



2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2022



City of Little Rock, Arkansas

On the Cover: The Little Rock Police Department's Headquarters, located at 615 West Markham in downtown Little Rock, opened in August 2022. The building houses a new state-of-the-art real-time crime center, a new records center, divisional offices, meeting spaces, and even a gym for the officers to work out in. The facility was funded with the 3/8-cent capital improvement sales tax that sunset December 31, 2021.

Arjun Saatia designed the front cover. LRPD's X, formerly known as Twitter, account provided the photograph. To follow the Little Rock Police on X, please visit <https://twitter.com/LRpolice>.



ANNUAL COMPREHENSIVE FINANCIAL REPORT

**CITY OF LITTLE ROCK,
ARKANSAS**

**FISCAL YEAR ENDED
DECEMBER 31, 2022**

**PREPARED BY:
THE DEPARTMENT OF FINANCE**

**SARA LENEHAN, CPA
CHIEF FINANCIAL OFFICER**

**KASHA GANSKY, CPA
DEPUTY DIRECTOR OF FINANCE**

City of Little Rock, Arkansas

Year Ended December 31, 2022

Contents

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

City of Little Rock, Arkansas
Year Ended December 31, 2022

Contents (Continued)

Required Supplementary Information (Unaudited)

Budgetary Comparison Schedule – General Fund	117
Notes to Budgetary Comparison Schedule – General Fund	118
Budgetary Comparison Schedule – Street Fund	119
Other Postemployment Benefit Plan – Schedule of Changes in the City’s Net OPEB Liability and Related Ratios	120
Other Postemployment Benefit Plan – Schedule of City Contributions	122
Other Postemployment Benefit Plan – Schedule of Investment Returns	124
Schedule of Changes in the City’s Net Pension Liability and Related Ratios	125
Schedule of City’s Contributions	129
Schedule of the City’s Proportionate Share of the Net Pension Liability and Contributions	133
Schedule of Investment Returns	136

Combining and Individual Fund Statements

Governmental Funds – Nonmajor:	
Combining Balance Sheet	140
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	141
Special Revenue Funds – Nonmajor:	
Combining Balance Sheet	142
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	143
Debt Service Funds – Nonmajor:	
Combining Balance Sheet	144
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	145
Capital Project Funds – Nonmajor:	
Combining Balance Sheet	146
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	147

City of Little Rock, Arkansas

Year Ended December 31, 2022

Contents (Continued)

Fiduciary Funds

Combining Statement of Fiduciary Net Position – Pension and Other Employee Benefit Trust Funds	150
---	-----

Combining Statement of Changes in Fiduciary Net Position – Pension and Other Employee Benefit Trust Funds	151
--	-----

Nonmajor Discretely Presented Component Units

Combining Statement of Net Position	152
-------------------------------------	-----

Combining Statement of Activities	154
-----------------------------------	-----

Combining Statement of Revenues, Expenses and Changes in Net Position	155
---	-----

Statistical Section (Unaudited)

Net Position by Component – Accrual Basis of Accounting	157
---	-----

Changes in Net Position – Accrual Basis of Accounting	158
---	-----

General Governmental Tax Revenues by Source – Accrual Basis of Accounting	160
---	-----

Fund Balances of Governmental Funds – Modified Accrual Basis of Accounting	161
--	-----

Changes in Fund Balances of Governmental Funds – Modified Accrual Basis of Accounting	162
---	-----

General Governmental Tax Revenues by Source – Modified Accrual Basis of Accounting	163
--	-----

Assessed and Appraised Value of Taxable Property	164
--	-----

Property Tax Rates and Tax Levies of Direct and Overlapping Governments	165
---	-----

Principal Sales Taxpayers	166
---------------------------	-----

Property Tax Levies and Collections	167
-------------------------------------	-----

Ratios of Outstanding Debt by Type	168
------------------------------------	-----

Ratios of General Bonded Debt Outstanding	169
---	-----

Direct and Overlapping Governmental Activities Debt	170
---	-----

Legal Debt Margin Information	171
-------------------------------	-----

Pledged Revenue Bond Coverage	172
-------------------------------	-----

Demographic and Economic Statistics	173
-------------------------------------	-----

Little Rock Area Principal Employers	174
--------------------------------------	-----

Full-time Equivalent City Government Employees by Function	175
--	-----

Operating Indicators by Function/Program	176
--	-----

Capital Asset Statistics by Function	177
--------------------------------------	-----

City of Little Rock, Arkansas
Year Ended December 31, 2022

Contents (Continued)

Other Required Report

Independent Accountant’s Report on Compliance with Certain State Acts	178
---	-----

Single Audit Section

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> – Independent Auditor’s Report	179
Report on Compliance for each Major Federal Program and Report on Internal Control Over Compliance – Independent Auditor’s Report	181
Schedule of Expenditures of Federal Awards	184
Notes to the Schedule of Expenditures of Federal Awards	186
Schedule of Findings and Questioned Costs	187
Summary Schedule of Prior Audit Findings	191

Other Information (Unaudited)

Schedule of Expenditures of State Awards	192
--	-----

INTRODUCTORY SECTION





FROM THE DESK OF
MAYOR FRANK SCOTT, JR.

September 11, 2023

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

State Law allows municipalities the option of publishing a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants and the Board of Directors exercised that option. Accordingly, we hereby issue the Annual Comprehensive Financial Report of the City of Little Rock for the fiscal year ended December 31, 2022.

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

The City of Little Rock's financial statements have been audited by FORVIS, 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, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles utilized and significant estimates made by Management, and evaluating the overall financial statement presentation. Based upon the audit, the independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Little Rock's financial statements for the fiscal year ended December 31, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

CITY HALL, SUITE 203, 500 W. MARKHAM

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

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

Profile of the Government:

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

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

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

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

appropriation to the Mayor and the City Manager. The Mayor and the City Manager then present a proposed budget to the Board of Directors for review. The Board of Directors must hold public hearings on the proposed budget and adopt a final budget on or before December 30th for the ensuing year. The appropriated budget is prepared by fund, function (e.g., public safety), and Department (e.g., Zoo), which is the legal level of control. Department Directors may make transfers of appropriations within a Department. Transfers of appropriations between Departments require the special approval of the Mayor and City Manager unless the amount is above \$50,000 and then it requires the approval of the Board of Directors. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 117 as part of the required supplementary information. Detail descriptions of the budget-to-actual variances are included in the MD&A on pages 14-20. For the Street Fund, this comparison is presented on page 119.

Factors Affecting Financial Condition:

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

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

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

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

According to data from Metroplan, the City of Little Rock's unemployment rate as of December 31, 2022, was 3.1%, compared with the Arkansas rate of 3.6% and the U.S. average of 3.5%. In a recent economic report from Metroplan, Jonathan Lupton reports that overall retail sales for the Little Rock MSA were down 1.5% from 2021, which were pumped upward by federal stimulus spending related to the Covid-19 pandemic. Little Rock's overall sales tax growth in 2022 was 5.41%. Little Rock's top three sales taxpayers by industry for 2022 are other general merchandise stores, grocery stores, and electronic shopping and mail-order houses. Inflation climbed from near-zero in the depths of the Covid-19 recession to a peak of near nine (9) percent in June 2022. Since then, rising federal interest rates and declining fuel prices have turned the inflation trend downward, ending 2022 around 6.3%. For an in-depth review of Jonathan Lupton's economic reports, please visit Metroplan's website at <https://metroplan.org>.

Long-Term Financial Planning: Little Rock residents passed an additional One (1)-Cent Local Sales Tax in September 2011, which became effective on January 1, 2012. The City held several public hearings in each Ward to discuss priority needs associated with Public Safety, Public Works, Jobs and Economic Development, Parks & Recreation, Zoo and Tourism, and other priorities, including fleet replacement, information technology needs, pension funding, and public transportation. The priority needs were divided between ongoing operating needs and capital needs. The 5/8-Cent permanent increase in sales tax for operations is reflected in the General Fund. The tax increase provides funding for additional Police Officers, Code Enforcement Officers, new Fire and Police facilities, infrastructure projects, and a new emergency communications system. The 3/8-Cent Sales Tax for capital projects, which sunset on December 31, 2021, is reflected in the Sales Tax Capital Improvements Fund. The tax raised \$191,338,242 for capital projects, nearly \$4.5 million underestimate, over the ten (10) year period, representing 97.7% of the original forecasted amount. Interest earnings generated by the proceeds of short-term financing notes and accumulated tax proceeds provided \$3,104,731 to supplement projects. Residual balances are transferred to other projects within the same allocation category as we complete projects. The City has kept its promise to taxpayers in accordance with the spending plan outlined in Resolution No. 13,343 (July 11, 2011) and is well on its way to completing the designated capital projects.

Little Rock residents approved the issuance of Limited Tax Capital Improvement Bonds not to exceed \$105 million for street and drainage improvements. Up to \$73.5 million of the Bonds are dedicated to street improvements, with the remaining \$31.5 million available for drainage improvements throughout the City. The Bonds are secured by a three (3)-mill Ad Valorem Tax on taxable property located within the City of Little Rock. On July 24, 2013, the City issued the first series of Bonds in the amount of \$58,105,000. The second series of Bonds in the amount of \$43,475,000 was issued on November 28, 2018. The 2013 Bond issue was redeemed in full on April 1, 2021 and the 2018 Bond issue was retired in 2022. In addition, in December 2018, the City issued \$32,570,000 in Hotel Gross Receipts Tax Bonds to finance a portion of the costs of improvements to MacArthur Park. The improvements included renovations and additions to, and furnishings and equipment for, the Arkansas Museum of Fine Arts and the MacArthur Museum of Arkansas Military History. The grand reopening of the newly renovated Arkansas Museum of Fine Arts was held in April 2023.

On August 9, 2022, Little Rock residents approved the issuance of Limited Tax General Obligation Capital Improvement Bonds not to exceed \$161.8 million for street and drainage improvements, Park and Recreational improvements, District Court facility improvements and Port Industrial Park improvements. Up to \$40.5 million of the Bonds are dedicated to street improvements, \$40.5 million available for drainage improvements, \$19.5 million to finance Fire Apparatus, \$37 million to finance Park and Recreation improvements throughout the City, \$8.5 million to finance District Court facility improvements, and \$15.8 million to finance Port Industrial Park improvements. The Bonds are secured by a three (3)-mill Ad Valorem Tax on taxable property located within the City of Little Rock. On December 21, 2022, the City issued \$53,510,000 Limited Tax General Obligation Capital Improvement Bonds, Series 2022A and \$5,055,000 Limited Tax General Obligation Capital Improvement Bonds, Taxable Series 2022B. On November 30, 2022, the City issued \$40,770,000 Library Construction and

Refunding Bonds, Series 2022, which refunded the 2015 Library Construction and Refunding Bonds and provided approximately \$25.6 million in funding for new improvements for the Central Arkansas Library Systems. The bonds are limited obligations of the City of Little Rock, Arkansas payable solely from the collections from a 1.3-mill annual Ad Valorem Tax levied upon all taxable real and personal property located within the City of Little Rock.

In 2002, the Board adopted a policy that established a designated reserve within the General Fund. At the end of the fiscal year, the Board reviews audited financial statements and determines the appropriate amount to place in the reserve. The General Fund goal was to set aside the greater of \$10,000,000, or 10%, of General Fund revenues in reserve. Before 2006, the Board had increased the reserve to \$9,418,000. Since 2016, the Board has increased the designated reserve to its current level of \$13.1 million, with the intent to continue to gradually increase the reserve to the desired level of 10% of General Fund revenues.

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

The 2022 financial outlook was better than anticipated, and three amendments were made to the budget for a total net impact of almost \$8 million to the General Fund, before transfers out. The City used \$5 million to purchase land at the Little Rock Port Authority for future economic development expansion.

The City received one-time funding from the American Rescue Plan Act (APRA) of approximately \$37.7 million over two years. The first half of the funding was received in May 2021 and the other half was received in June 2022.

On December 20, 2022, the Little Rock Board of Directors approved the 2023 Adopted Budget. Overall operating expenditures total \$313,031,049, a decrease of \$2,561,978, or 0.82% less than the final 2022 Amended Budget. The Operating Budget changes for 2023 are summarized below:

	2022 Adopted	2022 Amended	2023 Adopted	Change	% Change
General Fund	\$ 222,166,164	\$ 247,421,451	\$ 240,747,276	\$ (6,674,175)	(2.70)%
Street Fund	23,108,438	24,013,104	24,503,779	490,675	2.04%
Fleet Services Fund	14,920,087	15,950,087	18,709,088	2,759,001	17.30%
Waste Disposal Fund	23,777,100	24,635,680	25,485,100	849,420	3.45%
Vehicle Storage Facility	1,786,550	1,787,944	1,825,987	38,043	2.13%
Parking Garage Fund	1,783,054	1,784,761	1,759,819	(24,942)	(1.40)%
	<u>\$ 287,541,393</u>	<u>\$ 315,593,027</u>	<u>\$ 313,031,049</u>	<u>\$ (2,561,978)</u>	<u>(0.82)%</u>

The 2023 General Fund Budget supports 1,819 full-time equivalent (FTE) positions – 1,766 serving in General Fund Departments and 53 special positions funded through grants or special

project allocations. This represents a net increase of 41 FTEs compared to the 2022 Adopted Budget staffing levels. The personnel budgets for the other operating funds include 440 FTEs, representing an increase of 1 position in Fleet Services to a total of 63, 217 in the Street Fund, 145 in the Waste Disposal Fund, and an increase of one (1) position in the Vehicle Storage Fund to a total of 15. Thus, a total of 2,259 full-time positions are authorized for the primary government's operating funds.

Many of the initiatives supported by the sales tax implemented in 2012, such as increasing the number of filled police positions, increased funding for building maintenance, expanded park maintenance, Zoo deferred maintenance, annual fleet replacement, information technology staffing and maintenance, and new transit routes have been implemented and maintained. The 2023 Budget continues the commitment to Little Rock residents to fill vacant public safety positions.

Short-term financing notes are authorized under Amendment No. 78 to the Arkansas Constitution to acquire, construct, and install real and tangible personal property having an expected useful life of more than one (1) year. The notes are repaid from general revenues over a period of five (5) years. Principal and interest payments are included in the General Fund Budget for notes issued from 2019 to 2021. The 2023 Budget reflects a net decrease in debt service of \$1,107,728 associated with the 2022 retirement of the 2017, \$5.25 million note issued for capital projects. Further discussion of this can be found in Note 5. Another short-term financing note was issued at the beginning of 2023 for \$7.4 million to fund the purchase of 103 Police vehicles.

Funding of the Pulaski County Jail was continued in order to provide space for inmates in accordance with the City's primary focus on Public Safety. 2023 funding for the detention center increased \$100,000 from the 2022 amended budget to a total of \$2,750,000. With additional funds available from a \$20 local jail fine, funding for the jail is budgeted at approximately \$2.91 million. Other outside agency funding increases include \$1 million for the Arkansas Museum of Fine Arts to a total of \$2,200,000, funding operations and maintenance. 2023 funding for Rock Region Metro remained flat at a total of \$9.85 million, of which \$2 million is provided by the Street Fund.

A Homeless Services Task Force was established in 2006 to address chronic homelessness within our community. The City funding to Jericho Way Day Resource Center remained flat for 2023 at \$600,000. The services provided to homeless individuals and families are focused on finding housing, job referral and case management services, and medical, dental, and psychiatric assistance. In July 2023, City officials ceremonially broke ground on the Little Rock Micro Home Village, a two-acre, multi-unit complex to house unsheltered residents as they transition toward permanent housing. The Micro Home Village will have capacity for 206 residents. There will be 50 single units, 22 units that will accommodate families of (4) four and eight (8) units for families of (6) six. In addition, there will be 20 emergency shelter beds. A community center within the village will hold a commercial kitchen, dining hall, classrooms, offices, a health clinic, and a laundry room. Planning for the Little Rock Micro Home Village has been a three-year process led by Mayor Scott's Office and the City's Department of Housing

and Neighborhood Programs. The Little Rock Board of Directors authorized \$3 million in federal American Rescue Plan Act funds for construction and management of the village.

The City is appropriating approximately \$5 million for Children, Youth and Family Programs, including youth employment, skills center funding, and re-entry programming in 2023 as part of the City's emphasis to foster and enhance youth and community development. City Staff will continue to work with community groups, neighborhood associations, the faith-based community, and other groups to ensure resources are targeted appropriately.

The 2023 Budget includes a contingency allocation of \$1.2 million or approximately 0.5% of General Fund revenues. The City of Little Rock's Management Team is committed to managing the City in a sound and fiscally prudent manner while striving to deliver the quality and level of service that Little Rock residents expect with available resources.

Major Initiatives: We've been committed to all areas of Little Rock with an equity-driven approach to our policies and programs. In 2022, we allocated \$1.5 million for a downtown master plan to ensure that we are strategic and intentional about reimagining our City's core. We've made and kept promises when it comes to commercial development that enhances the quality of life for our residents. In the first quarter of 2023, Main Event opened its doors and Topgolf broke ground on its newest location near I-430 and Colonel Glenn Road. It is expected to bring even more retail development in that growing corridor of West Little Rock.

In 2021, The City of Little Rock began a new program, BUILD Academy, which is our very own small business incubator. Our third cohort began on March 9, 2023 at our newly renovated Willie Hinton Business and Innovation Center in the heart of the 12th street corridor. We are now in our second year of Emprende, a pathway of the City's BUILD Academy, which offers Little Rock's Spanish-speaking business owners a series of free classes to support their businesses. In 2019, the City committed to increasing minority spending to at least 25% by 2023. We have increased our spending with diverse vendors from 13% to 23% since 2019.

The City of Little Rock continues to have new businesses open as we had over 739 new businesses opened in our City just last year. Since 1959, the Port of Little Rock has been an economic driver for our region's economy. This economic engine was turbocharged over the last few years as major investments from HMS Manufacturing, Trex, and Amazon have nearly doubled the total employment there. The City has worked closely with the Port to purchase the necessary land to support expansions, like those announced by AFCO Steel and Amazon, to position ourselves for even more job growth.

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

The City of Little Rock has made great strides in utilizing technology to communicate with residents and businesses. The City's website, littlerock.gov, is designed to improve communication efforts. In addition, the City is proud of its government access channel, LRTV,

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

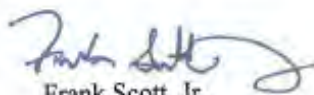
Awards and Acknowledgments:

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Little Rock for its Annual Comprehensive Financial Report for the fiscal year that ended December 31, 2021. The City of Little Rock has received a Certificate of Achievement for forty (40) years total. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both GAAP and applicable legal requirements.

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

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

Respectfully submitted,


Frank Scott, Jr.
Mayor


Sara Lenehan, CPA
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Little Rock
Arkansas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

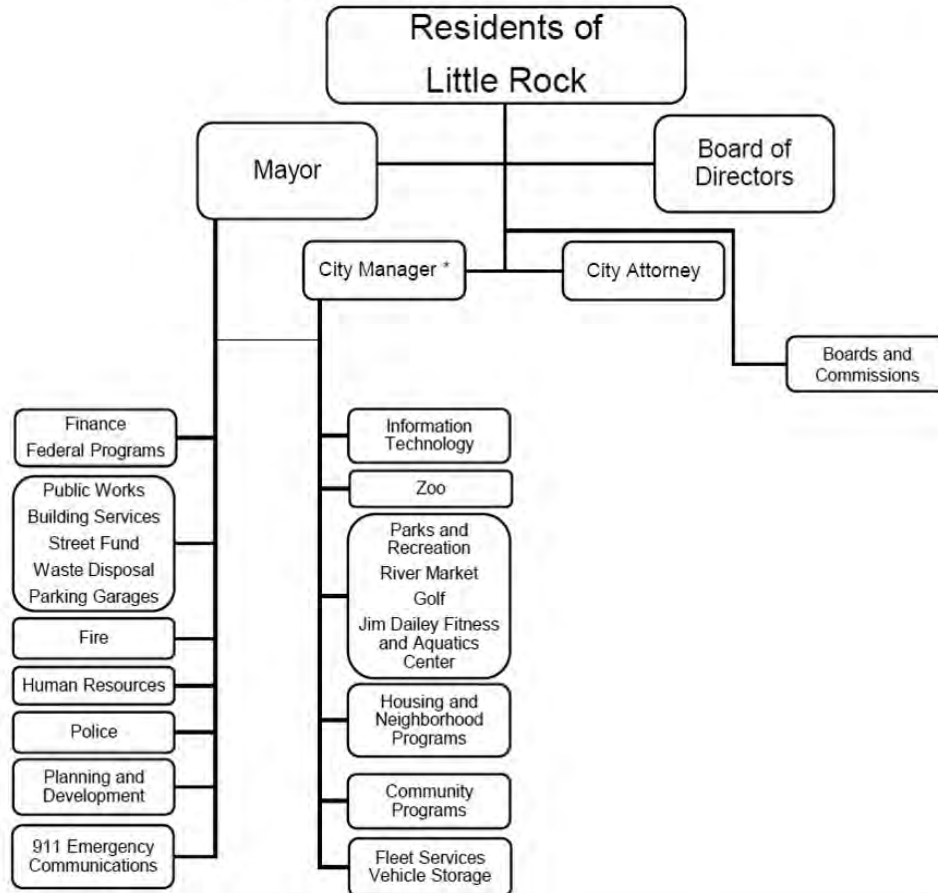
December 31, 2021

Christopher P. Morrill

Executive Director/CEO



City of Little Rock



***City Manager**

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

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

Elected Officials:

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

Appointed Officials:

Bruce T. Moore	City Manager
Tom Carpenter	City Attorney

City of Little Rock Board of Directors



(This Page Intentionally Left Blank)

FINANCIAL SECTION



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Little Rock, Arkansas (City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Central Arkansas Transit Authority d/b/a Rock Region Metro, Museum of Discovery, Arkansas Museum of Fine Arts, Little Rock Advertising and Promotion Commission, and the Little Rock Ambulance Authority, which represent 24%, 28%, and 38%, of the assets, net position and revenues, respectively, of the aggregate discretely presented component units as of December 31, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the discretely presented component units, are based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matter

As discussed in *Note 1* to the financial statements, in 2022, the City adopted Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

Honorable Frank Scott Jr., Mayor
and Members of the Board of Directors
City of Little Rock, Arkansas
Page 4

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

FORVIS,LLP

Little Rock, Arkansas
September 11, 2023

City of Little Rock, Arkansas
Management's Discussion and Analysis
December 31, 2022
(Unaudited)

The following discussions and analysis of the City of Little Rock's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2022. Readers should consider the information presented here in conjunction with our letter of transmittal at the front of this report and the City's financial statements that follow this section.

Financial Highlights

- Total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources at the close of 2022 by \$612,275,069. Of this amount, \$629,849,660 reflects the net investment in capital assets; \$137,025,976 is restricted for debt service, streets and drainage, grant funds, capital projects, 911 funds, and other special projects; \$250,000 is restricted nonexpendable; and \$(154,850,567) is an unrestricted deficit.
- The City's 2022 total net position increased by \$38,921,703. The City adopted GASB Statement No. 87 - *Leases* (GASB 87) for the year ended December 31, 2022 which resulted in an adjustment to the beginning net position of governmental activities of \$677,091. Net position of the governmental activities increased \$37,226,805 and business-type activities increased \$1,694,898. The unrestricted deficit net position of the City's governmental activities decreased \$27,117,556 to \$(164,448,538). The unrestricted net position of the City's business-type activities increased \$2,594,473 to \$9,597,971.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$251,535,089. The combined governmental funds balances increased \$71,831,258 from the prior year. The primary components of this change were the net increases in capital project funds of \$66,308,175 primarily associated with the issuance of limited tax capital improvement bonds for the purpose of financing various capital improvements for the City and the Central Arkansas Library System, and the net increases in general fund balances of \$21,218,787 and special revenue funds of \$6,244,629, partially offset by the decrease in debt service funds of \$21,940,333, primarily associated with the retirement of debt. The components of these changes will be discussed in detail in the Financial Analysis of the Government's Funds. \$43,307,517 of the \$251,535,089 combined ending fund balances is considered unassigned at December 31, 2022, and \$167,264,799 is reported as restricted for capital improvements, debt service, streets and drainage infrastructure, grants, emergency 911, and special projects. In addition, \$2,885,012 of the governmental fund balances is nonspendable, primarily representing inventories and prepaid expenditures. The committed and assigned portions of the fund balances were \$39,123 and \$38,038,638, respectively.
- The general fund reported fund balances of \$83,107,480 at the end of the current year. Unassigned general fund balance was \$43,307,517, or 19% of total general fund expenditures (including transfers out). General fund balances increased \$21,218,787 for the year ended December 31, 2022.

- During the current year, the City's total debt increased by \$49,794,259, 44% above the prior year balance. The key factors in this increase were the issuance of limited tax capital improvement bonds net of premiums and discounts in the amount of \$100,843,685 and the initiation of new leases of \$57,814, less principal payments of \$42,615,000 for general obligation bonds, \$2,505,000 for revenue bonds, \$3,382,819 for temporary notes, \$1,725,418 for leases, and the net amortization of issuance premiums and discounts of \$879,003.
- At the close of the current year, net position of fiduciary funds was \$128,322,074 held in trust for pension and other postemployment benefits. Total fiduciary net position held in trust decreased by \$12,491,839 for the year ended December 31, 2022. The decrease in net position is attributed to a net decrease in investment income of \$14,192,983, the payment of benefits to participants of \$8,118,172, and other participant transfers and administrative expenses of \$768,322. net of contributions to the funds in the amount of \$10,587,638, In addition, fiduciary funds include a custodial fund to account for monies held by the courts until they are distributed to various governmental agencies.
- The City's net pension liability decreased \$32,020,103 to \$175,027,596 for Governmental Activities and \$1,690,919 for Business-Type Activities. The net pension liability of \$176,718,515 and the related net deferred outflows and inflows of resources of \$10,569,516 are discussed in detail in *Note 7* on pages 73-100 of this report. Pension expense decreased \$15,799,947 to \$18,711,903, with \$18,200,212 associated with Governmental Activities and \$511,691 associated with Business-Type Activities.
- The City's net postemployment benefits other than pensions (OPEB) liability of \$20,240,516 and related net deferred outflows and inflows of resources of \$5,495,316 are discussed in detail in *Note 8* on pages 100-105 of this report. OPEB expense of \$1,643,412 is associated with Governmental Activities.
- At December 31, 2022 the City's discretely presented component units reported net position of \$1,188,958,064, an increase of \$56,067,719.

Overview of the Financial Statements

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

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

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

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

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

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

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

Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. Complete financial statements for these component units may be obtained by contacting the administrative offices listed on page 43.

The government-wide financial statements can be found on pages 24-26 of this report.

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

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

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

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

The City maintains twenty-five (25) individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, the sales tax capital improvement fund, the 2022 capital improvement fund and related debt service fund, the street fund, and the American Rescue Plan - state and local fiscal recovery fund (SLFRF). Data from the other nineteen (19) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 27-30 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 31-35 of this report.

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

The basic fiduciary fund financial statements can be found on pages 36-37 of this report.

Notes to the Financial Statements. The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41-116 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund budget, street fund budget, and the City's pension and other postemployment benefit information. The City adopts annual appropriation budgets for its general fund and street fund. Budgetary comparison statements have been provided to demonstrate compliance with the budgets. Required supplementary information can be found beginning on page 117 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages 137-155 of this report.

Government-wide Financial Analysis

	Net Position				Total	
	Governmental Activities		Business-type Activities		2022	2021*
	2022	2021*	2022	2021*	2022	2021*
Assets						
Current assets	\$ 200,768,444	\$ 183,496,179	\$ 21,236,677	\$ 18,490,427	\$ 222,005,121	\$ 201,986,606
Noncurrent and other assets	185,586,178	110,359,678	5,467,529	713,982	191,053,707	111,073,660
Capital assets	659,140,340	659,297,905	26,937,168	28,462,438	686,077,508	687,760,343
Total assets	1,045,494,962	953,153,762	53,641,374	47,666,847	1,099,136,336	1,000,820,609
Deferred outflows of resources	72,572,387	66,362,630	1,444,366	339,737	74,016,753	66,702,367
Liabilities						
Long-term liabilities outstanding	390,082,454	372,117,686	2,752,908	3,479,495	392,835,362	375,597,181
Other liabilities	69,993,096	52,163,993	14,032,675	12,261,210	84,025,771	64,425,203
Total liabilities	460,075,550	424,281,679	16,785,583	15,740,705	476,861,133	440,022,384
Deferred inflows of resources	79,151,709	54,288,519	4,865,178	525,798	84,016,887	54,814,317
Net investment in capital and lease assets	607,353,621	596,822,534	22,496,039	23,079,301	629,849,660	619,901,835
Restricted - expendable	135,685,007	135,439,754	1,340,969	1,657,282	137,025,976	137,097,036
Restricted - unexpendable	250,000	250,000	-	-	250,000	250,000
Unrestricted (deficit)	(164,448,538)	(191,566,094)	9,597,971	7,003,498	(154,850,567)	(184,562,596)
Total net position	\$ 578,840,090	\$ 540,946,194	\$ 33,434,979	\$ 31,740,081	\$ 612,275,069	\$ 572,686,275

* 2021 amounts have not been restated for the adoption of GASB 87.

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 \$612,275,069 at the close of the most recent fiscal year.

The largest portion of the City's net position, 102.9%, reflects its investment in capital and lease assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to 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, 22.4%, represents resources subject to restrictions on how they may be used. The remaining unrestricted deficit net position of \$(154,850,567) represents (25.3)% of the City's net position.

The following table summarizes the City's operations for the fiscal year ended December 31, 2022, with comparative totals for the fiscal year ended December 31, 2021.

Revenues	Changes in Net Position				Total	
	Governmental Activities		Business-type Activities		2022	2021*
	2022	2021*	2022	2021*	2022	2021*
<i>Program revenues:</i>						
Charges for services	\$ 33,254,995	\$ 31,515,181	\$ 29,982,415	\$ 28,329,033	\$ 63,237,410	\$ 59,844,214
Operating grants and contributions	38,282,851	40,744,859	-	-	38,282,851	40,744,859
Capital grants and contributions	5,540,438	24,319,712	-	-	5,540,438	24,319,712
<i>General revenues:</i>						
Property taxes	67,315,382	64,473,416	-	-	67,315,382	64,473,416
Sales taxes	135,892,366	151,788,411	-	-	135,892,366	151,788,411
Utility franchise taxes	33,971,762	31,432,173	-	-	33,971,762	31,432,173
Grants and contributions not restricted to specific programs	4,619,172	-	-	-	4,619,172	-
Investment earnings (loss)	(6,929,856)	(505,636)	(496,033)	-	(7,425,889)	(505,636)
Other	-	3	-	-	-	3
Total revenues	311,947,110	343,768,119	29,486,382	28,329,033	341,433,492	372,097,152
Expenses						
General government	60,770,407	61,255,761	-	-	60,770,407	61,255,761
Public Works	39,618,691	39,957,927	-	-	39,618,691	39,957,927
Parks and recreation	14,347,852	15,236,418	-	-	14,347,852	15,236,418
River Market	1,102,088	1,081,976	-	-	1,102,088	1,081,976
Golf	1,818,690	1,969,055	-	-	1,818,690	1,969,055
Jim Dailey Fitness	955,821	819,547	-	-	955,821	819,547
Zoo	8,706,384	7,356,332	-	-	8,706,384	7,356,332
Public safety	130,548,235	141,471,693	-	-	130,548,235	141,471,693
Economic development	200,000	300,000	-	-	200,000	300,000
Education	3,005,774	119,815	-	-	3,005,774	119,815
Housing and neighborhood programs	10,862,513	10,940,380	-	-	10,862,513	10,940,380
Fiscal charges on long-term debt	4,521,449	3,779,600	-	-	4,521,449	3,779,600
Waste disposal	-	-	22,714,914	20,385,069	22,714,914	20,385,069
Parking system	-	-	1,803,028	1,658,313	1,803,028	1,658,313
Fleet	84,945	141,148	-	-	84,945	141,148
Vehicle storage	-	-	1,450,998	1,506,812	1,450,998	1,506,812
Total expenses	276,542,849	284,429,652	25,968,940	23,550,194	302,511,789	307,979,846
Change in net position before transfers	35,404,261	59,338,467	3,517,442	4,778,839	38,921,703	64,117,306
Transfers	1,822,544	1,944,761	(1,822,544)	(1,944,761)	-	-
Change in net position	37,226,805	61,283,228	1,694,898	2,834,078	38,921,703	64,117,306
Net Position, Beginning of Year, as restated	541,613,285	479,662,966	31,740,081	28,906,003	573,353,366	508,568,969
Net position, End of Year	\$ 578,840,090	\$ 540,946,194	\$ 33,434,979	\$ 31,740,081	\$ 612,275,069	\$ 572,686,275

* 2021 amounts have not been restated for the adoption of GASB 87.

Governmental Activities. Governmental activities increased the City's net position in the current year by \$37,226,805. Property tax represents 21.6% of the City's 2022 revenue from governmental activities, excluding transfers in. Property tax revenues increased 4.4% from 2021 with an increase in assessed valuations. Sales tax represents 43.6% of the City's 2022 governmental revenue. Overall sales tax decreased 10.5% in comparison to 2021 revenues primarily due to the expiration of the 3/8-cent capital sales tax on December 31, 2021. While the dedicated capital sales tax expired, reducing overall sales tax revenues, the operating sales tax revenue increased 5.41% in 2022 due to economic development activities and strong growth in general merchandise, retail sales, restaurants, and traveler accommodations. The growth was impacted by inflation, but highest growth areas continue to be in

sectors that were most heavily impacted by the pandemic in 2020 and 2021. The hotel gross receipts tax increased 20.3% with the return of tourism, convention, and special event activity. Charges for services, representing 10.7% of governmental revenues, increased 5.5% due primarily to the prior year impact of the Coronavirus on the Zoo, park related activities, fines and fees, and licenses and permits. Operating grants and contributions, including intergovernmental turnback revenues, representing 12.3% of revenue from governmental activities in 2022, decreased 6.0% from 2021. Operating grants in 2021 included support from the American Rescue Plan - State and Local Fiscal Recovery Fund (SLFRF) allocation. This revenue is reported as Grants and contributions not restricted to specific programs in 2022. Capital grants and contributions, representing 1.8% of governmental revenues, decreased approximately 77.2%, driven primarily by a decrease in private-developer street and rights-of-way contributions, including approximately \$12.5 million associated with 21.2 lane miles of University Avenue (State Highway 70) received from the State of Arkansas in 2021.

Excluding transfers in, current year expenses were 88.7% of current year revenues. A net decrease in the pension and OPEB liabilities net of related deferred outflows and inflows of resources resulted in an increase to net position of \$15,521,640 as follows: A decrease in the net pension liability of \$33,636,817 and an increase in deferred outflows of resources of \$7,681,630, net of a decrease in related deferred inflows of \$24,153,395 resulted in a net increase to net position of \$17,165,052 associated with pensions. The majority of the pension expense decrease was associated with public safety pensions. An increase in the net OPEB liability of \$1,336,078 and a decrease in related deferred outflows of \$453,402, net of a decrease in deferred inflows of resources of \$146,068, resulted in a net decrease to net position of \$1,643,412 associated with OPEB. Vacant positions were very difficult to fill across all departments in 2022 which reduced personnel costs.

Business-type Activities. Business-type activities increased the City's net position by \$1,694,898. Key elements of this increase are as follows:

- Operating income increased net position by \$4,194,977. Net nonoperating expenses, including the net gain on disposal of capital assets, other income, the net investment loss, and interest expense, decreased net position by \$677,535. Net transfers decreased net position by \$1,822,544.
- Waste Disposal operating income of \$2,219,971 less net nonoperating expenses and transfers out of \$454,187 and \$1,822,544, respectively, decreased net position by \$56,760. Revenues are generated primarily by waste disposal and landfill services. Landfill revenues increased nearly 40% from 2021 due primarily to the opening of a new cell and the return of private haulers.
- River Market Garage operating income of \$1,199,479 was offset by net nonoperating expense of \$116,711. Parking meter revenues and reimbursements for street repairs dedicated to the parking garage bonds drove the increase in revenues of 8.7% over the prior year. The primary component of net nonoperating expense was interest expense.
- Other nonmajor enterprise funds operating income increased net position by \$775,527.

Waste Disposal activities contribute 83.4% of the operating revenue to the business-type activities. Current year operating expenses, including transfers out, for business-type activities were 92.1% 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, 2022, the City’s governmental funds reported combined ending fund balances of \$251,535,089, an increase of \$71,831,258 compared to the prior year. A total of \$167,264,799 is reported as *restricted fund balance* for capital projects or debt service. In addition, \$2,885,012 of the governmental fund balances is *nonspendable*, representing primarily inventories and prepaid expenditures. The *committed* and *assigned* portions of the fund balances were \$39,123 and \$38,038,638, respectively. Approximately \$43,307,517 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, 2022, unassigned fund balance of the general fund was \$43,307,517, while the total fund balance was \$83,107,480. 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 18.7% of total General Fund expenditures (including transfers out), while total fund balance represents 35.8% of that same amount. The increase in general fund balances of \$21,218,787 was primarily attributed to a transfer in of \$14,053,436 of excess property tax collections dedicated to debt service on the City's 2018 capital improvement bonds that were received subsequent to the retirement of the bonds. In addition, the City experienced strong growth in property tax, sales tax, and franchise fee revenues as discussed in *Governmental Activities* above.

The special revenue funds had total fund balances of \$42,529,076. There was a net increase in fund balances of \$6,244,629 in 2022. Special revenues come primarily from intergovernmental sources, property taxes, and charges for services. Street fund (major fund) revenues are primarily from property taxes, state highway, wholesale fuel tax, severance tax turnback funds, and an allocation of the State's ½ cent highway sales tax dedicated to street construction, resurfacing, and other road related projects. American Rescue Plan - SLFRF fund (major fund) revenues are from the City's allocation of the Coronavirus State and Local Fiscal Recovery Funds to support the response to and recovery from the COVID-19 public health emergency. The City received \$18,856,700 from the second tranche in 2022 of which \$4,619,172 was recognized as revenue and expended during the year. The increase in street fund balance in 2022 is primarily due to an increase in turnback revenues received from the State, including growth in the 1/2-cent 4-Lane Highway sales tax. Fund balance is restricted for future street and drainage projects. Net changes and ending fund balances by fund are:

<u>Special Revenue Funds</u>	<u>Net Change</u>	<u>Ending Balance</u>
Street (major fund)	\$ 2,693,065	\$ 28,820,030
American Rescue Plan -SLFRF (major fund)	298,446	355,660
Special Projects	2,651,388	6,685,480
Emergency 911	385,556	3,878,867
Grant Fund	5,198	22,973
CDBG	245,745	1,124,051
NHSP	467	18,246
HIPP	(35,236)	1,623,769

Emergency 911 funds are supported by a statewide public safety fee assessed on wireline and wireless phones to fund all PSAPS within the state. Funding is divided between E-911 centers based on the population each serves. The increase in fund balance is associated with a rate change implemented by the state legislature that took effect in October 2019 to better support emergency communications. The grant fund, Community Development Fund (CDBG), Neighborhood Housing Special Project Fund (NHSP),

and Home Investment Partnership Fund (HIPP) account for grant funds received for specific programs. The monies are expended in accordance with each grant program. The increase in the HIPP fund is primarily attributed to program income.

The debt service funds had total fund balances of \$2,609,866. The net decrease in fund balances during 2022 was \$21,940,333. Revenues for debt service funds come from property tax, franchise fees, or sales tax set at the level necessary to meet debt service requirements. In 2022, dedicated property tax levies were utilized to retire the 2018 Capital Improvement Bonds, and the 2017 Central Arkansas Library Bonds, and to pay debt service on the 2015 Central Arkansas Library Bonds. In addition, the City issued the Library Construction and Refunding Bonds, Series 2022 in November to fund new library improvements and to refund the outstanding balance on the 2015 Library Bonds. In December, the City issued the 2022 Limited Tax Capital Improvement Bonds, Series 2022. New property tax levies were approved by voters to fund debt service on the 2022 issuances beginning in 2023. The TIF #1 debt service funds are generated by increased assessed values attributed to growth in the redevelopment district. The 2017 Capital Improvement debt service is funded with dedicated franchise fees. The 2018 Hotel Gross Receipts Bonds debt service is funded by a 2% hotel gross receipts tax levy. The decrease in fund balance is due to the distribution of tax collections in excess of debt service requirements to the City and the Little Rock Convention and Visitors Bureau. Net changes and ending fund balances by fund are:

Debt Service Funds	Net Change	Ending Balance
2018 Capital Improvements	\$ (14,601,542)	\$ -
2015 Central Arkansas Library	(3,722,886)	506,052
TIF #1 2014 Capital Improvement	156,331	580,269
2017 Central Arkansas Library	(4,169,677)	324,325
2017 Capital Improvement	1,296	17,866
2018 Hotel Gross Receipts	(80,638)	704,571
2022 Library Construction and Refunding Bonds *	476,783	476,783
2022 Capital Improvement Bonds *	-	-

*Debt service for the 2022 bond issues is supported by new property tax levies with collections beginning in 2023.

