

CITY OF NORTH LITTLE ROCK, ARKANSAS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED  
DECEMBER 31, 2023



Cover photo by Jeff Caplinger

On the Cover:

The pickleball courts in Burns Park opened on November 8, 2023. This 12-court facility will provide much needed playing space for the growing number of pickleball enthusiasts locally and across our state. "Pickleball is the fastest growing sport around. I am glad we now have such a nice, outdoor facility for the pickleball community to enjoy." shared Mayor Hartwick.



CITY OF NORTH LITTLE ROCK, ARKANSAS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
Fiscal Year Ended December 31, 2023



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



PHONE: (501) 975-8802  
FAX: (501) 975-8830  
E-mail: estrange@nlr.ar.gov

July 16, 2024

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, 2023.

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, 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, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles utilized and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of North Little Rock's financial statements for the fiscal year ended December 31, 2023, 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 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 Fund, Sales Tax Capital Improvement Fund and the 2023 Sales Tax Capital Improvement Fund. For the General Fund, this comparison is presented on page 22 as part of the basic financial statements for the governmental funds. For the other funds, this comparison is presented beginning on page 131 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 2023. The City's local sales taxes (which represent 67% of General Fund revenue, excluding transfers) increased 7.2% over the prior year.

On March 31, 2023, an EF3 tornado struck the City of North Little Rock continuing on the ground in the City for 5.5 miles. As a result of the tornado, approximately 1,600 homes were damaged and over 15,000 people had power outages. All power outages were restored within approximately one week after the tornado struck. As of the date of this report, the City has spent approximately \$33.5 million on recovery efforts and has been reimbursed approximately \$17 million from the federal government.

## ***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 Finance Director 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, 2023, the General Fund emergency reserve was approximately \$20 million.

## **Awards and Acknowledgements**

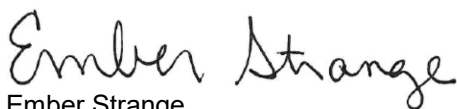
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Little Rock for its comprehensive annual financial report for the fiscal year ended December 31, 2022. This was the fourth 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

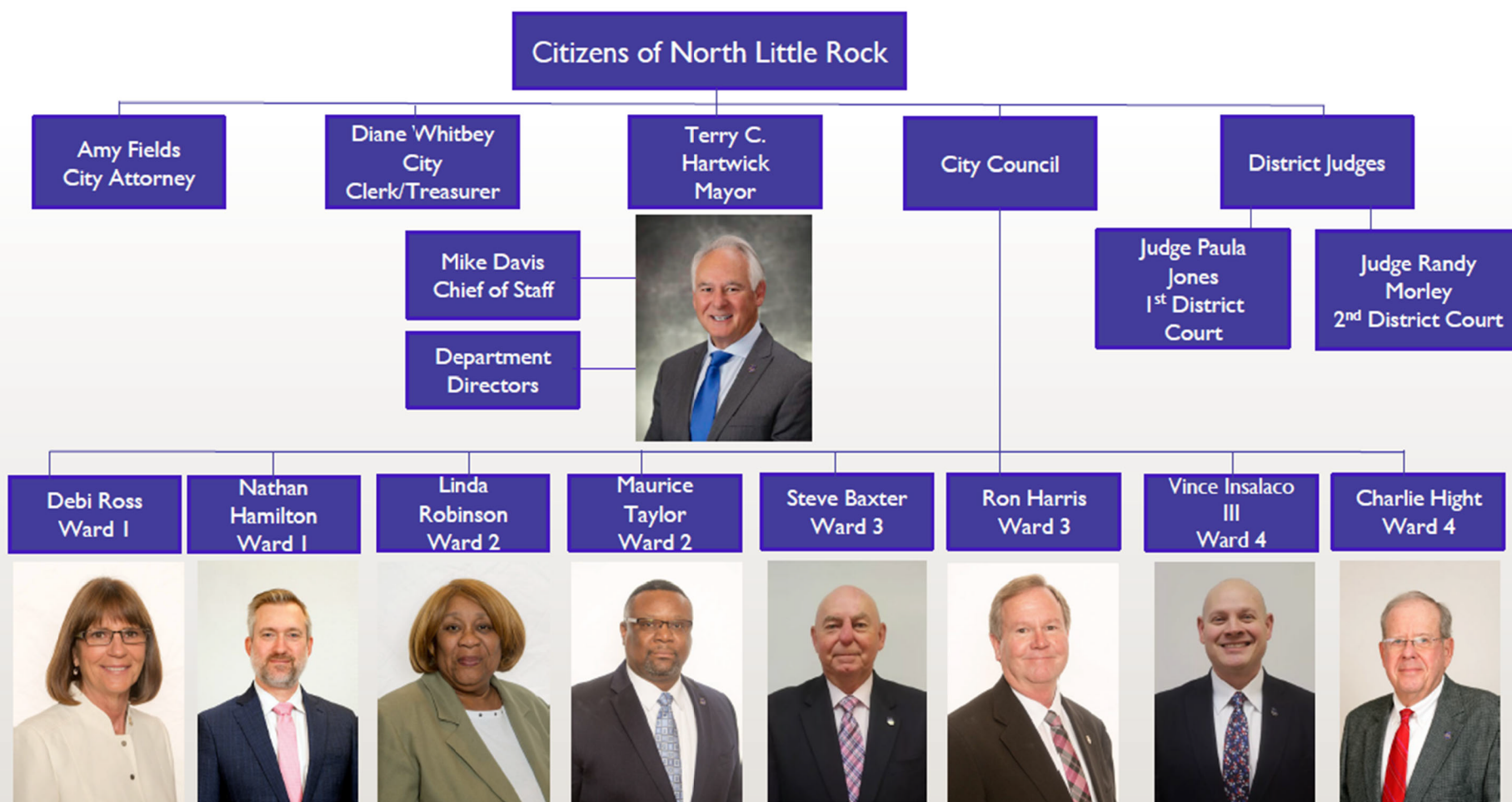
December 31, 2022

*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, 2023

|                                       |                  |
|---------------------------------------|------------------|
| 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 Carr     |
| Emergency Services                    | Kim Francisco    |
| Engineering                           | David Cook       |
| Community Affairs/Fit 2 Live          | Vacant           |
| Hayes 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  |
| Street                                | 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, 2023, 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, 2023, 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 88%, 87%, and 87%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units as of December 31, 2023. 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 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 July 16, 2024, 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  
July 16, 2024**



**City of North Little Rock, Arkansas**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended December 31, 2023**

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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, 2023. 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, 2023 by \$290,640,308 (presented as "net position"). Unrestricted net position is \$11,550,010.

- The City's total net position increased by \$45,363,506 in 2023. Net position of governmental activities increased by \$29,143,330 primarily due to increased collections of sales tax, food and lodging taxes and motor fuel taxes all due to the continued increased prices of goods, services and fuels. On March 31, 2023, an EF3 tornado struck the City continuing on the ground in the city limits for 5.5 miles. As a result of the tornado, approximately 1,600 homes were damaged and over 15,000 people had power outages. This major storm event attributed to the increase in the tax collections as residents bought the needed supplies and materials to rebuild and people from out of town traveled to the City to help those effected and stayed in the hotels. The increase in net position is also attributed to the increase in investment income due to more funds being invested at a higher interest rate and receiving transfers in of \$13.6 million from the Electric Department. Net position of business-type activities increased \$16,220,176.
- As of December 31, 2023, the City's governmental funds reports combined ending fund balances of \$80,563,378 a decrease of \$906,625 from 2023. Approximately 35% of this amount, \$28,477,713 is available for spending at the City's discretion (unassigned fund balance).
- As of December 31, 2023, the unassigned fund balance for the General Fund was \$28,528,486 or 27% of total General Fund expenditures.
- As of December 31, 2023, the net position of the proprietary funds totaled \$175,514,983. Net position increased by \$16,220,176 during the year ended December 31, 2023.
- As of December 31, 2023, net position of fiduciary funds was \$59,604,208 . There was an increase of \$6,316,697 in the total fiduciary net position held in trust for the year ended December 31, 2023 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.

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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).

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 William F. Laman Public Library, 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 14-17 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.

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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 14 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 11 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 18-21 of this reporting package. A budget to actual comparison for the General Fund can be found on page 22 of this reporting package. Budgets for various special revenue and capital projects funds can be found on pages 131-134.

***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 23-26 of this reporting package.

***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 27-28 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 32-98 of this reporting package.

**City of North Little Rock, Arkansas**  
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**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 100-134 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 2023 compared to 2022:

| City of North Little Rock, Arkansas<br>Net Position                |                         |                |                          |                |                |                |
|--------------------------------------------------------------------|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
|                                                                    | Governmental Activities |                | Business-Type Activities |                | Total          |                |
|                                                                    | 2023                    | 2022*          | 2023                     | 2022*          | 2023           | 2022*          |
| Current and other assets                                           | \$ 105,896,263          | \$ 105,658,047 | \$ 84,100,011            | \$ 72,760,725  | \$ 189,996,274 | \$ 178,418,772 |
| Capital, lease, and subscription assets                            | 161,217,254             | 143,322,027    | 128,068,444              | 125,227,031    | 289,285,698    | 268,549,058    |
| Total assets                                                       | 267,113,517             | 248,980,074    | 212,168,455              | 197,987,756    | 479,281,972    | 446,967,830    |
| Deferred outflows of resources                                     | 37,055,565              | 23,066,835     | 2,236,894                | 3,088,110      | 39,292,459     | 26,154,945     |
| Total assets and deferred outflows of resources                    | 304,169,082             | 272,046,909    | 214,405,349              | 201,075,866    | 518,574,431    | 473,122,775    |
| Long-term liabilities                                              | 164,093,333             | 147,279,600    | 22,820,191               | 26,223,523     | 186,913,524    | 173,503,123    |
| Other liabilities                                                  | 15,182,986              | 14,512,037     | 15,380,498               | 14,601,835     | 30,563,484     | 29,113,872     |
| Total liabilities                                                  | 179,276,319             | 161,791,637    | 38,200,689               | 40,825,358     | 217,477,008    | 202,616,995    |
| Deferred inflows of resources                                      | 9,767,438               | 24,273,277     | 689,677                  | 955,701        | 10,457,115     | 25,228,978     |
| Net investment in capital assets                                   | 149,323,912             | 130,524,357    | 115,367,289              | 109,997,145    | 264,691,201    | 240,521,502    |
| Restricted                                                         | 12,612,466              | 19,660,092     | 1,786,631                | 1,725,938      | 14,399,097     | 21,386,030     |
| Unrestricted                                                       | (46,811,053)            | (64,202,454)   | 58,361,063               | 47,571,724     | 11,550,010     | (16,630,730)   |
| Total net position                                                 | 115,125,325             | 85,981,995     | 175,514,983              | 159,294,807    | 290,640,308    | 245,276,802    |
| Total liabilities, deferred inflows of resources, and net position | \$ 304,169,082          | \$ 272,046,909 | \$ 214,405,349           | \$ 201,075,866 | \$ 518,574,431 | \$ 473,122,775 |

*\*Balances have not been restated for the adoption of GASB 96*

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 \$290,640,308 as of December 31, 2023. The largest portion of the City's net position (\$264,691,201 or 91%) 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.

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An additional portion of the City's net position, \$14,399,097 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 \$11,550,010.

***Analysis of the City's Operations***

The following table provides a summary of the City's operations for the year ended December 31, 2023 and 2022. Governmental activities increased the City's net position by \$29,143,330 for the year ended December 31, 2023 primarily due to increased collections of sales tax, food and lodging taxes and motor fuel taxes all due to the continued increased prices of goods, services and fuels. On March 31, 2023, an EF3 tornado struck the City continuing on the ground in the city limits for 5.5 miles. As a result of the tornado, approximately 1,600 homes were damaged and over 15,000 people had power outages. This major storm event attributed to the increase in the tax collections as residents bought the needed supplies and materials to rebuild and people from out of town traveled to the City to help those effected and stayed in the hotels. The increase in net position is also attributed to the increase in investment income due to more funds being invested at a higher interest rate as well. The increase in net position is also attributed to transfers in of \$13.6 million from the Electric Department.

At the end of 2023, operating grants and contributions in governmental funds were approximately \$15.8 million above the prior year and \$1.8 million above 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 31st tornado.

General tax revenue increased approximately \$6.4 million in the current year. This increase is due to the continued increase in price of goods and services and a result of the March 31st tornado as mentioned above.

Grants not restricted to specific programs decreased approximately \$6.2 million in the current year. In 2022, the City received its second tranche of ARPA funding and continued spending the first tranche. Several large purchases were made in 2022 using ARPA funds including a ladder truck for approximately \$1.5 million, two side loader garbage trucks for approximately \$650,000, and ten new patrol cars for the police department totaling over \$500,000. These were one-time purchases made in 2022. In 2023, these large purchases were not made. There are several large outstanding commitments that will be expended by December 31, 2024 to close out the ARPA funds, including two pumper trucks, two line trucks and a bucket truck.

Investment income increased approximately \$2.5 million as a result of more funds being invested at higher interest rates than the prior year.

Miscellaneous revenue decreased by approximately \$2.3 million as a result of properties that were sold in 2022 that were no longer available for sale in 2023.

General government expense increased approximately \$19.6 million over the prior year. This increase is primarily a result of the March 31st tornado and the costs associated with debris removal around the City and in Burns Park. More than 600,000 cubic yards of debris was removed from the City resulting in a cost of approximately \$18 million. The remainder of the increase is associated with a 2.5% raise that went into effect on January 7, 2023, for all full-time employees and elected officials as well as an additional 2% raise effective March 31, 2023 for employees efforts related to the tornado cleanup.

The increase in public safety expense is primarily associated with the raises associated with the police and fire union contracts and the increased overtime costs associated with the March 31st tornado.

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

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The decrease in street and traffic expense in 2023 is primarily associated with vacant positions in the street department.

The increase in culture and recreation is associated with a 2.5% raise that went into effect on January 7, 2023, for all full-time employees as well as an additional 2% raise effective March 31, 2023 for employees efforts related to the tornado cleanup. This increase is also associated with the extra overtime employees worked during the tornado and protective measures that were taken to protect the public welfare such as hiring security to patrol Burns Park.

In 2023, net position of business-type activities increased by approximately \$16.2 million which is primarily due to an increase in charges for services of approximately \$3.8 million due to additional system load of 514,650kWh as weather was not as mild as the previous year. Another reason for the increase in net position of business-type activities is that operating expenses, including depreciation and amortization, decreased by approximately \$7.1 million. This decrease is due to below average purchase power costs in 2023 after being well above average in 2022 due to a volatile market.

**City of North Little Rock, Arkansas**  
**Changes in Net Position**

|                                            | <b>Governmental Activities</b> |                      | <b>Business-Type Activities</b> |                       | <b>Total</b>          |                       |
|--------------------------------------------|--------------------------------|----------------------|---------------------------------|-----------------------|-----------------------|-----------------------|
|                                            | <b>2023</b>                    | <b>2022</b>          | <b>2023</b>                     | <b>2022</b>           | <b>2023</b>           | <b>2022</b>           |
| <b>Revenues</b>                            |                                |                      |                                 |                       |                       |                       |
| Program revenues                           |                                |                      |                                 |                       |                       |                       |
| Charges for services                       | \$ 10,968,870                  | \$ 10,925,330        | \$ 106,771,617                  | \$ 102,966,537        | \$ 117,740,487        | \$ 113,891,867        |
| Operating grants and contributions         | 16,153,352                     | 393,129              | 3,443,908                       | 1,620,078             | 19,597,260            | 2,013,207             |
| Capital grants                             | 4,773,558                      | 4,677,191            | -                               | -                     | 4,773,558             | 4,677,191             |
| General revenues                           |                                |                      |                                 |                       |                       |                       |
| Taxes                                      | 100,428,185                    | 94,000,319           | -                               | -                     | 100,428,185           | 94,000,319            |
| Franchise fees                             | 4,587,543                      | 4,352,373            | -                               | -                     | 4,587,543             | 4,352,373             |
| Grants not restricted to specific programs | 2,109,603                      | 8,297,940            | -                               | -                     | 2,109,603             | 8,297,940             |
| Investment income                          | 2,642,811                      | 179,173              | 1,858,330                       | 190,320               | 4,501,141             | 369,493               |
| Miscellaneous                              | 899,707                        | 3,244,686            | -                               | -                     | 899,707               | 3,244,686             |
| <b>Total revenues</b>                      | <b>142,563,629</b>             | <b>126,070,141</b>   | <b>112,073,855</b>              | <b>104,776,935</b>    | <b>254,637,484</b>    | <b>230,847,076</b>    |
| <b>Expenses</b>                            |                                |                      |                                 |                       |                       |                       |
| General government                         | 50,216,265                     | 30,660,183           | -                               | -                     | 50,216,265            | 30,660,183            |
| Public safety                              | 44,671,828                     | 47,950,176           | -                               | -                     | 44,671,828            | 47,950,176            |
| Public works                               | 2,959,471                      | 1,394,466            | -                               | -                     | 2,959,471             | 1,394,466             |
| Street and traffic                         | 8,950,164                      | 9,786,423            | -                               | -                     | 8,950,164             | 9,786,423             |
| Health and sanitation                      | 7,088,623                      | 6,551,846            | -                               | -                     | 7,088,623             | 6,551,846             |
| Community development                      | 950,774                        | 1,446,767            | -                               | -                     | 950,774               | 1,446,767             |
| Culture and recreation                     | 11,935,917                     | 10,427,475           | -                               | -                     | 11,935,917            | 10,427,475            |
| Interest and agent fees                    | 296,603                        | 301,671              | -                               | -                     | 296,603               | 301,671               |
| Electric department                        | -                              | -                    | 82,204,333                      | 89,306,365            | 82,204,333            | 89,306,365            |
| <b>Total expenses</b>                      | <b>127,069,645</b>             | <b>108,519,007</b>   | <b>82,204,333</b>               | <b>89,306,365</b>     | <b>209,273,978</b>    | <b>197,825,372</b>    |
| Increases in net position before transfers | 15,493,984                     | 17,551,134           | 29,869,522                      | 15,470,570            | 45,363,506            | 33,021,704            |
| Transfers                                  | 13,649,346                     | 13,649,346           | (13,649,346)                    | (13,649,346)          | -                     | -                     |
| <b>Increase in net position</b>            | <b>29,143,330</b>              | <b>31,200,480</b>    | <b>16,220,176</b>               | <b>1,821,224</b>      | <b>45,363,506</b>     | <b>33,021,704</b>     |
| <b>Net position, beginning of year</b>     | <b>85,981,995</b>              | <b>54,781,515</b>    | <b>159,294,807</b>              | <b>157,473,583</b>    | <b>245,276,802</b>    | <b>212,255,098</b>    |
| <b>Net position, end of year</b>           | <b>\$ 115,125,325</b>          | <b>\$ 85,981,995</b> | <b>\$ 175,514,983</b>           | <b>\$ 159,294,807</b> | <b>\$ 290,640,308</b> | <b>\$ 245,276,802</b> |



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*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.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$80,563,378. Approximately 35% of this total amount or \$28,477,713 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 \$1,727,471, \$10,322,019 \$36,274,560 , and \$3,761,615, 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 \$28,528,486 while total fund balance was \$53,937,633. 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 27% of total expenditures, while total fund balance represents 51% of that same amount. The General Fund's fund balance decreased by \$6,260,715 during the current fiscal year. Total revenues increased approximately \$6.7 million. The primary factor for this increase was the increase in sales tax collections due to the continued increase in the cost of goods and services and an increase in goods and materials needed in the City to rebuild homes and businesses as a result of the March 31st tornado. Expenditures increased \$19,610,070. This increase was a result of salary and benefit increases to uniform and non-uniform employees, 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.

