period 2017 through 2020.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

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, 2023, 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%	5.62%	1.18%
U.S. Stock - Small Cap	21%	5.86%	1.23%
International Equity	9%	6.92%	0.62%
Emerging Markets	9%	8.95%	0.81%
U.S. Corporate Bonds	25%	2.29%	0.57%
Real Estate	5%	3.61%	0.18%
Private Equity	10%	9.48%	0.95%
Total	100%		5.54%
Expected Inflation			2.25%
Total Return			7.79%

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, 2024 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 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, 2024:

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

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	\$ 90,243,300	\$ 46,738,052	\$ 43,505,248
Charges for the year:			
Interest on total pension liability	6,123,765	-	6,123,765
Change of benefit terms	-	-	-
Difference between expected and actual return	(24,219)	-	(24,219)
Changes of assumptions	-	-	-
Benefit Payments, including refunds of employee contributions	(11,555,138)	(11,555,138)	-
Administrative expense	-	(49,233)	49,233
Contributions - employer	-	7,277,926	(7,277,926)
Net investment income	-	5,875,356	(5,875,356)
Other	-	39,506	(39,506)
Net Changes	<u>(5,455,592)</u>	<u>1,588,417</u>	<u>(7,044,009)</u>
Balances as of end of year	<u>\$ 84,787,708</u>	<u>\$ 48,326,469</u>	<u>\$ 36,461,239</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	\$ 42,289,232	\$ 36,461,239	\$ 31,206,342

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

For the year ended December 31, 2024, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$11,987,171, 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, 2024:

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	\$ 6,436,814	\$ 4,779,232
Contributions subsequent to the measurement date	<u>7,900,062</u>	<u>-</u>
Total	<u>\$ 14,336,876</u>	<u>\$ 4,779,232</u>

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

At December 31, 2024, the City reported \$7,900,062 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, 2025.

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
2025	\$ 111,412
2026	647,884
2027	1,521,943
2028	<u>(623,659)</u>
Total	<u>\$ 1,657,580</u>

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, 2024

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 2024 were \$8,809,410. 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, 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-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 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, 2023 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, 2024

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, 2023, 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%	5.62%	1.18%
U.S. Stock - Small Cap	21%	5.86%	1.23%
International Equity	9%	6.92%	0.62%
Emerging Markets	9%	8.95%	0.81%
U.S. Corporate Bonds	25%	2.29%	0.57%
Real Estate	5%	3.61%	0.18%
Private Equity	10%	9.48%	0.57%
Total	100%		5.16%
Expected Inflation			2.25%
Total Return			7.41%

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, 2024 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 Police Pension as determined by the City at December 31, 2024:

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	\$ 89,777,171	\$ 47,813,353	\$ 41,963,818
Charges for the year:			
Interest on total pension liability	6,150,657	-	6,150,657
Difference between expected and actual return	439,245	-	439,245
Changes of assumptions	-	-	-
Change in benefit terms	-	-	-
Benefit Payments, including refunds of employee contributions	(9,881,052)	(9,881,052)	-
Administrative expense	-	(52,336)	52,336
Contributions - employer	-	8,228,745	(8,228,745)
Net investment income	-	6,245,799	(6,245,799)
Other	-	39,506	(39,506)
Net Changes	(3,291,150)	4,580,662	(7,871,812)
Balances as of end of year	\$ 86,486,021	\$ 52,394,015	\$ 34,092,006

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

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	\$	40,137,668	\$ 34,092,006	\$ 28,745,633

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

For the year ended December 31, 2024, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$12,945,683, 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, 2024:

Police Pension	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual investment earnings on pension plan investments	\$ 6,396,399	\$ 4,756,194
Contributions subsequent to the measurement date	8,809,410	-
Total	<u>\$ 15,205,809</u>	<u>\$ 4,756,194</u>

At December 31, 2024, the City reported \$8,809,410 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, 2025.

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
2025	\$ 182,035
2026	652,011
2027	1,469,145
2028	<u>(662,986)</u>
Total	<u>\$ 1,640,205</u>

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

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 2024 were \$227,320. 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, 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 (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, 2024, 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, 2024

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, 2024 actuarial valuation were based on the results of an actuarial experience study for the period 2017 through 2020.

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	100%	
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, 2024 was measured as of December 31, 2024, 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, 2024:

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

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	\$ 12,438,706	\$ 11,541,460	\$ 897,246
Charges for the year:			
Interest on total pension liability	761,112	-	761,112
Transfers from DC plan	-	-	-
Difference between expected and actual return	(16,906)	-	(16,906)
Benefit payments, including refunds of employee contributions	(1,458,578)	(1,458,578)	-
Administrative expense	-	(16,991)	16,991
Contributions - employer	-	-	-
Net investment income	-	1,109,258	(1,109,258)
Other	-	-	-
Net Changes	<u>(714,372)</u>	<u>(366,311)</u>	<u>(348,061)</u>
Balances as of end of year	<u>\$ 11,724,334</u>	<u>\$ 11,175,149</u>	<u>\$ 549,185</u>

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, 2024.

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 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	Net pension liability	\$ 1,317,263	\$ 549,185	\$ 134,664

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

For the year ended December 31, 2024, the City recognized pension expense of \$177,490, 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, 2024:

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

Nonuniformed Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 169,188	\$ -
Total	<u>\$ 169,188</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
2025	\$ 122,732
2026	271,619
2027	(143,760)
2028	<u>(81,403)</u>
Total	<u>\$ 169,188</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 2024 were \$5,552,271. 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, 2024

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, 2025 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, 2024, was 14 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, 2025 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2020.

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, 2024

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, 2024 was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025.

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, 2024:

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	\$ 119,010,611	\$ 102,847,675	\$ 16,162,936
Charges for the year:			
Service cost	6,470,230	-	6,470,230
Interest on total pension liability	7,831,708	-	7,831,708
Difference between expected and actual return	3,484,187	-	3,484,187
Benefit payments, including refunds of employee contributions	(3,668,323)	(3,668,323)	-
Administrative expense	-	(176,074)	176,074
Contributions - employer	-	5,552,271	(5,552,271)
Contributions - member	-	2,774,108	(2,774,108)
Service purchases	108,930	108,930	-
Net investment income	-	11,215,801	(11,215,801)
Other	-	-	-
Net Changes	<u>14,226,732</u>	<u>15,806,713</u>	<u>(1,579,981)</u>
Balances as of end of year	<u>\$ 133,237,343</u>	<u>\$ 118,654,388</u>	<u>\$ 14,582,955</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

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, 2024

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	\$ 105,839,981	\$ 91,454,969	\$ 14,385,013
Charges for the year:			
Service cost	5,787,509	-	5,787,509
Interest on total pension liability	7,005,328	-	7,005,328
Difference between expected and actual return	3,116,545	-	3,116,545
Benefit payments, including refunds of employee contributions	(3,281,252)	(3,281,252)	-
Administrative expense	-	(157,495)	157,495
Contributions - employer	-	4,966,411	(4,966,411)
Contributions - member	-	2,481,392	(2,481,392)
Changes in proportionate share	-	(138,331)	138,331
Service purchases	97,436	97,436	-
Net investment income	-	10,032,342	(10,032,342)
Other	-	-	-
Net Changes	<u>12,725,566</u>	<u>14,000,503</u>	<u>(1,274,937)</u>
Balances as of end of year	<u>\$ 118,565,547</u>	<u>\$ 105,455,472</u>	<u>\$ 13,110,076</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	\$ 12,479,178	\$ 10,782,070	\$ 1,697,108
Charges for the year:			
Service cost	641,557	-	641,557
Interest on total pension liability	776,555	-	776,555
Difference between expected and actual return	345,475	-	345,475
Benefit payments, including refunds of employee contributions	(363,733)	(363,733)	-
Administrative expense	-	(17,459)	17,459
Contributions - employer	-	550,537	(550,537)
Contributions - member	-	275,067	(275,067)
Changes in proportionate share	-	140,480	(140,480)
Service purchases	10,801	10,801	-
Net investment income	-	1,112,106	(1,112,106)
Other	-	-	-
Net Changes	<u>1,410,655</u>	<u>1,707,799</u>	<u>(297,144)</u>
Balances as of end of year	<u>\$ 13,889,833</u>	<u>\$ 12,489,869</u>	<u>\$ 1,399,964</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

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	\$ 503,491	\$ 438,839	\$ 64,652
Charges for the year:			
Service cost	22,683	-	22,683
Interest on total pension liability	27,456	-	27,456
Difference between expected and actual return	12,215	-	12,215
Benefit Payments, including refunds of employee contributions	(12,860)	(12,860)	-
Administrative expense	-	(617)	617
Contributions - employer	-	19,465	(19,465)
Contributions - member	-	9,725	(9,725)
Changes in proportionate share	-	781	(781)
Service purchases	382	382	-
Net investment income	-	39,320	(39,320)
Net Changes	<u>49,876</u>	<u>56,196</u>	<u>(6,320)</u>
Balances as of end of year	<u>\$ 553,367</u>	<u>\$ 495,035</u>	<u>\$ 58,332</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	\$ 187,967	\$ 171,804	\$ 16,163
Charges for the year:			
Service cost	18,480	-	18,480
Interest on total pension liability	22,369	-	22,369
Difference between expected and actual return	9,952	-	9,952
Benefit payments, including refunds of employee contributions	(10,478)	(10,478)	-
Administrative expense	-	(503)	503
Contributions - employer	-	15,858	(15,858)
Contributions - member	-	7,923	(7,923)
Change in proportionate share	-	(2,932)	2,932
Service purchases	311	311	-
Net investment income	-	32,035	(32,035)
Net Changes	<u>40,634</u>	<u>42,214</u>	<u>(1,580)</u>
Balances as of end of year	<u>\$ 228,601</u>	<u>\$ 214,018</u>	<u>\$ 14,583</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, 2024

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%
2014 Defined Benefit Pension Plan				
City of Little Rock	Net pension liability	\$ 31,074,953	\$ 13,110,076	\$ (1,644,985)
Advertising & Promotion Commission	Net pension liability	3,318,349	1,399,964	(177,796)
Workforce Investment Board	Net pension liability	138,265	58,332	(7,408)
Little Rock Port Authority	Net pension liability	34,566	14,583	(1,852)
		<u>\$ 34,566,134</u>	<u>\$ 14,582,955</u>	<u>\$ (1,832,041)</u>

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

For the year ended December 31, 2024, the City and its component units recognized pension expense of \$7,101,242, 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, 2024:

2014 Defined Benefit Plan - Primary Government	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,721,803	\$ 362,008
Changes of assumptions	1,275,645	-
Changes of proportion	190,574	40,759
Net difference between expected and actual investment earnings on pension plan investments	653,709	-
Total	<u>\$ 7,841,731</u>	<u>\$ 402,767</u>

Advertising and Promotion Commission	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 611,005	\$ 38,657
Changes of assumptions	136,220	-
Changes of proportion	46,611	104,312
Net difference between expected and actual investment earnings on pension plan investments	69,807	-
Total	<u>\$ 863,643</u>	<u>\$ 142,969</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

Workforce Investment Board	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 25,459	\$ 1,611
Changes of assumptions	5,676	-
Changes of proportion	-	-
Net difference between expected and actual investment earnings on pension plan investments	2,908	-
Total	<u>\$ 34,043</u>	<u>\$ 1,611</u>

Little Rock Port Authority	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,365	\$ 403
Changes of assumptions	1,419	-
Changes of proportion	3,744	5,858
Net difference between expected and actual investment earnings on pension plan investments	727	-
Total	<u>\$ 12,255</u>	<u>\$ 6,261</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
2025	2,196,737	224,220	9,732	2,393
2026	2,882,277	294,909	12,772	3,153
2027	83,120	(7,707)	303	36
2028	485,962	35,311	2,095	484
2029	896,700	97,201	3,992	22
Total thereafter	894,168	76,740	3,538	(94)
Total	<u>\$ 7,438,964</u>	<u>\$ 720,674</u>	<u>\$ 32,432</u>	<u>\$ 5,994</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, 2024

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 2024 to the Plan were \$20,203,549. 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, 2024, the City reported a net pension liability for LOPFI Police and LOPFI Fire of \$94,600,470 and \$78,579,217, respectively, for its proportionate share of the net pension liability. The net pension liability 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 December 31, 2023. 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, 2023. 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, 2024 the LOPFI Police and LOPFI Fire recognized pension expense of \$10,672,270 and \$2,797,131, respectively. At December 31, 2024, 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	\$ 11,596,009	\$ -
Assumption changes	356,037	4,425,753
Change in proportion	-	1,916,561
Net difference between expected and actual investment earnings on pension plan investments	8,755,544	-
Contributions subsequent to the measurement date	11,187,271	
Total	<u>\$ 31,894,861</u>	<u>\$ 6,342,315</u>

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

LOPFI - Fire	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 9,632,145	\$ -
Assumption changes	295,740	3,676,224
Change in proportion	133,184	3,350,305
Net difference between expected and actual investment earnings on pension plan investments	7,272,726	-
Contributions subsequent to the measurement date	9,016,278	-
Total	<u>\$ 26,350,073</u>	<u>\$ 7,026,529</u>

At December 31, 2024, LOPFI Police and LOPFI Fire reported \$11,187,271 and \$9,016,278 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2024, related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	LOPFI Police	LOPFI Fire
2024	\$ 2,901,361	\$ 1,615,192
2025	6,461,489	4,663,794
2026	8,731,597	7,125,884
2027	(3,729,172)	(3,097,604)
Total	<u>\$ 14,365,275</u>	<u>\$ 10,307,266</u>

Actuarial Assumptions

The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	LOPFI - Police	LOPFI - Fire
Wage inflation	3.00%	3.00%
Price inflation	2.25%	2.25%
Salary increases	3.50% - 18.00%, including inflation	3.50% - 18.00%, including inflation
Investment rate of return	7.25%	7.25%
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.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

The actuarial assumptions used in the December 31, 2024 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 asset class that is included in the pension plan's target allocation as of December 31, 2024, 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%	5.62%	1.18%
U.S. Stock - Small Cap	21%	5.86%	1.23%
International Equity	9%	6.92%	0.62%
Emerging Markets	9%	8.95%	0.81%
U.S. Corporate Bonds	25%	2.29%	0.57%
Real Estate	5%	3.61%	0.18%
Private Equity	10%	9.48%	0.95%
Total	<u>100%</u>		<u>5.54%</u>
Expected Inflation			<u>2.25%</u>
Total Return			<u>7.79%</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:

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

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	\$ 148,286,078	\$ 94,600,470	\$ 51,176,791
LOPFI - Fire	Net pension liability	123,172,793	78,579,217	42,509,644
		<u>\$ 271,458,871</u>	<u>\$ 173,179,687</u>	<u>\$ 93,686,435</u>

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 67.13% for district judges and 15.32% for court clerks. City contributions for 2024 to the Plan were \$35,090.

