

CITY OF NORTH LITTLE ROCK, ARKANSAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2024



Cover photo by Ember Strange

On the Cover:

The splash pad in Burns Park opened on May 30, 2025. The splash pad was part of the new Funland park rebuilt after the March 31, 2023 tornado destroyed the original Funland. The new park includes state of the art play equipment for all ages and capabilities and the state of the art splash pad. Throughout the Annual Comprehensive Financial Report you will find pictures of the new Funland taken by Jeff Caplinger.

A background image of a playground. In the center, there is a black metal pole with a railroad crossing sign that reads 'CROSS ROAD RAIL SING'. Above the sign is a red light. Below the sign is a red sign that reads 'PLAYGROUND OPEN'. In the foreground, there is a chain-link fence. In the background, there are blue slides, yellow climbing structures, and a red roof. The sky is blue with some clouds.

CITY OF NORTH LITTLE ROCK

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended December 31, 2024

PREPARED BY:

DEPARTMENT OF FINANCE

Ember Strange, Chief Financial Officer

Anita Worley, Assistant Chief Financial Officer

Amanda Bonner, Comptroller

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INTRODUCTORY SECTION



EMBER STRANGE
Chief Financial Officer



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FAX: (501) 975-8830
E-mail: estrange@nlr.ar.gov

June 19, 2025

To the Mayor, Members of the City Council and Citizens of the City of North 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. Pursuant to that option, we hereby issue the Annual Comprehensive Financial Report of the City of North Little Rock for the fiscal year ended December 31, 2024.

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

The City of North Little Rock's financial statements have been audited by Forvis Mazars, LLP, a firm of licensed independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of North Little Rock for the fiscal year ended December 31, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles utilized and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City of North Little Rock's financial statements for the fiscal year ended December 31, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of North 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 available in the City of North Little Rock's Single Audit Section included herein.

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 North Little Rock's MD&A can be found immediately following the report of the independent auditor.

Profile of the Government

The City of North Little Rock was incorporated in 1904. The City is located in the central part of the State of Arkansas, right across the river from the State's capital city. The City of North Little Rock currently occupies a land area of 56.25 square-miles and serves a population of 64,591 as of the 2020 census. The City of North Little Rock is authorized 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 City Council.

The City of North Little Rock operates under the Mayor-Council form of government. Policy-making and legislative authority are vested in the City Council consisting of eight alderman. The City Council is responsible for, among other things, passing ordinances, adopting the budget, and appointing committees. The Mayor is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government and for appointing the various department directors. The City Council and Mayor are elected on a non-partisan basis. The Mayor is elected to serve a four-year term. The council members serve four-year staggered terms with four council members elected every two years. All eight council members are elected by ward and the Mayor is elected at large.

The City of North Little Rock provides a full range of services, including police and fire protection, municipal electric utility services, the construction and maintenance of streets and other infrastructure, trash collection, and recreational activities and cultural events. Several services are provided through separate Boards and Commissions which act as a component of the City of North Little Rock and therefore have been included as an integral part of the City of North Little Rock's financial statements. Additional information regarding the 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 North Little Rock's financial planning and control. All Departments of the City of North Little Rock are required to submit requests for appropriation to the Mayor. The Mayor utilizes these requests as the starting point for developing a proposed budget. The Mayor then presents a proposed budget to the City Council for review. The Council conducts work sessions with staff and conducts public discussions on the proposed budget. Arkansas statutes establish the fiscal year for municipalities as the calendar year and require municipal budgets be submitted to the City Council by December 1 of each year in Mayor-Council forms of government. The appropriated budget is prepared by fund, function (e.g., public safety) and Department (e.g., police). Department Directors may initiate transfers of appropriations within a Department. All amendments to the budget which increase the total amount of a fund must be approved by the City Council. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. These funds include the General Fund, Street Fund, Parks and Recreation Fund, Sales Tax Capital Improvement Fund and the 2023 Sales Tax Capital Improvement Fund. For the General Fund, this comparison is presented on page 20 as part of the basic financial statements for the governmental funds. For the other funds, this comparison is presented beginning on page 120 as part of the other supplementary information.

Factors Affecting Financial Condition

The information to the City of North Little Rock's long term future is best understood when it is considered from the broader perspective of the specific environment within which the City of North Little Rock operates.

Local Economy

The financial conditions in the City of North Little Rock continued to show strong economic growth in 2024. Lowe's completed a 1.2 million square foot distribution center in October 2023. The facility costs approximately \$120 million to build. It is equipped with technology to manage the distribution of home improvement products. Next door to the Lowe's distribution center is the new 1 million square foot Dollar General Distribution Center. Construction on this facility was completed in 2024. This investment totaled \$160 million.

The City's local sales taxes (which represent 65% of General Fund revenue, excluding transfers) decreased 2.3% over the prior year. This decrease is attributed to the recovery efforts of the March 2023 tornado. Many people lost everything and had to rebuild from the ground up.

Long-Term Financial Planning

North Little Rock citizens extended a one half (1/2)-Cent Local Sales Tax in August 2022 that was set to expire in December 2022. The continuation of the tax went into effect on January 1, 2023 and will expire on December 31, 2027. The continuation was a one-half percent tax for capital improvements which will fund a new central fire station, a new Fire Station 11, vehicle and equipment upgrades for public safety, improvements to each community center, additional park upgrades and street, drainage and sidewalk improvements.

Relevant Financial Policies

In May 2020, the City Council adopted a policy which established an emergency reserve within the General Fund. The emergency reserve equals or exceeds 25% of the operating and maintenance budget for the immediately preceding budget year. The Chief Financial Officer shall notify the Mayor and City Council immediately in writing should the balance fall below the minimum reserve level or should pending legislation threaten the required minimum reserve level. At December 31, 2024, the General Fund emergency reserve was approximately \$20.1 million.

Awards and Acknowledgements

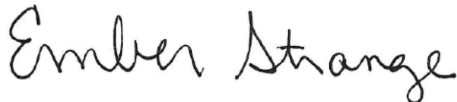
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Little Rock for its annual comprehensive financial report for the fiscal year ended December 31, 2023. This was the fifth consecutive year that the government has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the dedicated efforts of the City's Assistant Chief Financial Officer Anita Worley, Comptroller Amanda Bonner, Senior Accountant Keith Ivey, and Accountant Lauren Jones, as well as the services of the staff of the Finance Department and Human Resources Department. We would like to express appreciation to all members of these departments for their contributions and devotion to meeting the highest standards of accounting and financial reporting. In addition, credit must be given to the City Council and the City Staff for their unfailing support for maintaining the highest standards of professionalism in the management of the City of North Little Rock finances.

Respectfully submitted,



Ember Strange
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of North Little Rock
Arkansas**

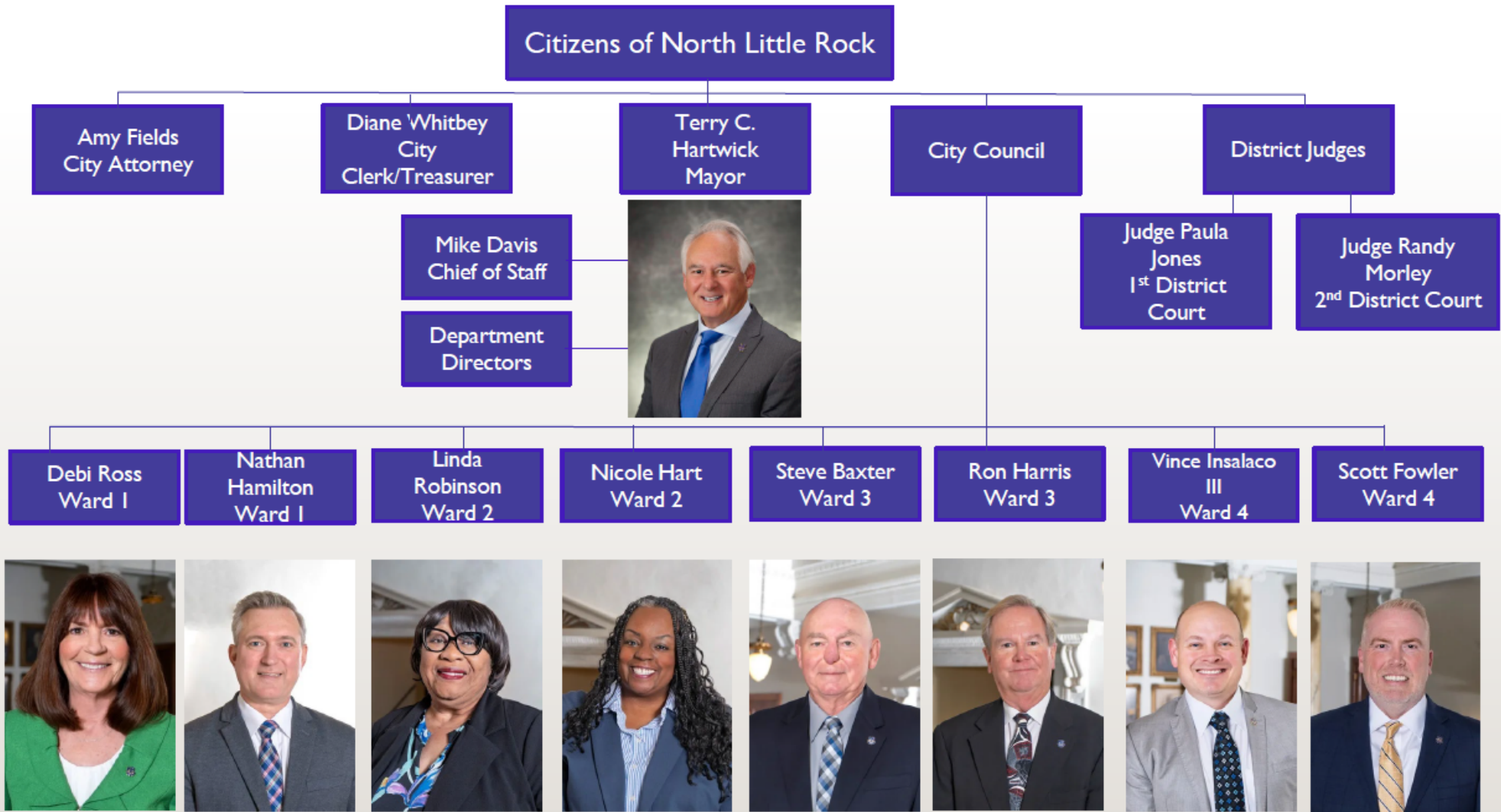
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF NORTH LITTLE ROCK ORGANIZATIONAL CHART



City of North Little Rock, Arkansas

List of Principal Officials Year Ended December 31, 2024

Chief of Staff	Mike Davis
Police Chief	Patrick Thessing
Fire Chief	Gerald Tucker
Chief Financial Officer	Ember Strange
North Little Rock Electric Department	Ryan Wilson
Animal Services	Adam Tindall
Code Enforcement	Felecia McHenry
Construction and Building Services	Mary Beth Bowman
Communications	Shara Brazear
Community Development	Bailey Noland
Economic Development	Colleen Bailey
Emergency Services	Kim Francisco
Engineering	David Cook
Fit 2 Live	Vacant
Hays Senior Center	Dustin Free
History Commission	Sandra Smith
Human Resources	Betty Anderson
Information Technology	John Barber
Neighborhood Services	Dan Scott
Planning	Shawn Spencer
Safety/Parks and Recreation	Kenny Stephens
Sanitation	Condo Breedlove
Streets	Patrick Lane
Vehicle Maintenance	Kenny Brock

FINANCIAL SECTION



Independent Auditor's Report

Members of the City Council and
Honorable Terry C. Hartwick, Mayor
City of North 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 North Little Rock, Arkansas (City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, 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 North Little Rock Waste Water Utility and North Little Rock Advertising and Promotion Commission, component units of the City, which represent 87%, 87%, and 84%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units as of December 31, 2024. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these discretely presented component units, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Dallas, Texas
June 19, 2025**

City of North Little Rock, Arkansas
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2024

Management of the City of North Little Rock (City) provides this Management's Discussion and Analysis. This narrative overview of the City's financial activities is for the year ended December 31, 2024. We encourage readers to consider the information presented in conjunction with the City's financial statements, which follow.

Financial Highlights

The total assets and deferred outflows of resources of the City exceeded its total liabilities and deferred inflows of resources as of December 31, 2024 by \$322,351,493 (presented as "net position"). Unrestricted net position is \$25,979,184.

- The City's total net position increased by \$31,711,185 in 2024. Net position of governmental activities increased by \$23,303,036. Net position of business-type activities increased \$8,408,149.
- As of December 31, 2024, the City's governmental funds reports combined ending fund balances of \$87,709,381 an increase of \$7,146,003 from 2024. Approximately 42% of this amount, \$37,011,697 is available for spending at the City's discretion (unassigned fund balance).
- As of December 31, 2024, the unassigned fund balance for the General Fund was \$37,020,668 or 38% of total General Fund expenditures.
- As of December 31, 2024, the net position of the proprietary funds totaled \$183,923,132. Net position increased by \$8,408,149 during the year ended December 31, 2024.
- As of December 31, 2024, net position of fiduciary funds was \$66,788,893. There was an increase of \$7,184,685 in the total fiduciary net position restricted for pension benefits for the year ended December 31, 2024 due to improvements in the market conditions.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

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 a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods, such as uncollected property taxes and earned but unused compensated absences.

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

City of North Little Rock, Arkansas
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2024

The governmental activities of the City include general government (financial and administration), public safety, public works, community development, street, and parks and recreation. The business-type activities of the City include the City's Electric Department.

The government-wide financial statements include not only the City of North Little Rock (known as the primary government) but also legally separate component units. These consist of the North Little Rock Waste Water Utility, the North Little Rock Public Library System, the North Little Rock Airport Commission and the North Little Rock Advertising and Promotion Commission. Financial information for the component units are reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on pages 12-15 of this reporting package.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal 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 effect 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 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the ARPA Fund, and the Grant Fund, which are considered to be major funds. Data for the other 10 governmental funds is 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 16-19 of this reporting package. A budget to actual comparison for the General Fund can be found on page 20 of this reporting package. Budgets for various special revenue and capital projects funds can be found on pages 120-123.

Proprietary Funds

The City maintains one type of proprietary fund. An enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its electric operations. The basic proprietary fund financial statements can be found on pages 21-24 of this reporting package.

City of North Little Rock, Arkansas
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2024

Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has one fiduciary fund, the Non-Uniformed Employees Retirement Fund.

The basic fiduciary fund financial statements can be found on pages 25-26 of this reporting package.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 30-90 of this reporting package.

Other Information

In addition to the basic financial statements and accompanying notes, this report also includes certain required supplementary information and additional financial schedules. These can be found on pages 91-123 of this reporting package.

Government-Wide Financial Analysis

The following table looks at the City as a whole and provides a summary of its net position for 2024 compared to 2023:

City of North Little Rock, Arkansas Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 107,914,407	\$ 105,896,263	\$ 86,143,919	\$ 84,100,011	\$ 194,058,326	\$ 189,996,274
Capital, lease, and subscription assets	177,253,010	161,217,254	129,375,253	128,068,444	306,628,263	289,285,698
Total assets	285,167,417	267,113,517	215,519,172	212,168,455	500,686,589	479,281,972
Deferred outflows of resources	27,609,073	37,055,565	966,941	2,236,894	28,576,014	39,292,459
Total assets and deferred outflows of resources	312,776,490	304,169,082	216,486,113	214,405,349	529,262,603	518,574,431
Long-term liabilities	154,646,589	164,093,333	18,778,863	22,820,191	173,425,452	186,913,524
Other liabilities	9,752,701	15,182,986	12,869,663	15,380,498	22,622,364	30,563,484
Total liabilities	164,399,290	179,276,319	31,648,526	38,200,689	196,047,816	217,477,008
Deferred inflows of resources	9,948,839	9,767,438	914,455	689,677	10,863,294	10,457,115
Net investment in capital assets	164,397,705	149,323,912	119,871,318	115,367,289	284,269,023	264,691,201
Restricted	10,297,319	12,612,466	1,805,967	1,786,631	12,103,286	14,399,097
Unrestricted	(36,266,663)	(46,811,053)	62,245,847	58,361,063	25,979,184	11,550,010
Total net position	138,428,361	115,125,325	183,923,132	175,514,983	322,351,493	290,640,308
Total liabilities, deferred inflows of resources, and net position	<u>\$ 312,776,490</u>	<u>\$ 304,169,082</u>	<u>\$ 216,486,113</u>	<u>\$ 214,405,349</u>	<u>\$ 529,262,603</u>	<u>\$ 518,574,431</u>

City of North Little Rock, Arkansas
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2024

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 \$322,351,493 as of December 31, 2024. The largest portion of the City's net position (\$284,269,023 or 88%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, infrastructure, and construction in progress), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$12,103,286 represents resources that are subject to external restrictions on how they may be used. Unrestricted net position, which may be used to meet ongoing obligations of the City, totaled \$25,979,184.

Analysis of the City's Operations

The following table provides a summary of the City's operations for the year ended December 31, 2024 and 2023. Governmental activities increased the City's net position by \$23,303,036 for the year ended December 31, 2024. Total revenues, excluding transfers, decreased approximately \$10 million compared to the prior year. However, governmental revenues, excluding transfers exceeded governmental expenditures by approximately \$10 million contributing to the increase in net position. In 2023 the City was struck by an EF3 tornado resulting in millions of dollars of one-time unplanned expenditures that did not carryover to the current year. The increase in net position is also attributed to transfers in of \$13.9 million from the Electric Department.

At the end of 2024, operating grants and contributions in governmental funds were approximately \$14 million less than the prior year and \$3.2 million less than the prior year in the business-type activities. These changes are primarily associated with the FEMA Disaster Aid funding as a result of the March 31, 2023 tornado.

Grants not restricted to specific programs increased approximately \$875,000 in the current year. In 2022, the City received its second tranche of ARPA funding and continued spending the first tranche. In 2024, the City expended the remaining ARPA funds on two pumper trucks, a line truck and a bucket truck.

Miscellaneous revenue increased by approximately \$2 million as a result of properties that were sold in 2024 that were no longer available for sale, specifically, property sold in downtown to Argenta Hospitality for the future site of the Tempo by Hilton hotel.

General government expense decreased approximately \$16.4 million over the prior year. This decrease is primarily a result of the March 31, 2023 tornado and the costs associated with debris removal around the City and in Burns Park in 2023.

The increase in public safety expense is primarily associated with the raises associated with the police and fire union contracts and increased overtime costs.

The decrease in public works expense is due to the Burns Park pavement repairs that were a result of the tornado that occurred on March 31, 2023.

The increase in street and traffic expense in 2024 is primarily associated with a 2.5% raise given at the beginning of the year.

The decrease in culture and recreation is associated with one time expenses in 2023 related to the 2023 tornado.

City of North Little Rock, Arkansas
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2024

In 2024, net position of business-type activities increased by approximately \$8.4 million. Charges for services decreased approximately \$4 million due to less kWh usage as weather was milder than the previous year and one of the Electric Department's largest customers closing operations in October 2023, which reduced demand significantly during 2024. The majority of the Electric Department operating revenue is derived from residential and commercial customers. Operating expenses decreased in 2024 as well due to below average power costs, resulting in the increase in net position.

City of North Little Rock, Arkansas
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	\$ 12,130,730	\$ 10,968,870	\$ 102,263,034	\$ 106,771,617	\$ 114,393,764	\$ 117,740,487
Operating grants and contributions	2,202,404	16,153,352	287,128	3,443,908	2,489,532	19,597,260
Capital grants	5,002,001	4,773,558	-	-	5,002,001	4,773,558
General revenues						
Taxes	99,853,696	100,428,185	-	-	99,853,696	100,428,185
Franchise taxes	4,283,043	4,587,543	-	-	4,283,043	4,587,543
Grants not restricted to specific programs	2,982,271	2,109,603	-	-	2,982,271	2,109,603
Investment income	2,648,766	2,642,811	1,838,285	1,858,330	4,487,051	4,501,141
Miscellaneous	2,898,696	899,707	-	-	2,898,696	899,707
Total revenues	132,001,607	142,563,629	104,388,447	112,073,855	236,390,054	254,637,484
Expenses						
General government	33,822,606	50,216,265	-	-	33,822,606	50,216,265
Public safety	58,016,021	44,671,828	-	-	58,016,021	44,671,828
Public works	2,383,848	2,959,471	-	-	2,383,848	2,959,471
Street and traffic	9,233,849	8,950,164	-	-	9,233,849	8,950,164
Health and sanitation	7,131,884	7,088,623	-	-	7,131,884	7,088,623
Community development	1,019,042	950,774	-	-	1,019,042	950,774
Culture and recreation	10,788,074	11,935,917	-	-	10,788,074	11,935,917
Interest and agent fees	253,247	296,603	-	-	253,247	296,603
Electric department	-	-	82,030,298	82,204,333	82,030,298	82,204,333
Total expenses	122,648,571	127,069,645	82,030,298	82,204,333	204,678,869	209,273,978
Increases in net position before transfers	9,353,036	15,493,984	22,358,149	29,869,522	31,711,185	45,363,506
Transfers	13,950,000	13,649,346	(13,950,000)	(13,649,346)	-	-
Increase in net position	23,303,036	29,143,330	8,408,149	16,220,176	31,711,185	45,363,506
Net position, beginning of year	115,125,325	85,981,995	175,514,983	159,294,807	290,640,308	245,276,802
Net position, end of year	\$ 138,428,361	\$ 115,125,325	\$ 183,923,132	\$ 175,514,983	\$ 322,351,493	\$ 290,640,308

Financial Analysis of Governmental and Proprietary Funds

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

City of North Little Rock, Arkansas
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2024

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$87,709,381. Approximately 42% of this total amount or \$37,011,697 constitutes unassigned fund balances available for spending. The remainder of the fund balances are either nonspendable, restricted, committed, or assigned by designation by management for encumbrances. These amounts are \$1,797,726, \$7,779,819, \$38,280,166, and \$2,839,973, respectively.

The General Fund is the chief fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$37,020,668 while total fund balance was \$61,493,566. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the fund's total operational expenditures. Unassigned fund balance represents 38% of total expenditures, while total fund balance represents 64% of that same amount. The General Fund's fund balance increased by \$7,555,933 during the current fiscal year. Total revenues increased approximately \$0.7 million. Expenditures decreased \$8,905,968. This decrease was a result of one time expenses related to the March 31st tornado for debris removal and emergency protective measures, the purchase of the Barber College building in Downtown North Little Rock and construction of the water and wastewater infrastructure at the Tulip Farms development in 2023.

The ARPA fund is being used to account for federal grants related to the pandemic. Resources in this fund will be used in accordance with federal regulations. The ARPA Fund's fund balance decreased \$390,242 to zero at the end of the year. The City planned expenditures to ensure funds were spent by the end of 2024.

The Grant Fund accounts for grant funds received for various programs. These monies are expended to satisfy purposes as outlined by each federal program. Grant fund revenue and associated expenditures decreased approximately \$14.7 million in 2024. This decrease is associated with the FEMA Disaster Aid Funding as a result of the March 31, 2023 tornado, resulting in less expenditures in 2024.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Electric Department totaled \$62,245,847 as of December 31, 2024. The Electric Department's net position increased \$8,408,149. Charges for services decreased approximately \$4 million due to less kWh usage as weather was milder than the previous year and one of the Electric Department's largest customers closing operations in October 2023, which reduced demand significantly during 2024. The majority of the Electric Department operating revenue is derived from residential and commercial customers. Operating expenses decreased in 2024 as well due to below average power costs, resulting in the increase in net position.

General Fund Budgetary Highlights

Each January the departments evaluate their outstanding purchase orders that need to be rolled forward to the current year budget. In 2024 there was approximately \$3 million in outstanding purchase orders from 2023 rolled forward. The City also made other revisions to the original revenues and budgeted expenditures as necessary during the year, as approved by the City Council. However, all departments remained diligent in keeping expenditures within budget. The final amended General Fund budgeted expenditures totaled \$101,073,513 as compared to the original budgeted expenditures of \$91,907,815 an increase of \$9,165,698. The majority of this increase in budgeted expenditures was an increase in capital outlay of \$4,885,956. Capital expenditures are typically spent out of one of the capital improvement funds, however there are times when the budget is amended for capital expenditures out of the general fund. In this case, the capital expenditures are budgeted in the Special Appropriations division. This increase was due to several amendments: an amendment for costs associated with the North Little Rock Event Center, costs of completing the Rose City Health Clinic not spent in the prior year, and renovations to the history commission. Additionally, approximately \$1.6 million of the budgeted increase in expenditures is due to increase in public safety costs.

City of North Little Rock, Arkansas
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2024

Actual revenue exceeded the general fund amended budget by approximately \$4 million at the end of 2024. The favorable variance is primarily associated with higher than anticipated tax revenues due to continued increased costs of goods and services. Final budgeted revenue exceeded the original budget by approximately \$5.4 million. The original revenue was based on historical trends. The increase in sales tax was not foreseen at the beginning of the year, it was expected to taper off.

Capital, Lease and Subscription Assets

The City's investment in capital, lease and subscription assets for its governmental and business-type activities as of December 31, 2024 amounts to \$306,628,263 net of accumulated depreciation/amortization. This investment in capital, lease and subscription assets includes land, buildings and improvements, furniture, machinery and equipment, computer equipment, utility infrastructure, infrastructure assets, and vehicles. Major capital asset events during the current fiscal year included the following:

- Additions to governmental buildings totaling \$476,002.
- Additions to governmental land of \$842,258.
- Additions to governmental land improvements of \$113,963.
- Additions to governmental vehicles of \$3,235,357.
- Additions to governmental equipment of \$1,879,082.
- Additions to governmental CIP of \$18,829,697 primarily related to the construction of Fire Station 11, Central Fire Station, Funland and renovations related to the Animal Shelter and North Little Rock Community Center.
- Additions to the Electrical system CIP of \$10,046,228.
- Additions to the Electrical system plant and equipment totaling \$2,961,238.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and land rights	\$ 11,432,480	\$ 11,512,894	\$ 2,382,960	\$ 2,382,960	\$ 13,815,440	\$ 13,895,854
Construction in progress	16,622,815	16,241,889	12,409,625	12,016,108	29,032,440	28,257,997
Utility system plant and equipment	-	-	322,547,441	318,136,766	322,547,441	318,136,766
Infrastructure	77,635,730	69,221,327	-	-	77,635,730	69,221,327
Buildings	97,279,731	87,309,259	-	-	97,279,731	87,309,259
Land improvements	11,048,906	10,159,589	-	-	11,048,906	10,159,589
Vehicles	36,833,383	34,217,582	-	-	36,833,383	34,217,582
Equipment	39,030,322	37,085,920	-	-	39,030,322	37,085,920
Ships and watercraft	3,677,016	3,673,738	-	-	3,677,016	3,673,738
Subscription assets	1,304,728	466,457	507,186	627,852	1,811,914	1,094,309
Leased equipment	615,333	645,847	-	-	615,333	645,847
Leased building	1,136,205	784,724	-	-	1,136,205	784,724
Accumulated depreciation/amortization	(119,363,639)	(110,101,971)	(208,471,959)	(205,095,242)	(327,835,598)	(315,197,213)
Total	\$ 177,253,010	\$ 161,217,255	\$ 129,375,253	\$ 128,068,444	\$ 306,628,263	\$ 289,285,699

Additional information on the City's capital and leased assets can be found in *Note 5* in the notes to the basic financial statements.

City of North Little Rock, Arkansas
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2024

Debt Administration

At December 31, 2024, the City had \$20,475,211 outstanding debt consisting of revenue bonds, special obligation bonds, financed purchases, and subscription and lease liabilities. Of this debt, \$18,154,643 was secured by specific revenue sources.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenue bonds	\$ -	\$ -	\$ 9,432,646	\$ 12,404,556	\$ 9,432,646	\$ 12,404,556
Bonds payable	8,721,997	9,522,795	-	-	8,721,997	9,522,795
Financed purchases	39,821	91,667	-	-	39,821	91,667
Subscription liability	870,616	183,029	71,289	338,986	941,905	522,015
Lease liability	1,338,842	1,193,699	-	-	1,338,842	1,193,699
Total	<u>\$ 10,971,276</u>	<u>\$ 10,991,190</u>	<u>\$ 9,503,935</u>	<u>\$ 12,743,542</u>	<u>\$ 20,475,211</u>	<u>\$ 23,734,732</u>

Total long-term bonds, financed purchases, and lease liabilities outstanding at December 31, 2024, decreased by \$3,259,521 due to scheduled payments. Additional information regarding the City's long-term debt can be found in *Note 6* of this report.

Economic Factors and Next Year's Budget

The City of North Little Rock has a stable economy with historically consistent and steady growth. The City has strong manufacturing, wholesale and retail trade, healthcare, education, and government sectors. Our central location and access to transportation contributes to the City's development as a regional warehousing and distribution center to companies such as Amazon, Dollar General and Lowe's. The City plans to continue improvements to local infrastructure, invest in its utility systems, support planning and development in the City, and focus on delivery of services to its citizens and customers.

The original 2025 budget for the General Fund includes budgeted revenues of \$95,334,825 including net transfers in of \$6,957,939, and expenditures of \$95,332,729.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, City of North Little Rock, 700 W. 29th Street, North Little Rock, Arkansas 72114.

