



LITTLE ROCK ZOO



Annual Comprehensive Financial Report

For the year ended December 31, 2020

City of Little Rock, Arkansas

On the Cover: 2021 marks the completion of the ten-year 3/8 cent sales tax approved by Little Rock voters in 2011. The cover highlights a small fraction of the projects Which have been funded by the initiative, which has been called LR CENT. These projects include (clockwise from top center):

- Serval cat exhibit, one of several exhibits and upgrades Which were made at the Little Rock Zoo, the only AZA accredited zoo in Arkansas.
- Sculpture in a new roundabout in war Memorial Park, a collaboration among the Parks and Recreation, Public Works, and Zoo Departments
- New Little Rock Police Department vehicle, one of many new additions to the City's fleet for the Police, Fire, Housing & Neighborllood Programs, Parks & Recreation, and Planning & Development Departments
- Fire Station 24 in Southwest Little Rock, one of two new fire stations constructed
- Little Rock Technology Park, part of economic development efforts
- 12th Street Station, home to several Police Department operations as well as upcoming community partners
- West Central Community Center, one of many Parks & Recreation Department projects
- Geyer Springs railroad overpass, one of many infrastructure projects
- New Amazon facility, as part of economic development efforts

(Photos credits: Scott Whiteley Carter, J. Cole Lansden, RPPY Architects, and Little Rock Zoo)



Annual Comprehensive Financial Report

**CITY OF LITTLE ROCK,
ARKANSAS**

**FISCAL YEAR ENDED
DECEMBER 31, 2020**

**PREPARED BY:
THE DEPARTMENT OF FINANCE**

**SARA LENEHAN, CPA
Chief Financial Officer**

**ANITA WORLEY
Deputy DIRECTOR OF FINANCE**

City of Little Rock, Arkansas

Year Ended December 31, 2020

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City of Little Rock, Arkansas

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INTRODUCTORY SECTION





FROM THE DESK OF
MAYOR FRANK SCOTT, JR.

June 30, 2021

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

State Law allows municipalities the option of publishing a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants and the Board of Directors exercised that option. Accordingly, we hereby issue the Annual Comprehensive Financial Report of the City of Little Rock for the fiscal year ended December 31, 2020.

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 BKD, 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, 2020, 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, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

CITY HALL, SUITE 203, 500 W. MARKHAM

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

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

Profile of the Government:

The City of Little Rock, incorporated in 1831, is located in the central part of Arkansas and is considered one of the State’s top growth areas. The City of Little Rock currently occupies a land area of 123 square miles and serves a population of 200,918, based on the latest estimates provided by City-Data.com. 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 107 as part of the required supplementary information. Detail descriptions of the budget-to-actual variances are included in the MD&A on pages 13 - 17. For the Street Fund, this comparison is presented on page 109.

Factors Affecting Financial Condition:

During the last two years, our City has experienced historic floods and unprecedented snowstorms, navigated the COVID-19 pandemic, and like every American city, experienced civil and social unrest due to the continued wounds at home and across the United States.

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, 2020, was 4.6%, compared with the Arkansas rate of 4.9% and the U.S. average of 6.7%. At the start of 2020, regional unemployment was running at 3.7%. When COVID-19 hit, the rate spiked quickly, peaking at 10.9% in April 2020.

In a recent economic report from Metroplan, Jonathan Lupton reports that overall retail sales for the Little Rock MSA rose sharply over their 2019 levels. The most significant jump in retail sales over 2019 was in the electronic/mail order sector at 43.1%. This is attributable to the COVID-19 pandemic's social distancing protocols, along with the direct Federal stimulus payments, leaving people with extra funds and time to shop online. Little Rock's top three sales taxpayers by industry for 2020 are other general merchandise stores, grocery stores, and building material and supplies dealers.

Property values grew 2.4% in 2020 and continue to rise despite the recession. The City of Little Rock issued 415 new residential housing permits and 68 new commercial construction permits in 2020. With the shift to remote work induced by the COVID-19 pandemic, demand for office space is weak. Reductions in office activity could have a negative impact on downtown. For an

in-depth review of Jonathan Lupton's economic reports, please visit Metroplan's website at <https://metroplan.org>.

Long-Term Financial Planning: Little Rock residents passed an additional One (1)-Cent Local Sales Tax in September 2011, which became effective on January 1, 2012. The City held several public hearings in each Ward to discuss priority needs associated with Public Safety, Public Works, Jobs and Economic Development, Parks & Recreation, Zoo and Tourism, and other priorities, including fleet replacement, information technology needs, pension funding, and public transportation. The priority needs were divided between ongoing operating needs and capital needs. The 5/8-Cent permanent increase in sales tax for operations is reflected in the General Fund. The 3/8-Cent Sales Tax for capital projects, which expires ten (10) years from implementation (December 2021), is reflected in the Sales Tax Capital Improvements Fund. The City has kept its promise to taxpayers in accordance with the spending plan outlined in Resolution No. 13,343 (July 11, 2011) and is well on its way to completing the designated capital projects. The tax increase provides funding for additional Police Officers, Code Enforcement Officers, new Fire and Police facilities, infrastructure projects, and a new emergency communications system. In the first eight (9) years of collection, the sales tax provided additional resources of approximately \$452 million, including approximately \$284 million for operations and \$168 million for capital projects. With the 3/8-Cent Sales Tax sunset in December 2021, the City is proposing *Rebuild the Rock*, a 1% sales tax initiative to continue improving the quality of life, public safety, and infrastructure of the City of Little Rock. The City Board of Directors voted on June 15, 2021, to take the vote to the citizens of Little Rock in a special election on September 14, 2021. Voter approval would result in a net increase of 5/8-Cent to the local sales tax rate, beginning in January 2022. The 2020 Annual Comprehensive Financial Report cover highlights a small fraction of the completed projects funded by the 3/8-Cent portion of the sales tax initiative.

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

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

In 2002, the Board adopted a policy that established a designated reserve within the General Fund. At the end of the fiscal year, the Board reviews audited financial statements and determines the appropriate amount to place in the reserve. The General Fund goal was to set aside the greater of \$10,000,000, or 10%, of General Fund revenues in reserve. Before 2006, the Board had increased the reserve to \$9,418,000. In 2016, the City's Management Team increased the reserve to \$10 million, with the intent of gradually increasing the designated reserve to achieve 10% of General Fund revenues.

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.

On April 1, 2020, the City proactively adopted the first of three (3) Budget Amendments, focusing on reducing expenditure allocations of \$4.9 million in anticipation of potential COVID-19 revenue impacts. The April amendment included 120-day reductions to non-essential part-time personnel, contract expenditures, and funding to programs that would be suspended due to temporary closures and social distancing requirements. The second amendment, adopted on November 2, 2020, included \$9.7 million in revenue reductions and an additional \$4 million in expenditure reductions across all budgeted funds. The final December 2020 amendment increased revenues by \$0.5 million and increased expenditures by \$5.1 million, including a \$4.6 million allocation from Street Fund expenditures for the reconstruction of Pine Street and to relocate Cedar Street to the east to provide adequate arterial capacity and future master plan expansion area in the vicinity of the University of Arkansas for Medical Sciences in accordance with a cost-sharing agreement. The 2020 budget amendments resulted in net reductions of \$3.8 million to budgeted operating expenditures, including decreases of \$7.6 million for the General Fund, \$0.3 million for the Waste Disposal Fund, \$0.2 million for the Vehicle Storage Fund, and \$0.5 million for the Parking Garage Fund, partially offset by increases of \$4.6 million for the Street Fund and \$0.2 million for the Fleet Services Fund. Most of the expenditure reductions were attributed to the impact of COVID-19, while the increases were primarily attributed to the \$4.6 million Street fund project described above.

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

On December 29, 2020, the Little Rock Board of Directors approved the 2021 Adopted Budget. Overall operating expenditures total \$271,902,626, an increase of \$72,968, or 0.03% more than the final 2020 Amended Budget. The Operating Budget changes for 2021 are summarized below:

	2020 Adopted	2020 Amended	2021 Adopted	Change	% Change
General Fund	\$ 212,125,253	\$ 204,539,253	\$ 210,100,969	\$ 5,561,716	2.72%
Street Fund	21,339,903	25,965,033	21,279,119	(4,685,914)	(18.05)%
Fleet Services Fund	14,333,041	14,490,681	13,390,623	(1,100,058)	(7.59)%
Waste Disposal Fund	23,938,605	23,604,307	23,671,871	67,564	0.29%
Vehicle Storage Facility	1,735,627	1,561,351	1,699,157	137,806	8.83%
Parking Garage Fund	2,168,420	1,669,033	1,760,887	91,854	5.50%
	<u>\$ 275,640,849</u>	<u>\$ 271,829,658</u>	<u>\$ 271,902,626</u>	<u>\$ 72,968</u>	<u>0.03%</u>

The 2021 General Fund Budget supports 1,749 full-time equivalent (FTE) positions – 1,704 serving in General Fund Departments and 45 special positions funded through grants or special project allocations. This represents a net increase of 24 FTEs compared to the 2020 Adopted Budget and six (6) from the 2020 Amended Budget staffing levels. The personnel budgets for the other operating funds include 442 FTEs, representing an increase of 1 position in the Waste Disposal Fund to a total of 145, an increase of 1 position in the Street Fund to a total of 220, 63 in Fleet Services, and an increase of 1 position in the Vehicle Storage Fund to a total of 14. Thus, a total of 2,191 full-time positions are authorized for the primary government’s operating funds.

Many of the initiatives supported by the sales tax implemented in 2012, such as increasing the number of filled police positions, increased funding for building maintenance, expanded park maintenance, Zoo deferred maintenance, annual fleet replacement, information technology staffing and maintenance, and new transit routes have been implemented and maintained. The 2021 Budget continues the commitment to Little Rock residents to fill vacant public safety positions and to support the initiatives outlined in the sales tax proposal.

Short-term financing notes are authorized under Amendment No. 78 to the Arkansas Constitution to acquire, construct, and install real and tangible personal property having an expected useful life of more than one (1)-year. The notes are repaid from general revenues over a period of five (5) years. Principal and interest payments are included in the General Fund Budget for notes issued from 2016 to 2020. The 2021 Budget reflects a net decrease in debt service of \$1,246,889 associated with the 2020 retirement of the 2015, \$5.9 million note issued to advance initiatives included in the 3/8-Cent Sales Tax program. 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. 2021 funding for the detention center increased \$74,393 (3%). The City and County entered into a new memorandum of agreement for 2021. In addition, an extra allocation is available from a \$20 local jail fine to contribute toward operations for expanded Pulaski County Jail space. Combined, the funding for the jail is budgeted at approximately \$2.55 million. Other outside agency funding increases include approximately \$100,000 for the Arkansas Museum of Fine Arts to a total of \$800,000, funding operations and maintenance. 2021 funding for Rock Region Metro decreased \$341,616 to a total of \$9.85 million, of which \$2 million is allocated to the Street Fund.

A Homeless Services Task Force was established in 2006 to address chronic homelessness within our community. The City has partnered with North Little Rock to fund the Jericho Way Day Resource Center. The services provided to homeless individuals and families are focused on finding housing, job referral and case management services, and medical, dental, and psychiatric assistance. In addition, both municipalities are working with the various support groups in Central Arkansas as part of the on-going process to address the needs of homeless individuals and families.

The City is appropriating approximately \$3.37 million for Children, Youth and Family Programs, including youth employment, skills center funding, and re-entry programming in 2021 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 2021 Budget includes a contingency allocation of \$1 million or approximately 0.5% of General Fund revenues. The City of Little Rock's Management Team is committed to managing the City in a sound and fiscally prudent manner while striving to deliver the quality and level of service that Little Rock residents expect with available resources.

Major Initiatives: Commercial property construction continues to show strong growth. Little Rock is experiencing growth in all sectors of the city.

On April 1, 2020, Amazon signed a 10-year lease to open an 85,000 square-foot delivery station in a warehouse off Interstate 30 on the edge of Southwest Little Rock. In addition, Amazon is building a distribution center on an 83-acre site at the Port of Little Rock. The five-story building will total 3.4 million square feet with a price tag estimated between \$255 and \$340 million, according to a report by the Arkansas Democrat-Gazette on July 10, 2020. Amazon announced that it would hire 1,000 employees.

In April 2020, Costco Wholesale announced plans for a 32-acre development at the southwest corner of Chenal Parkway and Kirk Road in west Little Rock for a 165,093 square foot retail warehouse. Costco Wholesale is a membership-only retail/wholesale business selling high-end, quality national brands and private label merchandise for commercial and personal use. Plans include an attached liquor store, an area set aside for optical examinations, a tire center, and a free-standing gas station. Construction is currently underway with plans to open its doors on July 21, 2021.

In May 2020, the Little Rock Regional Chamber of Commerce announced that Arcturus Aerospace, an aerospace manufacturer located in California, will relocate its operations to Little Rock. Arcturus Aerospace is an AS9100D certified operation that provides CNC machined parts to aircraft manufacturers. Arcturus Aerospace joins a growing aviation and aerospace sector in Metro Little Rock, Chamber officials said. Employment of aviation and aerospace-related jobs in the region is 33% above the national average. In addition, aerospace is Arkansas' number one export, accounting for more than \$1 billion in annual exports.

In 2020, the Bill and Hillary Clinton National Airport began construction on a new \$6.9 million gate as part of the Dassault Falcon expansion. The project is part of a multi-year effort to increase the airport's surface system to handle the higher weights of bigger business jets.

The Little Rock Convention and Visitors Bureau (LRCVB) continues to showcase the City to visitors from all over the world. Like many destinations throughout the nation, the City of Little Rock has been hit hard by COVID-19, resulting in 297 group cancellations in 2020. But, in April 2021, the LRCVB reported that group business is slowly returning to the city. In the first quarter of 2021, the Statehouse Convention Center, Robinson Center, and the city's River Market, all LRCVB managed properties, welcomed a combined total of 17,548 patrons over 77 event days.

The City will continue to identify economic development opportunities that result in the expansion, retention, or start-up of businesses that create jobs and generate sales tax, property tax, or other forms of revenue for the City. The revenue anticipated from the 3/8-Cent Sales Tax for capital projects is dedicated to jobs and economic development through 2021. The funds are being utilized for port expansion, development of a research park, and job recruitment and economic development infrastructure. Job recruitment and economic infrastructure commitments include awards to Welspun Tubular, LLC, Martial Arts Services, Inc., FedEx, CZ-USA, the Little Rock Technology Park, and land acquisition at the Little Rock Port Authority.

The City's long-term outlook remains bright; most indicators continue showing competitive advantages in the local metropolitan area. Gains in areas with future potential have balanced job losses in some sectors. 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.

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, 2019. The City of Little Rock has received a Certificate of Achievement for thirty-eight (38) years total. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both GAAP and applicable legal requirements.

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

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

Respectfully submitted,


Frank Scott, Jr.
Mayor


Sara Lenehan, CPA
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Little Rock
Arkansas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

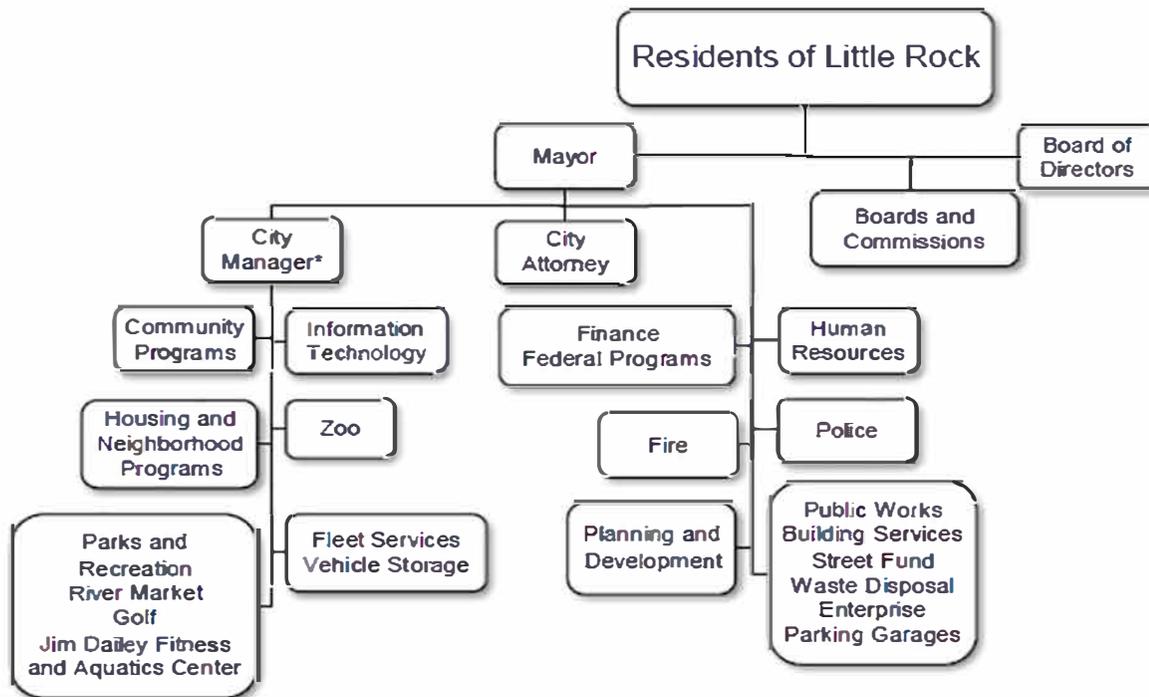
December 31, 2019

Christopher P. Morill

Executive Director/CEO



City of Little Rock



***City Manager**

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

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

Elected Officials:

Frank Scott, Jr.	Mayor
Lance Hines	Vice-Mayor, Director – Ward 5
Erma Hendrix	Director – Ward 1
Ken Richardson	Director – Ward 2
Kathy Webb	Director – Ward 3
Capi Peck	Director – Ward 4
Doris Wright	Director – Ward 6
B.J. Wyrick	Director – Ward 7
Dean Kumpuris	Director – Position 8
Antwan Phillips	Director – Position 9
Joan Adcock	Director – Position 10
Melanie Martin	District Court First Division Judge
Victor Fleming	District Court Second Division Judge
Mark Leverett	District Court Third Division Judge

Appointed Officials:

Bruce T. Moore	City Manager
Tom Carpenter	City Attorney

FINANCIAL SECTION



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Central Arkansas Transit Authority, Museum of Discovery, Arkansas Arts Center, Little Rock Advertising and Promotion Commission, and the Little Rock Ambulance Authority, which represent 22 percent, 25 percent and 42 percent, respectively, of the assets and deferred outflow of resources, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Museum of Discovery and The Arkansas Arts Center Foundation (component unit of Arkansas Arts Center), component units included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the 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, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and pension and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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 the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Other 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, introductory and statistical sections, 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 Federal Awards*, and the schedule of expenditures of state awards as listed in the table of contents, are presented for purposes of additional analysis and are not required part of the basic financial statements.

The combining and individual fund statements, and the schedule of expenditures of federal awards (supplementary information) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections, and the schedule of expenditures of state awards have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2021, 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 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.

BKD, LLP

Dallas, Texas
June 29, 2021

City of Little Rock, Arkansas
Management's Discussion and Analysis
December 31, 2020
(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, 2020. Readers should consider the information presented here in conjunction with our letter of transmittal at the front of this report and the City's financial statements that follow this section.

Financial Highlights

- The City continued to complete projects and initiatives supported by the additional one-cent local sales tax approved by the citizens of Little Rock that became effective on January 1, 2012. The tax supplements the 1/2-cent sales tax that has been in place since 1994. The additional one-cent tax includes a 5/8-cent ongoing tax for operations and a 3/8-cent ten (10) year limited tax to fund specified capital projects. The 3/8-cent portion of the tax expires on December 31, 2021.
- Total assets and deferred outflows of the City exceeded total liabilities and deferred inflows at the close of 2020 by \$508,651,757. Of this amount, \$557,003,678 reflects the net investment in capital assets; \$124,991,058 is restricted for debt service, streets and drainage, grant funds, capital projects, 911 funds, and other special projects; \$250,000 is restricted nonexpendable; and \$(173,592,979) is considered unrestricted.
- The City's 2020 total net position decreased by \$9,141,788. Net position of the governmental activities decreased \$10,635,013 and business-type activities increased \$1,493,225. The unrestricted net position of the City's governmental activities decreased \$8,920,280 to \$(176,731,943). The unrestricted net position of the City's business-type activities decreased \$5,748,626 to \$3,138,964.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$165,900,300. The combined governmental funds balances decreased \$27,370,322 from the prior year. The primary components of this change were the net decreases in capital project funds of \$36,442,274 and special revenue funds of \$261,243, partially offset by the net increases in general fund balances of \$8,878,806 and debt service funds of \$454,389. The components of these changes will be discussed in detail in the Financial Analysis of the Government's Funds below. \$30,520,217 of the \$165,900,300 combined ending fund balances is considered unassigned at December 31, 2020, and \$116,876,459 is reported as restricted for capital improvements, debt service, streets and drainage infrastructure, grants, emergency 911, and special projects. In addition, \$2,729,899 of the governmental fund balances is nonspendable, primarily representing inventories and prepaid expenditures. The committed and assigned portions of the fund balances were \$41,997 and \$15,731,728, respectively.
- The general fund reported fund balances of \$48,058,784 at the end of the current year. Unassigned general fund balance was \$30,520,217, or 15% of total general fund expenditures (including transfers out). General fund balances increased \$8,878,806 for the year ended December 31, 2020.

- During the current year, the City's total debt decreased by \$25,738,164 (16% below 2019). The key factors in this decrease were the principal payments of \$18,230,000 for general obligation bonds, \$2,300,000 for revenue bonds, \$5,210,124 for temporary notes, and \$563,569 for capital leases, partially offset by the addition of a capital lease for vehicles in the amount of \$1,309,434.
- At the close of the current year, net position of fiduciary funds was \$126,263,567 held in trust for pension and other postemployment benefits. Total fiduciary net position held in trust increased \$11,355,215 for the year ended December 31, 2020. The increase in net position is attributed to a net increase in investment income and the net change in the fair value of investments of \$9,878,300, plus contributions to the funds in the amount of \$9,986,330, partially offset by the payment of benefits to participants of \$7,625,481, and other participant transfers and administrative expenses of \$883,934. 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 \$39,676,301 to \$239,492,892 for Governmental Activities and \$175,264 for Business-Type Activities. The net pension liability of \$239,668,156 and the related net deferred outflows and inflows of resources of \$33,070,513 are discussed in detail in *Note 7* on Pages 63-90 of this report. Pension expense increased \$8,999,493 to \$50,002,793, with \$49,750,688 associated with Governmental Activities and \$252,105 associated with Business-Type Activities.
- The City's net postemployment benefits other than pensions (OPEB) liability of \$14,379,270 and related deferred outflows and inflows of resources of \$2,183,989 are discussed in detail in *Note 8* on Pages 90-95 of this report. OPEB expense of \$2,345,022 is associated with Governmental Activities.
- At December 31, 2020 the City's discretely presented component units reported net position of \$1,054,144,796, an increase of \$41,876,785.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges

(business-type activities). The governmental activities of the City include general government, public safety, and development. The business-type activities of the City include a solid waste system, vehicle storage, and parking garage operations.

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

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

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

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

Fund Financial Statements. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of 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 (20) individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, the sales tax capital improvement fund, the 2013 capital improvement fund (debt service), and the Street Fund. Data from the other sixteen (16) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 164,233,738	\$ 154,423,316	\$ 13,866,923	\$ 18,227,794	\$ 178,100,661	\$ 172,651,110
Noncurrent and other assets	96,551,771	130,021,618	1,647,665	1,362,804	98,199,436	131,384,422
Capital assets	632,436,875	624,015,530	29,581,861	23,515,973	662,018,736	647,531,503
Total assets	893,222,384	908,460,464	45,096,449	43,106,571	938,318,833	951,567,035
Deferred outflows of resources	70,028,100	99,862,032	120,325	81,001	70,148,425	99,943,033
Current liabilities	59,785,727	59,785,114	2,702,337	2,719,205	62,488,064	62,504,319
Long-term liabilities outstanding	391,249,547	454,045,412	13,208,748	12,734,956	404,458,295	466,780,368
Total liabilities	451,035,274	513,830,526	15,911,085	15,454,161	466,946,359	529,284,687
Deferred inflows of resources	32,552,244	4,193,991	316,898	237,845	32,869,142	4,431,836
Net investment in capital assets	533,696,516	543,911,661	23,307,162	16,395,172	557,003,678	560,306,833
Restricted - expendable	122,448,393	113,947,981	2,542,665	2,212,804	124,991,058	116,160,785
Restricted - unexpendable	250,000	250,000	-	-	250,000	250,000
Unrestricted	(176,731,943)	(167,811,663)	3,138,964	8,887,590	(173,592,979)	(158,924,073)
Total net position	\$ 479,662,966	\$ 490,297,979	\$ 28,988,791	\$ 27,495,566	\$ 508,651,757	\$ 517,793,545

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 \$508,651,757 at the close of the most recent fiscal year.

The largest portion of the City's net position, 109.5%, reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources since capital assets themselves cannot be utilized to liquidate these liabilities. An additional portion of the City's net position, 24.6%, represents resources subject to restrictions on how they may be used. The remaining unrestricted net position of \$(173,592,979) represents (34.1)% of the City's net position.

The following table summarizes the City's operations for the fiscal year ended December 31, 2020, with comparative totals for the fiscal year ended December 31, 2019.

Revenues	Changes in Net Position				Total	
	Governmental Activities		Business-type Activities		2020	2019
	2020	2019	2020	2019	2020	2019
<i>Program revenues:</i>						
Charges for services	\$ 29,666,841	\$ 32,778,620	\$ 27,895,077	\$ 23,989,049	\$ 57,561,918	\$ 56,767,669
Operating grants and contributions	40,578,867	32,172,071	-	-	40,578,867	32,172,071
Capital grants and contributions	5,602,611	9,722,917	-	-	5,602,611	9,722,917
<i>General revenues:</i>						
Property taxes	61,054,723	60,412,042	-	-	61,054,723	60,412,042
Sales taxes	130,975,321	132,033,373	-	-	130,975,321	132,033,373
Utility franchise taxes	29,714,100	31,182,685	-	-	29,714,100	31,182,685
Investment earnings (loss)	1,691,383	4,416,791	134,710	441,870	1,826,093	4,858,661
Other	-	-	-	-	-	-
Total revenues	<u>299,283,846</u>	<u>302,718,499</u>	<u>28,029,787</u>	<u>24,430,919</u>	<u>327,313,633</u>	<u>327,149,418</u>
Expenses						
General government	52,235,183	51,825,519	-	-	52,235,183	51,825,519
Public Works	38,618,295	38,667,619	-	-	38,618,295	38,667,619
Parks and recreation	41,645,355	17,962,635	-	-	41,645,355	17,962,635
River Market	887,997	1,404,893	-	-	887,997	1,404,893
Golf	1,912,674	2,439,255	-	-	1,912,674	2,439,255
Jim Dailey Fitness	764,511	953,498	-	-	764,511	953,498
Zoo	6,439,107	7,153,851	-	-	6,439,107	7,153,851
Public safety	156,295,359	150,880,442	-	-	156,295,359	150,880,442
Economic development	205,360	200,000	-	-	205,360	200,000
Education	27,000	763,492	-	-	27,000	763,492
Housing and neighborhood programs	8,089,873	9,373,900	-	-	8,089,873	9,373,900
Interest and fiscal charges on long-term debt	4,626,302	4,125,269	-	-	4,626,302	4,125,269
Waste disposal	-	-	21,657,734	19,132,052	21,657,734	19,132,052
Parking system	-	-	1,521,759	2,146,710	1,521,759	2,146,710
Fleet	81,144	63,480	-	-	81,144	63,480
Vehicle storage	-	-	1,447,768	1,589,571	1,447,768	1,589,571
Total expenses	<u>311,828,160</u>	<u>285,813,853</u>	<u>24,627,261</u>	<u>22,868,333</u>	<u>336,455,421</u>	<u>308,682,186</u>
Change in net position before transfers	(12,544,314)	16,904,646	3,402,526	1,562,586	(9,141,788)	18,467,232
Transfers	1,909,301	1,784,335	(1,909,301)	(1,784,335)	-	-
Change in net position	(10,635,013)	18,688,981	1,493,225	(221,749)	(9,141,788)	18,467,232
Net Position, Beginning of Year	490,297,979	471,608,998	27,495,566	27,717,315	517,793,545	499,326,313
Net position, End of Year	<u>\$ 479,662,966</u>	<u>\$ 490,297,979</u>	<u>\$ 28,988,791</u>	<u>\$ 27,495,566</u>	<u>\$ 508,651,757</u>	<u>\$ 517,793,545</u>

Governmental Activities. Governmental activities decreased the City's net position in the current year by \$10,635,013. The increase in current assets of \$9,810,422, an increase in net capital assets of \$8,421,345, and a decrease in noncurrent liabilities of \$20,042,180, excluding the net pension and the net OPEB liabilities, increased net position by \$38.3 million. A decrease in the net pension liability of \$39,520,113 net of an increase in related deferred inflows of \$23,676,319 and a decrease in deferred outflows of resources of \$30,738,954, resulted in a net decrease to net position of \$14,895,160 associated with pensions. A decrease in the net OPEB liability of \$3,233,572 and an increase in related deferred outflows of \$1,178,671, net of a decrease in deferred inflows of resources of \$4,681,934, resulted in a net decrease to net position of \$269,691 associated with OPEB. A decrease in noncurrent assets of \$33,469,847, amortization of the deferred loss on refunding of \$273,649, and the increase in current liabilities of \$613 decreased net position by an additional \$33.7 million.

Property tax represents 20.4% of the City's 2020 revenue from governmental activities, excluding transfers in. Property tax revenues increased 1.1% from 2019. Sales tax represents 43.8% of the City's 2020 governmental revenue and declined 0.8% in comparison to 2019 revenues. The decline is primarily attributed to hotel gross receipts tax which decreased 48.1%, or 1.0% of total sales tax revenue, due to the impact of the Coronavirus on the hospitality industry. Charges for services, representing 9.9% of governmental revenues, declined 9.5% due primarily to the impact of the Coronavirus on the Zoo, park related activities, fines and fees, and licenses and permits. Operating grants and contributions, including intergovernmental turnback revenues, representing 13.6% of revenue from governmental activities in 2020, increased 26.1% from 2019. The increase is primarily attributed to Federal Emergency Management (FEMA) responses to flooding and to the Coronavirus pandemic, and to the State's allocation of funding from the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act for the City's Fire Department emergency medical technicians response to the pandemic health crisis. Capital grants and contributions, representing 1.9% of governmental revenues, decreased approximately 42.4%, driven primarily by a decrease in Federal Department of Transportation (DOT) grants. 2019 DOT capital grant revenues included over \$3 million for the Geyer Springs bridge project.

Excluding transfers in, current year expenses were 104.2% of current year revenues.

Business-type Activities. Business-type activities increased the City's net position by \$1,493,225. Key elements of this increase are as follows:

- Operating income increased net position by \$2,839,687. Net nonoperating revenues, including the net gain on disposal of capital assets, other income, and investment income, partially offset by interest expense, increased net position by \$562,839. Net transfers decreased net position by \$1,909,301.
- Waste Disposal net position increased by \$82,140. Net income, before net contributions and transfers out of \$1,903,058, was \$1,985,198, which was generated primarily by waste disposal and landfill services.
- River Market Garage operating income of \$1,329,677 was offset by net nonoperating expense of \$319,797. The primary component of net nonoperating expense was interest.
- Other nonmajor enterprise funds operating income increased net position by \$404,808.

Waste Disposal activities contribute 83.9% of the operating revenue to the business-type activities. Current year operating expenses, including transfers out, for business-type activities were 96.6% 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, 2020, the City's governmental funds reported combined ending fund balances of \$165,900,300, a decrease of \$27,370,322 compared to the prior year. A total of \$116,876,459 is reported as *restricted fund balance* for capital projects or debt service. In addition, \$2,729,899 of the governmental fund balances is *nonspendable*, representing primarily inventories and prepaid expenditures. The *committed* and *assigned* portions of the fund balances were \$41,997 and \$15,731,728,

respectively. Approximately \$30,520,217 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, 2020, unassigned fund balance of the general fund was \$30,520,217, while the total fund balance was \$48,058,784. 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 15.4% of total General Fund expenditures (including transfers out), while total fund balance represents 24.3% of that same amount.

The special revenue funds had total fund balances of \$30,180,710. There was a net decrease in fund balances of \$261,243 in 2020. 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. The decrease in street fund balance in 2020 is primarily due to a cost sharing project with University of Arkansas Medical Sciences (UAMS) to reconstruct Pine and Cedar Streets. Fund balance is restricted for future street and drainage projects. Emergency 911 funds are supported by a statewide public safety fee assessed on wireline and wireless phones to fund all PSAPS within the state. Funding is divided between E-911 centers based on the population each serves. The increase in fund balance is associated with a rate change implemented by the state legislature that took effect in October 2019 to better support emergency communications. The grant fund, Community Development Fund (CDBG), Neighborhood Housing Special Project Fund (NHSP), and Home Investment Partnership Fund (HIPP) account for grant funds received for specific programs. The monies are expended in accordance with each grant program. The increase in the HIPP fund is primarily attributed to program income. Net changes and ending fund balances by fund are:

Special Revenue Funds	Net Change	Ending Balance
Street	\$ (2,657,784)	\$ 20,672,780
Special Projects	209,010	4,061,274
Emergency 911	2,069,409	3,076,940
Grant Fund	(83,391)	16,142
CDBG	(32,388)	856,884
NHSP	84	17,170
HIPP	233,817	1,479,520

The debt service funds had total fund balances of \$24,447,468. The net increase in fund balances during 2020 was \$454,389. Revenues for debt service funds come from property tax, franchise fees, or sales tax set at the level necessary to meet debt service requirements. The debt service of the 2013 Capital Improvement Bonds (major fund), the 2015 Central Arkansas Library Bonds, and the 2017 Central Arkansas Library Bonds is supported by dedicated property tax levies. The increase in fund balances for these funds is attributed to a slight increase in collections based on assessed value in 2019 for collection in 2020. The TIF #1 debt service funds are generated by increased assessed values attributed to growth in the redevelopment district. The 2017 Capital Improvement debt service is funded with dedicated franchise fees. The change is based on the level required to meet current debt service requirements. The 2018 Hotel Gross Receipts Bonds debt service is funded by a 2% hotel gross receipts tax levy. The decline is due to a decrease in tax revenues attributed to the impact of the Coronavirus pandemic, net of additional funding provided by the City to ensure debt service obligations in December 2020 were fully funded. Net changes and ending fund balances by fund are:

Debt Service Funds	Net Change	Ending Balance
2013 Capital Improvements	\$ 390,034	\$ 14,469,750
2015 Central Arkansas Library	85,736	4,210,609
TIF #1 2014 Capital Improvement	167,879	881,442
2017 Central Arkansas Library	75,047	4,511,146
2017 Capital Improvement	(1,575)	19,334
2018 Hotel Gross Receipts	(262,732)	355,187

The capital project funds had total fund balances of \$63,213,338 at December 31, 2020. Fund balances decreased by a net of \$36,442,274 during the year. The increase in the Sales Tax Capital Improvement fund (major fund) reflects sales tax receipts from the dedicated 3/8-cent sales tax and investment income totaling \$20,464,593, net of capital outlay of \$7,337,287, contracted expenditures of \$5,072,088 associated primarily with economic development projects and port expansion, and transfers out of \$1,843,320, representing the principal portion of debt service associated with short-term financing utilized to advance projects. The decreases in the Capital Improvement Fund, 2018 Hotel Gross Receipts Tax Bond Fund, and 2015 Central Arkansas Library Capital Improvement Fund, are associated with the expenditure of bond proceeds for capital projects and major maintenance for streets and drainage, construction and capital improvements of the Arkansas Museum of Fine Arts, and Library capital improvements, respectively. The decrease in the Short-Term Financing fund reflects capital outlay of \$2,271,295, partially offset by funding from a capital lease for vehicles in the amount of \$1,309,434 and investment income. The net changes and ending fund balances for the capital project funds are:

Capital Improvement Funds	Net Change	Ending Balance
Sales Tax Capital Improvements	\$ 6,211,898	\$ 36,406,779
Capital Improvements	(12,672,735)	23,819,367
2018 Hotel Gross Receipts Tax Bonds	(28,986,959)	9,577
Short-Term Financing	(932,265)	2,352,912
2015 Central Arkansas Library Capital Improvement	(23,746)	404,486
Port TIF	(38,467)	220,217

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 \$24,814,406, \$3,930,478, and \$243,907, for Waste Disposal, River Market Garage, and Vehicle Storage operations, respectively. Net position increased in the Waste Disposal Fund, River Market Garage Fund, and Vehicle Storage Fund by \$82,140, \$1,009,880, and \$401,205, 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 \$212,125,253. The final amended budget included reductions in revenues, including transfers in, of \$7,586,000 and reductions in total appropriations of \$7,586,000, resulting in a balanced budget of \$204,539,253. During the year, there were three (3) budget amendments primarily associated with the evolving Coronavirus pandemic. The first budget amendment was adopted on April 1, 2020, at the onset of the pandemic to reduce expenditures by approximately \$5 million in anticipation of revenue losses associated with the closures, travel restrictions, and social distancing requirements implemented to slow the spread of the virus. The second amendment was adopted on November 2, 2020, to reduce the revenue budget by approximately \$8.1 million, to reflect the ongoing impact of the pandemic. Appropriations were increased by approximately \$3.1 million to reflect expenditures incurred and anticipated for measures

implemented to provide services and assistance to residents and local businesses in response to the Coronavirus. On December 15, 2020, the third amendment was adopted to recognize changes in revenues and to provide a \$500 lump sum payment to all essential full-time personnel, partially offset by fuel cost savings. In addition, the amendment set aside savings associated with a health insurance premium holiday in December to offset anticipated health insurance cost increases in 2021. The amendments also included the allocation of savings from authorized but vacant positions to departments and reallocated the budget for vacation and sick leave payouts for employees separating from service from general administration to departments as expenses were incurred.