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

At December 31, 2024, the City reported a net pension liability of \$261,473 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, 2024, 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, 2024. The City's liability for the plan has been liquidated from the general fund.

For the year ended December 31, 2024, the City recognized pension expense of \$82,770. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

APERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 10,147	\$ 10,691
Change in assumptions	9,112	-
Net difference between expected and actual investment earnings on pension plan investments	7,585	-
Change in proportion	15,552	1,057
Contributions subsequent to the measurement date	17,697	-
	<hr/>	<hr/>
Total	\$ 60,093	\$ 11,748
	<hr/>	<hr/>

At December 31, 2024, APERS reported \$17,697 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2024, related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	APERS
2024	\$ 3,113
2025	42,122
2026	(8,328)
2027	(6,259)
2028	-
	<hr/>
Total	\$ 30,648
	<hr/>

Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

APERS	
Valuation	June 30, 2024
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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

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, 2024 are summarized in the table below:

APERS Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Broad Domestic Equity	39%	5.03%
International Equity	17%	6.34%
Real Estate	16%	4.51%
Private Equity	5%	9.00%
Hedge funds	2%	3.63%
Domestic Fixed	21%	3.38%
Total	100%	
Total Real Rate of Return		5.00%
Plus: Price Inflation - Actuarial Assumption		2.50%
Less: Investment Expenses (Passive)		0.00%
Net Expected Return		7.50%

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

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

		1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
APERS	Net pension liability	\$ 446,169	\$ 261,473	\$ 109,207

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

eligibility requirements as defined by the Plan, with the exception of certain executives and officials who are enrolled in alternate plans. The Nonuniformed Contribution Plan began on January 1, 1981; benefit provisions are established by City Resolution #6482, as amended. The amount of benefits to be paid to any participant depends solely on 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 2024, City pension expense for its contributions to the Plan was \$5,123.

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 2024, City pension expense for its contributions to the Plan was \$209,768.

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, 2024, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving
benefit payments
Inactive plan member entitled to but not receiving

415

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

benefit payments	-
Active plan members	1,965
	<u>2,380</u>

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, 2024 were \$1,966,629. 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 2024 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>7.08%</u>

Rate of return. For the year ended December 31, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 13.65% 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.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

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 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, 2024, 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, 2024, 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%.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

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, 2024, 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.

Net OPEB Liability of the City: The components of the net OPEB liability of the City at December 31, 2024, 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	\$ 35,736,956	\$ 11,239,249	\$ 24,497,707
Changes for the year:			
Service cost	1,191,254	-	1,191,254
Interest	2,547,433	-	2,547,433
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(1,494,093)	-	(1,494,093)
Changes of assumptions or other inputs	-	-	-
Contributions - employer	-	1,966,629	(1,966,629)
Net investment Income	-	1,544,248	(1,544,248)
Benefit payments	(1,072,639)	(1,072,639)	-
Net changes	1,171,955	2,438,238	(1,266,283)
Balances as of End of Year	<u>\$ 36,908,911</u>	<u>\$ 13,677,487</u>	<u>\$ 23,231,424</u>

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

37.1%

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

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	\$ 25,977,528	\$ 23,231,424	\$ 20,743,991

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	\$ 20,088,860	\$ 23,231,424	\$ 26,816,184

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

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	\$ 7,859,225
Mutual funds and other investments	<u>5,818,262</u>
Total assets	<u>13,677,487</u>
NET POSITION	
Net position restricted for other postemployment benefits	<u><u>\$ 13,677,487</u></u>
	Health Management Trust Fund
Additions	
Contributions	
Employer	<u>\$ 1,966,629</u>
Total contributions	<u>1,966,629</u>
Investment income	
Net decrease in fair value of investments	1,298,980
Realized gain on sale of investments	20,794
Interest and dividends	<u>340,458</u>
	1,660,232
Less investment expense	<u>115,984</u>
Net investment loss	<u>1,544,248</u>
Total additions	<u>3,510,877</u>
Deductions	
Benefits paid directly to participants	<u>1,072,639</u>
Total deductions	<u>1,072,639</u>
Net Decrease in Net Position	2,438,238
Net Position Restricted for Other Postemployment Benefits, Beginning of Year	<u>11,239,249</u>
Net Position Restricted for Other Postemployment Benefits, End of Year	<u><u>\$ 13,677,487</u></u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

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

For the year ended December 31, 2024, the City recognized OPEB expense of \$4,397,669. At December 31, 2024, 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	\$ 2,560,022	\$ 2,005,636
Changes of assumptions	6,033,019	2,489,986
Net difference between expected and actual investment earnings on pension plan investments	-	156,937
Total	<u>\$ 8,593,041</u>	<u>\$ 4,652,559</u>

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
2025	\$ 1,546,767
2026	1,574,981
2027	1,002,143
2028	41,532
2029	110,618
Thereafter	<u>(335,559)</u>
Total	<u>\$ 3,940,482</u>

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

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, 2023, to December 31, 2024:

Liability balance, January 1, 2023	\$ 1,558,067
Claims and changes in estimates	2,608,207
Claims payments	<u>(3,040,359)</u>
Liability balance, December 31, 2023	1,125,915
Claims and changes in estimates	3,269,137
Claims payments	<u>(2,671,961)</u>
Liability balance, December 31, 2024	<u><u>\$ 1,723,091</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, 2024

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, 2024, property taxes receivable and related deferred inflows of resources of \$75,138,132 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 \$11,326,879 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 2023 for 2024 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	 <u>17.05</u>	 <u>16.55</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

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 \$9,460,914 is based on 80.2% use of Class I Waste total constructed capacity, and 83.6% use of Class IV Waste constructed capacity. The Waste Disposal Fund will recognize, as the remaining capacity is filled, an estimated additional \$13,613,251 for final closure and postclosure of the entire landfill, which is expected to close in or about the year 2067. 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, 1.062 in 2022, 1.065 in 2023, and 1.027 in 2024. 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 2024 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, 2024

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 2024. 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.

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, 2024. The projects include street construction in areas with economic development, newly developed housing, widening of streets and bridges, and the construction of additional City facilities. At year end, the City of Little Rock's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Parks and Recreation Construction	\$ 4,928,557	\$ 2,288,861
Little Rock Zoo Construction	2,902,288	1,167,283
Fire Apparatus	7,653,812	13,177,449
Police Vehicles and Equipment	3,249,787	2,222,684
Housing and Neighborhood Construction	660,268	148,582
City Facilities	13,134,280	3,669,250
Street and Drainage Construction	34,544,420	8,667,757
Total	\$ 67,073,412	\$ 31,341,866

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

The remaining commitment amounts of \$31,341,866 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, 2024, the aggregate principal amount payable on these bonds was \$523,162,113.

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, 2024

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	\$ 27,234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 302,852	\$ 330,086
Prepays	2,216,838	-	-	-	16,628	-	-	-	2,233,466
Trust principal	-	-	-	-	-	-	-	250,000	250,000
Restricted									
Debt service	-	-	-	18,776,841	-	-	-	10,511,418	29,288,259
Capital improvements	-	15,460,404	75,689,840	-	-	-	-	15,244,205	106,394,449
Streets & Drainage Infrastructure	-	-	-	-	34,293,834	-	-	-	34,293,834
Grants	-	-	-	-	-	1,368,495	-	1,470,930	2,839,425
Emergency 911	-	-	-	-	-	-	-	6,310,211	6,310,211
Special Projects	-	-	-	-	-	-	-	13,323,137	13,323,137
Committed									
Cable network	-	-	-	-	-	-	-	-	-
Assigned									
General fund special projects	34,456,324	-	-	-	-	-	-	-	34,456,324
Unassigned	47,285,643	-	-	-	-	-	(6,207,744)	-	41,077,899
Total Fund Balances	\$ 83,986,039	\$ 15,460,404	\$ 75,689,840	\$ 18,776,841	\$ 34,310,462	\$ 1,368,495	\$ (6,207,744)	\$ 47,412,753	\$ 270,797,090

The negative unassigned fund balance in Grant Fund of \$(6,207,744) 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, 2024

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, 2024 is:

Taxing Authority	Amount Due if PILOTS Were Not in Place	Actual Tax Collected Under PILOT Agreements	Tax Abatement
City of Little Rock	\$ 943,312	\$ 323,978	\$ 619,334
Little Rock School District	2,590,708	904,706	1,686,002
Pulaski County	401,834	138,009	263,825
Pulaski County Special School District	47,355	3,165	44,190
Total	<u>\$ 3,983,209</u>	<u>\$ 1,369,858</u>	<u>\$ 2,613,351</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

Note 17: Discretely Presented Component Units

Little Rock Water Reclamation Authority (LRWRA)

Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

Little Rock Water Reclamation Authority	Balance 1/1/2024	Additions	Disposals	Transfers	Balance 12/31/2024
Capital Assets, non-depreciable					
Land	\$ 5,434,140	\$ -	\$ -	\$ -	\$ 5,434,140
Construction in progress	<u>78,009,054</u>	<u>29,076,482</u>	<u>1,024,937</u>	<u>(17,841,358)</u>	<u>88,219,241</u>
Total capital assets, non-depreciable	83,443,194	29,076,482	1,024,937	(17,841,358)	93,653,381
Capital Assets, depreciable					
Buildings, improvements, and facilities	692,726,799	-	-	9,898,719	702,625,518
Right to use subscription asset	523,479	94,692	104,845	-	513,326
Equipment	<u>96,537,069</u>	<u>-</u>	<u>264,390</u>	<u>7,942,639</u>	<u>104,215,318</u>
Total capital assets, depreciable	789,787,347	94,692	369,235	17,841,358	807,354,162
Less accumulated depreciation	<u>283,285,102</u>	<u>21,373,795</u>	<u>364,220</u>	<u>-</u>	<u>304,294,677</u>
Total capital assets, net	<u>\$ 589,945,439</u>	<u>\$ 7,797,379</u>	<u>\$ 1,029,952</u>	<u>\$ -</u>	<u>\$ 596,712,866</u>

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

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, 2024	Increases	Decreases	Balance December 31, 2024	Amounts Due in One Year
Little Rock Water Reclamation Authority					
Revenue bonds	\$ 411,469,413	\$ 14,925,841	\$ 14,717,236	\$ 411,678,018	\$ 15,713,587
Add issuance premiums	2,232,246	-	702,100	1,530,146	-
	<u>\$ 413,701,659</u>	<u>\$ 14,925,841</u>	<u>\$ 15,419,336</u>	<u>\$ 413,208,164</u>	<u>\$ 15,713,587</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
2025	\$ 15,713,587	\$ 9,294,864
2026	17,905,324	8,806,670
2027	18,360,828	8,343,862
2028	18,892,403	7,964,227
2029	19,352,273	11,060,610
2030-2034	105,449,020	29,582,197
2035-2039	81,659,291	18,998,024
2040-2044	47,912,741	11,673,414
2045-2049	46,271,318	6,154,662
2050-2054	39,620,216	1,590,135
2055-2059	541,017	11,895
	<u>\$ 411,678,018</u>	<u>\$ 113,480,560</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, 2024

At December 31, 2024, LRWRA reported a liability of \$16,378,805 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of that date. 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, 2024, LRWRA's proportion was 0.65827984%, which was an decrease of 0.00762527% from its proportion measured as of June 30, 2023, of 0.66590511%.

For the year ended December 31, 2024, LRWRA recognized pension expense of \$2,440,309. At December 31, 2024, LRWRA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 635,628	\$ 669,654
Changes in proportion and differences between employer contributions and proportionate share	3,744	437,081
Changes in assumptions	570,794	-
Net difference between projected and actual earnings on pension plan investments	475,143	-
Contributions subsequent to the measurement date	<u>1,205,301</u>	<u>-</u>
Total	<u><u>\$ 2,890,610</u></u>	<u><u>\$ 1,106,735</u></u>

The \$1,205,301 reported as deferred outflows of resources at December 31, 2024, 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, 2025. 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	
2025	\$ (368,701)
2026	2,082,350
2027	(743,090)
2028	<u>(391,985)</u>
	<u><u>\$ 578,574</u></u>

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2024

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%
\$ 27,948,145	\$ 16,378,805	\$ 6,840,737

Bill and Hillary Clinton National Airport (Airport)

Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance				Balance
Bill and Hillary Clinton National Airport	1/1/2024	Additions	Disposals	Transfers/ Reclassifications	12/31/2024
Capital Assets, non-depreciable					
Land	\$ 68,476,486	\$ -	\$ -	\$ 82,316	\$ 68,558,802
Construction in progress	24,865,085	31,074,197	-	(32,072,375)	23,866,907
Total capital assets, non-depreciable	93,341,571	31,074,197	-	(31,990,059)	92,425,709
Capital Assets, depreciable					
Buildings, improvements, and facilities	523,243,779	1,894,291	24,645,155	27,199,462	527,692,377
Vehicles	2,182,056	-	2,120,058	2,948,782	3,010,780
Equipment	29,502,998	954,083	252,235	1,841,815	32,046,661
Total capital assets, depreciable	554,928,833	2,848,374	27,017,448	31,990,059	562,749,818
Less accumulated depreciation	314,621,071	21,125,184	16,807,918	-	318,938,337
Total capital assets, net	\$ 333,649,333	\$ 12,797,387	\$ 10,209,530	\$ -	\$ 336,237,190

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2024

Note 18: Subsequent Events

There were no subsequent events up through the report date.