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

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and cash equivalents	\$ 28,567,287	\$ 35,351,316	\$ 63,918,603	\$ 15,264,695
Investments	40,709,290	13,903,323	54,612,613	13,826,625
Accounts receivable - net of allowance	34,183,135	5,827,792	40,010,927	9,549,799
Lease receivable	409,349	-	409,349	1,811,465
Prepays	1,797,726	2,376,708	4,174,434	1,359,079
Inventories	-	13,704,258	13,704,258	48,508
Restricted cash and cash equivalents	645,135	9,528,185	10,173,320	6,011,513
Notes receivable	-	1,155,000	1,155,000	158,380
Internal balances	1,602,485	(1,602,485)	-	-
Unbilled revenues	-	5,899,822	5,899,822	-
Capital assets - nondepreciable	28,055,295	14,792,585	42,847,880	12,278,893
Capital, lease, and subscription assets - depreciable, net	149,197,715	114,582,668	263,780,383	146,307,866
Total assets	285,167,417	215,519,172	500,686,589	206,616,823
Deferred Outflows of Resources				
Deferred amount related to pensions	27,078,460	893,468	27,971,928	3,757,063
Deferred amount related to OPEB	530,613	73,473	604,086	-
Total deferred outflows of resources	27,609,073	966,941	28,576,014	3,757,063
Total assets and deferred outflows of resources	\$ 312,776,490	\$ 216,486,113	\$ 529,262,603	\$ 210,373,886

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

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities				
Accounts payable	\$ 3,275,335	\$ 822,983	\$ 4,098,318	\$ 2,166,776
Accrued expenses	3,479,430	1,041,816	4,521,246	3,430,131
Unearned revenue	132,716	-	132,716	-
Accrued interest payable	52,572	86,065	138,637	-
Noncurrent Liabilities				
Due within one year				
Bonds and loan payable	817,601	3,027,646	3,845,247	4,602,344
Financed purchase	39,821	-	39,821	-
Lease liability	191,855	-	191,855	-
Subscription liability	365,044	49,487	414,531	12,991
Compensated absences	1,214,706	162,300	1,377,006	1,243,647
Total OPEB liability	183,621	-	183,621	-
Customer deposits	-	7,679,366	7,679,366	-
Due in more than one year				
Bonds and loan payable, net of amortized premiums	7,904,396	6,405,000	14,309,396	35,476,977
Lease liability	1,146,987	-	1,146,987	-
Subscription liability	505,572	21,802	527,374	13,389
Reserve for bio-solid disposal	-	-	-	1,168,750
Net pension liability	131,145,252	10,343,362	141,488,614	5,936,923
Total OPEB liability	2,196,552	260,118	2,456,670	143,914
Compensated absences	11,747,830	1,748,581	13,496,411	257,520
Total liabilities	164,399,290	31,648,526	196,047,816	54,453,362
Deferred Inflows of Resources				
Deferred amounts related to pensions	5,639,798	345,684	5,985,482	1,650,042
Deferred amount related to OPEB	3,905,226	568,771	4,473,997	-
Lease related	403,815	-	403,815	1,777,458
Total deferred inflows of resources	9,948,839	914,455	10,863,294	3,427,500
Net Position				
Net investment in capital assets	164,397,705	119,871,318	284,269,023	115,157,685
Restricted				
Debt service	1,106,050	1,805,967	2,912,017	5,432,097
Street and traffic	6,125,874	-	6,125,874	-
Parks and recreation	1,995,642	-	1,995,642	-
Community development	2,262	-	2,262	-
Police - equitable sharing	292,855	-	292,855	-
Drainage improvement	774,636	-	774,636	-
Airport	-	-	-	1,340,099
Library	-	-	-	33,296
Unrestricted	(36,266,663)	62,245,847	25,979,184	30,529,847
Total net position	138,428,361	183,923,132	322,351,493	152,493,024
Total liabilities, deferred inflows of resources and net position	\$ 312,776,490	\$ 216,486,113	\$ 529,262,603	\$ 210,373,886

City of North Little Rock, Arkansas
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 33,822,606	\$ 6,076,250	\$ 50,899	\$ 594,505
Public safety	58,016,021	2,064,087	224,672	119,178
Public works	2,383,848	-	-	3,286,707
Street and traffic	9,233,849	141,404	-	-
Health and sanitation	7,131,884	1,755,727	-	-
Community development	1,019,042	-	-	-
Culture and recreation	10,788,074	2,093,262	1,926,833	1,001,611
Interest and fiscal charges	253,247	-	-	-
Total governmental activities	<u>122,648,571</u>	<u>12,130,730</u>	<u>2,202,404</u>	<u>5,002,001</u>
Business-type activities				
Electric Department	82,030,298	102,263,034	287,128	-
Total business-type activities	<u>82,030,298</u>	<u>102,263,034</u>	<u>287,128</u>	<u>-</u>
Total primary government	<u>\$ 204,678,869</u>	<u>\$ 114,393,764</u>	<u>\$ 2,489,532</u>	<u>\$ 5,002,001</u>
Component Units				
Component units	35,643,846	30,581,924	131,411	1,634,416
Total component units	<u>\$ 35,643,846</u>	<u>\$ 30,581,924</u>	<u>\$ 131,411</u>	<u>\$ 1,634,416</u>
General Revenues and Transfers				
General revenues:				
Sales taxes				
Other taxes				
Franchise taxes				
Grants not restricted to specific programs				
Investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (27,100,952)	\$ -	\$ (27,100,952)	\$ -
(55,608,084)	-	(55,608,084)	-
902,859	-	902,859	-
(9,092,445)	-	(9,092,445)	-
(5,376,157)	-	(5,376,157)	-
(1,019,042)	-	(1,019,042)	-
(5,766,368)	-	(5,766,368)	-
(253,247)	-	(253,247)	-
(103,313,436)	-	(103,313,436)	-
-	20,519,864	20,519,864	-
-	20,519,864	20,519,864	-
<u>\$ (103,313,436)</u>	<u>\$ 20,519,864</u>	<u>\$ (82,793,572)</u>	<u>\$ -</u>
			(3,296,095)
			<u>\$ (3,296,095)</u>
78,972,144	-	78,972,144	10,179,788
20,881,552	-	20,881,552	4,993,275
4,283,043	-	4,283,043	-
2,982,271	-	2,982,271	-
2,648,766	1,838,285	4,487,051	1,182,621
2,898,696	-	2,898,696	250,112
13,950,000	(13,950,000)	-	-
126,616,472	(12,111,715)	114,504,757	16,605,796
23,303,036	8,408,149	31,711,185	13,309,701
115,125,325	175,514,983	290,640,308	139,183,323
<u>\$ 138,428,361</u>	<u>\$ 183,923,132</u>	<u>\$ 322,351,493</u>	<u>\$ 152,493,024</u>

City of North Little Rock, Arkansas
Balance Sheet
Governmental Funds
December 31, 2024

	General	ARPA	Grant	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 14,033,479	\$ -	\$ -	\$ 14,533,808	\$ 28,567,287
Investments	33,830,173	-	-	6,879,117	40,709,290
Property taxes receivable - net of allowance	11,530,043	-	-	2,674,143	14,204,186
Sales tax receivable	11,776,925	-	-	2,232,574	14,009,499
Franchise tax receivable	442,264	-	-	-	442,264
Accounts receivable	810,664	-	-	-	810,664
Leases receivable	409,349	-	-	-	409,349
Due from other governments	12,245	-	4,334,591	369,686	4,716,522
Due from other funds	6,469,936	-	2,498	4,026,973	10,499,407
Prepays	1,517,118	-	-	280,608	1,797,726
Restricted cash equivalents	-	-	-	645,135	645,135
Total assets	<u>\$ 80,832,196</u>	<u>\$ -</u>	<u>\$ 4,337,089</u>	<u>\$ 31,642,044</u>	<u>\$ 116,811,329</u>
Liabilities					
Accounts payable	\$ 1,827,506	\$ -	\$ 79,960	\$ 1,367,870	\$ 3,275,336
Accrued expenses	3,152,664	-	2,790	323,976	3,479,430
Unearned revenue	6,468	-	126,248	-	132,716
Due to other funds	3,468,224	-	4,137,062	1,291,636	8,896,922
Total liabilities	<u>8,454,862</u>	<u>-</u>	<u>4,346,060</u>	<u>2,983,482</u>	<u>15,784,404</u>
Deferred Inflows of Resources					
Unavailable revenue - property taxes	10,479,953	-	-	2,433,776	12,913,729
Lease related	403,815	-	-	-	403,815
Total deferred inflows of resources	<u>10,883,768</u>	<u>-</u>	<u>-</u>	<u>2,433,776</u>	<u>13,317,544</u>
Fund Balances					
Nonspendable	1,517,118	-	-	280,608	1,797,726
Restricted for					
Debt service	-	-	-	837,077	837,077
Street and traffic	-	-	-	3,877,347	3,877,347
Parks and recreation	-	-	-	1,995,642	1,995,642
Community development	-	-	-	2,262	2,262
Police - equitable sharing	-	-	-	292,855	292,855
Drainage improvement	-	-	-	774,636	774,636
Committed	20,115,807	-	-	18,164,359	38,280,166
Assigned	2,839,973	-	-	-	2,839,973
Unassigned	37,020,668	-	(8,971)	-	37,011,697
Total fund balances (deficit)	<u>61,493,566</u>	<u>-</u>	<u>(8,971)</u>	<u>26,224,786</u>	<u>87,709,381</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 80,832,196</u>	<u>\$ -</u>	<u>\$ 4,337,089</u>	<u>\$ 31,642,044</u>	<u>\$ 116,811,329</u>

City of North Little Rock, Arkansas
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2024

Total fund balances – governmental funds	\$ 87,709,381
Amounts reported for governmental activities in the statement of net position are different because	
Capital, lease, and subscription assets, net of accumulated depreciation/amortization used in governmental activities are not current financial resources and therefore are not reported in the governmental funds	177,253,010
Property taxes are recognized as revenue in the period in which levied in the government-wide financial statements, but are reported as unavailable revenue in the governmental funds.	12,913,729
Interest accrued on long-term debt in governmental activities are not due and payable in the current period and therefore are not reported in the governmental funds	(52,572)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds	
Accrued compensated absences	(12,962,536)
Total OPEB liability	(2,380,173)
Net Pension Liability	(131,145,252)
Bonds payable, including premiums	(8,721,997)
Financed purchases	(39,821)
Lease liability	(1,338,842)
Subscription liability	(870,616)
Deferred outflows of resources and deferred inflows of resources, excluding amounts related to leases, represent flows of resources which relate to the future periods and, therefore, are not reported in the funds.	18,064,050
Net position of governmental activities	<u>\$ 138,428,361</u>

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

	General	ARPA	Grant	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes - sales	\$ 66,345,703	\$ -	\$ -	\$ 12,626,441	\$ 78,972,144
Taxes - other	17,691,839	-	-	2,463,832	20,155,671
Franchise fees	4,283,043	-	-	-	4,283,043
Fines and forfeitures	2,057,329	-	-	-	2,057,329
Licenses and permits	4,489,583	-	-	141,404	4,630,987
Charges for services	3,201,239	-	-	2,093,262	5,294,501
Intergovernmental	224,672	2,982,271	5,002,001	2,059,212	10,268,156
Investment earnings	1,769,726	162,753	-	716,287	2,648,766
Miscellaneous	2,645,728	-	58,899	260,502	2,965,129
Total revenues	102,708,862	3,145,024	5,060,900	20,360,940	131,275,726
Expenditures					
General Government					
Administration	3,523,093	-	-	-	3,523,093
City clerk	492,186	-	-	-	492,186
Code enforcement	1,592,001	-	34,000	-	1,626,001
Communication	426,426	-	-	-	426,426
Finance	1,857,715	-	-	-	1,857,715
Information technology	4,301,787	-	-	-	4,301,787
1st district court	674,225	-	-	-	674,225
2nd district court	510,909	-	-	-	510,909
Legal	870,687	-	-	-	870,687
Human resources	965,774	-	-	-	965,774
Planning	1,179,530	-	-	-	1,179,530
Vehicle maintenance	1,338,249	-	-	-	1,338,249
Total general government	17,732,582	-	34,000	-	17,766,582
Animal shelter	1,039,856	-	14,849	-	1,054,705
Community development	-	-	-	1,004,240	1,004,240
Emergency services	2,831,284	-	24,210	-	2,855,494
Fit 2 live	99,861	-	-	-	99,861
Health	97,873	-	-	-	97,873
Neighborhood services	448,179	-	-	-	448,179
Parks and recreation	254,483	-	63,636	9,228,337	9,546,456
Public safety - fire	21,448,576	-	-	-	21,448,576
Public safety - police	30,656,632	-	33,852	17,488	30,707,972
Public works	891,221	-	911,038	543,260	2,345,519
Sanitation	6,481,882	-	-	-	6,481,882
Senior citizens center	1,075,387	-	-	-	1,075,387
Special appropriations	7,699,560	575,754	-	-	8,275,314
Street and traffic	-	-	-	6,949,427	6,949,427
Capital outlay	4,813,944	1,922,045	1,722,482	19,186,003	27,644,474
Debt service					
Principal retirement	622,556	-	-	731,846	1,354,402
Interest and fiscal charges	-	-	-	378,666	378,666
Total expenditures	96,193,876	2,497,799	2,804,067	38,039,267	139,535,009
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,514,986	647,225	2,256,833	(17,678,327)	(8,259,283)
Other Financing Sources (Uses)					
Transfers in	19,076,598	-	-	19,790,937	38,867,535
Transfers out	(19,490,937)	(1,037,467)	(2,215,031)	(2,174,100)	(24,917,535)
Leases and Subscriptions	1,455,286	-	-	-	1,455,286
Total other financing sources (uses)	1,040,947	(1,037,467)	(2,215,031)	17,616,837	15,405,286
Net Change in Fund Balances	7,555,933	(390,242)	41,802	(61,490)	7,146,003
Fund Balances (Deficit), Beginning of Year	53,937,633	390,242	(50,773)	26,286,276	80,563,378
Fund Balances (Deficit), End of Year	\$ 61,493,566	\$ -	\$ (8,971)	\$ 26,224,786	\$ 87,709,381

City of North Little Rock, Arkansas

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2024**

Net change in fund balances - total governmental funds \$ 7,146,003

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

Governmental funds report capital outlays as expenditures. However, in the
statement of activities, the cost of these assets is allocated over their
estimated useful lives and reported as depreciation/amortization expense.

Capital, lease, and subscription asset purchases	27,644,474
Retirements	(1,217,154)
Depreciation expense	(9,786,990)
Amortization expense	(604,575)

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

725,882

Current year changes in long-term liabilities for compensated absences do
require the use of current financial resources; therefore, they are reported as
expenditures in the governmental funds.

(1,395,250)

Changes to Other Post Employment Benefit (OPEB) liability, net pension liability,
OPEB and pension related deferred outflows and inflows of resources
require the use of current financial resources and therefore are reported
as expenditures in the governmental funds.

766,110

Interest is accrued in the government-wide financial statements but not at the fund
level. This represents the change in the accrual during the period.

4,621

The issuance of long-term debt (e.g., bonds, leases, and subscriptions) 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, discounts, 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.

Principal payments:

Financed purchases	51,846
Bonds payable	680,000
Bond premium amortization	120,798
Lease liability	206,338
Subscription liability	416,219
Issuance of lease and subscription liabilities	<u>(1,455,286)</u>

Change in net position of governmental activities

\$ 23,303,036

City of North Little Rock, Arkansas
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget and Actual - General Fund
For the Year Ended December 31, 2024

	Original Budget	Changes	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues					
Taxes - sales	\$ 62,650,000	\$ 2,750,000	\$ 65,400,000	\$ 66,345,703	\$ 945,703
Taxes - other	9,830,000	700,000	10,530,000	17,691,839	7,161,839
Franchise fees	3,273,850	-	3,273,850	4,283,043	1,009,193
Fines and forfeitures	1,532,400	-	1,532,400	2,057,329	524,929
Licenses and permits	4,572,750	190,000	4,762,750	4,489,583	(273,167)
Charges for services	2,435,000	700,000	3,135,000	3,201,239	66,239
Intergovernmental	5,912,318	-	5,912,318	224,672	(5,687,646)
Investment earnings	1,030,000	358,000	1,388,000	1,769,726	381,726
Miscellaneous	1,844,897	722,625	2,567,522	2,645,728	78,206
Total revenues	93,081,215	5,420,625	98,501,840	102,708,862	4,207,022
Expenditures					
General Government					
Administration	3,638,871	3,547	3,642,418	3,523,093	119,325
City clerk	533,668	-	533,668	492,186	41,482
Code enforcement	1,379,728	250,454	1,630,182	1,592,001	38,181
Communication	426,391	40,000	466,391	426,426	39,965
Finance	1,962,377	-	1,962,377	1,857,715	104,662
Information technology	5,184,525	266,500	5,451,025	4,301,787	1,149,238
1st district court	762,966	-	762,966	674,225	88,741
2nd district court	666,404	-	666,404	510,909	155,495
Legal	957,254	-	957,254	870,687	86,567
Human resources	1,120,442	-	1,120,442	965,774	154,668
Planning	1,231,502	15,062	1,246,564	1,179,530	67,034
Vehicle maintenance	1,378,738	-	1,378,738	1,338,249	40,489
Total general government	19,242,866	575,563	19,818,429	17,732,582	2,085,847
Animal shelter	1,065,074	-	1,065,074	1,039,856	25,218
Emergency services	2,780,480	212,361	2,992,841	2,831,284	161,557
Fit 2 live	151,037	-	151,037	99,861	51,176
Health	105,435	-	105,435	97,873	7,562
Neighborhood services	468,092	-	468,092	448,179	19,913
Parks and recreation	-	-	-	254,483	(254,483)
Public safety - fire	22,574,453	41,254	22,615,707	21,448,576	1,167,131
Public safety - police	29,593,945	1,432,119	31,026,064	30,656,632	369,432
Public works	881,913	-	881,913	891,221	(9,308)
Sanitation	6,061,699	600,000	6,661,699	6,481,882	179,817
Senior citizens center	1,090,593	-	1,090,593	1,075,387	15,206
Special appropriations	7,382,039	1,418,445	8,800,484	7,699,560	1,100,924
Capital outlay	510,189	4,885,956	5,396,145	4,813,944	582,201
Debt service					
Principal retirement	-	-	-	622,556	(622,556)
Interest and fiscal charges	-	-	-	-	-
Total expenditures	91,907,815	9,165,698	101,073,513	96,193,876	4,879,637
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,173,400	(3,745,073)	(2,571,673)	6,514,986	9,086,659
Other Financing Sources (Uses)					
Transfers in	15,824,100	-	15,824,100	19,076,598	3,252,498
Transfers out	(16,997,500)	(746,000)	(17,743,500)	(19,490,937)	(1,747,437)
Leases (as lessee)	-	-	-	1,455,286	1,455,286
Total other financing sources (uses)	(1,173,400)	(746,000)	(1,919,400)	1,040,947	2,960,347
Net Change in Fund Balances	-	(4,491,073)	(4,491,073)	7,555,933	12,047,006
Fund Balances, Beginning of Year	53,937,633	-	53,937,633	53,937,633	-
Fund Balances, End of Year	\$ 53,937,633	\$ (4,491,073)	\$ 49,446,560	\$ 61,493,566	\$ 12,047,006

See Notes to the Financial Statements

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

	Business-Type Activities
	Enterprise Fund Electric Department
Assets	
Current assets	
Cash and cash equivalents	\$ 35,351,316
Investments	13,903,323
Accounts receivable - net of allowance	5,770,655
Other receivables	57,137
Notes receivable	145,000
Unbilled revenues	5,899,822
Materials and supplies	13,704,258
Prepaid expenses	2,376,708
Total current assets	<u>77,208,219</u>
Noncurrent assets	
Restricted cash and cash equivalents	9,528,185
Notes receivable	1,010,000
Total non-current assets	<u>10,538,185</u>
Capital and Subscription Assets	
Property, plant, and equipment	337,340,026
Subscription assets	507,186
Less: accumulated depreciation and amortization	(208,471,959)
Total capital and subscription assets	<u>129,375,253</u>
Total assets	<u>217,121,657</u>
Deferred Outflows of Resources	
Deferred outflows of resources - Pension	893,468
Deferred outflows of resources - OPEB	73,473
Total deferred outflows of resources	<u>966,941</u>
Total assets and deferred outflows of resources	<u>\$ 218,088,598</u>
Liabilities	
Current liabilities	
Accounts payable	\$ 822,983
Accrued expenses and other liabilities	1,041,816
Due to other funds	1,602,485
Bonds payable - current portion	3,027,646
Subscription liability - current portion	49,487
Accrued compensated absences	162,300
Accrued interest payable	86,065
Total current liabilities	<u>6,792,782</u>
Noncurrent liabilities	
Customer deposits payable	7,679,366
Net pension liability	10,343,362
Total OPEB liability	260,118
Accrued compensated absences - noncurrent portion	1,748,581
Bonds payable - noncurrent portion	6,405,000
Subscription liability - noncurrent portion	21,802
Total noncurrent liabilities	<u>26,458,229</u>
Total liabilities	<u>33,251,011</u>
Deferred Inflows of Resources	
Deferred inflows of resources - Pension	345,684
Deferred inflows of resources - OPEB	568,771
Total deferred inflows of resources	<u>914,455</u>
Net Position	
Net investment in capital assets	119,871,318
Restricted for debt service	1,805,967
Unrestricted net position	62,245,847
Total net position	<u>183,923,132</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 218,088,598</u>

City of North Little Rock, Arkansas
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2024

	Business-Type Activities
	Enterprise Fund Electric Department
Operating Revenues	
Sale of electricity, net of uncollectible accounts	\$ 100,416,895
Penalty income	1,324,826
Miscellaneous income	521,313
Total operating revenues	<u>102,263,034</u>
Operating Expenses	
Salaries and fringe benefits	9,865,186
Purchased electricity and transmission costs	50,380,844
Maintenance	4,998,450
Franchise tax	372,210
Depreciation and amortization	10,910,441
Other services and charges	4,780,479
Total operating expenses	<u>81,307,610</u>
Operating Income	<u>20,955,424</u>
Nonoperating Revenues (Expenses)	
Interest and investment income	1,838,285
Interest expense	(512,028)
Trustee fees	(10,000)
Loss on disposal of plant and equipment	(200,660)
Intergovernmental revenue	287,128
Total nonoperating revenues (expenses), net	<u>1,402,725</u>
Income Before Transfers Out	22,358,149
Transfers to Other City Funds	<u>13,950,000</u>
Increase in Net Position	8,408,149
Net Position, Beginning of Year	<u>175,514,983</u>
Net Position, End of Year	<u><u>\$ 183,923,132</u></u>

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City of North Little Rock, Arkansas
Statement of Cash Flows - Proprietary Fund
For the Year Ended December 31, 2024

	Business-Type Activities
	Enterprise Fund
	Electric Department
Cash Flows from Operating Activities	
Receipts from customers	\$ 103,010,940
Payments to vendors	(17,379,702)
Payments for purchase of electricity	(50,380,844)
Payments for taxes	(372,210)
Payments to employees	(9,384,827)
	<u>25,493,357</u>
Net cash provided by operating activities	<u>25,493,357</u>
Cash Flows from Noncapital Financing Activities	
Transfers to other departments	(13,950,000)
Net reduction of notes receivable	145,000
	<u>145,000</u>
Net cash used for noncapital financing activities	<u>(13,805,000)</u>
Cash Flows from Capital and Related Financing Activities	
Repayment of revenue bonds	(2,971,910)
Repayment of subscription liability	(327,653)
Purchase of property, plant, and equipment	(13,007,466)
Interest paid	(489,565)
Proceeds from grants	287,128
Trustee payments	(10,000)
	<u>(16,519,466)</u>
Net cash used for capital and related financing activities	<u>(16,519,466)</u>
Cash Flows from Investing Activities	
Proceeds from sale of investments	31,130,238
Purchase of investments	(29,400,809)
Interest on investments	1,838,285
	<u>1,838,285</u>
Net cash provided by investing activities	<u>3,567,714</u>
Net Decrease in Cash and Cash Equivalents	<u>(1,263,395)</u>
Cash and Cash Equivalents, Beginning of the Year	<u>46,142,896</u>
Cash and Cash Equivalents, End of the Year	<u><u>\$ 44,879,501</u></u>

City of North Little Rock, Arkansas
Statement of Cash Flows - Proprietary Fund (Continued)
For the Year Ended December 31, 2024

	Business-Type Activities
	Enterprise Fund Electric Department
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ 20,955,424
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities	
Depreciation expense	11,559,953
(Increase) Decrease in assets and deferred outflows of resources	
Accounts receivable	750,606
Unbilled revenues	(2,700)
Prepaid expenses	(919,583)
Inventory	(4,542,568)
Deferred outflows of resources	1,227,566
Increase (decrease) in liabilities and deferred inflows of resources	
Accounts payable	(3,090,078)
Accrued expenses	(142,426)
Customer deposits payable	444,370
Pension and OPEB	(1,087,273)
Compensated absences	115,288
Deferred inflows of resources	224,778
Net cash provided by operating activities	<u>\$ 25,493,357</u>
Supplement Disclosure of Noncash Investing, Capital, and Financing Activities	
Addition of subscription assets via long-term obligations	\$ 59,956
Loss on disposal of plant and equipment	\$ 200,660

City of North Little Rock, Arkansas
Statement of Fiduciary Net Position - Fiduciary Fund
December 31, 2024

	Pension Trust Non-Uniformed Employees Retirement
Assets	
Cash and cash equivalents	\$ 11,508,944
Investments, at fair value	
Mutual funds - fixed income	5,476,254
Mutual funds - equities	45,809,499
Corporate bonds	3,977,018
Other assets	17,178
	<hr/>
Total assets	66,788,893
	<hr/>
Net Position	
Net position - restricted for pension benefits	\$ 66,788,893
	<hr/>
Total net position	\$ 66,788,893
	<hr/> <hr/>

City of North Little Rock, Arkansas
Statement of Changes in Fiduciary Net Position - Fiduciary Fund
For the Year Ended December 31, 2024

	Pension Trust Non-Uniformed Employees Retirement
Additions	
Contributions	
Employer	\$ 4,120,409
Members	1,751,561
	<hr/>
Total contributions	5,871,970
	<hr/>
Investment income	
Interest and dividend income	1,463,413
Appreciation in fair value of investments	6,168,648
Less investment expense	(243,796)
	<hr/>
Net investment income	7,388,265
	<hr/>
Total additions	13,260,235
	<hr/>
Deductions	
Benefits paid to participants	5,992,292
Administrative expenses	83,258
	<hr/>
Total deductions	6,075,550
	<hr/>
Change in Net Position	7,184,685
	<hr/>
Net Position Restricted for Pension Benefits, Beginning of Year	59,604,208
	<hr/>
Net Position Restricted for Pension Benefits, End of Year	\$ 66,788,893
	<hr/> <hr/>

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

	Major Component Units			Nonmajor Component Unit	Total Component Units
	Waste Water Utility	North Little Rock Public Library System	Airport Commission	Advertising and Promotion Commission	
Assets					
Cash and cash equivalents	\$ 9,114,470	\$ 3,700,325	\$ 360,364	\$ 2,089,536	\$ 15,264,695
Investments	13,826,625	-	-	-	13,826,625
Accounts receivable, net of allowance	2,610,607	5,035,410	1,884,614	19,168	9,549,799
Leases receivable	-	-	1,811,465	-	1,811,465
Prepaid expenses and other	111,966	-	43,301	219,884	375,151
Inventories	48,264	244	-	-	48,508
Total current assets	25,711,932	8,735,979	4,099,744	2,328,588	40,876,243
Noncurrent Assets					
Restricted assets					
Cash and cash equivalents	2,476,889	33,296	-	-	2,510,185
Certificates of deposits	2,055,030	-	-	1,446,298	3,501,328
Other assets	983,928	-	-	-	983,928
Notes receivable	158,380	-	-	-	158,380
Capital assets, net	141,862,244	2,048,026	10,997,334	3,679,155	158,586,759
Total noncurrent assets	147,536,471	2,081,322	10,997,334	5,125,453	165,740,580
Total assets	173,248,403	10,817,301	15,097,078	7,454,041	206,616,823
Deferred Outflows of Resources					
Deferred outflows from pensions	2,566,940	966,403	9,051	214,669	3,757,063
Total deferred outflows of resources	2,566,940	966,403	9,051	214,669	3,757,063
Total assets and deferred outflows of resources	\$ 175,815,343	\$ 11,783,704	\$ 15,106,129	\$ 7,668,710	\$ 210,373,886
Current Liabilities					
Accounts payable	\$ 236,965	\$ 191,046	\$ 1,109,168	\$ 629,597	\$ 2,166,776
Other accrued liabilities	363,337	-	846,049	2,220,745	3,430,131
Bonds payable - current portion	4,602,344	-	-	-	4,602,344
Subscription liability	-	12,991	-	-	12,991
Compensated absences	998,717	45,445	-	199,485	1,243,647
Total current liabilities	6,201,363	249,482	1,955,217	3,049,827	11,455,889
Noncurrent Liabilities					
Bonds payable - noncurrent portion	35,476,977	-	-	-	35,476,977
Reserve for bio-solids disposal	1,168,750	-	-	-	1,168,750
Net pension liability	2,045,632	2,923,124	112,428	855,739	5,936,923
Total OPEB liability	143,914	-	-	-	143,914
Subscription liability	-	13,389	-	-	13,389
Compensated absences	-	257,520	-	-	257,520
Total noncurrent liabilities	38,835,273	3,194,033	112,428	855,739	42,997,473
Total liabilities	45,036,636	3,443,515	2,067,645	3,905,566	54,453,362
Deferred Inflows of Resources					
Deferred inflows from pensions	1,476,925	111,909	26,221	34,987	1,650,042
Lease related	-	-	1,777,458	-	1,777,458
Total deferred inflows of resources	1,476,925	111,909	1,803,679	34,987	3,427,500
Net Position					
Net investment in capital assets	101,782,923	2,021,646	9,894,706	1,458,410	115,157,685
Restricted - expendable	5,432,097	-	1,340,099	-	6,772,196
Restricted - nonexpendable	-	33,296	-	-	33,296
Unrestricted	22,086,762	6,173,338	-	2,269,747	30,529,847
Total net position	129,301,782	8,228,280	11,234,805	3,728,157	152,493,024
Total liabilities, deferred inflows of resources and net position	\$ 175,815,343	\$ 11,783,704	\$ 15,106,129	\$ 7,668,710	\$ 210,373,886

See Notes to the Financial Statements

City of North Little Rock, Arkansas
Statement of Revenues, Expenses, and Changes in Net Position - Discretely
Presented Component Units
For the Year Ended December 31, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Waste Water Utility	North Little Rock Public Library System	Airport Commission	Advertising & Promotion Commission	
Governmental Activities									
North Little Rock									
Public Library System	\$ 5,715,513	\$ 262,327	\$ 131,411	\$ -	\$ -	\$ (5,321,775)	\$ -	\$ -	\$ (5,321,775)
Advertising and promotion	10,187,529	543,444	-	-	-	-	-	(9,644,085)	(9,644,085)
Total governmental activities	15,903,042	805,771	131,411	-	-	(5,321,775)	-	(9,644,085)	(14,965,860)
Business-type Activities									
Waste water utility	18,567,978	29,229,847	-	-	10,661,869	-	-	-	10,661,869
Airport commission	1,172,826	546,306	-	1,634,416	-	-	1,007,896	-	1,007,896
Total business-type activities	19,740,804	29,776,153	-	1,634,416	10,661,869	-	1,007,896	-	11,669,765
Total component units	<u>\$ 35,643,846</u>	<u>\$ 30,581,924</u>	<u>\$ 131,411</u>	<u>\$ 1,634,416</u>	10,661,869	(5,321,775)	1,007,896	(9,644,085)	(3,296,095)
General Revenues									
Taxes - other					-	4,993,275	-	-	4,993,275
Taxes - sales					-	-	27,169	10,152,619	10,179,788
Investment income					1,129,956	-	5,140	47,525	1,182,621
Other					27,737	16,722	122,210	83,443	250,112
Total general revenues					1,157,693	5,009,997	154,519	10,283,587	16,605,796
Change in Net Position					11,819,562	(311,778)	1,162,415	639,502	13,309,701
Net Position, Beginning of Year					117,482,220	8,540,058	10,072,390	3,088,655	139,183,323
Net Position, End of Year					<u>\$ 129,301,782</u>	<u>\$ 8,228,280</u>	<u>\$ 11,234,805</u>	<u>\$ 3,728,157</u>	<u>\$ 152,493,024</u>

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies

The City of North Little Rock, Arkansas (City) is a municipal corporation operating under the authority of Arkansas state statute. The City is governed by an elected, nine-member council comprised of the Mayor (elected at large) and eight City Council members. The City provides a full range of municipal services. These include police and fire protection, emergency medical services, public works (streets and waste collections), public improvements, electric and sewer services, parks and recreation, planning and zoning, social, cultural, and general administrative services. The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America for state and local governments as defined by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting and reporting policies of the City.

Reporting Entity

The accompanying government-wide financial statements present the financial statements of the City of North Little Rock, Arkansas and its component units. The component units are legally separate entities for which the City is considered to be financially accountable. Financial 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.

Under the provisions of GASB Statement No. 84, *Fiduciary Activities*, which was adopted by the City in 2020, the Retirement System of The City of North Little Rock (The Non-Uniformed Employees Retirement Plan) is presented as a fiduciary component unit in the City's fiduciary fund statements.

The discretely presented component units discussed below are included in the City's reporting entity because of the significance of their operations or financial relationships with the City. The City has no blended component units.

Discretely Presented Component Units

Major Component Units

North Little Rock Waste Water Utility - The North Little Rock Waste Water Utility maintains the City's wastewater facility. The City appoints a majority of the Utility's governing body. The City has the ability to remove appointed members of the Utility's governing body at will.

North Little Rock Public Library System - The North Little Rock Public Library System (Library) provides North Little Rock with library services, receives a financial benefit from the City in the form of property tax revenue, levied by the City but collected by the Library and has had to request subsidies in the past. In addition, the City owns the land and building the main Library is on and the City also appoints a majority of the Library's board.

North Little Rock Airport Commission - The North Little Rock Airport Commission (Airport) operates the municipal airport located within the City. The City appoints a majority of the Commission's board.

There were no significant transactions between the major component units and the City or its other component unit in 2024.

City of North Little Rock, Arkansas
Notes to the Financial Statements
December 31, 2024

Nonmajor Component Unit

North Little Rock Advertising and Promotion Commission - The governing body of the commission is appointed by the City Council. 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 tourism industry.

The North Little Rock Waste Water Utility, the North Little Rock Advertising and Promotion Commission, and the North Little Rock Public Library System issue separately audited financial statements. Copies of which may be obtained from the management of those entities.