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 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 increased approximately 16.3 million in 2023. This increase is associated with the FEMA Disaster Aid Funding as a result of the March 31st tornado.

**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 \$58,361,063 as of December 31, 2023. The Electric Department's net position increased \$16,220,176. This increase is primarily due to an increase in charges for services of approximately \$3.8 million due to additional system load of 514,650kWh as weather was not as mild as the previous year. Another reason for the increase in net position of the proprietary fund is that operating expenses, including depreciation and amortization, decreased by approximately \$7.2 million. This decrease is due to below average purchase power costs in 2023 after being well above average in 2022 due to a volatile market.

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***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 2023 there was \$3 million in outstanding purchase orders from 2022 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 \$103,296,544 as compared to the original budgeted expenditures of \$85,599,070 an increase of \$17,697,474. The majority of this increase in budgeted expenditures was an increase in Special Appropriations of \$16,605,856. 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 March 31st tornado, an amendment for the purchase of the Barber College building in Downtown North Little Rock and an amendment for the construction of the water and wastewater infrastructure at the Tulip Farms development.

Actual revenue exceeded the general fund amended budget by approximately \$10 million at the end of 2023. The favorable variance is primarily associated with higher than anticipated sales tax revenues due to continued increased costs of goods and services and a higher demand for goods and services as related to the March 31st tornado. Final budgeted revenue exceeded the original budget by approximately \$4.7 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, 2023 amounts to \$289,285,698 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 \$2,651,579.
- Additions to governmental land of \$264,560
- Additions to governmental land improvements of \$859,389
- Additions to governmental vehicles of \$1,711,999
- Additions to governmental equipment of \$2,388,729
- Additions to governmental CIP of \$19,256,971 primarily related to the construction of the Burns Park Fire Station, Fire Station 11, Central Fire Station Parkhill jumpstart project, Faulkner Lake Road construction and the construction of the roads in Burns Park.
- Additions to the Electrical system CIP of \$11,314,360.
- Additions to the Electrical system plant and equipment totaling \$2,540,212.
- Additions to the Electrical system subscription assets totaling \$621,525.

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|                                       | <b>Governmental Activities</b> |                       | <b>Business-Type Activities</b> |                       | <b>Total</b>          |                       |
|---------------------------------------|--------------------------------|-----------------------|---------------------------------|-----------------------|-----------------------|-----------------------|
|                                       | <b>2023</b>                    | <b>2022*</b>          | <b>2023</b>                     | <b>2022*</b>          | <b>2023</b>           | <b>2022*</b>          |
| Land and land rights                  | \$ 11,512,894                  | \$ 11,290,448         | \$ 2,382,960                    | \$ 2,382,960          | \$ 13,895,854         | \$ 13,673,408         |
| Construction in progress              | 16,241,889                     | 12,607,945            | 12,016,108                      | 10,359,974            | 28,257,997            | 22,967,919            |
| Utility system plant and equipment    | -                              | -                     | 318,136,766                     | 312,470,103           | 318,136,766           | 312,470,103           |
| Infrastructure                        | 69,221,327                     | 64,683,480            | -                               | -                     | 69,221,327            | 64,683,480            |
| Buildings                             | 87,309,259                     | 75,917,669            | -                               | -                     | 87,309,259            | 75,917,669            |
| Land improvements                     | 10,159,589                     | 10,573,090            | -                               | -                     | 10,159,589            | 10,573,090            |
| Vehicles                              | 34,217,582                     | 32,856,836            | -                               | -                     | 34,217,582            | 32,856,836            |
| Equipment                             | 37,085,920                     | 33,172,945            | -                               | -                     | 37,085,920            | 33,172,945            |
| Ships and watercraft                  | 3,673,738                      | 3,673,738             | -                               | -                     | 3,673,738             | 3,673,738             |
| Subscription assets                   | 466,457                        | -                     | 627,852                         | -                     | 1,094,309             | -                     |
| Lease equipment                       | 645,846                        | 305,079               | -                               | -                     | 645,846               | 305,079               |
| Lease building                        | 784,724                        | 784,724               | -                               | -                     | 784,724               | 784,724               |
| Accumulated depreciation/amortization | (110,101,971)                  | (102,543,927)         | (205,095,242)                   | (199,986,006)         | (315,197,213)         | (302,529,933)         |
| <b>Total</b>                          | <b>\$ 161,217,254</b>          | <b>\$ 143,322,027</b> | <b>\$ 128,068,444</b>           | <b>\$ 125,227,031</b> | <b>\$ 289,285,698</b> | <b>\$ 268,549,058</b> |

*\*Balances have not been restated for the adoption of GASB 96*

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

**Debt Administration**

At December 31, 2023, the City had \$23,734,732 outstanding debt consisting of revenue bonds, special obligation bonds, financed purchases, subscription and lease liabilities. Of this debt, \$21,927,351 was secured by specific revenue sources.

|                        | <b>Governmental Activities</b> |                      | <b>Business-Type Activities</b> |                      | <b>Total</b>         |                      |
|------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
|                        | <b>2023</b>                    | <b>2022*</b>         | <b>2023</b>                     | <b>2022*</b>         | <b>2023</b>          | <b>2022*</b>         |
| Revenue bonds          | \$ -                           | \$ -                 | \$ 12,404,556                   | \$ 15,314,659        | \$ 12,404,556        | \$ 15,314,659        |
| Bonds payable          | 9,522,795                      | 10,291,396           | -                               | -                    | 9,522,795            | 10,291,396           |
| Financed purchases     | 91,667                         | 142,038              | -                               | -                    | 91,667               | 142,038              |
| Subscription liability | 183,029                        | -                    | 338,986                         | -                    | 522,015              | -                    |
| Lease liability        | 1,193,699                      | 937,124              | -                               | -                    | 1,193,699            | 937,124              |
| <b>Total</b>           | <b>\$ 10,991,190</b>           | <b>\$ 11,370,558</b> | <b>\$ 12,743,542</b>            | <b>\$ 15,314,659</b> | <b>\$ 23,734,732</b> | <b>\$ 26,685,217</b> |

*\*Balances have not been restated for the adoption of GASB 96*

Total long-term bonds, financed purchases, and lease liabilities outstanding at December 31, 2023, decreased by \$2,950,485 due to scheduled payments. Additional information regarding the City's long-term debt can be found in *Note 6* of this report.

**City of North Little Rock, Arkansas**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended December 31, 2023**

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***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 2024 budget for the General Fund includes budgeted revenues of \$86,213,101 including net transfers in of \$6,833,114, and expenditures of \$86,213,101.

***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. 29<sup>th</sup> Street, North Little Rock, Arkansas 72114.

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**City of North Little Rock, Arkansas**  
**Statement of Net Position**  
**December 31, 2023**

|                                                               | Primary Government         |                             |                | Component<br>Units |
|---------------------------------------------------------------|----------------------------|-----------------------------|----------------|--------------------|
|                                                               | Governmental<br>Activities | Business-Type<br>Activities | Total          |                    |
| <b>Assets</b>                                                 |                            |                             |                |                    |
| Cash and cash equivalents                                     | \$ 34,213,464              | \$ 37,056,774               | \$ 71,270,238  | \$ 12,819,207      |
| Investments                                                   | 35,400,692                 | 15,632,752                  | 51,033,444     | 14,979,661         |
| Accounts receivable - net of allowance                        | 31,443,015                 | 6,578,398                   | 38,021,413     | 7,681,277          |
| Lease receivable                                              | 428,510                    | -                           | 428,510        | 1,819,767          |
| Prepays                                                       | 1,727,471                  | 1,457,125                   | 3,184,596      | 1,446,267          |
| Inventories                                                   | -                          | 9,161,690                   | 9,161,690      | 47,241             |
| Restricted cash and cash equivalents                          | 613,139                    | 9,086,122                   | 9,699,261      | 6,374,558          |
| Notes receivable                                              | -                          | 1,300,000                   | 1,300,000      | 162,594            |
| Internal balances                                             | 2,069,972                  | (2,069,972)                 | -              | -                  |
| Unbilled revenues                                             | -                          | 5,897,122                   | 5,897,122      | -                  |
| Capital assets - nondepreciable                               | 27,754,783                 | 14,399,068                  | 42,153,851     | 14,380,205         |
| Capital, lease, and subscription assets - depreciable,<br>net | 133,462,471                | 113,669,376                 | 247,131,847    | 137,917,157        |
| Total assets                                                  | 267,113,517                | 212,168,455                 | 479,281,972    | 197,627,934        |
| <b>Deferred Outflows of Resources</b>                         |                            |                             |                |                    |
| Deferred loss on refunding                                    | -                          | 42,387                      | 42,387         | -                  |
| Deferred amount related to pensions                           | 36,441,641                 | 2,109,520                   | 38,551,161     | 4,633,078          |
| Deferred amount related to OPEB                               | 613,924                    | 84,987                      | 698,911        | -                  |
| Total deferred outflows of resources                          | 37,055,565                 | 2,236,894                   | 39,292,459     | 4,633,078          |
| Total assets and deferred outflows of resources               | \$ 304,169,082             | \$ 214,405,349              | \$ 518,574,431 | \$ 202,261,012     |



**City of North Little Rock, Arkansas**  
**Statement of Net Position**  
**December 31, 2023**

|                                                                   | Primary Government      |                          |                | Component Units |
|-------------------------------------------------------------------|-------------------------|--------------------------|----------------|-----------------|
|                                                                   | Governmental Activities | Business-Type Activities | Total          |                 |
| <b>Liabilities</b>                                                |                         |                          |                |                 |
| Accounts payable                                                  | \$ 5,395,421            | \$ 3,445,574             | \$ 8,840,995   | \$ 2,705,484    |
| Accrued expenses                                                  | 4,018,238               | 1,184,242                | 5,202,480      | 3,269,838       |
| Unearned revenue                                                  | 3,305,156               | -                        | 3,305,156      | -               |
| Accrued interest payable                                          | 57,193                  | 105,989                  | 163,182        | -               |
| <b>Noncurrent Liabilities</b>                                     |                         |                          |                |                 |
| Due within one year                                               |                         |                          |                |                 |
| Bonds and loan payable                                            | 800,798                 | 2,971,911                | 3,772,709      | 4,859,338       |
| Financed purchase                                                 | 51,846                  | -                        | 51,846         | -               |
| Lease liability                                                   | 178,732                 | -                        | 178,732        | 9,276           |
| Subscription liability - current portion                          | 138,847                 | 267,697                  | 406,544        | 24,304          |
| Compensated absences                                              | 1,083,969               | 170,089                  | 1,254,058      | 751,501         |
| OPEB liability                                                    | 152,786                 | -                        | 152,786        | -               |
| Customer deposits                                                 | -                       | 7,234,996                | 7,234,996      | -               |
| Due in more than one year                                         |                         |                          |                |                 |
| Bonds and loan payable, net of amortized premiums                 | 8,721,997               | 9,432,645                | 18,154,642     | 37,891,613      |
| Financed purchase                                                 | 39,821                  | -                        | 39,821         | -               |
| Lease liability                                                   | 1,014,967               | -                        | 1,014,967      | -               |
| Subscription liability                                            | 44,182                  | 71,289                   | 115,471        | -               |
| Reserve for bio-solid disposal                                    | -                       | -                        | -              | 3,099,920       |
| Net pension liability                                             | 139,449,890             | 11,227,187               | 150,677,077    | 6,685,505       |
| OPEB liability                                                    | 4,339,159               | 463,566                  | 4,802,725      | 138,777         |
| Compensated absences                                              | 10,483,317              | 1,625,504                | 12,108,821     | 321,621         |
| Total liabilities                                                 | 179,276,319             | 38,200,689               | 217,477,008    | 59,757,177      |
| <b>Deferred Inflows of Resources</b>                              |                         |                          |                |                 |
| Deferred amounts related to pensions                              | 7,234,154               | 278,665                  | 7,512,819      | 1,522,623       |
| Deferred amount related to OPEB                                   | 2,107,062               | 411,012                  | 2,518,074      | -               |
| Lease related                                                     | 426,222                 | -                        | 426,222        | 1,797,889       |
| Total deferred inflows of resources                               | 9,767,438               | 689,677                  | 10,457,115     | 3,320,512       |
| <b>Net Position</b>                                               |                         |                          |                |                 |
| Net investment in capital assets                                  | 149,323,912             | 115,367,289              | 264,691,201    | 106,980,981     |
| Restricted                                                        |                         |                          |                |                 |
| Debt service                                                      | 991,301                 | 1,786,631                | 2,777,932      | 5,911,162       |
| Capital projects                                                  | 3,234,588               | -                        | 3,234,588      | -               |
| Street and traffic                                                | 5,532,704               | -                        | 5,532,704      | -               |
| Parks and recreation                                              | 1,948,187               | -                        | 1,948,187      | -               |
| Community development                                             | 123                     | -                        | 123            | -               |
| Police - equitable sharing                                        | 229,578                 | -                        | 229,578        | -               |
| Drainage improvement                                              | 675,985                 | -                        | 675,985        | -               |
| Airport                                                           | -                       | -                        | -              | 148,095         |
| Library                                                           | -                       | -                        | -              | 33,296          |
| Unrestricted                                                      | (46,811,053)            | 58,361,063               | 11,550,010     | 26,109,789      |
| Total net position                                                | 115,125,325             | 175,514,983              | 290,640,308    | 139,183,323     |
| Total liabilities, deferred inflows of resources and net position | \$ 304,169,082          | \$ 214,405,349           | \$ 518,574,431 | \$ 202,261,012  |