REQUIRED SUPPLEMENTARY INFORMATION



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City of Little Rock, Arkansas
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
General property taxes	\$ 37,892,783	\$ 39,062,386	\$ 39,091,658	\$ 29,272
Sales taxes	143,278,161	142,284,445	142,284,445	-
Licenses and permits	13,856,800	14,012,300	14,101,066	88,766
Intergovernmental	11,952,066	12,272,066	12,282,469	10,403
Charges for services	11,157,154	12,481,820	12,566,860	85,040
Fines and fees	1,882,900	2,177,316	2,252,543	75,227
Utility franchise taxes	32,591,550	32,814,356	32,790,352	(24,004)
Investment income (loss)	1,126,300	3,311,562	2,327,554	(984,008)
Contributions	390,000	390,000	427,876	37,876
Miscellaneous	712,700	671,700	1,168,248	496,548
Total revenues	254,840,414	259,477,951	259,293,071	(184,880)
Expenditures				
General government				
General administration	30,997,868	30,744,614	38,566,810	(7,822,196)
Board of directors	395,993	435,757	435,292	465
Community programs	241,193	241,193	7,480,070	(7,238,877)
City attorney	2,802,974	2,948,269	2,958,799	(10,530)
District court - first division (criminal)	1,505,870	1,465,571	1,458,060	7,511
District court - second division (traffic)	1,382,497	1,364,333	1,361,493	2,840
District court - third division (environment)	638,092	632,681	624,527	8,154
Finance	5,513,906	5,125,685	4,936,271	189,414
Human resources	2,814,973	3,100,244	3,509,670	(409,426)
Information technology	8,214,230	8,108,326	5,973,975	2,134,351
Planning and development	3,681,060	3,639,963	3,726,732	(86,769)
Total general government	58,188,656	57,806,636	71,031,699	(13,225,063)
Public works	1,181,094	1,151,081	2,831,487	(1,680,406)
Parks and recreation services	11,766,892	11,191,463	11,932,206	(740,743)
River Market	1,119,224	1,199,802	1,272,354	(72,552)
Golf	1,764,703	2,269,077	2,031,259	237,818
Jim Dailey Fitness	914,793	1,143,530	1,732,215	(588,685)
Zoo	7,262,246	7,893,663	8,654,886	(761,223)
Fire	62,023,166	55,814,058	57,770,222	(1,956,164)
Police	90,635,710	85,612,263	87,041,069	(1,428,806)
911 operations	5,045,670	5,092,049	5,089,947	2,102
Housing and neighborhood programs	7,894,173	7,431,874	8,685,318	(1,253,444)
Debt service				
Principal	3,740,323	3,740,323	7,369,851	(3,629,528)
Fiscal charges on long term debt	330,584	330,584	579,540	(248,956)
Capital Outlay	63,325	63,325	6,926,076	(6,862,751)
Vacancy savings	(7,000,000)	-	-	-
Total expenditures	244,930,559	240,739,728	272,948,129	(32,208,401)
Excess of Revenues Over Expenditures	9,909,855	18,738,223	(13,655,058)	(32,393,281)
Other Financing Sources (Uses)				
Initiation of leases	-	-	2,453,555	2,453,555
Initiation of subscription-based information technology arrangements	-	-	521,201	521,201
Transfers in	2,669,807	2,669,807	2,555,048	(114,759)
Transfers out	(12,579,662)	(21,950,596)	(460,682)	21,489,914
Total other financing sources (uses)	(9,909,855)	(19,280,789)	5,069,122	24,349,911
Net Change in Fund Balances	-	(542,566)	(8,585,936)	(8,043,370)
Fund Balances, Beginning of Year	92,571,975	92,571,975	92,571,975	-
Fund Balances, End of Year	\$ 92,571,975	\$ 92,029,409	\$ 83,986,039	\$ (8,043,370)

City of Little Rock, Arkansas
Notes to Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2024

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 2024.

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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
General property taxes	\$ 7,850,897	\$ 8,081,305	\$ 8,081,010	\$ (295)
Licenses and permits	18,100	18,100	17,290	(810)
Intergovernmental	17,371,100	16,677,301	16,909,777	232,476
Charges for services	36,900	36,900	34,131	(2,769)
Investment income (loss)	531,600	1,895,724	1,268,550	(627,174)
Miscellaneous	37,000	54,862	77,201	22,339
Total revenues	25,845,597	26,764,192	26,387,959	(376,233)
Expenditures				
Public works	24,110,080	24,004,148	22,444,390	1,559,758
Principal	-	-	4,642	(4,642)
Fiscal charges on long term debt	-	-	381	(381)
Capital Outlay	-	-	2,412,787	(2,412,787)
Vacancy savings	(1,750,000)	(1,750,000)	-	(1,750,000)
Total expenditures	22,360,080	22,254,148	24,862,200	(2,608,052)
Excess of Revenues Over Expenditures	3,485,517	4,510,044	1,525,759	(2,984,285)
Other Financing Sources (Uses)				
Transfers in	284,000	284,000	284,000	-
Transfers out	(2,874,217)	(12,036,217)	(584,217)	11,452,000
Total other financing sources (uses)	(2,590,217)	(11,752,217)	(300,217)	11,452,000
Net Change in Fund Balances	895,300	(7,242,173)	1,225,542	8,467,715
Fund Balances, Beginning of Year	33,084,920	33,084,920	33,084,920	-
Fund Balances, End of Year	\$ 33,980,220	\$ 25,842,747	\$ 34,310,462	\$ 8,467,715

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, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	\$ 1,191,253	\$ 924,178	\$ 863,718	\$ 518,125	\$ 793,760	\$ 646,275	\$ 497,628	\$ 465,073
Interest	2,547,433	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	(1,494,093)	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	(1,072,639)	(989,813)	(1,105,541)	(1,050,927)	(920,156)	(766,956)	(789,620)	(854,207)
Net change in total OPEB liability	1,171,954	6,243,021	865,345	5,842,103	(1,180,732)	2,298,290	6,883,428	83,879
Total OPEB liability - Beginning	35,736,956	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>\$ 36,908,910</u>	<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	\$ 1,966,629	\$ 1,807,549	\$ 1,875,580	\$ 1,650,927	\$ 2,075,331	\$ 1,893,956	\$ 1,226,087	\$ 1,385,762
Net investment income	1,544,247	1,168,094	(1,240,772)	716,935	897,665	801,217	(265,832)	283,245
Benefit payments	(1,072,639)	(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	2,438,237	1,985,830	(470,733)	1,316,935	2,052,840	1,879,198	124,500	775,333
Plan fiduciary net position - Beginning	11,239,249	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>\$ 13,677,486</u>	<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>\$ 23,231,424</u>	<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	37.06%	31.45%	31.37%	33.97%	36.90%	26.51%	20.65%	29.43%
Covered employee payroll	\$ 156,275,632	\$ 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	14.87%	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, 2024

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, 2024

	2024	2023	2022	2021	2020
Actuarially Determined Contribution	\$ 1,966,629	\$ 1,807,549	\$ 1,875,580	\$ 1,650,927	\$ 2,075,331
Employer Contributions					
Paid into Plan Trust	893,990	817,736	770,039	600,000	1,155,175
For Pay-go Benefits	1,072,639	989,813	1,105,541	1,050,927	920,156
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 156,275,632	\$ 145,852,549	\$ 133,369,519	\$ 129,759,532	\$ 121,439,142
Contributions as a percentage of covered employee payroll	1.26%	1.24%	1.41%	1.27%	1.71%
	2019	2018	2017		
Actuarially Determined Contribution	\$ 1,893,956	\$ 1,226,087	\$ 1,290,674		
Employer Contributions					
Paid into Plan Trust	1,127,000	436,467	531,555		
For Pay-go Benefits	766,956	789,620	854,207		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (95,088)</u>		
Covered employee payroll	\$ 118,463,332	\$ 118,048,877	\$ 111,272,744		
Contributions as a percentage of covered employee payroll	1.60%	1.04%	1.25%		

City of Little Rock, Arkansas **Required Supplementary Information** **Other Postemployment Benefit Plan** **Schedule of City Contributions** **Year Ended December 31, 2024**

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 2024 decreasing 0.50% per year to 4.5% for 2030 and further decreasing 0.25% to an ultimate rate of 4.25% for 2031 and 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.

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, 2024

Fiscal Year Ending	Annual Money- Weighted Rate of Return
12/31/2017	6.30%
12/31/2018	-6.80%
12/31/2019	14.90%
12/31/2020	12.90%
12/31/2021	8.33%
12/31/2022	-12.58%
12/31/2023	12.54%
12/31/2024	13.65%

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, 2024

Firemen's Pension and Relief Fund

Fiscal Year ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Interest	\$ 6,123,765	\$ 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	(24,219)	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	(11,555,138)	(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	(5,455,592)	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	90,243,300	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	<u>\$ 84,787,708</u>	<u>\$ 90,243,300</u>	<u>\$ 88,711,234</u>	<u>\$ 92,439,140</u>	<u>\$ 95,982,944</u>	<u>\$ 100,464,548</u>	<u>\$ 115,842,811</u>	<u>\$ 115,842,811</u>	<u>\$ 122,148,055</u>	<u>\$ 127,351,655</u>
Plan Fiduciary Net Position										
Employer contributions	\$ 7,277,926	\$ 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	5,875,356	(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	(11,555,138)	(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	(49,233)	(47,786)	(62,874)	(71,480)	(68,075)	(95,039)	(39,957)	(39,957)	(225,141)	(9,491)
Other	39,506	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	1,588,417	(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	46,738,052	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	<u>\$ 48,326,469</u>	<u>\$ 46,738,052</u>	<u>\$ 57,204,889</u>	<u>\$ 53,252,468</u>	<u>\$ 52,084,332</u>	<u>\$ 50,100,484</u>	<u>\$ 58,037,245</u>	<u>\$ 58,037,245</u>	<u>\$ 58,390,784</u>	<u>\$ 62,435,551</u>
City's Net Pension Liability, End of Year	<u>\$ 36,461,239</u>	<u>\$ 43,505,248</u>	<u>\$ 31,506,345</u>	<u>\$ 39,186,672</u>	<u>\$ 43,898,612</u>	<u>\$ 50,364,064</u>	<u>\$ 57,805,566</u>	<u>\$ 57,805,566</u>	<u>\$ 63,757,271</u>	<u>\$ 64,916,104</u>
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	57.00%	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	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.

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, 2024

Police Pension Plan

Fiscal Year ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Interest	\$ 6,150,657	\$ 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	439,245	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	(9,881,052)	(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	(3,291,150)	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	89,777,171	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>\$ 86,486,021</u>	<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	\$ 8,228,745	\$ 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	6,245,799	(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	(9,881,052)	(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	(52,336)	(47,486)	(58,779)	(63,851)	(55,570)	(69,799)	(62,862)	(67,899)	(83,836)	(59,497)
Other	39,506	601,304	581,630	(338,720)	(35,809)	(106,847)	-	109,384	198,741	935,047
Net Change in Plan Fiduciary Net Position	4,580,662	(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	47,813,353	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>\$ 52,394,015</u>	<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>\$ 34,092,006</u>	<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	60.58%	53.26%	63.72%	54.70%	49.94%	43.69%	45.79%	46.63%	46.61%	48.81%
Covered Payroll	\$ 107,229	\$ 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	31793.64%	33145.99%	15880.24%	18081.78%	16973.21%	19914.38%	12858.59%	8006.63%	NA	NA

Note: 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, 2024

Nonuniformed Employees' Defined Benefit Plan

Fiscal Year ending December 31,	2024	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	761,112	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	(16,906)	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	(1,458,578)	(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	(714,372)	(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	12,438,706	12,991,512	13,609,087	13,204,537	13,696,046	14,293,900	15,003,603	15,612,754	15,799,017	14,790,084
Total Pension Liability, End of Year	<u>\$ 11,724,334</u>	<u>\$ 12,438,706</u>	<u>\$ 12,991,512</u>	<u>\$ 13,609,087</u>	<u>\$ 13,204,537</u>	<u>\$ 13,696,046</u>	<u>\$ 14,293,900</u>	<u>\$ 15,003,603</u>	<u>\$ 15,612,754</u>	<u>\$ 15,799,017</u>
Plan Fiduciary Net Position										
Employer contributions	\$ -	\$ 500,000	\$ 573,594	\$ 443,866	\$ 476,368	\$ 563,400	\$ 540,783	\$ 701,854	\$ 883,340	\$ 878,715
Net investment income	1,109,258	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	(1,458,578)	(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	(16,991)	(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	(366,311)	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	11,541,460	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	<u>\$ 11,175,149</u>	<u>\$ 11,541,460</u>	<u>\$ 11,540,945</u>	<u>\$ 13,280,624</u>	<u>\$ 12,503,204</u>	<u>\$ 12,472,209</u>	<u>\$ 11,314,900</u>	<u>\$ 12,837,971</u>	<u>\$ 12,282,484</u>	<u>\$ 11,851,431</u>
City's Net Pension Liability, End of Year	<u>\$ 549,185</u>	<u>\$ 897,246</u>	<u>\$ 1,450,567</u>	<u>\$ 328,463</u>	<u>\$ 701,333</u>	<u>\$ 1,223,837</u>	<u>\$ 2,979,000</u>	<u>\$ 2,165,632</u>	<u>\$ 3,330,270</u>	<u>\$ 3,947,586</u>
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	95.32%	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	\$ 548,887	\$ 641,799
Plan's Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	608.26%	646.96%	373.33%	690.47%	429.63%	606.73%	615.08%