Administrative Offices

North Little Rock Waste Water Utility
7400 Baucum Pike
North Little Rock, Arkansas 72202

North Little Rock Public Library System
2801 Orange Street
North Little Rock, Arkansas 72114

North Little Rock Advertising and Promotion Commission
600 Main Street
North Little Rock, Arkansas 72114

Related Organizations

North Little Rock Housing Authority - The North Little Rock Housing Authority was created by state statute and is legally separate from the City. The City appoints the commissioners. However, the City cannot impose its will on the Authority since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the commissioners. The Authority is fiscally independent, and no financial benefit or burden relationship exists with the City. Therefore, it is not included in the City's financial statements.

North Little Rock Public Building Authority - The North Little Rock Public Building Authority was created by state statute and is legally separate from the City. The City appoints the board members. However, the City cannot impose its will on the Authority since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the board of directors. The Authority is fiscally independent, and no financial benefit or burden relationship exists with the City. Therefore, it is not included in the City's financial statements.

Central Arkansas Water - Effective July 1, 2001, the North Little Rock Water Department and the Little Rock Water Department were merged into Central Arkansas Water. The City appoints a minority of the commissioners, and the City cannot impose its will on the entity.

Government-wide and Fund Financial Statements

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

Government-Wide Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component units. Fiduciary activities are excluded from the government-wide statements because they cannot be used to support the City's own programs. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

City of North Little Rock, Arkansas
Notes to the Financial Statements
December 31, 2024

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 is offset by program revenues. Direct expenses are those that are clearly associated with a specific function or identifiable activity. 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 fund. Separate statements for each fund (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 funds are aggregated and reported as nonmajor funds. The City has no nonmajor enterprise funds.

The City reports the following major governmental funds:

General Fund - 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.

ARPA Fund - To account for grant funds received from the Coronavirus State and Local Fiscal Recovery Fund to address the Covid-19 pandemic and the corresponding economic downturn. This fund is designated as a major fund.

Grant Fund - To account for grant funds received for various programs. These monies are expended to satisfy purposes as outlined by each federal program.

The City reports the following major enterprise fund:

North Little Rock Electric Department - This fund accounts for operations of the City's electric utility.

Other funds of the City include the following:

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

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

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

Pension Trust Fund - The pension trust fund accounts for assets held in trust for the Non-Uniformed Employees Retirement Fund. Plan trustees must act in accordance with the specific purposes and terms of the retirement plan.

City of North Little Rock, Arkansas
Notes to the Financial Statements
December 31, 2024

During the course of operations, the City 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. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. 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 funds) are eliminated so that only the net amount is included as internal balances in the governmental activities' column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription liabilities, as well as expenditures related to compensated absences, and claims and judgments and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use lease and subscription assets, are reported as expenditures in governmental funds. Issuance of long term debt and financing through leases and subscriptions are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

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 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.

Budgets and Budgetary Accounting

Annual operating budgets are prepared by the Finance Department on an annual basis. The budget reflects revenues expected to be received and expenditures expected to be incurred during the year. The Mayor is required by City and State law to submit the budget to the City Council for approval. The City Council subsequently adopts the budget by City resolution no later than December 31 of each year. Department expenditures relating to budgeted items may not exceed their appropriated amount without approval. Transfers over budgeted amounts must receive City Council approval. Appropriations for special projects are made each year by the City Council to finance specific events and capital outlays. These projects are carried forward until they are fully expended or repealed by the City Council's resolution. Appropriations lapse at the end of each year.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, certificates of deposit and short-term instruments with original maturities of three months or less at the date of purchase. For purposes of the statement of cash flows of the Enterprise Fund, the City considers all liquid investments, including restricted assets, with original maturities of three months or less to be cash and cash equivalents.

Investments and Investment Income

Generally, investments are stated at fair value or amortized cost and are held by the City in various forms as allowed by the laws of the State of Arkansas. The Electric Department carries debt securities with an original maturity of less than one year at amortized cost. All other investments of the Electric Department are carried at fair value using quoted market prices. Pension fund investments are carried at fair value using quoted market prices. The Waste Water Utility investments in securities are carried at fair value using quoted market prices. The City records all investment income earned in the respective funds. Investment income includes interest income, dividend income, other investment income, realized and unrealized gains and losses on investments carried at fair value (the net change for the year in the fair value of investments carried at fair value), investments carried at other than fair value, and other investment income. Investment income is included in unrestricted net position and is reflected as nonoperating revenue in the statement of revenues, expenses and changes in net position in Proprietary Funds.

Restricted Assets

Certain funds are held by the Governmental and Enterprise funds in accounts restricted for debt service, capital construction, utility operations and maintenance, and customer deposits. These funds are invested in certificates of deposits and securities as allowed by state law and the related debt agreements. The Waste Water Utility restricts certain assets for the payment of debt service, capital improvements, and repairs and maintenance. The North Little Rock Public Library System restricted assets (donor endowment) consist of a certificate of deposit. The Advertising and Promotion Commission restricted assets consist of a certificate of deposit. The principal of the endowment is permanently restricted, while investment income must be spent on reference materials.

Accounts Receivable

Accounts receivable are recorded in the General, Special Revenue, Debt Service, Proprietary fund types, and the component units. The proprietary fund and Waste Water Utility (Utility) accounts receivable are stated at the amounts billed to customers. All funds and the Utility utilize the allowance method of accounting for uncollectible accounts receivable where appropriate. Management uses significant judgment in estimating uncollectible amounts, considering factors such as current overall economic conditions, industry-specific economic conditions, historical customer performance, and anticipated customer performance. While management believes the processes effectively address its exposure to doubtful accounts, changes in economic, industry, or specific customer conditions may require adjustment to the recorded allowance.

City of North Little Rock, Arkansas
Notes to the Financial Statements
December 31, 2024

The electric department has a note receivable balance of \$1,155,000 as of December 31, 2024. The note is payable annually over the next seven years. The stated interest rate per the note is 5.25%.

Allowances have been established for December 31, 2024:

Primary Government

General Fund	\$	915,729
Street Fund		189,095
Baring Cross Debt Service		41,172
Electric Department		139,850

Component Units

Waste Water Utility	\$	10,000
Public Library System		503,541

Lease Receivable

The City is a lessor for noncancellable leases related to land. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental 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 uses the lessee's rate, or the rate disclosed in the agreement. If the rate is not readily available, the City uses its incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease 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.

Inventories

All governmental-type fund inventories are accounted for using the purchase method, whereby inventories are charged to expenditures when purchased. Governmental inventories are immaterial to the government-wide financial statements. Electric Department inventories are valued at the lower of cost or market using the average cost method. Waste Water Utility and North Little Rock Public Library System inventories are valued at the lower of cost or market using the first-in, first-out method.

Prepaid Items

Prepaid balances, which are recognized as expenditures as they are consumed, are for payments made by the City in the current year for services occurring in the subsequent fiscal year, and a reserve for prepaid items has been recorded to signify that portion of the fund balance is not available for subsequent expenditures.

City of North Little Rock, Arkansas
Notes to the Financial Statements
December 31, 2024

Capital Assets

Capital assets, which include infrastructure assets constructed since 1980, are reported in the government-wide financial statements, fund financial statements for the proprietary fund and all Discretely Presented Component Units. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of donation.

In connection with the adoption of GASB Statement No. 34, the City adopted a capitalization policy for infrastructure assets of \$250,000. The City defined machinery and equipment to be capitalized as those assets with value or cost greater than \$2,500 and an estimated useful life greater than one year. The cost of City additions includes contractual work, direct labor, materials and allocable overhead. For the Waste Water Utility, assets are constructed by utility work crews, independent contractors financed by utility funds, contributions to the Utility by independently financed waste water improvement districts, and contributions to the Utility by real estate developers in conjunction with property development. Assets acquired from improvement districts and real estate developers result in donated capital and have been so classified. The North Little Rock Public Library System defines capital assets as assets with an initial cost of more than \$10,000 and a minimum estimated useful life of one year or more. Cost of repairs and maintenance that do not improve or extend the asset lives are charged to operations expense as incurred.

Capital assets are depreciated using the straight-line method over their estimated useful lives ranging from 15 to 50 years for infrastructure, 10 to 40 years for buildings, 5 to 50 years for electric plant, and 3 to 25 years for land improvements, vehicles, and equipment. Depreciation for the Waste Water Utility is provided using the straight-line method over estimated useful lives ranging from three to fifty years. Depreciation for the North Little Rock Public Library System is provided using the straight-line method over estimated useful lives ranging from one to twenty years.

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

Long-Term Obligations

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

Long-term liabilities expected to be financed from governmental fund types are not recorded in the governmental fund financial statements. Payments of principal and interest are recorded as expenditures on the statement of revenues, expenditures and changes in fund balance in the governmental fund financial statements.

In the fund financial statements, governmental fund types recognize debt premiums, as well as debt issuance costs, 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.

Unearned Revenue

Governmental funds report a liability, unearned revenue, in connection with resources that have been received, but not yet earned, which consists primarily of grant dollars received in advance of incurring eligible expenditures.

Lease Assets and Liabilities

The City is a lessee for noncancellable leases of equipment and a building. The City recognizes a lease liability and an intangible right-to-use lease asset (lease 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 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 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 for lease term, whichever is shorter.

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.

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.

Lease assets are reported with capital, lease, and subscription assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Subscription Assets and Liability

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

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

- The City uses the interest rate charged by the subscription-based information technology arrangement (SBITA) vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

City of North Little Rock, Arkansas
Notes to the Financial Statements
December 31, 2024

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

Subscription assets are reported with capital, lease, and subscription assets and subscription liabilities are reported with long-term liabilities on the statement of net position.

Compensated Absences

All full-time employees accumulate vacation and sick leave benefits in varying amounts based upon length of service. Upon termination or retirement, employees are paid for unused, accumulated amounts up to specified maximums. All compensated absences are accrued when incurred in the government-wide financial statements 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 terminations, resignations and retirements. For governmental activities, the liability for compensated absences is generally liquidated from the general fund.

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 (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 total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the City's Health Care Plan and additions to/deductions from the Plan 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents 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 deferred outflows related to pensions and OPEB, consisting of the amount of contributions made to the pension plans after the measurement date, the difference in assumption changes, the difference in projected and actual earnings on investments, changes of proportion 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 years subsequent to the current fiscal year end. The remaining amounts will be amortized to pension expense over future periods.

The City also has deferred outflows related to loss on bond refunding which will be amortized over the life of the refunding bond or new bond, whichever is shorter.

City of North Little Rock, Arkansas
Notes to the Financial Statements
December 31, 2024

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents 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 that time. The City's deferred inflows relate to pensions and OPEB. This consists of the difference between the expected and actual experience, the difference in assumption changes, the difference in projected and actual earnings on investments, and changes of proportion. These amounts are amortized over future periods to pension and OPEB expense.

The City's deferred inflows also include leases in the governmental funds and the government-wide financial statements. These amounts represent the initial value of the lease receivable under GASB 87 systematically reduced and recognized as lease revenue over the term of the lease.

The City's deferred inflows also include unavailable revenues in the governmental funds. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position/Fund Balance

The net position of the government-wide financial statements and proprietary funds of the City are classified in four components.

Net investment in capital assets consists of capital, lease, and subscription assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowings used for acquisition, construction, or improvements of those assets, and adding back unspent proceeds.

Restricted expendable net position represents 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 represents noncapital assets that are required to be maintained in perpetuity as specified by parties external to the City, such as permanent endowments. The City has no restricted nonexpendable net position at December 31, 2024. The North Little Rock Public Library System has restricted nonexpendable net position of \$33,296 at December 31, 2024.

Unrestricted net position represents remaining assets and deferred outflows of resources less remaining liabilities and deferred inflows of resources that do not meet the definition of net investments in capital, lease, and subscription assets or restricted expendable/nonexpendable net position.

The fund balances for the City's governmental funds are displayed in five components:

Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses or inventory) or are required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance - Committed fund balances may be used only for the specific purposes determined by ordinance of the City Council. Commitments may be changed or lifted only by issuance of an ordinance by the City Council.

City of North Little Rock, Arkansas
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Assigned fund balance - assigned fund balances are intended to be used by the City for specific purposes as determined by the Mayor or the City Council. The Mayor is allowed to assign funds up to \$20,000. Any assignment of more than \$20,000 must be approved by the City Council. 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 fund balance – Residual amounts that are available for any purpose; positive amounts are reported only in the general fund.

Flow assumptions - When both restricted and unrestricted amounts of net position/fund balance are available for use for expenses/expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: Committed, then Assigned, and lastly, Unassigned.

Adoption of New Accounting Standards

The City adopted GASB Statement No. 101, *Compensated Absences*, which was effective for the City beginning in fiscal year 2024. The objective of this statement is to better meet the financial statement needs of users by updating the recognition and measurement guidance for compensated absences. Implementation of GASB 101 did not affect beginning net position as of January 1, 2024 and did not have a material impact on the City.

Future Adoption of Accounting Standards

The GASB has issued the following potentially significant statements which the City has not yet adopted, and which require adoption subsequent to December 31, 2024. The City will evaluate the potential impact on the City's net position.

GASB Statement No. 102, *Certain Risk Disclosures*: The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This standard is effective for the City's fiscal year ended December 31, 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements*: The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This standard is effective for the City's fiscal year ended December 31, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*: The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. This standard is effective for the City's fiscal year ended December 31, 2026.

Note 2: Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned, or the City will not be able to recover collateral securities in the possession of an outside party. It is the City's policy to require collateralization of all deposits in excess of federal depository insurance. State 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. Deposits of the City's reporting entity are insured or collateralized with securities held by the City, its agent, or by the pledging financial institution's trust department, or its agent, in the name of the City or applicable public trust. At December 31, 2024, none of the City's primary government bank balances were exposed to custodial credit risk.

At December 31, 2024, none of the City's component unit bank balances were exposed to custodial credit risk.

Summary of Carrying Values

Carrying values below are summarized for the primary government and pension trust fiduciary fund:

Carrying Values

Deposits	\$ 85,600,867
Investments	<u>109,875,384</u>
Total	<u>\$ 195,476,251</u>

Included in the following statement of net position captions for the primary government and pension trust fiduciary fund:

Cash and cash equivalents	\$ 63,918,603
Investments	54,612,613
Restricted cash and cash equivalents	
Cash and cash equivalents	10,173,320
Fiduciary fund	<u>66,771,715</u>
Total	<u>\$ 195,476,251</u>

City of North Little Rock, Arkansas
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Investments

Arkansas statutes authorize the City to invest in direct obligations of the U.S. Government; obligations on which the principal and interest are fully guaranteed, or are fully secured, insured, or covered by commitments or agreements to purchase by the U.S. Government; obligations of agencies and instrumentalities created by acts 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 deposits.

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 U.S. state, municipality, or political subdivision; industrial development bonds for corporate obligors issued through any U.S. state or political subdivision; securities or interest in an open-end or closed-end management type investment company or trust registered under the *Investment Company Act of 1940* with certain limitations; securities or interests 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 the District of Columbia. The pension trust funds are authorized to also invest in common stocks, investment grade corporate bonds, and other appropriate securities.

At December 31, 2024, the City had the following investments and maturities:

Type	Fair Value	Total			
		Maturities in Years			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury obligations	\$ 51,677,438	\$ 51,677,438	\$ -	\$ -	\$ -
U.S. Agencies obligations	6,912,193	-	6,912,193	-	-
Mutual funds	5,476,254	5,476,254	-	-	-
Money market mutual funds	11,661,200	11,661,200	-	-	-
Exchange traded funds	45,809,499	45,809,499	-	-	-
	<u>\$ 121,536,584</u>	<u>\$ 114,624,391</u>	<u>\$ 6,912,193</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk

The City has no formal policy to limit its exposure to fair value losses due to rising interest rates.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the City's name, and are held by either the counterparty to the investment purchase or are held by the counterparty's trust department or agent but not held in the City's name. None of the City's investments owned at December 31, 2024, were subject to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Provisions of debt agreements require that investments by the City in government obligations not directly guaranteed by the U.S. Government be rated no less than Aa by Moody's Investor Service and AA by Standard and Poor's Investor Service. At December 31, 2024, the City's investments not directly guaranteed by the U.S. government were rated as follows:

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

Concentration of Credit Risk

The City places no limit on the amount that the City may invest in any one issuer. The City had amounts deposited in common trust and money market funds totaling \$11,661,200 which are included in cash and restricted cash and cash equivalents at December 31, 2024.

The pension trust fund had the following investments that exceeded 5% of net position:

Nonuniformed Employees' Defined Benefit Plan – FDIC Ultra Insured Fund I, Goldman Sachs Access Investment Grade Corp Bd ETF, Goldman Sachs Activebeta US Large Cap Equity Etf Actvbeta Lrg, Putnam Equity Income Fund Class A Large Cap Value Y, iShares Russell 1000 Growth ETF, iShares Russell Mid-Cap Growth ETF, and iShares Russell Mid-Cap Value ETF.

Foreign Currency Risk

The City has no foreign currency risk as all investments are in U.S. dollar-denominated assets.

Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

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

City of North Little Rock, Arkansas
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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 hierarchy in which the fair value measurements fall at December 31, 2024:

	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Primary Government				
U.S. Treasury obligations	\$ 51,677,438	\$ 51,677,438	\$ -	\$ -
U.S. Agencies obligations	6,912,193	-	6,912,193	-
Mutual funds	5,476,254	5,476,254	-	-
Equities	45,809,499	45,809,499	-	-
Total investments by fair value level	109,875,384	<u>\$ 102,963,191</u>	<u>\$ 6,912,193</u>	<u>\$ -</u>
Investments measured at the amortized cost - Money market mutual funds	<u>11,661,200 *</u>			
Total investments	<u>\$ 121,536,584</u>			

* Included in Cash and Restricted Cash and Cash Equivalents per Report

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 had no investments classified as Level 3 at December 31, 2024.

Note 3: Property Tax Receivable, Deferred Revenue, and Property Tax Calendar

Property taxes are assessed, collected and remitted to the City by Pulaski County. Taxes are levied on November 1 on the assessed value listed as of January 1 of that year for all real and personal property located in the City. Taxes are due and payable on the first Monday in January after the levy and become delinquent after October 16. The majority of collections occur between March and December. As a result, the property tax is not collected within the time frame necessary to finance the liabilities of the current period.

In the governmental funds, property taxes are measurable when levied even though they are not available, and as a result, property taxes receivable and corresponding deferred inflow of resources are recorded on the levy date. In the government-wide financial statements, property taxes receivable and related revenues are recorded on the levy date.

Accordingly, a receivable, net of allowance for doubtful accounts, and a related revenue in the amount of \$14,204,186 has been recognized in the government-wide financial statements, while a receivable of \$14,204,186 and a related unavailable revenue from property taxes of \$12,913,729 have been recognized in the governmental fund statements.

City of North Little Rock, Arkansas
Notes to the Financial Statements
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The North Little Rock Public Library System has recorded a receivable and a related revenue in the amount of \$5,035,410, which is recognized in the Discretely Presented Component Units Statement of Net Position.

Millage rates for 2024 taxes collectible in 2025 were 5.00 for the General Fund, 3.00 for the Library, 1.00 for the Police pension, 1.00 for the Fire pension, and 1.45 for the Street Fund.

Note 4: Lease Receivable

Governmental Activities

The City leases a portion of its property to a business who uses the space to conduct their operations, the terms of which expire in various years through 2061. 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.

The City recognized \$22,407 in lease revenue and \$8,139 in interest revenue during the current fiscal year related to these leases. As of December 31, 2024, the City's receivable for lease payments was \$409,349. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of December 31, 2024, the balance of the deferred inflow of resources was \$403,815.

The following is a schedule by year of minimum payments to be received under the City's leases that are included in the measurement of the lease receivable as of December 31, 2024:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total Receipts
2025	\$ 17,737	\$ 7,565	\$ 25,302
2026	8,053	7,249	15,302
2027	8,202	7,100	15,302
2028	8,354	6,948	15,302
2029	8,508	6,793	15,301
2030-2034	44,963	31,545	76,508
2035-2039	49,282	27,226	76,508
2040-2044	54,015	22,493	76,508
2045-2049	59,202	17,306	76,508
2050-2054	64,888	11,620	76,508
2055-2059	71,120	5,388	76,508
2060-2061	15,025	278	15,303
Total	<u>\$ 409,349</u>	<u>\$ 151,511</u>	<u>\$ 560,860</u>

Discretely Presented Component Unit

The Airport leases a portion of its property to a business who uses the space to conduct their operations, the terms of which expire in various years through 2111. 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 North Little Rock, Arkansas
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The Airport recognized \$20,430 in lease revenue and \$33,614 in interest revenue during the current fiscal year related to these leases. As of December 31, 2024, the Airport's receivable for lease payments was \$1,811,465. Also, the Airport has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of December 31, 2024, the balance of the deferred inflow of resources was \$1,777,458.

The following is a schedule by year of minimum payments to be received under the Airport's leases that are included in the measurement of the lease receivable as of December 31, 2024:

Year Ending December 31,	Airport		Total Receipts
	Principal	Interest	
2025	\$ 8,457	\$ 33,459	\$ 41,916
2026	8,615	33,301	41,916
2027	8,776	33,140	41,916
2028	8,940	32,976	41,916
2029	9,107	32,809	41,916
2030-2034	48,148	161,432	209,580
2035-2039	52,813	156,767	209,580
2040-2044	57,930	151,650	209,580
2045-2049	63,543	146,037	209,580
2050-2054	69,700	139,880	209,580
2055-2059	76,453	133,127	209,580
2060-2064	83,860	125,720	209,580
2065-2069	91,985	117,595	209,580
2070-2074	110,674	98,906	209,580
2075-2079	100,898	108,682	209,580
2080-2084	121,397	88,183	209,580
2085-2089	133,159	76,421	209,580
2090-2094	146,061	63,519	209,580
2095-2099	160,213	49,367	209,580
2100-2104	175,736	33,844	209,580
2105-2109	192,763	16,817	209,580
2110-2111	82,237	1,595	83,832
Total	<u>\$ 1,811,465</u>	<u>\$ 1,835,227</u>	<u>\$ 3,646,692</u>

Regulated Leases

In accordance with GASB 87, the City does not recognize a lease receivable and a deferred inflow of resources for regulated leases in which the City is the lessor. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, between airports and air carriers and other aeronautical users. The City has regulated leases related to its municipal airport. These leases are for use of the land and building space owned by the City. The City had forty regulated leases during the year that had terms exceeding one year. The regulated leases for the City's municipal airport are agreements where the Lessee agrees to use the premises as airport hangars, or either as aircraft charter and freight services, aircraft engine, accessory maintenance and sales, flight instruction, aircraft sales, aircraft rental, hangar storage of aircraft and tiedown of aircrafts. The hangars must be used for aviation purposes meaning having an aircraft in flying condition or in an active state of repair or building. Any other use must be approved by the Airport Commission. The Lessee must agree that its use of the property will conform to all federal laws and regulations, state laws, local ordinances, and operational rules and regulations of the North Little Rock Airport Commission. The revenue recognized for these leases during the fiscal year ended December 31, 2024 was approximately \$200,000.

City of North Little Rock, Arkansas
Notes to the Financial Statements
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The future principal and interest lease receipts for regulated leases as of December 31, 2024 were as follows:

Year Ending December 31,	Payment
2025	\$ 226,052
2026	224,704
2027	218,882
2028	213,705
2029	219,172
2030-2034	1,050,690
2035-2039	649,751
2040-2044	622,762
2045-2049	469,622
2050-2054	203,749
2055-2059	77,885
2060-2064	33,396
2065-2069	15,000
2070-2074	15,000
2075-2079	15,000
2080-2084	15,000
2085-2089	15,000
2090-2094	15,000
2095-2099	15,000
2100-2104	15,000
2105-2109	15,000
2110-2112	8,000
	<hr/>
Total	<u><u>\$ 4,353,370</u></u>

City of North Little Rock, Arkansas
Notes to the Financial Statements
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Note 5: Capital, Lease and Subscription Assets

The following is a summary of changes in the capital, lease and subscription assets of governmental activities:

	January 1, 2024	Increases	Transfers	Decreases	December 31, 2024
Governmental Activities					
Capital assets, non-depreciable					
Land and land rights	\$ 11,512,894	\$ 842,258	\$ -	\$ (922,672)	\$ 11,432,480
Construction in progress	16,241,889	18,829,697	(18,355,875)	(92,896)	16,622,815
Total capital assets, non depreciable	27,754,783	19,671,955	(18,355,875)	(1,015,568)	28,055,295
Capital, lease, and subscription assets, depreciable/amortizable					
Infrastructure	69,221,327	789,551	7,881,141	(256,289)	77,635,730
Buildings and building improvements	87,309,259	476,002	9,555,057	(60,587)	97,279,731
Land Improvements	10,159,589	113,963	788,201	(12,847)	11,048,906
Vehicles	34,217,582	3,235,357	-	(619,556)	36,833,383
Equipment	37,085,920	1,879,082	131,476	(66,156)	39,030,322
Ships and watercrafts	3,673,738	3,278	-	-	3,677,016
Subscription assets	466,457	1,123,805	-	(285,534)	1,304,728
Lease equipment	645,847	-	-	(30,514)	615,333
Lease building	784,724	351,481	-	-	1,136,205
Total capital, lease, and subscription assets, depreciable/amortizable	243,564,443	7,972,519	18,355,875	(1,331,483)	268,561,354
Less accumulated depreciation/amortization					
Infrastructure	(27,645,942)	(2,770,733)	-	168,723	(30,247,952)
Buildings and building improvements	(28,933,569)	(2,522,133)	-	60,587	(31,395,115)
Land Improvements	(3,573,679)	(429,573)	-	2,302	(4,000,950)
Vehicles	(20,892,545)	(2,103,536)	-	555,346	(22,440,735)
Equipment	(27,165,423)	(1,880,711)	-	26,890	(29,019,244)
Ships and watercrafts	(1,416,223)	(80,304)	-	-	(1,496,527)
Subscription assets	(217,022)	(401,843)	-	285,535	(333,330)
Lease equipment	(135,274)	(130,064)	-	30,514	(234,824)
Lease building	(122,294)	(72,668)	-	-	(194,962)
Total accumulated depreciation/amortization	(110,101,971)	(10,391,565)	-	1,129,897	(119,363,639)
Net capital, lease, and subscription assets, depreciable/amortizable	133,462,472	(2,419,046)	18,355,875	(201,586)	149,197,715
Total governmental activities, net	\$ 161,217,255	\$ 17,252,909	\$ -	\$ (1,217,154)	\$ 177,253,010

City of North Little Rock, Arkansas
Notes to the Financial Statements
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The following is a summary of changes in the capital and subscription assets of business-type activities:

	<u>January 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>December 31, 2024</u>
Business-type Activities					
Capital assets, non-depreciable					
Land and land rights	\$ 2,382,960	\$ -	\$ -	\$ -	\$ 2,382,960
Construction in progress	12,016,108	10,046,228	-	(9,652,711)	12,409,625
Total capital assets, non depreciable	14,399,068	10,046,228	-	(9,652,711)	14,792,585
Capital assets, depreciable					
Plant and equipment	318,136,766	2,961,238	(8,203,274)	9,652,711	322,547,441
Subscription assets	627,852	59,956	(180,622)	-	507,186
Total capital and subscription assets, being depreciated/amortized	318,764,618	3,021,194	(8,383,896)	9,652,711	323,054,627
Less accumulated depreciation and amortization for:					
Plant and equipment	(204,897,454)	(11,222,444)	8,002,614	-	(208,117,284)
Subscription assets	(197,788)	(337,509)	180,622	-	(354,675)
Total accumulated depreciation and amortization	(205,095,242)	(11,559,953)	8,183,236	-	(208,471,959)
Net capital assets, depreciable/amortizable	113,669,376	(8,538,759)	(200,660)	9,652,711	114,582,668
Total business-type activities, net	<u>\$ 128,068,444</u>	<u>\$ 1,507,469</u>	<u>\$ (200,660)</u>	<u>\$ -</u>	<u>\$ 129,375,253</u>

City of North Little Rock, Arkansas
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The following is a summary of changes in the capital, lease and subscription assets of component units:

	January 1, 2024	Increases	Transfers	Decreases	December 31, 2024
Component Units					
Capital assets, non-depreciable					
Land and land rights	\$ 5,222,643	\$ 203,540	\$ -	\$ -	\$ 5,426,183
Construction in progress	9,157,562	10,063,138	(12,367,990)	-	6,852,710
Total capital assets, non-depreciable	14,380,205	10,266,678	(12,367,990)	-	12,278,893
Capital, lease and subscription assets, depreciable/amortizable					
Infrastructure	21,942,911	-	-	-	21,942,911
Buildings and Building Improvements	12,077,702	242,116	-	-	12,319,818
Plant	220,468,062	1,757,330	11,904,928	(114,901)	234,015,419
Equipment	2,308,660	10,503	463,062	-	2,782,225
Vehicles	524,724	-	-	-	524,724
Books and AV Materials	4,604,210	176,844	-	(6,283)	4,774,771
Subscription assets	85,909	40,180	-	(85,909)	40,180
Lease assets	1,682,282	-	-	-	1,682,282
Total capital, lease and subscription assets, depreciable/amortizable	263,694,460	2,226,973	12,367,990	(207,093)	278,082,330
Less accumulated depreciation/amortization					
Infrastructure	(21,664,882)	(435,882)	-	-	(22,100,764)
Buildings and Building Improvements	(2,539,069)	(90,342)	-	-	(2,629,411)
Plant	(96,217,826)	(5,082,640)	-	114,901	(101,185,565)
Equipment	(567,969)	(73,219)	-	-	(641,188)
Vehicles	(46,542)	-	-	-	(46,542)
Books and AV Materials	(3,845,318)	(59,912)	-	6,284	(3,898,946)
Subscription assets	(51,740)	(39,935)	-	85,908	(5,767)
Lease assets	(843,957)	(422,324)	-	-	(1,266,281)
Total accumulated depreciation/amortization	(125,777,303)	(6,204,254)	-	207,093	(131,774,464)
Net capital, lease and subscription assets, depreciable/amortizable	137,917,157	(3,977,281)	12,367,990	-	146,307,866
Total component units, net	\$ 152,297,362	\$ 6,289,397	\$ -	\$ -	\$ 158,586,759

City of North Little Rock, Arkansas
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Depreciation/amortization expense was charged to functions/programs of the primary government and component units as follows:

Governmental Activities

General Government

Administrative	\$ 37,942
Animal Shelter	25,101
Code Enforcement	31,928
Community Planning	14,802
Emergency Services	110,425
Equitable Sharing	26,389
Finance	1,451
General government	2,272,209
Health	20,000
Legal	5,200
2nd District Court	3,047
Neighborhood Services	1,916
Human Resources	1,938
Public Safety – Fire	1,284,733
Public Safety – Police	1,977,187
Public Works	38,329
Parks & Recreation	1,241,618
Sanitation	432,268
Senior Citizens Center	285,947
Streets and Traffic	2,284,422
Vehicle Maintenance	45,274
Information Technology	249,439
Total depreciation and amortization expense – governmental activities	<u>10,391,565</u>

Business-Type Activities

Electric Department	<u>10,910,441</u>
Total depreciation expense – business-type activities	<u>10,910,441</u>
Total depreciation expense – primary government	<u>\$ 21,302,006</u>

Component Units

Waste Water Utility	\$ 5,082,640
North Little Rock Public Library System	612,513
Airport Commission	435,882
Advertising and Promotion	<u>73,219</u>
Total depreciation and amortization expense – component units	<u>\$ 6,204,254</u>

* The Electric Department allocates a portion of total depreciation expense to various operating expense accounts. The amount of depreciation expense that was allocated as of December 31, 2024, was \$649,512 .

The City had approximately \$9.6 million in capital commitments outstanding at year-end. Large commitments making up this total included two pumper trucks totaling \$1.7 million, construction costs of improvements to the North Little Rock Community Center of approximately \$280,000, design costs of the North Little Rock Event Center of approximately \$370,000, a Bearcat for the police department costing approximately \$395,000, capital costs of approximately \$790,000 to rebuild Funland in Burns Park from the 2023 tornado, a new generator for the City Services building costing approximately \$480,000, and approximately \$485,000 in various other capital improvements.