**City of North Little Rock, Arkansas**  
**Statement of Activities**  
**Year Ended December 31, 2023**

| Functions/Programs                         | Expenses              | Program Revenues      |                                    |                                  |
|--------------------------------------------|-----------------------|-----------------------|------------------------------------|----------------------------------|
|                                            |                       | Charges for Services  | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Primary Government</b>                  |                       |                       |                                    |                                  |
| Governmental activities                    |                       |                       |                                    |                                  |
| General government                         | \$ 50,216,265         | \$ 5,635,592          | \$ 15,792,118                      | \$ -                             |
| Public safety                              | 44,671,828            | 2,096,952             | 166,388                            | 609,371                          |
| Public works                               | 2,959,471             | -                     | -                                  | 1,597,970                        |
| Street and traffic                         | 8,950,164             | 38,695                | -                                  | -                                |
| Health and sanitation                      | 7,088,623             | 1,489,316             | -                                  | -                                |
| Community development                      | 950,774               | -                     | 110,091                            | 826,495                          |
| Culture and recreation                     | 11,935,917            | 1,708,315             | 84,755                             | 1,739,722                        |
| Interest and fiscal charges                | 296,603               | -                     | -                                  | -                                |
| Total governmental activities              | <u>127,069,645</u>    | <u>10,968,870</u>     | <u>16,153,352</u>                  | <u>4,773,558</u>                 |
| Business-type activities                   |                       |                       |                                    |                                  |
| Electric Department                        | 82,204,333            | 106,771,617           | 3,443,908                          | -                                |
| Total business-type activities             | <u>82,204,333</u>     | <u>106,771,617</u>    | <u>3,443,908</u>                   | <u>-</u>                         |
| Total primary government                   | <u>\$ 209,273,978</u> | <u>\$ 117,740,487</u> | <u>\$ 19,597,260</u>               | <u>\$ 4,773,558</u>              |
| <b>Component Unit</b>                      |                       |                       |                                    |                                  |
| Component units                            | 34,887,311            | 28,558,070            | 194,941                            | 188,936                          |
| Total component unit                       | <u>\$ 34,887,311</u>  | <u>\$ 28,558,070</u>  | <u>\$ 194,941</u>                  | <u>\$ 188,936</u>                |
| <b>General Revenues and Transfers</b>      |                       |                       |                                    |                                  |
| General revenues:                          |                       |                       |                                    |                                  |
| Sales taxes                                |                       |                       |                                    |                                  |
| Other taxes                                |                       |                       |                                    |                                  |
| Franchise fees                             |                       |                       |                                    |                                  |
| 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                  |                       |                       |                                    |                                  |

| <b>Net (Expense) Revenue and Changes in Net Position</b> |                                 |                        |                        |
|----------------------------------------------------------|---------------------------------|------------------------|------------------------|
| <b>Primary Government</b>                                |                                 |                        |                        |
| <b>Governmental Activities</b>                           | <b>Business-type Activities</b> | <b>Total</b>           | <b>Component Units</b> |
| \$ (28,788,555)                                          | \$ -                            | \$ (28,788,555)        | \$ -                   |
| (41,799,117)                                             | -                               | (41,799,117)           | -                      |
| (1,361,501)                                              | -                               | (1,361,501)            | -                      |
| (8,911,469)                                              | -                               | (8,911,469)            | -                      |
| (5,599,307)                                              | -                               | (5,599,307)            | -                      |
| (14,188)                                                 | -                               | (14,188)               | -                      |
| (8,403,125)                                              | -                               | (8,403,125)            | -                      |
| (296,603)                                                | -                               | (296,603)              | -                      |
| (95,173,865)                                             | -                               | (95,173,865)           | -                      |
| -                                                        | 28,011,192                      | 28,011,192             | -                      |
| -                                                        | 28,011,192                      | 28,011,192             | -                      |
| <u>\$ (95,173,865)</u>                                   | <u>\$ 28,011,192</u>            | <u>\$ (67,162,673)</u> | <u>\$ -</u>            |
|                                                          |                                 |                        | (5,945,364)            |
|                                                          |                                 |                        | <u>\$ (5,945,364)</u>  |
| 80,691,742                                               | -                               | 80,691,742             | 9,966,500              |
| 19,736,443                                               | -                               | 19,736,443             | 4,466,026              |
| 4,587,543                                                | -                               | 4,587,543              | -                      |
| 2,109,603                                                | -                               | 2,109,603              | -                      |
| 2,642,811                                                | 1,858,330                       | 4,501,141              | 847,975                |
| 899,707                                                  | -                               | 899,707                | 238,824                |
| 13,649,346                                               | (13,649,346)                    | -                      | -                      |
| 124,317,195                                              | (11,791,016)                    | 112,526,179            | 15,519,325             |
| 29,143,330                                               | 16,220,176                      | 45,363,506             | 9,573,961              |
| 85,981,995                                               | 159,294,807                     | 245,276,802            | 129,609,362            |
| <u>\$ 115,125,325</u>                                    | <u>\$ 175,514,983</u>           | <u>\$ 290,640,308</u>  | <u>\$ 139,183,323</u>  |

**City of North Little Rock, Arkansas**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2023**

|                                                                       | General              | ARPA                | Grant               | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-----------------------------------------------------------------------|----------------------|---------------------|---------------------|--------------------------------|--------------------------------|
| <b>Assets</b>                                                         |                      |                     |                     |                                |                                |
| Cash and cash equivalents                                             | \$ 15,505,934        | \$ 138,468          | \$ -                | \$ 18,569,062                  | \$ 34,213,464                  |
| Investments                                                           | 27,964,464           | 4,329,734           | -                   | 3,106,494                      | 35,400,692                     |
| Property taxes receivable - net of allowance                          | 10,752,006           | -                   | -                   | 2,467,977                      | 13,219,983                     |
| Sales tax receivable                                                  | 11,964,392           | -                   | -                   | 2,017,444                      | 13,981,836                     |
| Franchise tax receivable                                              | 662,970              | -                   | -                   | -                              | 662,970                        |
| Accounts receivable                                                   | 201,583              | -                   | -                   | 5,475                          | 207,058                        |
| Leases receivable                                                     | 428,510              | -                   | -                   | -                              | 428,510                        |
| Due from other governments                                            | 9,182                | -                   | 3,192,243           | 169,743                        | 3,371,168                      |
| Due from other funds                                                  | 4,857,321            | -                   | 23,881              | 4,236,875                      | 9,118,077                      |
| Prepays                                                               | 1,531,725            | -                   | -                   | 195,746                        | 1,727,471                      |
| Restricted cash equivalents                                           | -                    | -                   | -                   | 613,139                        | 613,139                        |
| Total assets                                                          | <u>\$ 73,878,087</u> | <u>\$ 4,468,202</u> | <u>\$ 3,216,124</u> | <u>\$ 31,381,955</u>           | <u>\$ 112,944,368</u>          |
| <b>Liabilities</b>                                                    |                      |                     |                     |                                |                                |
| Accounts payable                                                      | \$ 1,371,069         | \$ 62,459           | \$ 1,511,031        | \$ 2,450,936                   | \$ 5,395,495                   |
| Accrued expenses                                                      | 3,762,188            | -                   | -                   | 255,976                        | 4,018,164                      |
| Unearned revenue                                                      | 6,468                | 2,982,271           | 316,417             | -                              | 3,305,156                      |
| Due to other funds                                                    | 4,477,106            | 1,033,230           | 1,439,449           | 98,320                         | 7,048,105                      |
| Total liabilities                                                     | <u>9,616,831</u>     | <u>4,077,960</u>    | <u>3,266,897</u>    | <u>2,805,232</u>               | <u>19,766,920</u>              |
| <b>Deferred Inflows of Resources</b>                                  |                      |                     |                     |                                |                                |
| Unavailable revenue - property taxes                                  | 9,897,401            | -                   | -                   | 2,290,447                      | 12,187,848                     |
| Lease related                                                         | 426,222              | -                   | -                   | -                              | 426,222                        |
| Total deferred inflows of resources                                   | <u>10,323,623</u>    | <u>-</u>            | <u>-</u>            | <u>2,290,447</u>               | <u>12,614,070</u>              |
| <b>Fund Balances</b>                                                  |                      |                     |                     |                                |                                |
| Nonspendable                                                          | 1,531,725            | -                   | -                   | 195,746                        | 1,727,471                      |
| Restricted for                                                        |                      |                     |                     |                                |                                |
| Capital projects                                                      | -                    | -                   | -                   | 3,234,588                      | 3,234,588                      |
| Debt service                                                          | -                    | -                   | -                   | 745,511                        | 745,511                        |
| Street and traffic                                                    | -                    | -                   | -                   | 3,488,047                      | 3,488,047                      |
| Parks and recreation                                                  | -                    | 390,242             | -                   | 1,557,945                      | 1,948,187                      |
| Community development                                                 | -                    | -                   | -                   | 123                            | 123                            |
| Police - equitable sharing                                            | -                    | -                   | -                   | 229,578                        | 229,578                        |
| Drainage improvement                                                  | -                    | -                   | -                   | 675,985                        | 675,985                        |
| Committed                                                             | 20,115,807           | -                   | -                   | 16,158,753                     | 36,274,560                     |
| Assigned                                                              | 3,761,615            | -                   | -                   | -                              | 3,761,615                      |
| Unassigned                                                            | 28,528,486           | -                   | (50,773)            | -                              | 28,477,713                     |
| Total fund balances                                                   | <u>53,937,633</u>    | <u>390,242</u>      | <u>(50,773)</u>     | <u>26,286,276</u>              | <u>80,563,378</u>              |
| Total liabilities, deferred inflows of resources<br>and fund balances | <u>\$ 73,878,087</u> | <u>\$ 4,468,202</u> | <u>\$ 3,216,124</u> | <u>\$ 31,381,955</u>           | <u>\$ 112,944,368</u>          |

**City of North Little Rock, Arkansas**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**December 31, 2023**

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|                                                                                                                                                                                                                       |                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Total fund balances – governmental funds                                                                                                                                                                              | \$ 80,563,378         |
| 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    | 161,217,254           |
| 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.                                | 12,187,848            |
| 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                                                  | (57,193)              |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds                                                                                          |                       |
| Accrued compensated absences                                                                                                                                                                                          | (11,567,286)          |
| Total OPEB liability                                                                                                                                                                                                  | (4,491,945)           |
| Net Pension Liability                                                                                                                                                                                                 | (139,449,890)         |
| Bonds payable, including premiums                                                                                                                                                                                     | (9,522,795)           |
| Financed purchases                                                                                                                                                                                                    | (91,667)              |
| Lease liability                                                                                                                                                                                                       | (1,193,699)           |
| Subscription liability                                                                                                                                                                                                | (183,029)             |
| 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. | 27,714,349            |
| Net position of governmental activities                                                                                                                                                                               | <u>\$ 115,125,325</u> |

**City of North Little Rock, Arkansas**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended December 31, 2023**

|                                                                      | General       | ARPA       | Grant       | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|----------------------------------------------------------------------|---------------|------------|-------------|--------------------------------|--------------------------------|
| <b>Revenues</b>                                                      |               |            |             |                                |                                |
| Taxes - sales                                                        | \$ 67,926,455 | \$ -       | \$ -        | \$ 12,765,287                  | \$ 80,691,742                  |
| Taxes - other                                                        | 16,679,373    | -          | -           | 2,209,223                      | 18,888,596                     |
| Franchise fees                                                       | 4,587,543     | -          | -           | -                              | 4,587,543                      |
| Fines and forfeitures                                                | 1,422,105     | -          | -           | -                              | 1,422,105                      |
| Licenses and permits                                                 | 5,115,036     | -          | -           | 68,137                         | 5,183,173                      |
| Charges for services                                                 | 2,655,275     | -          | -           | 1,708,317                      | 4,363,592                      |
| Intergovernmental                                                    | 207,578       | 2,109,603  | 19,728,085  | 992,641                        | 23,037,907                     |
| Investment earnings                                                  | 1,826,194     | 294,065    | -           | 522,552                        | 2,642,811                      |
| Miscellaneous                                                        | 1,540,824     | -          | -           | 161,241                        | 1,702,065                      |
| Total revenues                                                       | 101,960,383   | 2,403,668  | 19,728,085  | 18,427,398                     | 142,519,534                    |
| <b>Expenditures</b>                                                  |               |            |             |                                |                                |
| General Government                                                   |               |            |             |                                |                                |
| Administration                                                       | 2,160,774     | -          | 15,412,796  | -                              | 17,573,570                     |
| City clerk                                                           | 484,022       | -          | -           | -                              | 484,022                        |
| Code enforcement                                                     | 1,406,927     | -          | 6,000       | -                              | 1,412,927                      |
| Commerce                                                             | 37,606        | -          | -           | -                              | 37,606                         |
| Communication                                                        | 270,493       | -          | -           | -                              | 270,493                        |
| Finance                                                              | 1,760,178     | -          | -           | -                              | 1,760,178                      |
| Information technology                                               | 4,634,188     | -          | -           | -                              | 4,634,188                      |
| 1st district court                                                   | 722,197       | -          | -           | -                              | 722,197                        |
| 2nd district court                                                   | 517,613       | -          | -           | -                              | 517,613                        |
| Legal                                                                | 855,702       | -          | -           | -                              | 855,702                        |
| Human resources                                                      | 1,026,384     | -          | -           | -                              | 1,026,384                      |
| Planning                                                             | 1,137,999     | -          | -           | -                              | 1,137,999                      |
| Vehicle maintenance                                                  | 1,301,264     | -          | -           | -                              | 1,301,264                      |
| Total general government                                             | 16,315,347    | -          | 15,418,796  | -                              | 31,734,143                     |
| Animal shelter                                                       | 973,167       | -          | 1,609       | -                              | 974,776                        |
| Community development                                                | -             | -          | -           | 940,218                        | 940,218                        |
| Emergency services                                                   | 2,483,138     | -          | 78,415      | -                              | 2,561,553                      |
| Fit 2 live                                                           | 131,513       | -          | -           | -                              | 131,513                        |
| Health                                                               | 105,434       | -          | -           | -                              | 105,434                        |
| Neighborhood services                                                | 445,017       | -          | -           | -                              | 445,017                        |
| Parks and recreation                                                 | -             | -          | 1,416,379   | 9,426,155                      | 10,842,534                     |
| Public safety - fire                                                 | 20,659,468    | -          | -           | -                              | 20,659,468                     |
| Public safety - police                                               | 28,842,418    | 50,000     | 121,199     | 7,975                          | 29,021,592                     |
| Public works                                                         | 1,371,672     | -          | 1,554,630   | -                              | 2,926,302                      |
| Sanitation                                                           | 6,416,809     | -          | -           | -                              | 6,416,809                      |
| Senior citizens                                                      | 969,803       | -          | -           | -                              | 969,803                        |
| Special appropriations                                               | 13,534,936    | 426,000    | -           | -                              | 13,960,936                     |
| Street and traffic                                                   | -             | -          | -           | 6,738,415                      | 6,738,415                      |
| Capital outlay                                                       | 12,462,458    | 1,019,813  | 473,235     | 13,637,978                     | 27,593,484                     |
| Debt service                                                         |               |            |             |                                |                                |
| Principal retirement                                                 | 371,328       | -          | -           | 710,263                        | 1,081,591                      |
| Interest and fiscal charges                                          | 17,336        | -          | -           | 412,838                        | 430,174                        |
| Total expenditures                                                   | 105,099,844   | 1,495,813  | 19,064,263  | 31,873,842                     | 157,533,762                    |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | (3,139,461)   | 907,855    | 663,822     | (13,446,444)                   | (15,014,228)                   |
| <b>Other Financing Sources (Uses)</b>                                |               |            |             |                                |                                |
| Transfers in                                                         | 16,156,911    | -          | -           | 20,188,154                     | 36,345,065                     |
| Transfers out                                                        | (19,717,897)  | (605,377)  | (654,097)   | (1,718,348)                    | (22,695,719)                   |
| Leases and Subscriptions                                             | 439,732       | -          | -           | 18,525                         | 458,257                        |
| Total other financing sources (uses)                                 | (3,121,254)   | (605,377)  | (654,097)   | 18,488,331                     | 14,107,603                     |
| <b>Net Change in Fund Balances</b>                                   | (6,260,715)   | 302,478    | 9,725       | 5,041,887                      | (906,625)                      |
| <b>Fund Balances, Beginning of Year</b>                              | 60,198,348    | 87,764     | (60,498)    | 21,244,389                     | 81,470,003                     |
| <b>Fund Balances, End of Year</b>                                    | \$ 53,937,633 | \$ 390,242 | \$ (50,773) | \$ 26,286,276                  | \$ 80,563,378                  |

See Notes to the Financial Statements

**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, 2023**

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Net change in fund balances - total governmental funds \$ (906,625)

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 | 27,593,484  |
| Retirements                                      | (803,752)   |
| Depreciation expense                             | (8,930,156) |
| Amortization expense                             | (393,916)   |

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.

904,847

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.

100,256

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.

10,822,287

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.

4,970

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                             | 50,371    |
| Bonds payable                                  | 640,000   |
| Bond premium amortization                      | 128,601   |
| Lease liability                                | 166,792   |
| Subscription liability                         | 224,428   |
| Issuance of lease and subscription liabilities | (458,257) |

