



Comprehensive Annual Financial Report
for the year ended December 31, 2015
City of Little Rock, Arkansas

On the Cover:

In September 2015, the Main Street Creative Corridor's Low Impact Development (LID) streetscape was dedicated. The pedestrian and environmentally friendly streetscapes along four blocks of Main Street contain LID features such as bioswales, porous pavers, rain gardens, and biodiverse vegetation.

The Creative Corridor is a mixed-use development project which is restoring the vitality of Main Street by creating an arts district. Recent public art installations and the clustering of creative organizations are transforming the Creative Corridor into a downtown hub. The cover features the Creative Corridor logo as well as Lorri Acott's *Peace* sculpture.

Initial planning and design for the Creative Corridor was funded by a 2011 Our Town grant from the National Endowment for the Arts. The plan, created by the University of Arkansas Community Design Center and Marlon Blackwell Architects, has received over ten international, national, regional and local awards.

A variety of public and private entities have been partners in the Creative Corridor including the Arkansas Natural Resources Commission, the Downtown Little Rock Partnership, ArtPlace America, the Educational Foundation of America, the National Endowment for the Arts, and the Environmental Protection Agency.

(Photo of the banner by Scott Whiteley Carter; photo of the sculpture by Kelly Quinn)

City of Little Rock, Arkansas

Comprehensive Annual Financial Report

For the Year Ended December 31, 2015

The Department of Finance

Sara Lenehan, CPA
Director of Finance

Ember Strange
Assistant Director of Finance



City of Little Rock, Arkansas
Year Ended December 31, 2015

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City of Little Rock

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October 31, 2016

To the Honorable Mayor, Members of the Board of Directors,
and 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. The Board of Directors exercised that option. Accordingly, we hereby issue the Comprehensive Annual Financial Report of the City of Little Rock for the fiscal year ended December 31, 2015.

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 of 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 that is 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's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. As Management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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, 2015, 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. The independent auditors concluded, based upon the audit, 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, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Little Rock was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal Grantor Agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal

awards. These reports are issued separately from the City of Little Rock's Comprehensive Annual 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 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 the State, and is considered to be one of the top growth areas in the State. The City of Little Rock currently occupies a land area of 123 square-miles and serves a population of 197,992. 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 Council-Manager form of government since 1957. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and ten (10) other members. The governing council is responsible for, among other things, passing ordinances, adopting the budget, and hiring both the City Manager and City Attorney. The Mayor's position is full-time, and has Board and Commission appointment authority and veto power. The City Board Members are part-time, and all are elected on a non-partisan basis. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government and for appointing the various Department Directors.

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 therefore have been included as an integral part of the City of Little Rock's financial statements. Additional information regarding the blended and 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 City Manager. The City Manager utilizes these requests as the starting point for developing a proposed budget. The City Manager and Mayor then present a proposed budget to the Board of Directors for review. The Board of Directors is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 31st, the close of the City of Little Rock's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety) and Department (e.g., Zoo). Department Directors may make transfers of appropriations within a Department. Transfers of appropriations between Departments; however, require the special approval of the 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 individual governmental fund for which an

appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 104 as part of the basic financial statements for the governmental funds. For the Street Fund, this comparison is presented on page 106.

Factors Affecting Financial Condition:

The information presented in the financial statements is perhaps best understood when it is 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 providing a full complement of services that satisfy the needs of citizens in the midst of an uncertain, but stabilizing, economic climate. While the economic recovery continues, it remains slow but steady.

The latest comparative figures for the City of Little Rock show unemployment at 4.2%, compared with a U.S. average of 5%, according to data from the United States Department of Labor, seasonally adjusted for local figures by Metroplan. According to Metroplan, the City of Little Rock had approximately 6,300 unemployed residents as of December 2012. This number had decreased to approximately 3,800 unemployed residents by December 2015, representing just 4% of the labor force and a decline of 32% in two (2) years. Little Rock remains a vital employment center, accounting for approximately 53% of all jobs, by place of work, in the Little Rock-North Little Rock metropolitan area. A large component of the City's workforce is in the areas of health care, education and public administration. These sectors are less vulnerable to national employment trends.

The Metroplan economic report for early 2016 states that Little Rock retail sales had a good year in 2015. The year saw completion of the Gateway Town Center near the intersection of Interstate 430 and Interstate 30 in Southwest Little Rock. The total inflation-adjusted boost to retail sales over the previous year of 3.6% matches closely with the 3.9% total gain in retail square-footage due to the new center's construction, as reported in the 2015 Office / Retail Industrial Lease Guide from *Arkansas Business*. Per Metroplan, the City rarely sees retail additions of this size. The general trend in recent years has been for retail sales to grow very slowly, actually declining after the inflation adjustment. Therefore, it is likely that the jump in sales experienced during 2015 was a one-time event, and that 2016 will see a resumption of inflation-adjusted decline in retail sales, fueled by the rise in Internet sales. U.S. Internet sales continued rapid growth accounting for 7.4% of all retail sales. Internet sales have more than doubled in a decade, from less than 3% in 2006, and could easily reach 10% of total retail sales by 2020. Internet sales have an advantage over local retailers in Arkansas and other states that are unable to collect Sales and Use Tax on online sales. The City is supportive of the Remote Transactions Parity Act before Congress, which would enable municipalities to collect sales tax from retailers that do not have a physical presence in the State. With sales tax as the primary revenue source for the City of Little Rock, this legislation is critical to retaining the resources required to sustain local services. While State Law requires that citizens prepare use tax returns for such purchases, this method of tax collection is very ineffective.

The regional housing market has seen less growth than the U.S. average over the last several years. Single-family housing permits began to rebound during 2012, moving to an average of

thirty (30) monthly; the highest level since 2008, and were nearing an average of forty (40) units per month by the end of 2014. However, the average dropped to 26.5 during 2015. The Metroplan report on Little Rock's Economy in early 2016, describes the Little Rock housing market as follows: Multi-family housing construction has increased in relation to Single-Family Permits, growing to nearly 60% of all new housing units from 2011 – 2015 compared with 36%-38% in the two (2) preceding five (5)-year intervals. There are several multi-family projects proposed for 2016. Such projects often raise controversy concerning adjoining land uses; however, affordable housing can be an important component of economic development. On August 1, 2013, Moses Tucker Real Estate announced plans to redevelop the old Arkla Gas Building in Downtown Little Rock, converting it into upscale apartments that opened in September 2015. The project, called MacArthur Commons, includes fifty-nine (59) units at the corner of East Capitol and River Market Avenues. The development has been a great success, designed to provide upscale, yet affordable housing for residents looking to live downtown. By November, the complex was 97% occupied. During the second quarter of 2015, over 400 new units opened in Little Rock including 262 units at LIV Riverhouse, located at 1200 Brookwood Drive, and 144 units at The Pointe Brodie Creek, Phase II, located at 3400 South Bowman Road in Little Rock. Another 500 units are approved for Bowman Pointe, and a planned development of 250 units has been approved farther south on Bowman Road. The occupancy rate in newly built complexes, those opened since 2010, is 95%. The central market in Little Rock is the most popular in the county. In addition, nine (9) apartment complexes were sold in Pulaski County in the second quarter. The highest price paid was \$36 million for Park Avenue Lofts, a luxury apartment complex in Little Rock with 258 units. The price per unit was about \$139,000 and the price per square-foot was almost \$150. The buyer's CEO, Jack Fiorella of Equity Resources, LLC, of Birmingham, Alabama said, "Equity Resources has great confidence in the Little Rock market. We expect that our strategy to own high-end luxury communities will be well received by the community."

The City's long-term outlook remains bright; most indicators continue showing competitive advantages in the local metropolitan area. Job losses in some sectors have been balanced, even in recession, by gains in areas with future potential. Economic projects are in development in all areas of the City – from Downtown, to Midtown, Southwest Little Rock and West Little Rock. Many of these projects are highlighted as major initiatives below.

Little Rock's strong business environment and quality of life have been recognized by several national publications. In July 2013, Little Rock was named "#1 of America's 10 Great Places to Live" by *Kiplinger's Personal Finance*. The rankings place an emphasis on small and mid-size cities, considering metro areas with a population of one million or less that have good jobs, reasonably priced homes, decent schools and access to great health care. Little Rock is very proud of this ranking.

In addition, Little Rock was recently listed as No. 3 Best State Capital by *USA Today Readers' Choice: 10 Best*. The article had this to say about Little Rock, "A downtown renaissance has transformed Little Rock into a city with culture, cuisine and abundant outdoor activities. Visitors can rent a bike and pedal the sixteen (16)-mile loop along the Arkansas River Trail, visit the Clinton Presidential Center and the Little Rock Central National Historic Site, a National Park Service unit that interprets the crucial role played by the school in the civil rights struggle." The article may be found at (<http://www.10best.com/awards/travel/best-travel-worthy-state-capital/>).

Bicycling.com/2016 recently named the Big Dam Bridge in Little Rock as one of the “Coolest Bike and Pedestrian Bridges in the US.” The Big Dam Bridge across the Arkansas River in Little Rock is the longest pedestrian/cycling bridge that wasn’t formerly a motorist or train bridge.

In May 2016, *Arkansas Business* reported that Arkansas moved up ten spots in *Chief Executive Magazine’s* latest Best & Worst States for Business annual survey found at (<http://chiefexecutive.net/why-do-some-areas-of-the-country-thrive-while-others-see-businesses-atrophy-and-people-flee-at-alarming-rates/>). Arkansas was also ranked No. 1 in “Best Communication of Business Incentives.” Arkansas was second only to Ohio in biggest gains. Per Mike Preston, Executive Director of the Arkansas Economic Development Commission, “What this tells us is that we are building momentum, we are capitalizing on our strengths, and we are working to improve our critical areas.”

Long-Term Financial Planning: Little Rock citizens passed an additional one (1)-Cent Local Sales Tax in September 2011 that was effective on January 1, 2012. Faced with significant challenges with stagnant revenue in many areas due to the lingering effects of the economic downturn, and one of the lowest local tax rates in the State, citizens supported the new tax initiative. The City held several public hearings in each Ward to discuss priority needs associated with Public Safety, Public Works, Jobs and Economic Development, Parks and Recreation, Zoo and Tourism, and other priorities, including fleet replacement, information technology needs, pension funding, and public transportation. The priority needs were divided between on-going operating needs and capital needs. The 5/8-cent permanent increase in sales tax for operations is reflected in the 2015 Adopted Budget. The 3/8-cent, ten (10)-year sales tax for capital projects, which expires in 2021, is reflected in a Sales Tax Capital Improvements Fund. The tax increase provides funding for additional Police Officers, more Code Enforcement Officers, new Fire and Police facilities, infrastructure projects, and a new emergency communications system. In the first four (4) years of collection, the new sales tax provided additional resources of approximately \$190 million, including approximately \$119 million for operations and \$71 million for capital projects.

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 on a quarterly basis to evaluate the spending of the additional revenue that results from the One (1)-Cent Sales Tax increase.

On September 11, 2012, Little Rock citizens showed their on-going support of the City by approving the issuance of up to \$105 million in Capital Improvement Bonds to finance \$73.5 million in street improvements and \$31.5 million in drainage improvements. The bonds are secured by a three (3)-mill ad valorem tax on taxable property located within the City of Little Rock. The City issued \$58,105,000 in bonds on July 24, 2013. A second series of bonds will likely be issued in 2018.

In 2002, the Board adopted a policy which 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. Prior to 2006, the Board had increased the reserve to \$9,418,000. The General Fund goal was to set aside the greater of

\$10,000,000, or 10%, of General Fund revenues in the reserve. The 2015 Budget includes a contingency allocation of an additional \$1 million. Following the completion of the 2015 Audit, the City's Management Team will determine the amount of funds available to increase the reserve, with the intent of gradually increasing the designated reserve to achieve 10% of General Fund revenues in the next few years.

Relevant Financial Policies: 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. Earlier this decade, revenue growth within the General Fund was sluggish. Although revenue growth began to accelerate in 2003 and had reached a moderate growth rate prior to the economic downturn in 2008, revenue growth did not keep pace with operating cost increases. Annual 2009 sales tax revenues declined in comparison with 2008 by approximately 4.6% due to the weakened national economy. In accordance with the City's financial policies, the Board of Directors has adopted budgets which ensure that current year expenditures are at, or below, current year revenues and available carryovers. When workforce reductions have been necessary, per the City's financial policies, reductions have mainly been accomplished through attrition. However, due to the economic downturn in 2008 and 2009, the City implemented a reduction in force at the 2009 year-end. The 2010 Budget included a reduction of forty-two (42) full-time positions from prior year staffing levels. The 2011 Budget included the same number of authorized full-time positions as the 2010 Budget. With the passage of the new sales tax, positions were filled and new positions were added in 2012 through 2015, particularly in the areas of Public Safety and Parks and Recreation. The 2016 General Fund Budget supports 1,697 full-time equivalent (FTE) positions, a net increase of eight (8) FTEs compared to 2015 staffing levels. Staffing includes twenty-seven (27) Police positions previously funded by a grant award under the *American Recovery and Reinvestment Act* COPS Program and eighteen (18) Firefighters previously funded by a SAFER Grant. In addition, special projects and grant awards support forty-two (42) employees, including fifteen (15) new COPS positions. However, approximately 133 of the budgeted General Fund positions were vacant during 2015. This represents an improvement over the 152 budgeted General Fund positions that were kept vacant in 2011. Many of the initiatives supported by the new sales tax, such as increased funding for building maintenance, expanded park maintenance, Zoo deferred maintenance, operations and staffing, annual fleet replacement, information technology staffing and maintenance, and new transit routes were implemented during 2012 and 2013. The 2016 Budget continues the commitment to Little Rock citizens to fill vacant public safety positions and to support the initiatives outlined in the sales tax proposal.

The City issued a \$5.9 million short-term financing note in 2015 to accelerate completion of the West Central Community Center associated with the 3/8-Cent Sales Tax for capital projects and to purchase police vehicles and equipment. Short-term financing notes are authorized under Amendment No. 78 to the Arkansas Constitution for the acquisition, construction and installation of 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. The principal portion of the new note that is related to the West Central Community Center will be funded by a transfer to the General Fund from the proceeds of the 3/8-Cent Sales Tax for capital projects. Principal and interest payments are included in the General Fund Budget. Debt service payments will increase by approximately \$1,247,000 in 2016 due to the addition of the 2015 note.

Funding of the Pulaski County Jail was continued in order to provide space for prisoners in accordance with the City's primary focus on Public Safety. 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 \$1,854,576.

A Homeless Services Task Force was established in 2006 to end chronic homelessness within our community. The City of North Little Rock has partnered with Little Rock to financially 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, 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 \$5.5 million for Children, Youth and Family Programs, including youth employment and re-entry programming in 2016 as part of City's emphasis to foster and enhance youth and community development. In addition, Community Programs Staff has completed the development of a Youth Master Plan following a series of community forums with Little Rock citizens. City Staff will continue to work with community organizations, neighborhood associations, the faith-based community and other groups to ensure resources are targeted appropriately. In addition, the City implemented an in-house pilot program to train and utilize disadvantaged persons for the construction and maintenance of sidewalks. The program is extremely successful and will be continued in 2016. In addition, the City has expanded the program to include additional entry-level positions available in other City Departments.

Other new programs receiving funding in the 2016 Budget include a pilot Neighborhood Housing Rehabilitation Program, a public service announcement program, operating expenses for the West Central Community Center beginning in November and operating expenses for the new Pankey Police Station in West Little Rock.

The 2016 Budget includes a contingency allocation of \$1 million or 0.5% of General Fund revenues. The City of Little Rock's Management Team will continue to manage the City in a sound and fiscally prudent manner while striving to deliver the quality and level of service that the citizens of Little Rock expect with available resources.

Major Initiatives: Commercial property construction continues to show strong growth. One of the most exciting developments is the Bass Pro Shop that opened in Little Rock on November 13, 2013. The 120,000 square-foot location is at Little Rock's Gateway Town Center, a 169-acre project at the northwest corner of Interstates 30 and 430 in Southwest Little Rock. In addition, The Outlets at Little Rock opened in October 2015 at the same location with approximately sixty-nine (69) retail stores, bringing approximately 1,000 jobs to the area. The center is anticipated to have approximately seventy-five (75) stores when it is complete. Outlet shopping centers are unique and traditionally become destinations and magnets for retail activity. The Outlets of Little Rock is the only outlet center in the State, and the shopping center's location guarantees visibility. More than 40% of Arkansas' population lives within sixty (60) miles of the Outlets. In addition, outlet malls are less impacted by Internet sales because many of the discounts offered are not available online. Developer Tommy Hodges estimated that the Outlets will collect nearly \$2.3 million per year in City sales taxes and around \$1.5 million per year in County sales taxes. The Gateway's Grove Project is on the northeast

quadrant of the Gateway Town Center. It is envisioned to become an entertainment district with hotels, restaurants and other attractions. A pedestrian promenade would link The Grove's restaurants, shops and venues to the Outlets and Bass Pro Shop. Arkansas' first Dave and Buster's Restaurant and Video Arcade opened at The Grove in June 2016. Plans call for 10,000 square-feet of retail and restaurant space to be completed later in 2016 followed by additional space for entertainment destinations, hotels and other retailers. Most recently, developers announced that Movie Tavern, a dine-in movie theater chain, is planning a new theater at the shopping center.

In July 2014, the Robinson Center Music Hall in Downtown Little Rock was temporarily closed for a \$68 million renovation project. The building will increase from 133,500 square-feet to 138,000 square-feet. The overhaul includes restoring the exterior, re-working audience entrances, improving performance hall acoustics and seating, upgrading the loading area and building a new conference center and grand hall on the north side of the performance hall. The upgrades are expected to be completed by October 31, 2016.

In February 2015, FedEx held a groundbreaking ceremony with company officials, as well as government leaders including U.S. Sen. Tom Cotton and U.S. Rep. French Hill. The 303,000 square-foot FedEx Corporation Distribution Center opened in Southwest Little Rock in September 2016. The \$24.9 million project employs 175 people and can process approximately 15,000 packages per hour.

In June 2015, the American Taekwondo Association International (ATAI) broke ground on its new \$13 million, 25,300 square-foot headquarters in Little Rock along Riverfront Drive, complete with a museum, video production studio and international martial arts training. The ATAI's annual World Expo, held in Little Rock's Statehouse Convention Center, brings in tens of thousands of visitors and competitors each year.

In December 2015, *Arkansas Business* reported that Fidelity Information Services (FIS) would sponsor a startup accelerator in Little Rock devoted to financial technology. FIS, based in Jacksonville, Florida, is a global banking technology services provider whose origins trace back to Systematics of Little Rock. It maintains a large campus in West Little Rock that employs approximately 1,300 workers with a focus on product development. The FinTec Accelerator is housed out of the Venture Center, which shares space with the Little Rock Technology Park in Downtown Little Rock. Launched in 2014, the Venture Center has grown to more than 200 members, seventy-six (76) active startups and thirty-seven (37) trained mentors who have led more than 340 mentor sessions. The center has produced forty-four (44) of its Pre-Accelerator Program startups. Six (6) of its member startups have raised more than \$2.25 million in venture capital. On August 3, 2016, Governor Asa Hutchinson and FIS Officials announced that the FinTec Accelerator will return to Little Rock in 2017 and 2018.

Downtown Little Rock has attracted three (3) hotel developers who have invested more than \$7.3 million to secure locations to join a hotel market thriving with conventions, commerce and tourism. The 140-room Hilton Garden Inn project is scheduled to be the first to open in spring of 2017.

In April 2016, LM Wind Power broke ground on a new 44,000 square-foot facility at the Little Rock Port. The company, which employs 450 people across two (2) sites in Little Rock, said the expansion will allow it to store materials at its port operation, cutting transportation costs and increasing efficiencies.

In May 2016, Ronald McDonald House Charities of Arkansas announced a \$1.2 million donation from the J.E. and L.E. MaBee Foundation to help fund a new 32,000 square-foot facility under construction at the corner of 10th Street and Dr. Martin Luther King, Jr., Boulevard in Little Rock. It is scheduled to open in November.

In August 2016, *Arkansas Business* announced that Welspun Tubular, LLC, of Little Rock had obtained an order for more than \$47 million in coated twenty (20)-inch pipe for the Diamond Pipeline, a 440-mile project to move crude oil from the Plains Terminal in Cushing, Oklahoma, to the Valero refinery in Memphis, Tennessee. Included in the report was this quote from Rusty Fisher, Senior Vice President for Sales and Marketing at Welspun. “On behalf of our more than 500 employees in the Little Rock area, we’re proud to contribute to bringing the benefits of this important piece of energy infrastructure to our community. Through this prestigious pipeline order, Welspun Tubular continues to fulfill its commitment of supporting jobs to the State of Arkansas.”

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 of \$38,000,000, or 19.4%, for capital projects is dedicated to jobs and economic development through 2021. The funds will be utilized for port expansion, development of a research park, and job recruitment and economic development infrastructure. Job recruitment and economic infrastructure commitments to date include awards to Welspun Tubular, LLC, Martial Arts Services, Inc., FedEx, the research park, and land acquisition at the port.

The City of Little Rock’s website, www.littlerock.org, and a strong presence in a wide variety of social media sites including Facebook, Twitter, Instagram, YouTube and Flickr allow Little Rock residents and businesses to stay informed about programs and resources available. Before the end of the year, the City expects to launch its new website, www.littlerock.gov. In addition, the City is proud of its local government access channel, LRTV, which broadcasts information regarding the activities of the Little Rock City Board of Directors through live and taped coverage of City Board Meetings and other official proceedings; and produces programming regarding municipal affairs. The City of Little Rock mobile app was implemented in 2014 to enable citizens to connect with City leadership, access City services, report issues, and locate other community information. In 2016, the City launched a new 311 app to enable citizens to easily make requests for City services. These apps are available for download through the App Store or Google Play Store.

Awards and Acknowledgements:

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Little Rock for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2014. The City of Little Rock has received a Certificate of Achievement for thirty-three (33) years total. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. 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 CAFR 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: Assistant Finance Director Ember Strange; Assistant Comptroller Anita Worley; and the Accounting and Reporting Staff including Alan Bohannon, Tommie Bowman, Octavia Ashford, Ben Damgaard, Ben Jurgens, Nancy Warfield, and Colleen Young; Treasury Manager Scott Massanelli; Purchasing Manager Abdoul Kabaou; and Grants Manager Caran Curry, and the Grants Staff including Gene Brunner, Amanda Jones, and Lottie Keaton; and Internal Audit Manager Debbie Carreiro, should be recognized for their contributions and devotion to meeting the highest standards of accounting and financial reporting. In addition, credit must be given to the Mayor, the Board of Directors and the City Staff for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Little Rock finances.

Respectfully submitted,



Bruce T. Moore
City Manager



Sara C. Lenehan
Finance Department Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

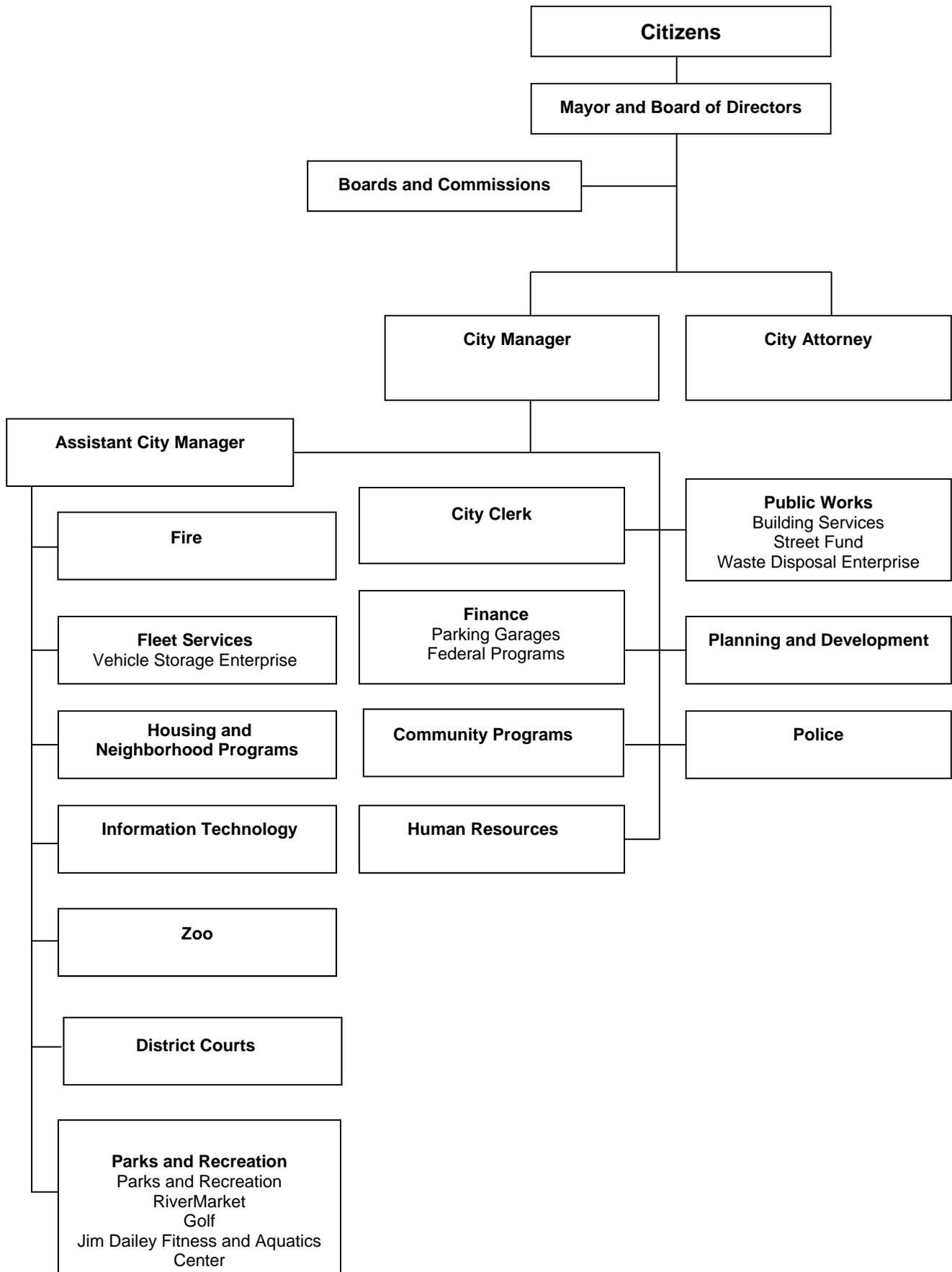
**City of Little Rock
Arkansas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

City of Little Rock Organizational Chart by Fund Responsibilities



Elected Officials:

Mark Stodola	Mayor
Lance Hines	Vice-Mayor, Director – Ward 5
Erma Hendrix	Director – Ward 1
Ken Richardson	Director – Ward 2
Kathy Webb	Director – Ward 3
Brad Cazort	Director – Ward 4
Doris Wright	Director – Ward 6
B. J. Wyrick	Director – Ward 7
Dean Kumpuris	Director – Position 8
Gene Fortson	Director – Position 9
Joan Adcock	Director – Position 10
Alice Lightle	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

Independent Auditor's Report

Honorable Mark Stodola, Mayor
and Members of the Board of Directors
City of Little Rock, Arkansas

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, 2015, 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 statements reflect total assets and deferred outflows of resources and program revenues of \$243,776,140 and \$44,882,961, respectively, and represent 20% and 32% of the aggregate discretely presented component units' total assets and deferred outflows of resources and program revenues, respectively, at December 31, 2015, and for the year then ended. The financial statements of these entities were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for such entities, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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, 2015, 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.

Emphasis of Matter

As discussed in *Note 17* to the financial statements, in 2015, the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary and pension/other postemployment benefit information 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information including the combining and individual fund statements, budgetary comparison schedule – street fund and statement of changes in assets and liabilities – agency fund is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 other auditors.

In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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 introductory section and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

BKD, LLP

Dallas, Texas
October 31, 2016

City of Little Rock, Arkansas

Management's Discussion and Analysis

December 31, 2015

The following discussion 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, 2015. 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 implement 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.
- Total assets and deferred outflows of the City exceeded total liabilities and deferred inflows at the close of 2015 by \$502,332,282. Of this amount, \$559,660,470 reflects the net investment in capital assets, \$14,266,806 is restricted for debt service, grant funds and other special projects, \$250,000 is restricted nonexpendable, and (\$71,844,994) is considered unrestricted. The unrestricted net position of the City's governmental activities decreased \$103,703,462 to (\$78,833,242) primarily due to the impact of the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The unrestricted net position of the City's business-type activities increased \$1,236,426 to \$6,988,248.
- The City's reported total net position increased by \$14,003,276 from operations in 2015. Restatement of beginning net position for a change in accounting principle was (\$122,021,882) and is associated with implementation of GASB 68. Net position of the governmental activities increased \$11,988,343 and business-type activities increased \$2,014,933 from operations. The combined impact of the restatement of beginning net position and the change in net position for governmental activities and business-type activities is a decrease of \$109,570,767 and an increase of \$1,552,161, respectively for a net decrease of \$108,018,606.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$161,861,832. The combined governmental funds fund balances increased \$11,297,282 from the prior year. The primary components of this change were the net increase in capital project funds of approximately \$6.1 million, a net increase in General Fund balances of approximately \$4.9 million associated primarily with the timing of special project expenditures, and an increase of approximately \$3.8 million in special revenue funds, partially offset by a decrease of approximately \$3.6 million in debt service funds. The increase in capital project funds is primarily due to proceeds of approximately \$19 million available for capital expenditures from the issuance of 2015 library bonds, sales tax receipts dedicated to capital projects of approximately \$18.4 million, and the issuance of a short-term financing note in the amount of \$5.9 million to fund completion of construction of the West Central Community Center and the purchase of Police vehicles and equipment, net of the expenditure of library bond proceeds of approximately \$3.8 million, expenditure of capital improvement bond proceeds for

street and drainage projects of approximately \$11.4 million, and the expenditure of approximately \$16.3 million in sales tax capital improvement funds and short-term note proceeds, and the transfer out of approximately \$6.4 million in sales tax proceeds to fund payments on short-term notes previously issued for capital improvement projects. Approximately \$22.7 million of the \$161,861,832 fund balances is considered unassigned at December 31, 2015, and \$123,848,447 is reported as restricted for capital projects or debt service. In addition, \$2,667,691 of the governmental fund balances is nonspendable, primarily representing inventories and prepaid expenditures. The committed and assigned portions of the fund balances were \$300,264 and \$12,331,036, respectively.

- The General Fund reported fund balance of \$39,219,245 at the end of the current year. Unassigned fund balance for the General Fund was \$25,567,858 or 13.2% of total General Fund expenditures (including transfers out). There was a \$4,908,624 increase in the total fund balance for the General Fund for the year ended December 31, 2015. The increase in fund balance is primarily due to the timing of expenditures for special projects that will be completed in 2016. Excluding the timing of special projects and net seized money funds, the fund balance for the General Fund increased by approximately \$1.7 million.
- The City's total debt decreased by \$765,438 (0.5% below 2014) during the current year. The key factors in this decrease were principal payments of \$32,720,000 for general obligation bonds, including payment to refunded bond escrow agent of \$15,685,000, \$7,315,438 for temporary notes, and \$3,260,000 for revenue bonds, partially offset by the issuance of Library Construction and Refunding Bonds in the amount of \$36,620,000 and the issuance of a \$5,910,000 2015 Short Term Financing Note.
- At the close of the current year, net position of fiduciary funds was \$141,074,494 held in trust for pension and other post-employment benefits. There was a decrease of \$7,335,106 in the total fiduciary net position held in trust for the year ended December 31, 2015. The decrease in net position is attributed to contributions to the funds in the amount of \$14,335,040, investment income/(loss) and a net change in the fair value of investments of (\$4,016,978) and benefits paid directly to participants of \$16,965,264, and other participant transfers and administrative expenses of \$687,904.
- In 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The implementation of this new standard resulted in a change in accounting principle adjustment that reduced beginning net position for Governmental Activities and Business-Type Activities in the amounts of \$121,559,110 and \$462,772, respectively. The net pension liability of \$191,586,615 and the related net deferred inflows and outflows of resources of \$27,239,084 are discussed in detail in *Note 6* on Pages 67–96 of this report. 2014 information in this management's discussion and analysis has not been restated for the adoption of GASB Statement No. 68.
- The City's component units reported net position of \$852,472,228 as of December 31, 2015, an increase of \$26,898,700 from 2015 operations and a decrease of \$11,281,581 for a change in accounting principle (implementation of GASB Statement No. 68).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to 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 financial position of the City is improving or deteriorating.

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 Wastewater Utility
- 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 Arts Center
- Little Rock Workforce Investment Board
- Central Arkansas Library System

Financial information for these *component units* are 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 Pages 39–40.

The government-wide financial statements can be found on Pages 24-25 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City 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*, as well as on *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-seven (27) individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Sales Tax Capital Improvement Fund, the 2013 Capital Improvement Fund (debt service), the 2013 Capital Improvement Fund (capital projects), and the Street Fund, which are considered to be major funds. Data from the other twenty-two (22) 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 26–29 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 to be 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 30–32 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 33-34 of this report.

Notes to the Financial Statements. The notes provide additional information that is 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 37–103 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 and the City's pension and other postemployment benefit information. The City adopts an annual appropriation budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. Required supplementary information can be found beginning on Page 104 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and enterprise funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on Pages 119–126 of this report.

Government-wide Financial Analysis

City of Little Rock, Arkansas Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current assets	\$ 146,141,942	\$ 141,699,319	\$ 15,385,277	\$ 13,127,076	\$ 161,527,219	\$ 154,826,395
Noncurrent and other assets	91,853,246	90,406,261	1,567,528	1,510,184	93,420,774	91,916,445
Capital assets	615,429,095	622,161,178	23,281,409	24,553,327	638,710,504	646,714,505
Total assets	<u>853,424,283</u>	<u>854,266,758</u>	<u>40,234,214</u>	<u>39,190,587</u>	<u>893,658,497</u>	<u>893,457,345</u>
Deferred outflows of resources	29,636,595	-	324,005	140,666	29,960,600	140,666
Total deferred outflows of resources	<u>29,636,595</u>	<u>-</u>	<u>324,005</u>	<u>140,666</u>	<u>29,960,600</u>	<u>140,666</u>
Total assets and deferred outflows of resources	<u>883,060,878</u>	<u>854,266,758</u>	<u>40,558,219</u>	<u>39,331,253</u>	<u>923,619,097</u>	<u>893,598,011</u>
Current liabilities	54,534,655	60,523,610	3,313,082	4,326,693	57,847,737	64,850,303
Long-term liabilities outstanding	347,594,305	204,276,452	14,757,890	14,120,368	362,352,195	218,396,820
Total liabilities	<u>402,128,960</u>	<u>264,800,062</u>	<u>18,070,972</u>	<u>18,447,061</u>	<u>420,199,932</u>	<u>283,247,123</u>
Deferred inflows of resources	1,035,990	-	50,894	-	1,086,884	-
Total deferred inflows of resources	<u>1,035,990</u>	<u>-</u>	<u>50,894</u>	<u>-</u>	<u>1,086,884</u>	<u>-</u>
Net position *	<u>\$ 479,895,929</u>	<u>\$ 589,466,696</u>	<u>\$ 22,436,353</u>	<u>\$ 20,884,192</u>	<u>\$ 502,332,282</u>	<u>\$ 610,350,888</u>
Net investment in capital assets	\$ 547,314,893	\$ 549,795,437	\$ 12,345,577	\$ 12,152,186	\$ 559,660,470	\$ 561,947,623
Restricted - expendable	11,164,278	14,551,039	3,102,528	2,980,184	14,266,806	17,531,223
Restricted - unexpendable	250,000	250,000	-	-	250,000	250,000
Unrestricted	<u>(78,833,242)</u>	<u>24,870,220</u>	<u>6,988,248</u>	<u>5,751,822</u>	<u>(71,844,994)</u>	<u>30,622,042</u>
Total net position	<u>\$ 479,895,929</u>	<u>\$ 589,466,696</u>	<u>\$ 22,436,353</u>	<u>\$ 20,884,192</u>	<u>\$ 502,332,282</u>	<u>\$ 610,350,888</u>

* The cumulative effect of applying GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, resulted in beginning net position for 2015 being restated. Fiscal year 2014 was not restated.

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 \$502,332,282 at the close of the most recent fiscal year.

The largest portion of the City's net position, 111.4%, 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, 2.8%, represents resources that are subject to restrictions as to how they may be used. The remaining unrestricted net position of (\$71,844,994) represents -14.3% of the City's net position.