The capital project funds had total fund balances of \$123,288,667 at December 31, 2022. Fund balances increased by a net of \$66,308,175 during the year. The decrease in the Sales Tax Capital Improvement fund (major fund) reflects expenditures of sales tax receipts collected prior to 2022 from the dedicated 3/8-cent sales tax and investment income on approved capital projects. The 3/8-cent sales tax sunset on December 31, 2021 but expenditures on approved projects will continue until funds are exhausted. The increase in the 2022 Capital Improvements Fund is associated with the issuance of the Series 2022 A - \$53,510,000 and 2022 B (taxable) - \$5,050,000 Limited Tax Capital Improvement Bonds on December 21, 2022. The bonds will be issued in two or more series to fund projects that include street and drainage improvements, fire apparatus, parks and recreation and zoo improvements, construction of a district courts facility, and Port Industrial Park improvements. The increase in the 2022 Library Capital Improvement Fund is due to the issuance of Limited Tax Capital Improvement Bonds on November 30, 2022 for improvements to the Central Arkansas Library System. The decreases in the Capital Improvement Fund, 2018 Hotel Gross Receipts Tax Bond Fund, and 2015 Central Arkansas Library Capital Improvement Fund, are associated with the expenditure of bond proceeds for capital projects and major maintenance for streets and drainage, construction and capital improvements of the Arkansas Museum of Fine Arts, and Library improvements, respectively. The decrease in the Short-Term Financing fund reflects expenditures for various capital projects from the issuance of short-term note obligations. The net changes and ending fund balances for the capital project funds are:

Capital Improvement Funds	Net Change	Ending Balance
Sales Tax Capital Improvements (major fund)	\$ (9,572,531)	\$ 32,705,542
2022 Capital Improvements (major fund)	58,240,393	58,240,393
2022 Library Capital Improvements	25,551,569	25,551,569
Capital Improvements	(6,760,760)	4,338,978
2018 Hotel Gross Receipts Tax Bonds	(540)	8,987
Short-Term Financing	(1,117,190)	1,955,601
2015 Central Arkansas Library Capital Improvement	(12,618)	270,809
Port TIF	(20,148)	216,788

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

At the end of the year, net position amounted to \$26,309,220, \$5,680,422, and \$1,445,337, for Waste Disposal, River Market Garage, and Vehicle Storage operations, respectively. Net position changed in the Waste Disposal Fund, River Market Garage Fund, and Vehicle Storage Fund by \$(56,760), \$1,082,768, and \$668,890, respectively. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The original adopted general fund budget included revenues and expenditures of \$222,166,164 including transfers in and out. The final amended budget included increases in revenues, including transfers in, of \$18,739,928 and increases in total appropriations of \$25,313,099, resulting in a net decrease to budgeted fund balances of \$6,515,359. The amendment included appropriations for special projects utilizing increases in general fund net position generated in 2021. During the year, there were three (3) budget amendments. The first amendment, adopted on May 17, 2022 was to provide non-uniform full-time employees a minimum salary of \$15 per hour at an estimated cost of \$297,724 in the General, Street, and Waste Disposal Funds. The second amendment was adopted on October 3, 2022, to increase General Fund revenues by a net of \$12,342,307 and to increase expenditure appropriations by \$18,827,196. The increase in expenditure appropriations included an allocation of \$8,508,200 from the 2021 increase in general fund balances for Port land acquisition (\$5 million) for economic development purposes, targeted community development in under-served areas (\$3 million), and for architectural services for the schematic design phase of a proposed parking deck (\$508,200). The remaining \$10,318,996 increase in expenditure appropriations was funded with 2022 revenues. The third and final amendment was adopted March 7, 2023 to true up revenue projections and authorize an additional net \$6.3 million in appropriations for additional operating needs, economic development, and other special projects. The amendments also included the allocation of savings from authorized but vacant positions to departments and reallocated the budget for vacation and sick leave payouts for employees separating from service from general administration to departments as expenses were incurred.

Budget adjustments and actual results are shown as follows:

	General Fund Budget – Revenue					Explanation
	Original Budget	Adjustments	Amended Budget	Actual	Variance	
Property Taxes	\$ 32,456,475	\$ 472,702	\$ 32,929,177	\$ 32,929,187	\$	10 The original budget for property tax revenues included a growth estimate of 2.5%. The budget amendment included an increase of approximately 1.5% due to increased valuations and collections. Actual results were in line with the amended budget.
Sales Taxes	119,739,850	13,317,027	133,056,877	133,056,876		(1) The original budget included a conservative estimate that excluded the previous year's unusual growth in the NAICS category of Iron, Steel, and Farrow Alloy and prior year Federal stimulus distributions. The budget amendment reflected actual results with continued sales tax growth in areas previously impacted by the Coronavirus Pandemic including merchandise sales, restaurant and food services, drinking establishments, and travel related areas. Inflation also contributed to the growth rate of 5.4% over prior year revenues.
Licenses & Permits	12,492,000	280,093	12,772,093	12,776,243		4,150 The original budget assumed growth of approximately 2% for business licenses, mixed drink supplements, and building permits. The budget amendment was primarily attributed to stronger growth in supplemental mixed drink licenses with the return of customers to restaurants and bars following the Pandemic. This portion of license and permit revenues grew 24% from 2021.
Intergovernmental	10,703,932	2,690,845	13,394,777	13,394,777		- Insurance pension turnback revenues are received annually in July from the State of Arkansas. The budget amendment reflects an increase in the turnback revenue attributed to a special one-time law enforcement stipend awarded to qualified officers from the State totaling approximately \$2.6 million.
Charges for Services	11,264,804	(52,321)	11,212,483	11,744,089	531,606	The adopted budget anticipated growth of approximately 5% with continued recovery in indoor recreational activities. The budget amendment reflects a slight decrease in golf revenues after a record breaking year in 2021 when customers sought outdoor activities as venues reopened following the Pandemic. Actual results exceeded anticipated revenues for the Zoo, Golf, and reimbursement for school resource officers. The Zoo hosted a successful holiday event that drove up attendance in December. The school district was behind in reimbursements due to a system change. Reimbursements exceeded expectations at year end by nearly \$200,000 for school resource officers.
Fines & Fees	1,929,200	(289,244)	1,639,956	1,846,111	206,155	The budget amendment reflects the slow resumption of court activities following the pandemic and less than anticipated ticket volume. Actual traffic fine collections exceeded expectations at year end.
Utility Franchise Fees	30,365,217	2,101,395	32,466,612	32,466,612		- The original budget was based on forecasts received directly from the utility service providers. The budget amendment included increases in electric, gas, water and water reclamation franchise fees. The increase in electric fees was attributed to a rider added to bills associated with fuel prices and recovery from the historic 2021 snow event. The increase in gas fees was attributed to a large increase in natural gas prices. The original budget anticipated a reduction in water and water reclamation revenues but the decrease was less than anticipated due to higher usage during the hot dry summer months. Actual revenues were in line with the amended budget.

General Fund Budget – Revenue						
	Original Budget	Adjustments	Amended Budget	Actual	Variance	Explanation
Interest Earnings	130,000	216,500	346,500	(3,536,959)	(3,883,459)	The budget amendment reflects the impact of higher interest rates on realized cash and investment interest earnings. The actual variance is attributed to rising interest rates that negatively impacted the fair market value of investments. The pooled cash investments are primarily in U.S. Agencies, Certificates of Deposit, and Municipal Bonds which are held to maturity. The temporary loss recognized due to the fair market value adjustment at year end will not result in actual realized losses.
Contributions	373,255	(113,857)	259,398	328,961	69,563	The budget reflects contributions from the Little Rock Convention and Visitor's Bureau (LRCVB) for operation of the River Market in a net cost sharing arrangement. The amendment decreased the contribution from LRCVB to reflect lower than anticipated net operating expense of the River Market. The actual variance is due to additional contributions and bequests received for the Zoo and parks that were not budgeted.
Miscellaneous	611,670	41,788	653,458	1,140,506	487,048	The budget amendment includes an adjustment for an increase in miscellaneous pension revenues and insurance recoveries. The actual variance includes \$316,283 in special projects, including Housing and Neighborhood reimbursements and land bank revenues. In addition, seized funds contributed approximately \$171,000.
Initiation of leases	-	57,812	57,812	57,814	2	Amended for new leases initiated in 2022.
Transfers In	2,099,761	75,000	2,174,761	16,898,486	14,723,725	The adopted budget includes transfers from other funds primarily associated with overhead. The budget amendment included a transfer from special projects for park maintenance. The actual variance is associated with the transfer of excess property tax revenues dedicated to debt service on the 2018 Capital Improvement Bonds that was collected subsequent to retirement of the bonds. The dedicated levy was renewed for collection in 2022 because funds on hand at the end of 2021 were not sufficient to retire the bonds. Voters approved a new levy to support debt service on the 2022 bonds that were issued in December.
Total General Fund Revenue	\$ 222,166,164	\$ 18,797,740	\$ 240,963,904	\$ 253,102,703	\$ 12,138,799	

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

General Fund Budget – Expenditures						
	Original Budget	Adjustments	Final Budget	Actual	Variance Fav. (Unfav.)	Explanation
General Administration	\$ 26,004,644	\$ 2,729,276	\$ 28,733,920	\$ 29,243,332	\$ (509,412)	The budget amendment is primarily associated with an additional appropriation for the purchase of land at the Port for economic development (\$5 million), Board approved legal settlements (\$235,000), and additional allocations for automated external defibrillators for various facilities (\$63,000) and the Downtown Partnership for La Petite Roche tricentennial celebrations, net of the allocation of vacation and sick leave payouts to other departments for separating employees. The expenditures are originally budgeted in General Administration and allocated to departments as incurred. The actual variance includes the settlement of a legal action approved by the Board in 2023 that originated in 2022 in the amount of \$175,000 and an accrual for the financial exposure associated with another litigation matter that is being appealed (\$228,500).

	General Fund Budget – Expenditures (Continued)					Explanation
	Original Budget	Adjustments	Amended Budget	Actual	Variance Fav. (Unfav.)	
Board of Directors	344,674	-	344,674	332,882	11,792	Immaterial
Community Programs	310,453	(7,180)	303,273	3,796,241	(3,492,968)	The budget amendment is due to the allocation of vacation and sick leave payouts. The actual variance is attributed to special project expenditures for Children, Youth, and Family, and Prevention, Intervention, and Treatment programs, which are budgeted as transfers out. Actual special project expenditures were \$3,510,603.
City Attorney	1,874,118	20,525	1,894,643	1,893,490	1,153	The budget amendment reflects savings from vacant positions (\$82,214), net of an allocation for vacation/sick payouts for separating employees (\$33,423). In addition, the amendment included an additional allocation for the 2022 partial year impact of transferring the Freedom of Information Act (FOIA) division to the City Attorney's Office. The actual variance is immaterial.
District court – first division (criminal)	1,409,001	(125,426)	1,283,575	1,264,168	19,407	The budget amendment reflects savings from vacant positions (\$130,612), net of an additional allocation for vacation/sick payouts for separating employees (\$3,424). In addition, \$1,762 was appropriated to increase the minimum salary for full-time non-uniform personnel to \$15 per hour. The actual variance is attributed to savings in personnel cost, supplies, and contracted expenditures.
District court – second division (traffic)	1,331,005	(72,032)	1,258,973	1,240,914	18,059	The budget amendment reflects savings from vacant positions (\$80,896), net of an additional allocation for vacation/sick payouts (\$8,864). The actual variance is attributed to savings in contracted expenditures, utilities, travel, and training.
District court – third division (environmental)	578,142	(6,055)	572,087	552,838	19,249	The budget amendment reflects savings from vacant positions (\$6,055). The actual variance is primarily attributed to savings in supplies, software maintenance, and training.
Finance	4,432,349	(247,566)	4,184,783	4,206,038	(21,255)	The budget amendment primarily reflects savings from vacant positions (\$282,935), net of an additional allocation for vacation/sick leave payouts for separating employees (\$35,369). The actual variance is attributed to special project expenditures from a prior year allocation for computers and equipment.
Human resources	2,274,393	(120,116)	2,154,277	2,225,227	(70,950)	The budget amendment reflects savings from vacant positions (\$128,308), net of an additional allocation for vacation/sick leave payouts for separating employees (\$59,397). In addition, the Human Resources budget was reduced \$80,205 for the transfer of FOIA positions to the City Attorney's Office and increased \$29,000 for software maintenance. The actual variance is associated with special project expenditures for work boots, employee wellness activities, and the City's residency incentive which were budgeted as transfers out.
Information technology	6,482,671	(960,468)	5,522,203	5,519,999	2,204	The budget amendment includes a \$500,000 reclassification to transfers out to fund a special project for IT expenditures that were deferred to 2023. In addition, the budget amendment reflects savings from vacant positions (\$245,777), net of an additional allocation for vacation/sick leave payouts for separating employees (\$15,363). The remainder of the budget amendment is the reclassification of lease expense to principal and interest. The actual variance is immaterial.

General Fund Budget – Expenditures (Continued)						
	Original Budget	Adjustments	Final Budget	Actual	Variance Fav. (Unfav.)	Explanation
Planning & development	3,255,006	(306,605)	2,948,401	3,033,708	(85,307)	The budget amendment includes savings from vacant positions (\$345,527), net of an additional allocation for vacation/sick payouts for separating employees (\$29,009). The amendment also includes an additional allocation for fuel cost (\$9,913). The actual variance is primarily attributed to special project expenditures for commercial demolition and planning consultants which were budgeted as transfers out.
Public works	1,125,998	14,676	1,140,674	1,818,783	(678,109)	The budget amendment includes an additional allocation for vacation/sick leave payouts for separating employees. The actual variance is primarily associated with special project expenditures for facility improvements and repairs. The special project expenditures totaled \$712,737 and were budgeted as transfers out.
Parks & recreation	10,791,058	(789,878)	10,001,180	10,200,456	(199,276)	The budget amendment reflects savings from vacant positions (\$972,651), net of an additional allocation for vacation/sick payouts for separating employees (\$22,417). In addition, \$37,084 was allocated to increase minimum non-uniform salaries to a \$15 per hour, \$75,000 was allocated for additional park maintenance, and \$53,496 was allocated for increased fuel cost. The actual variance is primarily attributed to special project expenditures for various youth sport programs, environmental youth, and 21st Century learning programs budgeted as transfers out.
Rivermarket	1,157,413	(93,307)	1,064,106	1,005,519	58,587	The budget amendment decreased appropriations for operation of the Rivermarket due to vacant positions and reduced part-time salaries. The actual expenditures were below budget due to additional salary and utility cost savings.
Golf	1,709,747	41,012	1,750,759	1,718,615	32,144	The budget amendment reflects an increase in allocations for personnel cost, water and electric utility cost, and pro-shop merchandise. The actual variance is primarily attributed to reduced fleet maintenance allocations.
Jim Dailey Fitness & Aquatics	886,132	(24,810)	861,322	849,638	11,684	The budget amendment reflects savings from vacant positions (\$69,474), net of an additional allocation for vacation/sick payouts (\$574) and an increase in minimum salaries to \$15 per hour. In addition, the amendment included \$42,500 in additional allocations for part-time personnel, uniforms, and janitorial services. The actual variance is primarily due to utility savings.
Zoo	7,019,161	686,269	7,705,430	8,005,954	(300,524)	The budget amendment reflects the savings from vacant positions (\$267,297), partially offset by an additional allocation for vacation/sick payouts (\$83,723), and an increase of \$21,010 to raise minimum salaries for full-time non-uniform personnel to \$15 per hour. The Zoo received additional appropriations of \$856,096 for part-time and overtime (\$413,000), supplies and gift shop merchandise (\$212,000), animal feed, lab, and chemical supplies (\$168,000), and utilities (\$57,000). less the reclassification of lease expenditures to principal and interest. The actual variance is due to expenditure of special project funds set aside in a prior year that were not included in the operating budget. The actual variance is attributed to special project expenditures associated with special events and stormwater outflows.

General Fund Budget – Expenditures (Continued)

	Original Budget	Adjustments	Amended Budget	Actual	Variance	Explanation
Fire	55,408,510	1,759,791	57,168,301	57,700,490	(532,189)	The budget amendment included additional allocations for the prorated cost of 15 additional firefighters (\$468,836), overtime (\$278,000), turnouts (\$126,000), and vacation/sick leave payouts for separating employees (\$365,602), partially offset by vacancy savings of (\$396,951). In addition, the Fire budget was increased for contributions to the closed Fire pension plan (\$151,627) from dedicated revenues, increased fuel cost (\$229,074), and \$537,700 for increased operating expenses including utilities, building maintenance, controlled equipment, and cleaning and janitorial supplies. The actual variance is attributed to special project expenditures for CAD tablets and equipment, Fire Station 12 renovations, and additional turnouts budgeted in transfers out.
Police	77,174,511	(625,108)	76,549,403	76,573,134	(23,731)	The budget amendment reflects savings from vacant positions (\$4,208,199), partially offset by additional allocations for vacation/sick payouts to separating employees (\$826,339), a one-time award of Police stipends from State turnback funds of \$2,611,468, and an increase to the closed Police pension plan contribution (\$203,902), and an additional fuel allocation (\$459,155). The budget amendment also included the reclassification of lease expenses to principal and interest in the amount of \$517,773. The actual variance is primarily attributed to additional personnel cost savings due to vacant positions. The actual variance is immaterial.
911 operations	4,758,621	(720,525)	4,038,096	3,973,180	64,916	The budget amendment reflects savings from vacant positions (\$811,733), net of additional allocations for vacation/sick leave payouts for separating employees (\$90,181), and additional fuel cost of \$1,027. The actual variance is attributed to savings in repairs and maintenance expenditures.
Fleet	-	-	-	78,345	(78,345)	The actual Fleet variance is attributed to special project expenditures for fleet lease management expenses budgeted as transfers out. Leased vehicle expense is reported as principal and interest.
Housing & neighborhood programs	6,157,993	(534,715)	5,623,278	6,558,818	(935,540)	The budget amendment reflects savings from vacant positions (\$626,940), partially offset by additional allocations for vacation/sick payouts for separating employees (\$61,966), an additional allocation for fuel cost (\$30,259). The actual variance includes special project expenditures of \$987,301 for weed lot maintenance, land bank acquisition, and residential and commercial demolitions which were budgeted as transfers out, partially offset by savings in other operating expenditures.
Principal	3,382,819	587,822	3,970,641	5,063,364	(1,092,723)	The budget represents principal payments on temporary notes and leases. The actual variance represents the principal portion of vehicle lease payments paid from the fleet replacement special project, budgeted as transfers out.
Interest expense	147,433	92,569	240,002	351,518	(111,516)	The budget represents the interest expense paid on temporary notes and leases. The actual variance represents the interest paid on vehicle leases paid from the fleet replacement special project, budgeted as transfers out.

General Fund Budget – Expenditures (Continued)						Explanation
Original Budget	Adjustments	Final Budget	Actual	Variance Fav. (Unfav.)		
Capital outlay	72,500	61,835	134,335	2,154,727	(2,020,392)	The budget amendment reflects the reallocation of capital outlay expenditures from department operating budgets. The actual variance reflects special project capital expenditures (\$2.02 million) budgeted as transfers out or set aside in prior years for various capital projects including completion of the buildout of the first floor of the 12th Street Police Station and improvements to the Willie Hinton Neighborhood Resource center.
Transfers Out	10,769,512	17,261,415	28,030,927	2,522,538	25,508,389	The transfers out budget primarily consists of transfers to special projects as specified by the Board of Directors. The special projects are for programs the Board wishes to track separately, and often involve projects that extend beyond the current fiscal year. The budget amendment includes additional allocations of \$17.26 million for projects including Targeted Community Development (\$3.5 million), Port Infrastructure (\$2 million), Tech Park Expansion (\$3 million), Acquisition of the Shephard's Building (\$950,000), Parking Deck Architectural Services (\$508,200), Real-time Crime Center (\$300,000), Police Property Room (\$1.6 million), Police Radios (\$1.2 million), Demolition of the Police Main headquarters and ancillary buildings (\$600,000), 13th Street Parking Lot Improvements (\$300,000), Parks Equipment (\$585,000), Planning - Drainage Manual Update (\$250,000), Emergency Housing Relocation Assistance (\$200,000), 12th Street Station Furniture Package (\$171,191), LRPD Headquarters (\$282,000), Animal Village Construction (\$332,985), Disparity Study (\$500,000), Fencing for PD parking facilities (\$482,039), IT carryover allocation \$500,000). Special project expenditures are grouped with general fund expenditures above for reporting purposes, and the transfers out to special projects are eliminated, creating the variance from budget to actual. The actual transfers reflected include transfers to the Street fund for parking enforcement and transfers to the special revenue funds of \$2.3 million.
Vacancy Savings	(6,691,700)	6,691,700	-	-	-	The budget adjustment reflects savings that occurs when authorized positions are vacant. As savings are achieved, the budgets of the applicable departments are reduced with an offset to the vacancy savings budget. The vacancy savings allocation was fully realized in 2022.
Total General Fund Expenditures	\$ 222,166,164	\$ 25,313,099	\$ 247,479,263	\$ 231,883,916	\$ 15,595,347	

Capital and Lease Assets and Debt Administration

Capital and lease assets. The City's investment in capital and lease assets for governmental and business-type activities as of December 31, 2022, amounts to \$686,077,508 (net of accumulated depreciation and amortization). The investment in capital assets includes lease assets, 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 net capital and lease assets for 2022 is \$1,682,835, or 0.2% (a decrease of 0.02% for governmental activities and a decrease of 5.4% for business-type activities).

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

	Governmental Activities		Business-type activities		Total	
	2022	2021*	2022	2021*	2022	2021*
Lease assets	\$ 4,842,318	\$ -	\$ -	\$ -	\$ 4,842,318	\$ -
Land	192,015,392	190,694,884	2,637,147	2,637,147	194,652,539	193,332,031
Buildings	79,645,068	74,090,625	11,116,822	11,875,374	90,761,890	85,965,999
Improvements other than buildings	6,926,946	7,486,935	4,953,981	5,367,332	11,880,927	12,854,267
Vehicles and equipment	12,709,915	19,010,065	6,686,199	6,993,165	19,396,114	26,003,230
Infrastructure	318,682,596	312,279,760	-	-	318,682,596	312,279,760
Construction in progress	44,318,105	55,735,636	1,543,019	1,589,420	45,861,124	57,325,056
Total	\$ 659,140,340	\$ 659,297,905	\$ 26,937,168	\$ 28,462,438	\$ 686,077,508	\$ 687,760,343

* 2021 amounts have not been restated for the adoption of GASB 87.

Major capital asset events during 2022 included the following:

- Infrastructure additions were \$22,718,152
- Vehicle and equipment additions were \$4,011,987
- Land and Rights-of-Way additions were \$1,320,508
- Construction in progress additions, net of transfers for assets placed in service, decreased \$11,407,219
- Depreciation and amortization expense totaled \$30,047,484
- Asset retirements, net of accumulated depreciation, were \$497,852

Additional information on the City's capital assets can be found in *Note 4* on pages 62-64 of this report.

Long-term Debt. At December 31, 2022, the City's primary government had \$160,612,608 of long-term debt outstanding, including general obligation bonds of \$100,475,000, notes payable of \$7,095,530, leases of \$4,887,078, and \$48,155,000 of bonds, secured solely by specified revenue sources (*i.e.*, revenue bonds). In addition, net issuance premiums and issuance discounts totaled \$2,383,632.

City of Little Rock
Long-term Debt

	Governmental Activities		Business-type activities		Total	
	2022	2021*	2022	2021*	2022	2021*
General obligation bonds	\$ 100,475,000	\$ 43,755,000	\$ -	\$ -	\$ 100,475,000	\$ 43,755,000
Revenue bonds	43,705,000	45,265,000	4,450,000	5,395,000	48,155,000	50,660,000
Notes Payable	7,095,530	10,478,349	-	-	7,095,530	10,478,349
Leases	4,887,078	4,593,781	-	-	4,887,078	4,593,781
Total	\$ 156,162,608	\$ 104,092,130	\$ 4,450,000	\$ 5,395,000	\$ 160,612,608	\$ 109,487,130

* 2021 amounts have not been restated for the adoption of GASB 87.

Total long-term debt outstanding at December 31, 2022, increased \$51,125,478, an increase of 46.7%. The net increase includes bonded debt retirements of \$45,120,000, principal payments on short-term financing notes in the amount of \$3,382,819, and principal payments on leases of \$1,725,418. The additions were partially offset by the initiation of new leases in the amount of \$57,814.

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

	Moody's Investors Service	Standard & Poor's
<u>General Obligation Debt</u>		
2015 Library Capital Improvement and Refunding Bonds *	Not Rated	AA
2017 Library Refunding Bonds *	Aa1	Not Rated
TIF #1 2014 Capital Improvement	Not Rated	Not Rated
2018 Capital Improvement Bonds *	Aa1	AA
2022 Limited Tax Capital Improvement Bonds	Aa1	AA
2022 Library Construction and Refunding Bonds	Not Rated	AA
<u>Revenue Debt</u>		
2003 Capital Improvement and Refunding Revenue	A3	A-
2007 Waste Disposal Capital Improvement Bonds *	Aa2	AA-
2017 Capital Improvement Refunding Bond	Not Rated	AA-
2018 Hotel Gross Receipts Tax Bonds	Not Rated	BBB

* The bonds noted were retired in 2022. The 2015 Library Bonds were refunded by the issuance of the 2022 Library Construction and Refunding Bonds.

The City is within all its legal debt limitations. Under the Arkansas Constitution, the City is allowed to issue general obligation debt up to 20% of total assessed valuation, with voter approval. Outstanding general obligation and governmental revenue bonds at December 31, 2021, of \$146,572,503 net of premiums and discounts are well below the statutory limit of \$1,074,777,431. In addition, the City is allowed to issue short-term financing (maturities of less than five years) up to 5% of total assessed valuation. Outstanding short-term financing, including capital leases at December 31, 2021, of \$11,982,608 are well below the statutory limit of \$268,694,358. Voter approval is not required for short-term financing.

S&P Global Ratings lowered its long-term rating on the 2018 Hotel Gross Receipts Tax Bonds, Series 2018 to BBB from A- in 2020 and revised the outlook to negative. The rating action reflected uncertainty regarding the duration of the ongoing Coronavirus pandemic and the impact on pledged revenue. In addition, the outlook on transportation industry bonds, including the 2003 Capital Improvement and Refunding Revenue Bonds issued to finance construction of the RiverMarket Parking Deck and advance refund the 1997 Capital Revenue Bonds (Second and Main Street Parking Project), was revised to negative due to the impact of the pandemic on the industry. In 2022 the outlooks on the 2018 Hotel Gross Receipts Tax Bonds, Series 2018 and the 2003 Capital Improvement and Refunding Revenue Bonds were revised to stable.

Additional information regarding the City’s long-term debt can be found in *Note 5* on pages 65-71 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 2023 budget, adopted on December 20, 2022. As a result, the 2023 General Fund original adopted budget is \$221,903,863, reflecting a slight decrease of 0.12% from the original 2022 adopted budget. Sales tax revenue is expected to remain around \$134 million for 2023, which allows us to keep up with the growing needs of our City, adding additional funding for public safety, facility improvements, vehicle and equipment replacement, and technology upgrades.

One of the City's biggest internal challenges has been obtaining and retaining staff. Although total job growth for the Little Rock Metro is around 6.2%, the biggest job loss occurred in the Local Government sector, which lost 8.4% between 2020 and 2022 to better-paying private sector jobs that lured employees away from local government. The City has attempted to alleviate this problem by increasing minimum salaries to \$15.00 per hour, increasing minimum Uniformed Police salaries to \$50,000 per year, upgrading salaries on hard-to-fill positions, providing across-the-board salary increases, and updating policies to allow flexible work arrangements where appropriate. Another challenge has been an aging fleet. With the sunset of a 3/8-cent sales tax for capital improvements at the end of 2021, there are limited funds for capital improvements. The City signed a five (5) year lease for Police vehicles in 2019 but decided to change course during 2023. There is an additional \$2,525,000 in the 2023 budget to account for lease payments as well as purchase new vehicles. Financed by a short-term note, the Fleet Department plans to purchase 103 Police vehicles this year to allow a vehicle to be assigned to each uniformed officer, reducing the amount of time for shift changes.

On December 21, 2022, the City issued the first series of Capital Improvement bonds approved by voters at a Special Election held on August 9, 2022. There were six (6) separate ballot questions before voters, each with stated maximum aggregate principal amounts including: Street Improvement Bonds - \$40.5 million, Drainage Improvement Bonds - \$40.5 million, Fire Apparatus Improvement Bonds - \$19.5 million, Park and Recreational Improvement Bonds - \$37 million, District Court Facility Improvement Bonds - \$8.5 million, and Port Industrial Park Improvement Bonds - \$15.8 million. Voters also approved the pledge of a 3.0 mill ad valorem tax levy to the bonds.

The Mayor and the Board of Directors continue to place the highest premium on safety for the people of Little Rock and City employees. To meet the objectives of the 2023 budget, the City recognized the need to continue its pattern of cost containment designed to promote long-term fiscal stability.

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

Request for Information

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

(This Page Intentionally Left Blank)

Financial Statements

City of Little Rock, Arkansas
Statement of Net Position
December 31, 2022

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and cash equivalents	\$ 10,089,427	\$ 2,303,089	\$ 12,392,516	\$ 114,261,563
Investments	60,922,527	13,151,457	74,073,984	81,182,369
Restricted cash and investments - current	6,257,870	772,761	7,030,631	5,773,760
Receivables, net				
Accounts receivable	120,213,377	4,522,160	124,735,537	72,424,752
Lease receivable	71,780	174,344	246,124	2,893,576
Interest Receivable - current	-	-	-	70,040
Due from fiduciary funds	7,000	-	7,000	-
Inventories	1,448,542	-	1,448,542	2,389,901
Prepaid expenses and other	1,757,921	312,866	2,070,787	4,624,242
	<u>200,768,444</u>	<u>21,236,677</u>	<u>222,005,121</u>	<u>283,620,203</u>
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	24,998,259	-	24,998,259	19,075,798
Investments	165,558,884	1,451,470	167,010,354	81,694,932
Grants and other receivables	-	-	-	3,448,957
Interest receivable	488,016	63,156	551,172	103,908
Less amount required to meet current obligations	<u>(6,257,870)</u>	<u>(772,761)</u>	<u>(7,030,631)</u>	<u>(3,110,841)</u>
Total restricted assets	<u>184,787,289</u>	<u>741,865</u>	<u>185,529,154</u>	<u>101,212,754</u>
Lease receivable - due in more than one year	798,889	4,725,664	5,524,553	57,702,394
Capital and lease assets, net				
Lease assets, net	4,842,318	-	4,842,318	5,368,243
Nondepreciable	236,333,497	4,180,166	240,513,663	308,955,522
Capital assets - depreciable, net	<u>417,964,525</u>	<u>22,757,002</u>	<u>440,721,527</u>	<u>1,017,839,181</u>
Total capital and lease assets, net	<u>659,140,340</u>	<u>26,937,168</u>	<u>686,077,508</u>	<u>1,332,162,946</u>
Other assets				
Other	-	-	-	957,888
Total other assets	-	-	-	957,888
Total noncurrent assets	<u>844,726,518</u>	<u>32,404,697</u>	<u>877,131,215</u>	<u>1,492,035,982</u>
Total assets	<u>1,045,494,962</u>	<u>53,641,374</u>	<u>1,099,136,336</u>	<u>1,775,656,185</u>
Deferred Outflows of Resources				
Deferred outflows from pensions	61,936,997	1,444,366	63,381,363	7,264,564
Deferred outflows from OPEB	9,943,573	-	9,943,573	3,162,466
Loss on refunding	691,817	-	691,817	12,583,288
Total deferred outflows of resources	<u>72,572,387</u>	<u>1,444,366</u>	<u>74,016,753</u>	<u>23,010,318</u>
Total assets and deferred outflows of resources	<u>\$ 1,118,067,349</u>	<u>\$ 55,085,740</u>	<u>\$ 1,173,153,089</u>	<u>\$ 1,798,666,503</u>

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Net Position
December 31, 2022

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities, Deferred Inflows of Resources and Net Position				
Current liabilities				
Accounts payable	\$ 8,232,319	\$ 783,737	\$ 9,016,056	\$ 12,333,553
Accrued wages payable and related liabilities	11,552,916	-	11,552,916	5,556,176
Retainage payable	390,047	-	390,047	-
Accrued expenses and other	1,645,544	153,925	1,799,469	10,363,164
Accrued interest payable	547,167	117,761	664,928	3,367,449
Compensated absences - current portion	20,661,592	477,809	21,139,401	2,732,543
Notes payable - current portion	2,329,987	-	2,329,987	100,000
Lease liability - current portion	1,760,716	-	1,760,716	4,993,485
Bonds payable - current portion	1,620,000	655,000	2,275,000	8,663,823
Other current liabilities	10,349,944	-	10,349,944	-
Unearned revenue	38,038,612	564,676	38,603,288	1,867,658
Total current liabilities	<u>97,128,844</u>	<u>2,752,908</u>	<u>99,881,752</u>	<u>49,977,851</u>
Noncurrent liabilities				
Notes payable	4,765,543	-	4,765,543	11,700,000
Lease liability	3,126,362	-	3,126,362	278,458
Bonds payable, net of unamortized premium and discount	144,952,503	3,786,129	148,738,632	457,335,742
Net pension liability	175,027,596	1,690,919	176,718,515	20,742,259
Net OPEB liability	20,240,516	-	20,240,516	5,536,468
Compensated absences	14,039,572	263,412	14,302,984	787,719
Other long-term liabilities	794,614	8,292,215	9,086,829	54,443
Total noncurrent liabilities	<u>362,946,706</u>	<u>14,032,675</u>	<u>376,979,381</u>	<u>496,435,089</u>
Total liabilities	<u>460,075,550</u>	<u>16,785,583</u>	<u>476,861,133</u>	<u>546,412,940</u>
Deferred Inflows of Resources				
Deferred inflows from pensions	73,847,589	103,290	73,950,879	618,747
Deferred inflows from OPEB	4,448,257	-	4,448,257	2,970,920
Deferred inflows from leases	855,863	4,761,888	5,617,751	59,705,832
Total deferred inflows of resources	<u>79,151,709</u>	<u>4,865,178</u>	<u>84,016,887</u>	<u>63,295,499</u>
Net Position				
Net investment in capital and lease assets	607,353,621	22,496,039	629,849,660	845,018,591
Restricted - expendable				
Debt service	26,858,992	1,340,969	28,199,961	3,347,661
Grant funds (special revenue funds)	3,144,699	-	3,144,699	4,818,173
Street funds (special revenue funds)	36,488,629	-	36,488,629	-
Special projects (special revenue funds)	6,435,480	-	6,435,480	-
Capital projects (portion not in net investment in capital assets)	33,055,962	-	33,055,962	10,947,871
911 funds	3,878,867	-	3,878,867	-
Library capital projects	25,822,378	-	25,822,378	-
Library materials	-	-	-	5,836,289
Art Fund	-	-	-	39,444,777
Cemetery maintenance	-	-	-	2,524,296
Total restricted - expendable	<u>135,685,007</u>	<u>1,340,969</u>	<u>137,025,976</u>	<u>66,919,067</u>
Other restricted	-	-	-	3,439,353
Restricted - nonexpendable	250,000	-	250,000	16,984,798
Unrestricted (deficit)	(164,448,538)	9,597,971	(154,850,567)	256,596,255
Total net position	<u>578,840,090</u>	<u>33,434,979</u>	<u>612,275,069</u>	<u>1,188,958,064</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,118,067,349</u>	<u>\$ 55,085,740</u>	<u>\$ 1,173,153,089</u>	<u>\$ 1,798,666,503</u>

See Notes to Financial Statements

City of Little Rock, Arkansas

Statement of Activities

Year Ended December 31, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities								
General administration	\$ 32,542,724	\$ 11,626,160	\$ 7,438,251	\$ 35,423	\$ (13,442,890)	\$ -	\$ (13,442,890)	\$ -
Board of Directors	332,882	-	-	-	(332,882)	-	(332,882)	-
Community programs	4,505,099	25,338	233,186	-	(4,246,575)	-	(4,246,575)	-
City attorney	1,893,490	-	-	-	(1,893,490)	-	(1,893,490)	-
Courts	3,092,459	1,762,514	-	-	(1,329,945)	-	(1,329,945)	-
Finance	4,965,731	51,074	-	-	(4,914,657)	-	(4,914,657)	-
Human resources	2,386,406	33,202	51,834	-	(2,301,370)	-	(2,301,370)	-
Information technology	7,806,547	(17,905)	-	-	(7,824,452)	-	(7,824,452)	-
Planning and development	3,245,069	2,368,188	45,171	-	(831,710)	-	(831,710)	-
Public works	39,618,691	414,839	17,460,973	5,349,856	(16,393,023)	-	(16,393,023)	-
Parks and recreation services	14,347,852	1,181,952	730,894	31,875	(12,403,131)	-	(12,403,131)	-
Rivermarket	1,102,088	399,666	250,554	-	(451,868)	-	(451,868)	-
Golf	1,818,690	1,152,176	-	-	(666,514)	-	(666,514)	-
Jim Dailey Fitness	955,821	332,899	-	-	(622,922)	-	(622,922)	-
Zoo	8,706,384	3,733,929	63,852	-	(4,908,603)	-	(4,908,603)	-
Fire	51,724,011	1,980,587	1,769,048	122,334	(47,852,042)	-	(47,852,042)	-
Police	74,238,853	3,195,411	6,750,484	950	(64,292,008)	-	(64,292,008)	-
911 operations	4,585,371	3,006,992	-	-	(1,578,379)	-	(1,578,379)	-
Fleet	84,945	771,858	-	-	686,913	-	686,913	-
Economic development	200,000	-	-	-	(200,000)	-	(200,000)	-
Education	3,005,774	-	-	-	(3,005,774)	-	(3,005,774)	-
Housing and neighborhood programs	10,862,513	1,236,115	3,488,604	-	(6,137,794)	-	(6,137,794)	-
Fiscal charges on long term debt	4,521,449	-	-	-	(4,521,449)	-	(4,521,449)	-
Total governmental activities	<u>276,542,849</u>	<u>33,254,995</u>	<u>38,282,851</u>	<u>5,540,438</u>	<u>(199,464,565)</u>	<u>-</u>	<u>(199,464,565)</u>	<u>-</u>
Business-Type Activities								
Waste disposal	22,714,914	25,039,773	-	-	-	2,324,859	2,324,859	-
River Market Garage	1,803,028	2,718,304	-	-	-	915,276	915,276	-
Vehicle storage	1,450,998	2,224,338	-	-	-	773,340	773,340	-
Total business-type activities	<u>25,968,940</u>	<u>29,982,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,013,475</u>	<u>4,013,475</u>	<u>-</u>
Total primary government	<u>\$ 302,511,789</u>	<u>\$ 63,237,410</u>	<u>\$ 38,282,851</u>	<u>\$ 5,540,438</u>	<u>\$ (199,464,565)</u>	<u>\$ 4,013,475</u>	<u>\$ (195,451,090)</u>	<u>\$ -</u>
Total component units	<u>\$ 243,288,124</u>	<u>\$ 165,889,366</u>	<u>\$ 91,039,573</u>	<u>\$ 14,297,742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,938,557</u>
General revenues								
General property taxes					67,315,382	-	67,315,382	24,666,166
Sales taxes					135,892,366	-	135,892,366	1,012,491
Utility franchise taxes					33,971,762	-	33,971,762	-
Grants and contributions not restricted to specific programs					4,619,172	-	4,619,172	-
Investment loss					(6,929,856)	(496,033)	(7,425,889)	(5,634,711)
Other					-	-	-	8,085,216
Transfers					1,822,544	(1,822,544)	-	-
Total general revenues and transfers					<u>236,691,370</u>	<u>(2,318,577)</u>	<u>234,372,793</u>	<u>28,129,162</u>
Change in Net Position					<u>37,226,805</u>	<u>1,694,898</u>	<u>38,921,703</u>	<u>56,067,719</u>
Net Position, beginning of year					540,946,194	31,740,081	572,686,275	1,132,890,345
Change in accounting principle					667,091	-	667,091	-
Net Position, beginning of year, restated					<u>541,613,285</u>	<u>31,740,081</u>	<u>573,353,366</u>	<u>1,132,890,345</u>
Net Position, end of year					<u>\$ 578,840,090</u>	<u>\$ 33,434,979</u>	<u>\$ 612,275,069</u>	<u>\$ 1,188,958,064</u>

See Notes to Financial Statements

(This Page Intentionally Left Blank)