Change in net position of governmental activities

\$ 29,143,330

**City of North Little Rock, Arkansas**  
**Statement of Revenues, Expenditures, and Changes**  
**In Fund Balances - Budget and Actual - General Fund**  
**Year Ended December 31, 2023**

|                                                                      | Original<br>Budget | Changes         | Final<br>Budget | Actual        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------------------------------------|--------------------|-----------------|-----------------|---------------|---------------------------------------------------------|
| <b>Revenues</b>                                                      |                    |                 |                 |               |                                                         |
| Taxes - sales                                                        | \$ 57,750,000      | \$ 5,500,000    | \$ 63,250,000   | \$ 67,926,455 | \$ 4,676,455                                            |
| Taxes - other                                                        | 8,810,000          | -               | 8,810,000       | 16,679,373    | 7,869,373                                               |
| Franchise fees                                                       | 3,196,000          | -               | 3,196,000       | 4,587,543     | 1,391,543                                               |
| Fines and forfeitures                                                | 1,507,400          | -               | 1,507,400       | 1,422,105     | (85,295)                                                |
| Licenses and permits                                                 | 3,967,750          | 203,385         | 4,171,135       | 5,115,036     | 943,901                                                 |
| Charges for services                                                 | 2,370,000          | -               | 2,370,000       | 2,655,275     | 285,275                                                 |
| Intergovernmental                                                    | 5,339,352          | -               | 5,339,352       | 207,578       | (5,131,774)                                             |
| Investment earnings                                                  | 715,105            | 300,000         | 1,015,105       | 1,826,194     | 811,089                                                 |
| Miscellaneous                                                        | 2,250,809          | 20,290          | 2,271,099       | 1,540,824     | (730,275)                                               |
| Total revenues                                                       | 85,906,416         | 6,023,675       | 91,930,091      | 101,960,383   | 10,030,292                                              |
| <b>Expenditures</b>                                                  |                    |                 |                 |               |                                                         |
| General Government                                                   |                    |                 |                 |               |                                                         |
| Administration                                                       | 2,645,577          | 173,320         | 2,818,897       | 2,160,774     | 658,123                                                 |
| City clerk                                                           | 500,998            | 836             | 501,834         | 484,022       | 17,812                                                  |
| Code enforcement                                                     | 1,258,034          | 2,727           | 1,260,761       | 1,406,927     | (146,166)                                               |
| Commerce                                                             | 352,998            | (315,393)       | 37,605          | 37,606        | (1)                                                     |
| Communication                                                        | 272,475            | 285             | 272,760         | 270,493       | 2,267                                                   |
| Finance                                                              | 1,609,447          | 244,239         | 1,853,686       | 1,760,178     | 93,508                                                  |
| Information technology                                               | 5,135,842          | 139,629         | 5,275,471       | 4,634,188     | 641,283                                                 |
| 1st district court                                                   | 696,486            | 1,565           | 698,051         | 722,197       | (24,146)                                                |
| 2nd district court                                                   | 633,528            | 1,041           | 634,569         | 517,613       | 116,956                                                 |
| Legal                                                                | 867,428            | 61,633          | 929,061         | 855,702       | 73,359                                                  |
| Human resources                                                      | 1,035,175          | 2,610           | 1,037,785       | 1,026,384     | 11,401                                                  |
| Planning                                                             | 1,150,644          | 49,179          | 1,199,823       | 1,137,999     | 61,824                                                  |
| Vehicle maintenance                                                  | 1,321,040          | 2,681           | 1,323,721       | 1,301,264     | 22,457                                                  |
| Total general government                                             | 17,479,672         | 364,352         | 17,844,024      | 16,315,347    | 1,528,677                                               |
| Animal shelter                                                       | 963,248            | 1,998           | 965,246         | 973,167       | (7,921)                                                 |
| Emergency services                                                   | 2,329,549          | 77,321          | 2,406,870       | 2,483,138     | (76,268)                                                |
| Fit 2 live                                                           | 144,197            | 231             | 144,428         | 131,513       | 12,915                                                  |
| Health                                                               | 105,435            | -               | 105,435         | 105,434       | 1                                                       |
| Neighborhood services                                                | 436,080            | 29,880          | 465,960         | 445,017       | 20,943                                                  |
| Public safety - fire                                                 | 21,445,813         | 86,081          | 21,531,894      | 20,659,468    | 872,426                                                 |
| Public safety - police                                               | 27,206,339         | 346,103         | 27,552,442      | 28,842,418    | (1,289,976)                                             |
| Public works                                                         | 1,351,083          | 177,664         | 1,528,747       | 1,371,672     | 157,075                                                 |
| Sanitation                                                           | 5,867,262          | 6,338           | 5,873,600       | 6,416,809     | (543,209)                                               |
| Senior citizens                                                      | 1,079,281          | 1,650           | 1,080,931       | 969,803       | 111,128                                                 |
| Special appropriations                                               | 7,191,111          | 16,605,856      | 23,796,967      | 13,534,936    | 10,262,031                                              |
| Capital outlay                                                       | -                  | -               | -               | 12,462,458    | (12,462,458)                                            |
| Debt service                                                         |                    |                 |                 |               |                                                         |
| Principal retirement                                                 | -                  | -               | -               | 371,328       | (371,328)                                               |
| Interest and fiscal charges                                          | -                  | -               | -               | 17,336        | (17,336)                                                |
| Total expenditures                                                   | 85,599,070         | 17,697,474      | 103,296,544     | 105,099,844   | (1,803,300)                                             |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | 307,346            | (11,673,799)    | (11,366,453)    | (3,139,461)   | 8,226,992                                               |
| <b>Other Financing Sources (Uses)</b>                                |                    |                 |                 |               |                                                         |
| Transfers in                                                         | 17,124,737         | -               | 17,124,737      | 16,156,911    | (967,826)                                               |
| Transfers out                                                        | (17,432,083)       | (1,730,000)     | (19,162,083)    | (19,717,897)  | (555,814)                                               |
| Leases (as lessee)                                                   | -                  | -               | -               | 439,732       | 439,732                                                 |
| Total other financing sources (uses)                                 | (307,346)          | (1,730,000)     | (2,037,346)     | (3,121,254)   | (1,083,908)                                             |
| <b>Net Change in Fund Balances</b>                                   | -                  | (13,403,799)    | (13,403,799)    | (6,260,715)   | 7,143,084                                               |
| <b>Fund Balances, Beginning of Year</b>                              | 60,198,348         |                 | 60,198,348      | 60,198,348    | -                                                       |
| <b>Fund Balances, End of Year</b>                                    | \$ 60,198,348      | \$ (13,403,799) | \$ 46,794,549   | \$ 53,937,633 | \$ 7,143,084                                            |

See Notes to the Financial Statements



**City of North Little Rock, Arkansas**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2023**

|                                                                    | <b>Business-Type<br/>Activities</b>                |
|--------------------------------------------------------------------|----------------------------------------------------|
|                                                                    | <b>Enterprise Fund<br/>Electric<br/>Department</b> |
| <b>Assets</b>                                                      |                                                    |
| <b>Current assets</b>                                              |                                                    |
| Cash and cash equivalents                                          | \$ 37,056,774                                      |
| Investments                                                        | 15,632,752                                         |
| Accounts receivable - net of allowance                             | 6,567,769                                          |
| Other receivables                                                  | 10,629                                             |
| Notes receivable                                                   | 145,000                                            |
| Unbilled revenues                                                  | 5,897,122                                          |
| Materials and supplies                                             | 9,161,690                                          |
| Prepaid expenses                                                   | 1,457,125                                          |
| Total current assets                                               | <u>75,928,861</u>                                  |
| <b>Noncurrent assets</b>                                           |                                                    |
| Restricted cash and cash equivalents                               | 9,086,122                                          |
| Notes receivable                                                   | 1,155,000                                          |
| Total other non-current assets                                     | <u>10,241,122</u>                                  |
| <b>Capital and Subscription Assets</b>                             |                                                    |
| Property, plant, and equipment                                     | 332,535,834                                        |
| Subscription assets                                                | 627,852                                            |
| Less: accumulated depreciation and amortization                    | (205,095,242)                                      |
| Total capital and subscription assets                              | <u>128,068,444</u>                                 |
| Total assets                                                       | <u>214,238,427</u>                                 |
| <b>Deferred Outflows of Resources</b>                              |                                                    |
| Deferred loss on refunding                                         | 42,387                                             |
| Deferred outflows of resources - Pension                           | 2,109,520                                          |
| Deferred outflows of resources - OPEB                              | 84,987                                             |
| Total deferred outflows of resources                               | <u>2,236,894</u>                                   |
| Total assets and deferred outflows of resources                    | <u><u>\$ 216,475,321</u></u>                       |
| <b>Liabilities</b>                                                 |                                                    |
| <b>Current liabilities</b>                                         |                                                    |
| Accounts payable                                                   | \$ 3,445,574                                       |
| Accrued expenses and other liabilities                             | 1,184,242                                          |
| Due to other funds                                                 | 2,069,972                                          |
| Bonds payable - current portion                                    | 2,971,911                                          |
| Subscription liability - current portion                           | 267,697                                            |
| Accrued compensated absences - current portion                     | 170,089                                            |
| Accrued interest payable                                           | 105,989                                            |
| Total current liabilities                                          | <u>10,215,474</u>                                  |
| <b>Noncurrent liabilities</b>                                      |                                                    |
| Customer deposits payable                                          | 7,234,996                                          |
| Net pension liability                                              | 11,227,187                                         |
| Total OPEB liability                                               | 463,566                                            |
| Accrued compensated absences - noncurrent portion                  | 1,625,504                                          |
| Bonds payable - noncurrent portion                                 | 9,432,645                                          |
| Subscription liability - noncurrent portion                        | 71,289                                             |
| Total noncurrent liabilities                                       | <u>30,055,187</u>                                  |
| Total liabilities                                                  | <u>40,270,661</u>                                  |
| <b>Deferred Inflows of Resources</b>                               |                                                    |
| Deferred inflows of resources - Pension                            | 278,665                                            |
| Deferred inflows of resources - OPEB                               | 411,012                                            |
| Total deferred inflows of resources                                | <u>689,677</u>                                     |
| <b>Net Position</b>                                                |                                                    |
| Net investment in capital assets                                   | 115,367,289                                        |
| Restricted - expendable                                            | 1,786,631                                          |
| Unrestricted net position                                          | 58,361,063                                         |
| Total net position                                                 | <u>175,514,983</u>                                 |
| Total liabilities, deferred inflows of resources, and net position | <u><u>\$ 216,475,321</u></u>                       |

**City of North Little Rock, Arkansas**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**December 31, 2023**

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|                                                    | <b>Business-Type<br/>Activities</b>                |
|----------------------------------------------------|----------------------------------------------------|
|                                                    | <b>Enterprise Fund<br/>Electric<br/>Department</b> |
| <b>Operating Revenues</b>                          |                                                    |
| Sale of electricity, net of uncollectible accounts | \$ 105,120,915                                     |
| Penalty income                                     | 1,393,744                                          |
| Miscellaneous income                               | 256,958                                            |
| Total operating revenues                           | <u>106,771,617</u>                                 |
| <b>Operating Expenses</b>                          |                                                    |
| Salaries and fringe benefits                       | 9,020,237                                          |
| Purchased electricity and transmission costs       | 50,804,855                                         |
| Maintenance                                        | 5,495,039                                          |
| Franchise tax                                      | 356,183                                            |
| Depreciation and amortization                      | 10,786,109                                         |
| Other services and charges                         | 5,186,305                                          |
| Total operating expenses                           | <u>81,648,728</u>                                  |
| <b>Operating Income</b>                            | <u>25,122,889</u>                                  |
| <b>Nonoperating Revenues (Expenses)</b>            |                                                    |
| Interest and investment income                     | 1,858,330                                          |
| Interest expense                                   | (541,605)                                          |
| Trustee fees                                       | (14,000)                                           |
| Intergovernmental revenue                          | 3,443,908                                          |
| Total nonoperating revenues (expenses), net        | <u>4,746,633</u>                                   |
| <b>Income Before Transfers Out</b>                 | 29,869,522                                         |
| <b>Transfers to Other City Funds</b>               | <u>13,649,346</u>                                  |
| <b>Increase in Net Position</b>                    | 16,220,176                                         |
| <b>Net Position, Beginning of Year</b>             | <u>159,294,807</u>                                 |
| <b>Net Position, End of Year</b>                   | <u><u>\$ 175,514,983</u></u>                       |

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**City of North Little Rock, Arkansas**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended December 31, 2023**

|                                                                     | <b>Business-Type<br/>Activities</b>                |
|---------------------------------------------------------------------|----------------------------------------------------|
|                                                                     | <b>Enterprise Fund<br/>Electric<br/>Department</b> |
| <b>Cash Flows from Operating Activities</b>                         |                                                    |
| Receipts from customers                                             | \$ 103,938,624                                     |
| Payments to vendors                                                 | (11,743,033)                                       |
| Payments for purchase of electricity                                | (50,804,855)                                       |
| Payments for taxes                                                  | (356,183)                                          |
| Payments to employees                                               | (8,966,036)                                        |
| Net cash flows provided by operating activities                     | 32,068,517                                         |
| <b>Cash Flows from Noncapital Financing Activities</b>              |                                                    |
| Transfers to other departments                                      | (13,649,346)                                       |
| Net reduction of due to/from other funds                            | 135,000                                            |
| Net cash flows used by noncapital financing activities              | (13,514,346)                                       |
| <b>Cash Flows from Capital and Related Financing Activities</b>     |                                                    |
| Repayment of revenue bonds                                          | (2,910,103)                                        |
| Repayment of subscription liability                                 | (288,866)                                          |
| Purchase of property, plant, and equipment                          | (13,601,091)                                       |
| Interest paid                                                       | (489,752)                                          |
| Proceeds from capital grants                                        | 3,443,908                                          |
| Trustee payments                                                    | (14,000)                                           |
| Net cash flows provided by capital and related financing activities | (13,859,904)                                       |
| <b>Cash flows from investing activities</b>                         |                                                    |
| Proceeds from sale of investments                                   | 36,779,808                                         |
| Purchase of investments                                             | (34,647,637)                                       |
| Interest on investments                                             | 1,858,330                                          |
| Net cash flows provided by investing activities                     | 3,990,501                                          |
| <b>Net Increase in Cash and Cash Equivalents</b>                    | 8,684,768                                          |
| <b>Cash and Cash Equivalents, Beginning of the Year</b>             | 37,458,128                                         |
| <b>Cash and Cash Equivalents, End of the Year</b>                   | \$ 46,142,896                                      |

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|                                                                                                   | <b>Business-Type<br/>Activities<br/>Enterprise Fund<br/>Electric<br/>Department</b> |
|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|                                                                                                   | <hr/>                                                                               |
| <b>Reconciliation of Operating Income to Net Cash Provided<br/>from Operating Activities</b>      |                                                                                     |
| Operating income                                                                                  | \$ 25,122,889                                                                       |
| <b>Adjustments to Reconcile Operating Income to Net Cash Provided<br/>By Operating Activities</b> |                                                                                     |
| Depreciation expense                                                                              | 11,387,530                                                                          |
| (Increase) Decrease in assets and deferred outflows of resources                                  |                                                                                     |
| Accounts receivable                                                                               | (3,234,979)                                                                         |
| Unbilled revenues                                                                                 | 401,986                                                                             |
| Prepaid expenses                                                                                  | 102,604                                                                             |
| Inventory                                                                                         | (3,373,394)                                                                         |
| Deferred outflows of resources                                                                    | 808,830                                                                             |
| Increase (decrease) in liabilities and deferred inflows of resources                              |                                                                                     |
| Accounts payable                                                                                  | 997,139                                                                             |
| Accrued expenses                                                                                  | 578,586                                                                             |
| Customer deposits payable                                                                         | 31,955                                                                              |
| Pension and OPEB                                                                                  | (491,249)                                                                           |
| Compensated absences                                                                              | 2,644                                                                               |
| Deferred inflows of resources                                                                     | (266,024)                                                                           |
|                                                                                                   | <hr/>                                                                               |
| Net cash provided by operating activities                                                         | <u>\$ 32,068,517</u>                                                                |
| <b>Supplement Disclosure of Noncash Investing, Capital, and<br/>Financing Activities</b>          |                                                                                     |
| Addition of subscription assets via long-term obligations                                         | \$ 621,525                                                                          |

**City of North Little Rock, Arkansas**  
**Statement of Fiduciary Net Position - Fiduciary Funds**  
**For the Year Ended December 31, 2023**

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|                                        | <b>Pension Trust</b> |
|----------------------------------------|----------------------|
|                                        | <b>Non-Uniform</b>   |
|                                        | <b>Employees</b>     |
|                                        | <b>Retirement</b>    |
| <b>Assets</b>                          |                      |
| Cash and cash equivalents              | \$ 4,677,689         |
| Investments, at fair value             |                      |
| Mutual funds                           | 3,061,443            |
| Equities                               | 40,787,971           |
| Corporate bonds                        | 10,859,584           |
| Other assets                           | 217,521              |
|                                        | <hr/>                |
| Total assets                           | 59,604,208           |
|                                        | <hr/>                |
| <b>Net Position</b>                    |                      |
| Net position - restricted for pensions | \$ 59,604,208        |
|                                        | <hr/>                |
| Total net position                     | \$ 59,604,208        |
|                                        | <hr/> <hr/>          |

**City of North Little Rock, Arkansas**  
**Statement of Changes in Fiduciary Net Position - Fiduciary Fund**  
**For the Year Ended December 31, 2023**

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|                                                                        | <u><b>Pension Trust</b></u><br><u><b>Non-Uniform</b></u><br><u><b>Employees</b></u><br><u><b>Retirement</b></u> |
|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| <b>Additions</b>                                                       |                                                                                                                 |
| Contributions                                                          |                                                                                                                 |
| Employer                                                               | \$ 3,856,072                                                                                                    |
| Members                                                                | <u>1,639,133</u>                                                                                                |
| Total Contributions                                                    | <u>5,495,205</u>                                                                                                |
| Investment income                                                      |                                                                                                                 |
| Interest and dividend income                                           | 1,440,182                                                                                                       |
| Appreciation in fair value of investments                              | 4,541,569                                                                                                       |
| Less investment expense                                                | <u>(212,870)</u>                                                                                                |
| Net investment income                                                  | <u>5,768,881</u>                                                                                                |
| Total additions                                                        | <u>11,264,086</u>                                                                                               |
| <b>Deductions</b>                                                      |                                                                                                                 |
| Benefits paid to participants                                          | 4,868,044                                                                                                       |
| Administrative expenses                                                | <u>79,345</u>                                                                                                   |
| Total deductions                                                       | <u>4,947,389</u>                                                                                                |
| <b>Change in Net Position</b>                                          | 6,316,697                                                                                                       |
| <b>Net Position Restricted for Pension Benefits, Beginning of Year</b> | <u>53,287,511</u>                                                                                               |
| <b>Net Position Restricted for Pension Benefits, End of Year</b>       | <u><u>\$ 59,604,208</u></u>                                                                                     |