City of North Little Rock, Arkansas
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Note 6: Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended December 31, 2024:

	Beginning Balances	Additions	Retirements/ Deductions	Ending Balances	Due Within One Year
Governmental Activities					
Special obligation bonds	\$ 8,710,000	\$ -	\$ (680,000)	\$ 8,030,000	\$ 705,000
Issuance premiums	812,795	-	(120,798)	691,997	112,601
Financed purchases	91,667	-	(51,846)	39,821	39,821
Subscription liability	183,029	1,103,805	(416,218)	870,616	365,044
Lease liabilities	1,193,699	351,481	(206,338)	1,338,842	191,855
Accrued compensated absences	11,567,286	8,551,235	(7,155,985)	12,962,536	1,214,706
Governmental activities long-term liabilities	<u>\$ 22,558,476</u>	<u>\$ 10,006,521</u>	<u>\$ (8,631,185)</u>	<u>\$ 23,933,812</u>	<u>\$ 2,629,027</u>
Business-type Activities					
Revenue bonds	\$ 12,404,556	\$ -	\$ (2,971,910)	\$ 9,432,646	\$ 3,027,646
Subscription liability	338,986	59,956	(327,653)	71,289	49,487
Accrued compensated absences	1,795,593	238,647	(123,359)	1,910,881	162,300
Business-type activities long-term liabilities	<u>\$ 14,539,135</u>	<u>\$ 298,603</u>	<u>\$ (3,422,922)</u>	<u>\$ 11,414,816</u>	<u>\$ 3,239,433</u>
Component Units					
Waste Water Utility					
Revolving loan	\$ 42,750,951	\$ 2,187,707	\$ (4,859,337)	\$ 40,079,321	\$ 4,602,344
Reserve for Bio-Solids Disposal	3,099,920	-	(1,931,170)	1,168,750	-
Accrued compensated absences	728,798	269,919	-	998,717	998,717
North Little Rock Public Library System					
Subscription liabilities	24,304	40,180	(38,104)	26,380	12,991
Lease liability	9,276	-	(9,276)	-	-
Accrued compensated absences	151,355	286,882	(135,272)	302,965	45,445
Advertising & Promotion					
Accrued compensated absences	192,969	6,516	-	199,485	199,485
Component unit long-term liabilities	<u>\$ 46,957,573</u>	<u>\$ 2,791,204</u>	<u>\$ (6,973,159)</u>	<u>\$ 42,775,618</u>	<u>\$ 5,858,982</u>

Governmental Activities

Bonds Payable

Capital Improvement Revenue Bonds, Series 2019A

The City issued Capital Improvement Revenue Bonds, Series 2019A in the amount of \$9,305,000 in November 2019 to finance the cost of constructing a new police and courts facility, fund a debt service reserve and pay the expense of issuing the Series 2019A Bonds. The bonds are specific obligations secured by a pledge of revenues derived by the City from all franchise fees collected from public utilities for the privilege of using the streets, highways and other public places in the City. The Bond shall bear interest at a fixed rate of 5.00%. Interest will be payable semiannually on May 1 and November 1 of each year, commencing May 1, 2020. The bonds were issued at a premium of \$1,293,976.

Long Term Financing Obligations, Series 2019 Tax Increment Bond

The City issued the Series 2019 Tax Increment Bonds in the amount of \$790,000 in July 2019. The bonds are special obligations of the City secured by and payable solely by the pledge of the incremental ad valorem tax receipts derived with respect to the real property within the City's Baring Cross Redevelopment District. The bonds were issued to finance the cost of construction of street and drainage infrastructure within the Redevelopment District. The Bond shall bear interest at a fixed rate of 5.25%. Interest will be payable semiannually on June 1 and December 1 of each year, commencing December 1, 2019.

Long Term Financing Obligations, Series 2017-3 Tax Incremental Bonds

The City issued the Series 2017-3 Tax Incremental Bonds in the amount of \$1,105,000 in January 30, 2017. Principal on the bond shall be paid annually, on a graduated basis, on December 1 of each year, commencing December 1, 2017, with the final payment due December 1, 2031. The Bond shall bear interest at a fixed rate of 2.25%. Interest will be payable semiannually on June 1 and December 1 of each year, commencing June 1, 2017. The bond was issued to refinance the cost associated with the creation of the Redevelopment District of the City of North Little Rock, Arkansas #2 (Lower Baring Cross Redevelopment District).

Financed Purchases - Short Term Financing Obligations, Series 2020

The \$250,000 note was issued to finance and acquire golf carts for the North Little Rock Burns Park Golf Course. Payments of principal and interest of \$4,485 beginning on October 15, 2020 and continuing on the same day of each month thereafter until September 15, 2025, at which date all principal and accrued interest will be due and payable. The interest rate is 2.89%.

Business-Type Activities

Series 2020 Electric System Revenue Bonds

On March 6, 2020, the Department issued a Series 2020 A & B refunding revenue bond totaling \$16,479,710. Principal on the bond shall be paid annually, on a graduated basis, on July 1 of each year, commencing July 1, 2020, with the final payment due July 1, 2025. The bond shall bear interest rates ranging between 1.853% and 1.921%. Interest will be payable semiannually on July 1 and December 1 of each year, commencing July 1, 2020.

Series 2016 Electric System Revenue Bonds

On November 1, 2016, the City issued the Electric System Revenue Refunding Bonds Series 2016 in the amount of \$13,850,000. The bonds were issued to refund the Series 2011 bonds. Principal on the Bond shall be paid annually, on a graduated basis, on May 1 of each year, commencing May 1, 2017, with the final payment due May 1, 2031. The weighted average maturity of the Bond shall not exceed 8.5 years. The Bond shall bear interest at a fixed rate per annum for 96 months equivalent to 2.47% and at a fixed rate per annum equivalent to 2.57% for the remaining 78 months. Interest will be payable semiannually on May 1 and November 1 of each year, commencing May 1, 2017.

Discretely Presented Component Units

Waste Water Utility Revolving Loans

The Waste Water Utility long-term debt consists of draws against revolving loan funds from the Arkansas Department of Pollution Control and Ecology administered by the Arkansas Development Finance Authority. The funds are to be used for improvements to publicly owned sewage treatment facilities. The loans are secured by the projects for which the funds are used and a pledge of the Utility's sewer revenues.

In 2001, the Utility received a \$10,000,000 program award available for approved construction. The interest rate on the 2001 revolving loan fund is at 2.25% and a financing fee at 1% of the outstanding principal with semiannual payments of interest and financing fees during the construction period. Repayment of principal, interest and financing fee of the 2001 loan began in October 2005 with payments to be made semiannually over twenty years.

In 2008, the Utility received a \$14,000,000 program award available for approved construction. The interest rate on the 2008 revolving loan fund is at 0.75% and a financing fee at 1% of the outstanding principal with semiannual payments of interest and financing fees during the project construction period. Repayment of principal, interest and financing fee of the 2008 loan began in April 2012 with payments to be made semiannually over twenty years. On April 15, 2022, the Utility modified the original bond purchase agreement dated October 8, 2008, by reducing the interest rate from 1.75% to .75% on remaining bonds outstanding in the amount of \$7,602,004. Semiannual payments, including principal, interest, and service fee, will be reduced by \$21,341 over the life of the bonds.

In 2012, the Utility received a \$21,000,000 program award available for approved construction. The interest rate on the 2012 revolving loan fund is at 0.75% and a financing fee at 1% of the outstanding principal with semiannual payments of interest and financing fees during the project construction period. Repayment of principal, interest and financing fee of the 2012 loan began in April 2016 with payments to be made semiannually over twenty years. On April 15, 2022, the Utility modified the original bond purchase agreement dated October 8, 2012, by reducing the interest rate from 1.5% to .75% on remaining bonds outstanding in the amount of \$15,281,481. Semiannual payments, including principal, interest, and service fee, will be reduced by \$32,422 over the life of the bonds.

In 2016, the Utility received a \$30,000,000 program award available for approved construction. The interest rate on the 2016 revolving loan fund is at 0.75% and a financing fee at 1% of the outstanding principal with semiannual payments of interest and financing fees during the project construction period. Repayment of principal, interest and financing fee of the 2016 loan began in April 2021 with payments to be made semiannually over twenty years. On April 15, 2022, the Utility modified the original bond purchase agreement dated October 25, 2016, by reducing the interest rate from 1.25% to .75% on remaining bonds outstanding in the amount of \$17,373,599. Semiannual payments, including principal, interest, and service fee, will be reduced by \$381,811 over the life of the bonds. Due to the 2016 Bond being closed out, undrawn loan funds in the amount of \$10,812,127 were de-obligated by the Utility. The de-obligation was reported to the Natural Resources Division on June 1, 2022.

In 2022, the Utility received a \$45,000,000 program award available for approved construction. The interest rate on the 2022 revolving loan fund is at 0.75% and a financing fee at 1% of the outstanding principal with semiannual payments of interest and financing fees during the project construction period. Repayment of principal, interest and financing fee of the 2022 loan will begin in April 2024 with payments to be made semiannually over twenty years. At December 31, 2024, \$36,801,183 remained to be drawn.

Waste Water Utility Restricted Funds

The Utility had certain debt service funds with AFDA, which are restricted to various uses. The Utility is required to deposit monthly with the AFDA, to be held in trust, an amount equal to 1/6 of the interest coming due on the next ensuing interest payment plus 1/6 of the next installment of principal due on the bonds. The required deposits shall be reduced by any amount in the Debt Service Fund available for meeting the purpose for which the deposit is required to be made. The total deposits held in trust as of December 31, 2024 was \$900,178.

City of North Little Rock, Arkansas
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Pledged Revenues

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

Debt	Revenue Pledged	Total Pledged Revenue	Current Year Debt Service Requirements	Percentage Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue Will Not Be Available For Other Purposes
2019 Capital Improvement Revenue Bonds	Franchise fees for public utilities	\$ 1,872,667	\$ 854,350	46%	\$ 8,518,350	Until 2034
2019 Tax Increment Financing (TIF)	Property tax	254,724	104,913	41%	727,301	Until 2031
2017 Tax Increment Financing (TIF)	Property tax	254,724	95,638	38%	634,426	Until 2031
2016 Electric System Revenue Refunding Bonds	Net revenues of the electric utility	33,704,150	1,147,061	3%	8,067,572	Until 2031
2020 Electric System Revenue Refunding Bonds	Net revenues of the electric utility	33,704,150	2,100,281	6%	2,097,177	Until 2025

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on the revenue bonds and financed purchases outstanding at December 31, 2024. Principal and interest are also disclosed for component units as follows:

Governmental Activities

Year Ending December 31,	Special Obligation Bonds		
	Principal	Interest	Total
2025	\$ 705,000	\$ 342,038	\$ 1,047,038
2026	735,000	307,925	1,042,925
2027	775,000	272,300	1,047,300
2028	810,000	234,751	1,044,751
2029	845,000	201,888	1,046,888
2030-2034	4,160,000	491,175	4,651,175
Total	<u>\$ 8,030,000</u>	<u>\$ 1,850,077</u>	<u>\$ 9,880,077</u>

Year Ending December 31,	Financed Purchase		
	Principal	Interest	Total
2025	\$ 39,821	\$ 540	\$ 40,361
Total	<u>\$ 39,821</u>	<u>\$ 540</u>	<u>\$ 40,361</u>

City of North Little Rock, Arkansas
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Business-Type Activities

<u>Year Ending December 31,</u>	Revenue Bonds		
	Principal	Interest	Total
2025	\$ 3,027,646	\$ 218,960	\$ 3,246,606
2026	1,000,000	153,759	1,153,759
2027	1,025,000	127,374	1,152,374
2028	1,050,000	100,649	1,150,649
2029	1,080,000	72,583	1,152,583
2030-2031	2,250,000	58,778	2,308,778
Total	<u>\$ 9,432,646</u>	<u>\$ 732,103</u>	<u>\$ 10,164,749</u>

Component Units

<u>Year Ending December 31,</u>	Revolving Loans		
	Principal	Interest	Total
2025	\$ 4,602,344	\$ 319,668	\$ 4,922,012
2026	1,964,443	305,125	2,269,568
2027	1,998,971	290,328	2,289,299
2028	2,034,107	275,269	2,309,376
2029	2,069,859	259,947	2,329,806
2030-2034	10,907,969	1,057,302	11,965,271
2035-2039	11,900,889	634,765	12,535,654
Thereafter	4,600,739	175,513	4,776,252
Total	<u>\$ 40,079,321</u>	<u>\$ 3,317,917</u>	<u>\$ 43,397,238</u>

Lease Liabilities

Governmental Activities

The City leases property and equipment from various third parties to conduct its operations, the terms of which expire in various years through 2039. The measurement of the lease payables is based on the present value of lease payments expected to be paid 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.

As of December 31, 2024, the value of the lease liabilities was \$1,338,842. Incremental borrowing rates of 0.2580% to 3.4450% were used to measure lease liabilities. The value of the right-to-use assets as of the end of the current fiscal year was \$1,751,538 and had accumulated amortization of \$429,786.

City of North Little Rock, Arkansas
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The future principal and interest payments for lease liabilities as of December 31, 2024, are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total Requirements
2025	\$ 191,855	\$ 26,963	\$ 218,818
2026	191,798	22,852	214,650
2027	182,116	18,691	200,807
2028	120,985	15,120	136,105
2029	84,148	13,217	97,365
2030-2034	455,150	41,400	496,550
2035-2039	112,790	9,081	121,871
Total	<u>\$ 1,338,842</u>	<u>\$ 147,324</u>	<u>\$ 1,486,166</u>

Subscription Liability

Governmental Activities

The City's governmental activities have agreements for various software, the terms of which expire in various years through 2029. As of December 31, 2024, the value of the subscription liability was \$870,616. An incremental borrowing rate of 2.61% to 3.76% was used to measure the subscription liability. The value of the right-to-use assets as of December 31, 2024 was \$1,304,728 and had accumulated amortization of \$333,330.

The City's proprietary fund has agreements for various software, the terms of which expire in various years through 2026. As of December 31, 2024, the value of the subscription liability was \$71,289. An incremental borrowing rate of 2.61% to 3.76% was used to measure the subscription liability. The value of the right-to-use assets as of December 31, 2024 was \$507,186 and had accumulated amortization of \$354,675.

Total future minimum subscription payments are as follows for the years ending December 31:

Governmental Activities

	Principal	Interest	Total
2025	\$ 365,044	\$ 21,523	\$ 386,567
2026	284,744	12,030	\$ 296,774
2027	117,689	4,729	\$ 122,418
2028	61,265	2,249	\$ 63,514
2029	41,874	471	\$ 42,345
	<u>\$ 870,616</u>	<u>\$ 41,002</u>	<u>\$ 911,618</u>

Business-Type Activities

	Principal	Interest	Total
2025	\$ 49,487	\$ 2,276	\$ 51,763
2026	21,802	614	22,416
	<u>\$ 71,289</u>	<u>\$ 2,890</u>	<u>\$ 74,179</u>

Discretely Presented Component Unit

The Library has subscription IT arrangements to conduct its operations, the terms of which expire through 2026.

City of North Little Rock, Arkansas
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The measurement of the subscription liabilities is based on the present value of subscription payments expected to be paid during the subscription 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 subscription incentives payable.

As of December 31, 2024, the value of the subscription liabilities was \$26,380. An incremental borrowing rate of 2.61% to 3.76% was used to measure subscription liabilities. The value of the subscription assets as of December 31, 2024 was \$40,180 and had accumulated amortization of \$5,767.

Component Unit

	Principal	Library Interest	Total
2025	\$ 12,991	\$ 809	\$ 13,800
2026	13,389	410	13,799
Total	<u>\$ 26,380</u>	<u>\$ 1,219</u>	<u>\$ 27,599</u>

Legal Debt Margin

The City is subject to a legal debt margin as set forth in the Constitution of the State of Arkansas, Amendments 78 and 62. General obligation debt is not to exceed 20% of assessed value and short-term financing debt is not to exceed 5% of assessed value. For additional information, see Table 13 within the Statistical Section.

Note 7: Interfund Receivables, Payables and Transfers

Interfund receivables and payables consisted of the following as of December 31, 2024:

	Interfund Receivables	Interfund Payables
Major Governmental Funds		
General Fund	\$ 6,469,936	\$ 3,468,224
Grant Fund	2,498	4,137,062
Nonmajor Funds		
Street Fund	553,166	109,278
Parks and Recreation Fund	41,835	210,717
Community Development Fund	-	367,781
Equitable Sharing Fund	9,184	-
Sales Tax Capital Improvement Fund	1,041,281	118,947
2023 Sales Tax Capital Improvement Fund	2,381,507	484,913
Major Enterprise Fund		
Electric Department	-	1,602,485
Total	<u>\$ 10,499,407</u>	<u>\$ 10,499,407</u>

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

Interfund transfers in and transfers out consisted of the following as of December 31, 2024:

Interfund Transfers In	Interfund Transfers Out					Totals
	Governmental Funds				Proprietary Fund	
	General	ARPA	Grant	Other Nonmajor Governmental Funds	Electric Fund	
Governmental Funds						
General fund	\$ -	\$ 1,037,467	\$ 2,215,031	\$ 1,874,100	\$ 13,950,000	\$ 19,076,598
Other nonmajor governmental funds	19,490,937	-	-	300,000	-	19,790,937
	<u>\$ 19,490,937</u>	<u>\$ 1,037,467</u>	<u>\$ 2,215,031</u>	<u>\$ 2,174,100</u>	<u>\$ 13,950,000</u>	<u>\$ 38,867,535</u>

Monthly sales tax revenue deposits are made into the General Fund. Therefore a transfer must be made to the Sales Tax Capital Improvement Fund and the 2023 Sales Tax Capital Improvement Fund for each respective funds' share of the monthly sales tax deposit. Transfers from the General Fund to these two funds related to sales tax revenues totaled approximately \$17.6 million in 2024. The Parks Fund receives an operating subsidy from the General Fund each year and a transfer in from the Sales Tax Capital Improvement Fund for capital purchases. Transfers in to the Parks Fund from these two funds were approximately \$1 million in 2024. The Grant Fund and ARPA fund are both used to track federal funds. Transfers are used between these two funds and other funds in the City to move expenses being reimbursed with federal funds. The Electric Department transfers funds to the General Fund based on amounts directed and authorized by the City Council in lieu of franchise fees and to cover costs associated with services from the accounting, human resources, information technology and legal departments.

Note 8: Pension Plans

Substantially all of the City's employees receive retirement benefits. The City sponsors a single-employer defined benefit plan, The Non-Uniformed Employees Retirement Plan (Non-Uniformed Plan). The City also contributes to the Arkansas Local Police and Fire Retirement System (LOPFI), a state-wide cost-sharing, multiple-employer defined benefit pension plan; and the LOPFI Police Pension and Firemen's Pension and Relief Fund plans, which are state-wide agent, multi-employer defined benefit plans. The City also contributes to the Arkansas Public Employees Retirement System (APERS), a state-wide cost-sharing, multiple-employer defined benefit pension plan. 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. Pension liabilities are generally liquidated in the General Fund.

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

Primary Government	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense (Income)
Nonuniform – Governmental Activities	\$ 24,097,036	\$ 2,621,629	\$ 1,688,243	\$ 3,413,664
Nonuniform – Business-type Activities	10,343,362	893,468	345,684	1,536,122
Police – LOPFI	29,724,807	11,162,412	1,483,300	4,390,386
Fire – LOPFI	25,638,442	8,694,234	2,414,088	2,599,784
Police Pension	26,289,570	2,285,046	-	1,504,620
Firemen's Pension and Relief Fund	24,827,998	2,186,053	-	1,367,694
APERS	567,399	129,086	54,167	102,551
	<u>\$ 141,488,614</u>	<u>\$ 27,971,928</u>	<u>\$ 5,985,482</u>	<u>\$ 14,914,821</u>
Discretely Presented Component Units	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Nonuniform – Airport	\$ 112,428	\$ 9,051	\$ 26,221	\$ 11,739
Nonuniform – Library	2,923,124	966,403	111,909	559,714
Waste Water Utility	2,045,632	2,566,940	1,476,925	795,263
APERS – Advertising and Promotion Commission	855,739	214,669	34,987	191,940
	<u>\$ 5,936,923</u>	<u>\$ 3,757,063</u>	<u>\$ 1,650,042</u>	<u>\$ 1,558,656</u>

Non-Uniformed Employees Retirement Plan

Plan Description

All full-time, non-uniformed employees of the City are eligible to participate in “The Retirement System of the City of North Little Rock” (Non-Uniformed Plan) defined benefit plan. The provisions of the Non-Uniformed Plan call for employee contributions of 5.25% of base salary to be paid through payroll withholdings. Each month, the City contributes 12.35% of each employee’s monthly compensation.

The Non-Uniformed Plan is a single-employer, defined benefit plan established under Arkansas state law. The Non-Uniformed Plan assets are administered by an independent fiduciary agent but governed by a Board of Trustees. The Non-Uniformed Plan provides retirement, disability, and survivor benefits to all regular, full-time, non-uniformed employees of the City.

Benefits Provided

The Non-Uniformed Plan provides retirement, disability and death benefits to plan members. Retirement benefits are determined as a percentage of the member’s final average earnings.

Members are eligible to retire with a full benefit under the following conditions:

- At age 65
- At age 62 with 10 years of service
- Members may retire with a reduced benefit at age 55 with at least 10 years of service.
- Members are eligible for disability benefits at age 50 with 10 years of service.
- Death benefits are paid to a surviving spouse based upon age and length of service.

Number of Participants

Membership in the Non-Uniformed Plan at December 31, 2024, is comprised of the following:

	Non-Uniformed Plan
Retirees and beneficiaries receiving benefits	256
Inactives employees entitled to but not yet receiving benefits	13
Active plan members	536
Total	805

Contributions

For the Non-Uniformed Plan as a whole, it is the actuary’s opinion that the city and member contributions scheduled to be 17.60% (12.35% for employer and 5.25% for employee) as required by the Non-Uniformed Plan are not expected to be sufficient to finance the cost of benefits earned by members during a given year. The recommended contribution level for the 2024 Plan Year for the City as a whole is 18.72%. For 2024, the City’s contributions to the Plan were \$4,120,409.

Contributions to the plan are made from various city governmental and business type funds, as well as the City’s component units.

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level of Percent of Pay (3.5% Growth)
Remaining Amortization Period	14 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	6.50%
Salary Increases	2.75% - 6.16% Annually
Mortality Table	105% Pub-2010, General Employees, below median income Projected with MP-2020 This mortality basis first used for the 2022 ADC
Inflation	2.50%

Long-Term Expected Return on Plan Assets

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 summarized in the table below:

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Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US Stock - Large Cap	35%	4.00%
US Stock - Mid/Small Cap	20%	5.25%
Foreign Equity (Developed)	5%	4.25%
Alternatives	0%	3.75%
Fixed Income	35%	3.50%
Cash	5%	0.50%
Total	100%	

Single Discount Rate

A single discount rate of 6.50% 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 6.50%. The projection of cash flows, based on the assumptions made, found that the pension plan's net position together with the employer contributions and projected investment returns will be sufficient to meet benefit payments and expenses in all future years.

The City's net pension liability as of December 31, 2024, was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of this date.

Changes in Total Pension Liability

Changes in the total pension liability, plan fiduciary net pension and the net pension liability through the respective fiscal years ended, are as follows for the Plan as determined by the City at December 31, 2024:

Changes in Net Pension Liability – Non-Uniformed Plan			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of Beginning of Year	<u>\$ 100,282,421</u>	<u>\$ 59,604,208</u>	<u>\$ 40,678,213</u>
Charges for the year			
Service cost	2,575,900	-	2,575,900
Interest on total pension liability	6,407,325	-	6,407,325
Difference between expected and actual return	991,489	-	991,489
Administrative expense	-	(83,258)	83,258
Benefit payments, including refunds of employee contributions	(5,992,292)	(5,992,292)	-
Contributions – employer	-	4,120,409	(4,120,409)
Contributions – employee	-	1,751,561	(1,751,561)
Net investment income	-	7,388,265	(7,388,265)
Net changes	<u>3,982,422</u>	<u>7,184,685</u>	<u>(3,202,263)</u>
Balances as of End of Year	<u>\$ 104,264,843</u>	<u>\$ 66,788,893</u>	<u>\$ 37,475,950</u>

City of North Little Rock, Arkansas
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The above amounts are allocated between government-wide (governmental activities), Electric (business-type activities), Airport (component unit) and the North Little Rock Public Library System (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 91.9% (93.2% in prior year), the Airport's proportionate share was 0.30% (0.30% in prior year), and the Library's proportionate share was 7.8% (6.5% in prior year).

Changes in Net Pension Liability – Non-Uniformed Plan (Primary Government)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of Beginning of Year	<u>\$ 92,146,256</u>	<u>\$ 54,762,980</u>	<u>\$ 37,383,276</u>
Charges for the year			
Service cost	2,367,252	-	2,367,252
Interest on total pension liability	5,888,333	-	5,888,333
Difference between expected and actual return	911,178	-	911,178
Administrative expense	-	(76,514)	76,514
Benefit payments, including refunds of employee contributions	(5,546,916)	(5,546,916)	-
Contributions – employer	-	3,786,656	(3,786,656)
Contributions – employee	-	1,609,684	(1,609,684)
Net investment income	-	6,789,815	(6,789,815)
Net changes	<u>3,619,847</u>	<u>6,562,725</u>	<u>(2,942,878)</u>
Balances as of End of Year	<u><u>\$ 95,766,103</u></u>	<u><u>\$ 61,325,706</u></u>	<u><u>\$ 34,440,398</u></u>

Changes in Net Pension Liability – Non-Uniformed Plan (Airport)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of Beginning of Year	<u>\$ 354,135</u>	<u>\$ 232,100</u>	<u>\$ 122,035</u>
Charges for the year			
Service cost	7,728	-	7,728
Interest on total pension liability	19,222	-	19,222
Difference between expected and actual return	2,974	-	2,974
Administrative expense	-	(250)	250
Benefit payments, including refunds of employee contributions	(17,977)	(17,977)	-
Contributions – employer	-	12,361	(12,361)
Contributions – employee	-	5,255	(5,255)
Net investment income	-	22,165	(22,165)
Net changes	<u>11,947</u>	<u>21,554</u>	<u>(9,607)</u>
Balances as of End of Year	<u><u>\$ 366,082</u></u>	<u><u>\$ 253,654</u></u>	<u><u>\$ 112,428</u></u>

City of North Little Rock, Arkansas
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Changes in Net Pension Liability – Non-Uniformed Plan (Library)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of Beginning of Year	<u>\$ 7,822,029</u>	<u>\$ 4,649,128</u>	<u>\$ 3,172,901</u>
Charges for the year			
Service cost	200,920	-	200,920
Interest on total pension liability	499,771	-	499,771
Difference between expected and actual return	77,336	-	77,336
Administrative expense	-	(6,494)	6,494
Benefit payments, including refunds of employee contributions	(467,399)	(467,399)	-
Contributions – employer	-	321,392	(321,392)
Contributions – employee	-	136,622	(136,622)
Net investment income	-	576,285	(576,285)
Net changes	<u>310,629</u>	<u>560,405</u>	<u>(249,777)</u>
Balances as of End of Year	<u><u>\$ 8,132,658</u></u>	<u><u>\$ 5,209,533</u></u>	<u><u>\$ 2,923,124</u></u>

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the City's net pension liability calculated using the discount rate of 6.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	1% Decrease in Discount Rate (5.5%)	Current Discount Rate Assumption (6.5%)	1% Increase in Discount Rate (7.5%)
Non-Uniformed Plan – City's net pension liability	\$ 46,166,889	\$ 34,440,398	\$ 24,670,157
Non-Uniformed Plan – Airport's net pension liability	150,708	112,428	80,534
Non-Uniformed Plan – Library's net pension liability	3,918,408	2,923,124	2,093,876
	<u><u>\$ 50,236,005</u></u>	<u><u>\$ 37,475,950</u></u>	<u><u>\$ 26,844,567</u></u>

City of North Little Rock, Arkansas
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2024, the City and its component units recognized pension expense of \$5,521,241, and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the Non-Uniformed Plan at December 31, 2024:

Non-Uniformed - Primary Government	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,107,937	\$ 181,878
Changes of assumptions	664,709	-
Change in proportion	742,451	1,391,971
Net difference between projected and actual earnings on pension plan investments	-	460,078
Total	<u>\$ 3,515,097</u>	<u>\$ 2,033,927</u>
Non-Uniformed - Airport	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,881	\$ 594
Changes of assumptions	2,170	-
Change in proportion	-	24,125
Net difference between projected and actual earnings on pension plan investments	-	1,502
Total	<u>\$ 9,051</u>	<u>\$ 26,221</u>
Non-Uniformed - Library	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 178,911	\$ 15,437
Changes of assumptions	56,417	-
Change in proportion	731,075	57,423
Net difference between projected and actual earnings on pension plan investments	-	39,049
Total	<u>\$ 966,403</u>	<u>\$ 111,909</u>

City of North Little Rock, Arkansas
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Amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in pension expense as follows:

Year Ending December 31,	Non- Uniformed Plan (Primary Government)	Non- Uniformed Plan (Airport)	Non- Uniformed Plan (Library)
2025	\$ 930,901	\$ (1,433)	\$ 201,050
2026	1,246,362	(364)	241,057
2027	(609,096)	(6,393)	92,802
2028	(417,251)	(5,736)	119,291
2029	262,775	(3,668)	126,547
Thereafter	67,479	424	73,747
Total	<u>\$ 1,481,170</u>	<u>\$ (17,170)</u>	<u>\$ 854,494</u>

Money-Weighted Rate of Return

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

	Fiscal Year Ending	Annual Money- Weighted Rate of Return
Non-Uniformed Plan	12/31/2024	12.42%
	12/31/2023	10.77%
	12/31/2022	-11.10%
	12/31/2021	11.35%
	12/31/2020	3.80%
	12/31/2019	17.73%
	12/31/2018	-6.79%
	12/31/2017	10.00%
	12/31/2016	5.20%
	12/31/2015	-3.65%

Arkansas Local Police and Fire Retirement System (LOPFI)

Plan Description

The City participates in the LOPFI, a state-wide cost-sharing, multi-employer defined benefit plan administered by a seven-member Board of Trustees and created by Act 364 of the 1981 *Arkansas General Assembly*. LOPFI provides retirement benefits for uniformed employees. LOPFI issues a separate audited GAAP-basis postemployment benefit plan report. This report may be obtained by visiting the LOPFI website: www.lopfi-prb.com.

City of North Little Rock, Arkansas
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Benefits Provided

Benefit Program 1 provides benefits to a member with five or more years (10 or more years for members hired after July 1, 2013) of credited service in force who has attained his or her normal retirement age consist of an annuity equal to the following:

- a. For each year of paid service resulting from employment in a position not also covered by social security, 2.94% of his or her final average pay (2.7% for those with retirement date prior to July 1, 2009); plus
- b. For each year of paid service resulting from employment in a position also covered by social security, 1.94% or his or her final average pay (1.7% for those with retirement date prior to July 1, 2009). In addition, if such member is retiring and if such member's age at retirement is younger than social security's minimum age for an unreduced retirement benefit, then such member receives a temporary annuity equal to 1% of his or her final average pay for each such year of paid service. Such temporary annuity terminates at the end of the calendar month in which the earliest of the following events occur: such member's death; or his or her attainment of such social security minimum age for unreduced benefits.
- c. In no event will the total of a. plus b. exceed, at the time of retirement, 100% of such final average pay; plus
- d. Effective July 1, 2016, for each year of volunteer service, \$6.41 per month, to a maximum of \$256.40 monthly.
- e. Before the date that the first payment of his or her annuity becomes due, but not thereafter, a member may elect to have his or her life annuity reduced, but not any temporary annuity which may be paid, and nominate a beneficiary in accordance with the provisions of one of four options. If a member does not elect an option, his or her annuity shall be paid to him or her as a life annuity.

Benefit Program 2 says for each year of paid service rendered on or after the election date of Benefit Program 2 and resulting from employment in a position not also covered by social security, 3.28% of his or her final average pay, plus for each year of paid service rendered on or after the election date of Benefit Program 2 and resulting from employment in a position also covered by social security, 2.94% of his or her final average pay. A member will receive disability benefits computed in the same manner as normal retirement benefits if the member has five or more years of credit service (or 10 years of actual service if hired on or after July 1, 2013) and terminates employment because of becoming totally and permanently disabled from non-duty related causes. If the disability is determined to be duty related, a benefit is 65% of the member's final average pay. Prior to that date, the benefit was computed as if the member had completed 25 years of service.