**City of Little Rock
Changes in Net Position**

Revenues	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
<i>Program revenues:</i>						
Charges for services	\$ 31,944,939	\$ 31,974,520	\$ 21,457,756	\$ 20,944,980	\$ 53,402,695	\$ 52,919,500
Operating grants and contributions	6,041,316	5,396,151	-	-	6,041,316	5,396,151
Capital grants and contributions	591,966	1,379,420	-	170,289	591,966	1,549,709
<i>General revenues:</i>						
Property taxes	50,469,150	51,570,745	-	-	50,469,150	51,570,745
Sales taxes	118,312,110	114,294,652	-	-	118,312,110	114,294,652
Utility franchise taxes	31,065,494	29,898,410	-	-	31,065,494	29,898,410
Investment earnings (loss)	775,618	1,131,952	111,523	135,013	887,141	1,266,965
Intergovernmental revenues	22,990,373	27,219,998	-	-	22,990,373	27,219,998
Other	-	-	-	-	-	-
Total revenues	262,190,966	262,865,848	21,569,279	21,250,282	283,760,245	284,116,130
Expenses						
General government	55,582,516	50,079,445	-	-	55,582,516	50,079,445
Public Works	39,559,132	39,260,053	-	-	39,559,132	39,260,053
Parks and recreation	11,324,541	11,436,512	-	-	11,324,541	11,436,512
River Market	1,298,563	1,337,298	-	-	1,298,563	1,337,298
Golf	2,434,632	2,420,678	-	-	2,434,632	2,420,678
Jim Dailey Fitness	988,633	1,389,915	-	-	988,633	1,389,915
Zoo	10,754,587	6,920,847	-	-	10,754,587	6,920,847
Public safety	108,163,993	122,344,908	-	-	108,163,993	122,344,908
Education	5,773,774	6,505,814	-	-	5,773,774	6,505,814
Housing and neighborhood programs	10,142,884	6,996,437	-	-	10,142,884	6,996,437
Interest on long-term debt	4,680,035	5,096,215	-	-	4,680,035	5,096,215
Bond issue costs	117,481	-	-	-	117,481	-
Agent fees on long-term debt	33,030	-	-	-	33,030	-
Waste disposal	-	-	14,401,947	13,854,376	14,401,947	13,854,376
Parking system	-	-	1,985,775	1,938,758	1,985,775	1,938,758
Fleet	1,164,920	3,397,637	-	-	1,164,920	3,397,637
Vehicle storage	-	-	1,350,526	1,332,818	1,350,526	1,332,818
Total expenses	252,018,721	257,185,759	17,738,248	17,125,952	269,756,969	274,311,711
Change in net position before transfers	10,172,245	5,680,089	3,831,031	4,124,330	14,003,276	9,804,419
Transfers	1,816,098	1,804,131	(1,816,098)	(1,804,131)	-	-
Change in net position	11,988,343	7,484,220	2,014,933	2,320,199	14,003,276	9,804,419
Net Position, Beginning of Year, as Previously Reported *	589,466,696	581,982,476	20,884,192	18,563,993	610,350,888	600,546,469
Change in accounting principle	(121,559,110)	-	(462,772)	-	(122,021,882)	-
Net Position, Beginning of Year, As Restated	467,907,586	581,982,476	20,421,420	18,563,993	488,329,006	600,546,469
Net position – December 31	\$ 479,895,929	\$ 589,466,696	\$ 22,436,353	\$ 20,884,192	\$ 502,332,281	\$ 610,350,888

* The cumulative effect of applying GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, resulted in beginning net position for 2015 being restated. Fiscal year 2014 was not restated.

Governmental Activities. Governmental activities increased the City's net position by \$11,988,343. Including the change in accounting principle associated with GASB Statement No. 68, governmental activities net position decreased by \$109,570,767. The increase in noncurrent liabilities of \$143,317,853, primarily associated with the net pension liability, partially offset by the net deferred outflows and inflows of \$28,600,605 associated primarily with pensions account for approximately \$114.8 million of the decrease in net position. An increase in current assets of \$4,373,205 and noncurrent and other assets of \$1,446,985, and a decrease in current liabilities of \$6,058,373, increased net position by approximately \$11.9 million. A decrease in net capital assets partially offset that increase by approximately \$6.7 million.

Property tax represents 19.2% of the City's governmental revenue in 2015. Property tax revenues decreased approximately \$1,101,000 due to the decrease in delinquent property tax revenues, partially offset by an increase in current property tax revenues. Sales tax represents 45.1% of the City's governmental revenue in 2015. Sales tax revenues increased 3.5% in 2015. The decrease in intergovernmental revenues of approximately \$4.2 million is primarily due to decreased contributions and donations of capital assets. 2014 revenues included various funds for the new compressed natural gas station placed in service in 2014.

Current year expenses were 96.1% of current year revenues, excluding transfers in.

Business-type Activities. Business-type activities increased the City's net position by \$2,014,933. Including the change in accounting principle associated with implementation of GASB Statement No. 68, business-type activities net position increased by \$1,552,161. Key elements of this increase are as follows:

- Operating income increased net position by \$4,280,548. Net nonoperating expenses, primarily interest expense, decreased net position by \$449,517. Net transfers decreased net position by \$1,816,098, and the change in accounting principle decreased net position by \$462,772.
- Waste Disposal net position increased by \$2,004,911 before the change in accounting principle which decreased net position by \$411,352. Net income, before net transfers out of \$1,457,072, was \$3,461,983 which was generated primarily by waste disposal and landfill services.
- River Market Garage operating income of \$990,165 was offset by net nonoperating expense of \$467,313 and transfers out of \$359,026. The primary component of net nonoperating expense was interest.
- Other nonmajor enterprise funds operating income decreased net position by \$153,804.

Waste Disposal activities contribute 82.8% of the operating revenue to the business-type activities. Current year operating expenses, including transfers out, for business-type activities were 91% 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, 2015, the City’s governmental funds reported combined ending fund balances of \$161,861,832, an increase of \$11,297,282 in comparison with the prior year. Approximately \$123,848,000 is reported as *restricted fund balance* for capital projects or debt service. In addition, approximately \$2,668,000 of the governmental fund balances is *nonspendable*, representing inventories and prepaid expenditures. The *committed* and *assigned* portions of the fund balances were \$300,264 and \$12,331,036, respectively. Approximately \$22,714,000 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, 2015, unassigned fund balance of the General Fund was \$25,567,858, while the total fund balance was \$39,219,245. 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 13.2% of total General Fund expenditures (including transfers out), while total fund balance represents 20.3% of that same amount.

The special revenue funds had total fund balances of \$18,472,023. The net increase in fund balances during 2015 for the funds was \$3,848,575. Revenues for special projects come from intergovernmental sources, property taxes and charges for services. The net increase in fund balances is primarily attributed to an increase in Street Fund revenues primarily associated with funding from the state ½ cent sales tax allocated to the City for street construction, resurfacing and other road related projects. Unspent funds are being reserved for future street projects. Net changes and ending fund balances by fund are:

Fund	Net Change	Ending Balance
Street	\$ 3,379,752	\$ 12,677,084
Special Projects	100,447	2,767,906
Emergency 911	11,808	96,441
CDBG	(73,131)	1,059,167
NHSP	(7,443)	32,568
HIPP	469,187	872,326
Grant	(32,045)	966,531

The debt service funds had total fund balances of \$17,791,691. The net decrease in fund balances during 2015 was \$3,589,576. The 2008 & 2009 Central Arkansas Library bonds were refunded during 2015. Revenues for debt service funds come from property tax or franchise fees set at the level necessary to meet debt service requirements. Revenues for the 2009 Parks and Recreation debt service come from park operating revenues. Tax increment financing (TIF) funds were issued in 2014 to fund infrastructure improvements associated with an economic development project surrounding the Bass Pro development in Southwest Little Rock. Net changes and ending fund balances by fund are:

Fund	Net Change	Ending Balance
2007 Capital Improvement Bonds	\$ 6,723	\$ 33,028
2002 Junior Lien Bonds	206	18,496
TIF #1 2014 Capital Improvements	(124,382)	350,216
2008 & 2009 Central Arkansas Library	(3,786,101)	100,316
2009 Parks and Recreation	59,953	2,237,184
2012 Central Arkansas Library	98,869	3,621,000
2015 Central Arkansas Library	136,121	136,121
2013 Capital Improvement	19,035	11,295,330

The capital project fund balances increased by \$6,129,659 to total fund balances at December 31, 2015, of \$86,378,873. In accordance with the terms of the City ordinance for each fund, approximately \$31.5 million was used to acquire capital assets. Revenues for capital projects come primarily from the 3/8-cent sales tax which generated approximately \$18.4 million in revenue in 2015, and bond and loan proceeds. In addition, the City issued library refunding and capital improvement bonds that provided approximately \$19 million for library projects and a new short-term financing note in 2015 in the amount of \$5.9 million, primarily to advance projects funded by the 3/8-cent capital sales tax. The net changes and ending fund balances for the capital project funds are:

Fund	Net Change	Ending Balance
1998 Capital Improvement	\$ (154,029)	\$ 160,039
TIF #1 2014 Capital Improvements	(211,529)	-
Port TIF	562,882	562,882
Short Term Financing	119,961	147,207
2004 Capital Improvement	(950)	5,836
2008 & 2009 Central Arkansas Library	(201)	-
2009 Parks and Recreation	(1,457)	-
Sales Tax Capital Improvement	1,852,846	29,813,516
2012 Central Arkansas Library	(2,926,202)	2,270,770
2015 Central Arkansas Library	18,209,964	18,209,964
2013 Capital Improvement	(11,321,626)	35,208,659

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

Net position (deficit) at the end of the year amounted to \$22,670,233, \$612,948 and (\$846,828) for Waste Disposal, River Market Garage and Vehicle Storage operations, respectively. Net position increased in the Waste Disposal and River Market Garage funds by \$1,593,559 and \$163,826, respectively. Net position decreased in the Vehicle Storage Fund by \$205,224. 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 final amended General Fund budget had total appropriations of \$2,721,939 more than the original budget. The total original appropriations, including those for transfers out, were \$194,740,211, while the final appropriations were for \$197,462,150. The purpose of the budget amendment was to adjust budgeted revenues and expenditures to reflect increases in year-to-date sales tax, utility franchise fees, and intergovernmental revenues; decreases in charges for services at parks, golf and zoo facilities, primarily associated with significant rainfall for the first half of the year; to set aside funds for the purchase of police cars and safety equipment, increase the allocation for fire overtime, and reserve funds allocated in 2015 for projects delayed until 2016, including implementation of a new Voice over Internet Protocol (VoIP) phone system and operating funds for the West Central Community Center. In addition, the adjustment included the allocation of savings from authorized but vacant positions to the appropriate departments and allocation of vacation/sick payouts for retiring employees. Budget adjustments and actual results are shown as follows:

**City of Little Rock
General Fund Budget – Revenue**

	Original Budget	Adjustments	Amended Budget	Actual	Variance	Explanation
Property Taxes	\$27,276,348	\$ —	\$27,276,348	\$26,685,192	(\$591,156)	Actual property tax revenues were approximately 2.2% below budget due to the timing of receipt of excess commissions. The receipts are normally received within in sixty days of year-end in order to be included in revenues under the modified accrual basis of accounting. The receipt was delayed until March 2016. Therefore; these revenues will be reflected in 2016 results.
Sales Taxes	96,684,815	2,705,000	99,389,815	99,881,725	491,910	The original budget included estimated growth in sales tax revenue of approximately 1.5%. The budget adjustment reflects an increase to an estimated growth rate of 3% based on the strong results received through October 2015. Actual results were approximately 0.5% better than the amended budget based on very strong sales tax results during the month of December.
Licenses & Permits	11,026,550	(242,000)	10,784,550	11,070,904	286,354	The budget adjustment includes a decrease associated with building and related permits issued for large construction projects. Actual results were more in line with the original budget due to a strong fourth quarter.
Intergovernmental	7,002,433	648,355	7,686,788	7,871,832	185,044	Insurance pension turnback funds were received from the State of Arkansas in July. The receipt was \$684,355 higher than a year ago which is reflected in the budget amendment. Actual results include approximately \$185,000 in additional funds allocated by the state to the police pension fund to correct the pension turnback allocation for a shortfall in the previous year's allocation.
Charges for Services	11,332,650	(1,559,550)	9,773,100	9,840,556	67,456	The budget adjustment includes reductions in zoo, fitness, and golf revenues associated with significant rainfall during the first half of the year. In addition, the amendment includes a reduction in 911 fee reimbursements due to greater 911 system maintenance requirements.
Fines & Fees	3,161,210	(391,366)	2,769,844	2,790,685	20,841	The budget adjustment reflects a decline in traffic and parking fines. Actual results were slightly above the amended budget.

**City of Little Rock
General Fund Budget – Revenue**

	Original Budget	Adjustments	Amended Budget	Actual	Variance	Explanation
Franchise Fees	\$28,744,707	\$1,000,000	\$29,744,707	\$29,306,202	(\$438,505)	The budget adjustment in franchise fees reflects an increase in electricity billings associated with increased usage and an adjustment to the rate to recover a shortfall. The unfavorable actual variance at year-end is primarily due to a lower than anticipated gas revenues due to a very mild fourth quarter and historically low natural gas prices.
Interest Earnings	200,000	—	200,000	217,976	17,976	The year-end favorable variance reflects increased earnings associated with higher cash balances and investments. Investments are held to maturity and are redeemed at par value.
Transfers In	7,994,672	—	7,994,672	8,491,405	496,733	The favorable variance at year-end includes a Fleet transfer for construction of a fueling station at the West Little Rock Police Station and for equipment at the landfill.
Carryover from 2014	550,000	—	550,000	—	(550,000)	At the time the budget was adopted, it was anticipated that approximately \$550,000 of carryover funds would be required to contribute to one-time bonuses for employees in lieu of raises. However; due to an increase in revenue during the year, the carryover funds were not required.
All Other Revenues	<u>766,826</u>	<u>525,500</u>	<u>1,292,326</u>	<u>1,907,311</u>	<u>614,985</u>	The budget adjustment includes approximately \$320,000 in funds collected by the Courts that are dedicated to the closed Police Pension Fund administered by LOPFI and approximately \$205,000 associated workers compensation refunds, and sales tax rebates that were not included in the original budget. The actual variance includes contributions and seized funds that were not budgeted.
Total General Fund Revenue	<u>\$ 194,740,211</u>	<u>\$ 2,721,939</u>	<u>\$ 197,462,150</u>	<u>\$ 198,063,788</u>	<u>\$ 601,638</u>	

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

City of Little Rock General Fund Budget – Expenditures						
	Original		Amended			
	Budget	Adjustments	Budget	Actual	Variance	Explanation
General Administration	\$20,371,325	(\$622,486)	\$19,78,839	\$20,429,202	(\$680,363)	The budget adjustment is primarily associated with vacancy savings and the allocation of vacation and sick leave payouts for retiring employees to other departments. The actual variance includes special project expenditures for homelessness outreach and grant match that were budgeted as transfers out.
Board of Directors	342,027	37	342,064	341,353	711	The favorable year-end variance reflects unspent travel allocations, partially offset by increased supplies and other expenses.
Community Programs	423,578	(21,435)	402,143	6,214,133	(5,811,990)	The budget adjustment reflects the allocation of savings from vacant positions. The actual variance is primarily associated with the special project expenditures for Children, Youth and Family and Prevention, Intervention, and Treatment programs which are budgeted as transfers out.
City Attorney	1,836,901	(99,341)	1,737,560	1,726,729	10,831	The budget adjustment primarily reflects savings from vacant positions, net of an allocation for vacation/sick payouts to retiring employees. The actual favorable variance is primarily associated with additional savings from vacant positions.
District Court – First Division	1,405,790	(9,564)	1,396,226	1,281,039	115,187	The budget adjustment is primarily associated with savings from vacant positions. The actual variance includes additional savings in personnel, supplies, and contract cost.
District Court – Third Division	626,782	12,504	639,286	630,352	8,934	The budget adjustment reflects an allocation for vacation/sick payouts to a retiring employee. The favorable variance includes personnel, contract and travel cost savings.
District Court – Second Division	1,248,245	33,343	1,281,588	1,277,214	4,374	The budget adjustment includes an allocation for an additional employee to assist with managing a new courts system. The favorable actual variance reflects savings from a vacant position.
Finance	3,204,124	(61,135)	3,142,989	2,986,334	156,655	The budget adjustment reflects savings from vacant positions, net of an allocation for vacation/sick payouts to a retiring employee. The actual favorable variance includes personnel savings and savings on paper and copier rental in the print shop.

**City of Little Rock
General Fund Budget – Expenditures**

	Original		Amended		Variance	Explanation
	Budget	Adjustments	Budget	Actual		
Human Resources	\$1,673,177	\$98,304	\$1,771,481	\$1,749,328	\$22,153	The budget adjustment reflects the transfer of two (2) positions to Human Resources, previously paid through special projects. In addition, the budget adjustment includes an allocation for license checks and monitoring required certifications of FT positions. The actual variance is primarily associated with savings from vacant positions.
Information Technology	4,679,784	(781,551)	3,898,233	3,753,058	145,175	The budget adjustment reflects savings from vacant positions and an adjustment to transfer approximately \$635,000 from the IT budget to a special project for telecommunications equipment and the new Voice over Internet Protocol (VoIP) phone system. The favorable actual variance includes savings on mainframe maintenance and contract expenditures.
Planning & Development	2,564,192	(390,039)	2,174,153	2,047,792	126,361	The budget adjustment reflects savings from vacant positions. The actual variance includes additional supplies, utility, travel, and personnel cost savings.
Public Works	1,159,922	(110,699)	1,049,223	2,135,769	(1,086,546)	The budget adjustment reflects savings from vacant positions. The unfavorable actual variance is associated with expenditures from special project allocations for facility repairs and maintenance. The special project allocations were budgeted as transfers out.
Parks & Recreation	9,958,932	(788,736)	9,170,196	9,244,782	(74,586)	The budget adjustment reflects savings from vacant positions of approximate \$560,000 and a transfer of approximately \$227,000 to set aside budgeted operating expenses for the West Central Community Center. The Center's opening was delayed until 2016. The unfavorable actual variance includes special project expenditures for youth athletic programs and summer playground activities with expenditures of approximately \$298,000 that are budgeted as transfers out, partially offset by additional personnel cost and supply savings.
Rivermarket	1,209,164	—	1,209,164	1,188,494	20,670	The actual variance is immaterial.
Golf	2,308,904	88,853	2,397,757	2,390,265	7,492	The budget adjustment includes additional allocations for part-time and overtime expenses and contracts. The favorable variance at year end is primarily associated with fuel savings.
Jim Dailey Fitness	901,127	(24,351)	876,776	855,515	21,261	The budget adjustment reflects savings from vacant positions. The favorable actual variance includes savings in part-time employee cost and additional savings from vacant positions.

**City of Little Rock
General Fund Budget – Expenditures**

	Original Budget	Adjustments	Amended Budget	Actual	Variance	Explanation
Zoo	\$6,733,727	(\$624,134)	\$6,109,593	\$6,253,480	(\$143,887)	The budget adjustment reflects savings from vacant positions and a reduction in maintenance project allocations of approximately \$300,000 due to reduced revenues associated with significant rainfall in the first half of the year. The unfavorable actual variance includes \$146,000 in special project expenditures funded by outside contributions and funding from prior year transfers.
Housing & Neighborhoods	\$5,790,389	(\$839,496)	\$4,950,893	\$5,726,749	(\$775,856)	The budget adjustment reflects savings from vacant positions. The actual variance includes special project expenditures of approximately \$975,000 for land bank operation, board and secure, weed lot maintenance, and demolition funded by special project allocations budgeted as transfers out, partially offset by additional personnel and fuel savings.
Fleet	—	—	—	233,814	(233,814)	The actual fleet balance reflects special project expenditures for general fund fleet replacement. These expenditures were budgeted as transfers out.
Fire	46,232,253	243,070	46,475,323	45,985,110	490,213	The budget adjustment includes savings from vacant positions offset by an increased allocation for overtime and an increase in anticipated pension contributions to the closed Fire Pension and Relief plan due to adjustments in dedicated pension turnback revenues. The actual variance includes fuel savings due to reduced prices and a reduction in contributions to the closed pension plan due to the timing of dedicated property-tax collections.
Police	68,885,072	(2,211,408)	66,673,664	67,344,609	(670,945)	The budget adjustment includes an additional allocation for safety equipment purchases and an allocation of approximately \$687,000 for vacation/sick payouts for retiring employees, offset by savings from vacant positions of approximately \$2.9 million. The unfavorable actual variance includes approximately \$1.3 million for special project expenditures such as the fleet replacement and safety equipment purchases that were budgeted as transfers out. This is partially offset by additional savings from vacant positions and a favorable variance in fuel cost due to reduced prices.
Debt Service - Principal	7,315,401	—	7,315,401	7,315,438	(37)	Immaterial actual variance.

**City of Little Rock
General Fund Budget – Expenditures**

	Original Budget	Adjustments	Amended Budget	Actual	Variance	Explanation
Debt Service – Interest	\$375,317	\$ —	\$375,317	\$375,317	\$ —	
Agent fees	—	—	—	11,375	(11,375)	Immaterial actual variance.
Transfers Out	11,494,079	2,830,203	14,324,282	1,657,913	12,666,369	The budget adjustment reflects additional allocations for police fleet replacement and safety equipment of approximately \$1.75 million, funds set aside for operation of the West Central Community Center and replacement of the greens at War Memorial Golf Course of approximately \$227,000 from the adopted 2015 parks and recreation budget, and funds set aside from the IT budget of approximately \$635,000 for the VoIP Phone system. The actual variance is primarily associated with transfers to general special projects. The actual expenditures for the projects are reflected in the appropriate departments above. One example is the allocation of approximately \$5.8 million for Children, Youth and Family and Prevention, Intervention, and Treatment programs in Community Programs above.
Vacancy Savings	(6,000,000)	6,000,000	—	—	—	The budget adjustment reflects savings achieved by maintaining vacant positions. As savings are achieved, the budgets of the applicable departments are reduced with an offset to the vacancy savings budget. Actual vacancy savings were approximately \$6 million.
Total General Fund Expenditures	<u>\$194,740,212</u>	<u>\$ 2,721,939</u>	<u>\$197,462,151</u>	<u>\$193,155,164</u>	<u>\$ 4,306,987</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, 2015, amounts to \$638,710,504 (net of accumulated depreciation). This 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 decrease in the City’s investment in capital assets for 2015 was 1.2% (a 1% decrease for governmental activities and a 5.2% decrease for business-type activities that is attributable to depreciation exceeding capital additions and asset retirements in 2015).

City of Little Rock
Capital Assets, net of depreciation

	Governmental Activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 180,995,171	\$ 179,278,064	\$ 2,637,147	\$ 2,637,147	\$ 183,632,318	\$ 181,915,211
Buildings	75,948,576	78,595,925	15,434,971	15,774,149	91,383,547	94,370,074
Improvements other than buildings	12,653,128	13,851,846	3,090,595	3,853,700	15,743,723	17,705,546
Vehicles and equipment	32,964,707	30,988,747	1,980,964	2,288,331	34,945,671	33,277,078
Infrastructure	290,990,455	297,641,330	-	-	290,990,455	297,641,330
Construction in progress	21,877,058	21,805,266	137,732	-	22,014,790	21,805,266
Total	\$ 615,429,095	\$ 622,161,178	\$ 23,281,409	\$ 24,553,327	\$ 638,710,504	\$ 646,714,505

Major capital asset events during 2015 included the following:

- Infrastructure additions, including right-of-way were \$9,082,488
- Vehicle and equipment additions were \$11,510,454
- Building additions were \$464,204
- Construction in progress additions, net of transfers for assets placed in service were \$209,524
- Land and other improvements additions were \$1,954,914
- Depreciation expense totaled \$29,839,008
- Asset retirements, net of accumulated depreciation were \$1,386,577

Additional information on the City's capital assets can be found in *Note 3* on Pages 52-55 of this report.

Long-term Debt. At December 31, 2015, the City's primary government, had \$162,352,433 of long-term bonds outstanding, including general obligation bonds of \$103,705,000, notes payable of \$23,907,433 and \$34,740,000 of bonds secured solely by specified revenue sources (*i.e.* revenue bonds).

City of Little Rock
General Obligation and Revenue Bonds Outstanding

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds and notes payable	\$ 127,612,433	\$ 125,117,871	\$ -	\$ -	\$ 127,612,433	\$ 125,117,871
Revenue bonds	23,755,000	25,545,000	10,985,000	12,455,000	34,740,000	38,000,000
Total	\$ 151,367,433	\$ 150,662,871	\$ 10,985,000	\$ 12,455,000	\$ 162,352,433	\$ 163,117,871

Total long-term bonds and notes payable outstanding at December 31, 2015, decreased \$765,438, a decrease of 0.5%. The net decrease includes the issuance of the 2015 Library Capital Improvement and Refunding bonds in the amount of \$36,620,000, and the issuance short-term financing notes in the amount of \$5,910,000, less bonded debt retirements of \$35,980,000 and short-term financing notes retired in the amount of \$7,315,438.

The City's general obligation bond rating by Standard & Poor's Corporation and Moody's Investors Service, Inc. are "AA" and "Aa2", respectively. The City's bond ratings are shown in the following table.

	Moody's Investors Service	Standard & Poor's
<u>General Obligation Debt</u>		
2008 Library Capital Improvement Bonds (retired in 2015)	Not Rated	AA
2009 Library Capital Improvement Bonds (retired in 2015)	Not Rated	AA
2012 Library Capital Improvement Bonds	Aa2	AA
2013 Capital Improvement Bonds	Aa2	AA
2015 Library Capital Improvement and Refunding Bonds	Not Rated	AA
TIF #1 2014 Capital Improvement	Not Rated	Not Rated
<u>Revenue Debt</u>		
2003 Capital Improvement and Refunding Revenue	A3	BBB+
2002 Capital Improvement Junior Lien	Not Rated	A+
2007 Capital Improvement Revenue Refunding Bonds	Aa3	Not Rated
2007 Waste Disposal Capital Improvement Bonds	A1	AA-
2009A Parks and Recreation Capital Improvement Bonds	Not Rated	Not Rated
2009B Parks and Recreation Capital Improvement Bonds	Not Rated	Not Rated
2010 Waste Disposal Refunding Revenue Bonds	A1	AA-
<u>Discrete Components</u>		
1996 Sewer Revenue	Not Rated	Not Rated
2004 Sewer Revenue	Not Rated	Not Rated
2007A Sewer Construction Bonds	Aa3	Not Rated
2007C Sewer Construction Bonds	Aa3	Not Rated
2008 Sewer Revenue	Aa3	Not Rated
2009A Sewer Revenue	Not Rated	Not Rated
2009B Sewer Revenue	Aa3	Not Rated
2011 Sewer Revenue	Aa3	Not Rated
2012 Sewer Revenue	Aa3	Not Rated
2013 Sewer Revenue	Aa3	Not Rated
2014 Sewer Revenue	Aa3	Not Rated
2015 Sewer Revenue	Aa3	Not Rated
2014 Hotel and Restaurant Gross Receipts Tax Bonds	Not Rated	A+
2007 Airport Revenue Refunding and Improvement Bonds	A2	A

The City is within all of its legal debt limitations. Under the Arkansas Constitution, the City is allowed to issue, with voter approval, general obligation debt up to 20% of total assessed valuation. Outstanding general obligation bonds at December 31, 2015, of \$103,705,000 are well below the statutory limit of \$809,785,829. The City is allowed to issue short-term financings (maturities of less than five years) up to 5% of total assessed valuation. Outstanding short-term financings at December 31, 2015, of \$23,907,433 are well below the statutory limit of \$202,446,457. Voter approval is not required for short-term financing.

Additional information regarding the City's long-term debt can be found in *Note 4* on Pages 56-65 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 2016 budget. The total 2016 General Fund budget is \$201,644,229 which reflects an increase of 3.5% from the original 2015 adopted budget and an increase of 2% from the final amended 2015 General Fund budget. 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-x*. The Mayor and the Board of Directors continue to place the highest premium on safety for the people of Little Rock and City employees. In order to meet the objectives of the 2016 budget, the City recognized the need to continue its pattern of cost containment designed to promote long-term fiscal stability.

Request for Information

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

Financial Statements

City of Little Rock, Arkansas
Statement of Net Position
December 31, 2015

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and cash equivalents	\$ 8,833,224	\$ 1,165,300	\$ 9,998,524	\$ 56,251,257
Investments	30,247,709	9,936,716	40,184,425	29,856,338
Restricted cash and investments – current	16,877,947	1,771,292	18,649,239	14,867,547
Accounts receivable, net of allowance for uncollectible accounts	86,410,689	2,993,408	89,404,097	34,312,379
Internal balances	812,809	(812,809)	-	-
Inventories	1,659,782	-	1,659,782	2,355,313
Prepaid expenses and other	1,299,782	331,370	1,631,152	4,650,727
Total current assets	<u>146,141,942</u>	<u>15,385,277</u>	<u>161,527,219</u>	<u>142,293,561</u>
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	9,073,106	1,906,279	10,979,385	51,026,506
Investments	99,207,013	1,402,700	100,609,713	35,091,861
Grants and other receivables	-	-	-	379,297
Interest receivable	203,851	29,841	233,692	24,166
	<u>108,483,970</u>	<u>3,338,820</u>	<u>111,822,790</u>	<u>86,521,830</u>
Less amount required to meet current obligations	<u>16,877,947</u>	<u>1,771,292</u>	<u>18,649,239</u>	<u>14,867,547</u>
Total restricted assets	<u>91,606,023</u>	<u>1,567,528</u>	<u>93,173,551</u>	<u>71,654,283</u>
Capital assets – nondepreciable	202,872,229	2,774,879	205,647,108	201,464,174
Capital assets – depreciable, net	<u>412,556,866</u>	<u>20,506,530</u>	<u>433,063,396</u>	<u>813,481,114</u>
	<u>615,429,095</u>	<u>23,281,409</u>	<u>638,710,504</u>	<u>1,014,945,288</u>
Other assets				
Net OPEB asset	247,223	-	247,223	-
Other	-	-	-	805,712
Total other assets	<u>247,223</u>	<u>-</u>	<u>247,223</u>	<u>805,712</u>
Total noncurrent assets	<u>707,282,341</u>	<u>24,848,937</u>	<u>732,131,278</u>	<u>1,087,405,283</u>
Total assets	<u>853,424,283</u>	<u>40,234,214</u>	<u>893,658,497</u>	<u>1,229,698,844</u>
Deferred Outflows of Resources				
Deferred outflows from pensions	28,086,140	239,828	28,325,968	9,735,252
Loss on refunding	1,550,455	84,177	1,634,632	3,211,500
Total deferred outflows of resources	<u>29,636,595</u>	<u>324,005</u>	<u>29,960,600</u>	<u>12,946,752</u>
Total assets and deferred outflows of resources	<u>\$ 883,060,878</u>	<u>\$ 40,558,219</u>	<u>\$ 923,619,097</u>	<u>\$ 1,242,645,596</u>

Liabilities, Deferred Inflows of Resources and Net Position	Primary Government			Component Units
	Governmental	Business-Type	Total	
	Activities	Activities		
Current liabilities				
Accounts payable	\$ 5,856,670	\$ 457,663	\$ 6,314,333	\$ 5,592,005
Accrued wages payable and related liabilities	5,312,419	-	5,312,419	4,055,779
Accrued expenses and other	929,561	80,769	1,010,330	9,713,654
Accrued interest payable	1,593,883	236,292	1,830,175	-
Compensated absences - current portion	9,330,193	442,693	9,772,886	1,475,070
Notes payable - current portion	8,564,064	-	8,564,064	70,300
Capital lease obligation - current portion	-	-	-	10,104
Bonds payable - current portion	6,720,000	1,535,000	8,255,000	10,675,549
Due to fiduciary funds	3,162,016	-	3,162,016	-
Other current liabilities	3,816,784	-	3,816,784	-
Unearned revenue	9,249,065	560,665	9,809,730	2,043,752
Total current liabilities	54,534,655	3,313,082	57,847,737	33,636,213
Noncurrent liabilities				
Notes payable	15,343,369	-	15,343,369	547,110
Capital lease obligation	-	-	-	3,815
Bonds payable, net of unamortized premium and discount	122,986,225	9,400,832	132,387,057	338,171,244
Net pension liability	190,854,330	732,285	191,586,615	12,869,129
Compensated absences	18,282,155	122,482	18,404,637	821,091
Other long-term liabilities	128,226	4,502,291	4,630,517	2,699,567
Total noncurrent liabilities	347,594,305	14,757,890	362,352,195	355,111,956
Total liabilities	402,128,960	18,070,972	420,199,932	388,748,169
Deferred Inflows of Resources				
Deferred inflows from pensions	1,035,990	50,894	1,086,884	1,425,199
Total deferred inflows of resources	1,035,990	50,894	1,086,884	1,425,199
Net Position				
Net investment in capital assets	547,314,893	12,345,577	559,660,470	703,337,944
Restricted - expendable				
Debt service	6,496,361	3,102,528	9,598,889	8,091,647
Developer contribution account	370,390	-	370,390	-
Stormwater retention	302,568	-	302,568	-
Court automation	177,689	-	177,689	-
Grant funds	2,930,592	-	2,930,592	4,110,273
Cable network	300,264	-	300,264	-
Drug abuse	79,294	-	79,294	1,253,455
State acts	133,970	-	133,970	-
Zoo promotions	144,914	-	144,914	-
Capital projects	-	-	-	17,737,136
Library materials	-	-	-	2,136,149
Art Fund	-	-	-	5,300,167
Police & Fire funeral expenses	228,236	-	228,236	-
Cemetery maintenance	-	-	-	1,028,933
Total restricted - expendable	11,164,278	3,102,528	14,266,806	39,657,760
Restricted - nonexpendable	250,000	-	250,000	3,435,590
Unrestricted	(78,833,242)	6,988,248	(71,844,994)	106,040,934
Total net position	479,895,929	22,436,353	502,332,282	852,472,228
Total liabilities, deferred inflows of resources and net position	\$ 883,060,878	\$ 40,558,219	\$ 923,619,097	\$ 1,242,645,596

City of Little Rock, Arkansas
Statement of Activities
Year Ended December 31, 2015

Functions/Programs	Net (Expense) Revenue and Changes in Net Position								
	Program Revenues				Primary Government			Component	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Units	
Primary Government									
Governmental Activities									
General administration	\$ 32,335,232	\$ 11,193,601	\$ 1,389,885	\$ 378,777	\$ (19,372,969)	\$ -	\$ (19,372,969)	\$ -	
Board of Directors	341,353	-	-	-	(341,353)	-	(341,353)	-	
Community programs	6,246,524	27,850	-	-	(6,218,674)	-	(6,218,674)	-	
City attorney	1,726,729	600	-	-	(1,726,129)	-	(1,726,129)	-	
District court - first division (criminal)	1,297,344	40,354	-	-	(1,256,990)	-	(1,256,990)	-	
District court - second division (traffic)	1,287,146	435,749	-	-	(851,397)	-	(851,397)	-	
District court - third division (environment)	638,279	266,469	-	-	(371,810)	-	(371,810)	-	
Courts	-	1,838,378	-	-	1,838,378	-	1,838,378	-	
Finance	3,137,469	537,943	-	-	(2,599,526)	-	(2,599,526)	-	
Human resources	1,850,886	106,081	-	-	(1,744,805)	-	(1,744,805)	-	
Information technology	4,671,708	-	-	-	(4,671,708)	-	(4,671,708)	-	
Planning and development	2,049,846	2,270,852	65,508	-	286,514	-	286,514	-	
Public works	39,559,132	571,436	36,868	5,153	(38,945,675)	-	(38,945,675)	-	
Parks and recreation services	11,324,541	1,539,875	-	73,511	(9,711,155)	-	(9,711,155)	-	
Rivermarket	1,298,563	605,207	-	-	(693,356)	-	(693,356)	-	
Golf	2,434,632	1,476,467	-	-	(958,165)	-	(958,165)	-	
Jim Dailey Fitness	988,633	495,687	-	-	(492,946)	-	(492,946)	-	
Zoo	10,754,587	3,798,687	-	100,000	(6,855,900)	-	(6,855,900)	-	
Fire	36,708,372	2,562,979	-	-	(34,145,393)	-	(34,145,393)	-	
Police	71,455,621	3,231,294	233,168	13,920	(67,977,239)	-	(67,977,239)	-	
Education	5,773,774	-	-	-	(5,773,774)	-	(5,773,774)	-	
Housing and neighborhood programs	10,142,884	945,430	4,315,887	20,605	(4,860,962)	-	(4,860,962)	-	
Fleet	1,164,920	-	-	-	(1,164,920)	-	(1,164,920)	-	
Interest expense on long-term debt	4,680,035	-	-	-	(4,680,035)	-	(4,680,035)	-	
Bond issue costs	117,481	-	-	-	(117,481)	-	(117,481)	-	
Agent fees on long-term debt	33,030	-	-	-	(33,030)	-	(33,030)	-	
Total governmental activities	<u>252,018,721</u>	<u>31,944,939</u>	<u>6,041,316</u>	<u>591,966</u>	<u>(213,440,500)</u>	<u>-</u>	<u>(213,440,500)</u>	<u>-</u>	
Business-Type Activities									
Waste disposal	14,401,947	17,761,020	-	-	-	3,359,073	3,359,073	-	
River Market Garage	1,985,775	2,500,013	-	-	-	514,238	514,238	-	
Vehicle storage	1,350,526	1,196,723	-	-	-	(153,803)	(153,803)	-	
Total business-type activities	<u>17,738,248</u>	<u>21,457,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,719,508</u>	<u>3,719,508</u>	<u>-</u>	
Total primary government	<u>\$ 269,756,969</u>	<u>\$ 53,402,695</u>	<u>\$ 6,041,316</u>	<u>\$ 591,966</u>	<u>\$ (213,440,500)</u>	<u>\$ 3,719,508</u>	<u>\$ (209,720,992)</u>	<u>\$ -</u>	

See Notes to Financial Statements

Component Units

Wastewater Utility	\$ 49,924,342	\$ 51,175,869	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,251,527
National Airport	35,839,320	31,237,769	-	-	-	-	-	(4,601,551)
All other component units	103,872,391	48,932,362	3,374,915	5,988,797	-	-	-	(45,576,317)
Total component units	\$ 189,636,053	\$ 131,346,000	\$ 3,374,915	\$ 5,988,797	-	-	-	(48,926,341)

General revenues				
General property taxes	50,469,150	-	50,469,150	15,020,320
Sales taxes	118,312,110	-	118,312,110	14,364,513
Utility franchise taxes	31,065,494	-	31,065,494	-
Investment income	775,618	111,523	887,141	1,544,564
Grants and contributions not restricted to specific programs	22,990,373	-	22,990,373	23,468,601
Other	-	-	-	21,427,043
Transfers	1,816,098	(1,816,098)	-	-
Total general revenues, special items and transfers	225,428,843	(1,704,575)	223,724,268	75,825,041
Change in Net Position	11,988,343	2,014,933	14,003,276	26,898,700
Net Position, Beginning of Year, as Previously Reported	589,466,696	20,884,192	610,350,888	836,855,109
Change in accounting principle	(121,559,110)	(462,772)	(122,021,882)	(11,281,581)
Net Position, Beginning of Year, as Restated	467,907,586	20,421,420	488,329,006	825,573,528
Net Position, End of Year	\$ 479,895,929	\$ 22,436,353	\$ 502,332,282	\$ 852,472,228