Budget adjustments and actual results are shown as follows:

	General Fund Budget – Revenue					Explanation
	Original Budget	Adjustments	Amended Budget	Actual	Variance	
Property Taxes	\$ 31,189,332	\$ (325,950)	\$ 30,863,382	\$ 30,296,224	\$ (567,158)	The original budget for property tax revenues included a growth estimate of 4%. The budget amendment included a reduction of approximately 1% due to the impact of COVID-19 on collections. Actual results were below budget due to the timing of receipt of 2020 excess commissions, which will be recognized in 2021.
Sales Taxes	108,439,925	(373,080)	108,066,845	109,439,853	1,373,008	The budget amendment included a COVID-19 reduction, net of strong results in the first quarter. Actual results exceeded expectations, primarily due to collection of tax on internet sales and strong growth in categories associated with building and construction. Economic development projects at the port and throughout the City combined with internet sales offset losses in categories such as restaurants and traveler accommodation, which were hardest hit by the measures in place to mitigate the spread of the Coronavirus.
Licenses & Permits	12,474,600	(1,269,700)	11,204,900	11,246,926	42,026	The original budget assumed revenues consistent with the prior year. The budget amendment reduced supplemental mixed drink licenses associated with restaurants and bars, due to temporary closures in response to the Coronavirus pandemic. Actual results were consistent with the amended budget.
Intergovernmental	10,561,800	476,977	11,038,777	11,038,777	-	Insurance pension turnback revenues are received annually in July from the State of Arkansas. The budget amendment reflects an increase in the turnback revenue, which is intended to offset approximately 40% of pension cost for Police and Fire uniform personnel.
Charges for Services	11,405,605	(3,733,865)	7,671,740	7,775,487	103,747	The budget amendment reflects the impact of the Coronavirus pandemic on the Zoo, parks, fitness center, and River Market revenues due to closures and capacity restrictions. Actual results were consistent with the amended budget.
Fines & Fees	2,339,900	(961,753)	1,378,147	1,460,543	82,396	The budget amendment reflects the suspension of court activities beginning in mid-March due to the Coronavirus pandemic. A reduction in tickets issued due to limited traffic and suspension of court activities significantly reduced fines and fees revenues. A virtual court cyber docket was introduced later in the year. Actual revenues were stronger than anticipated due to the virtual court docket.

	General Fund Budget – Revenue					Explanation
	Original Budget	Adjustments	Amended Budget	Actual	Variance	
Utility Franchise Fees	29,996,250	(1,490,500)	28,505,750	28,209,350	(296,400)	The original budget was based on forecasts received directly from the utility service providers. The budget amendment includes a decrease in Entergy franchise fees of approximately \$1.2 million, primarily associated with a change in an energy cost recovery rider and milder weather than anticipated. In addition, the amendments include reductions associated with an anticipated decline in usage and collections due to the impact of the Coronavirus. Actual results were lower than anticipated primarily due to reductions in natural gas usage and collections.
Interest Earnings	350,000	(61,500)	288,500	256,758	(31,742)	The budget amendment reflects the impact of reduced revenue and lower cash and investment balances.
Contributions	317,408	-	317,408	365,993	48,585	The budget reflects contributions from the Little Rock Convention and Visitor's Bureau for operation of the River Market. The actual variance is due to additional contributions and bequests received for the Zoo.
Miscellaneous	814,599	153,371	967,970	1,704,184	736,214	The budget amendment includes an adjustment for insurance reimbursements. The Actual variance includes \$154,300 from North Little Rock to partner with the City to assist the homeless population, a \$337,000 reimbursement from the State for the impact of highway 10 construction on Fire Station 16's access and parking, approximately \$138,000 in Housing and Neighborhood Programs reimbursements, and seized funds, none of which were included in the budget.
Transfers In	4,235,834	-	4,235,834	4,724,499	488,665	Actual results include transfers to special projects from other funds, including support for Environmental Youth and litter collection programs funded by Waste Disposal. In addition, the variance includes 2020 health insurance premium holiday savings from other funds to be utilized in the 2021 budget to offset the increased cost of health insurance. The special project transfers in were not included in the budget.
Total General Fund Revenue	\$ 212,125,253	\$ (7,586,000)	\$ 204,539,253	\$ 206,518,594	\$ 1,979,341	

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

	General Fund Budget – Expenditures					Explanation
	Original Budget	Adjustments	Final Budget	Actual	Variance Fav. (Unfav.)	
General Administration	\$ 22,580,232	\$ (1,480,498)	\$ 21,099,734	\$ 24,271,819	\$ (3,172,085)	The budget amendment is primarily associated with the allocation of vacation and sick leave payouts to other departments for separating employees. The expenditures are originally budgeted in General Administration and allocated to departments as incurred. The actual variance includes special project expenditures of \$3.2 million that were included in the transfers out budget. The special project expenditures include Coronavirus response not funded with grants, funding for homelessness outreach, grant match, the 2020 Census, and other smaller projects.
Board of Directors	338,411	45	338,456	317,253	21,203	Immaterial

	General Fund Budget – Expenditures					Explanation
	Original Budget	Adjustments	Final Budget	Actual	Variance Fav. (Unfav.)	
Community Programs	462,179	(22,906)	439,273	1,709,191	(1,269,918)	The budget amendment is due to the allocation of vacancy savings. The actual variance is attributed to special project expenditures for Children Youth and Family and Prevention, Intervention, and Treatment programs, which are budgeted as transfers out. Actual special project expenditures were \$1,279,005.
City Attorney	1,585,138	(32,307)	1,552,831	1,598,481	(45,650)	The budget amendment reflects savings from vacant positions (\$49,205), net of an allocation for vacation/sick payouts for retiring employees (\$16,412), and a net adjustment for lump sum payments to essential personnel, offset by savings from a health insurance premium holiday in December. The actual variance is primarily due to special project expenditures for resolution of a civil suit.
District court – first division (criminal)	1,348,842	(28,326)	1,320,516	1,196,683	123,833	The budget amendment reflects savings from vacant positions (\$25,186), and a reduction to part-time personnel for a 120-day period due to the Coronavirus. The favorable actual variance is due to expenditure savings that occurred due to the closure of the courts in response to the Coronavirus.
District court – second division (traffic)	1,246,377	(19,160)	1,227,217	1,198,654	28,563	The budget amendment reflects savings from vacant positions (\$27,468), net of an adjustment for lump sum payments to essential personnel, offset by savings from a health insurance premium holiday in December. The actual variance is additional personnel cost savings.
District court – third division (environmental)	537,099	(22,726)	514,373	488,399	25,974	The budget amendment reflects savings from vacant positions (\$14,595), and a reduction to part-time personnel for a 120-day period due to the Coronavirus. The favorable actual variance is due to expenditure savings that occurred due to the closure of the courts in response to the Coronavirus.
Finance	3,588,285	(261,112)	3,327,173	3,277,836	49,337	The budget amendment primarily reflects savings from vacant positions (\$294,926), net of an additional allocation for vacation/sick payouts for separating employees (\$31,840). The actual variance is due to additional savings in personnel cost, supplies, and travel and training expenditures.
Human resources	1,860,866	(141,491)	1,719,375	1,797,481	(78,106)	The budget amendment reflects savings from vacant positions (\$124,707), partially offset by an additional allocation for vacation/sick payouts for retiring employees (\$17,447). The amendment also includes a reduction in part-time personnel cost and contracted expenditures for a 120-day period due to the Coronavirus. The actual variance includes special project expenditures for residency incentives and work boots, which are budgeted as transfers out.
Information technology	5,538,495	(263,764)	5,274,731	5,743,536	(468,805)	The budget amendment includes a \$300,000 reclassification to transfers out to fund a special project for IT expenditures that were deferred to 2021, net of an additional allocation for vacation/sick leave payouts for separating employees. The actual variance is due to the expenditure of special project funds set aside in a previous year for IT projects.

General Fund Budget – Expenditures (Continued)						
	Original Budget	Adjustments	Amended Budget	Actual	Variance Fav. (Unfav.)	Explanation
Planning & development	2,601,213	(206,692)	2,394,521	2,337,069	57,452	The budget amendment includes savings from vacant positions (\$331,725), net of an allocation for vacation/sick payouts for retiring employees (\$146,423). The remainder of the amendment is due to the net of a 120-day reduction to part-time personnel associated with the Coronavirus, the health insurance holiday premium savings, and the allocation for a lump sum payment for essential personnel. The actual variance is due to additional savings in supplies and utilities.
Public works	1,074,107	(9,072)	1,065,035	1,548,719	(483,684)	The budget amendment reflects savings from vacant positions (\$3,933), and the health insurance premium holiday. The actual variance is primarily associated with special project expenditures for facility improvements and repairs. The special project expenditures totaled \$518,369 and were budgeted as transfers out.
Parks & recreation	9,994,977	(1,321,969)	8,673,008	8,673,821	(813)	The budget amendment reflects savings from vacant positions (\$994,197), net of an additional allocation for vacation/sick leave payouts for separating employees (\$88,833). In addition, the amendments include a 120-day reduction to part-time personnel of \$360,448 associated with the Coronavirus, health insurance premium holiday savings, and a reduction in fuel cost. The actual variance is immaterial.
Rivermarket	1,356,920	(426,982)	929,938	791,428	138,510	The budget amendment reflects reductions in personnel cost (\$241,632) and other operating expenses (\$185,830) due to its closure in mid-March associated with the Coronavirus pandemic. Actual expenditures were lower than anticipated because the period that business was suspended was longer than anticipated in the amendment.
Golf	1,532,166	146,812	1,678,978	1,661,082	17,896	The budget amendment reflects an additional net operating allocation of \$146,812, including land maintenance associated with flooding. Although operations were temporarily suspended with the onset of the Coronavirus, outdoor activities with social distancing measures resumed sooner than anticipated. Actual expenditures were slightly above budget, offset by golf revenues.
Jim Dailey Fitness & Aquatics	886,292	(114,182)	772,110	646,573	125,537	The budget amendment reflects savings from vacant positions (\$64,814), and a 120-day reduction to part-time personnel of approximately \$50,000 associated with the Coronavirus. Actual expenditures were below budget by \$125,537 because the facility remained closed to the public longer than anticipated.
Zoo	6,638,508	(580,327)	6,058,181	5,766,847	291,334	The budget amendment reflects savings from vacant positions (\$443,318), partially offset by an additional allocation for vacation/sick payouts for retiring employees (\$2,210). The amendments also include a 120-day reduction to part-time personnel (\$114,141) associated with the Coronavirus. In addition, the amendments include health insurance premium holiday savings, net of lump sum payments to essential personnel. The favorable variance at year-end is due primarily to additional savings associated with the temporary closure of Cafe Africa due to the Coronavirus.

General Fund Budget – Expenditures (Continued)

	Original Budget	Adjustments	Amended Budget	Actual	Variance	Explanation
Fire	53,230,908	(7,527,230)	45,703,678	45,323,239	380,439	The budget amendment is primarily due to the reclassification of Fire EMT salaries to the Grant fund for reimbursement from the state allocation of the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act (\$7,666,984.89). The remainder of the budget variance is the net impact of lump sum payments to essential personnel, net of health insurance premium holiday savings. The favorable actual year-end variance is primarily due to savings in fleet repairs and maintenance.
Police	80,209,890	(3,117,824)	77,092,066	77,049,925	42,141	The budget amendment reflects savings from vacant positions (\$2,743,567), fuel cost savings, and the health insurance premium holiday, net of lump sum payments for essential personnel. The actual variance at year-end is immaterial.
Fleet	-	-	-	2,404	(2,404)	Immaterial actual variance.
Housing & neighborhood programs	5,566,012	(919,190)	4,646,822	5,216,228	(569,406)	The budget amendment reflects savings from vacant positions (\$871,039), partially offset by an additional allocation for vacation/sick payouts for retiring employees (\$35,135). In addition, the budget amendments include a 120-day reduction to part-time personnel, the health insurance premium holiday, and fuel cost savings, net of lump sum payments for essential personnel. The actual variance includes special project expenditures of \$648,823 which are budgeted in transfers out. Special Project allocations include funding for various programs, weed lot maintenance, land bank activities, and residential demolition of unsafe structures. In addition, operating expenses were approximately \$80,000 below budget at year-end.
Principal	5,210,168	-	5,210,168	5,210,167	1	Immaterial actual variance.
Interest expense	295,366	-	295,366	271,366	24,000	Immaterial actual variance.
Capital outlay	-	-	-	1,347,587	(1,347,587)	Capital outlay was not budgeted separately. Budget allocations are made by Department.
Transfers Out	9,942,802	3,262,901	13,205,703	194,000	13,011,703	The transfers out budget primarily consists of transfers to special projects as specified by the Board of Directors. The budget amendments included reductions to transfers for programs that were suspended due to the pandemic (\$3,921,121), including the contingency allocation. In the second amendment, an additional project for estimated expenditures associated with the Coronavirus was funded (\$4,506,860). In addition, savings from the health insurance premium holiday was set aside to offset anticipated cost increases in 2021 (\$998,370). Finally, IT, Fire, and Police allocations totaling \$1,550,000 were set aside for projects that were delayed to 2021 due to the pandemic. Special project expenditures are grouped with general fund operating expenditures above for reporting purposes, and the transfers out to special projects are eliminated, creating the variance from budget to actual.
Vacancy Savings	(5,500,000)	5,500,000	-	-	-	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.
Total General Fund Expenditures	<u>\$ 212,125,253</u>	<u>\$ (7,586,000)</u>	<u>\$ 204,539,253</u>	<u>\$ 197,639,788</u>	<u>\$ 6,899,465</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, 2020, amounts to \$662,018,736 (net of accumulated depreciation). The investment in capital assets includes land, buildings, systems, improvements, vehicles and equipment, park facilities, roads, curbs and gutters, streets and sidewalks, and drainage systems. The total increase in the City's net capital assets for 2020 is \$14,487,233, or 2.2% (an increase of 1.3% for governmental activities and an increase of 25.8% for business-type activities). The increase in net capital assets for business-type activities is primarily associated with construction of a new class I cell at the landfill.

City of Little Rock Capital Assets, Net of Accumulated Depreciation						
	Governmental Activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 189,744,232	\$ 189,334,795	\$ 2,637,147	\$ 2,637,147	\$ 192,381,379	\$ 191,971,942
Buildings	76,904,054	76,353,782	12,608,806	13,102,427	89,512,860	89,456,209
Improvements other than buildings	9,325,102	9,435,392	5,964,425	818,456	15,289,527	10,253,848
Vehicles and equipment	17,177,914	18,955,498	8,149,425	5,268,761	25,327,339	24,224,259
Infrastructure	285,587,524	291,633,689	-	-	285,587,524	291,633,689
Construction in progress	53,698,049	38,302,374	222,058	1,689,182	53,920,107	39,991,556
Total	\$ 632,436,875	\$ 624,015,530	\$ 29,581,861	\$ 23,515,973	\$ 662,018,736	\$ 647,531,503

Major capital asset events during 2020 included the following:

- Infrastructure additions were \$9,118,700
- Building additions were \$3,758,737
- Landfill cell and other land improvements additions were \$6,912,289
- Vehicle and equipment additions were \$10,680,266
- Land and Right of Way additions were \$409,437
- Construction in progress additions, net of transfers for assets placed in service, were \$13,928,551
- Depreciation expense totaled \$29,196,833
- Asset retirements, net of accumulated depreciation, were \$1,123,913

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

Long-term Debt. At December 31, 2020, the City's primary government had \$130,627,792 of long-term bonds outstanding, including general obligation bonds of \$65,405,000, notes payable of \$8,614,099, capital leases of \$3,548,693, and \$53,060,000 of bonds, secured solely by specified revenue sources (*i.e.* revenue bonds).

**City of Little Rock
Long-term Debt**

	Governmental Activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 65,405,000	\$ 83,635,000	\$ -	\$ -	\$ 65,405,000	\$ 83,635,000
Revenue bonds	46,770,000	48,220,000	6,290,000	7,140,000	53,060,000	55,360,000
Notes Payable	8,614,099	13,824,223	-	-	8,614,099	13,824,223
Capital lease obligation	3,548,693	2,802,828	-	-	3,548,693	2,802,828
Total	\$ 124,337,792	\$ 148,482,051	\$ 6,290,000	\$ 7,140,000	\$ 130,627,792	\$ 155,622,051

Total long-term bonds and notes payable outstanding at December 31, 2020, decreased \$24,994,259, a decrease of 16.1%. The net decrease includes bonded debt retirements of \$20,530,000, principal payments on short-term financing notes in the amount of \$5,210,124, and principal payments on capital leases of \$563,569. The additions were partially offset by the issuance of a capital lease in the amount of \$1,309,434.

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

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

The City is within all of 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, 2020, of \$114,506,262 net of premiums and discounts are well below the statutory limit of \$950,378,054. In addition, the City is allowed to issue short-term financing (maturities of less than five years) up to 5% of total assessed valuation. Outstanding short-term financing, including capital leases at December 31, 2020, of \$12,162,792 are well below the statutory limit of \$237,594,513. 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 reflects 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. The bond rating remains unchanged at A-.

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

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the 2021 budget, adopted on December 29, 2020. As a result, the 2021 General Fund original adopted budget is \$210,100,969, reflecting a decrease of 0.95% from the original 2020 adopted budget and an increase of 2.72% from the final amended 2020 General Fund budget.

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 2021 budget, the City recognized the need to continue its pattern of cost containment designed to promote long-term fiscal stability.

The Board of Directors recently approved two Ordinances to call a special election on September 14, 2021, on the question of whether to levy a 1% sales and use tax (with a 10 year sunset) within the City of Little Rock and to levy the 1% sales and use tax on January 1, 2022. The City's local sales and use tax rate is currently 1.5%, including a 0.375% limited tax for capital improvements that expires on December 31, 2021. If approved by voters, the local sales and use tax rate will increase by 0.625% to 2.125%, effective January 1, 2022. The tax would fund a variety of capital and operating quality of life initiatives, including projects for parks and recreation, Zoo, golf, fitness, public safety, infrastructure, early childhood education, economic development, information technology, affordable housing, addressing homelessness, neighborhood programs, and general capital improvements.

In addition, on May 17, 2021, the City received the first tranche of American Rescue Plan funding in the amount of \$18,856,700.50. The Mayor and City Manager are considering suggested projects submitted by the Board of Directors, Department Directors, and the Community. They will develop and propose a plan for approval by the Board of Directors in the next few months.

Despite the negative impacts of the Coronavirus pandemic, City officials are encouraged by economic development in all sectors of the City, as discussed in the letter of transmittal in the introductory section of this report on Pages *i-ix*.

Request for Information

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

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Financial Statements

City of Little Rock, Arkansas
Statement of Net Position
December 31, 2020

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and cash equivalents	\$ 16,795,313	\$ 3,770,522	\$ 20,565,835	\$ 166,055,472
Investments	18,094,241	4,835,381	22,929,622	52,509,961
Restricted cash and investments - current	13,804,523	1,050,561	14,855,084	8,046,004
Accounts receivable, net of allowance for uncollectible accounts	112,610,537	3,907,902	116,518,439	68,521,918
Interest Receivable (Current)	-	157	157	11,394
Inventories	1,172,985	-	1,172,985	2,454,931
Prepaid expenses and other	1,756,139	302,400	2,058,539	3,276,369
Total current assets	164,233,738	13,866,923	178,100,661	300,876,049
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	38,592,503	1,251,944	39,844,447	19,232,914
Investments	71,611,147	1,443,004	73,054,151	16,837,584
Grants and other receivables	-	-	-	243,172
Interest receivable	152,644	3,278	155,922	17
Less amount required to meet current obligations	(13,804,523)	(1,050,561)	(14,855,084)	(6,012,516)
Total restricted assets	96,551,771	1,647,665	98,199,436	30,301,171
Capital assets - nondepreciable	243,442,281	2,859,205	246,301,486	273,160,721
Capital assets - depreciable, net	388,994,594	26,722,656	415,717,250	927,387,019
	632,436,875	29,581,861	662,018,736	1,200,547,740
Other assets				
Other	-	-	-	1,129,188
Total other assets	-	-	-	1,129,188
Total noncurrent assets	728,988,646	31,229,526	760,218,172	1,231,978,099
Total assets	893,222,384	45,096,449	938,318,833	1,532,854,148
Deferred Outflows of Resources				
Deferred outflows from pensions	60,736,874	120,325	60,857,199	4,628,246
Deferred outflows from OPEB	7,266,445	-	7,266,445	2,227,895
Loss on refunding	2,024,781	-	2,024,781	8,802,109
Total deferred outflows of resources	70,028,100	120,325	70,148,425	15,658,250
Total assets and deferred outflows of resources	\$ 963,250,484	\$ 45,216,774	\$ 1,008,467,258	\$ 1,548,512,398

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Net Position
December 31, 2020

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities, Deferred Inflows of Resources and Net Position				
Current liabilities				
Accounts payable	\$ 6,631,673	\$ 700,808	\$ 7,332,481	\$ 9,788,294
Accrued wages payable and related liabilities	9,370,419	-	9,370,419	4,944,638
Retainage Payable	622,692	-	622,692	-
Accrued expenses and other	1,721,562	135,010	1,856,572	8,829,108
Accrued interest payable	917,680	155,561	1,073,241	3,671,882
Compensated absences - current portion	10,719,830	480,494	11,200,324	2,476,047
Notes payable - current portion	4,060,750	-	4,060,750	150,000
Capital lease obligation - current portion	616,093	-	616,093	6,100
Bonds payable - current portion	8,210,000	895,000	9,105,000	10,945,000
Other current liabilities	9,108,676	-	9,108,676	-
Unearned revenue	7,806,352	335,464	8,141,816	1,204,766
Total current liabilities	<u>59,785,727</u>	<u>2,702,337</u>	<u>62,488,064</u>	<u>42,015,835</u>
Noncurrent liabilities				
Notes payable	4,553,349	-	4,553,349	850,000
Capital lease obligation	2,932,600	-	2,932,600	-
Bonds payable, net of unamortized premium and discount	106,296,262	5,379,699	111,675,961	421,645,686
Net pension liability	239,492,892	175,264	239,668,156	20,488,894
Net OPEB liability	14,379,270	-	14,379,270	5,329,475
Compensated absences	22,759,674	173,596	22,933,270	541,489
Other long-term liabilities	835,500	7,480,189	8,315,689	460,160
Total noncurrent liabilities	<u>391,249,547</u>	<u>13,208,748</u>	<u>404,458,295</u>	<u>449,315,704</u>
Total liabilities	<u>451,035,274</u>	<u>15,911,085</u>	<u>466,946,359</u>	<u>491,331,539</u>
Deferred Inflows of Resources				
Deferred inflows from pensions	27,469,788	316,898	27,786,686	1,324,282
Deferred inflows from OPEB	5,082,456	-	5,082,456	1,711,781
Total deferred inflows of resources	<u>32,552,244</u>	<u>316,898</u>	<u>32,869,142</u>	<u>3,036,063</u>
Net Position				
Net investment in capital assets	533,696,516	23,307,162	557,003,678	762,704,952
Restricted - expendable				
Debt service	48,334,920	2,542,665	50,877,585	6,100,273
Grant funds (special revenue funds)	2,369,716	-	2,369,716	-
Street funds (special revenue funds)	27,526,531	-	27,526,531	-
Special projects (special revenue funds)	3,811,274	-	3,811,274	-
Capital projects (portion not in net investment in capital assets)	37,329,012	-	37,329,012	15,483,464
911 funds	3,076,940	-	3,076,940	-
Library materials	-	-	-	3,119,517
Art Fund	-	-	-	76,276,857
Cemetery maintenance	-	-	-	2,980,579
Total restricted - expendable	<u>122,448,393</u>	<u>2,542,665</u>	<u>124,991,058</u>	<u>103,960,690</u>
Restricted - nonexpendable	250,000	-	250,000	14,674,059
Unrestricted (deficit)	(176,731,943)	3,138,964	(173,592,979)	172,805,095
Total net position	<u>479,662,966</u>	<u>28,988,791</u>	<u>508,651,757</u>	<u>1,054,144,796</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 963,250,484</u>	<u>\$ 45,216,774</u>	<u>\$ 1,008,467,258</u>	<u>\$ 1,548,512,398</u>

See Notes to Financial Statements

City of Little Rock, Arkansas

Statement of Activities

Year Ended December 31, 2020

Functions/Programs Primary Government	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Governmental Activities								
General administration	\$ 32,251,207	\$ 10,321,953	\$ 7,882,038	\$ 817,724	\$ (13,229,492)	\$ -	\$ (13,229,492)	\$ -
Board of Directors	317,253	-	-	-	(317,253)	-	(317,253)	-
Community programs	1,709,191	34,625	-	-	(1,674,566)	-	(1,674,566)	-
City attorney	1,598,481	6,965	-	-	(1,591,516)	-	(1,591,516)	-
District court - first division (criminal)	1,210,833	6,702	-	-	(1,204,131)	-	(1,204,131)	-
District court - second division (traffic)	1,215,001	42,442	-	-	(1,172,559)	-	(1,172,559)	-
District court - third division (environment)	489,802	163,387	-	-	(326,415)	-	(326,415)	-
Courts	-	747,502	-	-	747,502	-	747,502	-
Finance	3,306,865	324,758	286,148	-	(2,695,959)	-	(2,695,959)	-
Human resources	1,867,961	83,811	23,200	-	(1,760,950)	-	(1,760,950)	-
Information technology	5,797,460	693	-	-	(5,796,767)	-	(5,796,767)	-
Planning and development	2,471,129	2,421,890	4,181	-	(45,058)	-	(45,058)	-
Public works	38,618,295	1,812,185	14,680,237	3,836,652	(18,289,221)	-	(18,289,221)	-
Parks and recreation services	41,645,355	868,641	292,205	374,673	(40,109,836)	-	(40,109,836)	-
Rivermarket	887,997	191,914	321,794	-	(374,289)	-	(374,289)	-
Golf	1,912,674	960,326	-	-	(952,348)	-	(952,348)	-
Jim Dailey Fitness	764,511	135,895	-	-	(628,616)	-	(628,616)	-
Zoo	6,439,107	1,313,288	36,861	344,112	(4,744,846)	-	(4,744,846)	-
Fire	64,046,333	1,826,533	10,647,043	-	(51,572,757)	-	(51,572,757)	-
Police	92,249,026	6,954,354	4,079,042	229,450	(80,986,180)	-	(80,986,180)	-
Fleet	81,144	559,309	-	-	478,165	-	478,165	-
Economic development	205,360	-	-	-	(205,360)	-	(205,360)	-
Education	27,000	-	-	-	(27,000)	-	(27,000)	-
Housing and neighborhood programs	8,089,873	889,668	2,326,118	-	(4,874,087)	-	(4,874,087)	-
Fiscal changes on long term debt	4,626,302	-	-	-	(4,626,302)	-	(4,626,302)	-
Total governmental activities	<u>311,828,160</u>	<u>29,666,841</u>	<u>40,578,867</u>	<u>5,602,611</u>	<u>(235,979,841)</u>	<u>-</u>	<u>(235,979,841)</u>	<u>-</u>
Business-Type Activities								
Waste disposal	21,657,734	23,534,488	-	-	-	1,876,754	1,876,754	-
River Market Garage	1,521,759	2,507,294	-	-	-	985,535	985,535	-
Vehicle storage	1,447,768	1,853,295	-	-	-	405,527	405,527	-
Total business-type activities	<u>24,627,261</u>	<u>27,895,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,267,816</u>	<u>3,267,816</u>	<u>-</u>
Total primary government	<u>\$ 336,455,421</u>	<u>\$ 57,561,918</u>	<u>\$ 40,578,867</u>	<u>\$ 5,602,611</u>	<u>\$ (235,979,841)</u>	<u>\$ 3,267,816</u>	<u>\$ (232,712,025)</u>	<u>\$ -</u>
Total component units	<u>\$ 217,083,547</u>	<u>\$ 127,033,609</u>	<u>\$ 45,709,611</u>	<u>\$ 48,798,644</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,458,317</u>
General revenues								
General property taxes					61,054,723	-	61,054,723	18,557,772
Sales taxes					130,975,321	-	130,975,321	12,922,037
Utility franchise taxes					29,714,100	-	29,714,100	-
Investment income					1,691,383	134,710	1,826,093	25,685
Other					-	-	-	5,912,974
Transfers					1,909,301	(1,909,301)	-	-
Total general revenues and transfers					<u>225,344,828</u>	<u>(1,774,591)</u>	<u>223,570,237</u>	<u>37,418,468</u>
Change in Net Position					(10,635,013)	1,493,225	(9,141,788)	41,876,785
Net Position, Beginning of Year					<u>490,297,979</u>	<u>27,495,566</u>	<u>517,793,545</u>	<u>1,012,268,011</u>
Net Position, End of Year					<u>\$ 479,662,966</u>	<u>\$ 28,988,791</u>	<u>\$ 508,651,757</u>	<u>\$ 1,054,144,796</u>

See Notes to Financial Statements

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City of Little Rock, Arkansas
Balance Sheet
Governmental Funds
December 31, 2020

	General	Sales Tax Capital Improvements	2013 Capital Improvements (Debt Service)	Street	Other Governmental Funds	Total
Assets						
Cash and cash equivalents	\$ 15,239,672	\$ 16,614,818	\$ 63,915	\$ 9,341,235	\$ 7,452,947	\$ 48,712,587
Restricted cash	-	-	-	-	5,154,775	5,154,775
Investments	14,317,685	16,486,137	13,772,773	9,268,441	34,352,170	88,197,206
Accounts receivable	64,917,269	3,716,788	14,943,848	9,786,711	19,239,590	112,604,206
Due from other funds	7,515,801	-	-	-	18,283	7,534,084
Interest receivable	10,171	11,712	45	6,584	123,061	151,573
Inventories	55,962	-	-	-	686,165	742,127
Prepaid expenditures and other	1,708,880	-	-	28,892	-	1,737,772
Total assets	\$ 103,765,440	\$ 36,829,455	\$ 28,780,581	\$ 28,431,863	\$ 67,026,991	\$ 264,834,330
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 3,365,404	\$ 225,880	\$ -	\$ 791,768	\$ 2,209,020	\$ 6,592,072
Due to other funds	-	-	-	-	7,534,084	7,534,084
Accrued wages payable and related liabilities	9,370,419	-	-	-	-	9,370,419
Retainage Payable	-	196,796	-	111,600	314,296	622,692
Accrued expenditures and other	1,369,563	-	-	-	-	1,369,563
Compensated absences - current portion	18,135	-	-	1,964	-	20,099
Unearned revenue	6,864,386	-	-	-	941,966	7,806,352
Total liabilities	20,987,907	422,676	-	905,332	10,999,366	33,315,281
Deferred Inflows of Resources						
Unavailable revenues - property taxes	33,703,744	-	14,310,831	6,853,751	9,735,418	64,603,744
Unavailable revenues - traffic fines	1,015,005	-	-	-	-	1,015,005
Total deferred inflows of resources	34,718,749	-	14,310,831	6,853,751	9,735,418	65,618,749
Fund Balances						
Nonspendable	1,764,842	-	-	28,892	936,165	2,729,899
Restricted	-	36,406,779	14,469,750	20,643,888	45,356,042	116,876,459
Committed	41,997	-	-	-	-	41,997
Assigned	15,731,728	-	-	-	-	15,731,728
Unassigned	30,520,217	-	-	-	-	30,520,217
Total fund balances	48,058,784	36,406,779	14,469,750	20,672,780	46,292,207	165,900,300
Total liabilities, deferred inflows of resources and fund balances	\$ 103,765,440	\$ 36,829,455	\$ 28,780,581	\$ 28,431,863	\$ 67,026,991	\$ 264,834,330

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, 2020

Total fund balance - governmental funds	\$ 165,900,300
Amounts reported for governmentnal activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	629,143,800
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	(112,175,000)
Bond issuance premiums	(2,331,262)
Notes payable	(8,614,099)
Capital lease obligation	(3,548,693)
Accrued interest payable	(917,680)
Net pension liability	(239,376,049)
Deferred inflows and outflows of resources from pensions, OPEB, and deferred loss on refunding, net	37,606,905
Net OPEB liability	(14,379,270)
Workers compensation liability	(835,500)
Accrued compensated absences	(33,053,085)
Property tax pension liability	(9,108,676)
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.	5,732,526
Other long-term assets such as property taxes and traffic fines are not available to pay for current period expenditures and, therefore are reported as unavailable revenue in the funds.	<u>65,618,749</u>
Net position of governmental activities	<u>\$ 479,662,966</u>

City of Little Rock, Arkansas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2020