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, 2024

2014 Defined Benefit Pension Plan

Fiscal Year ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 6,470,230	\$ 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	108,930	1,086,094	250,700	70,987	315,411	56,548	1,219,814	438,242	847,020	151,953
Interest	7,831,708	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	3,484,187	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	(3,668,323)	(2,788,821)	(2,373,346)	(1,865,274)	(1,730,064)	(1,138,045)	(915,123)	(813,811)	(745,738)	(477,355)
Other	-	0	1	(2)	1					
Net Change in Total Pension Liability	14,226,732	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	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	33,938,980
Total Pension Liability, End of Year	<u>\$ 133,237,343</u>	<u>\$ 119,010,610</u>	<u>\$ 107,688,083</u>	<u>\$ 94,205,821</u>	<u>\$ 82,117,895</u>	<u>\$ 72,663,922</u>	<u>\$ 65,246,273</u>	<u>\$ 55,533,974</u>	<u>\$ 48,707,323</u>	<u>\$ 40,221,052</u>
Plan Fiduciary Net Position										
Employer contributions	\$ 5,552,271	\$ 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	2,774,108	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	108,930	1,086,094	250,700	70,987	315,411	56,548	1,219,814	438,242	847,020	151,953
Net investment income	11,215,801	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	(3,668,323)	(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	(176,074)	(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	15,806,713	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	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	31,054,987
Plan Fiduciary Net Position, End of Year	<u>\$ 118,654,388</u>	<u>\$ 102,847,675</u>	<u>\$ 88,295,003</u>	<u>\$ 93,660,122</u>	<u>\$ 80,695,466</u>	<u>\$ 69,856,901</u>	<u>\$ 56,154,060</u>	<u>\$ 53,127,792</u>	<u>\$ 42,715,130</u>	<u>\$ 35,509,110</u>
City's Net Pension Liability, End of Year	<u>\$ 14,582,955</u>	<u>\$ 16,162,936</u>	<u>\$ 19,393,080</u>	<u>\$ 545,699</u>	<u>\$ 1,422,429</u>	<u>\$ 2,807,021</u>	<u>\$ 9,092,213</u>	<u>\$ 2,406,182</u>	<u>\$ 5,992,193</u>	<u>\$ 4,711,942</u>
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	89.05%	86.42%	81.99%	99.42%	98.27%	96.14%	86.06%	95.67%	87.70%	88.28%
Covered Payroll	\$ 61,691,900	\$ 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	23.64%	28.55%	38.40%	1.17%	3.14%	6.20%	19.77%	5.47%	14.14%	11.71%

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of City Contributions
Year Ended December 31, 2024

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
2024	3,347,976	7,900,062	(4,552,086)	-	N/A

Note: 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	Individual Entry age normal
Amortization method	Closed amortization period based on projected future payroll
Remaining amortization	22 years beginning January 1, 2023
Asset valuation	5-year smoothed market; 20% corridor
Price Inflation	2.25%
Salary Increases	3.00%, which is the portion of the individual pay increase assumptions attributable to wage inflation
Investment rate of return	7.25%
Mortality	Pub-2010 Amount-Weighted General Below Median Income Healthy Retiree tables set forward one year for males and two years for females, Disabled Retiree and Employee mortality tables for males and females. The tables were adjusted for fully generational mortality improvements using Scale MP-2020.

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of City Contributions
Year Ended December 31, 2024

Police Pension

Year Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
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%
2024	3,998,220	8,809,410	(4,811,190)	107,229	8215.51%

Note: 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	Individual entry age normal
Amortization method	Closed amortization period based on projected future payroll
Remaining amortization	17 years beginning January 1, 2023
Asset valuation	5-year smoothed market; 20% corridor
Price Inflation	2.25%
Salary Increases	3.00%, which is the portion of the individual pay increase assumptions attributable to wage inflation
Investment rate of return	7.25%
Mortality	Pub-2010 Amount-Weighted General Below Median Income Healthy Retiree tables set forward one year for males and two years for females, Disabled Retiree and Employee mortality tables for males and females. The tables were adjusted for fully generational mortality improvements using Scale MP-2020.

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of City Contributions
Year Ended December 31, 2024

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	-	43,144	1253.44%
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
2024	227,320	227,320	-	-	N/A

Key Assumptions for ADC:

Cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization	5 years, Open (closed in 2018)
Asset valuation	Market related value
Investment rate of return	7.0% before 2016, 6.5% after
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 City Contributions
Year Ended December 31, 2024

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%
2024	5,132,766	5,552,271	(419,505)	61,691,900	9.00%

Key Assumptions for ADC:

Cost method	Entry age normal
Amortization method	Level percent of salary
Remaining amortization periods	15 years
Asset valuation method	Market value
Inflation	2.5%
Salary increases	Between 2.5% and 7.2% compounded annually, for an average of 3.5%, which includes inflation
Investment rate of return	6.5%
Mortality	105% Pub-2010 General, below median income, with MP-2020

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, 2024

LOPFI - Fire										
December 31	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	7.8506%	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	\$ 78,579,217	\$ 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	\$ 38,367,141	\$ 33,598,106	\$ 33,873,779	\$ 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	204.81%	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	73.50%	69.20%	84.75%	77.79%	73.21%	66.09%	71.48%	72.87%	72.92%	79.14%
LOPFI - Police										
December 31	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	9.45118%	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	\$ 94,600,470	\$ 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	\$ 47,605,410	\$ 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	198.72%	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	73.50%	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 (Continued)
Year Ended December 31, 2024

LOPFI - Fire											
December 31	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Actuarially required contribution	\$ 9,016,278	\$ 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	(9,016,278)	(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	\$ 38,367,141	\$ 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%	23.50%	23.58%	22.58%	21.04%	19.74%	
LOPFI - Police											
December 31	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Actuarially required contribution	\$ 11,187,271	\$ 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	(11,187,271)	(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	\$ 47,605,410	\$ 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%	23.50%	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.

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, 2024

APERS										
June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.01050888%	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	\$ 261,473	\$ 283,538	\$ 254,677	\$ 74,410	\$ 291,065	\$ 281,173	\$ 264,552	\$ 760,820	\$ 1,061,364	\$ 841,035
City's covered payroll	\$ 215,272	\$ 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	121%	139%	136%	40%	160%	140%	120%	197%	153%	158%
Plan fiduciary net position as a percentage of the total pension liability	81.61%	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.

APERS										
December 31	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially required contribution	\$ 35,356	\$ 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	(35,356)	(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	\$ 217,156	\$ 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%	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 Investment Returns
Year Ended December 31, 2024

	Fiscal Year Ending	Annual Money-weighted Rate of Return
Nonuniformed Employees' Defined Benefit Pension Plan	12/31/24	10.27%
	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	12/31/24	10.67%
	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 IMPROVMENT 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, 2024

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 3,510,495	\$ 108,842	\$ 102,713	\$ 3,722,050
Restricted cash	-	998	37,424	38,422
Investments	18,399,848	9,373,492	15,097,011	42,870,351
Accounts receivable, net	1,058,762	9,051,971	155,552	10,266,285
Interest receivable	60,242	3,780	86,601	150,623
Inventories	302,852	-	-	302,852
Total assets	<u>\$ 23,332,199</u>	<u>\$ 18,539,083</u>	<u>\$ 15,479,301</u>	<u>\$ 57,350,583</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 438,882	\$ 49,352	\$ 75,275	\$ 563,509
Due to other funds	1,199,411	-	4,269	1,203,680
Unearned revenue	36,776	-	-	36,776
Total liabilities	<u>1,675,069</u>	<u>49,352</u>	<u>79,544</u>	<u>1,803,965</u>
Deferred Inflows of Resources				
Unavailable revenues - property taxes	<u>-</u>	<u>7,978,313</u>	<u>155,552</u>	<u>8,133,865</u>
Total deferred inflows of resources	<u>-</u>	<u>7,978,313</u>	<u>155,552</u>	<u>8,133,865</u>
Fund Balances				
Nonspendable	552,852	-	-	552,852
Restricted	21,104,278	10,511,418	15,244,205	46,859,901
Total fund balances	<u>21,657,130</u>	<u>10,511,418</u>	<u>15,244,205</u>	<u>47,412,753</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,332,199</u>	<u>\$ 18,539,083</u>	<u>\$ 15,479,301</u>	<u>\$ 57,350,583</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2024

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
General property taxes	\$ -	\$ 7,714,804	\$ 220,321	\$ 7,935,125
Sales taxes	-	2,335,676	-	2,335,676
Licenses and permits	62,118	-	-	62,118
Intergovernmental	3,368,954	-	-	3,368,954
Charges for services	1,969,438	-	-	1,969,438
Fines and fees	729,812	-	-	729,812
Utility franchise taxes	-	1,507,250	-	1,507,250
Investment income (loss)	452,900	341,200	1,203,306	1,997,406
Contributions and donations	156,424	-	-	156,424
Miscellaneous	2,931,854	-	-	2,931,854
Total revenues	9,671,500	11,898,930	1,423,627	22,994,057
Expenditures				
General government				
General administration	112,145	-	-	112,145
District court - first division (criminal)	3,986	-	-	3,986
District court - second division (traffic)	16,676	-	-	16,676
Human resources	65,660	-	-	65,660
Planning and development	38,819	-	-	38,819
Total general government	237,286	-	-	237,286
Public works	92,887	-	19,009	111,896
Parks and recreation services	811,296	-	-	811,296
Zoo	(278)	-	-	(278)
Fire	793,083	-	43,264	836,347
Police	245,505	-	11,528	257,033
911 operations	169,266	-	-	169,266
Housing and neighborhood programs	4,060,135	-	-	4,060,135
Fleet	8,924	-	-	8,924
Economic development	-	-	190,000	190,000
Education	-	-	13,584,764	13,584,764
Debt service				
Principal	-	5,895,000	-	5,895,000
Fiscal charges on long term debt	-	3,602,682	-	3,602,682
Capital Outlay	899,027	-	13,000,284	13,899,311
Total expenditures	7,317,131	9,497,682	26,848,849	43,663,662
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,354,369	2,401,248	(25,425,222)	(20,669,605)
Other Financing Sources (Uses)				
Issuance of debt	-	-	10,954,400	10,954,400
Transfers in	31,946	-	-	31,946
Transfers out	-	(1,055,241)	-	(1,055,241)
Total other financing sources (uses)	31,946	(1,055,241)	10,954,400	9,931,105
Net Change in Fund Balances	2,386,315	1,346,007	(14,470,822)	(10,738,500)
Fund Balances, Beginning of Year	19,270,815	9,165,411	29,715,027	58,151,253
Fund Balances, End of Year	\$ 21,657,130	\$ 10,511,418	\$ 15,244,205	\$ 47,412,753

City of Little Rock, Arkansas
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024

	Special Projects	Emergency 911	CDBG	NHSP	HIPP	Total
Assets						
Cash and cash equivalents	\$ 1,297,622	\$ 522,742	\$ 691,580	\$ 49,342	\$ 949,209	\$ 3,510,495
Investments	12,615,847	5,784,001	-	-	-	18,399,848
Accounts receivable, net	16,159	-	802,309	-	240,294	1,058,762
Interest receivable	40,817	19,425	-	-	-	60,242
Inventories	-	-	253,224	-	49,628	302,852
Total assets	<u>\$ 13,970,445</u>	<u>\$ 6,326,168</u>	<u>\$ 1,747,113</u>	<u>\$ 49,342</u>	<u>\$ 1,239,131</u>	<u>\$ 23,332,199</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 360,532	\$ 15,957	\$ 10,229	\$ -	\$ 52,164	\$ 438,882
Due to other funds	-	-	824,661	37,141	337,609	1,199,411
Unearned revenue	36,776	-	-	-	-	36,776
Total liabilities	<u>397,308</u>	<u>15,957</u>	<u>834,890</u>	<u>37,141</u>	<u>389,773</u>	<u>1,675,069</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	250,000	-	253,224	-	49,628	552,852
Restricted	13,323,137	6,310,211	658,999	12,201	799,730	21,104,278
Total fund balances	<u>13,573,137</u>	<u>6,310,211</u>	<u>912,223</u>	<u>12,201</u>	<u>849,358</u>	<u>21,657,130</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,970,445</u>	<u>\$ 6,326,168</u>	<u>\$ 1,747,113</u>	<u>\$ 49,342</u>	<u>\$ 1,239,131</u>	<u>\$ 23,332,199</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended December 31, 2024

	Special Projects	Emergency 911	CDBG	NHSP	HIPP	Total
Revenues						
Licenses and permits	\$ 62,118	\$ -	\$ -	\$ -	\$ -	\$ 62,118
Intergovernmental	160,862	-	1,655,767	-	1,552,325	3,368,954
Charges for services	774,347	1,195,091	-	-	-	1,969,438
Fines and fees	729,812	-	-	-	-	729,812
Investment income (loss)	238,316	214,584	-	-	-	452,900
Contributions and donations	156,424	-	-	-	-	156,424
Miscellaneous	2,707,334	-	(112,160)	75,774	260,906	2,931,854
Total revenues	4,829,213	1,409,675	1,543,607	75,774	1,813,231	9,671,500
Expenditures						
General government						
General administration	112,145	-	-	-	-	112,145
District court - first division (criminal)	3,986	-	-	-	-	3,986
District court - second division (traffic)	16,676	-	-	-	-	16,676
Human resources	65,660	-	-	-	-	65,660
Planning and development	38,819	-	-	-	-	38,819
Total general government	237,286	-	-	-	-	237,286
Public works	92,887	-	-	-	-	92,887
Parks and recreation services	811,296	-	-	-	-	811,296
Zoo	(278)	-	-	-	-	(278)
Fire	793,083	-	-	-	-	793,083
Police	245,505	-	-	-	-	245,505
911 operations	-	169,266	-	-	-	169,266
Housing and neighborhood programs	220,097	-	1,715,111	78,472	2,046,455	4,060,135
Fleet	8,924	-	-	-	-	8,924
Capital Outlay	899,027	-	-	-	-	899,027
Total expenditures	3,307,827	169,266	1,715,111	78,472	2,046,455	7,317,131
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,521,386	1,240,409	(171,504)	(2,698)	(233,224)	2,354,369
Other Financing Sources (Uses)						
Transfers in	31,946	-	-	-	-	31,946
Total other financing sources (uses)	31,946	-	-	-	-	31,946
Net Change in Fund Balances	1,553,332	1,240,409	(171,504)	(2,698)	(233,224)	2,386,315
Fund Balances, Beginning of Year	12,019,805	5,069,802	1,083,727	14,899	1,082,582	19,270,815
Fund Balances, End of Year	\$ 13,573,137	\$ 6,310,211	\$ 912,223	\$ 12,201	\$ 849,358	\$ 21,657,130