Contributions

The employee contribution rate depends on the type of service being rendered and whether or not the service is also covered by social security. The different employee contribution rates are:

- a. Paid service not covered by social security: 8.5% of gross pay beginning July 1, 2009; 6% prior to that date
- b. Paid service also covered by social security: 2.5% of gross pay beginning July 1, 2009; no employee contributions prior to that date
- c. Paid service-benefit program 2: 8.5% of gross pay beginning July 1, 2009; 6% prior to that date
- d. Volunteer service: no employee contribution

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The employee contribution rate is adjusted automatically every year to reflect changes in the composition of the employee group and other factors which affect cost. Contributions are determined on an actuarial basis in order to ensure that the individual system employers can honor their benefit commitments to covered employees. An individual entry age actuarial cost method valuation is used to determine normal cost. The City is required to contribute at an actuarially determined rate, which was 22.79% for participating police officers and firemen. City contributions for 2024 for police and fire to the Plan were \$3,747,812 and \$3,082,104, respectively.

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

As of December 31, 2024, the City reported net pension liability for their proportionate share of the net pension liability of each plan as follows:

	Net Pension Liability
North Little Rock Fire	\$ 25,638,442
North Little Rock Police	\$ 29,724,807

To facilitate the separate actuarial valuations, LOPFI maintains separate accounts to identify additions, deductions and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer. The allocation percentages for each group as of December 31, 2024, are based on the ratio of each employer's contributions to the total employer contributions of the group for the fiscal year ended December 31, 2023. The contributions used excluded contributions made for prior service, excess benefits and irregular payments. The employer allocation percentages have been rounded for presentation purposes. Therefore, use of these percentages to recalculate individual employer amounts presented in the schedules of pension amounts by employer may result in immaterial differences due to rounding. The City's proportionate share of the net pension liability for each plan is as follows:

	Proportionate Share Percentage	
North Little Rock Fire	2.56144%	(2.71215% in prior year)
North Little Rock Police	2.96970%	(2.85858% in prior year)

For the year ended December 31, 2024, the LOPFI Fire and LOPFI Police recognized pension expense of \$2,599,784 and \$4,390,386, respectively. At December 31, 2024, LOPFI Fire and LOPFI Police 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
Differences between expected and actual experience	\$ 3,643,631	\$ -
Changes of assumptions	111,872	1,390,635
Changes in proportion	907,983	92,665
Net difference between projected and actual earnings on pension plan investments	2,751,114	-
Contributions subsequent to measurement date	3,747,812	-
Total	<u>\$ 11,162,412</u>	<u>\$ 1,483,300</u>

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LOPFI – Fire	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,142,729	\$ -
Changes of assumptions	96,492	1,199,460
Changes in proportion	-	1,214,628
Net difference between projected and actual earnings on pension plan investments	2,372,909	-
Contributions subsequent to measurement date	3,082,104	-
Total	\$ 8,694,234	\$ 2,414,088

At December 31, 2024, LOPFI Police and LOPFI Fire reported \$3,747,812 and \$3,082,104 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2024, related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	LOPFI – Police	LOPFI – Fire
2025	\$ 1,743,471	\$ 447,957
2026	2,536,490	1,467,804
2027	2,823,095	2,292,952
2028	(1,171,756)	(1,010,671)
Total	\$ 5,931,300	\$ 3,198,042

Actuarial Assumptions

The total pension liability as of December 31, 2024, was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions:

Paid Service Assumptions

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Asset Valuation Method	5-year smoothed market; 20% corridor
Price Inflation	2.25%
Salary Increases	3.50% to 18.00%, including inflation
Investment Rate of Return	7.25%, as adopted by the Board
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2017-2020.

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Mortality

The healthy post-retirement tables used were the Pub-2010 Amount-Weighted General Below Median Income Healthy Retiree tables, set forward one year for males, and two years for females. The disability post-retirement mortality tables used were the Pub-2010 Amount-Weighted General Disabled Retiree tables for males and females. The death-in-service mortality tables used were the Pub-2010 Amount-Weighted General Below Median Income Employee tables for males and females. Fifty percent of deaths-in-service were assumed to be duty related. The tables were adjusted for fully generational mortality improvements using Scale MP-2020.

The long term expected rate of return on pension plan investments was determined using a building block method in which expected future and real rates of return (expected returns, net of pension plan investment expense, and Inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2024, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. stock – large cap	21%	5.62%
U.S. stock – small cap	21%	5.86%
International equity	9%	6.92%
Emerging markets	9%	8.95%
U.S. corporate bonds	25%	2.29%
Real estate	5%	3.61%
Private equity	10%	9.48%
Total	100%	
Expected Inflation		2.25%

Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the single discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between the 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.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using a single discount rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower (6.25%) or 1% higher (8.25%).

		1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
LOPFI – Fire	Net pension liability	\$ 40,188,215	\$ 25,638,442	\$ 13,869,838
LOPFI – Police	Net pension liability	46,593,586	29,724,807	16,080,473
		<u>\$ 86,781,801</u>	<u>\$ 55,363,249</u>	<u>\$ 29,950,311</u>

Pension Plan Fiduciary Net Position

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

Police Pension

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 the *State of Arkansas Act #16, as amended*. 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 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 police officers who have completed 20 years of service. Disability benefits are available to police officers 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 police officers. 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 police officers 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.

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Contributions to the Police Pension are set forth in Arkansas statute. The City's contribution to the Police Pension consists of a one mill real and personal property tax collection, an insurance premium tax turnback collected by the State Insurance Commissioner, and a \$3 assessment against each court case plus 10% of fines and forfeitures collected. The City's contributions to the Plan for 2024 were \$2,285,046. The liability for the Police Pension has typically been liquidated from the general fund.

Number of Participants

Membership in the Police Plan at December 31, 2023 (measurement date), is comprised of the following:

	Police Pension
Retirees and beneficiaries receiving benefits	90
Members on Deferred Retirement Option Plan (DROP)	1
	91

Actuarial Methods and Assumptions

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

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

For the December 31, 2023, actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included a 7.25% investment rate of return (net of administrative expenses), projected salary increases of 3.00%, which includes an inflation rate of 2.25% and no costs of living increases. The remaining amortization period at January 1, 2023, was 15 years using a closed amortization period based on projected future payroll. The mortality assumption was based on the Pub-2010 Amount-Weighted General Below Median Income Healthy Retiree tables set forward one year for males and two years for females, Disabled Retiree and Employee mortality tables for males and females. There were no factors that significantly affected the identification of trends such as changes in benefits, actuarial methods, or assumptions.

The actuarial assumptions used in the December 31, 2023, actuarial valuation were based on the results of an actuarial experience study for the period 2017 through 2020.

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Long-Term Expected Rate of Return

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

Police Pension Asset Class	Target Allocation	Long-term Expected Real of Return
U.S. stock – large cap	21%	5.62%
U.S. stock – small cap	21%	5.86%
International equity	9%	6.92%
Emerging markets	9%	8.95%
U.S. corporate bonds	25%	2.29%
Real estate	5%	3.61%
Private equity	10%	9.48%
	<u>100%</u>	

Discount Rate

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 3.77%, and the resulting *Single Discount Rate* (SDR) is 3.77%, 4.05% in prior year.

The SDR is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects: 1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and 2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

The City's net pension liability as of December 31, 2024, was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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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 for the year ended December 31, 2024:

Changes in Net Pension Liability – Police Pension			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of Beginning of Year	<u>\$ 26,074,158</u>	<u>\$ (995,400)</u>	<u>\$ 27,069,558</u>
Charges for the year			
Interest on total pension liability	1,009,717	-	1,009,717
Difference between expected and actual return	(129,783)	-	(129,783)
Changes of assumptions	628,558	-	628,558
Benefit Payments, including refunds of employee contributions	(2,285,755)	(2,285,755)	-
Contributions – member	-	-	-
Contributions – employer	-	2,288,480	(2,288,480)
	<u>(777,263)</u>	<u>2,725</u>	<u>(779,988)</u>
Net changes			
Balances as of End of Year	<u>\$ 25,296,895</u>	<u>\$ (992,675)</u>	<u>\$ 26,289,570</u>

Sensitivity to Discount Rate Changes

The following presents the City's net pension liability calculated using the discount rate of 3.77%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 2.77%	Current Discount Rate 3.77%	1% Increase 4.77%
Police Pension – Net pension liability	\$ 28,756,554	\$ 26,289,570	\$ 24,124,723

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Pension Expense and Deferred Outflows of Resources

For the year ended December 31, 2024, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$1,504,620, and reported deferred outflows of resources related to pensions from the following sources for the Police Pension, as determined by the City at December 31, 2024:

Police Pension	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ -
Contributions subsequent to measurement date	2,285,046	-
Total	\$ 2,285,046	\$ -

At December 31, 2024, Police Pension reported \$2,285,046 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2025.

Firemen’s Pension and Relief Fund

Plan Description and Funding Information

The Firemen’s Pension and Relief 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 the *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 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.

City of North Little Rock, Arkansas
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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.

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

Contributions to the Firemen’s Fund are set forth in Arkansas statute. The City’s contribution to the Firemen’s Fund consists of a one mill real and personal property tax collection and an insurance premium tax turnback collected by the State Insurance Commissioner. 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 \$2,065,024 in 2024. The liability for the Firemen’s Fund has typically been liquidated from the general fund.

Number of Participants

Membership in the Fireman’s Fund at December 31, 2023 (measurement date), is comprised of the following:

	Firemen's Fund
Retirees and beneficiaries receiving benefits	97
Members on Deferred Retirement Option Plan (DROP)	1
	<u>98</u>

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.

City of North Little Rock, Arkansas
Notes to the Financial Statements
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For the December 31, 2023, actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included a 7.25% investment rate of return (net of administrative expenses), projected salary increases of 3.00%, which includes an inflation rate of 2.25% and no costs of living increases. The remaining amortization period at January 1, 2023, was 15 years using a closed amortization period based on projected future payroll. The mortality assumption was based on the Pub-2010 Amount-Weighted General Below Median Income Healthy Retiree tables set forward one year for males and two years for females, Disabled Retiree and Employee mortality tables for males and females. There were no factors that significantly affected the identification of trends such as changes in benefits, actuarial methods, or assumptions.

The actuarial assumptions used in the December 31, 2023, actuarial valuation were based on the results of an actuarial experience study for the period 2017 through 2020.

Long-Term Expected Rate of Return

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

Firemen's Pension Asset Class	Target Allocation	Long-term Expected Real of Return
U.S. stock – large cap	21%	5.62%
U.S. stock – small cap	21%	5.86%
International equity	9%	6.92%
Emerging markets	9%	8.95%
U.S. corporate bonds	25%	2.29%
Real estate	5%	3.61%
Private equity	10%	9.48%
	<u>100%</u>	

Discount Rate

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%, the municipal bond rate is 3.77%, and the resulting *Single Discount Rate* (SDR) is 3.92%, 4.28% in prior year.

The SDR is equivalent to applying these two rates to the benefits that are projected to be paid during the different time period. The SDR reflects: 1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and 2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

The City's net pension liability as of December 31, 2024, was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

City of North Little Rock, Arkansas
Notes to the Financial Statements
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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 Fireman's Fund for the year ended December 31, 2024:

Changes in Net Pension Liability – Firemen's Plan			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of Beginning of Year	<u>\$ 27,949,083</u>	<u>\$ 2,448,128</u>	<u>\$ 25,500,955</u>
Charges for the year			
Interest on total pension liability	1,130,943	-	1,130,943
Difference between expected and actual return	(241,037)	-	(241,037)
Changes of assumptions	739,109	-	739,109
Benefit Payments, including refunds of employee contributions	(3,050,352)	(3,050,352)	-
Administrative expense	-	(2,492)	2,492
Contributions – member	-	-	-
Contributions – employer	-	2,007,020	(2,007,020)
Net investment income	<u>-</u>	<u>297,444</u>	<u>(297,444)</u>
Net changes	<u>(1,421,337)</u>	<u>(748,380)</u>	<u>(672,957)</u>
Balances as of End of Year	<u><u>\$ 26,527,746</u></u>	<u><u>\$ 1,699,748</u></u>	<u><u>\$ 24,827,998</u></u>

Sensitivity to Discount Rate Changes

The following presents the City's net pension liability calculated using the discount rate of 3.92%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 2.92%	Current Discount Rate 3.92%	1% Increase 4.92%
Firemen's Pension and Relief Fund - Net pension liability	\$ 27,065,790	\$ 24,827,998	\$ 22,825,672

City of North Little Rock, Arkansas
Notes to the Financial Statements
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Pension Expense and Deferred Outflows of Resources

For the year ended December 31, 2024, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$1,367,694, and reported deferred outflows of resources related to pensions from the following sources for the Firemen's Pension and Relief Fund as determined by the City at December 31, 2024:

Firemen's Pension and Relief Fund	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 121,029	\$ -
Contributions subsequent to measurement date	<u>2,065,024</u>	<u>-</u>
Total	<u>\$ 2,186,053</u>	<u>\$ -</u>

At December 31, 2024, the Firemen's Pension and Relief reported \$2,065,024 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2024, related to pensions will be recognized in pension expense as follows:

Fire

Year Ending December 31,	
2025	\$ (8,202)
2026	44,921
2027	115,884
2028	<u>(31,574)</u>
Total	<u>\$ 121,029</u>

Arkansas Public Employees Retirement System (APERS)

Plan Description

The City also contributes to the Arkansas Public Employees Retirement System (APERS), which is a state-wide cost-sharing, multiple-employer, defined benefit plan which covers all State employees who are not covered by another authorized plan. 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 (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.

Benefits Provided

Benefit provisions are set forth in Arkansas Code Annotated, Title 24, Chapters 5 and 6 and may only be amended by the Arkansas General Assembly. APERS provides retirement, disability and death benefits. Retirement benefits are determined as a percentage of the member's highest 3-year average compensation times the member's years of service. The percentage used is based upon whether a member is contributory or non-contributory as follows:

Contributory, prior to 7/1/2005	2.07%
Contributory, on or after 7/1/2005, but prior to 7/1/2007	2.03%
Contributory on or after 7/1/2007	2.00%
Non-Contributory	1.72%

Members are eligible to retire with a full benefit under the following conditions:

- at age 65 with 5 years of service,
- at any age with 28 years actual service,
- at age 60 with 20 years of actual service if under the old contributory plan (prior to July 1, 2005), or
- at age 55 with 35 years of credited service for elected or public safety officials.

Members may retire with a reduced benefit at age 55 with at least five years of actual service at age 55 or at any age with 25 years of service.

Members are eligible for disability benefits with five years of service. Disability benefits are computed as an age and service benefit, based on service and pay at disability. Death benefits are paid to a surviving spouse as if the member had five years of service and the monthly benefit is computed as if the member had retired and elected the Joint & 75% Survivor option. A cost-of-living adjustment of 3% of the current benefit is added each year.

Contributions

Contribution requirements are set forth in Arkansas Code Annotated, Title 24, Chapter 4. The contributions are expected to be sufficient to finance the costs of benefits earned by members during the year and make a level payment that, if paid annually over a reasonable period of future years, will fully cover the unfunded costs of benefit commitments for services previously rendered (A.C.A. 24-2-701(a)). Members who began service prior to July 1, 2005 are not required to make contributions to APERS. Members who began service on or after July 1, 2005 are required to contribute 5% of their salary. Employers are required to contribute at a rate established by the Board of Trustees of APERS based on an actuary's determination of a rate required to fund the plan (A.C.A. 24-2-701(c)(3)). The City is required to contribute 15.32% for court clerks in 2024. City contributions to the plan in 2024 were \$79,365.

APERS Fiduciary Net Position

Detailed information about APERS' fiduciary net position is available in the separately issued APERS Financial Report available at <http://www.apers.org/annualreports>.

City of North Little Rock, Arkansas
Notes to the Financial Statements
December 31, 2024

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

At December 31, 2024, the primary government and Advertising and Promotion Commission reported a liability of \$567,399 and \$855,739, respectively, for its proportionate share of the net pension liability. The City's proportionate share was .02280432% (.02457768% in prior year) for court clerks and .03439295% (.03347401% in prior year) for the Advertising and Promotions Commission. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on actual City contributions to the pension plan relative to the actual contributions of all participating APERS members for the year ended June 30, 2024.

For the year ended December 31, 2024, the primary government and Advertising and Promotion Commission recognized pension expense of \$102,551 and \$191,940, respectively. At December 31, 2024, the City and its component unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Advertising and Promotion Commission	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in expected and actual experience	\$ 22,020	\$ 23,198	\$ 33,209	\$ 34,987
Change in proportion	31,149	30,969	68,376	-
Net difference between projected and actual earnings on pension plan investments	16,460	-	24,825	-
Change of assumptions	19,774	-	29,822	-
Contributions subsequent to the measurement date*	39,683	-	58,437	-
Total	<u>\$ 129,086</u>	<u>\$ 54,167</u>	<u>\$ 214,669</u>	<u>\$ 34,987</u>

*Contributions made subsequent to measurement date of June 30, 2024.

At December 31, 2024, the primary government and Advertising and Promotion Commission reported \$39,683 and \$58,437, respectively, as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2025.

City of North Little Rock, Arkansas
Notes to the Financial Statements
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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 Ending December 31,	Primary Government	Advertising and Promotion Commission
2025		\$ (4,985)	\$ 38,971
2026		78,325	\$ 136,410
2027		(24,706)	(33,655)
2028		(13,579)	(20,481)
2029		181	-
Total		<u>\$ 35,236</u>	<u>\$ 121,245</u>

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed (Level Dollar, Closed for District Judges New Plan and Paid off Old Plan and District Judges Still Paying Old Plan)
Remaining Amortization Period	16 years (5.6 years for District Judges New Plan and Paid Off Old Plan and 12 years for District Judges still paying Old Plan)
Asset Valuation Method	4-year smoothed market; 25% corridor (Market Value for Still Paying Old Plan)
Investment Rate of Return	7.15%
Price Inflation Rate	2.50%
Wage Inflation Rate	3.25%
Salary Increases	3.25% to 9.85% including inflation (3.25% to 6.96% including inflation for District Judges)
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality Table	Based on the RP-2006 Healthy Annuitant benefit weighted generational mortality tables for males and females. Mortality rates are multiplied by 135% for males and 125% for females and are adjusted for fully generational mortality improvements using Scale MP-2017.
Average Service Life of All Members	3.6281%
Cost of living adjustments	3.0% annual compounded increase

City of North Little Rock, Arkansas
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2024, are summarized in the table below:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Broad Domestic Equity	39%	5.03%
International Equity	17%	6.34%
Real Assets	16%	4.51%
Private Equity	5%	9.00%
Hedge Funds	2%	3.63%
Domestic Fixed	21%	3.38%
Total	100%	

Discount Rate

A single discount rate of 7.00% 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 7.00%. 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.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a single discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

		1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Primary Government	Net pension liability	\$ 968,188	\$ 567,399	\$ 236,979
Advertising and Promotion Commission	Net pension liability	\$ 1,460,198	\$ 855,739	\$ 357,406

Component Unit Pension Plans - Waste Water Utility

The North Little Rock Waste Water Utility Defined Pension Plan is a single-employer sponsored plan administered by the Waste Water Utility. The Plan provides retirement, death, and disability benefits to plan members and beneficiaries. The Utility's Board of Commissioners establishes benefit provisions and all other requirements. The Plan does not issue stand-alone financial statements, nor is it included in another public employee retirement system plan's financial statements. Participants are not required to contribute to the Plan.

The Waste Water Utility is required to contribute to the Plan at an actuarially determined rate. The rate was 15.38% and 18.51% for the year ended December 31, 2024 and 2023, respectively. Further information is included in the audited financial statements of the Waste Water Utility, audited by other auditors, and is not presented in this report.

Note 9: Other Postemployment Benefit Plan

	<u>Total OPEB Liability</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>OPEB (Income)</u>
Total Primary Government				
OPEB – Governmental Activities	\$ 2,380,173	\$ 530,613	\$ 3,905,226	\$ (29,169)
OPEB – Business-type Activities	260,118	73,473	568,771	(15,674)
	<u>\$ 2,640,291</u>	<u>\$ 604,086</u>	<u>\$ 4,473,997</u>	<u>\$ (44,843)</u>

Plan Description

The City of North Little Rock sponsors and administers a postemployment benefit plan (Plan). 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 plan is a single-employer defined benefit plan. No assets are accumulated in a trust that meet the criteria of paragraph 4 of GASB 75. The City does not issue stand-alone financial statements of the plan but all required information is presented in this report.

Benefits Provided

In addition to retirement benefits from the appropriate pension plan, individuals who have been employed full time for at least five years and meet the requirements of the "rule of 70" (age plus service equals at least 70) are eligible to continue health, dental, and vision insurance benefits under the City's group plan following retirement. Benefits under the plan are currently fully insured. Once the retiree reaches age 65, the retiree may continue coverage, but the coverage becomes secondary to Medicare. If the retiree, under age 65, drops their coverage, they cannot get coverage again when they reach age 65.

City of North Little Rock, Arkansas
Notes to the Financial Statements
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Employees Covered by Benefit Terms

At December 31, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	23
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>819</u>
	<u><u>842</u></u>

Premiums

Retired participants must pay the same premium as the city is charging active employees. Retired participants pay monthly premiums between \$572.50 for single coverage and \$1,292.50 for family coverage. Benefits paid by the City for the year ended December 31, 2024 were \$219,629.

Actuarial Assumptions

The City’s total OPEB liability was measured as of December 31, 2024, and the total OPEB liability was determined by an actuarial valuation as of December 31, 2024, using the following actuarial assumptions:

Inflation	3% per year
Healthcare Cost Trend Rates	8.0% in year 1, decreasing 0.5% each year to an ultimate rate of 5.0% in year 7
Discount Rate	4.28% (prior year was 4.00%)
Mortality Table	Based on RP 2014 Mortality Rate

City of North Little Rock, Arkansas
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Total OPEB Liability

The components of the total OPEB liability of the City at December 31, 2024, were as follows:

Balance at January 1, 2024	<u>\$ 4,955,511</u>
Changes for the year	
Service cost	204,268
Interest on total OPEB liability	201,998
Difference between expected and actual experience	(2,436,203)
Benefit payments	(219,629)
Effect of assumptions changes or inputs	<u>(65,654)</u>
Net Changes	<u>(2,315,220)</u>
Balance at December 31, 2024	<u><u>\$ 2,640,291</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

Regarding the sensitivity of the Total OPEB Liability to changes in the single discount rate calculated using a single discount rate of 4.28%, as well as what the total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher:

	<u>1% Decrease in Discount Rate (3.28%)</u>	<u>Current Discount Rate Assumptions Rate (4.28%)</u>	<u>1% Increase in Discount Rate (5.28%)</u>
Total OPEB liability	<u>\$ 2,881,575</u>	<u>\$ 2,640,291</u>	<u>\$ 2,418,199</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total 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:

	<u>1% Decrease in Discount Rate (7%)</u>	<u>Current Health Care Trend Cost (8%)</u>	<u>1% Increase in Discount Rate (9%)</u>
Total OPEB liability	<u>\$ 2,315,411</u>	<u>\$ 2,640,291</u>	<u>\$ 3,032,716</u>

City of North Little Rock, Arkansas
Notes to the Financial Statements
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OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the City of North Little Rock recognized OPEB income of \$44,843. At December 31, 2024, the City of North Little Rock 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
Differences in expected and actual experience	\$ 21,648	\$ 3,552,790
Changes of assumptions	582,438	921,207
	<u>\$ 604,086</u>	<u>\$ 4,473,997</u>

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

Year Ending December 31

2025	\$ (451,109)
2026	(451,109)
2027	(451,109)
2028	(451,109)
2029	(451,106)
Thereafter	<u>(1,614,369)</u>
Total	<u>\$ (3,869,911)</u>

Note 10: Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The City funds all amounts of compensation deferred under the Plan, at the direction of the covered employee (through payroll deductions), through investments in the United States Conference of Mayors Deferred Compensation Program maintained by Nationwide and Citistreet. All assets of the Plan (including all deferred amounts, property and rights purchased with deferred amounts, and all income attributable to such deferred amounts, property or rights), have been placed in a trust and therefore, are no longer included in the government-wide or governmental funds financial statements of the City. The City does not contribute to this plan.

Note 11: Insurance Coverage

The City is exposed to various risks of losses related to torts, thefts of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains insurance coverage through the Arkansas Municipal League (Pool), which is an association of local governments, covering each of the above risks of loss. The City pays an annual premium to the Pool. The Pool's governing agreement specifies that the Pool will be self-sustaining through member premiums and will reinsure through commercial carriers for claims in excess of specified stop loss amounts. Management believes the coverage is adequate to preclude any significant uninsured risk exposure to the City. The North Little Rock Public Library System, Airport Commission and Advertising & Promotion Commission are also participating with the City. Settled claims have not exceeded commercial coverage in any of the three preceding years, nor has there been a significant reduction in coverage during the year ending December 31, 2024.

The Waste Water Utility was insured at December 31, 2024, for general liability, automobile liability, and all risk replacement cost except worker's compensation with the Arkansas Public Entities Risk Management Association with claims administered by Gallagher Bassett Insurance Services of Little Rock. The Utility was insured with the Municipal League Workers Compensation Trust for worker's compensation. The policy effective dates are for a calendar year for all aforementioned policies of the Utility. The Utility was insured at December 31, 2024, with RSUI Indemnity Co. for blanket property coverage. Further information is available in the audited financial statements of the Utility.

Note 12: Commitments

In 2007, the City of North Little Rock, Arkansas entered into a power purchase agreement with the Missouri Joint Municipal Electric Utility Commission (MJMEUC). Under the agreement, the Electric Department is committed to acquire approximately 60 megawatts of generating capacity from the Plum Point Energy Stations, which was constructed near Osceola, Arkansas and began power generation in 2010. The agreement runs through December 31, 2050 but may end prior to that date if the plant is retired, if certain termination provisions apply, or if otherwise agreed to by the parties. Under the agreement, the Electric Department will pay its proportionate share of the fixed and variable costs of operating the plant and its share of MJMEUC's administrative and other costs associated with the contract. During 2024, the Electric Department paid \$15,225,140 in purchased power from MJMEUC.

The City of North Little Rock, Arkansas has an agreement with Entergy whereby Entergy has interconnected its transmission facilities with the City's facilities to transmit the hydroelectric power and energy generated at Murray Hydroelectric Plant (Plant) to the electric system. The agreement continues as long as the City is authorized to operate the Plant, unless terminated earlier by either party on not less than 60 months advance written notice. Rates are determined based upon agreed-upon formulas, with billings to be made on a monthly basis.

During 2012, the City of North Little Rock established an adjustable Energy Cost Recovery Rider (ECR) as a component of its electric rate structure. The ECR is designed to generate increases or decreases in billings to customers depending on increases or decreases in the cost of purchasing and providing power to its customers. In May of 2019, the City Council adopted Ordinance No. 9000 replacing the two-component ECR variable rider with a single component Power Cost Adjustment (PCA) rider. The PCA, in place with the new rate structure, is easier to calculate and has less variability.

During 2013, the City entered into an energy-only contract in order to capitalize on the cost effective delivery of power from the Midcontinent Independent System Operator (MISO) market. Under the contract, the City will begin managing the output of its generation resources in the market by selling excess energy into the market at the current market price. When those resources produce insufficient energy, the City will purchase replacement energy from the market at the current market price. During 2024, the Electric Department paid \$14,535,984 in purchased power from MISO.

City of North Little Rock, Arkansas
Notes to the Financial Statements
December 31, 2024

In 2015, the City of North Little Rock, Arkansas entered into a power purchase agreement with. The Energy Authority, Inc. (TEA). Under the agreement, the Electric Department agrees to purchase certain volumes of energy at an agreed upon price. During 2024, the Electric Department paid \$8,848,432 in purchased power from TEA.

Note 13: Contingencies

Litigation

In the normal course of operations, the City is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the City's self-insurance program or by commercial insurance; for example, allegations regarding employment practices or performances of contracts. The City evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. In this regard, various claims and lawsuits are pending against the City. In the opinion of the City Attorney's Office, the potential loss on all claims and lawsuits will not be significant in relation to the City's financial statements. Based on management's evaluation, no amounts were accrued for such liabilities as of December 31, 2024. Events could occur that would cause the estimate or ultimate loss to differ materially in the near term.

Federal and State Grants

In the normal course of operations, the City participates in several federal and state financial assistance programs. The financial assistance programs are subject to audit by granting agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. The City's grant programs have been audited in accordance with the provisions of the Uniform Guidance. Any liabilities for reimbursement that may arise, as the results of audits by the granting agencies, are not believed to be material by management.

REQUIRED SUPPLEMENTARY INFORMATION



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City of North Little Rock, Arkansas
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Last 10 Years

Non-Uniformed Employees Defined Benefit Plan

	2024	2023	2022	2021
Total Pension Liability				
Service cost	\$ 2,575,900	\$ 2,367,018	\$ 2,339,321	\$ 2,580,665
Interest	6,407,325	6,092,597	5,864,289	5,547,208
Difference between expected and actual experience	991,489	1,708,079	103,392	(18,268)
Changes in assumptions	-	-	-	1,687,692
Benefit payments, including refunds of plan member contributions	(5,992,292)	(4,868,044)	(4,748,795)	(4,848,129)
Net Change in Total Pension Liability	3,982,422	5,299,650	3,558,207	4,949,168
Total Pension Liability, Beginning of Year	100,282,421	94,982,771	91,424,564	86,475,396
Total Pension Liability, End of Year	\$ 104,264,843	\$ 100,282,421	\$ 94,982,771	\$ 91,424,564
Plan Fiduciary Net Position				
Employer contributions	4,120,409	3,856,072	3,566,827	3,193,138
Plan member contributions	1,751,561	1,639,133	1,507,468	1,351,664
Net investment income	7,388,265	5,768,881	(6,636,903)	6,101,015
Benefit payments, including refunds of plan member contributions	(5,992,292)	(4,868,044)	(4,748,795)	(4,848,130)
Administrative expense	(83,258)	(79,345)	(77,603)	(71,689)
Net Change in Plan Fiduciary Net Position	7,184,685	6,316,697	(6,389,006)	5,725,998
Plan Fiduciary Net Position, Beginning of Year	59,604,208	53,287,511	59,676,517	53,950,519
Plan Fiduciary Net Position, End of Year	\$ 66,788,893	\$ 59,604,208	\$ 53,287,511	\$ 59,676,517
City's Net Pension Liability, End of Year	\$ 37,475,950	\$ 40,678,213	\$ 41,695,260	\$ 31,748,047
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	64.06%	59.44%	56.10%	65.27%
Covered Payroll	\$ 33,363,636	\$ 31,223,255	\$ 28,881,190	\$ 26,946,312
Plan's Net Pension Liability as a Percentage of Covered Payroll	112.33%	130.28%	144.37%	117.82%

Note to Schedule:

Changes in assumptions:

In 2021, the Plan changed the mortality table improvement scale from MP-2014 to MP-2018.

At the end of 2020, the pension board approved a change that allowed anyone at the age 62 with 30 years of service to retire with 2% multiplier. At that time it was assumed everyone at age 62 would retire.