**City of North Little Rock, Arkansas**  
**Statement of Net Position - Discretely Presented Component Units**  
**December 31, 2023**

|                                                                   | Major Component Units |                                 |                    | Nonmajor Component Unit              | Total Component Units |
|-------------------------------------------------------------------|-----------------------|---------------------------------|--------------------|--------------------------------------|-----------------------|
|                                                                   | Waste Water Utility   | William F. Laman Public Library | Airport Commission | Advertising and Promotion Commission |                       |
| <b>Assets</b>                                                     |                       |                                 |                    |                                      |                       |
| Cash and cash equivalents                                         | \$ 6,868,073          | \$ 3,727,396                    | \$ 240,362         | \$ 1,983,376                         | \$ 12,819,207         |
| Investments                                                       | 14,979,661            | -                               | -                  | -                                    | 14,979,661            |
| Accounts receivable, net of allowance                             | 2,992,335             | 4,555,488                       | 133,406            | 48                                   | 7,681,277             |
| Leases receivable                                                 | -                     | -                               | 1,819,767          | -                                    | 1,819,767             |
| Prepaid expenses and other                                        | 262,619               | -                               | 33,291             | 119,087                              | 414,997               |
| Inventories                                                       | 46,997                | 244                             | -                  | -                                    | 47,241                |
| Total current assets                                              | 25,149,685            | 8,283,128                       | 2,226,826          | 2,102,511                            | 37,762,150            |
| <b>Noncurrent Assets</b>                                          |                       |                                 |                    |                                      |                       |
| Restricted assets                                                 |                       |                                 |                    |                                      |                       |
| Cash and cash equivalents                                         | 4,389,553             | 33,296                          | -                  | -                                    | 4,422,849             |
| Certificates of deposits                                          | 526,376               | -                               | -                  | 1,425,333                            | 1,951,709             |
| Other assets                                                      | 1,031,270             | -                               | -                  | -                                    | 1,031,270             |
| Notes receivable                                                  | 162,594               | -                               | -                  | -                                    | 162,594               |
| Capital assets, net                                               | 136,469,253           | 2,400,581                       | 9,932,858          | 3,494,670                            | 152,297,362           |
| Total noncurrent assets                                           | 142,579,046           | 2,433,877                       | 9,932,858          | 4,920,003                            | 159,865,784           |
| Total assets                                                      | 167,728,731           | 10,717,005                      | 12,159,684         | 7,022,514                            | 197,627,934           |
| <b>Deferred Outflows of Resources</b>                             |                       |                                 |                    |                                      |                       |
| Deferred outflows from pensions                                   | 3,310,065             | 920,522                         | 21,650             | 380,841                              | 4,633,078             |
| Total deferred outflows of resources                              | 3,310,065             | 920,522                         | 21,650             | 380,841                              | 4,633,078             |
| Total assets and deferred outflows of resources                   | \$ 171,038,796        | \$ 11,637,527                   | \$ 12,181,334      | \$ 7,403,355                         | \$ 202,261,012        |
| <b>Current Liabilities</b>                                        |                       |                                 |                    |                                      |                       |
| Accounts payable                                                  | 1,830,662             | 161,706                         | 108,244            | 604,872                              | 2,705,484             |
| Other accrued liabilities                                         | 687,049               | -                               | 50,939             | 2,531,850                            | 3,269,838             |
| Bonds payable - current portion                                   | 4,859,338             | -                               | -                  | -                                    | 4,859,338             |
| Lease liability                                                   | -                     | 9,276                           | -                  | -                                    | 9,276                 |
| Subscription liability                                            | -                     | 24,304                          | -                  | -                                    | 24,304                |
| Compensated absences                                              | 728,798               | 22,703                          | -                  | -                                    | 751,501               |
| Total current liabilities                                         | 8,105,847             | 217,989                         | 159,183            | 3,136,722                            | 11,619,741            |
| <b>Noncurrent Liabilities</b>                                     |                       |                                 |                    |                                      |                       |
| Bonds payable - noncurrent portion                                | 37,891,613            | -                               | -                  | -                                    | 37,891,613            |
| Reserve for bio-solids disposal                                   | 3,099,920             | -                               | -                  | -                                    | 3,099,920             |
| Net pension liability                                             | 2,943,891             | 2,644,084                       | 122,035            | 975,495                              | 6,685,505             |
| Total OPEB liability                                              | 138,777               | -                               | -                  | -                                    | 138,777               |
| Compensated absences                                              | -                     | 128,652                         | -                  | 192,969                              | 321,621               |
| Total noncurrent liabilities                                      | 44,074,201            | 2,772,736                       | 122,035            | 1,168,464                            | 48,137,436            |
| Total liabilities                                                 | 52,180,048            | 2,990,725                       | 281,218            | 4,305,186                            | 59,757,177            |
| <b>Deferred Inflows of Resources</b>                              |                       |                                 |                    |                                      |                       |
| Deferred inflows from pensions                                    | 1,376,528             | 106,744                         | 29,837             | 9,514                                | 1,522,623             |
| Lease related                                                     | -                     | -                               | 1,797,889          | -                                    | 1,797,889             |
| Total deferred inflows of resources                               | 1,376,528             | 106,744                         | 1,827,726          | 9,514                                | 3,320,512             |
| <b>Net Position</b>                                               |                       |                                 |                    |                                      |                       |
| Net investment in capital assets                                  | 93,718,302            | 2,367,001                       | 9,932,858          | 962,820                              | 106,980,981           |
| Restricted - expendable                                           | 5,919,725             | -                               | 139,532            | -                                    | 6,059,257             |
| Restricted - nonexpendable                                        | -                     | 33,296                          | -                  | -                                    | 33,296                |
| Unrestricted                                                      | 17,844,193            | 6,139,761                       | -                  | 2,125,835                            | 26,109,789            |
| Total net position                                                | 117,482,220           | 8,540,058                       | 10,072,390         | 3,088,655                            | 139,183,323           |
| Total liabilities, deferred inflows of resources and net position | \$ 171,038,796        | \$ 11,637,527                   | \$ 12,181,334      | \$ 7,403,355                         | \$ 202,261,012        |

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, 2023**

| 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                               | William F. Laman Public Library | Airport Commission   | Advertising & Promotion Commission |                       |
| <b>Governmental Activities</b>         |                      |                      |                                    |                                  |                                                   |                                 |                      |                                    |                       |
| William F. Laman Public Library        | \$ 4,750,125         | \$ 223,459           | \$ 194,941                         | \$ -                             | \$ -                                              | \$ (4,331,725)                  | \$ -                 | \$ -                               | \$ (4,331,725)        |
| Advertising and promotion              | 9,926,660            | 488,230              | -                                  | -                                | -                                                 | -                               | -                    | (9,438,430)                        | (9,438,430)           |
| Total governmental services            | 14,676,785           | 711,689              | 194,941                            | -                                | -                                                 | (4,331,725)                     | -                    | (9,438,430)                        | (13,770,155)          |
| <b>Business-type Activities</b>        |                      |                      |                                    |                                  |                                                   |                                 |                      |                                    |                       |
| Waste water utility                    | 19,345,963           | 27,405,527           | -                                  | -                                | 8,059,564                                         | -                               | -                    | -                                  | 8,059,564             |
| Airport commission                     | 864,563              | 440,854              | -                                  | 188,936                          | -                                                 | -                               | (234,773)            | -                                  | (234,773)             |
| Total business-type activities         | 20,210,526           | 27,846,381           | -                                  | 188,936                          | 8,059,564                                         | -                               | (234,773)            | -                                  | 7,824,791             |
| Total component units                  | <u>\$ 34,887,311</u> | <u>\$ 28,558,070</u> | <u>\$ 194,941</u>                  | <u>\$ 188,936</u>                | 8,059,564                                         | (4,331,725)                     | (234,773)            | (9,438,430)                        | (5,945,364)           |
| <b>General Revenues</b>                |                      |                      |                                    |                                  |                                                   |                                 |                      |                                    |                       |
| Taxes - other                          |                      |                      |                                    |                                  | -                                                 | 4,466,026                       | -                    | -                                  | 4,466,026             |
| Taxes - sales                          |                      |                      |                                    |                                  | -                                                 | -                               | 21,109               | 9,945,391                          | 9,966,500             |
| Investment income                      |                      |                      |                                    |                                  | 799,836                                           | -                               | 6,285                | 41,854                             | 847,975               |
| Other                                  |                      |                      |                                    |                                  | 112,725                                           | 21,512                          | 17,595               | 86,992                             | 238,824               |
| Total general revenues                 |                      |                      |                                    |                                  | 912,561                                           | 4,487,538                       | 44,989               | 10,074,237                         | 15,519,325            |
| <b>Change in Net Position</b>          |                      |                      |                                    |                                  | 8,972,125                                         | 155,813                         | (189,784)            | 635,807                            | 9,573,961             |
| <b>Net Position, Beginning of Year</b> |                      |                      |                                    |                                  | 108,510,095                                       | 8,384,245                       | 10,262,174           | 2,452,848                          | 129,609,362           |
| <b>Net Position, End of Year</b>       |                      |                      |                                    |                                  | <u>\$ 117,482,220</u>                             | <u>\$ 8,540,058</u>             | <u>\$ 10,072,390</u> | <u>\$ 3,088,655</u>                | <u>\$ 139,183,323</u> |

## **Notes to Basic 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 discrete 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.

*William F. Laman Public Library* - The William F. Laman Public Library (Library) operates the public library. The City owns the land and building, and 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 2023.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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**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 William F. Laman Public Library 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

William F. Laman Public Library  
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:

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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**Government-Wide Financial Statements**

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component units. Fiduciary activities are excluded from the government-wide statements because they cannot be used to support the City's own programs. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity 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 fund:

*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.

*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.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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*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.

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.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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***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. The original budget of the General Fund was amended in 2023 to reflect actual expenditures, and more accurately reflect actual revenues. 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 William F. Laman Public Library 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.



**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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***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.

The electric department has a note receivable balance of \$1,300,000 as of December 31, 2023. The note is payable annually over the next eight years. The stated interest rate per the note is 5.25%.

Allowances have been established for December 31, 2023:

**Primary Government**

|                           |    |         |
|---------------------------|----|---------|
| General Fund              | \$ | 893,352 |
| Street Fund               |    | 184,485 |
| Baring Cross Debt Service |    | 38,553  |
| Electric Department       |    | 143,244 |

**Component Units**

|                     |    |         |
|---------------------|----|---------|
| Waste Water Utility | \$ | 10,000  |
| Library             |    | 465,582 |

***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.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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***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 William F. Laman Public Library 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.

***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 William F. Laman Public Library 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 William F. Public Library is provided using the straight-line method over estimated useful lives ranging from three 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.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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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 and the Library is a lessee for a noncancellable lease of a building and equipment. The City and the Library recognize a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City and the Library recognize lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City and the Library measure 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 and the Library determine: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City and Library use the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City and Library generally use 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 and Library are reasonably certain to exercise.

The City and the Library monitor 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, (3) and 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.

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 retirement. 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. For governmental activities, the net pension liability is generally liquidated from the general fund.

### ***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. For governmental activities, the OPEB liability is generally liquidated from the general fund.

### ***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.

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, 2023. The William F. Laman Library has restricted nonexpendable net position of \$33,296 .

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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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.

*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 Standard***

The City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which was effective for the City beginning in fiscal year 2023. This statement addresses accounting and financial reporting for subscription-based information technology arrangements (SBITAs), a type of information technology (IT) arrangement (i.e., software licensing). This statement defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding liability, provides capitalization criteria, and requires footnote disclosure. Implementation of GASB 96 did not have a material impact on the City.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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**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, 2023, none of the City's primary government bank balances were exposed to custodial credit risk.

At December 31, 2023, none of the City's component unit bank balances were exposed to custodial credit risk.

***Summary of Carrying Values***

|                        | <b>Primary<br/>Government</b> |
|------------------------|-------------------------------|
| <b>Carrying Values</b> |                               |
| Deposits               | \$ 85,647,188                 |
| Investments            | 105,742,442                   |
|                        | <hr/>                         |
| Total                  | \$ 191,389,630                |
|                        | <hr/>                         |

Included in the following statement of net position captions:

|                                      | <b>Primary<br/>Government</b> |
|--------------------------------------|-------------------------------|
| Cash and cash equivalents            | \$ 71,270,238                 |
| Investments                          | 51,033,444                    |
| Restricted cash and cash equivalents |                               |
| Cash and cash equivalents            | 9,699,261                     |
| Fiduciary funds                      | 59,386,687                    |
|                                      | <hr/>                         |
| Total                                | \$ 191,389,630                |
|                                      | <hr/>                         |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

**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, 2023, 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 | \$ 54,718,636         | \$ 54,718,636         | \$ -                | \$ -        | \$ -         |
| U.S. Agencies obligations | 7,174,392             | -                     | 7,174,392           | -           | -            |
| Mutual funds              | 3,061,443             | 3,061,443             | -                   | -           | -            |
| Money market mutual funds | 20,524,720            | 20,524,720            | -                   | -           | -            |
| Exchange traded funds     | 40,787,971            | 40,787,971            | -                   | -           | -            |
|                           | <u>\$ 126,267,162</u> | <u>\$ 119,092,770</u> | <u>\$ 7,174,392</u> | <u>\$ -</u> | <u>\$ -</u>  |



**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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***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, 2023, 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, 2023, the City's investments not directly guaranteed by the U.S. government were rated as follows:

| <b>Investment Type</b>    | <b>Rating Agency</b> | <b>Rating</b>          |
|---------------------------|----------------------|------------------------|
| 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 \$20,524,720 which are included in cash and restricted cash and cash equivalents at December 31, 2023.

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

*Nonuniformed Employees' Defined Benefit Plan* – Federated Homes Treasury Obligations Fund Money Market #068, Goldman Sachs Activebeta US Large Cap Equity Etf Actvbeta Lrg, iShares Russell 1000 Growth ETF, iShares Russell 1000 Value ETF, iShares Russell Mid-Cap Growth ETF, iShares Russell Mid-Cap Value ETF, United States Treasury Ust 3.250, 08/31/24.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

**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:

|                |                                                                                                                                                                                                                                                                                                       |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Level 1</b> | Quoted prices in active markets for identical assets or liabilities                                                                                                                                                                                                                                   |
| <b>Level 2</b> | 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 |
| <b>Level 3</b> | Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities                                                                                                                                                                      |

**Recurring Measurements**

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair hierarchy in which the fair value measurements fall at December 31, 2023:

|                                                                        | <b>Fair Value</b>     | <b>Quoted Prices<br/>In Active<br/>Markets for<br/>Identical<br/>Assets<br/>(Level 1)</b> | <b>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</b> | <b>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</b> |
|------------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------|
| <b>Primary Government</b>                                              |                       |                                                                                           |                                                                      |                                                              |
| U.S. Treasury obligations                                              | \$ 54,718,636         | \$ 54,718,636                                                                             | \$ -                                                                 | \$ -                                                         |
| U.S. Agencies obligations                                              | 7,174,392             | -                                                                                         | 7,174,392                                                            | -                                                            |
| Mutual funds                                                           | 3,061,443             | 3,061,443                                                                                 | -                                                                    | -                                                            |
| Equities                                                               | 40,787,971            | 40,787,971                                                                                | -                                                                    | -                                                            |
| Total investments by fair value level                                  | 105,742,442           | <u>\$ 98,568,050</u>                                                                      | <u>\$ 7,174,392</u>                                                  | <u>\$ -</u>                                                  |
| Investments measured at the amortized cost - Money market mutual funds | <u>20,524,720 *</u>   |                                                                                           |                                                                      |                                                              |
| Total investments                                                      | <u>\$ 126,267,162</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, 2023.

**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 \$13,219,982 has been recognized in the government-wide financial statements, while a receivable of \$13,219,982 and a related unavailable revenue from property taxes of \$12,187,848 have been recognized in the governmental fund statements.

The William F. Laman Public Library has recorded a receivable and a related revenue in the amount of \$4,555,488, which is recognized in the Discretely Presented Component Units Statement of Net Position.

Millage rates for 2023 taxes collectible in 2024 were 5.00 for the General Fund, 3.80 for the Library, 1.00 for the Police pension, 1.00 for the Fire pension, 1.3 for capital improvements, and 1.45 for the Street Fund.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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**Note 4: Lease Receivable**

***Government 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 \$13,154 in lease revenue and \$7,680 in interest revenue during the current fiscal year related to these leases. As of December 31, 2023, the City's receivable for lease payments was \$428,510. 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, 2023, the balance of the deferred inflow of resources was \$426,222.

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, 2023:

| Year Ending December 31, | Governmental Activities |                   |                   |
|--------------------------|-------------------------|-------------------|-------------------|
|                          | Principal               | Interest          | Total Receipts    |
| 2024                     | \$ 19,163               | \$ 8,139          | \$ 27,302         |
| 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            |
| 2029-2033                | 44,148                  | 32,362            | 76,510            |
| 2034-2038                | 48,388                  | 28,122            | 76,510            |
| 2039-2043                | 53,035                  | 23,475            | 76,510            |
| 2044-2048                | 58,128                  | 18,382            | 76,510            |
| 2049-2053                | 63,711                  | 12,799            | 76,510            |
| 2054-2058                | 69,829                  | 6,681             | 76,510            |
| 2059-2061                | 29,762                  | 842               | 30,604            |
| Total                    | <u>\$ 428,510</u>       | <u>\$ 159,664</u> | <u>\$ 588,174</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.