City of Little Rock, Arkansas
Balance Sheet
Governmental Funds
December 31, 2022

	General	Sales Tax Capital Improvements	2022 Capital Improvements	2022 Capital Improvements - Debt Service	Street	American Rescue Plan - SLFRF	Other Governmental Funds	Total
Assets								
Cash and cash equivalents	\$ 9,737,310	\$ 4,625,598	\$ -	\$ -	\$ 3,482,751	\$ 11,810,217	\$ 5,040,570	\$ 34,696,446
Investments	53,031,224	29,034,261	58,331,593	-	21,857,946	18,140,435	43,442,476	223,837,935
Accounts receivable, net	74,397,214	-	-	16,054,152	11,190,671	5,512	18,548,389	120,195,938
Lease receivable	856,624	-	-	-	-	-	14,045	870,669
Due from other funds	8,304,035	-	-	-	-	-	-	8,304,035
Due from fiduciary funds	7,000	-	-	-	-	-	-	7,000
Interest receivable	161,772	80,842	-	-	60,861	23,971	153,210	480,656
Inventories	72,581	-	-	-	-	-	839,099	911,680
Prepaid expenditures and other	1,649,621	-	-	-	20,602	-	53,109	1,723,332
Total assets	\$ 148,217,381	\$ 33,740,701	\$ 58,331,593	\$ 16,054,152	\$ 36,612,831	\$ 29,980,135	\$ 68,090,898	\$ 391,027,691
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ 4,091,119	\$ 829,278	\$ 91,200	\$ -	\$ 124,202	\$ 492,127	\$ 1,880,340	\$ 7,508,266
Due to other funds	-	-	-	-	-	-	8,304,035	8,304,035
Accrued wages payable and related liabilities	11,552,916	-	-	-	-	-	-	11,552,916
Retainage payable	118,449	205,881	-	-	-	-	65,717	390,047
Accrued expenditures and other	1,645,544	-	-	-	-	-	-	1,645,544
Unearned revenue	7,716,195	-	-	-	-	29,132,348	1,190,069	38,038,612
Total liabilities	25,124,223	1,035,159	91,200	-	124,202	29,624,475	11,440,161	67,439,420
Deferred Inflows of Resources								
Unavailable revenues - property taxes	37,679,417	-	-	16,054,152	7,668,599	-	8,331,047	69,733,215
Unavailable revenues - traffic fines	1,464,104	-	-	-	-	-	-	1,464,104
Deferred inflows from leases	842,157	-	-	-	-	-	13,706	855,863
Total deferred inflows of resources	39,985,678	-	-	16,054,152	7,668,599	-	8,344,753	72,053,182
Fund Balances								
Nonspendable	1,722,202	-	-	-	20,602	-	1,142,208	2,885,012
Restricted	-	32,705,542	58,240,393	-	28,799,428	355,660	47,163,776	167,264,799
Committed	39,123	-	-	-	-	-	-	39,123
Assigned	38,038,638	-	-	-	-	-	-	38,038,638
Unassigned	43,307,517	-	-	-	-	-	-	43,307,517
Total fund balances	83,107,480	32,705,542	58,240,393	-	28,820,030	355,660	48,305,984	251,535,089
Total liabilities, deferred inflows of resources and fund balances	\$ 148,217,381	\$ 33,740,701	\$ 58,331,593	\$ 16,054,152	\$ 36,612,831	\$ 29,980,135	\$ 68,090,898	\$ 391,027,691

City of Little Rock, Arkansas
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
December 31, 2022

Total fund balance - governmental funds	\$ 251,535,089
Amounts reported for governmentnal activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	651,367,319
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,842,318
Long-term liabilities and related deferred inflows/outflows of resources that are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(144,180,000)
Bond issuance premiums	(2,392,503)
Notes payable	(7,095,530)
Leases	(4,887,078)
Accrued interest payable	(547,167)
Net pension liability	(173,900,318)
Deferred inflows and outflows of resources from pensions, OPEB, and deferred loss on refunding, net	(6,617,512)
Net OPEB liability	(20,240,516)
Workers' compensation liability	(794,614)
Accrued compensated absences	(34,176,344)
Property tax pension liability	(10,349,944)
The internal service fund is used to charge the costs of fleet management to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	5,079,571
Other long-term assets such as property taxes and traffic fines are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	<u>71,197,319</u>
Net position of governmental activities	<u><u>\$ 578,840,090</u></u>

City of Little Rock, Arkansas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2022

	General	Sales Tax Capital Improvements	2022 Capital Improvements	Street	American Rescue Plan - SLFRF	Other Governmental Funds	Total
Revenues							
General property taxes	\$ 32,929,187	\$ -	\$ -	\$ 6,811,006	\$ -	\$ 23,172,980	\$ 62,913,173
Sales taxes	133,056,876	-	-	-	-	2,835,490	135,892,366
Licenses and permits	12,776,243	-	-	19,790	-	77,068	12,873,101
Intergovernmental	13,394,777	-	-	17,535,684	4,619,172	8,184,249	43,733,882
Charges for services	11,744,089	-	-	28,317	-	2,300,161	14,072,567
Fines and fees	1,846,111	-	-	-	-	590,089	2,436,200
Utility franchise taxes	32,466,612	-	-	-	-	1,505,150	33,971,762
Investment income (loss)	(3,536,959)	(1,649,760)	-	(1,347,052)	298,564	(509,850)	(6,745,057)
Contributions and donations	328,961	-	-	-	-	631,187	960,148
Miscellaneous	1,140,506	-	-	239,615	-	2,443,722	3,823,843
Total revenues	236,146,403	(1,649,760)	-	23,287,360	4,917,736	41,230,246	303,931,985
Expenditures							
General government							
General administration	29,243,332	987,079	-	-	81,716	536,476	30,848,603
Board of Directors	332,882	-	-	-	-	-	332,882
Community programs	3,796,241	-	-	-	477,081	231,777	4,505,099
City attorney	1,893,490	-	-	-	-	-	1,893,490
District court - first division (criminal)	1,264,168	-	-	-	-	14,205	1,278,373
District court - second division (traffic)	1,240,914	-	-	-	-	6,072	1,246,986
District court - third division (environment)	552,838	-	-	-	-	-	552,838
Finance	4,206,038	-	-	-	223,183	502,539	4,931,760
Human resources	2,225,227	-	-	-	-	160,903	2,386,130
Information technology	5,519,999	-	-	-	2,079,614	700	7,600,313
Planning and development	3,033,708	-	-	-	97,215	87,086	3,218,009
Total general government	53,308,837	987,079	-	-	2,958,809	1,539,758	58,794,483
Public works	1,818,783	39,181	-	18,559,272	-	1,897,190	22,314,426
Parks and recreation services	10,200,456	645,091	-	-	-	1,404,669	12,250,216
Rivermarket	1,005,519	-	-	-	-	-	1,005,519
Golf	1,718,615	-	-	-	-	-	1,718,615
Jim Dailey Fitness	849,638	-	-	-	-	-	849,638
Zoo	8,005,954	84,329	-	-	-	-	8,090,283
Fire	57,700,490	-	-	-	-	898,343	58,598,833
Police	76,573,134	-	-	-	24,870	2,314,089	78,912,093
911 operations	3,973,180	-	-	-	-	611,753	4,584,933
Housing and neighborhood programs	6,558,818	-	-	-	9,900	4,107,330	10,676,048
Fleet	78,345	-	-	-	-	6,600	84,945
Economic development	-	-	-	-	-	200,000	200,000
Education	-	-	-	-	-	3,005,774	3,005,774
Debt service	-	-	-	-	-	-	-
Principal	5,063,364	-	-	-	-	24,859,873	29,923,237
Fiscal charges on long term debt	351,518	-	607,069	-	-	3,467,969	4,426,556
Capital Outlay	2,154,727	6,167,091	-	1,714,306	1,625,711	8,221,874	19,883,709
Total expenditures	229,361,378	7,922,771	607,069	20,273,578	4,619,290	52,535,222	315,319,308
Excess (Deficiency) of Revenues Over Expenditures							
	6,785,025	(9,572,531)	(607,069)	3,013,782	298,446	(11,304,976)	(11,387,323)
Other Financing Sources (Uses)							
Initiation of leases	57,814	-	-	-	-	-	57,814
Long-term debt issuance	-	-	58,565,000	-	-	40,770,000	99,335,000
Payment to refunded bond escrow	-	-	-	-	-	(19,505,462)	(19,505,462)
Premiums on debt issuance	-	-	282,462	-	-	1,226,223	1,508,685
Transfers in	16,898,486	-	-	284,000	-	5,502,530	22,685,016
Transfers out	(2,522,538)	-	-	(604,717)	-	(17,735,217)	(20,862,472)
Total other financing sources (uses)	14,433,762	-	58,847,462	(320,717)	-	10,258,074	83,218,581
Net Change in Fund Balances	21,218,787	(9,572,531)	58,240,393	2,693,065	298,446	(1,046,902)	71,831,258
Fund Balances, Beginning of Year	61,888,693	42,278,073	-	26,126,965	57,214	49,352,886	179,703,831
Fund Balances, End of Year	\$ 83,107,480	\$ 32,705,542	\$ 58,240,393	\$ 28,820,030	\$ 355,660	\$ 48,305,984	\$ 251,535,089

See Notes to Financial Statements

City of Little Rock, Arkansas

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

Year Ended December 31, 2021

Net change in fund balances - total governmental funds \$ 71,831,258

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, for government-wide statements, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay purchases above capitalization threshold	19,825,895
Capital outlay - lease assets	57,814
Capital asset contributions	3,885,599
Retirements	(136,338)
Depreciation expense	(24,738,994)
Amortization of lease assets	(1,770,178)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt is used or incurred:

General obligation bonds, net of premium	(100,843,685)
Leases	(57,814)
Principal repayments:	
General obligation bonds	42,615,000
Revenue bonds	1,560,000
Notes payable	3,382,819
Amortization of bond premium	881,995
Amortization of deferred loss on refunding	(1,018,471)
Leases obligation	1,725,418

Revenues that do not provide current financial resources, such as property taxes and fines and fees are not reported as revenues for the funds but are reported as revenues in the statement of activities. 4,587,832

Current year changes in accrued interest payable and the property tax pension liability do not require the use of current financial resources; therefore, they are not reported as expenditures in the governmental funds. (781,007)

Current year changes in long-term liabilities for compensated absences and workers compensation do not require the use of current financial resources; therefore, they are not reported as expenditures in the governmental funds. (251,675)

Current year pension and OPEB expenditures are reported on the fiscal year basis in the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows/inflows of resources balances. 15,581,355

The internal service fund is used to charge the costs of fleet management to individual funds. The change in net position of this fund is included in governmental activities in the statement of activities. 889,982

Change in net position of governmental activities	\$ 37,226,805
---	---------------

City of Little Rock, Arkansas
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)	Total	
Assets and Deferred Outflows of Resources					
Current assets					
Cash and cash equivalents	\$ 1,462,368	\$ 590,944	\$ 249,777	\$ 2,303,089	\$ 391,240
Investments	8,979,762	2,607,330	1,564,365	13,151,457	2,643,476
Restricted cash and investments - current	-	772,761	-	772,761	-
Receivables, net					
Accounts receivable	3,920,645	601,515	-	4,522,160	17,439
Lease receivable	-	174,344	-	174,344	-
Accrued interest	-	26,537	-	26,537	-
Inventories	-	-	-	-	536,862
Prepaid expenses and other	145,161	167,705	-	312,866	34,589
Total current assets	14,507,936	4,941,136	1,814,142	21,263,214	3,623,606
Noncurrent assets					
Restricted assets					
Investments	-	1,451,470	-	1,451,470	-
Accrued interest	25,003	7,260	4,356	36,619	7,360
Less amount required to meet current obligation	-	(772,761)	-	(772,761)	-
Total restricted assets	25,003	685,969	4,356	715,328	7,360
Lease receivable - due in more than one year	-	4,725,664	-	4,725,664	-
Capital assets					
Construction in process	1,535,914	-	7,105	1,543,019	623,282
Land	1,814,495	822,652	-	2,637,147	270,154
Land improvements	4,164,120	-	174,802	4,338,922	-
Landfills cells	18,672,294	-	-	18,672,294	-
Buildings and improvements	12,794,250	8,715,040	31,043	21,540,333	3,893,358
Vehicles	19,788,839	-	61,965	19,850,804	867,461
Furniture and equipment	4,485,304	244,552	81,765	4,811,621	1,578,374
Less accumulated depreciation	(41,575,022)	(4,552,106)	(329,844)	(46,456,972)	(4,301,926)
Net capital assets	21,680,194	5,230,138	26,836	26,937,168	2,930,703
Total noncurrent assets	21,705,197	10,641,771	31,192	32,378,160	2,938,063
Total assets	36,213,133	15,582,907	1,845,334	53,641,374	6,561,669
Deferred Outflows of resources					
Deferred outflows from pensions	1,283,881	-	160,485	1,444,366	962,912
Total deferred outflows of resources	1,283,881	-	160,485	1,444,366	962,912
Total assets and deferred outflows of resources	\$ 37,497,014	\$ 15,582,907	\$ 2,005,819	\$ 55,085,740	\$ 7,524,581

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Net Position
Proprietary Funds
December 31, 2022

	<u>Business-Type Activities</u>				Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)	Total	
Liabilities, Deferred Inflows of Resources and Net Position					
Current liabilities					
Accounts payable	\$ 490,680	\$ 243,051	\$ 50,006	\$ 783,737	\$ 724,053
Accrued expenses and other	153,925	-	-	153,925	-
Accrued interest	-	117,761	-	117,761	-
Compensated absences - current portion	425,709	-	52,100	477,809	338,137
Bonds payable - current portion	-	655,000	-	655,000	-
Unearned revenue	-	338,656	226,020	564,676	-
Total current liabilities	<u>1,070,314</u>	<u>1,354,468</u>	<u>328,126</u>	<u>2,752,908</u>	<u>1,062,190</u>
Noncurrent liabilities					
Bonds payable, net of unamortized premium and discount	-	3,786,129	-	3,786,129	-
Net pension liability	1,503,039	-	187,880	1,690,919	1,127,278
Compensated absences	230,413	-	32,999	263,412	186,683
Other long-term liabilities	8,292,215	-	-	8,292,215	-
Total noncurrent liabilities	<u>10,025,667</u>	<u>3,786,129</u>	<u>220,879</u>	<u>14,032,675</u>	<u>1,313,961</u>
Total liabilities	<u>11,095,981</u>	<u>5,140,597</u>	<u>549,005</u>	<u>16,785,583</u>	<u>2,376,151</u>
Deferred Inflows of Resources					
Deferred inflows from pensions	91,813	-	11,477	103,290	68,859
Deferred inflows from leases	-	4,761,888	-	4,761,888	-
Total deferred inflows of resources	<u>91,813</u>	<u>4,761,888</u>	<u>11,477</u>	<u>4,865,178</u>	<u>68,859</u>
Net Position					
Net investment in capital assets	21,680,194	789,009	26,836	22,496,039	2,930,703
Restricted - expendable					
Debt service	-	1,340,969	-	1,340,969	-
Unrestricted	4,629,026	3,550,444	1,418,501	9,597,971	2,148,868
Total net position	<u>26,309,220</u>	<u>5,680,422</u>	<u>1,445,337</u>	<u>33,434,979</u>	<u>5,079,571</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 37,497,014</u>	<u>\$ 15,582,907</u>	<u>\$ 2,005,819</u>	<u>\$ 55,085,740</u>	<u>\$ 7,524,581</u>

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2022

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)	Total	
Operating Revenues					
Charges for services	\$ 24,925,943	\$ 2,430,878	\$ 2,212,980	\$ 29,569,801	\$ 14,208,865
Licenses and permits	-	287,426	13,545	300,971	-
Total operating revenues	<u>24,925,943</u>	<u>2,718,304</u>	<u>2,226,525</u>	<u>29,870,772</u>	<u>14,208,865</u>
Operating Expenses					
Salaries, wages, and employee benefits	7,971,951	599,962	649,240	9,221,153	3,758,003
Supplies and materials	1,957,176	32,756	36,632	2,026,564	5,833,016
Services	6,108,083	477,099	729,647	7,314,829	2,977,098
Repairs and maintenance	3,629,638	118,620	25,611	3,773,869	589,080
Other	-	70,202	253	70,455	1
Depreciation and amortization	3,039,124	220,186	9,615	3,268,925	269,387
Total operating expenses	<u>22,705,972</u>	<u>1,518,825</u>	<u>1,450,998</u>	<u>25,675,795</u>	<u>13,426,585</u>
Operating Income	<u>2,219,971</u>	<u>1,199,479</u>	<u>775,527</u>	<u>4,194,977</u>	<u>782,280</u>
Nonoperating Revenues (Expenses)					
Investment income (loss)	(559,075)	167,492	(104,450)	(496,033)	(184,799)
Interest expense	(6,229)	(254,577)	(24)	(260,830)	-
Gain (loss) on disposal of capital assets	82,663	-	(2,187)	80,476	292,501
Other, net	28,454	(29,626)	24	(1,148)	-
Net nonoperating revenues (expenses)	<u>(454,187)</u>	<u>(116,711)</u>	<u>(106,637)</u>	<u>(677,535)</u>	<u>107,702</u>
Income Before Contributions and Transfers	<u>1,765,784</u>	<u>1,082,768</u>	<u>668,890</u>	<u>3,517,442</u>	<u>889,982</u>
Transfers Out	<u>(1,822,544)</u>	<u>-</u>	<u>-</u>	<u>(1,822,544)</u>	<u>-</u>
	<u>(1,822,544)</u>	<u>-</u>	<u>-</u>	<u>(1,822,544)</u>	<u>-</u>
Changes in Net Position	<u>(56,760)</u>	<u>1,082,768</u>	<u>668,890</u>	<u>1,694,898</u>	<u>889,982</u>
Net Position, beginning of year	26,365,980	4,597,654	776,447	31,740,081	4,349,179
Change in accounting principle	-	-	-	-	(159,590)
Net Position, beginning of year, restated	<u>26,365,980</u>	<u>4,597,654</u>	<u>776,447</u>	<u>31,740,081</u>	<u>4,189,589</u>
Net Position, end of year	<u>\$ 26,309,220</u>	<u>\$ 5,680,422</u>	<u>\$ 1,445,337</u>	<u>\$ 33,434,979</u>	<u>\$ 5,079,571</u>

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2022

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)	Total	
Cash Flows From Operating Activities					
Receipts from customers	\$ 24,678,104	\$ 2,187,216	\$ 2,291,925	\$ 29,157,245	\$ -
Receipts from interfund services provided	-	-	-	-	14,222,309
Payments to employees	(7,859,838)	-	(638,044)	(8,497,882)	(3,701,253)
Payments to suppliers	(11,603,589)	(1,004,536)	(761,196)	(13,369,321)	(9,166,193)
Net cash provided by operating activities	<u>5,214,677</u>	<u>1,182,680</u>	<u>892,685</u>	<u>7,290,042</u>	<u>1,354,863</u>
Cash Flows From Noncapital Financing Activities					
Transfers to other funds	(1,822,544)	-	-	(1,822,544)	-
Net cash used in noncapital financing activities	<u>(1,822,544)</u>	<u>-</u>	<u>-</u>	<u>(1,822,544)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities					
Proceeds from the sale of capital assets	470,444	-	-	470,444	292,501
Lease interest income	-	290,585	-	290,585	-
Purchase of capital assets	(2,098,064)	-	(7,105)	(2,105,169)	(360,032)
Principal paid on long-term debt	(324,787)	(620,000)	-	(944,787)	-
Interest paid on long-term debt	(9,344)	(297,699)	(24)	(307,067)	-
Net cash used in capital and related financing activities	<u>(1,961,751)</u>	<u>(627,114)</u>	<u>(7,129)</u>	<u>(2,595,994)</u>	<u>(67,531)</u>
Cash Flows From Investing Activities					
Proceeds from sale of investments	3,385,176	806,281	62,651	4,254,108	261,165
Purchase of investments	(5,149,764)	(1,495,266)	(897,141)	(7,542,171)	(1,515,996)
Investment income	81,149	38,096	12,927	132,172	11,825
Net cash used in investing activities	<u>(1,683,439)</u>	<u>(650,889)</u>	<u>(821,563)</u>	<u>(3,155,891)</u>	<u>(1,243,006)</u>
Increase (Decrease) in Cash and Cash Equivalents	(253,057)	(95,323)	63,993	(284,387)	44,326
Cash and Cash Equivalents, Beginning of Year	<u>1,715,425</u>	<u>686,267</u>	<u>185,784</u>	<u>2,587,476</u>	<u>346,914</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,462,368</u>	<u>\$ 590,944</u>	<u>\$ 249,777</u>	<u>\$ 2,303,089</u>	<u>\$ 391,240</u>
Presented on the Statement of Net Position - Proprietary Funds as Follows:					
Current assets					
Cash and cash equivalents	<u>\$ 1,462,368</u>	<u>\$ 590,944</u>	<u>\$ 249,777</u>	<u>\$ 2,303,089</u>	<u>\$ 391,240</u>
	<u>\$ 1,462,368</u>	<u>\$ 590,944</u>	<u>\$ 249,777</u>	<u>\$ 2,303,089</u>	<u>\$ 391,240</u>

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended December 31, 2022

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Waste Disposal	River Market Garage	Vehicle Storage (Nonmajor)	Total	
Reconciliation of Operating Income to Net Cash Provided By Operating Activities					
Operating income	\$ 2,219,971	\$ 1,199,479	\$ 775,527	\$ 4,194,977	\$ 782,280
Adjustment to reconcile operating income to net cash provided by operating activities					
Depreciation and amortization expense	3,039,124	220,186	9,615	3,268,925	269,387
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:					
Accounts receivable, net	(247,839)	(275,459)	-	(523,298)	13,444
Lease receivable	-	185,455	-	185,455	-
Prepaid expenses and other	(19,050)	27,445	-	8,395	(5,839)
Inventories	-	-	-	-	(119,429)
Deferred outflows of resources	(981,893)	-	(122,736)	(1,104,629)	(736,421)
Accounts payable	(695,180)	81,203	30,971	(583,006)	358,270
Accrued expenses and other	805,538	-	-	805,538	-
Compensated absences	32,490	-	1,242	33,732	(2,965)
Unearned revenue	-	67,946	65,376	133,322	-
Net pension liability	1,437,080	-	179,634	1,616,714	1,077,809
Deferred inflows of resources - pensions	(375,564)	-	(46,944)	(422,508)	(281,673)
Deferred inflows of resources - leases	-	(323,575)	-	(323,575)	-
	<u>\$ 5,214,677</u>	<u>\$ 1,182,680</u>	<u>\$ 892,685</u>	<u>\$ 7,290,042</u>	<u>\$ 1,354,863</u>
Noncash investing and financing activities					
Decrease in fair value of investments	<u>\$ (651,468)</u>	<u>\$ (191,276)</u>	<u>\$ (120,246)</u>	<u>\$ (962,990)</u>	<u>\$ (201,203)</u>

See Notes to Financial Statements

(This Page Intentionally Left Blank)

City of Little Rock, Arkansas
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
Assets		
Cash and cash equivalents	\$ 7,241,402	\$ 113,322
Investments		
U.S. Government obligations	18,692,578	-
Equities	52,457,568	-
Mutual funds and other investments	49,152,644	-
Receivables		
Accounts receivable	665,462	-
Accrued interest and dividends	119,420	-
	<u>\$ 128,329,074</u>	<u>\$ 113,322</u>
Liabilities		
Accounts payable	\$ -	\$ 79,537
Due to primary government	7,000	-
Accrued liabilities	-	33,785
	<u>7,000</u>	<u>113,322</u>
Net Position		
Net position restricted for pensions and other postemployment benefits	<u>128,322,074</u>	<u>-</u>
Total Net Position	<u>\$ 128,322,074</u>	<u>\$ -</u>

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended December 31, 2022

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
Additions		
Contributions		
Employer	\$ 7,239,826	\$ -
Plan Members	2,393,627	-
Other	954,185	2,566,996
	10,587,638	2,566,996
Total contributions		
Investment Earnings		
Net decrease in fair value of investments	(21,187,557)	-
Realized gain on sale of investments	3,565,054	-
Interest and dividends	3,985,098	3,434
	(13,637,405)	3,434
Less investment expense	555,578	-
	(14,192,983)	3,434
Net investment income		
Total additions (reductions)	(3,605,345)	2,570,430
Deductions		
Benefits paid directly to participants	8,118,172	-
Distributions to other governments	-	2,570,430
Administrative expenses	141,175	-
Other	627,147	-
	8,886,494	2,570,430
Total deductions		
Change in Net Position	(12,491,839)	-
Net Position, Beginning of Year	140,813,913	-
Net Position, End of Year	\$ 128,322,074	\$ -

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Net Position
Discretely Presented Component Units
December 31, 2022

	Little Rock Water Reclamation Authority	Bill and Hillary Clinton National Airport	Other Component Units	Total
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and cash equivalents	\$ 25,999,194	\$ 35,554,380	\$ 52,707,989	\$ 114,261,563
Investments	30,000,000	-	51,182,369	81,182,369
Restricted cash and investments - current	3,110,841	-	2,662,919	5,773,760
Accounts receivable, net of allowance	11,932,418	4,940,694	55,551,640	72,424,752
Accrued interest receivable	11,756	55,953	2,331	70,040
Inventories	1,351,692	-	1,038,209	2,389,901
Lease receivable - current	-	1,918,424	975,152	2,893,576
Prepaid expenses and other	1,000,953	822,723	2,800,566	4,624,242
Total current assets	73,406,854	43,292,174	166,921,175	283,620,203
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	6,648,666	10,474,060	1,953,072	19,075,798
Investments	6,310,436	62,807,415	12,577,081	81,694,932
Grants and other receivables	-	473,810	-	473,810
Interest receivable	-	-	103,908	103,908
	12,959,102	73,755,285	14,634,061	101,348,448
Less amounts required to meet current obligations	3,110,841	-	-	3,110,841
Total restricted assets	9,848,261	73,755,285	14,634,061	98,237,607
Notes receivable	-	2,975,147	-	2,975,147
Lease receivable	-	48,408,418	9,293,976	57,702,394
Capital and lease assets				
Lease assets	-	-	5,368,243	5,368,243
Land	5,434,140	68,418,608	36,760,716	110,613,464
Construction in progress	71,771,351	6,703,833	119,866,874	198,342,058
Buildings, improvements, and other facilities	669,271,913	518,555,799	366,081,851	1,553,909,563
Vehicles	-	2,182,056	65,536,707	67,718,763
Furniture and equipment	94,354,242	28,517,173	60,680,593	183,552,008
Books/AV material	-	-	29,574,910	29,574,910
Other	-	-	12,682,039	12,682,039
	840,831,646	624,377,469	696,551,933	2,161,761,048
Less accumulated depreciation	262,912,247	293,675,558	273,010,297	829,598,102
Net capital and lease assets	577,919,399	330,701,911	423,541,636	1,332,162,946
Other assets	-	-	957,888	957,888
Total other assets	-	-	957,888	957,888
Total noncurrent assets	587,767,660	455,840,761	448,427,561	1,492,035,982
Total assets	661,174,514	499,132,935	615,348,736	1,775,656,185
Deferred Outflows of Resources				
Loss on refunding	12,583,288	-	-	12,583,288
Deferred outflows from pensions	5,558,573	-	1,705,991	7,264,564
Deferred outflows from OPEB	3,162,466	-	-	3,162,466
Total deferred outflows of resources	21,304,327	-	1,705,991	23,010,318
Total assets and deferred outflows of resources	\$ 682,478,841	\$ 499,132,935	\$ 617,054,727	\$ 1,798,666,503

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Net Position (Continued)
Discretely Presented Component Units
December 31, 2022

	Little Rock Water Reclamation Authority	Bill and Hillary Clinton National Airport	Other Component Units	Total
Liabilities, Deferred Inflows of Resources and Net Position				
Current Liabilities				
Accounts payable	\$ 999,458	\$ 2,396,352	\$ 8,937,743	\$ 12,333,553
Accrued wages payable and related liabilities	638,057	1,754,957	3,163,162	5,556,176
Accrued interest payable	2,092,674		1,274,775	3,367,449
Leases payable	-	-	4,993,485	4,993,485
Bonds payable	6,560,000	-	2,103,823	8,663,823
Notes payable	-	-	100,000	100,000
Compensated absences	1,185,804	-	1,546,739	2,732,543
Unearned revenue	-	529,184	1,338,474	1,867,658
Accrued expenses and other	5,334,202	56,009	4,972,953	10,363,164
Total current liabilities	16,810,195	4,736,502	28,431,154	49,977,851
Noncurrent Liabilities				
Leases payable	-	-	278,458	278,458
Bonds payable, net of unamortized premium and discount	391,259,676	-	66,076,066	457,335,742
Notes payable	-	-	11,700,000	11,700,000
Net pension liability	18,822,344	-	1,919,915	20,742,259
Total OPEB liability	5,536,468	-	-	5,536,468
Other long-term liabilities	-	-	54,443	54,443
Compensated absences	127,364	-	660,355	787,719
Total noncurrent liabilities	415,745,852	-	80,689,237	496,435,089
Total liabilities	432,556,047	4,736,502	109,120,391	546,412,940
Deferred Inflows of Resources				
Deferred inflows from pensions	398,879		219,868	618,747
Deferred inflows from leases	-	49,752,674	9,953,158	59,705,832
Deferred inflows from OPEB	2,970,920	-	-	2,970,920
Total deferred inflows of resources	3,369,799	49,752,674	10,173,026	63,295,499
Net Position				
Net investment in capital and lease assets	189,958,671	329,265,199	325,794,721	845,018,591
Restricted - expendable	3,347,661	10,947,871	56,062,888	70,358,420
Restricted - nonexpendable	-	-	16,984,798	16,984,798
Unrestricted	53,246,663	104,430,689	98,918,903	256,596,255
Total net position	246,552,995	444,643,759	497,761,310	1,188,958,064
Total liabilities, deferred inflows of resources and net position	\$ 682,478,841	\$ 499,132,935	\$ 617,054,727	\$ 1,798,666,503

See Notes to Financial Statements

City of Little Rock, Arkansas
Statement of Activities
Discretely Presented Component units
Year Ended December 31, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Little Rock Water Reclamation Authority	Bill and Hillary Clinton National Airport	Other Component Units	
Governmental Activities								
Other component units	\$ 33,345,401	\$ 1,387,188	\$ 8,671,818	\$ -	\$ -	\$ -	\$ (23,286,395)	\$ (23,286,395)
Total governmental activities	33,345,401	1,387,188	8,671,818	-	-	-	(23,286,395)	(23,286,395)
Business-type Activities								
Little Rock Water Reclamation Authority	60,478,665	65,841,700	4,517,051	1,254,626	11,134,712	-	-	11,134,712
Bill and Hillary Clinton National Airport	45,110,579	36,137,959	8,909,370	13,043,116	-	12,979,866	-	12,979,866
Other component units	104,353,479	62,522,519	68,941,334	-	-	-	27,110,374	27,110,374
Total business-type activities	209,942,723	164,502,178	82,367,755	14,297,742	11,134,712	12,979,866	27,110,374	51,224,952
Total component units	\$ 243,288,124	\$ 165,889,366	\$ 91,039,573	\$ 14,297,742	\$ 11,134,712	\$ 12,979,866	\$ 3,823,979	\$ 27,938,557
General revenues								
General property taxes					-	-	24,666,166	24,666,166
Sales taxes					-	-	1,012,491	1,012,491
Investment income (loss)					527,555	(652,279)	(5,509,987)	(5,634,711)
Other					113,871	3,306,243	4,665,102	8,085,216
Total general revenues					641,426	2,653,964	24,833,772	28,129,162
Changes in Net Position					11,776,138	15,633,830	28,657,751	56,067,719
Net Position, Beginning of Year					234,776,857	429,009,929	469,103,559	1,132,890,345
Net Position, End of Year					\$ 246,552,995	\$ 444,643,759	\$ 497,761,310	\$ 1,188,958,064

See Notes to Financial Statements

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2022

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

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

Reporting Entity

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

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

Discretely Presented Component Units

Major Component Units:

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

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

There were no significant transactions between the major component units and the City in 2022.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2022

Other Component Units:

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

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

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

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

Museum of Discovery and Arkansas Museum of Fine Arts – The Museum of Discovery and the Museum of Fine Arts, serving the greater metropolitan area’s cultural needs, receive significant operating subsidies from the City annually. The governing bodies of both organizations are appointed with City Board approval. The City has the power to impose its will on both organizations. Additionally, the City owns the facility of the Museum of Fine Arts. Prior to 2022, the Museum of Fine Arts had a fiscal year end of June 30. In 2022, the Museum of Fine Arts changed its year end to December 31.

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

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2022

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

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

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

Administrative Offices

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

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

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

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

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

Rock Region Metro
901 North Maple
North Little Rock, Arkansas 72114

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

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

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

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

Oakland Fraternal Cemetery
2101 Barber Street
Little Rock, Arkansas 72206

Mount Holly Cemetery
1 Sunset Drive
Little Rock, Arkansas 72206

Fiduciary Component Units - The City's Nonuniformed Employees' Defined Contribution Plan, Nonuniformed Employees' Defined Benefit Plan, 401(a) Money Purchase and Trust Retirement Fund, 2014 Defined Benefit Plan, and the Health Management Trust Fund are all reported as fiduciary component units under the provisions of GASB Statement No. 84, *Fiduciary Activities* and GASB Statement No. 14, *The Financial Reporting Entity*, as amended.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2022

Government-wide and Fund Financial Statements

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

Government-wide Financial Statements

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

Fund Financial Statements

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

The City reports the following major governmental funds:

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

The *Sales Tax Capital Improvements Fund (capital projects fund)*, designated as a major fund, accounts for the capital expenditures that are derived from the 3/8 cent capital sales tax dollars. The capital sales tax sunset on December 31, 2021.

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2022

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

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

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

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

The City reports the following major enterprise funds:

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

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

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

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

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

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

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

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

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2022

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

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

Measurement Focus and Basis of Accounting

Government-wide, Proprietary and Fiduciary Funds

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

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

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

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2022

Governmental Fund Financial Statements

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

Use of Estimates

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

Cash and Cash Equivalents

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

Investments and Investment Income

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2022

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

Inventories

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

Prepaid Items

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

Leases

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

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

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

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

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2022

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

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

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

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

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

Capital Assets

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

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

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

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2022

Long-term Obligations

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

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

Compensated Absences

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

Unearned Revenue

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2022

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has a deferred outflow for a bond refunding, which is the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred or amortized to interest expense over the shorter of the life of the refunded and new debt. In addition, the City has deferred outflows related to pensions & OPEB, consisting of the amount of contributions made to the pension plans after the measurement date, the net difference in investment experience between actual earnings and projected earnings on pension & OPEB plan investments, assumption changes, the difference in proportion changes, and the difference in expected and actual experience. Deferred outflows related to contributions made to the pension plan after the measurement date will be recognized as a reduction of net pension liability in year subsequent to the current fiscal year end. The remaining amounts will be amortized to pension expense over future periods as shown within *Notes 7 & 8*.

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

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

Net Position/Fund Balance

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

When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first. For projects funded by tax-exempt debt proceeds and other

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2022

sources, the debt proceeds are used first. The fund balances for the City's governmental funds are displayed in five components:

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

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

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

Assigned – Assigned fund balances are intended to be used by the City for specific purposes as determined by the Mayor, City Manager, or the Board of Directors. The Mayor and City Manager are allowed to assign funds up to \$49,999. Any assignment of \$50,000 or more must be approved by the Board of Directors through a resolution. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

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

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

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, 2022

annual budget process. As of December 31, 2022, the Board's established amount of the reserve is \$13,100,000, which is included in unassigned fund balance of the General Fund.

Budgetary Information

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

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

Pension Plan Descriptions

The City participates in seven defined benefit pension plans; which are comprised of two single-employer defined benefit pension plans, three cost-sharing multiple employer defined benefit pension plans and two agent-multiple employer defined benefit pension plan. In addition, the City sponsors two defined contribution pension plans. The pension plans are described and illustrated in detail in *Note 7*.

Adoption of Accounting Principle

The City adopted GASB Statement No. 87 (GASB 87), *Leases* for the year ended December 31, 2022. Fiscal year 2022 beginning net position of governmental activities has been increased \$677,091 to reflect the net impact of the change in reporting for leased vehicles on capital assets and long term debt. The adoption of GASB 87 resulted in changes in the presentation of the financial statements and related disclosures in the notes to the financial statements. The City's primary government reported lease assets, net of accumulated amortization of \$4,842,318 and a lease liability of \$4,887,078 associated with lessee leases at December 31, 2022. In addition, the City's primary government reported a lease receivable of \$5,770,677 and deferred inflows of resources of \$5,617,751 associated with lessor leases at December 31, 2022.

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, 2022:

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Statement No.		Adoption Required in Fiscal Year
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription-Based Information Technology Arrangements</i>	2023
99	<i>Omnibus 2022</i>	2023/2024
100	<i>Accounting Changes and Error Corrections</i>	2023/2024
101	<i>Compensated Absences</i>	2024

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Note 2: Deposits and Investments

Deposits

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

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

State statutes require all time and demand deposits to be fully insured or collateralized. Accounts with under \$250,000 balance of either an interest bearing account or non-interest bearing account are covered by FDIC deposit insurance. The total cash held in demand deposits has been fully collateralized and meets statutes' requirements. At December 31, 2022, none of the City's primary government bank balances were exposed to custodial credit risk.

Investments

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

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

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, 2022, the City had the following investments and maturities, including cash and investments reported in fiduciary funds:

Type	Fair Value	Primary Government			
		Maturities in Years			
		Less Than 1	1-5	6-10	More than 10
Real Estate funds	\$ 9,063,601	\$ 9,063,601	\$ -	\$ -	\$ -
U.S. Treasury obligations	34,455,813	30,608,773	3,847,040	-	-
U.S. Agencies obligations	125,382,984	4,634,120	120,748,864	-	-
Fixed income funds	25,010,841	25,010,841	-	-	-
Mutual funds	573,124	573,124	-	-	-
Money Market Mutual funds	104,469,140	104,469,140	-	-	-
Equity funds	62,842,413	62,842,413	-	-	-
Negotiable Certificates of Deposit	2,858,019	-	2,858,019	-	-
Municipal bonds	4,149,927	822,670	3,327,257	-	-
	<u>\$ 368,805,862</u>	<u>\$ 238,024,682</u>	<u>\$ 130,781,180</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

Credit Risk – Credit risk is the risk that the issuer or other counterparty will not fulfill its obligations. It is the City’s policy, excluding fiduciary funds, to invest almost exclusively in government-issued treasuries and agencies. At December 31, 2022, the City’s investments not directly guaranteed by the U.S. government were rated as follows:

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

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, 2022 were subject to custodial credit risk.

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

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

Firemen’s Pension – Capital Point Partners, L.P. - \$1,382,129

Police Pension – Capital Point Partners, L.P. - \$1,371,028

Nonuniformed Employees’ Defined Contribution Plan – RREEF America REIT II - \$536,699, Federated Hermes Treasury Obligations Fund, United States Treasury Bill due 01/10/2023, T Rowe Price International Discovery Fund, IShares MSCI USA Minimum Volatility Fund, IShares Russell 1000 Growth ETF Fund, IShares Russell 1000 Value ETF Fund, IShares Russell 2000 Value ETF Fund, IShares Russell Midcap Value ETF Fund.

401(a) Money Purchase and Trust Retirement Fund – MissionSquare PLUS Fund R3, MissionSquare Target 2020 R3, MissionSquare MP Long-Term Gr R3, MissionSquare 500 Stock Index R3.

Nonuniformed Employees’ Defined Benefit Pension Plan – RREEF America REIT II - \$611,623, Fidelity Investment Money Market Fund #2643, United States Treasury Bill due 04/20/2023, United States Treasury Bill due 03/16/2023, United States Treasury Bill due 03/16/2023, IShares MSCI Minimum Volatility Fund, IShares Russell 1000 Value ETF Fund, IShares Russell Mid-Cap Value ETF Fund.

2014 Nonuniformed Employees’ Defined Benefit Pension Plan – RREEF America REIT II - \$5,123,735, Fidelity Investment Money Market Fund #2643, United States Treasury Bill due 04/20/2023, IShares MSCI USA Minimum Volatility Fund, IShares Russell 1000 Value ETF Fund.

Health Management Trust Fund – Federated Hermes Treasury Obligations Institutional Shares Fund, United States Treasury Bill due 01/31/2023, United States Treasury Bill due 02/16/2023, United States Treasury Bill due 06/29/2023, IShares Russell 1000 Growth ETF Fund, IShares Russell 1000 Value ETF Fund.