2020	2019	2018	2017	2016	2015
\$ 2,442,653	\$ 2,249,277	\$ 2,171,091	\$ 2,081,105	\$ 1,842,603	\$ 2,432,932
5,173,335	4,888,174	4,685,936	4,483,827	4,189,965	3,885,117
(665,282)	1,153,182	4,871	(228,243)	1,873,765	(1,495,386)
3,043,281	-	-	-	4,089,326	(9,232,564)
(3,774,079)	(4,226,370)	(3,352,897)	(3,191,730)	(2,787,461)	(2,755,249)
6,219,908	4,064,263	3,509,001	3,144,959	9,208,198	(7,165,150)
80,255,488	76,191,225	72,682,224	69,537,265	60,329,067	67,494,217
<u>\$ 86,475,396</u>	<u>\$ 80,255,488</u>	<u>\$ 76,191,225</u>	<u>\$ 72,682,224</u>	<u>\$ 69,537,265</u>	<u>\$ 60,329,067</u>
2,741,804	2,462,350	2,389,157	2,220,368	1,364,281	1,133,620
1,370,902	1,231,175	1,195,958	996,081	909,519	755,749
1,969,255	7,836,754	(3,222,842)	4,326,066	2,153,389	(1,596,295)
(3,774,079)	(4,226,370)	(3,352,897)	(3,191,730)	(2,787,461)	(2,755,249)
(76,605)	(83,747)	(70,492)	(73,790)	(52,951)	(55,210)
2,231,277	7,220,162	(3,061,116)	4,276,995	1,586,777	(2,517,385)
51,719,242	44,499,080	47,560,196	43,283,201	41,696,424	44,213,809
<u>\$ 53,950,519</u>	<u>\$ 51,719,242</u>	<u>\$ 44,499,080</u>	<u>\$ 47,560,196</u>	<u>\$ 43,283,201</u>	<u>\$ 41,696,424</u>
<u>\$ 32,524,877</u>	<u>\$ 28,536,246</u>	<u>\$ 31,692,145</u>	<u>\$ 25,122,028</u>	<u>\$ 26,254,064</u>	<u>\$ 18,632,643</u>
62.39%	64.44%	58.40%	65.44%	62.24%	69.11%
\$ 27,418,040	\$ 24,623,500	\$ 23,891,570	\$ 22,770,923	\$ 21,964,782	\$ 19,641,076
118.63%	115.89%	132.65%	110.33%	119.53%	94.87%

City of North Little Rock, Arkansas
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Last 9 Years

Police Pension Plan

	2024	2023	2022	2021
Total Pension Liability				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	1,009,717	611,617	701,468	934,706
Difference between expected and actual experience	(129,783)	9,291	(358,146)	(169,317)
Changes in assumptions	628,558	(6,440,925)	363,205	2,885,065
Benefit payments, including refunds of plan member contributions	(2,285,755)	(2,691,804)	(2,387,873)	(2,498,547)
Net Change in Total Pension Liability	(777,263)	(8,511,821)	(1,681,346)	1,151,907
Total Pension Liability, Beginning of Year	26,074,158	34,585,979	36,267,325	35,115,418
Total Pension Liability, End of Year	<u>\$ 25,296,895</u>	<u>\$ 26,074,158</u>	<u>\$ 34,585,979</u>	<u>\$ 36,267,325</u>
Plan Fiduciary Net Position				
Employer contributions	2,288,480	2,295,127	2,171,733	2,106,247
Plan member contributions	-	3,098	3,047	3,097
Net investment income	-	-	-	-
Benefit payments, including refunds of plan member contributions	(2,285,755)	(2,691,804)	(2,387,873)	(2,498,547)
Administrative expense	-	-	-	-
Other	-	-	-	-
Net Change in Plan Fiduciary Net Position	2,725	(393,579)	(213,093)	(389,203)
Plan Fiduciary Net Position, Beginning of Year	(995,400)	(601,821)	(388,728)	475
Plan Fiduciary Net Position, End of Year	<u>\$ (992,675)</u>	<u>\$ (995,400)</u>	<u>\$ (601,821)</u>	<u>\$ (388,728)</u>
City's Net Pension Liability, End of Year	<u>\$ 26,289,570</u>	<u>\$ 27,069,558</u>	<u>\$ 35,187,800</u>	<u>\$ 36,656,053</u>
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	0.00%	0.00%	0.00%
Covered Payroll	\$ 112,158	\$ 120,345	\$ 173,125	\$ 175,942
Plan's Net Pension Liability as a Percentage of Covered Payroll	23439.76%	22493.30%	20325.08%	20834.17%

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.

Changes of Assumption: Changes of assumptions reflect the effects of changes in the discount rate each period. The following are discount rates used in each period:

December 31, 2021 - 2.00%	December 31, 2016 - 3.67%
December 31, 2022 - 1.84%	December 31, 2017 - 3.83%
December 31, 2023 - 4.05%	December 31, 2018 - 3.35%
December 31, 2024 - 3.77%	December 31, 2019 - 3.72%
	December 31, 2020 - 2.76%

2020	2019	2018	2017	2016
\$ -	\$ 15,917	\$ 15,204	\$ 10,573	\$ 16,248
1,160,441	1,117,341	1,250,577	1,271,018	1,312,455
712,195	517,137	686,422	(39,875)	569,326
3,301,888	(1,258,960)	1,341,560	(556,753)	221,478
(2,507,532)	(2,577,015)	(2,608,595)	(2,726,985)	(2,613,959)
2,666,992	(2,185,580)	685,168	(2,042,022)	(494,452)
32,448,426	34,634,006	33,948,838	35,990,860	36,485,312
<u>\$ 35,115,418</u>	<u>\$ 32,448,426</u>	<u>\$ 34,634,006</u>	<u>\$ 33,948,838</u>	<u>\$ 35,990,860</u>
2,111,338	2,027,867	1,984,413	1,890,091	1,790,813
2,924	(13,040)	6,179	7,608	10,961
31,005	(18,924)	154,359	101,074	4,546
(2,507,532)	(2,577,015)	(2,608,595)	(2,726,985)	(2,613,959)
(273)	(1,255)	(1,979)	(3,794)	(6,131)
-	-	-	47,400	-
(362,538)	(582,367)	(465,623)	(684,606)	(813,770)
363,013	945,380	1,411,003	2,095,609	2,909,379
<u>\$ 475</u>	<u>\$ 363,013</u>	<u>\$ 945,380</u>	<u>\$ 1,411,003</u>	<u>\$ 2,095,609</u>
<u>\$ 35,114,943</u>	<u>\$ 32,085,413</u>	<u>\$ 33,688,626</u>	<u>\$ 32,537,835</u>	<u>\$ 33,895,251</u>
0.00%	1.12%	2.73%	4.16%	5.82%
\$ 170,821	\$ 168,808	\$ 157,318	\$ 159,587	\$ 241,190
20556.57%	19007.05%	21414.35%	20388.78%	14053.34%

City of North Little Rock, Arkansas
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Last 9 Years

Firemen's Pension and Relief Fund

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total Pension Liability				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	1,130,943	754,578	849,852	1,094,731
Difference between expected and actual experience	(241,037)	384,748	636,101	(455,759)
Changes in assumptions	739,109	(5,183,797)	1,014,037	2,162,151
Benefit payments, including refunds of plan member contributions	(3,050,352)	(2,789,715)	(2,882,030)	(3,267,356)
Net Change in Total Pension Liability	(1,421,337)	(6,834,186)	(382,040)	(466,233)
Total Pension Liability, Beginning of Year	27,949,083	34,783,269	35,165,309	35,631,542
Total Pension Liability, End of Year	<u>\$ 26,527,746</u>	<u>\$ 27,949,083</u>	<u>\$ 34,783,269</u>	<u>\$ 35,165,309</u>
Plan Fiduciary Net Position				
Employer contributions	2,007,020	1,902,882	1,893,613	1,789,674
Plan member contributions	-	1,249	2,592	2,697
Net investment income	297,444	(499,811)	615,017	572,318
Benefit payments, including refunds of plan member contributions	(3,050,352)	(2,789,715)	(2,882,030)	(3,267,356)
Administrative expense	(2,492)	(3,284)	(5,104)	(7,078)
Other	-	-	-	-
Net Change in Plan Fiduciary Net Position	(748,380)	(1,388,679)	(375,912)	(909,745)
Plan Fiduciary Net Position, Beginning of Year	2,448,128	3,836,807	4,212,719	5,122,464
Plan Fiduciary Net Position, End of Year	<u>\$ 1,699,748</u>	<u>\$ 2,448,128</u>	<u>\$ 3,836,807</u>	<u>\$ 4,212,719</u>
City's Net Pension Liability, End of Year	<u>\$ 24,827,998</u>	<u>\$ 25,500,955</u>	<u>\$ 30,946,462</u>	<u>\$ 30,952,590</u>
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	6.41%	8.76%	11.03%	11.98%
Covered Payroll	\$ 128,606	\$ 164,710	\$ 158,095	\$ 183,387
Plan's Net Pension Liability as a Percentage of Covered Payroll	19305.47%	15482.34%	19574.60%	16878.29%

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.

Changes of Assumptions: Changes of assumptions reflect the effects of changes in the discount rate each period. The following are the discount rates use in each period:

December 31, 2021 - 2.52%	December 31, 2016 - 4.40%
December 31, 2022 - 2.26%	December 31, 2017 - 4.52%
December 31, 2023 - 4.28%	December 31, 2018 - 4.01%
December 31, 2024 - 3.92%	December 31, 2019 - 4.12%
	December 31, 2020 - 3.22%

2020	2019	2018	2017	2016
\$ -	\$ -	\$ 10,947	\$ 5,116	\$ 4,999
1,333,982	1,340,002	1,538,822	1,602,202	1,699,456
868,397	1,231,363	26,604	(460,276)	(62,242)
2,658,115	(318,154)	1,164,792	(373,622)	610,411
(3,214,307)	(3,368,736)	(3,359,082)	(2,931,504)	(2,958,538)
1,646,187	(1,115,525)	(617,917)	(2,158,084)	(705,914)
33,985,355	35,100,880	35,718,797	37,876,881	38,582,795
<u>\$ 35,631,542</u>	<u>\$ 33,985,355</u>	<u>\$ 35,100,880</u>	<u>\$ 35,718,797</u>	<u>\$ 37,876,881</u>
1,646,347	1,609,846	1,695,189	1,716,157	1,555,853
4,243	4,306	8,568	15,673	17,631
928,740	(195,176)	1,054,331	498,767	17,659
(3,214,307)	(3,368,736)	(3,359,082)	(2,931,504)	(2,958,538)
(8,168)	(12,940)	(13,517)	(16,296)	(22,518)
-	-	-	31,200	-
(643,145)	(1,962,700)	(614,511)	(686,003)	(1,389,913)
5,765,609	7,728,309	8,342,820	9,028,823	10,418,736
<u>\$ 5,122,464</u>	<u>\$ 5,765,609</u>	<u>\$ 7,728,309</u>	<u>\$ 8,342,820</u>	<u>\$ 9,028,823</u>
<u>\$ 30,509,078</u>	<u>\$ 28,219,746</u>	<u>\$ 27,372,571</u>	<u>\$ 27,375,977</u>	<u>\$ 28,848,058</u>
14.38%	16.96%	22.02%	23.36%	23.84%
\$ 250,678	\$ 333,149	\$ 411,211	\$ 526,042	\$ 510,473
12170.62%	8470.61%	6656.58%	5204.14%	5651.24%

City of North Little Rock, Arkansas**Schedule of City's Proportionate Share of the Net Pension Liability and Related Ratios - LOPFI
Last 9 Years****LOPFI - Fire**

	2024	2023	2022	2021
City's proportion of the net pension liability	2.56144%	2.71215%	2.77841%	2.94302%
City's proportionate share of the net pension liability	\$ 25,638,442	\$ 28,957,404	\$ 14,039,739	\$ 20,232,816
City's covered payroll	\$ 11,782,018	\$ 11,235,915	\$ 10,905,896	\$ 11,093,451
City's proportionate share of the net pension liability as a percentage of covered payroll	217.61%	257.72%	128.74%	182.39%
Plan fiduciary net position as a percentage of the total pension liability	73.50%	69.20%	84.75%	77.79%

LOPFI - Police

	2024	2023	2022	2021
City's proportion of the net pension liability	2.96970%	2.85858%	2.75861%	2.84163%
City's proportionate share of the net pension liability	\$ 29,724,807	\$ 30,520,827	\$ 13,939,642	\$ 19,535,772
City's covered payroll	\$ 13,659,917	\$ 11,842,547	\$ 10,828,177	\$ 13,375,657
City's proportionate share of the net pension liability as a percentage of covered payroll	217.61%	257.72%	128.73%	146.05%
Plan fiduciary net position as a percentage of the total pension liability	73.50%	69.20%	84.75%	77.79%

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

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

2020	2019	2018	2017	2016
2.84686%	2.67953%	2.73119%	2.74166%	2.49184%
\$ 21,998,832	\$ 2,572,414	\$ 19,407,730	\$ 15,642,023	\$ 9,020,695
\$ 10,429,122	\$ 9,557,042	\$ 9,359,122	\$ 8,707,186	\$ 7,931,178
210.94%	26.92%	207.37%	179.64%	113.74%
73.21%	66.09%	71.48%	72.87%	79.14%

2020	2019	2018	2017	2016
2.71348%	2.63745%	2.55587%	2.51139%	2.30461%
\$ 20,968,132	\$ 2,554,074	\$ 18,161,919	\$ 14,328,255	\$ 8,342,893
\$ 13,486,861	\$ 12,257,002	\$ 11,783,650	\$ 10,999,885	\$ 10,825,411
155.47%	20.84%	154.13%	130.26%	77.07%
73.21%	66.09%	71.48%	72.87%	79.14%

City of North Little Rock, Arkansas**Schedule of City's Proportionate Share of the Net Pension Liability and Related Ratios - APERS
Last 10 Years**

	2024	2023	2022	2021
City's proportion of the net pension liability	0.02280432%	0.02457768%	0.02136670%	0.02177704%
City's proportionate share of the net pension liability	\$ 567,399	\$ 716,239	\$ 576,128	\$ 167,429
City's covered payroll	\$ 518,145	\$ 591,234	\$ 407,600	\$ 434,864
City's proportionate share of the net pension liability as a percentage of covered payroll	109.51%	121.14%	141.35%	38.50%
Plan fiduciary net position as a percentage of the total pension liability	81.61%	77.94%	78.31%	93.57%

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.

2020	2019	2018	2017	2016	2015
0.02133044%	0.02077864%	0.19836180%	0.02245346%	0.02077350%	0.02105517%
\$ 610,815	\$ 501,291	\$ 437,573	\$ 580,229	\$ 496,767	\$ 387,780
\$ 411,537	\$ 402,283	\$ 828,592	\$ 795,081	\$ 735,118	\$ 697,720
148.42%	124.61%	52.81%	72.98%	67.58%	55.58%
75.38%	78.55%	79.59%	75.65%	75.50%	80.39%

City of North Little Rock, Arkansas
Schedule of City's Contributions - Non-Uniformed
Employees Defined Benefit Plan
Last 10 Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 4,207,155	\$ 5,064,412	\$ 3,763,219	\$ 4,109,313
Contribution in relation of the contractually required contribution	<u>4,120,409</u>	<u>3,856,072</u>	<u>3,566,827</u>	<u>3,193,138</u>
Contribution deficiency (excess)	<u>\$ 86,746</u>	<u>\$ 1,208,340</u>	<u>\$ 196,392</u>	<u>\$ 916,175</u>
City's covered payroll	\$ 33,363,636	\$ 31,223,255	\$ 28,881,190	\$ 26,946,312
Contributions as a percentage of covered payroll	12.35%	12.35%	12.35%	11.85%

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

Key Assumptions for ADC:

Cost method	Entry age normal
Amortization method	Level Percentage of Pay (3.5% Growth)
Remaining amortization	14 years
Asset valuation	Market value
Investment rate of return	6.50%
Mortality	105% Pub-2010, General Employees, below median income Projected with MP-2020. This mortality basis first used for the 2022 actuarial determined contributions.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 3,879,653	\$ 3,897,900	\$ 3,282,702	\$ 3,518,108	\$ 2,923,512	\$ 2,185,569
2,741,804	2,462,350	2,389,157	2,220,368	1,364,281	1,133,620
<u>\$ 1,137,849</u>	<u>\$ 1,435,550</u>	<u>\$ 893,545</u>	<u>\$ 1,297,740</u>	<u>\$ 1,559,231</u>	<u>\$ 1,051,949</u>
\$ 27,418,040	\$ 24,623,500	\$ 23,891,570	\$ 22,770,923	\$ 21,964,782	\$ 19,641,076
10.00%	10.00%	10.00%	9.75%	6.21%	5.77%

City of North Little Rock, Arkansas
Schedule of City's Contributions - Police Pension Plan
Last 9 Years

Police Pension

Fiscal Year Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percent of Covered Payroll
2016	\$ 1,626,971	\$ 1,626,971	\$ -	\$ 241,190	674.56%
2017	1,705,029	1,705,029	-	159,587	1068.40%
2018	1,708,560	1,708,560	-	157,318	1086.05%
2019	1,813,500	1,813,500	-	168,808	1074.30%
2020	1,805,304	1,805,304	-	170,821	1056.84%
2021	1,883,856	1,883,856	-	175,942	1070.73%
2022	2,009,328	2,009,328	-	173,125	1160.62%
2023	2,009,328	2,009,328	-	120,345	1669.64%
2024	2,285,046	2,285,046	-	112,158	2037.35%

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

Key Assumptions for ADC

Cost method	Individual entry age normal
Amortization method	Closed amortization period based on projected future payroll
Remaining amortization	15 years beginning January 1, 2023
Asset valuation	5-year smoothed market; 20% corridor
Investment rate of return	7.25%
Mortality	Pub-2010 Amount-Weighted General Below Median Income Healthy Retiree tables set forward one year for males and two years for females, Disabled Retiree and Employee mortality tables for males and females. The tables were adjusted for fully generational mortality improvements using Scale MP-2020.

Other Information

Notes	There were no benefit changes during the year.
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City of North Little Rock, Arkansas
Schedule of City's Contributions - Firemen's Pension and Relief Fund
Last 9 Years

Firemen's Pension and Relief Fund

Fiscal Year Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percent of Covered Payroll
2016	\$ 1,517,418	\$ 1,517,418	\$ -	\$ 510,473	297.26%
2017	1,487,237	1,487,237	-	526,042	282.72%
2018	1,458,360	1,458,360	-	411,211	354.65%
2019	1,457,352	1,457,352	-	333,149	437.45%
2020	1,591,524	1,591,524	-	250,678	634.89%
2021	1,695,540	1,695,540	-	183,387	924.57%
2022	1,695,540	1,695,540	-	158,095	1072.48%
2023	1,796,748	1,796,748	-	164,710	1090.86%
2024	2,065,024	2,065,024	-	128,606	1605.70%

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

Key Assumptions for ADC

Cost method	Individual entry age normal
Amortization method	Closed amortization period based on projected future payroll
Remaining amortization	15 years beginning January 1, 2023
Asset valuation	5-year smoothed market; 20% corridor
Investment rate of return	7.25%
Mortality	Pub-2010 Amount-Weighted General Below Median Income Healthy Retiree tables set forward one year for males and two years for females, Disabled Retiree and Employee mortality tables for males and females. The tables were adjusted for fully generational mortality improvements using Scale MP-2020.

Other Information

Notes	There were no benefit changes during the year.
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City of North Little Rock, Arkansas
Schedule of City's Contributions - LOPFI
Last 9 Years

LOPFI - Fire

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 3,082,104	\$ 2,824,477	\$ 2,630,131	\$ 2,530,463
Contribution in relation of the contractually required contribution	<u>3,082,104</u>	<u>2,824,477</u>	<u>2,630,131</u>	<u>2,530,463</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 11,782,018	\$ 12,393,492	\$ 11,235,915	\$ 10,905,896
Contributions as a percentage of covered payroll	26.16%	22.79%	23.41%	23.20%

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.

LOPFI - Police

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 3,747,812	\$ 3,275,646	\$ 2,772,133	\$ 2,512,422
Contribution in relation of the contractually required contribution	<u>3,747,812</u>	<u>3,275,646</u>	<u>2,772,133</u>	<u>2,512,422</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 13,659,917	\$ 14,373,172	\$ 11,842,547	\$ 10,828,177
Contributions as a percentage of covered payroll	27.44%	22.79%	23.41%	23.20%

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.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 2,602,961	\$ 2,375,754	\$ 2,092,256	\$ 1,487,237	\$ 1,517,419
<u>2,602,961</u>	<u>2,375,754</u>	<u>2,092,256</u>	<u>1,487,237</u>	<u>1,517,419</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 11,093,451	\$ 10,429,122	\$ 9,557,042	\$ 9,359,122	\$ 8,707,186
23.46%	22.78%	21.89%	15.89%	17.43%

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 2,513,286	\$ 2,264,444	\$ 2,059,395	\$ 1,705,029	\$ 1,626,971
<u>2,513,286</u>	<u>2,264,444</u>	<u>2,059,395</u>	<u>1,705,029</u>	<u>1,626,971</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 13,375,657	\$ 13,486,861	\$ 12,257,002	\$ 11,783,650	\$ 10,999,885
18.79%	16.79%	16.80%	14.47%	14.79%

City of North Little Rock, Arkansas
Schedule of City's Contributions - APERS
Last 10 Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 80,367	\$ 79,536	\$ 68,243	\$ 66,621
Contribution in relation of the contractually required contribution	<u>80,367</u>	<u>79,536</u>	<u>68,243</u>	<u>66,621</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 524,791	\$ 521,776	\$ 425,455	\$ 415,343
Contributions as a percentage of covered payroll	15.31%	15.24%	16.04%	16.04%

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

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 63,761	\$ 66,070	\$ 54,804	\$ 58,679	\$ 54,575	\$ 55,139
<u>63,761</u>	<u>66,070</u>	<u>54,804</u>	<u>58,679</u>	<u>54,575</u>	<u>55,139</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 411,627	\$ 431,266	\$ 377,959	\$ 401,636	\$ 370,754	\$ 368,084
15.49%	15.32%	14.50%	14.61%	14.72%	14.98%

City of North Little Rock, Arkansas
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
December 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability, Beginning of Year	\$ 4,955,511	\$ 4,641,652	\$ 6,887,843	\$ 6,688,731	\$ 5,765,549	\$ 5,321,410	\$ 5,471,163
Changes for the year							
Service cost	204,268	192,501	337,380	357,542	244,533	299,941	258,689
Interest	201,998	203,799	160,566	144,830	193,302	201,695	172,888
Difference between expected and actual experience	(2,436,203)	-	(1,672,912)	-	(64,719)	-	(207,822)
Benefit payments	(219,629)	(211,274)	(177,852)	(115,186)	(161,142)	(160,545)	(150,996)
Changes in assumptions	(65,654)	128,833	(893,373)	(188,074)	711,208	179,508	(222,512)
Total OPEB Liability, End of Year	<u>\$ 2,640,291</u>	<u>\$ 4,955,511</u>	<u>\$ 4,641,652</u>	<u>\$ 6,887,843</u>	<u>\$ 6,688,731</u>	<u>\$ 5,842,009</u>	<u>\$ 5,321,410</u>
Covered - Employee Payroll	\$ 33,363,636	\$ 31,223,255	\$ 28,881,190	\$ 26,946,312	\$ 27,418,040	\$ 24,623,500	\$ 23,891,570
Plan's Total OPEB Liability as a Percentage of Covered - Employee Payroll	7.91%	15.87%	16.07%	25.56%	24.40%	23.73%	22.27%

Notes to Schedule:

Changes in Benefit Terms: None

Changes of Assumptions: Changes of assumptions reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

December 31, 2017 - 3.16%
December 31, 2018 - 3.64%
December 31, 2019 - 3.26%
December 31, 2020 - 1.93%
December 31, 2021 - 2.25%
December 31, 2022 - 4.31%
December 31, 2023 - 4.00%
December 31, 2024 - 4.28%

Note: The City began to report the above information when it implemented GASB Statement 75 in fiscal year 2018. This OPEB schedule is intended to present information for ten years. Additional information will be displayed as it becomes available.

No amounts are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

OTHER SUPPLEMENTARY INFORMATION



City of North Little Rock, Arkansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 4,916,298	\$ 173,243	\$ 9,444,267	\$ 14,533,808
Investments	-	-	6,879,117	6,879,117
Property taxes receivable - net of allowance	2,386,471	287,672	-	2,674,143
Sales tax receivable	2,232,574	-	-	2,232,574
Due from other governments	369,686	-	-	369,686
Due from other funds	604,185	-	3,422,788	4,026,973
Prepays	280,608	-	-	280,608
Restricted cash equivalents	-	645,135	-	645,135
Total assets	<u>\$ 10,789,822</u>	<u>\$ 1,106,050</u>	<u>\$ 19,746,172</u>	<u>\$ 31,642,044</u>
Liabilities				
Accounts payable	\$ 389,917	\$ -	\$ 977,953	\$ 1,367,870
Accrued expenses	323,976	-	-	323,976
Due to other funds	687,776	-	603,860	1,291,636
Total liabilities	<u>1,401,669</u>	<u>-</u>	<u>1,581,813</u>	<u>2,983,482</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	<u>2,164,803</u>	<u>268,973</u>	<u>-</u>	<u>2,433,776</u>
Total deferred inflows of resources	<u>2,164,803</u>	<u>268,973</u>	<u>-</u>	<u>2,433,776</u>
Fund Balances				
Nonspendable	280,608	-	-	280,608
Restricted	-	837,077	-	837,077
Debt service	-	837,077	-	837,077
Street and traffic	3,877,347	-	-	3,877,347
Parks and recreation	1,995,642	-	-	1,995,642
Community development	2,262	-	-	2,262
Police - equitable sharing	292,855	-	-	292,855
Drainage improvement	774,636	-	-	774,636
Committed	-	-	18,164,359	18,164,359
Total fund balances	<u>7,223,350</u>	<u>837,077</u>	<u>18,164,359</u>	<u>26,224,786</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,789,822</u>	<u>\$ 1,106,050</u>	<u>\$ 19,746,172</u>	<u>\$ 31,642,044</u>

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

	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Taxes - sales	\$ 12,626,441	\$ -	\$ -	\$ 12,626,441
Taxes - other	2,209,108	254,724	-	2,463,832
Licenses and permits	141,404	-	-	141,404
Charges for services	2,093,262	-	-	2,093,262
Intergovernmental	2,059,212	-	-	2,059,212
Investment earnings	130,297	41,827	544,163	716,287
Miscellaneous	260,472	30	-	260,502
Total revenues	19,520,196	296,581	544,163	20,360,940
Expenditures				
Community development	1,004,240	-	-	1,004,240
Parks and recreation	9,228,337	-	-	9,228,337
Public safety - police	17,488	-	-	17,488
Public works	-	-	543,260	543,260
Street and traffic	6,949,427	-	-	6,949,427
Capital outlay	2,515,966	-	16,670,037	19,186,003
Debt service				
Principal retirement	51,846	680,000	-	731,846
Interest and fiscal charges	1,966	376,700	-	378,666
Total expenditures	19,769,270	1,056,700	17,213,297	38,039,267
Excess (Deficiency) of Revenues Over (Under) Expenditures	(249,074)	(760,119)	(16,669,134)	(17,678,327)
Other Financing Sources (Uses)				
Transfers in	1,325,000	851,685	17,614,252	19,790,937
Transfers out	-	-	(2,174,100)	(2,174,100)
Total other financing sources (uses)	1,325,000	851,685	15,440,152	17,616,837
Net Change in Fund Balances	1,075,926	91,566	(1,228,982)	(61,490)
Fund Balances, Beginning of Year	6,147,424	745,511	19,393,341	26,286,276
Fund Balances, End of Year	\$ 7,223,350	\$ 837,077	\$ 18,164,359	\$ 26,224,786

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

	<u>Street</u>	<u>Parks and Recreation</u>	<u>Community Development</u>	<u>Equitable Sharing</u>
Assets				
Cash and cash equivalents	\$ 2,621,765	\$ 1,233,963	\$ 2,263	\$ 283,671
Property taxes receivable - net of allowance	2,386,471	-	-	-
Sales tax receivable	933,902	1,298,672	-	-
Due from other governments	-	-	369,686	-
Due from other funds	553,166	41,835	-	9,184
Prepays	83,724	196,666	218	-
Total assets	<u>\$ 6,579,028</u>	<u>\$ 2,771,136</u>	<u>\$ 372,167</u>	<u>\$ 292,855</u>
Liabilities				
Accounts payable	\$ 212,410	\$ 175,601	\$ 1,906	\$ -
Accrued expenses	131,466	192,510	-	-
Due to other funds	109,278	210,717	367,781	-
Total liabilities	<u>453,154</u>	<u>578,828</u>	<u>369,687</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	<u>2,164,803</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>2,164,803</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	83,724	196,666	218	-
Restricted				
Street and traffic	3,877,347	-	-	-
Parks and recreation	-	1,995,642	-	-
Community development	-	-	2,262	-
Police - equitable sharing	-	-	-	292,855
Drainage improvement	-	-	-	-
Total fund balances	<u>3,961,071</u>	<u>2,192,308</u>	<u>2,480</u>	<u>292,855</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,579,028</u>	<u>\$ 2,771,136</u>	<u>\$ 372,167</u>	<u>\$ 292,855</u>

Drainage Improvement	Total Special Revenue Funds
\$ 774,636	\$ 4,916,298
-	2,386,471
-	2,232,574
-	369,686
-	604,185
-	280,608
<u>\$ 774,636</u>	<u>\$ 10,789,822</u>
\$ -	\$ 389,917
-	323,976
-	687,776
<u>-</u>	<u>1,401,669</u>
-	2,164,803
<u>-</u>	<u>2,164,803</u>
-	280,608
-	3,877,347
-	1,995,642
-	2,262
-	292,855
<u>774,636</u>	<u>774,636</u>
<u>774,636</u>	<u>7,223,350</u>
<u>\$ 774,636</u>	<u>\$ 10,789,822</u>

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

	<u>Street</u>	<u>Parks and Recreation</u>	<u>Community Development</u>	<u>Equitable Sharing</u>
Revenues				
Taxes - sales	\$ 5,317,135	\$ 7,309,306	\$ -	\$ -
Taxes - other	2,209,108	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	2,093,262	-	-
Intergovernmental	-	-	1,916,833	142,379
Investment earnings	69,496	35,227	-	6,270
Miscellaneous	129,237	128,349	-	2,886
Total revenues	<u>7,724,976</u>	<u>9,566,144</u>	<u>1,916,833</u>	<u>151,535</u>
Expenditures				
Community development	-	-	1,004,240	-
Parks and recreation	-	9,228,337	-	-
Public safety - police	-	-	-	17,488
Street and traffic	6,949,427	-	-	-
Capital outlay	689,164	782,821	911,154	70,770
Debt service				
Principal retirement	-	51,846	-	-
Interest and fiscal charges	-	1,966	-	-
Total expenditures	<u>7,638,591</u>	<u>10,064,970</u>	<u>1,915,394</u>	<u>88,258</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>86,385</u>	<u>(498,826)</u>	<u>1,439</u>	<u>63,277</u>
Other Financing Sources				
Transfers in	<u>310,000</u>	<u>1,015,000</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>310,000</u>	<u>1,015,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>396,385</u>	<u>516,174</u>	<u>1,439</u>	<u>63,277</u>
Fund Balances, Beginning of Year	<u>3,564,686</u>	<u>1,676,134</u>	<u>1,041</u>	<u>229,578</u>
Fund Balances, End of Year	<u>\$ 3,961,071</u>	<u>\$ 2,192,308</u>	<u>\$ 2,480</u>	<u>\$ 292,855</u>

<u>Drainage Improvement</u>	<u>Total Special Revenue Funds</u>
\$ -	\$ 12,626,441
-	2,209,108
141,404	141,404
-	2,093,262
-	2,059,212
19,304	130,297
-	260,472
<u>160,708</u>	<u>19,520,196</u>
-	1,004,240
-	9,228,337
-	17,488
-	6,949,427
62,057	2,515,966
-	51,846
-	1,966
<u>62,057</u>	<u>19,769,270</u>
<u>98,651</u>	<u>(249,074)</u>
<u>-</u>	<u>1,325,000</u>
<u>-</u>	<u>1,325,000</u>
98,651	1,075,926
<u>675,985</u>	<u>6,147,424</u>
<u>\$ 774,636</u>	<u>\$ 7,223,350</u>

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

	Baring Cross Debt Service	2019 Capital Improvement Debt Service	Total Debt Service Funds
Assets			
Cash and cash equivalents	\$ 173,243	\$ -	\$ 173,243
Property taxes receivable - net of allowance	287,672	-	287,672
Restricted cash equivalents	-	645,135	645,135
Total assets	<u>\$ 460,915</u>	<u>\$ 645,135</u>	<u>\$ 1,106,050</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	\$ 268,973	\$ -	\$ 268,973
Total deferred inflows of resources	<u>268,973</u>	<u>-</u>	<u>268,973</u>
Fund Balances			
Restricted for			
Debt service	<u>191,942</u>	<u>645,135</u>	<u>837,077</u>
Total fund balances	<u>191,942</u>	<u>645,135</u>	<u>837,077</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 460,915</u>	<u>\$ 645,135</u>	<u>\$ 1,106,050</u>