City of Little Rock, Arkansas
Balance Sheet
Governmental Funds
December 31, 2015

	General	Sales Tax Capital Improvements	2013 Capital Improvements (Debt Service)	2013 Capital Improvements (Capital Projects)	Street	Other Governmental Funds	Total
Assets							
Cash and cash equivalents	\$ 5,660,902	\$ 6,212,349	\$ 125	\$ -	\$ 2,573,446	\$ 3,057,195	\$ 17,504,017
Restricted cash	-	-	10,975,145	36,555,862	-	27,591,432	75,122,439
Investments	20,023,478	20,631,720	415	-	8,544,467	4,957,320	54,157,400
Accounts receivable	52,327,494	3,403,843	11,808,078	55,239	7,763,823	8,199,382	83,557,859
Due from other funds	3,431,695	-	-	-	-	-	3,431,695
Interest receivable	60,132	61,959	1	27,191	25,660	27,577	202,520
Inventories	174,857	-	-	-	-	960,243	1,135,100
Prepaid expenditures and other	845,230	-	-	-	25,240	412,121	1,282,591
Total assets	<u>\$ 82,523,788</u>	<u>\$ 30,309,871</u>	<u>\$ 22,783,764</u>	<u>\$ 36,638,292</u>	<u>\$ 18,932,636</u>	<u>\$ 45,205,270</u>	<u>\$ 236,393,621</u>
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 3,176,086	\$ 496,355	\$ -	\$ 141,341	\$ 732,717	\$ 1,066,704	\$ 5,613,203
Due to other funds	106,396	-	-	1,288,292	-	1,382,239	2,776,927
Accrued wages payable and related liabilities	5,312,419	-	-	-	-	-	5,312,419
Accrued expenditures and other	929,561	-	-	-	-	-	929,561
Unearned revenue	7,098,956	-	-	-	-	2,150,109	9,249,065
Total liabilities	<u>16,623,418</u>	<u>496,355</u>	<u>-</u>	<u>1,429,633</u>	<u>732,717</u>	<u>4,599,052</u>	<u>23,881,175</u>
Deferred Inflows of Resources							
Unavailable revenues - property taxes	26,681,125	-	11,488,434	-	5,522,835	6,958,220	50,650,614
Total deferred inflows of resources	<u>26,681,125</u>	<u>-</u>	<u>11,488,434</u>	<u>-</u>	<u>5,522,835</u>	<u>6,958,220</u>	<u>50,650,614</u>
Fund Balances							
Nonspendable	1,020,087	-	-	-	25,240	1,622,364	2,667,691
Restricted	-	30,046,636	11,295,330	35,208,659	12,651,844	34,645,978	123,848,447
Committed	300,264	-	-	-	-	-	300,264
Assigned	12,331,036	-	-	-	-	-	12,331,036
Unassigned (deficit)	25,567,858	(233,120)	-	-	-	(2,620,344)	22,714,394
Total fund balances	<u>39,219,245</u>	<u>29,813,516</u>	<u>11,295,330</u>	<u>35,208,659</u>	<u>12,677,084</u>	<u>33,647,998</u>	<u>161,861,832</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 82,523,788</u>	<u>\$ 30,309,871</u>	<u>\$ 22,783,764</u>	<u>\$ 36,638,292</u>	<u>\$ 18,932,636</u>	<u>\$ 45,205,270</u>	<u>\$ 236,393,621</u>

City of Little Rock, Arkansas
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
December 31, 2015

Total fund balance per statement	\$ 161,861,832
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial and are not reported in the funds.	612,557,937
Liabilities that are not due and payable in the current period and are not reported in the funds including:	
Bonds payable	(127,460,000)
Bond issuance premiums	(3,444,841)
Bond issuance discounts	1,198,616
Notes payable	(23,907,433)
Accrued interest payable	(1,593,883)
Net pension liability	(190,366,140)
Deferred inflows and outflows of resources	28,474,649
Net OPEB asset	247,223
Workers compensation liability	(128,226)
Accrued compensated absences	(27,264,141)
Change in accounts receivable net of allowance for doubtful accounts	2,810,136
Property tax pension liability	(7,633,567)
An internal service fund is used to charge the costs of fleet management to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	3,893,153
Certain amounts reported as unearned revenue and deferred inflows of resources are not recognized at the fund level on the modified accrual basis but are reported as revenues on the full accrual basis in the government-wide statements.	<u>50,650,614</u>
Net position of governmental activities	<u>\$ 479,895,929</u>

City of Little Rock, Arkansas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2015

	General	Sales Tax Capital Improvements	2013 Capital Improvements (Debt Service)	2013 Capital Improvements (Capital Projects)	Street	Other Governmental Funds	Total
Revenues							
General property taxes	\$ 26,685,192	\$ -	\$ 11,244,719	\$ -	\$ 5,421,734	\$ 7,151,551	\$ 50,503,196
Sales taxes	99,881,725	18,430,385	-	-	-	-	118,312,110
Licenses and permits	11,070,904	-	-	-	-	27,850	11,098,754
Intergovernmental	7,871,832	-	-	-	12,779,918	5,564,762	26,216,512
Charges for services	9,840,556	-	-	-	15,293	3,659,724	13,515,573
Fines and fees	2,790,685	-	-	-	-	913,945	3,704,630
Utility franchise taxes	29,306,202	-	-	-	-	1,759,292	31,065,494
Investment income	217,976	320,784	1,052	30,321	86,647	118,838	775,618
Contributions and donations	420,375	-	-	-	-	914,055	1,334,430
Miscellaneous	1,486,936	-	-	-	286,710	1,714,893	3,488,539
Total revenues	189,572,383	18,751,169	11,245,771	30,321	18,590,302	21,824,910	260,014,856
Expenditures							
General government							
General administration	20,429,202	6,635,406	-	-	-	1,464,874	28,529,482
Board of Directors	341,353	-	-	-	-	-	341,353
Community programs	6,214,133	-	-	-	-	32,391	6,246,524
City attorney	1,726,729	-	-	-	-	-	1,726,729
District court - first division (criminal)	1,281,039	-	-	-	-	-	1,281,039
District court - second division (traffic)	1,277,214	-	-	-	-	130,188	1,407,402
District court - third division (environment)	630,352	-	-	-	-	7,927	638,279
Finance	2,986,334	-	-	-	-	-	2,986,334
Human resources	1,749,328	-	-	-	-	104,540	1,853,868
Information technology	3,753,058	56,766	-	-	-	-	3,809,824
Planning and development	2,047,792	-	-	-	-	52,539	2,100,331
Total general government	42,436,534	6,692,172	-	-	-	1,792,459	50,921,165
Public works	2,135,769	3,475,171	-	11,351,947	16,411,059	554,214	33,928,160
Parks and recreation services	9,244,782	2,517,709	-	-	-	1,136,133	12,898,624
Rivermarket	1,188,494	-	-	-	-	-	1,188,494
Golf	2,390,265	-	-	-	-	-	2,390,265
Jim Dailey Fitness	855,515	-	-	-	-	-	855,515
Zoo	6,253,480	902,118	-	-	-	214,740	7,370,338
Fire	45,985,110	-	-	-	-	475,920	46,461,030
Police	67,344,609	1,012,824	-	-	-	4,077,426	72,434,859
Fleet	233,814	260,233	-	-	-	171,065	665,112
Education	-	-	-	-	-	5,761,938	5,761,938
Housing and neighborhood programs	5,726,749	30,514	-	-	-	4,425,554	10,182,817
Debt Service							
Principal	7,315,438	-	9,750,000	-	-	9,075,000	26,140,438
Interest	375,317	-	1,473,336	-	-	3,145,969	4,994,622
Bond issuance costs	-	-	-	-	-	117,481	117,481
Agent fees	11,375	-	3,400	-	-	18,255	33,030
Total expenditures	191,497,251	14,890,741	11,226,736	11,351,947	16,411,059	30,966,154	276,343,888
Excess (Deficiency) of Revenues Over Expenditures	(1,924,868)	3,860,428	19,035	(11,321,626)	2,179,243	(9,141,244)	(16,329,032)
Other Financing Sources							
Long-term debt issuance	-	4,372,000	-	-	-	38,158,000	42,530,000
Premiums on debt issuance	-	-	-	-	-	112,763	112,763
Payment to refunded bond escrow agent	-	-	-	-	-	(17,247,291)	(17,247,291)
Transfers in	8,491,405	-	-	-	1,704,726	587,853	10,783,984
Transfers out	(1,657,913)	(6,379,582)	-	-	(504,217)	(11,430)	(8,553,142)
Total other financing sources (uses)	6,833,492	(2,007,582)	-	-	1,200,509	21,599,895	27,626,314
Net Change in Fund Balances	4,908,624	1,852,846	19,035	(11,321,626)	3,379,752	12,458,651	11,297,282
Fund Balances, Beginning of Year	34,310,621	27,960,670	11,276,295	46,530,285	9,297,332	21,189,347	150,564,550
Fund Balances, End of Year	\$ 39,219,245	\$ 29,813,516	\$ 11,295,330	\$ 35,208,659	\$ 12,677,084	\$ 33,647,998	\$ 161,861,832

City of Little Rock, Arkansas
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2015

Net change in fund balances - total governmental funds	\$ 11,297,282
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 asset purchases	20,986,577
Capital asset contributions	1,426,783
Retirements	(1,251,463)
Depreciation expense	(27,796,045)
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.	(237,688)
Long-term debt issuance provides current financial resources to governmental funds but issuing debt increases long-term liabilities in the statement of net position.	(42,530,000)
The repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	41,825,438
Gain on refunding of debt net of accumulated amortization	1,550,455
Expenses that do not require current financial resources (such as interest, litigation, compensated absences, etc.) are not reported as expenses for the funds but are reported as expenses in the statement of activities.	(301,896)
Current year pension 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 and inflows of resources balances.	6,924,068
An internal service fund is used to charge the costs of fleet management to individual funds. The change in net position of this fund is included in governmental activities in the statement of activities.	<u>94,832</u>
Change in net position of governmental activities	<u>\$ 11,988,343</u>

City of Little Rock, Arkansas
Statement of Net Position
Proprietary Funds
December 31, 2015

	Business-Type Activities			Total	Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)		
Assets and Deferred Outflows of Resources					
Current assets					
Cash and cash equivalents	\$ 950,775	\$ 214,125	\$ 400	\$ 1,165,300	\$ 133,961
Investments	9,484,025	452,691	-	9,936,716	443,235
Restricted cash and investments - current	1,093,715	677,577	-	1,771,292	-
Due from other funds	-	-	-	-	812,809
Accounts receivable	2,910,005	83,403	-	2,993,408	42,694
Accrued interest	-	-	-	-	1,331
Inventories	-	-	-	-	524,683
Prepaid expenses and other	11,693	319,677	-	331,370	17,191
Total current assets	14,450,213	1,747,473	400	16,198,086	1,975,904
Noncurrent assets					
Restricted assets					
Cash and cash equivalents	1,906,279	-	-	1,906,279	-
Investments	-	1,402,700	-	1,402,700	-
Accrued interest	28,482	1,359	-	29,841	-
	1,934,761	1,404,059	-	3,338,820	-
Less amount required to meet current obligations	1,093,715	677,577	-	1,771,292	-
Total restricted assets	841,046	726,482	-	1,567,528	-
Capital assets					
Land	1,814,495	822,652	-	2,637,147	270,154
Land improvements	4,149,352	-	174,802	4,324,154	-
Landfills, Cells 1, 2 and 4	13,326,165	-	-	13,326,165	-
Construction in progress	-	137,732	-	137,732	14,670
Buildings and improvements	12,794,251	8,715,040	31,043	21,540,334	3,464,933
Vehicles	13,239,025	-	51,154	13,290,179	766,740
Furniture and equipment	3,175,508	106,820	81,765	3,364,093	882,496
	48,498,796	9,782,244	338,764	58,619,804	5,398,993
Less accumulated depreciation	32,331,134	2,801,861	205,400	35,338,395	2,527,835
Net capital assets	16,167,662	6,980,383	133,364	23,281,409	2,871,158
Total noncurrent assets	17,008,708	7,706,865	133,364	24,848,937	2,871,158
Total assets	31,458,921	9,454,338	133,764	41,047,023	4,847,062
Deferred outflows of resources					
Deferred outflows from pensions	213,181	-	26,647	239,828	159,885
Gain on refunding	(16,513)	100,690	-	84,177	-
Total deferred outflows of resources	196,668	100,690	26,647	324,005	159,885
Total assets and deferred outflows of resources	\$ 31,655,589	\$ 9,555,028	\$ 160,411	\$ 41,371,028	\$ 5,006,947

See Notes to Financial Statements

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)	Total	
Liabilities, Deferred Inflows of Resources and Net Position (Deficit)					
Current liabilities					
Accounts payable	\$ 434,749	\$ 11,372	\$ 11,542	\$ 457,663	\$ 243,468
Due to other funds	-	-	812,809	812,809	-
Accrued expenses and other	80,769	-	-	80,769	-
Accrued interest	23,715	212,577	-	236,292	-
Compensated absences - current portion	377,382	-	65,311	442,693	268,663
Bonds payable - current portion	1,070,000	465,000	-	1,535,000	-
Unearned revenue	-	544,658	16,007	560,665	-
Total current liabilities	1,986,615	1,233,607	905,669	4,125,891	512,131
Noncurrent liabilities					
Bonds payable, net of unamortized premium and discount	1,692,359	7,708,473	-	9,400,832	-
Net pension liability	650,921	-	81,364	732,285	488,190
Compensated absences	107,931	-	14,551	122,482	79,544
Other long-term liabilities	4,502,291	-	-	4,502,291	-
Total noncurrent liabilities	6,953,502	7,708,473	95,915	14,757,890	567,734
Total liabilities	8,940,117	8,942,080	1,001,584	18,883,781	1,079,865
Deferred Inflows of Resources					
Deferred inflows from pensions	45,239	-	5,655	50,894	33,929
Total deferred inflows of resources	45,239	-	5,655	50,894	33,929
Net Position (Deficit)					
Net investment in capital assets	13,405,303	(1,193,090)	133,364	12,345,577	2,871,158
Restricted - expendable					
Debt service	1,911,046	1,191,482	-	3,102,528	-
Unrestricted (deficit)	7,353,884	614,556	(980,192)	6,988,248	1,021,995
Total net position (deficit)	22,670,233	612,948	(846,828)	22,436,353	3,893,153
Total liabilities, deferred inflows of resources and net position (deficit)	\$ 31,655,589	\$ 9,555,028	\$ 160,411	\$ 41,371,028	\$ 5,006,947

City of Little Rock, Arkansas
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2015

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)	Total	
Operating Revenues					
Charges for services	\$ 17,761,020	\$ 2,208,179	\$ 1,179,508	\$ 21,148,707	\$ 11,833,168
Licenses and permits	-	291,834	17,215	309,049	-
Miscellaneous	-	-	-	-	-
Total operating revenues	17,761,020	2,500,013	1,196,723	21,457,756	11,833,168
Operating Expenses					
Salaries, wages and employee benefits	4,985,512	-	710,672	5,696,184	3,412,738
Supplies and materials	870,458	-	39,050	909,508	5,005,407
Services	3,565,086	126,317	546,936	4,238,339	2,524,693
Repairs and maintenance	3,315,877	26,506	21,966	3,364,349	285,373
Other	-	1,088,649	-	1,088,649	-
Depreciation and amortization	1,579,900	268,376	31,903	1,880,179	186,993
Total operating expenses	14,316,833	1,509,848	1,350,527	17,177,208	11,415,204
Operating Income (Loss)	3,444,187	990,165	(153,804)	4,280,548	417,964
Nonoperating Revenues (Expenses)					
Investment income	102,910	8,614	-	111,524	6,182
Interest expense	(181,850)	(473,502)	-	(655,352)	-
Other, net	96,736	(2,425)	-	94,311	(3,628)
Net nonoperating revenues (expenses)	17,796	(467,313)	-	(449,517)	2,554
Income (Loss) Before Contributions and Transfers	3,461,983	522,852	(153,804)	3,831,031	420,518
Contributions	-	-	-	-	89,058
Transfers Out	(1,457,072)	(359,026)	-	(1,816,098)	(414,744)
	(1,457,072)	(359,026)	-	(1,816,098)	(325,686)
Changes in Net Position (Deficit)	2,004,911	163,826	(153,804)	2,014,933	94,832
Net Position (Deficit), Beginning of Year, As Previously Reported	21,076,674	449,122	(641,604)	20,884,192	4,105,740
Change in accounting principle	(411,352)	-	(51,420)	(462,772)	(307,419)
Net Position, Beginning of Year, as Restated	20,665,322	449,122	(693,024)	20,421,420	3,798,321
Net Position (Deficit), End of Year	\$ 22,670,233	\$ 612,948	\$ (846,828)	\$ 22,436,353	\$ 3,893,153

City of Little Rock, Arkansas
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2015

	Business-Type Activities			Total	Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)		
Operating Activities					
Receipts from customers	\$ 17,650,718	\$ 2,500,010	\$ 1,179,508	\$ 21,330,236	\$ 11,839,111
Other receipts	-	-	17,215	17,215	(3,628)
Payments to employees	(5,398,917)	-	(697,130)	(6,096,047)	(3,210,490)
Payments to suppliers	(870,107)	11,113	(39,050)	(898,044)	(5,103,144)
Payments to service providers	(3,454,784)	(99,491)	(540,436)	(4,094,711)	(1,637,815)
Other payments	(2,430,126)	(1,182,944)	79,893	(3,533,177)	(1,004,862)
Net cash provided by operating activities	<u>5,496,784</u>	<u>1,228,688</u>	<u>-</u>	<u>6,725,472</u>	<u>879,172</u>
Noncapital Financing Activities					
Transfers to other funds	(1,457,072)	(359,026)	-	(1,816,098)	(414,744)
Net cash used in noncapital financing activities	<u>(1,457,072)</u>	<u>(359,026)</u>	<u>-</u>	<u>(1,816,098)</u>	<u>(414,744)</u>
Capital and Related Financing Activities					
Proceeds from the sale of capital assets	-	-	-	-	4,128
Purchase of capital assets	(443,701)	-	-	(443,701)	-
Principal paid on long-term debt	(1,030,000)	(440,000)	-	(1,470,000)	-
Other	95,892	(132,365)	-	(36,473)	(15,170)
Interest paid on long-term debt	(181,850)	(470,017)	-	(651,867)	-
Net cash used in capital and related financing activities	<u>(1,559,659)</u>	<u>(1,042,382)</u>	<u>-</u>	<u>(2,602,041)</u>	<u>(11,042)</u>
Investing Activities					
Proceeds from sale of investments	11,432,302	500,399	-	11,932,701	521,430
Purchase of investments	(12,789,281)	(882,488)	-	(13,671,769)	(864,054)
Interest income	102,910	8,519	-	111,429	2,554
Net cash provided by (used in) investing activities	<u>(1,254,069)</u>	<u>(373,570)</u>	<u>-</u>	<u>(1,627,639)</u>	<u>(340,070)</u>
Increase (Decrease) in Cash and Cash Equivalents	1,225,984	(546,290)	-	679,694	113,316
Cash and Cash Equivalents, Beginning of Year	1,631,070	760,415	400	2,391,885	20,645
Cash and Cash Equivalents, End of Year	<u>\$ 2,857,054</u>	<u>\$ 214,125</u>	<u>\$ 400</u>	<u>\$ 3,071,579</u>	<u>\$ 133,961</u>
Presented on the Statement of Net Position - Proprietary Funds as Follows:					
Current assets					
Cash and cash equivalents	\$ 950,775	\$ 214,125	\$ 400	\$ 1,165,300	\$ 133,961
Noncurrent assets					
Cash and cash equivalents	1,906,279	-	-	1,906,279	-
	<u>\$ 2,857,054</u>	<u>\$ 214,125</u>	<u>\$ 400</u>	<u>\$ 3,071,579</u>	<u>\$ 133,961</u>

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended December 31, 2015

	Business-Type Activities			Total	Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)		
Reconciliation of Operating Income (Loss) to to Net Cash Provided By Operating Activities					
Operating income (loss)	\$ 3,444,187	\$ 990,165	\$ (153,804)	\$ 4,280,548	\$ 417,964
Adjustment to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation and amortization expense	1,579,900	268,376	31,903	1,880,179	186,993
Changes in assets and liabilities					
Receivables, net	(110,302)	53,148	-	(57,154)	4,810
Due to/due from other funds, net	-	-	122,850	122,850	(122,850)
Prepaid expenses	351	26,826	-	27,177	643,410
Inventories	-	-	-	-	(97,737)
Deferred outflows of resources	(191,214)	-	(26,647)	(217,861)	(159,885)
Accounts payable	266,434	(42,038)	(12,437)	211,959	(229,710)
Accrued expenses	222,620	(67,789)	2,535	157,366	21,477
Net pension liability	284,808	-	35,600	320,408	214,700
	<u>\$ 5,496,784</u>	<u>\$ 1,228,688</u>	<u>\$ -</u>	<u>\$ 6,725,472</u>	<u>\$ 879,172</u>
Net cash provided by operating activities					
	<u>\$ 5,496,784</u>	<u>\$ 1,228,688</u>	<u>\$ -</u>	<u>\$ 6,725,472</u>	<u>\$ 879,172</u>
Noncash Capital Activities					
Donated capital assets	\$ -	\$ -	\$ -	\$ -	\$ 89,058
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,058</u>

City of Little Rock, Arkansas
Statement of Fiduciary Net Position – Fiduciary Funds
December 31, 2015

	Pension and Other Employee Benefit Trust Funds	Agency Fund
Assets		
Cash and cash equivalents	\$ 9,211,588	\$ 958,912
Investments		
U.S. Government obligations	470,091	-
Equities	51,102,944	-
Mutual funds and other investments	76,150,711	-
Receivables		
Accounts receivable	166,546	-
Due from other funds	3,923,180	-
Accrued interest and dividends	53,896	-
	<u>\$ 141,078,956</u>	<u>\$ 958,912</u>
Total Assets	<u>\$ 141,078,956</u>	<u>\$ 958,912</u>
Liabilities		
Accounts payable	\$ 222	\$ 168,384
Accrued liabilities	157	33,447
Due to other funds	4,083	757,081
	<u>4,462</u>	<u>958,912</u>
Total Liabilities	<u>4,462</u>	<u>\$ 958,912</u>
Net Position		
Net position restricted for pensions and other employee benefits	<u>\$ 141,074,494</u>	

City of Little Rock, Arkansas
Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2015

	<u>Pension and Other Employee Benefit Trust Funds</u>
Additions	
Contributions	
Employer	\$ 6,065,078
Plan members	2,254,542
Property taxes contributed from general fund	3,781,766
State insurance turnback and guarantee fund from general fund	944,540
Other	<u>1,289,114</u>
Total contributions	<u>14,335,040</u>
Investment income	
Net decrease in fair value of investments	(8,368,467)
Gain/loss on sale of investments	289,712
Interest and dividends	<u>4,722,623</u>
	(3,356,132)
Less investment expense	<u>660,846</u>
Net investment loss	<u>(4,016,978)</u>
Total additions	<u>10,318,062</u>
Deductions	
Benefits paid directly to participants	16,965,264
Administrative expenses	99,974
Other	<u>587,930</u>
Total deductions	<u>17,653,168</u>
Net decrease in Net Position	(7,335,106)
Net Position Restricted for Pensions and Other Employee Benefits, Beginning of Year	<u>148,409,600</u>
Net Position Restricted for Pensions and Other Employee Benefits, End of Year	<u><u>\$ 141,074,494</u></u>

City of Little Rock, Arkansas
Statement of Net Position
Discretely Presented Component Units
December 31, 2015

	Wastewater Utility	Bill and Hillary Clinton National Airport	Other Component Units	Total
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and cash equivalents	\$ 14,921,866	\$ 24,884,329	\$ 16,445,062	\$ 56,251,257
Investments	-	-	29,856,338	29,856,338
Restricted cash and investments - current	7,767,164	-	7,100,383	14,867,547
Accounts receivable, net of allowance	3,427,144	3,767,086	27,118,149	34,312,379
Accrued interest receivable	15,288	-	16,297	31,585
Inventories	1,395,960	-	959,353	2,355,313
Prepaid expenses and other	1,937,648	402,158	2,279,336	4,619,142
Total current assets	29,465,070	29,053,573	83,774,918	142,293,561
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	8,391,086	12,361,002	30,274,418	51,026,506
Investments	8,645,130	-	26,446,731	35,091,861
Grants and other receivables	-	379,297	-	379,297
Interest receivable	-	-	24,166	24,166
	17,036,216	12,740,299	56,745,315	86,521,830
Less amounts required to meet current obligations	7,767,164	-	7,100,383	14,867,547
Total restricted assets	9,269,052	12,740,299	49,644,932	71,654,283
Capital assets				
Land	5,377,335	66,182,688	14,707,288	86,267,311
Construction in progress	53,977,825	9,236,580	51,982,458	115,196,863
Buildings, improvements and other facilities	459,022,968	403,151,843	243,078,531	1,105,253,342
Vehicles	-	2,116,820	48,335,725	50,452,545
Furniture and equipment	69,310,923	18,475,935	49,448,896	137,235,754
Books/AV material	-	-	22,997,074	22,997,074
Other	-	-	3,019,527	3,019,527
	587,689,051	499,163,866	433,569,499	1,520,422,416
Less accumulated depreciation	150,612,022	175,080,253	179,784,853	505,477,128
Net capital assets	437,077,029	324,083,613	253,784,646	1,014,945,288
Other assets	-	-	805,712	805,712
Total other assets	-	-	805,712	805,712
Total noncurrent assets	446,346,081	336,823,912	304,235,290	1,087,405,283
Total assets	475,811,151	365,877,485	388,010,208	1,229,698,844
Deferred Outflows of Resources				
Deferred amounts on refunding	9,735,252	-	-	9,735,252
Deferred outflows from pensions	3,053,329	-	158,171	3,211,500
Total deferred outflows of resources	12,788,581	-	158,171	12,946,752
Total assets and deferred outflows of resources	\$ 488,599,732	\$ 365,877,485	\$ 388,168,379	\$ 1,242,645,596

See Notes to Financial Statements

	Wastewater Utility	Bill and Hillary Clinton National Airport	Other Component Units	Total
Liabilities and Net Position				
Current Liabilities				
Accounts payable	\$ 338,162	\$ 2,511,392	\$ 2,742,451	\$ 5,592,005
Accrued wages payable and related liabilities	527,573	1,492,059	2,036,147	4,055,779
Notes payable - current portion	-	-	70,300	70,300
Capital lease - current portion	-	-	10,104	10,104
Bonds payable - current portion	9,495,548	-	1,180,001	10,675,549
Compensated absences - current portion	886,273	-	588,797	1,475,070
Unearned revenue	-	337,930	1,705,822	2,043,752
Accrued expenses and other	4,771,467	24,197	4,917,990	9,713,654
Total current liabilities	16,019,023	4,365,578	13,251,612	33,636,213
Noncurrent Liabilities				
Capital lease obligation	-	-	3,815	3,815
Bonds payable, net of unamortized premium and discount	270,978,559	-	67,192,685	338,171,244
Notes payable	-	-	547,110	547,110
Net pension liability	12,374,375	-	494,754	12,869,129
Other long-term liabilities	-	-	2,699,567	2,699,567
Compensated absences	73,140	-	747,951	821,091
Total noncurrent liabilities	283,426,074	-	71,685,882	355,111,956
Total liabilities	299,445,097	4,365,578	84,937,494	388,748,169
Deferred Inflows of Resources				
Deferred inflows from pensions	1,425,199	-	-	1,425,199
Total deferred inflows of resources	1,425,199	-	-	1,425,199
Net Position				
Net investment in capital assets	166,962,094	322,340,670	214,035,180	703,337,944
Restricted - expendable	12,534,544	12,740,299	14,382,917	39,657,760
Restricted - nonexpendable	-	-	3,435,590	3,435,590
Unrestricted	8,232,798	26,430,938	71,377,198	106,040,934
Total net position	187,729,436	361,511,907	303,230,885	852,472,228
Total liabilities, deferred inflows of resources and net position	\$ 488,599,732	\$ 365,877,485	\$ 388,168,379	\$ 1,242,645,596

City of Little Rock, Arkansas
Statement of Activities
Discretely Presented Component Units
Year Ended December 31, 2015

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	Wastewater Utility	National Airport	Other Component Units	
Governmental Activities								
Other component units	\$ 26,860,964	\$ 443,461	\$ 3,374,915	\$ 5,988,797	\$ -	\$ -	\$ (17,053,791)	\$ (17,053,791)
Total governmental activities	26,860,964	443,461	3,374,915	5,988,797	-	-	(17,053,791)	(17,053,791)
Business-type Activities								
Wastewater Utility	49,924,342	51,175,869	-	-	1,251,527	-	-	1,251,527
Bill and Hillary Clinton National Airport	35,839,320	31,237,769	-	-	-	(4,601,551)	-	(4,601,551)
Other component units	77,011,427	48,488,901	-	-	-	-	(28,522,526)	(28,522,526)
Total business-type activities	162,775,089	130,902,539	-	-	1,251,527	(4,601,551)	(28,522,526)	(31,872,550)
Total component units	\$ 189,636,053	\$ 131,346,000	\$ 3,374,915	\$ 5,988,797	1,251,527	(4,601,551)	(45,576,317)	(48,926,341)
General revenues								
General property taxes					-	-	15,020,320	15,020,320
Sales taxes					-	-	14,364,513	14,364,513
Investment income					154,003	270,189	1,120,372	1,544,564
Grants and contributions not restricted to specific programs					1,819,214	6,549,752	15,099,635	23,468,601
Other					24,693	4,599,629	16,802,721	21,427,043
Total general revenues and transfers					1,997,910	11,419,570	62,407,561	75,825,041
Change in Net Position					3,249,437	6,818,019	16,831,244	26,898,700
Net Position, Beginning of Year, as Previously Reported					195,449,146	354,693,888	286,712,075	836,855,109
Change in accounting principle					(10,969,147)	-	(312,434)	(11,281,581)
Net Position, Beginning of Year, as Restated					184,479,999	354,693,888	286,399,641	825,573,528
Net Position, End of Year					\$ 187,729,436	\$ 361,511,907	\$ 303,230,885	\$ 852,472,228

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2015

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

The City of Little Rock, Arkansas (the 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 City and its component units. 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 the primary government reporting entity:

Discretely Presented Component Units

Major Component Units:

Little Rock Wastewater Utility (LRWWU) – The City Manager appoints the governing body of LRWWU with City Board approval. LRWWU 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 LRWWU.

Bill and Hillary Clinton National Airport (Airport) – The Airport is controlled by a seven-member commission appointed by the City Manager 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 or its other component units in 2015.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

Other Component Units:

Little Rock Advertising and Promotion Commission (Commission) – The governing body of the Commission is appointed by the Mayor of Little Rock 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 City Manager 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 riverport 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 eight 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.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

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 which 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.

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 which 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 Investment Board (LRWIB) – LRWIB 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 LRWIB 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 Wastewater Utility 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 Investment Board 300 South University Avenue, Suite D14 Little Rock, Arkansas 72205-5209

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

Administrative Offices

Oakland Fraternal Cemetery
2101 Barber Street
Little Rock, Arkansas 72206

Mount Holly Cemetery
1 Sunset Drive
Little Rock, Arkansas 72206

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. 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.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

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)* 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.

The *2013 Capital Improvements Fund (capital projects fund)* accounts for the proceeds of the 2013 Limited Tax General Obligation Capital Improvement Bonds issued to finance various capital improvements for the City.

The *Street 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 Revenue 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 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 to be used 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 enterprise fund is used to account for vehicle storage whose operations are financed primarily or partially through user charges.

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

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

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.

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 proceeds 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 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, federal funds, local funds and investment earnings. 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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

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, liabilities and deferred inflows 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, except for alternative investments, 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 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 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.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

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 fair value at the date of donation.

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

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

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

Long-term Obligations

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

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

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 which 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.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

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.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future 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, with one being the amount of contributions made to the pension plans after the measurement date, and the other the difference in investment experience between actual earnings and projected earnings on pension plan investments and the difference in assumption changes. Deferred outflows related to contributions made after the measurement date will be recognized as a reduction of net pension liability in the following year ended December 31, 2016. The remaining amounts will be amortized to pension expense over future periods as shown within *Note 6*.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City's deferred inflows include property taxes in the governmental funds. The City also has deferred inflows related to pensions. This consists of the difference between the expected and actual experience related to the pension plans as well as the difference in assumption changes. These amounts are amortized over future periods to pension expense as shown within *Note 6*.

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. 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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

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 City Manager or the Board of Directors. The City Manager is 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 City considers restricted amounts to have been spent when 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 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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2015

annual budget process. As of December 31, 2015, the Board's established amount of the reserve is \$9,418,000, 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.

Pension Plan Descriptions

The City participates in seven defined benefit pension plans; which are comprised of three 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 6*.

Adoption of Accounting Principles

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pension Plans - an amendment of GASB Statement No. 27*, for 2015. The statement includes guidance for accounting for participating employers in single employer and multiple-employer defined benefit pension plans, cost-sharing plans, defined contribution plans and plans with insured benefits. The note disclosure and required supplementary information requirements for employers whose employees are provided with defined benefit pensions through qualified trusts also are addressed. Finally, the statement includes guidance on accounting for special funding situations where an entity other than the employer government is legally responsible for plan contributions.

The Statement also requires employers participating in cost-sharing multiple-employer plans to recognize their proportional share of the plan's collective net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources in the employer's financial statements. The pension expense is no longer based on the contractually required contribution or contributions actually made, but is actuarially determined. This results in the pension expense and liability being recognized as benefits are earned by employees, and increased current pension expense along with the recognition of the proportional share of the net pension liability. The fiscal year 2015 beginning net position has been restated to reflect the implementation of the new accounting standard.

The City also implemented Governmental Accounting Standards Board (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, for 2015. The statement includes guidance for accounting for contributions made to defined benefit pension plans after the measurement date of the net pension liability but prior to the government's fiscal year end. See *Note 6* for a detail of these amounts as they relate to the specific pensions of the City.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

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, 2015:

Statement No.		Adoption Required in Fiscal Year
72	<i>Fair Value Measurement and Application</i>	2016
76	<i>The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments</i>	2016
77	<i>Tax Abatement Disclosures</i>	2017
75	<i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</i>	2018

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

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.

At December 31, 2015, none of the City's primary government bank balances were exposed to custodial credit risk. Of the City's component units combined bank balances, \$3,577,570 were uninsured and uncollateralized.

Investments

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

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.

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, 2015, 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
U.S. Treasury obligations	\$ 9,521,481	\$ 9,521,481	\$ -	\$ -	\$ -
U.S. agencies obligations	86,728,268	30,176,182	56,552,086	-	-
Corporate bonds	7,810,931	7,810,931	-	-	-
Alternative investments	8,508,127	8,508,127	-	-	-
Bond mutual funds	33,607,633	33,607,633	-	-	-
Certificate of deposit	200,000	200,000	-	-	-
Money market mutual funds	84,841,319	84,841,319	-	-	-
	231,217,759	<u>\$ 174,665,673</u>	<u>\$ 56,552,086</u>	<u>\$ -</u>	<u>\$ -</u>
Stock mutual funds	6,853,645				
Corporate stocks	<u>46,964,166</u>				
	<u>\$ 285,035,570</u>				

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

Type	Fair Value	Component Units			
		Maturities in Years			
		Less than 1	1-5	6-10	More than 10
U.S. Treasury obligations	\$ 34,335,703	\$ 32,900,269	\$ 1,384,370	\$ 51,064	\$ -
U.S. agencies obligations	9,277,637	766,884	8,413,900	96,853	-
Corporate bonds	1,906,368	374,265	327,359	803,283	401,461
Money market mutual funds	5,279,827	5,279,827	-	-	-
Municipal bonds	1,494,700	1,207,068	1,182	-	286,450
Certificate of deposit	9,665,172	3,353,947	6,176,822	55,141	79,262
	61,959,407	<u>\$ 43,882,260</u>	<u>\$ 16,303,633</u>	<u>\$ 1,006,341</u>	<u>\$ 767,173</u>
Stock mutual funds	22,951,157				
Corporate stocks	<u>3,238,144</u>				
	<u>\$ 88,148,708</u>				

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

Credit Risk – Credit risk is the risk that the issuer or other counterparty will not fulfill its obligations. It is the City’s policy, excluding fiduciary funds, to invest almost exclusively in government-issued treasuries and agencies. At December 31, 2015, the City’s and its component units’ 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
U.S. Agency Obligations	S&P/Moody’s	AA+/Aaa
U.S. Treasuries	S&P/Moody’s	Aaa/AA+
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, 2015, 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.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

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

Firemen’s Pension and Relief Fund – Ishares Russell 100 Growth ETF, Ishares Russell 2000 Growth ETF, Ishares Russell Midcap Growth ETF, Blackrock Core Bond Fund Class I, Goldman Sachs Strategic Income Fund Class I and Metropolitan West Total Return Bond Fund Class I

Police Pension – Capital Point Partners, L.P.