	General	Sales Tax Capital Improvements	2013 Capital Improvements (Debt Service)	Street	Other Governmental Funds	Total
Revenues						
General property taxes	\$ 30,296,224	\$ -	\$ 13,053,985	\$ 6,262,005	\$ 8,544,905	\$ 58,157,119
Sales taxes	109,439,853	20,155,696	-	-	1,379,772	130,975,321
Licenses and permits	11,246,926	-	-	21,860	98,584	11,367,370
Intergovernmental	11,038,777	-	-	14,614,126	19,306,403	44,959,306
Charges for services	7,775,487	-	-	28,009	3,957,209	11,760,705
Fines and fees	1,460,543	-	-	-	450,398	1,910,941
Utility franchise taxes	28,209,350	-	-	-	1,504,750	29,714,100
Investment income	256,758	308,897	69,437	230,043	803,784	1,668,919
Contributions and donations	365,993	-	-	-	856,179	1,222,172
Miscellaneous	1,704,184	-	-	1,566,580	1,484,124	4,754,888
Total revenues	201,794,095	20,464,593	13,123,422	22,722,623	38,386,108	296,490,841
Expenditures						
General government						
General administration	24,271,819	4,656,473	-	-	1,307,246	30,235,538
Board of Directors	317,253	-	-	-	-	317,253
Community programs	1,709,191	-	-	-	-	1,709,191
City attorney	1,598,481	-	-	-	-	1,598,481
District court - first division (criminal)	1,196,683	-	-	-	654	1,197,337
District court - second division (traffic)	1,198,654	-	-	-	14,816	1,213,470
District court - third division (environment)	488,399	-	-	-	1,403	489,802
Finance	3,277,836	-	-	-	2,500	3,280,336
Human resources	1,797,481	-	-	-	70,204	1,867,685
Information technology	5,743,536	-	-	-	2,416	5,745,952
Planning and development	2,337,069	-	-	-	68,306	2,405,375
Total general government	43,936,402	4,656,473	-	-	1,467,545	50,060,420
Public works	1,548,719	74,023	-	17,591,733	3,111,642	22,326,117
Parks and recreation services	8,673,821	294,276	-	-	30,153,777	39,121,874
Rivermarket	791,428	-	-	-	-	791,428
Golf	1,661,082	-	-	-	-	1,661,082
Jim Dailey Fitness	646,573	-	-	-	-	646,573
Zoo	5,766,847	-	-	-	4,655	5,771,502
Fire	45,323,239	47,316	-	-	8,631,749	54,002,304
Police	77,049,925	-	-	-	3,122,977	80,172,902
Fleet	2,404	-	-	-	78,740	81,144
Economic development	-	-	-	-	205,360	205,360
Education	-	-	-	-	27,000	27,000
Housing and neighborhood programs	5,216,228	-	-	-	2,526,323	7,742,551
Debt service						
Principal	5,210,167	-	11,500,000	-	8,743,570	25,453,737
Fiscal changes on long term debt	271,366	-	1,233,388	-	3,511,029	5,015,783
Capital Outlay	1,347,587	7,337,287	-	7,702,856	18,295,106	34,682,836
Total expenditures	197,445,788	12,409,375	12,733,388	25,294,589	79,879,473	327,762,613
Excess (Deficiency) of Revenues Over Expenditures	4,348,307	8,055,218	390,034	(2,571,966)	(41,493,365)	(31,271,772)
Other Financing Sources (Uses)						
Initiation of capital leases	-	-	-	-	1,309,434	1,309,434
Transfers in	4,724,499	-	-	477,045	-	5,201,544
Transfers out	(194,000)	(1,843,320)	-	(562,863)	(9,345)	(2,609,528)
Total other financing sources (uses)	4,530,499	(1,843,320)	-	(85,818)	1,300,089	3,901,450
Net Change in Fund Balances	8,878,806	6,211,898	390,034	(2,657,784)	(40,193,276)	(27,370,322)
Fund Balances, Beginning of Year	39,179,978	30,194,881	14,079,716	23,330,564	86,485,483	193,270,622
Fund Balances, End of Year	\$ 48,058,784	\$ 36,406,779	\$ 14,469,750	\$ 20,672,780	\$ 46,292,207	\$ 165,900,300

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, 2020

Net change in fund balances - total governmental funds	\$ (27,370,322)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, for government-wide statements, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay purchases above capitalization threshold	34,414,896
Capital asset contributions	288,173
Retirements	(876,951)
Depreciation expense	(25,499,761)
The issue 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 issuance costs, 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:	
Capital lease financing	(1,309,434)
Principal repayments:	
General obligation bonds	18,230,000
Revenue bonds	1,450,000
Notes payable	5,210,124
Amortization of bond premium	747,803
Net deferred offering charges	(273,649)
Capital lease obligation	563,569
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.	2,770,541
Current year changes in accrued interest payable and property tax pension liability do not require the use of current financial resources; therefore, they are not reported as expenditures in the governmental funds.	(389,319)
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.	(3,458,026)
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.	(15,242,488)
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.	109,831
Change in net position of governmental activities	\$ (10,635,013)

City of Little Rock, Arkansas
Statement of Net Position
Proprietary Funds
December 31, 2020

	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	\$ 2,188,811	\$ 1,358,592	\$ 223,119	\$ 3,770,522	\$ 1,520,454
Investments	3,412,767	1,201,769	220,845	4,835,381	1,508,182
Restricted cash and investments - current	311,037	739,524	-	1,050,561	-
Accounts receivable	3,793,328	114,574	-	3,907,902	6,331
Accrued interest	-	-	157	157	1,071
Inventories	-	-	-	-	430,858
Prepaid expenses and other	116,852	185,548	-	302,400	18,367
Total current assets	<u>9,822,795</u>	<u>3,600,007</u>	<u>444,121</u>	<u>13,866,923</u>	<u>3,485,263</u>
Noncurrent assets					
Restricted assets					
Cash and cash equivalents	1,251,944	-	-	1,251,944	-
Investments	-	1,443,004	-	1,443,004	-
Accrued interest	2,424	854	-	3,278	-
Less amount required to meet current obligation	<u>(311,037)</u>	<u>(739,524)</u>	<u>-</u>	<u>(1,050,561)</u>	<u>-</u>
Total restricted assets	<u>943,331</u>	<u>704,334</u>	<u>-</u>	<u>1,647,665</u>	<u>-</u>
Capital assets					
Construction in process	222,058	-	-	222,058	195,977
Land	1,814,495	822,652	-	2,637,147	270,154
Land improvements	4,164,120	-	174,802	4,338,922	-
Landfills, Cells 1, 2 and 4	18,858,581	-	-	18,858,581	-
Buildings and improvements	12,794,250	8,715,040	31,043	21,540,333	3,893,358
Vehicles	19,265,850	-	83,843	19,349,693	1,172,513
Furniture and equipments	3,603,621	244,552	81,765	3,929,938	1,579,153
Less accumulated depreciation	<u>(36,862,804)</u>	<u>(4,107,143)</u>	<u>(324,864)</u>	<u>(41,294,811)</u>	<u>(3,818,080)</u>
Net capital assets	<u>23,860,171</u>	<u>5,675,101</u>	<u>46,589</u>	<u>29,581,861</u>	<u>3,293,075</u>
Total noncurrent assets	<u>24,803,502</u>	<u>6,379,435</u>	<u>46,589</u>	<u>31,229,526</u>	<u>3,293,075</u>
Total assets	<u>34,626,297</u>	<u>9,979,442</u>	<u>490,710</u>	<u>45,096,449</u>	<u>6,778,338</u>
Deferred Outflows of resources					
Deferred outflows from pensions	106,956	-	13,369	120,325	80,216
Total deferred outflows of resources	<u>106,956</u>	<u>-</u>	<u>13,369</u>	<u>120,325</u>	<u>80,216</u>
Total assets and deferred outflows of resources	<u>\$ 34,733,253</u>	<u>\$ 9,979,442</u>	<u>\$ 504,079</u>	<u>\$ 45,216,774</u>	<u>\$ 6,858,554</u>

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Net Position
Proprietary Funds
December 31, 2020

	<u>Business-Type Activities</u>				Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)	Total	
Liabilities, Deferred Inflows of Resources and Net Position					
Current liabilities					
Accounts payable	\$ 676,143	\$ -	\$ 24,665	\$ 700,808	\$ 391,600
Accrued expenses and other	135,010	-	-	135,010	-
Accrued interest	6,037	149,524	-	155,561	-
Compensated absences - current portion	398,951	-	81,543	480,494	322,475
Bonds payable - current portion	305,000	590,000	-	895,000	-
Unearned revenue	-	254,192	81,272	335,464	-
Total current liabilities	<u>1,521,141</u>	<u>993,716</u>	<u>187,480</u>	<u>2,702,337</u>	<u>714,075</u>
Noncurrent liabilities					
Bonds payable, net of unamortized premium and discount	324,451	5,055,248	-	5,379,699	-
Net pension liability	155,790	-	19,474	175,264	116,843
Compensated absences	155,588	-	18,008	173,596	83,845
Other long-term liabilities	7,480,189	-	-	7,480,189	-
Total noncurrent liabilities	<u>8,116,018</u>	<u>5,055,248</u>	<u>37,482</u>	<u>13,208,748</u>	<u>200,688</u>
Total liabilities	<u>9,637,159</u>	<u>6,048,964</u>	<u>224,962</u>	<u>15,911,085</u>	<u>914,763</u>
Deferred Inflows of Resources					
Deferred inflows from pensions	281,688	-	35,210	316,898	211,265
Total deferred inflows of resources	<u>281,688</u>	<u>-</u>	<u>35,210</u>	<u>316,898</u>	<u>211,265</u>
Net Position					
Net investment in capital assets	23,230,720	29,853	46,589	23,307,162	3,282,443
Restricted - expandable					
Debt service	1,248,331	1,294,334	-	2,542,665	-
Unrestricted	335,355	2,606,291	197,318	3,138,964	2,450,083
Total net position	<u>24,814,406</u>	<u>3,930,478</u>	<u>243,907</u>	<u>28,988,791</u>	<u>5,732,526</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 34,733,253</u>	<u>\$ 9,979,442</u>	<u>\$ 504,079</u>	<u>\$ 45,216,774</u>	<u>\$ 6,858,554</u>

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2020

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)	Total	
Operating Revenues					
Charges for services	\$ 22,718,164	\$ 2,176,895	\$ 1,840,106	\$ 26,735,165	\$ 11,846,826
Licenses and permits	-	330,399	12,470	342,869	-
Total operating revenues	<u>22,718,164</u>	<u>2,507,294</u>	<u>1,852,576</u>	<u>27,078,034</u>	<u>11,846,826</u>
Operating Expenses					
Salaries, wages, and employee benefits	7,405,489	-	707,795	8,113,284	3,411,008
Supplies and materials	997,707	-	42,464	1,040,171	3,502,309
Services	6,221,912	158,613	649,574	7,030,099	3,076,825
Repairs and maintenance	3,926,408	-	29,643	3,956,051	774,893
Other	1	771,272	2,362	773,635	(1)
Depreciation and amortization	3,061,445	247,732	15,930	3,325,107	371,965
Total operating expenses	<u>21,612,962</u>	<u>1,177,617</u>	<u>1,447,768</u>	<u>24,238,347</u>	<u>11,136,999</u>
Operating Income	<u>1,105,202</u>	<u>1,329,677</u>	<u>404,808</u>	<u>2,839,687</u>	<u>709,827</u>
Nonoperating Revenues (Expenses)					
Investment income	108,444	24,345	1,921	134,710	22,464
Interest expense	(41,783)	(314,816)	-	(356,599)	-
Gain/Loss on Sale of Capital Asset	327,707	-	-	327,707	(155,104)
Other, net	485,628	(29,326)	719	457,021	3,657
Net nonoperating revenues (expenses)	<u>879,996</u>	<u>(319,797)</u>	<u>2,640</u>	<u>562,839</u>	<u>(128,983)</u>
Income Before Contributions and Transfers	<u>1,985,198</u>	<u>1,009,880</u>	<u>407,448</u>	<u>3,402,526</u>	<u>580,844</u>
Capital Contributions	-	-	-	-	211,702
Transfers Out	<u>(1,903,058)</u>	<u>-</u>	<u>(6,243)</u>	<u>(1,909,301)</u>	<u>(682,715)</u>
	<u>(1,903,058)</u>	<u>-</u>	<u>(6,243)</u>	<u>(1,909,301)</u>	<u>(471,013)</u>
Changes in Net Position	82,140	1,009,880	401,205	1,493,225	109,831
Net Position (Deficit), Beginning of Year	<u>24,732,266</u>	<u>2,920,598</u>	<u>(157,298)</u>	<u>27,495,566</u>	<u>5,622,695</u>
Net Position, End of Year	<u>\$ 24,814,406</u>	<u>\$ 3,930,478</u>	<u>\$ 243,907</u>	<u>\$ 28,988,791</u>	<u>\$ 5,732,526</u>

See Notes to Financial Statements

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City of Little Rock, Arkansas
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2020

	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	\$ 22,245,069	\$ 2,683,244	\$ 1,855,493	\$ 26,783,806	\$ -
Receipts from interfund services provided	-	-	-	-	11,865,645
Payments to employees	(7,559,831)	-	(706,860)	(8,266,691)	(3,431,073)
Payments to suppliers	(9,396,679)	(961,042)	(771,109)	(11,128,830)	(7,353,801)
Net cash provided by operating activities	<u>5,288,559</u>	<u>1,722,202</u>	<u>377,524</u>	<u>7,388,285</u>	<u>1,080,771</u>
Cash Flows From Noncapital Financing Activities					
Transfers to other funds	(1,903,058)	-	(6,243)	(1,909,301)	(682,715)
Net cash used in noncapital financing activities	<u>(1,903,058)</u>	<u>-</u>	<u>(6,243)</u>	<u>(1,909,301)</u>	<u>(682,715)</u>
Cash Flows From Capital and Related Financing Activities					
Proceeds from the sale of capital assets	542,749	-	-	542,749	-
Purchase of capital assets	(9,120,408)	-	-	(9,120,408)	(437,102)
Principal paid on long-term debt	(290,000)	(560,000)	-	(850,000)	-
Interest paid on long-term debt	(44,074)	(357,773)	-	(401,847)	-
Capital contributions	-	-	-	-	56,598
Net cash used in capital and related financing activities	<u>(8,911,733)</u>	<u>(917,773)</u>	<u>-</u>	<u>(9,829,506)</u>	<u>(380,504)</u>
Cash Flows From Investing Activities					
Proceeds from sale of investments	15,577,963	4,990,965	741,894	21,310,822	1,258,280
Purchase of investments	(8,777,348)	(4,869,670)	(904,307)	(14,551,325)	(256,983)
Interest income	141,617	28,112	2,125	171,854	3,945
Net cash provided by (used in) investing activities	<u>6,942,232</u>	<u>149,407</u>	<u>(160,288)</u>	<u>6,931,351</u>	<u>1,005,242</u>
Increase in Cash and Cash Equivalents	<u>1,416,000</u>	<u>953,836</u>	<u>210,993</u>	<u>2,580,829</u>	<u>1,022,794</u>
Cash and Cash Equivalents, Beginning of Year	<u>2,024,755</u>	<u>404,756</u>	<u>12,126</u>	<u>2,441,637</u>	<u>497,660</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,440,755</u>	<u>\$ 1,358,592</u>	<u>\$ 223,119</u>	<u>\$ 5,022,466</u>	<u>\$ 1,520,454</u>
Presented on the Statement of Net Position - Proprietary Funds as Follows:					
Current assets					
Cash and cash equivalents	\$ 2,188,811	\$ 1,358,592	\$ 223,119	\$ 3,770,522	\$ 1,520,454
Noncurrent assets					
Cash and cash equivalents	<u>1,251,944</u>	<u>-</u>	<u>-</u>	<u>1,251,944</u>	<u>-</u>
	<u>\$ 3,440,755</u>	<u>\$ 1,358,592</u>	<u>\$ 223,119</u>	<u>\$ 5,022,466</u>	<u>\$ 1,520,454</u>

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended December 31, 2020

	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	\$ 1,105,202	\$ 1,329,677	\$ 404,808	\$ 2,839,687	\$ 709,827
Adjustment to reconcile operating income to net cash provided by operating activities					
Depreciation and amortization expense	3,061,445	247,732	15,930	3,325,107	371,965
Changes in assets and liabilities					
Receivables, net	(473,095)	307,802	-	(165,293)	18,819
Due to/due from other funds, net	-	-	-	-	-
Prepaid expenses	(1,179)	26,826	(157)	25,490	(1,893)
Inventories	-	-	-	-	82,839
Deferred outflows of resources	(34,955)	-	(4,369)	(39,324)	(26,215)
Accounts payable	249,686	(57,983)	(46,190)	145,513	(80,721)
Accrued expenses	1,500,842	(131,852)	2,198	1,371,188	-
Compensated absences	(50,824)	-	13,876	(36,948)	57,572
Net pension liability	(138,833)	-	(17,355)	(156,188)	(104,124)
Deferred inflows of resources	70,270	-	8,783	79,053	52,702
	<u>\$ 5,288,559</u>	<u>\$ 1,722,202</u>	<u>\$ 377,524</u>	<u>\$ 7,388,285</u>	<u>\$ 1,080,771</u>
Schedule of non-cash capital and related financing activities:					
Purchase of capital assets on account	\$ 485,635	\$ -	\$ -	\$ 485,635	\$ -

City of Little Rock, Arkansas
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
Assets		
Cash and cash equivalents	\$ 4,324,754	\$ -
Investments		
U.S. Government obligations	232,947	-
Equities	53,117,992	-
Mutual funds and other investments	68,397,712	-
Receivables		
Accounts receivable	197,694	74,069
Accrued interest and dividends	56,381	-
	<u>\$ 126,327,480</u>	<u>\$ 74,069</u>
Liabilities		
Accounts payable	\$ 63,913	\$ 40,369
Accrued liabilities	-	33,700
	<u>63,913</u>	<u>\$ 74,069</u>
Net Position		
Net position restricted for pensions and postemployment benefits other than pensions	<u>126,263,567</u>	-
	<u>\$ 126,263,567</u>	<u>\$ -</u>

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended December 31, 2020

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
Additions		
Contributions		
Employer	\$ 6,962,801	\$ -
Plan Members	2,202,306	-
Other	821,223	2,151,441
	9,986,330	2,151,441
Total contributions		
Investment Earnings		
Net increase (decrease) in fair value of investments	9,462,713	-
Gain (loss) on sale of investments	(1,349,219)	-
Interest and dividends	1,993,484	7,812
	10,106,978	7,812
Less investment expense	228,678	-
	9,878,300	7,812
Net investment income		
Total additions	19,864,630	2,159,253
Deductions		
Benefits paid directly to participants	7,625,481	-
Distributions to other governments	-	2,159,253
Administrative expenses	359,452	-
Other	524,482	-
	8,509,415	2,159,253
Total deductions		
Change in Net Position	11,355,215	-
Net Position, Beginning of Year	114,908,352	-
Net Position, End of Year	\$ 126,263,567	\$ -

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Net Position
Discretely Presented Component Units
December 31, 2020

	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	\$ 35,804,284	\$ 63,073,862	\$ 67,177,326	\$ 166,055,472
Investments	-	-	52,509,961	52,509,961
Restricted cash and investments - current	6,012,516	-	2,033,488	8,046,004
Accounts receivable, net of allowance	10,246,883	4,215,329	54,059,706	68,521,918
Accrued interest receivable	2,058	-	9,336	11,394
Inventories	1,442,586	-	1,012,345	2,454,931
Prepaid expenses and other	566,793	788,680	1,920,896	3,276,369
Total current assets	54,075,120	68,077,871	178,723,058	300,876,049
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	7,849,563	9,733,784	1,649,567	19,232,914
Investments	5,435,964	-	11,401,620	16,837,584
Grants and other receivables	-	243,172	-	243,172
Interest receivable	-	-	17	17
	13,285,527	9,976,956	13,051,204	36,313,687
Less amounts required to meet current obligations	6,012,516	-	-	6,012,516
Total restricted assets	7,273,011	9,976,956	13,051,204	30,301,171
Capital assets				
Land	5,434,140	68,262,902	25,193,324	98,890,366
Construction in progress	117,239,227	11,291,309	45,739,819	174,270,355
Buildings, improvements and other facilities	568,468,048	489,385,060	347,746,506	1,405,599,614
Vehicles	-	2,372,312	57,628,424	60,000,736
Furniture and equipment	80,997,237	25,757,789	57,195,739	163,950,765
Books/AV material	-	-	28,601,049	28,601,049
Other	-	-	757,261	757,261
	772,138,652	597,069,372	562,862,122	1,932,070,146
Less accumulated depreciation	227,074,300	259,637,963	244,810,143	731,522,406
Net capital assets	545,064,352	337,431,409	318,051,979	1,200,547,740
Other assets				
	-	-	1,129,188	1,129,188
Total other assets	-	-	1,129,188	1,129,188
Total noncurrent assets	552,337,363	347,408,365	332,232,371	1,231,978,099
Total assets	606,412,483	415,486,236	510,955,429	1,532,854,148
Deferred Outflows of Resources				
Loss on refunding	8,802,109	-	-	8,802,109
Deferred outflows from pensions	4,073,255	-	554,991	4,628,246
Deferred outflows from OPEB	2,227,895	-	-	2,227,895
Total deferred outflows of resources	15,103,259	-	554,991	15,658,250
Total assets and deferred outflows of resources	\$ 621,515,742	\$ 415,486,236	\$ 511,510,420	\$ 1,548,512,398

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Net Position (Continued)
Discretely Presented Component Units
December 31, 2020

	Little Rock Water Reclamation Authority	Bill and Hillary Clinton National Airport	Other Component Units	Total
Liabilities, Deferred Inflows of Resources and Net Position				
Current Liabilities				
Accounts payable	\$ 1,011,594	\$ 3,232,138	\$ 5,544,562	\$ 9,788,294
Accrued wages payable and related liabilities	268,962	1,542,061	3,133,615	4,944,638
Accrued interest payable	2,324,758		1,347,124	3,671,882
Capital lease - current portion	-	-	6,100	6,100
Bonds payable - current portion	9,215,000	-	1,730,000	10,945,000
Notes payable - current portion	-	-	150,000	150,000
Compensated absences - current portion	1,112,187	-	1,363,860	2,476,047
Unearned revenue	47,396	348,540	808,830	1,204,766
Accrued expenses and other	7,053,454	2,560	1,773,094	8,829,108
Total current liabilities	<u>21,033,351</u>	<u>5,125,299</u>	<u>15,857,185</u>	<u>42,015,835</u>
Noncurrent Liabilities				
Capital lease obligation	-	-	-	-
Bonds payable, net of unamortized premium and discount	352,511,101	-	69,134,585	421,645,686
Notes payable	-	-	850,000	850,000
Net pension liability	20,319,625	-	169,269	20,488,894
Total OPEB liability	5,329,475	-	-	5,329,475
Other long-term liabilities	-	-	460,160	460,160
Compensated absences	127,420	-	414,069	541,489
Total noncurrent liabilities	<u>378,287,621</u>	<u>-</u>	<u>71,028,083</u>	<u>449,315,704</u>
Total liabilities	<u>399,320,972</u>	<u>5,125,299</u>	<u>86,885,268</u>	<u>491,331,539</u>
Deferred Inflows of Resources				
Deferred inflows from pensions	530,012	-	794,270	1,324,282
Deferred inflows from OPEB	1,711,781	-	-	1,711,781
Total deferred inflows of resources	<u>2,241,793</u>	<u>-</u>	<u>794,270</u>	<u>3,036,063</u>
Net Position				
Net investment in capital assets	188,499,492	335,085,195	239,120,265	762,704,952
Restricted - expendable	5,688,547	9,976,956	88,295,187	103,960,690
Restricted - nonexpendable	0	0	18,407,822	18,407,822
Unrestricted	25,764,938	65,298,786	78,007,608	169,071,332
Total net position	<u>219,952,977</u>	<u>410,360,937</u>	<u>423,830,882</u>	<u>1,054,144,796</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 621,515,742</u>	<u>\$ 415,486,236</u>	<u>\$ 511,510,420</u>	<u>\$ 1,548,512,398</u>

City of Little Rock, Arkansas
Statement of Activities
Discretely Presented Component units
Year Ended December 31, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Little Rock Water Reclamation Authority	Bill and Hillary Clinton National Airport	Other Component Units	
Governmental Activities								
Other component units	\$ 26,976,362	\$ 572,183	\$ 4,112,386	\$ 27,000	\$ -	\$ -	\$ (22,264,793)	\$ (22,264,793)
Total governmental activities	26,976,362	572,183	4,112,386	27,000	-	-	(22,264,793)	(22,264,793)
Business-type Activities								
Little Rock Water Reclamation Authority	57,238,556	59,123,018	3,403,553	1,540,154	6,828,169	-	-	6,828,169
Bill and Hillary Clinton National Airport	41,001,099	24,249,482	11,458,662	10,181,107	-	4,888,152	-	4,888,152
Other component units	91,867,530	43,088,926	26,735,010	37,050,383	-	-	15,006,789	15,006,789
Total business-type activities	190,107,185	126,461,426	41,597,225	48,771,644	6,828,169	4,888,152	15,006,789	26,723,110
Total component units	\$ 217,083,547	\$ 127,033,609	\$ 45,709,611	\$ 48,798,644	\$ 6,828,169	\$ 4,888,152	\$ (7,258,004)	\$ 4,458,317
General revenues								
General property taxes					-	-	18,557,772	18,557,772
Sales taxes					-	-	12,922,037	12,922,037
Investment income (loss)					524,889	760,084	(1,259,288)	25,685
Other					71,783	2,679,486	3,161,705	5,912,974
Total general revenues					596,672	3,439,570	33,382,226	37,418,468
Changes in Net Position					7,424,841	8,327,722	26,124,222	41,876,785
Net Position, Beginning of Year					212,528,136	402,033,215	397,706,660	1,012,268,011
Net Position, End of Year					\$ 219,952,977	\$ 410,360,937	\$ 423,830,882	\$ 1,054,144,796

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2020

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 2020.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2020

Other Component Units:

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

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

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

Central Arkansas Transit Authority (CATA) – CATA, which provides public transportation services to the greater metropolitan area, annually receives an operating subsidy from the City equal to 67% of the operating deficit. The City’s contributions to CATA are vital to its operations. In addition, five of the 13 members of its Board of Directors are appointed by the City Board. Based on the level of financial dependency that CATA has on the City, the City has concluded that the nature and significance of this relationship warrant inclusion of CATA in the City’s reporting entity as a discretely presented component unit.

Museum of Discovery (Museum) and Arkansas Arts Center (Arts Center) – The Museum and the Arts Center, serving the greater metropolitan area’s cultural needs, receive significant operating subsidies from the City annually. The governing bodies of the Museum and the Arts Center 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 Arts Center. The Arts Center has a fiscal year end of June 30.

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

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2020

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 Arts Center
Ninth and Commerce
Little Rock, Arkansas 72202

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

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

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

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

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

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

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

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

Oakland Fraternal Cemetery
2101 Barber Street
Little Rock, Arkansas 72206

Mount Holly Cemetery
1 Sunset Drive
Little Rock, Arkansas 72206

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2020

Government-wide and Fund Financial Statements

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

Government-wide Financial Statements

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

Fund Financial Statements

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

The City reports the following major governmental funds:

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

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

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

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

The City reports the following major enterprise funds:

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

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

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

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

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

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

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

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

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

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. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

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

Nonexchange transactions, in which the City receives (or gives) value without directly giving (or receiving) equal value in exchange, include taxes; fines and forfeitures; grants, entitlements and similar items; and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Franchise taxes, other taxes, and fines and forfeitures are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted. Grants, entitlements and donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as unearned revenues. Grants and similar aid to other organizations are recognized as expenses as soon as recipients have met all eligibility requirements. Amounts paid before all eligibility requirements have been met are reported as prepaid items.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2020

Governmental Fund Financial Statements

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

Use of Estimates

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

Cash and Cash Equivalents

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

Investments and Investment Income

All investments in the City's Pension and Other Employee Benefit Trust Funds are carried at fair value. For all other funds, investments in U.S. Treasury, agency and instrumentality obligations with a remaining maturity of one year or less at time of acquisition and in nonnegotiable certificates of deposit are carried at amortized cost. All other investments, except alternative investments, are carried at fair value. Fair value is determined using quoted market prices for all investments other than collateralized mortgage obligations and alternative investments. Fair value of collateralized mortgage obligations is estimated using a published pricing service. Alternative

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2020

investments are measured using the net asset value per share of the investee or the investee's proportionate share of capital accounts.

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

Inventories

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

Prepaid Items

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

Capital Assets

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

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

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

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

Long-term Obligations

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

In the fund financial statements, governmental fund types recognize debt premiums, during the current period. The face amount of the debt issued and premiums received are reported as other

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

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. For governmental activities, the liability for compensated absences is generally liquidated from the general fund.

Unearned Revenue

Unearned revenue consists mainly of business licenses received in advance.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Deferred Outflows/Inflows of Resources

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2020

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

Net Position/Fund Balance

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

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

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

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

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

Assigned – Assigned fund balances are intended to be used by the City for specific purposes as determined by the Mayor, City Manager or the Board of Directors. The Mayor and City Manager

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2020

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.

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, 2020, the Board's established amount of the reserve is \$10,000,000, which is included in unassigned fund balance of the General Fund.

Budgetary Information

Annual budgets are 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.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2020

Pension Plan Descriptions

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

Adoption of GASB Statement No. 84, *Fiduciary Activities*, (GASB 84) and No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 (GASB 97)

Effective January 1, 2020, the City implemented GASB 84 and GASB 97. These statements establish criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Adoption of GASB 84 and 97 resulted in activities meeting the criteria being presented in the City's statement of fiduciary net position and statement of changes in fiduciary net position. The adoption of GASB 84 had no effect on the City's fiduciary fund statements other than reporting the Court Fund as a custodial fund rather than an agency fund. GASB 97 had no impact on the City's government-wide, governmental fund or proprietary fund 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, 2020:

Statement No.		Adoption Required in Fiscal Year
87	<i>Leases</i>	2022
91	<i>Conduit Debt Obligations</i>	2022
93	<i>Replacement of Interbank Offered Rates</i>	2021/2022
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription-Based Information Technology Arrangements</i>	2023

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, 2020

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, 2020, 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, 2020

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, 2020, the City had the following investments and maturities:

Type	Fair Value	Primary Government			
		Maturities in Years			
		Less Than 1	1-5	6-10	More than 10
Alternative Investments	\$ 1,495,315	\$ -	\$ -	\$ 1,495,315	\$ -
U.S. Agencies obligations	49,658,776	-	49,658,776	-	-
Fixed income funds	40,920,374	40,920,374	-	-	-
Bond Mutual funds	3,378,013	3,378,013	-	-	-
Mutual funds	9,060,765	9,060,765	-	-	-
Money Market Mutual funds	39,526,870	39,526,870	-	-	-
Equity funds	60,558,400	60,558,400	-	-	-
Municipal bonds	1,345,424	1,345,424	-	-	-
	<u>\$ 205,943,937</u>	<u>\$ 154,789,846</u>	<u>\$ 49,658,776</u>	<u>\$ 1,495,315</u>	<u>\$ -</u>
Alternative Investments	4,603,354				
Money Market Fund	<u>5,222,450</u>				
	<u>\$ 215,769,741</u>				

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

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

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, 2020, the City’s investments not directly guaranteed by the U.S. government were rated as follows:

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

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the City’s name, and are held by either the counterparty to the investment purchase or are held by the counterparty’s trust department or agent but not held in the City’s name. None of the City’s investments owned at December 31, 2020 were subject to custodial credit risk.

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

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

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

Police Pension – Capital Point Partners, L.P.

Nonuniformed Employees’ Defined Contribution Plan – RREEF America REIT II, iShares Barclays 3-7 Year Treasury Bond, iShares Russell 1000 Value ETF, iShares Russell 1000 Growth ETF, iShares Russell 2000 Value ETF, iShares Russell 2000 Growth ETF, iShares Russell Mid-Cap Growth ETF, T Rowe Price International Discovery, Goldman Sachs Fin SQ Treasury Solutions #520

401(a) Money Purchase and Trust Retirement Fund – Vantagepoint PLUS Fund R3, Vantagepoint MP Long-Term Gr R3, Invsco Opp Glbl A, Jnshndrsn Frty T, Amcent Gr Inv, Fid Magellan

Nonuniformed Employees’ Defined Benefit Pension Plan – RREEF America REIT II, iShares Russell 1000 Growth ETF, iShares Russell Mid-Cap Growth ETF, iShares MSCI USA Minimum Volatility ETF, Vanguard Short Term Corporate Bond ETF, Goldman Sachs Fin SQ Treasury Solution #520

2014 Nonuniformed Employees’ Defined Benefit Pension Plan – Goldman Sachs Activebeta Lrg Cap Eqty, iShares Russell 1000 Growth ETF, iShares Russel Mid-Cap Growth ETF, iShares MSCI USA Minimum Volatility ETF, Vanguard Short Term Corporate Bond ETF

Health Management Trust Fund – iShares Russell 3000 ETF, iShares Russell 1000 Growth ETF, iShares Russell Mid-Cap Growth ETF, Goldman Sachs Access Investment Grade, Goldman Sachs ETF TR Access Ultra Short Bd ETF, Federated Treasury Obligation

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

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, 2020:

	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, 2020				
Alternative Investments	\$ 1,495,315	\$ -	\$ -	\$ 1,495,315
U.S. Treasury obligations	-	-	-	-
U.S. agencies obligations	49,658,776	-	49,658,776	-
Fixed income funds	40,920,374	40,920,374	-	-
Bond Mutual funds	3,378,013	3,378,013	-	-
Mutual Funds	9,060,765	9,060,765	-	-
Money Market Mutual Funds	39,526,870	3,634,956	35,891,915	-
Equity Funds	60,558,400	60,558,400	-	-
Municipal Bonds	1,345,424	-	1,345,424	-
	<u>\$ 205,943,937</u>	<u>\$ 117,552,508</u>	<u>\$ 86,896,115</u>	<u>\$ 1,495,315</u>
Investments Measured at the Net Asset Value (NAV)				
Alternative Investments	4,603,354			
Money Market Fund	5,222,450			
	<u>\$ 9,825,804</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.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

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. Level 3 includes several real estate funds that invest primarily in U.S. commercial real estate. These investments can never be redeemed with the funds. Distributions from each fund will be made as the underlying investments of the fund are liquidated. It is estimated the underlying assets of the funds will be liquidated over the next 7 to 10 years.