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

	Baring Cross Debt Service	2019 Capital Improvement Debt Service	Total Debt Service Funds
Revenues			
Taxes - other	\$ 254,724	\$ -	\$ 254,724
Investment earnings	5,366	36,461	41,827
Miscellaneous	30	-	30
Total revenues	<u>260,120</u>	<u>36,461</u>	<u>296,581</u>
Expenditures			
Debt service			
Principal retirement	145,000	535,000	680,000
Interest and fiscal charges	55,550	321,150	376,700
Total expenditures	<u>200,550</u>	<u>856,150</u>	<u>1,056,700</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>59,570</u>	<u>(819,689)</u>	<u>(760,119)</u>
Other Financing Sources			
Transfers in	-	851,685	851,685
Total other financing sources	<u>-</u>	<u>851,685</u>	<u>851,685</u>
Net Change in Fund Balances	59,570	31,996	91,566
Fund Balances, Beginning of Year	<u>132,372</u>	<u>613,139</u>	<u>745,511</u>
Fund Balances, End of Year	<u>\$ 191,942</u>	<u>\$ 645,135</u>	<u>\$ 837,077</u>

City of North Little Rock, Arkansas
Combining Balance Sheet
Governmental Funds - Nonmajor Capital Projects
December 31, 2024

	Sales Tax Capital Improvement	2017 Sales Tax Capital Improvement	2023 Sales Tax Capital Improvement	Total Capital Projects Funds
Assets				
Cash and cash equivalents	\$ 4,891,445	\$ 188,642	\$ 4,364,180	\$ 9,444,267
Investments	-	-	6,879,117	6,879,117
Due from other funds	1,041,281	-	2,381,507	3,422,788
Total assets	<u>\$ 5,932,726</u>	<u>\$ 188,642</u>	<u>\$ 13,624,804</u>	<u>\$ 19,746,172</u>
Liabilities				
Accounts payable	\$ 58,218	\$ 188,642	\$ 731,093	\$ 977,953
Due to other funds	118,947	-	484,913	603,860
Total liabilities	<u>177,165</u>	<u>188,642</u>	<u>1,216,006</u>	<u>1,581,813</u>
Fund Balances				
Committed	<u>5,755,561</u>	<u>-</u>	<u>12,408,798</u>	<u>18,164,359</u>
Total fund balances	<u>5,755,561</u>	<u>-</u>	<u>12,408,798</u>	<u>18,164,359</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,932,726</u>	<u>\$ 188,642</u>	<u>\$ 13,624,804</u>	<u>\$ 19,746,172</u>

City of North Little Rock, Arkansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - Nonmajor Capital Projects
For the Year Ended December 31, 2024

	Sales Tax Capital Improvement	2017 Sales Tax Capital Improvement	2023 Sales Tax Capital Improvement	Total Capital Projects Funds
Revenues				
Investment earnings	\$ 110,989	\$ 157,835	\$ 275,339	\$ 544,163
Total revenues	110,989	157,835	275,339	544,163
Expenditures				
Public works	543,260	-	-	543,260
Capital outlay	3,538,140	3,392,423	9,739,474	16,670,037
Total expenditures	4,081,400	3,392,423	9,739,474	17,213,297
Deficiency of Revenues Under Expenditures	<u>(3,970,411)</u>	<u>(3,234,588)</u>	<u>(9,464,135)</u>	<u>(16,669,134)</u>
Other Financing Sources (Uses)				
Transfers in	5,871,419	-	11,742,833	17,614,252
Transfers out	<u>(1,695,100)</u>	<u>-</u>	<u>(479,000)</u>	<u>(2,174,100)</u>
Total other financing sources (uses)	4,176,319	-	11,263,833	15,440,152
Net Change in Fund Balances	205,908	(3,234,588)	1,799,698	(1,228,982)
Fund Balances, Beginning of Year	<u>5,549,653</u>	<u>3,234,588</u>	<u>10,609,100</u>	<u>19,393,341</u>
Fund Balances, End of Year	<u>\$ 5,755,561</u>	<u>\$ -</u>	<u>\$ 12,408,798</u>	<u>\$ 18,164,359</u>

City of North Little Rock, Arkansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - Street Fund
For the Year Ended December 31, 2024

	Original Budget	Changes	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues					
Taxes - sales	\$ 5,500,000	\$ -	\$ 5,500,000	\$ 5,317,135	\$ (182,865)
Taxes - other	1,825,000	200,000	2,025,000	2,209,108	184,108
Licenses & permits	10,000	-	10,000	-	(10,000)
Investment earnings	40,000	-	40,000	69,496	29,496
Miscellaneous	320,359	65,661	386,020	129,237	(256,783)
Total revenues	7,695,359	265,661	7,961,020	7,724,976	(236,044)
Expenditures					
Street and traffic	6,598,186	464,115	7,062,301	6,949,427	112,874
Capital outlay	1,407,173	-	1,407,173	689,164	718,009
Total expenditures	8,005,359	464,115	8,469,474	7,638,591	830,883
Excess (Deficiency) of Revenues Over (Under) Expenditures	(310,000)	(198,454)	(508,454)	86,385	594,839
Other Financing Sources					
Transfers in	310,000	-	310,000	310,000	-
Total other financing sources	310,000	-	310,000	310,000	-
Net Change in Fund Balance (Deficit)	-	(198,454)	(198,454)	396,385	594,839
Fund Balance, Beginning of Year	3,564,686	-	3,564,686	3,564,686	-
Fund Balance, End of Year	<u>\$ 3,564,686</u>	<u>\$ (198,454)</u>	<u>\$ 3,366,232</u>	<u>\$ 3,961,071</u>	<u>\$ 594,839</u>

City of North Little Rock, Arkansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - Parks and Recreation Fund
For the Year Ended December 31, 2024

	Original Budget	Changes	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues					
Taxes - sales	\$ 6,775,000	\$ 350,000	\$ 7,125,000	\$ 7,309,306	\$ 184,306
Charges for services	2,010,310	15,000	2,025,310	2,093,262	67,952
Investment earnings	34,101	-	34,101	35,227	1,126
Miscellaneous	53,500	84,770	138,270	128,349	(9,921)
Total revenues	8,872,911	449,770	9,322,681	9,566,144	243,463
Expenditures					
Parks and recreation	9,533,461	(292,157)	9,241,304	9,228,337	12,967
Capital outlay	300,000	905,395	1,205,395	782,821	422,574
Principal retirement	52,000	-	52,000	51,846	154
Interest and fiscal charges	2,450	-	2,450	1,966	484
Total expenditures	9,887,911	613,238	10,501,149	10,064,970	436,179
Deficiency of Revenues Under Expenditures	<u>(1,015,000)</u>	<u>(163,468)</u>	<u>(1,178,468)</u>	<u>(498,826)</u>	<u>679,642</u>
Other Financing Sources					
Transfers in	1,015,000	-	1,015,000	1,015,000	-
Total other financing sources	1,015,000	-	1,015,000	1,015,000	-
Net Change in Fund Balance (Deficit)	-	(163,468)	(163,468)	516,174	679,642
Fund Balance, Beginning of Year	1,676,134	-	1,676,134	1,676,134	-
Fund Balance, End of Year	<u>\$ 1,676,134</u>	<u>\$ (163,468)</u>	<u>\$ 1,512,666</u>	<u>\$ 2,192,308</u>	<u>\$ 679,642</u>

City of North Little Rock, Arkansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - Sales Tax Capital Improvement Fund
For the Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Changes</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues					
Investment earnings	\$ 51,609	\$ -	\$ 51,609	\$ 110,989	\$ 59,380
Total revenues	<u>51,609</u>	<u>-</u>	<u>51,609</u>	<u>110,989</u>	<u>59,380</u>
Expenditures					
Public works	-	542,204	542,204	543,260	(1,056)
Capital outlay	<u>2,104,009</u>	<u>4,644,258</u>	<u>6,748,267</u>	<u>3,538,140</u>	<u>3,210,127</u>
Total expenditures	<u>2,104,009</u>	<u>5,186,462</u>	<u>7,290,471</u>	<u>4,081,400</u>	<u>3,209,071</u>
Deficiency of Revenues Under Expenditures	<u>(2,052,400)</u>	<u>(5,186,462)</u>	<u>(7,238,862)</u>	<u>(3,970,411)</u>	<u>3,268,451</u>
Other Financing Sources (Uses)					
Transfers in	5,562,500	250,000	5,812,500	5,871,419	58,919
Transfers out	<u>(1,695,100)</u>	<u>-</u>	<u>(1,695,100)</u>	<u>(1,695,100)</u>	<u>-</u>
Total other financing sources	<u>3,867,400</u>	<u>250,000</u>	<u>4,117,400</u>	<u>4,176,319</u>	<u>58,919</u>
Net Change in Fund Balance (Deficit)	<u>1,815,000</u>	<u>(4,936,462)</u>	<u>(3,121,462)</u>	<u>205,908</u>	<u>3,327,370</u>
Fund Balance, Beginning of Year	<u>5,549,653</u>	<u>-</u>	<u>5,549,653</u>	<u>5,549,653</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 7,364,653</u>	<u>\$ (4,936,462)</u>	<u>\$ 2,428,191</u>	<u>\$ 5,755,561</u>	<u>\$ 3,327,370</u>

City of North Little Rock, Arkansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - 2023 Sales Tax Capital Improvement Fund
For the Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Changes</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues					
Investment earnings	\$ 37,000	\$ -	\$ 37,000	\$ 275,339	\$ 238,339
Total revenues	<u>37,000</u>	<u>-</u>	<u>37,000</u>	<u>275,339</u>	<u>238,339</u>
Expenditures					
Capital outlay	<u>10,683,000</u>	<u>9,825,921</u>	<u>20,508,921</u>	<u>9,739,474</u>	<u>10,769,447</u>
Total expenditures	<u>10,683,000</u>	<u>9,825,921</u>	<u>20,508,921</u>	<u>9,739,474</u>	<u>10,769,447</u>
Deficiency of Revenues Under Expenditures	<u>(10,646,000)</u>	<u>(9,825,921)</u>	<u>(20,471,921)</u>	<u>(9,464,135)</u>	<u>11,007,786</u>
Other Financing Sources (Uses)					
Transfers in	11,125,000	500,000	11,625,000	11,742,833	117,833
Transfers out	<u>(479,000)</u>	<u>-</u>	<u>(479,000)</u>	<u>(479,000)</u>	<u>-</u>
Total other financing sources	<u>10,646,000</u>	<u>500,000</u>	<u>11,146,000</u>	<u>11,263,833</u>	<u>117,833</u>
Net Change in Fund Balance (Deficit)	-	(9,325,921)	(9,325,921)	1,799,698	11,125,619
Fund Balance, Beginning of Year	<u>10,609,100</u>	<u>-</u>	<u>10,609,100</u>	<u>10,609,100</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 10,609,100</u>	<u>\$ (9,325,921)</u>	<u>\$ 1,283,179</u>	<u>\$ 12,408,798</u>	<u>\$ 11,125,619</u>

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STATISTICAL SECTION



**City of North Little Rock,
Arkansas
Statistical
Section
(Unaudited)**

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

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Financial Trends (Tables 1–6)

These schedules contain trend information to assist the reader in understanding how the City's financial performance and well-being have changed over time 126

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Debt Capacity (Tables 11–14)

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

Table 1

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities				
Net investment in capital assets	\$ 64,950,657	\$ 71,815,036	\$ 77,828,156	\$ 83,669,833
Restricted	1,704,038	2,232,076	2,527,403	-
Unrestricted	<u>9,579,065</u>	<u>(4,793,593)</u>	<u>(7,948,848)</u>	<u>(3,096,150)</u>
Total governmental activities net position	<u>\$ 76,233,760</u>	<u>\$ 69,253,519</u>	<u>\$ 72,406,711</u>	<u>\$ 80,573,683</u>
Business-type activities				
Net investment in capital assets	\$ 101,865,437	\$ 106,379,890	\$ 113,882,253	\$ 115,621,652
Restricted	15,356,221	4,987,495	10,525,161	10,657,111
Unrestricted	<u>2,148,550</u>	<u>9,028,777</u>	<u>3,628,809</u>	<u>11,104,480</u>
Total business-type activities net position	<u>\$ 119,370,208</u>	<u>\$ 120,396,162</u>	<u>\$ 128,036,223</u>	<u>\$ 137,383,243</u>
Primary government				
Net investment in capital assets	\$ 166,816,094	\$ 178,194,926	\$ 191,710,409	\$ 199,291,485
Restricted	17,060,259	7,219,571	13,052,564	10,657,111
Unrestricted	<u>11,727,615</u>	<u>4,235,184</u>	<u>(4,320,039)</u>	<u>8,008,330</u>
Total primary government net position	<u>\$ 195,603,968</u>	<u>\$ 189,649,681</u>	<u>\$ 200,442,934</u>	<u>\$ 217,956,926</u>

(A) 2020 governmental activities beginning net position was restated for a change in the measurement date for various pension plans. Prior years' net position have not been updated for this change.

<u>2019</u>	<u>2020 (A)</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 88,578,170	\$ 96,586,369	\$ 113,011,793	\$ 130,524,357	\$ 149,323,912	\$ 164,397,705
7,545,786	22,964,049	18,931,884	19,660,092	12,612,466	10,297,319
<u>(79,203,245)</u>	<u>(80,778,097)</u>	<u>(77,162,162)</u>	<u>(64,202,454)</u>	<u>(46,811,053)</u>	<u>(36,266,663)</u>
<u>\$ 16,920,711</u>	<u>\$ 38,772,321</u>	<u>\$ 54,781,515</u>	<u>\$ 85,981,995</u>	<u>\$ 115,125,325</u>	<u>\$ 138,428,361</u>
\$ 105,196,767	\$ 107,272,083	\$ 108,760,225	\$ 109,997,145	\$ 115,367,289	\$ 119,871,318
3,166,687	3,110,730	3,106,611	1,725,938	1,786,631	1,805,967
<u>40,675,868</u>	<u>44,706,357</u>	<u>45,606,747</u>	<u>47,571,724</u>	<u>58,361,063</u>	<u>62,245,847</u>
<u>\$ 149,039,322</u>	<u>\$ 155,089,170</u>	<u>\$ 157,473,583</u>	<u>\$ 159,294,807</u>	<u>\$ 175,514,983</u>	<u>\$ 183,923,132</u>
\$ 193,774,937	\$ 203,858,452	\$ 221,772,018	\$ 240,521,502	\$ 264,691,201	\$ 284,269,023
10,712,473	26,074,779	22,038,495	21,386,030	14,399,097	12,103,286
<u>(38,527,377)</u>	<u>(36,071,740)</u>	<u>(31,555,415)</u>	<u>(16,630,730)</u>	<u>11,550,010</u>	<u>25,979,184</u>
<u>\$ 165,960,033</u>	<u>\$ 193,861,491</u>	<u>\$ 212,255,098</u>	<u>\$ 245,276,802</u>	<u>\$ 290,640,308</u>	<u>\$ 322,351,493</u>

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

Table 2

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Expenses				
Governmental activities				
General government	\$ 14,044,077	\$ 17,518,071	\$ 21,670,423	\$ 25,657,328
Public safety	41,160,354	54,742,749	45,907,394	42,344,278
Public works	863,116	1,113,145	1,132,566	1,028,141
Street and traffic	3,194,899	2,440,182	5,555,518	14,669,174
Health and sanitation	4,955,822	4,997,929	4,697,221	4,893,759
Community development	2,406,171	2,029,428	1,699,839	287,952
Culture and recreation	6,619,136	8,490,298	8,428,770	7,867,602
Interest and fiscal charges	63,184	37,673	48,957	36,874
Total governmental activities expenses	<u>73,306,759</u>	<u>91,369,475</u>	<u>89,140,688</u>	<u>96,785,108</u>
Business-type activities				
Electric department	72,817,920	70,454,991	72,050,817	74,677,547
Utilities Accounting Department	-	3,022,544	1,690,056	793,643
Total business-type activities expenses	<u>72,817,920</u>	<u>73,477,535</u>	<u>73,740,873</u>	<u>75,471,190</u>
Total primary government expenses	<u>\$ 146,124,679</u>	<u>\$ 164,847,010</u>	<u>\$ 162,881,561</u>	<u>\$ 172,256,298</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 3,080,894	\$ 3,306,825	\$ 3,381,707	\$ 3,886,267
Public safety	3,314,597	3,255,331	2,935,147	3,323,813
Public works	-	-	-	-
Street and traffic	27,080	5,700	39,660	153,971
Community development	923,910	808,971	888,294	954,822
Culture and recreation	1,273,852	1,491,754	1,763,352	1,356,283
Operating grants and contributions	196,479	1,326,271	1,614,112	404,425
Capital grants and contributions	1,412,468	1,706,993	7,653,537	3,416,216
Total governmental activities program revenues	<u>10,229,280</u>	<u>11,901,845</u>	<u>18,275,809</u>	<u>13,495,797</u>
Business-type activities				
Charges for services				
Electric department	91,547,365	82,798,486	89,964,914	93,739,108
Utilities Accounting Department	-	2,396,386	1,590,733	960,315
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>91,547,365</u>	<u>85,194,872</u>	<u>91,555,647</u>	<u>94,699,423</u>
Total primary government program revenues	<u>\$ 101,776,645</u>	<u>\$ 97,096,717</u>	<u>\$ 109,831,456</u>	<u>\$ 108,195,220</u>
Net (Expense)/Revenue				
Governmental activities	\$ (63,077,479)	\$ (79,467,630)	\$ (70,864,879)	\$ (83,289,311)
Business-type activities	<u>18,729,445</u>	<u>11,717,337</u>	<u>17,814,774</u>	<u>19,228,233</u>
Total primary government net expense	<u>\$ (44,348,034)</u>	<u>\$ (67,750,293)</u>	<u>\$ (53,050,105)</u>	<u>\$ (64,061,078)</u>

2019	2020	2021	2022	2023	2024
\$ 24,312,352	\$ 26,601,470	\$ 25,654,068	\$ 30,660,183	\$ 50,216,265	\$ 33,822,606
61,910,602	59,987,367	53,340,207	47,950,176	44,671,828	58,016,021
2,650,674	1,782,790	3,200,186	1,394,466	2,959,471	2,383,848
6,841,766	7,902,594	10,793,629	9,786,423	8,950,164	9,233,849
5,672,952	5,634,372	6,840,427	6,551,846	7,088,623	7,131,884
898,511	1,165,136	615,673	1,446,767	950,774	1,019,042
9,191,100	8,985,499	9,795,437	10,427,475	11,935,917	10,788,074
315,068	411,286	322,202	301,671	296,603	253,247
111,793,025	112,470,514	110,561,829	108,519,007	127,069,645	122,648,571
73,179,016	68,631,031	78,828,925	89,306,365	82,204,333	82,030,298
-	-	-	-	-	-
73,179,016	68,631,031	78,828,925	89,306,365	82,204,333	82,030,298
\$ 184,972,041	\$ 181,101,545	\$ 189,390,754	\$ 197,825,372	\$ 209,273,978	\$ 204,678,869
\$ 4,742,957	\$ 4,202,639	\$ 4,398,923	\$ 5,356,290	\$ 5,635,592	\$ 6,076,250
3,153,614	2,258,289	1,642,960	3,291,508	2,096,952	2,064,087
-	-	183,711	-	-	-
213,386	67,987	-	46,105	38,695	141,404
1,042,275	1,100,416	1,196,866	1,405,486	1,489,316	1,755,727
1,498,433	1,380,087	1,861,279	825,941	1,708,315	2,093,262
1,035,577	3,207,844	2,391,152	393,129	16,153,352	2,202,404
1,767,996	2,794,546	3,279,733	4,677,191	4,773,558	5,002,001
13,454,238	15,011,808	14,954,624	15,995,650	31,895,780	19,335,135
93,442,310	87,823,545	93,857,877	102,966,537	106,771,617	102,263,034
-	-	-	-	-	-
-	-	873,714	1,620,078	3,443,908	287,128
1,500,000	62,241	-	-	-	-
94,942,310	87,885,786	94,731,591	104,586,615	110,215,525	102,550,162
\$ 108,396,548	\$ 102,897,594	\$ 109,686,215	\$ 120,582,265	\$ 142,111,305	\$ 121,885,297
\$ (98,338,787)	\$ (97,458,706)	\$ (95,607,205)	\$ (92,523,357)	\$ (95,173,865)	\$ (103,313,436)
21,763,294	19,254,755	15,902,666	15,280,250	28,011,192	20,519,864
\$ (76,575,493)	\$ (78,203,951)	\$ (79,704,539)	\$ (77,243,107)	\$ (67,162,673)	\$ (82,793,572)

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

Table 2

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
General revenues				
Taxes – sales	\$ 40,960,942	\$ 40,714,914	\$ 41,317,871	\$ 57,921,583
Taxes – other	14,615,168	14,120,158	15,080,258	15,046,525
Utility franchise taxes	3,191,694	2,975,695	3,022,080	3,834,205
Investment income	101,692	140,856	143,579	253,047
Unrestricted grants and contributions	-	-	-	578,067
Other	996,764	2,535,766	2,529,664	1,822,856
Transfers	12,000,000	12,000,000	11,930,000	12,000,000
Total governmental activities	<u>71,866,260</u>	<u>72,487,389</u>	<u>74,023,452</u>	<u>91,456,283</u>
Business-type activities				
Investment earnings	210,467	93,787	197,214	289,464
Other	4,318,952	1,214,830	1,622,692	2,204,272
Transfers	(12,000,000)	(12,000,000)	(12,000,000)	(12,000,000)
Total business-type activities	<u>(7,470,581)</u>	<u>(10,691,383)</u>	<u>(10,180,094)</u>	<u>(9,506,264)</u>
Total primary government	<u>\$ 64,395,679</u>	<u>\$ 61,796,006</u>	<u>\$ 63,843,358</u>	<u>\$ 81,950,019</u>
Changes in Net Position				
Governmental activities	\$ 8,788,781	\$ (6,980,241)	\$ 3,158,573	\$ 8,166,972
Business-type activities	11,258,864	1,025,954	7,634,680	9,721,969
Total primary government	<u>\$ 20,047,645</u>	<u>\$ (5,954,287)</u>	<u>\$ 10,793,253</u>	<u>\$ 17,888,941</u>

2019	2020	2021	2022	2023	2024
\$ 61,505,034	\$ 62,161,298	\$ 72,015,308	\$ 75,845,699	\$ 80,691,742	\$ 78,972,144
16,217,949	15,868,429	17,885,986	18,154,620	19,736,443	20,881,552
3,883,894	3,737,046	4,055,911	4,352,373	4,587,543	4,283,043
637,273	462,260	130,868	179,173	-	2,648,766
-	-	-	8,297,940	2,109,603	2,982,271
2,176,717	2,545,631	3,879,020	3,244,686	899,707	2,898,696
10,621,009	13,649,346	13,649,306	13,649,346	13,649,346	13,950,000
95,041,876	98,424,010	111,616,399	123,723,837	121,674,384	126,616,472
513,794	444,439	131,053	190,320	-	1,838,285
-	-	-	-	-	-
(10,621,009)	(13,649,346)	(13,649,306)	(13,649,346)	(13,649,346)	(13,950,000)
(10,107,215)	(13,204,907)	(13,518,253)	(13,459,026)	(13,649,346)	(12,111,715)
\$ 84,934,661	\$ 85,219,103	\$ 98,098,146	\$ 110,264,811	\$ 108,025,038	\$ 114,504,757
\$ (3,296,911)	\$ 965,304	\$ 16,009,194	\$ 31,200,480	\$ 26,500,519	\$ 23,303,036
11,656,079	6,049,848	2,384,413	1,821,224	14,361,846	8,408,149
\$ 8,359,168	\$ 7,015,152	\$ 18,393,607	\$ 33,021,704	\$ 40,862,365	\$ 31,711,185

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

Table 3

<u>Year</u>	<u>Taxes Other</u>	<u>Taxes Sales</u>	<u>Utility Franchise Taxes</u>	<u>Total</u>
2015	14,615,168	40,960,942	3,174,174	\$ 58,750,284
2016	14,120,158	40,714,914	2,901,943	57,737,015
2017	15,080,258	41,317,871	2,864,329	59,262,458
2018	15,046,525	57,921,583 (A)	2,942,394	75,910,502
2019	16,217,949	61,505,034	3,883,894	81,606,877
2020	15,868,429	62,161,298	3,737,046	81,766,773
2021	17,885,986	72,015,308	4,055,911	93,957,205
2022	18,154,620	75,845,696	4,352,372	98,352,688
2023	19,736,443	80,691,741	4,587,543	105,015,727
2024	20,881,552	78,972,144	4,283,043	104,136,739

(A) The citizens of North Little Rock passed an additional one-cent local sales tax in August 2017 which went into effect on January 1, 2018.

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

Table 4

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-
Assigned	10,995,941	12,308,991	7,609,980	170,288
Unassigned	<u>14,738,107</u>	<u>12,449,750</u>	<u>18,277,147</u>	<u>34,017,542</u>
Total general fund	<u>\$ 25,734,048</u>	<u>\$ 24,758,741</u>	<u>\$ 25,887,127</u>	<u>\$ 34,187,830</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	10,976,446	10,473,281	11,962,162	16,715,588
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67,859)</u>
Total all other government funds	<u>\$ 10,976,446</u>	<u>\$ 10,473,281</u>	<u>\$ 11,962,162</u>	<u>\$ 16,647,729</u>

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ -	\$ 1,488,242	\$ 1,148,945	\$ 966,118	\$ 1,531,725	\$ 1,517,118
-	-	18,015,356	18,591,848	20,115,807	20,115,807
270,000	270,000	270,000	270,000	3,761,615	2,839,973
<u>39,975,982</u>	<u>40,335,463</u>	<u>30,444,538</u>	<u>40,370,382</u>	<u>28,528,486</u>	<u>37,020,668</u>
<u>\$ 40,245,982</u>	<u>\$ 42,093,705</u>	<u>\$ 49,878,839</u>	<u>\$ 60,198,348</u>	<u>\$ 53,937,633</u>	<u>\$ 61,493,566</u>
\$ -	\$ -	\$ 162,820	\$ 172,017	\$ 195,746	\$ 280,608
16,459,696	7,501,579	17,020,792	17,544,338	10,322,019	7,779,819
13,480,478	2,995,779	4,081,760	3,615,806	16,158,753	18,164,359
955,629	769,485	758,181	-	-	-
<u>(73,294)</u>	<u>(218,805)</u>	<u>(181,805)</u>	<u>(60,506)</u>	<u>(50,773)</u>	<u>(8,971)</u>
<u>\$ 30,822,509</u>	<u>\$ 11,048,038</u>	<u>\$ 21,841,748</u>	<u>\$ 21,271,655</u>	<u>\$ 26,625,745</u>	<u>\$ 26,215,815</u>

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

Table 5

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues				
Taxes – sales	\$ 40,960,942	\$ 40,714,914	\$ 41,317,871	\$ 57,921,583
Taxes – other	13,630,033	13,953,068	14,724,341	14,993,301
Franchise fees	3,191,694	2,975,695	3,022,080	3,834,205
Fines and forfeitures	2,865,368	2,830,850	2,209,000	2,030,672
Licenses and permits	2,694,459	2,708,444	2,897,123	3,432,168
Charges for services	3,060,506	3,329,287	3,902,037	4,212,316
Intergovernmental	1,608,947	3,033,264	9,267,649	4,398,708
Investment earnings	101,692	140,856	143,579	253,047
Miscellaneous	1,226,722	2,418,217	3,917,791	1,822,856
Total revenues	<u>69,340,363</u>	<u>72,104,595</u>	<u>81,401,471</u>	<u>92,898,856</u>
Expenditures				
General government	7,803,010	8,426,930	9,006,554	9,109,578
Animal shelter	758,706	787,006	733,546	800,807
Community development	1,145,414	654,364	643,192	287,952
Emergency services	1,604,573	1,966,098	1,837,787	1,909,070
Fit 2 Live	146,933	155,657	127,210	173,855
Health	196,912	78,071	245,217	121,754
Neighborhood services	164,090	174,839	204,288	189,592
Parks and recreation	5,834,379	7,220,455	8,965,828	597,211
Public safety – fire	16,267,613	16,545,450	16,444,094	16,658,888
Public safety – police	21,587,940	22,524,446	23,117,459	23,776,320
Public works	849,837	1,070,419	1,147,806	1,028,141
Sanitation	4,436,801	4,441,956	4,471,118	4,598,150
Senior citizens center	887,376	919,528	1,011,537	902,633
Special appropriations	5,759,614	7,424,577	12,649,392	7,310,799
Street and traffic	4,760,634	5,361,379	6,010,465	14,669,174
Capital outlay	1,611,661	4,376,727	3,706,562	9,525,001
Debt service				
Principal	3,008,807	3,672,012	414,745	442,708
Interest	93,732	46,214	42,282	40,953
Bond issuance costs	-	-	-	-
Total expenditures	<u>76,918,032</u>	<u>85,846,128</u>	<u>90,779,082</u>	<u>92,142,586</u>
Excess of revenues				
Over (under) expenditures	(7,577,669)	(13,741,533)	(9,377,611)	756,270
Other Financing Sources (Uses)				
Transfer in	16,643,137	17,885,975	14,283,090	25,832,841
Transfer out	(4,873,095)	(5,760,814)	(2,290,922)	(13,602,841)
Leases (as lessee)	-	-	-	-
Net debt proceeds	-	137,000	3,610	-
Total other financing sources (uses)	<u>11,770,042</u>	<u>12,262,161</u>	<u>11,995,778</u>	<u>12,230,000</u>
Net change in fund balance	<u>\$ 4,192,373</u>	<u>\$ (1,479,372)</u>	<u>\$ 2,618,167</u>	<u>\$ 12,986,270</u>
Debt service as a percentage of noncapital expenditures	4.1%	4.6%	0.5%	0.6%

	2019	2020	2021	2022	2023	2024
\$	61,505,034	\$ 61,897,024	\$ 72,015,308	\$ 75,845,699	\$ 80,691,742	\$ 78,972,144
	16,203,498	15,868,429	17,426,504	17,173,879	18,888,596	20,155,671
	3,883,894	3,737,046	4,055,911	4,352,373	4,587,543	4,283,043
	2,154,232	1,843,421	1,336,936	1,233,271	1,422,105	2,057,329
	4,280,681	4,012,429	4,086,751	4,748,912	5,183,173	4,630,987
	4,215,752	3,153,568	3,860,052	4,943,149	4,363,592	5,294,501
	2,803,573	6,004,894	5,670,885	13,368,258	23,037,907	10,268,156
	637,273	462,260	130,868	179,173	2,642,811	2,648,766
	2,244,764	2,483,444	3,905,986	3,867,403	1,702,065	2,965,129
	97,928,701	99,462,515	112,489,201	125,712,117	142,519,534	131,275,726
	12,549,794	13,422,535	14,764,091	15,314,775	31,734,143	17,766,582
	802,112	749,860	682,359	833,561	974,776	1,054,705
	882,737	1,149,897	602,485	1,435,939	940,218	1,004,240
	2,028,599	2,021,023	1,929,667	1,969,498	2,561,553	2,855,494
	184,221	189,166	181,180	148,790	131,513	99,861
	95,281	133,542	93,227	88,141	105,434	97,873
	171,971	169,060	190,704	325,993	445,017	448,179
	8,032,479	7,672,299	8,670,876	9,284,403	10,842,534	9,546,456
	19,063,092	18,686,275	18,676,818	19,669,405	20,659,468	21,448,576
	23,908,322	24,570,426	24,828,088	27,117,120	29,021,592	30,707,972
	2,613,126	1,746,623	3,156,392	1,358,183	2,926,302	2,345,519
	5,108,572	4,987,955	6,260,984	5,969,082	6,416,809	6,481,882
	1,094,334	1,054,989	986,195	965,944	969,803	1,075,387
	6,498,909	7,464,739	7,340,137	10,738,171	13,960,936	8,275,314
	5,098,436	6,004,037	8,853,115	7,733,782	6,738,415	6,949,427
	12,320,239	23,733,371	25,647,003	25,621,450	27,593,484	27,644,474
	400,551	682,284	594,060	663,938	1,081,591	1,354,402
	48,266	487,327	469,385	442,188	430,174	378,666
	205,274	-	-	-	-	-
	101,106,315	114,925,408	123,926,766	129,680,363	157,533,762	139,535,009
	(3,177,614)	(15,462,893)	(11,437,565)	(3,968,246)	(15,014,228)	(8,259,283)
	30,273,227	32,260,903	34,320,017	38,249,670	36,345,065	38,867,535
	(18,251,657)	(18,611,557)	(20,670,711)	(24,600,324)	(22,695,719)	(24,917,535)
	-	-	-	68,316	-	1,455,286
	11,388,976	253,902	-	-	-	-
	23,410,546	13,903,248	13,649,306	13,717,662	13,649,346	15,405,286
\$	20,232,932	\$ (1,559,645)	\$ 2,211,741	\$ 9,749,416	\$ (1,364,882)	\$ 7,146,003
	0.5%	1.3%	1.1%	1.1%	1.2%	1.6%

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

Table 6

Year	Taxes Other	Taxes Sales	Utility Franchise Taxes	Total
2015	13,630,033	40,960,942	3,174,174	\$ 57,765,149
2016	13,953,068	40,714,914	2,901,943	57,569,925
2017	14,724,341	41,317,871	2,864,329	58,906,541
2018	14,993,301	57,921,583 (A)	2,942,394	75,857,278
2019	16,203,498	61,505,034	3,883,894	81,592,426
2020	15,868,429	61,897,024	3,737,046	81,502,499
2021	17,426,504	72,015,309	4,055,911	93,497,724
2022	17,173,879	75,845,699	4,352,373	97,371,951
2023	18,888,596	80,691,741	4,587,543	104,167,880
2024	20,155,671	78,972,144	4,283,043	103,410,858

(A) The citizens of North Little Rock passed an additional one-cent local sales tax in August 2017 which went into effect on January 1, 2018.