The Airport recognized \$20,431 in lease revenue and \$33,766 in interest revenue during the current fiscal year related to these leases. As of December 31, 2023, the Airport's receivable for lease payments was \$1,819,767. 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, 2023, the balance of the deferred inflow of resources was \$1,797,889.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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, 2023:

| Year Ending December 31, | Airport             |                     | Total Receipts      |
|--------------------------|---------------------|---------------------|---------------------|
|                          | Principal           | Interest            |                     |
| 2024                     | \$ 8,302            | \$ 33,614           | \$ 41,916           |
| 2025                     | 8,457               | 33,459              | 41,916              |
| 2026                     | 8,616               | 33,300              | 41,916              |
| 2027                     | 8,776               | 33,140              | 41,916              |
| 2028                     | 8,940               | 32,976              | 41,916              |
| 2029-2033                | 47,266              | 162,314             | 209,580             |
| 2034-2038                | 51,845              | 157,735             | 209,580             |
| 2039-2043                | 56,868              | 152,712             | 209,580             |
| 2044-2048                | 62,378              | 147,202             | 209,580             |
| 2049-2053                | 68,422              | 141,158             | 209,580             |
| 2054-2058                | 75,052              | 134,528             | 209,580             |
| 2059-2063                | 82,323              | 127,257             | 209,580             |
| 2064-2068                | 90,300              | 119,280             | 209,580             |
| 2069-2073                | 99,049              | 110,531             | 209,580             |
| 2074-2078                | 108,646             | 100,934             | 209,580             |
| 2079-2083                | 119,172             | 90,408              | 209,580             |
| 2084-2088                | 130,719             | 78,861              | 209,580             |
| 2089-2093                | 143,384             | 66,196              | 209,580             |
| 2094-2098                | 157,277             | 52,303              | 209,580             |
| 2099-2103                | 172,515             | 37,065              | 209,580             |
| 2104-2108                | 189,230             | 20,350              | 209,580             |
| 2109-2111                | 122,230             | 3,518               | 125,748             |
| Total                    | <u>\$ 1,819,767</u> | <u>\$ 1,868,841</u> | <u>\$ 3,688,608</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-one regulated leases during the year that had terms exceeding one year. The revenue recognized for these leases during the fiscal year ended December 31, 2023 was approximately \$200,000.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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The future principal and interest lease receipts for regulated leases as of December 31, 2023 were as follows:

| <b>Year Ending December 31,</b> | <b>Payment</b>      |
|---------------------------------|---------------------|
| 2024                            | \$ 226,557          |
| 2025                            | 226,052             |
| 2026                            | 224,704             |
| 2027                            | 218,882             |
| 2028                            | 213,705             |
| 2029-2033                       | 1,093,149           |
| 2034-2038                       | 699,863             |
| 2039-2043                       | 621,821             |
| 2044-2048                       | 534,218             |
| 2049-2053                       | 237,492             |
| 2054-2058                       | 91,763              |
| 2059-2063                       | 45,723              |
| 2064-2068                       | 15,000              |
| 2069-2073                       | 15,000              |
| 2074-2078                       | 15,000              |
| 2079-2083                       | 15,000              |
| 2084-2088                       | 15,000              |
| 2089-2093                       | 15,000              |
| 2094-2098                       | 15,000              |
| 2099-2103                       | 15,000              |
| 2104-2108                       | 15,000              |
| 2109-2112                       | 11,000              |
| Total                           | <u>\$ 4,579,929</u> |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

**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,<br>2023* | Increases     | Transfers    | Decreases    | December 31,<br>2023 |
|---------------------------------------------------------------------------|---------------------|---------------|--------------|--------------|----------------------|
| <b>Governmental Activities</b>                                            |                     |               |              |              |                      |
| Capital assets, non-depreciable                                           |                     |               |              |              |                      |
| Land and land rights                                                      | \$ 11,290,448       | \$ 264,560    | \$ -         | \$ (42,114)  | \$ 11,512,894        |
| Construction in progress                                                  | 12,607,945          | 19,256,971    | (15,623,027) | -            | 16,241,889           |
| Total capital assets,<br>non depreciable                                  | 23,898,393          | 19,521,531    | (15,623,027) | (42,114)     | 27,754,783           |
| Capital, lease, and subscription assets,<br>depreciable/amortizable       |                     |               |              |              |                      |
| Infrastructure                                                            | 64,683,480          | -             | 4,537,847    | -            | 69,221,327           |
| Buildings and building<br>improvements                                    | 75,917,669          | 2,651,579     | 9,276,413    | (536,402)    | 87,309,259           |
| Land Improvements                                                         | 10,573,090          | 859,389       | -            | (1,272,890)  | 10,159,589           |
| Vehicles                                                                  | 32,856,836          | 1,711,999     | -            | (351,253)    | 34,217,582           |
| Equipment                                                                 | 33,172,945          | 2,388,729     | 1,808,767    | (284,521)    | 37,085,920           |
| Ships and watercrafts                                                     | 3,673,738           | -             | -            | -            | 3,673,738            |
| Subscription assets                                                       | 429,567             | 36,890        | -            | -            | 466,457              |
| Lease equipment                                                           | 305,079             | 423,367       | -            | (82,600)     | 645,846              |
| Lease building                                                            | 784,724             | -             | -            | -            | 784,724              |
| Total capital, lease, and subscription<br>assets, depreciable/amortizable | 222,397,128         | 8,071,953     | 15,623,027   | (2,527,666)  | 243,564,442          |
| Less accumulated<br>depreciation/amortization                             |                     |               |              |              |                      |
| Infrastructure                                                            | (25,213,848)        | (2,432,094)   | -            | -            | (27,645,942)         |
| Buildings and building<br>improvements                                    | (27,169,208)        | (2,188,707)   | -            | 424,346      | (28,933,569)         |
| Land Improvements                                                         | (3,937,623)         | (387,606)     | -            | 751,550      | (3,573,679)          |
| Vehicles                                                                  | (19,204,037)        | (2,037,093)   | -            | 348,585      | (20,892,545)         |
| Equipment                                                                 | (25,520,004)        | (1,804,366)   | -            | 158,947      | (27,165,423)         |
| Ships and watercrafts                                                     | (1,335,933)         | (80,290)      | -            | -            | (1,416,223)          |
| Subscription assets                                                       | -                   | (217,022)     | -            | -            | (217,022)            |
| Lease equipment                                                           | (102,127)           | (115,747)     | -            | 82,600       | (135,274)            |
| Lease building                                                            | (61,147)            | (61,147)      | -            | -            | (122,294)            |
| Total accumulated<br>depreciation/amortization                            | (102,543,927)       | (9,324,072)   | -            | 1,766,028    | (110,101,971)        |
| Net capital, lease, and subscription assets,<br>depreciable/amortizable   | 119,853,201         | (1,252,119)   | 15,623,027   | (761,638)    | 133,462,471          |
| Total governmental<br>activities, net                                     | \$ 143,751,594      | \$ 18,269,412 | \$ -         | \$ (803,752) | \$ 161,217,254       |

\* Beginning balance amounts have been restated for GASB 96.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

The following is a summary of changes in the capital and subscription assets of business-type activities:

|                                                                       | <u>January 1,<br/>2023*</u> | <u>Increases</u>    | <u>Transfers</u>    | <u>Decreases</u> | <u>December 31,<br/>2023</u> |
|-----------------------------------------------------------------------|-----------------------------|---------------------|---------------------|------------------|------------------------------|
| <b>Business-type Activities</b>                                       |                             |                     |                     |                  |                              |
| Capital assets, non-depreciable                                       |                             |                     |                     |                  |                              |
| Land and land rights                                                  | \$ 2,382,960                | \$ -                | \$ -                | \$ -             | \$ 2,382,960                 |
| Construction in progress                                              | 10,359,974                  | 11,314,360          | (243,923)           | (9,414,303)      | 12,016,108                   |
| Total capital assets,<br>non depreciable                              | 12,742,934                  | 11,314,360          | (243,923)           | (9,414,303)      | 14,399,068                   |
| Capital assets, depreciable                                           |                             |                     |                     |                  |                              |
| Plant and equipment                                                   | 312,470,103                 | 2,540,212           | (6,287,852)         | 9,414,303        | 318,136,766                  |
| Subscription assets                                                   | 6,327                       | 621,525             | -                   | -                | 627,852                      |
| Total capital and subscription assets,<br>being depreciated/amortized | 312,476,430                 | 3,161,737           | (6,287,852)         | 9,414,303        | 318,764,618                  |
| Less accumulated depreciation and amortization<br>for:                |                             |                     |                     |                  |                              |
| Plant and equipment                                                   | (199,986,006)               | (11,189,742)        | 6,278,294           | -                | (204,897,454)                |
| Subscription assets                                                   | -                           | (197,788)           | -                   | -                | (197,788)                    |
| Total accumulated depreciation and<br>amortization                    | (199,986,006)               | (11,387,530)        | 6,278,294           | -                | (205,095,242)                |
| Net capital assets,<br>depreciable                                    | 112,490,424                 | (8,225,793)         | (9,558)             | 9,414,303        | 113,669,376                  |
| Total business-type<br>activities, net                                | <u>\$ 125,233,358</u>       | <u>\$ 3,088,567</u> | <u>\$ (253,481)</u> | <u>\$ -</u>      | <u>\$ 128,068,444</u>        |

\* Beginning balance amounts have been restated for GASB 96.



**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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

|                                                                             | January 1,<br>2022* | Increases   | Transfers    | Decreases   | December 31,<br>2023 |
|-----------------------------------------------------------------------------|---------------------|-------------|--------------|-------------|----------------------|
| <b>Component Units</b>                                                      |                     |             |              |             |                      |
| Capital assets, non-depreciable                                             |                     |             |              |             |                      |
| Land and land rights                                                        | \$ 5,222,643        |             |              |             | \$ 5,222,643         |
| Construction in progress                                                    | 18,983,536          | 4,698,728   | (14,524,702) |             | 9,157,562            |
| Total capital assets,<br>non depreciable                                    | 24,206,179          | 4,698,728   | (14,524,702) | -           | 14,380,205           |
| Capital, lease and subscription<br>assets, depreciable/amortizable          |                     |             |              |             |                      |
| Infrastructure                                                              | 21,942,911          | -           |              |             | 21,942,911           |
| Buildings and Building<br>Improvements                                      | 7,168,412           | 569,507     | 4,339,783    |             | 12,077,702           |
| Plant                                                                       | 209,696,477         | 1,265,382   | 9,765,500    | (259,297)   | 220,468,062          |
| Equipment                                                                   | 2,293,216           | 15,444      |              |             | 2,308,660            |
| Vehicles                                                                    | 62,655              | 42,650      | 419,419      | -           | 524,724              |
| Books and AV Materials                                                      | 4,423,320           | 192,175     |              | (11,285)    | 4,604,210            |
| Subscription assets                                                         | 85,909              | -           |              |             | 85,909               |
| Lease assets                                                                | 1,266,282           | 416,000     |              |             | 1,682,282            |
| Total capital, lease and<br>subscription assets,<br>depreciable/amortizable | 246,939,182         | 2,501,158   | 14,524,702   | (270,582)   | 263,694,460          |
| Less accumulated<br>depreciation/amortization                               |                     |             |              |             |                      |
| Infrastructure                                                              | (21,321,966)        | (342,916)   |              |             | (21,664,882)         |
| Buildings and Building<br>Improvements                                      | (2,466,615)         | (72,454)    |              |             | (2,539,069)          |
| Plant                                                                       | (91,256,344)        | (5,188,438) |              | 226,956     | (96,217,826)         |
| Equipment                                                                   | (426,894)           | (141,075)   |              |             | (567,969)            |
| Vehicles                                                                    | (46,542)            | -           |              |             | (46,542)             |
| Books and AV Materials                                                      | (3,790,106)         | (63,510)    |              | 8,298       | (3,845,318)          |
| Subscription assets                                                         | -                   | (51,740)    |              |             | (51,740)             |
| Lease assets                                                                | (421,863)           | (422,094)   |              |             | (843,957)            |
| Total accumulated<br>depreciation/amortization                              | (119,730,330)       | (6,282,227) | -            | 235,254     | (125,777,303)        |
| Net capital, lease and<br>subscription assets,<br>depreciable/amortizable   | 127,208,852         | (3,781,069) | 14,524,702   | (35,328)    | 137,917,157          |
| Total component units, net                                                  | \$ 151,415,031      | \$ 917,659  | \$ -         | \$ (35,328) | \$ 152,297,362       |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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

**Governmental Activities**

**General Government**

|                                                                       |                  |
|-----------------------------------------------------------------------|------------------|
| Administrative                                                        | \$ 337,173       |
| Animal Shelter                                                        | 17,884           |
| Code Enforcement                                                      | 37,174           |
| Community Planning                                                    | 10,556           |
| Emergency Services                                                    | 94,227           |
| Equitable Sharing                                                     | 38,569           |
| Finance                                                               | 1,451            |
| General government                                                    | 1,532,124        |
| Health                                                                | 11,689           |
| Legal                                                                 | 5,579            |
| 2nd District Court                                                    | 3,047            |
| Neighborhood Services                                                 | 1,750            |
| Human Resources                                                       | 1,607            |
| Public Safety – Fire                                                  | 1,106,004        |
| Public Safety – Police                                                | 1,971,446        |
| Public Works                                                          | 33,169           |
| Parks & Recreation                                                    | 1,093,383        |
| Sanitation                                                            | 423,178          |
| Senior Citizens Center                                                | 246,377          |
| Streets and Traffic                                                   | 2,211,749        |
| Vehicle Maintenance                                                   | 41,263           |
| Information Technology                                                | 104,673          |
| Total depreciation and amortization expense – governmental activities | <u>9,324,072</u> |

**Business-Type Activities**

|                                                       |                      |
|-------------------------------------------------------|----------------------|
| Electric Department                                   | <u>10,786,109</u>    |
| Total depreciation expense – business-type activities | <u>10,786,109</u>    |
| Total depreciation expense – primary government       | <u>\$ 20,110,181</u> |

**Component Units**

|                                                               |                     |
|---------------------------------------------------------------|---------------------|
| Waste Water Utility                                           | \$ 5,188,438        |
| William F. Laman Public Library                               | 609,798             |
| Airport Commission                                            | 342,916             |
| Advertising and Promotion                                     | <u>141,075</u>      |
| Total depreciation and amortization expense – component units | <u>\$ 6,282,227</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, 2023, was \$601,421 .

The City had approximately \$14.2 million in capital commitments outstanding at year-end. Large commitments making up this total included a ladder truck totaling \$1.5 million, street and drainage improvements of approximately \$2.4 million, construction costs on Fire Station 11 of approximately \$4.5 million, construction costs on the Rose City Health Clinic of approximately \$1.6 million, new police vehicles totaling \$1 million, capital costs of approximately \$2.5 million to rebuild structures in Burns Park from the tornado, and approximately \$700,000 in various other capital improvements.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

**Note 6: Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended December 31, 2023:

|                                                   | <b>Beginning<br/>Balances *</b> | <b>Additions</b>    | <b>Retirements/<br/>Deductions</b> | <b>Ending<br/>Balances</b> | <b>Due<br/>Within<br/>One Year</b> |
|---------------------------------------------------|---------------------------------|---------------------|------------------------------------|----------------------------|------------------------------------|
| <b>Governmental Activities</b>                    |                                 |                     |                                    |                            |                                    |
| Special obligation bonds                          | \$ 9,350,000                    | \$ -                | \$ (640,000)                       | \$ 8,710,000               | \$ 680,000                         |
| Issuance premiums                                 | 941,396                         | -                   | (128,601)                          | 812,795                    | 120,798                            |
| Financed purchase                                 | 142,038                         | -                   | (50,371)                           | 91,667                     | 51,846                             |
| Subscription liability                            | 372,567                         | 34,890              | (224,428)                          | 183,029                    | 138,847                            |
| Lease liabilities                                 | 937,124                         | 423,367             | (166,792)                          | 1,193,699                  | 178,732                            |
| Accrued compensated absences                      | 11,667,542                      | 5,806,110           | (5,906,366)                        | 11,567,286                 | 1,083,969                          |
| Governmental activities<br>long-term liabilities  | <u>\$ 23,410,667</u>            | <u>\$ 6,264,367</u> | <u>\$ (7,116,558)</u>              | <u>\$ 22,558,476</u>       | <u>\$ 2,254,192</u>                |
| <b>Business-type Activities</b>                   |                                 |                     |                                    |                            |                                    |
| Revenue bonds                                     | \$ 15,314,659                   | \$ -                | \$ (2,910,103)                     | \$ 12,404,556              | \$ 2,971,911                       |
| Accrued compensated absences                      | 1,792,949                       | 196,376             | (193,732)                          | 1,795,593                  | 170,089                            |
| Subscription liability                            | 6,327                           | 621,525             | (288,866)                          | 338,986                    | 267,697                            |
| Business-type activities<br>long-term liabilities | <u>\$ 17,113,935</u>            | <u>\$ 817,901</u>   | <u>\$ (3,392,701)</u>              | <u>\$ 14,539,135</u>       | <u>\$ 3,409,697</u>                |
| <b>Component Units</b>                            |                                 |                     |                                    |                            |                                    |
| <b>Waste Water Utility</b>                        |                                 |                     |                                    |                            |                                    |
| Revolving loan                                    | \$ 45,839,230                   | \$ 148,954          | \$ (3,237,233)                     | \$ 42,750,951              | \$ 4,859,338                       |
| Reserve for Bio-Solids Disposal                   | 3,099,920                       | -                   | -                                  | 3,099,920                  | -                                  |
| Accrued compensated absences                      | 693,078                         | 35,720              | -                                  | 728,798                    | 728,798                            |
| <b>William F. Laman Public Library</b>            |                                 |                     |                                    |                            |                                    |
| Accrued compensated absences                      | 135,942                         | 60,577              | (45,164)                           | 151,355                    | 22,703                             |
| Subscription liabilities                          | 85,909                          | -                   | (61,605)                           | 24,304                     | 24,304                             |
| Lease liability                                   | 427,788                         | 416,000             | (834,512)                          | 9,276                      | 9,276                              |
| <b>Advertising &amp; Promotion</b>                |                                 |                     |                                    |                            |                                    |
| Accrued compensated absences                      | 183,061                         | 9,908               | -                                  | 192,969                    | -                                  |
| Component unit<br>long-term liabilities           | <u>\$ 50,464,928</u>            | <u>\$ 671,159</u>   | <u>\$ (4,178,514)</u>              | <u>\$ 46,957,573</u>       | <u>\$ 5,644,419</u>                |

\*Beginning balances have been restated for GASB 96

## ***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**

\$1,105,000 tax incremental bonds issued 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 Purchase**

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

#### **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 fee 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 fee 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 fee 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.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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 fee 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 fee 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, 2023, \$38,988,890 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, 2023 was \$1,003,796.