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

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

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2022:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2022				
Real Estate Funds	\$ 9,063,601	\$ -	\$ 9,063,601	\$ -
U.S. Treasury obligations	34,455,813	34,455,813	-	-
U.S. agencies obligations	125,382,984	-	125,382,984	-
Fixed income funds	25,010,841	25,010,841	-	-
Mutual Funds	573,124	573,124	-	-
Money Market Mutual Funds	104,469,140	104,469,140	-	-
Equity Funds	62,842,413	62,842,413	-	-
Negotiable Certificates of Deposit	2,858,019	-	2,858,019	-
Municipal Bonds	4,149,927	-	4,149,927	-
Total investments by fair value level	<u>\$ 368,805,862</u>	<u>\$ 227,351,331</u>	<u>\$ 141,454,531</u>	<u>\$ -</u>

Certain investments that are measured using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above approximate net asset value for the applicable investments. The City has no investments that are measured using the net asset value per share at December 31, 2022.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The City has no Level 3 investments at December 31, 2022.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Summary of Carrying Values

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

	Primary Government
Carrying value	
Deposits	\$ 37,326,765
Investments	368,805,862
	\$ 406,132,627
Included in the following statements of net position captions	
Current Assets	
Cash and cash equivalents	\$ 12,392,516
Short-term investments	74,073,984
Noncurrent Assets	
Restricted cash and investments	192,008,613
Cash and investments - fiduciary funds	127,657,514
	\$ 406,132,627

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Note 3: Receivables

Accounts Receivable

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

Receivables	General	2022 Capital Improvements (Debt Service)	Street	American Rescue Plan SLFRF	Nonmajor Governmental	Total Governmental Funds
Taxes	\$ 67,633,888	\$ 17,643,949	\$ 8,908,163	\$ -	\$ 12,180,677	\$ 106,366,677
Licenses and permits	4,537,950	-	-	-	12,088	4,550,038
Intergovernmental	-	-	2,969,595	-	7,991,307	10,960,902
Fines and fees	11,998,323	-	-	-	-	11,998,323
Accounts	5,132,717	-	20,864	5,512	1,918	5,161,011
Gross receivables	89,302,878	17,643,949	11,898,622	5,512	20,185,990	139,036,951
Less: allowance for uncollectibles	(14,905,664)	(1,589,797)	(707,951)	-	(1,637,601)	(18,841,013)
Net receivables	\$ 74,397,214	\$ 16,054,152	\$ 11,190,671	\$ 5,512	\$ 18,548,389	\$ 120,195,938

Receivables	Waste Disposal	River Market Garage	Total Enterprise Funds	Internal Service Fund
Licenses and permits	\$ -	\$ 36,425	\$ 36,425	\$ -
Accounts	3,920,645	565,090	4,485,735	17,439
Gross receivables	3,920,645	601,515	4,522,160	17,439
Less: allowance for uncollectibles	-	-	-	-
Net receivables	\$ 3,920,645	\$ 601,515	\$ 4,522,160	\$ 17,439

Leases Receivable

The City leases a portion of its property to various third parties who use the space to conduct their operations, the terms of which expire from 2023 through 2055. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Revenue recognized under lease contracts in governmental activities and business-type activities for the year ended December 31, 2022 was \$97,597 and \$640,697, respectively, which includes both lease revenue and interest.

The following is a schedule by year of minimum payments to be received under leases contracts that are included in the measurement of the lease receivable as of December 31, 2022:

Governmental Activities - Leases Receivable			
Years Ending December 31,	Principal	Interest	Total
2023	\$ 71,780	\$ 25,023	\$ 96,803
2024	61,373	21,301	82,674
2025	65,358	17,560	82,918
2026	60,975	13,750	74,725
2027	55,914	10,494	66,408
2028 - 2032	135,359	287,191	422,550
2033 - 2037	47,367	219,530	266,897
2038 - 2042	168,992	97,725	266,717
2043 - 2047	203,551	36,276	239,827
Total	<u>\$ 870,669</u>	<u>\$ 728,850</u>	<u>\$ 1,599,519</u>

Leases receivable - due in one year or less	\$ 71,780
Leases receivable - due in more than one year	798,889
Total leases receivable	<u>\$ 870,669</u>

Business-Type Activities - Leases Receivable			
Years Ending December 31,	Principal	Interest	Total
2023	\$ 174,344	\$ 307,387	\$ 481,731
2024	187,249	296,778	484,027
2025	209,081	283,532	492,613
2026	234,061	269,379	503,440
2027	243,534	254,076	497,610
2028 - 2032	586,765	1,104,191	1,690,956
2033 - 2037	334,302	986,294	1,320,596
2038 - 2042	406,393	877,515	1,283,908
2043 - 2047	686,991	707,007	1,393,998
2048 - 2052	1,076,990	430,165	1,507,155
2053 - 2055	760,298	66,356	826,654
Total	<u>\$ 4,900,008</u>	<u>\$ 5,582,680</u>	<u>\$ 10,482,688</u>

Leases receivable - due in one year or less	\$ 174,344
Leases receivable - due in more than one year	4,725,664
Total leases receivable	<u>\$ 4,900,008</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Note 4: Capital and Lease Assets

A summary of changes in lease and capital assets for the year ended December 31, 2022, is presented below:

Governmental Activities	Balance January 1, 2022 *	Increases	Decreases	Transfers	Balance December 31, 2022
Lease assets					
Leased land	\$ 316,465	\$ -	\$ -	\$ -	\$ 316,465
Leased buildings	2,140,468	-	-	-	2,140,468
Leased equipment	580,462	57,814	-	-	638,276
Leased vehicles	3,517,287	-	-	-	3,517,287
Total lease assets, amortizable	6,554,682	57,814	-	-	6,612,496
Less accumulated amortization					
Leased land	-	40,671	-	-	40,671
Leased buildings	-	340,152	-	-	340,152
Leased equipment	-	244,988	-	-	244,988
Leased vehicles	-	1,144,367	-	-	1,144,367
Total accumulated amortization	-	1,770,178	-	-	1,770,178
Total lease assets, net	6,554,682	(1,712,364)	-	-	4,842,318
Capital Assets, nondepreciable					
Land and right-of-way	190,694,884	1,320,508	-	-	192,015,392
Construction in progress	55,735,636	15,153,256	(3,207)	(26,567,580)	44,318,105
Total capital assets, nondepreciable	246,430,520	16,473,764	(3,207)	(26,567,580)	236,333,497
Capital Assets, depreciable					
Land improvements	23,323,103	53,105	-	714,696	24,090,904
Infrastructure	869,293,080	3,339,860	-	19,378,292	892,011,232
Buildings	126,915,850	2,314,687	-	6,450,780	135,681,317
Vehicles	56,512,675	1,889,615	(2,497,786)	-	55,904,504
Equipment	62,139,760	497	(18,082)	23,812	62,145,987
Total capital assets, depreciable	1,138,184,468	7,597,764	(2,515,868)	26,567,580	1,169,833,944
Less accumulated depreciation					
Land improvements	15,836,168	1,327,790	-	-	17,163,958
Infrastructure	557,013,320	16,315,316	-	-	573,328,636
Buildings	52,825,225	3,211,024	-	-	56,036,249
Vehicles	46,658,022	3,150,085	(2,366,706)	-	47,441,401
Equipment	56,911,040	1,004,166	(16,031)	-	57,899,175
Total accumulated depreciation	729,243,775	25,008,381	(2,382,737)	-	751,869,419
Total capital assets, depreciable, net	408,940,693	(17,410,617)	(133,131)	26,567,580	417,964,525
Total governmental activities, net	\$ 661,925,895	\$ (2,649,217)	\$ (136,338)	\$ -	\$ 659,140,340

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Business-Type Activities	Balance January 1, 2022	Increases	Decreases	Transfers	Balance December 31, 2022
Capital Assets, nondepreciable					
Land	\$ 2,637,147	\$ -	\$ -	\$ -	\$ 2,637,147
Construction in progress	1,589,420	7,105	(53,506)	-	1,543,019
Total capital assets, nondepreciable	<u>4,226,567</u>	<u>7,105</u>	<u>(53,506)</u>	<u>-</u>	<u>4,180,166</u>
Capital Assets, depreciable					
Landfills, Cells 1, 2, 3, 4 and 5 and land improvements	23,011,215	1	-	-	23,011,216
Buildings	21,540,333	-	-	-	21,540,333
Vehicles	18,571,818	2,098,063	(819,077)	-	19,850,804
Equipment	4,901,978	-	(90,357)	-	4,811,621
Total capital assets, depreciable	<u>68,025,344</u>	<u>2,098,064</u>	<u>(909,434)</u>	<u>-</u>	<u>69,213,974</u>
Less accumulated depreciation					
Landfills, Cells 1, 2, 3, 4 and 5 and land improvements	17,643,883	413,352	-	-	18,057,235
Buildings	9,664,959	758,552	-	-	10,423,511
Vehicles	13,061,599	1,789,792	(586,363)	-	14,265,028
Equipment	3,419,032	307,229	(15,063)	-	3,711,198
Total accumulated depreciation	<u>43,789,473</u>	<u>3,268,925</u>	<u>(601,426)</u>	<u>-</u>	<u>46,456,972</u>
Total capital assets, depreciable, net	<u>24,235,871</u>	<u>(1,170,861)</u>	<u>(308,008)</u>	<u>-</u>	<u>22,757,002</u>
Total business-type activities, net	<u>\$ 28,462,438</u>	<u>\$ (1,163,756)</u>	<u>\$ (361,514)</u>	<u>\$ -</u>	<u>\$ 26,937,168</u>

* The beginning balance of Governmental Activities Capital Assets has been restated for the implementation of GASB Statement No. 87 - *Leases* resulting in the addition of lease assets.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

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

Governmental Activities

General government	
Executive administration	\$ 197,527
District court - first division (criminal)	13,496
District court - second division (traffic)	766
Finance	33,971
Human resources	276
Information technology	206,234
Planning and development	27,060
Fleet services (internal service fund)	<u>269,387</u>
 Total general government	 748,717
 Public works	 17,304,265
Parks and recreation services	2,097,636
River Market	96,569
Golf	100,075
Jim Dailey Fitness	106,183
Zoo	616,101
Fire	1,716,457
Police	3,805,654
911 Emergency Communications	438
Housing and neighborhood programs	<u>186,464</u>
 Total depreciation and amortization expense - governmental activities	 <u>26,778,559</u>

Business-Type Activities

Waste disposal	3,039,124
River Market garage	220,186
Vehicle storage	<u>9,615</u>
 Total depreciation and amortization expense - business-type activities	 <u>3,268,925</u>
 Total depreciation and amortization expense - primary government	 <u><u>\$ 30,047,484</u></u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Note 5: Long-term Liabilities

Changes in long-term liabilities for the year ended December 31, 2022, were as follows:

Governmental Activities	Balance January 1, 2022 *	Increases	Decreases	Balance December 31, 2022	Amounts Due in One Year
Bonds payable					
Revenue bonds	\$ 45,265,000	\$ -	\$ 1,560,000	\$ 43,705,000	\$ 1,620,000
Add issuance premiums	1,199,269	-	153,279	1,045,990	-
	<u>46,464,269</u>	<u>-</u>	<u>1,713,279</u>	<u>44,750,990</u>	<u>1,620,000</u>
General obligation bonds	43,755,000	99,335,000	42,615,000	100,475,000	-
Add issuance premiums	566,544	1,508,685	728,716	1,346,513	-
	<u>44,321,544</u>	<u>100,843,685</u>	<u>43,343,716</u>	<u>101,821,513</u>	<u>-</u>
Bonds payable, net	90,785,813	100,843,685	45,056,995	146,572,503	1,620,000
Notes payable	10,478,349	-	3,382,819	7,095,530	2,329,987
Leases	6,554,682	57,814	1,725,418	4,887,078	1,760,716
Compensated absences	34,908,958	17,074,339	17,282,133	34,701,164	20,661,592
Workers' compensation	1,821,033	1,829,059	2,092,025	1,558,067	763,453
Total governmental activities long-term liabilities	<u>\$ 144,548,835</u>	<u>\$ 119,804,897</u>	<u>\$ 69,539,390</u>	<u>\$ 194,814,342</u>	<u>\$ 27,135,748</u>
Business-Type Activities					
Bonds payable					
Revenue bonds	\$ 5,395,000	\$ -	\$ 945,000	\$ 4,450,000	\$ 655,000
Less issuance discounts	(11,863)	-	(2,992)	(8,871)	-
Bonds payable, net	5,383,137	-	942,008	4,441,129	655,000
Compensated absences	707,489	621,167	587,435	741,221	477,809
Postclosure landfill costs	7,492,439	799,776	-	8,292,215	-
Total business-type activities long-term liabilities	<u>\$ 13,583,065</u>	<u>\$ 1,420,943</u>	<u>\$ 1,529,443</u>	<u>\$ 13,474,565</u>	<u>\$ 1,132,809</u>

* The beginning balance of Governmental Activities Leases has been restated for the implementation of GASB Statement No. 87 - *Leases* net of the extinguishment of the former capital lease.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Bonds and notes payable at December 31, 2022, were as follows:

Primary Government	Interest Rates	Final Maturity	Original Issue	Total Outstanding
General long-term obligations				
General obligation bonds	1.5%-6.0%	2043	\$ 101,950,000	\$ 100,475,000
Revenue bonds	2.0%-5.0%	2048	50,445,000	43,705,000
Notes payable - short-term financing	0.84%-2.25%	2026	11,575,000	7,095,530
Enterprise funds				
Revenue bonds	1.5%-6.0%	2028	11,855,000	4,450,000

Governmental Activities

2015 Library Construction and Refunding Bonds – Bonds in the amount of \$36,620,000 were issued to finance the cost of acquiring, constructing and equipping capital improvements to the public city libraries operated by the City and the Central Arkansas Library System, to refund the outstanding Library Construction Bonds, Series 2008 and Series 2009, and the City of Little Rock Residential Housing and Public Facilities Board Capital Improvement Revenue Bonds, Series 2007 (debt of Central Arkansas Library) and to pay interest due on the bonds until collections of the library tax become available for such payments and to pay the costs of issuance of the bonds. Principal payments are due annually on March 1. Interest payments are due semiannually on March 1 and September 1. The City issued the 2015 series to refund the Library Construction Bonds, Series 2008, and Series 2009, obtain additional funding for capital projects, and extend repayment period of existing debt. Reduction of debt service payments and economic gain related to this refunding was minimal. These bonds were refunded by the issuance of the Library Construction and Refunding Bonds, Series 2022.

2017 Library Refunding Bonds – Bonds in the amount of \$15,925,000 were issued to refund the City’s outstanding Library Construction and Improvement Bonds, Series 2012, and to pay the costs of issuance of the bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$291,294. This amount was recorded as a deferred outflow of resources and amortized over the remaining life of the refunding debt. The bonds are limited tax obligations payable solely from a 0.9 mill annual ad valorem tax. Principal payments are due annually on March 1. Interest payments are due semiannually on March 1 and September 1. These bonds were retired in 2022.

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.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Limited Tax General Obligations Capital Improvement Bonds, Series 2018 – Bonds in the amount of \$43,475,000 were issued to finance street and drainage capital improvements for the City. The Series 2018 Bonds are limited tax general obligations of the City, secured by all proceeds derived from the 3 mills annual ad valorem tax levied by the City on all taxable and real and personal property located within the jurisdictional limits of the City. Principal payments are due annually on April 1 with final payment scheduled in 2024. Interest payments are due semiannually on April 1 and October 1. These bonds were retired in 2022.

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

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

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

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2022

Limited Tax General Obligations Capital Improvement Bonds, Series 2022 - On December 21, 2022, the City issued \$53,510,000 Limited Tax General Obligation Capital Improvement Bonds, Series 2022A and \$5,055,000 Limited Tax General Obligation Capital Improvement Bonds, Taxable Series 2022B for the purpose of financing various capital improvements. The Bonds are limited tax general obligations of the City, secured by all proceeds derived from the 3 mills annual ad valorem tax levied on all taxable and real and personal property located within the jurisdictional limits of the City. Interest is payable August 1, 2023 and semiannually thereafter on each February 1 and August 1. Principal payments due annually on February 1 beginning in 2024.

Notes Payable

In 2001, the State of Arkansas passed Amendment No. 78 and Act No. 1808, allowing cities and counties to obtain short-term financing agreements for the purpose of acquiring, constructing, installing, or renting real property or tangible personal property having an expected useful life of more than one year. These financing agreements may not mature over a period to exceed five years and may have fixed or variable interest rates to be repaid with general fund revenues. At December 31, 2022, the outstanding short-term financing agreements were as follows:

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

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

2017 Short-term Financing Note - The \$5,250,000 promissory note was issued to finance the cost of acquiring sixty police vehicles, Lawson ERP financial system application add-ons, a Socrata performance measurement dashboard and to complete phase I of the CAD system upgrade. Principal and interest are payable from general revenues. Due annually, payable on August 8, including interest at 1.81%. This note was retired on August 8, 2022.

Other Liabilities

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

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. These Bonds matured on May 1, 2022.

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds and revenue bonds, as well as notes payable, outstanding at December 31, 2022.

Year	Primary Government			
	Governmental Activities		Business-Type Activities	
	General Obligation & Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 1,620,000	\$ 4,776,471	\$ 655,000	\$ 235,523
2024	9,050,000	5,936,856	685,000	201,135
2025	4,180,000	5,617,956	725,000	164,830
2026	5,075,000	5,388,831	760,000	126,405
2027	6,810,000	5,094,081	805,000	86,125
2028-2032	39,185,000	20,256,681	820,000	43,460
2033-2037	38,710,000	11,594,588	-	-
2038-2042	25,330,000	5,546,906	-	-
2043-2047	12,370,000	1,499,131	-	-
2048	1,850,000	76,314	-	-
	<u>\$ 144,180,000</u>	<u>\$ 65,787,815</u>	<u>\$ 4,450,000</u>	<u>\$ 857,478</u>
	Notes Payable			
	Principal	Interest		
2023	\$ 2,329,987	\$ 92,537		
2024	2,365,739	56,784		
2025	1,194,893	20,138		
2026	1,204,911	10,121		
2027	-	-		
	<u>\$ 7,095,530</u>	<u>\$ 179,580</u>		

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Pledged Revenues

The following is a summary of pledged revenues of the City for the year ended December 31, 2022:

Debt	Revenue Pledged	Total Pledged Revenue	Current Year Debt Service Requirements	Percentage Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue Will Not Be Available For Other Purposes
2017 Revenue Refunding Bonds	Franchise Fees for public utilities	\$ 23,174,036	\$ 1,505,150	6.5%	\$ 16,539,000	Until 2033
2015 Library Construction and Refunding Bonds	Property tax	\$ 4,242,406	\$ 2,035,063	48.0%	\$ -	Until 2022
2017 Library Refunding Bonds	Property tax	\$ 4,242,406	\$ 1,853,625	43.7%	\$ -	Until 2022
2014 TIF #1 Capital Improvement Bond	Property tax	\$ 333,658	\$ 71,550	21.4%	\$ 2,063,400	Until 2036
2018 Limited Tax GO Capital Improvement Bonds	Property tax	\$ 14,163,824	\$ 4,609,875	32.5%	\$ -	Until 2022
2022 Library Construction and Refunding Bonds	Property tax	New 1.3 mills levy to begin in 2023	\$ -	n/a	\$ 55,085,239	Until 2036
2022 Limited Tax GO Capital Improvement Bonds, Series 2022A & 2022B	Property tax	New 3.0 mills levy to begin in 2023	\$ -	n/a	\$ 86,226,057	Until 2043
2018 Hotel Gross Receipts Tax Bonds	Hotel/motel tax	\$ 2,835,490	\$ 1,925,394	67.9%	\$ 50,054,119	Until 2048
2007 Waste Disposal Revenue Bonds	Net revenues of the waste collection and disposal system	\$ 5,259,095	\$ 334,344	6.4%	\$ -	Until 2022
2003 Capital Improvement and Refunding Revenue Bonds	Specific parking revenues and other revenues in the Rivermarket Garage Fund	\$ 1,723,389	\$ 888,073	51.5%	\$ 5,307,478	Until 2028

Lease Obligations

The City adopted GASB Statement No. 87 - *Leases* as of January 1, 2022. The lease liability as of January 1, 2022 was restated to include the net present value of future lease payments of \$6,554,682 for right-of-use assets. During 2022, the City entered into two additional lease agreements with an initial lease liability of \$57,814. Principal payments on leases totaled \$1,725,418 resulting in a lease liability of \$4,887,078 at year end.

The future principal and interest lease payments as of December 31, 2022, were as follows:

Year	Leases Payable	
	Principal	Interest
2023	\$ 1,760,716	\$ 172,236
2024	1,421,684	101,895
2025	675,326	58,773
2026	315,065	38,821
2027	166,525	29,389
2028-2032	547,762	44,022
	<u>\$ 4,887,078</u>	<u>\$ 445,136</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Note 6: Interfund Balances and Transfers

Interfund receivables and payables as of December 31, 2022, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Primary Government		
Governmental Funds		
General fund	\$ 8,304,035	\$ -
Nonmajor governmental funds	<u>-</u>	<u>8,304,035</u>
Governmental Funds to/from Fiduciary Funds		
General fund	<u>7,000</u>	
Total governmental funds	<u>\$ 8,311,035</u>	<u>\$ 8,304,035</u>
Fiduciary Funds		
2014 defined benefit plan		<u>7,000</u>
Total fiduciary funds	<u>-</u>	<u>7,000</u>
Total	<u>\$ 8,311,035</u>	<u>\$ 8,311,035</u>

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

Interfund transfers in and transfers out for the year ended December 31, 2022, are as follows:

	<u>Interfund Transfers Out</u>					
	<u>Governmental Funds</u>			<u>Proprietary Funds</u>		
<u>Interfund Transfers In</u>	<u>General</u>	<u>Street</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Waste Disposal</u>	<u>Totals</u>	
Governmental Funds						
General	\$ -	\$ 604,717	\$ 14,561,225	\$ 1,732,544	\$ 16,898,486	
Street	194,000	-	-	90,000	284,000	
Other Nonmajor Governmental	2,328,538		3,173,992		5,502,530	
Totals	<u>\$ 2,522,538</u>	<u>\$ 604,717</u>	<u>\$ 17,735,217</u>	<u>\$ 1,822,544</u>	<u>\$ 22,685,016</u>	

Transfers from the general fund to the street fund are used for parking enforcement. Transfers from the general fund to other nonmajor governmental funds are used to fund special projects and meet debt service requirements. Transfers from the street fund and from the waste disposal fund to the general fund and the street fund are used to reimburse overhead cost and fund special projects. Transfers from other nonmajor governmental funds to general fund special projects and to other nonmajor governmental funds is due to the transfer of excess property tax collections dedicated to the retirement of the City's 2015 and 2017 Library Bonds and the 2018 Capital Improvement Bonds that were received subsequent to the retirement of the bonds.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Note 7: Pension Plans

Pension Trust Funds

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

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

The City also contributes to three cost-sharing multiple employer defined benefit pension plans, the Arkansas Local Police and Fire Retirement System (LOPFI) plans for Police and Fire, and the Arkansas Public Employers Retirement System (APERS). The assets of the plans are maintained in legally separate trusts and each plan's assets may be used only for the payment of benefits to the members of that plan or their beneficiaries in accordance with the terms of the plan.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

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

	Police Pension	Firemen's Pension and Relief Fund	Nonuniformed Employees' Defined Contribution Plan	Nonuniformed Employees' Defined Benefit Plan	401(a) Money Purchase And Trust Retirement Fund	2014 Defined Benefit Plan
Assets						
Cash and cash equivalents	\$ -	\$ 126	\$ 1,076,795	\$ 1,161,347	\$ -	\$ 5,003,134
Investments						
U.S. government obligations	-	-	994,555	2,332,173	-	15,365,850
Equities	-	-	4,732,485	-	-	43,611,022
Mutual funds and other investments	1,371,028	1,382,129	2,139,079	8,035,193	6,862,547	24,223,310
Receivables						
Accounts receivable	300,790	300,790	-	-	62,725	1,157
Accrued interest and dividends	-	-	9,658	12,232	-	97,530
Total assets	1,671,818	1,683,045	8,952,572	11,540,945	6,925,272	88,302,003
Liabilities						
Due to primary government	-	-	-	-	-	7,000
Total liabilities	-	-	-	-	-	7,000
Net Position						
Net position restricted for pensions	\$ 1,671,818	\$ 1,683,045	\$ 8,952,572	\$ 11,540,945	\$ 6,925,272	\$ 88,295,003
Additions						
Contributions						
Employer	\$ -	\$ -	\$ 14,877	\$ 573,594	\$ 171,077	\$ 4,604,698
Plan members	-	-	7,472	-	113,995	2,272,160
Other	-	-	-	513,515	189,970	250,700
Total contributions	-	-	22,349	1,087,109	475,042	7,127,558
Investment income (loss)						
Net increase (decrease) in fair value of investments	174,491	174,491	(2,548,047)	(2,232,014)	(1,533,386)	(13,807,084)
Realized gain on sale of investments	-	-	1,136,123	698,694	-	1,644,005
Interest and dividends	300,790	300,790	322,478	347,620	2,009	2,532,681
	475,281	475,281	(1,089,446)	(1,185,700)	(1,531,377)	(9,630,398)
Less investment expense	-	-	40,682	44,511	-	380,659
Net investment income (loss)	475,281	475,281	(1,130,128)	(1,230,211)	(1,531,377)	(10,011,057)
Total additions (reductions)	475,281	475,281	(1,107,779)	(143,102)	(1,056,335)	(2,883,499)
Deductions						
Benefits paid directly to participants	-	-	2,056,519	1,582,260	1,000,506	2,373,346
Administrative expenses	-	-	18,584	14,317	-	108,274
Other	-	-	626,982	-	165	-
Total deductions	-	-	2,702,085	1,596,577	1,000,671	2,481,620
Net Increase (Decrease) in Net Position	475,281	475,281	(3,809,864)	(1,739,679)	(2,057,006)	(5,365,119)
Net Position Restricted for Pensions, Beginning of Year	1,196,537	1,207,764	12,762,436	13,280,624	8,982,278	93,660,122
Net Position Restricted for Pensions, End of Year	\$ 1,671,818	\$ 1,683,045	\$ 8,952,572	\$ 11,540,945	\$ 6,925,272	\$ 88,295,003

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

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

Governmental Activities	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense (Income)
Firemen's Pension and Relief Fund	\$ 31,506,345	\$ 6,777,674	\$ 6,567,421	\$ 950,728
Police Pension	31,616,915	7,645,261	5,526,857	1,592,474
Nonuniformed Plan - Government Wide	1,232,982	859,766	-	(11,406)
Nonuniformed Plan - Fleet	87,033	60,689	-	(805)
2014 Defined Benefit Plan - Government Wide	14,736,802	12,781,477	975,504	4,844,038
2014 Defined Benefit Plan - Fleet	1,040,245	902,223	68,859	341,932
Police - LOPFI	50,420,068	17,315,928	31,991,691	6,068,510
Fire - LOPFI	44,132,529	15,517,316	28,693,692	4,415,736
APERS	254,677	76,663	23,565	(995)
	<u>\$ 175,027,596</u>	<u>\$ 61,936,997</u>	<u>\$ 73,847,589</u>	<u>\$ 18,200,212</u>
Business-Type Activities*	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense (Income)
Nonuniformed Plan - Waste Disposal	\$ 116,046	\$ 80,919	\$ -	\$ (1,074)
Nonuniformed Plan - Vehicle Storage	14,506	10,115	-	(134)
2014 Defined Benefit Plan - Waste Disposal	1,386,993	1,202,962	91,813	455,910
2014 Defined Benefit Plan - Vehicle Storage	173,374	150,370	11,477	56,989
	<u>1,690,919</u>	<u>1,444,366</u>	<u>103,290</u>	<u>511,691</u>
Total Primary Government	<u>\$ 176,718,515</u>	<u>\$ 63,381,363</u>	<u>\$ 73,950,879</u>	<u>\$ 18,711,903</u>
2014 Defined Benefit Plan Discretely Presented Component Units	<u>\$ 2,055,667</u>	<u>\$ 1,828,622</u>	<u>\$ 229,846</u>	<u>\$ 669,982</u>

* Same amounts for proprietary funds' financial statements

Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Determine Fair Value of Investments

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Covered Employees Information

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

	Firemen's Fund	Nonuniformed Defined Benefit Plan	Nonuniformed Defined Contribution Plan	401 (a) Defined Contribution Plan	2014 Defined Benefit Plan	Police Pension
Retirees and beneficiaries receiving benefits	257	56	-	-	213	266
Termed vested benefit	-	-	156	15	410	-
Active plan members	-	-	2	26	1,046	-
Members on Deferred Retirement Option Plan (DROP)	-	-	-	-	-	2
Total	<u>257</u>	<u>56</u>	<u>158</u>	<u>41</u>	<u>1,669</u>	<u>268</u>

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

1. Plan Description and Funding Information

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

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

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

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2022

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

Contributions to the Firemen's Fund are set forth in Arkansas statute. The City's contribution to the Firemen's Fund consists of a one mill real and personal property tax collection and an insurance premium tax turnback collected by the State Insurance Commissioner. Additionally, the City contributes a percentage of the firemen's salaries, which amounted to 6% during 2022. The participants contributed 6% of their salaries in 2022. Participant contributions are returned without interest if the participant terminates covered employment. Contribution provisions applicable to the Fund are established by Arkansas code and may not be less than 6%. Administrative costs are financed through Fund assets approved by the Board of Trustees. The City's share of contributions was \$6,777,674 in 2022. The liability for the Firemen's Fund has typically been liquidated from the general fund.

2. Actuarial Methods and Assumptions

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

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

For the December 31, 2021 actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included a 7% investment rate of return (net of administrative expenses), projected salary increases of 3.25%, which includes an inflation rate of 2.5% and no costs of living increases. The remaining amortization period at December 31, 2021, was twenty-two (22) years using a closed amortization period based on projected future payroll. The mortality assumption was based on the RP-2014 Healthy Annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016. There were no factors that significantly affected the identification of trends such as changes in benefits, actuarial methods, or assumptions.

The actuarial assumptions used in the December 31, 2021 actuarial valuation were last updated for the 2017 valuation based on an experience study of the period 2012 through 2016.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

3. Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building block method in which expected future real rates of return are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real returns for the 10-year period were based on capital market assumptions collected from several national investment consultants over a three-year period. The 3-year average arithmetic nominal expected return is 6.98%. For each major asset class that is included in the pension plan's target allocation as of December 31, 2021, these best estimates are summarized in the table below:

Firemen's Pension Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Allocated-Weighted Long-term Expected Real Rate of Return
U.S. Stock - Large Cap	21%	4.77%	1.00%
U.S. Stock - Small Cap	21%	5.47%	1.15%
International Equity	9%	5.97%	0.54%
Emerging Markets	9%	8.33%	0.75%
U.S. Corporate Bonds	25%	0.66%	0.17%
Real Estate	5%	4.34%	0.22%
Private Equity	10%	9.05%	0.90%
Total	<u>100%</u>		<u>4.73%</u>
Expected Inflation			2.25%
Total Return			<u>6.98%</u>

4. Discount Rate

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

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

5. Changes in Net Pension Liability

Changes in the total pension liability, plan fiduciary net position and the net pension liability are as follows for the Firemen's Fund as determined by the City at December 31, 2022:

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Changes in Net Pension Liability - Firemen's Pension and Relief Fund			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 92,439,140	\$ 53,252,468	\$ 39,186,672
Charges for the year:			
Interest on total pension liability	6,089,311	-	6,089,311
Difference between expected and actual return	809,345	-	809,345
Changes of assumptions	271,394	-	271,394
Benefit Payments, including refunds of employee contributions	(10,897,956)	(10,897,956)	-
Administrative expense	-	(62,874)	62,874
Contributions - employer	-	6,756,246	(6,756,246)
Net investment income	-	7,575,375	(7,575,375)
Other	-	581,630	(581,630)
Net Changes	<u>(3,727,906)</u>	<u>3,952,421</u>	<u>(7,680,327)</u>
Balances as of end of year	<u>\$ 88,711,234</u>	<u>\$ 57,204,889</u>	<u>\$ 31,506,345</u>

6. Sensitivity to Discount Rate Changes

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

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Firemen's Pension and Relief Fund			
Net pension liability	\$ 37,927,155	\$ 31,506,345	\$ 25,767,324

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

For the year ended December 31, 2022, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$950,728, and reported deferred outflows and inflows of resources related to pensions from the following sources for the Firemen's Fund, as determined by the City at December 31, 2022:

Firemen's Pension and Relief Fund	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual investment earnings on pension plan investments	\$ -	\$ 6,567,421
Contributions subsequent to the measurement date	<u>6,777,674</u>	<u>-</u>
Total	<u>\$ 6,777,674</u>	<u>\$ 6,567,421</u>

At December 31, 2021, the City reported \$6,777,674 as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date, which will be recognized as a reduction in the net pension liability for the year ending December 31, 2023.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

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

Year Ending December 31,	Deferred Inflow of Resources
2023	\$ (1,905,239)
2024	(2,377,588)
2025	(1,410,533)
2026	(874,061)
Total	\$ (6,567,421)

Police Pension

1. Plan Description and Funding Information

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

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

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2022

Contributions to the Police Pension are set forth in Arkansas statute. The City's contribution to the Police Pension consists of a one mill real and personal property tax collection, an insurance premium tax turnback collected by the State Insurance Commissioner, and a \$3 assessment against each court case plus 10% of fines and forfeitures collected. The City's contributions to the Plan for 2022 were \$7,645,261. The liability for the Police Pension Fund has typically been liquidated from the general fund.

2. Actuarial Methods and Assumptions

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

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

For the December 31, 2021 actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included a 7.00% investment rate of return (net of administrative expenses), projected salary increases of 3.25%, which includes an inflation rate of 2.5% and no costs of living increases. The remaining amortization period at December 31, 2021, was 19 years using a closed amortization period based on projected future payroll. The mortality assumption was based on the RP-2014 Healthy Annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016. There were no factors that significantly affected the identification of trends such as changes in benefits, actuarial methods, or assumptions.

The actuarial assumptions used in the December 31, 2021 actuarial valuation were last updated for the 2017 valuation based on an experience study of the period 2012 through 2016.

3. Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building block method in which expected future real rates of return are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real returns for the 10-year period were based on capital market assumptions collected from several national investment consultants over a three-year period. The 3-year average arithmetic nominal expected

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

return is 6.98%. For each major asset class that is included in the pension plan's target allocation as of December 31, 2021, these best estimates are summarized in the table below:

Police Pension Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Allocated-Weighted Long-term Expected Real Rate of Return
U.S. Stock - Large Cap	21%	4.77%	1.00%
U.S. Stock - Small Cap	21%	5.47%	1.15%
International Equity	9%	5.97%	0.54%
Emerging Markets	9%	8.33%	0.75%
U.S. Corporate Bonds	25%	0.66%	0.17%
Real Estate	5%	4.34%	0.22%
Private Equity	10%	9.05%	0.90%
Total	100%		4.73%
Expected Inflation			2.25%
Total Return			6.98%

4. Discount Rate

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

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

5. Changes in the Net Pension Liability

Changes in the total pension liability, plan fiduciary net position and the net pension liability are as follows for the Police Pension as determined by the City at December 31, 2022:

Changes in Net Pension Liability - Police Pension			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Liability (a) - (b)
Balances as of beginning of year	\$ 88,565,474	\$ 48,444,546	\$ 40,120,928
Charges for the year:			
Interest on total pension liability	5,908,663	-	5,908,663
Difference between expected and actual return	1,356,030	-	1,356,030
Changes of assumptions	(368,002)	-	(368,002)
Benefit Payments, including refunds of employee contributions	(8,312,018)	(8,312,018)	-
Administrative expense	-	(58,779)	58,779
Contributions - employer	-	7,795,857	(7,795,857)
Net investment income	-	7,081,996	(7,081,996)
Other	-	581,630	(581,630)
Net Changes	(1,415,327)	7,088,686	(8,504,013)
Balances as of end of year	\$ 87,150,147	\$ 55,533,232	\$ 31,616,915

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

6. Sensitivity to Discount Rate Changes

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

		1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Police Pension	Net pension liability	\$ 37,930,630	\$ 31,616,915	\$ 26,073,614

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

For the year ended December 31, 2022, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$1,592,474, and reported deferred outflows and inflows of resources related to pensions from the following sources for the Police Pension, as determined by the City at December 31, 2022:

Police Pension	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual investment earnings on pension plan investments	\$ -	\$ 5,526,857
Contributions subsequent to the measurement date	<u>7,645,261</u>	<u>-</u>
Total	<u>\$ 7,645,261</u>	<u>\$ 5,526,857</u>

At December 31, 2022, the City reported \$7,645,261 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, 2023.

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

Year Ending December 31,	Deferred Inflow of Resources
2023	\$ (1,346,097)
2024	(2,076,516)
2025	(1,287,110)
2026	<u>(817,134)</u>
Total	<u>\$ (5,526,857)</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

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 2022 were \$573,594. Administrative costs are financed by the Nonuniformed Plan Fund. The liability for the Nonuniformed Plan has typically been liquidated from the general fund, fleet, waste disposal, and vehicle storage funds.

2. Actuarial Methods and Assumptions

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

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

For the December 31, 2022 actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five (5)-year period. The actuarial assumptions included a 6.5% investment rate of return (net of administrative expenses), projected salary increases of 3.5%, which includes an inflation rate of 2.5% and no costs of living increases. The remaining amortization period at December 31, 2022, was one (1) year based on a 5-year closed level-dollar amortization beginning in 2018. The mortality assumption was updated based on the Pub-2010 for males/females, amount weighted Mortality Table for

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

General employees with below median income, scaled at 105% with no setback. Generational mortality improvements are in accordance with MP-2020 from the table's base year of 2010 (both before and after the measurement date). There were no other factors that significantly affected the identification of trends such as changes in benefits.

The actuarial assumptions used in the December 31, 2022 actuarial valuation were based on the results of an actuarial experience study for the period 2008 through 2011.

3. Long-term expected rate of return

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

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

4. Discount Rate

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

The City's net pension liability as of December 31, 2022 was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

5. Changes in the Net Pension Liability

Changes in the total pension liability, plan fiduciary net position, and the net pension liability are as follows for the Nonuniformed Plan as determined by the City at December 31, 2022:

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Changes in Net Pension Liability - Nonuniformed Plan			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 13,609,087	\$ 13,280,624	\$ 328,463
Charges for the year:			
Interest on total pension liability	849,856	-	849,856
Transfers from DC plan	513,515	513,515	-
Difference between expected and actual return	(398,685)	-	(398,685)
Benefit payments, including refunds of employee contributions	(1,582,260)	(1,582,260)	-
Administrative expense	-	(14,317)	14,317
Contributions - employer	-	573,594	(573,594)
Net investment income	-	(1,230,211)	1,230,211
Other	(1)	-	(1)
Net Changes	<u>(617,575)</u>	<u>(1,739,679)</u>	<u>1,122,104</u>
Balances as of end of year	<u>\$ 12,991,512</u>	<u>\$ 11,540,945</u>	<u>\$ 1,450,567</u>

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

6. Sensitivity to Discount Rate Changes

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

		1% Decrease 5.5%	Current Discount Rate 6.5%	1% Increase 7.5%
Nonuniformed Employees' Defined				
Benefit Pension Plan	Net pension liability (asset)	\$ 2,333,668	\$ 1,450,567	\$ 666,656

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

For the year ended December 31, 2022, the City recognized pension income of \$13,419, and reported deferred outflows of resources related to pensions from the following source for the Nonuniformed Plan, as determined by the City at December 31, 2023:

Nonuniformed Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,011,489	\$ -
Total	<u>\$ 1,011,489</u>	<u>\$ -</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

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

Year Ending December 31,	Deferred Outflow of Resources
2023	\$ 67,326
2024	262,293
2025	266,492
2026	415,378
Total	\$ 1,011,489

2014 Nonuniformed Employees’ Defined Benefit Pension Plan (2014 Defined Benefit Plan)

1 Plan Description and Funding Information

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

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

Under the provisions of the 2014 Defined Benefit Plan, the City contributes 9% of the participant’s salary. The participants contribute 4.5% of their salaries. City contributions during 2022 were \$4,604,698. Contributions to the plan are made from various city governmental and business type funds, as well as two (2) of the discreetly presented component units. The liability for the plan has typically been liquidated from the general fund, fleet, waste disposal, and vehicle storage funds, and by the participating component units.

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

2. Actuarial Methods and Assumptions

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the January 1, 2023 actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included a 6.5% investment rate of return (net of administrative expenses), projected salary increases of 2.5% to 7.2%, which includes an inflation rate of 2.5% and various future weighted average rates of cost of living adjustments (COLA) were calculated and it was decided to use a 1.5% COLA as a single point estimate of the two-thirds CPI described in the plan. The remaining amortization period at December 31, 2022, was 15 years using a level percent of salary basis, amortization period. The mortality assumption was updated based on the Pub-2010 for males/females, amount weighted Mortality Table for General employees with below median income, scaled at 105% with no setback. Generational mortality improvements are in accordance with MP-2020 from the table's base year of 2010 (both before and after the measurement date). There were no other factors that significantly affected the identification of trends such as changes in benefits.

The actuarial assumptions used in the January 1, 2023 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2007 through June 30, 2012.

3. Long-term expected rate of return

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

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

4. Discount Rate

The discount rate used to measure the total pension liability was 6.5%. Based on plan funding expectations, no actuarial projection of cash flows was made as the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

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, 2022 was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023.