Summary of Carrying Values

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

	Primary Government
Carrying value	
Deposits	\$ 66,697,719
Investments	215,769,741
	\$ 282,467,460
Included in the following statements of net position captions	
Current Assets	
Cash and cash equivalents	\$ 20,565,835
Short-term investments	22,929,622
Noncurrent Assets	
Restricted cash and investments	112,898,598
Cash and investments - fiduciary funds	126,073,405
	\$ 282,467,460

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

Note 3: Receivables

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

Receivables	General	Sales Tax Capital Improvements	2013 Capital Improvements (Debt Service)	Street	Nonmajor Governmental	Total Governmental Funds
Taxes	\$ 58,710,294	\$ 3,716,788	\$ 16,649,791	\$ 7,962,510	\$ 11,434,353	\$ 98,473,736
Licenses and permits	3,841,187	-	-	-	10,790	3,851,977
Intergovernmental	-	-	-	2,620,224	8,892,680	11,512,904
Fines and fees	7,858,515	-	-	-	-	7,858,515
Accounts	6,138,521	-	-	6,839	1,915	6,147,275
Gross receivables	76,548,517	3,716,788	16,649,791	10,589,573	20,339,738	127,844,407
Less: allowance for uncollectibles	(11,631,248)	-	(1,705,943)	(802,862)	(1,100,148)	(15,240,201)
Net receivables	<u>\$ 64,917,269</u>	<u>\$ 3,716,788</u>	<u>\$ 14,943,848</u>	<u>\$ 9,786,711</u>	<u>\$ 19,239,590</u>	<u>\$ 112,604,206</u>

Receivables	Waste Disposal	River Market Garage	Total Enterprise Funds	Internal Service Fund
Taxes	\$ -	\$ -	\$ -	-
Licenses and permits	-	1,967	1,967	-
Intergovernmental	-	-	-	-
Fines and fees	-	-	-	-
Accounts	3,793,328	\$ 112,607	3,905,935	6,331
Gross receivables	3,793,328	114,574	3,907,902	6,331
Less: allowance for uncollectibles	-	-	-	-
Net receivables	<u>\$ 3,793,328</u>	<u>\$ 114,574</u>	<u>\$ 3,907,902</u>	<u>\$ 6,331</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

Note 4: Capital Assets

A summary of changes in capital assets for the year ended December 31, 2020, is presented below:

Governmental Activities	Balance January 1, 2020	Increases	Decreases	Transfers	Balance December 31, 2020
Capital Assets, nondepreciable					
Land and right-of-way	\$ 189,334,795	\$ 409,437	\$ -	\$ -	\$ 189,744,232
Construction in progress	<u>38,302,374</u>	<u>29,644,881</u>	<u>-</u>	<u>(14,249,206)</u>	<u>53,698,049</u>
Total capital assets, nondepreciable	<u>227,637,169</u>	<u>30,054,318</u>	<u>-</u>	<u>(14,249,206)</u>	<u>243,442,281</u>
Capital Assets, depreciable					
Land improvements	21,943,231	-	-	1,379,872	23,323,103
Infrastructure	817,578,895	5,018,331	-	4,100,369	826,697,595
Buildings	123,162,912	-	(5,799)	3,758,737	126,915,850
Vehicles	58,225,980	-	(4,523,296)	4,546,614	58,249,298
Equipment	<u>60,652,571</u>	<u>129,287</u>	<u>(20,287)</u>	<u>463,614</u>	<u>61,225,185</u>
Total capital assets, depreciable	<u>1,081,563,589</u>	<u>5,147,618</u>	<u>(4,549,382)</u>	<u>14,249,206</u>	<u>1,096,411,031</u>
Less accumulated depreciation					
Land improvements	12,507,839	1,490,162	-	-	13,998,001
Infrastructure	525,945,206	15,164,865	-	-	541,110,071
Buildings	46,809,130	3,207,356	(4,690)	-	50,011,796
Vehicles	46,337,622	4,141,875	(3,628,875)	-	46,850,622
Equipment	<u>53,585,431</u>	<u>1,867,468</u>	<u>(6,952)</u>	<u>-</u>	<u>55,445,947</u>
Total accumulated depreciation	<u>685,185,228</u>	<u>25,871,726</u>	<u>(3,640,517)</u>	<u>-</u>	<u>707,416,437</u>
Total capital assets, depreciable, net	<u>396,378,361</u>	<u>(20,724,108)</u>	<u>(908,865)</u>	<u>14,249,206</u>	<u>388,994,594</u>
Total governmental activities, net	<u>\$ 624,015,530</u>	<u>\$ 9,330,210</u>	<u>\$ (908,865)</u>	<u>\$ -</u>	<u>\$ 632,436,875</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

Business-Type Activities	Balance January 1, 2020	Increases	Decreases	Transfers	Balance December 31, 2020
Capital Assets, nondepreciable					
Land	\$ 2,637,147	\$ -	\$ -	\$ -	\$ 2,637,147
Construction in progress	1,689,182	9,606,044	-	(11,073,168)	222,058
Total capital assets, nondepreciable	<u>4,326,329</u>	<u>9,606,044</u>	<u>-</u>	<u>(11,073,168)</u>	<u>2,859,205</u>
Capital Assets, depreciable					
Landfills, Cells 1, 2, 3, 4 and 5 and land improvements	17,665,087	-	-	5,532,417	23,197,503
Buildings	21,540,333	-	-	-	21,540,333
Vehicles	18,417,426	-	(3,823,527)	4,755,794	19,349,693
Equipment	3,515,724	-	(370,743)	784,957	3,929,938
Total capital assets, depreciable	<u>61,138,570</u>	<u>-</u>	<u>(4,194,270)</u>	<u>11,073,168</u>	<u>68,017,467</u>
Less accumulated depreciation					
Landfills, Cells 1, 2, 3, 4 and 5 and land improvements	16,846,631	386,447	-	-	17,233,078
Buildings	8,437,906	493,621	-	-	8,931,527
Vehicles	13,348,943	2,286,199	(3,625,094)	-	12,010,048
Equipment	3,315,446	158,840	(354,128)	-	3,120,158
Total accumulated depreciation	<u>41,948,926</u>	<u>3,325,107</u>	<u>(3,979,222)</u>	<u>-</u>	<u>41,294,811</u>
Total capital assets, depreciable, net	<u>19,189,644</u>	<u>(3,325,107)</u>	<u>(215,048)</u>	<u>11,073,168</u>	<u>26,722,656</u>
Total business-type activities, net	<u>\$ 23,515,973</u>	<u>\$ 6,280,937</u>	<u>\$ (215,048)</u>	<u>\$ -</u>	<u>\$ 29,581,861</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

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

Governmental Activities

General government	
Executive administration	\$ 320,508
District court - first division (criminal)	13,496
District court - second division (traffic)	1,531
Finance	26,529
Human resources	276
Information technology	48,314
Planning and development	63,264
Fleet services	<u>371,965</u>
Total general government	845,883
Public works	16,263,843
Parks and recreation services	2,489,170
River Market	96,569
Golf	196,407
Jim Dailey Fitness	117,938
Zoo	667,605
Fire	1,923,453
Police	2,930,395
Housing and neighborhood programs	<u>340,463</u>
Total depreciation expense - governmental activities	<u>25,871,726</u>
Business-Type Activities	
Waste disposal	3,061,445
Second and Main parking	247,732
Vehicle storage	<u>15,930</u>
Total depreciation expense - business-type activities	<u>3,325,107</u>
Total depreciation expense - primary government	<u><u>\$ 29,196,833</u></u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

Note 5: Long-term Liabilities

Changes in long-term liabilities for the year ended December 31, 2020, were as follows:

Governmental Activities	Balance January 1, 2020	Increases	Decreases	Balance December 31, 2020	Amounts Due in One Year
Bonds payable					
Revenue bonds	\$ 48,220,000	\$ -	\$ 1,450,000	\$ 46,770,000	\$ 1,505,000
Add issuance premiums	1,534,831	-	172,526	1,362,305	-
	<u>49,754,831</u>	<u>-</u>	<u>1,622,526</u>	<u>48,132,305</u>	<u>1,505,000</u>
General obligation bonds	83,635,000	-	18,230,000	65,405,000	6,705,000
Add issuance premiums	1,544,234	-	575,277	968,957	-
	<u>85,179,234</u>	<u>-</u>	<u>18,805,277</u>	<u>66,373,957</u>	<u>6,705,000</u>
Bonds payable, net	134,934,065	-	20,427,803	114,506,262	8,210,000
Notes payable	13,824,223	-	5,210,124	8,614,099	4,060,750
Capital Lease Obligation	2,802,828	1,309,434	563,569	3,548,693	616,093
Compensated absences	30,561,548	16,615,907	13,697,951	33,479,504	10,719,830
Other	1,415,399	2,872,473	2,132,667	2,155,205	1,319,705
Total governmental activities long-term liabilities	<u>\$ 183,538,063</u>	<u>\$ 20,797,814</u>	<u>\$ 42,032,114</u>	<u>\$ 162,303,763</u>	<u>\$ 24,926,378</u>
Business-Type Activities					
Bonds payable					
Revenue bonds	\$ 7,140,000	\$ -	\$ 850,000	\$ 6,290,000	\$ 895,000
Less issuance discounts	(19,199)	-	(3,898)	(15,301)	-
Bonds payable, net	7,120,801	-	846,102	6,274,699	895,000
Compensated absences	691,038	471,517	508,465	654,090	480,494
Postclosure landfill costs	5,966,845	1,513,344	-	7,480,189	-
Total business-type activities long-term liabilities	<u>\$ 13,778,684</u>	<u>\$ 1,984,861</u>	<u>\$ 1,354,567</u>	<u>\$ 14,408,978</u>	<u>\$ 1,375,494</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

Bonds and notes payable at December 31, 2020, were as follows:

Primary Government	Interest Rates	Final Maturity	Original Issue	Total Outstanding
General long-term obligations				
General obligation bonds	1.0%-6.0%	2036	\$ 156,740,000	\$ 65,405,000
Revenue bonds	2.0%-5.0%	2048	50,445,000	46,770,000
Notes payable - short-term financing	1.54%-2.25%	2024	20,028,000	8,614,099
Enterprise funds				
Revenue bonds	1.5%-6.0%	2028	15,255,000	6,290,000

Governmental Activities

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

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

2013 Limited Tax General Obligation Capital Improvement Bonds – Bonds in the amount of \$58,105,000 were issued to finance street and drainage capital improvements for the City. The Series 2013 Bonds are limited tax general obligations of the City, secured by all proceeds derived from the 3 mills annual ad valorem tax levied by the City on all taxable and real and personal property located within the jurisdictional limits of the City. Principal payments are due annually on October 1 with final payment scheduled in 2033. Interest payments are due semiannually on April 1 and October 1.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

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

Limited Tax General Obligations Capital Improvement Bonds, Series 2018 – Bonds in the amount of \$43,475,000 were issued to finance street and drainage capital improvements for the City. The Series 2018 Bonds are limited tax general obligations of the City, secured by all proceeds derived from the 3 mills annual ad valorem tax levied by the City on all taxable and real and personal property located within the jurisdictional limits of the City. Principal payments are due annually on April 1 with final payment scheduled in 2023. Interest payments are due semiannually on April 1 and October 1.

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

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

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

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, 2020, the outstanding short-term financing agreements were as follows:

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

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

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

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

2015 Short-term Financing Note – The \$5,910,000 promissory note was issued to finance the cost of acquiring, constructing, and equipping West Central Community Center and acquiring police vehicles and equipment with principal and interest payable from general revenues. Due annually, payable on June 24, including interest at 1.81%.

Other Liabilities

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

Business-Type Activities

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

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

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

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, 2020.

Year	Primary Government			
	Governmental Activities		Business-Type Activities	
	General Obligation & Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 8,210,000	\$ 4,035,106	\$ 895,000	\$ 326,504
2022	8,975,000	3,638,981	945,000	277,416
2023	10,055,000	3,214,206	655,000	235,523
2024	10,490,000	2,858,744	685,000	201,135
2025	10,760,000	2,570,819	725,000	164,830
2026-2030	22,345,000	9,925,081	2,385,000	255,990
2031-2035	19,125,000	6,224,538	-	-
2036-2040	9,300,000	3,469,044	-	-
2041-2045	7,585,000	2,043,763	-	-
2046-2050	5,330,000	445,706	-	-
	<u>\$ 112,175,000</u>	<u>\$ 38,425,988</u>	<u>\$ 6,290,000</u>	<u>\$ 1,461,398</u>
	Notes Payable			
	Principal	Interest		
2021	\$ 4,060,750	\$ 173,895		
2022	2,217,558	97,663		
2023	1,154,938	52,555		
2024	1,180,853	26,642		
2025	-	-		
	<u>\$ 8,614,099</u>	<u>\$ 350,755</u>		

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

Pledged Revenues

The following is a summary of pledged revenues of the City for the year ended December 31, 2020:

Debt	Revenue Pledged	Total Pledged Revenue	Current Year Debt Service Requirements	Percentage Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue Will Not Be Available For Other Purposes
2017 Revenue Refunding Bonds	Franchise Fees for public utilities	20,094,116	1,504,750	7.5%	19,552,050	Until 2033
2015 Library Construction and Refunding Bonds	Property tax	3,916,180	2,166,313	55.3%	32,877,938	Until 2036
2017 Library Refunding Bonds	Property tax	3,916,180	1,949,888	49.8%	9,835,169	Until 2026
2013 Limited Tax General Obligation Capital Improvement Bonds	Property tax	13,053,985	2,349,750	18.0%	1,358,125	Until 2021
2014 TIF #1 Capital Improvement Bond	Property tax	556,659	137,700	24.7%	3,927,550	Until 2036
2018 Limited Tax GO Capital Improvement Bonds	Property tax	13,053,985	3,435,550	26.3%	29,146,250	Until 2026
2018 Hotel Gross Receipts Tax Bonds	Hotel/motel tax	1,379,772	1,927,144	139.7%	53,903,906	Until 2048
2007 Waste Disposal Revenue Bonds	Net revenues of the waste collection and disposal system	4,166,647	334,563	8.0%	666,800	Until 2022
2003 Capital improvement and Refunding Revenue Bonds	Specific parking revenues and other revenues in the Rivermarket Garage Fund	1,766,123	888,448	50.3%	7,084,598	Until 2028

Lease Obligations

During 2019 and 2020, the City entered into lease agreements as lessee for financing the acquisition of vehicles valued at approximately \$2,900,000 and \$1,309,000, respectively. The vehicles have a five (5) year estimated useful life. This year, \$871,743 was included in depreciation expense. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of those minimum lease payments as of December 31, 2020, were as follows:

Year Ending December 31	Governmental Activities
2021	\$ 757,110
2022	757,110
2023	757,110
2024	1,309,304
2025	<u>359,845</u>
Total minimum lease payments	3,940,479
Less: amount representing interest	<u>(391,786)</u>
Present value of minimum lease payments	<u>\$ 3,548,693</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

Note 6: Interfund Balances and Transfers

Interfund receivables and payables as of December 31, 2020, are as follows:

	Interfund Receivables	Interfund Payables
Primary Government		
Governmental Funds		
General fund	\$ 7,515,801	\$ -
Nonmajor governmental funds	18,283	7,534,084
	7,534,084	7,534,084
Total governmental funds	7,534,084	7,534,084
Total	\$ 7,534,084	\$ 7,534,084

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

Interfund transfers in and transfers for the year ended December 31, 2020, are as follows:

Interfund Transfers In	Interfund Transfers Out							Totals
	Governmental Funds				Proprietary Funds			
	General	Street	Sales Tax Capital Improvements	Other Nonmajor Governmental Funds	Internal Service Fund	Waste Disposal	Vehicle Storage	
Governmental Funds								
General	\$ -	\$ 562,863	\$ 1,843,320	\$ -	\$ 682,715	\$ 1,629,358	\$ 6,243	\$ 4,724,499
Street	194,000	-	-	9,345	-	273,700		477,045
	\$ 194,000	\$ 562,863	\$ 1,843,320	\$ 9,345	\$ 682,715	\$ 1,903,058	\$ 6,243	\$ 5,201,544

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

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. The majority of Plan assets were transferred to the Arkansas Local Police and Fire Retirement System and are excluded from the City's financial statements. The rest of the plan assets are held in a fiduciary funds with the City: The Firemen's Pension and Relief Fund and The Police Pension.

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

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	\$ 2,325,931	\$ 101,376	\$ -	\$ 1,897,321
Investments						
U.S. government obligations	-	-	232,947	-	-	-
Equities	-	-	6,875,171	-	-	42,380,955
Mutual funds and other investments	742,107	753,208	4,158,073	12,445,983	9,469,252	36,283,738
Receivables						
Accounts receivable	-	-	-	-	100,488	97,206
Accrued interest and dividends	-	-	377	12,758	-	43,246
Total assets	742,107	753,334	13,592,499	12,560,117	9,569,740	80,702,466
Liabilities						
Accounts payable	-	-	-	56,913	-	7,000
Total liabilities	-	-	-	56,913	-	7,000
Net Position						
Net position restricted for pensions	\$ 742,107	\$ 753,334	\$ 13,592,499	\$ 12,503,204	\$ 9,569,740	\$ 80,695,466
Additions						
Contributions						
Employer	\$ -	\$ -	\$ 46,501	\$ 476,368	\$ 240,781	\$ 4,123,820
Plan members	-	-	25,639	-	142,390	2,034,277
Other	-	-	193	505,618	-	315,412
Total contributions	-	-	72,333	981,986	383,171	6,473,509
Investment income (loss)						
Net increase (decrease) in fair value of investments	(454,396)	(454,396)	465,028	792,232	1,502,043	6,782,335
Gain (loss) on sale of investments	-	-	517,342	(173,998)	-	(1,692,563)
Interest and dividends	-	-	235,032	223,158	-	1,403,430
	(454,396)	(454,396)	1,217,402	841,392	1,502,043	6,493,202
Less investment expense	-	-	23,638	38,081	-	102,893
Net investment income (loss)	(454,396)	(454,396)	1,193,764	803,311	1,502,043	6,390,309
Total additions	(454,396)	(454,396)	1,266,097	1,785,297	1,885,214	12,863,818
Deductions						
Benefits paid directly to participants	-	-	2,872,328	1,740,226	362,707	1,730,064
Administrative expenses	-	-	50,187	14,076	-	295,189
Other	-	-	524,269	-	213	-
Total deductions	-	-	3,446,784	1,754,302	362,920	2,025,253
Net Increase (Decrease) in Net Position	(454,396)	(454,396)	(2,180,687)	30,995	1,522,294	10,838,565
Net Position Restricted for Pensions, Beginning of Year	1,196,503	1,207,730	15,773,186	12,472,209	8,047,446	69,856,901
Net Position Restricted for Pensions, End of Year	\$ 742,107	\$ 753,334	\$ 13,592,499	\$ 12,503,204	\$ 9,569,740	\$ 80,695,466

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

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

Governmental Activities	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense (Income)
Firemen's Pension and Relief Fund	\$ 43,898,612	\$ 6,609,500	\$ 3,342,765	\$ 5,702,675
Police Pension	45,255,666	7,611,051	1,711,476	5,102,142
Nonuniformed Plan - Government Wide	596,133	-	98,757	(12,316)
Nonuniformed Plan - Fleet	42,080	-	6,971	(869)
2014 Defined Benefit Plan - Government Wide	1,059,141	1,136,402	2,894,158	2,393,307
2014 Defined Benefit Plan - Fleet	74,763	80,216	204,294	168,939
Police - LOPFI	78,749,351	24,711,386	9,518,807	19,707,162
Fire - LOPFI	69,523,081	20,531,201	9,533,839	16,800,950
APERS	294,065	57,118	158,721	(111,302)
	<u>\$ 239,492,892</u>	<u>\$ 60,736,874</u>	<u>\$ 27,469,788</u>	<u>\$ 49,750,688</u>
Business-Type Activities*	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense (Income)
Nonuniformed Plan - Waste Disposal	\$ 56,106	\$ -	\$ 9,296	\$ (1,159)
Nonuniformed Plan - Vehicle Storage	7,014	-	1,161	(145)
2014 Defined Benefit Plan - Waste Disposal	99,684	106,956	272,392	225,252
2014 Defined Benefit Plan - Vehicle Storage	12,460	13,369	34,049	28,157
	<u>175,264</u>	<u>120,325</u>	<u>316,898</u>	<u>252,105</u>
Total Primary Government	<u>\$ 239,668,156</u>	<u>\$ 60,857,199</u>	<u>\$ 27,786,686</u>	<u>\$ 50,002,793</u>
2014 Defined Benefit Plan Discretely Presented Component Untis	<u>\$ 176,381</u>	<u>\$ 226,239</u>	<u>\$ 479,888</u>	<u>\$ 398,563</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, 2020

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	273	62	-	-	123	276
Termed vested benefit	-	-	213	20	133	-
Active plan members	-	2	10	26	1,028	-
Members on Deferred Retirement Option Plan (DROP)	1	-	-	-	-	3
Total	274	64	223	46	1,284	279

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

1. Plan Description and Funding Information

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

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

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

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2020

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 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 2020. The participants contributed 6% of their salaries in 2020. Participant contributions are returned without interest if the participant terminates covered employment. Contribution provisions applicable to the Fund are established by Arkansas code and may not be less than 6%. Administrative costs are financed through Fund assets approved by the Board of Trustees. The City's share of contributions was \$6,609,500 in 2020. 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, 2019 actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included a 7% investment rate of return (net of administrative expenses), projected salary increases of 3.25%, which includes an inflation rate of 2.5% and no costs of living increases. The remaining amortization period at December 31, 2019, was twenty-four (24) 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, 2019 actuarial valuation were based on the results of an actuarial experience study for the period 2012 through 2016.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 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 rates were built on a target allocation for all local police and fire pension funds; the target for an individual fund will vary within the guidelines of Arkansas law and regulation. The target allocation and the long-term expected real rates of return are shown in the table below:

Firemen's Pension Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	30%	1.30%
Domestic equity	42%	5.40%
Foreign equity	18%	7.80%
Alternative investments	10%	6.70%
	<u>100%</u>	

4. Discount Rate

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

The City's net pension liability as of December 31, 2020 was measured as of December 31, 2019, 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, 2020:

Changes in Net Pension Liability - Firemen's Plan			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 100,464,548	\$ 50,100,484	\$ 50,364,064
Charges for the year:			
Interest on total pension liability	6,592,169	-	6,592,169
Difference between expected and actual return	1,507,648	-	1,507,648
Changes of assumptions	-	-	-
Benefit Payments, including refunds of employee contributions	(12,581,421)	(12,581,421)	-
Administrative expense	-	(68,075)	68,075
Contributions - employer	-	6,568,351	(6,568,351)
Net investment income	-	7,740,452	(7,740,452)
Other	-	324,541	(324,541)
Net Changes	<u>(4,481,604)</u>	<u>1,983,848</u>	<u>(6,465,452)</u>
Balances as of end of year	<u>\$ 95,982,944</u>	<u>\$ 52,084,332</u>	<u>\$ 43,898,612</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

6. Sensitivity to Discount Rate Changes

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

		1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Firemen's Pension and Relief Fund	Net pension liability	\$ 51,145,883	\$ 43,898,612	\$ 37,560,518

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

For the year ended December 31, 2020, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$5,702,675, 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, 2020:

Firemen's Pension and Relief Fund	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual investment earnings on pension plan investments	\$ -	\$ 3,342,765
Contributions subsequent to the measurement date	<u>6,609,500</u>	<u>-</u>
Total	<u>\$ 6,609,500</u>	<u>\$ 3,342,765</u>

At December 31, 2020, the City reported \$6,609,500 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, 2021.

Other 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
2021	\$ (796,034)
2022	(1,084,968)
2023	(494,707)
2024	<u>(967,056)</u>
Total	<u>\$ (3,342,765)</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

Police Pension

1. Plan Description and Funding Information

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

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

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

Contributions to the Police Pension are set forth in Arkansas statute. The City's contribution to the Police Pension consists of a one mill real and personal property tax collection, an insurance premium tax turnback collected by the State Insurance Commissioner, and a \$3 assessment against each court case plus 10% of fines and forfeitures collected. The City's contributions to the Plan for 2020 were \$7,611,051.

2. Actuarial Methods and Assumptions

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

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, 2019 actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included a 7.00% investment rate of return (net of administrative expenses), projected salary increases of 3.25%, which includes an inflation rate of 2.75% and no costs of living increases. The remaining amortization period at December 31, 2019, was 21 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, 2019 actuarial valuation were based on the results of an actuarial experience study for the period 2012 through 2016.

3. Long-term expected rate of return

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

Police Pension Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	30%	1.30%
Domestic equity	42%	5.40%
Foreign equity	18%	7.80%
Alternatives	10%	6.70%
	<u>100%</u>	

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

4. Discount Rate

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

The City’s net pension liability as of December 31, 2020 was measured as of December 31, 2019, 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, 2020:

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	\$ 92,372,777	\$ 40,354,626	\$ 52,018,151
Charges for the year:			
Interest on total pension liability	6,145,217	-	6,145,217
Difference between expected and actual return	1,044,177	-	1,044,177
Benefit Payments, including refunds of employee contributions	(9,167,927)	(9,167,927)	-
Administrative expense	-	(55,570)	55,570
Contributions - employer	-	7,724,738	(7,724,738)
Net investment income	-	6,318,520	(6,318,520)
Other	-	(35,809)	35,809
Net Changes	<u>(1,978,533)</u>	<u>4,783,952</u>	<u>(6,762,485)</u>
Balances as of end of year	<u>\$ 90,394,244</u>	<u>\$ 45,138,578</u>	<u>\$ 45,255,666</u>

6. Sensitivity to Discount Rate Changes

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

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Police Pension			
Net pension liability	\$ 52,259,497	\$ 45,255,666	\$ 39,225,316

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

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

For the year ended December 31, 2020, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$5,102,142, 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, 2020:

Police Pension	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual investment earnings on pension plan investments	\$ -	\$ 1,711,476
Contributions subsequent to the measurement date	<u>7,611,051</u>	<u>-</u>
Total	<u>\$ 7,611,051</u>	<u>\$ 1,711,476</u>

At December 31, 2020, the City reported \$7,611,051 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, 2021.

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

Year Ending December 31,	Net Deferred Inflow of Resources
2021	\$ (365,150)
2022	(497,931)
2023	(58,988)
2024	<u>(789,407)</u>
Total	<u>\$ (1,711,476)</u>

Nonuniformed Employees' Defined Benefit Pension Plan (Nonuniformed Plan)

1. Plan Description and Funding Information

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

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2020

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 2020 were \$476,368. 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, 2020 actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five (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, 2020, was two (2) years based on a 5-year closed level-dollar amortization beginning in 2018. The mortality assumption was based on the RP-2000 Combined Healthy Lives Mortality Table. There were no factors that significantly affected the identification of trends such as changes in benefits, actuarial methods, or assumptions.

The actuarial assumptions used in the December 31, 2020 actuarial valuation were based on the results of an actuarial experience study for the period 2008 through 2011.

3. Long-term expected rate of return

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

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

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

5. Changes in the Net Pension Liability

Changes in the total pension liability, plan fiduciary net position and the net pension liability through the respective fiscal years ended, are as follows for the Nonuniformed Plan as determined by the City at December 31, 2020:

Changes in Net Pension Liability - Nonuniformed Plan			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 13,696,046	\$ 12,472,209	\$ 1,223,837
Charges for the year:			
Service Cost	4,912	-	4,912
Interest on total pension liability	846,991	-	846,991
Transfers from DC plan	505,618	505,618	-
Difference between expected and actual return	(108,804)	-	(108,804)
Benefit Payments, including refunds of employee contributions	(1,740,226)	(1,740,226)	-
Administrative expense	-	(14,076)	14,076
Contributions - employer	-	476,368	(476,368)
Net investment income	-	803,311	(803,311)
Net Changes	(491,509)	30,995	(522,504)
Balances as of end of year	\$ 13,204,537	\$ 12,503,204	\$ 701,333

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

6. Sensitivity to Discount Rate Changes

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

		1% Decrease 5.5%	Current Discount Rate 6.5%	1% Increase 7.5%
Nonuniformed Employees' Defined				
Benefit Pension Plan	Net pension liability (asset)	\$ 1,547,637	\$ 701,333	\$ (52,056)

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

For the year ended December 31, 2020, the City recognized a reduction pension expense of \$14,489, and reported deferred inflows of resources related to pensions from the following source for the Nonuniformed Plan, as determined by the City at December 31, 2020:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Nonuniformed Plan		
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 116,185
Total	<u>\$ -</u>	<u>\$ 116,185</u>

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

	Deferred Inflows of Resources
Year Ending December 31,	
2021	\$ (14,101)
2022	101,283
2023	(199,167)
2024	(4,200)
Total	<u>\$ (116,185)</u>

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

1. Plan Description and Funding Information

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

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

Under the provisions of the 2014 Defined Benefit Plan, the City contributes 9% of the participant's salary. The participants contribute 4.5% of their salaries. City contributions during 2020 were \$4,123,820. Contributions to the plan are made from various city governmental and business type funds, as well as two (2) of the discreetly presented component units.

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

2. Actuarial Methods and Assumptions

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

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

For the December 31, 2020 actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included a 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, 2020, was 15 years using a level percent of salary basis, amortization period. The mortality assumption was based on the RP-2000 Combined Healthy Lives Mortality Table Projected to 2020 with scale AA. There were

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

no factors that significantly affected the identification of trends such as changes in benefits, actuarial methods, or assumptions.

The actuarial assumptions used in the December 31, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2007 through June 30, 2012.

3. Long-term expected rate of return

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

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

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, 2020 was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021.

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

Changes in the total pension liability, plan fiduciary net position and the net pension liability are as follows for the 2014 Defined Benefit Plan as determined by the City at December 31, 2020:

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	\$ 72,663,922	\$ 69,856,901	\$ 2,807,021
Charges for the year:			
Service Cost	5,213,048	-	5,213,048
Interest on total pension liability	4,850,703	-	4,850,703
Difference between expected and actual return	804,874	-	804,874
Changes of assumptions	-	-	-
Benefit Payments, including refunds of employee contributions	(1,730,064)	(1,730,064)	-
Administrative expense	-	(109,893)	109,893
Contributions - employer	-	4,123,820	(4,123,820)
Contributions - member	-	2,034,277	(2,034,277)
Changes in proportionate share	-	-	-
Service Purchases	315,411	315,411	-
Net investment income	-	6,205,013	(6,205,013)
Other	1	1	-
Net Changes	<u>9,453,973</u>	<u>10,838,565</u>	<u>(1,384,592)</u>
Balances as of end of year	<u>\$ 82,117,895</u>	<u>\$ 80,695,466</u>	<u>\$ 1,422,429</u>

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. Due to vacancies caused by the events of 2020, the City, the plan's sponsor, has decided to maintain the prior year allocation percentages for 2020. The primary government's proportionate share was 87.6%, the Advertising and Promotion Commission's proportionate share was 11.9%, the Workforce Investment Board's proportionate share was 0.4%, and the Little Rock Port Authority's proportionate share was 0.1%, as shown on the following schedules.

City of Little Rock, Arkansas
Notes to Financial Statements
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Changes in Net Pension Liability - Primary Government

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 64,377,540	\$ 61,918,590	\$ 2,458,950
Charges for the year:			
Service Cost	4,566,630	-	4,566,630
Interest on total pension liability	4,249,216	-	4,249,216
Difference between expected and actual return	705,070	-	705,070
Changes of assumptions	-	-	-
Benefit Payments, including refunds of employee contributions	(1,515,536)	(1,515,536)	-
Administrative expense	-	(96,266)	96,266
Contributions - employer	-	3,612,466	(3,612,466)
Contributions - member	-	1,782,027	(1,782,027)
Changes in proportionate share	-	-	-
Service Purchases	276,300	276,300	-
Net investment income	-	5,435,591	(5,435,591)
Other	1	1	-
Net Changes	<u>8,281,681</u>	<u>9,494,583</u>	<u>(1,212,902)</u>
Balances as of end of year	<u>\$ 72,659,221</u>	<u>\$ 71,413,173</u>	<u>\$ 1,246,048</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	\$ 7,882,842	\$ 7,548,807	\$ 334,035
Charges for the year:			
Service Cost	620,353	-	620,353
Interest on total pension liability	577,234	-	577,234
Difference between expected and actual return	95,780	-	95,780
Changes of assumptions	-	-	-
Benefit Payments, including refunds of employee contributions	(205,878)	(205,878)	-
Administrative expense	-	(13,077)	13,077
Contributions - employer	-	490,735	(490,735)
Contributions - member	-	242,079	(242,079)
Changes in proportionate share	-	-	-
Service Purchases	37,534	37,534	-
Net investment income	-	738,397	(738,397)
Other	-	(1)	1
Net Changes	<u>1,125,023</u>	<u>1,289,789</u>	<u>(164,766)</u>
Balances as of end of year	<u>\$ 9,007,865</u>	<u>\$ 8,838,596</u>	<u>\$ 169,269</u>

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 330,877	\$ 319,649	\$ 11,228
Charges for the year:			
Service Cost	20,852	-	20,852
Interest on total pension liability	19,403	-	19,403
Difference between expected and actual return	3,219	-	3,219
Changes of assumptions	-	-	-
Benefit Payments, including refunds of employee contributions	(6,920)	(6,920)	-
Administrative expense	-	(440)	440
Contributions - employer	-	16,495	(16,495)
Contributions - member	-	8,137	(8,137)
Changes in proportionate share	-	-	-
Service Purchases	1,262	1,262	-
Net investment income	-	24,820	(24,820)
Other	-	-	-
Net Changes	<u>37,816</u>	<u>43,354</u>	<u>(5,538)</u>
Balances as of end of year	<u>\$ 368,693</u>	<u>\$ 363,003</u>	<u>\$ 5,690</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	\$ 72,664	\$ 69,856	\$ 2,808
Charges for the year:			
Service Cost	5,213	-	5,213
Interest on total pension liability	4,851	-	4,851
Difference between expected and actual return	805	-	805
Changes of assumptions	-	-	-
Benefit Payments, including refunds of employee contributions	(1,730)	(1,730)	-
Administrative expense	-	(110)	110
Contributions - employer	-	4,124	(4,124)
Contributions - member	-	2,034	(2,034)
Change in proportionate share	-	-	-
Service Purchases	315	315	-
Net investment income	-	6,205	(6,205)
Other	-	2	(2)
Net Changes	<u>9,454</u>	<u>10,840</u>	<u>(1,386)</u>
Balances as of end of year	<u>\$ 82,118</u>	<u>\$ 80,696</u>	<u>\$ 1,422</u>

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

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

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

2014 Defined Benefit Pension Plan		1% Decrease 5.5%	Current Discount Rate 6.5%	1% Increase 7.5%
City of Little Rock	Net pension liability (asset)	\$ 9,052,183	\$ 1,246,048	\$ (9,556,394)
Advertising & Promotion Commission	Net pension liability (asset)	1,229,691	169,269	(1,298,186)
Workforce Investment Board	Net pension liability (asset)	41,334	5,690	(43,636)
Little Rock Port Authority	Net pension liability (asset)	10,334	1,422	(10,909)
		<u>\$ 10,333,542</u>	<u>\$ 1,422,429</u>	<u>\$ (10,909,125)</u>

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

For the year ended December 31, 2020, the City and its component units recognized pension expense of \$3,214,218, 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, 2020:

2014 Defined Benefit Plan - Primary Government	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 616,936	\$ 1,831,569
Changes of assumptions	720,007	37,038
Changes of proportion	-	34,226
Net difference between expected and actual investment earnings on pension plan investments	-	1,502,060
Total	<u>\$ 1,336,943</u>	<u>\$ 3,404,893</u>

Advertising and Promotion Commission	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 83,808	\$ 248,809
Changes of assumptions	97,809	5,031
Changes of proportion	36,991	-
Net difference between expected and actual investment earnings on pension plan investments	-	204,047
Total	<u>\$ 218,608</u>	<u>\$ 457,887</u>

City of Little Rock, Arkansas
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Workforce Investment Board	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,817	\$ 8,363
Changes of assumptions	3,288	169
Changes of proportion	-	2,763
Net difference between expected and actual investment earnings on pension plan investments	-	6,859
Total	<u>\$ 6,105</u>	<u>\$ 18,154</u>

Little Rock Port Authority	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 704	\$ 2,091
Changes of assumptions	822	42
Net difference between expected and actual investment earnings on pension plan investments	-	1,714
Total	<u>\$ 1,526</u>	<u>\$ 3,847</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
2021	(357,846)	(48,611)	(1,634)	(408)
2022	(13,173)	(1,790)	(60)	(15)
2023	(1,251,285)	(169,981)	(5,714)	(1,428)
2024	(323,074)	(43,888)	(1,475)	(369)
2025	(147,856)	(20,085)	(675)	(169)
Total thereafter	<u>25,284</u>	<u>45,076</u>	<u>(2,491)</u>	<u>68</u>
Total	<u>\$ (2,067,950)</u>	<u>\$ (239,279)</u>	<u>\$ (12,049)</u>	<u>\$ (2,321)</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:

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

City of Little Rock, Arkansas
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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 22.23% for participating policemen and 23.50% for participating firemen. City contributions for 2020 to the Plan were \$16,537,070.