***Pledged Revenues***

The following is a summary of pledged revenues of the City for the year ended December 31, 2023:

| <b>Debt</b>                                  | <b>Revenue Pledged</b>               | <b>Total Pledged Revenue</b> | <b>Current Year Debt Service Requirements</b> | <b>Percentage Portion of Pledged Revenue Stream</b> | <b>Remaining Principal and Interest</b> | <b>Period Revenue Will Not Be Available For Other Purposes</b> |
|----------------------------------------------|--------------------------------------|------------------------------|-----------------------------------------------|-----------------------------------------------------|-----------------------------------------|----------------------------------------------------------------|
| 2019 Capital Improvement Revenue Bonds       | Franchise fees for public utilities  | \$ 2,452,151                 | \$ 849,600                                    | 35%                                                 | \$ 9,372,700                            | Until 2034                                                     |
| 2019 Tax Increment Financing (TIF)           | Property tax                         | 215,538                      | 103,326                                       | 48%                                                 | 832,213                                 | Until 2031                                                     |
| 2017 Tax Increment Financing (TIF)           | Property tax                         | 215,538                      | 92,913                                        | 43%                                                 | 730,065                                 | Until 2031                                                     |
| 2016 Electric System Revenue Refunding Bonds | Net revenues of the electric utility | 37,767,328                   | 1,150,033                                     | 3%                                                  | 9,214,634                               | Until 2031                                                     |
| 2020 Electric System Revenue Refunding Bonds | Net revenues of the electric utility | 37,767,328                   | 2,096,523                                     | 6%                                                  | 4,197,457                               | Until 2025                                                     |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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***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, 2023. Principal and interest are also disclosed for component units as follows:

| <b>Year Ending December 31,</b> | <b>Financed Purchase</b> |                 |                  |
|---------------------------------|--------------------------|-----------------|------------------|
|                                 | <b>Principal</b>         | <b>Interest</b> | <b>Total</b>     |
| 2024                            | \$ 51,846                | \$ 1,966        | \$ 53,812        |
| 2025                            | 39,821                   | 540             | 40,361           |
| Total                           | <u>\$ 91,667</u>         | <u>\$ 2,506</u> | <u>\$ 94,173</u> |

**Business-Type Activities**

| <b>Year Ending December 31,</b> | <b>Revenue Bonds</b> |                     |                      |
|---------------------------------|----------------------|---------------------|----------------------|
|                                 | <b>Principal</b>     | <b>Interest</b>     | <b>Total</b>         |
| 2024                            | \$ 2,971,911         | \$ 275,432          | \$ 3,247,343         |
| 2025                            | 3,027,645            | 218,960             | 3,246,605            |
| 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            |
| 2029-2031                       | 3,330,000            | 131,361             | 3,461,361            |
| Total                           | <u>\$ 12,404,556</u> | <u>\$ 1,007,535</u> | <u>\$ 13,412,091</u> |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

**Component Units**

| <b>Year Ending December 31,</b> | <b>Revolving Loans</b> |                     |                      |
|---------------------------------|------------------------|---------------------|----------------------|
|                                 | <b>Principal</b>       | <b>Interest</b>     | <b>Total</b>         |
| 2024                            | \$ 4,859,338           | \$ 333,958          | \$ 5,193,296         |
| 2025                            | 1,930,511              | 319,668             | 2,250,179            |
| 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            |
| 2029-2033                       | 10,719,555             | 1,138,051           | 11,857,606           |
| 2034-2038                       | 11,695,327             | 722,863             | 12,418,190           |
| Thereafter                      | 7,548,699              | 266,613             | 7,815,312            |
| Total                           | <u>\$ 42,750,951</u>   | <u>\$ 3,651,875</u> | <u>\$ 46,402,826</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 2034. 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, 2023, the value of the lease liabilities was \$1,193,699. 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 \$1,430,570 and had accumulated amortization of \$257,568.

The future principal and interest payments for lease liabilities as of December 31, 2023, are as follows:

| <b>Year Ending December 31,</b> | <b>Governmental Activities</b> |                  |                           |
|---------------------------------|--------------------------------|------------------|---------------------------|
|                                 | <b>Principal</b>               | <b>Interest</b>  | <b>Total Requirements</b> |
| 2024                            | \$ 178,732                     | \$ 20,189        | \$ 198,921                |
| 2025                            | 174,489                        | 16,693           | 191,182                   |
| 2026                            | 173,882                        | 13,132           | 187,014                   |
| 2027                            | 163,631                        | 9,540            | 173,171                   |
| 2028                            | 101,914                        | 6,555            | 108,469                   |
| 2029-2033                       | 338,781                        | 16,901           | 355,682                   |
| 2034                            | 62,270                         | 404              | 62,674                    |
| Total                           | <u>\$ 1,193,699</u>            | <u>\$ 83,414</u> | <u>\$ 1,277,113</u>       |



**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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**Discretely Presented Component Units**

The Library has entered into a lease with the North Little Rock Public Building Authority (Authority) with an initial term of ten years and final maturity date of January 1, 2023, but later amended to twelve years by deferring the principal payments for 2015 and 2016 until the maturity of the Bonds, which is now January 1, 2025. During the term of the lease, the Library will pay to the Authority annual rent in an amount sufficient to pay the principal and interest on the Authority's \$782,500 Public Facilities Revenue Bonds, Series 2012-2-A and \$2,717,500 Public Facilities Revenue Bonds, Series 2012-2-B, along with related expenses. The bonds purpose is to finance the purchase and renovation of the U.S. Post Office Building at 420 Main Street in downtown North Little Rock for use as a branch library. Rent payments are due January 1 of each year beginning in 2014. As of December 31, 2023, the value of the lease liability is \$0. Required lease payments for the Library's fiscal years 2024 and 2025 were paid in 2023 and recorded as reduction of the lease liability

The value of the right to use asset as of December 31, 2023 , was \$1,654,575 with accumulated amortization of \$825,716. Required lease payment for 2023 was paid in 2022 and recorded as a prepaid in the balance sheet for governmental funds.

In January 2022, the Library entered into a 36-month lease as Lessee for the use of Kyocera - Copiers. An initial lease liability was recorded in the amount of \$27,707. As of December 31, 2023, the value of the lease liability is \$9,276. The Library is required to make monthly fixed payments of \$775. The lease has an interest rate of 0.476%. The value of the right to use asset as of December 31, 2023, was \$27,707 with accumulated amortization of \$18,241.

The future principal and interest payments for lease liabilities as of December 31, 2023, are as follows:

**Component Units**

| <b>Year Ending December 31,</b> | <b>Library</b>   |                 | <b>Total</b>    |
|---------------------------------|------------------|-----------------|-----------------|
|                                 | <b>Principal</b> | <b>Interest</b> |                 |
| 2024                            | \$ 9,276         | \$ 24           | \$ 9,300        |
| Total                           | <u>\$ 9,276</u>  | <u>\$ 24</u>    | <u>\$ 9,300</u> |

***Subscription Liability***

**Governmental Activities**

The City's governmental activities have agreements for various software, the terms of which expire in various years through 2025. An initial subscription liability was recorded in the amount of \$372,567. As of December 31, 2023, the value of the subscription liability was \$183,029. 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, 2023 was \$466,457 and had accumulated amortization of \$217,022.

The City's proprietary fund has agreements for various software, the terms of which expire in various years through 2026. An initial subscription liability was recorded in the amount of \$6,327. As of December 31, 2023, the value of the subscription liability was \$338,986. 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, 2023 was \$627,852 and had accumulated amortization of \$197,788.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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

**Governmental Activities**

|      | <b>Principal</b>  | <b>Interest</b> | <b>Total</b>      |
|------|-------------------|-----------------|-------------------|
| 2024 | \$ 138,847        | \$ 5,225        | \$ 144,072        |
| 2025 | 44,182            | 1,266           | 45,448            |
|      | <u>\$ 183,029</u> | <u>\$ 6,491</u> | <u>\$ 189,520</u> |

**Business-Type Activities**

|      | <b>Principal</b>  | <b>Interest</b>  | <b>Total</b>      |
|------|-------------------|------------------|-------------------|
| 2024 | \$ 267,697        | \$ 10,480        | \$ 278,177        |
| 2025 | 49,487            | 2,276            | 51,763            |
| 2026 | 21,802            | 614              | 22,416            |
|      | <u>\$ 338,986</u> | <u>\$ 13,370</u> | <u>\$ 352,356</u> |

**Discretely Presented Component Unit**

The Library has subscription IT arrangements to conduct its operations, the terms of which expires in 2024 through 2025. 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.

An initial subscription liability was recorded in the amount of \$85,909. As of December 31, 2023, the value of the subscription liabilities was \$24,304. An incremental borrowing rate of 2.61% to 3.76% was used to measure subscription liabilities. The value of the right-to-use subscription assets as of December 31, 2023 was \$85,909 and had accumulated amortization of \$51,740.

**Component Unit**

|       | <b>Library</b>   |                 |
|-------|------------------|-----------------|
|       | <b>Principal</b> | <b>Interest</b> |
| 2024  | <u>\$ 24,304</u> | <u>\$ 692</u>   |
| Total | <u>\$ 24,304</u> | <u>\$ 692</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.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

**Note 7: Interfund Receivables, Payables and Transfers**

Interfund receivables and payables consisted of the following as of December 31, 2023:

|                                         | <u>Interfund<br/>Receivables</u> | <u>Interfund<br/>Payables</u> |
|-----------------------------------------|----------------------------------|-------------------------------|
| <b>Major Governmental Funds</b>         |                                  |                               |
| General fund                            | \$ 4,857,321                     | \$ 4,477,106                  |
| ARPA fund                               | -                                | 1,033,230                     |
| Grant fund                              | 23,881                           | 1,439,449                     |
| <b>Nonmajor Funds</b>                   |                                  |                               |
| Street fund                             | 235,969                          | 3,689                         |
| Parks fund                              | 179,032                          | 6,985                         |
| Community development                   | -                                | 35,735                        |
| Sales tax capital improvement fund      | 1,162,185                        | 44,411                        |
| 2017 Sales tax capital Improvement fund | 536,825                          | 7,500                         |
| 2023 Sales tax capital Improvement fund | 2,122,864                        | -                             |
| <b>Major Enterprise Funds</b>           |                                  |                               |
| Electric Department                     | -                                | 2,069,972                     |
| <b>Total</b>                            | <u><u>\$ 9,118,077</u></u>       | <u><u>\$ 9,118,077</u></u>    |

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

Interfund transfers in and transfers out consisted of the following as of December 31, 2023:

|                                   | <u>Interfund Transfers Out</u> |                          |                          |                                                      |                              | <u>Totals</u>               |
|-----------------------------------|--------------------------------|--------------------------|--------------------------|------------------------------------------------------|------------------------------|-----------------------------|
|                                   | <u>Governmental Funds</u>      |                          |                          |                                                      | <u>Proprietary<br/>Funds</u> |                             |
|                                   |                                |                          |                          | <u>Other<br/>Nonmajor<br/>Governmental<br/>Funds</u> |                              |                             |
| <u>Interfund Transfers In</u>     | <u>General</u>                 | <u>ARPA</u>              | <u>Grant Fund</u>        |                                                      | <u>Electric Fund</u>         |                             |
| <b>Governmental Funds</b>         |                                |                          |                          |                                                      |                              |                             |
| General fund                      |                                | \$ 605,377               | \$ 483,840               | \$ 1,418,348                                         | \$ 13,649,346                | \$ 16,156,911               |
| Other nonmajor governmental funds | 19,717,897                     | -                        | 170,257                  | 300,000                                              |                              | 20,188,154                  |
|                                   | <u><u>\$ 19,717,897</u></u>    | <u><u>\$ 605,377</u></u> | <u><u>\$ 654,097</u></u> | <u><u>\$ 1,718,348</u></u>                           | <u><u>\$ 13,649,346</u></u>  | <u><u>\$ 36,345,065</u></u> |

Transfers are used to: (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (b) to pay debt service in accordance with contractual or budgetary authorizations and (c) to fund special projects. The Electric Department transfers funds to the General Fund based on amounts directed and authorized by the City Council in the annual budget.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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**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 agent, multiple-employer defined benefit pension plan. The City also contributes to the Arkansas Public Employees Retirement System (APERS), a state-wide agent, 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.

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.

| <b>Primary Government</b>                    | <b>Net Pension Liability</b> | <b>Deferred Outflows</b> | <b>Deferred Inflows</b> | <b>Pension Expense (Income)</b> |
|----------------------------------------------|------------------------------|--------------------------|-------------------------|---------------------------------|
| Nonuniform – Governmental Activities         | \$ 26,684,907                | \$ 5,714,407             | \$ 1,429,271            | \$ 2,356,353                    |
| Nonuniform – Business-type Activities        | 11,227,187                   | 2,109,520                | 278,665                 | 1,159,528                       |
| Police – LOPFI                               | 30,520,827                   | 13,768,978               | 2,654,257               | 5,258,979                       |
| Fire – LOPFI                                 | 28,957,404                   | 12,250,083               | 3,138,630               | 4,520,878                       |
| Police Pension                               | 27,069,558                   | 2,288,930                | 3,872                   | (5,818,756)                     |
| Firemen's Pension and Relief Fund            | 25,500,955                   | 2,162,130                | -                       | (4,278,636)                     |
| APERS                                        | 716,239                      | 257,113                  | 8,124                   | 147,845                         |
|                                              | <u>\$ 150,677,077</u>        | <u>\$ 38,551,161</u>     | <u>\$ 7,512,819</u>     | <u>\$ 3,346,191</u>             |
|                                              |                              |                          |                         |                                 |
| <b>Discretely Presented Component Units</b>  | <b>Net Pension Liability</b> | <b>Deferred Outflows</b> | <b>Deferred Inflows</b> | <b>Pension Expense</b>          |
| Nonuniform – Airport                         | \$ 122,035                   | \$ 21,650                | \$ 29,837               | \$ 15,213                       |
| Nonuniform – Library                         | 2,644,084                    | 920,522                  | 106,744                 | 306,227                         |
| Waste Water Utility                          | 2,943,891                    | 3,310,065                | 1,376,528               | 1,028,283                       |
| APERS – Advertising and Promotion Commission | 975,495                      | 380,841                  | 9,514                   | 224,741                         |
|                                              | <u>\$ 6,685,505</u>          | <u>\$ 4,633,078</u>      | <u>\$ 1,522,623</u>     | <u>\$ 1,574,464</u>             |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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***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, 2023, is comprised of the following:

|                                                                | <b>Nonuniformed<br/>Plan</b> |
|----------------------------------------------------------------|------------------------------|
| Retirees and beneficiaries receiving benefits                  | 246                          |
| Inactives employees entitled to but not yet receiving benefits | 18                           |
| Active plan members                                            | 529                          |
|                                                                | <hr/>                        |
| Total                                                          | 793                          |
|                                                                | <hr/> <hr/>                  |

***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 2023 Plan Year for the City as a whole is 20.49%. For 2023, the City's contributions to the Plan were \$3,856,072.

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

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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**Actuarial Assumptions**

The total pension liability in the December 31, 2023, 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     | 6.5%                                                                                                                                |
| Salary Increases              | 2.75% - 6.16% Annually                                                                                                              |
| Mortality Table               | 105% Pub-2010, General Employees, below median income<br>Projected with MP-2020<br>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:

| <b>Asset Class</b>         | <b>Target Allocation</b> | <b>Long-term Expected Real Rate of Return</b> |
|----------------------------|--------------------------|-----------------------------------------------|
| 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, 2023, 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 this date.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

***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, 2023:

| <b>Changes in Net Pension Liability – Nonuniformed Plan</b>      |                                        |                                                |                                                |
|------------------------------------------------------------------|----------------------------------------|------------------------------------------------|------------------------------------------------|
|                                                                  | <b>Total Pension<br/>Liability (a)</b> | <b>Plan<br/>Fiduciary Net<br/>Position (b)</b> | <b>Net Pension<br/>Liability<br/>(a) - (b)</b> |
| <b>Balances as of Beginning of Year</b>                          | <u>\$ 94,982,771</u>                   | <u>\$ 53,287,511</u>                           | <u>\$ 41,695,260</u>                           |
| Charges for the year                                             |                                        |                                                |                                                |
| Service cost                                                     | 2,367,018                              | -                                              | 2,367,018                                      |
| Interest on total pension liability                              | 6,092,597                              | -                                              | 6,092,597                                      |
| Difference between expected and actual return                    | 1,708,079                              | -                                              | 1,708,079                                      |
| Administrative expense                                           | -                                      | (79,345)                                       | 79,345                                         |
| Benefit payments, including refunds of<br>employee contributions | (4,868,044)                            | (4,868,044)                                    | -                                              |
| Contributions – employer                                         | -                                      | 3,856,072                                      | (3,856,072)                                    |
| Contributions – employee                                         | -                                      | 1,639,133                                      | (1,639,133)                                    |
| Net investment loss                                              | -                                      | 5,768,881                                      | (5,768,881)                                    |
| Net changes                                                      | <u>5,299,650</u>                       | <u>6,316,697</u>                               | <u>(1,017,047)</u>                             |
| <b>Balances as of End of Year</b>                                | <u><u>\$ 100,282,421</u></u>           | <u><u>\$ 59,604,208</u></u>                    | <u><u>\$ 40,678,213</u></u>                    |

The above amounts are allocated between government-wide (governmental activities), Electric (business-type activities), Airport (component unit) and the William F. Laman Public Library (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 93.2% (93.8 in prior year), the Airport's proportionate share was 0.30% (0.40% in prior year), and the Library's proportionate share was 6.5% (5.8% in prior year).