5. Changes in the Net Pension Liability

Changes in the total pension liability, plan fiduciary net position and the net pension liability are as follows for the 2014 Defined Benefit Plan as determined by the City at December 31, 2022:

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	\$ 94,205,821	\$ 93,660,122	\$ 545,699
Charges for the year:			
Service cost	4,992,258	-	4,992,258
Interest on total pension liability	6,219,900	-	6,219,900
Difference between expected and actual return	4,392,750	-	4,392,750
Benefit payments, including refunds of employee contributions	(2,373,346)	(2,373,346)	-
Administrative expense	-	(108,274)	108,274
Contributions - employer	-	4,604,698	(4,604,698)
Contributions - member	-	2,272,160	(2,272,160)
Service purchases	250,700	250,700	-
Net investment income	-	(10,011,057)	10,011,057
Other	1	-	1
Net Changes	<u>13,482,263</u>	<u>(5,365,119)</u>	<u>18,847,382</u>
Balances as of end of year	<u>\$ 107,688,084</u>	<u>\$ 88,295,003</u>	<u>\$ 19,393,081</u>

The above amounts are allocated between government-wide (governmental activities), Fleet (governmental activities), Waste Disposal (business-type activities), Vehicle Storage (business-type activities), Advertising and Promotion Commission (component unit), Workforce Investment Board (component unit) and Little Rock Port Authority (component unit) on the basis of actual contributions by the participants of the employer in the measurement period. The primary government's proportionate share was 89.45% (90.94% in prior year), the Advertising and Promotion Commission's proportionate share was 9.92% (8.37% in prior year), the Workforce Investment Board's proportionate share was 0.35% (0.40% in prior year), and the Little Rock Port Authority's proportionate share was 0.29%, as shown on the following schedules.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Changes in Net Pension Liability - Primary Government

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 83,652,525	\$ 83,156,485	\$ 496,040
Charges for the year:			
Service cost	4,465,488	-	4,465,488
Interest on total pension liability	5,563,593	-	5,563,593
Difference between expected and actual return	3,929,239	-	3,929,239
Benefit payments, including refunds of employee contributions	(2,122,917)	(2,122,917)	-
Administrative expense	-	(96,849)	96,849
Contributions - employer	-	4,118,823	(4,118,823)
Contributions - member	-	2,032,407	(2,032,407)
Changes in proportionate share	-	17,284	(17,284)
Service purchases	224,247	224,247	-
Net investment income	-	(8,954,718)	8,954,718
Other	1	-	1
Net Changes	<u>12,059,651</u>	<u>(4,781,723)</u>	<u>16,841,374</u>
Balances as of end of year	<u>\$ 95,712,176</u>	<u>\$ 78,374,762</u>	<u>\$ 17,337,414</u>

Changes in Net Pension Liability - Advertising and Promotion Commission

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 10,019,653	\$ 9,973,814	\$ 45,839
Charges for the year:			
Service cost	495,009	-	495,009
Interest on total pension liability	616,736	-	616,736
Difference between expected and actual return	435,564	-	435,564
Benefit payments, including refunds of employee contributions	(235,330)	(235,330)	-
Administrative expense	-	(10,736)	10,736
Contributions - employer	-	456,580	(456,580)
Contributions - member	-	225,297	(225,297)
Changes in proportionate share	-	(5,259)	5,259
Service purchases	24,858	24,858	-
Net investment income	-	(992,649)	992,649
Other	-	-	-
Net Changes	<u>1,336,837</u>	<u>(537,239)</u>	<u>1,874,076</u>
Balances as of end of year	<u>\$ 11,356,490</u>	<u>\$ 9,436,575</u>	<u>\$ 1,919,915</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

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	\$ 416,529	\$ 414,346	\$ 2,183
Charges for the year:			
Service cost	17,502	-	17,502
Interest on total pension liability	21,806	-	21,806
Difference between expected and actual return	15,400	-	15,400
Benefit Payments, including refunds of employee contributions	(8,320)	(8,320)	-
Administrative expense	-	(380)	380
Contributions - employer	-	16,143	(16,143)
Contributions - member	-	7,966	(7,966)
Changes in proportionate share	-	(9,315)	9,315
Service purchases	879	879	-
Net investment income	-	(35,096)	35,096
Net Changes	<u>47,267</u>	<u>(28,123)</u>	<u>75,390</u>
Balances as of end of year	<u>\$ 463,796</u>	<u>\$ 386,223</u>	<u>\$ 77,573</u>

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

Changes in Net Pension Liability - Little Rock Port Authority

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of beginning of year	\$ 117,119	\$ 115,482	\$ 1,637
Charges for the year:			
Service cost	14,259	-	14,259
Interest on total pension liability	17,765	-	17,765
Difference between expected and actual return	12,547	-	12,547
Benefit payments, including refunds of employee contributions	(6,779)	(6,779)	-
Administrative expense	-	(309)	309
Contributions - employer	-	13,152	(13,152)
Contributions - member	-	6,490	(6,490)
Change in proportionate share	-	(2,710)	2,710
Service purchases	716	716	-
Net investment income	-	(28,594)	28,594
Net Changes	<u>38,508</u>	<u>(18,034)</u>	<u>56,542</u>
Balances as of end of year	<u>\$ 155,627</u>	<u>\$ 97,448</u>	<u>\$ 58,179</u>

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

6. Sensitivity to Discount Rate Changes

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

2014 Defined Benefit Pension Plan		1% Decrease 5.5%	Current Discount Rate 6.5%	1% Increase 7.5%
City of Little Rock	Net pension liability	\$ 32,237,993	\$ 17,337,414	\$ 5,085,659
Advertising & Promotion Commission	Net pension liability	3,569,979	1,919,915	563,177
Workforce Investment Board	Net pension liability	144,242	77,573	22,755
Little Rock Port Authority	Net pension liability	108,181	58,179	17,066
		<u>\$ 36,060,395</u>	<u>\$ 19,393,081</u>	<u>\$ 5,688,657</u>

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

For the year ended December 31, 2022, the City and its component units recognized pension expense of \$6,368,851, 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, 2022:

2014 Defined Benefit Plan - Primary Government	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,139,227	\$ 1,085,357
Changes of assumptions	2,270,229	12,598
Changes of proportion	92,666	49,698
Net difference between expected and actual investment earnings on pension plan investments	8,534,910	-
Total	<u>\$ 15,037,032</u>	<u>\$ 1,147,653</u>

Advertising and Promotion Commission	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 458,371	\$ 120,191
Changes of assumptions	251,401	1,395
Changes of proportion	51,078	98,282
Net difference between expected and actual investment earnings on pension plan investments	945,141	-
Total	<u>\$ 1,705,991</u>	<u>\$ 219,868</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Workforce Investment Board	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 18,520	\$ 4,856
Changes of assumptions	10,158	56
Changes of proportion	-	1,381
Net difference between expected and actual investment earnings on pension plan investments	38,187	-
Total	\$ 66,865	\$ 6,293

Little Rock Port Authority	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 13,890	\$ 3,642
Changes of assumptions	7,618	43
Changes of proportion	5,617	-
Net difference between expected and actual investment earnings on pension plan investments	28,641	-
Total	\$ 55,766	\$ 3,685

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

Year Ending December 31,	Primary Government	Advertising and Promotion Commission	Workforce Investment Board	Little Rock Port Authority
2023	1,926,651	207,426	7,907	7,384
2024	2,873,936	312,327	12,145	10,562
2025	3,053,447	330,747	13,636	11,163
2026	3,735,187	403,716	16,676	13,443
2027	948,268	95,098	4,207	4,091
Total thereafter	1,351,890	136,809	6,001	5,438
Total	\$ 13,889,379	\$ 1,486,123	\$ 60,572	\$ 52,081

Local Police and Fire Retirement System (LOPFI)

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

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

Contribution requirements are set forth in Arkansas statute. LOPFI members were required to contribute 8.5% of their annual covered salary. The City is required to contribute at an actuarially determined rate, which was 23.50% for participating policemen and 23.50% for participating firemen. City contributions for 2022 to the Plan were \$17,020,329. The liability for the plan has typically been liquidated from the general fund.

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

At December 31, 2022, the City reported a liability for LOPFI Police and LOPFI Fire of \$50,420,068 and \$44,132,529, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The City’s proportionate share was 9.97795% and 8.73367% respectively, for LOPFI Police and LOPFI Fire compared to 10.10368% and 8.59231% respectively, for the prior year. The allocation percentages are based on the ratio of each employer’s contributions to total employer contributions of the group for the fiscal year ended December 31, 2021. 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, 2022 the LOPFI Police and LOPFI Fire recognized pension expense of \$6,068,510 and \$4,415,736, respectively. At December 31, 2022, LOPFI Police and LOPFI Fire reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

LOPFI - Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,972,515	\$ -
Assumption changes	1,946,962	-
Change in proportion	271,677	1,084,629
Net difference between expected and actual investment earnings on pension plan investments	-	30,907,062
Contributions subsequent to the measurement date	9,124,774	-
Total	<u>\$ 17,315,928</u>	<u>\$ 31,991,691</u>

LOPFI - Fire	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,227,724	\$ -
Assumption changes	1,704,170	-
Change in proportion	689,867	1,640,835
Net difference between expected and actual investment earnings on pension plan investments	-	27,052,857
Contributions subsequent to the measurement date	7,895,555	-
Total	<u>\$ 15,517,316</u>	<u>\$ 28,693,692</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

At December 31, 2022, LOPFI Police and LOPFI Fire reported \$9,124,774 and \$7,895,555 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2022, related to pensions will be recognized in pension expense as follows:

	Year Ending December 31,	LOPFI Police	LOPFI Fire
2023		\$ (3,509,115)	\$ (3,593,530)
2024		(9,117,748)	(7,963,426)
2025		(6,566,148)	(5,482,022)
2026		(4,607,526)	(4,032,953)
Total		\$ (23,800,537)	\$ (21,071,931)

Actuarial Assumptions

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2021 actuarial valuation were last updated for the 2017 valuation pursuant to an experience study of the period 2012 through 2016.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building block method in which expected future real rates of return are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real returns for the 10-year period were

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

based on capital market assumptions collected from several national investment consultants over a three-year period. The 3-year average arithmetic nominal expected return is 6.98%. For each major asset class that is included in the pension plan's target allocation as of December 31, 2021, these best estimates are summarized in the table below:

LOPFI - Police and Fire Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Allocated-Weighted Long-term Expected Real Rate of Return
U.S. Stock - Large Cap	21%	4.77%	1.00%
U.S. Stock - Small Cap	21%	5.47%	1.15%
International Equity	9%	5.97%	0.54%
Emerging Markets	9%	8.33%	0.75%
U.S. Corporate Bonds	25%	0.66%	0.17%
Real Estate	5%	4.34%	0.22%
Private Equity	10%	9.05%	0.90%
Total	<u>100%</u>		<u>4.73%</u>
Expected Inflation			<u>2.25%</u>
Total Return			<u>6.98%</u>

Discount Rate

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

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

Local Police and Fire Retirement System (LOPFI)		1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
LOPFI - Police	Net pension liability	\$ 101,462,909	\$ 50,420,068	\$ 9,238,154
LOPFI - Fire	Net pension liability	<u>88,810,176</u>	<u>44,132,529</u>	<u>8,086,129</u>
		<u>\$ 190,273,085</u>	<u>\$ 94,552,597</u>	<u>\$ 17,324,283</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Arkansas Public Employees Retirement System (APERS)

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

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

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

Contributions are set forth in Arkansas statute. The City is required to contribute at an actuarially determined rate, which was 38.99% for district judges and 15.32% for court clerks. City contributions for 2022 to the Plan were \$31,671.

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

At December 31, 2022, the City reported a liability of \$254,677 for its proportionate share of the net pension liability. The City’s proportionate share was .00944514% compared to .0096783% for the prior year. The net pension liability was measured as of June 30, 2022, 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, 2022. The City’s liability for the plan has been liquidated from the general fund.

For the year ended December 31, 2022, the City recognized pension income of \$995. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

APERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 6,113	\$ 3,075
Change in assumptions	-	-
Net difference between expected and actual investment earnings on pension plan investments	53,725	-
Change in proportion	746	20,490
Contributions subsequent to the measurement date	16,079	-
Total	\$ 76,663	\$ 23,565

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

At December 31, 2022, APERS reported \$16,079 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2022, related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	APERS
2023	\$ 10,994
2024	7,843
2025	459
2026	37,467
2027	(19,744)
Total	\$ 37,019

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

APERS	
Valuation	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent-of-Payroll
Remaining Amortization	26 year closed
Asset Valuation Method	4-Year smoothed Market with 25% corridor
Investment rate of return	7.15%
Projected salary increases	3.25%-9.85%
Inflation	3.25%
Cost of living adjustments	3.0% annual compounded increase

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of June 30, 2022 are summarized in the table below:

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

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

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

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

	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
APERS Net pension liability (asset)	\$ 404,890	\$ 254,677	\$ 130,663

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 the amounts contributed to the Plan plus investment earnings.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

The Plan requires that employees contribute no less than 3.5% and may contribute an additional 10% of their base salary. Only contributions up to 3.5% are pre-tax. The City is required to contribute 4% of covered payroll each pay period. Participants become fully vested in employer contributions and investment earnings credited to their account after five years of service. Nonvested City contributions and investment earnings are forfeited when participants leave covered employment and are transferred to a separate account, which may be used to reduce City contributions. During 2022, City pension expense for its contributions to the Plan was \$14,877.

The *401(a) Money Purchase and Trust Retirement Fund* is a defined contribution pension plan established under Arkansas state law, covering selected employees. Pension expenses are recorded for the amount of the City’s required contributions, determined in accordance with the terms of the Plan. The Plan is administered by a Board of Trustees. The Plan provides retirement benefits to plan members and their beneficiaries. Benefit provisions and contribution requirements are contained in the plan documents and were established, and can be amended, by action of the City’s Board of Directors. During 2022, City pension expense for its contributions to the Plan was \$171,077.

Note 8: Other Postemployment Benefits

General Information about the OPEB Plan

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

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

Employees covered by benefit terms: At December 31, 2022, the following employees were covered by the benefit terms:

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

Contributions: The contribution requirements of plan members are established by the City and may be amended as needed for the first six months of retirement. Plan members pay the entire

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

cost of monthly insurance premiums at the same rate charged to active employees and receive a benefit from the blended premium rate from all of the employees participating in the City's health insurance plan. After paying full premiums for six months, members are eligible for City-subsidized rates (75% of the single premium rates are paid by the City). Retired participants pay monthly premiums between \$137 for single coverage and \$800 for basic family coverage. Contributions to the Plan by the City for the year ended December 31, 2022 were \$1,875,580. The liability for the plan has typically been liquidated from the general fund.

Investments

Investment Policy. The plan's policy in regard to the allocation of invested assets is established by the City. Per the Investment Policy, there is a 40% mutual fund target asset allocation. Based upon recent investments, approximately half of this target allocation is invested in Fixed Income Securities mutual funds and half is invested in Equity Securities mutual funds, resulting in the following target allocations for each asset class. The current Target Asset Allocation, Long-Term Expected Real Rate of Return for each asset class and Geometric return at the end of 2022 is as follows:

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

Rate of return. For the year ended December 31, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -12.6% percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

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

City of Little Rock, Arkansas

Notes to Financial Statements

Year Ended December 31, 2022

Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

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

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

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

Discount rate. The discount rate used to measure the total OPEB liability was 7%. The projection of cash flows used to determine the discount rate assumed that City contributions into the plan are equal to projected benefit payments out of the plan plus the average of recent annual prefunding contributions that have been made by the City in accordance with Paragraph No. 50 of GASB No. 74 and Paragraph No. 38 of GASB No. 75. The long-term expected rate of return was also 7%. The plan operates on a pay-go basis and accumulates assets in a trust in addition to the pay-go amount. As of December 31, 2022, the accumulated funds and expected contributions are projected to be sufficient to cover benefit payments in all future years. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Net OPEB Liability of the City: The components of the net OPEB liability of the City at December 31, 2022, were as follows:

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of Beginning of Year	\$ 28,628,590	\$ 9,724,152	\$ 18,904,438
Changes for the year:			
Service cost	863,718	-	863,718
Interest	2,025,767	-	2,025,767
Differences between expected and actual experience	(918,599)	-	(918,599)
Contributions - employer	-	1,875,580	(1,875,580)
Net investment loss	-	(1,240,772)	1,240,772
Benefit payments	(1,105,541)	(1,105,541)	-
Net changes	<u>865,345</u>	<u>(470,733)</u>	<u>1,336,078</u>
Balances as of End of Year	<u>\$ 29,493,935</u>	<u>\$ 9,253,419</u>	<u>\$ 20,240,516</u>

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

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

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Net OPEB Liability	\$ 22,444,825	\$ 20,240,516	\$ 18,241,838

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

	1% Decrease (6.5% - 3.25%)	Healthcare Cost Trend Rates (7.5% - 4.25%)	1% Increase (8.5% - 5.25%)
Net OPEB liability	\$ 17,716,974	\$ 20,240,516	\$ 23,118,463

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

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

	Health Management Trust Fund
ASSETS	
Investments	
Equities	\$ 4,114,061
Mutual funds and other investments	5,139,358
Total assets	9,253,419
NET POSITION	
Net position restricted for other postemployment benefits	\$ 9,253,419
	Health Management Trust Fund
Additions	
Contributions	
Employer	\$ 1,875,580
Total contributions	1,875,580
Investment income	
Net decrease in fair value of investments	(1,416,008)
Realized gain on sale of investments	86,232
Interest and dividends	178,730
	(1,151,046)
Less investment expense	89,726
Net investment loss	(1,240,772)
Total additions	634,808
Deductions	
Benefits paid directly to participants	1,105,541
Total deductions	1,105,541
Net Decrease in Net Position	(470,733)
Net Position Restricted for Other Postemployment Benefits, Beginning of Year	9,724,152
Net Position Restricted for Other Postemployment Benefits, End of Year	\$ 9,253,419

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$3,518,992. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,221,033	\$ 1,036,053
Changes of assumptions	5,526,108	3,412,204
Net difference between expected and actual investment earnings on pension plan investments	1,196,432	-
Total	\$ 9,943,573	\$ 4,448,257

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

Year Ending December 31,	Amount
2023	\$ 1,198,183
2024	1,291,021
2025	1,384,236
2026	1,412,450
2027	839,612
Thereafter	(630,186)
Total	\$ 5,495,316

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Note 9: Risk Management

Workers' Compensation

The City participates in a self-funded workers' compensation plan. All full-time employees are covered by the plan. It is self-funded to a maximum of \$750,000 per occurrence, per employee. Coverage amounts in excess of this limit have been obtained by means of a stop loss reinsurance policy. The City records an estimated liability and liquidates that liability within the General Fund based on claims made against the City. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not yet reported based on historical experience. Settlements have not exceeded coverage in each of the past three years. The following represents the changes in approximate aggregate liabilities of the workers' compensation plan for the City from January 1, 2021, to December 31, 2022:

Liability balance, January 1, 2020	\$	2,155,205
Claims and changes in estimates		2,335,058
Claims payments		<u>(2,669,230)</u>
Liability balance, December 31, 2021		1,821,033
Claims and changes in estimates		1,829,059
Claims payments		<u>(2,092,025)</u>
Liability balance, December 31, 2022	\$	<u><u>1,558,067</u></u>

Insurance Coverage

The City and its component units have various insurance policies to cover their potential liability risk areas, *i.e.*, automobile, personal property, contents and outside structures and workers' compensation. The type of coverage and the liability limits vary with each entity. Coverage is provided both commercially and through the Arkansas Municipal League (AML), which is an association of local governments. AML provides the City with automobile and legal defense coverage. The AML Legal Defense Program is discussed further in *Note 12: Contingencies*.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Note 10: Property Taxes

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

In the governmental funds, property taxes are measurable when levied even though not available. As a result, at December 31, 2022, property taxes receivable and related deferred inflows of resources of \$69,733,215 have been recorded in the governmental funds. In the government-wide statement of net position, property taxes are considered earned at the time levied. The government-wide financial statements also include \$10,349,944 in the other current liabilities, which is the 1 mil property tax levy for the Policemen’s & Fireman’s pension and relief and fund. This revenue is due to the closed Policemen’s pension and relief fund administered by the Local Police and Fire Retirement System (LOPFI). In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible. The appraised value of taxable property upon which the property tax is levied is determined by the county assessor. The assessor estimates full market value of the property and applies the statutory rate of 20% to arrive at assessed value.

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

Description	Millage Limit	Levied 2021 for 2022 Collections
General purpose	5.00	5.00
Municipal improvements	3.00	3.00
Library operations	3.80	3.80
Library capital improvement bonds	1.80	1.80
Firemen's relief and pension fund	1.00	1.00
Policemen's pension and relief fund	1.00	1.00
Roads	1.45	1.45
	<hr/>	<hr/>
Total	<u>17.05</u>	<u>17.05</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Note 11: Landfill Closure and Postclosure Care Cost

Federal and state laws and regulations require the Solid Waste Landfill to close the landfill that began accepting waste after October 9, 1993, by (1) covering the site with an impermeable cap, (2) implementing additional groundwater monitoring, (3) providing a minimum of 30 years of postclosure care and (4) demonstrating financial assurance for the closure and postclosure care. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The cumulative recognition of this liability of \$8,292,215 is based on 74.2% use of Class I Waste total constructed capacity, and 81.4% use of Class IV Waste constructed capacity. The Waste Disposal Fund will recognize, as the remaining capacity is filled, an estimated additional \$11,916,902 for final closure and postclosure of the entire landfill, which is expected to close in or about the year 2066. These amounts are based on engineering estimates of what it would cost to perform all closure and postclosure care in 2020 actual unit prices, adjusted by Department of Environmental Quality inflation factors of 1.013 in 2021 and 1.058 in 2022. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The City Waste Disposal Fund demonstrates financial assurance for closure and postclosure care through the Environmental Protection Agency's Local Government Financial Test, 40 CFR Part 258, Subpart G, dated November 27, 1996. In this test, the City demonstrates that it is capable of meeting its financial obligations at its municipal solid waste landfill facility through a bond rating requirement where all outstanding general obligation bonds have a current investment grade bond rating.

Note 12: Contingencies

Federal Grant Programs

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

Central Arkansas Transit Authority d/b/a Rock Region Metro (RRM)

The City has an ongoing interlocal agreement with Rock Region Metro to finance approximately 71% of its operating deficits. The City continued to fund RRM's operating deficits at this level in 2022 and anticipates comparable ongoing contributions for services to be maintained in the future.

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Risk Management

The City is a member of the Arkansas Municipal Legal Defense Program (AMLDP), which provides extraordinary legal defense and extraordinary expenses in suits against municipal officials and employees and civil rights suits against the municipal government. Fixed premiums are set annually by AML based on such factors as claims experience, employee class multipliers and population. For risks covered by AML, the City pays no deductible; however, the City pays a \$3,000 fee to AML for each legal matter it handles. There have been no significant reductions to coverage from 2021 to 2022. The Program only pays judgments for actual damages (not punitive damages) imposed on municipal governments and their officials and employees; which will not exceed 25% of the Program’s available funds at the time the lawsuit was filed, or the judgment becomes final, or \$1 million, whichever is less. In the opinion of the City Attorney, the amount of financial exposure to the City as a result of litigation matters handled by the Program is approximately \$228,500 at December 31, 2022, which has been accrued as a liability in the City’s General Fund.

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

Construction and Other Significant Commitments

Construction commitments. The City of Little Rock has active construction projects as of December 31, 2022. The projects include street construction in areas with economic development, newly developed housing, widening of streets and bridges, and the construction of additional City facilities. At year end, the City of Little Rock's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Parks and Recreation Construction	\$ 8,663,444	\$ 821,445
12th Street Police Station Renovation	1,995,615	144,923
Firestation 12 Renovation	485,754	303,822
Street and Drainage Construction	27,889,226	20,180,290

The remaining commitment amounts of \$21,450,480 for the widening of streets and bridges and the construction of City facilities were encumbered at fiscal year-end. Other significant commitments include \$10,585,696 for Fire Apparatus and \$1,500,167 for Solid Waste Equipment. As discussed earlier in Note 1: Nature of Operations and Summary of Significant Accounting Policies, *Budgetary Information*, the encumbrances and related appropriation technically lapse at

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

the end of the year but are reappropriated and become part of the subsequent year’s budget because performance under the executory contract is expected in the next year.

Note 13: Conduit Debt Obligations

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

As of December 31, 2022, the aggregate principal amount payable on these bonds was approximately \$90,706,116.

Note 14: Jointly Governed Organization

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

Note 15: Fund Balance

The City classified governmental fund balances as follows:

	General Fund	Sales Tax Capital Improvements	2022 Capital Improvements	2022 Capital Improvements (Debt Service)	Street	American Rescue Plan SLFRF	Other Governmental Funds	Total Governmental Funds
Fund Balances								
Nonspendable								
Inventory	\$ 72,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 839,099	\$ 911,680
Prepays	1,649,621	-	-	-	20,602	-	53,109	1,723,332
Trust principal	-	-	-	-	-	-	250,000	250,000
Restricted								
Debt service	-	-	-	-	-	-	2,609,866	2,609,866
Capital improvements	-	32,705,542	58,240,393	-	-	-	32,342,732	123,288,667
Streets & Drainage Infrastructure	-	-	-	-	28,799,428	-	-	28,799,428
Grants	-	-	-	-	-	355,660	1,949,940	2,305,600
Emergency 911	-	-	-	-	-	-	3,828,220	3,828,220
Special Projects	-	-	-	-	-	-	6,433,018	6,433,018
Committed								
Cable network	39,123	-	-	-	-	-	-	39,123
Assigned								
General fund special projects	38,038,638	-	-	-	-	-	-	38,038,638
Unassigned	43,307,517	-	-	-	-	-	-	43,307,517
Total Fund Balances	\$ 83,107,480	\$ 32,705,542	\$ 58,240,393	\$ -	\$ 28,820,030	\$ 355,660	\$ 48,305,984	\$ 251,535,089

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Note 16: Tax Abatement

The City of Little Rock has eleven (11) active Payment in Lieu of Taxes Agreements (PILOTS) associated with the issuance of industrial development bonds under the provisions of the Municipalities and Counties Industrial Development Revenue Bond Law, Ark. Code Ann. §§ 14-164-201 to 224, for the purpose of financing substantial industrial projects consisting of the acquisition of land, construction of buildings, and acquisition and installation of equipment located within the City (the “project”). The project is leased by the City to the company that will be utilizing the bond proceeds, pursuant to one or more lease agreements (collectively, the “Lease”), for rentals sufficient to pay debt service on the bonds. The Lease provides that the company is obligated to pay all taxes and assessments levied and assessed on the project during the term of the Lease. The company is informed and understands that, notwithstanding the provisions of the lease, under Article 16, Section 5 of the Constitution of the State of Arkansas, as interpreted by the Arkansas Supreme Court in *Wayland v. Snapp*, 233 Ark. 57, 334 S.W.2nd 633 (1960), and *Pulaski County v. Jacuzzi Bros. Div.*, 332 Ark. 91, 964S.W.2nd 788 (1998), and Ark. Code Ann. §§ 14-164-701 to 703, the project will be exempt from ad valorem taxes because it is owned by the City and used for a public purpose within the meaning of the applicable Constitutional and statutory provisions affording the exemption. Thus, the company understands that it, as Lessee of the project owned by the City, will, in fact, pay no ad valorem taxes on the project property under the provisions of the Lease. The City does not wish to lose all tax revenues, which would otherwise be received by it if the property involved were privately owned. Therefore, to induce the City to proceed with the issuance of the bonds for the industrial development project, which will inure to the benefit of the company, and for other valuable consideration, the company agrees to pay the City an annual sum equal to amounts ranging from 0% to 35% of the amount which would be payable as ad valorem taxes that would have to be paid on the project to the State of Arkansas, the City, Pulaski County, the Little Rock School District, and/or other political subdivisions of the State of Arkansas (taxing authorities) if the project were not exempt from ad valorem taxes under the provisions of the Constitution of the State of Arkansas as referenced above. Information relevant to the disclosure of taxes abated under this program for the year ended December 31, 2022 is:

Taxing Authority	Amount Due if PILOTS Were Not in Place	Actual Tax Collected Under PILOT Agreements	Tax Abatement
City of Little Rock	\$ 1,065,478	\$ 363,268	\$ 702,210
Little Rock School District	2,845,613	985,021	1,860,592
Pulaski County	440,564	150,208	290,356
Pulaski County Special School District	47,355	3,141	44,214
Total	<u>\$ 4,399,010</u>	<u>\$ 1,501,638</u>	<u>\$ 2,897,372</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Note 17: Discretely Presented Component Units

Little Rock Water Reclamation Authority (LRWRA)

Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

Little Rock Water Reclamation Authority	Balance 1/1/2022	Additions	Disposals	Transfers	Balance 12/31/2022
Capital Assets, non-depreciable					
Land	\$ 5,434,140	\$ -	\$ -	\$ -	\$ 5,434,140
Construction in progress	<u>136,373,213</u>	<u>33,044,624</u>	<u>24,932</u>	<u>(97,621,554)</u>	<u>71,771,351</u>
Total capital assets, non-depreciable	141,807,353	33,044,624	24,932	(97,621,554)	77,205,491
Capital Assets, depreciable					
Buildings, improvements, and facilities	584,120,360	936,425	-	84,215,128	669,271,913
Equipment	<u>81,286,558</u>	<u>-</u>	<u>338,742</u>	<u>13,406,426</u>	<u>94,354,242</u>
Total capital assets, depreciable	665,406,918	936,425	338,742	97,621,554	763,626,155
Less accumulated depreciation	<u>244,757,335</u>	<u>18,478,815</u>	<u>323,903</u>	<u>-</u>	<u>262,912,247</u>
Total capital assets, net	<u>\$ 562,456,936</u>	<u>\$ 15,502,234</u>	<u>\$ 39,771</u>	<u>\$ -</u>	<u>\$ 577,919,399</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Long-Term Liabilities

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

Component Units	Balance, January 1, 2022	Increases	Decreases	Balance December 31, 2022	Amounts Due in One Year
Little Rock Water Reclamation Authority					
Revenue bonds	\$ 383,336,486	\$ 21,280,931	\$ 9,540,000	\$ 395,077,417	\$ 6,560,000
Add issuance premiums	<u>3,379,177</u>	<u>-</u>	<u>636,918</u>	<u>2,742,259</u>	<u>-</u>
	<u>\$ 386,715,663</u>	<u>\$ 21,280,931</u>	<u>\$ 10,176,918</u>	<u>\$ 397,819,676</u>	<u>\$ 6,560,000</u>

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

Year	Little Rock Water Reclamation Authority	
	Principal	Interest
2023	\$ 6,560,000	\$ 9,651,283
2024	14,467,219	9,709,622
2025	15,767,300	9,245,556
2026	17,985,902	8,727,497
2027	22,620,993	8,239,451
2028-2032	97,702,416	34,263,852
2033-2037	105,183,112	22,426,086
2038-2042	42,977,296	12,611,710
2043-2047	36,722,519	6,957,693
2048-2052	31,709,534	1,711,988
2053	<u>3,381,126</u>	<u>16,272</u>
	<u>\$ 395,077,417</u>	<u>\$ 123,561,010</u>

Net Pension Liability

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

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

At December 31, 2022, LRWRA reported a liability of \$18,822,344 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and 2021, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of those dates. LRWRA's proportion of the net pension liability was based on LRWRA's contributions to the pension plan relative to the contributions of all participating APERS members. At June 30, 2022, LRWRA's proportion was 0.69805887%, which was an increase of 0.00082615% from its proportion measured as of June 30, 2021, of 0.69723272%.

For the year ended December 31, 2022, LRWRA recognized pension expense of \$1,808,002. At December 31, 2022, LRWRA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 451,799	\$ 227,251
Changes in proportion and differences between employer contributions and proportionate share	26,721	171,628
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	3,970,602	-
Contributions subsequent to the measurement date	1,109,451	-
Total	\$ 5,558,573	\$ 398,879

The \$1,109,451 reported as deferred outflows of resources at December 31, 2022, related to pensions resulting from LRWRA's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	
2023	\$ 736,381
2024	507,124
2025	37,681
2026	2,769,057
	\$ 4,050,243

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

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

Sensitivity of Discount Rate		
1% Lower	Discount Rate	1% Higher
6.15%	7.15%	8.15%
\$ 29,924,089	\$ 18,822,344	\$ 9,656,859

Bill and Hillary Clinton National Airport (Airport)

Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	Balance	Additions	Disposals	Transfers/ Reclassifications	Balance
Bill and Hillary Clinton National Airport	1/1/2022	12/31/2022	12/31/2022	12/31/2022	12/31/2022
Capital Assets, non-depreciable					
Land	\$ 68,393,875	\$ 24,733	\$ -	\$ -	\$ 68,418,608
Construction in progress	14,737,475	16,139,894	-	(24,173,536)	6,703,833
Total capital assets, non-depreciable	83,131,350	16,164,627	-	(24,173,536)	75,122,441
Capital Assets, depreciable					
Buildings, improvements, and facilities	497,022,292	3,624,094	4,920,364	22,829,777	518,555,799
Vehicles	2,123,256	-	-	58,800	2,182,056
Equipment	26,772,316	469,286	5,105	1,280,676	28,517,173
Total capital assets, depreciable	525,917,864	4,093,380	4,925,469	24,169,253	549,255,028
Less accumulated depreciation	276,428,231	20,958,716	3,711,389	-	293,675,558
Total capital assets, net	<u>\$ 332,620,983</u>	<u>\$ (700,709)</u>	<u>\$ 1,214,080</u>	<u>\$ (4,283)</u>	<u>\$ 330,701,911</u>

City of Little Rock, Arkansas
Notes to Financial Statements
Year Ended December 31, 2022

Note 18: Subsequent Events

The City issued a tax exempt promissory note on January 10, 2023 in the principal amount of \$7,400,000 and bearing interest at the rate of 3.70%. The note is being issued to finance the costs of the acquisition of police vehicles for the Little Rock Police Department. The note was executed and issued by the City under the Constitution and laws of the State of Arkansas, including particularly Amendment No. 78 to the Constitution of the State of Arkansas and Act No. 1808 of 2001 (codified as Title 14, Chapter 78 of the Arkansas Code of 1987 Annotated), and is a valid and binding obligation of the City enforceable in accordance with its terms.

REQUIRED SUPPLEMENTARY INFORMATION



City of Little Rock, Arkansas
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
General property taxes	\$ 32,456,475	\$ 32,929,177	\$ 32,929,187	\$ 10
Sales taxes	119,739,850	133,056,877	133,056,876	(1)
Licenses and permits	12,492,000	12,772,093	12,776,243	4,150
Intergovernmental	10,703,932	13,394,777	13,394,777	-
Charges for services	11,264,804	11,212,483	11,744,089	531,606
Fines and fees	1,929,200	1,639,956	1,846,111	206,155
Utility franchise taxes	30,365,217	32,466,612	32,466,612	-
Investment income (loss)	130,000	346,500	(3,536,959)	(3,883,459)
Contributions	373,255	259,398	328,961	69,563
Miscellaneous	611,670	653,458	1,140,506	487,048
Total revenues	220,066,403	238,731,331	236,146,403	(2,584,928)
Expenditures				
General government				
General administration	26,004,644	28,733,920	29,243,332	(509,412)
Board of directors	344,674	344,674	332,882	11,792
Community programs	310,453	303,273	3,796,241	(3,492,968)
City attorney	1,874,118	1,894,643	1,893,490	1,153
District court - first division (criminal)	1,409,001	1,283,575	1,264,168	19,407
District court - second division (traffic)	1,331,005	1,258,973	1,240,914	18,059
District court - third division (environment)	578,142	572,087	552,838	19,249
Finance	4,432,349	4,184,783	4,206,038	(21,255)
Human resources	2,274,393	2,154,277	2,225,227	(70,950)
Information technology	6,482,671	5,522,203	5,519,999	2,204
Planning and development	3,255,006	2,948,401	3,033,708	(85,307)
Total general government	48,296,456	49,200,809	53,308,837	(4,108,028)
Public works	1,125,998	1,140,674	1,818,783	(678,109)
Parks and recreation services	10,791,058	10,001,180	10,200,456	(199,276)
River Market	1,157,413	1,064,106	1,005,519	58,587
Golf	1,709,747	1,750,759	1,718,615	32,144
Jim Dailey Fitness	886,132	861,322	849,638	11,684
Zoo	7,019,161	7,705,430	8,005,954	(300,524)
Fire	55,408,510	57,168,301	57,700,490	(532,189)
Police	77,174,511	76,549,403	76,573,134	(23,731)
911 operations	4,758,621	4,038,096	3,973,180	64,916
Housing and neighborhood programs	6,157,993	5,623,278	6,558,818	(935,540)
Fleet	-	-	78,345	(78,345)
Debt service				
Principal	3,382,819	3,970,641	5,063,364	(1,092,723)
Fiscal charges on long term debt	147,433	240,002	351,518	(111,516)
Capital Outlay	72,500	134,335	2,154,727	(2,020,392)
Vacancy savings	(6,691,700)	-	-	-
Total expenditures	211,396,652	219,448,336	229,361,378	(9,913,042)
Excess of Revenues Over Expenditures	8,669,751	19,282,995	6,785,025	(12,497,970)
Other Financing Sources (Uses)				
Initiation of leases	-	57,812	57,814	2
Transfers in	2,099,761	2,174,761	16,898,486	14,723,725
Transfers out	(10,769,512)	(28,030,927)	(2,522,538)	25,508,389
Total other financing sources (uses)	(8,669,751)	(25,798,354)	14,433,762	40,232,116
Net Change in Fund Balances	-	(6,515,359)	21,218,787	27,734,146
Fund Balances, Beginning of Year	61,888,693	61,888,693	61,888,693	-
Fund Balances, End of Year	\$ 61,888,693	\$ 55,373,334	\$ 83,107,480	\$ 27,734,146

City of Little Rock, Arkansas
Notes to Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2022

Budgets and Budgetary Accounting

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

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

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

City of Little Rock, Arkansas
Budgetary Comparison Schedule
Street Fund
Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
General property taxes	\$ 6,798,160	\$ 6,811,007	\$ 6,811,006	\$ (1)
Licenses and permits	19,000	19,790	19,790	-
Intergovernmental	16,368,600	17,535,684	17,535,684	-
Charges for services	34,500	28,317	28,317	-
Investment income (loss)	75,000	155,500	(1,347,052)	(1,502,552)
Miscellaneous	48,000	53,237	239,615	186,378
Total revenues	<u>23,343,260</u>	<u>24,603,535</u>	<u>23,287,360</u>	<u>(1,316,175)</u>
Expenditures				
Public works	22,228,721	20,732,427	18,559,272	2,173,155
Capital Outlay	-	-	1,714,306	(1,714,306)
Vacancy savings	(1,850,000)	-	-	-
Total expenditures	<u>20,378,721</u>	<u>20,732,427</u>	<u>20,273,578</u>	<u>458,849</u>
Excess of Revenues Over Expenditures	<u>2,964,539</u>	<u>3,871,108</u>	<u>3,013,782</u>	<u>(857,326)</u>
Other Financing Sources (Uses)				
Transfers in	284,000	284,000	284,000	-
Transfers out	(2,729,717)	(3,280,677)	(604,717)	2,675,960
Total other financing sources (uses)	<u>(2,445,717)</u>	<u>(2,996,677)</u>	<u>(320,717)</u>	<u>2,675,960</u>
Net Change in Fund Balances	518,822	874,431	2,693,065	1,818,634
Fund Balances, Beginning of Year	<u>26,126,965</u>	<u>26,126,965</u>	<u>26,126,965</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 26,645,787</u>	<u>\$ 27,001,396</u>	<u>\$ 28,820,030</u>	<u>\$ 1,818,634</u>

City of Little Rock, Arkansas
Required Supplementary Information
Other Postemployment Benefit Plan
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability						
Service cost	\$ 863,718	\$ 518,125	\$ 793,760	\$ 646,275	\$ 497,628	\$ 465,073
Interest	2,025,767	1,594,541	1,624,054	1,464,346	996,425	967,968
Differences between expected and actual experience	(918,599)	1,594,884	2,117,141	954,625	(333,893)	(494,955)
Changes of assumptions	-	3,185,480	(4,795,531)	-	6,512,888	-
Benefit payments	(1,105,541)	(1,050,927)	(920,156)	(766,956)	(789,620)	(854,207)
Net change in total OPEB liability	865,345	5,842,103	(1,180,732)	2,298,290	6,883,428	83,879
Total OPEB liability - Beginning	28,628,590	22,786,487	23,967,219	21,668,929	14,785,501	14,701,622
Total OPEB liability - Ending (a)	<u>\$ 29,493,935</u>	<u>\$ 28,628,590</u>	<u>\$ 22,786,487</u>	<u>\$ 23,967,219</u>	<u>\$ 21,668,929</u>	<u>\$ 14,785,501</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 1,875,580	\$ 1,650,927	\$ 2,075,331	\$ 1,893,956	\$ 1,226,087	\$ 1,385,762
Net investment income	(1,240,772)	716,935	897,665	801,217	(265,832)	283,245
Benefit payments	(1,105,541)	(1,050,927)	(920,156)	(766,956)	(789,620)	(854,207)
Administrative expense	-	-	-	(49,019)	(46,135)	(39,467)
Net change in plan fiduciary net position	(470,733)	1,316,935	2,052,840	1,879,198	124,500	775,333
Plan fiduciary net position - Beginning	9,724,152	8,407,217	6,354,377	4,475,179	4,350,679	3,575,346
Plan fiduciary net position - Ending (b)	<u>\$ 9,253,419</u>	<u>\$ 9,724,152</u>	<u>\$ 8,407,217</u>	<u>\$ 6,354,377</u>	<u>\$ 4,475,179</u>	<u>\$ 4,350,679</u>
City's net OPEB liability - Ending (a) - (b)	<u>\$ 20,240,516</u>	<u>\$ 18,904,438</u>	<u>\$ 14,379,270</u>	<u>\$ 17,612,842</u>	<u>\$ 17,193,750</u>	<u>\$ 10,434,822</u>
Plan fiduciary net position as a percentage of the total OPEB liability	31.37%	33.97%	36.90%	26.51%	20.65%	29.43%
Covered employee payroll	\$ 133,369,519	\$ 129,759,532	\$ 121,439,142	\$ 118,463,332	\$ 118,048,877	\$ 111,272,744
City's net OPEB liability as a percentage of covered employee payroll	15.18%	14.57%	11.84%	14.87%	14.56%	9.38%

City of Little Rock, Arkansas
Required Supplementary Information
Other Postemployment Benefit Plan
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
Year Ended December 31, 2022