Nonuniformed Employees’ Defined Contribution Plan – Ishares Russell Midcap Growth, Ishares Russell 1000 growth, Reef America real estate investment trust II, T Rowe Price International Discover Fund, CDARS bearing 0.3% interest with a maturity date of 1/17/2016 and CDARS bearing 0.3% interest with a maturity date of 1/21/2016

401(a) Money Purchase and Trust Retirement Fund – VT Plus Fund, VT Vantagepoint Milestone 2015, VT Vantagepoint MP Trade Growth, VT Vantagepoint MP Long Term Growth, VT Vantagepoint 500 Stock Index Fund and VT Contrafund

Nonuniformed Employees’ Defined Benefit Pension Plan – Ishares Russell Midcap Growth Fund, Ishares Russell 1000 Growth Fund, Reef America Real Estate Investment Trust II, T. Rowe Price International Discovery Fund and Goldman Sachs Strategic Income Fund

2014 Nonuniformed Employees’ Defined Benefit Pension Plan – Ishares Russell 1000 Growth Fund and the Goldman Sachs Strategic Income Fund

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	Component Units
Carrying value		
Deposits	\$ 14,630,723	\$ 84,077,254
Investments	285,035,570	88,148,708
	\$ 299,666,293	\$ 172,225,962
Included in the following statements of net position captions		
Current Assets		
Cash and cash equivalents	\$ 9,998,524	\$ 56,251,257
Short-term investments	40,184,425	29,856,338
Noncurrent Assets		
Restricted cash and investments	111,589,098	86,118,367
Cash and investments – fiduciary funds	137,894,246	-
	\$ 299,666,293	\$ 172,225,962

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

Note 3: Capital Assets

A summary of changes in capital assets for the year ended December 31, 2015, is presented below:

Governmental Activities	Balance December 31, 2014	Increases	Decreases	Transfers	Balance December 31, 2015
Capital Assets, nondepreciable					
Land	\$ 179,278,064	\$ 1,878,590	\$ 161,483	\$ -	\$ 180,995,171
Construction in progress	21,805,266	11,361,498	-	(11,289,706)	21,877,058
Total capital assets, nondepreciable	201,083,330	13,240,088	161,483	(11,289,706)	202,872,229
Capital Assets, depreciable					
Land improvements	19,837,992	-	5,304	76,324	19,909,012
Infrastructure	742,791,452	-	-	9,082,488	751,873,940
Buildings	111,442,347	-	505,092	464,204	111,401,459
Vehicles	45,157,785	7,249,805	1,720,961	76,460	50,763,089
Equipment	53,197,378	2,012,525	673,238	1,590,230	56,126,895
Total capital assets, depreciable	972,426,954	9,262,330	2,904,595	11,289,706	990,074,395
Less accumulated depreciation					
Land improvements	5,986,146	1,269,738	-	-	7,255,884
Infrastructure	445,150,122	15,733,363	-	-	460,883,485
Buildings	32,846,422	2,720,181	113,720	-	35,452,883
Vehicles	33,931,085	3,475,366	1,343,721	29,606	36,092,336
Equipment	33,435,331	4,784,390	357,174	(29,606)	37,832,941
Total accumulated depreciation	551,349,106	27,983,038	1,814,615	-	577,517,529
Total capital assets, depreciable, net	421,077,848	(18,720,708)	1,089,980	11,289,706	412,556,866
Total governmental activities, net	\$ 622,161,178	\$ (5,480,620)	\$ 1,251,463	\$ -	\$ 615,429,095

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

Business-Type Activities	Balance December 31, 2014	Increases	Decreases	Transfers	Balance December 31, 2015
Capital Assets, nondepreciable					
Land	\$ 2,637,147	\$ -	\$ -	\$ -	\$ 2,637,147
Construction in progress	-	137,732	-	-	137,732
Total capital assets, nondepreciable	2,637,147	137,732	-	-	2,774,879
Capital Assets, depreciable					
Landfills, Cells 1, 2,3,4 and 5 and land improvements	17,650,319	-	-	-	17,650,319
Buildings	21,540,334	-	-	-	21,540,334
Vehicles	14,083,289	-	808,819	15,709	13,290,179
Equipment	2,936,100	581,434	137,732	(15,709)	3,364,093
Total capital assets, depreciable	56,210,042	581,434	946,551	-	55,844,925
Less accumulated depreciation					
Landfills, Cells 1, 2 and 4 and land improvements	13,796,619	763,105	-	-	14,559,724
Buildings	5,766,185	339,178	-	-	6,105,363
Vehicles	12,520,263	448,871	811,437	13,353	12,171,050
Equipment	2,210,795	304,816	-	(13,353)	2,502,258
Total accumulated depreciation	34,293,862	1,855,970	811,437	-	35,338,395
Total capital assets, depreciable, net	21,916,180	(1,274,536)	135,114	-	20,506,530
Total business-type activities, net	\$ 24,553,327	\$ (1,136,804)	\$ 135,114	\$ -	\$ 23,281,409

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

Component Units	Balance December 31, 2014	Increases	Decreases	Transfers	Balance December 31, 2015
Capital Assets, nondepreciable					
Land	\$ 83,912,194	\$ 1,412,748	\$ -	\$ 942,369	\$ 86,267,311
Construction in progress	62,794,521	87,017,434	25,213,342	(9,401,750)	115,196,863
Total capital assets, nondepreciable	146,706,715	88,430,182	25,213,342	(8,459,381)	201,464,174
Capital Assets, depreciable					
Buildings, improvements and facilities	1,084,050,556	17,521,247	4,733,730	8,415,269	1,105,253,342
Vehicles	42,969,891	8,405,413	927,000	4,241	50,452,545
Equipment	132,603,657	5,560,956	968,730	3,059,398	140,255,281
Books and audio visual material	21,945,781	1,051,293	-	-	22,997,074
Total capital assets, depreciable	1,281,569,885	32,538,909	6,629,460	11,478,908	1,318,958,242
Less accumulated depreciation	466,723,663	44,071,634	5,318,169	-	505,477,128
Total capital assets, depreciable, net	814,846,222	(11,532,725)	1,311,291	11,478,908	813,481,114
Total component units, net	\$ 961,552,937	\$ 76,897,457	\$ 26,524,633	\$ 3,019,527	\$ 1,014,945,288

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

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

Governmental Activities

General government	
City manager	\$ 276,219
District court – first division (criminal)	16,305
Finance	151,134
Human resources	276
Information technology	826,381
Planning and development	31,773
Fleet services	<u>186,993</u>
Total general government	1,489,081
Public works	16,435,578
Parks and recreation services	2,283,753
River Market	110,069
Golf	44,367
Jim Dailey Fitness	133,118
Zoo	708,371
Fire	2,496,450
Police	3,898,575
Housing and neighborhood programs	<u>383,676</u>
Total depreciation expense – governmental activities	<u>27,983,038</u>

Business-Type Activities

Waste disposal	1,582,517
Second and Main parking	241,550
Vehicle storage	<u>31,903</u>
Total depreciation expense – business-type activities	<u>1,855,970</u>
Total depreciation expense – primary government	<u><u>\$ 29,839,008</u></u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

Note 4: Long-term Liabilities

Changes in long-term liabilities for the year ended December 31, 2015, were as follows:

Governmental Activities	Balance December 31, 2014 (as restated)	Increases	Decreases	Balance December 31, 2015	Amounts Due in One Year
Bonds payable					
Revenue bonds	\$ 25,545,000	\$ -	\$ 1,790,000	\$ 23,755,000	\$ 1,865,000
Less issuance discounts	280,053	-	16,284	263,769	-
Add issuance premiums	898	-	299	599	-
	<u>25,265,845</u>	<u>-</u>	<u>1,774,015</u>	<u>23,491,830</u>	<u>1,865,000</u>
General obligation bonds	99,805,000	36,620,000	32,720,000	103,705,000	4,855,000
Less issuance discounts	721,916	265,495	52,564	934,847	-
Add issuance premiums	3,312,207	378,258	246,224	3,444,242	-
	<u>102,395,291</u>	<u>36,732,763</u>	<u>32,913,660</u>	<u>106,214,395</u>	<u>4,855,000</u>
Bonds payable, net	127,661,136	36,732,763	34,687,675	129,706,225	6,720,000
Notes payable	25,312,871	5,910,000	7,315,438	23,907,433	8,564,064
Compensated absences	26,926,276	12,427,486	11,741,414	27,612,348	9,330,193
Net pension liability	188,602,383	4,921,513	2,669,566	190,854,330	-
Other	1,202,118	676,843	862,868	1,016,093	887,867
Total governmental activities long-term liabilities	<u>\$ 369,704,784</u>	<u>\$ 60,668,605</u>	<u>\$ 57,276,961</u>	<u>\$ 373,096,429</u>	<u>\$ 25,502,124</u>
Business-Type Activities					
Bonds payable					
Revenue bonds	\$ 12,455,000	\$ -	\$ 1,470,000	\$ 10,985,000	\$ 1,535,000
Less issuance discounts	53,859	-	4,691	49,168	-
Bonds payable, net	12,401,141	-	1,465,309	10,935,832	1,535,000
Compensated absences	558,947	346,078	339,850	565,175	442,693
Net pension liability	462,770	269,515	-	732,285	-
Postclosure landfill costs	4,278,755	223,536	-	4,502,291	-
Total business-type activities long-term liabilities	<u>\$ 17,701,613</u>	<u>\$ 839,129</u>	<u>\$ 1,805,159</u>	<u>\$ 16,735,583</u>	<u>\$ 1,977,693</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

Component Units	Balance, December 31, 2014	Increases	Decreases	Balance December 31, 2015	Amounts Due in One Year
Little Rock Advertising and Promotion Commission					
Bonds payable					
Revenue bonds	\$ 66,180,000	\$ -	\$ 1,115,000	\$ 65,065,000	\$ 1,130,000
Add issuance premiums	3,371,656	-	113,971	3,257,685	-
Net pension liability	302,819	191,935	-	494,754	-
	<u>69,551,656</u>	<u>-</u>	<u>1,228,971</u>	<u>68,322,685</u>	<u>1,130,000</u>
Central Arkansas Library					
Notes payable	2,792,500	-	2,190,000	602,500	62,500
Compensated absences	1,125,612	709,644	731,290	1,103,966	551,983
	<u>3,918,112</u>	<u>709,644</u>	<u>2,921,290</u>	<u>1,706,466</u>	<u>614,483</u>
Little Rock Port Authority					
Compensated absences	174,405	57,151	14,420	217,136	21,168
Postretirement health insurance	114,782	-	7,747	107,035	8,935
	<u>289,187</u>	<u>57,151</u>	<u>22,167</u>	<u>324,171</u>	<u>30,103</u>
Ambulance Authority					
Bonds payable	-	50,001	-	50,001	50,001
Little Rock Workforce Investment Board					
Compensated absences	19,989	15,646	19,989	15,646	15,646
Arkansas Arts Center					
Capital lease payable	32,877	-	18,958	13,919	10,104
Various notes payable	-	14,910	-	14,910	7,800
	<u>32,877</u>	<u>14,910</u>	<u>18,958</u>	<u>28,829</u>	<u>17,904</u>
National Airport					
Bonds payable					
Revenue bonds	9,960,000	-	9,960,000	-	-
Unamortized discount/premium	63,739	-	63,739	-	-
	<u>10,023,739</u>	<u>-</u>	<u>10,023,739</u>	<u>-</u>	<u>-</u>
Wastewater Utility					
Revenue bonds	269,941,864	170,791,267	170,890,230	269,842,901	9,495,548
Add issuance premiums	2,963,187	11,538,167	3,870,148	10,631,206	-
Compensated absences	942,866	36,349	19,802	959,413	886,273
Net pension liability	9,189,106	3,185,269	-	12,374,375	-
	<u>283,037,023</u>	<u>185,551,052</u>	<u>174,780,180</u>	<u>293,807,895</u>	<u>10,381,821</u>
Total component units long-term liabilities	<u>\$ 366,872,583</u>	<u>\$ 186,348,403</u>	<u>\$ 189,015,294</u>	<u>\$ 364,255,693</u>	<u>\$ 12,239,958</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

Bonds and notes payable at December 31, 2015, were as follows:

Primary Government	Interest Rates	Final Maturity	Original Issue	Total Outstanding
General long-term obligations				
General obligation bonds	2.0%–4.75%	2038	\$ 128,355,000	\$ 103,705,000
Revenue bonds	2.0%–5.5%	2039	36,930,000	23,755,000
Notes payable – short-term financing	1.38%–1.75%	2020	42,706,000	23,907,433
Enterprise funds				
Revenue bonds	2.0%–4.75%	2028	21,825,000	10,985,000

Governmental Activities

2009 Capital Improvement Construction Revenue Bonds – Series A – Bonds in the amount of \$7,830,000 were issued for the purposes of acquiring, constructing, equipping, renovating, expanding and refurbishing certain zoo, parks and recreation facilities of the City. The Series 2009 Bonds are special obligations, payable solely from the revenues derived from the operation and ownership of the zoo, parks and recreation facilities. Principal payments are due annually on January 1. Interest payments are due semiannually on January 1 and July 1.

2009 Parks and Recreation Capital Improvement Refunding Bonds – Series B – Bonds in the amount of \$12,120,000 were issued for the purpose of refunding the City’s outstanding Capital Improvement Revenue Bonds (Parks and Recreation Projects) Series 1998A, fund a debt service reserve, fund an operating reserve and pay the costs of issuing the Series 2009B Bonds. The Series 2009 Bonds are special obligations, payable solely from the revenues derived from the operation and ownership of the zoo, parks and recreation facilities and from funds and monies pledged to the payment of the Series 2009 Bonds. Principal payments are due annually on January 1. Interest payments are due semiannually on January 1 and July 1.

2007 Capital Improvement Revenue Refunding Bonds – Bonds in the amount of \$13,350,000 were issued to finance the advance refunding of the City’s Capital Improvement Revenue Bonds, Series 1998A which was called and paid in full on October 1, 2008, and to pay the cost associated with the issuance of the Series 2007 Bonds. The Series 2007 Bonds are not general obligations of the City but are special obligation bonds payable solely from the revenue received by the City from all franchise fees charged to public utilities for the privilege of using the City’s streets and rights-of-way. Principal payments are due annually on October 1 with final payment scheduled in 2019. Bonds maturing on and after October 1, 2017, are subject to optional redemption prior to maturity in inverse order of maturities in whole. Interest payments are due semiannually on April 1 and October 1.

2008 Library Construction and Improvement Bonds – Bonds in the amount of \$4,000,000 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 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. Mandatory redemption may occur in the event that excess proceeds exist. These bonds were paid off by the 2015 Library Construction and Refunding Bonds in 2015.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2015

2009 Library Construction and Improvement Bonds – Bonds in the amount of \$28,000,000 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 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. Mandatory redemption may occur in the event that excess proceeds exist. These bonds were paid off by the 2015 Library Construction and Refunding Bonds in 2015.

2012 Library Construction and Refunding Bonds – Bonds in the amount of \$31,015,000 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 2004A, 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.

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.

2002 Capital Improvement Junior Lien Revenue Bonds – Bonds in the amount of \$3,630,000 were issued to finance the improvements of infrastructure, the costs of issuance and to fund the debt service reserve. The Series 2002 Bonds are special obligation bonds of the City, payable solely from the franchise fees collected from public utilities for the privilege of using the streets, highways and other public places in the City. Principal payments are due annually on October 1 with final payment scheduled in 2018. Interest payments are due semiannually on April 1 and October 1. Bonds maturing on or after October 1, 2012 are subject to optional redemption at the direction of the City. Extraordinary redemption may occur in the event that excess proceeds exist.

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, 2015

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.

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, 2015, the outstanding short-term financing agreements were as follows:

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 \$1,246,888, on June 24, including interest at 1.81%.

2014 Short-term Financing Note – The \$5,916,000 promissory note was issued to finance the cost of acquiring, constructing and equipping the final phase of the 12th Street Station, acquiring fire vehicles and equipment and acquiring and installing information technology equipment and software with principal and interest payable from general revenues. Due annually, payable \$1,235,564, on June 27, including interest at 1.46%.

2013 Short-term Financing Note – The \$7,700,000 promissory note was issued to finance the cost of acquiring land, software and equipment and constructing buildings for the City’s Police, Fire and Information Technology Departments with principal and interest payable from general revenues. Due annually, payable \$1,615,174, on July 30, including interest at 1.61%.

2012 Short-term Financing Note – The \$18,580,000 promissory note was issued to finance the cost of acquiring, constructing and installing real property or tangible personal property having an expected useful life of more than one year for the City with principal and interest payable from general revenues. Due annually, payable \$3,871,160, on March 28, including interest at 1.38%.

2011 Short-term Financing Note – The \$4,600,000 promissory note was issued to finance the cost of acquiring, constructing and installing real property or tangible personal property having an expected useful life of more than one year for the City with principal and interest payable from general revenues. Due annually, payable \$968,859, on December 22, including interest at 1.75%.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

Other Liabilities

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

Business-Type Activities

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

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

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

Waste Disposal Revenue Bonds – Series 2010 – The \$6,570,000 of bonds were issued to refund the Waste Disposal Revenue Bonds – Series 2002, fund a debt service reserve, and pay expenses of issuing the bonds. The Series 2010 Bonds are special obligations secured by the pledge of and payable from the net revenues derived from the operations of the City’s waste collection and disposal system. Principal payments are due annually on May 1 with final payment scheduled in 2014. Interest payments are due semiannually on May 1 and November 1.

Discretely Presented Component Units

Wastewater Utility Revenue Bonds

The following bonds are secured by Wastewater Utility revenues. The \$10,000,000 Series 2005 Bonds were issued for the purpose of financing certain costs of construction extensions, betterments and improvements to the sewer system and to pay off the 2004 short-term note. The

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

2007C Sewer Construction Bonds are part of \$71,085,000 bond issue and were issued for the purpose of financing wastewater system capital improvements. In December 2008, the City issued \$16,000,000 of sewer revenue bonds, Series 2008, for the purpose of financing wastewater system capital improvements. In March 2009, the City issued \$8,000,000 of sewer revenue bonds, Series 2009A, for the purpose of financing costs of the unsewered areas. In November 2009, the City issued \$6,655,000 of sewer revenue bonds, Series 2009B, for the purpose of financing wastewater system capital improvements. In July 2011, the City issued \$17,675,000 of sewer revenue bonds, Series 2011, for the purpose of refinancing the 2001 Sewer Revenue Bonds, to establish a debt service reserve for the Series 2011 Bonds, and to pay the cost of issuing the 2011 Sewer Bonds. In August 2012, the City issued \$28,390,000 of sewer revenue bonds, Series 2012, for the purpose of financing wastewater system capital improvements, to establish a debt service reserve for the Series 2012 Bonds, and to pay the cost of issuing the 2012 Sewer Bonds. In May 2013, the City issued \$36,000,000 of sewer revenue bonds, Series 2013, for the purpose of financing the improvements to the Collection System Rehabilitation-Phase Seven and to pay the cost of issuing the bonds. In October 2014, the City issued \$11,980,000 to refund the 1999 Sewer Revenue Bond and advance fund the 2005 Sewer Revenue Bond. In March 2015, the City issued \$160,070,000 of sewer revenue bonds, Series 2015, to refund the 1996, 2004A, 2004B, 2004C, and advance fund the 2007A and 2007C Sewer Revenue Bond. The reacquisition price exceeded the net carrying amount by \$10,049,672. This deferred loss is being amortized over the remaining life of the refunded debt. The City advance refunded the 2007A and 2007C Sewer Revenue Bond Series to reduce its total debt service payments over 23 years by approximately \$357,000 per year and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$8,200,000.

National Airport

Revenue Bonds

City of Little Rock, Arkansas, Airport Revenue Refunding and Improvement Bonds – Series 2007 – The \$12,715,000 Special Obligation Bonds dated January 1, 2007, were issued in two series: Series A for \$3,600,000, and Series B for \$9,115,000, to currently refund \$3,705,000 of the City of Little Rock, Arkansas, Airport Revenue Refunding Bonds, Series 1999, to finance the acquisition of real and personal property and constructing improvements for the Airport, to fund a debt service reserve, and to pay issuance costs. The bonds are special obligations payable solely from net revenues of the Airport and amounts on deposit in certain accounts established under the Master and Supplemental Indentures. The bonds are subject to redemption in part by sinking fund installments beginning November 1, 2015.

Principal payments are due annually on November 1, beginning in 2007, and interest payments at a rate of 4.00% to 5.00% are due semi-annually on May 1 and November 1 of each year, commencing May 1, 2007.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2015

In December 2015, the Airport deposited \$8,785,480 in an irrevocable trust with an escrow agent to provide funds for the payment of all remaining principal and interest through November 1, 2016, the date the bonds will be fully redeemed. As a result, the 2007 bonds are considered defeased and the liability for those bonds has been removed from the balance sheet. The reacquisition price exceeded the net carrying amount of the 2007 Bonds by \$318,220. This amount has been recorded as a loss on the extinguishment of debt in the statement of revenues, expenses and changes in net position.

Advertising and Promotion Commission Bonds

Hotel and Restaurant Gross Receipts Tax Bonds – Series 2014 – The Series 2014 Hotel and restaurant Gross Receipts Tax Bonds were issued for the purpose of financing the renovation of the Robinson Center. Bond principal payments are due each July 1 with final payment due in 2044. These bonds are collateralized by proceeds of the 2% hotel, motel, and restaurant gross receipts tax levy.

Central Arkansas Library System

Central Arkansas Library Debt Administration – During 2006, the Library obtained a note totaling \$1,310,000 to expand the Maumelle Public Library. The note bears interest, payable semiannually, at rates of 4.25% to 4.80% and are due in semiannual installments, which began March 15, 2007, and continue until 2021. In 2007, the Library issued a note to pay off a previously issued note and assist with the remodeling of the Geyer and Adam Building. The note bears interest at 4.8% and is due in semi-annual installments through September 2027.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2015

The following is a summary of pledged revenues of the City and its Component Units for the year ended December 31, 2015:

Debt	Revenue Pledged	Total Pledged Revenue	Portion of Pledged Revenue Stream	Percentage Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue Will Not Be Available For Other Purposes
General Government:						
2009 Parks and Recreation Capital Improvement Refunding Bonds – Series A	Golf, Zoo and Fitness Center revenues	6,516,333	496,565	7.6%	12,382,700	Until 2039
2009 Parks and Recreation Capital Improvement Refunding Bonds – Series B	Golf, Zoo and Fitness Center revenues	6,516,333	797,915	12.2%	19,713,345	Until 2039
2007 Capital Improvement Revenue Refunding Bonds	Franchise fees	31,065,495	1,437,250	4.6%	5,726,188	Until 2019
2002 Capital Improvement Junior Lien Revenue Bonds	Franchise fees	31,065,495	322,043	1.0%	967,550	Until 2018
2012 Library Construction and Refunding Bonds	Property tax	3,404,141	2,104,908	61.8%	32,025,409	Until 2031
2015 Library Construction and Refunding Bonds	Property tax	3,404,141	NA	NA	50,130,296	Until 2038
2013 Limited Tax General Obligation Capital Improvement Bonds	Property tax	11,244,719	5,673,336	50.5%	48,841,024	Until 2031
2014 TIF #1 Capital Improvement Bond	Property tax	156,970	31,897	20.3%	5,831,450	Until 2036
2007 Waste Disposal Revenue Bonds	Net revenues of the waste collection and disposal system	5,095,719	336,783	6.6%	8,568,126	Until 2022
2010 Waste Disposal Revenue Bonds	Net revenues of the waste collection and disposal system	5,095,719	855,338	16.8%	855,834	Until 2016
2003 Capital improvement and Refunding Revenue Bonds	Specific parking revenues and other revenues in the Rivermarket Garage Fund	2,767,255	885,835	32.0%	11,533,540	Until 2028

Debt	Revenue Pledged	Total Pledged Revenue	Portion of Pledged Revenue Stream	Percentage Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue Will Not Be Available For Other Purposes
Component Units:						
Hotel and Restaurant Gross Receipts Tax Bonds Series 2014	2% hotel, motel, and restaurant gross receipts tax levy	12,189,168	3,995,581	32.8%	115,928,351	Until 2044
2007C Sewer Bonds	Net revenues of the sewer system	27,373,207	1,176,096	4.3%	16,465,319	Until 2029
2008 Sewer Bonds	Net revenues of the sewer system	27,373,207	1,097,775	4.0%	25,272,967	Until 2038
2009A Sewer Bonds	Net revenues of the sewer system	27,373,207	487,290	1.8%	8,040,275	Until 2032
2009B Sewer Bonds	Net revenues of the sewer system	27,373,207	410,139	1.5%	9,840,331	Until 2039
2011 Sewer Bonds	Net revenues of the sewer system	27,373,207	2,075,025	7.6%	15,993,412	Until 2022
2012 Sewer Bonds	Net revenues of the sewer system	27,373,207	1,584,474	5.8%	42,784,939	Until 2042
2013 Sewer Bonds	Net revenues of the sewer system	27,373,207	2,245,212	8.2%	25,425,260	Until 2036
2014 Sewer Bonds	Net revenues of the sewer system	27,373,207	1,507,065	5.5%	12,233,250	Until 2025
2015 Sewer Bonds	Net revenues of the sewer system	27,373,207	NA	NA	241,668,075	Until 2037

City of Little Rock, Arkansas
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Note 5: Interfund Balances and Transfers

Interfund receivables and payables as of December 31, 2015, are as follows:

	Interfund Receivables	Interfund Payables
Primary Government		
Governmental Funds to/from Nonfiduciary Funds		
General fund	\$ 2,670,531	\$ -
2013 Capital Improvements	-	1,288,292
2015 Central Arkansas Library Capital Improvements	-	302,949
Emergency 911 fund	-	612,839
TIF #1 2014 Capital Improvement	-	2,200
2009A Parks & Recreation debt service fund	-	464,251
Governmental Funds to/from Fiduciary Funds		
General fund	761,164	106,396
Total governmental funds	3,431,695	2,776,927
Proprietary Funds		
Internal service fund	812,809	-
Vehicle storage fund	-	812,809
Total proprietary funds	812,809	812,809
Fiduciary Funds		
Agency fund	-	757,081
Firemen's pension	3,923,180	4,083
Total fiduciary funds	3,923,180	761,164
Government-Wide Governmental Activities		
	-	3,816,784
Total	\$ 8,167,684	\$ 8,167,684

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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.

The amounts due to the fiduciary funds result from the collection and remittance of property taxes by the General Fund that are levied to fund the Firemen’s Pension Plan. A portion of the amounts receivable by the pension funds from the General Fund are not accrued on the General Fund financial statements, as they are not recognizable under the modified accrual basis of accounting because the amounts due to the pension funds are not expected to be liquidated with available expendable resources. However, \$3,816,784 of the amounts receivable by the pension fund from the General fund has been included in the governmental activities statement of net position as due to fiduciary funds.

Interfund transfers in and transfers for the year ended December 31, 2015, 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	River Market Garage		
Governmental Funds									
General	\$ -	\$ 504,217	\$ 6,379,582	\$ 9,490	\$ 414,744	\$ 1,183,372	\$ -	\$ -	\$ 8,491,405
Street	1,072,000	-	-	-	-	273,700	359,026	-	1,704,726
Other Nonmajor Governmental Funds	585,913	-	-	1,940	-	-	-	-	587,853
	<u>\$ 1,657,913</u>	<u>\$ 504,217</u>	<u>\$ 6,379,582</u>	<u>\$ 11,430</u>	<u>\$ 414,744</u>	<u>\$ 1,457,072</u>	<u>\$ 359,026</u>	<u>\$ -</u>	<u>\$ 10,783,984</u>

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

Note 6: Pension Plans

Pension Trust Funds

Substantially all of the City’s employees receive retirement benefits. The City sponsors three single employer defined benefit plans, one agent-multiple employer defined pension plan and two defined contribution pension plans. The Firemen’s Pension and Relief Fund, The Police Pension, 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 funds by the City. Separate stand-alone financial reports are not issued. 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
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A summary of the net pension liability, deferred outflows, deferred inflows and pension expense of each plan is shown below. Detailed discussion of each plan will follow in this note.

Governmental Activities	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Firemen's Pension and Relief Fund	\$ 64,916,104	\$ 4,798,256	\$ -	\$ (2,322,308)
Police Pension	48,412,381	7,153,188	153,527	7,054,094
Nonuniformed Plan – Government Wide	3,355,448	646,073	-	1,242,164
Nonuniformed Plan – Fleet	236,855	45,605	-	87,682
2014 Defined Benefit Plan – Government Wide	3,560,579	1,618,973	480,664	2,848,925
2014 Defined Benefit Plan – Fleet	251,335	114,280	33,929	201,101
Police – LOPFI	36,304,815	6,821,973	27,746	5,866,671
Fire – LOPFI	32,975,778	6,322,360	25,202	5,328,716
APERS	841,035	565,432	314,922	100,623
	<u>\$ 190,854,330</u>	<u>\$ 28,086,140</u>	<u>\$ 1,035,990</u>	<u>\$ 20,407,668</u>

Business-Type Activities *	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Nonuniformed Plan – Waste Disposal	\$ 315,807	\$ 60,807	\$ -	\$ 116,910
Nonuniformed Plan – Vehicle Storage	39,476	7,601	-	14,614
2014 Defined Benefit Plan – Waste Disposal	335,113	152,374	45,239	268,134
2014 Defined Benefit Plan – Vehicle Storage	41,889	19,046	5,655	33,517
	<u>732,285</u>	<u>239,828</u>	<u>50,894</u>	<u>433,175</u>
Discretely Presented Component Units	<u>\$ 12,869,129</u>	<u>\$ 9,735,252</u>	<u>\$ 1,425,199</u>	<u>\$ 45,027</u>

* Same amounts for proprietary funds' financial statements

A. 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
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B. Membership Information

Membership of each plan consisted of the following at December 31, 2015:

	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	291	81	-	-	5	297
Active plan members	-	12	53	19	894	-
Members on Deferred Retirement Option Plan (DROP)	7	-	-	-	-	8
Total	298	93	53	19	899	305

C. 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 a single-employer defined benefit pension plan administered by the City, established in accordance with legislation enacted by the Arkansas General Assembly. Benefit provisions are established by State of Arkansas Act #14, as amended. Fund assets are administered by a Board of Trustees.

The Firemen's Fund provides retirement benefits for firemen who have completed 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.

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 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 2015. The participants contributed 6% of their salaries in 2015. 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. Total 2015 contributions to the Firemen's Fund were \$5,676,335. The City's share of contributions was \$5,312,855 and included \$3,781,766 in property taxes and \$944,540 in state insurance premium taxes. On behalf payments (state insurance premium taxes and other supplements received from the state) are recognized as revenues and expenditures in the appropriate fund. The liability for the Firemen's Fund has typically been liquidated from the general fund.

City of Little Rock, Arkansas
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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, 2015 actuarial valuation, the entry age 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 5% investment rate of return (net of administrative expenses), projected salary increases of 4.2% - 8.0%, which includes an inflation rate of 3% and no costs of living increases. The remaining amortization period at December 31, 2015, was 5 years using a level dollar, open basis, amortization period. The mortality assumption was based on the 1983 Group Annuity Table for males, set back five years for females. There were no factors that significantly affected the identification of trends such as changes in benefits, actuarial methods or assumptions.

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 and Relief Fund	Long-term Expected Real Rate of Return (Arithmetic)	
Asset Class	Target Allocation	
Domestic fixed income	80%	2.25%
Domestic equity	10%	4.75%
Foreign equity	0%	6.25%
Cash	10%	0.25%
	100%	

3. Discount Rate

The discount rate used to measure the total pension liability was 5 percent. 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.

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The City's net pension liability as of December 31, 2015 was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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, 2015:

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	\$ 138,363,417	\$ 70,777,747	\$ 67,585,670
Charges for the year:			
Interest on total pension liability	6,649,073	-	6,649,073
Difference between expected and actual return	(6,896,944)	-	(6,896,944)
Benefit Payments, including refunds of employee contributions	(10,763,891)	(10,763,891)	-
Administrative expense	-	(9,491)	9,491
Contributions – member	-	14,993	(14,993)
Contributions – employer	-	5,312,855	(5,312,855)
Net investment income	-	(2,774,677)	2,774,677
Other	-	(121,985)	121,985
Net Changes	<u>(11,011,762)</u>	<u>(8,342,196)</u>	<u>(2,669,566)</u>
Balances as of end of year	<u>\$ 127,351,655</u>	<u>\$ 62,435,551</u>	<u>\$ 64,916,104</u>

4. Sensitivity to Discount Rate Changes

The following presents the City's net pension liability calculated using the discount rate of 5 percent, 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 4.0%	Current Discount Rate 5.0%	1% Increase 6.0%
Firemen's Pension and Relief Fund Net pension liability	\$ 76,145,391	\$ 64,916,104	\$ 55,280,375

5. Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended December 31, 2015, the City recognized a reduction in pension expense, as measured in accordance with GASB Statement No. 68, of (\$2,322,308), and reported deferred outflows of resources related to pensions from the following sources for the Firemen's Fund, as determined by the City at December 31, 2015:

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Firemen's Pension and Relief Fund	Deferred Outflows of Resources
Difference between expected and actual investment earnings on pension plan investments	\$ 4,798,256
Total	\$ 4,798,256

There were no contributions subsequent to the measurement date. Other amounts reported as deferred outflows resources related to the plan will be recognized in pension expense as follows:

Year Ending December 31,	Deferred Outflow of Resources
2016	\$ 1,199,564
2017	1,199,564
2018	1,199,564
2019	1,199,564
Total	\$ 4,798,256

D. Police Pension

1. Plan Description and Funding Information

The **Police Pension** is an agent multiple-employer defined benefit pension plan administered by the City, 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 Police Pension provides retirement benefits for policemen who have completed 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

City of Little Rock, Arkansas
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against each court case plus 10% of fines and forfeitures collected. The City's contributions to the Plan for 2015 were \$6,633,686.

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, 2014 actuarial valuation, the entry age 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 an 8% investment rate of return (net of administrative expenses), projected salary increases of 4%, which includes an inflation rate of 3% and no costs of living increases. The remaining amortization period at December 31, 2014, was 24 years using a closed amortization period based on projected future payroll. The mortality assumption was based on the RP-2000 Combined Mortality Table, projected to 2017 and set forward two years for men. There were no factors that significantly affected the identification of trends such as changes in benefits, actuarial methods or assumptions.

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	Long-term Expected	
Asset Class	Target Allocation	Real Rate of Return (Arithmetic)
Domestic fixed income	30%	2.97%
Domestic equity	33%	5.88%
International equity	6%	1.50%
Foreign equity	7%	6.25%
Index	11%	6.73%
Alternatives	10%	6.13%
Cash	3%	-0.04%
	<hr/> <hr/>	
	100%	

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Detailed information about the pension plan fiduciary net pension is available in a separately issued LOPFI financial report. That report may be obtained from the internet at www.lopfi-prb.com.

3. Discount Rate

The discount rate used to measure the total pension liability was 8 percent. 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, 2015 was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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 Police Pension as determined by the City at December 31, 2015:

Changes in Net Pension Liability – Police Pension			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 94,743,329	\$ 47,029,820	\$ 47,713,509
Charges for the year:			
Interest on total pension liability	7,172,118	-	7,172,118
Difference between expected and actual return	2,845,816	-	2,845,816
Local plan administrative mergers	-	823,296	(823,296)
Benefit Payments, including refunds of employee contributions	(10,183,707)	(10,183,707)	-
Administrative expense	-	(59,497)	59,497
Contributions – employer	-	5,939,677	(5,939,677)
Net investment income	-	2,503,835	(2,503,835)
Other	-	111,751	(111,751)
Net Changes	<u>(165,773)</u>	<u>(864,645)</u>	<u>698,872</u>
Balances as of end of year	<u>\$ 94,577,556</u>	<u>\$ 46,165,175</u>	<u>\$ 48,412,381</u>

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4. Sensitivity to Discount Rate Changes

The following presents the City's net pension liability calculated using the discount rate of 8 percent, 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 7.0%	Current Discount Rate 8.0%	1% Increase 9.0%
Police Pension	Net pension liability	\$ 54,571,011	\$ 48,412,381	\$ 42,172,581

5. Pension Expense and Deferred Outflows of Resources

For the year ended December 31, 2015, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$7,054,094, and reported deferred outflows of resources related to pensions from the following sources for the Police Pension, as determined by the City at December 31, 2015:

Police Pension	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 519,502	\$ -
Difference between projected and actual earnings on investments	-	153,527
Contributions subsequent to the measurement date	6,633,686	-
Total	\$ 7,153,188	\$ 153,527

\$6,633,686 reported 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, 2016.

Other 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,	Net Deferred Outflow of Resources
2016	\$ 91,493
2017	91,493
2018	91,493
2019	91,496
Total	\$ 365,975

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E. *Nonuniformed Employees' Defined Benefit Pension Plan (Nonuniformed Plan)*

1. Plan Description and Funding Information

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

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

Under the original provisions of the Nonuniformed Plan, participants and the City were required to contribute a certain percentage of the participant's salary. Effective January 1, 1978, the Plan was frozen. Contributions continued to be required through December 31, 1980. As of January 1, 1981, participants of the Nonuniformed Plan became participants in the City of Little Rock Nonuniformed Employees' Defined Contribution Plan (Defined Contribution Plan), which became effective for all regular, nonuniformed employees of the City as of that date. Currently, the only contributions the City makes to the Plan on an annual basis are those required to make the Plan actuarially sound. These contributions are made on a one year lag. Contributions during 2015 were \$878,715. Administrative costs are financed by the Nonuniformed Plan Fund. The liability for the Nonuniformed Plan 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, 2015 actuarial valuation, the entry age 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 3.5%, which includes an inflation rate of 2.5% and no costs of living increases. The remaining amortization period at December 31, 2015, was 5 years using a level dollar, open basis, amortization period. The mortality assumption was based on the RP 2000 Mortality Table. There were no factors that significantly affected the identification of trends such as changes in benefits, actuarial methods or assumptions.