City of Little Rock, Arkansas
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2024

	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	\$ 20,023	\$ 3,299	\$ 257	\$ 70,012	\$ 5,561	\$ 811	\$ 8,879	\$ 108,842
Restricted cash	-	-	-	-	-	998	-	998
Investments	309,215	557,585	-	818,136	7,402,592	285,964	-	9,373,492
Accounts receivable, net	-	917,441	-	-	7,728,692	405,838	-	9,051,971
Interest receivable	1,014	123	-	2,602	-	41	-	3,780
Total assets	<u>\$ 330,252</u>	<u>\$ 1,478,448</u>	<u>\$ 257</u>	<u>\$ 890,750</u>	<u>\$ 15,136,845</u>	<u>\$ 693,652</u>	<u>\$ 8,879</u>	<u>\$ 18,539,083</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	-	917,441	-	-	7,060,872	-	-	7,978,313
Total deferred inflows of resources	-	917,441	-	-	7,060,872	-	-	7,978,313
Fund Balances								
Restricted	330,252	561,007	257	890,750	8,026,621	693,652	8,879	10,511,418
Total fund balances	<u>330,252</u>	<u>561,007</u>	<u>257</u>	<u>890,750</u>	<u>8,026,621</u>	<u>693,652</u>	<u>8,879</u>	<u>10,511,418</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 330,252</u>	<u>\$ 1,478,448</u>	<u>\$ 257</u>	<u>\$ 890,750</u>	<u>\$ 15,136,845</u>	<u>\$ 693,652</u>	<u>\$ 8,879</u>	<u>\$ 18,539,083</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended December 31, 2024

	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	\$ -	\$ 417,950	\$ -	\$ -	\$ 7,296,854	\$ -	\$ -	\$ 7,714,804
Sales taxes	-	-	-	-	-	2,335,676	-	2,335,676
Utility franchise taxes	-	-	-	1,507,250	-	-	-	1,507,250
Investment income (loss)	7,250	23,089	6	39,844	200,168	70,105	738	341,200
Total revenues	7,250	441,039	6	1,547,094	7,497,022	2,405,781	738	11,898,930
Expenditures								
Debt Service								
Principal	-	650,000	-	1,010,000	3,565,000	670,000	-	5,895,000
Fiscal charges on long term debt	-	43,013	-	500,250	1,803,125	1,256,294	-	3,602,682
Total expenditures	-	693,013	-	1,510,250	5,368,125	1,926,294	-	9,497,682
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,250	(251,974)	6	36,844	2,128,897	479,487	738	2,401,248
Other Financing Sources (Uses)								
Transfers out	-	-	-	-	-	(1,055,241)	-	(1,055,241)
Total other financing sources (uses)	-	-	-	-	-	(1,055,241)	-	(1,055,241)
Net Change in Fund Balances	7,250	(251,974)	6	36,844	2,128,897	(575,754)	738	1,346,007
Fund Balances, Beginning of Year	323,002	812,981	251	853,906	5,897,724	1,269,406	8,141	9,165,411
Fund Balances, End of Year	<u>\$ 330,252</u>	<u>\$ 561,007</u>	<u>\$ 257</u>	<u>\$ 890,750</u>	<u>\$ 8,026,621</u>	<u>\$ 693,652</u>	<u>\$ 8,879</u>	<u>\$ 10,511,418</u>

City of Little Rock, Arkansas
Combining Balance Sheet
Nonmajor Capital Project Funds
Year Ended December 31, 2024

	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	\$ 24,403	\$ 43,493	\$ 19,702	\$ 14,334	\$ 781	\$ -	\$ 102,713
Restricted cash	-	-	37,424	-	-	-	37,424
Investments	270,011	1,362,905	217,994	158,605	8,635	13,078,861	15,097,011
Accounts receivable, net	-	-	-	155,552	-	-	155,552
Interest receivable	907	84,399	732	533	30	-	86,601
Total assets	<u>\$ 295,321</u>	<u>\$ 1,490,797</u>	<u>\$ 275,852</u>	<u>\$ 329,024</u>	<u>\$ 9,446</u>	<u>\$ 13,078,861</u>	<u>\$ 15,479,301</u>
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	43,264	32,011	-	-	-	-	75,275
Due to other funds	-	-	-	-	-	4,269	4,269
Total liabilities	<u>43,264</u>	<u>32,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,269</u>	<u>79,544</u>
Deferred Inflows of Resources							
Unavailable revenues - property taxes	-	-	-	155,552	-	-	155,552
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,552</u>	<u>-</u>	<u>-</u>	<u>155,552</u>
Fund Balances							
Restricted	<u>252,057</u>	<u>1,458,786</u>	<u>275,852</u>	<u>173,472</u>	<u>9,446</u>	<u>13,074,592</u>	<u>15,244,205</u>
Total fund balances	<u>252,057</u>	<u>1,458,786</u>	<u>275,852</u>	<u>173,472</u>	<u>9,446</u>	<u>13,074,592</u>	<u>15,244,205</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 295,321</u>	<u>\$ 1,490,797</u>	<u>\$ 275,852</u>	<u>\$ 329,024</u>	<u>\$ 9,446</u>	<u>\$ 13,078,861</u>	<u>\$ 15,479,301</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
Year Ended December 31, 2024

	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	\$ -	\$ -	\$ -	\$ 220,321	\$ -	\$ -	\$ 220,321
Investment income (loss)	121,260	65,276	(2,670)	(39,778)	(19)	1,059,237	1,203,306
Total revenues	121,260	65,276	(2,670)	180,543	(19)	1,059,237	1,423,627
Expenditures							
General government							
Public works	-	19,009	-	-	-	-	19,009
Total general government	-	19,009	-	-	-	-	19,009
Fire	43,264	-	-	-	-	-	43,264
Police	11,528	-	-	-	-	-	11,528
Economic development	-	-	-	190,000	-	-	190,000
Education	-	-	-	-	-	13,584,764	13,584,764
Capital Outlay	12,183,990	816,294	-	-	-	-	13,000,284
Total expenditures	12,238,782	835,303	-	190,000	-	13,584,764	26,848,849
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,117,522)	(770,027)	(2,670)	(9,457)	(19)	(12,525,527)	(25,425,222)
Other Financing Sources (Uses)							
Issuance of debt	10,954,400	-	-	-	-	-	10,954,400
Total other financing sources (uses)	10,954,400	-	-	-	-	-	10,954,400
Net Change in Fund Balances	(1,163,122)	(770,027)	(2,670)	(9,457)	(19)	(12,525,527)	(14,470,822)
Fund Balances, Beginning of Year	1,415,179	2,228,813	278,522	182,929	9,465	25,600,119	29,715,027
Fund Balances, End of Year	\$ 252,057	\$ 1,458,786	\$ 275,852	\$ 173,472	\$ 9,446	\$ 13,074,592	\$ 15,244,205

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, 2024

	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	\$ 1,752,995	\$ 1,230,604	\$ -	\$ 9,146,505	\$ -	\$ 12,130,230
Investments								
U.S. Government obligations	-	-	-	445,756	-	6,950,131	-	7,395,887
Equities	-	-	4,994,942	-	-	71,756,583	7,859,225	84,610,750
Mutual funds and other investments	614,056	625,157	866,631	9,433,935	7,879,233	30,494,992	5,818,262	55,732,266
Receivables								
Accounts receivable	-	-	-	261,415	54,889	1,231	-	317,535
Accrued interest and dividends	-	-	-	-	-	311,946	-	311,946
Total assets	<u>\$ 614,056</u>	<u>\$ 625,283</u>	<u>\$ 7,614,568</u>	<u>\$ 11,371,710</u>	<u>\$ 7,934,122</u>	<u>\$ 118,661,388</u>	<u>\$ 13,677,487</u>	<u>\$ 160,498,614</u>
Liabilities								
Due to primary government	-	-	-	-	-	7,000	-	7,000
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Net Position								
Net position restricted for pensions	614,056	625,283	7,614,568	11,371,710	7,934,122	118,654,388	-	146,814,127
Net position restricted for other postemployment benefits	-	-	-	-	-	-	13,677,487	13,677,487
Total net position	<u>\$ 614,056</u>	<u>\$ 625,283</u>	<u>\$ 7,614,568</u>	<u>\$ 11,371,710</u>	<u>\$ 7,934,122</u>	<u>\$ 118,654,388</u>	<u>\$ 13,677,487</u>	<u>\$ 160,491,614</u>

City of Little Rock, Arkansas
Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
Year Ended December 31, 2024

	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	\$ -	\$ -	\$ 5,123	\$ 227,320	\$ 209,768	\$ 5,552,271	\$ 1,966,629	\$ 7,961,111
Plan Members	-	-	1,391	-	99,947	2,774,108	-	2,875,446
Other	-	-	21,454	17,559	-	108,930	-	147,943
Total contributions	-	-	27,968	244,879	309,715	8,435,309	1,966,629	10,984,500
Investment income (loss)								
Net increase (decrease) in fair value of investments	(406,018)	(406,018)	(33,550)	281,469	712,438	9,020,182	1,298,980	10,467,483
Realized gain on sale of investments	-	-	221,387	482,501	-	-	20,794	724,682
Interest and dividends	-	-	643,802	299,601	9,683	2,692,505	340,458	3,986,049
	(406,018)	(406,018)	831,639	1,063,571	722,121	11,712,687	1,660,232	15,178,214
Less investment expense	-	-	18,466	14,609	-	191,520	115,984	340,579
Net investment income (loss)	(406,018)	(406,018)	813,173	1,048,962	722,121	11,521,167	1,544,248	14,837,635
Total additions	(406,018)	(406,018)	841,141	1,293,841	1,031,836	19,956,476	3,510,877	25,822,135
Deductions								
Benefits paid directly to participants	-	-	1,547,563	1,459,926	221,069	3,668,323	1,072,639	7,969,520
Administrative expenses	-	-	26,772	42,232	-	453,942	-	522,946
Other	-	-	-	-	(96)	-	-	(96)
Total deductions	-	-	1,574,335	1,502,158	220,973	4,122,265	1,072,639	8,492,370
Change in Net Position	(406,018)	(406,018)	(733,194)	(208,317)	810,863	15,834,211	2,438,238	17,329,765
Net Position, Beginning 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
Net Position, End of Year	\$ 614,056	\$ 625,283	\$ 7,614,568	\$ 11,371,710	\$ 7,934,122	\$ 118,654,388	\$ 13,677,487	\$ 160,491,614

City of Little Rock, Arkansas
Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
December 31, 2024

	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	\$ 18,941	\$ 125,353	\$ 10,698,709	\$ 3,401,736	\$ 5,374,259	\$ 13,171,004	\$ 674,212	\$ 5,241,652	\$ 22,690	\$ 7,359,859	\$ 46,088,415
Investments	-	-	2,014,341	1,065,912	2,521,770	-	299,153	51,238,282	-	10,784,140	67,923,598
Restricted cash and investments - current	-	-	2,157,260	-	-	-	1,362,911	-	-	-	3,520,171
Accrued interest receivables	-	-	-	-	-	105,084	-	-	-	-	105,084
Accounts receivable, net of allowance	-	-	2,925,693	276,588	5,949,869	802,005	461,606	11,699,782	459,346	28,685,175	51,260,064
Inventories	-	-	-	-	352,569	597,584	28,726	132,896	-	-	1,111,775
Leases receivable - current	-	-	286,666	428,395	-	-	-	-	-	158,391	873,452
Prepaid expenses and other	-	-	691,910	145,943	547,670	138,177	18,471	1,169,372	-	357,192	3,068,735
Total current assets	18,941	125,353	18,774,579	5,318,574	14,746,137	14,813,854	2,845,079	69,481,984	482,036	47,344,757	173,951,294
Noncurrent assets											
Restricted assets											
Cash and cash equivalents	-	-	-	561,319	-	-	-	-	-	1,778,164	2,339,483
Investments	1,741,522	1,107,851	1,975,580	-	9,086,353	-	-	-	-	6,565,606	20,476,912
Lease receivable - noncurrent	-	-	2,555,454	232,566	-	-	-	-	-	394,488	3,182,508
Interest receivable	-	-	77,720	-	-	-	-	-	-	-	77,720
Total restricted assets	1,741,522	1,107,851	4,608,754	793,885	9,086,353	-	-	-	-	8,738,258	26,076,623
Capital assets											
Lease assets	-	-	-	-	-	-	2,946,575	11,856,531	-	556,173	15,359,279
Land	10,400	13,089	4,178,128	32,081,245	968,885	1,748,173	-	-	-	5,572,916	44,572,836
Construction in progress	-	-	1,164,736	11,571,245	920,070	3,049,125	24,780	-	-	14,717,874	31,447,830
Buildings, improvements, and other facilities	474,813	99,211	142,421,605	47,559,388	14,450,126	45,032,872	4,420,214	119,392,226	-	117,586,694	491,437,149
Vehicles	21,634	-	10,337,614	-	10,283,354	55,345,843	-	-	9,651	-	75,998,096
Furniture and equipment	204,656	-	3,102,938	994,456	16,565,764	18,523,947	16,672,988	6,093,323	67,113	15,152,759	77,377,944
Books/AV materials	-	-	-	-	-	-	-	-	-	30,698,662	30,698,662
Other	-	-	227,522	-	-	-	-	-	-	319,745	547,267
Subscription Assets	-	-	971,278	-	-	-	-	-	-	-	971,278
Accumulated depreciation and amortization	(231,051)	(39,684)	(58,571,100)	(28,111,950)	(26,980,015)	(78,571,467)	(9,751,387)	(5,961,677)	(72,413)	(105,637,433)	(313,928,177)
Net capital assets	480,452	72,616	103,832,721	64,094,384	16,208,184	45,128,493	14,313,170	131,380,403	4,351	78,967,390	454,482,164
Other assets	-	-	-	-	1,316,502	-	7,109,822	-	-	-	8,426,324
Total noncurrent assets	2,221,974	1,180,467	108,441,475	64,888,269	26,611,039	45,128,493	21,422,992	131,380,403	4,351	87,705,648	488,985,111
Deferred Outflows of Resources											
Deferred outflows of resources from pensions	-	-	863,643	-	-	-	-	-	-	-	863,643
Total deferred outflows of resources	-	-	863,643	-	-	-	-	-	-	-	863,643
Total assets and deferred outflows of resources	\$ 2,240,915	\$ 1,305,820	\$ 128,079,697	\$ 70,206,843	\$ 41,357,176	\$ 59,942,347	\$ 24,268,071	\$ 200,862,387	\$ 486,387	\$ 135,050,405	\$ 663,800,048