Notes to Schedule:

Changes of assumptions:

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

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

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

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

City of Little Rock, Arkansas
Required Supplementary Information
Other Postemployment Benefit Plan
Schedule of City Contributions
Year Ended December 31, 2022

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

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

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

City of Little Rock, Arkansas
Required Supplementary Information
Other Postemployment Benefit Plan
Schedule of City Contributions
Year Ended December 31, 2022

Other information:

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

City of Little Rock, Arkansas
Required Supplementary Information
Other Postemployment Benefit Plan
Schedule of Investment Returns
Year Ended December 31, 2022

Fiscal Year Ending	Annual Money- Weighted Rate of Return
12/31/2017	6.3%
12/31/2018	-6.8%
12/31/2019	14.9%
12/31/2020	12.9%
12/31/2021	8.3%
12/31/2022	-12.6%

Other Information:

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

City of Little Rock, Arkansas
Required Supplementary Information
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Year Ended December 31, 2022

Firemen's Pension and Relief Fund

Fiscal Year ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Interest	\$ 6,089,311	\$ 6,334,360	\$ 6,592,169	\$ 5,448,952	\$ 5,807,041	\$ 5,807,041	\$ 6,088,293	\$ 6,649,073
Changes of benefit terms	-	-	-	7,372,380	-	-	-	-
Difference between expected and actual experience	809,345	1,106,008	1,507,648	1,934,916	(97,808)	(97,808)	(120,292)	(6,896,944)
Changes in assumptions	271,394	-	-	(16,406,953)	-	-	-	-
Benefit payments, including refunds of plan member contributions	(10,897,956)	(10,984,172)	(12,581,421)	(13,727,558)	(12,014,477)	(12,014,477)	(11,171,601)	(10,763,891)
Net Change in Total Pension Liability	(3,727,906)	(3,543,804)	(4,481,604)	(15,378,263)	(6,305,244)	(6,305,244)	(5,203,600)	(11,011,762)
Total Pension Liability, Beginning of Year	92,439,140	95,982,944	100,464,548	115,842,811	122,148,055	122,148,055	127,351,655	138,363,417
Total Pension Liability, End of Year	\$ 88,711,234	\$ 92,439,140	\$ 95,982,944	\$ 100,464,548	\$ 115,842,811	\$ 115,842,811	\$ 122,148,055	\$ 127,351,655
Plan Fiduciary Net Position								
Employer contributions	\$ 6,756,246	\$ 6,782,326	\$ 6,568,351	\$ 6,197,376	\$ 5,683,879	\$ 5,683,879	\$ 5,424,494	\$ 5,312,855
Plan member contributions	-	-	-	3,324	3,388	3,388	3,324	14,993
Net investment income	7,575,375	5,779,573	7,740,452	44,684	5,512,667	5,512,667	1,356,915	(2,774,677)
Benefit payments, including refunds of plan member contributions	(10,897,956)	(10,984,172)	(12,581,421)	(13,727,558)	(12,014,477)	(12,014,477)	(11,171,602)	(10,763,891)
Administrative expense	(62,874)	(71,480)	(68,075)	(95,039)	(39,957)	(39,957)	(225,141)	(9,491)
Other	581,630	(338,111)	324,541	(359,548)	500,961	500,961	567,243	(121,985)
Net Change in Plan Fiduciary Net Position	3,952,421	1,168,136	1,983,848	(7,936,761)	(353,539)	(353,539)	(4,044,767)	(8,342,196)
Plan Fiduciary Net Position, Beginning of Year	53,252,468	52,084,332	50,100,484	58,037,245	58,390,784	58,390,784	62,435,551	70,777,747
Plan Fiduciary Net Position, End of Year	\$ 57,204,889	\$ 53,252,468	\$ 52,084,332	\$ 50,100,484	\$ 58,037,245	\$ 58,037,245	\$ 58,390,784	\$ 62,435,551
City's Net Pension Liability, End of Year	\$ 31,506,345	\$ 39,186,672	\$ 43,898,612	\$ 50,364,064	\$ 57,805,566	\$ 57,805,566	\$ 63,757,271	\$ 64,916,104
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	64.48%	57.61%	54.26%	49.87%	50.10%	50.10%	47.80%	49.03%
Covered Payroll	\$ 19,632	\$ 81,093	\$ 82,999	-	-	-	-	-
Plan's Net Pension Liability as a Percentage of Covered Payroll	160484.64%	48323.13%	52890.53%	NA	NA	NA	NA	NA

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

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Year Ended December 31, 2022

Police Pension Plan

Fiscal Year ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Interest	\$ 5,908,663	\$ 6,004,768	\$ 6,145,217	\$ 6,416,604	\$ 6,607,291	\$ 6,892,598	\$ 7,172,978	\$ 7,172,118
Changes of benefit terms	-	-	-	-	4,833,941	-	-	-
Difference between expected and actual experience	1,356,030	1,390,152	1,044,177	(668,084)	1,089,772	(162,894)	626,074	2,845,816
Changes in assumptions	(368,002)	-	-	-	4,132,801	-	1,589,989	-
Benefit payments, including refunds of plan member contributions	(8,312,018)	(9,223,690)	(9,167,927)	(10,083,026)	(10,423,792)	(10,398,367)	(9,830,664)	(10,183,707)
Net Change in Total Pension Liability	(1,415,327)	(1,828,770)	(1,978,533)	(4,334,506)	6,240,013	(3,668,663)	(441,623)	(165,773)
Total Pension Liability, Beginning of Year	88,565,474	90,394,244	92,372,777	96,707,283	90,467,270	94,135,933	94,577,556	94,743,329
Total Pension Liability, End of Year	<u>\$ 87,150,147</u>	<u>\$ 88,565,474</u>	<u>\$ 90,394,244</u>	<u>\$ 92,372,777</u>	<u>\$ 96,707,283</u>	<u>\$ 90,467,270</u>	<u>\$ 94,135,933</u>	<u>\$ 94,577,556</u>
Plan Fiduciary Net Position								
Employer contributions	\$ 7,795,857	\$ 7,870,625	\$ 7,724,738	\$ 7,385,981	\$ 7,683,405	\$ 6,520,729	\$ 7,562,305	\$ 5,939,677
Net investment income	7,081,996	5,061,604	6,318,520	(1,057,308)	4,903,340	2,140,374	(130,408)	2,503,835
Benefit payments, including refunds of plan member contributions	(8,312,018)	(9,223,690)	(9,167,927)	(10,083,026)	(10,423,792)	(10,398,367)	(9,830,664)	(10,183,707)
Administrative expense	(58,779)	(63,851)	(55,570)	(69,799)	(62,862)	(67,899)	(83,836)	(59,497)
Other	581,630	(338,720)	(35,809)	(106,847)	-	109,384	198,741	935,047
Net Change in Plan Fiduciary Net Position	7,088,686	3,305,968	4,783,952	(3,930,999)	2,100,091	(1,695,779)	(2,283,862)	(864,645)
Plan Fiduciary Net Position, Beginning of Year	48,444,546	45,138,578	40,354,626	44,285,625	42,185,534	43,881,313	46,165,175	47,029,820
Plan Fiduciary Net Position, End of Year	<u>\$ 55,533,232</u>	<u>\$ 48,444,546</u>	<u>\$ 45,138,578</u>	<u>\$ 40,354,626</u>	<u>\$ 44,285,625</u>	<u>\$ 42,185,534</u>	<u>\$ 43,881,313</u>	<u>\$ 46,165,175</u>
City's Net Pension Liability, End of Year	<u>\$ 31,616,915</u>	<u>\$ 40,120,928</u>	<u>\$ 45,255,666</u>	<u>\$ 52,018,151</u>	<u>\$ 52,421,658</u>	<u>\$ 48,281,736</u>	<u>\$ 50,254,620</u>	<u>\$ 48,412,381</u>
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	63.72%	54.70%	49.94%	43.69%	45.79%	46.63%	46.61%	48.81%
Covered Payroll	\$ 199,096	\$ 221,886	\$ 266,630	\$ 261,209	\$ 407,678	\$ 603,022	\$ -	\$ -
Plan's Net Pension Liability as a Percentage of Covered Payroll	15880.24%	18081.78%	16973.21%	19914.38%	12858.59%	8006.63%	NA	NA

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Year Ended December 31, 2022

Nonuniformed Employees' Defined Benefit Plan

Fiscal Year ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service Cost	\$ -	\$ 1,594	\$ 4,912	\$ 6,472	\$ 7,561	\$ 8,073	\$ 9,627	\$ 35,084
Interest	849,856	813,877	846,991	875,305	919,271	967,628	992,989	1,066,765
Transfers from DC plan	513,515	480,586	505,618	607,775	400,496	296,175	679,378	633,501
Difference between expected and actual experience	(398,685)	(192,984)	(108,804)	(425,585)	(315,097)	(132,527)	(144,356)	(167,591)
Changes in assumptions	-	958,140	-	-	-	-	-	1,207,785
Benefit payments, including refunds of plan member contributions	(1,582,260)	(1,656,664)	(1,740,226)	(1,661,821)	(1,721,934)	(1,748,500)	(1,723,901)	(1,766,611)
Other	(1)	1	-	-	-	-	-	-
Net Change in Total Pension Liability	(617,575)	404,550	(491,509)	(597,854)	(709,703)	(609,151)	(186,263)	1,008,933
Total Pension Liability, Beginning of Year	13,609,087	13,204,537	13,696,046	14,293,900	15,003,603	15,612,754	15,799,017	14,790,084
Total Pension Liability, End of Year	\$ 12,991,512	\$ 13,609,087	\$ 13,204,537	\$ 13,696,046	\$ 14,293,900	\$ 15,003,603	\$ 15,612,754	\$ 15,799,017
Plan Fiduciary Net Position								
Employer contributions	\$ 573,594	\$ 443,866	\$ 476,368	\$ 563,400	\$ 540,783	\$ 701,854	\$ 883,340	\$ 878,715
Net investment income	(1,230,211)	1,526,545	803,311	1,667,724	(724,323)	1,327,387	612,036	(77,820)
Benefit payments, including refunds of plan member contributions	(1,582,260)	(1,656,664)	(1,740,226)	(1,661,821)	(1,721,934)	(1,748,500)	(1,723,901)	(1,766,611)
Administrative expense	(14,317)	(16,913)	(14,076)	(19,769)	(18,093)	(21,430)	(19,799)	(30,007)
Other	513,515	480,586	505,618	607,775	400,496	296,175	679,377	635,094
Net Change in Plan Fiduciary Net Position	(1,739,679)	777,420	30,995	1,157,309	(1,523,071)	555,486	431,053	(360,629)
Plan Fiduciary Net Position, Beginning of Year	13,280,624	12,503,204	12,472,209	11,314,900	12,837,971	12,282,485	11,851,431	12,212,060
Plan Fiduciary Net Position, End of Year	\$ 11,540,945	\$ 13,280,624	\$ 12,503,204	\$ 12,472,209	\$ 11,314,900	\$ 12,837,971	\$ 12,282,484	\$ 11,851,431
City's Net Pension Liability, End of Year	\$ 1,450,567	\$ 328,463	\$ 701,333	\$ 1,223,837	\$ 2,979,000	\$ 2,165,632	\$ 3,330,270	\$ 3,947,586
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	88.83%	97.59%	94.69%	91.06%	79.16%	85.57%	78.67%	75.01%
Covered Payroll	\$ -	\$ 54,000	\$ 108,404	\$ 327,820	\$ 431,444	\$ 504,071	\$ 672,281	\$ 641,799
Plan's Net Pension Liability as a Percentage of Covered Payroll	N/A	608.26%	646.96%	373.33%	690.47%	429.63%	495.37%	615.08%

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Year Ended December 31, 2022

2014 Defined Benefit Pension Plan

Fiscal Year ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service Cost	\$ 4,992,258	\$ 5,216,735	\$ 5,213,048	\$ 5,190,179	\$ 5,353,447	\$ 4,846,744	\$ 4,670,895	\$ 4,961,436
Service cost - service purchase	250,700	70,987	315,411	56,548	1,219,814	438,242	847,020	151,953
Interest	6,219,900	5,449,815	4,850,703	4,375,275	3,809,455	3,325,532	2,796,992	2,361,643
Changes of benefit terms	-	-	-	-	471,274	-	-	-
Difference between expected and actual experience	4,392,750	377,741	804,874	(1,066,308)	(226,568)	(970,056)	(932,229)	(588,761)
Changes in assumptions	-	2,837,924	-	-	-	-	1,849,331	(126,844)
Benefit payments, including refunds of plan member contributions	(2,373,346)	(1,865,274)	(1,730,064)	(1,138,045)	(915,123)	(813,811)	(745,738)	(477,355)
Other	1	(2)	1	-	-	-	-	-
Net Change in Total Pension Liability	13,482,263	12,087,926	9,453,973	7,417,649	9,712,299	6,826,651	8,486,271	6,282,072
Total Pension Liability, Beginning of Year	94,205,821	82,117,895	72,663,922	65,246,273	55,533,974	48,707,323	40,221,052	33,938,980
Total Pension Liability, End of Year	\$ 107,688,084	\$ 94,205,821	\$ 82,117,895	\$ 72,663,922	\$ 65,246,273	\$ 55,533,974	\$ 48,707,323	\$ 40,221,052
Plan Fiduciary Net Position								
Employer contributions	\$ 4,604,698	\$ 4,267,758	\$ 4,123,820	\$ 4,137,168	\$ 4,138,261	\$ 3,961,813	\$ 3,709,110	\$ 3,518,861
Plan member contributions	2,272,160	2,104,092	2,034,277	2,038,394	2,069,065	1,980,710	1,855,506	1,758,973
Contributions - employee service purchase	250,700	70,987	315,411	56,548	1,219,814	438,242	847,020	151,953
Net investment income	(10,011,057)	8,510,487	6,205,013	8,713,372	(3,389,302)	4,936,031	1,623,353	(495,929)
Benefit payments, including refunds of plan member contributions	(2,373,346)	(1,865,274)	(1,730,064)	(1,138,045)	(915,123)	(813,811)	(745,738)	(477,355)
Administrative expense	(108,274)	(123,393)	(109,893)	(104,596)	(99,461)	(90,323)	(83,231)	(70,248)
Other	-	(1)	1	-	3,014	-	-	67,868
Net Change in Plan Fiduciary Net Position	(5,365,119)	12,964,656	10,838,565	13,702,841	3,026,268	10,412,662	7,206,020	4,454,123
Plan Fiduciary Net Position, Beginning of Year	93,660,122	80,695,466	69,856,901	56,154,060	53,127,792	42,715,130	35,509,110	31,054,987
Plan Fiduciary Net Position, End of Year	\$ 88,295,003	\$ 93,660,122	\$ 80,695,466	\$ 69,856,901	\$ 56,154,060	\$ 53,127,792	\$ 42,715,130	\$ 35,509,110
City's Net Pension Liability, End of Year	\$ 19,393,081	\$ 545,699	\$ 1,422,429	\$ 2,807,021	\$ 9,092,213	\$ 2,406,182	\$ 5,992,193	\$ 4,711,942
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	81.99%	99.42%	98.27%	96.14%	86.06%	95.67%	87.70%	88.28%
Covered Payroll	\$ 50,496,644	\$ 46,752,867	\$ 45,255,778	\$ 45,298,886	\$ 45,980,678	\$ 44,020,144	\$ 42,382,105	\$ 40,252,708
Plan's Net Pension Liability as a Percentage of Covered Payroll	38.40%	1.17%	3.14%	6.20%	19.77%	5.47%	14.14%	11.71%

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of City Contributions
Year Ended December 31, 2022

Firemen's Pension and Relief Fund

Year Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 16,048,838	\$ 5,312,855	\$ 10,735,983	-	NA
2016	15,407,946	5,424,494	9,983,452	-	NA
2017	15,273,095	5,683,879	9,589,216	-	NA
2018	13,703,688	6,197,376	7,506,312	-	NA
2019	3,162,420	6,568,351	(3,405,931)	82,999	NA
2020	3,216,816	6,782,326	(3,565,510)	81,093	8363.64%
2021	3,219,216	6,756,246	(3,537,030)	19,632	34414.46%
2022	3,219,216	6,777,674	(3,558,458)	-	N/A

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

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

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

Key Assumptions for ADC:

Cost method	Entry age normal
Amortization method	Closed amortization period based on projected future payroll
Remaining amortization	22 years beginning January 1, 2021
Asset valuation	5-year smoothed market; 20% corridor
Investment rate of return	7.0%
Mortality	RP-2014 Healthy annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016.

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of City Contributions
Year Ended December 31, 2022

Police Pension

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

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

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

Key Assumptions for ADC:

Cost method	Entry age normal
Amortization method	Closed amortization period based on projected future payroll
Remaining amortization	19 years beginning January 1, 2021
Asset valuation	5-year smoothed market; 20% corridor
Investment rate of return	7.0%
Mortality	RP-2014 Healthy annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016.

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of City Contributions
Year Ended December 31, 2022

Nonuniformed Employees' Defined Benefit Pension Plan

Year Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 878,715	\$ 878,715	-	\$ 641,799	136.91%
2016	883,340	883,340	-	548,887	160.93%
2017	701,854	701,854	-	504,071	139.24%
2018	540,783	540,783	-	431,444	125.34%
2019	563,400	563,400	-	327,820	171.86%
2020	476,368	476,368	-	108,404	439.44%
2021	443,866	443,866	-	54,000	821.97%
2022	573,594	573,594	-	-	N/A

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

Key Assumptions for ADC:

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of City Contributions
Year Ended December 31, 2022

2014 Defined Benefit Plan

Year Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 3,424,938	\$ 3,518,861	\$ (93,923)	\$ 40,252,708	8.74%
2016	3,252,674	3,709,110	(456,436)	42,382,105	8.75%
2017	3,666,878	3,961,813	(294,935)	44,020,144	9.00%
2018	3,577,297	4,138,261	(560,964)	45,980,678	9.00%
2019	4,076,900	4,137,168	(60,268)	45,298,886	9.13%
2020	3,539,002	4,123,820	(584,818)	45,255,778	9.11%
2021	3,581,270	4,267,758	(686,488)	46,752,867	9.13%
2022	3,257,034	4,604,698	(1,347,664)	50,496,044	9.12%

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

Key Assumptions for ADC:

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability and
Contributions
Year Ended December 31, 2022

<u>LOPFI - Fire</u>								
<u>December 31</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	8.7337%	8.5923%	8.9970%	9.1357%	9.2811%	9.3431%	9.0473%	9.1091%
City's proportionate share of the net pension liability	\$ 44,132,529	\$ 59,070,844	\$ 69,523,081	\$ 82,438,479	\$ 65,951,155	\$ 53,305,095	\$ 47,477,923	\$ 32,975,778
City's covered payroll	\$ 33,873,779	\$ 32,321,851	\$ 31,820,677	\$ 30,229,601	\$ 29,407,250	\$ 29,337,988	\$ 28,505,619	\$ 28,430,617
City's proportionate share of the net pension liability as a percentage of covered payroll	130.29%	182.76%	218.48%	272.71%	224.27%	181.69%	166.56%	115.99%
Plan fiduciary net position as a percentage of the total pension liability	84.75%	77.79%	73.21%	66.09%	71.48%	72.87%	72.92%	79.14%
<u>LOPFI - Police</u>								
<u>December 31</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	9.9780%	10.1037%	10.1909%	10.0357%	9.8611%	9.8034%	9.7066%	10.0287%
City's proportionate share of the net pension liability	\$ 50,420,068	\$ 69,461,261	\$ 78,749,351	\$ 90,559,803	\$ 70,073,033	\$ 55,931,186	\$ 50,937,762	\$ 36,304,815
City's covered payroll	\$ 38,978,162	\$ 40,222,380	\$ 39,978,902	\$ 38,726,243	\$ 36,814,269	\$ 41,992,172	\$ 42,209,708	\$ 42,239,324
City's proportionate share of the net pension liability as a percentage of covered payroll	129.35%	172.69%	196.98%	233.85%	190.34%	133.19%	120.68%	85.95%
Plan fiduciary net position as a percentage of the total pension liability	84.75%	77.79%	73.21%	66.09%	71.48%	72.87%	72.92%	79.14%

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

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability and
Contributions (Continued)
Year Ended December 31, 2022

<u>LOPFI - Fire</u>									
<u>December 31</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Actuarially required contribution	\$ 7,895,555	\$ 7,960,338	\$ 7,595,635	\$ 7,477,859	\$ 7,128,140	\$ 6,640,157	\$ 6,172,838	\$ 5,627,114	
Contributions related to the actuarially required contribution	(7,895,555)	(7,960,338)	(7,595,635)	(7,477,859)	(7,128,140)	(6,640,157)	(6,172,838)	(5,627,114)	
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
City's covered payroll	\$ 33,598,106	\$ 33,873,779	\$ 32,321,851	\$ 31,820,677	\$ 30,229,601	\$ 29,407,250	\$ 29,337,988	\$ 28,505,619	
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%	23.58%	22.58%	21.04%	19.74%	
<u>LOPFI - Police</u>									
<u>December 31</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Actuarially required contribution	\$ 9,124,774	\$ 9,054,627	\$ 8,941,435	\$ 8,487,521	\$ 7,834,319	\$ 7,079,384	\$ 6,470,527	\$ 6,056,539	
Contributions related to the actuarially required contribution	(9,124,774)	(9,054,627)	(8,941,435)	(8,487,521)	(7,834,319)	(7,079,384)	(6,470,527)	(6,056,539)	
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
City's covered payroll	\$ 38,828,826	\$ 38,978,162	\$ 40,222,380	\$ 39,978,902	\$ 38,726,243	\$ 36,814,269	\$ 41,992,172	\$ 42,209,708	
Contributions as a percentage of covered payroll	23.50%	23.23%	22.23%	21.23%	20.23%	19.23%	15.41%	14.35%	

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

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability and
Contributions (Continued)
Year Ended December 31, 2022

<u>APERS</u> June 30,	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.00944514%	0.00967830%	0.01026912%	0.01165470%	0.01199273%	0.02944190%	0.04438351%	0.04566542%
City's proportionate share of the net pension liability	\$ 254,677	\$ 74,410	\$ 291,065	\$ 281,173	\$ 264,552	\$ 760,820	\$ 1,061,364	\$ 841,035
City's covered payroll	\$ 187,238	\$ 184,294	\$ 181,696	\$ 200,898	\$ 220,824	\$ 386,077	\$ 691,532	\$ 532,755
City's proportionate share of the net pension liability as a percentage of covered payroll	136%	40%	160%	140%	120%	197%	153%	158%
Plan fiduciary net position as a percentage of the total pension liability	78.31%	93.57%	75.38%	78.55%	79.59%	75.65%	80.39%	80.39%

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

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

<u>APERS</u> December 31	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially required contribution	\$ 31,671	\$ 29,632	\$ 29,742	\$ 32,284	\$ 34,459	\$ 206,468	\$ 211,675	\$ 212,565
Contributions related to the actuarially required contribution	(31,671)	(29,632)	(29,742)	(32,284)	(34,459)	(206,468)	(211,675)	(212,565)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
City's covered payroll	\$ 195,436	\$ 182,701	\$ 183,863	\$ 200,900	\$ 228,808	\$ 239,322	\$ 586,560	\$ 533,049
Contributions as a percentage of covered payroll	16%	16%	16%	16%	15%	86%	36%	40%

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

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

City of Little Rock, Arkansas
Defined Benefit Pension Plans - Required Supplementary Information
Schedule of Investment Returns
Year Ended December 31, 2022

	Fiscal Year Ending	Annual Money-weighted Rate of Return
Nonuniformed Employees' Defined Benefit Pension Plan	12/31/22	-9.44%
	12/31/21	12.59%
	12/31/20	6.65%
	12/31/19	15.08%
	12/31/18	-5.82%
	12/31/17	11.16%
	12/31/16	5.20%
	12/31/15	-0.64%
2014 Defined Benefit Pension Plan	12/31/22	-10.43%
	12/31/21	10.26%
	12/31/20	8.60%
	12/31/19	14.86%
	12/31/18	-6.02%
	12/31/17	10.86%
	12/31/16	4.24%
	12/31/15	-1.48%

NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

2015 CENTRAL ARKANSAS LIBRARY – The 2015 Central Arkansas Library bonds were issued to finance the cost of acquiring, constructing and equipping capital improvements to the public city libraries operated by the City and the Central Arkansas Library System, to refund the outstanding Library Construction Bonds, Series 2008, and Series 2009, to pay interest due on the bonds until collections of the library tax become available for such payments and to pay the costs of issuance of the bonds. The Series 2015 Bonds are limited obligations, payable solely from the collections of the Library Tax. These bonds were refunded by the issuance of the 2022 Library Construction and Refunding Bonds.

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

2017 CENTRAL ARKANSAS LIBRARY – The 2017 Central Arkansas Library Refunding Bonds were issued to refund the City's outstanding Library Construction and Improvement Bonds, Series 2012, and to pay the costs of issuance of the bonds. The bonds are limited tax obligations payable solely from a 0.9 mill annual ad valorem tax. The bonds were retired in 2022.

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

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

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

City of Little Rock, Arkansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 4,637,575	\$ 18,338	\$ 384,657	\$ 5,040,570
Investments	9,553,931	1,544,566	32,343,979	43,442,476
Accounts receivable, net	8,005,313	10,394,168	148,908	18,548,389
Lease receivable	14,045	-	-	14,045
Interest receivable	25,429	550	127,231	153,210
Inventories	839,099	-	-	839,099
Prepaid expenditures and other	53,109	-	-	53,109
Total assets	\$ 23,128,501	\$ 11,957,622	\$ 33,004,775	\$ 68,090,898
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 1,370,735	\$ 49,352	\$ 460,253	\$ 1,880,340
Due to other funds	7,200,605	1,103,430	-	8,304,035
Retainage payable	-	-	65,717	65,717
Unearned revenue	1,190,069	-	-	1,190,069
Total liabilities	9,761,409	1,152,782	525,970	11,440,161
Deferred Inflows of Resources				
Unavailable revenues - property taxes	-	8,194,974	136,073	8,331,047
Deferred inflows from leases	13,706	-	-	13,706
Total deferred inflows of resources	13,706	8,194,974	136,073	8,344,753
Fund Balances				
Nonspendable	1,142,208	-	-	1,142,208
Restricted	12,211,178	2,609,866	32,342,732	47,163,776
Total fund balances	13,353,386	2,609,866	32,342,732	48,305,984
Total liabilities, deferred inflows of resources and fund balances	\$ 23,128,501	\$ 11,957,622	\$ 33,004,775	\$ 68,090,898

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2022

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
General property taxes	\$ -	\$ 22,982,294	\$ 190,686	\$ 23,172,980
Sales taxes	-	2,835,490	-	2,835,490
Licenses and permits	77,068	-	-	77,068
Intergovernmental	8,184,249	-	-	8,184,249
Charges for services	2,300,161	-	-	2,300,161
Fines and fees	590,089	-	-	590,089
Utility franchise taxes	-	1,505,150	-	1,505,150
Investment income (loss)	(623,908)	140,994	(26,936)	(509,850)
Contributions and donations	631,187	-	-	631,187
Miscellaneous	2,443,722	-	-	2,443,722
Total revenues	13,602,568	27,463,928	163,750	41,230,246
Expenditures				
General government				
General administration	536,476	-	-	536,476
Community programs	231,777	-	-	231,777
District court - first division (criminal)	14,205	-	-	14,205
District court - second division (traffic)	6,072	-	-	6,072
Finance	-	502,539	-	502,539
Human resources	160,903	-	-	160,903
Information technology	-	-	700	700
Planning and development	87,086	-	-	87,086
Total general government	1,036,519	502,539	700	1,539,758
Public works	34,386	-	1,862,804	1,897,190
Parks and recreation services	1,330,586	-	74,083	1,404,669
Fire	728,438	-	169,905	898,343
Police	2,306,074	-	8,015	2,314,089
911 operations	611,753	-	-	611,753
Housing and neighborhood programs	4,107,330	-	-	4,107,330
Fleet	6,600	-	-	6,600
Economic development	-	-	200,000	200,000
Education	-	-	3,005,774	3,005,774
Debt service				
Principal	44,873	24,815,000	-	24,859,873
Fiscal charges on long term debt	1,345	3,043,468	423,156	3,467,969
Capital Outlay	2,464,834	-	5,757,040	8,221,874
Total expenditures	12,672,738	28,361,007	11,501,477	52,535,222
Excess (Deficiency) of Revenues Over (Under) Expenditures	929,830	(897,079)	(11,337,727)	(11,304,976)
Other Financing Sources (Uses)				
Long-term debt issuance	-	15,949,372	24,820,628	40,770,000
Payment to refunded bond escrow	-	(19,505,462)	-	(19,505,462)
Premiums on debt issuance	-	-	1,226,223	1,226,223
Transfers in	2,328,538	242,717	2,931,275	5,502,530
Transfers out	(5,250)	(17,729,881)	(86)	(17,735,217)
Total other financing sources (uses)	2,323,288	(21,043,254)	28,978,040	10,258,074
Net Change in Fund Balances	3,253,118	(21,940,333)	17,640,313	(1,046,902)
Fund Balances, Beginning of Year	10,100,268	24,550,199	14,702,419	49,352,886
Fund Balances, End of Year	\$ 13,353,386	\$ 2,609,866	\$ 32,342,732	\$ 48,305,984

City of Little Rock, Arkansas
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022

	Special Projects	Emergency 911	Grant Fund	CDBG	NHSP	HIPP	Total
Assets							
Cash and cash equivalents	\$ 1,033,898	\$ 589,182	\$ 1,302,704	\$ 414,592	\$ 35,378	\$ 1,261,821	\$ 4,637,575
Investments	5,855,720	3,698,211	-	-	-	-	9,553,931
Accounts receivable, net	14,006	-	7,321,516	532,240	-	137,551	8,005,313
Lease receivable	14,045	-	-	-	-	-	14,045
Interest receivable	15,132	10,297	-	-	-	-	25,429
Inventories	-	-	-	522,844	-	316,255	839,099
Prepaid expenditures and other	2,462	50,647	-	-	-	-	53,109
Total assets	\$ 6,935,263	\$ 4,348,337	\$ 8,624,220	\$ 1,469,676	\$ 35,378	\$ 1,715,627	\$ 23,128,501
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 201,315	\$ 469,470	\$ 468,361	\$ 231,574	\$ -	\$ 15	\$ 1,370,735
Due to other funds	-	-	6,977,579	114,051	17,132	91,843	7,200,605
Unearned revenue	34,762	-	1,155,307	-	-	-	1,190,069
Total liabilities	236,077	469,470	8,601,247	345,625	17,132	91,858	9,761,409
Deferred Inflows of Resources							
Deferred inflows from leases	13,706	-	-	-	-	-	13,706
Total deferred inflows of resources	13,706	-	-	-	-	-	13,706
Fund Balances							
Nonspendable	252,462	50,647	-	522,844	-	316,255	1,142,208
Restricted	6,433,018	3,828,220	22,973	601,207	18,246	1,307,514	12,211,178
Total fund balances	6,685,480	3,878,867	22,973	1,124,051	18,246	1,623,769	13,353,386
Total liabilities, deferred inflows of resources and fund balances	\$ 6,935,263	\$ 4,348,337	\$ 8,624,220	\$ 1,469,676	\$ 35,378	\$ 1,715,627	\$ 23,128,501

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended December 31, 2022

	Special Projects	Emergency 911	Grant Fund	CDBG	NHSP	HIPP	Total
Revenues							
Licenses and permits	\$ 77,068	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,068
Intergovernmental	368,590	-	4,710,570	2,132,775	-	972,314	8,184,249
Charges for services	1,039,899	1,260,262	-	-	-	-	2,300,161
Fines and fees	583,867	6,222	-	-	-	-	590,089
Investment income (loss)	(423,006)	(222,957)	22,055	-	-	-	(623,908)
Contributions and donations	404,301	-	226,886	-	-	-	631,187
Miscellaneous	1,621,700	-	-	142,145	33,394	646,483	2,443,722
Total revenues	3,672,419	1,043,527	4,959,511	2,274,920	33,394	1,618,797	13,602,568
Expenditures							
General government							
General administration	163,734	-	372,742	-	-	-	536,476
Community programs	-	-	231,777	-	-	-	231,777
District court - first division (criminal)	14,205	-	-	-	-	-	14,205
District court - second division (traffic)	6,072	-	-	-	-	-	6,072
Human resources	160,903	-	-	-	-	-	160,903
Planning and development	41,915	-	45,171	-	-	-	87,086
Total general government	386,829	-	649,690	-	-	-	1,036,519
Public works	33,834	-	552	-	-	-	34,386
Parks and recreation services	887,572	-	443,014	-	-	-	1,330,586
Fire	645,204	-	83,234	-	-	-	728,438
Police	366,603	-	1,939,471	-	-	-	2,306,074
911 operations	-	611,753	-	-	-	-	611,753
Housing and neighborhood programs	313,055	-	78,140	2,029,175	32,927	1,654,033	4,107,330
Fleet	6,600	-	-	-	-	-	6,600
Principal	-	44,873	-	-	-	-	44,873
Fiscal charges on long term debt	-	1,345	-	-	-	-	1,345
Capital Outlay	704,622	-	1,760,212	-	-	-	2,464,834
Total expenditures	3,344,319	657,971	4,954,313	2,029,175	32,927	1,654,033	12,672,738
Excess (Deficiency) of Revenues Over (Under) Expenditures	328,100	385,556	5,198	245,745	467	(35,236)	929,830
Other Financing Sources (Uses)							
Transfers in	2,328,538	-	-	-	-	-	2,328,538
Transfers out	(5,250)	-	-	-	-	-	(5,250)
Total other financing sources (uses)	2,323,288	-	-	-	-	-	2,323,288
Net Change in Fund Balances	2,651,388	385,556	5,198	245,745	467	(35,236)	3,253,118
Fund Balances, Beginning of Year	4,034,092	3,493,311	17,775	878,306	17,779	1,659,005	10,100,268
Fund Balances, End of Year	\$ 6,685,480	\$ 3,878,867	\$ 22,973	\$ 1,124,051	\$ 18,246	\$ 1,623,769	\$ 13,353,386

City of Little Rock, Arkansas
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2022

	2015 Central Arkansas Library	TIF 1 2014 Capital Improvement	2017 Central Arkansas Library	2017 Capital Improvement	2022 Library Bonds	2018 Hotel Gross Receipts	2018 Capital Improvement	Total
Assets								
Cash and cash equivalents	\$ 11,790	\$ 5,152	\$ -	\$ 1,396	\$ -	\$ -	\$ -	\$ 18,338
Investments	169,502	562,346	-	16,445	526,135	270,138	-	1,544,566
Accounts receivable, net	324,325	1,160,599	324,325	-	7,047,056	434,433	1,103,430	10,394,168
Interest receivable	435	90	-	25	-	-	-	550
Total assets	<u>\$ 506,052</u>	<u>\$ 1,728,187</u>	<u>\$ 324,325</u>	<u>\$ 17,866</u>	<u>\$ 7,573,191</u>	<u>\$ 704,571</u>	<u>\$ 1,103,430</u>	<u>\$ 11,957,622</u>
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	-	-	-	-	49,352	-	-	49,352
Due to other funds	-	-	-	-	-	-	1,103,430	1,103,430
Total liabilities	-	-	-	-	49,352	-	1,103,430	1,152,782
Deferred Inflows of Resources								
Unavailable revenues - property taxes	-	1,147,918	-	-	7,047,056	-	-	8,194,974
Total deferred inflows of resources	-	1,147,918	-	-	7,047,056	-	-	8,194,974
Fund Balances								
Restricted	506,052	580,269	324,325	17,866	476,783	704,571	-	2,609,866
Total fund balances	506,052	580,269	324,325	17,866	476,783	704,571	-	2,609,866
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 506,052</u>	<u>\$ 1,728,187</u>	<u>\$ 324,325</u>	<u>\$ 17,866</u>	<u>\$ 7,573,191</u>	<u>\$ 704,571</u>	<u>\$ 1,103,430</u>	<u>\$ 11,957,622</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended December 31, 2022

	2015 Central Arkansas Library	TIF 1 2014 Capital Improvement	2017 Central Arkansas Library	2017 Capital Improvement	2022 Library Bonds	2018 Hotel Gross Receipts	2018 Capital Improvement	Total
Revenues								
General property taxes	\$ 4,242,406	\$ 333,658	\$ 4,242,406	\$ -	\$ -	\$ -	\$ 14,163,824	\$ 22,982,294
Sales taxes	-	-	-	-	-	2,835,490	-	2,835,490
Utility franchise taxes	-	-	-	1,505,150	-	-	-	1,505,150
Investment income (loss)	23,083	836	20,332	4,296	44	17,658	74,745	140,994
Total revenues	4,265,489	334,494	4,262,738	1,509,446	44	2,853,148	14,238,569	27,463,928
Expenditures								
Debt Service								
Finance	-	-	-	-	-	502,539	-	502,539
Principal	3,490,000	105,000	5,200,000	950,000	-	610,000	14,460,000	24,815,000
Fiscal charges on long term debt	646,563	73,163	120,123	558,150	-	1,318,794	326,675	3,043,468
Total expenditures	4,136,563	178,163	5,320,123	1,508,150	-	2,431,333	14,786,675	28,361,007
Excess (Deficiency) of Revenues Over (Under) Expenditures	128,926	156,331	(1,057,385)	1,296	44	421,815	(548,106)	(897,079)
Other Financing Sources (Uses)								
Long-term debt issuance	15,472,633	-	-	-	476,739	-	-	15,949,372
Payment to refunded bond escrow	(19,505,462)	-	-	-	-	-	-	(19,505,462)
Transfers in	242,631	-	-	-	-	86	-	242,717
Transfers out	(61,614)	-	(3,112,292)	-	-	(502,539)	(14,053,436)	(17,729,881)
Total other financing sources (uses)	(3,851,812)	-	(3,112,292)	-	476,739	(502,453)	(14,053,436)	(21,043,254)
Net Change in Fund Balances	(3,722,886)	156,331	(4,169,677)	1,296	476,783	(80,638)	(14,601,542)	(21,940,333)
Fund Balances, Beginning of Year	4,228,938	423,938	4,494,002	16,570	-	785,209	14,601,542	24,550,199
Fund Balances, End of Year	\$ 506,052	\$ 580,269	\$ 324,325	\$ 17,866	\$ 476,783	\$ 704,571	\$ -	\$ 2,609,866

City of Little Rock, Arkansas
Combining Balance Sheet
Nonmajor Capital Project Funds
Year Ended December 31, 2022

	Short-Term Financing	Capital Improvement	2015 Central Arkansas Library Capital Improvement	Port TIF	2018 Hotel Gross Receipts Tax Bonds	2022 Library Capital Improvement	Total
Assets							
Cash and cash equivalents	\$ 277,776	\$ 45,693	\$ 31,995	\$ 27,961	\$ 1,232	\$ -	\$ 384,657
Investments	1,743,564	4,664,778	200,831	175,503	7,734	25,551,569	32,343,979
Accounts receivable, net	-	-	-	148,908	-	-	148,908
Interest receivable	4,855	83,883	37,983	489	21	-	127,231
Total assets	\$ 2,026,195	\$ 4,794,354	\$ 270,809	\$ 352,861	\$ 8,987	\$ 25,551,569	\$ 33,004,775
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	70,594	389,659	-	-	-	-	460,253
Retainage payable	-	65,717	-	-	-	-	65,717
Total liabilities	70,594	455,376	-	-	-	-	525,970
Deferred Inflows of Resources							
Unavailable revenues - property taxes	-	-	-	136,073	-	-	136,073
Total deferred inflows of resources	-	-	-	136,073	-	-	136,073
Fund Balances							
Restricted	1,955,601	4,338,978	270,809	216,788	8,987	25,551,569	32,342,732
Total fund balances	1,955,601	4,338,978	270,809	216,788	8,987	25,551,569	32,342,732
Total liabilities, deferred inflows of resources and fund balances	\$ 2,026,195	\$ 4,794,354	\$ 270,809	\$ 352,861	\$ 8,987	\$ 25,551,569	\$ 33,004,775

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
Year Ended December 31, 2022

	Short-Term Financing	Capital Improvement	2015 Central Arkansas Library Capital Improvement	Port TIF	2018 Hotel Gross Receipts Tax Bonds	2022 Library Capital Improvement	Total
Revenues							
General property taxes	\$ -	\$ -	\$ -	\$ 190,686	\$ -	\$ -	\$ 190,686
Investment income (loss)	(88,274)	82,871	(12,618)	(10,834)	(454)	2,373	(26,936)
Total revenues	(88,274)	82,871	(12,618)	179,852	(454)	2,373	163,750
Expenditures							
General government							
Information technology	700	-	-	-	-	-	700
Public works	-	1,862,804	-	-	-	-	1,862,804
Parks and recreation services	74,083	-	-	-	-	-	74,083
Total general government	74,783	1,862,804	-	-	-	-	1,937,587
Fire	169,905	-	-	-	-	-	169,905
Police	8,015	-	-	-	-	-	8,015
Economic development	-	-	-	200,000	-	-	200,000
Education	-	-	2,931,275	-	-	74,499	3,005,774
Fiscal charges on long term debt	-	-	-	-	-	423,156	423,156
Capital Outlay	776,213	4,980,827	-	-	-	-	5,757,040
Total expenditures	1,028,916	6,843,631	2,931,275	200,000	-	497,655	11,501,477
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,117,190)	(6,760,760)	(2,943,893)	(20,148)	(454)	(495,282)	(11,337,727)
Other Financing Sources (Uses)							
Long-term debt issuance	-	-	-	-	-	24,820,628	24,820,628
Premiums on debt issuance	-	-	-	-	-	1,226,223	1,226,223
Transfers in	-	-	2,931,275	-	-	-	2,931,275
Transfers out	-	-	-	-	(86)	-	(86)
Total other financing sources (uses)	-	-	2,931,275	-	(86)	26,046,851	28,978,040
Net Change in Fund Balances	(1,117,190)	(6,760,760)	(12,618)	(20,148)	(540)	25,551,569	17,640,313
Fund Balances, Beginning of Year	3,072,791	11,099,738	283,427	236,936	9,527	-	14,702,419
Fund Balances, End of Year	\$ 1,955,601	\$ 4,338,978	\$ 270,809	\$ 216,788	\$ 8,987	\$ 25,551,569	\$ 32,342,732