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

Nonuniformed Defined Benefit Plan	Long-term Expected Real Rate of Return	
Asset Class	Target Allocation	(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%	

3. Discount Rate

The discount rate used to measure the total pension liability was 6.5 percent. 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, 2015 was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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, 2015:

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	\$ 14,790,084	\$ 12,212,060	\$ 2,578,024
Charges for the year:			
Service Cost	35,084	-	35,084
Interest on total pension liability	1,066,765	-	1,066,765
Transfers from DC plan	633,501	633,501	-
Difference between expected and actual return	(167,591)	-	(167,591)
Changes of assumptions	1,207,785	-	1,207,785
Benefit Payments, including refunds of employee contributions	(1,766,611)	(1,766,611)	-
Administrative expense	-	(30,007)	30,007
Contributions – employer	-	878,715	(878,715)
Net investment income	-	(77,820)	77,820
Other	-	1,593	(1,593)
Net Changes	1,008,933	(360,629)	1,369,562
Balances as of end of year	\$ 15,799,017	\$ 11,851,431	\$ 3,947,586

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) as shown on the following four schedules:

Changes in Net Pension Liability – Nonuniformed Plan (Government Wide)			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 12,571,571	\$ 10,380,251	\$ 2,191,320
Charges for the year:			
Service Cost	29,821	-	29,821
Interest on total pension liability	906,750	-	906,750
Transfers from DC plan	538,476	538,476	-
Difference between expected and actual return	(142,452)	-	(142,452)
Changes of assumptions	1,026,617	-	1,026,617
Benefit Payments, including refunds of employee contributions	(1,501,619)	(1,501,619)	-
Administrative expense	-	(25,506)	25,506
Contributions – employer	-	746,908	(746,908)
Net investment income	-	(66,147)	66,147
Other	-	1,354	(1,354)
Net Changes	<u>857,593</u>	<u>(306,535)</u>	<u>1,164,128</u>
Balances as of end of year	<u>\$ 13,429,164</u>	<u>\$ 10,073,716</u>	<u>\$ 3,355,448</u>

Changes in Net Pension Liability – Nonuniformed Plan (Waste Disposal)			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 1,183,207	\$ 976,965	\$ 206,242
Charges for the year:			
Service Cost	2,807	-	2,807
Interest on total pension liability	85,341	-	85,341
Transfers from DC plan	50,680	50,680	-
Difference between expected and actual return	(13,407)	-	(13,407)
Changes of assumptions	96,623	-	96,623
Benefit Payments, including refunds of employee contributions	(141,329)	(141,329)	-
Administrative expense	-	(2,401)	2,401
Contributions – employer	-	70,297	(70,297)
Net investment income	-	(6,226)	6,226
Other	-	127	(127)
Net Changes	<u>80,715</u>	<u>(28,850)</u>	<u>109,565</u>
Balances as of end of year	<u>\$ 1,263,921</u>	<u>\$ 948,114</u>	<u>\$ 315,807</u>

City of Little Rock, Arkansas
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Changes in Net Pension Liability – Nonuniformed (Fleet)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 887,405	\$ 732,724	\$ 154,681
Charges for the year:			
Service Cost	2,105	-	2,105
Interest on total pension liability	64,006	-	64,006
Transfers from DC plan	38,010	38,010	-
Difference between expected and actual return	(10,055)	-	(10,055)
Changes of assumptions	72,467	-	72,467
Benefit Payments, including refunds of employee contributions	(105,997)	(105,997)	-
Administrative expense	-	(1,800)	1,800
Contributions – employer	-	52,723	(52,723)
Net investment income	-	(4,669)	4,669
Other	-	96	(96)
Net Changes	<u>60,536</u>	<u>(21,638)</u>	<u>82,174</u>
Balances as of end of year	<u>\$ 947,941</u>	<u>\$ 711,086</u>	<u>\$ 236,855</u>

Changes in Net Pension Liability – Nonuniformed Plan (Vehicle Storage)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 147,901	\$ 122,121	\$ 25,780
Charges for the year:			
Service Cost	351	-	351
Interest on total pension liability	10,668	-	10,668
Transfers from DC plan	6,335	6,335	-
Difference between expected and actual return	(1,676)	-	(1,676)
Changes of assumptions	12,078	-	12,078
Benefit Payments, including refunds of employee contributions	(17,666)	(17,666)	-
Administrative expense	-	(300)	300
Contributions – employer	-	8,787	(8,787)
Net investment income	-	(778)	778
Other	-	16	(16)
Net Changes	<u>10,089</u>	<u>(3,606)</u>	<u>13,696</u>
Balances as of end of year	<u>\$ 157,990</u>	<u>\$ 118,514</u>	<u>\$ 39,476</u>

4. Sensitivity to Discount Rate Changes

The following presents the City’s net pension liability calculated using the discount rate of 6.5 percent, 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:

City of Little Rock, Arkansas
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		1% Decrease 5.5%	Current Discount Rate 6.5%	1% Increase 7.5%
Nonuniformed Employees' Defined Benefit Pension Plan	Net pension liability	\$ 5,318,016	\$ 3,947,586	\$ 2,739,801

5. Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended December 31, 2015, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$1,461,370, and reported deferred outflows of resources related to pensions from the following sources for the Nonuniformed Plan, as determined by the City at December 31, 2015:

Nonuniformed Plan	Deferred Outflows of Resources
Difference between expected and actual investment earnings on pension plan investments	\$ 760,086
Total	\$ 760,086

There were no contributions subsequent to the measurement date. Amounts reported as deferred outflows related to the plan will be recognized in pension expense as follows:

Year Ending December 31,	Net Deferred Outflow of Resources
2016	\$ 190,022
2017	190,022
2018	190,022
2019	190,020
Total	\$ 760,086

F. 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.

City of Little Rock, Arkansas
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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 2015 were \$3,128,267. Contributions to the plan are made from various city governmental and business type 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, 2015 actuarial valuation, the entry age 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 3.5%, which includes an inflation rate of 2.5% and no costs of living increases. The remaining amortization period at December 31, 2015, was 15 years using a level percent of salary basis, amortization period. The mortality assumption was based on the RP 2000 Mortality Table. There were no factors that significantly affected the identification of trends such as changes in benefits, actuarial methods or assumptions.

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

City of Little Rock, Arkansas
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3. Discount Rate

The discount rate used to measure the total pension liability was 6.5 percent. 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, 2015 was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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 2014 Defined Benefit Plan as determined by the City at December 31, 2015:

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	\$ 33,938,980	\$ 31,054,987	\$ 2,883,993
Charges for the year:			
Service Cost	4,961,436	-	4,961,436
Interest on total pension liability	2,361,643	-	2,361,643
Difference between expected and actual return	(588,761)	-	(588,761)
Changes of assumptions	(126,844)	-	(126,844)
Benefit Payments, including refunds of employee contributions	(477,355)	(477,355)	-
Administrative expense	-	(70,248)	70,248
Contributions – employer	-	3,518,861	(3,518,861)
Contributions – member	-	1,758,973	(1,758,973)
Service Purchases	151,953	151,953	-
Net investment income	-	(495,929)	495,929
Other	-	67,868	(67,868)
Net Changes	6,282,072	4,454,123	1,827,949
Balances as of end of year	\$ 40,221,052	\$ 35,509,110	\$ 4,711,942

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) as shown on the following seven schedules:

City of Little Rock, Arkansas
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Changes in Net Pension Liability – City of Little Rock Government Wide

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 25,645,990	\$ 23,466,701	\$ 2,179,289
Charges for the year:			
Service Cost	3,749,109	-	3,749,109
Interest on total pension liability	1,784,576	-	1,784,576
Difference between expected and actual return	(444,897)	-	(444,897)
Changes of assumptions	(95,850)	-	(95,850)
Benefit Payments, including refunds of employee contributions	(360,713)	(360,713)	-
Administrative expense	-	(53,083)	53,083
Contributions – employer	-	2,659,027	(2,659,027)
Contributions – member	-	1,329,168	(1,329,168)
Service Purchases	114,823	114,823	-
Net investment income	-	(374,749)	374,749
Other	-	51,284	(51,284)
Net Changes	<u>4,747,048</u>	<u>3,365,758</u>	<u>1,381,290</u>
Balances as of end of year	<u>\$ 30,393,038</u>	<u>\$ 26,832,459</u>	<u>\$ 3,560,579</u>

Changes in Net Pension Liability – City of Little Rock Waste Disposal

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 2,413,740	\$ 2,208,631	\$ 205,110
Charges for the year:			
Service Cost	352,857	-	352,857
Interest on total pension liability	167,960	-	167,960
Difference between expected and actual return	(41,873)	-	(41,873)
Changes of assumptions	(9,021)	-	(9,021)
Benefit Payments, including refunds of employee contributions	(33,949)	(33,949)	-
Administrative expense	-	(4,996)	4,996
Contributions – employer	-	250,261	(250,261)
Contributions – member	-	125,098	(125,098)
Service Purchases	10,807	10,807	-
Net investment income	-	(35,270)	35,270
Other	-	4,827	(4,827)
Net Changes	<u>446,781</u>	<u>316,777</u>	<u>130,004</u>
Balances as of end of year	<u>\$ 2,860,521</u>	<u>\$ 2,525,408</u>	<u>\$ 335,113</u>

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Changes in Net Pension Liability – City of Little Rock Fleet

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 1,810,305	\$ 1,656,473	\$ 153,832
Charges for the year:			
Service Cost	264,643	-	264,643
Interest on total pension liability	125,970	-	125,970
Difference between expected and actual return	(31,405)	-	(31,405)
Changes of assumptions	(6,766)	-	(6,766)
Benefit Payments, including refunds of employee contributions	(25,462)	(25,462)	-
Administrative expense	-	(3,747)	3,747
Contributions – employer	-	187,696	(187,696)
Contributions – member	-	93,824	(93,824)
Service Purchases	8,105	8,105	-
Net investment income	-	(26,453)	26,453
Other	-	3,620	(3,620)
Net Changes	<u>335,086</u>	<u>237,583</u>	<u>97,503</u>
Balances as of end of year	<u>\$ 2,145,391</u>	<u>\$ 1,894,056</u>	<u>\$ 251,335</u>

Changes in Net Pension Liability – City of Little Rock Vehicle Storage

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 301,718	\$ 276,079	\$ 25,639
Charges for the year:			
Service Cost	44,107	-	44,107
Interest on total pension liability	20,995	-	20,995
Difference between expected and actual return	(5,234)	-	(5,234)
Changes of assumptions	(1,128)	-	(1,128)
Benefit Payments, including refunds of employee contributions	(4,244)	(4,244)	-
Administrative expense	-	(625)	625
Contributions – employer	-	31,283	(31,283)
Contributions – member	-	15,637	(15,637)
Service Purchases	1,351	1,351	-
Net investment income	-	(4,409)	4,409
Other	-	603	(603)
Net Changes	<u>55,848</u>	<u>39,597</u>	<u>16,250</u>
Balances as of end of year	<u>\$ 357,565</u>	<u>\$ 315,676</u>	<u>\$ 41,889</u>

City of Little Rock, Arkansas
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December 31, 2015

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	\$ 3,563,593	\$ 3,260,774	\$ 302,819
Charges for the year:			
Service Cost	520,951	-	520,951
Interest on total pension liability	247,973	-	247,973
Difference between expected and actual return	(61,820)	-	(61,820)
Changes of assumptions	(13,319)	-	(13,319)
Benefit Payments, including refunds of employee contributions	(50,122)	(50,122)	-
Administrative expense	-	(7,376)	7,376
Contributions – employer	-	369,480	(369,480)
Contributions – member	-	184,692	(184,692)
Service Purchases	15,955	15,955	-
Net investment income	-	(52,073)	52,073
Other	-	7,126	(7,126)
Net Changes	<u>659,618</u>	<u>467,683</u>	<u>191,935</u>
Balances as of end of year	<u><u>\$ 4,223,210</u></u>	<u><u>\$ 3,728,457</u></u>	<u><u>\$ 494,754</u></u>

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	\$ 169,695	\$ 155,275	\$ 14,420
Charges for the year:			
Service Cost	24,807	-	24,807
Interest on total pension liability	11,808	-	11,808
Difference between expected and actual return	(2,944)	-	(2,944)
Changes of assumptions	(634)	-	(634)
Benefit Payments, including refunds of employee contributions	(2,387)	(2,387)	-
Administrative expense	-	(351)	351
Contributions - employer	-	17,594	(17,594)
Contributions - member	-	8,795	(8,795)
Service Purchases	760	760	-
Net investment income	-	(2,480)	2,480
Other	-	339	(339)
Net Changes	<u>31,410</u>	<u>22,271</u>	<u>9,140</u>
Balances as of end of year	<u><u>\$ 201,105</u></u>	<u><u>\$ 177,546</u></u>	<u><u>\$ 23,560</u></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.

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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	\$ 33,939	\$ 31,055	\$ 2,884
Charges for the year:			
Service Cost	4,961	-	4,961
Interest on total pension liability	2,362	-	2,362
Difference between expected and actual return	(589)	-	(589)
Changes of assumptions	(127)	-	(127)
Benefit Payments, including refunds of employee contributions	(477)	(477)	-
Administrative expense	-	(70)	70
Contributions – employer	-	3,519	(3,519)
Contributions – member	-	1,759	(1,759)
Service Purchases	152	152	-
Net investment income	-	(496)	496
Other	-	68	(68)
Net Changes	<u>6,282</u>	<u>4,454</u>	<u>1,828</u>
Balances as of end of year	<u><u>\$ 40,221</u></u>	<u><u>\$ 35,509</u></u>	<u><u>\$ 4,712</u></u>

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

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4. Sensitivity to Discount Rate Changes

The following presents the City's net pension liability calculated using the discount rate of 6.5 percent, 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 5.5%	Current Discount Rate 6.5%	1% Increase 7.5%
2014 Defined Benefit Pension Plan	Net pension liability (asset)	\$ 14,529,840	\$ 4,711,942	\$ (2,689,693)
		1% Decrease 5.5%	Current Discount Rate 6.5%	1% Increase 7.5%
Advertising & Promotion Commission	Net pension liability (asset)	\$ 1,525,633	\$ 494,754	\$ (282,418)
		1% Decrease 5.5%	Current Discount Rate 6.5%	1% Increase 7.5%
Workforce Investment Board	Net pension liability (asset)	\$ 72,649	\$ 23,560	\$ (13,448)
		1% Decrease 5.5%	Current Discount Rate 6.5%	1% Increase 7.5%
Little Rock Port Authority	Net pension liability (asset)	\$ 14,530	\$ 4,712	\$ (2,690)

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

For the year ended December 31, 2015, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$3,351,677, 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, 2015:

City of Little Rock, Arkansas
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2014 Defined Benefit Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 465,252
Changes of assumptions	-	100,235
Difference between expected and actual investment earnings on pension plan investments	1,904,673	-
Total	<u>\$ 1,904,673</u>	<u>\$ 565,487</u>

Advertising and Promotion Commission	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 54,951
Changes of assumptions	-	11,839
Difference between expected and actual investment earnings on plan investments	224,961	-
Total	<u>\$ 224,961</u>	<u>\$ 66,790</u>

Workforce Investment Board	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 2,617
Changes of assumptions	-	564
Difference between expected and actual investment earnings on plan investments	10,712	-
Total	<u>\$ 10,712</u>	<u>\$ 3,181</u>

Little Rock Port Authority	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 523
Changes of assumptions	-	113
Difference between expected and actual investment earnings on plan investments	2,142	-
Total	<u>\$ 2,142</u>	<u>\$ 636</u>

City of Little Rock, Arkansas
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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,	2014 Defined Benefit Plan Net Deferred Outflow of Resources	Advertising and Promotion Commission Net Deferred Outflow of Resources	Workforce Investment Board Net Deferred Outflow of Resources	Little Rock Port Authority Net Deferred Outflow of Resources
2016	\$ 267,837	\$ 31,634	\$ 1,506	\$ 301
2017	267,837	31,634	1,506	301
2018	267,837	31,634	1,506	301
2019	267,837	31,634	1,506	301
2020	267,838	31,635	1,507	302
Total	\$ 1,339,186	\$ 158,171	\$ 7,531	\$ 1,506

Money-Weighted Rate of Return

The annual money-weighted rate of return on pension plan investments is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense, adjusted for the changing amounts actually invested. The money-weighted rates of returns are shown in the table below:

	Fiscal Year Ending	Annual Money-weighted Rate of Return
Firemen's Pension and Relief Fund	12/31/14	3.87%
	12/31/15	-4.30%
Nonuniformed Employees' Defined Benefit Pension Plan	12/31/14	7.82%
	12/31/15	-0.64%
2014 Defined Benefit Pension Plan	12/31/14	5.93%
	12/31/15	-1.48%

LOCAL POLICE AND FIRE RETIREMENT SYSTEM (LOPFI)

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

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

Contribution requirements are set forth in Arkansas statute. LOPFI members were required to contribute 8.5% of their annual covered salary. The City is required to contribute at an actuarially determined rate, which was 25.33% for participating policemen and 19.58% for participating firemen. City contributions for 2015 to the Plan were \$11,683,653.

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

At December 31, 2015, the LOPFI Police and LOPFI Fire reported a liability of \$36,304,815 and \$32,975,778, respectively, for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The City's proportionate share was 10.0287% and 9.1091% respectively, for LOPFI Police and LOPFI Fire which are unchanged from 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, 2014. 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, 2015 the LOPFI Police and LOPFI Fire recognized pension expense of \$5,866,671 and \$5,328,716, respectively. At December 31, 2015, 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 in expected and actual experience	\$ -	\$ 27,746
Difference between expected and actual investment earnings on pension plan investments	765,434	-
Contributions subsequent to the measurement date	6,056,539	-
Total	<u>\$ 6,821,973</u>	<u>\$ 27,746</u>

LOPFI – Fire	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ -	\$ 25,202
Difference between expected and actual investment earnings on pension plan investments	695,246	-
Contributions subsequent to the measurement date	5,627,114	-
Total	<u>\$ 6,322,360</u>	<u>\$ 25,202</u>

At December 31, 2015, LOPFI Police and LOPFI Fire reported \$6,056,539 and \$5,627,114 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, 2016. Other amounts reported as deferred outflows of resources and deferred

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inflows of resources at December 31, 2015, related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	LOPFI Police Net Deferred Outflow of Resources		LOPFI Fire Net Deferred Outflow of Resources	
2016	\$	184,422	\$	167,511
2017		184,422		167,511
2018		184,422		167,511
2019		184,422		167,511
Total	\$	<u>737,688</u>	\$	<u>670,044</u>

Actuarial Assumptions

The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	LOPFI – Police	LOPFI – Fire
Inflation	3%	3%
Salary Increases	4.5%	4.5%
Investment rate of return	8%	8%
Actuarial cost method	Entry age normal 5-year smoothed market;	Entry age normal 5-year smoothed market;
Asset valuation method	20% corridor	20% corridor

Mortality rates were based on the RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on scale AA.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008 to December 31, 2011. As a result of the 2011 actuarial experience study, the expectation of life after disability was adjusted in the December 31, 2014 actuarial evaluation to more closely reflect actual experience.

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, 2014, these best estimates are summarized in the following table:

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LOPFI – Police and Fire		Long-term Expected Real Rate of Return (Arithmetic)	
Asset Class	Target Allocation		
Domestic fixed income	30%		2.97%
Domestic equity	33%		5.88%
International equity	6%		1.50%
Foreign equity	7%		6.25%
Index	11%		6.73%
Alternatives	10%		6.13%
Cash	3%		-0.04%
	<u>100%</u>		

Discount Rate

A single discount rate of 8 percent 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 8 percent. 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 8 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 7.0%	Current Discount Rate 8.0%	1% Increase 9.0%
LOPFI – Police	Net pension liability	\$ 63,934,993	\$ 36,304,815	\$ 13,669,020
		1% Decrease 7.0%	Current Discount Rate 8.0%	1% Increase 9.0%
LOPFI – Fire	Net pension liability	\$ 58,072,357	\$ 32,975,778	\$ 12,415,614

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Arkansas Public Employees Retirement System (APERS)

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

APERS is a cost-sharing multiple-employer defined benefit 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.

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

At December 31, 2015, the City reported a liability of \$ 841,035 for its proportionate share of the net pension liability. The City's proportionate share was .04566542%, which remained unchanged. The net pension liability was measured as of June 30, 2015, 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, 2015.

For the year ended December 31, 2015, the City recognized pension expense of \$100,623. At December 31, 2015, 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
Diffence in expected and actual experience	\$ -	\$ 55,137
Change in assumptions	124,119	-
Difference between expected and actual investment earnings on pension plan investments	211,911	253,635
Change in proportion	9,217	6,150
Contributions subsequent to the measurement date	220,185	-
Total	\$ 565,432	\$ 314,922

At December 31, 2015, APERS reported \$220,185 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, 2016. Other amounts

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reported as deferred outflows of resources and deferred inflows of resources at December 31, 2015, related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	APERS Net Deferred Outflow of Resources	
2016	\$	7,574
2017		7,574
2018		7,574
2019		7,574
2020		29
Total	\$	30,325

Actuarial Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	APERS
Valuation	June 30, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent-of-Payroll
Remaining Amortization	25 year closed
Asset Valuation Method	4-Year Smoothed Market with 25% Corridor
Investment rate of return	7.5%
Projected salary increase	3.95%-9.85%
Inflation	4%
Cost of living adjustments	2.5% Annual Compounded Increase

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2015 are summarized in the table below:

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APERS Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Broad domestic equity	42%	6.82%
Internation equity	25%	6.88%
Real assets	12%	3.07%
Absolute return	5%	3.35%
Domestic fixed	16%	0.83%
	<u>100%</u>	

A single discount rate of 7.5 percent 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 7.5 percent. 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 7.5 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
	6.5%	7.5%	8.5%
APERS			
Net pension liability	\$ 1,385,402	\$ 841,035	\$ 388,314

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.

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.

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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 2015, pension expense to the Plan was \$2,457,335.

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 2015, pension expense to the Plan was \$1,086,925.

Note 7: Other Postemployment Benefits

Plan Description: The City of Little Rock sponsors and administers an informal single-employer defined 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.

Funding Policy: 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). The plan has 220 retired participants who pay monthly premiums between \$86 for single coverage and \$692 for family coverage.

Annual OPEB Cost and Net OPEB Obligation: The City's other postemployment benefit (OPEB) cost is typically funded by the general fund. The City's annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

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Annual required contribution	\$ 1,268,829
30-year amortization of beginning of year net OPEB assets	19,605
Interest on net OPEB asset	<u>(17,030)</u>
Annual OPEB Cost	1,271,404
Total annual employer contribution	<u>(1,275,345)</u>
Increase in net OPEB asset	3,941
Net OPEB asset – beginning of year	<u>243,282</u>
Net OPEB asset – end of year	<u>\$ 247,223</u>

The components of the annual required contribution (ARC) calculation reflecting a 30-year amortization period is as follows:

Service cost	\$ 446,020
Amortization of unfunded obligation	739,802
Interest to end-of-year	<u>83,007</u>
ARC	<u>\$ 1,268,829</u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB asset for 2015 and the previous two years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Asset</u>
12/31/15	\$1,271,404	100%	\$247,223
12/31/14	\$1,252,811	100%	\$243,282
12/31/13	\$972,076	99%	\$238,791

Funded Status and Funding Progress: As of January 1, 2014, the most recent actuarial valuation date, the OPEB plan was 17.4% funded. The actuarial accrued liability for benefits was \$12,075,486, and the actuarial value of assets was \$2,095,355, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,980,131. The covered payroll (annual payroll of active employees covered by the plan) was \$115,408,058, and the ratio of the UAAL to the covered payroll was 8.65%.

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. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and

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new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: 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.

In the January 1, 2014, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included an inflation rate of 2.5%, a 7.0% investment rate of return and an annual health care cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 4% after five years. The UAAL is being amortized on an open basis.

Note 8: 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 \$400,000 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, 2014, to December 31, 2015:

Liability balance, January 1, 2014	\$ 1,642,243
Claims and changes in estimates	129,991
Claims payments	<u>(570,116)</u>
Liability balance, December 31, 2014	1,202,118
Claims and changes in estimates	676,843
Claims payments	<u>(862,868)</u>
Liability balance, December 31, 2015	<u><u>\$ 1,016,093</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

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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 2014 to 2015; nor have settlement amounts exceeded insurance coverage for each of the past three years.

Note 9: 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, 2015, property taxes receivable and related deferred inflows of resources of \$50,650,614 have been recorded in the governmental funds. In the government-wide statement of net position, property taxes are considered earned at the time levied. 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.

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

<u>Description</u>	<u>Millage Limit</u>	<u>Levied 2014 for 2015 Collections</u>
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	<u>1.45</u>	<u>1.45</u>
Total	<u><u>16.55</u></u>	<u><u>16.55</u></u>

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Note 10: 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 \$4,502,291 is based on 21% use of Class I Waste total constructed capacity, and 35.8% use of Class IV Waste constructed capacity. The Waste Disposal Fund will recognize, as the remaining capacity is filled, an estimated additional \$11,397,647 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 2015. 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 11: Other Required Disclosures

The following enterprise fund has a deficit net position as of December 31, 2015:

Fund	<u>Deficit Amount</u>
Vehicle Storage	<u>\$ (846,828)</u>
Total deficit net position	<u><u>\$ (846,828)</u></u>

The deficit net position is the result of revenues inadequate to cover expenses, including depreciation, in the current and/or prior years.

Note 12: Contingencies

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 which may be disallowed by the granting agencies cannot be determined at this time.

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The City has an ongoing agreement with the Central Arkansas Transit Authority (CATA) to finance 67% 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.

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 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.

Note 13: Conduit Debt Obligations

From time to time, the City has issued economic development and other revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial, commercial, health care facilities and other deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither, the City, the State nor any political subdivision thereof, is obligated in any manner for repayment of the bonds.

As of December 31, 2015, the aggregate principal amount payable on these bonds was approximately \$249,509,343.

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.

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Note 15: Fund Balance

The City classified governmental fund balances as follows:

Fund Balances	General Fund	Sales Tax Capital Improvements	2013 Capital Improvements (Debt Service)	2013 Capital Improvements (Capital Improvements)	Street	Other Governmental Funds	Total Governmental Funds
Fund Balances							
Nonspendable:							
Prepays and inventories	\$ 1,020,087	\$ -	\$ -	\$ -	\$ 25,240	\$ 1,622,364	\$ 2,667,691
Restricted							
Debt service	-	-	11,295,330	-	-	6,496,361	17,791,691
Grant funds	-	-	-	-	-	1,970,349	1,970,349
Library capital projects	-	-	-	-	-	20,480,734	20,480,734
Infrastructure	-	-	-	-	12,651,844	-	12,651,844
Capital projects	-	-	-	-	-	875,964	875,964
General administration special projects	-	4,089,666	-	-	-	492,801	4,582,467
Courts special projects	-	-	-	-	-	259,985	259,985
Finance special projects	-	432,043	-	-	-	19,887	451,930
Human resources special projects	-	-	-	-	-	559,002	559,002
Information technology special projects	-	630,632	-	-	-	1,618	632,250
Planning and development special projects	-	-	-	-	-	103,051	103,051
Housing and neighborhood programs special projects	-	224,936	-	-	-	434,602	659,538
Public works special projects	-	14,036,325	-	35,208,659	-	965,987	50,210,971
Parks special projects	-	5,701,937	-	-	-	1,111,763	6,813,700
Zoo special projects	-	-	-	-	-	70,626	70,626
Fire special projects	-	511,143	-	-	-	182,686	693,829
Police special projects	-	4,419,954	-	-	-	451,187	4,871,141
Fleet special projects	-	-	-	-	-	169,375	169,375
Committed							
Cable network	300,264	-	-	-	-	-	300,264
Assigned							
General administration special projects	2,132,877	-	-	-	-	-	2,132,877
Community programs special projects	3,738,908	-	-	-	-	-	3,738,908
Finance special projects	13,000	-	-	-	-	-	13,000
City attorneys special projects	2,833	-	-	-	-	-	2,833
Human resources special projects	19,995	-	-	-	-	-	19,995
Information technology special projects	970,525	-	-	-	-	-	970,525
Planning special projects	84,170	-	-	-	-	-	84,170
Housing and neighborhood programs special projects	369,615	-	-	-	-	-	369,615
Public works special projects	2,324,709	-	-	-	-	-	2,324,709
Parks special projects	600,235	-	-	-	-	-	600,235
Fire special projects	20,000	-	-	-	-	-	20,000
Police special projects	904,814	-	-	-	-	-	904,814
Fleet special projects	1,021,123	-	-	-	-	-	1,021,123
Zoo special projects	128,232	-	-	-	-	-	128,232
Unassigned	25,567,858	(233,120)	-	-	-	(2,620,344)	22,714,394
Total Fund Balances	\$ 39,219,245	\$ 29,813,516	\$ 11,295,330	\$ 35,208,659	\$ 12,677,084	\$ 33,647,998	\$ 161,861,832

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Note 16: Subsequent Events

Subsequent to year end, the City approved the issuance of a \$4,525,000 promissory note to purchase fleet vehicles and equipment, replace the fire self-contained breathing apparatus, the fire suppression system at the information technology building, the information technology fiber infrastructure and planning and permitting software and field devices.

Subsequent to year end, the City approved the issuance of a \$2,850,000 promissory note to purchase the facility located at 101 South Spring Street.

Subsequent to year end, the City approved the issuance of the \$18,585,000 Sewer Refunding Revenue Bonds, Series 2016B. The bonds are being issued for the purpose of (i) advance refunding the Issuer's Sewer Revenue Bonds, Series 2008 and the Issuer's Sewer Revenue Bonds, Series 2009B; (ii) paying a premium for a debt service reserve insurance policy; and (iii) paying the costs of issuing the Bonds.

Note 17: Change in Accounting Principles

The GASB has issued the following statement which became effective for fiscal year 2015. Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*, changes the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer's financial statements for any actuarially unfunded portion of pension benefits earned to date. Adoption of GASB 68 resulted in adjustments of \$121,559,110 and \$462,772, to beginning government-wide net position governmental activities and business-type activities, respectively.

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent the Measurement Date - an amendment of GASB Statement No. 68*, for 2015. The statement includes guidance for accounting for contributions made to defined benefit pension plans after the measurement date of the net pension liability but prior to the government's fiscal year end. See Note 6 for a detail of these amounts as they relate to the specific pensions of the City.

Required Supplementary Information

City of Little Rock, Arkansas
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 27,276,348	\$ 27,276,348	\$ 26,685,192	\$ (591,156)
Sales taxes	96,684,815	99,389,815	99,881,725	491,910
Licenses and permits	11,026,550	10,784,550	11,070,904	286,354
Intergovernmental	7,002,433	7,686,788	7,871,832	185,044
Charges for services	11,332,650	9,773,100	9,840,556	67,456
Fines and fees	3,161,210	2,769,844	2,790,685	20,841
Utility franchise fees	28,744,707	29,744,707	29,306,202	(438,505)
Investment income	200,000	200,000	217,976	17,976
Miscellaneous	766,826	1,292,326	1,907,311	614,985
Total revenues	186,195,539	188,917,478	189,572,383	654,905
Expenditures				
General government:				
General administration	20,371,325	19,748,839	20,429,202	(680,363)
Board of directors	342,027	342,064	341,353	711
Community programs	423,578	402,143	6,214,133	(5,811,990)
City attorney	1,836,901	1,737,560	1,726,729	10,831
District court-first division (criminal)	1,405,790	1,396,226	1,281,039	115,187
District court-third division (environmental)	626,782	639,286	630,352	8,934
District court-second division (traffic)	1,248,245	1,281,588	1,277,214	4,374
Finance	3,204,124	3,142,989	2,986,334	156,655
Human resources	1,673,177	1,771,481	1,749,328	22,153
Information technology	4,679,784	3,898,233	3,753,058	145,175
Planning and development	2,564,192	2,174,153	2,047,792	126,361
Total general government	38,375,925	36,534,562	42,436,534	(5,901,972)
Public works	1,159,922	1,049,223	2,135,769	(1,086,546)
Parks and recreation services	9,958,932	9,170,196	9,244,782	(74,586)
River Market	1,209,164	1,209,164	1,188,494	20,670
Golf	2,308,904	2,397,757	2,390,265	7,492
Jim Daily Fitness	901,127	876,776	855,515	21,261
Zoo	6,733,727	6,109,593	6,253,480	(143,887)
Fire	46,232,253	46,475,323	45,985,110	490,213
Police	68,885,072	66,673,664	67,344,609	(670,945)
Fleet	-	-	233,814	(233,814)
Housing and neighborhood programs	5,790,389	4,950,893	5,726,749	(775,856)
Debt service				
Principal	7,315,401	7,315,401	7,315,438	(37)
Interest	375,317	375,317	375,317	-
Agent fees	-	-	11,375	(11,375)
Vacancy savings	(6,000,000)	-	-	-
Total expenditures	183,246,133	183,137,869	191,497,251	(8,359,382)
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	2,949,406	5,779,609	(1,924,868)	(7,704,477)
Other Financing Sources (Uses)				
Carryover - prior year	550,000	550,000	-	(550,000)
Transfers in	7,994,672	7,994,672	8,491,405	496,733
Transfers out	(11,494,079)	(14,324,282)	(1,657,913)	12,666,369
Total other financing sources (uses)	(2,949,407)	(5,779,610)	6,833,492	12,613,102
Net Change in Fund Balances	(1)	(1)	4,908,624	4,908,625
Fund Balances, Beginning of Year	34,310,621	34,310,621	34,310,621	-
Fund Balances, End of Year	\$ 34,310,620	\$ 34,310,624	\$ 39,219,245	\$ 4,908,625

City of Little Rock, Arkansas
Notes to Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2015

Budgets and Budgetary Accounting

An annual operating budget is prepared for the General Fund by the City Manager. The budget reflects revenues expected to be received during the year and expenditures expected to be incurred. The City Manager is 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 31. Departmental expenditures relating to budget items may not exceed their appropriated amounts without approval. As specified in the budget ordinance, the City Manager has 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 2015.

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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
General property taxes	\$ 5,489,300	\$ 5,489,300	\$ 5,421,734	\$ (67,566)
Intergovernmental	12,672,900	12,672,900	12,779,918	107,018
Charges for services	14,700	14,700	15,293	593
Investment income	38,600	38,600	86,647	48,047
Miscellaneous	120,000	120,000	286,710	166,710
Total revenues	18,335,500	18,335,500	18,590,302	254,802
Expenditures				
Public works	19,581,009	18,891,009	16,411,059	2,479,950
Total expenditures	19,581,009	18,891,009	16,411,059	2,479,950
Excess (Deficiency) of Revenues Over Expenditures	(1,245,509)	(555,509)	2,179,243	2,734,752
Other Financing Sources (Uses)				
Transfers in	1,714,726	1,714,726	1,704,726	(10,000)
Transfers out	(469,217)	(1,159,217)	(504,217)	655,000
Total other financing sources	1,245,509	555,509	1,200,509	645,000
Net Change in Fund Balances	-	-	3,379,752	3,379,752
Fund Balances, Beginning of Year	9,297,332	9,297,332	9,297,332	-
Fund Balances, End of Year	\$ 9,297,332	\$ 9,297,332	\$ 12,677,084	\$ 3,379,752

City of Little Rock, Arkansas
Required Supplementary Information
Other Postemployment Benefit Plans
Schedule of Funding Progress
Year Ended December 31, 2015

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)- Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage Of Covered Payroll
1/1/2007	\$ -	\$ 5,832,000	\$ 5,832,000	0.0%	\$ 84,153,636	6.93%
1/1/2008	492,000	7,021,378	6,529,378	7.0%	93,691,631	6.97%
1/1/2009	1,032,761	7,342,781	6,310,020	14.1%	96,229,262	6.56%
1/1/2010	1,418,340	8,090,330	6,671,990	17.5%	92,343,032	7.23%
1/1/2012	1,535,885	9,565,518	8,029,633	16.1%	100,573,412	7.98%
1/1/2014	2,095,355	12,075,486	9,980,131	17.4%	115,408,058	8.65%

The required contribution was determined as part of the latest actuarial evaluation using the projected unit credit actuarial cost method. The actuarial assumptions used included a 2.5% inflation rate, 7.0% rate of return on investments, an annual healthcare cost trend rate of 10% initially reduced by decrements to an ultimate rate of 4.0% after five years, and mortality rates based on the 1983 Group Annuity Mortality Table, and salary increases of 3.7%. The unfunded actuarial accrued liability is being amortized using level dollar amount over 30 years based on an open group.