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

At December 31, 2020, the LOPFI Police and LOPFI Fire reported a liability of \$78,749,351 and \$69,523,081, respectively, for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The City's proportionate share was 10.19091% and 8.99695% respectively, for LOPFI Police and LOPFI Fire compared to 10.03566% and 9.13567% 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, 2019. 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, 2020 the LOPFI Police and LOPFI Fire recognized pension expense of \$19,707,162 and \$16,800,950, respectively. At December 31, 2020, LOPFI Police and LOPFI Fire reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

LOPFI - Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 7,748,461	\$ -
Assumption changes	6,800,319	-
Change in proportion	1,221,171	8,172
Net difference between expected and actual investment earnings on pension plan investments	-	9,510,635
Contributions subsequent to the measurement date	<u>8,941,435</u>	<u>-</u>
Total	<u>\$ 24,711,386</u>	<u>\$ 9,518,807</u>
LOPFI - Fire	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,840,646	\$ -
Assumption changes	6,003,591	-
Change in proportion	91,329	1,137,471
Net difference between expected and actual investment earnings on pension plan investments	-	8,396,368
Contributions subsequent to the measurement date	<u>7,595,635</u>	<u>-</u>
Total	<u>\$ 20,531,201</u>	<u>\$ 9,533,839</u>

City of Little Rock, Arkansas
Notes to Financial Statements
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At December 31, 2020, LOPFI Police and LOPFI Fire reported \$8,941,435 and \$7,595,635 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2020, related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	LOPFI Police	LOPFI Fire
2021	\$ 6,115,156	\$ 5,398,709
2022	2,045,018	1,805,425
2023	1,099,686	970,847
2024	(3,008,716)	(4,773,254)
Total	<u>\$ 6,251,144</u>	<u>\$ 3,401,727</u>

Actuarial Assumptions

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	LOPFI - Police	LOPFI - Fire
Wage inflation	3.25%	3.25%
Price inflation	2.50%	2.50%
Salary increases	3.75% - 18.75%, including inflation	3.75% - 18.75%, including inflation
Investment rate of return	7.50%	7.50%
Actuarial cost method	Entry age normal	Entry age normal
Asset valuation method	5-year smoothed market; 20% corridor	5-year smoothed market; 20% corridor

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

The actuarial assumptions used in the December 31, 2019 actuarial valuation were based on the results of an actuarial experience study for the period 2012 through 2016.

City of Little Rock, Arkansas
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Year Ended December 31, 2020

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan’s target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

LOPFI - Police and Fire Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	30%	1.30%
Domestic equity	42%	5.40%
Foreign equity	18%	7.80%
Alternative investments	10%	6.70%
	<u>100%</u>	

Discount Rate

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

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

Local Police and Fire Retirement System (LOPFI)		1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
LOPFI - Police	Net pension liability	\$ 125,477,869	\$ 78,749,351	\$ 41,066,570
LOPFI - Fire	Net pension liability	<u>110,776,968</u>	<u>69,523,081</u>	<u>36,255,239</u>
		<u>\$ 236,254,837</u>	<u>\$ 148,272,432</u>	<u>\$ 77,321,809</u>

City of Little Rock, Arkansas

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Year Ended December 31, 2020

Arkansas Public Employees Retirement System (APERS)

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

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

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

Contributions are set forth in Arkansas statute. The City is required to contribute at an actuarially determined rate, which was 38.99% for district judges and 15.32% for court clerks. City contributions for 2020 to the Plan were \$29,742.

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

At December 31, 2020, the City reported a liability of \$294,065 for its proportionate share of the net pension liability. The City's proportionate share was .01026912% compared to .01165470% for the prior year. The net pension liability was measured as of June 30, 2020, 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, 2020.

City of Little Rock, Arkansas
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For the year ended December 31, 2020, the City recognized a reduction of pension expense of \$(111,302). At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

APERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 3,904	\$ 194
Change in assumptions	3,684	5,039
Net difference between expected and actual investment earnings on pension plan investments	31,116	-
Change in proportion	3,347	153,488
Contributions subsequent to the measurement date	15,067	-
Total	<u>\$ 57,118</u>	<u>\$ 158,721</u>

At December 31, 2020, APERS reported \$15,067 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2020, related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	APERS
2021	\$ 2,597
2022	8,966
2023	12,694
2024	9,213
2025	(150,140)
Total	<u>\$ (116,670)</u>

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2012 through June 30, 2017,

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

APERS	
Valuation	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent-of-Payroll
Remaining Amortization	26 year closed
Asset Valuation Method	4-Year smoothed Market with 25% corridor
Investment rate of return	7.15%
Projected salary increase	3.25%-9.85%
Inflation	3.25%
Cost of living adjustments	3.0% annual compounded increase

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each

City of Little Rock, Arkansas
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major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of June 30, 2020 are summarized in the table below:

APERS Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Broad domestic equity	37%	6.22%
International equity	24%	6.69%
Real assets	16%	4.81%
Absolute return	5%	3.05%
Domestic fixed	18%	5.70%
	<u>100%</u>	

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

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

	1% Decrease	Current Discount Rate	1% Increase
	6.15%	7.15%	8.15%
APERS Net pension liability	\$ 447,882	\$ 294,065	\$ 167,130

Defined Contribution Plans

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

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The Plan requires that employees contribute no less than 3.5% and may contribute an additional 10% of their base salary. Only contributions up to 3.5% are pre-tax. The City is required to contribute 4% of covered payroll each pay period. Participants become fully vested in employer contributions and investment earnings credited to their account after five years of service. Nonvested City contributions and investment earnings are forfeited when participants leave covered employment and are transferred to a separate account, which may be used to reduce City contributions. During 2020, City pension expense for its contributions to the Plan was \$46,501.

The **401(a) Money Purchase and Trust Retirement Fund** is a defined contribution pension plan established under Arkansas state law, covering selected employees. Pension expense is recorded for the amount of the City’s required contributions, determined in accordance with the terms of the Plan. The Plan is administered by a Board of Trustees. The Plan provides retirement benefits to plan members and their beneficiaries. Benefit provisions and contribution requirements are contained in the plan documents and were established, and can be amended, by action of the City’s Board of Directors. During 2020, City pension expense for its contributions to the Plan was \$240,781.

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. Benefits under the plan are currently fully insured.

Employees covered by benefit terms: At December 31, 2020, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	200
Inactive plan member entitled to but not receiving benefit payments	-
Active plan members	1,872
	2,072

City of Little Rock, Arkansas
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Contributions: The contribution requirements of plan members are established by the City and may be amended as needed for the first six months of retirement. Plan members pay the entire cost of monthly insurance premiums at the same rate charged to active employees and receive a benefit from the blended premium rate from all of the employees participating in the City’s health insurance plan. After paying full premiums for six months, members are eligible for City-subsidized rates (75% of the single premium rates are paid by the City). Retired participants pay monthly premiums between \$137 for single coverage and \$808 for basic family coverage. Contributions to the Plan by the City for the year ended December 31, 2020 were \$2,075,331.

Investments

Investment Policy. The plan’s policy in regard to the allocation of invested assets is established by the City. The current asset allocation policy at the end of 2020 is as follows:

Asset Class	Target Allocation Policy
Fixed Income	20%
Money Market	3%
Mutual Funds	40%
Equity	37%

Rate of return. For the year ended December 31, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 12.9 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The City’s net OPEB liability was measured as of December 31, 2020, 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, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Investment rate of return	7.00%
Healthcare cost trend rates	6.5% in year 1, graded downward 0.5% per year to 4.0% in year 6 and later.

City of Little Rock, Arkansas
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For 2020, estimated initial year claims costs were used compared to using expected premiums paid in 2019. Mortality rates were based on the RP-2014 Mortality Table, with adjustments for mortality improvements based on scale MP-2020. 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.

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

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

Asset Class	Long-Term Expected Real Rate of Return
Fixed Income	1.5%
Money Market	0.5%
Mutual Funds	2.8%
Equity	8.5%

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 will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

City of Little Rock, Arkansas
Notes to Financial Statements
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Net OPEB Liability of the City: The components of the net OPEB liability of the City at December 31, 2020, 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	\$ 23,967,219	\$ 6,354,377	\$ 17,612,842
Changes for the year:			
Service cost	793,760	-	793,760
Interest	1,624,054	-	1,624,054
Differences between expected and actual experience	2,117,141	-	2,117,141
Changes of assumptions	(4,795,531)	-	(4,795,531)
Contributions - employer	-	2,075,331	(2,075,331)
Net investment income	-	897,665	(897,665)
Benefit payments	(920,156)	(920,156)	-
Administrative expense	-	-	-
Net changes	<u>(1,180,732)</u>	<u>2,052,840</u>	<u>(3,233,572)</u>
Balances as of End of Year	<u>\$ 22,786,487</u>	<u>\$ 8,407,217</u>	<u>\$ 14,379,270</u>

Plan fiduciary net position as a percentage
of the total OPEB liability 36.9%

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	\$ 16,154,188	\$ 14,379,270	\$ 12,798,332

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 (5.5% - 3.0%)	Healthcare Cost Trend Rates (6.5% - 4.0%)	1% Increase (7.5% - 5.0%)
Net OPEB liability	\$ 12,704,553	\$ 14,379,270	\$ 16,274,096

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

	Health Management Trust Fund
ASSETS	
Cash and cash equivalents	\$ -
Investments	
Equities	3,861,866
Mutual funds and other investments	4,545,351
Total assets	8,407,217
NET POSITION	
Net position restricted for other employee benefits	\$ 8,407,217
	Health Management Trust Fund
Additions	
Contributions	
Employer	\$ 2,075,331
Total contributions	2,075,331
Investment income (loss)	
Net increase (decrease) in fair value of investments	829,867
Gain (loss) on sale of investments	-
Interest and dividends	131,864
	961,731
Less investment expense	64,066
Net investment income (loss)	897,665
Total additions	2,972,996
Deductions	
Benefits paid directly to participants	920,156
Administrative expenses	-
Total deductions	920,156
Net Increase in Net Position	2,052,840
Net Position Restricted for Other Employee Benefits, Beginning of Year	6,354,377
Net Position Restricted for Other Employee Benefits, End of Year	\$ 8,407,217

City of Little Rock, Arkansas
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OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the City recognized OPEB expense of \$2,345,022. At December 31, 2020, 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	\$ 2,688,077	\$ 335,968
Changes of assumptions	4,578,368	4,334,422
Net difference between expected and actual investment earnings on pension plan investments	-	412,066
Total	\$ 7,266,445	\$ 5,082,456

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

	Year Ending December 31,	
2021	\$	358,795
2022		361,485
2023		240,486
2024		333,324
2025		426,539
Thereafter		463,360
Total	\$	2,183,989

City of Little Rock, Arkansas
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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, 2019, to December 31, 2020:

Liability balance, January 1, 2019	\$	2,031,971
Claims and changes in estimates		1,547,594
Claims payments		<u>(2,164,166)</u>
Liability balance, December 31, 2019		1,415,399
Claims and changes in estimates		2,872,473
Claims payments		<u>(2,132,667)</u>
 Liability balance, December 31, 2020	 \$	 <u><u>2,155,205</u></u>

Insurance Coverage

The City and its component units have various insurance policies to cover their potential liability risk areas, *i.e.*, automobile, personal property, contents and outside structures and workers' compensation. The type of coverage and the liability limits vary with each entity. Coverage is provided both commercially and through the Arkansas Municipal League (AML), which is an association of local governments. AML provides the City with automobile and legal defense coverage. Fixed premiums are set annually by AML based on such factors as claims experience, employee class multipliers and population. For risks covered by AML, the City pays no deductible; however, the City pays a \$3,000 fee to AML for each legal matter it handles. There have been no significant reductions in coverage from 2019 to 2020; nor have settlement amounts exceeded insurance coverage for each of the past three years.

City of Little Rock, Arkansas
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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, 2020, property taxes receivable and related deferred inflows of resources of \$64,603,744 have been recorded in the governmental funds. In the government-wide statement of net position, property taxes are considered earned at the time levied. The government-wide financial statements also include \$9,108,676 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 2019 for 2020 Collections
General purpose	5.00	5.00
Municipal improvements	3.00	3.00
Library operations	3.30	3.30
Library capital improvement bonds	1.80	1.80
Firemen's relief and pension fund	1.00	1.00
Policemen's pension and relief fund	1.00	1.00
Roads	1.45	1.45
Total	16.55	16.55

City of Little Rock, Arkansas
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Note 11: Landfill Closure and Postclosure Care Cost

Federal and state laws and regulations require the Solid Waste Landfill to close the landfill that began accepting waste after October 9, 1993, by (1) covering the site with an impermeable cap, (2) implementing additional groundwater monitoring, (3) providing a minimum of 30 years of postclosure care and (4) demonstrating financial assurance for the closure and postclosure care. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The cumulative recognition of this liability of \$7,480,189 is based on 67.9% use of Class I Waste total constructed capacity, and 48.5% use of Class IV Waste constructed capacity. The Waste Disposal Fund will recognize, as the remaining capacity is filled, an estimated additional \$11,119,065 for final closure and postclosure of the entire landfill, which is expected to close in or about the year 2065. These amounts are based on engineering estimates of what it would cost to perform all closure and postclosure care in 2020. 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 participates in several federal financial assistance programs. The City's grant programs have been audited in accordance with the provisions of the *Single Audit Act of 1984*, as amended by the *Single Audit Act Amendments of 1996*, and are subject to resolution of previously identified questioned costs. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time.

Central Arkansas Transit Authority

The City has an ongoing agreement with the Central Arkansas Transit Authority (CATA) to finance approximately 70% of its operating deficits. The City could continue to be required to fund CATA's operating deficits if the current level of services is to be maintained in the future.

Risk Management

The City is a member of the Arkansas Municipal Legal Defense Program (AMLDP), which provides extraordinary legal defense and extraordinary expenses in suits against municipal officials and employees and civil rights suits against the municipal government. The Program only pays judgments for actual damages (not punitive damages) imposed on municipal governments and their officials and employees; which will not exceed 25% of the Program's available funds at the

City of Little Rock, Arkansas
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time the lawsuit was filed or the judgment becomes final, or \$1 million, whichever is less. In the opinion of the City Attorney, the amount of financial exposure to the City as a result of litigation matters handled by the Program is not significant to the City.

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

Economic Environment

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of City. The duration of these uncertainties and future changes caused by the current economic environment and the ultimate financial effects cannot be reasonably estimated at this time but could be significant.

Construction and Other Significant Commitments

Construction commitments. The City of Little Rock has active construction projects as of December 31, 2020. 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	\$ 203,783	\$ 246,217
Police Headquarters Construction	1,125,764	5,885,136
Street and Drainage Construction	11,857,767	9,261,015

The remaining commitment amounts of \$15,392,367 for the widening of streets and bridges and the construction of City facilities projects were encumbered at fiscal year end. As discussed earlier in note I.F.1, *Budgetary information, Budgetary basis of accounting*, 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,

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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, 2020, the aggregate principal amount payable on these bonds was approximately \$157,039,686.

Note 14: Jointly Governed Organization

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

Note 15: Fund Balance

The City classified governmental fund balances as follows:

	General Fund	Sales Tax Capital Improvements	2013 Capital		Street	Other Governmental Funds	Total Governmental Funds
			Improvements (Debt Service)				
Fund Balances							
Nonspendable							
Inventory	\$ 55,962	\$ -	\$ -	\$ -	\$ -	\$ 686,165	\$ 742,127
Prepays	1,708,880	-	-	28,892	-	-	1,737,772
Trust principal	-	-	-	-	-	250,000	250,000
Restricted							
Debt service	-	-	14,469,750	-	-	9,977,718	24,447,468
Capital improvements	-	36,406,779	-	-	-	26,806,559	63,213,338
Streets & Drainage Infrastructure	-	-	-	20,643,888	-	-	20,643,888
Grants	-	-	-	-	-	1,683,551	1,683,551
Emergency 911	-	-	-	-	-	3,076,940	3,076,940
Special Projects	-	-	-	-	-	3,811,274	3,811,274
Committed							
Cable network	41,997	-	-	-	-	-	41,997
Assigned							
General fund special projects	15,731,728	-	-	-	-	-	15,731,728
Unassigned	30,520,217	-	-	-	-	-	30,520,217
Total Fund Balances	\$ 48,058,784	\$ 36,406,779	\$ 14,469,750	\$ 20,672,780	\$ 46,292,207	\$ 165,900,300	

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

Note 16: Tax Abatement

The City of Little Rock has fourteen (14) 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, 2020 is:

Taxing Authority	Amount Due if PILOTS Were Not in Place	Actual Tax Collected Under PILOT Agreements	Tax Abatement
City of Little Rock	\$ 1,313,760	\$ 429,011	\$ 884,749
Little Rock School District	3,629,303	1,195,570	2,433,733
Pulaski County	559,638	182,751	376,887
Pulaski County Special School District	47,355	6,330	41,025
Total	<u>\$ 5,550,056</u>	<u>\$ 1,813,662</u>	<u>\$ 3,736,394</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

Note 17: Discretely Presented Component Units

Little Rock Water Reclamation Authority (LRWRA)

Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

Little Rock Water Reclamation Authority	Balance 1/1/2020	Additions	Disposals	Balance 12/31/2020
Capital Assets, non-depreciable				
Land	\$ 5,434,140	\$ -	\$ -	\$ 5,434,140
Construction in progress	<u>79,842,800</u>	<u>51,485,187</u>	<u>14,088,760</u>	<u>117,239,227</u>
Total capital assets, non-depreciable	85,276,940	51,485,187	14,088,760	122,673,367
Capital Assets, depreciable				
Buildings, improvements and facilities	555,612,949	12,911,059	55,960	568,468,048
Equipment	<u>80,472,510</u>	<u>695,686</u>	<u>170,959</u>	<u>80,997,237</u>
Total capital assets, depreciable	636,085,459	13,606,745	226,919	649,465,285
Less accumulated depreciation	<u>209,430,760</u>	<u>17,858,636</u>	<u>215,096</u>	<u>227,074,300</u>
Total capital assets, net	<u>\$ 511,931,639</u>	<u>\$ 47,233,296</u>	<u>\$ 14,100,583</u>	<u>\$ 545,064,352</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

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, 2020	Increases	Decreases	Balance December 31, 2020	Amounts Due in One Year
Little Rock Water Reclamation Authority					
Revenue bonds	\$ 331,802,269	\$ 134,485,549	\$ 112,024,413	\$ 354,263,405	\$ 9,215,000
Add issuance premiums	8,385,090	-	922,394	7,462,696	-
	<u>\$ 340,187,359</u>	<u>\$ 134,485,549</u>	<u>\$ 112,946,807</u>	<u>\$ 361,726,101</u>	<u>\$ 9,215,000</u>

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

Year	Little Rock Water Reclamation Authority	
	Principal	Interest
2021	\$ 9,215,000	\$ 10,545,756
2022	9,540,000	11,126,202
2023	6,560,000	11,013,623
2024	13,321,118	10,733,939
2025	14,113,889	10,285,507
2026-2030	80,902,634	43,600,068
2031-2035	95,630,463	28,731,301
2036-2040	58,587,706	13,592,577
2041-2045	28,313,803	8,029,733
2046-2050	26,651,075	3,796,945
2051-2053	11,427,717	157,003
	<u>\$ 354,263,405</u>	<u>\$ 151,612,654</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, 2020

At December 31, 2020, LRWRA reported a liability of \$20,319,625 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of those dates. LRWRA's proportion of the net pension liability was based on LRWRA's contributions to the pension plan relative to the contributions of all participating APERS members. At June 30, 2020, LRWRA's proportion was 0.70958705%, which was a decrease of 0.00267593% from its proportion measured as of June 30, 2019, of 0.71226298%.

For the year ended December 31, 2020, LRWRA recognized pension expense of \$3,719,331. At December 31, 2020, LRWRA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 269,749	\$ 13,456
Changes in proportion and differences between employer contributions and proportionate share	255,731	168,407
Changes in assumptions	254,588	348,149
Net difference between projected and actual earnings on pension plan investments	2,150,075	-
Contributions subsequent to the measurement date	1,143,112	-
Total	\$ 4,073,255	\$ 530,012

The \$1,143,112 reported as deferred outflows of resources at December 31, 2020, related to pensions resulting from LRWRA's contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. 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	
2021	\$ 203,016
2022	685,859
2023	875,361
2024	635,895
	\$ 2,400,131

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

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

Sensitivity of Discount Rate		
1% Lower	Discount Rate	1% Higher
6.15%	7.15%	8.15%
\$ 30,948,292	\$ 20,319,625	\$ 11,548,568

Bill and Hillary Clinton National Airport (Airport)

Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	Balance				Balance
Bill and Hillary Clinton National Airport	1/1/2020	Additions	Disposals	Transfers/ Reclassification s	12/31/2020
Capital Assets, non-depreciable					
Land	\$ 68,233,947	\$ 28,955	\$ -	\$ -	\$ 68,262,902
Construction in progress	12,488,565	28,290,288	67,048	(29,420,496)	11,291,309
Total capital assets, non-depreciable	80,722,512	28,319,243	67,048	(29,420,496)	79,554,211
Capital Assets, depreciable					
Buildings, improvements and facilities	460,762,854	109,143	568,706	29,081,769	489,385,060
Vehicles	2,171,155	201,157	-	-	2,372,312
Equipment	25,235,147	365,715	181,800	338,727	25,757,789
Total capital assets, depreciable	488,169,156	676,015	750,506	29,420,496	517,515,161
Less accumulated depreciation	240,939,504	19,215,867	517,408	-	259,637,963
Total capital assets, net	\$ 327,952,164	\$ 9,779,391	\$ 300,146	\$ -	\$ 337,431,409

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2020

Note 18: Subsequent Events

Museum of Discovery - Flooding

Management has evaluated subsequent events through May, 14, 2021, the date that the financial statements were available to be issued.

In February 2021, a pipe burst at the Museum as a result of freezing temperatures flooding the Museum's galleries, theatres and offices. Management estimates that damages resulting from the flood at approximately \$5.0 million with insurance proceeds expected to cover all of the damages except for the \$7,000 insurance deductible. Although the flood resulted in the Museum closing its doors to patrons, the Museum is continuing to operate virtual programs and continue its fundraising efforts during the closure.

The Consolidated Appropriations Act (CAA) of 2021 was signed into law on December 27, 2020 to provide aid to eligible small businesses, organizations and individuals impacted by COVID-19. Title III of the CAA contains the "Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act", which continues the PPP and allocated funds for a second round of PPP loans. The CAA allows borrowers who obtained a PPP loan under the original program and used up, or will use up the proceeds, to obtain another PPP loan. The bill refers to these as "second draw" loans. As of the date of the independent auditor's report, the Organization has been approved and received \$351,950 under the second draw PPP loans.

Little Rock Airport Commission

The Commission has evaluated subsequent events for recognition and disclosure through April 20, 2021, the date the financial statements were issued. In December 2020, the Economic Aid Act was passed which extended and revised the Small Business Administration's (SBA) Paycheck Protection Program (PPP), which was established by the CARES Act on March 27, 2020. In conjunction with the second round of stimulus funding, the SBA reopened the PPP in January 2021 to eligible businesses for "Second draw" PPP loans. On February 19, 2021, the Commission was granted a loan from a financial institution in the amount of \$1,558,299, pursuant to the SBA's PPP. PPP loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll costs, benefits, rent and utilities, and other qualifying expenses as described in the CARES Act. Any unforgiven portion of the loan bears interest at an annual interest rate of 1% and requires monthly payments of approximately \$32,000 commencing on January 19, 2022, through maturity on February 19, 2026. The note may be prepaid by the Borrower at any time prior to maturity. Loan forgiveness from the SBA is contingent upon meeting the conditions of the PPP. The Commission intends to use the entire loan amount for qualifying expenses, and, as a result, expects the entire loan to be forgiven.

REQUIRED SUPPLEMENTARY INFORMATION



City of Little Rock, Arkansas
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
General property taxes	\$ 31,189,332	\$ 30,863,382	\$ 30,296,224	\$ (567,158)
Sales taxes	108,439,925	108,066,845	109,439,853	1,373,008
Licenses and permits	12,474,600	11,204,900	11,246,926	42,026
Intergovernmental	10,561,800	11,038,777	11,038,777	-
Charges for services	11,405,605	7,671,740	7,775,487	103,747
Fines and fees	2,339,900	1,378,147	1,460,543	82,396
Utility franchise taxes	29,996,250	28,505,750	28,209,350	(296,400)
Investment income	350,000	288,500	256,758	(31,742)
Contributions	317,408	317,408	365,993	48,585
Miscellaneous	814,599	967,970	1,704,184	736,214
Total revenues	207,889,419	200,303,419	201,794,095	1,490,676
Expenditures				
General government				
General administration	22,580,232	21,099,734	24,271,819	(3,172,085)
Board of directors	338,411	338,456	317,253	21,203
Community programs	462,179	439,273	1,709,191	(1,269,918)
City attorney	1,585,138	1,552,831	1,598,481	(45,650)
District court - first division (criminal)	1,348,842	1,320,516	1,196,683	123,833
District court - second division (traffic)	1,246,377	1,227,217	1,198,654	28,563
District court - third division (environment)	537,099	514,373	488,399	25,974
Finance	3,588,285	3,327,173	3,277,836	49,337
Human resources	1,860,866	1,719,375	1,797,481	(78,106)
Information technology	5,538,495	5,274,731	5,743,536	(468,805)
Planning and development	2,601,213	2,394,521	2,337,069	57,452
Total general government	41,687,137	39,208,200	43,936,402	(4,728,202)
Public works	1,074,107	1,065,035	1,548,719	(483,684)
Parks and recreation services	9,994,977	8,673,008	8,673,821	(813)
River Market	1,356,920	929,938	791,428	138,510
Golf	1,532,166	1,678,978	1,661,082	17,896
Jim Dailey Fitness	886,292	772,110	646,573	125,537
Zoo	6,638,508	6,058,181	5,766,847	291,334
Fire	53,230,908	45,703,678	45,323,239	380,439
Police	80,209,890	77,092,066	77,049,925	42,141
Fleet	-	-	2,404	(2,404)
Housing and neighborhood programs	5,566,012	4,646,822	5,216,228	(569,406)
Debt service				
Principal	5,210,168	5,210,168	5,210,167	1
Fiscal changes on long term debt	295,366	295,366	271,366	24,000
Capital Outlay	-	-	1,347,587	(1,347,587)
Vacancy savings	(5,500,000)	-	-	-
Total expenditures	202,182,451	191,333,550	197,445,788	(6,112,238)
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,706,968	8,969,869	4,348,307	(4,621,562)
Other Financing Sources (Uses)				
Transfers in	4,235,834	4,235,834	4,724,499	488,665
Transfers out	(9,942,802)	(13,205,703)	(194,000)	13,011,703
Total other financing sources (uses)	(5,706,968)	(8,969,869)	4,530,499	13,500,368
Net Change in Fund Balances	-	-	8,878,806	8,878,806
Fund Balances, Beginning of Year	39,179,978	39,179,978	39,179,978	-
Fund Balances, End of Year	\$ 39,179,978	\$ 39,179,978	\$ 48,058,784	\$ 8,878,806

City of Little Rock, Arkansas
Notes to Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2020

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 2020.

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.

City of Little Rock, Arkansas
Budgetary Comparison Schedule
Street Fund
Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
General property taxes	\$ 6,446,103	\$ 6,263,603	\$ 6,262,005	\$ (1,598)
Licenses and permits	14,400	14,400	21,860	7,460
Intergovernmental	14,113,000	14,388,000	14,614,126	226,126
Charges for services	16,700	16,700	28,009	11,309
Investment income	250,000	250,000	230,043	(19,957)
Miscellaneous	32,000	42,200	1,566,580	1,524,380
Total revenues	<u>20,872,203</u>	<u>20,974,903</u>	<u>22,722,623</u>	<u>1,747,720</u>
Expenditures				
Public works	19,392,686	19,316,428	17,591,733	1,724,695
Capital Outlay	-	-	7,702,856	(7,702,856)
Total expenditures	<u>19,392,686</u>	<u>19,316,428</u>	<u>25,294,589</u>	<u>(5,978,161)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,479,517</u>	<u>1,658,475</u>	<u>(2,571,966)</u>	<u>(4,230,441)</u>
Other Financing Sources (Uses)				
Transfers in	467,700	467,700	477,045	9,345
Transfers out	<u>(1,947,217)</u>	<u>(6,648,605)</u>	<u>(562,863)</u>	<u>6,085,742</u>
Total other financing sources (uses)	<u>(1,479,517)</u>	<u>(6,180,905)</u>	<u>(85,818)</u>	<u>6,095,087</u>
Net Change in Fund Balances	-	(4,522,430)	(2,657,784)	1,864,646
Fund Balances, Beginning of Year	<u>23,330,564</u>	<u>23,330,564</u>	<u>23,330,564</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 23,330,564</u>	<u>\$ 18,808,134</u>	<u>\$ 20,672,780</u>	<u>\$ 1,864,646</u>

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, 2020

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

Notes to Schedule:

Changes of assumptions:

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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially Determined Contribution	\$ 2,075,331	\$ 1,893,956	\$ 1,226,087	\$ 1,290,674
Contributions in relation to the actuarially determined contribution	<u>2,075,331</u>	<u>1,893,956</u>	<u>1,226,087</u>	<u>1,385,762</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(95,088)</u></u>
Covered employee payroll	\$ 121,439,142	\$ 118,463,332	\$ 118,048,877	\$ 111,272,744
Contributions as a percentage of employee payroll	1.71%	1.60%	1.04%	1.25%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Inflation	3.00%
Healthcare cost trend rates	6.5% in year 1 graded downward 0.5% per year to 4.0% in year 6 and later.
Investment rate of return	7%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2014 Mortality Table, with improvement scale MP-2020.