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

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

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

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

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

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

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

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

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
(continued)

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

City of Little Rock, Arkansas
Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
December 31, 2022

	Employee Retirement Plans							Total
	Police Pension	Firemen's Pension and Relief Fund	Nonuniformed Employees' Defined Contribution Plan	Nonuniformed Employees' Defined Benefit Pension Plan	401(a) Money Purchase And Trust Retirement Fund	2014 Defined Benefit Plan	Health Management Trust Fund	
Assets								
Cash and cash equivalents	\$ -	\$ 126	\$ 1,076,795	\$ 1,161,347	\$ -	\$ 5,003,134	\$ -	\$ 7,241,402
Investments								
U.S. Government obligations	-	-	994,555	2,332,173	-	15,365,850	-	18,692,578
Equities	-	-	4,732,485	-	-	43,611,022	4,114,061	52,457,568
Mutual funds and other investments	1,371,028	1,382,129	2,139,079	8,035,193	6,862,547	24,223,310	5,139,358	49,152,644
Receivables								
Accounts receivable	300,790	300,790	-	-	62,725	1,157	-	665,462
Accrued interest and dividends	-	-	9,658	12,232	-	97,530	-	119,420
Total assets	\$ 1,671,818	\$ 1,683,045	\$ 8,952,572	\$ 11,540,945	\$ 6,925,272	\$ 88,302,003	\$ 9,253,419	\$ 128,329,074
Liabilities								
Due to primary government	-	-	-	-	-	7,000	-	7,000
Total liabilities	-	-	-	-	-	7,000	-	7,000
Net Position								
Net position restricted for pensions and other postemployment benefits	1,671,818	1,683,045	8,952,572	11,540,945	6,925,272	88,295,003	9,253,419	128,322,074
Total net position	\$ 1,671,818	\$ 1,683,045	\$ 8,952,572	\$ 11,540,945	\$ 6,925,272	\$ 88,295,003	\$ 9,253,419	\$ 128,322,074

City of Little Rock, Arkansas
Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
Year Ended December 31, 2022

	Employee Retirement Plans							Health Management Trust Fund	Total
	Police Pension	Firemen's Pension and Relief Fund	Nonuniformed Employees' Defined Contribution Plan	Nonuniformed Employees' Defined Benefit Pension Plan	401(a) Money Purchase And Trust Retirement Fund	2014 Defined Benefit Plan			
Additions									
Contributions									
Employer	\$ -	\$ -	\$ 14,877	\$ 573,594	\$ 171,077	\$ 4,604,698	\$ 1,875,580	\$ 7,239,826	
Plan Members	-	-	7,472	-	113,995	2,272,160	-	2,393,627	
Other	-	-	-	513,515	189,970	250,700	-	954,185	
Total contributions	-	-	22,349	1,087,109	475,042	7,127,558	1,875,580	10,587,638	
Investment income (loss)									
Net decrease in fair value of investments	174,491	174,491	(2,548,047)	(2,232,014)	(1,533,386)	(13,807,084)	(1,416,008)	(21,187,557)	
Realized gain on sale of investments	-	-	1,136,123	698,694	-	1,644,005	86,232	3,565,054	
Interest and dividends	300,790	300,790	322,478	347,620	2,009	2,532,681	178,730	3,985,098	
Less investment expense	475,281	475,281	(1,089,446)	(1,185,700)	(1,531,377)	(9,630,398)	(1,151,046)	(13,637,405)	
Net investment loss	-	-	40,682	44,511	-	380,659	89,726	555,578	
Net investment loss	475,281	475,281	(1,130,128)	(1,230,211)	(1,531,377)	(10,011,057)	(1,240,772)	(14,192,983)	
Total additions	475,281	475,281	(1,107,779)	(143,102)	(1,056,335)	(2,883,499)	634,808	(3,605,345)	
Deductions									
Benefits paid directly to participants	-	-	2,056,519	1,582,260	1,000,506	2,373,346	1,105,541	8,118,172	
Administrative expenses	-	-	18,584	14,317	-	108,274	-	141,175	
Other	-	-	626,982	-	165	-	-	627,147	
Total deductions	-	-	2,702,085	1,596,577	1,000,671	2,481,620	1,105,541	8,886,494	
Change in Net Position	475,281	475,281	(3,809,864)	(1,739,679)	(2,057,006)	(5,365,119)	(470,733)	(12,491,839)	
Net Position, Beginning of Year	1,196,537	1,207,764	12,762,436	13,280,624	8,982,278	93,660,122	9,724,152	140,813,913	
Net Position, End of Year	\$ 1,671,818	\$ 1,683,045	\$ 8,952,572	\$ 11,540,945	\$ 6,925,272	\$ 88,295,003	\$ 9,253,419	\$ 128,322,074	

City of Little Rock, Arkansas
Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
December 31, 2022

	Oakland Fraternal Cemetery	Mt. Holly Cemetery	Little Rock Advertising and Promotion Commission	Little Rock Port Authority	Little Rock Ambulance Authority	Central Arkansas Transit Authority	Museum of Discovery	Arkansas Museum of Fine Arts	Little Rock Workforce Development Board	Central Arkansas Library System	Total
Assets											
Current assets											
Cash and cash equivalents	\$ 95,892	\$ 79,288	\$ 17,400,918	\$ 6,108,298	\$ 8,674,798	\$ 3,553,998	\$ 834,994	\$ 14,529,348	\$ 125,399	\$ 1,305,056	\$ 52,707,989
Investments	-	-	-	-	1,000,018	-	213,706	36,405,007	-	13,563,638	51,182,369
Restricted cash and investments - current	-	-	2,033,941	-	-	-	628,978	-	-	-	2,662,919
Accrued interest receivables	-	-	-	-	-	2,331	-	-	-	-	2,331
Accounts receivable, net of allowance	-	-	2,744,806	358,359	6,177,977	1,544,762	487,402	17,888,583	583,521	25,766,230	55,551,640
Inventories	-	-	-	-	383,260	506,591	22,395	125,963	-	-	1,038,209
Leases receivable - current	-	-	440,808	380,647	-	-	-	-	-	153,697	975,152
Prepaid expenses and other	-	-	672,100	160,379	541,409	107,178	24,082	988,314	-	307,104	2,800,566
Total current assets	95,892	79,288	23,292,573	7,007,683	16,777,462	5,714,860	2,211,557	69,937,215	708,920	41,095,725	166,921,175
Noncurrent assets											
Restricted assets											
Cash and cash equivalents	-	-	-	476,485	-	-	-	-	-	1,476,587	1,953,072
Investments	1,641,438	983,888	-	-	1,222,480	-	3,631,927	-	-	5,097,348	12,577,081
Lease receivable - noncurrent	-	-	7,764,323	826,028	-	-	-	-	-	703,625	9,293,976
Interest receivable	-	-	103,908	-	-	-	-	-	-	-	103,908
Total restricted assets	1,641,438	983,888	7,868,231	1,302,513	1,222,480	-	3,631,927	-	-	7,277,560	23,928,037
Capital assets											
Lease assets											
Land	10,400	13,089	4,178,128	24,279,786	968,885	1,737,512	-	-	-	5,572,916	36,760,716
Construction in progress	-	-	676,417	5,372,454	92,552	1,037,834	3,263,586	109,424,031	-	-	119,866,874
Buildings, improvements, and other facilities	449,947	99,211	136,972,009	48,564,105	14,350,755	44,627,647	4,479,975	57,465	-	116,480,737	366,081,851
Vehicles	11,834	-	7,222,695	-	8,994,067	49,298,460	-	-	9,651	-	65,536,707
Furniture and equipment	204,656	-	3,102,938	702,387	15,725,024	16,236,234	8,979,555	1,396,958	67,113	14,265,728	60,680,593
Books/AV materials	-	-	-	-	-	-	-	-	-	29,574,910	29,574,910
Other	-	-	505,763	-	-	-	-	11,856,531	-	319,745	12,682,039
Less accumulated depreciation	(231,051)	(34,724)	(51,452,780)	(25,327,869)	(23,510,846)	(67,615,297)	(9,851,717)	(916,955)	(70,781)	(93,998,277)	(273,010,297)
Net capital assets	445,786	77,576	101,205,170	55,527,575	16,620,437	45,322,390	10,019,313	121,818,030	5,983	72,499,376	423,541,636
Other assets											
	-	100,997	-	-	856,891	-	-	-	-	-	957,888
Total noncurrent assets	2,087,224	1,162,461	109,073,401	56,830,088	18,699,808	45,322,390	13,651,240	121,818,030	5,983	79,776,936	448,427,561
Deferred Outflows of Resources											
Deferred outflows of resources from pensions											
	-	-	1,705,991	-	-	-	-	-	-	-	1,705,991
Total deferred outflows of resources	-	-	1,705,991	-	-	-	-	-	-	-	1,705,991
Total assets and deferred outflows of resources	\$ 2,183,116	\$ 1,241,749	\$ 134,071,965	\$ 63,837,771	\$ 35,477,270	\$ 51,037,250	\$ 15,862,797	\$ 191,755,245	\$ 714,903	\$ 120,872,661	\$ 617,054,727

City of Little Rock, Arkansas
Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
December 31, 2022

	Oakland Fraternal Cemetery	Mt. Holly Cemetery	Little Rock Advertising and Promotion Commission	Little Rock Port Authority	Little Rock Ambulance Authority	Central Arkansas Transit Authority	Museum of Discovery	Arkansas Museum of Fine Arts	Little Rock Workforce Development Board	Central Arkansas Library System	Total
Liabilities, Deferred Inflows of Resources and Net Position											
Current liabilities											
Accounts payable	\$ -	\$ -	\$ 951,673	\$ 45,257	\$ 520,353	\$ 1,453,228	\$ 81,231	\$ 5,230,752	\$ 593,723	\$ 61,526	\$ 8,937,743
Accrued wages payable and related liabilities	27,027	-	302,884	-	1,395,071	1,087,668	-	-	-	350,512	3,163,162
Accrued interest payable	-	-	1,242,573	-	-	-	-	-	-	32,202	1,274,775
Bonds payable - current portion	-	-	1,510,000	353,823	-	-	-	-	-	240,000	2,103,823
Notes payable - current portion	-	-	-	100,000	-	-	-	-	-	-	100,000
Compensated absences - current portion	-	-	595,708	133,657	-	-	-	-	-	817,374	1,546,739
Unearned revenue	-	-	679,587	-	-	-	229,539	263,200	-	166,148	1,338,474
Accrued expenses and other	-	-	3,135,939	182,228	31,663	7,383	113,107	1,487,350	15,283	-	4,972,953
Lease liability - current	-	-	-	1,840,412	-	-	3,147,914	-	-	5,159	4,993,485
Total current liabilities	27,027	-	8,418,364	2,655,377	1,947,087	2,548,279	3,571,791	6,981,302	609,006	1,672,921	28,431,154
Noncurrent liabilities											
Bonds payable, net of unamortized premium	-	-	57,160,387	4,833,429	-	-	-	-	-	4,082,250	66,076,066
Notes payable	-	-	-	1,900,000	-	-	-	9,800,000	-	-	11,700,000
Net pension liability	-	-	1,919,915	-	-	-	-	-	-	-	1,919,915
Other long-term liabilities	-	-	-	54,443	-	-	-	-	-	-	54,443
Lease liability	-	-	-	-	-	-	-	-	-	278,458	278,458
Compensated absences	-	-	-	189,095	-	-	-	-	-	471,260	660,355
Total noncurrent liabilities	-	-	59,080,302	6,976,967	-	-	-	9,800,000	-	4,831,968	80,689,237
Total liabilities	27,027	-	67,498,666	9,632,344	1,947,087	2,548,279	3,571,791	16,781,302	609,006	6,504,889	109,120,391
Deferred Inflows of Resources											
Deferred inflows from pensions	-	-	219,868	-	-	-	-	-	-	-	219,868
Deferred inflows from leases	-	-	7,654,917	1,206,675	-	-	-	-	-	1,091,566	9,953,158
Total deferred inflows of resources	-	-	7,874,785	1,206,675	-	-	-	-	-	1,091,566	10,173,026
Net Position											
Net investment in capital assets	445,785	77,576	42,364,037	46,878,352	16,620,437	43,836,339	-	107,672,703	5,983	67,893,509	325,794,721
Restricted - expendable	1,540,408	983,888	33,940	98,044	-	3,307,369	4,818,173	39,444,777	-	5,836,289	56,062,888
Restricted - nonexpendable	-	-	-	-	-	-	-	13,066,843	-	3,917,955	16,984,798
Unrestricted	169,896	180,285	16,300,537	6,022,356	16,909,746	1,345,263	7,472,833	14,789,620	99,914	35,628,453	98,918,903
Total net position	2,156,089	1,241,749	58,698,514	52,998,752	33,530,183	48,488,971	12,291,006	174,973,943	105,897	113,276,206	497,761,310
Total liabilities, deferred inflows of resources and net position	\$ 2,183,116	\$ 1,241,749	\$ 134,071,965	\$ 63,837,771	\$ 35,477,270	\$ 51,037,250	\$ 15,862,797	\$ 191,755,245	\$ 714,903	\$ 120,872,661	\$ 617,054,727

City of Little Rock, Arkansas
Combining Statement of Activities
Nonmajor Discretely Presented Component Units
Year Ended December 31, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities							
Central Arkansas Library System	\$ 29,989,243	\$ 1,380,392	\$ 5,230,834	\$ -	\$ (23,378,017)	\$ -	\$ (23,378,017)
Little Rock Workforce Development Board	3,356,158	6,796	3,440,984	-	91,622	-	91,622
Total governmental activities	<u>33,345,401</u>	<u>1,387,188</u>	<u>8,671,818</u>	<u>-</u>	<u>(23,286,395)</u>	<u>-</u>	<u>(23,286,395)</u>
Business-type Activities							
Oakland Fraternal Cemetery	222,360	205,157	-	-	-	(17,203)	(17,203)
Mt. Holly Cemetery	169,930	178,632	-	-	-	8,702	8,702
Little Rock Advertising and Promotion Commission	21,894,779	6,967,641	17,511,585	-	-	2,584,447	2,584,447
Little Rock Port Authority	5,481,229	2,878,810	5,289,628	-	-	2,687,209	2,687,209
Little Rock Ambulance Authority	36,136,150	34,000,370	-	-	-	(2,135,780)	(2,135,780)
Central Arkansas Transit Authority	26,023,038	1,614,725	28,371,571	-	-	3,963,258	3,963,258
Museum of Discovery	3,413,767	1,502,747	3,123,945	-	-	1,212,925	1,212,925
Arkansas Museum of Fine Arts	11,012,226	15,174,437	14,644,605	-	-	18,806,816	18,806,816
Total business-type activities	<u>104,353,479</u>	<u>62,522,519</u>	<u>68,941,334</u>	<u>-</u>	<u>-</u>	<u>27,110,374</u>	<u>27,110,374</u>
Total component units	<u>\$ 137,698,880</u>	<u>\$ 63,909,707</u>	<u>\$ 77,613,152</u>	<u>\$ -</u>	<u>\$ (23,286,395)</u>	<u>\$ 27,110,374</u>	<u>\$ 3,823,979</u>
General revenues							
General property taxes					24,666,166	-	24,666,166
Sales taxes					1,012,491	-	1,012,491
Investment loss					(896,629)	(4,613,358)	(5,509,987)
Other					25,362	4,639,740	4,665,102
Total general revenues					<u>24,807,390</u>	<u>26,382</u>	<u>24,833,772</u>
Change in net position					1,520,995	27,136,756	28,657,751
Net Position, Beginning of Year					<u>111,861,108</u>	<u>357,242,451</u>	<u>469,103,559</u>
Net Position, End of Year					<u>\$ 113,382,103</u>	<u>\$ 384,379,207</u>	<u>\$ 497,761,310</u>

City of Little Rock, Arkansas
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Discretely Presented Component Units
Year Ended December 31, 2022

	Oakland Fraternal Cemetery	Mt. Holly Cemetery	Little Rock Advertising and Promotion Commission	Little Rock Port Authority	Little Rock Ambulance Authority	Central Arkansas Transit Authority	Museum of Discovery	Arkansas Museum of Fine Arts	Total
Operating Revenues									
Charges for goods and services	\$ 205,157	\$ 178,632	\$ 6,422,002	\$ 2,878,810	\$ 32,035,537	\$ 1,614,725	\$ 1,474,375	\$ 15,174,437	\$ 59,983,675
Other	-	-	-	-	1,964,833	-	28,372	-	1,993,205
Total operating revenues	205,157	178,632	6,422,002	2,878,810	34,000,370	1,614,725	1,502,747	15,174,437	61,976,880
Operating Expenses									
Salaries, wages, and employee benefits	77,983	119,644	8,378,852	1,544,024	25,060,197	14,049,473	1,974,665	5,613,776	56,818,614
Supplies and materials	12,805	3,051	65,745	97,355	1,498,817	1,949,732	249,858	645,774	4,523,137
Services	41,164	2,200	2,925,713	874,326	3,521,144	3,027,673	601,246	1,945,436	12,938,902
Utilities	4,041	12,344	1,336,834	133,883	592,600	399,964	260,838	312,084	3,052,588
Repairs and maintenance	86,367	8,057	848,051	736,479	940,881	-	38,424	88,833	2,747,092
Other	-	22,154	2,133,038	308,258	1,740,450	1,110,559	-	2,063,134	7,377,593
Depreciation and amortization	-	2,480	3,797,864	1,512,027	2,782,061	5,485,637	288,736	89,372	13,958,177
Total operating expenses	222,360	169,930	19,486,097	5,206,352	36,136,150	26,023,038	3,413,767	10,758,409	101,416,103
Operating Income (Loss)	(17,203)	8,702	(13,064,095)	(2,327,542)	(2,135,780)	(24,408,313)	(1,911,020)	4,416,028	(39,439,223)
Nonoperating Revenues (Expenses)									
Intergovernmental revenue	-	-	17,511,585	289,628	-	22,865,230	-	5,050,000	45,716,443
Donations, contributions, and grants received	-	-	-	5,000,000	-	5,506,341	3,123,945	9,594,605	23,224,891
Investment income (loss)	(319,823)	-	217,639	45,992	76,827	3,569	(262,444)	(4,375,118)	(4,613,358)
Right to use lease rental interest	-	-	545,639	-	-	-	-	-	545,639
Interest expense	-	-	(2,408,682)	(274,877)	-	-	-	(253,817)	(2,937,376)
Other, net	-	1,186	387,051	3,122,576	718,567	-	410,360	-	4,639,740
Net nonoperating revenues (expenses)	(319,823)	1,186	16,253,232	8,183,319	795,394	28,375,140	3,271,861	10,015,670	66,575,979
Net Change in Net Position	(337,026)	9,888	3,189,137	5,855,777	(1,340,386)	3,966,827	1,360,841	14,431,698	27,136,756
Net Position, Beginning of Year	2,493,115	1,231,861	55,509,377	47,142,975	34,870,569	44,522,144	10,930,165	160,542,245	357,242,451
Net Position, End of Year	\$ 2,156,089	\$ 1,241,749	\$ 58,698,514	\$ 52,998,752	\$ 33,530,183	\$ 48,488,971	\$ 12,291,006	\$ 174,973,943	\$ 384,379,207

(This Page Intentionally Left Blank)

STATISTICAL SECTION



City of Little Rock, Arkansas
Statistical Section
(Unaudited)

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

Contents	Page
Financial Trends (Tables 1–5)	
These schedules contain trend information to assist the reader in understanding how the City's financial performance and well-being have changed over time	157
Revenue Capacity (Tables 6–10)	
These schedules contain information to help the reader assess the City's most significant revenue sources, local sales taxes and property taxes	163
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	168
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	173
Operating Information (Tables 18–20)	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to services the City provides and the activities it performs	175

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

Table 1

	<u>2013 (1)</u>	<u>2014</u>	<u>2015 (2)</u>	<u>2016</u>	<u>2017</u>	<u>2018 (3)</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental activities										
Net investment in capital assets	\$ 539,105,312	\$ 549,795,437	\$ 547,314,893	\$ 546,408,833	\$ 531,056,399	\$ 532,916,954	\$ 543,911,661	\$ 533,696,516	\$ 596,822,534	\$ 607,353,621
Restricted	13,951,009	14,801,039	11,414,278	64,200,510	94,766,332	103,864,734	114,197,981	122,698,393	135,689,754	135,935,007
Unrestricted (deficit)	28,926,155	24,870,220	(78,833,242)	(127,034,220)	(136,283,348)	(165,172,690)	(167,811,663)	(176,731,943)	(191,566,094)	(164,448,538)
Total governmental activities net position	<u>\$ 581,982,476</u>	<u>\$ 589,466,696</u>	<u>\$ 479,895,929</u>	<u>\$ 483,575,123</u>	<u>\$ 489,539,383</u>	<u>\$ 471,608,998</u>	<u>\$ 490,297,979</u>	<u>\$ 479,662,966</u>	<u>\$ 540,946,194</u>	<u>\$ 578,840,090</u>
Business-type activities										
Net investment in capital assets	\$ 9,423,026	\$ 12,152,186	\$ 12,345,577	\$ 14,721,612	\$ 15,698,476	\$ 16,407,635	\$ 16,395,172	\$ 23,307,162	\$ 23,079,301	\$ 22,496,039
Restricted	2,856,964	2,980,184	3,102,528	1,737,901	1,759,592	1,839,896	2,212,804	2,542,665	1,657,282	1,340,969
Unrestricted (deficit)	6,284,003	5,751,822	6,988,248	8,121,642	9,147,485	9,469,784	8,887,590	3,138,964	7,003,498	9,597,971
Total business-type activities net position	<u>\$ 18,563,993</u>	<u>\$ 20,884,192</u>	<u>\$ 22,436,353</u>	<u>\$ 24,581,155</u>	<u>\$ 26,605,553</u>	<u>\$ 27,717,315</u>	<u>\$ 27,495,566</u>	<u>\$ 28,988,791</u>	<u>\$ 31,740,081</u>	<u>\$ 33,434,979</u>
Primary government										
Net investment in capital assets	\$ 548,528,338	\$ 561,947,623	\$ 559,660,470	\$ 561,130,445	\$ 546,754,875	\$ 549,324,589	\$ 560,306,833	\$ 557,003,678	\$ 619,901,835	\$ 629,849,660
Restricted	16,807,973	17,781,223	14,516,806	65,938,411	96,525,924	105,704,630	116,410,785	125,241,058	137,347,036	137,275,976
Unrestricted (deficit)	35,210,158	30,622,042	(71,844,994)	(118,912,578)	(127,135,863)	(155,702,906)	(158,924,073)	(173,592,979)	(184,562,596)	(154,850,567)
Total primary government net position	<u>\$ 600,546,469</u>	<u>\$ 610,350,888</u>	<u>\$ 502,332,282</u>	<u>\$ 508,156,278</u>	<u>\$ 516,144,936</u>	<u>\$ 499,326,313</u>	<u>\$ 517,793,545</u>	<u>\$ 508,651,757</u>	<u>\$ 572,686,275</u>	<u>\$ 612,275,069</u>

(1) 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.

(2) 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.

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

(This Page Intentionally Left Blank)

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

Table 2

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Expenses										
Governmental activities										
General government	\$ 48,076,292	\$ 50,079,445	\$ 55,582,516	\$ 53,272,988	\$ 52,444,900	\$ 51,413,544	\$ 51,825,519	\$ 52,235,183	\$ 61,255,761	\$ 60,770,407
Public works	36,968,065	39,260,053	39,559,132	39,423,882	36,221,854	39,017,097	38,667,619	38,618,295	39,957,927	39,618,691
Parks and recreation services	11,209,542	11,436,512	11,324,541	13,144,116	14,871,467	17,180,915	17,962,635	41,645,355	15,236,418	14,347,852
Rivermarket	1,298,266	1,337,298	1,298,563	1,284,327	1,331,241	1,353,019	1,404,893	887,997	1,081,976	1,102,088
Golf	2,162,056	2,420,678	2,434,632	2,551,972	2,526,247	2,594,869	2,439,255	1,912,674	1,969,055	1,818,690
Jim Dailey Fitness	983,422	1,389,915	988,633	1,004,748	1,009,427	944,192	953,498	764,511	819,547	955,821
Zoo	6,927,190	6,920,847	10,754,587	7,466,778	7,419,725	7,467,458	7,153,851	6,439,107	7,356,332	8,706,384
Fire	48,798,721	48,017,977	36,708,372	51,670,486	54,864,567	55,250,732	58,868,639	64,046,333	57,803,583	51,724,011
Police	64,480,813	74,326,931	71,455,621	75,772,406	78,969,098	97,132,460	92,011,803	92,249,026	83,668,110	74,238,853
911 operations	-	-	-	-	-	-	-	-	-	4,585,371
Economic development	-	-	-	-	528,000	250,000	200,000	205,360	300,000	200,000
Education	11,361,720	6,505,814	5,773,774	10,131,712	7,130,903	2,501,134	763,492	27,000	119,815	3,005,774
Housing and neighborhood programs	9,238,779	6,996,437	10,142,884	9,149,127	9,942,239	9,844,864	9,373,900	8,089,873	10,940,380	10,862,513
Fleet	2,714,412	3,397,637	1,164,920	1,918,738	896,094	483,356	63,480	81,144	141,148	84,945
Interest Expense and fiscal charges on long-term debt	4,203,511	5,096,215	4,830,546	4,641,761	3,608,458	3,678,321	4,125,269	4,626,302	3,779,600	4,521,449
Total governmental activities expenses	248,422,789	257,185,759	252,018,721	271,433,041	271,764,220	289,111,961	285,813,853	311,828,160	284,429,652	276,542,849
Business-type activities										
Waste disposal	15,117,230	13,854,376	14,401,947	14,790,357	14,846,883	16,692,777	19,132,052	21,657,734	20,385,069	22,714,914
Rivermarket garage	1,729,131	1,938,758	1,985,775	2,087,989	1,964,207	2,191,965	2,146,710	1,521,759	1,658,313	1,803,028
Vehicle Storage	1,333,659	1,332,818	1,350,526	1,409,481	1,408,219	1,586,109	1,589,571	1,447,768	1,506,812	1,450,998
Total business-type activities expenses	18,180,020	17,125,952	17,738,248	18,287,827	18,219,309	20,470,851	22,868,333	24,627,261	23,550,194	25,968,940
Total primary government expenses	\$ 266,602,809	\$ 274,311,711	\$ 269,756,969	\$ 289,720,868	\$ 289,983,529	\$ 309,582,812	\$ 308,682,186	\$ 336,455,421	\$ 307,979,846	\$ 302,511,789
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 15,945,908	\$ 16,062,816	\$ 16,717,877	\$ 19,383,270	\$ 16,018,807	\$ 16,314,356	\$ 16,955,954	\$ 14,154,728	\$ 15,885,206	\$ 15,848,571
Public works	387,436	593,298	571,436	422,907	365,621	325,421	411,203	1,812,185	631,745	414,839
Parks and recreation services	1,998,020	1,506,979	1,539,875	2,360,546	2,729,707	2,573,039	1,812,398	868,641	1,050,862	1,181,952
Rivermarket	650,259	617,337	605,207	551,711	524,584	558,919	476,057	191,914	407,544	399,666
Golf	1,497,233	1,581,520	1,476,467	1,306,904	1,426,564	1,283,538	1,019,081	960,326	1,255,997	1,152,176
Jim Dailey Fitness	638,214	920,051	495,687	455,025	449,846	455,880	561,516	135,895	165,523	332,899
Zoo	3,579,391	3,869,582	3,798,687	4,191,378	4,202,332	3,440,997	3,391,686	1,313,288	3,422,623	3,733,929
Fire	1,260,256	2,602,223	2,562,979	2,724,322	2,677,645	2,882,895	2,869,900	1,826,533	1,499,132	1,980,587
Police	5,253,340	3,322,195	3,231,294	3,622,692	3,430,233	2,821,198	3,757,566	6,954,354	5,572,866	3,195,411
911 operations	-	-	-	-	-	-	-	-	-	3,006,992
Education	-	-	-	-	-	886	-	-	-	-
Fleet	343,534	229,248	-	-	-	689,291	449,253	559,309	713,646	771,858
Housing and neighborhood programs	458,891	669,271	945,430	794,696	822,456	1,437,279	1,074,006	889,668	910,037	1,236,115
Operating grants and contributions	8,133,436	5,396,151	6,041,316	4,619,575	4,330,755	29,379,100	32,172,071	40,578,867	40,744,859	38,282,851
Capital grants and contributions	2,028,323	1,379,420	591,966	2,415,017	1,568,435	6,328,314	9,722,917	5,602,611	24,319,712	5,540,438
Total governmental activities program revenues	\$ 42,174,241	\$ 38,750,091	\$ 38,578,221	\$ 42,848,043	\$ 38,546,985	\$ 68,491,113	\$ 74,673,608	\$ 75,848,319	\$ 96,579,752	\$ 77,078,284

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

Table 2

	2013 ²	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities										
Charges for services										
Waste disposal	\$ 18,588,177	\$ 17,452,777	\$ 17,761,020	\$ 17,975,553	\$ 17,959,296	\$ 18,291,143	\$ 18,909,436	\$ 23,534,488	\$ 23,967,918	\$ 25,039,773
Rivermarket garage	2,138,022	2,144,882	2,500,013	2,873,719	2,560,451	2,590,183	3,201,736	2,507,294	2,321,067	2,718,304
Vehicle storage	1,362,661	1,347,321	1,196,723	1,319,514	1,464,567	2,000,823	1,877,877	1,853,295	2,040,048	2,224,338
Capital grants and contributions	-	170,289	-	17,482	1,521	52,807	-	-	-	-
Total business-type activities program revenues	<u>22,088,860</u>	<u>21,115,269</u>	<u>21,457,756</u>	<u>22,186,268</u>	<u>21,985,835</u>	<u>22,934,956</u>	<u>23,989,049</u>	<u>27,895,077</u>	<u>28,329,033</u>	<u>29,982,415</u>
Total primary government program revenues	<u>64,263,101</u>	<u>59,865,360</u>	<u>60,035,977</u>	<u>65,034,311</u>	<u>60,532,820</u>	<u>91,426,069</u>	<u>98,662,657</u>	<u>103,743,396</u>	<u>124,908,785</u>	<u>107,060,699</u>
Net (expense)/revenue										
Governmental activities	(206,248,548)	(218,435,668)	(213,440,500)	(228,584,998)	(233,217,235)	(220,620,848)	(211,140,245)	(235,979,841)	(187,849,900)	(199,464,565)
Business-type activities	3,908,840	3,989,317	3,719,508	3,898,441	3,766,526	2,464,105	1,120,716	3,267,816	4,778,839	4,013,475
Total primary government net expense	<u>(202,339,708)</u>	<u>(214,446,351)</u>	<u>(209,720,992)</u>	<u>(224,686,557)</u>	<u>(229,450,709)</u>	<u>(218,156,743)</u>	<u>(210,019,529)</u>	<u>(232,712,025)</u>	<u>(183,071,061)</u>	<u>(195,451,090)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
General Property taxes	52,833,701	51,570,745	50,469,150	57,028,881	56,421,850	58,677,802	60,412,042	61,054,723	64,473,416	67,315,382
Sales taxes	112,749,306	114,294,652	118,312,110	118,220,534	120,269,724	121,474,064	132,033,373	130,975,321	151,788,411	135,892,366
Utility franchise taxes	29,707,701	29,898,410	31,065,494	29,599,082	29,326,328	29,965,553	31,182,685	29,714,100	31,432,173	33,971,762
Unrestricted grants and contributions	23,452,078	27,219,998	22,990,373	25,055,029	23,009,538	-	-	-	3	4,619,172
Investment income (loss)	(116,617)	1,131,952	775,618	559,560	1,094,589	1,591,250	4,416,791	1,691,383	(505,636)	(6,929,856)
Other	(148,720)	-	-	-	7,428,860	-	-	-	-	-
Transfers	1,661,580	1,804,131	1,816,098	1,801,106	1,880,606	1,581,764	1,784,335	1,909,301	1,944,761	1,822,544
Total governmental activities	<u>220,139,029</u>	<u>225,919,888</u>	<u>225,428,843</u>	<u>232,264,192</u>	<u>239,431,495</u>	<u>213,290,433</u>	<u>229,829,226</u>	<u>225,344,828</u>	<u>249,133,128</u>	<u>236,691,370</u>
Business-type activities										
Investment earnings	(28,446)	135,013	111,523	47,467	138,478	229,421	441,870	134,710	(82,788)	(496,033)
Special item - transfer of net pension obligation	57,079,030	-	-	-	-	-	-	-	-	-
Transfers	(1,661,580)	(1,804,131)	(1,816,098)	(1,801,106)	(1,880,606)	(1,581,764)	(1,784,335)	(1,909,301)	(1,944,761)	(1,822,544)
Total business-type activities	<u>55,389,004</u>	<u>(1,669,118)</u>	<u>(1,704,575)</u>	<u>(1,753,639)</u>	<u>(1,742,128)</u>	<u>(1,352,343)</u>	<u>(1,342,465)</u>	<u>(1,774,591)</u>	<u>(2,027,549)</u>	<u>(2,318,577)</u>
Total primary government	<u>275,528,033</u>	<u>224,250,770</u>	<u>223,724,268</u>	<u>230,510,553</u>	<u>237,689,367</u>	<u>211,938,090</u>	<u>228,486,761</u>	<u>223,570,237</u>	<u>247,105,579</u>	<u>234,372,793</u>
Changes in Net Position										
Governmental activities	13,890,481	7,484,220	11,988,343	3,679,194	6,214,260	(7,330,415)	18,688,981	(10,635,013)	61,283,228	37,226,805
Business-type activities	59,297,844	2,320,199	2,014,933	2,144,802	2,024,398	1,111,762	(221,749)	1,493,225	2,751,290	1,694,898
Change in accounting principle	(668,352)	-	(122,021,882)	-	-	(10,849,970)	-	-	-	-
Total primary government	<u>\$ 72,519,973</u>	<u>\$ 9,804,419</u>	<u>\$ (108,018,606)</u>	<u>\$ 5,823,996</u>	<u>\$ 8,238,658</u>	<u>\$ (17,068,623)</u>	<u>\$ 18,467,232</u>	<u>\$ (9,141,788)</u>	<u>\$ 64,034,518</u>	<u>\$ 38,921,703</u>

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

Table 3

Year	General Property Taxes	Sales Tax (1)	Utility Franchise Taxes	Total
2013	\$ 52,833,701	\$ 112,749,306	\$ 19,707,701	\$ 185,290,708
2014	51,570,745	114,294,652	29,898,410	195,763,807
2015	50,469,150	118,312,110	31,065,494	199,846,754
2016	57,028,881	118,220,534	29,599,082	204,848,497
2017	56,421,850	120,269,724	29,326,328	206,017,902
2018	58,677,802	121,474,064	29,965,553	210,117,419
2019	60,412,042	132,033,373 (2)	31,182,685	223,628,098
2020	61,054,723	130,975,321 (2)	29,714,100	221,744,142
2021	64,473,416	151,788,411 (2)	31,432,173	247,693,998
2022	67,315,382	135,892,366 (2)	33,971,762	237,179,508

- (1) The citizens of Little Rock passed on additional one-cent local sales tax in September 2011 which went into effect on January 1, 2012. The 3/8-cent portion of the tax dedicated to capital projects sunset on December 31, 2021. The 5/8-cent operating sales tax is ongoing.
- (2) Includes the 2% Hotel Gross Receipts Tax that is pledged to debt service on the 2018 Hotel Tax Bonds.