City of Little Rock, Arkansas
Defined Benefit Pension Plans – Required Supplementary Information
Schedules of Changes in the City’s Net Pension Liability and Related Ratios
Year Ended December 31, 2015

Firemen's Pension and Relief Fund

Fiscal Year ending December 31,	<u>2015</u>	<u>2014</u>
Total pension liability		
Interest	\$ 6,649,073	\$ 6,642,747
Changes of benefit terms	-	8,000,000
Difference between expected and actual experience	(6,896,944)	(3,791,117)
Changes in assumptions	-	-
Benefit payments, including refunds of plan member contributions	<u>(10,763,891)</u>	<u>(10,686,313)</u>
Net change in total pension liability	(11,011,762)	165,317
Total pension liability, beginning of year	<u>138,363,417</u>	<u>138,198,100</u>
Total pension liability, end of year	<u><u>\$ 127,351,655</u></u>	<u><u>\$ 138,363,417</u></u>
Plan fiduciary net position		
Employer contributions	\$ 5,312,855	\$ 5,730,454
Plan member contributions	14,993	33,835
Net investment income	(2,774,677)	2,431,112
Benefit payments, including refunds of plan member contributions	(10,763,891)	(10,686,313)
Administrative expense	(9,491)	(389,423)
Other	<u>(121,985)</u>	<u>(9,467)</u>
Net change in plan fiduciary net position	(8,342,196)	(2,889,802)
Plan fiduciary net position, beginning of year	<u>70,777,747</u>	<u>73,667,549</u>
Plan fiduciary net position, end of year	\$ 62,435,551	\$ 70,777,747
City's net pension liability, end of year	<u><u>\$ 64,916,104</u></u>	<u><u>\$ 67,585,670</u></u>
Plan's fiduciary net position as a percentage of the total pension liability	49.03%	51.15%
Covered-employee payroll	-	-
Plan's net pension liability as a percentage of covered-employee payroll	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
Schedules of Changes in the City’s Net Pension Liability and Related Ratios
Year Ended December 31, 2015

Police Pension Plan

Fiscal Year ending December 31,	2015
Total pension liability	
Service Cost	\$ -
Service cost - service purchase	-
Interest	7,172,118
Changes of benefit terms	-
Difference between expected and actual experience	2,845,816
Changes in assumptions	-
Benefit payments, including refunds of plan member contributions	(10,183,707)
Net change in total pension liability	(165,773)
Total pension liability, beginning of year	94,743,329
Total pension liability, end of year	\$ 94,577,556
Plan fiduciary net position	
Employer contributions	\$ 5,939,677
Plan member contributions	-
Contributions - employee service purchase	-
Net investment income	2,503,835
Benefit payments, including refunds of plan member contributions	(10,183,707)
Administrative expense	(59,497)
Other	935,047
Net change in plan fiduciary net position	(864,645)
Plan fiduciary net position, beginning of year	47,029,820
Plan fiduciary net position, end of year	\$ 46,165,175
City's net pension liability, end of year	\$ 48,412,381
Plan's fiduciary net position as a percentage of the total pension liability	48.81%
Covered-employee payroll	-
Plan's net pension liability as a percentage of covered-employee payroll	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
Schedules of Changes in the City’s Net Pension Liability and Related Ratios
Year Ended December 31, 2015

Nonuniformed Employees' Defined Benefit Plan

Fiscal Year ending December 31,	<u>2015</u>	<u>2014</u>
Total pension liability		
Service Cost	\$ 35,084	\$ 4,287
Interest	1,066,765	1,098,666
Transfer from DC plan	633,501	-
Difference between expected and actual experience	(167,591)	-
Changes in assumptions	1,207,785	-
Benefit payments, including refunds of plan member contributions	<u>(1,766,611)</u>	<u>(1,880,929)</u>
Net change in total pension liability	1,008,933	(777,976)
Total pension liability, beginning of year	<u>14,790,084</u>	<u>15,568,060</u>
Total pension liability, end of year	<u><u>\$ 15,799,017</u></u>	<u><u>\$ 14,790,084</u></u>
Plan fiduciary net position		
Employer contributions	\$ 878,715	\$ 952,144
Plan member contributions	-	441,109
Net investment income	(77,820)	905,472
Benefit payments, including refunds of plan member contributions	(1,766,611)	(1,880,929)
Administrative expense	(30,007)	(59,691)
Other	<u>635,094</u>	<u>-</u>
Net change in plan fiduciary net position	(360,629)	358,105
Plan fiduciary net position, beginning of year	<u>12,212,060</u>	<u>11,853,955</u>
Plan fiduciary net position, end of year	<u><u>\$ 11,851,431</u></u>	<u><u>\$ 12,212,060</u></u>
City's net pension liability, end of year	<u><u>\$ 3,947,586</u></u>	<u><u>\$ 2,578,024</u></u>
Plan's fiduciary net position as a percentage of the total pension liability	75.01%	82.57%
Covered-employee payroll	641,799	836,966
Plan's net pension liability as a percentage of covered-employee payroll	615.08%	308.02%

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
Schedules of Changes in the City’s Net Pension Liability and Related Ratios
Year Ended December 31, 2015

2014 Defined Benefit Pension Plan

Fiscal Year ending December 31,	<u>2015</u>	<u>2014</u>
Total pension liability		
Service Cost	\$ 4,961,436	\$ 4,787,087
Service cost - service purchase	151,953	25,079,603
Interest	2,361,643	1,780,726
Changes of benefit terms	-	3,937,583
Difference between expected and actual experience	(588,761)	(1,491,309)
Changes in assumptions	(126,844)	-
Benefit payments, including refunds of plan member contributions	<u>(477,355)</u>	<u>(154,710)</u>
Net change in total pension liability	6,282,072	33,938,980
Total pension liability, beginning of year	<u>33,938,980</u>	<u>-</u>
Total pension liability, end of year	<u><u>\$ 40,221,052</u></u>	<u><u>\$ 33,938,980</u></u>
Plan fiduciary net position		
Employer contributions	\$ 1,758,973	\$ 3,380,795
Plan member contributions	3,518,861	1,776,056
Contributions - employee service purchase	151,953	25,033,322
Net investment income	(495,929)	900,552
Benefit payments, including refunds of plan member contributions	(477,355)	(157,140)
Administrative expense	(70,248)	(137,018)
Other	<u>67,868</u>	<u>258,420</u>
Net change in plan fiduciary net position	4,454,123	31,054,987
Plan fiduciary net position, beginning of year	<u>31,054,987</u>	<u>-</u>
Plan fiduciary net position, end of year	<u><u>\$ 35,509,110</u></u>	<u><u>\$ 31,054,987</u></u>
City's net pension liability, end of year	<u><u>\$ 4,711,942</u></u>	<u><u>\$ 2,883,993</u></u>
Plan's fiduciary net position as a percentage of the total pension liability	88.28%	91.50%
Covered-employee payroll	40,252,708	39,491,775
Plan's net pension liability as a percentage of covered-employee payroll	11.71%	7.30%

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 Contributions
Year Ended December 31, 2015

Firemen's Pension and Relief Fund

Year Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a % of Covered Payroll
2015	16,048,838	5,312,855	10,735,983	-	NA

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, open
Remaining amortization	5 years
Asset valuation	Market value of assets
Investment rate of return	5%
Mortality	1983 GAM

Police Pension

Year Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a % of Covered Payroll
2015	3,875,821	6,633,686	(2,757,865)	-	NA

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	24 years beginning January 1, 2016
Asset valuation	5-year smoothed market; 20% corridor
Investment rate of return	8%
Mortality	RP-2000 Combined Mortality Table, projected to 2017 and set forward two years for men. Disabled lives, the mortality rates are the rates applicable to nondisabled lives set forward 10 years.

City of Little Rock, Arkansas
Defined Benefit Pension Plans – Required Supplementary Information
Schedule of Contributions (Continued)
Year Ended December 31, 2015

Nonuniformed Plan

Year Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a % of Covered Payroll
2015	878,715	878,715	-	641,799	136.91%

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
Asset valuation	Market related value
Investment rate of return	7.0% before 2016, 6.5% after
Mortality	RP 2000 Combined Healthy Lives

2014 Defined Benefit Plan

Year Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a % of Covered Payroll
2015	3,424,938	3,128,267	296,671	40,252,708	7.77%

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, 2015

LOPFI – Fire	December 31	2014
City's proportion of the net pension liability		9.1091%
City's proportionate share of the net pension liability		32,975,778
City's covered-employee payroll		28,430,617
City's proportionate share of the net pension liability as a percentage of it covered-employee payroll		116%
Plan fiduciary net position as a percentage of the total pension liability		79.14%

LOPFI – Police	December 31	2014
City's proportion of the net pension liability		10.0287%
City's proportionate share of the net pension liability		36,304,815
City's covered-employee payroll		42,239,324
City's proportionate share of the net pension liability as a percentage of it covered-employee payroll		85.95%
Plan fiduciary net position as a percentage of the total pension liability		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 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, 2015

LOPFI – Fire	December 31	2015
	<hr/>	
Contractually required contribution		5,627,114
Contributions related to the contractually required contribution		<u>(5,627,114)</u>
Contribution deficiency (excess)		<u><u>0</u></u>
City's covered-employee payroll		28,505,619
Contributions as a percentage of covered-employee payroll		19.74%

LOPFI – Police	December 31	2015
	<hr/>	
Contractually required contribution		6,056,539
Contributions related to the contractually required contribution		<u>(6,056,539)</u>
Contribution deficiency (excess)		<u><u>-</u></u>
City's covered-employee payroll		42,209,708
Contributions as a percentage of covered-employee payroll		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, 2015

APERS	June 30	2015
City's proportion of the net pension liability		0.04566542%
City's proportionate share of the net pension liability		841,035
City's covered-employee payroll		532,755
City's proportionate share of the net pension liability as a percentage of it covered-employee payroll		158%
Plan fiduciary net position as a percentage of the total pension liability		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.

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, 2015

APERS	December 31	2015
Contractually required contribution		\$ 212,565
Contributions related to the contractually required contribution		(212,565)
Contribution deficiency (excess)		\$ -
City's covered-employee payroll		533,049
Contributions as a percentage of covered-employee payroll		

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
Schedules of Investment Returns
Year Ended December 31, 2015

	Fiscal Year Ending	Annual Money-weighted Rate of Return
Firemen's Pension and Relief Fund	12/31/14	3.87%
	12/31/15	-4.30%
Nonuniformed Employees' Defined Benefit Pension Plan	12/31/14	7.82%
	12/31/15	-0.64%
2014 Defined Benefit Pension Plan	12/31/14	5.93%
	12/31/15	-1.48%

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

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.

2007 CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS – The 2007 Capital Improvement Revenue Refunding Bonds were issued to advance refund the 1998 Street and Drainage Bonds and to pay the cost associated with the issuance of the Series 2007 Bonds.

2002 CAPITAL IMPROVEMENT JUNIOR LIEN REVENUE BONDS – 2002 Capital Improvement Junior Lien Revenue Bonds are special obligation bonds payable through the year 2018. Funding is obtained from all franchise fees collected from public utilities for the privilege of using the streets, highways and other public places in the City.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

2008/2009 CENTRAL ARKANSAS LIBRARY – The 2008/2009 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 and to pay the costs of issuance of the bonds.

2009A PARKS AND RECREATION – The 2009A Parks and Recreation Bonds were issued for the purposes of acquiring, constructing, equipping, renovating, expanding, and refurbishing certain zoo, parks, and recreation facilities of the City. The Series 2009 bonds are special obligations, payable solely from the revenues derived from the operation and ownership of the zoo, parks and recreation facilities.

2012 CENTRAL ARKANSAS LIBRARY – The 2012 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 2004A, 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 2012 Bonds are limited obligations, payable solely from the collections of the Library Tax.

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.

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.

1998 CAPITAL IMPROVEMENT FUND – The Series 1998A Bonds are issued for the purpose of acquiring, constructing, equipping, renovating, expanding and refurbishing certain street, sidewalk, curb, gutter, drainage and other related infrastructure improvements, including payment of a portion of the interest on the Series 1998A Bonds during the construction period.

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.

2004 CAPITAL IMPROVEMENTS – The 2004 Capital Improvements were issued to finance the advance refunding of the City's Capital Improvement Revenue Bonds, Series 1998A and to pay the cost associated with the issuance of the Series 2004 Bonds. The Series 2004 Bonds are not general obligations of the City but are special obligations payable solely from the revenue received by the City from all franchise fees charged to public utilities for the privilege of using the City's streets and rights-of-way.

2008 AND 2009 CENTRAL ARKANSAS LIBRARY CAPITAL IMPROVEMENTS – The 2008 and 2009 Central Arkansas Library Capital Improvement Bonds were issued for the purpose of acquiring, constructing and equipping capital improvements to the public city libraries operated by the City and the Central Arkansas Library System.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

TIF #1 2014 CAPITAL IMPROVEMENT FUND – 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.

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 which 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.

2009A PARKS AND RECREATION CAPITAL PROJECTS – The 2009A Parks and Recreation Bonds were issued for the purposes of acquiring, constructing, equipping, renovating, expanding, and refurbishing certain zoo, parks and recreation facilities of the City. The Series 2009 Bonds are special obligations, payable solely from the revenues derived from the operation and ownership of the zoo, parks and recreation facilities.

2012 CENTRAL ARKANSAS LIBRARY – The 2012 Central Arkansas Library Bonds were issued to finance the cost of acquiring, constructing and equipping capital improvements to the public city libraries.

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.

City of Little Rock, Arkansas
Combining Balance Sheet
Governmental Funds – Nonmajor
December 31, 2015

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 2,738,599	\$ 44,307	\$ 274,289	\$ 3,057,195
Restricted cash	-	6,869,341	20,722,091	27,591,432
Investments	3,861,815	147,144	948,361	4,957,320
Accounts receivable	1,038,830	7,160,552	-	8,199,382
Interest receivable	10,212	437	16,928	27,577
Inventories	960,243	-	-	960,243
Prepaid expenditures and other	412,121	-	-	412,121
	<u>\$ 9,021,820</u>	<u>\$ 14,221,781</u>	<u>\$ 21,961,669</u>	<u>\$ 45,205,270</u>
Total assets				
	<u>\$ 9,021,820</u>	<u>\$ 14,221,781</u>	<u>\$ 21,961,669</u>	<u>\$ 45,205,270</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 463,933	\$ -	\$ 602,771	\$ 1,066,704
Due to other funds	612,839	767,200	2,200	1,382,239
Unearned revenue	2,150,109	-	-	2,150,109
	<u>3,226,881</u>	<u>767,200</u>	<u>604,971</u>	<u>4,599,052</u>
Total liabilities				
	<u>3,226,881</u>	<u>767,200</u>	<u>604,971</u>	<u>4,599,052</u>
Deferred Inflows of Resources				
Unavailable revenues - property taxes	-	6,958,220	-	6,958,220
	<u>-</u>	<u>6,958,220</u>	<u>-</u>	<u>6,958,220</u>
Total deferred inflows of resources				
	<u>-</u>	<u>6,958,220</u>	<u>-</u>	<u>6,958,220</u>
Fund Balances				
Nonspendable	1,622,364	-	-	1,622,364
Restricted	6,792,919	6,496,361	21,356,698	34,645,978
Unassigned (deficit)	(2,620,344)	-	-	(2,620,344)
	<u>5,794,939</u>	<u>6,496,361</u>	<u>21,356,698</u>	<u>33,647,998</u>
Total fund balances				
	<u>5,794,939</u>	<u>6,496,361</u>	<u>21,356,698</u>	<u>33,647,998</u>
Total liabilities, deferred inflows of resources and fund balances				
	<u>\$ 9,021,820</u>	<u>\$ 14,221,781</u>	<u>\$ 21,961,669</u>	<u>\$ 45,205,270</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds – Nonmajor
Year Ended December 31, 2015

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
General property taxes	\$ -	\$ 7,151,551	\$ -	\$ 7,151,551
Licenses and permits	27,850	-	-	27,850
Intergovernmental	5,564,762	-	-	5,564,762
Charges for services	2,351,674	1,308,050	-	3,659,724
Fines and fees	913,945	-	-	913,945
Utility franchise taxes	-	1,759,292	-	1,759,292
Investment income	26,438	85,608	6,792	118,838
Contributions and donations	914,055	-	-	914,055
Miscellaneous	1,714,893	-	-	1,714,893
	<u>11,513,617</u>	<u>10,304,501</u>	<u>6,792</u>	<u>21,824,910</u>
Expenditures				
General government				
General administration	1,464,874	-	-	1,464,874
Community programs	32,391	-	-	32,391
District court - second division (traffic)	130,188	-	-	130,188
District court - third division (environment)	7,927	-	-	7,927
Human resources	104,540	-	-	104,540
Planning and development	52,539	-	-	52,539
	<u>1,792,459</u>	<u>-</u>	<u>-</u>	<u>1,792,459</u>
Public works				
Parks and recreation services	186,055	-	368,159	554,214
Zoo	1,136,133	-	-	1,136,133
Fire	213,722	-	1,018	214,740
Police	475,920	-	-	475,920
Fleet	2,657,145	-	1,420,281	4,077,426
Education	171,065	-	-	171,065
Housing and neighborhood programs	-	-	5,761,938	5,761,938
Debt service	4,425,554	-	-	4,425,554
Principal	-	9,075,000	-	9,075,000
Interest	-	3,145,969	-	3,145,969
Agent fees	-	18,255	-	18,255
	<u>11,058,053</u>	<u>12,239,224</u>	<u>7,668,877</u>	<u>30,966,154</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>455,564</u>	<u>(1,934,723)</u>	<u>(7,662,085)</u>	<u>(9,141,244)</u>
Other Financing Sources (Uses)				
Long-term debt issuance	-	15,571,946	22,586,054	38,158,000
Premiums on debt issuance	-	-	112,763	112,763
Payment to refunded bond escrow agent	-	(17,247,291)	-	(17,247,291)
Transfers in	23,030	1,457	563,366	587,853
Transfers out	(9,771)	-	(1,659)	(11,430)
	<u>13,259</u>	<u>(1,673,888)</u>	<u>23,260,524</u>	<u>21,599,895</u>
Net Change in Fund Balances	468,823	(3,608,611)	15,598,439	12,458,651
Fund Balances, Beginning of Year	<u>5,326,116</u>	<u>10,104,972</u>	<u>5,758,259</u>	<u>21,189,347</u>
Fund Balances, End of Year	<u>\$ 5,794,939</u>	<u>\$ 6,496,361</u>	<u>\$ 21,356,698</u>	<u>\$ 33,647,998</u>

City of Little Rock, Arkansas
Combining Balance Sheet
Special Revenue Funds – Nonmajor
December 31, 2015

	Special Projects	Emergency 911	Grant Fund	CDBG	NHSP	HIPP	Total
Assets							
Cash and cash equivalents	\$ 753,973	\$ -	\$ 886,003	\$ 354,855	\$ 29,826	\$ 713,942	\$ 2,738,599
Investments	2,146,344	-	1,696,820	12,991	2,734	2,926	3,861,815
Accounts receivable	12,483	302,193	653,671	69,418	-	1,065	1,038,830
Interest receivable	5,060	-	5,096	39	8	9	10,212
Inventories	-	-	-	777,737	-	182,506	960,243
Prepaid expenditures and other	-	412,121	-	-	-	-	412,121
Total assets	<u>\$ 2,917,860</u>	<u>\$ 714,314</u>	<u>\$ 3,241,590</u>	<u>\$ 1,215,040</u>	<u>\$ 32,568</u>	<u>\$ 900,448</u>	<u>\$ 9,021,820</u>
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 117,673	\$ 5,034	\$ 226,649	\$ 86,455	\$ -	\$ 28,122	\$ 463,933
Due to other funds	-	612,839	-	-	-	-	612,839
Unearned revenue	32,281	-	2,048,410	69,418	-	-	2,150,109
Total liabilities	<u>149,954</u>	<u>617,873</u>	<u>2,275,059</u>	<u>155,873</u>	<u>-</u>	<u>28,122</u>	<u>3,226,881</u>
Fund Balances							
Nonspendable	250,000	412,121	-	777,737	-	182,506	1,622,364
Restricted	4,822,570	-	966,531	281,430	32,568	689,820	6,792,919
Unassigned (deficit)	<u>(2,304,664)</u>	<u>(315,680)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,620,344)</u>
Total fund balances	<u>2,767,906</u>	<u>96,441</u>	<u>966,531</u>	<u>1,059,167</u>	<u>32,568</u>	<u>872,326</u>	<u>5,794,939</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,917,860</u>	<u>\$ 714,314</u>	<u>\$ 3,241,590</u>	<u>\$ 1,215,040</u>	<u>\$ 32,568</u>	<u>\$ 900,448</u>	<u>\$ 9,021,820</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Special Revenue Funds – Nonmajor
Year Ended December 31, 2015

	Special Projects	Emergency 911	Grant Fund	CDBG	NHSP	HIPP	Total
Revenues							
Licenses and permits	\$ 27,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,850
Intergovernmental	455,495	-	1,594,066	1,657,054	-	1,858,147	5,564,762
Charges for services	1,082,645	1,269,029	-	-	-	-	2,351,674
Fines and fees	913,945	-	-	-	-	-	913,945
Investment income	9,151	6	17,260	21	-	-	26,438
Contribution and donations	428,855	-	485,200	-	-	-	914,055
Miscellaneous	693,359	-	-	187,772	123,195	710,567	1,714,893
Total revenues	3,611,300	1,269,035	2,096,526	1,844,847	123,195	2,568,714	11,513,617
Expenditures							
General government							
General administration	72,195	-	1,392,679	-	-	-	1,464,874
Community programs	32,391	-	-	-	-	-	32,391
District court – second division (traffic)	130,188	-	-	-	-	-	130,188
District court – third division (environment)	7,927	-	-	-	-	-	7,927
Human resources	104,540	-	-	-	-	-	104,540
Planning and development	16,949	-	35,590	-	-	-	52,539
Total general government	364,190	-	1,428,269	-	-	-	1,792,459
Public works	170,199	-	15,856	-	-	-	186,055
Parks and recreation services	1,015,182	-	120,951	-	-	-	1,136,133
Zoo	92,600	-	121,122	-	-	-	213,722
Fire	474,252	-	1,668	-	-	-	475,920
Police	979,834	1,257,227	420,084	-	-	-	2,657,145
Fleet	171,065	-	-	-	-	-	171,065
Housing and neighborhood programs	256,790	-	20,621	1,917,978	130,638	2,099,527	4,425,554
Total expenditures	3,524,112	1,257,227	2,128,571	1,917,978	130,638	2,099,527	11,058,053
Excess (Deficiency) of Revenues Over (Under) Expenditures	87,188	11,808	(32,045)	(73,131)	(7,443)	469,187	455,564
Other Financing Sources (Uses)							
Transfers in	23,030	-	-	-	-	-	23,030
Transfers out	(9,771)	-	-	-	-	-	(9,771)
Total other financing sources	13,259	-	-	-	-	-	13,259
Net Change in Fund Balances	100,447	11,808	(32,045)	(73,131)	(7,443)	469,187	468,823
Fund Balances, Beginning of Year	2,667,459	84,633	998,576	1,132,298	40,011	403,139	5,326,116
Fund Balances, End of Year	\$ 2,767,906	\$ 96,441	\$ 966,531	\$ 1,059,167	\$ 32,568	\$ 872,326	\$ 5,794,939

City of Little Rock, Arkansas
Combining Balance Sheet
Debt Service Funds – Nonmajor
December 31, 2015

	2007 Capital Improvement	2002 Junior Lien	2008 & 2009 Central Arkansas Library	2009A Parks and Recreation	2012 Central Arkansas Library	2015 Central Arkansas Library	TIF #1 2014 Capital Improvement	Total
Assets								
Cash and cash equivalents	\$ 7,626	\$ 4,270	\$ 23,140	\$ -	\$ 8,759	\$ -	\$ 512	\$ 44,307
Restricted cash	1	-	95	2,701,435	3,483,468	336,342	348,000	6,869,341
Investments	25,325	14,183	76,850	-	29,087	-	1,699	147,144
Accounts receivable	-	-	-	-	3,537,364	3,540,493	82,695	7,160,552
Interest receivable	76	43	231	-	87	-	-	437
Total assets	<u>\$ 33,028</u>	<u>\$ 18,496</u>	<u>\$ 100,316</u>	<u>\$ 2,701,435</u>	<u>\$ 7,058,765</u>	<u>\$ 3,876,835</u>	<u>\$ 432,906</u>	<u>\$ 14,221,781</u>
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Due to other funds	\$ -	\$ -	\$ -	\$ 464,251	\$ -	302,949	\$ -	\$ 767,200
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>464,251</u>	<u>-</u>	<u>302,949</u>	<u>-</u>	<u>767,200</u>
Deferred Inflows of Resources								
Unavailable revenues - property taxes	-	-	-	-	3,437,765	3,437,765	82,690	6,958,220
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,437,765</u>	<u>3,437,765</u>	<u>82,690</u>	<u>6,958,220</u>
Fund Balances								
Restricted	<u>33,028</u>	<u>18,496</u>	<u>100,316</u>	<u>2,237,184</u>	<u>3,621,000</u>	<u>136,121</u>	<u>350,216</u>	<u>6,496,361</u>
Total fund balances	<u>33,028</u>	<u>18,496</u>	<u>100,316</u>	<u>2,237,184</u>	<u>3,621,000</u>	<u>136,121</u>	<u>350,216</u>	<u>6,496,361</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 33,028</u>	<u>\$ 18,496</u>	<u>\$ 100,316</u>	<u>\$ 2,701,435</u>	<u>\$ 7,058,765</u>	<u>\$ 3,876,835</u>	<u>\$ 432,906</u>	<u>\$ 14,221,781</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Debt Service Funds – Nonmajor
Year Ended December 31, 2015

	2007 Capital Improvement	2002 Junior Lien	2008 & 2009 Central Arkansas Library	2009A Parks and Recreation	2012 Central Arkansas Library	2015 Central Arkansas Library	TIF #1 2014 Capital Improvement	Total
Revenues								
General property taxes	\$ -	\$ -	\$ 3,579,467	\$ -	\$ 3,404,141	\$ 136,046	\$ 31,897	\$ 7,151,551
Charges for services	-	-	-	1,308,050	-	-	-	1,308,050
Utility franchise fees	1,437,250	322,042	-	-	-	-	-	1,759,292
Investment income	8,598	2,082	16,051	55,432	1,136	75	2,234	85,608
Total revenues	<u>1,445,848</u>	<u>324,124</u>	<u>3,595,518</u>	<u>1,363,482</u>	<u>3,405,277</u>	<u>136,121</u>	<u>34,131</u>	<u>10,304,501</u>
Expenditures								
Debt Service								
Principal	1,150,000	270,000	4,870,000	370,000	2,415,000	-	-	9,075,000
Interest	287,250	52,043	833,774	924,481	889,908	-	158,513	3,145,969
Agent fees	1,875	1,875	2,500	10,505	1,500	-	-	18,255
Total expenditures	<u>1,439,125</u>	<u>323,918</u>	<u>5,706,274</u>	<u>1,304,986</u>	<u>3,306,408</u>	<u>-</u>	<u>158,513</u>	<u>12,239,224</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,723</u>	<u>206</u>	<u>(2,110,756)</u>	<u>58,496</u>	<u>98,869</u>	<u>136,121</u>	<u>(124,382)</u>	<u>(1,934,723)</u>
Other Financing Sources (Uses)								
Long-term debt issuance	-	-	15,571,946	-	-	-	-	15,571,946
Payment to refunded bond escrow agent	-	-	(17,247,291)	-	-	-	-	(17,247,291)
Transfers in	-	-	-	1,457	-	-	-	1,457
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,675,345)</u>	<u>1,457</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,673,888)</u>
Net Change in Fund Balances	<u>6,723</u>	<u>206</u>	<u>(3,786,101)</u>	<u>59,953</u>	<u>98,869</u>	<u>136,121</u>	<u>(124,382)</u>	<u>(3,608,611)</u>
Fund Balances, Beginning of Year	<u>26,305</u>	<u>18,290</u>	<u>3,886,417</u>	<u>2,177,231</u>	<u>3,522,131</u>	<u>-</u>	<u>474,598</u>	<u>10,104,972</u>
Fund Balances, End of Year	<u>\$ 33,028</u>	<u>\$ 18,496</u>	<u>\$ 100,316</u>	<u>\$ 2,237,184</u>	<u>\$ 3,621,000</u>	<u>\$ 136,121</u>	<u>\$ 350,216</u>	<u>\$ 6,496,361</u>

City of Little Rock, Arkansas
Combining Balance Sheet
Capital Project Funds – Nonmajor
Year Ended December 31, 2015

	1998 Capital Improvement	Short-Term Financing	2004 Capital Improvement	2008 & 2009 Central Arkansas Library Capital Improvement	2009A Parks and Recreation	2012 Central Arkansas Library Capital Improvement	TIF #1 2014 Capital Improvement	2015 Central Arkansas Library Capital Improvement	Port TIF	Total
Assets										
Cash and cash equivalents	\$ 36,951	\$ 36,018	\$ 1,348	\$ -	\$ -	\$ 78	\$ -	\$ 69,930	\$ 129,964	\$ 274,289
Restricted cash	-	-	-	-	-	2,707,009	2,202	18,012,880	-	20,722,091
Investments	122,719	119,621	4,475	-	-	260	(2)	269,666	431,622	948,361
Interest receivable	369	359	13	-	-	14,194	-	697	1,296	16,928
Total assets	<u>\$ 160,039</u>	<u>\$ 155,998</u>	<u>\$ 5,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,721,541</u>	<u>\$ 2,200</u>	<u>\$ 18,353,173</u>	<u>\$ 562,882</u>	<u>\$ 21,961,669</u>
Fund Balances										
Liabilities										
Accounts payable	\$ -	\$ 8,791	\$ -	\$ -	\$ -	\$ 450,771	\$ -	\$ 143,209	\$ -	\$ 602,771
Due to other funds	-	-	-	-	-	-	2,200	-	-	2,200
Total liabilities	<u>-</u>	<u>8,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,771</u>	<u>2,200</u>	<u>143,209</u>	<u>-</u>	<u>604,971</u>
Fund Balances										
Restricted	160,039	147,207	5,836	-	-	2,270,770	-	18,209,964	562,882	21,356,698
Total fund balances	<u>160,039</u>	<u>147,207</u>	<u>5,836</u>	<u>-</u>	<u>-</u>	<u>2,270,770</u>	<u>-</u>	<u>18,209,964</u>	<u>562,882</u>	<u>21,356,698</u>
Total liabilities and fund balance	<u>\$ 160,039</u>	<u>\$ 155,998</u>	<u>\$ 5,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,721,541</u>	<u>\$ 2,200</u>	<u>\$ 18,353,173</u>	<u>\$ 562,882</u>	<u>\$ 21,961,669</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Capital Project Funds – Nonmajor
Year Ended December 31, 2015

	1998 Capital Improvement	Short-Term Financing	2004 Capital Improvement	2008 & 2009 Central Arkansas Library Capital Improvement	2009A Parks and Recreation	2012 Central Arkansas Library Capital Improvement	TIF #1 2014 Capital Improvement	2015 Central Arkansas Library Capital Improvement	Port TIF	Total
Revenues										
Investment income (loss)	\$ 2,595	\$ 2,242	\$ 68	\$ 1	\$ -	\$ 2,162	\$ 6	\$ -	\$ (282)	\$ 6,792
Total revenues	2,595	2,242	68	1	-	2,162	6	-	(282)	6,792
Expenditures										
Public works	156,624	-	-	-	-	-	211,535	-	-	368,159
Zoo	-	-	1,018	-	-	-	-	-	-	1,018
Police	-	1,420,281	-	-	-	-	-	-	-	1,420,281
Education	-	-	-	-	-	2,928,566	-	2,833,372	-	5,761,938
Debt service	-	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	117,481	-	117,481
Total expenditures	156,624	1,420,281	1,018	-	-	2,928,566	211,535	2,950,853	-	7,668,877
Excess (Deficiency) of Revenues Over (Under) Expenditures	(154,029)	(1,418,039)	(950)	1	-	(2,926,404)	(211,529)	(2,950,853)	(282)	(7,662,085)
Other Financing Sources (Uses)										
Long-term debt issuance	-	1,538,000	-	-	-	-	-	21,048,054	-	22,586,054
Premiums on debt issuance	-	-	-	-	-	-	-	112,763	-	112,763
Transfers in	-	-	-	-	-	202	-	-	563,164	563,366
Transfers out	-	-	-	(202)	(1,457)	-	-	-	-	(1,659)
Total other financing sources (uses)	-	1,538,000	-	(202)	(1,457)	202	-	21,160,817	563,164	23,260,524
Net Change in Fund Balances	(154,029)	119,961	(950)	(201)	(1,457)	(2,926,202)	(211,529)	18,209,964	562,882	15,598,439
Fund Balances, Beginning of Year	314,068	27,246	6,786	201	1,457	5,196,972	211,529	-	-	5,758,259
Fund Balances, End of Year	\$ 160,039	\$ 147,207	\$ 5,836	\$ -	\$ -	\$ 2,270,770	\$ -	\$ 18,209,964	\$ 562,882	\$ 21,356,698

FIDUCIARY FUNDS

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.

AGENCY FUND

The **Agency Fund** accounts for monies collected and held by the courts until they are disbursed to various governmental agencies.

City of Little Rock, Arkansas
Combining Statement of Fiduciary Net Position
December 31, 2015

	Employee Retirement Plans							Total
	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	Health Management Trust Fund	
Assets								
Cash and cash equivalents	\$ -	\$ 2,406,962	\$ 587,422	\$ 988,143	\$ -	\$ 5,150,273	\$ 78,788	\$ 9,211,588
Investments	-	-	-	-	-	-	-	-
U. S. government obligations	-	-	611	469,480	-	-	-	470,091
Equities	-	20,687,547	8,827,335	5,105,502	-	15,076,858	1,405,702	51,102,944
Mutual funds and other investments	2,205,615	35,863,162	9,040,522	5,184,671	7,366,149	15,194,353	1,296,239	76,150,711
Receivables	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	119,495	47,051	-	166,546
Due from other funds	-	3,923,180	-	-	-	-	-	3,923,180
Accrued interest and dividends	-	-	5,027	8,294	-	40,575	-	53,896
Total assets	2,205,615	62,880,851	18,460,917	11,756,090	7,485,644	35,509,110	2,780,729	141,078,956
Liabilities								
Accounts payable	-	222	-	-	-	-	-	222
Accrued liabilities	-	157	-	-	-	-	-	157
Due to other funds	-	4,083	-	-	-	-	-	4,083
Total liabilities	-	4,462	-	-	-	-	-	4,462
Net Position								
Net position restricted for pensions and other employee benefits	2,205,615	\$ 62,876,389	\$ 18,460,917	\$ 11,756,090	7,485,644	\$ 35,509,110	\$ 2,780,729	\$ 141,074,494

City of Little Rock, Arkansas
Combining Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2015

	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	
Additions								
Contributions								
Employer	\$ -	\$ 514,993	\$ 178,503	\$ 884,462	\$ 315,525	\$ 3,656,624	\$ 514,971	\$ 6,065,078
Plan members	-	14,993	194,609	-	217,086	1,827,854	-	2,254,542
Property taxes contributed from general fund	-	3,781,766	-	-	-	-	-	3,781,766
State insurance turnback from general fund	-	944,540	-	-	-	-	-	944,540
Other	-	420,043	8,817	639,844	589	219,821	-	1,289,114
Total contributions	-	5,676,335	381,929	1,524,306	533,200	5,704,299	514,971	14,335,040
Investment income								
Net increase (decrease) in fair value of investments	(411,496)	(4,119,171)	(1,556,182)	(833,469)	6,703	(1,239,065)	(215,787)	(8,368,467)
Gain/loss on sale of investments	-	156,342	369,141	156,081	-	(443,833)	51,981	289,712
Interest and dividends	-	1,905,994	844,603	540,781	-	1,364,188	67,057	4,722,623
	(411,496)	(2,056,835)	(342,438)	(136,607)	6,703	(318,710)	(96,749)	(3,356,132)
Less investment expense	-	309,916	114,883	71,311	-	137,803	26,933	660,846
Net investment income (loss)	(411,496)	(2,366,751)	(457,321)	(207,918)	6,703	(456,513)	(123,682)	(4,016,978)
Total additions	(411,496)	3,309,584	(75,392)	1,316,388	539,903	5,247,786	391,289	10,318,062
Deductions								
Benefits paid directly to participants	-	11,171,291	2,457,335	1,772,358	1,086,925	477,355	-	16,965,264
Administrative expenses	-	29,726	-	-	-	70,248	-	99,974
Other	-	9,925	578,005	-	-	-	-	587,930
Total deductions	-	11,210,942	3,035,340	1,772,358	1,086,925	547,603	-	17,653,168
Net Increase (Decrease) in Net Position	(411,496)	(7,901,358)	(3,110,732)	(455,970)	(547,022)	4,700,183	391,289	(7,335,106)
Net Position Restricted for Pensions and Other Employee Benefits, Beginning of Year	2,617,111	70,777,747	21,571,649	12,212,060	8,032,666	30,808,927	2,389,440	148,409,600
Net Position Restricted for Pensions and Other Employee Benefits, End of Year	\$ 2,205,615	\$ 62,876,389	\$ 18,460,917	\$ 11,756,090	\$ 7,485,644	\$ 35,509,110	\$ 2,780,729	\$ 141,074,494

City of Little Rock, Arkansas
Statement of Changes in Assets and Liabilities
Agency Fund – Court Fund
Year Ended December 31, 2015

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Assets				
Cash and cash equivalents	\$ 169,200	\$ 924,850	\$ 135,138	\$ 958,912
	<u>\$ 169,200</u>	<u>\$ 924,850</u>	<u>\$ 135,138</u>	<u>\$ 958,912</u>
Liabilities				
Accounts payable	\$ 14,117	\$ 167,769	\$ 13,502	168,384
Due to other funds	-	757,081	93,330	757,081
Accrued liabilities	155,083	-	121,636	33,447
	<u>\$ 169,200</u>	<u>\$ 924,850</u>	<u>\$ 228,468</u>	<u>\$ 958,912</u>

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DISCRETELY PRESENTED COMPONENT UNITS

City of Little Rock, Arkansas
Combining Statement of Net Position
Discretely Presented Component Units – Nonmajor
December 31, 2015