City of Little Rock, Arkansas
Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
December 31, 2024

	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	\$ -	\$ -	\$ 1,256,118	\$ 29,440	\$ 1,030,786	\$ 358,521	\$ 103,332	\$ 236,509	\$ 386,612	\$ 105,845	\$ 3,507,163
Accrued wages payable and related liabilities	26,541	-	408,264	-	1,775,327	1,368,947	-	-	-	381,575	3,960,654
Accrued interest payable	-	-	1,180,637	-	-	-	-	-	-	26,480	1,207,117
Bonds payable - current portion	-	-	1,670,000	375,012	-	-	-	-	-	260,000	2,305,012
Compensated absences - current portion	-	-	584,740	147,116	-	-	-	-	-	978,893	1,710,749
Unearned revenue	-	-	815,870	500,000	-	-	298,627	1,565,627	-	-	3,180,124
Accrued expenses and other	-	-	2,367,152	40,438	28,191	8,275	150,392	4,787,963	30,917	-	7,413,328
Subscription Liability - Current	-	-	137,721	-	-	-	-	-	-	-	137,721
Lease liability - current	-	-	-	-	-	-	2,946,575	-	-	83,986	3,030,561
Total current liabilities	26,541	-	8,420,502	1,092,006	2,834,304	1,735,743	3,498,926	6,590,099	417,529	1,836,779	26,452,429
Noncurrent liabilities											
Bonds payable, net of unamortized premium	-	-	53,672,444	4,089,579	-	-	-	-	-	3,581,840	61,343,863
Notes payable	-	-	-	3,350,000	-	-	9,282,888	9,800,000	-	-	22,432,888
Net pension liability	-	-	1,399,964	-	-	-	-	-	-	-	1,399,964
Other long-term liabilities	-	-	-	-	-	-	-	-	-	134,012	134,012
Lease liability	-	-	-	-	-	-	-	-	-	258,868	258,868
Subscription Liability	-	-	157,388	-	-	-	-	-	-	-	157,388
Compensated absences	-	-	-	246,013	-	-	-	-	-	183,385	429,398
Total noncurrent liabilities	-	-	55,229,796	7,685,592	-	-	9,282,888	9,800,000	-	4,158,105	86,156,381
Total liabilities	26,541	-	63,650,298	8,777,598	2,834,304	1,735,743	12,781,814	16,390,099	417,529	5,994,884	112,608,810
Deferred Inflows of Resources											
Deferred inflows from pensions	-	-	142,969	-	-	-	-	-	-	-	142,969
Deferred inflows from leases	-	-	2,552,172	660,961	-	-	-	-	-	703,215	3,916,348
Total deferred inflows of resources	-	-	2,695,141	660,961	-	-	-	-	-	703,215	4,059,317
Net Position											
Net investment in capital assets	480,452	72,616	47,925,162	56,598,580	16,208,184	45,082,296	2,083,707	117,930,821	4,351	74,782,696	361,168,865
Restricted - expendable	1,639,318	1,233,204	33,940	561,319	-	2,856,490	8,012,084	9,733,224	-	2,945,872	27,015,451
Restricted - nonexpendable	-	-	-	-	-	-	-	15,179,100	-	3,917,955	19,097,055
Unrestricted	94,604	-	13,775,156	3,608,385	22,314,688	10,267,818	1,390,466	41,629,143	64,507	46,705,783	139,850,550
Total net position	2,214,374	1,305,820	61,734,258	60,768,284	38,522,872	58,206,604	11,486,257	184,472,288	68,858	128,352,306	547,131,921
Total liabilities, deferred inflows of resources and net position	\$ 2,240,915	\$ 1,305,820	\$ 128,079,697	\$ 70,206,843	\$ 41,357,176	\$ 59,942,347	\$ 24,268,071	\$ 200,862,387	\$ 486,387	\$ 135,050,405	\$ 663,800,048

City of Little Rock, Arkansas
Combining Statement of Activities
Nonmajor Discretely Presented Component Units
Year Ended December 31, 2024

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	\$ 32,275,815	\$ 1,101,481	\$ 2,882,797	\$ 13,584,737	\$ (14,706,800)	\$ -	\$ (14,706,800)
Little Rock Workforce Development Board	1,980,735	-	1,848,301	-	(132,434)	-	(132,434)
Total governmental activities	34,256,550	1,101,481	4,731,098	13,584,737	(14,839,234)	-	(14,839,234)
Business-type Activities							
Oakland Fraternal Cemetery	317,366	216,387	-	-	-	(100,979)	(100,979)
Mt. Holly Cemetery	123,787	-	-	-	-	(123,787)	(123,787)
Little Rock Advertising and Promotion Commission	26,288,377	7,712,590	19,319,583	-	-	743,796	743,796
Little Rock Port Authority	5,907,522	3,720,827	-	-	-	(2,186,695)	(2,186,695)
Little Rock Ambulance Authority	38,536,179	42,265,293	-	-	-	3,729,114	3,729,114
Central Arkansas Transit Authority	28,369,498	1,898,308	24,461,377	-	-	(2,009,813)	(2,009,813)
Museum of Discovery	11,698,353	1,940,816	1,970,876	7,109,822	-	(676,839)	(676,839)
Arkansas Museum of Fine Arts	20,529,323	5,239,449	9,183,845	-	-	(6,106,029)	(6,106,029)
Total business-type activities	131,770,405	62,993,670	54,935,681	7,109,822	-	(6,731,232)	(6,731,232)
Total component units	<u>\$ 166,026,955</u>	<u>\$ 64,095,151</u>	<u>\$ 59,666,779</u>	<u>\$ 20,694,559</u>	<u>\$ (14,839,234)</u>	<u>\$ (6,731,232)</u>	<u>\$ (21,570,466)</u>
General revenues							
General property taxes					25,609,906	-	25,609,906
Sales taxes					1,812,322	-	1,812,322
Investment income					1,258,631	7,211,482	8,470,113
Other					158,091	6,487,043	6,645,134
Total general revenues					28,838,950	13,698,525	42,537,475
Change in net position					13,999,716	6,967,293	20,967,009
Net Position, Beginning of Year					114,421,448	411,743,464	526,164,912
Net Position, End of Year					<u>\$ 128,421,164</u>	<u>\$ 418,710,757</u>	<u>\$ 547,131,921</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, 2024

	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	\$ 216,387	\$ -	\$ 7,518,031	\$ 3,720,827	\$ 40,332,267	\$ 1,898,308	\$ 22,889	\$ 2,041,398	\$ 55,750,107
Other	-	-	-	-	1,933,026	-	1,917,927	3,198,051	7,049,004
Total operating revenues	216,387	-	7,518,031	3,720,827	42,265,293	1,898,308	1,940,816	5,239,449	62,799,111
Operating Expenses									
Salaries, wages, and employee benefits	92,982	-	9,717,722	1,305,787	27,408,461	15,338,128	2,379,532	6,553,740	62,796,352
Supplies and materials	5,318	-	-	111,278	1,764,501	1,616,574	139,730	2,059,505	5,696,906
Services	49,397	93,400	4,365,200	1,009,137	3,507,183	2,968,996	768,566	5,916,976	18,678,855
Utilities	3,876	-	1,357,406	175,390	570,048	507,587	254,085	388,544	3,256,936
Repairs and maintenance	165,793	-	1,047,051	1,107,264	1,047,042	-	48,305	1,016,514	4,431,969
Other	-	27,907	2,652,538	372,718	1,838,945	1,584,185	7,070,460	1,684,363	15,231,116
Depreciation and amortization	-	2,480	4,872,820	1,502,832	2,399,999	6,354,028	967,279	2,655,864	18,755,302
Total operating expenses	317,366	123,787	24,012,737	5,584,406	38,536,179	28,369,498	11,627,957	20,275,506	128,847,436
Operating Income (Loss)	(100,979)	(123,787)	(16,494,706)	(1,863,579)	3,729,114	(26,471,190)	(9,687,141)	(15,036,057)	(66,048,325)
Nonoperating Revenues (Expenses)									
Intergovernmental revenue	-	-	19,319,583	-	-	18,582,816	-	7,121,838	45,024,237
Donations, contributions, and grants received	-	-	-	-	-	5,878,561	9,080,698	2,062,007	17,021,266
Investment income	88,137	121,396	512,850	166,358	465,850	484,590	118,854	5,253,447	7,211,482
Right to use lease rental interest	-	-	194,559	-	-	-	-	-	194,559
Interest expense	-	-	(2,275,640)	(323,116)	-	-	(70,396)	(253,817)	(2,922,969)
Other, net	-	-	(164,888)	5,950,646	699,794	-	1,491	-	6,487,043
Net nonoperating revenues (expenses)	88,137	121,396	17,586,464	5,793,888	1,165,644	24,945,967	9,130,647	14,183,475	73,015,618
Net Change in Net Position	(12,842)	(2,391)	1,091,758	3,930,309	4,894,758	(1,525,223)	(556,494)	(852,582)	6,967,293
Net Position, Beginning 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
Net Position, End of Year	\$ 2,214,374	\$ 1,305,820	\$ 61,734,258	\$ 60,768,284	\$ 38,522,872	\$ 58,206,604	\$ 11,486,257	\$ 184,472,288	\$ 418,710,757

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STATISTICAL SECTION



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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	174
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	180
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	185
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	190
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	192

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

Table 1

	<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>	<u>2024</u>
Governmental activities										
Net investment in capital assets	\$ 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	\$ 612,354,694
Restricted	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	147,742,023
Unrestricted (deficit)	<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>	<u>(172,723,746)</u>
Total governmental activities net position	<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>	<u>\$ 587,372,971</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 20,809,737
Restricted	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	1,510,128
Unrestricted (deficit)	<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>	<u>20,221,107</u>
Total business-type activities net position	<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>	<u>\$ 42,540,972</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 633,164,431
Restricted	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	149,252,151
Unrestricted (deficit)	<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>	<u>(152,502,639)</u>
Total primary government net position	<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>	<u>\$ 629,913,943</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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
General government	\$ 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	\$ 82,253,647
Public works	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	53,766,031
Parks and recreation services	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	17,401,085
Rivermarket	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	1,426,681
Golf	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	2,127,267
Jim Dailey Fitness	988,633	1,004,748	1,009,427	944,192	953,498	764,511	819,547	955,821	1,100,238	1,869,445
Zoo	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	10,398,351
Fire	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	64,275,909
Police	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	89,916,451
911 operations	-	-	-	-	-	-	-	4,585,371	4,713,284	5,260,605
Economic development	-	-	528,000	250,000	200,000	205,360	300,000	200,000	2,453,222	3,028,439
Education	5,773,774	10,131,712	7,130,903	2,501,134	763,492	27,000	119,815	3,005,774	1,645,243	13,584,764
Housing and neighborhood programs	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	13,906,955
Fleet	1,164,920	1,918,738	896,094	483,356	63,480	81,144	141,148	84,945	1,327,538	3,926,290
Interest Expense and fiscal charges on long-term debt	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	6,615,971
Total governmental activities expenses	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	369,757,891
Business-type activities										
Waste disposal	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	24,250,170
Rivermarket garage	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	1,348,085
Vehicle Storage	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	2,199,425
Total business-type activities expenses	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	27,797,680
Total primary government expenses	\$ 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	\$ 397,555,571
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 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	\$ 17,472,412
Public works	571,436	422,907	365,621	325,421	411,203	1,812,185	631,745	414,839	309,617	269,754
Parks and recreation services	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	1,073,248
Rivermarket	605,207	551,711	524,584	558,919	476,057	191,914	407,544	399,666	287,941	396,786
Golf	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	1,461,572
Jim Dailey Fitness	495,687	455,025	449,846	455,880	561,516	135,895	165,523	332,899	412,731	442,248
Zoo	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	2,963,255
Fire	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	1,975,516
Police	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	3,533,886
911 operations	-	-	-	-	-	-	-	3,006,992	3,100,451	2,948,374
Education	-	-	-	886	-	-	-	-	-	-
Fleet	-	-	-	689,291	449,253	559,309	713,646	771,858	1,111,163	1,803,495
Housing and neighborhood programs	945,430	794,696	822,456	1,437,279	1,074,006	889,668	910,037	1,236,115	534,815	1,152,127
Operating grants and contributions	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	41,646,449
Capital grants and contributions	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	5,580,550
Total governmental activities program revenues	\$ 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	\$ 82,719,672

City of Little Rock, Arkansas

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

Table 2

Business-type activities										
Charges for services	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Waste disposal	\$ 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	\$ 24,937,567
Rivermarket garage	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	2,262,579
Vehicle storage	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	2,406,568
Capital grants and contributions	-	17,482	1,521	52,807	-	-	-	-	-	2,327,154
Total business-type activities program revenues	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	31,933,868
Total primary government program revenues	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	114,653,540
Net (expense)/revenue										
Governmental activities	(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)	(287,038,219)
Business-type activities	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	4,136,188
Total primary government net expense	(209,720,992)	(224,686,557)	(229,450,709)	(218,156,743)	(210,019,529)	(232,712,025)	(183,071,061)	(195,451,090)	(252,425,700)	(282,902,031)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
General Property taxes	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	72,918,782
Sales taxes	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	144,620,121
Utility franchise taxes	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	34,297,602
Unrestricted grants and contributions	22,990,373	25,055,029	23,009,538	-	-	-	3	4,619,172	8,521,875	15,746,054
Investment income (loss)	775,618	559,560	1,094,589	1,591,250	4,416,791	1,691,383	(505,636)	(6,929,856)	11,861,683	10,956,418
Other	-	-	7,428,860	-	-	-	-	-	-	6,397
Transfers	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	1,005,590
Total governmental activities	225,428,843	232,264,192	239,431,495	213,290,433	229,829,226	225,344,828	249,133,128	236,691,370	272,888,327	279,550,964
Business-type activities										
Investment earnings	111,523	47,467	138,478	229,421	441,870	134,710	(82,788)	(496,033)	1,202,808	1,585,205
Special item - transfer of net pension obligation	-	-	-	-	-	-	-	-	-	-
Transfers	(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)	(1,005,590)
Total business-type activities	(1,704,575)	(1,753,639)	(1,742,128)	(1,352,343)	(1,342,465)	(1,774,591)	(2,027,549)	(2,318,577)	(52,301)	579,615
Total primary government	223,724,268	230,510,553	237,689,367	211,938,090	228,486,761	223,570,237	247,105,579	234,372,793	272,836,026	280,130,579
Changes in Net Position										
Governmental activities	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	(7,487,255)
Business-type activities	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	4,715,803
Change in accounting principle	(122,021,882)	-	-	(10,849,970)	-	-	-	667,091	-	-
Total primary government	\$ (108,018,606)	\$ 5,823,996	\$ 8,238,658	\$ (17,068,623)	\$ 18,467,232	\$ (9,141,788)	\$ 64,034,518	\$ 39,588,794	\$ 20,410,326	\$ (2,771,452)