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, 2020

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

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, 2020

Firemen's Pension Relief Fund

Fiscal Year ending December 31,	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Interest	\$ 6,592,169	\$ 5,448,952	\$ 5,807,041	\$ 5,807,041	\$ 6,088,293	\$ 6,649,073
Changes of benefit terms	-	7,372,380	-	-	-	-
Difference between expected and actual experience	1,507,648	1,934,916	(97,808)	(97,808)	(120,292)	(6,896,944)
Changes in assumptions	-	(16,406,953)	-	-	-	-
Benefit payments, including refunds of plan member contributions	(12,581,421)	(13,727,558)	(12,014,477)	(12,014,477)	(11,171,601)	(10,763,891)
Net Change in Total Pension Liability	(4,481,604)	(15,378,263)	(6,305,244)	(6,305,244)	(5,203,600)	(11,011,762)
Total Pension Liability, Beginning of Year	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>\$ 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	\$ 6,568,351	\$ 6,197,376	\$ 5,683,879	\$ 5,683,879	\$ 5,424,494	\$ 5,312,855
Plan member contributions	-	3,324	3,388	3,388	3,324	14,993
Net investment income	7,740,452	44,684	5,512,667	5,512,667	1,356,915	(2,774,677)
Benefit payments, including refunds of plan member contributions	(12,581,421)	(13,727,558)	(12,014,477)	(12,014,477)	(11,171,602)	(10,763,891)
Administrative expense	(68,075)	(95,039)	(39,957)	(39,957)	(225,141)	(9,491)
Other	324,541	(359,548)	500,961	500,961	567,243	(121,985)
Net Change in Plan Fiduciary Net Position	1,983,848	(7,936,761)	(353,539)	(353,539)	(4,044,767)	(8,342,196)
Plan Fiduciary Net Position, Beginning of Year	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>\$ 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>\$ 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	54.26%	49.87%	50.10%	50.10%	47.80%	49.03%
Covered Payroll	\$ 82,999	-	-	-	-	-
Plan's Net Pension Liability as a Percentage of Covered Payroll	52890.53%	NA	NA	NA	NA	NA

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

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Year Ended December 31, 2020

Police Pension Plan

Fiscal Year ending December 31,	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Interest	\$ 6,145,217	\$ 6,416,604	\$ 6,607,291	\$ 6,892,598	\$ 7,172,978	\$ 7,172,118
Changes of benefit terms	-	-	4,833,941	-	-	-
Difference between expected and actual experience	1,044,177	(668,084)	1,089,772	(162,894)	626,074	2,845,816
Changes in assumptions	-	-	4,132,801	-	1,589,989	-
Benefit payments, including refunds of plan member contributions	(9,167,927)	(10,083,026)	(10,423,792)	(10,398,367)	(9,830,664)	(10,183,707)
Net Change in Total Pension Liability	(1,978,533)	(4,334,506)	6,240,013	(3,668,663)	(441,623)	(165,773)
Total Pension Liability, Beginning of Year	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>\$ 90,394,244</u>	<u>\$ 92,372,777</u>	<u>\$ 96,707,283</u>	<u>\$ 90,467,270</u>	<u>\$ 94,135,933</u>	<u>\$ 94,577,556</u>
Plan Fiduciary Net Position						
Employer contributions	\$ 7,724,738	\$ 7,385,981	\$ 7,683,405	\$ 6,520,729	\$ 7,562,305	\$ 5,939,677
Net investment income	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	(9,167,927)	(10,083,026)	(10,423,792)	(10,398,367)	(9,830,664)	(10,183,707)
Administrative expense	(55,570)	(69,799)	(62,862)	(67,899)	(83,836)	(59,497)
Other	(35,809)	(106,847)	-	109,384	198,741	935,047
Net Change in Plan Fiduciary Net Position	4,783,952	(3,930,999)	2,100,091	(1,695,779)	(2,283,862)	(864,645)
Plan Fiduciary Net Position, Beginning of Year	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>\$ 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>\$ 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	49.94%	43.69%	45.79%	46.63%	46.61%	48.81%
Covered Payroll	\$ 266,630	\$ 261,209	\$ 407,678	\$ 603,022	\$ -	\$ -
Plan's Net Pension Liability as a Percentage of Covered Payroll	16973.21%	19914.38%	12858.59%	8006.63%	NA	NA

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Year Ended December 31, 2020

Nonuniformed Employees' Defined Benefit Plan

Fiscal Year ending December 31,	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service Cost	\$ 4,912	\$ 6,472	\$ 7,561	\$ 8,073	\$ 9,627	\$ 35,084
Interest	846,991	875,305	919,271	967,628	992,989	1,066,765
Transfers fomr DC plan	505,618	607,775	400,496	296,175	679,378	633,501
Difference between expected and actual experience	(108,804)	(425,585)	(315,097)	(132,527)	(144,356)	(167,591)
Changes in assumptions	-	-	-	-	-	1,207,785
Benefit payments, including refunds of plan member contributions	<u>(1,740,226)</u>	<u>(1,661,821)</u>	<u>(1,721,934)</u>	<u>(1,748,500)</u>	<u>(1,723,901)</u>	<u>(1,766,611)</u>
Net Change in Total Pension Liability	(491,509)	(597,854)	(709,703)	(609,151)	(186,263)	1,008,933
Total Pension Liability, Beginning of Year	<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>	<u>14,790,084</u>
Total Pension Liability, End of Year	<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	\$ 476,368	\$ 563,400	\$ 540,783	\$ 701,854	\$ 883,340	\$ 878,715
Net investment income	803,311	1,667,724	(724,323)	1,327,387	612,036	(77,820)
Benefit payments, including refunds of plan member contributions	(1,740,226)	(1,661,821)	(1,721,934)	(1,748,500)	(1,723,901)	(1,766,611)
Administrative expense	(14,076)	(19,769)	(18,093)	(21,430)	(19,799)	(30,007)
Other	505,618	607,775	400,496	296,175	679,377	635,094
Net Change in Plan Fiduciary Net Position	30,995	1,157,309	(1,523,071)	555,486	431,053	(360,629)
Plan Fiduciary Net Position, Beginning of Year	<u>12,472,209</u>	<u>11,314,900</u>	<u>12,837,971</u>	<u>12,282,485</u>	<u>11,851,431</u>	<u>12,212,060</u>
Plan Fiduciary Net Position, End of Year	<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>\$ 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	94.69%	91.06%	79.16%	85.57%	78.67%	75.01%
Covered Payroll	\$ 108,404	\$ 327,820	\$ 431,444	\$ 504,071	\$ 672,281	\$ 641,799
Plan's Net Pension Liability as a Percentage of Covered Payroll	646.96%	373.33%	690.47%	429.63%	495.37%	615.08%

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Year Ended December 31, 2020

2014 Defined Benefit Pension Plan

Fiscal Year ending December 31,	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service Cost	\$ 5,213,048	\$ 5,190,179	\$ 5,353,447	\$ 4,846,744	\$ 4,670,895	\$ 4,961,436
Service cost - service purchase	315,411	56,548	1,219,814	438,242	847,020	151,953
Interest	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	804,874	(1,066,308)	(226,568)	(970,056)	(932,229)	(588,761)
Changes in assumptions	-	-	-	-	1,849,331	(126,844)
Benefit payments, including refunds of plan member contributions	(1,730,064)	(1,138,045)	(915,123)	(813,811)	(745,738)	(477,355)
Other	1	-	-	-	-	-
Net Change in Total Pension Liability	9,453,973	7,417,649	9,712,299	6,826,651	8,486,271	6,282,072
Total Pension Liability, Beginning of Year	72,663,922	65,246,273	55,533,974	48,707,323	40,221,052	33,938,980
Total Pension Liability, End of Year	\$ 82,117,895	\$ 72,663,922	\$ 65,246,273	\$ 55,533,974	\$ 48,707,323	\$ 40,221,052
Plan Fiduciary Net Position						
Employer contributions	\$ 4,123,820	\$ 4,137,168	\$ 4,138,261	\$ 3,961,813	\$ 3,709,110	\$ 3,518,861
Plan member contributions	2,034,277	2,038,394	2,069,065	1,980,710	1,855,506	1,758,973
Contributions - employee service purchase	315,411	56,548	1,219,814	438,242	847,020	151,953
Net investment income	6,205,013	8,713,372	(3,389,302)	4,936,031	1,623,353	(495,929)
Benefit payments, including refunds of plan member contributions	(1,730,064)	(1,138,045)	(915,123)	(813,811)	(745,738)	(477,355)
Administrative expense	(109,893)	(104,596)	(99,461)	(90,323)	(83,231)	(70,248)
Other	1	-	3,014	-	-	67,868
Net Change in Plan Fiduciary Net Position	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	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	\$ 80,695,466	\$ 69,856,901	\$ 56,154,060	\$ 53,127,792	\$ 42,715,130	\$ 35,509,110
City's Net Pension Liability, End of Year	\$ 1,422,429	\$ 2,807,021	\$ 9,092,213	\$ 2,406,182	\$ 5,992,193	\$ 4,711,942
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	98.27%	96.14%	86.06%	95.67%	87.70%	88.28%
Covered Payroll	\$ 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	3.14%	6.20%	19.77%	5.47%	14.14%	11.71%

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of City Contributions
Year Ended December 31, 2020

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	15,273,095	5,683,879	9,589,216	-	NA
2019	13,703,688	6,197,376	7,506,312	-	NA
2020	3,162,420	5,696,249	(2,533,829)	82,999	6863.03%

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

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	24 years beginning January 1, 2019
Asset valuation	5-year smoothed market; 20% corridor
Investment rate of return	7.5%
Mortality	RP-2014 Healthy annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016.

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of City Contributions
Year Ended December 31, 2020

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	\$ 3,336,832	\$ 5,136,832	\$ (1,800,000)	-	NA
2016	3,228,943	6,730,129	(3,501,186)	-	NA
2017	3,404,129	5,504,129	(2,100,000)	603,022	912.76%
2018	3,704,417	6,604,417	(2,900,000)	407,678	1620.01%
2019	4,140,780	6,240,780	(2,100,000)	261,209	2389.19%
2020	4,195,272	6,376,390	(2,181,118)	266,630	2391.48%

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

Key Assumptions for ADC:

Cost method	Individual entry age normal
Amortization method	Closed amortization period based on projected future payroll
Remaining amortization	21 years beginning January 1, 2019
Asset valuation	5-year smoothed market; 20% corridor
Investment rate of return	7.5%
Mortality	RP-2014 Healthy annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016.

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of City Contributions
Year Ended December 31, 2020

Nonuniformed 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	-	\$ 672,281	130.71%
2016	883,340	883,340	-	641,799	137.63%
2017	701,854	701,854	-	548,887	127.87%
2018	540,783	540,783	-	504,071	107.28%
2019	563,400	563,400	-	431,444	130.58%
2020	476,368	476,368	-	327,820	145.31%

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

Key Assumptions for ADC:

Cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization	5 years, open (closed in 2018)
Asset valuation	Market related value
Investment rate of return	7.0% before 2016, 6.5% after
Mortality	RP 2000 Combined Healthy Lives Projected to 2020 with a Scale AA

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of City Contributions
Year Ended December 31, 2020

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%

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

Key Assumptions for ADC:

Cost method	Entry age normal
Amortization method	Level percent of salary
Remaining amortization	15 years
Asset valuation	Market value
Investment rate of return	6.5%
Mortality	RP 2000 Combined Healthy Lives Projected to 2020 with Scale AA

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, 2020

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

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

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

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability and
Contributions (Continued)
Year Ended December 31, 2020

<u>LOPFI - Fire</u>							
<u>December 31</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Contractually required contribution	\$ 7,595,635	\$ 7,477,859	\$ 7,128,140	\$ 6,640,157	\$ 6,172,838	\$ 5,627,114	
Contributions related to the contractually required contribution	(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	\$ 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%	23.58%	22.58%	21.04%	19.74%	
<u>LOPFI - Police</u>							
<u>December 31</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Contractually required contribution	\$ 8,941,435	\$ 8,487,521	\$ 7,834,319	\$ 7,079,384	\$ 6,470,527	\$ 6,056,539	
Contributions related to the contractually required contribution	(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	\$ 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	22.23%	21.23%	20.23%	19.23%	15.41%	14.35%	

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

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability and
Contributions (Continued)
Year Ended December 31, 2020

<u>APERS</u> June 30,	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.01026912%	0.01165470%	0.01199273%	0.02944190%	0.04438351%	0.04566542%
City's proportionate share of the net pension liability	\$ 291,065	\$ 281,173	\$ 264,552	\$ 760,820	\$ 1,061,364	\$ 841,035
City's covered payroll	\$ 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	160%	140%	120%	197%	153%	158%
Plan fiduciary net position as a percentage of the total pension liability	75.38%	78.55%	79.59%	75.65%	80.39%	80.39%

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

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

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

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

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of Investment Returns
Year Ended December 31, 2020

	Fiscal Year Ending	Annual Money-weighted Rate of Return
Nonuniformed Employees' Defined Benefit Pension Plan	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	12/31/20
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.

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

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

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

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

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

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

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

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

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

City of Little Rock, Arkansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 5,928,075	\$ 104,820	\$ 1,420,052	\$ 7,452,947
Restricted cash	-	5,035,111	119,664	5,154,775
Investments	3,817,119	4,238,925	26,296,126	34,352,170
Accounts receivable	8,905,384	10,175,409	158,797	19,239,590
Due from other funds	18,283	-	-	18,283
Interest receivable	2,366	74	120,621	123,061
Inventories	686,165	-	-	686,165
Total assets	\$ 19,357,392	\$ 19,554,339	\$ 28,115,260	\$ 67,026,991
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 1,345,803	\$ -	\$ 863,217	\$ 2,209,020
Due to other funds	7,534,084	-	-	7,534,084
Retainage Payable	27,609	-	286,687	314,296
Unearned revenue	941,966	-	-	941,966
Total liabilities	9,849,462	-	1,149,904	10,999,366
Deferred Inflows of Resources				
Unavailable revenues - property taxes	-	9,576,621	158,797	9,735,418
Total deferred inflows of resources	-	9,576,621	158,797	9,735,418
Fund Balances				
Nonspendable	936,165	-	-	936,165
Restricted	8,571,765	9,977,718	26,806,559	45,356,042
Total fund balances	9,507,930	9,977,718	26,806,559	46,292,207
Total liabilities, deferred inflows of resources and fund balances	\$ 19,357,392	\$ 19,554,339	\$ 28,115,260	\$ 67,026,991

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
General property taxes	\$ -	\$ 8,389,019	\$ 155,886	\$ 8,544,905
Sales taxes	-	1,379,772	-	1,379,772
Licenses and permits	98,584	-	-	98,584
Intergovernmental	19,306,403	-	-	19,306,403
Charges for services	3,957,209	-	-	3,957,209
Fines and fees	450,398	-	-	450,398
Utility franchise taxes	-	1,504,750	-	1,504,750
Investment income	32,207	38,717	732,860	803,784
Contributions and donations	570,531	285,648	-	856,179
Miscellaneous	1,484,124	-	-	1,484,124
Total revenues	25,899,456	11,597,906	888,746	38,386,108
Expenditures				
General government				
General administration	1,307,246	-	-	1,307,246
District court - first division (criminal)	654	-	-	654
District court - second division (traffic)	14,816	-	-	14,816
District court - third division (environment)	1,403	-	-	1,403
Finance	500	2,000	-	2,500
Human resources	70,204	-	-	70,204
Information technology	-	-	2,416	2,416
Planning and development	68,306	-	-	68,306
Total general government	1,463,129	2,000	2,416	1,467,545
Public works	9,592	-	3,102,050	3,111,642
Parks and recreation services	1,041,215	-	29,112,562	30,153,777
Zoo	4,655	-	-	4,655
Fire	8,631,749	-	-	8,631,749
Police	3,122,977	-	-	3,122,977
Fleet	78,740	-	-	78,740
Economic development	-	-	205,360	205,360
Education	-	-	27,000	27,000
Housing and neighborhood programs	2,526,323	-	-	2,526,323
Debt service				
Principal	563,570	8,180,000	-	8,743,570
Fiscal changes on long term debt	159,478	3,351,551	-	3,511,029
Capital Outlay	5,892,142	-	12,402,964	18,295,106
Total expenditures	23,493,570	11,533,551	44,852,352	79,879,473
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	2,405,886	64,355	(43,963,606)	(41,493,365)
Other Financing Sources (Uses)				
Initiation of capital leases	-	-	1,309,434	1,309,434
Transfers out	(9,345)	-	-	(9,345)
Total other financing sources (uses)	(9,345)	-	1,309,434	1,300,089
Net Change in Fund Balances	2,396,541	64,355	(42,654,172)	(40,193,276)
Fund Balances, Beginning of Year	7,111,389	9,913,363	69,460,731	86,485,483
Fund Balances, End of Year	\$ 9,507,930	\$ 9,977,718	\$ 26,806,559	\$ 46,292,207

City of Little Rock, Arkansas
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020

	Special Projects	Emergency 911	Grant Fund	CDBG	NHSP	HIPP	Total
Assets							
Cash and cash equivalents	\$ 1,890,959	\$ 1,558,960	\$ 508,777	\$ 735,041	\$ 15,310	\$ 1,219,028	\$ 5,928,075
Investments	2,268,374	1,546,886	-	-	1,859	-	3,817,119
Accounts receivable	12,704	-	8,699,846	126,700	-	66,134	8,905,384
Due from other funds	18,283	-	-	-	-	-	18,283
Interest receivable	1,266	1,099	-	-	1	-	2,366
Inventories	-	-	-	400,517	-	285,648	686,165
Total assets	<u>\$ 4,191,586</u>	<u>\$ 3,106,945</u>	<u>\$ 9,208,623</u>	<u>\$ 1,262,258</u>	<u>\$ 17,170</u>	<u>\$ 1,570,810</u>	<u>\$ 19,357,392</u>
Liabilities and Fund Balances							
Liabilities							
Accounts payable	102,522	30,005	1,179,351	21,971	-	11,954	1,345,803
Due to other funds	-	-	7,071,345	383,403	-	79,336	7,534,084
Retainage Payable	-	-	27,609	-	-	-	27,609
Unearned revenue	27,790	-	914,176	-	-	-	941,966
Total liabilities	<u>130,312</u>	<u>30,005</u>	<u>9,192,481</u>	<u>405,374</u>	<u>-</u>	<u>91,290</u>	<u>9,849,462</u>
Fund Balances							
Nonspendable	250,000	-	-	400,517	-	285,648	936,165
Restricted	3,811,274	3,076,940	16,142	456,367	17,170	1,193,872	8,571,765
Total fund balances	<u>4,061,274</u>	<u>3,076,940</u>	<u>16,142</u>	<u>856,884</u>	<u>17,170</u>	<u>1,479,520</u>	<u>9,507,930</u>
Total liabilities and fund balances	<u>\$ 4,191,586</u>	<u>\$ 3,106,945</u>	<u>\$ 9,208,623</u>	<u>\$ 1,262,258</u>	<u>\$ 17,170</u>	<u>\$ 1,570,810</u>	<u>\$ 19,357,392</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended December 31, 2020

	Special Projects	Emergency 911	Grant Fund	CDBG	NHSP	HIPP	Total
Revenues							
Licenses and permits	\$ 98,584	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,584
Intergovernmental	606,416	-	16,560,014	1,308,709	-	831,264	19,306,403
Charges for services	707,395	3,249,814	-	-	-	-	3,957,209
Fines and fees	450,398	-	-	-	-	-	450,398
Investment income	11,374	13,579	7,254	-	-	-	32,207
Contributions and donations	310,861	-	259,670	-	-	-	570,531
Miscellaneous	1,107,264	-	-	5,696	59,887	311,277	1,484,124
Total revenues	3,292,292	3,263,393	16,826,938	1,314,405	59,887	1,142,541	25,899,456
Expenditures							
General government							
General administration	75,155	-	1,232,091	-	-	-	1,307,246
District court - first division (criminal)	654	-	-	-	-	-	654
District court - second division (traffic)	14,816	-	-	-	-	-	14,816
District court - third division (environment)	1,403	-	-	-	-	-	1,403
Finance	-	-	500	-	-	-	500
Human resources	70,204	-	-	-	-	-	70,204
Planning and development	64,125	-	4,181	-	-	-	68,306
Total general government	226,357	-	1,236,772	-	-	-	1,463,129
Public works							
Public works	9,592	-	-	-	-	-	9,592
Parks and recreation services	892,644	-	148,571	-	-	-	1,041,215
Zoo	4,037	-	618	-	-	-	4,655
Fire	234,810	-	8,396,939	-	-	-	8,631,749
Police	449,593	1,193,984	1,479,400	-	-	-	3,122,977
Fleet	78,740	-	-	-	-	-	78,740
Housing and neighborhood programs	165,584	-	45,419	1,346,793	59,803	908,724	2,526,323
Principal	563,570	-	-	-	-	-	563,570
Fiscal changes on long term debt	159,478	-	-	-	-	-	159,478
Capital Outlay	289,532	-	5,602,610	-	-	-	5,892,142
Total expenditures	3,073,937	1,193,984	16,910,329	1,346,793	59,803	908,724	23,493,570
Excess (Deficiency) of Revenues Over (Under) Expenditures	218,355	2,069,409	(83,391)	(32,388)	84	233,817	2,405,886
Other Financing Sources (Uses)							
Transfers out	(9,345)	-	-	-	-	-	(9,345)
Total other financing sources (uses)	(9,345)	-	-	-	-	-	(9,345)
Net Change in Fund Balances	209,010	2,069,409	(83,391)	(32,388)	84	233,817	2,396,541
Fund Balances, Beginning of Year	3,852,264	1,007,531	99,533	889,272	17,086	1,245,703	7,111,389
Fund Balances, End of Year	\$ 4,061,274	\$ 3,076,940	\$ 16,142	\$ 856,884	\$ 17,170	\$ 1,479,520	\$ 9,507,930

City of Little Rock, Arkansas
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2020

	2015 Central Arkansas Library	TIF #1 2014 Capital Improvement	2017 Central Arkansas Library	2017 Capital Improvement	2018 Hotel Gross Receipts	Total
Assets						
Cash and cash equivalents	\$ -	\$ 1,620	\$ 97,795	\$ 5,395	\$ 10	\$ 104,820
Restricted cash	4,020,710	877,421	-	-	136,980	5,035,111
Investments	-	1,607	4,223,383	13,935	-	4,238,925
Accounts receivable	4,488,243	980,726	4,488,243	-	218,197	10,175,409
Interest receivable	-	1	69	4	-	74
Total assets	<u>\$ 8,508,953</u>	<u>\$ 1,861,375</u>	<u>\$ 8,809,490</u>	<u>\$ 19,334</u>	<u>\$ 355,187</u>	<u>\$ 19,554,339</u>
Deferred Inflows of Resources and Fund Balances						
Deferred Inflows of Resources						
Unavailable revenues - property taxes	4,298,344	979,933	4,298,344	-	-	9,576,621
Total deferred inflows of resources	<u>4,298,344</u>	<u>979,933</u>	<u>4,298,344</u>	<u>-</u>	<u>-</u>	<u>9,576,621</u>
Fund Balances						
Restricted	4,210,609	881,442	4,511,146	19,334	355,187	9,977,718
Total fund balances	<u>4,210,609</u>	<u>881,442</u>	<u>4,511,146</u>	<u>19,334</u>	<u>355,187</u>	<u>9,977,718</u>
Total deferred inflows of resources and fund balances	<u>\$ 8,508,953</u>	<u>\$ 1,861,375</u>	<u>\$ 8,809,490</u>	<u>\$ 19,334</u>	<u>\$ 355,187</u>	<u>\$ 19,554,339</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended December 31, 2020

	2015 Central Arkansas Library	TIF #1 2014 Capital Improvement	2017 Central Arkansas Library	2017 Capital Improvement	2018 Hotel Gross Receipts	Total
Revenues						
General property taxes	\$ 3,916,180	\$ 556,659	\$ 3,916,180	\$ -	\$ -	\$ 8,389,019
Sales taxes	-	-	-	-	1,379,772	1,379,772
Utility franchise taxes	-	-	-	1,504,750	-	1,504,750
Investment income	14,412	2,733	17,755	1,425	2,392	38,717
Contributions and donations	-	-	-	-	285,648	285,648
Total revenues	<u>3,930,592</u>	<u>559,392</u>	<u>3,933,935</u>	<u>1,506,175</u>	<u>1,667,812</u>	<u>11,597,906</u>
Expenditures						
Debt Service						
Finance	1,000	-	1,000	-	-	2,000
Principal	2,980,000	260,000	3,490,000	895,000	555,000	8,180,000
Fiscal changes on long term debt	863,856	131,513	367,888	612,750	1,375,544	3,351,551
Total expenditures	<u>3,844,856</u>	<u>391,513</u>	<u>3,858,888</u>	<u>1,507,750</u>	<u>1,930,544</u>	<u>11,533,551</u>
Net Change in Fund Balances	85,736	167,879	75,047	(1,575)	(262,732)	64,355
Fund Balances, Beginning of Year	<u>4,124,873</u>	<u>713,563</u>	<u>4,436,099</u>	<u>20,909</u>	<u>617,919</u>	<u>9,913,363</u>
Fund Balances, End of Year	<u>\$ 4,210,609</u>	<u>\$ 881,442</u>	<u>\$ 4,511,146</u>	<u>\$ 19,334</u>	<u>\$ 355,187</u>	<u>\$ 9,977,718</u>

City of Little Rock, Arkansas
Combining Balance Sheet
Nonmajor Capital Project Funds
Year Ended December 31, 2020

	Short-Term Financing	Capital Improvement	2015 Central Arkansas Library Capital Improvement	Port TIF	2018 Hotel Gross Receipts Tax Bonds	Total
Assets						
Cash and cash equivalents	\$ 1,180,612	\$ -	\$ 124,185	\$ 110,498	\$ 4,757	\$ 1,420,052
Restricted cash	-	-	119,568	-	96	119,664
Investments	1,171,468	24,887,075	123,221	109,641	4,721	26,296,126
Accounts receivable	-	-	-	158,797	-	158,797
Interest receivable	832	82,196	37,512	78	3	120,621
	<u>2,352,912</u>	<u>24,969,271</u>	<u>404,486</u>	<u>379,014</u>	<u>9,577</u>	<u>28,115,260</u>
Total assets						
	<u>\$ 2,352,912</u>	<u>\$ 24,969,271</u>	<u>\$ 404,486</u>	<u>\$ 379,014</u>	<u>\$ 9,577</u>	<u>\$ 28,115,260</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	-	863,217	-	-	-	863,217
Retainage Payable	-	286,687	-	-	-	286,687
	<u>-</u>	<u>1,149,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,149,904</u>
Total liabilities						
	<u>-</u>	<u>1,149,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,149,904</u>
Deferred Inflows of Resources						
Unavailable revenues - property taxes	-	-	-	158,797	-	158,797
	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,797</u>	<u>-</u>	<u>158,797</u>
Total deferred inflows of resources						
	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,797</u>	<u>-</u>	<u>158,797</u>
Fund Balances						
Restricted	2,352,912	23,819,367	404,486	220,217	9,577	26,806,559
	<u>2,352,912</u>	<u>23,819,367</u>	<u>404,486</u>	<u>220,217</u>	<u>9,577</u>	<u>26,806,559</u>
Total fund balances						
	<u>2,352,912</u>	<u>23,819,367</u>	<u>404,486</u>	<u>220,217</u>	<u>9,577</u>	<u>26,806,559</u>
Total liabilities, deferred inflows of resources and fund balances						
	<u>\$ 2,352,912</u>	<u>\$ 24,969,271</u>	<u>\$ 404,486</u>	<u>\$ 379,014</u>	<u>\$ 9,577</u>	<u>\$ 28,115,260</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
Year Ended December 31, 2020

	Short-Term Financing	Capital Improvement	2015 Central Arkansas Library Capital Improvement	Port TIF	2018 Hotel Gross Receipts Tax Bonds	Total
Revenues						
General property taxes	\$ -	\$ -	\$ -	\$ 155,886	\$ -	\$ 155,886
Investment income	32,012	560,984	3,254	11,007	125,603	732,860
Total revenues	32,012	560,984	3,254	166,893	125,603	888,746
Expenditures						
General government						
Information technology	2,416	-	-	-	-	2,416
Public works	-	3,102,050	-	-	-	3,102,050
Parks and recreation services	-	-	-	-	29,112,562	29,112,562
Total general government	2,416	3,102,050	-	-	29,112,562	32,217,028
Economic development	-	-	-	205,360	-	205,360
Education	-	-	27,000	-	-	27,000
Capital Outlay	2,271,295	10,131,669	-	-	-	12,402,964
Total expenditures	2,273,711	13,233,719	27,000	205,360	29,112,562	44,852,352
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,241,699)	(12,672,735)	(23,746)	(38,467)	(28,986,959)	(43,963,606)
Other Financing Sources (Uses)						
Initiation of capital leases	1,309,434	-	-	-	-	1,309,434
Total other financing sources (uses)	1,309,434	-	-	-	-	1,309,434
Net Change in Fund Balances	(932,265)	(12,672,735)	(23,746)	(38,467)	(28,986,959)	(42,654,172)
Fund Balances, Beginning of Year	3,285,177	36,492,102	428,232	258,684	28,996,536	69,460,731
Fund Balances, End of Year	\$ 2,352,912	\$ 23,819,367	\$ 404,486	\$ 220,217	\$ 9,577	\$ 26,806,559

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

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

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

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

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

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

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

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

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
(continued)

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

City of Little Rock, Arkansas
Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
December 31, 2020

	Employee Retirement Plans							Total
	Police Pension	Firemen's Pension and Relief Fund	Nonuniformed Employees' Defined Contribution Plan	Nonuniformed Employees' Defined Benefit Pension Plan	401(a) Money Purchase And Trust Retirement Fund	2014 Defined Benefit Plan	Health Management Trust Fund	
Assets								
Cash and cash equivalents	\$ -	\$ 126	\$ 2,325,931	\$ 101,376	\$ -	\$ 1,897,321	\$ -	\$ 4,324,754
Investments								
U.S. Government obligations	-	-	232,947	-	-	-	-	232,947
Equities	-	-	6,875,171	-	-	42,380,955	3,861,866	53,117,992
Mutual funds and other investments	742,107	753,208	4,158,073	12,445,983	9,469,252	36,283,738	4,545,351	68,397,712
Receivables								
Accounts receivable	-	-	-	-	100,488	97,206	-	197,694
Accrued interest and dividends	-	-	377	12,758	-	43,246	-	56,381
Total assets	\$ 742,107	\$ 753,334	\$ 13,592,499	\$ 12,560,117	\$ 9,569,740	\$ 80,702,466	\$ 8,407,217	\$ 126,327,480
Liabilities								
Accounts payable	-	-	-	56,913	-	7,000	-	63,913
Total liabilities	-	-	-	56,913	-	7,000	-	63,913
Net Position								
Net position restricted for pensions and other employee benefits	<u>\$ 742,107</u>	<u>\$ 753,334</u>	<u>\$ 13,592,499</u>	<u>\$ 12,503,204</u>	<u>\$ 9,569,740</u>	<u>\$ 80,695,466</u>	<u>\$ 8,407,217</u>	<u>\$ 126,263,567</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, 2020

	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	\$ -	\$ -	\$ 46,501	\$ 476,368	\$ 240,781	\$ 4,123,820	\$ 2,075,331	\$ 6,962,801	
Plan Members	-	-	25,639	-	142,390	2,034,277	-	2,202,306	
Other	-	-	193	505,618	-	315,412	-	821,223	
Total contributions	-	-	72,333	981,986	383,171	6,473,509	2,075,331	9,986,330	
Investment income (loss)									
Net increase (decrease) in fair value of investments	(454,396)	(454,396)	465,028	792,232	1,502,043	6,782,335	829,867	9,462,713	
Gain (loss) on sale of investments	-	-	517,342	(173,998)	-	(1,692,563)	-	(1,349,219)	
Interest and dividends	-	-	235,032	223,158	-	1,403,430	131,864	1,993,484	
Less investment expense	-	-	23,638	38,081	-	102,893	64,066	228,678	
Net investment loss	(454,396)	(454,396)	1,193,764	803,311	1,502,043	6,390,309	897,665	9,878,300	
Total additions	(454,396)	(454,396)	1,266,097	1,785,297	1,885,214	12,863,818	2,972,996	19,864,630	
Deductions									
Benefits paid directly to participants	-	-	2,872,328	1,740,226	362,707	1,730,064	920,156	7,625,481	
Administrative expenses	-	-	50,187	14,076	-	295,189	-	359,452	
Other	-	-	524,269	-	213	-	-	524,482	
Total deductions	-	-	3,446,784	1,754,302	362,920	2,025,253	920,156	8,509,415	
Change in Net Position	(454,396)	(454,396)	(2,180,687)	30,995	1,522,294	10,838,565	2,052,840	11,355,215	
Net Position Restricted for Pensions and Other Employee Benefits, Beginning of Year	1,196,503	1,207,730	15,773,186	12,472,209	8,047,446	69,856,901	6,354,377	114,908,352	
Net Position Restricted for Pensions and Other Employee Benefits, End of Year	<u>\$ 742,107</u>	<u>\$ 753,334</u>	<u>\$ 13,592,499</u>	<u>\$ 12,503,204</u>	<u>\$ 9,569,740</u>	<u>\$ 80,695,466</u>	<u>\$ 8,407,217</u>	<u>\$ 126,263,567</u>	

City of Little Rock, Arkansas
Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
December 31, 2020

	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 Arts Center	Little Rock Workforce Development Board	Central Arkansas Library System	Total
Assets											
Current assets											
Cash and cash equivalents	\$ 43,591	\$ 80,450	\$ 8,184,082	\$ 7,082,632	\$ 7,365,197	\$ 4,292,422	\$ 299,142	\$ 30,003,053	\$ 20,438	\$ 9,806,319	\$ 67,177,326
Investments	-	-	-	-	950,000	-	249,960	51,310,001	-	-	52,509,961
Restricted cash and investments - current	-	-	2,033,488	-	-	-	-	-	-	-	2,033,488
Accrued interest receivables	-	-	-	-	4,552	104	4,680	-	-	-	9,336
Accounts receivable, net of allowance	-	-	1,908,385	1,001,913	6,087,933	439,011	86,028	23,929,168	345,287	20,261,981	54,059,706
Inventories	-	-	-	-	442,127	483,757	18,743	67,718	-	-	1,012,345
Prepaid expenses and other	-	-	481,221	95,668	280,498	313,822	14,533	424,296	-	310,858	1,920,896
Total current assets	43,591	80,450	12,607,176	8,180,213	15,130,307	5,529,116	673,086	105,734,236	365,725	30,379,158	178,723,058
Noncurrent assets											
Restricted assets											
Cash and cash equivalents	-	-	-	378,403	-	-	81,898	-	-	1,189,266	1,649,567
Investments	2,059,340	1,047,393	-	-	750,000	-	2,058,033	-	-	5,486,854	11,401,620
Interest receivable	-	-	17	-	-	-	-	-	-	-	17
Total restricted assets	2,059,340	1,047,393	17	378,403	750,000	-	2,139,931	-	-	6,676,120	13,051,204
Capital assets											
Land	10,400	13,089	4,178,128	14,259,198	832,282	1,741,937	-	-	-	4,158,290	25,193,324
Construction in progress	-	-	52,306	11,030,448	130,658	-	126,583	34,391,544	-	8,280	45,739,819
Buildings, improvements and other facilities	446,427	99,211	135,032,573	33,962,717	14,213,831	41,524,521	4,925,073	57,465	-	117,484,688	347,746,506
Vehicles	11,834	-	5,801,419	-	8,870,049	42,935,471	-	-	9,651	-	57,628,424
Furniture and equipment	204,656	-	3,102,938	695,473	13,524,755	13,500,217	11,001,799	1,041,091	58,954	14,065,856	57,195,739
Books/AV materials	-	-	-	-	-	-	-	-	-	28,601,049	28,601,049
Other	-	-	437,516	-	-	-	-	-	-	319,745	757,261
Less accumulated depreciation	(231,051)	(29,764)	(44,418,983)	(22,808,696)	(19,893,626)	(61,763,426)	(12,270,653)	(668,346)	(68,605)	(82,656,993)	(244,810,143)
Net capital assets	442,266	82,536	104,185,897	37,139,140	17,677,949	37,938,720	3,782,802	34,821,754	-	81,980,915	318,051,979
Other assets	-	-	-	319,170	9,825	-	-	800,193	-	-	1,129,188
Total noncurrent assets	2,501,606	1,129,929	104,185,914	37,836,713	18,437,774	37,938,720	5,922,733	35,621,947	-	88,657,035	332,232,371
Deferred Outflows of Resources											
Deferred outflows of resources from pensions	-	-	554,991	-	-	-	-	-	-	-	554,991
Total deferred outflows of resources	-	-	554,991	-	-	-	-	-	-	-	554,991
Total assets and deferred outflows of resources	\$ 2,545,197	\$ 1,210,379	\$ 117,348,081	\$ 46,016,926	\$ 33,568,081	\$ 43,467,836	\$ 6,595,819	\$ 141,356,183	\$ 365,725	\$ 119,036,193	\$ 511,510,420

City of Little Rock, Arkansas
Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
December 31, 2020

	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 Arts Center	Little Rock Workforce Development Board	Central Arkansas Library System	Total
Liabilities, Deferred Inflows of Resources and Net Position											
Current liabilities											
Accounts payable	\$ -	\$ -	\$ 634,479	\$ 313,018	\$ 436,674	\$ 175,044	\$ 83,120	\$ 3,269,028	\$ 352,222	\$ 280,977	\$ 5,544,562
Accrued wages payable and related liabilities	1,860	-	268,737	-	1,346,787	1,217,577	-	-	-	298,654	3,133,615
Accrued interest payable	-	-	1,312,716	-	-	-	-	-	-	34,408	1,347,124
Bonds payable - current portion	-	-	1,370,000	140,000	-	-	-	-	-	220,000	1,730,000
Notes payable - current portion	-	-	-	150,000	-	-	-	-	-	-	150,000
Capital lease payable - current portion	-	-	-	-	-	-	-	6,100	-	-	6,100
Compensated absences - current portion	-	-	497,707	132,990	-	-	-	-	-	733,163	1,363,860
Unearned revenue	-	-	518,523	-	-	-	53,814	194,539	-	41,954	808,830
Accrued expenses and other	-	-	666,185	72,609	37,376	6,629	84,789	892,211	13,295	-	1,773,094
Total current liabilities	1,860	-	5,268,347	808,617	1,820,837	1,399,250	221,723	4,361,878	365,517	1,609,156	15,857,185
Noncurrent liabilities											
Bonds payable, net of unamortized premium	-	-	60,338,330	4,253,595	-	-	-	-	-	4,542,660	69,134,585
Notes payable	-	-	-	850,000	-	-	-	-	-	-	850,000
Net pension liability	-	-	169,269	-	-	-	-	-	-	-	169,269
Other long-term liabilities	-	-	-	54,443	-	-	-	-	-	405,717	460,160
Compensated absences	-	-	-	142,688	-	-	-	-	-	271,381	414,069
Total noncurrent liabilities	-	-	60,507,599	5,300,726	-	-	-	-	-	5,219,758	71,028,083
Total liabilities	1,860	-	65,775,946	6,109,343	1,820,837	1,399,250	221,723	4,361,878	365,517	6,828,914	86,885,268
Deferred Inflows of Resources											
Deferred inflows from pensions	-	-	794,270	-	-	-	-	-	-	-	794,270
Total deferred inflows of resources	-	-	794,270	-	-	-	-	-	-	-	794,270
Net Position											
Net investment in capital assets	442,266	82,536	42,468,456	31,441,563	17,677,949	37,938,720	3,782,802	28,067,718	-	77,218,255	239,120,265
Restricted - expendable	1,933,186	1,047,393	33,940	377,786	-	3,322,037	2,184,471	76,276,857	-	3,119,517	88,295,187
Restricted - nonexpendable	-	-	-	-	-	-	-	14,588,173	-	3,819,649	18,407,822
Unrestricted	167,885	80,450	8,275,469	8,088,234	14,069,295	807,829	406,823	18,061,557	208	28,049,858	78,007,608
Total net position	2,543,337	1,210,379	50,777,865	39,907,583	31,747,244	42,068,586	6,374,096	136,994,305	208	112,207,279	423,830,882
Total liabilities, deferred inflows of resources and net position	\$ 2,545,197	\$ 1,210,379	\$ 117,348,081	\$ 46,016,926	\$ 33,568,081	\$ 43,467,836	\$ 6,595,819	\$ 141,356,183	\$ 365,725	\$ 119,036,193	\$ 511,510,420