	Oakland Fraternal Cemetery	Mt. Holly Cemetery	Advertising And Promotion Commission	Port Authority	Ambulance Authority	Central Arkansas Transit Authority	Museum of Discovery	Arkansas Arts Center	Workforce Investment Board	Central Arkansas Library	Total
Assets											
Current assets											
Cash and cash equivalents	\$ 55,759	\$ 24,522	\$ 547,636	\$ 5,275,288	\$ 3,069,992	\$ 3,589,211	\$ 1,117,097	\$ 813,006	\$ 16,536	\$ 1,936,015	\$ 16,445,062
Investments	-	-	-	-	3,200,000	-	-	26,656,338	-	-	29,856,338
Restricted cash and investments - current	-	-	2,574,426	-	553,940	-	3,972,017	-	-	-	7,100,383
Accrued interest receivable	-	-	-	-	13,826	1,945	526	-	-	-	16,297
Accounts receivable, net of allowance	-	-	1,830,337	504,820	6,385,594	6,749	201,145	550,075	174,277	17,465,152	27,118,149
Inventories	-	-	-	-	292,374	464,105	50,416	152,458	-	-	959,353
Prepaid expenses and other	-	-	407,641	69,175	240,229	571,142	590,586	117,740	-	282,823	2,279,336
Total current assets	55,759	24,522	5,360,040	5,849,283	13,755,955	4,633,152	5,931,787	28,289,617	190,813	19,683,990	83,774,918
Noncurrent assets											
Restricted assets											
Cash and cash equivalents	264,855	-	21,615,008	-	553,940	-	3,972,017	-	-	3,868,598	30,274,418
Investments	2,056,733	976,970	15,008,550	-	6,000,068	-	-	-	-	2,404,410	26,446,731
Interest receivable	-	-	24,166	-	-	-	-	-	-	-	24,166
	2,321,588	976,970	36,647,724	-	6,554,008	-	3,972,017	-	-	6,273,008	56,745,315
Less amounts required to meet current obligations	-	-	2,574,426	-	553,940	-	3,972,017	-	-	-	7,100,383
Total restricted assets	2,321,588	976,970	34,073,298	-	6,000,068	-	-	-	-	6,273,008	49,644,932
Capital assets											
Land	85,278	13,089	3,172,328	4,827,211	646,923	1,737,512	-	156,710	-	4,068,237	14,707,288
Construction in progress	-	-	46,370,010	-	2,607,449	-	53,342	-	-	2,951,657	51,982,458
Buildings, improvements and other facilities	298,689	99,211	53,777,929	31,657,645	1,872,821	39,560,231	4,085,566	14,925,132	-	96,801,307	243,078,531
Vehicles	173,663	-	-	-	7,665,175	40,487,236	-	-	9,651	-	48,335,725
Furniture and equipment	30,321	-	4,066,181	387,480	7,685,495	9,872,795	10,516,200	5,051,539	78,501	11,760,384	49,448,896
Books/AV materials	-	-	-	-	-	-	-	-	-	22,997,074	22,997,074
Other	-	-	2,699,782	-	-	-	-	-	-	319,745	3,019,527
	587,951	112,300	110,086,230	36,872,336	20,477,863	91,657,774	14,655,108	20,133,381	88,152	138,898,404	433,569,499
Less accumulated depreciation	306,642	17,362	31,092,096	17,461,944	13,860,635	44,895,755	9,493,241	12,900,289	73,493	49,683,396	179,784,853
Net capital assets	281,309	94,938	78,994,134	19,410,392	6,617,228	46,762,019	5,161,867	7,233,092	14,659	89,215,008	253,784,646
Other assets											
	-	-	-	-	5,935	-	-	799,777	-	-	805,712
Total other assets	-	-	-	-	5,935	-	-	799,777	-	-	805,712
Total noncurrent assets	2,602,897	1,071,908	113,067,432	19,410,392	12,623,231	46,762,019	5,161,867	8,032,869	14,659	95,488,016	304,235,290
Deferred Outflows Of Resources											
Deferred outflows of resources											
Deferred outflows of resources from pensions	-	-	158,171	-	-	-	-	-	-	-	158,171
Total deferred outflows of resources	-	-	158,171	-	-	-	-	-	-	-	158,171
Total assets and deferred outflows of resources	\$ 2,658,656	\$ 1,096,430	\$ 118,585,643	\$ 25,259,675	\$ 26,379,186	\$ 51,395,171	\$ 11,093,654	\$ 36,322,486	\$ 205,472	\$ 115,172,006	\$ 388,168,379

Liabilities and Net Position

Current liabilities

Accounts payable	\$	-	\$	947,517	\$	111,511	\$	732,812	\$	154,295	\$	79,330	\$	173,532	\$	184,373	\$	359,081	\$	2,742,451	
Accrued wages payable and related liabilities	-	-	-	488,057	-	29,070	-	-	-	1,390,007	-	-	-	-	-	-	-	-	129,013	-	2,036,147
Bonds payable - current portion	-	-	-	1,130,000	-	-	-	50,001	-	-	-	-	-	-	-	-	-	-	-	-	1,180,001
Notes payable - current portion	-	-	-	-	-	-	-	-	-	-	-	-	-	7,800	-	-	-	-	-	-	62,500
Capital lease payable - current portion	-	-	-	-	-	-	-	-	-	-	-	-	-	10,104	-	-	-	-	-	-	10,104
Compensated absences - current portion	-	-	-	-	-	21,168	-	-	-	-	-	-	-	-	-	15,646	-	-	-	-	551,983
Unearned revenue	-	-	-	211,142	-	-	-	31,687	-	-	-	105,941	-	1,261,379	-	-	-	-	-	-	95,673
Accrued expenses and other	-	-	-	1,801,246	-	8,935	-	1,090,046	-	6,853	-	42,880	-	1,963,241	-	4,789	-	-	-	-	-
Total current liabilities	-	-	-	4,577,962	-	170,684	-	1,904,546	-	1,551,155	-	228,151	-	3,416,056	-	204,808	-	1,198,250	-	13,251,612	

Noncurrent liabilities

Bonds payable, net of unamortized premium	-	-	-	67,192,685	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67,192,685
Notes payable	-	-	-	-	-	-	-	-	-	-	-	-	-	7,110	-	-	-	-	-	-	-	540,000
Capital lease obligation	-	-	-	-	-	-	-	-	-	-	-	-	-	3,815	-	-	-	-	-	-	-	3,815
Net pension liability	-	-	-	494,754	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	494,754
Other long-term liabilities	-	-	-	1,708,926	-	98,100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	892,541
Compensated absences	-	-	-	-	-	195,968	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	551,983
Total noncurrent liabilities	-	-	-	69,396,365	-	294,068	-	-	-	-	-	-	-	10,925	-	-	-	-	-	-	-	1,984,524
Total liabilities	-	-	-	73,974,327	-	464,752	-	1,904,546	-	1,551,155	-	228,151	-	3,426,981	-	204,808	-	3,182,774	-	84,937,494		

Net Position

Net investment in capital assets	281,309	94,938	39,925,998	19,410,392	6,567,227	46,762,019	5,161,867	7,204,263	14,659	88,612,508	214,035,180
Restricted - expendable	51,963	976,970	-	-	553,940	1,253,455	4,110,273	5,300,167	-	2,136,149	14,382,917
Restricted - nonexpendable	-	-	-	-	-	-	-	2,943,728	-	491,862	3,435,590
Unrestricted (deficit)	2,325,384	24,522	4,685,318	5,384,531	17,353,473	1,828,542	1,593,363	17,447,347	(13,995)	20,748,713	71,377,198
Total net position	2,658,656	1,096,430	44,611,316	24,794,923	24,474,640	49,844,016	10,865,503	32,895,505	664	111,989,232	303,230,885
Total liabilities and net position	\$ 2,658,656	\$ 1,096,430	\$ 118,585,643	\$ 25,259,675	\$ 26,379,186	\$ 51,395,171	\$ 11,093,654	\$ 36,322,486	\$ 205,472	\$ 115,172,006	\$ 388,168,379

City of Little Rock, Arkansas
Combining Statement of Activities
Discretely Presented Component Units – Nonmajor
Year Ended December 31, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Central Arkansas Library	\$ 25,507,909	\$ 443,461	\$ 2,010,658	\$ 5,988,797	\$ (17,064,993)	\$ -	\$ (17,064,993)
Workforce Investment Board	1,353,055	-	1,364,257	-	11,202	-	11,202
Total governmental activities	<u>26,860,964</u>	<u>443,461</u>	<u>3,374,915</u>	<u>5,988,797</u>	<u>(17,053,791)</u>	<u>-</u>	<u>(17,053,791)</u>
Business-type Activities							
Oakland Fraternal Cemetery	319,531	36,760	-	-	-	(282,771)	(282,771)
Mt. Holly Cemetery	167,507	90,348	-	-	-	(77,159)	(77,159)
Advertising and Promotion Commission	12,633,749	2,687,173	-	-	-	(9,946,576)	(9,946,576)
Port Authority	3,590,328	3,478,832	-	-	-	(111,496)	(111,496)
Ambulance Authority	25,878,333	31,690,759	-	-	-	5,812,426	5,812,426
Central Arkansas Transit Authority	21,090,193	2,468,319	-	-	-	(18,621,874)	(18,621,874)
Museum of Discovery	4,294,135	1,572,680	-	-	-	(2,721,455)	(2,721,455)
Arkansas Arts Center	9,037,651	6,464,030	-	-	-	(2,573,621)	(2,573,621)
Total business-type activities	<u>77,011,427</u>	<u>48,488,901</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,522,526)</u>	<u>(28,522,526)</u>
Total component units	<u>\$ 103,872,391</u>	<u>\$ 48,932,362</u>	<u>\$ 3,374,915</u>	<u>\$ 5,988,797</u>	<u>(17,053,791)</u>	<u>(28,522,526)</u>	<u>(45,576,317)</u>
General revenues							
General property taxes					15,020,320	-	15,020,320
Sales taxes					1,031,310	13,333,203	14,364,513
Investment income					43,823	1,076,549	1,120,372
Grants and contributions not restricted to specific programs					-	15,099,635	15,099,635
Other					4,362,981	12,439,740	16,802,721
Total general revenues					<u>20,458,434</u>	<u>41,949,127</u>	<u>62,407,561</u>
Change in net position					<u>3,404,643</u>	<u>13,426,601</u>	<u>16,831,244</u>
Net Position, Beginning of Year					108,585,253	178,126,822	286,712,075
Change in accounting principle					-	(312,434)	(312,434)
Net Position, Beginning of Year, as Restated					<u>108,585,253</u>	<u>177,814,388</u>	<u>286,399,641</u>
Net Position, End of Year					<u>\$ 111,989,896</u>	<u>\$ 191,240,989</u>	<u>\$ 303,230,885</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Business-Type Activities – Component Units - Nonmajor
Year Ended December 31, 2015

	Oakland Fraternal Cemetery	Mt. Holly Cemetery	Advertising And Promotion Commission	Port Authority	Ambulance Authority	Central Arkansas Transit Authority	Museum of Discovery	Arkansas Arts Center	Total
Operating Revenues									
Charges for goods and services	\$ 36,760	\$ 90,346	\$ 1,419,000	\$ 3,478,832	\$ 29,608,304	\$ 2,468,319	\$ 1,572,680	\$ 1,731,808	\$ 40,406,049
Other	-	-	1,268,173	-	2,082,455	-	-	4,732,222	8,082,850
Total operating revenues	36,760	90,346	2,687,173	3,478,832	31,690,759	2,468,319	1,572,680	6,464,030	48,488,899
Operating Expenses									
Salaries, wages and employee benefits	94,769	121,402	6,028,291	933,500	18,029,636	11,701,188	482,117	3,501,264	40,892,167
Supplies and materials	12,032	3,953	33,512	505,353	1,205,734	2,944,620	-	1,371,366	6,076,570
Services	24,612	16,689	2,641,218	322,839	1,838,539	922,617	2,431,441	2,020,171	10,218,126
Utilities	6,570	4,649	813,006	54,736	543,761	277,556	-	295,021	1,995,299
Repairs and maintenance	102,867	8,792	823,581	558,634	1,027,817	-	-	537,599	3,059,290
Other	3,090	9,542	717,740	138,091	1,878,978	1,140,979	-	620,759	4,509,179
Depreciation and amortization	75,591	2,480	1,576,401	1,077,175	1,353,868	4,103,233	1,380,577	691,471	10,260,796
Total operating expenses	319,531	167,507	12,633,749	3,590,328	25,878,333	21,090,193	4,294,135	9,037,651	77,011,427
Operating Income (Loss)	<u>(282,771)</u>	<u>(77,161)</u>	<u>(9,946,576)</u>	<u>(111,496)</u>	<u>5,812,426</u>	<u>(18,621,874)</u>	<u>(2,721,455)</u>	<u>(2,573,621)</u>	<u>(28,522,528)</u>
Nonoperating Revenue (Expenses)									
Intergovernmental revenue	-	-	1,035,552	-	-	11,137,104	-	-	12,172,656
Local tax levy	-	-	13,333,203	-	-	-	-	-	13,333,203
Donations, contributions and grants received	-	22,978	-	-	-	13,378,478	1,223,179	475,000	15,099,635
Investment income	-	17,631	129,383	25,069	72,692	4,761	-	827,013	1,076,549
Interest expense	-	-	(65,635)	-	-	-	-	(4,868)	(70,503)
Other, net	230,972	(3,208)	(373,146)	(96)	476,809	-	-	6,258	337,589
Net nonoperating revenues (expenses)	230,972	37,401	14,059,357	24,973	549,501	24,520,343	1,223,179	1,303,403	41,949,129
Change in Net Position	<u>(51,799)</u>	<u>(39,760)</u>	<u>4,112,781</u>	<u>(86,523)</u>	<u>6,361,927</u>	<u>5,898,469</u>	<u>(1,498,276)</u>	<u>(1,270,218)</u>	<u>13,426,601</u>
Net Position, Beginning of Year	2,710,455	1,136,190	40,810,969	24,881,446	18,112,713	43,945,547	12,363,779	34,165,723	178,126,822
Change in accounting principle	-	-	(312,434)	-	-	-	-	-	(312,434)
Net Position, Beginning of Year, as Restated	2,710,455	1,136,190	40,498,535	24,881,446	18,112,713	43,945,547	12,363,779	34,165,723	177,814,388
Net Position, End of Year	<u>\$ 2,658,656</u>	<u>\$ 1,096,430</u>	<u>\$ 44,611,316</u>	<u>\$ 24,794,923</u>	<u>\$ 24,474,640</u>	<u>\$ 49,844,016</u>	<u>\$ 10,865,503</u>	<u>\$ 32,895,505</u>	<u>\$ 191,240,989</u>

City of Little Rock, Arkansas
Combining Statement of Cash Flows
Discretely Presented Component Units – Business-Type Activities
Year Ended December 31, 2015

	Wastewater Utility	Bill and Hillary Clinton National Airport	Other Component Units	Total
Operating Activities				
Receipts from customers	\$ 50,665,908	\$ 31,048,602	\$ 39,377,585	\$ 121,092,095
Other receipts	605,803	-	8,193,556	8,799,359
Payments to employees	(15,805,635)	(11,260,284)	(41,400,714)	(68,466,633)
Payments to suppliers	(2,315,107)	(10,246,526)	(13,880,730)	(26,442,363)
Payments for contractual services	(2,870,359)	-	(9,682,675)	(12,553,034)
Payments for utilities	(1,818,133)	-	(822,343)	(2,640,476)
Other payments	(1,296,108)	-	(1,865,366)	(3,161,474)
Net cash provided by (used in) operating activities	<u>27,166,369</u>	<u>9,541,792</u>	<u>(20,080,687)</u>	<u>16,627,474</u>
Noncapital Financing Activities				
Donations, contributions and operating grants/subsidies	-	314,605	17,438,331	17,752,936
Local tax levy supporting operations	-	909,148	10,193,806	11,102,954
Other	-	164,021	718,454	882,475
Net cash provided by noncapital financing activities	<u>-</u>	<u>1,387,774</u>	<u>28,350,591</u>	<u>29,738,365</u>
Capital and Related Financing Activities				
Purchase of capital assets	(28,090,946)	(11,783,294)	(47,793,944)	(87,668,184)
Proceeds from sale of capital assets	28,918	22,723	121,207	172,848
Contributions, donations and grants	-	6,911,694	9,598,069	16,509,763
Passenger facility charge	-	3,775,320	-	3,775,320
Intergovernmental revenue received for debt service	-	-	1,035,552	1,035,552
Local tax levy used for debt service	-	-	2,960,029	2,960,029
Proceeds from issuance of long-term debt	10,721,266	-	50,001	10,771,267
Principal paid on long-term debt	(14,238,125)	(9,967,179)	(1,122,786)	(25,328,090)
Defeasement of long-term debt	-	(318,220)	-	(318,220)
Interest paid on long-term debt	(8,085,572)	(429,059)	(2,886,319)	(11,400,950)
Other	(905,011)	(16,446)	(18,957)	(940,414)
Net cash used in capital and related financing activities	<u>(40,569,470)</u>	<u>(11,804,461)</u>	<u>(38,057,148)</u>	<u>(90,431,079)</u>
Investing Activities				
Proceeds from sale of investments	10,877,787	-	42,986,367	53,864,154
Purchase of investments	(5,437)	-	(9,856,089)	(9,861,526)
Other income	-	-	95,038	95,038
Interest received	199,294	270,189	306,394	775,877
Net cash provided by investing activities	<u>11,071,644</u>	<u>270,189</u>	<u>33,531,710</u>	<u>44,873,543</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>(2,331,457)</u>	<u>(604,706)</u>	<u>3,744,466</u>	<u>808,303</u>
Cash and Cash Equivalents, Beginning of Year	<u>25,644,409</u>	<u>37,850,037</u>	<u>37,153,865</u>	<u>100,648,311</u>
Cash and Cash Equivalents, End of Year	<u>\$ 23,312,952</u>	<u>\$ 37,245,331</u>	<u>\$ 40,898,331</u>	<u>\$ 101,456,614</u>
Presented on the Statement of Fund Net Position - Proprietary Funds as Follows:				
Current assets				
Cash and cash equivalents	\$ 14,921,866	\$ 24,884,329	\$ 14,492,511	\$ 54,298,706
Noncurrent assets				
Cash and cash equivalents	8,391,086	12,361,002	26,405,820	47,157,908
	<u>\$ 23,312,952</u>	<u>\$ 37,245,331</u>	<u>\$ 40,898,331</u>	<u>\$ 101,456,614</u>

	Wastewater Utility	National Airport	Other Component Units	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities				
Operating income (loss)	\$ 13,496,582	\$ (4,601,551)	\$ (28,522,528)	\$ (19,627,497)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization expense	13,722,622	14,459,027	10,260,796	38,442,445
Provisions for uncompensated care	-	-	10,643,993	10,643,993
Other	-	-	4,386	4,386
Changes in assets and liabilities				
Receivables, net	80,158	(189,167)	(11,659,376)	(11,768,385)
Prepaid expenses	110,441	(21,444)	13,763	102,760
Inventories	18,124	-	(21,296)	(3,172)
Other assets	-	-	(334,076)	(334,076)
Accounts payable	(125,917)	(38,519)	(930,932)	(1,095,368)
Accrued expenses	87,261	-	445,106	532,367
Other liabilities	(222,902)	(66,554)	19,477	(269,979)
Net cash provided by (used in) operating activities	<u>\$ 27,166,369</u>	<u>\$ 9,541,792</u>	<u>\$ (20,080,687)</u>	<u>\$ 16,627,474</u>

Noncash Capital Activities

During 2015, the Little Rock Wastewater Utility and the Bill and Hillary Clinton National Airport received donated capital assets in the amount of \$1,819,214 and \$2,170,560, respectively.

City of Little Rock, Arkansas
Combining Statement of Cash Flows
Discretely Presented Component Units – Business-Type Activities – Nonmajor
Year Ended December 31, 2015

	Oakland Fraternal Cemetery	Mt. Holly Cemetery	Advertising And Promotion Commission	Port Authority	Ambulance Authority	Central Arkansas Transit Authority	Museum of Discovery	Arkansas Arts Center	Total
Operating Activities									
Receipts from customers	\$ 36,760	\$ 90,346	\$ 1,553,564	\$ 3,744,796	\$ 28,421,664	\$ 2,200,068	\$ 1,572,680	\$ 1,757,707	\$ 39,377,585
Other receipts	-	-	1,252,510	-	2,027,183	248,109	-	4,665,754	8,193,556
Payments to employees	(94,769)	(121,402)	(5,853,155)	(877,717)	(19,045,934)	(11,575,078)	(472,973)	(3,359,686)	(41,400,714)
Payments to suppliers	(12,032)	(3,953)	(14,315)	(2,276,473)	(5,591,728)	(2,915,487)	-	(3,066,742)	(13,880,730)
Payments for contractual services	(24,612)	(16,689)	(3,743,439)	-	-	(1,877,699)	(2,624,510)	(1,395,726)	(9,682,675)
Payments for utilities	(6,570)	(4,649)	(811,124)	-	-	-	-	-	(822,343)
Other payments	(105,957)	(18,334)	(623,505)	-	-	(451,792)	-	(665,778)	(1,865,366)
Net cash provided by (used in) operating activities	(207,180)	(74,681)	(8,239,464)	590,606	5,811,185	(14,371,879)	(1,524,803)	(2,064,471)	(20,080,687)
Noncapital Financing Activities									
Donations, contributions and operating grants/subsidies	-	-	-	-	-	14,913,346	1,223,179	1,301,806	17,438,331
Local tax levy supporting operations	-	-	10,193,806	-	-	-	-	-	10,193,806
Other	230,972	(3,208)	-	(95)	477,679	-	6,848	6,258	718,454
Net cash provided by (used in) noncapital financing activities	230,972	(3,208)	10,193,806	(95)	477,679	14,913,346	1,230,027	1,308,064	28,350,591
Capital and Related Financing Activities									
Purchase of capital assets	(102,288)	-	(31,322,034)	(9,124)	(3,754,249)	(11,814,783)	(598,281)	(193,185)	(47,793,944)
Proceeds from contributions received for construction of capital assets	-	-	-	-	-	9,517,260	-	-	9,517,260
Contributions and donations	-	22,978	-	57,831	-	-	-	-	80,809
Intergovernmental revenue received for debt service	-	-	1,035,552	-	-	-	-	-	1,035,552
Local tax levy used for debt service	-	-	2,960,029	-	-	-	-	-	2,960,029
Proceeds from issuance of long-term debt	-	-	-	-	50,001	-	-	-	50,001
Principal paid on long-term debt	-	-	(1,115,000)	-	-	-	-	(7,786)	(1,122,786)
Interest paid on long-term debt	-	-	(2,880,581)	-	(870)	-	-	(4,868)	(2,886,319)
Proceeds from sale of capital assets	-	-	-	-	-	120,404	803	-	121,207
Other	-	-	-	-	-	-	-	(18,957)	(18,957)
Net cash provided by (used in) capital and related financing activities	(102,288)	22,978	(31,322,034)	48,707	(3,705,118)	(2,177,119)	(597,478)	(224,796)	(38,057,148)
Investing Activities									
Proceeds from sale of investments	500,924	31,797	34,000,000	-	5,700,000	-	-	2,753,646	42,986,367
Purchase of investments	(161,371)	-	-	-	(7,950,000)	-	-	(1,744,718)	(9,856,089)
Other income	-	-	-	-	-	-	-	95,038	95,038
Interest received	16,231	17,631	176,421	25,069	67,456	3,379	-	207	306,394
Net cash provided by (used in) investing activities	355,784	49,428	34,176,421	25,069	(2,182,544)	3,379	-	1,104,173	33,531,710
Increase (Decrease) in Cash and Cash Equivalents	277,288	(5,483)	4,808,729	664,287	401,202	(1,632,273)	(892,254)	122,970	3,744,466
Cash and Cash Equivalents, Beginning of Year	43,326	30,005	17,353,915	4,611,001	3,222,730	5,221,484	5,981,368	690,036	37,153,865
Cash and Cash Equivalents, End of Year	\$ 320,614	\$ 24,522	\$ 22,162,644	\$ 5,275,288	\$ 3,623,932	\$ 3,589,211	\$ 5,089,114	\$ 813,006	\$ 40,898,331

**Reconciliation of Operating Income (Loss) to Net Cash Provided By
(Used In) Operating Activities**

Operating income (loss)	\$	(282,771)	\$	(77,161)	\$	(9,946,576)	\$	(111,496)	\$	5,812,426	\$	(18,621,874)	\$	(2,721,455)	\$	(2,573,621)	\$	(28,522,528)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities																		
Depreciation and amortization expense		75,591		2,480		1,576,401		1,077,175		1,353,868		4,103,233		1,380,577		691,471		10,260,796
Provisions for uncompensated care		-		-		-		-		10,643,993		-		-		-		10,643,993
Other		-		-		-		-		-		(11,614)		-		16,000		4,386
Changes in assets and liabilities																		
Receivables, net		-		-		80,033		265,964		(11,841,590)		7,349		35,635		(206,767)		(11,659,376)
Prepaid expenses		-		-		1,613		(16,846)		(121,976)		(4,216)		128,574		26,614		13,763
Inventories		-		-		-		-		-		(6,933)		(6,706)		(7,657)		(21,296)
Other assets		-		-		-		-		-		-		(348,500)		14,424		(334,076)
Accounts payable		-		-		(164,939)		(624,191)		(50,257)		36,066		(10,279)		(117,332)		(930,932)
Accrued expenses		-		-		150,987		-		-		126,110		9,144		158,865		445,106
Other liabilities		-		-		63,017		-		14,721		-		8,207		(66,468)		19,477
Net cash provided by (used in) operating activities	\$	<u>(207,180)</u>	\$	<u>(74,681)</u>	\$	<u>(8,239,464)</u>	\$	<u>590,606</u>	\$	<u>5,811,185</u>	\$	<u>(14,371,879)</u>	\$	<u>(1,524,803)</u>	\$	<u>(2,064,471)</u>	\$	<u>(20,080,687)</u>

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Statistical Section

City of Little Rock, Arkansas

Statistical Section

This section of the City of Little Rock, Arkansas comprehensive annual financial report (CAFR) 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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These schedules contain trend information to assist the reader in understanding how the City’s financial performance and well-being have changed over time.....	135
Revenue Capacity (Tables 6–10)	
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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.....	145
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	150
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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	152

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

Table 1

	2006	2007	2008	2009	2010	2011	2012 ⁽¹⁾	2013 ⁽²⁾	2014	2015 ⁽³⁾
Governmental activities										
Net investment in capital assets	\$ 464,980,160	\$ 470,177,184	\$ 471,326,637	\$ 479,611,737	\$ 494,688,762	\$ 498,370,816	\$ 533,940,568	\$ 539,105,312	\$ 549,795,437	\$ 547,314,893
Restricted	18,189,548	14,861,692	14,747,876	19,792,771	21,106,638	23,201,045	24,208,928	13,951,009	14,801,039	11,414,278
Unrestricted (deficit)	746,351	(5,253,750)	(6,740,713)	(20,707,353)	(31,673,380)	(37,574,646)	(46,682,528)	28,926,155	24,870,220	(78,833,242)
Total governmental activities net position	\$ 483,916,059	\$ 479,785,126	\$ 479,333,800	\$ 478,697,155	\$ 484,122,020	\$ 483,997,215	\$ 511,466,968	\$ 581,982,476	\$ 589,466,696	\$ 479,895,929
Business-type activities										
Net investment in capital assets	\$ 12,833,382	\$ 15,840,848	\$ 22,649,910	\$ 25,162,866	\$ 28,680,633	\$ 28,587,521	\$ 8,983,518	\$ 9,423,026	\$ 12,152,186	\$ 12,345,577
Restricted	8,170,282	7,686,354	6,255,864	8,324,557	4,847,683	5,673,566	3,769,248	2,856,964	2,980,184	3,102,528
Unrestricted (deficit)	2,920,311	6,186,519	1,021,866	(7,226,970)	(7,490,696)	(9,230,768)	3,806,762	6,284,003	5,751,822	6,988,248
Total business-type activities net position	\$ 23,923,975	\$ 29,713,721	\$ 29,927,640	\$ 26,260,453	\$ 26,037,620	\$ 25,030,319	\$ 16,559,528	\$ 18,563,993	\$ 20,884,192	\$ 22,436,353
Primary government										
Net investment in capital assets	\$ 477,813,542	\$ 486,018,032	\$ 493,976,547	\$ 504,774,603	\$ 523,369,395	\$ 526,958,337	\$ 542,924,086	\$ 548,528,338	\$ 561,947,623	\$ 559,660,470
Restricted	26,359,830	22,548,046	21,003,740	28,117,328	25,954,321	28,874,611	27,978,176	16,807,973	17,781,223	14,516,806
Unrestricted (deficit)	3,666,662	932,769	(5,718,847)	(27,934,323)	(39,164,076)	(46,805,414)	(42,875,766)	35,210,158	30,622,042	(71,844,994)
Total primary government net position	\$ 507,840,034	\$ 509,498,847	\$ 509,261,440	\$ 504,957,608	\$ 510,159,640	\$ 509,027,534	\$ 528,026,496	\$ 600,546,469	\$ 610,350,888	\$ 502,332,282

- (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.

City of Little Rock, Arkansas

Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

Table 2

	2006	2007	2008	2009	2010	2011	2012 ⁽¹⁾	2013 ⁽²⁾	2014	2015
Expenses										
Governmental activities:										
General government	\$ 40,824,314	\$ 40,902,901	\$ 39,257,596	\$ 33,803,817	\$ 36,758,227	\$ 35,467,227	\$ 45,722,245	\$ 48,076,292	\$ 50,079,445	\$ 55,582,516
Public works	29,576,521	30,198,787	30,546,203	31,689,645	30,920,716	32,290,725	36,100,501	36,968,065	39,260,053	39,559,132
Parks and recreation services	11,652,210	10,948,381	10,761,841	9,886,376	9,032,115	6,740,682	10,131,868	11,209,542	11,436,512	11,324,541
Rivermarket	-	-	-	-	-	-	-	1,298,266	1,337,298	1,298,563
Golf	-	-	-	-	-	-	-	2,162,056	2,420,678	2,434,632
Jim Dailey Fitness	-	-	-	-	-	-	-	983,422	1,389,915	988,633
Zoo	-	-	-	-	-	-	-	6,927,190	6,920,847	10,754,587
Fire	35,347,608	36,865,342	38,630,307	46,217,347	48,582,390	49,007,470	49,271,456	48,798,721	48,017,977	36,708,372
Police	50,492,039	56,692,967	56,516,426	64,103,539	62,432,868	63,028,974	66,192,652	64,480,813	74,326,931	71,455,621
Economic development	3,499,207	12,555,927	4,225,034	-	-	-	-	-	-	-
Education	-	7,591,089	8,372,418	5,282,591	9,439,254	5,747,801	10,523,654	11,361,720	6,505,814	5,773,774
Housing and neighborhood programs	7,498,272	10,400,245	7,702,220	7,815,231	8,621,004	10,462,439	12,611,955	9,238,779	6,996,437	10,142,884
Fleet	-	-	-	-	-	-	-	2,714,412	3,397,637	1,164,920
Interest expense on long-term debt	4,131,657	3,528,925	3,216,776	3,654,132	3,849,820	3,222,981	3,791,250	4,203,511	5,096,215	4,680,035
Bond issue costs	-	-	-	-	-	-	-	-	-	117,481
Agent fees on long-term debt	13,236	482,975	12,210	9,546	12,780	25,145	13,016	-	33,030	33,030
Total governmental activities expenses	183,035,064	210,167,539	199,241,031	202,462,224	209,649,174	205,993,444	234,358,597	248,422,789	257,218,789	252,018,721
Business-type activities:										
Presidential park	837,674	787,099	756,924	727,723	913,050	1,284,265	636,683	-	-	-
Waste disposal	12,749,068	13,943,884	13,778,712	13,805,966	14,158,228	13,967,043	14,715,628	15,117,230	13,854,376	14,401,947
Rivermarket garage	1,475,135	1,732,311	1,652,292	1,648,216	1,585,450	1,658,341	1,703,329	1,729,131	1,938,758	1,985,775
Riverfront park	1,216,683	1,280,521	1,392,804	932,726	977,075	1,085,632	1,283,222	-	-	-
Zoo	3,959,985	4,286,060	4,758,438	4,816,545	4,818,113	5,138,281	6,125,411	-	-	-
Vehicle Storage	1,225,802	1,214,219	1,250,245	1,271,451	1,201,185	1,200,152	1,284,946	1,333,659	1,332,818	1,350,526
Golf courses	2,236,136	2,551,139	2,795,234	2,323,844	2,227,607	2,342,219	2,443,065	-	-	-
Fitness center	1,045,851	1,018,736	1,023,119	1,031,479	1,147,343	1,037,736	1,000,345	-	-	-
Concessions services	120,027	148,389	149,129	104,090	1,712	-	-	-	-	-
Total business-type activities expenses	24,866,361	26,962,358	27,556,897	26,662,040	27,029,763	27,713,669	29,192,629	18,180,020	17,125,952	17,738,268
Total primary government expenses	\$ 207,901,425	\$ 237,129,897	\$ 226,797,928	\$ 229,124,264	\$ 236,678,937	\$ 233,707,113	\$ 263,551,226	\$ 266,602,809	\$ 274,344,741	\$ 269,756,969
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 15,999,081	\$ 15,203,736	\$ 15,314,384	\$ 14,125,390	\$ 14,316,575	\$ 14,375,501	\$ 15,479,490	\$ 15,945,908	\$ 16,062,816	\$ 16,717,877
Public works	998,515	629,934	505,189	395,554	1,080,184	350,298	560,006	387,436	593,298	571,436
Parks and recreation services	1,161,408	959,667	1,051,607	1,276,650	2,374,906	2,665,666	1,379,534	1,998,020	1,506,979	1,539,875
Rivermarket	-	-	-	-	-	-	-	650,259	617,337	605,207
Golf	-	-	-	-	-	-	-	1,497,233	1,581,520	1,476,467
Jim Dailey Fitness	-	-	-	-	-	-	-	638,214	920,051	495,687
Zoo	-	-	-	-	-	-	-	3,579,391	3,869,582	3,798,687
Fire	1,305,384	2,648,158	2,885,420	2,197,020	2,639,543	2,512,542	2,525,884	1,260,256	2,602,223	2,562,979
Police	4,624,412	3,627,433	3,796,987	3,278,652	3,697,419	3,306,547	3,162,965	5,253,340	3,322,195	3,231,294
Fleet	-	-	-	-	-	-	100,151	343,534	229,248	-
Housing and neighborhood programs	67,562	962,181	650,746	462,390	543,179	1,566,311	1,179,396	458,891	669,271	945,430
Operating grants and contributions	5,941,370	4,133,325	2,034,054	19,126,353	8,929,758	10,885,382	12,873,846	8,133,436	5,396,151	6,041,316
Capital grants and contributions	1,296,607	18,491,092	10,377,494	1,432,306	4,592,275	8,151,956	4,313,770	2,028,323	1,379,420	591,966
Total governmental activities program revenues	31,394,339	46,655,526	36,615,881	42,294,315	38,173,839	43,814,203	41,575,042	42,174,241	38,750,091	38,578,221

Business-type activities:										
Charges for services:										
Presidential park	-	139,637	60,382	684	-	-	-	-	-	-
Waste disposal	15,919,951	16,787,719	16,473,414	16,303,264	16,133,281	16,405,458	16,511,682	18,588,177	17,452,777	17,761,020
Rivermarket garage	1,419,484	1,643,404	1,768,636	1,676,830	1,846,258	1,855,989	2,138,957	2,138,022	2,144,882	2,500,013
Riverfront park	329,914	310,547	268,593	300,074	358,709	493,906	631,316	-	-	-
Zoo	2,268,438	2,646,480	2,573,440	3,057,010	3,018,702	3,436,370	3,508,321	-	-	-
Vehicle storage	1,171,495	1,329,776	1,300,655	1,203,642	1,199,238	1,288,799	1,359,763	1,362,661	1,347,321	1,196,723
Golf courses	1,847,184	1,660,152	1,517,895	1,372,751	1,461,666	1,551,889	1,797,901	-	-	-
Fitness center	743,361	766,207	696,328	761,485	744,609	755,754	683,632	-	-	-
Concessions services	53,948	67,711	48,171	37,589	-	-	-	-	-	-
Capital grants and contributions	-	4,170,925	2,252,001	516,796	2,112,812	2,072,015	3,250,743	-	170,289	-
Total business-type activities program revenues	23,753,775	29,522,558	26,959,515	25,230,125	26,875,275	27,860,180	29,882,315	22,088,860	21,115,269	21,457,756
Total primary government program revenues	\$ 55,148,114	\$ 76,178,084	\$ 63,575,396	\$ 67,524,440	\$ 65,049,114	\$ 71,674,383	\$ 71,457,357	\$ 64,263,101	\$ 59,865,360	\$ 60,035,977
Net (expense)/revenue										
Governmental activities	\$ (151,640,725)	\$ (163,512,013)	\$ (162,625,150)	\$ (160,167,909)	\$ (171,475,335)	\$ (162,179,241)	\$ (195,541,643)	\$ (206,248,548)	\$ (218,435,668)	\$ (213,440,500)
Business-type activities	(1,112,586)	2,560,200	(597,382)	(1,431,915)	(154,488)	146,511	689,686	3,908,840	3,989,317	3,719,508
Total primary government net expense	\$ (152,753,311)	\$ (160,951,813)	\$ (163,222,532)	\$ (161,599,824)	\$ (171,629,823)	\$ (162,032,730)	\$ (194,851,957)	\$ (202,339,708)	\$ (214,446,351)	\$ (209,720,992)

General Revenues and Other Changes in Net Position

Governmental activities:										
Taxes										
General Property taxes	\$ 36,931,553	\$ 41,742,564	\$ 41,954,874	\$ 45,248,710	\$ 48,007,574	\$ 51,398,592	\$ 49,532,522	\$ 52,833,701	\$ 51,570,745	\$ 50,469,150
Sales taxes	64,431,557	65,115,060	66,157,605	63,112,194	64,137,449	64,964,351	111,987,226	112,749,306	114,294,652	118,312,110
Utility franchise taxes	25,983,088	25,656,344	29,809,410	29,932,458	29,348,059	29,137,883	29,176,325	29,707,701	29,898,410	31,065,494
Investment income (loss)	3,872,008	2,254,443	939,366	291,043	129,215	74,319	144,886	(116,617)	1,131,952	775,618
Unrestricted grants and contributions	21,600,899	26,860,087	23,596,059	18,887,563	35,189,761	15,293,373	22,250,304	23,452,078	27,219,998	22,990,373
Other	-	-	23,745	(246,757)	-	-	735,885	(148,720)	-	-
Transfers	(2,497,302)	(2,247,418)	(307,235)	2,306,053	88,142	1,185,918	9,184,248	1,661,580	1,804,131	1,816,098
Total governmental activities	150,321,803	159,381,080	162,173,824	159,531,264	176,900,200	162,054,436	223,011,396	220,139,029	225,919,888	225,428,843
Business-type activities										
Investment earnings	959,678	1,002,452	533,477	80,586	19,797	32,106	23,771	(28,446)	135,013	111,523
Other	(64,920)	(20,324)	(29,411)	(9,805)	-	-	-	-	-	-
Special item - transfer of net pension obligation	-	-	-	-	-	-	-	57,079,060	-	-
Transfers	2,497,302	2,247,418	307,235	(2,306,053)	(88,142)	(1,185,918)	(9,184,248)	(1,661,580)	(1,804,131)	(1,816,098)
Total business-type activities	3,392,060	3,229,546	811,301	(2,235,272)	(68,345)	(1,153,812)	(9,160,477)	55,389,034	(1,669,118)	(1,704,575)
Total primary government	\$ 153,713,863	\$ 162,610,626	\$ 162,985,125	\$ 157,295,992	\$ 176,831,855	\$ 160,900,624	\$ 213,850,919	\$ 275,528,063	\$ 224,250,770	\$ 223,724,268
Changes in Net Position										
Governmental activities	\$ (1,318,922)	\$ (4,130,933)	\$ (451,326)	\$ (636,645)	\$ 5,424,865	\$ (124,805)	\$ 27,469,753	\$ 70,969,511	\$ 7,484,220	\$ 11,988,343
Business-type activities	2,279,474	5,789,746	213,919	(3,667,187)	(222,833)	(1,007,301)	(8,470,791)	2,218,814	2,320,199	2,014,933
Change in accounting principle	-	-	-	-	-	-	-	(668,352)	-	(122,021,882)
Total primary government	\$ 960,552	\$ 1,658,813	\$ (237,407)	\$ (4,303,832)	\$ 5,202,032	\$ (1,132,106)	\$ 18,998,962	\$ 72,519,973	\$ 9,804,419	\$ (108,018,606)

- (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 and related net pension obligation 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 the unrestricted net position of the governmental activities.