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

Table 7

Year	Real Property	Personal Property		Total Taxable Assessed Value
	Real	Real	Utility	
2015	782,619,329	260,164,425	62,071,555	\$ 1,104,855,309
2016	796,981,751	282,164,000	62,671,740	1,141,817,491
2017	809,452,684	283,349,520	61,783,970	1,154,586,174
2018	848,276,771	279,631,280	64,942,015	1,192,850,066
2019	875,224,375	291,576,805	64,474,950	1,231,276,130
2020	897,561,277	295,703,490	64,302,635	1,257,567,402
2021	919,171,847	309,865,670	69,293,955	1,298,331,472
2022	1,016,753,353	352,385,220	68,724,600	1,437,863,173
2023	1,085,558,131	390,426,450	75,927,315	1,551,911,896
2024	1,160,568,503	399,990,020	78,716,110	1,639,274,633

Source: Pulaski County Tax Assessor.

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

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

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

Both are considered personal PSC accounts.

Total Direct Tax Rate	Total Appraised Value	Assessed Value as a Percentage of Appraised Value
11.45	5,500,550,940	20%
11.45	5,683,179,740	20%
11.45	5,740,783,620	20%
11.45	5,930,166,770	20%
11.45	6,118,376,710	20%
11.45	6,238,993,180	20%
11.45	6,436,296,080	20%
11.45	7,127,505,560	20%
11.45	7,686,757,410	20%
11.45	8,116,960,430	20%

City of North 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	North Little Rock		Pulaski County		North Little Rock School District		Totals	
	Real	Personal	Real	Personal	Real	Personal	Real	Personal
2015	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80
2016	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80
2017	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80
2018	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80
2019	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80
2020	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80
2021	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80
2022	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80
2023	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80
2024	11.45	11.45	7.05	7.05	48.30	48.30	66.80	66.80

Tax Levies

2015		12,325,393	44,246,866	36,373,134	\$	92,945,393
2016		12,620,106	45,136,887	36,560,111		94,317,104
2017		13,040,506	46,834,699	37,375,812		97,251,017
2018		13,181,294	47,282,686	36,866,631		97,330,611
2019		13,614,397	48,949,768	37,642,574		100,206,739
2020		14,197,870	50,794,124	38,868,908		103,860,902
2021		14,527,186	51,998,836	39,139,572		105,665,594
2022		15,010,957	63,187,101	40,631,903		118,829,961
2023		16,625,460	69,507,995	43,940,710		130,074,165
2024		17,960,332	73,945,271	46,111,732		138,017,335

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

Taxes are due and payable on or before October 15. Taxes are recorded as delinquent after October 15 and a 10 percent penalty is added.

State statutory limits on City tax rate:

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

City of North Little Rock, Arkansas
Principal Sales Taxpayers
December 31, 2024

Table 9

The City of North Little Rock, Arkansas' largest own-source revenue is sales taxes. Sales taxes primarily come from two separate taxes; a two cent city tax based on point of sale and a portion of the county's one cent tax based on population. The City of North Little Rock makes up approximately 16% of the county population and receives a like proportion of the county tax. In 2024, the two cent city sales tax generated revenue of approximately \$46,970,000.

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

North Little Rock Top Ten 2 Cent Sales Taxpayers Industry		2024 Total	% of Total		2023 Total	% of Total
Other General Merchandise Stores	1	4,659,390	9.7%	1	4,668,760	9.7%
Building Material and Supplies Dealers	2	4,062,335	8.4%	2	4,639,221	9.6%
Grocery Stores	3	2,871,853	6.0%	3	2,703,588	5.6%
Full-Service Restaurants	4	2,319,766	4.8%	4	2,459,349	5.1%
Restaurants and Other Eating Places	5	2,085,952	4.3%	5	2,048,986	4.3%
Electric Power Generation; Transmission and Distribution	6	1,628,139	3.4%	6	1,891,512	3.9%
Electronic Shopping and Mail-Order Houses	7	1,873,106	3.9%	7	1,824,303	3.8%
Clothing Stores	8	1,209,226	2.5%	8	1,248,059	2.6%
Electronics and Appliance Stores	9	1,179,626	2.4%	9	1,223,701	2.5%
Automotive Parts Accessories; and Tire Retailers	10	1,105,673	2.3%			
Gasoline Stations				10	1,219,443	2.5%
Totals		<u>22,995,066</u>	47.7%		<u>23,926,922</u>	49.6%

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

Table 10

Year	Total Tax Levy In Prior Year		Taxes Levied in the Prior Year Collected Within the Current Year	
			Amount	Percentage of Levy
2015	\$	12,325,393	\$ 11,952,517	96.97%
2016	\$	12,620,106	\$ 12,068,574	95.63%
2017	\$	13,040,506	\$ 12,817,766	98.29%
2018	\$	13,181,294	\$ 12,577,036	95.42%
2019	\$	13,614,397	\$ 13,492,689	99.11%
2020	\$	14,197,870	\$ 13,292,552	93.62%
2021	\$	14,527,186	\$ 14,321,125	98.58%
2022	\$	15,010,957	\$ 14,652,201	97.61%
2023	\$	16,625,460	\$ 15,448,796	92.92%
2024	\$	17,125,627	\$ 16,762,198	97.88%

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

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

Table 11-1

Year	Governmental Activities				
	General Obligation Bonds	Leases	Subscriptions	Financed Purchase	Bond Premium
2015	-	-	-	4,409,537	-
2016	-	-	-	882,137	-
2017	-	-	-	1,926,678	-
2018	-	-	-	1,483,969	-
2019	11,005,000 (C)	-	-	173,418	1,293,976
2020	10,495,000	-	-	255,036	1,220,630
2021	9,965,000	-	-	190,976	1,077,446
2022	9,350,000	937,124	-	142,038	941,396
2023	8,710,000	1,193,699	183,029	91,667	812,795
2024	8,030,000	1,338,842	870,616	39,821	691,997

Note: Details regarding the City's outstanding debt can be found in Note 6 to the financial statements.

(A) See the Schedule of Demographic and Economic Statistics for personal income and population data.

(B) In 2016, the City issued the Electric System Revenue Refunding Bonds Series 2016 in the amount of, \$13,850,000. The bonds were issued to refund the Series 2011 bonds.

(C) In 2019, the City issued Series 2019-A Capital Improvement Revenue bonds in the amount of \$9,305,000 for the acquisition, construction, and equipping of a new police and courts building.

Business-Type Activities		Total Primary Government	Percentage of Personal Income (A)	Per Capita (A)
Revenue Bonds	Subscriptions			
60,115,000	\$ -	64,524,537	2.45%	1,035.64
45,655,000	-	46,537,137	1.74%	746.94
41,360,000 (B)	-	43,286,678	1.58%	694.77
36,450,000	-	37,933,969	1.34%	608.85
31,415,000	-	43,887,394	1.55%	704.41
26,432,337	-	38,403,003	1.32%	616.38
20,924,530	-	32,157,952	1.07%	497.87
15,314,659	-	26,685,217	0.78%	413.14
12,404,556	338,986	23,734,732	0.64%	359.38
9,432,646	71,289	20,475,211	0.22%	124.94

City of North Little Rock, Arkansas

**Ratios of Net General Bonded Debt to Assessed Value and Net Value Bonded Debt
Per Capita**

Last Ten Fiscal Years

Table 11-2

<u>Year</u>	<u>General Bonded Debt Outstanding</u>			<u>Less Debt Service Fund</u>
	<u>General Obligation Bonds</u>	<u>Bond Premium</u>	<u>Total</u>	
2015	-	-	\$ -	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	11,005,000 (C)	1,293,976	12,298,976	572,224
2020	10,495,000	1,220,630	11,715,630	723,369
2021	9,965,000	1,077,446	11,042,446	685,703
2022	9,350,000	941,396	10,291,396	686,771
2023	8,710,000	812,795	9,522,795	745,512
2024	8,030,000	691,997	8,721,997	837,077

Note: Details regarding the City's outstanding debt can be found in Note 6 to the financial statements.

(A) See the Schedule of Assessed and Appraised Value of Taxable Property for appraised value data.

(B) See the Schedule of Demographic and Economic Statistics for personal income and population data.

(C) In 2019, the City issued Series 2019-A Capital Improvement Revenue bonds in the amount of \$9,305,000 for the acquisition, construction, and equipping of a new police and courts building.

Net Bonded Debt	Percentage of Appraised Value (A) of Property	Per Capita (B)
\$ -	0.00%	-
-	0.00%	-
-	0.00%	-
-	0.00%	-
11,726,752	0.19%	188.22
10,992,261	0.18%	176.43
10,356,743	0.16%	160.34
9,604,625	0.13%	148.70
8,777,283	0.11%	135.89
7,884,920	0.10%	122.07

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

Table 12

Governmental Unit	Debt Available for Retirement	Percentage Applicable (B)	City's Share of Overlapping Debt
City of North Little Rock, Arkansas	\$ 10,971,276 (A)	100.00%	\$ 10,971,276
North Little Rock Public School District	<u>186,710,000</u>	100.00%	<u>186,710,000</u>
Total Direct and Overlapping Debt	<u><u>\$ 197,681,276</u></u>		<u><u>\$ 197,681,276</u></u>

Note: (A) The City's overlapping debt is equal to the total governmental activities debt found in Table 11-1.

Note: (B) The percentage of overlapping debt applicable is estimated using taxable assessed property values within the City.

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

Table 13

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit	\$ 220,971,062	\$ 228,363,498	\$ 288,646,544	\$ 298,212,517
Total net debt applicable to limit	<u>3,109,537</u>	<u>882,137</u>	<u>886,677</u>	<u>508,969</u>
Legal debt margin	<u>\$ 217,861,525</u>	<u>\$ 227,481,361</u>	<u>\$ 287,759,867</u>	<u>\$ 297,703,548</u>
Total net debt applicable to the limit as a percentage of debt limit	1.41%	0.39%	0.31%	0.17%

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.

(A) General obligation debt is not to exceed 20% of assessed value.

(B) Short-term financing debt is not to exceed 5% of assessed value.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 307,819,033	\$ 314,391,851	\$ 324,582,868	\$ 359,465,793	\$ 387,977,974	\$ 409,818,658
<u>173,418</u>	<u>255,037</u>	<u>190,976</u>	<u>9,492,038</u>	<u>9,801,667</u>	<u>8,069,821</u>
<u>\$ 307,645,615</u>	<u>\$ 314,136,814</u>	<u>\$ 324,391,892</u>	<u>\$ 349,973,755</u>	<u>\$ 378,176,307</u>	<u>\$ 401,748,837</u>
0.06%	0.08%	0.06%	2.64%	2.53%	1.97%

Legal Debt Margin Calculation for 2024

Assessed value	\$ 1,639,274,633
Debt limit	
General obligation debt limitation (A)	327,854,927
Short-term financing debt limitation (B)	<u>81,963,732</u>
Total debt limitation	<u>409,818,659</u>
Debt applicable to limit	
General obligation and short-term financing	8,069,821
Less: Amount set aside for repayment in debt services funds	<u>-</u>
Total net debt applicable to limit	<u>8,069,821</u>
Legal debt margin	<u>\$ 401,748,838</u>

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

Table 14

Governmental Activities Revenue Bonds							
2019 Capital Improvement Revenue Bonds							
Fiscal Year	Pledged Revenues	Debt Service			Coverage Ratio		
		Principal	Interest	Total			
2020	\$ 1,956,911	\$ 445,000	\$ 411,299	\$ 856,299	2.29		
2021	2,115,396	460,000	391,850	851,850	2.48		
2022	2,337,810	485,000	368,850	853,850	2.74		
2023	2,452,151	505,000	344,600	849,600	2.89		
2024	1,872,667	535,000	319,350	854,350	2.19		
Special Assessment Bonds							
Fiscal Year	Pledged Revenues	Debt Service			Coverage Ratio		
		Principal	Interest	Total			
2020	\$ 141,664	\$ 65,000	\$ 71,050	\$ 136,050	1.04		
2021	171,336	70,000	68,938	138,938	1.23		
2022	189,285	130,000	66,663	196,663	0.96		
2023	215,538	135,000	61,238	196,238	1.10		
2024	254,724	145,000	55,550	200,550	1.27		
Business-type Activities Revenue Bonds							
Electric System Revenue Bonds							
Fiscal Year	Gross Revenue	Operating Expenses	Net Available Revenue	Debt Service		Debt Service	
				Principal	Interest	Total	Coverage Ratio
2020	\$ 88,267,984	\$ 57,007,701	\$ 31,260,283	\$ 5,507,807	\$ 781,379	\$ 6,289,186	4.97
2021	93,988,930	67,350,665	26,638,265	5,609,871	403,060	6,012,931	4.43
2022	102,966,537	77,981,178	24,985,359	2,910,103	317,429	3,227,532	7.74
2023	106,771,617	70,862,619	35,908,998	2,971,911	256,013	3,227,924	11.12
2024	104,101,319	70,397,169	33,704,150	2,971,910	275,432	3,247,342	10.38

Note: Pledged revenue bond coverage is presented starting with fiscal year 2020, and the City will build the ten year history. Gross revenue includes interest income. Operating expenses excludes depreciation and amortization.

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

Table 15

<u>Year</u>	<u>Population</u>	<u>Personal Income (B)</u>	<u>Per Capita Income (B)</u>	<u>Median Age</u>
2015	62,304 (A)	2,636,331,456	42,314	36.5
2016	62,304 (A)	2,676,766,752	42,963	36.7
2017	62,304 (A)	2,735,207,904	43,901	36.9
2018	62,304 (A)	2,835,579,648	45,512	37.3
2019	62,304 (A)	2,946,169,248	47,287 (D)	37.3
2020	62,304 (A)	2,900,874,240	46,560	37.3
2021	64,591 (E)	3,219,021,667	49,837	35.2
2022	64,591 (E)	3,433,528,378	53,158	35.4
2023	64,591 (E)	3,607,278,168	55,848	37.9
2024	64,591 (E)	3,840,774,633	59,463	37.4

Data Source: U.S. Census Bureau, U.S. Bureau of Economic Analysis, Bureau of Labor Statistics, Arkansas Department of Education

(A) 2010 Census

(B) Per capita personal income is for the Little Rock - North Little Rock - Conway MSA. Personal income is a calculation of per capita income multiplied by the population.

(C) North Little Rock School District

(D) Per capita personal income for 2019 estimated on the 3.9% increase in per capital personal income in Arkansas, reported by the U.S. Bureau of Economic Analysis.

(E) 2020 Census

Percent of Population Age 25+ Grad/Professional Degree or Higher	School Enrollment	Unemployment Rate
11.1%	8,413 (C)	4.5%
11.7%	8,405 (C)	3.5%
12.1%	8,427 (C)	3.3%
11.8%	8,145 (C)	3.3%
11.8%	8,076 (C)	3.2%
11.9%	8,017 (C)	4.3%
10.7%	7,685 (C)	4.4%
10.7%	8,139 (C)	2.9%
9.5%	8,254 (C)	3.2%
9.5%	8,576 (C)	3.6%

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

Table 16

Employer	2024			2015 (A)	
	Employees	Rank	Percentage of Total City Employment	Employees	Rank
Baptist Health	4,000	1	6.19%	-	-
CHI St. Vincent	3,000	2	4.64%	-	-
Maverick Transportation, Inc.	2,500	3	3.87%	-	-
North Little Rock Public High School	1,200	4	1.86%	-	-
City of North Little Rock	984	5	1.52%	-	-
Pinnacle Business Solutions	919	6	1.42%	-	-
Ozark Waffles	850	7	1.32%	-	-
Dow Building Services	600	8	0.93%	-	-
University of Arkansas - Pulaski Technical College	567	9	0.88%	-	-
Amazon	500	10	0.77%	-	-
	<u>15,120</u>		<u>23.40%</u>	<u>-</u>	

Source: Arkansas Economic Development Commission, Dun & Bradstreet, Metro Little Rock Alliance.

(A) Information was not available regarding major employers for 2015, but the City is working toward building a ten-year history.

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

Table 17

Function	2015	2016	2017	2018	2019	2020
General Government						
Administration	8	8	8	9	9	9
City clerk	4	4	4	5	5	5
Code enforcement	14	14	14	13	13	13
Commerce	4	4	4	4	4	4
Communications	1	1	1	1	1	1
District court - First division	9	9	9	9	8	8
District court - Second division	9	9	9	9	9	9
Finance	13	13	13	14	14	14
Human Resources	8	8	8	8	9	9
Legal	8	8	8	8	8	8
Planning	12	12	12	12	13	13
Vehicle maintenance	13	13	13	13	13	13
Animal shelter	9	9	9	9	10	11
Emergency services	32	32	32	32	32	32
Fit 2 Live - Wellness	1	1	1	1	1	1
Neighborhood services	2	2	2	2	2	2
Fire	151	175	175	175	166 (A)	166
Police	238	239	240	240	239 (B)	239
Public works	11	11	11	11	11	11
Engineering						
Sanitation	39	39	39	39	39	39
Senior Citizens Center	8	8	8	8	8	8
Total general fund	594	619	620	622	614	615
Community development	6	5	5	5	5	4
Electric	103	101	104	131	134 (C)	134
Information technology	-	-	-	-	21 (D)	21
Parks and recreation	64	71	71	79	85	86
Street	53	53	53	58	58	58
Traffic services	13	13	13	13	14	14
Utilities accounting	43	43	43	10	- (C)	-
Total other funds	282	286	289	296	317	317
Total personnel	876	905	909	918	931	932

(A) The decrease in Fire Department personnel is related to grant-funded positions terminated upon expiration of funding.

(B) One position moved from the Police Department to the Information Technology Department.

(C) The positions previously in Utilities Accounting were moved to Electric. Additionally, five positions were moved from Electric to the Information Technology Department.

(D) A central Information Technology Department was established.

(E) Three positions moved from the Police Department to the Finance Department.

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
9	9	13	14
5	5	4	4
13	13	13	13
4	4	-	-
1	1	2	2
8	8	8	8
9	9	9	9
17 (E)	18	22	22
9	9	9	9
8	8	7	7
13	13	13	13
14	14	14	14
11	11	11	11
32	32	33	33
2	1	1	1
2	4	4	5
166	166	166	166
237 (E)	231	230	231
11	11	5	5
39	39	39	39
<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
<u>618</u>	<u>614</u>	<u>611</u>	<u>614</u>
4	4	4	4
138	136	135	142
23	23	23	24
93	93	95	93
58	58	58	58
15	15	17	16
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>331</u>	<u>329</u>	<u>332</u>	<u>337</u>
<u>949</u>	<u>943</u>	<u>943</u>	<u>951</u>

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

Table 18

Function	2015	2016	2017	2018	2019
Animal Shelter					
Animals Handled	3,368	3,350	3,195	3,443	2,557
Adoptions	668	722	887	968	806
Fire					
Number of uniformed employees	148	172	172	172	163
Fires and explosions	555	512	496	519	453
Rescue, emergency medical calls	6,605	7,112	7,261	7,044	6,775
Service calls	1,066	1,158	1,250	1,340	1,085
Good intent calls	-	-	-	-	-
False alarm calls	733	835	857	838	869
Other calls	1,833	2,207	2,317	2,325	2,119
Total calls	10,792	11,824	12,181	12,066	11,301
Police					
Number of uniformed employees	202	202	202	201	201
Calls for service	94,413	91,273	94,986	109,715	90,058
Arrests	8,421	8,176	7,311	7,225	6,862

Sources: Various city departments.

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

(A) In 2022, the Fire Department began tracking good intent calls.

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
2,304	2,363	2,425	3,187	3,443
563	765	1,040	1,274	968
160	160	160	163	163
523	210	723	624	617
6,347	5,936	8,030	7,826	8,857
266	1,402	1,557	1,534	2,221
-	-	1,976 (A)	1,965	2,372
802	871	947	1,008	974
<u>3,409</u>	<u>4,378</u>	<u>352</u>	<u>504</u>	<u>430</u>
<u>11,347</u>	<u>12,797</u>	<u>13,585</u>	<u>13,461</u>	<u>15,471</u>
178	201	201	201	201
72,537	100,731	79,301	93,372	89,746
6,317	5,448	7,909	3,576	5,463

**City of North Little Rock, Arkansas
Capital Asset Statistics by Function
Last Ten Years**

Table 19

Function	2015	2016	2017	2018	2019	2020
Fire Stations	10	11	11	11	11	11
Police Stations	4	4	4	4	4	4
Parks and Recreation						
Number of parks	31	32	34	35	35	35
Number of playground areas	46	47	49	50	51	51
Number of tennis courts	40	40	40	40	40	40
Number of golf courses	2	2	2	2	2	2
Number of disc golf courses	4	4	4	4	4	4
Number of pickleball courts	-	-	-	-	-	-
Number of community centers	5	5	5	5	5	5
Number of swimming pools/splash pads	3	3	3	3	3	3
Number of pavilions	49	49	51	51	51	51

* On March 31, 2023 a tornado hit the City of North Little Rock damaging 1 disc golf course and 11 pavilions. As of the date of this report, the City has replaced the disc golf course and all 11 pavilions have been replaced.

Sources: Various city departments.

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

2021	2022	2023 *	2024
11	11	11	11
4	4	4	4
37	37	37	37
54	54	54	54
40	40	40	40
2	2	2	2
5	5	2	3
-	-	-	12
5	5	5	5
3	3	3	3
55	55	55	55

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OTHER REQUIRED REPORT



Independent Accountant's Report on Compliance with Certain Arkansas State Acts

Honorable Terry C. Hartwick, Mayor
and Members of the City Council
City of North Little Rock, Arkansas

We have examined management's assertions that the City of North Little Rock, Arkansas (City), complied with the requirements of the *Arkansas Act 15 of 1985* and the following Arkansas statutes during the year ended December 31, 2024.

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

Management of the City is responsible for its compliance with the aforementioned Act and State Statutes. 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 the City complied with the requirements mentioned above, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with the requirements mentioned above. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance with the requirements mentioned above, 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, the City of North Little Rock, Arkansas, complied, in all material respects, with the aforementioned requirements during the year ended December 31, 2024.

Forvis Mazars, LLP

**Dallas, Texas
June 19, 2025**

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SINGLE AUDIT SECTION



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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Department of Housing and Urban Development				
Direct Programs:				
<i>CDBG – Entitlement Grants Cluster</i>				
COVID-19 – Community Development Block Grants/Entitlement Grants	14.218		\$ -	\$ 1,141
Community Development Block Grants/Entitlement Grants	14.218		77,346	1,114,707
<i>Total CDBG – Entitlement Grants Cluster</i>			<u>77,346</u>	<u>1,115,848</u>
COVID-19 – HOME Investment Partnerships Program	14.239		332,294	380,527
HOME Investment Partnerships Program	14.239		390,478	419,019
Total HOME Investment Partnerships Program			<u>722,772</u>	<u>799,546</u>
Total Department of Housing and Urban Development			<u>800,118</u>	<u>1,915,394</u>
Department of Justice				
Passed through from:				
National Recreation and Park Association				
Juvenile Mentoring Program	16.726	15PJDP-22-GG-03844-MENT	-	25,514
Direct Program:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738		-	2,050
Total Department of Justice			<u>-</u>	<u>27,564</u>
Department of Transportation				
Direct Programs:				
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106		-	1,470,428
Highway Planning and Construction	20.205		-	341,288
Passed through from:				
Arkansas State Police				
<i>Highway Safety Cluster</i>				
State and Community Highway Safety	20.600	OP-2023-02-02-18	-	165
<i>Total Highway Safety Cluster</i>			<u>-</u>	<u>165</u>
Total Department of Transportation			<u>-</u>	<u>1,811,881</u>
Department of Treasury				
Direct Program:				
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027		-	3,000,049
Total Department of Treasury			<u>-</u>	<u>3,000,049</u>
Department of Energy				
Direct Program:				
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128		-	128,080
Total Department of Energy			<u>-</u>	<u>128,080</u>

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

(Continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Department of Homeland Security				
Passed through from:				
Arkansas Department of Emergency Management Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	4698	-	4,366,242
Emergency Management Performance Grants	97.042	EMT-2021-EP-00008-S01, EMT-2022-EP-00002-S01	-	24,210
BRIC: Building Resilient Infrastructure and Communities	97.047	EMT-2022-BR-014-0007	-	34,036
Total Department of Homeland Security			-	4,424,488
Total Federal Awards Expended			\$ 800,118	\$ 11,307,456

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

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the City of North Little Rock, Arkansas (City) under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

Governmental funds and proprietary funds account for the City's federal grant activity. Amounts reported in the Schedule are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met, or on the accrual basis at the time liabilities are incurred and all eligibility requirements are met, depending on the basis of accounting used by the respective fund. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

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

Note 4. Federal Loan Programs

The City did not have any federal loan programs during the year ended December 31, 2024.

Note 5. FEMA Expenditures

During the fiscal year ended December 31, 2023, the City incurred substantial costs related to the tornado of 2023. Per the OMB Compliance Supplement, any reimbursements from the Federal Emergency Management Agency (FEMA) under ALN 97.036 are not to be recognized as expenditures for purposes of the Schedule of Expenditures of Federal Awards until the respective Project Worksheets (PW) have been approved. At December 31, 2023, only some of the City's PWs from this storm had been approved by FEMA. As a result, there was \$2,230,587 of expenditures and the related revenues which were not recorded for financial statement purposes and not on the Schedule of Expenditures of Federal Awards at December 31, 2023. As of December 31, 2024, these expenditures have been recognized on the Schedule of Expenditures of Federal Awards and the related revenues recorded in the financial statements as the PWs were approved by FEMA during the fiscal year.

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

The Honorable Mayor and Members of the City Council
City of North Little Rock, Arkansas
North Little Rock, Arkansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*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 North Little Rock, Arkansas (City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 19, 2025.

Our report includes a reference to other auditors who audited the financial statements of North Little Rock Waste Water Utility and North Little Rock Advertising and Promotion Commission, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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 Mazars, LLP

**Dallas, Texas
June 19, 2025**

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

The Honorable Mayor and Members of the City Council
City of North Little Rock, Arkansas
North Little Rock, Arkansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of North Little Rock, Arkansas' (City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

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 the 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The City is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The City's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002, to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the City’s response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The City is responsible for preparing a corrective action plan to address each audit finding included in our auditor’s report. The City’s corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

Forvis Mazars, LLP

**Dallas, Texas
June 19, 2025**

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

Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Material weakness(es) identified? ☐ Yes ☒ No

3. Noncompliance material to the financial statements noted?

☐ Yes ☒ No

Federal Awards

4. Internal control over major federal awards programs:

Significant deficiency(ies) identified? ☒ Yes ☐ None reported

Material weakness(es) identified? ☐ Yes ☒ No

5. Type of auditor's report issued on compliance for major federal programs:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

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

☒ Yes ☐ No

7. Identification of the major federal programs:

Cluster/Program	Assistance Listing Number
CDBG Entitlement Grants Cluster	14.218
COVID-19 - HOME Investment Partnerships Program	14.239
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027

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

9. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
2024-001	<p>Finding: Reporting</p> <p>CDBG – Entitlement Grants Cluster Assistance Listing Number: 14.218 Department of Housing and Urban Development, Award Number B-24-MC-05-0005, Award Year 2024</p> <p>Criteria: In accordance with 2 CFR Part 170 and FAR 52.204-10(a), a recipient must report subaward data through the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) for each first-tier subaward or subaward amendment that results in an obligation of \$30,000 or more in federal funds.</p> <p>Condition: We noted the City did not submit the required report in FSRS during the year ended December 31, 2024 for a first-tier subaward resulting in an obligation of \$36,000.</p> <p>Questioned Costs: None</p> <p>Context: We identified and tested one first-tier subaward that was required to be reported in FSRS for the year ended December 31, 2024, and noted the report was not submitted as described above.</p> <p>Effect: Failure to report subaward obligations in FSRS could lead to inaccurate reporting information in FSRS. In addition, failure to report subaward obligations in FSRS could result in noncompliance with meeting the transparency requirements outlined in the <i>Coronavirus Aid, Relief, and Economic Security Act</i>.</p> <p>Cause: Controls over reporting were not sufficiently operating during the year primarily due to staffing issues and turnover within the Grants Department.</p> <p>Identification as a Repeat Finding: Not applicable.</p> <p>Recommendation: We recommend that the City develop a process for reviewing and tracking the reporting of subaward obligations in FSRS.</p> <p>Views of Responsible Officials: We agree with the finding. See separate report for planned corrective actions.</p>

Reference Number	Finding
2024-002	<p>Finding: Reporting</p> <p>Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs Assistance Listing Number: 20.106 Department of Transportation, Award Number 3-05-0047-031-2023, Award Year 2023 Department of Transportation, Award Number 3-05-0047-032-2024, Award Year 2024</p> <p>Criteria: In accordance with 2 CFR section 200.328, recipients must use the standard financial reporting forms when reporting to the federal awarding agency. Each recipient must report program outlays and program income on a cash or accrual basis, as prescribed by the federal awarding agency. Recipients use the Federal Financial Report (FFR) (SF-425/SF-425A) as a standardized format to report expenditures under federal awards, as well as, when applicable, cash status (lines 10.a, 10.b, and 10c).</p> <p>Condition: We noted the City did not complete and submit the required annual Federal Financial Reports (SF-425) for the two awards identified above during the year ended December 31, 2024.</p> <p>Questioned Costs: None</p> <p>Context: We identified and tested both FFR (SF-425) reports that were required to be completed and submitted for the year ended December 31, 2024, and noted the reports were not submitted as described above.</p> <p>Effect: Failure to complete and submit reports could lead to inaccurate reporting of information to the Federal Aviation Administration. In addition, failure to submit required reports to the Federal Aviation Administration could result in noncompliance and revocation of awarded grant funds.</p> <p>Cause: Controls over reporting were not sufficiently operating during the year primarily due to staffing issues and turnover within the Airport Department.</p> <p>Identification as a Repeat Finding: Not applicable.</p> <p>Recommendation: We recommend that the City develop a process for reviewing and tracking the submission of FFR reporting to the Federal Aviation Administration.</p> <p>Views of Responsible Officials: We agree with the finding. See separate report for planned corrective actions.</p>

City of North Little Rock, Arkansas
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2024

Reference Number	Summary of Finding	Status
	No matters are reportable.	