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
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	223,628,100
2020	61,054,723	130,975,321 (2)	29,714,100	221,744,144
2021	64,473,416	151,788,411 (2)	31,432,173	247,694,000
2022	67,315,382	135,892,366 (2)	33,971,762	237,179,510
2023	71,007,524	145,043,984 (2)	35,198,152	251,249,660
2024	72,918,782	144,620,121 (2)	34,297,602	251,836,505

(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 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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Nonspendable	\$ 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	\$ 2,244,072
Committed	300,264	49,105	44,839	44,839	44,839	41,997	39,123	39,123	-	-
Assigned	12,331,036	11,141,556	14,194,561	9,608,799	9,792,389	15,731,728	21,728,893	38,038,638	24,828,337	34,456,324
Unassigned	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	47,285,643
Total general fund	<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>\$ 82,571,975</u>	<u>\$ 83,986,039</u>
All other governmental funds										
Nonspendable	\$ 1,647,604	\$ 1,382,990	\$ 640,314	\$ 1,034,773	\$ 946,656	\$ 965,057	\$ 965,057	\$ 965,057	\$ 924,810	\$ 569,480
Restricted	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	192,449,315 (3)
Unassigned	(2,853,464)	(2,633,318)	-	-	-	-	(152,901)	-	(10,274,857)	(6,207,744)
Total all other governmental funds	<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>\$ 168,229,856</u>	<u>\$ 176,171,255</u>	<u>\$ 186,811,051</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.

(3) In 2024, the City of Little Rock issued the 2024 Limited Tax General Obligation Capital Improvement Bonds, which are the second of three tranches, related to the the 2022 Voter Approved 3-mill property tax extension.

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

Table 5

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes ¹	\$ 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	\$ 250,840,955
Licenses and permits	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	14,180,474
Intergovernmental	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	60,958,646
Charges for services	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	14,570,459
Fines and fees	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	2,982,355
Investment income (loss)	775,618	559,559	1,094,588	1,591,250	4,416,791	1,668,919	(492,721)	(6,745,057)	11,617,622	10,952,937
Miscellaneous	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	5,196,300
Total revenues	260,014,856	264,989,860	268,550,443	274,110,181	296,462,630	296,490,841	324,280,697	303,931,985	343,406,876	359,682,126
Expenditures										
General government	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	76,876,078
Public works	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	35,127,737
Parks and recreation	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	13,727,125
Rivermarket	1,188,494	1,183,258	1,234,672	1,256,450	1,305,221	791,428	985,407	1,005,519	998,408	1,272,354
Golf	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	2,031,259
Jim Dailey Fitness	855,515	896,483	901,162	869,902	855,754	646,573	708,768	849,638	996,013	1,732,215
Zoo	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	9,368,120
Fire department	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	66,852,424
Police department	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	90,765,219
911 operations	-	-	-	-	-	-	-	4,584,933	4,714,814	5,259,213
Housing and neighborhood programs	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	13,034,708
Fleet	665,112	1,918,739	921,145	1,014,420	3,649,256	81,144	114,571	84,945	6,595	8,924
Economic Development	-	-	-	-	-	205,360	300,000	200,000	265,000	190,000
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	13,584,764
Debt service										
Principal	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	23,779,493
Fiscal changes on long term debt	5,145,133	5,145,133	5,054,785	4,298,095	4,298,095	4,298,095	4,214,024	4,426,556	5,059,342	6,814,948
Capital Outlay	-	-	-	-	-	34,682,836	34,255,585	19,883,709	39,952,002	49,940,152
Total expenditures	276,343,888	293,272,982	296,044,325	288,660,273	302,334,206	327,044,925	320,912,643	315,319,308	338,965,014	410,364,733
Deficiency of revenues under expenditures	(16,329,032)	(28,283,122)	(27,493,882)	(14,550,092)	(5,871,576)	(30,554,084)	3,368,054	(11,387,323)	4,441,862	(50,682,607)
Other financing sources (uses)										
Transfers in	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	3,105,730
Transfers out	(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)	(2,100,140)
Proceeds from long term debt	42,530,000	11,978,000	39,050,000	76,045,000	5,650,000	-	5,925,000	99,335,000	7,400,000	48,264,400
Premium on bonds issued	112,763	-	2,407,764	1,455,501	-	-	3	1,508,685	-	491,721
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	521,201
Initiation of leases	-	-	-	-	2,924,374	1,309,434	1,857,413	57,814	230,402	2,453,555
Total other financing sources	27,626,314	13,779,106	3,102,126	80,082,265	11,108,709	3,901,450	10,465,177	83,218,581	12,766,279	52,736,467
Net change in fund balances	\$ 11,297,282	\$ (14,504,016)	\$ (24,391,756)	\$ 65,532,173	\$ 5,237,133	\$ (26,652,634)	\$ 13,833,231	\$ 71,831,258	\$ 17,208,141	\$ 2,053,860
Debt service as a percentage of noncapital expenditures	12.2%	10.2%	11.9%	9.8%	11.3%	10.4%	11.2%	11.6%	4.1%	8.5%

(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
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
2024	71,923,232	144,620,121 (2)	34,297,602	250,840,955

(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	Total Direct Tax	Total Appraised Value	Assessed Value as a Percentage of Appraised Value
	Real	Real	Utility	Assessed Value	Rate		
2015	3,008,366,567	787,937,640	252,624,940	4,048,929,147	16.55 (1)	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 (2)	24,176,182,300	20%
2022	4,011,070,758	1,079,054,005	283,762,390	5,373,887,153	16.55 (3)	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%
2024	4,409,001,897	1,142,805,215	307,369,475	5,859,176,587	16.55	29,028,023,910	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
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
2024	16.55	16.55	7.05	7.05	46.40	46.40	70.00	70.00

Tax Levies				
2015		\$ 53,396,476	\$ 52,080,512	\$ 161,329,413
2016		\$ 53,782,561	\$ 53,185,616	\$ 161,724,101
2017		\$ 56,364,487	\$ 55,175,845	\$ 168,350,134
2018		\$ 57,324,101	\$ 55,667,587	\$ 169,767,421
2019		\$ 59,626,225	\$ 57,637,586	\$ 175,659,292
2020		\$ 61,986,496	\$ 59,806,627	\$ 182,516,350
2021		\$ 63,760,446	\$ 61,248,395	\$ 185,255,134
2022		\$ 65,345,884	\$ 63,187,101	\$ 189,233,736
2023		\$ 69,245,077	\$ 69,507,895	\$ 204,414,171
2024		\$ 69,245,077	\$ 73,945,271	\$ 215,972,097

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, 2024

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 2024, the City's local 1.125-cent sales tax generated revenue of \$78,955,803. The City's share of the county 1-cent tax generated revenue of \$60,148,210.

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	\$ 6,211,613	7.87%
Grocery Stores	5,448,468	6.90%
Electronic Shopping and Mail-Order Houses	3,906,446	4.95%
Building Material and Supplies Dealers	3,797,728	4.81%
Food Services and Drinking Places; Unknown Subclassification	3,654,736	4.63%
Full-Service Restaurants	3,299,717	4.18%
Electronics and Appliance Stores	2,546,027	3.22%
Electric Power Generation; Transmission and Distribution	2,484,598	3.15%
Automotive Equipment Rental and Leasing	2,131,884	2.70%
Clothing Stores	2,129,964	2.70%
Totals	\$ 35,611,181	45.11%

Little Rock Top Ten 1 Cent County Sales Tax by Industry	Tax Collected	% of Total
Other General Merchandise Stores	\$ 5,854,117	9.73%
Grocery Stores	3,584,131	5.96%
Building Material and Supplies Dealers	3,466,549	5.76%
Electronic Shopping and Mail-Order Houses	3,264,997	5.43%
Food Services and Drinking Places; Unknown Subclassification	2,507,570	4.17%
Full Service Restaurants	2,445,658	4.07%
Electric Power Generation; Transmission and Distribution	2,168,725	3.61%
Electronics and Appliance Stores	1,602,957	2.67%
Clothing Stores	1,343,653	2.23%
Automotive Repair and Maintenance	1,236,056	2.06%
Totals	\$ 27,474,413	45.69%

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
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%
2024	73,455,391	67,663,362	92.11%	4,013,528	71,676,890	97.58%

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	SBITA*	Revenue Bonds	Leases	SBITA*			
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 (2)	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	- (3)	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 (5)	44,750,990	7,095,530	4,887,078	- (4)	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 (6)	3,788,568	34,721	-	166,376,182	1.94%	796.71
2024	124,352,245 (7)	41,174,972	19,379,620 (8)	3,836,489	2,259,587	3,105,648	30,229	598,789	194,737,579	2.25%	937.92

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

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

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

(5) 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.

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

(7) In 2024, the City issued 2024 Limited Tax Capital Improvement Bonds, Series 2024A - \$26,565,000 and 2024B (taxable) \$10,745,000 - to finance various capital improvements for the City.

(8) In 2024, the City issued \$10,954,400 of a \$12,000,000 taxable short-term note for the construction of a new solar facility that will offset approximately 70% of the City's annual electricity usage each year once operational.

* Subscription-based information technology arrangements

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)
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
2024	124,352,245	28,033,600	96,318,645	1.64%	463.90

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.
- (7) In 2024, the City issued \$26,565,000 in limited tax general obligation capital improvement bonds - Series 2024A and \$10,745,000 in limited tax general obligation capital improvement bonds - Series 2024B (taxable). It was the second issuance of the capital improvement bonds that were approved in 2022.

City of Little Rock, Arkansas
Direct and Overlapping Governmental Activities Debt
December 31, 2024

Table 13

Governmental Unit	Debt Available for Retirement	Percentage Applicable (2)	City's Share of Overlapping Debt
Direct:			
City of Little Rock, Arkansas	\$ 191,002,913 (1)	100%	\$ 191,002,913
Overlapping:			
Little Rock Public School District	432,581,650	100%	432,581,650
Total direct and overlapping debt	\$ 623,584,563		\$ 623,584,563
Ratio, direct and estimated overlapping debt to fiscal 2024 assessed valuation (3)			10.64%
Per capita direct and estimated overlapping debt (4)			\$ 3,003

(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, \$5,859,176,587

(4) Based on Table 16, 207,626

City of Little Rock, Arkansas

Legal Debt Margin Information

Last Ten Years

Table 14

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 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	\$ 1,464,794,146
Total net debt applicable to limit	<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>	<u>119,534,754</u>
Legal debt margin	<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>	<u>\$ 1,345,259,392</u>
Total net debt applicable to the limit as a percentage of debt limit	10.68%	11.38%	9.69%	7.48%	6.91%	4.67%	3.07%	8.39%	6.71%	8.16%

Legal Debt Margin Calculation for 2024

Assessed value	\$ 5,859,176,587
Debt limit:	
General obligation debt limitation (1)	1,171,835,317
Short-term financing debt limitation (2)	<u>292,958,829</u>
Total debt limitation	<u>1,464,794,146</u>
Debt applicable to limit:	
General obligation and short-term financing	147,568,354
Less: Amount set aside for repayment in debt services funds	<u>28,033,600</u>
Total net debt applicable to limit	<u>119,534,754</u>
Legal debt margin	<u>\$ 1,345,259,392</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
2024	2,335,676	670,000	1,252,894	1,922,894	1.21	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	1,204,646	1,908,853	655,000	235,523	890,523	2.14
2024	21,795,254	1,010,000	497,250	1,507,250	14.46	2,954,409	909,985	2,044,424	685,000	201,135	886,135	2.31

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
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%
2024	207,626 (6)	8,659,872,834	41,709	38.3	14.0	31,068 (8)	3.4%

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

(8) Arkansas Department of Education Enrollment Count Information allocation based on the City's share of the County population.