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

Table 4

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Nonspendable	\$ 1,329,476	\$ 1,251,251	\$ 1,020,087	\$ 4,922,789	\$ 1,940,301	\$ 1,920,362	\$ 1,895,471	\$ 1,764,842	\$ 1,861,926	\$ 1,722,202
Committed	337,892	336,610	300,264	49,105	44,839	44,839	44,839	41,997	39,123	39,123
Assigned	9,487,930	8,009,164	12,331,036	11,141,556	14,194,561	9,608,799	9,792,389	15,731,728	21,728,893	38,038,638
Unassigned	24,369,411 (1)	24,713,596	25,567,858	24,009,361	24,414,818	22,175,496	27,447,279	30,520,217	38,258,751	43,307,517
Total general fund	<u>\$ 35,524,709</u>	<u>\$ 34,310,621</u>	<u>\$ 39,219,245</u>	<u>\$ 40,122,811</u>	<u>\$ 40,594,519</u>	<u>\$ 33,749,496</u>	<u>\$ 39,179,978</u>	<u>\$ 48,058,784</u>	<u>\$ 61,888,693</u>	<u>\$ 83,107,480</u>
All other governmental funds										
Nonspendable	\$ 1,229,513	\$ 1,532,884	\$ 1,647,604	\$ 1,382,990	\$ 640,314	\$ 1,034,773	\$ 946,656	\$ 965,057	\$ 965,057	\$ 1,162,810
Restricted	131,954,068 (2)	117,940,944 (3)	123,848,447	108,948,051	82,193,945	154,176,682	153,143,988	116,876,459	116,921,158	167,264,799 (4)
Unassigned	(2,618,735)	(3,219,899)	(2,853,464)	(2,633,318)	-	-	-	-	(152,901)	-
Total all other governmental funds	<u>\$ 130,564,846</u>	<u>\$ 116,253,929</u>	<u>\$ 122,642,587</u>	<u>\$ 107,697,723</u>	<u>\$ 82,834,259</u>	<u>\$ 155,211,455</u>	<u>\$ 154,090,644</u>	<u>\$ 117,841,516</u>	<u>\$ 117,733,314</u>	<u>\$ 168,427,609</u>

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

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

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

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

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

Table 5

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes ¹	\$ 191,323,825	\$ 194,663,920	\$ 199,880,800	\$ 202,216,633	\$ 204,081,781	\$ 207,544,681	\$ 221,433,380	\$ 218,846,540	\$ 246,966,738	\$ 232,777,301
Licenses and permits	10,602,406	11,116,890	11,098,754	11,348,110	12,032,656	12,315,181	12,576,341	11,367,370	12,412,191	12,873,101
Intergovernmental	27,403,766	26,327,221	26,216,512	26,048,300	28,908,728	30,101,194	34,944,865	44,959,306	45,489,060	43,733,882
Charges for services	14,045,775	14,176,733	13,515,573	13,843,724	13,935,093	13,018,458	14,046,316	11,760,705	13,381,927	14,072,567
Fines and fees	4,395,755	4,044,070	3,704,630	3,681,279	3,078,148	3,006,967	2,813,142	1,910,941	2,209,321	2,436,200
Investment income (loss)	(116,609)	1,131,960	775,618	559,559	1,094,588	1,591,250	4,416,791	1,668,919	(492,721)	(6,745,057)
Miscellaneous	4,247,918	5,032,976	4,822,969	7,292,255	5,419,449	6,532,450	6,231,795	5,977,060	4,314,181	4,783,991
Total revenues	<u>251,902,836</u>	<u>256,493,770</u>	<u>260,014,856</u>	<u>264,989,860</u>	<u>268,550,443</u>	<u>274,110,181</u>	<u>296,462,630</u>	<u>296,490,841</u>	<u>324,280,697</u>	<u>303,931,985</u>
Expenditures										
General government	61,183,366	58,771,868	50,921,165	51,281,442	53,947,370	53,935,979	50,687,819	50,060,420	59,715,424	58,794,483
Public works	26,713,458	33,693,594	33,928,160	41,316,142	39,128,675	32,953,097	39,954,170	22,326,117	22,847,559	22,314,426
Parks and recreation	15,318,714	12,626,851	12,898,624	16,192,534	13,054,954	16,877,968	17,715,791	39,121,874	12,861,213	12,250,216
Rivermarket	1,188,197	1,227,229	1,188,494	1,183,258	1,234,672	1,256,450	1,305,221	791,428	985,407	1,005,519
Golf	2,386,863	2,376,310	2,390,265	2,507,605	2,482,543	2,414,872	2,264,745	1,661,082	1,779,528	1,718,615
Jim Dailey Fitness	847,283	1,253,776	855,515	896,483	901,162	869,902	855,754	646,573	708,768	849,638
Zoo	7,096,614	7,486,377	7,370,338	7,474,065	7,509,037	7,669,263	7,506,371	5,771,502	6,721,016	8,090,283
Fire department	44,669,680	46,506,763	46,461,030	50,119,894	50,702,393	52,333,556	57,112,963	54,002,304	57,315,541	58,598,833
Police department	72,904,543	82,062,673	72,434,859	72,974,267	76,847,967	80,083,124	81,444,508	80,172,902	80,293,498	78,912,093
911 operations	-	-	-	-	-	-	-	-	-	4,584,933
Housing and neighborhood programs	8,740,138	9,154,001	10,182,817	9,249,603	9,649,948	9,669,689	9,040,871	7,742,551	10,652,619	10,676,048
Fleet	-	-	665,112	1,918,739	921,145	1,014,420	3,649,256	81,144	114,571	84,945
Economic Development	-	-	-	-	-	-	-	205,360	300,000	200,000
Education	-	-	5,761,938	9,989,686	6,988,877	2,501,134	763,492	27,000	119,815	3,005,774
Debt service										
Principal	14,186,058	22,020,574	26,140,438	23,024,131	27,620,797	22,782,724	25,735,150	25,453,737	28,028,075	29,923,237
Fiscal changes on long term debt	4,329,645	5,297,890	5,145,133	4,682,416	5,054,785	4,298,095	5,225,557	5,015,783	4,214,024	4,426,556
Capital Outlay	-	-	-	-	-	-	-	34,682,836	34,255,585	19,883,709
Total expenditures	<u>259,564,559</u>	<u>282,477,906</u>	<u>276,343,888</u>	<u>292,810,265</u>	<u>296,044,325</u>	<u>288,660,273</u>	<u>303,261,668</u>	<u>327,762,613</u>	<u>320,912,643</u>	<u>315,319,308</u>
Deficiency of revenues under expenditures	<u>(7,661,723)</u>	<u>(25,984,136)</u>	<u>(16,329,032)</u>	<u>(27,820,405)</u>	<u>(27,493,882)</u>	<u>(14,550,092)</u>	<u>(6,799,038)</u>	<u>(31,271,772)</u>	<u>3,368,054</u>	<u>(11,387,323)</u>
Other financing sources (uses)										
Transfers in	16,823,595	10,179,324	10,783,984	11,276,919	13,344,426	9,519,740	6,807,170	5,201,544	4,503,077	22,685,016
Transfers out	(14,866,015)	(8,251,193)	(8,553,142)	(9,475,813)	(10,963,820)	(6,937,976)	(4,272,835)	(2,609,528)	(1,820,316)	(20,862,472)
Transfers to component units	-	-	-	-	-	-	-	-	-	-
Issuance of long term debt	65,805,000	2,615,000	42,530,000	11,978,000	39,050,000	76,045,000	5,650,000	-	5,925,000	99,335,000
Premium on bonds issued	2,051,949	-	112,763	-	2,407,764	1,455,501	-	-	3	1,508,685
Payments to refunded bond escrow agent	-	-	(17,247,291)	-	(40,736,244)	-	-	-	-	(19,505,462)
Initiation of leases	-	5,916,000	-	-	-	-	2,924,374	1,309,434	1,857,413	57,814
Total other financing sources	<u>69,814,529</u>	<u>10,459,131</u>	<u>27,626,314</u>	<u>13,779,106</u>	<u>3,102,126</u>	<u>80,082,265</u>	<u>11,108,709</u>	<u>3,901,450</u>	<u>10,465,177</u>	<u>83,218,581</u>
Net change in fund balances	<u>\$ 62,152,806</u>	<u>\$ (15,525,005)</u>	<u>\$ 11,297,282</u>	<u>\$ (14,041,299)</u>	<u>\$ (24,391,756)</u>	<u>\$ 65,532,173</u>	<u>\$ 4,309,671</u>	<u>\$ (27,370,322)</u>	<u>\$ 13,833,231</u>	<u>\$ 71,831,258</u>
Debt service as a percentage of noncapital expenditures	7.8%	10.4%	12.2%	10.2%	11.9%	9.8%	11.3%	10.4%	11.2%	11.6%

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

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

Table 6

Year	General Property Taxes	Sales Taxes (1)	Utility Franchise Taxes	Total
2013	\$ 48,866,818	\$ 112,749,306	\$ 29,707,701	\$ 191,323,825
2014	50,470,858	114,294,652	29,898,410	194,663,920
2015	50,503,196	118,312,110	31,065,494	199,880,800
2016	54,397,017	118,220,534	29,599,082	202,216,633
2017	54,485,729	120,269,724	29,326,328	204,081,781
2018	56,105,064	121,474,063	29,965,553	207,544,680
2019	58,217,322	132,033,373 (2)	31,182,685	221,433,380
2020	58,157,119	130,975,321 (2)	29,714,100	218,846,540
2021	63,746,154	151,788,411 (2)	31,432,173	246,966,738
2022	62,913,173	135,892,366 (2)	33,971,762	232,777,301

(1) The citizens of Little Rock passed an additional one-cent local sales tax in September 2011 which went into effect on January 1, 2012. The 3/8-cent portion of the tax sunset on December 31, 2021. The 5/8-cent operating portion of the sales tax is on-going.

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

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

Table 7

Year	Real Property		Personal Property		Total Taxable	Total Direct Tax	Total Appraised	Assessed Value as a Percentage of Appraised Value
	Real	Real	Utility	Assessed Value	Rate	Value	Value	
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	(1) 20,201,526,950	20%	
2016	3,117,379,881	858,956,525	253,978,240	4,230,314,646	16.55	21,050,648,700	20%	
2017	3,213,577,682	842,285,575	239,815,220	4,295,678,477	16.55	21,347,370,760	20%	
2018	3,383,352,274	835,678,550	239,937,630	4,458,968,454	16.55	22,119,142,820	20%	
2019	3,524,794,031	867,123,910	245,697,775	4,637,615,716	16.55	23,014,561,860	20%	
2020	3,622,833,643	868,891,340	260,165,285	4,751,890,268	16.55	23,501,839,400	20%	
2021	3,691,913,456	915,003,040	272,818,075	4,879,734,571	17.05	(2) 24,176,182,300	20%	
2022	4,011,070,758	1,079,054,005	283,762,390	5,373,887,153	16.55	(3) 26,634,478,610	20%	

Source: Pulaski County Tax Assessor.

The year noted represents the year assessed for collection in the following year. For example, the 2022 amounts represent the 2022 assessment for collection in 2023.

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

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

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

Both are considered personal PSC accounts.

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

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

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

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

Table 8

Year	Little Rock		Pulaski County		Little Rock School District		Totals	
	Real	Personal	Real	Personal	Real	Personal	Real	Personal
2013	16.65	16.65	7.05	7.05	46.40	46.40	70.10	70.10
2014	16.65	16.65	7.05	7.05	46.40	46.40	70.10	70.10
2015	16.65	16.65	7.05	7.05	46.40	46.40	70.10	70.10
2016	16.55	16.55	7.05	7.05	46.40	46.40	70.00	70.00
2017	16.55	16.55	7.05	7.05	46.40	46.40	70.00	70.00
2018	16.55	16.55	7.05	7.05	46.40	46.40	70.00	70.00
2019	16.55	16.55	7.05	7.05	46.40	46.40	70.00	70.00
2020	16.55	16.55	7.05	7.05	46.40	46.40	70.00	70.00
2021	16.55	16.55	7.05	7.05	46.40	46.40	70.00	70.00
2022	17.05	17.05	7.05	7.05	46.40	46.40	70.50	70.50

Tax Levies

2013	\$ 50,385,921	\$ 49,084,104	\$ 153,876,053	\$ 253,346,078
2014	\$ 51,613,055	\$ 50,553,806	\$ 156,509,422	\$ 258,676,283
2015	\$ 53,396,476	\$ 52,080,512	\$ 161,329,413	\$ 266,806,401
2016	\$ 53,782,561	\$ 53,185,616	\$ 161,724,101	\$ 268,692,278
2017	\$ 56,364,487	\$ 55,175,845	\$ 168,350,134	\$ 279,890,466
2018	\$ 57,324,101	\$ 55,667,587	\$ 169,767,421	\$ 282,759,109
2019	\$ 59,626,225	\$ 57,637,586	\$ 175,659,292	\$ 292,923,103
2020	\$ 61,986,496	\$ 59,806,627	\$ 182,516,350	\$ 304,309,473
2021	\$ 63,760,446	\$ 61,248,395	\$ 185,255,134	\$ 310,263,975
2022	\$ 65,345,884	\$ 63,187,101	\$ 189,233,736	\$ 317,766,721

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

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

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

State statutory limits on City tax rate:

General operation	5 mills
General improvement bonds	Unlimited subject to voter approval
Industrial development bonds	5 mills
Fire pension and police pension	1 mill each

City of Little Rock, Arkansas

Principal Sales Taxpayers

December 31, 2022

The City of Little Rock, Arkansas's largest own-source revenue is sales taxes. The City's sales tax revenues are generated from a permanent one and one-eighth (1.125)-cent local general sales tax. Prior to 2022, the City also assessed a three-eighth (0.375)-cent sales tax for capital projects which sunset on December 31, 2021. Taxes are assessed based on the point-of-sale. In addition, the City receives a portion of the County's one (1.0)-cent sales tax based on population. The City of Little Rock makes up approximately 51% of the county population and receives a like proportion of the county tax. In 2022, the City's local 1.125-cent sales tax generated revenue of \$73,499,178. The City's share of the county 1-cent tax generated revenue of \$56,536,643.

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

Table 9

Little Rock Top Ten 1 1/2 Cent Sales Tax by Industry	Tax Collected	% of Total
Other General Merchandise Stores	\$ 5,673,639	7.72%
Grocery Stores	5,074,082	6.90%
Electronic Shopping and Mail-Order Houses	3,694,236	5.03%
Building Material and Supplies Dealers	3,630,347	4.94%
Full-Service Restaurants	3,603,197	4.90%
Food Services and Drinking Places; Unknown Subclassification	2,771,039	3.77%
Electronics and Appliance Stores	2,734,944	3.72%
Electric Power Generation; Transmission and Distribution	2,276,545	3.10%
Clothing Stores	2,257,554	3.07%
Traveler Accommodation	1,829,425	2.49%
Totals	<u>\$ 33,545,008</u>	<u>45.64%</u>

Little Rock Top Ten 1 Cent County Sales Tax by Industry	Tax Collected	% of Total
Other General Merchandise Stores	\$ 5,468,290	9.67%
Building Material and Supplies Dealers	3,322,019	5.88%
Grocery Stores	3,315,419	5.86%
Electronic Shopping and Mail-Order Houses	2,987,610	5.28%
Full-Service Restaurants	2,593,467	4.59%
Food Services and Drinking Places; Unknown Subclassification	1,990,155	3.52%
Electric Power Generation; Transmission and Distribution	1,985,252	3.51%
Electronics and Appliance Stores	1,735,913	3.07%
Clothing Stores	1,395,064	2.47%
Automotive Repair and Maintenance	1,151,191	2.04%
Totals	<u>\$ 25,944,380</u>	<u>45.89%</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 of Delinquent Levies	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	50,385,921	45,233,261	89.77%	2,832,651	48,065,912	95.40%
2014	51,613,055	47,315,821	91.67%	2,805,622	50,121,443	97.11%
2015	53,396,476	48,850,999	91.49%	2,564,574	51,415,573	96.29%
2016	53,782,561	49,486,679	92.01%	2,606,358	52,093,037	96.86%
2017	56,364,487	50,946,371	90.39%	2,742,826	53,689,197	95.25%
2018	57,324,101	52,552,647	91.68%	3,137,897	55,690,544	97.15%
2019	59,626,225	54,658,989	91.67%	3,206,963	57,865,952	97.05%
2020	61,986,496	54,757,924	88.34%	3,055,485	57,813,409	93.27%
2021	63,760,446	60,429,413	94.78%	3,045,220	63,474,633	99.55%
2022	65,345,884	58,476,965	89.49%	4,141,027	62,617,992	95.83%

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

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

Table 11

Year	Governmental Activities				Business Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Notes Payable	Leases	Revenue Bonds				
2013	\$ 114,087,394 (2)	\$ 26,962,094	\$ 25,472,446	\$ -	\$ 13,816,450	\$ 180,338,384	3.21%	\$ 931.87	
2014	102,395,291	25,265,845	25,312,871	-	12,401,141	165,375,148	2.91%	854.55	
2015	106,214,395	23,491,830	23,907,433	-	10,935,832	164,549,490	2.92%	850.28	
2016	93,476,815	21,642,815	27,321,300	-	9,405,524	151,846,454	2.46%	784.64	
2017	74,133,457	19,495,588	22,530,551	-	8,691,748	124,851,344	2.10%	645.15	
2018	103,289,199 (3)	51,231,535	15,192,827	-	7,926,463	177,640,024	2.81%	917.92	
2019	85,179,234	49,754,831	13,824,223	2,802,828 (4)	7,120,801	158,681,917	2.20%	819.96	
2020	66,373,957	48,132,305	8,614,099	3,548,693	6,274,699	132,943,753	1.90%	687.04	
2021	44,321,544	46,464,269	10,478,349	4,593,781	5,383,137	111,241,080	1.56%	540.18	
2022	101,821,513 (6)	44,750,990	7,095,530	4,887,078 (5)	4,441,129	162,996,240	2.00%	791.51	

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

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

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

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

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

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

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

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)
2013	\$ 114,087,394 (3)	\$ 16,923,578	\$ 97,163,816	2.52%	\$ 502.08
2014	102,395,291	20,845,865	81,549,426	2.04%	421.39
2015	106,214,395	14,880,687	91,333,708	2.26%	471.95
2016	93,476,815 (4)	18,299,509	75,177,306	1.78%	388.47
2017	74,133,457	16,381,890	57,751,567	1.34%	298.42
2018	103,289,199 (5)	22,255,918	81,033,281	1.82%	418.72
2019	85,179,234	21,678,709	63,500,525	1.37%	328.13
2020	66,373,957	23,059,339	43,314,618	0.91%	223.82
2021	44,321,544	21,954,920	22,366,624	0.45%	110.40
2022	101,821,513 (6)	1,093,589	100,727,924	1.87%	497.20

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

- (1) See *Table 7*, Schedule of Assessed and Appraised Value of Taxable Property for property value data.
- (2) See *Table 16*, Schedule of Demographic and Economic Statistics for personal income and population data.
- (3) In 2013, the City issued \$58,105,000 in limited tax general obligation bonds to finance various capital improvements for the City.
- (4) In 2015, the City issued \$36,620,000 in limited tax general obligation bonds to refund the outstanding Library Construction Bonds, Series 2008 and Series 2009, to fund additional capital improvements for the Central Arkansas Library System.
- (5) In 2018, the City issued \$43,475,000 in limited tax general obligation bonds to finance street and drainage improvements for the City.
- (6) In 2022, the City issued \$40,770,000 in Library construction and refunding bonds. The 2017 Library bonds were retired and the 2015 Library bonds were refunded. In addition, the City issued \$53,510,000 in limited tax general obligation capital improvement bonds - Series 2022A and \$5,055,000 in limited tax general obligation capital improvement bonds - Series 2022B (taxable). The 2018 limited tax general obligation capital improvement bonds were retired.

City of Little Rock, Arkansas
Direct and Overlapping Governmental Activities Debt
December 31, 2022

Table 13

Governmental Unit	Debt Available for Retirement	Percentage Applicable (2)	City's Share of Overlapping Debt
Direct:			
City of Little Rock, Arkansas	\$ 158,555,111 (1)	100%	\$ 158,555,111
Overlapping:			
Little Rock Public School District	420,586,402	100%	420,586,402
Total direct and overlapping debt	<u>\$ 579,141,513</u>		<u>\$ 579,141,513</u>
Ratio, direct and estimated overlapping debt to fiscal 2022 assessed valuation (3)			10.78%
Per capita direct and estimated overlapping debt (4)			<u>\$ 2,812</u>

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

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

(3) Assessed valuation from Table 7, \$5,373,887,153

(4) Based on 2020 Census, Table 16, 205,932

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

Table 14

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 965,793,157	\$ 1,000,828,577	\$ 1,012,232,287	\$ 1,057,578,662	\$ 1,073,919,619	\$ 1,114,742,114	\$ 1,159,403,929	\$ 1,187,972,567	\$ 1,219,933,643	\$ 1,343,471,789
Total net debt applicable to limit	<u>122,636,262</u>	<u>106,862,297</u>	<u>115,241,141</u>	<u>102,498,606</u>	<u>80,282,118</u>	<u>98,331,753</u>	<u>80,127,576</u>	<u>55,477,410</u>	<u>37,438,752</u>	<u>112,710,532</u>
Legal debt margin	<u>\$ 843,156,895</u>	<u>\$ 893,966,280</u>	<u>\$ 896,991,146</u>	<u>\$ 955,080,056</u>	<u>\$ 993,637,501</u>	<u>\$ 1,016,410,361</u>	<u>\$ 1,079,276,353</u>	<u>\$ 1,132,495,157</u>	<u>\$ 1,182,494,891</u>	<u>\$ 1,230,761,257</u>
Total net debt applicable to the limit as a percentage of debt limit	6.82%	12.70%	10.68%	11.38%	9.69%	7.48%	6.91%	4.67%	3.07%	8.39%

Legal Debt Margin Calculation for 2022

Assessed value	\$ 5,373,887,153
Debt limit:	
General obligation debt limitation (1)	1,074,777,431
Short-term financing debt limitation (2)	<u>268,694,358</u>
Total debt limitation	<u>1,343,471,789</u>
Debt applicable to limit:	
General obligation and short-term financing	113,804,121
Less: Amount set aside for repayment in debt services funds	<u>1,093,589</u>
Total net debt applicable to limit	<u>112,710,532</u>
Legal debt margin	<u>\$ 1,230,761,257</u>

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

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

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

Table 15

Governmental Activities Revenue Bonds*							Business-type Activities Revenue Bonds*						
Hotel Gross Receipts Tax Bonds							Waste Disposal Revenue Bonds						
Debt Service Requirements							Debt Service Requirements						
Fiscal Year	Pledged Revenues(1)	Principal	Interest	Total	Coverage		Pledged Revenues	Operating Expenses(4)	Net Available Revenues(3)	Principal	Interest	Total	Coverage
2018	\$ -	\$ -	\$ -	\$ -	-		\$ 18,291,143	\$ 14,359,447	\$ 3,931,696	\$ 260,000	\$ 76,188	\$ 336,188	11.69
2019	2,657,965	425,000	1,338,731	1,763,731	1.51		18,909,436	16,228,510	2,680,926	275,000	60,806	335,806	7.98
2020	1,379,772	555,000	1,372,144	1,927,144	0.72		22,718,165	18,551,517	4,166,648	290,000	44,563	334,563	12.45
2021	2,357,444	580,000	1,344,394	1,924,394	1.23		23,665,787	17,042,921	6,622,866	305,000	27,456	332,456	19.92
2022	2,835,490	610,000	1,315,394	1,925,394	1.47		24,925,943	19,666,848	5,259,095	325,000	9,344	334,344	15.73

2017 Capital Improvement Franchise Fee Revenue Refunding Bonds							Rivermarket Parking Garage Bonds						
Debt Service Requirements							Debt Service Requirements						
Fiscal Year	Pledged Revenues(2)	Principal	Interest	Total	Coverage		Pledged Revenues(5)	Operating Expenses(4)	Net Available Revenues	Principal	Interest	Total	Coverage
2018	\$ 20,154,897	\$ 930,000	\$ 574,462	\$ 1,504,462	13.40		\$ 2,977,508	\$ 1,489,472	\$ 1,488,036	\$ 510,000	\$ 381,830	\$ 891,830	1.67
2019	21,511,340	870,000	635,850	1,505,850	14.29		3,566,588	1,514,035	2,052,553	535,000	356,535	891,535	2.30
2020	20,094,116	895,000	609,750	1,504,750	13.35		2,696,007	929,885	1,766,122	560,000	328,448	888,448	1.99
2021	20,785,927	925,000	582,900	1,507,900	13.78		2,589,167	1,099,199	1,489,968	590,000	299,048	889,048	1.68
2022	23,174,036	950,000	555,150	1,505,150	15.40		3,022,028	1,298,639	1,723,389	620,000	268,073	888,073	1.94

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

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

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

The Waste Disposal Revenue Bonds were retired in 2022.

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

Table 16

Year	Population	Personal Income (2)	Per Capita Income (2)	Median Age	Percent of Population Age 25+ MA/Professional Degree or Higher	School Enrollment	Unemployment Rate
2013	193,524 (4)	\$ 5,448,087,648	\$ 28,152	36.6	15.8	27,369 (3)	6.7%
2014	193,524 (4)	5,686,122,168	29,382	36.1	15.8	26,943 (3)	5.9%
2015	193,524 (4)	5,632,516,020	29,105	35.6	15.8	26,767 (3)	4.8%
2016	193,524 (4)	6,170,125,692	31,883	36.6	12.5	26,239 (3)	3.5%
2017	193,524 (4)	6,090,840,798	30,678	35.9	15.4	25,930 (3)	3.0%
2018	193,524 (4)	6,498,189,714	32,719	36.0	15.6	25,685 (3)	3.3%
2019	193,524 (4)	7,224,250,920	37,330	37.2	17.2	23,237 (3)	3.4%
2020	193,524 (4)	6,847,131,918	34,701	37.4	19.3	23,180 (3)	4.5%
2021	205,932 (5)	7,146,046,332	34,701	37.4	18.3	22,054 (3)	3.1%
2022	205,932 (5)	8,154,907,200	39,600	37.9	18.6	21,456 (3)	3.1%

Data Sources: Metroplan - Council of Local Governments, Pulaski County, Little Rock Public Schools, State Library

- (1) 2000 Census
- (2) The State Library provides per capita income. Personal Income is a calculation of per capita income multiplied by the population.
- (3) Little Rock Public Schools
- (4) 2010 Census
- (5) 2020 Census

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

Table 17

Employer	2022			2012	
	Employees	Rank	Percentage of Total City Employment	Employees	Rank
State of Arkansas (MSA)	34,900	1	18.52%	32,200	1
Local Government (MSA)	27,200	2	14.43%	28,800	2
Federal Government (MSA)	9,900	3	5.25%	9,200	3
University of Arkansas Medical Sciences	9,100	4	4.83%	8,500	4
Baptist Health	5,360	5	2.84%	7,000	5
Little Rock Air Force Base	4,500	6	2.39%	4,500	6
Arkansas Children's Hospital	4,000	7	2.12%		
Little Rock School District	3,500	8	1.86%		
Central Arkansas Veterans Health Care	2,800	9	1.49%	3,500	9
Entergy Arkansas	2,740	10	1.45%	2,738	10
Axiom				4,388	7
Public School Districts				3,511	8
	104,000		55.19%	104,337	

Source: Metroplan - Council of Local Governments

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

Table 18

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government:										
General Administration	47	47	47	63	67	69	32	33	33	35
Racial Cultural Diversity	2	2	2	-	-	-	-	-	-	-
City Clerk	2	2	2	3	3	3	-	-	-	-
Board of Directors	1	1	1	1	1	1	1	1	1	1
Community Programs	10	10	11	13	11	13	12	12	13	14
City Attorney	18	18	19	20	18	18	16	16	16	18
District Court- First Division	21	21	21	20	20	20	20	20	20	21
District Court - Second Division	17	17	17	18	18	18	18	18	18	19
District Court - Third Division	7	8	8	8	8	8	7	7	7	8
Finance	41	41	42	43	43	42	41	43	46	52
Human Resources	19	19	20	20	22	23	22	22	25	26
Management Support/Information Technology	39	39	39	39	39	39	39	39	41	42
Planning and Development	39	39	39	39	39	39	38	38	39	46
Housing and Neighborhood Programs	103	103	104	105	107	106	98	98	99	99
Public Works	13	13	13	12	12	12	12	12	12	12
Parks and Recreation	119	122	127	130	128	129	106	106	106	106
Golf	21	21	22	22	21	20	14	15	15	15
Jim Dailey Fitness & Aquatic Center	9	9	9	9	9	8	8	8	8	8
Zoo	59	59	61	62	63	62	62	62	63	64
Fire	421	421	421	422	421	433	432	432	433	433
Police	716	716	717	733	748	748	744	743	754	694 (1)
911 Emergency Communications	-	-	-	-	-	-	-	-	-	65 (1)
Total General Fund	1,724	1,728	1,742	1,782	1,798	1,811	1,722	1,725	1,749	1,778
Waste Disposal										
Public Works - Street	213	213	213	216	215	216	216	219	220	217
Fleet Services	61	61	61	63	63	63	63	63	63	62
Vehicle Storage Facility	15	15	15	13	13	13	13	13	14	14
Total Other Funds	402	402	402	405	412	413	422	439	442	438
Total Personnel	2,126	2,130	2,144	2,187	2,210	2,224	2,144	2,164	2,191	2,216

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

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

Table 19

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Planning and Development										
Total building permits issued	2,000	2,024	2,059	2,276	2,283	1,957	2,015	1,965	2,303	2,440
Estimated building cost	\$ 385,865,486	\$ 593,559,207	\$ 414,586,125	\$ 448,913,149	\$ 502,609,225	\$ 617,187,924	\$ 551,240,708	\$ 443,609,792	\$ 549,425,210	\$ 643,686,232
New commercial construction permits	38	62	45	40	50	31	76	68	88	39
Commercial construction value	\$ 86,866,172	\$ 189,748,670	\$ 137,075,636	\$ 116,870,836	\$ 138,433,381	\$ 295,268,496	\$ 85,798,573	\$ 115,488,838	\$ 166,577,215	\$ 186,213,017
New residential construction permits	359	343	335	337	481	329	413	415	540	375
Residential construction value	\$ 96,044,242	\$ 92,447,772	\$ 89,366,181	\$ 97,554,075	\$ 130,595,311	\$ 108,394,465	\$ 125,590,680	\$ 131,972,141	\$ 166,474,819	\$ 169,820,056
Fire										
Number of uniformed employees	415	415	415	416	416	414	426	426	426	426
Fires and explosions	1,241	1,274	1,302	1,274	1,296	1,288	1,131	1,125	1,257	1,467
Overpressure rupture, explosion, overheat (no fire)	62	76	72	116	-	112	69	125	90	83
Rescue, emergency medical calls	16,312	16,934	17,985	18,455	21,246	21,431	20,280	16,702	15,603	18,426
Hazardous condition, standby	1,233	1,383	1,371	1,384	1,095	1,065	1,088	1,044	787	980
Service calls	1,440	1,503	1,638	1,780	1,882	2,184	2,320	2,646	2,537	3,312
Good intent calls	3,846	3,839	3,419	3,179	3,841	4,301	3,910	3,496	3,023	3,330
False alarm calls	2,770	3,258	4,343	3,790	3,504	4,046	4,155	3,830	4,061	4,787
Natural disaster calls	22	26	17	47	27	46	60	31	8	27
Other calls	140	685	437	-	-	144	117	131	110	140
Total calls	27,481	29,393	30,999	30,441	33,307	35,031	33,556	29,130	27,476	32,552
Police										
Number of uniformed employees	574	574	574	590	593	594	594	594	594	594
Calls for service	158,635	150,367	162,844	162,363	159,051	153,828	153,786	165,460	172,692	223,766
Arrests	8,847	9,289	8,373	9,097	10,321	11,291	11,018	8,173	7,031	7,221
Accidents (fatality and serious injury)	5,029	12,622	12,465	11,200	12,275	12,274	44	54	223	189
Training man hours	37,568	38,507	16,230	30,241	31,000	130,000	111,360	74,056	74,450	72,338
Uniform Crime Reporting (UCR) Part I offenses	17,358	16,494	14,932	16,849	17,030	15,694	15,185	13,362	14,814	14,492
Clearance rate - all crimes	18.83%	20.13%	20.70%	7.23%	15.77%	14.80%	18.19%	22.41%	18.03%	15.01%
Public Works										
Miles of graded and surface treatment	422	422	422	419	419	408	408	408	405	398
Drainage ditches maintained	1,578	1,578	1,578	1,571	1,571	1,571	1,571	1,571	1,569	1,568
Traffic signals repaired	2,568	2,288	2,179	2,096	1,557	1,799	1,707	1,800	1,126	800
Solid Waste/Garbage Collections										
Solid waste disposal monthly service rate	\$ 22.02	\$ 22.02	\$ 22.02	\$ 22.02	\$ 22.02	\$ 22.02	\$ 22.02	\$ 28.90	\$ 29.68	\$ 29.68
On-Call service	26,649	28,148	25,523	28,098	31,124	36,929	40,815	28,017	27,200	28,000
Knuckleboom truck service	8,675	6,864	6,198	9,014	7,379	7,925	7,546	7,201	6,314	7,000
Roll-offs service	2,058	1,935	1,149	1,136	752	769	779	571	884	900
Carts	5,501	5,121	6,667	6,220	5,134	4,993	4,994	1,432	1,859	1,900
Dead animals collected	265	309	328	312	384	520	392	351	443	450
Curbside recycling tonnage	10,287	10,219	9,839	9,381	8,795	8,596	7,682	7,013	6,000	6,000
Class I and IV tonnage	131,773	119,013	124,617	135,104	134,752	136,232	143,020	105,318	131,114	134,000
Yard Waste tonnage	47,881	30,562	27,529	28,978	27,053	23,775	24,200	23,699	22,975	23,000
Parks and Recreation										
Total recorded parks attendance	617,537	613,042	675,314	612,066	599,452	545,888	210,687	158,981	235,863	250,000
Zoo attendance	313,762	307,046	267,314	280,279	265,268	237,653	240,229	101,482	233,020	206,425
Zoo outreach program	37,018	18,700	46,202	22,626	40,424	35,238	20,844	5,520	2,529	2,529

Source: Various city departments.

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

(1) In 2017, the fire department changed systems and was not able to track this information. They anticipate being able to track in the future.

City of Little Rock, Arkansas

Capital Asset Statistics By Function

Last Ten Years

Table 20

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fire Stations	21	21	21	21	21	21	22	22	22	22
Police Stations	10	11	11	11	11	10	10	10	10	10
Public Works										
Miles of Streets	2,461	2,465	2,468	2,478	2,485	2,490	2,490	2,486	2,494	2,501
Miles of paved - permanent streets	2,039	2,046	2,050	2,057	2,066	2,082	2,082	2,082	2,089	2,103
Alleys	63	63	63	63	63	63	63	63	63	63
Waste Disposal										
Miles of storm sewer	361	361	363	367	369	373	373	373	376	379
Miles of sanitary sewer	1,365	1,368	1,375	1,384	1,385	1,385	1,399	1,404	1,404	1,416
Solid waste containers purchased	3,654	2,138	1,740	2,900	4,110	5,220	4,130	1,160	3,480	3,480
Parks and Recreation										
Acreage	6,319	6,077	6,077	6,077	6,078	6,141	6,140	6,140	6,140	6,140
Number of parks	59	62	62	63	63	63	63	63	63	63
Number of playgrounds	46	46	46	42	42	42	44	44	39	41
Number of tennis courts	48	48	48	43	41	41	41	41	34	34
Number of basketball courts	37	37	37	35	35	35	36	36	35	35
Number of museums	1	1	1	1	1	1	1	1	1	1
Number of golf courses	3	3	3	3	3	3	2	2	2	2
Number of ball fields	25	25	29	26	26	25	25	25	30	30
Number of play fields	20	22	22	22	22	20	20	22	22	22
Number of zoos	1	1	1	1	1	1	1	1	1	1
Number of adult centers	1	3	1	1	1	1	1	1	1	1
Number of community centers	5	4	6	6	6	8	8	9	9	9
Number of fitness centers	1	1	1	1	1	1	1	1	1	1
Number of swimming pools	3	2	3	3	3	3	3	3	3	3
Number of soccer fields	9	12	12	13	13	13	13	13	13	13
Number of pavilions	22	28	28	31	33	32	32	32	32	33
Number of pickleball courts	-	-	-	-	-	-	-	-	6	6
Number of volleyball courts	9	8	10	13	13	17	17	17	17	17

Source: Various city departments.

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

(This Page Intentionally Left Blank)

OTHER REQUIRED REPORT



Independent Accountant's Report on Compliance with Certain State Acts

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

We have examined management's assertions that the City of Little Rock, Arkansas (City), complied with the requirements of the *Arkansas Act 15 of 1985* and the following Arkansas statutes during the year ended December 31, 2022.

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

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

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

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

In our opinion, management's assertion that the City of Little Rock, Arkansas, complied, in all material respects, with the aforementioned requirements for the year ended December 31, 2022.

FORVIS,LLP

Little Rock, Arkansas
September 11, 2023

(This Page Intentionally Left Blank)

SINGLE AUDIT SECTION



Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Little Rock, Arkansas (City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 11, 2023, which contained an emphasis of matter paragraph regarding a change in accounting principle. Our report includes a reference to other auditors who audited the financial statements of Central Arkansas Transit Authority, Museum of Discovery, Arkansas Museum of Fine Arts, Little Rock Advertising and Promotion Commission and the Little Rock Ambulance Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Museum of Discovery, Arkansas Museum of Fine Arts Foundation (component unit of Arkansas Museum of Fine Arts), and BlossomOutreach22, Inc. (component unit of Arkansas Museum of Fine Arts), component units included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Museum of Discovery, Arkansas Museum of Fine Arts Foundation and BlossomOutreach22, Inc.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS, LLP

Little Rock, Arkansas
September 11, 2023

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Little Rock, Arkansas's (City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The City's basic financial statements include the operations of the Central Arkansas Transit Authority, Bill and Hillary Clinton National Airport, Little Rock Water Reclamation Authority, and Little Rock Workforce Development Board, which expended \$12,259,761, \$17,847,305, \$6,197,963, and \$3,440,984, respectively, in federal awards, which are not included in the City's schedule of expenditures of federal awards for the year ended December 31, 2022. Our compliance audit, described in the "Opinion on Each Major Federal Program" section above, does not include the operations of these component units because each engaged other auditors to perform separate audits of compliance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

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

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

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

FORVIS, LLP

Little Rock, Arkansas
September 11, 2023

City of Little Rock, Arkansas
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>Department of Commerce</u>				
Direct Program:				
<i>Economic Development Cluster</i>				
Economic Adjustment Assistance	11.307	N/A	\$ -	\$ 113,330
<i>Total Economic Development Cluster</i>			-	113,330
Total Department of Commerce			-	113,330
<u>Department of Housing and Urban Development</u>				
Direct Programs:				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	14.218	N/A	361,562	1,510,515
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	N/A	191,653	191,653
<i>Total CDBG - Entitlement Grants Cluster</i>			553,215	1,702,168
Pass-Through From:				
Arkansas Department of Human Services				
COVID-19 Emergency Solutions Grant Program	14.231	4600047334, 4600047378	-	117,708
Direct Programs:				
HOME Investment Partnerships Program				
HOME Investment Partnerships Program	14.239	N/A	-	1,294,579
Housing Opportunities for Persons with Aids (HOPWA)				
Housing Opportunities for Persons with Aids (HOPWA)	14.241	N/A	353,250	353,250
COVID-19 Housing Opportunities for Persons with Aids (HOPWA)	14.241	N/A	6,014	6,161
<i>Total Housing Opportunities for Persons with Aids (HOPWA)</i>			359,264	359,411
Neighborhood Stabilization Program (Recovery Act Funded)				
Neighborhood Stabilization Program (Recovery Act Funded)	14.256	N/A	-	9,299
Continuum of Care Program	14.267	N/A	-	78,141
Total Department of Housing and Urban Development			912,479	3,561,306
<u>Department of Interior</u>				
Pass-Through From:				
Arkansas Department of Heritage				
Historic Preservation Fund Grants-In-Aid	15.904	19 CLG, 20-CLG-07, 22-CLG-05	-	45,171
Total Department of Interior			-	45,171
<u>Department of Justice</u>				
Direct Program:				
COVID-19 Coronavirus Emergency Supplemental Funding Program				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	N/A	-	119,664
Pass-Through From:				
Arkansas Department of Finance and Administration				
Crime Victim Assistance	16.575	200441-19VG/2019-V2-GX-0010 210441-19VG/2019-V2-GX-0010 190444-18VG/2018-V2-GX-0058 2020-V2-GX-0061	-	98,894
Pass-Through From:				
Arkansas Department of Finance and Administration				
Violence Against Women Formula Grants	16.588	200443-20SL 2018-WF-AX-0042/200442-18SAL 210442-20SL 220442-22SL	-	2,428
Direct Programs:				
Public Safety Partnership and Community Policing Grants				
Public Safety Partnership and Community Policing Grants	16.710	N/A	-	377,845
Edward Byrne Memorial Justice Assistance Grant Program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	49,324	550,614
Byrne Criminal Justice Innovation Program				
Byrne Criminal Justice Innovation Program	16.817	N/A	-	35,540
Body Worn Camera Policy and Implementation				
Body Worn Camera Policy and Implementation	16.835	N/A	-	950
Equitable Sharing Program				
Equitable Sharing Program	16.922	N/A	-	238,551
Total Department of Justice			49,324	1,424,486

City of Little Rock, Arkansas
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>Department of Transportation</u>				
Pass-Through From:				
Arkansas Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction Total Highway Planning and Construction Cluster	20.205	JOB #061552, JOB #061693	\$ -	\$ 1,231,795
			-	1,231,795
Pass-Through From:				
Arkansas Department of Transportation Highway Safety Cluster National Priority Safety Programs Total Highway Safety Cluster	20.616	M-TAP	-	2,288
			-	2,288
Total Department of Transportation			-	1,234,083
<u>Department of Treasury</u>				
Direct Programs:				
Equitable Sharing	21.016	N/A	-	296,141
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	477,081	4,800,752
Total Department of Treasury			477,081	5,096,893
<u>National Endowment for the Arts</u>				
Pass-Through From:				
Arkansas Humanities Council COVID-19 Promotion of the Humanities Federal/State Partnership	45.129	ARP-21-2021	-	13,174
Total National Endowment for the Arts			-	13,174
<u>United States Department of Education</u>				
Pass-Through From:				
Arkansas Department of Education Twenty-First Century Community Learning Centers	84.287C	S287C160004, S287C180004, S287C21004	-	103,660
Arkansas State University COVID-19 Education Stabilization Fund	84.425U	21-117-22	-	125,476
Total United States Department of Education			-	229,136
<u>Executive Office of the President</u>				
Pass-Through From:				
Washington County Arkansas High Intensity Drug Trafficking Areas Program	95.001	2016-43	-	5,752
Total Executive Office of the President			-	5,752
<u>Department of Homeland Security</u>				
Pass-Through From:				
Arkansas Natural Resources Commission Flood Mitigation Assistance	97.029	FEMA-PJ-06-AR-2016-002 FEMA-PJ-06-AR-2017-005	-	475
Pass-Through From:				
Arkansas Department of Emergency Management Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4441-DR-AR	-	131,393
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4518-DR-AR	-	72,776
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			-	204,644
Emergency Management Performance Grants (EMPG)	97.042	EMT-2019-EP-00002-S01 EMT-2020-EP-00003	-	106,899
Homeland Security Grant Program	97.067	EMW-2019-SS-00046 EMW-2020-SS-00046 EMW-2020-SS-00047 EMW-2021-SS-00020-S01 HSGP MMRS 2018 LETPA (LRFD/BOMB) 18 LETPA (LRPD/SWAT) 2018 SHSGP 2017	-	330,142
Total Department of Homeland Security			-	641,685
Total Expenditures of Federal Awards			\$ 1,438,884	\$ 12,365,016

The accompanying notes are an integral part of this Schedule.

City of Little Rock, Arkansas
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the City of Little Rock, Arkansas (City) under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance, or cash flows of the City.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Cost Rate

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

Note 4: Federal Loan Programs

The City did not have any federal loan programs during the year ended December 31, 2022.

City of Little Rock, Arkansas
Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Section I - Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified Qualified Adverse Disclaimer

2. Internal control over financial reporting:

Significant deficiency(ies) identified? Yes None reported

Material weakness(es) identified? Yes No

3. Noncompliance material to the financial statements noted? Yes No

Federal Awards

4. Internal control over major federal awards programs:

Significant deficiency(ies) identified? Yes None reported

Material weakness(es) identified? Yes No

5. Type of auditor's report issued on compliance for major federal programs:

Unmodified Qualified Adverse Disclaimer

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

Yes No

City of Little Rock, Arkansas
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2022

7. Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
14.239	HOME Investment Partnership Program
<i>Highway Planning and Construction Cluster</i>	
20.205	Highway Planning and Construction
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

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

9. Auditee qualified as a low-risk auditee? Yes No

City of Little Rock, Arkansas
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2022

Section II – Financial Statement Findings

Reference Number	Finding
-----------------------------	----------------

No matters are reportable.

City of Little Rock, Arkansas
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2022

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
-----------------------------	----------------

No matters are reportable.

City of Little Rock, Arkansas
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2022

Reference Number	Summary of Finding	Status
No matters are reportable.		

OTHER INFORMATION



City of Little Rock, Arkansas
Schedule of Expenditures of State Awards (Unaudited)
Year Ended December 31, 2022

Program Grantor/Program Title	State Awards
Arkansas Department of Health	
Outdoor Recreation Two Rivers	\$ 136
Arkansas Department of Transportation	
Pass-through Arkansas Department of Heritage ARDOT I440 FDP Interchange Improvement Grant	369,971
Arkansas Department of Health	
Pass-through Arkansas Department of Emergency Management Hazard Mitigation Kanis Road	<u>212,896</u>
Total State Awards	<u><u>\$ 583,003</u></u>