City of Little Rock, Arkansas
Combining Statement of Activities
Nonmajor Discretely Presented Component Units
Year Ended December 31, 2020

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	\$ 24,753,965	\$ 572,183	\$ 1,893,689	\$ 27,000	\$ (22,261,093)	\$ -	\$ (22,261,093)
Little Rock Workforce Development Board	2,222,397	-	2,218,697	-	(3,700)	-	(3,700)
Total governmental activities	26,976,362	572,183	4,112,386	27,000	(22,264,793)	-	(22,264,793)
Business-type Activities							
Oakland Fraternal Cemetery	215,754	208,019	-	-	-	(7,735)	(7,735)
Mt. Holly Cemetery	163,111	215,890	-	-	-	52,779	52,779
Little Rock Advertising and Promotion Commission	17,031,971	3,395,724	893,205	-	-	(12,743,042)	(12,743,042)
Little Rock Port Authority	4,901,177	2,968,935	1,496,369	2,769,366	-	2,333,493	2,333,493
Little Rock Ambulance Authority	32,927,324	33,710,372	-	-	-	783,048	783,048
Central Arkansas Transit Authority	25,600,921	1,314,935	21,767,302	-	-	(2,518,684)	(2,518,684)
Museum of Discovery	3,018,994	692,190	-	1,503,119	-	(823,685)	(823,685)
Arkansas Arts Center	8,008,278	582,861	2,578,134	32,777,898	-	27,930,615	27,930,615
Total business-type activities	91,867,530	43,088,926	26,735,010	37,050,383	-	15,006,789	15,006,789
Total component units	\$ 118,843,892	\$ 43,661,109	\$ 30,847,396	\$ 37,077,383	\$ (22,264,793)	\$ 15,006,789	\$ (7,258,004)
General revenues							
General property taxes					18,557,772	-	18,557,772
Sales taxes					1,115,224	11,806,813	12,922,037
Investment income					741,999	(2,001,287)	(1,259,288)
Other					623,131	2,538,574	3,161,705
Total general revenues					21,038,126	12,344,100	33,382,226
Change in net position					(1,226,667)	27,350,889	26,124,222
Net Position, Beginning of Year					113,434,154	284,272,506	397,706,660
Net Position, End of Year					\$ 112,207,487	\$ 311,623,395	\$ 423,830,882

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Discretely Presented Component Units
Year Ended December 31, 2020

	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 Arts Center	Total
Operating Revenues									
Charges for goods and services	\$ 208,019	\$ 215,890	\$ 3,395,724	\$ 2,968,935	\$ 30,777,742	\$ 1,314,935	\$ 679,944	\$ 582,861	\$ 40,144,050
Other	-	-	-	-	2,932,630	-	12,246	-	2,944,876
Total operating revenues	<u>208,019</u>	<u>215,890</u>	<u>3,395,724</u>	<u>2,968,935</u>	<u>33,710,372</u>	<u>1,314,935</u>	<u>692,190</u>	<u>582,861</u>	<u>43,088,926</u>
Operating Expenses									
Salaries, wages and employee benefits	72,827	115,077	5,947,938	1,421,758	23,381,739	14,098,093	1,570,512	4,216,686	50,824,630
Supplies and materials	14,498	7,681	20,991	562,166	1,580,378	2,419,759	141,910	485,005	5,232,388
Services	31,242	3,027	1,828,162	644,501	2,402,913	2,179,856	205,970	1,914,732	9,210,403
Utilities	5,057	7,416	1,045,836	88,614	650,859	329,061	506,875	125,479	2,759,197
Repairs and maintenance	92,130	23,610	760,819	706,119	939,797	-	33,958	206,116	2,762,549
Other	-	3,820	1,195,839	263,036	1,669,763	1,370,866	-	926,920	5,430,244
Depreciation and amortization	-	2,480	3,687,301	1,034,384	2,301,875	5,203,286	559,769	133,340	12,922,435
Total operating expenses	<u>215,754</u>	<u>163,111</u>	<u>14,486,886</u>	<u>4,720,578</u>	<u>32,927,324</u>	<u>25,600,921</u>	<u>3,018,994</u>	<u>8,008,278</u>	<u>89,141,846</u>
Operating Income (Loss)	<u>(7,735)</u>	<u>52,779</u>	<u>(11,091,162)</u>	<u>(1,751,643)</u>	<u>783,048</u>	<u>(24,285,986)</u>	<u>(2,326,804)</u>	<u>(7,425,417)</u>	<u>(46,052,920)</u>
Nonoperating Revenues (Expenses)									
Intergovernmental revenue	-	-	893,205	1,496,369	-	15,882,011	-	2,578,134	20,849,719
Donations, contributions and grants received	-	-	11,806,813	2,769,366	-	5,885,291	1,503,119	32,777,898	54,742,487
Investment income (loss)	40,398	-	48,378	43,593	84,040	8,667	86,432	(2,312,795)	(2,001,287)
Interest expense	-	-	(2,545,085)	(180,599)	-	-	-	-	(2,725,684)
Other, net	-	38,252	-	2,075,396	424,926	-	-	-	2,538,574
Net nonoperating revenues (expenses)	<u>40,398</u>	<u>38,252</u>	<u>10,203,311</u>	<u>6,204,125</u>	<u>508,966</u>	<u>21,775,969</u>	<u>1,589,551</u>	<u>33,043,237</u>	<u>73,403,809</u>
Net Change in Net Position	<u>32,663</u>	<u>91,031</u>	<u>(887,851)</u>	<u>4,452,482</u>	<u>1,292,014</u>	<u>(2,510,017)</u>	<u>(737,253)</u>	<u>25,617,820</u>	<u>27,350,889</u>
Net Position, Beginning of Year	<u>2,510,674</u>	<u>1,119,348</u>	<u>51,665,716</u>	<u>35,455,101</u>	<u>30,455,230</u>	<u>44,578,603</u>	<u>7,111,349</u>	<u>111,376,485</u>	<u>284,272,506</u>
Net Position, End of Year	<u>\$ 2,543,337</u>	<u>\$ 1,210,379</u>	<u>\$ 50,777,865</u>	<u>\$ 39,907,583</u>	<u>\$ 31,747,244</u>	<u>\$ 42,068,586</u>	<u>\$ 6,374,096</u>	<u>\$ 136,994,305</u>	<u>\$ 311,623,395</u>

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STATISTICAL SECTION



City of Little Rock, Arkansas
Statistical Section
(Unaudited)

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

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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	143
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	148
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	153
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	158
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	160

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

Table 1

	<u>2011</u>	<u>2012 (1)</u>	<u>2013 (2)</u>	<u>2014</u>	<u>2015 (3)</u>	<u>2016</u>	<u>2017</u>	<u>2018 (4)</u>	<u>2019</u>	<u>2020</u>
Governmental activities										
Net investment in capital assets	\$ 498,370,816	\$ 533,940,568	\$ 539,105,312	\$ 549,795,437	\$ 547,314,893	\$ 546,408,833	\$ 531,056,399	\$ 532,916,954	\$ 543,911,661	\$ 533,696,516
Restricted	23,201,045	24,208,928	13,951,009	14,801,039	11,414,278	64,200,510	94,766,332	103,864,734	114,197,981	122,698,393
Unrestricted (deficit)	<u>(37,574,646)</u>	<u>(46,682,528)</u>	<u>28,926,155</u>	<u>24,870,220</u>	<u>(78,833,242)</u>	<u>(127,034,220)</u>	<u>(136,283,348)</u>	<u>(165,172,690)</u>	<u>(167,811,663)</u>	<u>(176,731,943)</u>
Total governmental activities net position	<u>\$ 483,997,215</u>	<u>\$ 511,466,968</u>	<u>\$ 581,982,476</u>	<u>\$ 589,466,696</u>	<u>\$ 479,895,929</u>	<u>\$ 483,575,123</u>	<u>\$ 489,539,383</u>	<u>\$ 471,608,998</u>	<u>\$ 490,297,979</u>	<u>\$ 479,662,966</u>
Business-type activities										
Net investment in capital assets	\$ 28,587,521	\$ 8,983,518	\$ 9,423,026	\$ 12,152,186	\$ 12,345,577	\$ 14,721,612	\$ 15,698,476	\$ 16,407,635	\$ 16,395,172	\$ 23,307,162
Restricted	5,673,566	3,769,248	2,856,964	2,980,184	3,102,528	1,737,901	1,759,592	1,839,896	2,212,804	2,542,665
Unrestricted (deficit)	<u>(9,230,768)</u>	<u>3,806,762</u>	<u>6,284,003</u>	<u>5,751,822</u>	<u>6,988,248</u>	<u>8,121,642</u>	<u>9,147,485</u>	<u>9,469,784</u>	<u>8,887,590</u>	<u>3,138,964</u>
Total business-type activities net position	<u>\$ 25,030,319</u>	<u>\$ 16,559,528</u>	<u>\$ 18,563,993</u>	<u>\$ 20,884,192</u>	<u>\$ 22,436,353</u>	<u>\$ 24,581,155</u>	<u>\$ 26,605,553</u>	<u>\$ 27,717,315</u>	<u>\$ 27,495,566</u>	<u>\$ 28,988,791</u>
Primary government										
Net investment in capital assets	\$ 526,958,337	\$ 542,924,086	\$ 548,528,338	\$ 561,947,623	\$ 559,660,470	\$ 561,130,445	\$ 546,754,875	\$ 549,324,589	\$ 560,306,833	\$ 557,003,678
Restricted	28,874,611	27,978,176	16,807,973	17,781,223	14,516,806	65,938,411	96,525,924	105,704,630	116,410,785	125,241,058
Unrestricted (deficit)	<u>(46,805,414)</u>	<u>(42,875,766)</u>	<u>35,210,158</u>	<u>30,622,042</u>	<u>(71,844,994)</u>	<u>(118,912,578)</u>	<u>(127,135,863)</u>	<u>(155,702,906)</u>	<u>(158,924,073)</u>	<u>(173,592,979)</u>
Total primary government net position	<u>\$ 509,027,534</u>	<u>\$ 528,026,496</u>	<u>\$ 600,546,469</u>	<u>\$ 610,350,888</u>	<u>\$ 502,332,282</u>	<u>\$ 508,156,278</u>	<u>\$ 516,144,936</u>	<u>\$ 499,326,313</u>	<u>\$ 517,793,545</u>	<u>\$ 508,651,757</u>

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

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

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

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

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

Table 2

	<u>2011</u>	<u>2012 ¹</u>	<u>2013 ²</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses										
Governmental activities										
General government	\$ 35,467,227	\$ 45,722,245	\$ 48,076,292	\$ 50,079,445	\$ 55,582,516	\$ 53,272,987	\$ 52,444,900	\$ 51,413,544	\$ 51,825,519	\$ 52,235,183
Public works	32,290,725	36,100,501	36,968,065	39,260,053	39,559,132	39,423,882	36,221,854	39,017,097	38,667,619	38,618,295
Parks and recreation services	6,740,682	10,131,868	11,209,542	11,436,512	11,324,541	13,144,116	14,871,467	17,180,915	17,962,635	41,645,355
Rivermarket	-	-	1,298,266	1,337,298	1,298,563	1,284,327	1,331,241	1,353,019	1,404,893	887,997
Golf	-	-	2,162,056	2,420,678	2,434,632	2,551,972	2,526,247	2,594,869	2,439,255	1,912,674
Jim Dailey Fitness	-	-	983,422	1,389,915	988,633	1,004,748	1,009,427	944,192	953,498	764,511
Zoo	-	-	6,927,190	6,920,847	10,754,587	7,466,778	7,419,725	7,467,458	7,153,851	6,439,107
Fire	49,007,470	49,271,456	48,798,721	48,017,977	36,708,372	51,670,486	54,864,567	55,250,732	58,868,639	64,046,333
Police	63,028,974	66,192,652	64,480,813	74,326,931	71,455,621	75,772,406	78,969,098	97,132,460	92,011,803	92,249,026
Economic development	-	-	-	-	-	-	528,000	250,000	200,000	205,360
Education	5,747,801	10,523,654	11,361,720	6,505,814	5,773,774	10,131,712	7,130,903	2,501,134	763,492	27,000
Housing and neighborhood programs	10,462,439	12,611,955	9,238,779	6,996,437	10,142,884	9,149,127	9,942,239	9,844,864	9,373,900	8,089,873
Fleet	-	2,758,088	2,714,412	3,397,637	1,164,920	1,918,738	896,094	483,356	63,480	81,144
Interest Expense and fiscal charges on long-term debt	3,248,126	3,804,266	4,203,511	5,096,215	4,830,546	4,641,761	3,608,458	3,678,321	4,125,269	4,626,302
Total governmental activities expenses	<u>205,993,444</u>	<u>237,116,685</u>	<u>248,422,789</u>	<u>257,185,759</u>	<u>252,018,721</u>	<u>271,433,040</u>	<u>271,764,220</u>	<u>289,111,961</u>	<u>285,813,853</u>	<u>311,828,160</u>
Business-type activities										
Presidential park	1,284,265	636,683	-	-	-	-	-	-	-	-
Waste disposal	13,967,043	14,715,628	15,117,230	13,854,376	14,401,947	14,790,357	14,846,883	16,692,777	19,132,052	21,657,734
Rivermarket garage	1,658,341	1,703,329	1,729,131	1,938,758	1,985,775	2,087,989	1,964,207	2,191,965	2,146,710	1,521,759
Riverfront park	1,085,632	1,283,222	-	-	-	-	-	-	-	-
Zoo	5,138,281	6,125,411	-	-	-	-	-	-	-	-
Vehicle Storage	1,200,152	1,284,946	1,333,659	1,332,818	1,350,526	1,409,481	1,408,219	1,586,109	1,589,571	1,447,768
Golf courses	2,342,219	2,443,065	-	-	-	-	-	-	-	-
Fitness center	1,037,736	1,000,345	-	-	-	-	-	-	-	-
Concessions services	-	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	<u>27,713,669</u>	<u>29,192,629</u>	<u>18,180,020</u>	<u>17,125,952</u>	<u>17,738,248</u>	<u>18,287,827</u>	<u>18,219,309</u>	<u>20,470,851</u>	<u>22,868,333</u>	<u>24,627,261</u>
Total primary government expenses	<u>\$ 233,707,113</u>	<u>\$ 266,309,314</u>	<u>\$ 266,602,809</u>	<u>\$ 274,311,711</u>	<u>\$ 269,756,969</u>	<u>\$ 289,720,867</u>	<u>\$ 289,983,529</u>	<u>\$ 309,582,812</u>	<u>\$ 308,682,186</u>	<u>\$ 336,455,421</u>
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 14,375,501	\$ 15,479,490	\$ 15,945,908	\$ 16,062,816	\$ 16,717,877	\$ 19,383,270	\$ 16,018,807	\$ 16,314,356	\$ 16,955,954	\$ 14,154,728
Public works	350,298	560,006	387,436	593,298	571,436	422,907	365,621	325,421	411,203	1,812,185
Parks and recreation services	2,665,666	1,379,534	1,998,020	1,506,979	1,539,875	2,360,546	2,729,707	2,573,039	1,812,398	868,641
Rivermarket	-	-	650,259	617,337	605,207	551,711	524,584	558,919	476,057	191,914
Golf	-	-	1,497,233	1,581,520	1,476,467	1,306,904	1,426,564	1,283,538	1,019,081	960,326
Jim Dailey Fitness	-	-	638,214	920,051	495,687	455,025	449,846	455,880	561,516	135,895
Zoo	-	-	3,579,391	3,869,582	3,798,687	4,191,378	4,202,332	3,440,997	3,391,686	1,313,288
Fire	2,512,542	2,525,884	1,260,256	2,602,223	2,562,979	2,724,322	2,677,645	2,882,895	2,869,900	1,826,533
Police	3,306,547	3,162,965	5,253,340	3,322,195	3,231,294	3,622,692	3,430,233	2,821,198	3,757,566	6,954,354
Education	-	-	-	-	-	-	-	886	-	-
Fleet	-	100,151	343,534	229,248	-	689,291	-	689,291	449,253	559,309
Housing and neighborhood programs	1,566,311	1,179,396	458,891	669,271	945,430	794,696	822,456	1,437,279	1,074,006	889,668
Operating grants and contributions	10,885,382	12,873,846	8,133,436	5,396,151	6,041,316	4,619,575	4,330,755	29,379,100	32,172,071	40,578,867
Capital grants and contributions	8,151,956	4,313,770	2,028,323	1,379,420	591,966	2,415,017	1,568,435	6,328,314	9,722,917	5,602,611
Total governmental activities program revenues	<u>\$ 43,814,203</u>	<u>\$ 41,575,042</u>	<u>\$ 42,174,241</u>	<u>\$ 38,750,091</u>	<u>\$ 38,578,221</u>	<u>\$ 43,537,334</u>	<u>\$ 38,546,985</u>	<u>\$ 68,491,113</u>	<u>\$ 74,673,608</u>	<u>\$ 75,848,319</u>

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

Table 2

	2011	2012 ¹	2013 ²	2014	2015	2016	2017	2018	2019	2020
Business-type activities										
Charges for services										
Waste disposal	\$ 16,405,458	\$ 16,511,682	\$ 18,588,177	\$ 17,452,777	\$ 17,761,020	\$ 17,975,553	\$ 17,959,296	\$ 18,291,143	\$ 18,909,436	\$ 23,534,488
Rivermarket garage	1,855,989	2,138,957	2,138,022	2,144,882	2,500,013	3	2,560,451	2,590,183	3,201,736	2,507,294
Riverfront park	493,906	631,316	-	-	-	-	-	-	-	-
Zoo	3,436,370	3,508,321	-	-	-	-	-	-	-	-
Vehicle storage	1,288,799	1,359,763	1,362,661	1,347,321	1,196,723	1,319,514	1,464,567	2,000,823	1,877,877	1,853,295
Golf courses	1,551,889	1,797,901	-	-	-	-	-	-	-	-
Fitness center	755,754	683,632	-	-	-	-	-	-	-	-
Capital grants and contributions	2,072,015	3,250,743	-	170,289	-	17,482	1,521	52,807	-	-
Total business-type activities program revenues	<u>27,860,180</u>	<u>29,882,315</u>	<u>22,088,860</u>	<u>21,115,269</u>	<u>21,457,756</u>	<u>22,186,268</u>	<u>21,985,835</u>	<u>22,934,956</u>	<u>23,991,068</u>	<u>27,895,077</u>
Total primary government program revenues	<u>71,674,383</u>	<u>71,457,357</u>	<u>64,263,101</u>	<u>59,865,360</u>	<u>60,035,977</u>	<u>65,723,602</u>	<u>60,532,820</u>	<u>91,426,069</u>	<u>98,664,676</u>	<u>103,743,396</u>
Net (expense)/revenue										
Governmental activities	(162,179,241)	(192,783,555)	(206,248,548)	(219,626,432)	(213,440,500)	(227,895,707)	(233,217,235)	(220,620,848)	(211,140,245)	(235,979,841)
Business-type activities	146,511	689,686	3,908,840	3,989,317	3,719,508	3,898,441	3,766,526	2,464,105	1,122,735	3,267,816
Total primary government net expense	<u>(162,032,730)</u>	<u>(192,093,869)</u>	<u>(202,339,708)</u>	<u>(215,637,115)</u>	<u>(209,720,992)</u>	<u>(223,997,266)</u>	<u>(229,450,709)</u>	<u>(218,156,743)</u>	<u>(218,156,743)</u>	<u>(232,712,025)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
General Property taxes	51,398,592	49,532,522	52,833,701	51,570,745	50,469,150	57,028,881	56,421,850	58,677,802	60,412,042	61,054,723
Sales taxes	64,964,351	111,987,226	112,749,306	114,294,652	118,312,110	118,220,534	120,269,724	121,474,064	132,033,373	130,975,321
Utility franchise taxes	29,137,883	29,176,325	29,707,701	29,898,410	31,065,494	29,599,082	29,326,328	29,965,553	31,182,685	29,714,100
Investment income (loss)	74,319	144,886	(116,617)	1,131,952	775,618	559,560	1,094,589	1,591,250	4,416,791	1,691,383
Unrestricted grants and contributions	15,293,373	22,250,304	23,452,078	27,219,998	22,990,373	25,055,029	23,009,538	-	-	-
Other	-	735,885	(148,720)	-	-	-	7,428,860	-	-	-
Transfers	1,185,918	9,184,248	1,661,580	1,804,131	1,816,098	1,801,106	1,880,606	1,581,764	1,784,335	1,909,301
Total governmental activities	<u>162,054,436</u>	<u>223,011,396</u>	<u>220,139,029</u>	<u>225,919,888</u>	<u>225,428,843</u>	<u>232,264,192</u>	<u>239,431,495</u>	<u>213,290,433</u>	<u>229,829,226</u>	<u>225,344,828</u>
Business-type activities										
Investment earnings	32,106	23,771	(28,446)	135,013	111,523	47,467	138,478	229,421	441,870	134,710
Other	-	-	-	-	-	-	-	-	-	-
Special item - transfer of net pension obligation	-	-	57,079,060	-	-	-	-	-	-	-
Transfers	(1,185,918)	(9,184,248)	(1,661,580)	(1,804,131)	(1,816,098)	(1,801,106)	(1,880,606)	(1,581,764)	(1,784,335)	(1,909,301)
Total business-type activities	<u>(1,153,812)</u>	<u>(9,160,477)</u>	<u>55,389,034</u>	<u>(1,669,118)</u>	<u>(1,704,575)</u>	<u>(1,753,639)</u>	<u>(1,742,128)</u>	<u>(1,352,343)</u>	<u>(1,342,465)</u>	<u>(1,774,591)</u>
Total primary government	<u>160,900,624</u>	<u>213,850,919</u>	<u>275,528,063</u>	<u>224,250,770</u>	<u>223,724,268</u>	<u>230,510,553</u>	<u>237,689,367</u>	<u>211,938,090</u>	<u>228,486,761</u>	<u>223,570,237</u>
Changes in Net Position										
Governmental activities	(124,805)	30,227,841	13,890,481	6,293,456	11,988,343	4,368,485	6,214,260	(7,330,415)	18,688,981	(10,635,013)
Business-type activities	(1,007,301)	(8,470,791)	59,297,874	2,320,199	2,014,933	2,144,802	2,024,398	1,111,762	(221,749)	1,493,225
Change in accounting principle	-	-	(668,352)	-	(122,021,882)	-	-	(10,849,970)	-	-
Total primary government	<u>\$ (1,132,106)</u>	<u>\$ 21,757,050</u>	<u>\$ 72,520,003</u>	<u>\$ 8,613,655</u>	<u>\$ (108,018,606)</u>	<u>\$ 6,513,287</u>	<u>\$ 8,238,658</u>	<u>\$ (17,068,623)</u>	<u>\$ 18,467,232</u>	<u>\$ (9,141,788)</u>

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

Table 3

Year	General Property Taxes	Sales Tax	Utility Franchise Taxes	Total
2011	\$ 51,398,591	\$ 64,964,351	\$ 29,137,883	\$ 145,500,825
2012	49,532,522	111,987,226 (1)	29,176,325	190,696,072
2013	52,833,701	112,749,306	19,707,701	185,290,708
2014	51,570,745	114,294,652	29,898,410	195,763,807
2015	50,469,150	118,312,110	31,065,494	199,846,754
2016	57,028,881	118,220,534	29,599,082	204,848,497
2017	56,421,850	120,269,724	29,326,328	206,017,902
2018	58,677,802	121,474,064	29,965,553	210,117,419
2019	60,412,042	132,033,373 (2)	31,182,685	223,628,098
2020	61,054,723	130,975,321 (2)	29,714,100	221,744,142

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

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

Table 4

	Post-GASB 54									
	2011 (1)	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Nonspendable	\$ 13,255,910	\$ 1,163,347 (3)	\$ 1,329,476	\$ 1,251,251	\$ 1,020,087	\$ 4,922,789	\$ 1,940,301	\$ 1,920,362	\$ 1,895,471	\$ 1,764,842
Committed	374,900	368,577	337,892	336,610	300,264	49,105	44,839	44,839	44,839	41,997
Assigned	1,473,304	7,502,079	9,487,930	8,009,164	12,331,036	11,141,556	14,194,561	9,608,799	9,792,389	15,731,728
Unassigned	10,904,042	17,456,493 (4)	24,369,411 (6)	24,713,596	25,567,858	24,009,361	24,414,818	22,175,496	27,447,279	30,520,217
Total general fund	<u>\$ 26,008,156</u>	<u>\$ 26,490,496</u>	<u>\$ 35,524,709</u>	<u>\$ 34,310,621</u>	<u>\$ 39,219,245</u>	<u>\$ 40,122,811</u>	<u>\$ 40,594,519</u>	<u>\$ 33,749,496</u>	<u>\$ 39,179,978</u>	<u>\$ 48,058,784</u>
All other governmental funds										
Nonspendable	\$ 407,391	\$ -	\$ 1,229,513	\$ 1,532,884	\$ 1,647,604	\$ 1,382,990	\$ 640,314	\$ 1,034,773	\$ 946,656	\$ 965,057
Restricted	46,731,379	77,448,650 (5)	131,954,068 (7)	117,940,944 (8)	123,848,447	108,948,051	82,193,945	154,176,682	153,143,988	116,876,459
Unassigned	(406,965)	(2,397)	(2,618,735)	(3,219,899)	(2,853,464)	(2,633,318)	-	-	-	-
Total all other governmental funds	<u>\$ 46,731,805</u>	<u>\$ 77,446,253</u>	<u>\$ 130,564,846</u>	<u>\$ 116,253,929</u>	<u>\$ 122,642,587</u>	<u>\$ 107,697,723</u>	<u>\$ 82,834,259</u>	<u>\$ 155,211,455</u>	<u>\$ 154,090,644</u>	<u>\$ 117,841,516</u>

- (1) In 2011 the City implemented GASB 54 which changed the fund balance classification types. Prior to 2011 fund balance was either reserved or unreserved. With the implementation of GASB 54 there are now 5 fund balance classifications: nonspendable, restricted, committed, assigned and unassigned. See page 46-47 for more discussion on these classifications.
- (2) At the end of 2012, the City consolidated the Presidential Park, River Market, Golf, Fitness and Aquatics and Zoo Enterprise funds which eliminated \$12.1 million in nonspendable fund balance.
- (3) The increase in unassigned fund balance is primarily associated with the 5/8 cent operating portion of the new sales tax.
- (4) The increase in restricted fund balance is associated with 3/8 capital portion of the new sales tax in addition to the debt service and capital projects associated with the issuance of the 2012 Library Capital Improvement and Refunding Bonds.
- (5) The increase in unassigned fund balance is associated with the excess receipts of approximately \$6.9 million that resulted when the 2004 Limited Tax Bonds were deceased.
- (6) The increase in restricted fund balance is associated with the issuance of the 2013 Capital Improvement Bonds.
- (7) The decrease in restricted fund balance is associated with the expenditures in the 2012 Central Arkansas Library Fund and the 2013 Capital Improvement Fund.
- (8) The increase in restricted fund balance is associated with the issuance of the 2018 Limited Tax General Obligation Capital Improvement Bonds and the 2018 Hotel Gross Receipts Tax Bonds.

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

Table 5

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes ¹	\$ 142,727,033	\$ 191,473,338	\$ 191,323,825	\$ 194,663,920	\$ 199,880,800	\$ 202,216,633	\$ 204,081,781	\$ 207,544,681	\$ 221,433,380	\$ 218,846,540
Licenses and permits	9,716,395	10,137,945	10,602,406	11,116,890	11,098,754	11,348,110	12,032,656	12,315,181	12,576,341	11,367,370
Intergovernmental	30,013,617	31,893,228	27,403,766	26,327,221	26,216,512	26,048,300	28,908,728	30,101,194	34,944,865	44,959,306
Charges for services	7,160,751	7,084,384	14,045,775	14,176,733	13,515,573	13,843,724	13,935,093	13,018,458	14,046,316	11,760,705
Fines and fees	4,322,127	4,030,384	4,395,755	4,044,070	3,704,630	3,681,279	3,078,148	3,006,967	2,813,142	1,910,941
Investment income (loss)	74,319	144,886	(116,609)	1,131,960	775,618	559,559	1,094,588	1,591,250	4,416,791	1,668,919
Miscellaneous	7,128,631	4,339,836	4,247,918	5,032,976	4,822,969	7,292,255	5,419,449	6,532,450	6,231,795	5,977,060
Total revenues	<u>201,142,873</u>	<u>249,104,001</u>	<u>251,902,836</u>	<u>256,493,770</u>	<u>260,014,856</u>	<u>264,989,860</u>	<u>268,550,443</u>	<u>274,110,181</u>	<u>296,462,630</u>	<u>296,490,841</u>
Expenditures										
General government	40,265,241	57,247,916	61,183,366	58,771,868	50,921,165	51,281,442	53,947,370	53,935,979	50,687,819	50,060,420
Public works	24,626,577	25,760,174	26,713,458	33,693,594	33,928,160	41,316,142	39,128,675	32,953,097	39,954,170	22,326,117
Parks and recreation and zoo	9,402,332	10,612,514	15,318,714	12,626,851	12,898,624	16,192,534	13,054,954	16,877,968	17,715,791	39,121,874
Rivermarket	-	-	1,188,197	1,227,229	1,188,494	1,183,258	1,234,672	1,256,450	1,305,221	791,428
Golf	-	-	2,386,863	2,376,310	2,390,265	2,507,605	2,482,543	2,414,872	2,264,745	1,661,082
Jim Dailey Fitness	-	-	847,283	1,253,776	855,515	896,483	901,162	869,902	855,754	646,573
Zoo	-	-	7,096,614	7,486,377	7,370,338	7,474,065	7,509,037	7,669,263	7,506,371	5,771,502
Fire department	39,865,309	46,728,504	44,669,680	46,506,763	46,461,030	50,119,894	50,702,393	52,333,556	57,112,963	54,002,304
Police department	56,817,357	71,360,040	72,904,543	82,062,673	72,434,859	72,974,267	76,847,967	80,083,124	81,444,508	80,172,902
Housing and neighborhood programs	11,262,328	12,695,568	8,740,138	9,154,001	10,182,817	9,249,603	9,649,948	9,669,689	9,040,871	7,742,551
Fleet	-	-	-	-	665,112	1,918,739	921,145	1,014,420	3,649,256	81,144
Economic Development	-	-	-	-	-	-	-	-	-	205,360
Education	-	-	-	-	5,761,938	9,989,686	6,988,877	2,501,134	763,492	27,000
Debt service										
Principal	20,119,830	22,368,344	14,186,058	22,020,574	26,140,438	23,024,131	27,620,797	22,782,724	25,735,150	25,453,737
Interest	3,460,671	3,003,040	4,180,925	5,297,890	5,027,652	4,682,416	4,561,399	3,115,344	5,225,557	5,015,783
Bond issuance costs	-	107,193	148,720	-	117,481	-	493,386	1,182,751	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	34,682,836
Total expenditures	<u>205,819,645</u>	<u>249,883,293</u>	<u>259,564,559</u>	<u>282,477,906</u>	<u>276,343,888</u>	<u>292,810,265</u>	<u>296,044,325</u>	<u>288,660,273</u>	<u>303,261,668</u>	<u>327,762,613</u>
Deficiency of revenues under expenditures	<u>(4,676,772)</u>	<u>(779,292)</u>	<u>(7,661,723)</u>	<u>(25,984,136)</u>	<u>(16,329,032)</u>	<u>(27,820,405)</u>	<u>(27,493,882)</u>	<u>(14,550,092)</u>	<u>(6,799,038)</u>	<u>(31,271,772)</u>
Other financing sources (uses)										
Transfers in	6,927,781	9,671,846	16,823,595	10,179,324	10,783,984	11,276,919	13,344,426	9,519,740	6,807,170	5,201,544
Transfers out	(5,007,278)	(21,696,652)	(14,866,015)	(8,251,193)	(8,553,142)	(9,475,813)	(10,963,820)	(6,937,976)	(4,272,835)	(2,609,528)
Bonds issued	4,600,000	49,595,001	65,805,000	2,615,000	42,530,000	11,978,000	39,050,000	76,045,000	5,650,000	-
Premium on bonds issued	-	756,028	2,051,949	-	112,763	-	2,407,764	1,455,501	-	-
Payments to refunded bond escrow agent	-	(6,350,143)	-	-	(17,247,291)	-	(40,736,244)	-	-	-
Initiation of Capital leases	-	-	-	5,916,000	-	-	-	-	2,924,374	1,309,434
Total other financing sources	<u>6,520,503</u>	<u>31,976,080</u>	<u>69,814,529</u>	<u>10,459,131</u>	<u>27,626,314</u>	<u>13,779,106</u>	<u>3,102,126</u>	<u>80,082,265</u>	<u>11,108,709</u>	<u>3,901,450</u>
Net change in fund balances	<u>\$ 1,843,731</u>	<u>\$ 31,196,788</u>	<u>\$ 62,152,806</u>	<u>\$ (15,525,005)</u>	<u>\$ 11,297,282</u>	<u>\$ (14,041,299)</u>	<u>\$ (24,391,756)</u>	<u>\$ 65,532,173</u>	<u>\$ 4,309,671</u>	<u>\$ (27,370,322)</u>
Debt service as a percentage of noncapital expenditures	12.4%	13.7%	7.8%	10.4%	12.2%	10.2%	11.9%	9.8%	11.3%	10.4%

(1) See the schedule of General Government Tax Revenues by Source (modified accrual basis of accounting) on page 148.

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

Table 6

Year	General Property Taxes	Sales Taxes	Utility Franchise Taxes	Total
2011	\$ 48,624,799	\$ 64,964,351	\$ 29,137,883	\$ 142,727,033
2012	50,309,787	111,987,226 (1)	29,176,325	191,473,338
2013	48,866,818	112,749,306	29,707,701	191,323,825
2014	50,470,858	114,294,652	29,898,410	194,663,920
2015	50,503,196	118,312,110	31,065,494	199,880,800
2016	54,397,017	118,220,534	29,599,082	202,216,633
2017	54,485,729	120,269,724	29,326,328	204,081,781
2018	56,105,064	121,474,063	29,965,553	207,544,680
2019	58,217,322	132,033,373 (2)	31,182,685	221,433,380
2020	58,157,119	130,975,321	29,714,100	218,846,540

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

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

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

Table 7

Year	Real Property	Personal Property		Total Taxable Assessed Value	Total Direct Tax Rate	Total Appraised Value	Assessed Value as a Percentage of Appraised Value
	Real	Real	Utility				
2011	\$ 2,759,721,864	\$ 717,552,554	\$ 249,770,530	\$ 3,727,044,948	17.05	\$ 18,635,224,740	20%
2012	2,732,143,368	800,186,894	239,180,450	3,771,510,712	16.65 (1)	18,857,553,560	20%
2013	2,840,238,586	765,722,146	257,211,894	3,863,172,626	16.65	19,315,863,130	20%
2014	2,933,524,621	794,658,400	275,131,285	4,003,314,306	16.65	20,122,674,340	20%
2015	3,008,366,567	787,937,640	252,624,940	4,048,929,147	16.55 (2)	20,201,526,950	20%
2016	3,117,379,881	858,956,525	253,978,240	4,230,314,646	16.55	21,050,648,700	20%
2017	3,213,577,682	842,285,575	239,815,220	4,295,678,477	16.55	21,347,370,760	20%
2018	3,383,352,274	835,678,550	239,937,630	4,458,968,454	16.55	22,119,142,820	20%
2019	3,524,794,031	867,123,910	245,697,775	4,637,615,716	16.55	23,014,561,860	20%
2020	3,622,833,643	868,891,340	260,165,285	4,751,890,268	16.55	23,501,839,400	20%

Source: Pulaski County Tax Assessor.