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

Table 17

Employer	2024			2015	
	Employees	Rank	Percentage of Total City Employment	Employees	Rank
State of Arkansas (MSA)	33,900	1	8.56%	34,900	1
Local Government (MSA)	25,900	2	6.54%	27,200	2
Federal Government (MSA)	10,800	3	2.73%	9,900	3
University of Arkansas Medical Sciences	9,100	4	2.30%	9,100	4
Little Rock Air Force Base	7,460	5	1.88%	4,500	6
Baptist Health	6,600	6	1.67%	5,360	5
Arkansas Blue Cross Blue Shield	3,360	7	0.85%		
Arkansas Children's Hospital	3,300	8	0.83%	4,000	7
Little Rock School District	3,200	9	0.81%	3,500	8
Central Arkansas Veterans Health Care	2,800	10	0.71%	2,800	9
Entergy Arkansas				2,740	10
	<u>106,420</u>		<u>26.87%</u>	<u>104,000</u>	

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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government:										
General Administration	47	63	67	69	32	33	33	35	36	37
Racial Cultural Diversity	2	-	-	-	-	-	-	-	-	-
City Clerk	2	3	3	3	-	-	-	-	-	-
Board of Directors	1	1	1	1	1	1	1	1	1	1
Community Programs	11	13	11	13	12	12	13	14	20	20
City Attorney	19	20	18	18	16	16	16	18	23	23
District Court- First Division	21	20	20	20	20	20	20	21	21	21
District Court - Second Division	17	18	18	18	18	18	18	19	19	19
District Court - Third Division	8	8	8	8	7	7	7	8	8	8
Finance	42	43	43	42	41	43	46	52	53	55
Human Resources	20	20	22	23	22	22	25	26	25	25
Management Support/Information Technology	39	39	39	39	39	39	41	42	43	43
Planning and Development	39	39	39	39	38	38	39	46	46	46
Housing and Neighborhood Programs	104	105	107	106	98	98	99	99	105	107
Public Works - General	13	12	12	12	12	12	12	12	12	12
Parks and Recreation	127	130	128	129	106	106	106	106	107	107
Golf	22	22	21	20	14	15	15	15	15	15
Jim Dailey Fitness & Aquatic Center	9	9	9	8	8	8	8	8	8	8
Zoo	61	62	63	62	62	62	63	64	64	63
Fire	421	422	421	433	432	432	433	433	445	445
Police	717	733	748	748	744	743	754	694	703	703
911 Emergency Communications	-	-	-	-	-	-	-	65	65	65
Total General Fund	<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>	<u>1,823</u>
Waste Disposal	113	113	121	121	130	144	145	145	145	145
Public Works - Street	213	216	215	216	216	219	220	217	217	219
Fleet Services	61	63	63	63	63	63	63	62	63	64
Vehicle Storage Facility	15	13	13	13	13	13	14	14	15	14
Total Other Funds	<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>	<u>442</u>
Total Personnel	<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>	<u>2,265</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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Planning and Development										
Total building permits issued	2,059	2,276	2,283	1,957	2,015	1,965	2,303	2,440	2,188	1,938
Estimated building cost	\$ 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	\$ 1,333,526,269
New commercial construction permits	45	40	50	31	76	68	88	39	37	52
Commercial construction value	\$ 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	\$ 185,902,453
New residential construction permits	335	337	481	329	413	415	540	375	564	425
Residential construction value	\$ 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	\$ 179,904,913
Fire										
Number of uniformed employees	415	416	416	414	426	426	426	426	448	425
Fires and explosions	1,302	1,274	1,296	1,288	1,131	1,125	1,257	1,467	1,388	1,697
Overpressure rupture, explosion, overheat (no fire)	72	116	-	112	69	125	90	83	49	33
Rescue, emergency medical calls	17,985	18,455	21,246	21,431	20,280	16,702	15,603	18,426	18,907	21,542
Hazardous condition, standby	1,371	1,384	1,095	1,065	1,088	1,044	787	980	1,166	1,359
Service calls	1,638	1,780	1,882	2,184	2,320	2,646	2,537	3,312	3,132	3,384
Good intent calls	3,419	3,179	3,841	4,301	3,910	3,496	3,023	3,330	4,062	4,448
False alarm calls	4,343	3,790	3,504	4,046	4,155	3,830	4,061	4,787	4,500	4,868
Natural disaster calls	17	47	27	46	60	31	8	27	38	-
Other calls	437	-	-	144	117	131	110	140	244	267
Total calls	30,999	30,441	33,307	35,031	33,556	29,130	27,476	32,552	33,486	37,598
Police										
Number of uniformed employees	574	590	593	594	594	594	594	594	596	596
Calls for service	162,844	162,363	159,051	153,828	153,786	165,460	172,692	223,766	154,127	161,798
Arrests	8,373	9,097	10,321	11,291	11,018	8,173	7,031	7,221	7,775	9,899
Accidents (fatality and serious injury)	12,465	11,200	12,275	12,274	44	54	223	189	56	1,482
Training man hours	16,230	30,241	31,000	130,000	111,360	74,056	74,450	72,338	86,500	62,134
Uniform Crime Reporting (UCR) Part I offenses	14,932	16,849	17,030	15,694	15,185	13,362	14,814	14,492	14,739	14,064
Clearance rate - all crimes	20.70%	7.23%	15.77%	14.80%	18.19%	22.41%	18.03%	15.01%	15.00%	1753.00%
Public Works										
Miles of graded and surface treatment	422	419	419	408	408	408	405	398	398	398
Drainage ditches maintained	1,578	1,571	1,571	1,571	1,571	1,571	1,569	1,568	1,568	1,568
Traffic signals repaired	2,179	2,096	1,557	1,799	1,707	1,800	1,126	800	800	800
Solid Waste/Garbage Collections										
Solid waste disposal monthly service rate	\$ 22.02	\$ 22.02	\$ 22.02	\$ 22.02	\$ 22.02	\$ 28.90	\$ 29.68	\$ 29.68	\$ 29.68	\$ 29.68
On-Call service	25,523	28,098	31,124	36,929	40,815	28,017	27,200	28,000	28,000	25,173
Knuckleboom truck service	6,198	9,014	7,379	7,925	7,546	7,201	6,314	7,000	7,000	3,498
Roll-offs service	1,149	1,136	752	769	779	571	884	900	900	734
Carts	6,667	6,220	5,134	4,993	4,994	1,432	1,859	1,900	1,900	4,232
Dead animals collected	328	312	384	520	392	351	443	450	450	560
Curbside recycling tonnage	9,839	9,381	8,795	8,596	7,682	7,013	6,000	6,000	6,000	6,000
Class I and IV tonnage	124,617	135,104	134,752	136,232	143,020	105,318	131,114	134,000	134,000	142,944
Yard Waste tonnage	27,529	28,978	27,053	23,775	24,200	23,699	22,975	23,000	23,000	25,624
Parks and Recreation										
Total recorded parks attendance	675,314	612,066	599,452	545,888	210,687	158,981	235,863	250,000	475,652	517,617
Zoo attendance	267,314	280,279	265,268	237,653	240,229	101,482	233,020	206,425	224,386	268,644
Zoo outreach program	46,202	22,626	40,424	35,238	20,844	5,520	2,529	2,529	5,519	11,061

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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fire Stations	21	21	21	21	22	22	22	22	22	22
Police Stations	11	11	11	10	10	10	10	10	10	10
Public Works										
Miles of Streets	2,468	2,478	2,485	2,490	2,490	2,486	2,494	2,501	2,501	2,501
Miles of paved - permanent streets	2,050	2,057	2,066	2,082	2,082	2,082	2,089	2,103	2,103	2,103
Alleys	63	63	63	63	63	63	63	63	63	63
Waste Disposal										
Storm Sewers Maintained	363	367	369	373	373	373	376	379	379	379
Miles of sanitary sewer	1,375	1,384	1,385	1,385	1,399	1,404	1,404	1,416	1,404	1,404
Solid waste containers purchased	1,740	2,900	4,110	5,220	4,130	1,160	3,480	3,480	3,480	4,992
Parks and Recreation										
Acreage	6,077	6,077	6,078	6,141	6,140	6,140	6,140	6,140	6,140	6,140
Number of parks	62	63	63	63	63	63	63	63	63	63
Number of playgrounds	46	42	42	42	44	44	39	41	38	36
Number of tennis courts	48	43	41	41	41	41	34	34	35	35
Number of basketball courts	37	35	35	35	36	36	35	35	25	25
Number of museums	1	1	1	1	1	1	1	1	2	2
Number of golf courses	3	3	3	3	2	2	2	2	2	2
Number of ball fields	29	26	26	25	25	25	30	30	23	23
Number of play fields	22	22	22	20	20	22	22	22	5	5
Number of zoos	1	1	1	1	1	1	1	1	1	1
Number of adult centers	1	1	1	1	1	1	1	1	1	1
Number of community centers	6	6	6	8	8	9	9	9	7	7
Number of fitness centers	1	1	1	1	1	1	1	1	1	1
Number of swimming pools	3	3	3	3	3	3	3	3	3	3
Number of soccer fields	12	13	13	13	13	13	13	13	14	14
Number of pavilions	28	31	33	32	32	32	32	33	24	23
Number of pickleball courts	-	-	-	-	-	-	6	6	6	6
Number of volleyball courts	10	13	13	17	17	17	17	17	10	10

Source: Various city departments.

Note: No capital asset indicators are available for the general government.

OTHER REQUIRED REPORT



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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, 2024:

- (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 Accounts. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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, 2024 is fairly stated, in all material respects.

Forvis Mazars, LLP

**Little Rock, Arkansas
July 11, 2025**

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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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 11, 2025. Our report includes a reference to other auditors who audited the financial statements of Central Arkansas Transit Authority, Museum of Discovery, Arkansas Museum of Fine Arts, Little Rock Advertising and Promotion Commission, and the Little Rock Ambulance Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Museum of Discovery, Arkansas Museum of Fine Arts Foundation (component unit of Arkansas Museum of Fine Arts), and BlossomOutreach22, Inc. (component unit of Arkansas Museum of Fine Arts), component units included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or 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 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.

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

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
July 11, 2025**

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' (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, 2024. 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, 2024.

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 Little Rock Port Authority, Central Arkansas Transit Authority, Bill and Hillary Clinton National Airport, Little Rock Water Reclamation Authority, and Little Rock Workforce Development Board, which expended \$950,557, \$9,736,478, \$10,918,561, \$8,700,245, and \$2,522,614, respectively, in federal awards that are not included in the City's schedule of expenditures of federal awards for the year ended December 31, 2024. 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 or Forvis Mazars 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

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

federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

**Little Rock, Arkansas
July 11, 2025**

City of Little Rock, Arkansas
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

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 Agriculture</u>				
Direct Program:				
<i>Economic Development Cluster</i>				
Emergency Watershed Protection Program	10.923	N/A	\$ -	\$ 682,847
<i>Total Economic Development Cluster</i>			-	682,847
Total Department of Agriculture			-	682,847
<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	260,484	1,638,636
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	N/A	-	1,813
<i>Total CDBG – Entitlement Grants Cluster</i>			260,484	1,640,449
Pass-Through From:				
Arkansas Department of Human Services				
COVID-19 Emergency Solutions Grant Program	14.231	4600047334	-	66,634
Direct Programs:				
HOME Investment Partnerships Program	14.239	N/A	-	1,529,143
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	N/A	-	520,842
Neighborhood Stabilization Program (Recovery Act Funded)	14.256	N/A	-	8,545
Continuum of Care Program	14.267	N/A	-	82,774
Total Department of Housing and Urban Development			260,484	3,848,387
<u>Department of Interior</u>				
Pass-Through From:				
Arkansas Department of Heritage				
Historic Preservation Fund Grants-In-Aid	15.904	23-CLG-05, 24-CLG-06	-	96,589
Pass-Through From:				
Arkansas Department of Parks and Tourism				
Outdoor Recreation Acquisition, Development and Planning	15.916	P22AP02256/05-00835	-	371,044
Total Department of Interior			-	467,633
<u>Department of Justice</u>				
Pass-Through From:				
Arkansas Department of Finance and Administration				
Crime Victim Assistance	16.575	2020-V2-GX-0061, 240441-23VG	-	347,831
Direct Program:				
Crime Victim Assistance/Discretionary Grants				
Public Safety Partnership and Community Policing Grants	16.582	N/A	-	378
Pass-Through From:				
Arkansas Department of Finance and Administration				
Project Safe Neighborhoods	16.609	247391-21EL	-	1,265
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	122,035	738,341
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	N/A	-	81,601
Byrne Criminal Justice Innovation Program	16.817	N/A	-	176,370
Equitable Sharing Program	16.922	N/A	-	1,706
Total Department of Justice			122,035	1,347,492

The accompanying notes are an integral part of this Schedule.

City of Little Rock, Arkansas
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

(Continued)

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 Transportation</u>				
Pass-Through From:				
Arkansas Department of Transportation				
Highway Planning and Construction	20.205	JOB STP/TAP SE TRAIL PHASE I, JOB061616 ALLSOPP PARK TRAIL, JOB016639, JOB 061693, JOB 061673 (RTP-21) (S)	\$ -	\$ 2,773,715
Total Department of Transportation			-	2,773,715
<u>Department of Treasury</u>				
Direct Program:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	15,746,055
Total Department of Treasury			-	15,746,055
<u>National Endowment for the Arts</u>				
Pass-Through From:				
Arkansas Arts Council				
Promotion of the Arts Partnership Agreements	45.025	8911		1,000
Pass-Through From:				
Arkansas Humanities Council				
COVID-19 Promotion of the Humanities Federal/State Partnership	45.129	8911	-	456
Total National Endowment for the Arts			-	1,456
<u>Department of Health and Human Services</u>				
Pass-Through From:				
Arkansas Department of Education				
Every Student Succeeds Act/Preschool Development Grants	93.434	2024-GMS-00745	-	105,338
Direct Program:				
Temporary Assistance for Needy Families	93.558	N/A	-	(234,736)
Total Department of Health and Human Services			-	(129,398)
<u>Department of Homeland Security</u>				
Pass-Through From:				
Arkansas Department of Emergency Management				
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	DR-4698-AR	-	7,172,289
Homeland Security Grant Program	97.067	EMW-2022-SS-00017-S01	-	542,187
Total Department of Homeland Security			-	7,714,476
Total Expenditures of Federal Awards			\$ 382,519	\$ 32,452,663

The accompanying notes are an integral part of this Schedule.

City of Little Rock, Arkansas
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

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, 2024. 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, 2024.

Note 5. Federal Emergency Management Agency (FEMA) Expenditures

The City has reported \$4,767,419 of expenditures on the 2024 Schedule of Expenditures of Federal Awards for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program that were incurred in a prior year but not approved until 2024.

City of Little Rock, Arkansas
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

Section I – Summary of Auditor’s Results

Financial Statements

1. The 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 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
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21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

8. Dollar threshold used to distinguish between Type A and Type B programs: \$976,613.
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, 2024

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, 2024

Program Grantor/Program Title	State Awards
Arkansas Department of Parks and Tourism	
Outdoor Recreation Boyle	\$ 181,232
Arkansas Department of Emergency Management	
Hazard Mitigation Kanis	22,184
Arkansas Department of Heritage	
DAH HPRG Curran Hall	<u>2,037</u>
Total State Awards	<u><u>\$ 205,453</u></u>