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 Taxes	Utility Franchise Taxes	Total
2006	\$ 36,931,553	\$ 64,431,557	\$ 25,983,088	\$ 127,346,198
2007	41,742,564	65,115,060	25,656,344	132,513,968
2008	41,954,874	66,157,605	29,809,410	137,921,889
2009	45,248,710	63,112,194	29,932,458	138,293,362
2010	48,007,574	64,137,449	29,348,059	141,493,082
2011	51,398,591	64,964,351	29,137,883	145,500,825
2012	49,532,522	111,987,226 (1)	29,176,325	190,696,073
2013	52,833,701	112,749,306	29,707,701	195,290,708
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

(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.

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

Table 4

Pre-GASB 54					
	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 513,092	\$ 540,693	\$ 572,647	\$ 1,219,426	\$ 1,368,619
Unreserved	20,983,516	17,188,490	16,754,381	21,061,786	24,642,501
Total general fund	<u>\$ 21,496,608</u>	<u>\$ 17,729,183</u>	<u>\$ 17,327,028</u>	<u>\$ 22,281,212</u>	<u>\$ 26,011,120</u>
All other governmental funds					
Reserved	\$ 4,664,091	\$ 3,612,265	\$ 4,737,277	\$ 3,197,741	\$ 2,368,171
Unreserved, reported in:					
Special revenue funds	6,007,149	5,536,172	5,554,772	2,846,175	4,623,440
Capital projects funds	27,648,782 ⁽¹⁾	14,300,651 ⁽¹⁾	10,159,304 ⁽¹⁾	35,096,989 ⁽²⁾	20,523,651
Debt service funds	14,256,025	12,072,643	10,852,119	16,593,060	17,369,848
Total all other governmental funds	<u>\$ 52,576,047</u>	<u>\$ 35,521,731</u>	<u>\$ 31,303,472</u>	<u>\$ 57,733,965</u>	<u>\$ 44,885,110</u>
Post-GASB 54					
	2011 (3)	2012	2013	2014	2015
General fund					
Nonspendable	\$ 13,255,910	\$ 1,163,347 ⁽⁴⁾	\$ 1,329,476	\$ 1,251,251	\$ 1,020,087
Restricted	-	-	-	-	-
Committed	374,900	368,577	337,892	336,610	300,264
Assigned	1,473,304	7,502,079	9,487,930	8,009,164	12,331,036
Unassigned	10,904,042	17,456,493 ⁽⁵⁾	24,369,411 ⁽⁷⁾	24,713,596	25,567,858
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>
All other governmental funds					
Nonspendable	\$ 407,391	\$ -	\$ 1,229,513	\$ 1,532,884	\$ 1,647,604
Restricted	46,731,379	77,448,650 ⁽⁶⁾	131,954,068 ⁽⁸⁾	117,940,944 ⁽⁹⁾	123,848,447
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(406,965)	(2,397)	(2,618,735)	(3,219,899)	(2,853,464)
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>

- (1) The decrease in capital projects fund balance is associated with completion and capitalization of capital improvement projects. The capital assets are not reported in the funds on the modified accrual basis of accounting.
- (2) The increase in fund balance in the capital projects funds is associated with the 2009 Central Arkansas Library Capital Improvements Bond and the 2009 Parks and Recreation Capital Improvements bond issued to finance capital improvements.
- (3) 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 42-43 for more discussion on these classifications.
- (4) 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.
- (5) The increase in unassigned fund balance is primarily associated with the 5/8 cent operating portion of the new sales tax.
- (6) 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.
- (7) 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 defeased.
- (8) The increase in restricted fund balance is associated with the issuance of the 2013 Capital Improvement Bonds.
- (9) The decrease in restricted fund balance is associated with the expenditures in the 2012 Central Arkansas Library Fund and the 2013 Capital Improvement Fund.

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

Table 5

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes ⁽¹⁾	\$ 125,804,151	\$ 128,423,082	\$ 136,408,241	\$ 138,552,899	\$ 140,393,901	\$ 142,727,033	\$ 191,473,338	\$ 191,323,825	\$ 194,663,920	\$ 199,880,800
Licenses and permits	9,894,766	9,965,755	9,493,646	9,491,852	9,378,966	9,716,395	10,137,945	10,602,406	11,116,890	11,098,754
Intergovernmental	17,730,551	35,348,114	24,660,496	23,758,563	25,854,883	30,013,617	31,893,228	27,403,766	26,327,221	26,216,512
Charges for services	6,656,647	7,250,342	7,636,280	5,896,703	6,967,081	7,160,751	7,084,384	14,045,775	14,176,733	13,515,573
Fines and fees	4,277,114	4,406,272	4,094,674	3,866,793	4,646,215	4,322,127	4,030,384	4,395,755	4,044,070	3,704,630
Investment income (loss)	3,872,008	2,254,443	939,366	291,043	129,215	74,319	144,886	(116,609)	1,131,960	775,618
Miscellaneous	3,070,749	3,377,183	3,128,552	3,257,697	6,262,854	7,128,631	4,339,836	4,247,918	5,032,976	4,822,969
Total revenues	171,305,986	191,025,191	186,361,255	185,115,550	193,633,115	201,142,873	249,104,001	251,902,836	256,493,770	260,014,856
Expenditures										
General government	42,386,548	61,719,463	53,764,986	47,240,799	50,036,950	40,265,241	57,247,916	61,183,366	58,771,868	50,921,165
Public works	34,392,323	26,478,689	20,997,331	19,131,584	20,331,363	24,626,577	25,760,174	26,713,458	33,693,594	33,928,160
Parks and recreation and zoo	15,918,143	11,331,664	10,852,290	10,671,631	11,868,398	9,402,332	10,612,514	15,318,714	12,626,851	12,898,624
Rivermarket	-	-	-	-	-	-	-	1,188,197	1,227,229	1,188,494
Golf	-	-	-	-	-	-	-	2,386,863	2,376,310	2,390,265
Jim Dailey Fitness	-	-	-	-	-	-	-	847,283	1,253,776	855,515
Zoo	-	-	-	-	-	-	-	7,096,614	7,486,377	7,370,338
Fire department	44,706,618	37,455,769	37,142,635	37,943,802	36,670,692	39,865,309	46,728,504	44,669,680	46,506,763	46,461,030
Police department	54,319,391	54,697,552	55,428,567	58,971,285	55,751,125	56,817,357	71,360,040	72,904,543	82,062,673	72,434,859
Housing and neighborhood programs	8,473,162	9,441,274	8,066,771	8,368,709	8,790,445	11,262,328	12,695,568	8,740,138	9,154,001	10,182,817
Fleet	-	-	-	-	-	-	-	-	-	665,112
Education	-	-	-	-	-	-	-	-	-	5,761,938
Debt service										
Principal	8,840,000	25,422,407	11,670,000	12,571,500	15,560,000	20,119,830	22,368,344	14,186,058	22,020,574	26,140,438
Interest	4,265,080	3,674,581	3,370,957	3,510,734	4,054,730	3,435,526	2,990,024	4,161,306	5,276,039	4,994,622
Bond issuance costs	-	-	-	95,173	-	-	107,193	148,720	117,481	117,481
Other charges	13,236	150,568	12,210	9,545	12,779	25,145	13,016	19,619	21,851	33,030
Total expenditures	213,314,501	230,371,967	201,305,747	198,514,762	203,076,482	205,819,645	249,883,293	259,564,559	282,595,387	276,343,888
Deficiency of revenues under expenditures	(42,008,515)	(39,346,776)	(14,944,492)	(13,399,212)	(9,443,367)	(4,676,772)	(779,292)	(7,661,723)	(26,101,617)	(16,329,032)
Other financing sources (uses)										
Transfers in	2,531,535	3,983,282	6,316,264	10,100,179	7,160,928	6,927,781	9,671,846	16,823,595	10,179,324	10,783,984
Transfers out	(5,022,220)	(6,224,083)	(4,983,289)	(6,835,415)	(6,836,508)	(5,007,278)	(21,696,652)	(14,866,015)	(8,251,193)	(8,553,142)
Bonds issued	6,550,000	20,765,438	8,991,500	35,830,000	-	4,600,000	49,595,001	65,805,000	2,615,000	42,530,000
Premium on bonds issued	-	-	-	-	-	-	756,028	2,051,949	112,763	112,763
Discount on bonds issued	-	-	-	(249,215)	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	(6,350,143)	-	-	(17,247,291)
Capital leases	-	-	-	-	-	-	-	-	5,916,000	-
Total other financing sources	4,059,315	18,524,637	10,324,475	38,845,549	324,420	6,520,503	31,976,080	69,814,529	10,571,894	27,626,314
Net change in fund balances	\$ (37,949,200)	\$ (20,822,139)	\$ (4,620,017)	\$ 25,446,337	\$ (9,118,947)	\$ 1,843,731	\$ 31,196,788	\$ 62,152,806	\$ (15,529,723)	\$ 11,297,282
Debt service as a percentage of noncapital expenditures	7.7%	12.7%	8.0%	8.6%	10.5%	12.4%	13.7%	7.8%	10.4%	12.2%

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
2006	\$ 35,389,506	\$ 64,431,557	\$ 25,983,088	\$ 125,804,151
2007	37,651,678	65,115,060	25,656,344	128,423,082
2008	40,441,226	66,157,605	29,809,410	136,408,241
2009	45,508,247	63,112,194	29,932,458	138,552,899
2010	46,908,393	64,137,449	29,348,059	140,393,901
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

(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.

City of Little Rock, Arkansas
Assessed and Appraised Value of Taxable Property
Last Ten 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	Utility	Real	Utility				
2006	\$ 2,116,478,714	\$ -	\$ 728,951,404	\$ 201,491,980	\$ 3,046,922,098	15.55	\$ 15,234,610,490	20%
2007	2,326,687,860	-	736,683,652	218,144,632	3,281,516,144	17.05	16,407,580,720	20%
2008	2,518,822,634	-	797,663,450	231,826,262	3,548,312,346	17.05	17,741,561,730	20%
2009	2,629,177,832	-	740,067,682	230,741,218	3,599,986,732	17.05	17,999,933,660	20%
2010	2,683,795,008	-	681,224,074	246,082,210	3,611,101,292	17.05	18,055,506,460	20%
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%

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 public 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 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
2006	\$ 15.55	\$ 15.55	\$ 7.05	\$ 7.05	\$ 46.40	\$ 46.40	\$ 69.00	\$ 69.00
2007	17.05	17.05	7.05	7.05	46.40	46.40	70.50	70.50
2008	17.05	17.05	7.05	7.05	46.40	46.40	70.50	70.50
2009	17.05	17.05	7.05	7.05	46.40	46.40	70.50	70.50
2010	17.05	17.05	7.05	7.05	46.40	46.40	70.50	70.50
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

Tax Levies

2006	\$ 36,366,203	\$ 36,966,112	\$ 121,733,219	\$ 195,065,534
2007	38,848,293	39,334,921	129,068,485	207,251,699
2008	45,120,783	42,554,360	137,582,342	225,257,485
2009	48,789,133	45,743,106	148,109,308	242,641,547
2010	49,499,645	46,344,553	148,559,430	244,403,628
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

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 a 10 percent penalty is added.

State statutory limits on City tax rate:

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

City of Little Rock, Arkansas
Principal Sales Taxpayers
December 31, 2015

The City of Little Rock, Arkansas' largest own-source revenue is sales taxes. Sales taxes primarily come from two separate taxes; a one and one-half cent 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. In 2015, the 1 1/2 cent city sales tax generated revenue of \$73,821,987.

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 enjoys a diverse economic sales tax base.

Table 9

Little Rock Top Ten 1 1/2 Cent Sales Taxpayers Industry	Tax Collected	% of Total
All Other General Merchandise	\$ 6,481,570	8.78%
Full Service Restaurants	5,699,057	7.72%
Grocery Stores	4,946,073	6.70%
Building Materials and Supplies Dealers	3,137,434	4.25%
Electric Power Generation, Transmission and Distribution	3,048,848	4.13%
Electronics and Appliance Stores	2,908,586	3.94%
Clothing Stores	2,480,419	3.36%
Telecommunications	2,089,162	2.83%
Traveler Accommodation	1,978,429	2.68%
Sporting Goods, Hobby, and Musical Instrument Stores	1,971,047	2.67%
Totals	<u>\$ 34,740,625</u>	<u>47.06%</u>

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 in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 36,366,203	\$ 31,691,658	87.15%	\$ 2,934,792	\$ 34,626,450	95.22%
2007	38,848,293	34,713,497	89.36%	2,479,637	37,193,134	95.74%
2008	45,120,783	40,672,208	90.14%	2,235,852	42,908,060	95.10%
2009	48,789,133	43,092,225	88.32%	2,590,493	45,682,718	93.63%
2010	49,499,645	43,811,489	88.51%	3,134,144	46,945,633	94.84%
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%

Note: Property assessments are made, tax rates (millages) are established, and taxes are levied in one year for payment by the taxpayer and collection by local governments the following year. Data 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	Capital Leases			
2006	\$ 82,862,478	\$ 16,980,603	\$ 17,694,148	\$ 321,058	\$ 43,643,762	\$ -	\$ 161,502,049	3.25%	\$ 853.91
2007	72,246,018	15,833,272	19,624,358	-	44,081,323	279,914	152,064,885	2.88%	830.35
2008	65,561,807	14,768,402	18,997,000	-	40,902,682	188,558	140,418,449	2.75%	766.76
2009	82,039,575 ⁽²⁾	21,268,099 ⁽³⁾	13,177,436	-	36,860,937	92,462	153,346,047	3.33%	837.35
2010	67,685,580	20,022,050	8,056,677	-	30,929,532	-	126,693,839	2.74%	691.81
2011	53,404,122	18,481,001	8,316,847	-	30,248,087	-	110,450,057	2.12%	570.73
2012	61,274,083 ⁽⁴⁾	28,588,343 ⁽⁵⁾	23,383,504 ⁽⁶⁾	-	16,307,477 ⁽⁵⁾	-	129,553,407	2.42%	667.66
2013	114,087,394 ⁽⁷⁾	26,962,094	25,472,446 ⁽⁸⁾	-	13,816,450	-	180,338,384	3.21%	904.55
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

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

(1) See the Schedule of Demographic and Economic Statistics on page 148 for personal income and population data.

(2) In 2009, the City issued \$28,000,000 of library improvement bonds to finance capital improvements to the Central Arkansas Library.

(3) In 2009, the City issued \$7,830,000 of bonds to finance parks and recreation capital improvements. The bonds are special obligations payable solely from the revenues derived from the operation and ownership of the zoo, parks and recreation facilities.

(4) 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.

(5) 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.

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

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

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

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⁾
2006	\$ 82,862,478	\$ 11,772,050	\$ 71,090,428	2.33%	\$ 375.88
2007	72,246,018	11,045,088	61,200,930	1.85%	330.74
2008	65,561,807	11,604,803	53,957,004	1.51%	291.65
2009	82,039,575 ⁽³⁾	15,200,770	66,838,805	1.84%	362.36
2010	67,685,580	16,529,241	51,156,339	1.41%	278.16
2011	53,404,122	17,518,930	35,885,192	0.96%	185.43
2012	61,274,083 ⁽⁴⁾	19,342,676	41,931,407	1.08%	211.30
2013	114,087,394 ⁽⁵⁾	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

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

- (1) See the Schedule of Assessed and Appraised Value of Taxable Property on page 139 for property value data.
- (2) See the Schedule of Demographic and Economic Statistics on page 148 for personal income and population data.
- (3) In 2009, the City issued \$28,000,000 of library improvement bonds to finance capital improvements to the Central Arkansas Library.
- (4) 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.
- (5) In 2013, the City issued \$58,105,000 in limited tax general obligation bonds to finance various capital improvements for the City.

City of Little Rock, Arkansas
Direct and Overlapping Governmental Activities Debt
December 31, 2015

Table 13

<u>Governmental Unit</u>	<u>Debt Available for Retirement</u>	<u>Percentage Applicable</u>	<u>City's Share of Overlapping Debt</u>
City of Little Rock, Arkansas	\$ 130,121,828	100%	\$ 130,121,828
Little Rock Public School District	<u>186,705,741</u>	100%	<u>186,705,741</u>
Total direct and overlapping debt	<u>\$ 316,827,569</u>		<u>\$ 316,827,569</u>

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

Table 14

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 761,730,525	\$ 820,379,036	\$ 887,078,087	\$ 899,996,683	\$ 902,775,323	\$ 931,761,237	\$ 942,877,678	\$ 965,793,157	\$ 1,000,828,577	\$ 1,012,232,287
Total net debt applicable to limit	<u>98,946,417</u>	<u>79,099,270</u>	<u>71,522,197</u>	<u>99,033,270</u>	<u>78,652,436</u>	<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>
Legal debt margin	<u>\$ 662,784,108</u>	<u>\$ 741,279,766</u>	<u>\$ 815,555,890</u>	<u>\$ 800,963,413</u>	<u>\$ 824,122,887</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	12.99%	9.64%	8.06%	11.00%	8.71%	4.70%	6.82%	12.70%	10.68%	11.38%

Legal Debt Margin Calculation for 2015

Assessed value	\$ 4,048,929,147
Debt limit:	
General obligation debt limitation (1)	809,785,829
Short-term financing debt limitation (2)	<u>202,446,457</u>
Total Debt Limitation	<u>1,012,232,287</u>
Debt applicable to limit:	
General obligation and short-term financing	130,121,828
Less: Amount set aside for repayment in debt services funds	<u>14,880,687</u>
Total net debt applicable to limit	<u>115,241,141</u>
Legal debt margin	<u>\$ 896,991,146</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

	Operating	Operating	Net Revenue	Principal ⁽³⁾	Debt Service Requirements		Coverage
	Revenue ⁽¹⁾	Expenses ⁽²⁾			Interest	Total	
2006 Wastewater Utility	\$ 30,398,264	\$ 22,088,849	\$ 8,309,415	\$ 2,625,215	\$ 2,496,617	\$ 5,121,832	1.62
Bill and Hillary Clinton National							
Airport	19,847,399	14,642,935	5,204,464	1,760,000	1,332,157	3,092,157	1.68
A&P Commission	13,575,601	10,519,446	3,061,155	1,337,500	1,009,844	2,347,344	1.30
Total	\$ 63,821,264	\$ 47,251,230	\$ 16,575,034	\$ 5,722,715	\$ 4,838,618	\$ 10,561,333	1.57
2007 Wastewater Utility	\$ 36,360,579	\$ 28,945,783	\$ 7,414,796	\$ 4,703,185	\$ 9,580,782	\$ 14,283,967	0.52
Bill and Hillary Clinton National							
Airport	21,909,030	15,572,022	6,337,008	2,185,000	1,609,663	3,794,663	1.67
A&P Commission	14,355,358	10,877,344	3,478,014	1,632,248	1,126,356	2,758,604	1.26
Total	\$ 72,624,967	\$ 55,395,149	\$ 17,229,818	\$ 8,520,433	\$ 12,316,801	\$ 20,837,234	0.83
2008 Wastewater Utility	\$ 38,883,908	\$ 33,071,944	\$ 5,811,964	\$ 5,591,753	\$ 10,525,749	\$ 16,117,502	0.36
Bill and Hillary Clinton National							
Airport	24,786,792	18,463,447	6,323,345	2,280,000	1,514,759	3,794,759	1.67
A&P Commission	15,336,586	13,092,408	2,244,178	1,737,353	1,012,215	2,749,568	0.82
Total	\$ 79,007,286	\$ 64,627,799	\$ 14,379,487	\$ 9,609,106	\$ 13,052,723	\$ 22,661,829	0.63
2009 Wastewater Utility	\$ 39,769,048	\$ 34,022,888	\$ 5,746,160	\$ 6,614,886	\$ 11,236,492	\$ 17,851,378	0.32
Bill and Hillary Clinton National							
Airport	23,323,312	16,925,424	6,397,888	2,395,000	1,406,040	3,801,040	1.68
A&P Commission	15,233,008	13,250,137	1,982,871	1,858,399	890,719	2,749,118	0.72
Total	\$ 78,325,368	\$ 64,198,449	\$ 14,126,919	\$ 10,868,285	\$ 13,533,251	\$ 24,401,536	0.58
2010 Wastewater Utility	\$ 42,014,840	\$ 34,022,888	\$ 7,991,952	\$ 6,855,607	\$ 11,004,113	\$ 17,859,720	0.45
Bill and Hillary Clinton National							
Airport	25,309,837	17,419,698	7,890,139	2,515,000	1,290,040	3,805,040	2.07
A&P Commission	15,545,711	12,959,555	2,586,156	1,985,445	756,779	2,742,224	0.94
Total	\$ 82,870,388	\$ 64,402,141	\$ 18,468,247	\$ 11,356,052	\$ 13,050,932	\$ 24,406,984	0.76

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

Table 15

	Operating	Operating	Net Revenue	Principal ⁽³⁾	Debt Service Requirements		Coverage
	Revenue ⁽¹⁾	Expenses ⁽²⁾			Interest	Total	
2011 Wastewater Utility	\$ 41,343,263	\$ 32,049,380	\$ 9,293,883	\$ 7,285,023	\$ 10,570,448	\$ 17,855,471	0.52
Bill and Hillary Clinton National Airport	27,522,515	17,631,283	9,891,232	2,615,000	1,179,060	3,794,060	2.61
A&P Commission	15,741,893	11,981,824	3,760,069	2,123,554	613,663	2,737,217	1.37
Total	\$ 84,607,671	\$ 61,662,487	\$ 22,945,184	\$ 12,023,577	\$ 12,363,171	\$ 24,386,748	0.94
2012 Wastewater Utility	\$ 43,547,696	\$ 31,653,755	\$ 11,893,941	\$ 8,359,601	\$ 11,332,518	\$ 19,692,119	0.60
Bill and Hillary Clinton National Airport	29,021,156	19,639,947	9,381,209	2,745,000	1,050,806	3,795,806	2.47
A&P Commission	16,197,970	12,069,527	4,128,443	1,940,000	460,568	2,400,568	1.72
Total	\$ 88,766,822	\$ 63,363,229	\$ 25,403,593	\$ 13,044,601	\$ 12,843,892	\$ 25,888,493	0.98
2013 Wastewater Utility	\$ 48,141,512	\$ 32,730,309	\$ 15,411,203	\$ 8,632,477	\$ 11,845,306	\$ 20,477,783	0.75
Bill and Hillary Clinton National Airport	30,628,890	19,844,695	10,784,195	1,160,000	495,998	1,655,998	6.51
A&P Commission	17,217,912	13,177,614	4,040,298	2,080,000	317,494	2,397,494	1.69
Total	\$ 95,988,314	\$ 65,752,618	\$ 30,235,696	\$ 11,872,477	\$ 12,658,798	\$ 24,531,275	1.23
2014 Wastewater Utility	\$ 51,214,190	\$ 23,313,891	\$ 27,900,299	\$ 9,023,866	\$ 10,562,391	\$ 19,586,257	1.42
Bill and Hillary Clinton National Airport	30,733,404	20,101,509	10,631,895	1,565,000	452,118	2,017,118	5.27
A&P Commission	16,679,718	11,495,998	5,183,720	1,115,000	2,880,581	3,995,581	1.30
Total	\$ 98,627,312	\$ 54,911,398	\$ 43,715,914	\$ 11,703,866	\$ 13,895,090	\$ 25,598,956	1.71
2015 Wastewater Utility	\$ 51,175,869	\$ 23,956,665	\$ 27,219,204	\$ 9,495,548	\$ 9,257,270	\$ 18,752,818	1.45
A&P Commission	17,031,779	11,057,348	5,974,431	1,130,000	2,869,431	3,999,431	1.49
Total	\$ 68,207,648	\$ 35,014,013	\$ 33,193,635	\$ 10,625,548	\$ 12,126,701	\$ 22,752,249	1.46

Note: Amounts shown are for the City's Discretely Presented Component Units:

- (1) Includes proceeds from long-term debt and various nonoperating revenues (intergovernmental revenue and local tax levy).
- (2) Excludes depreciation.
- (3) Includes bond defeasance.

	Pledged	Operating	Net Revenue	Principal	Debt Service Requirements		Coverage
	Revenue ⁽⁴⁾	Expenses ⁽⁵⁾			Interest	Total	
River Market Garage	\$ 2,767,255	\$ 1,241,473	\$ 1,525,782	\$ 440,000	\$ 445,835	\$ 885,835	1.72

- (4) Includes all revenues of the City derived from the ownership, control and operation of the City's various parking facilities.
- (5) Excludes depreciation.

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
2006	183,133 ⁽¹⁾	4,966,933,226	27,122	36.0	13.4	28,755 ⁽³⁾	3.8%
2007	183,133 ⁽¹⁾	5,284,485,848	28,856	36.2	16.9	28,828 ⁽³⁾	4.8%
2008	183,133 ⁽¹⁾	4,985,063,393	27,221	34.8	13.8	27,899 ⁽³⁾	4.6%
2009	183,133 ⁽¹⁾	4,642,787,816	25,352	37	13.8	27,866 ⁽³⁾	6.1%
2010	193,524 ⁽⁴⁾	4,906,220,448	25,352	37	13.8	27,950 ⁽³⁾	6.1%
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%

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 Major Employers
Current Year and Nine Years

Table 17

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of Arkansas (MSA)	34,900	1	18.73%	23,377	1	15.28%
Local Government (MSA)	27,200	2	14.60%			
Federal Government (MSA)	9,900	3	5.31%	12,000	2	7.84%
University of Arkansas Medical Sciences	9,100	4	4.88%	8,500	3	5.56%
Baptist Health	5,360	5	2.88%	7,000	5	4.58%
Little Rock Air Force Base	4,500	6	2.42%	4,500	6	2.94%
Arkansas Children's Hospital	4,000	7	2.15%			
Little Rock School District	3,500	8	1.88%			
Central Arkansas Veterans Health Care	2,800	9	1.50%	2,785	10	1.82%
Entergy Arkansas	2,740	10	1.47%	2,862	9	1.87%
Public School Districts				8,434	4	5.51%
St. Vincent Infirmiry Medical Center				3,500	8	2.29%
Acxiom				4,388	7	2.87%
	<u>104,000</u>		<u>55.82%</u>	<u>77,346</u>		<u>50.56%</u>

Source: Metroplan - Council of Local Governments

Note: The percentage of total city employment was not available for 2006.

City of Little Rock, Arkansas
Full-time Equivalent City Government Employees by Function
Last Ten Years

Table 18

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government:										
General Administration	3	4	4	3	3	3	3	3	3	3
Racial Cultural Diversity	3	3	3	3	3	3	2	2	2	2
City Clerk	2	2	2	2	2	2	2	2	2	2
Mayor and Board of Directors	1	1	1	1	1	1	1	1	1	1
City Manager	11	14	15	15	14	14	14	14	14	14
Community Programs	8	8	8	7	6	7	10	10	10	11
City Attorney	18	18	19	19	18	18	18	18	18	19
Little Rock Television	3	3	3	3	3	3	4	4	4	4
District Court - First Division	21	21	21	21	21	21	21	21	21	21
District Court - Second Division	20	20	20	20	17	17	17	17	17	17
District Court - Third Division	6	7	7	7	7	7	7	7	8	8
Finance	44	44	44	44	40	40	40	41	41	42
Human Resources	20	21	21	21	18	18	19	19	19	20
Management Support/Information Technology	33	34	35	36	37	38	38	39	39	39
Planning and Development	40	41	41	41	39	39	39	39	39	39
Housing and Neighborhood Programs	94	97	97	98	94	94	96	103	103	104
Public Works	13	13	13	13	13	13	13	13	13	13
Parks and Recreation	104	106	106	105	100	100	117	119	122	127
Golf	24	24	24	24	21	21	21	21	21	22
Jim Dailey Fitness & Aquatic Center	9	9	9	9	9	9	9	9	9	9
Zoo	50	51	50	50	45	46	56	59	59	61
Fire	398	397	397	409	408	408	421	421	421	421
Police	670	680	683	698	698	697	709	716	716	717
Total General Fund	<u>1,595</u>	<u>1,618</u>	<u>1,623</u>	<u>1,649</u>	<u>1,617</u>	<u>1,619</u>	<u>1,677</u>	<u>1,698</u>	<u>1,702</u>	<u>1,716</u>
Concessions	1	1	1	-	-	-	-	-	-	-
River Market	4	4	4	4	-	-	-	-	-	-
Waste Disposal	118	118	118	119	112	112	112	113	113	113
Public Works - Street	210	210	208	209	210	210	211	213	213	213
Fleet Services	61	61	61	60	60	60	59	61	61	61
Vehicle Storage Facility	17	17	17	17	17	15	15	15	15	15
Total Other Funds	<u>411</u>	<u>411</u>	<u>409</u>	<u>409</u>	<u>399</u>	<u>397</u>	<u>397</u>	<u>402</u>	<u>402</u>	<u>402</u>
Total Personnel	<u>2,006</u>	<u>2,029</u>	<u>2,032</u>	<u>2,058</u>	<u>2,016</u>	<u>2,016</u>	<u>2,074</u>	<u>2,100</u>	<u>2,104</u>	<u>2,118</u>

City of Little Rock, Arkansas

Operating Indicators by Function/Program

Last Ten Years

Table 19

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Planning and Development										
Total building permits issued	4,694	2,734	1,957	3,690	3,832	3,304	2,011	2,000	2,024	2,059
Estimated building cost	\$561,752,025	\$614,558,257	\$433,788,975	\$394,776,760	\$343,976,010	\$356,450,894	\$391,789,405	\$385,865,486	\$593,559,207	\$414,586,125
New commercial construction permits	78	60	45	31	26	155	94	38	62	45
Commercial construction value	\$102,602,945	\$192,268,739	\$109,789,182	\$63,687,048	\$58,935,859	\$134,734,044	\$115,487,012	\$86,866,172	\$189,748,670	\$137,075,636
New residential construction permits	810	733	398	351	361	344	349	359	343	335
Residential construction value	\$197,698,324	\$191,545,656	\$102,855,663	\$84,919,683	\$74,161,071	\$68,783,123	\$78,991,948	\$96,044,242	\$92,447,772	\$89,366,181
Fire										
Number of uniformed employees	374	391	391	402	403	403	403	415	415	415
Fires and explosions	1,752	1,478	1,190	1,256	1,557	1,452	1,595	1,241	1,274	1,302
Overpressure rupture, explosion, overheat (no fire)	143	101	90	61	65	62	96	62	76	72
Rescue, emergency medical calls	13,948	13,946	13,990	14,690	15,256	15,259	15,890	16,312	16,934	17,985
Hazardous condition, standby	1,186	1,177	1,392	1,178	1,130	1,298	1,420	1,233	1,383	1,371
Service calls	1,236	1,265	1,374	1,241	1,210	1,295	1,437	1,440	1,503	1,638
Good intent calls	2,419	3,165	3,176	3,327	3,523	3,332	3,426	3,846	3,839	3,419
False alarm calls	3,019	2,953	2,813	2,714	2,644	2,648	2,753	2,770	3,258	4,343
Natural disaster calls	28	22	64	29	17	75	37	22	26	17
Other calls	142	117	158	132	179	134	136	140	685	437
Total calls	23,873	24,224	24,247	24,628	25,984	25,555	26,790	27,066	28,978	30,584
Police										
Number of uniformed employees	515	525	520	557	557	557	577	574	574	574
Calls for service	155,110	156,714	150,042	148,409	143,540	143,226	157,093	158,635	150,367	162,844
Arrests	15,023	17,362	10,523	15,445	15,446	10,154	9,778	8,847	9,289	8,373
Accidents (fatality and serious injury)	5,181	5,363	4,054	3,354	3,354	2,877	3,480	2,612	2,890	224
Training man hours	12,778	13,469	26,465	13,525	13,625	10,825	36,780	37,568	38,507	16,230
Uniform Crime Reporting (UCR) Part I offenses	19,220	19,200	17,968	17,775	16,057	16,662	17,330	17,358	16,494	14,932
Clearance rate - all crimes	21.70%	22.36%	24.80%	19.22%	19.47%	38.00%	21.66%	18.83%	20.13%	20.70%
Public Works										
Miles of graded and surface treatment	426	398	394	392	425	422	422	422	422	422
Drainage ditches maintained	745	1,578	1,578	1,578	1,578	1,578	1,578	1,578	1,578	1,578
Traffic signals repaired	1,887	2,178	2,464	3,100	2,125	1,832	293	2,568	2,288	2,179
Solid Waste/Garbage Collections										
Solid waste disposal monthly service rate	\$20.99	\$20.99	\$20.99	\$21.00	\$21.00	\$20.99	\$20.99	\$22.02	\$22.02	\$22.02
On-Call service	30,370	30,500	32,000	27,900	24,620	27,135	25,601	26,649	28,148	25,523
KB's service	5,865	6,000	6,000	8,898	7,499	6,242	5,164	8,675	6,864	6,198
Roll-off service	2,194	2,200	2,100	2,108	1,839	2,139	1,973	2,058	1,935	1,149
Carts	5,124	6,500	5,500	5,664	5,852	5,874	5,742	5,501	5,121	6,667
Dead animals collected	343	500	400	303	451	343	329	265	309	328
Curbside recycling tonnage	4,596	4,800	5,200	5,240	5,414	5,688	9,307	10,287	10,219	9,839
Paper recycling pounds	84,200	59,490	48,942	65,060	7,321	57,820	145,540	31,140	12,160	5,520
Class I and IV tonnage	108,382	116,000	112,500	113,740	102,500	101,283	104,226	131,773	119,013	124,617
Yard Waste tonnage	23,875	23,800	24,000	26,663	25,226	32,585	30,690	47,881	30,562	27,529
Parks and Recreation										
Total recorded parks attendance	1,339,653	1,457,419	1,632,030	64,686 (1)	1,672,000 (2)	611,722	604,702	617,537	613,042	675,314
Zoo attendance	257,290	282,334	274,781	277,530	274,621	307,123	323,040	313,762	307,046	267,314
Zoo outreach program	98,479	55,669	69,223	74,153	39,240	37,307	21,584	37,018	18,700	46,202

Sources: Various city departments.

Note: Indicators are not available for the general government function.

(1) In 2009, the parks department changed the method in which they recorded parks attendance

(2) In 2010, the parks department changed back to the method in which they recorded parks attendance prior to 2009.

City of Little Rock, Arkansas

Capital Asset Statistics By Function

Last Ten Years

Table 20

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Fire Stations	20	20	20	20	20	20	21	21	21	21
Police Stations	5	11 ⁽¹⁾	9	11	11	10	10	10	11	11
Public Works										
Miles of Streets	2,548	2,567	2,585	2,601	2,443	2,434	2,448	2,461	2,465	2,468
Miles of paved - permanent streets	2,039	2,105	2,146	2,164	2,018	2,016	2,026	2,039	2,046	2,050
Alleys	63	63	63	63	63	63	63	63	63	63
Waste Disposal										
Miles of storm sewer	350	350	355	355	357	357	359	361	361	363
Miles of sanitary sewer	2,070	1,292	1,311	1,312	1,320	1,345	1,400	1,365	1,368	1,375
Solid waste containers purchased	1,889	2,984	1,512	2,688	2,688	3,032	4,176	3,654	2,138	1,740
Parks and Recreation										
Acreage	5,776	5,781	5,780	6,080	6,246	6,313	6,315	6,319	6,467	6,467
Number of parks	55	55	55	56	58	59	59	59	62	62
Number of playgrounds	45	45	45	45	45	45	46	46	46	46
Number of tennis courts	52	52	52	52	48	48	48	48	48	48
Number of basketball courts	35	36	36	37	37	37	37	37	37	37
Number of museums	1	1	1	1	1	1	1	1	1	1
Number of golf courses	4	3	3	3	3	3	3	3	3	3
Number of ball fields	25	25	25	25	25	25	25	25	25	29
Number of play fields	20	20	20	20	20	20	20	20	22	22
Number of zoos	1	1	1	1	1	1	1	1	1	1
Number of adult centers	1	1	1	1	-	-	1	1	3	1
Number of community centers	6	6	6	5	4	4	4	5	4	6
Number of fitness centers	1	1	1	1	1	1	1	1	1	1
Number of swimming pools	3	3	3	3	3	3	3	3	2	3
Number of soccer fields	9	9	9	9	9	9	9	9	12	12
Number of pavilions	19	22	20	22	22	22	22	22	28	28
Number of volleyball courts	9	2	2	8	8	9	9	9	8	10

Source: Various city departments.

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

(1) In 2007 the police stations began including substations in this figure.