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

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

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

Both are considered personal PSC accounts.

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

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

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

Table 8

Year	Little Rock		Pulaski County		Little Rock School District		Totals	
	Real	Personal	Real	Personal	Real	Personal	Real	Personal
2011	17.05	17.05	7.05	7.05	46.40	46.40	70.50	70.50
2012	16.65	16.65	7.05	7.05	46.40	46.40	70.10	70.10
2013	16.65	16.65	7.05	7.05	46.40	46.40	70.10	70.10
2014	16.65	16.65	7.05	7.05	46.40	46.40	70.10	70.10
2015	16.55	16.55	7.05	7.05	46.40	46.40	70.00	70.00
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

Tax Levies					
2011		\$ 49,687,697	\$ 46,915,434	\$ 148,192,735	\$ 244,795,866
2012		51,282,012	48,464,111	152,324,353	252,070,476
2013		50,385,921	49,084,104	153,876,053	253,346,078
2014		51,613,055	50,553,806	156,509,422	258,676,283
2015		53,396,476	52,080,512	161,329,413	266,806,401
2016		53,782,561	53,185,616	161,724,101	268,692,278
2017		56,364,487	55,175,845	168,350,134	279,890,466
2018		57,324,101	55,667,587	169,767,421	282,759,109
2019		59,626,225	57,637,586	175,659,292	292,923,103
2020		61,986,496	59,806,627	182,516,350	304,309,473

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

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

State statutory limits on City tax rate:

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

City of Little Rock, Arkansas

Principal Sales Taxpayers

December 31, 2020

The City of Little Rock, Arkansas's largest own-source revenue is sale taxes. Sale taxes primarily come from three separate taxes; a one and one-eighth and a three-eighth city tax based on point of sale and a portion of the county's one cent 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. Effective January 1, 2012, the City of Little Rock has a new one cent sales tax. This tax is divided up by 5/8 cent or .625% dedicated to the City's operations and 3/8 cent or .375% dedicated to capital improvements for ten years and then sunsetting. In 2020, the combined 1.5 cent city sales tax generated revenue \$80,662,786.

According to Arkansas State Statutes, the City is required to keep the identity of individual tax payers confidential. Therefore, the City of Little Rock is not able to identify the top 10 tax payers. However, Little Rock has a diverse economic sales tax base.

Table 9

Little Rock Top Ten 1 1/2 Cent Sales Taxpayers Industry	Tax Collected	% of Total
Other General Merchandise Stores	\$ 7,301,114	8.79%
Grocery Stores	6,451,340	7.77%
Building Material and Supplies Dealers	4,338,076	5.22%
Full-Service Restaurants	3,972,179	4.78%
Electronic Shopping and Mail-Order Houses	3,934,139	4.74%
Electronics and Appliance Stores	3,205,244	3.86%
Clothing Stores	2,252,251	2.71%
Electric Power Generation; Transmission and Distribution	2,187,456	2.63%
Food Services and Drinking Places; Unknown Subclassification	2,079,032	2.50%
Professional and Commercial Equipment and Supplies Wholesalers	1,969,019	2.37%
Totals	<u>\$ 37,689,850</u>	<u>45.37%</u>

Little Rock Top Ten 1 Cent County Sales Taxpayers Industry	Tax Collected	% of Total
Other General Merchandise Stores	\$ 5,052,164	10.63%
Grocery Stores	3,226,573	6.79%
Building Material and Supplies Dealers	2,869,778	6.04%
Electronic Shopping and Mail-Order Houses	2,343,230	4.93%
Full-Service Restaurants	2,324,288	4.89%
Electric Power Generation; Transmission and Distribution	1,835,088	3.86%
Electronics and Appliance Stores	1,564,271	3.29%
Clothing Stores	1,073,881	2.26%
Food Services and Drinking Places; Unknown Subclassification	1,070,198	2.25%
Sporting Goods; Hobby; and Musical Instrument Stores	1,028,449	2.16%
Totals	<u>\$ 22,387,920</u>	<u>47.10%</u>

*Twelve Months Ended January 2021

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

Table 10

Year	Total Tax Levy In Prior Year	Taxes Levied in the Prior Year Collected within the current year		Collections of Delinquent Levies	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 49,687,697	\$ 45,445,800	91.46%	\$ 3,003,035	\$ 48,448,835	97.51%
2012	51,282,012	46,805,016	91.27%	3,200,327	50,005,343	97.51%
2013	50,385,921	45,233,261	89.77%	2,832,651	48,065,912	95.40%
2014	51,613,055	47,315,821	91.67%	2,805,622	50,121,443	97.11%
2015	53,396,476	48,850,999	91.49%	2,564,574	51,415,573	96.29%
2016	53,782,561	49,486,679	92.01%	2,606,358	52,093,037	96.86%
2017	56,364,487	50,946,371	90.39%	2,742,826	53,689,197	95.25%
2018	57,324,101	52,552,647	91.68%	3,137,897	55,690,544	97.15%
2019	59,626,225	54,658,989	91.67%	3,206,963	57,865,952	97.05%
2020	61,986,496	54,757,924	88.34%	3,055,485	57,813,409	93.27%

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

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

Table 11

Year	Governmental Activities				Business Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds				
2011	\$ 53,404,122	\$ 18,481,001	\$ 8,316,847	\$ -	\$ 30,248,087	\$ 110,450,057	2.12%	570.73	
2012	61,274,083 (2)	28,588,343 (3)	23,383,504 (4)	-	16,307,477 (3)	129,553,407	2.42%	669.44	
2013	114,087,394 (5)	26,962,094	25,472,446 (6)	-	13,816,450	180,338,384	3.21%	931.87	
2014	102,395,291	25,265,845	25,312,871	-	12,401,141	165,375,148	2.91%	854.55	
2015	106,214,395	23,491,830	23,907,433	-	10,935,832	164,549,490	2.92%	850.28	
2016	93,476,815	21,642,815	27,321,300	-	9,405,524	151,846,454	2.46%	784.64	
2017	74,133,457	19,495,588	22,530,551	-	8,691,748	124,851,344	2.10%	645.15	
2018	103,289,199 (7)	51,231,535	15,192,827	-	7,926,463	177,640,024	2.81%	917.92	
2019	85,179,234	49,754,831	13,824,223	2,802,828 (8)	7,120,801	158,681,917	2.20%	819.96	
2020	66,373,957	48,132,305	8,614,099	3,548,693	6,274,699	132,943,753	1.90%	687.04	

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

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

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

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

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

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

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

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

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

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

Table 12

Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Appraised Value of Property (1)	Per Capita (2)
2011	\$ 53,404,122	\$ 17,518,930	\$ 35,885,192	0.96%	185.43
2012	61,274,083 (2)	19,342,676	41,931,407	1.11%	316.67
2013	114,087,394 (3)	16,923,578	97,163,816	2.52%	502.08
2014	102,395,291	20,845,865	81,549,426	2.04%	421.39
2015	106,214,395	14,880,687	91,333,708	2.26%	471.95
2016	93,476,815 (4)	18,299,509	75,177,306	1.78%	388.47
2017	74,133,457	16,381,890	57,751,567	1.34%	298.42
2018	103,289,199 (5)	22,255,918	81,033,281	1.82%	418.72
2019	85,179,234	21,678,709	63,500,525	1.37%	328.13
2020	66,373,957	23,059,339	43,314,618	0.91%	223.82

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

(1) See *Table 7*, Schedule of Assessed and Appraised Value of Taxable Property for property value data.

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

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

(4) In 2013, the City issued \$58,105,000 in limited tax general obligation bonds to finance various capital improvements for the City.

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

City of Little Rock, Arkansas
Direct and Overlapping Governmental Activities Debt
December 31, 2020

Table 13

Governmental Unit	Debt Available for Retirement	Percentage Applicable	City's Share of Overlapping Debt
City of Little Rock, Arkansas	\$ 126,669,054 (1)	100%	\$ 126,669,054
Little Rock Public School District	<u>241,122,078</u>	100%	<u>241,122,078</u>
Total direct and overlapping debt	<u>\$ 367,791,132</u>		<u>\$ 367,791,132</u>

(1) The City's overlapping debt is calculated by taking the governmental activities debt and adding the general obligations bonds, the revenue bonds, the notes payable, and the capital lease obligation.

City of Little Rock, Arkansas
Legal Debt Margin Information
Last Ten Years

Table 14

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 931,761,237	\$ 942,877,678	\$ 965,793,157	\$ 1,000,828,577	\$ 1,012,232,287	\$ 1,057,578,662	\$ 1,073,919,619	\$ 1,114,742,114	\$ 1,159,403,929	\$ 1,187,972,567
Total net debt applicable to limit	<u>43,822,917</u>	<u>64,275,828</u>	<u>122,636,262</u>	<u>106,862,297</u>	<u>115,241,141</u>	<u>102,498,606</u>	<u>80,282,118</u>	<u>98,331,753</u>	<u>80,127,576</u>	<u>55,477,410</u>
Legal debt margin	<u>\$ 887,938,320</u>	<u>\$ 878,601,850</u>	<u>\$ 843,156,895</u>	<u>\$ 893,966,280</u>	<u>\$ 896,991,146</u>	<u>\$ 955,080,056</u>	<u>\$ 993,637,501</u>	<u>\$ 1,016,410,361</u>	<u>\$ 1,079,276,353</u>	<u>\$ 1,132,495,157</u>
Total net debt applicable to the limit as a percentage of debt limit	8.71%	4.70%	6.82%	12.70%	10.68%	11.38%	9.69%	7.48%	6.91%	4.67%

Legal Debt Margin Calculation for 2020

Assessed value	\$ 4,751,890,268
Debt limit:	
General obligation debt limitation (1)	950,378,054
Short-term financing debt limitation (2)	<u>237,594,513</u>
Total debt limitation	<u>1,187,972,567</u>
Debt applicable to limit:	
General obligation and short-term financing	78,536,749
Less: Amount set aside for repayment in debt services funds	<u>23,059,339</u>
Total net debt applicable to limit	<u>55,477,410</u>
Legal debt margin	<u>\$ 1,132,495,157</u>

Note: Computation of the City's legal debt margin is set forth in Amendments 78 and 62 to the Constitution of the State of Arkansas.

- (1) General obligation debt is not to exceed 20% of assessed value.
- (2) Short-term financing debt is not to exceed 5% of assessed value.

City of Little Rock, Arkansas
Revenue Bond Coverage
Last Ten Years

Table 15

Governmental Activities Revenue Bonds*						Business-type Activities Revenue Bonds*						
Hotel Gross Receipts Tax Bonds						Waste Disposal Revenue Bonds						
Debt Service Requirements						Debt Service Requirements						
Fiscal Year	Pledged Revenues(1)	Principal	Interest	Total	Coverage	Pledged Revenues	Operating Expenses(4)	Net Available Revenues(3)	Principal	Interest	Total	Coverage
2018	\$ -	\$ -	\$ -	\$ -	-	\$ 18,291,143	\$ 14,359,447	\$ 3,931,696	\$ 260,000	\$ 76,188	\$ 336,188	11.69
2019	2,657,965	425,000	1,338,731	1,763,731	1.51	18,909,436	16,228,510	2,680,926	275,000	60,806	335,806	7.98
2020	1,379,772	555,000	1,372,144	1,927,144	0.72	22,718,164	18,551,517	4,166,647	290,000	44,563	334,563	12.45
2017 Capital Improvement Franchise Fee Revenue Refunding Bonds						Rivermarket Parking Garage Bonds						
Debt Service Requirements						Debt Service Requirements						
Fiscal Year	Pledged Revenues(2)	Principal	Interest	Total	Coverage	Pledged Revenues(5)	Operating Expenses(4)	Net Available Revenues(3)	Principal	Interest	Total	Coverage
\$ 2018	\$ 20,154,897	\$ 930,000	\$ 574,462	\$ 1,504,462	13.40	\$ 2,977,508	\$ 1,489,472	\$ 1,488,036	\$ 510,000	\$ 381,830	\$ 891,830	1.67
2019	21,511,340	870,000	635,850	1,505,850	14.29	3,566,588	1,514,035	2,052,553	535,000	356,535	891,535	2.30
2020	20,094,116	895,000	609,750	1,504,750	13.35	2,696,007	929,885	1,766,122	560,000	328,448	888,448	1.99

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

* Primary government pledged revenue bond coverage is presented starting with fiscal year 2018

- (1) Hotel Gross Receipts Tax Bonds are backed by all hotel gross receipt taxes from the renting, leasing or otherwise furnishing of hotel, motel, bed and breakfast or short-term condominium or apartment rental accommodations for sleeping for profit in the City.
- (2) 2017 Capital Improvement Franchise Fee Revenue Refunding Bonds are backed by franchise fee revenues.
- (3) Waste Disposal Revenue Bonds are backed with a pledge of net revenues of the waste collection and disposal system.
- (4) Operating expenses do not include interest or depreciation expenses.
- (5) 2003 Capital Improvement and Refunding Revenue Bonds are backed with a pledge of specific parking revenues and other revenues in the Rivermarket Garage Fund.

City of Little Rock, Arkansas
Demographic and Economic Statistics
Last Ten Years

Table 16

Year	Population	Personal Income (2)	Per Capita Income (2)	Median Age	Percent of Population Age 25+ MA/Professional Degree or Higher	School Enrollment	Unemployment Rate
2011	193,524 (4)	\$ 5,205,408,552	\$ 26,898	35.1	13.8	27,626 (3)	7.3%
2012	193,524 (4)	5,350,164,504	27,646	36.8	15.8	27,344 (3)	6.8%
2013	193,524 (4)	5,448,087,648	28,152	36.6	15.8	27,369 (3)	6.7%
2014	193,524 (4)	5,686,122,168	29,382	36.1	15.8	26,943 (3)	5.9%
2015	193,524 (4)	5,632,516,020	29,105	35.6	15.8	26,767 (3)	4.8%
2016	193,524 (4)	6,170,125,692	31,883	36.6	12.5	26,239 (3)	3.5%
2017	193,524 (4)	6,090,840,798	30,678	35.9	15.4	25,930 (3)	3.0%
2018	193,524 (4)	6,498,189,714	32,719	36.0	15.6	25,685 (3)	3.3%
2019	193,524 (4)	7,224,250,920	37,330	37.2	17.2	23,237 (3)	3.4%
2020	193,524 (4)	6,847,131,918	34,701	37.4	19.3	23,180 (3)	4.5%

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

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

Table 17

Employer	2020			2011	
	Employees	Rank	Percentage of Total City Employment	Employees	Rank
State of Arkansas (MSA)	35,200	1	18.87%	32,200	1
Local Government (MSA)	26,500	2	14.21%	28,800	2
Federal Government (MSA)	10,200	3	5.47%	9,200	3
University of Arkansas Medical Sciences	9,700	4	5.20%	8,500	4
Baptist Health	7,340	5	3.94%	7,000	5
Little Rock Air Force Base	4,500	6	2.41%		
Arkansas Children's Hospital	4,370	7	2.34%		
Central Arkansas Veterans Health Care	4,000	8	2.14%		
Little Rock School District	3,970	9	2.13%		
CHI St. Vincent Health System	3,000	10	1.61%	2,600	10
Pulaski County Special School District				2,700	8
Entergy Arkansas				2,738	7
AT&T				2,613	9
Axiom				4,388	6
	108,780		58.32%	100,739	

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
General Administration	48	47	47	47	47	63	67	69	32	33
Racial Cultural Diversity	3	2	2	2	2	-	-	-	-	-
City Clerk	2	2	2	2	2	3	3	3	-	-
Mayor and Board of Directors	1	1	1	1	1	1	1	1	1	1
Community Programs	7	10	10	10	11	13	11	13	12	12
City Attorney	18	18	18	18	19	20	18	18	16	16
District Court- First Division	21	21	21	21	21	20	20	20	20	20
District Court - Second Division	17	17	17	17	17	18	18	18	18	18
District Court - Third Division	7	7	7	8	8	8	8	8	7	7
Finance	40	40	41	41	42	43	43	42	41	43
Human Resources	18	19	19	19	20	20	22	23	22	22
Management Support/Information Technology	38	38	39	39	39	39	39	39	39	39
Planning and Development	39	39	39	39	39	39	39	39	38	38
Housing and Neighborhood Programs	94	96	103	103	104	105	107	106	98	98
Public Works	13	13	13	13	13	12	12	12	12	12
Parks and Recreation	100	117	119	122	127	130	128	129	106	106
Golf	21	21	21	21	22	22	21	20	14	15
Jim Dailey Fitness & Aquatic Center	9	9	9	9	9	9	9	8	8	8
Zoo	46	56	59	59	61	62	63	62	62	62
Fire	408	421	421	421	421	422	421	433	432	432
Police	697	709	716	716	717	733	748	748	744	743
Total General Fund	<u>1,647</u>	<u>1,703</u>	<u>1,724</u>	<u>1,728</u>	<u>1,742</u>	<u>1,782</u>	<u>1,798</u>	<u>1,811</u>	<u>1,722</u>	<u>1,725</u>
Waste Disposal	112	112	113	113	113	113	121	121	130	144
Public Works - Street	210	211	213	213	213	216	215	216	216	219
Fleet Services	60	59	61	61	61	63	63	63	63	63
Vehicle Storage Facility	15	15	15	15	15	13	13	13	13	13
Total Other Funds	<u>397</u>	<u>397</u>	<u>402</u>	<u>402</u>	<u>402</u>	<u>405</u>	<u>412</u>	<u>413</u>	<u>422</u>	<u>439</u>
Total Personnel	<u>2,044</u>	<u>2,100</u>	<u>2,126</u>	<u>2,130</u>	<u>2,144</u>	<u>2,187</u>	<u>2,210</u>	<u>2,224</u>	<u>2,144</u>	<u>2,164</u>

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

Table 19

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Planning and Development										
Total building permits issued	3,304	2,011	2,000	2,024	2,059	2,276	2,283	1,957	2,015	1,965
Estimated building cost	\$ 356,450,894	\$ 391,789,405	\$ 385,865,486	\$ 593,559,207	\$ 414,586,125	\$ 448,913,149	\$ 502,609,225	\$ 617,187,924	\$ 551,240,708	\$ 443,609,792
New commercial construction permits	155	94	38	62	45	40	50	31	76	68
Commercial construction value	\$ 134,734,044	\$ 115,487,012	\$ 86,866,172	\$ 189,748,670	\$ 137,075,636	\$ 116,870,836	\$ 138,433,381	\$ 295,268,496	\$ 85,798,573	\$ 115,488,838
New residential construction permits	344	349	359	343	335	337	481	329	413	415
Residential construction value	\$ 68,783,123	\$ 78,991,948	\$ 96,044,242	\$ 92,447,772	\$ 89,366,181	\$ 97,554,075	\$ 130,595,311	\$ 108,394,465	\$ 125,590,680	\$ 131,972,141
Fire										
Number of uniformed employees	403	403	415	415	415	416	416	414	426	426
Fires and explosions	1,452	1,595	1,241	1,274	1,302	1,274	1,296	1,288	1,131	1,125
Overpressure rupture, explosion, overhear (no fire)	62	96	62	76	72	116	- (1)	112	69	125
Rescue, emergency medical calls	15,259	15,890	16,312	16,934	17,985	18,455	21,246	21,431	20,280	16,702
Hazardous condition, standby	1,298	1,420	1,233	1,383	1,371	1,384	1,095	1,065	1,088	1,044
Service calls	1,295	1,437	1,440	1,503	1,638	1,780	1,882	2,184	2,320	2,646
Good intent calls	3,332	3,426	3,846	3,839	3,419	3,179	3,841	4,301	3,910	3,496
False alarm calls	2,648	2,753	2,770	3,258	4,343	3,790	3,504	4,046	4,155	3,830
Natural disaster calls	75	37	22	26	17	47	27	46	60	31
Other calls	134	136	140	685	437	-	-	144	117	131
Total calls	25,555	27,193	27,481	29,393	30,999	30,441	33,307	35,031	33,556	29,130
Police										
Number of uniformed employees	557	577	574	574	574	590	593	594	594	594
Calls for service	143,226	157,093	158,635	150,367	162,844	162,363	159,051	153,828	153,786	165,460
Arrests	10,154	9,778	8,847	9,289	8,373	9,097	10,321	11,291	11,018	8,173
Accidents (fatality and serious injury)	5,218	5,308	5,029	12,622	12,465	11,200	12,275	12,274	44	54
Training man hours	10,825	36,780	37,568	38,507	16,230	30,241	31,000	130,000 ¹	111,360	74,056
Uniform Crime Reporting (UCR) Part I offenses	16,662	17,330	17,358	16,494	14,932	16,849	17,030	15,694	15,185	13,362
Clearance rate - all crimes	38.00%	21.66%	18.83%	20.13%	20.70%	7.23%	15.77%	14.80%	18.19%	22.41%
Public Works										
Miles of graded and surface treatment	422	422	422	422	422	419	419	408	408	408
Drainage ditches maintained	1,578	1,578	1,578	1,578	1,578	1,571	1,571	1,571	1,571	1,571
Traffic signals repaired	1,832	293	2,568	2,288	2,179	2,096	1,557	1,799	1,707	1,800
Solid Waste/Garbage Collections										
Solid waste disposal monthly service rate	\$ 20.99	\$ 20.99	\$ 22.02	\$ 22.02	\$ 22.02	\$ 22.02	\$ 22.02	\$ 22.02	\$ 22.02	\$ 28.90
On-Call service	27,135	25,601	26,649	28,148	25,523	28,098	31,124	36,929	40,815	28,017
KB's service	6,242	5,164	8,675	6,864	6,198	9,014	7,379	7,925	7,546	7,201
Roll-offs service	2,139	1,973	2,058	1,935	1,149	1,136	752	769	779	571
Carts	5,874	5,742	5,501	5,121	6,667	6,220	5,134	4,993	4,994	1,432
Dead animals collected	343	329	265	309	328	312	384	520	392	351
Curbside recycling tonnage	5,688	9,307	10,287	10,219	9,839	9,381	8,795	8,596	7,682	7,013
Class I and IV tonnage	101,283	104,226	131,773	119,013	124,617	135,104	134,752	136,232	143,020	105,318
Yard Waste tonnage	32,585	30,690	47,881	30,562	27,529	28,978	27,053	23,775	24,200	23,699
Parks and Recreation										
Total recorded parks attendance	611,722	604,702	617,537	613,042	675,314	612,066	599,452	545,888	210,687	158,981
Zoo attendance	307,123	323,040	313,762	307,046	267,314	280,279	265,268	237,653	240,229	101,482
Zoo outreach program	37,307	21,584	37,018	18,700	46,202	22,626	40,424	35,238	20,844	1,370,737 (2)

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.

(2) In 2020, the total number of Zoo outreach programs included virtual events that were implemented due to COVID-19.

City of Little Rock, Arkansas Capital Asset Statistics By Function Last Ten Years

Table 20

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fire Stations	20	21	21	21	21	21	21	21	22	22
Police Stations	10	10	10	11	11	11	11	10	10	10
Public Works										
Miles of Streets	2,434	2,448	2,461	2,465	2,468	2,478	2,485	2,490	2,490	2,486
Miles of paved - permanent streets	2,016	2,026	2,039	2,046	2,050	2,057	2,066	2,082	2,082	2,082
Alleys	63	63	63	63	63	63	63	63	63	63
Waste Disposal										
Miles of storm sewer	357	359	361	361	363	367	369	373	373	373
Miles of sanitary sewer	1,345	1,400	1,365	1,368	1,375	1,384	1,385	1,385	1,399	1,404
Solid waste containers purchased	3,032	4,176	3,654	2,138	1,740	2,900	4,110	5,220	4,130	1,160
Parks and Recreation										
Acreage	6,313	6,315	6,319	6,077	6,077	6,077	6,078	6,141	6,140	6,140
Number of parks	59	59	59	62	62	63	63	63	63	63
Number of playgrounds	45	46	46	46	46	42	42	42	44	44
Number of tennis courts	48	48	48	48	48	43	41	41	41	41
Number of basketball courts	37	37	37	37	37	35	35	35	36	36
Number of museums	1	1	1	1	1	1	1	1	1	1
Number of golf courses	3	3	3	3	3	3	3	3	2	2
Number of ball fields	25	25	25	25	29	26	26	25	25	25
Number of play fields	20	20	20	22	22	22	22	20	20	22
Number of zoos	1	1	1	1	1	1	1	1	1	1
Number of adult centers	0	1	1	3	1	1	1	1	1	1
Number of community centers	4	4	5	4	6	6	6	8	8	9
Number of fitness centers	1	1	1	1	1	1	1	1	1	1
Number of swimming pools	3	3	3	2	3	3	3	3	3	3
Number of soccer fields	9	9	9	12	12	13	13	13	13	13
Number of pavilions	22	22	22	28	28	31	33	32	32	32
Number of volleyball courts	9	9	9	8	10	13	13	17	17	17

Source: Various city departments.

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

OTHER REQUIRED REPORT



Independent Accountant's Report on Compliance with Certain State Acts

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

We have examined management's assertions that the City of Little Rock, Arkansas (City), complied with the requirements of the *Arkansas Act 15 of 1985* and the following Arkansas statutes during the year ended December 31, 2020.

- (1) Arkansas Municipal Accounting Law, §14-59-101 et seq.
- (2) Arkansas District Courts and City Courts Accounting Law, §16-10-201 et seq.
- (3) Improvement contracts, §§ 22-9-202 – 22-9-204
- (4) Budgets, purchases and payments of claims, etc., § 14-58-201 et seq. and 14-58-301 et seq.
- (5) Investment of public funds, § 19-1-501 et seq.
- (6) Deposit of public funds, §§ 19-8-101 – 19-8-107

Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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, 2020, is fairly stated, in all material respects.

This report is intended solely for the information and use of the board of directors, management and the State of Arkansas, and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

Dallas, Texas
June 29, 2021

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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Little Rock, Arkansas (City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 29, 2021. Our report includes a reference to other auditors who audited the financial statements of Central Arkansas Transit Authority, Museum of Discovery, Arkansas Arts Center, 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 auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Museum of Discovery and The Arkansas Arts Center Foundation (component unit of Arkansas Arts Center), which are 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 noncompliance associated with the Museum of Discovery or Arkansas Arts Center Foundation.

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 City's internal control.

Honorable Frank Scott Jr., Mayor
and Members of the Board of Directors
City of Little Rock, Arkansas
Little Rock, Arkansas
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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Dallas, Texas
June 29, 2021

**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

We have audited the City of Little Rock, Arkansas's (City) compliance with the types of compliance requirements described 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, 2020. 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.

The City's basic financial statements include the operations of the Central Arkansas Transit Authority, Bill and Hillary Clinton National Airport, Little Rock Water Reclamation Authority, Little Rock Workforce Development Board, Little Rock Ambulance Authority and Little Rock Port Authority, which expended \$7,582,747, \$20,267,721, \$7,096,162, \$2,218,697, \$1,164,759 and \$2,601,653, respectively, in federal awards, which are not included in the City's schedule of expenditures of federal awards for the year ended December 31, 2020. Our audit, described below, did not include the operations of these component units because each engaged auditors to perform separate audits in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

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

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of 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, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program, 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Honorable Frank Scott Jr., Mayor
and Members of the Board of Directors
City of Little Rock, Arkansas
Little Rock, Arkansas
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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

BKD, LLP

Dallas, Texas
June 29, 2021

City of Little Rock, Arkansas
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Awards Expended
<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	\$ 284,747	\$ 1,039,814
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	N/A	-	266,576
<i>Total CDBG - Entitlement Grants Cluster</i>			284,747	1,306,390
Pass-Through From:				
Arkansas Department of Human Services COVID-19 Emergency Solutions Grant Program	14.231	4600047334, 4600047378	-	28,414
Direct Programs:				
HOME Investment Partnerships Program	14.239	N/A	-	379,509
Housing Opportunities for Persons with Aids (HOPWA)	14.241	N/A	393,123	413,889
COVID-19 Housing Opportunities for Persons with Aids (HOPWA)	14.241	N/A	56,890	115,328
<i>Total Housing Opportunities for Persons with Aids (HOPWA)</i>			450,013	529,217
Neighborhood Stabilization Program (Recovery Act Funded)	14.256	N/A	-	11,993
Continuum of Care Program	14.267	N/A	-	45,416
			-	45,416
Total Department of Housing and Urban Development			734,760	2,300,939
<u>Department of Interior</u>				
Pass-Through From:				
Department of Arkansas Heritage Historic Preservation Fund Grants-In-Aid	15.904	19 CLG 06	-	4,181
Total Department of Interior			-	4,181
<u>Department of Justice</u>				
Direct Program:				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	N/A	-	560,960
Pass-Through From:				
Arkansas Department of Finance and Administration Crime Victim Assistance	16.575	2017-VA-GX-0070/190444-17VG, 2018-V2-GX-0058/190444-18VG, 2019-V2-GX-0010/200441-19VG	-	375,805
Direct Program:				
Crime Victim Assistance/Discretionary Grants	16.582	N/A	-	3,201
Pass-Through From:				
Arkansas Department of Finance and Administration Violence Against Women Formula Grants	16.588	2018-WF-AX-0042/200442-18SL, 2019-WF-AX-00034/190444-19SL	-	91,093
Direct Program:				
Bulletproof Vest Partnership Program	16.607	N/A	-	31,181
Pass-Through From:				
Arkansas Department of Finance and Administration Project Safe Neighborhoods	16.609	PE20-239-P18	-	9,017
Direct Programs:				
Public Safety Partnership and Community Policing Grants	16.710	N/A	-	105,789
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	91,567	298,155
Body Worn Camera Policy and Implementation	16.835	N/A	-	193,050
Equitable Sharing Program	16.922	N/A	-	21,275
			-	21,275
Total Department of Justice			91,567	1,689,526

City of Little Rock, Arkansas
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Awards Expended
<u>Department of Labor</u>				
Pass-Through From:				
Little Rock Workforce Development Board Workforce Investment Act (WIA) National Emergency Grants	17.277	NDWG AR-30-81	\$ -	\$ 90,155
Total Department of Labor			-	90,155
<u>Department of Transportation</u>				
<i>Highway Planning and Construction Cluster</i>				
Pass-Through From:				
Arkansas Department of Transportation <i>Highway Planning and Construction Cluster</i> Highway Planning and Construction	20.205	JOB #061616, JOB #060907, JOB #061490, JOB #061539, JOB #061468	-	4,354,088
<i>Total Highway Planning and Construction Cluster</i>			-	4,354,088
Total Department of Transportation			-	4,354,088
<u>Department of Treasury</u>				
Direct Program:				
Equitable Sharing	21.016	N/A	-	11,527
Pass-Through From:				
Arkansas Department of Finance and Administration: COVID-19 Coronavirus Relief Fund	21.019	None Provided	-	7,666,985
Arkansas Department of Human Services COVID-19 Coronavirus Relief Fund <i>Total Coronavirus Relief Fund</i>	21.019	None Provided	-	729,954
			-	8,396,939
Total Department of Treasury			-	8,408,466
<u>National Endowment for the Arts</u>				
Pass-Through From:				
Arkansas Arts Council Promotion of the Arts Partnership Agreements	45.025	8911	-	2,000
Arkansas Humanities Council COVID-19 Promotion of the Humanities Federal/State Partnership	45.129	None Provided	-	9,773
Total National Endowment for the Arts			-	11,773
<u>United States Department of Education</u>				
Pass-Through From:				
Arkansas Department of Education Twenty-First Century Community Learning Centers	84.287C	S287C160004	-	77,274
Total United States Department of Education			-	77,274

City of Little Rock, Arkansas
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Awards Expended
<u>Delta Regional Authority</u>				
Direct Program:				
Delta Regional Development	90.200	N/A	\$ -	\$ 520,723
Total Delta Regional Authority			-	520,723
<u>Department of Homeland Security</u>				
Pass-Through From:				
Arkansas Department of Emergency Management Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4441-DR-AR	-	80,002
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4518-DR-AR	-	883,690
<i>Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)</i>			-	963,692
Emergency Management Performance Grants (EMPG)	97.042	EMT-2018-EP-00002, EMT-2019-EP-00002-S01, EMT-2020-EP-00003	-	78,557
Homeland Security Grant Program	97.067	FY18 HSGP Bomb Squad, HSGP MMRS 2018, LETPA (LRPD/SWAT) 2017, SWAT 19, SWAT/LRPD 2018	-	253,752
Total Department of Homeland Security			-	1,296,001
Total Expenditures of Federal Awards			\$ 826,327	\$ 18,753,126

City of Little Rock, Arkansas
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

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, 2020. 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 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 shown on the schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Cost Rate

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Federal Loan Programs

The City did not have any federal loan programs during the year ended December 31, 2020.

Note 5: Personal Protective Equipment (PPE) (Unaudited)

The City received donated PPE during the year with an approximate fair market value of \$17,240.

City of Little Rock, Arkansas
Schedule of Findings and Questioned Costs
Year Ended December 31, 2020

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 accounting principles generally accepted in the United States of America (GAAP) was:

Unmodified Qualified Adverse Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies) identified? Yes None reported

Material weakness(es) identified? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

Yes No

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

Significant deficiency(ies) identified? Yes None reported

Material weakness(es) identified? Yes No

5. The opinions expressed in the independent auditor's report on compliance for major federal awards were:

Unmodified Qualified Adverse Disclaimer

City of Little Rock, Arkansas
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2020

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?

Yes No

7. The City's major programs were:

Cluster/Program	
<i>CDBG Entitlement Grants Cluster</i>	
COVID-19 Community Development Block Grants/Entitlement Grants	14.218
Community Development Block Grants/Entitlement Grants	14.218
COVID-19 Coronavirus Relief Fund	21.019
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. The City qualified as a low-risk auditee?

Yes No

City of Little Rock, Arkansas
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2020

Section II – Findings Required to be Reported by Government Auditing Standards

Reference Number	Finding
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No matters are reportable.

City of Little Rock, Arkansas
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2020

Section III – Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
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No matters are reportable.

City of Little Rock, Arkansas
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2020

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, 2020

Program Grantor/Program Title	State Awards
Arkansas Department of Parks, Heritage and Tourism	
Pass-through Arkansas Department of Heritage	
Arkansas Historic Preservation Program	88,435
Small Museum Grant	2,425
Pass-through Arkansas State Parks	
Outdoor Recreation Grant Program	15,701
Total State Awards	\$ 106,561