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

**Changes in Net Pension Liability – Nonuniformed Plan (Primary Government)**

|                                                                  | <b>Total Pension<br/>Liability (a)</b> | <b>Plan<br/>Fiduciary Net<br/>Position (b)</b> | <b>Net Pension<br/>Liability (a) -<br/>(b)</b> |
|------------------------------------------------------------------|----------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>Balances as of Beginning of Year</b>                          | <u>\$ 88,843,664</u>                   | <u>\$ 49,983,685</u>                           | <u>\$ 38,859,979</u>                           |
| Charges for the year                                             |                                        |                                                |                                                |
| Service cost                                                     | 2,206,061                              | -                                              | 2,206,061                                      |
| Interest on total pension liability                              | 5,678,302                              | -                                              | 5,678,302                                      |
| Difference between expected and actual return                    | 1,591,930                              | -                                              | 1,591,930                                      |
| Administrative expense                                           | -                                      | (73,950)                                       | 73,950                                         |
| Benefit payments, including refunds of<br>employee contributions | (4,537,017)                            | (4,537,017)                                    | -                                              |
| Contributions – employer                                         | -                                      | 3,593,859                                      | (3,593,859)                                    |
| Contributions – employee                                         | -                                      | 1,527,672                                      | (1,527,672)                                    |
| Net investment income                                            | -                                      | 5,376,597                                      | (5,376,597)                                    |
| <b>Net changes</b>                                               | <u>4,939,276</u>                       | <u>5,887,161</u>                               | <u>(947,885)</u>                               |
| <b>Balances as of End of Year</b>                                | <u><u>\$ 93,782,940</u></u>            | <u><u>\$ 55,870,846</u></u>                    | <u><u>\$ 37,912,094</u></u>                    |

**Changes in Net Pension Liability – Nonuniformed Plan (Airport)**

|                                                                  | <b>Total Pension<br/>Liability (a)</b> | <b>Plan<br/>Fiduciary Net<br/>Position (b)</b> | <b>Net Pension<br/>Liability (a) -<br/>(b)</b> |
|------------------------------------------------------------------|----------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>Balances as of Beginning of Year</b>                          | <u>\$ 338,236</u>                      | <u>\$ 213,150</u>                              | <u>\$ 125,086</u>                              |
| Charges for the year                                             |                                        |                                                |                                                |
| Service cost                                                     | 7,101                                  | -                                              | 7,101                                          |
| Interest on total pension liability                              | 18,278                                 | -                                              | 18,278                                         |
| Difference between expected and actual return                    | 5,124                                  | -                                              | 5,124                                          |
| Administrative expense                                           | -                                      | (238)                                          | 238                                            |
| Benefit payments, including refunds of<br>employee contributions | (14,604)                               | (14,604)                                       | -                                              |
| Contributions – employer                                         | -                                      | 11,568                                         | (11,568)                                       |
| Contributions – employee                                         | -                                      | 4,917                                          | (4,917)                                        |
| Net investment income                                            | -                                      | 17,307                                         | (17,307)                                       |
| <b>Net changes</b>                                               | <u>15,899</u>                          | <u>18,950</u>                                  | <u>(3,051)</u>                                 |
| <b>Balances as of End of Year</b>                                | <u><u>\$ 354,135</u></u>               | <u><u>\$ 232,100</u></u>                       | <u><u>\$ 122,035</u></u>                       |



**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

**Changes in Net Pension Liability – Nonuniformed Plan (Library)**

|                                                               | <b>Total Pension Liability (a)</b> | <b>Plan Fiduciary Net Position (b)</b> | <b>Net Pension Liability (a) - (b)</b> |
|---------------------------------------------------------------|------------------------------------|----------------------------------------|----------------------------------------|
| <b>Balances as of Beginning of Year</b>                       | <u>\$ 5,800,869</u>                | <u>\$ 3,090,676</u>                    | <u>\$ 2,710,193</u>                    |
| Charges for the year                                          |                                    |                                        |                                        |
| Service cost                                                  | 153,856                            | -                                      | 153,856                                |
| Interest on total pension liability                           | 396,019                            | -                                      | 396,019                                |
| Difference between expected and actual return                 | 111,025                            | -                                      | 111,025                                |
| Administrative expense                                        | -                                  | (5,157)                                | 5,157                                  |
| Benefit payments, including refunds of employee contributions | (316,423)                          | (316,423)                              | -                                      |
| Contributions – employer                                      | -                                  | 250,645                                | (250,645)                              |
| Contributions – employee                                      | -                                  | 106,544                                | (106,544)                              |
| Net investment income                                         | -                                  | 374,977                                | (374,977)                              |
| <b>Net changes</b>                                            | <u>344,477</u>                     | <u>410,586</u>                         | <u>(66,109)</u>                        |
| <b>Balances as of End of Year</b>                             | <u>\$ 6,145,346</u>                | <u>\$ 3,501,262</u>                    | <u>\$ 2,644,084</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:

|                                                    | <b>1% Decrease in Discount Rate (5.5%)</b> | <b>Current Discount Rate Assumption (6.5%)</b> | <b>1% Increase in Discount Rate (7.5%)</b> |
|----------------------------------------------------|--------------------------------------------|------------------------------------------------|--------------------------------------------|
| Non-Uniformed Plan – City net pension liability    | \$ 49,339,851                              | \$ 37,912,094                                  | \$ 28,388,061                              |
| Non-Uniformed Plan – Airport net pension liability | 158,819                                    | 122,035                                        | 91,378                                     |
| Non-Uniformed Plan – Library net pension liability | 3,441,084                                  | 2,644,084                                      | 1,979,854                                  |
|                                                    | <u>\$ 52,939,754</u>                       | <u>\$ 40,678,213</u>                           | <u>\$ 30,459,293</u>                       |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended December 31, 2023, the City and its component units recognized pension expense of \$3,837,321, 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, 2023:

| <b>Nonuniform-Primary Government</b>                                             | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|----------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences between expected and actual experience                               | \$ 1,935,106                                  | \$ 275,461                                   |
| Changes of assumptions                                                           | 1,322,285                                     | -                                            |
| Change in proportion                                                             | 1,097,553                                     | 1,432,475                                    |
| Net difference between projected and actual earnings on pension plan investments | 3,468,983                                     | -                                            |
| Total                                                                            | <u>\$ 7,823,927</u>                           | <u>\$ 1,707,936</u>                          |
|                                                                                  |                                               |                                              |
| <b>Nonuniform-Airport</b>                                                        | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
| Differences between expected and actual experience                               | \$ 6,229                                      | \$ 887                                       |
| Changes of assumptions                                                           | 4,255                                         | -                                            |
| Change in proportion                                                             | -                                             | 28,950                                       |
| Net difference between projected and actual earnings on pension plan investments | 11,166                                        | -                                            |
| Total                                                                            | <u>\$ 21,650</u>                              | <u>\$ 29,837</u>                             |
|                                                                                  |                                               |                                              |
| <b>Nonuniform-Library</b>                                                        | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
| Differences between expected and actual experience                               | \$ 134,959                                    | \$ 19,211                                    |
| Changes of assumptions                                                           | 92,219                                        | -                                            |
| Change in proportion                                                             | 451,408                                       | 87,533                                       |
| Net difference between projected and actual earnings on pension plan investments | 241,936                                       | -                                            |
| Total                                                                            | <u>\$ 920,522</u>                             | <u>\$ 106,744</u>                            |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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

| <b>Year Ending<br/>December 31,</b> | <b>Non-Uniform<br/>Plan<br/>(Primary<br/>Government)</b> | <b>Non-Uniform<br/>Plan<br/>(Airport)</b> | <b>Non-Uniform<br/>Plan<br/>(Library)</b> |
|-------------------------------------|----------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| 2024                                | \$ 2,395,632                                             | \$ 3,084                                  | \$ 237,736                                |
| 2025                                | 1,532,518                                                | 254                                       | 160,224                                   |
| 2026                                | 1,852,614                                                | 1,324                                     | 195,596                                   |
| 2027                                | (28,971)                                                 | (4,706)                                   | 73,468                                    |
| 2028                                | 165,720                                                  | (4,049)                                   | 97,109                                    |
| Total thereafter                    | 198,478                                                  | (4,094)                                   | 49,645                                    |
| Total                               | <u>\$ 6,115,991</u>                                      | <u>\$ (8,187)</u>                         | <u>\$ 813,778</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:

|                  | <b>Fiscal Year<br/>Ending</b> | <b>Annual<br/>Money-<br/>Weighted<br/>Rate of<br/>Return</b> |
|------------------|-------------------------------|--------------------------------------------------------------|
| Non-Uniform Plan | 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 separate audited GAAP-basis postemployment benefit plan report. This report may be obtained by visiting the LOPFI website: [www.lopfi-prb.com](http://www.lopfi-prb.com).

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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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

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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 2023 for police and fire to the Plan were \$3,275,646 and \$2,824,477, respectively.

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

As of December 31, 2023, the City reported net pension liability for their proportionate share of the net pension liability of each plan as follows:

|                          | <b>Net<br/>Pension<br/>Liability</b> |
|--------------------------|--------------------------------------|
| North Little Rock Fire   | \$ 28,957,404                        |
| North Little Rock Police | \$ 30,520,827                        |

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, 2023, 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, 2022. 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:

|                          | <b>Proportionate<br/>Share<br/>Percentage</b> |
|--------------------------|-----------------------------------------------|
| North Little Rock Fire   | 2.71215% (2.77841% in prior year)             |
| North Little Rock Police | 2.85858% (2.75861% in prior year)             |

For the year ended December 31, 2023, the LOPFI Fire and LOPFI Police recognized pension expense of \$4,520,878 and \$5,258,979, respectively. At December 31, 2023, LOPFI Fire and LOPFI Police reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <b>LOPFI – Police</b>                                                            | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|----------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences between expected and actual experience                               | \$ 2,006,253                                  | \$ -                                         |
| Changes of assumptions                                                           | 332,735                                       | 2,366,479                                    |
| Changes in proportion                                                            | 725,050                                       | 287,778                                      |
| Net difference between projected and actual earnings on pension plan investments | 7,429,294                                     | -                                            |
| Contributions subsequent to measurement date                                     | 3,275,646                                     | -                                            |
| Total                                                                            | <u>\$ 13,768,978</u>                          | <u>\$ 2,654,257</u>                          |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

At December 31, 2023, LOPFI Police and LOPFI Fire reported \$3,275,646 and \$2,824,477 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2023, related to pensions will be recognized in pension expense as follows:

| <b>Year Ending<br/>December 31,</b> | <b>LOPFI – Police</b> | <b>LOPFI – Fire</b> |
|-------------------------------------|-----------------------|---------------------|
| 2024                                | \$ 592,547            | \$ 562,194          |
| 2025                                | 1,235,893             | 1,172,585           |
| 2026                                | 2,060,276             | 1,954,739           |
| 2027                                | 3,950,359             | 2,597,458           |
| Total                               | <u>\$ 7,839,075</u>   | <u>\$ 6,286,976</u> |

**Actuarial Assumptions**

The total pension liability as of December 31, 2023, was determined by an actuarial valuation as of December 31, 2022, 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           | 2.50%                                                                                                                                                                                                                                                                   |
| Salary Increases          | 3.75% to 18.25%, including inflation                                                                                                                                                                                                                                    |
| Investment Rate of Return | 7.50%, 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 2017 valuation pursuant to an experience study of the period 2012-2016.                                                                                    |
| Mortality                 | RP-2014 Healthy Annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016. |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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, 2023, these best estimates are summarized in the following table:

| <b>Asset Class</b>     | <b>Target Allocation</b> | <b>Long-term Expected Real Rate of Return</b> |
|------------------------|--------------------------|-----------------------------------------------|
| U.S. stock – large cap | 21%                      | 4.05%                                         |
| U.S. stock – small cap | 21%                      | 4.65%                                         |
| International equity   | 9%                       | 5.27%                                         |
| Emerging markets       | 9%                       | 7.49%                                         |
| U.S. corporate bonds   | 25%                      | -0.35%                                        |
| Real estate            | 5%                       | 3.76%                                         |
| Private equity         | 10%                      | 9.10%                                         |
| 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%).

|                |                       | <b>1% Decrease<br/>6.25%</b> | <b>Current<br/>Discount<br/>Rate 7.25%</b> | <b>1% Increase<br/>8.25%</b> |
|----------------|-----------------------|------------------------------|--------------------------------------------|------------------------------|
| LOPFI – Fire   | Net pension liability | \$ 43,119,239                | \$ 28,957,404                              | \$ 17,497,223                |
| LOPFI – Police | Net pension liability | 45,447,267                   | 30,520,827                                 | 18,441,906                   |
|                |                       | <u>\$ 88,566,506</u>         | <u>\$ 59,478,231</u>                       | <u>\$ 35,939,129</u>         |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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***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](http://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](http://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.

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 2023 were \$2,288,930. 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, 2022 (measurement date), is comprised of the following:

|                                                      | <b>Police<br/>Pension</b> |
|------------------------------------------------------|---------------------------|
| Retirees and beneficiaries receiving benefits        | 93                        |
| Members on Deferred Retirement Option<br>Plan (DROP) | 1                         |
|                                                      | <u>94</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.

For the December 31, 2022, actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included a 7.25% investment rate of return (net of administrative expenses), projected salary increases of 3.25%, which includes an inflation rate of 2.50% and no costs of living increases. The remaining amortization period at January 1, 2022, was 16 years using a closed amortization period based on projected future payroll. The mortality assumption was based on the RP-2014 Health Annuitant, 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, 2022, actuarial valuation were based on the results of an actuarial experience study for the period 2012 through 2016.

### ***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building block method in which 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:

| <b>Police Pension<br/>Asset Class</b> | <b>Target<br/>Allocation</b> | <b>Long-term<br/>Expected Real<br/>of Return</b> |
|---------------------------------------|------------------------------|--------------------------------------------------|
| U.S. stock – large cap                | 21%                          | 4.05%                                            |
| U.S. stock – small cap                | 21%                          | 4.65%                                            |
| International equity                  | 9%                           | 5.27%                                            |
| Emerging markets                      | 9%                           | 7.49%                                            |
| U.S. corporate bonds                  | 25%                          | -0.35%                                           |
| Real estate                           | 5%                           | 3.76%                                            |
| Private equity                        | 10%                          | 9.10%                                            |
|                                       | <u>100%</u>                  |                                                  |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

**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 4.05%, and the resulting *Single Discount Rate* (SDR) is 4.05%, 1.84% 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, 2023, was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**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, 2023:

| <b>Changes in Net Pension Liability – Police Pension</b>         |                                            |                                                |                                                |
|------------------------------------------------------------------|--------------------------------------------|------------------------------------------------|------------------------------------------------|
|                                                                  | <b>Total<br/>Pension<br/>Liability (a)</b> | <b>Plan<br/>Fiduciary Net<br/>Position (b)</b> | <b>Net Pension<br/>Liability (a) -<br/>(b)</b> |
| <b>Balances as of Beginning of Year</b>                          | <u>\$ 34,585,979</u>                       | <u>\$ (601,821)</u>                            | <u>\$ 35,187,800</u>                           |
| Charges for the year                                             |                                            |                                                |                                                |
| Interest on total pension liability                              | 611,617                                    | -                                              | 611,617                                        |
| Difference between expected and actual return                    | 9,291                                      | -                                              | 9,291                                          |
| Changes of assumptions                                           | (6,440,925)                                | -                                              | (6,440,925)                                    |
| Benefit Payments, including refunds of<br>employee contributions | (2,691,804)                                | (2,691,804)                                    | -                                              |
| Contributions – member                                           | -                                          | 3,098                                          | (3,098)                                        |
| Contributions – employer                                         | -                                          | 2,295,127                                      | (2,295,127)                                    |
| <b>Net changes</b>                                               | <u>(8,511,821)</u>                         | <u>(393,579)</u>                               | <u>(8,118,242)</u>                             |
| <b>Balances as of End of Year</b>                                | <u>\$ 26,074,158</u>                       | <u>\$ (995,400)</u>                            | <u>\$ 27,069,558</u>                           |

**Sensitivity to Discount Rate Changes**

The following presents the City's net pension liability calculated using the discount rate of 4.05%, 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:

|                                        | <b>1%<br/>Decrease<br/>3.05%</b> | <b>Current<br/>Discount<br/>Rate<br/>4.05%</b> | <b>1%<br/>Increase<br/>5.05%</b> |
|----------------------------------------|----------------------------------|------------------------------------------------|----------------------------------|
| Police Pension – Net pension liability | \$ 29,608,065                    | \$ 27,069,558                                  | \$ 24,839,926                    |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

***Pension Expense and Deferred Outflows of Resources***

For the year ended December 31, 2023, the City recognized pension income, as measured in accordance with GASB Statement No. 68, of \$5,818,756, 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, 2023:

| <b>Police Pension</b>                                                            | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|----------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Net difference between projected and actual earnings on pension plan investments | \$ -                                          | \$ 3,872                                     |
| Contributions subsequent to measurement date                                     | 2,288,930                                     | -                                            |
| Total                                                                            | <u>\$ 2,288,930</u>                           | <u>\$ 3,872</u>                              |

At December 31, 2023, Police Pension reported \$2,288,930 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, 2024. Other amounts reported as deferred inflows of resources at December 31, 2023, related to pensions will be recognized in pension expense as follows:

**Police**

| <b>Year Ending December 31,</b> |                   |
|---------------------------------|-------------------|
| 2024                            | \$ (3,872)        |
| Total                           | <u>\$ (3,872)</u> |

***Fireman'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](http://www.lopfi-prb.com).

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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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 \$2,007,470 in 2023. 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, 2022 (measurement date), is comprised of the following:

|                                                      | <b>Firemen's<br/>Fund</b> |
|------------------------------------------------------|---------------------------|
| Retirees and beneficiaries receiving benefits        | 100                       |
| Members on Deferred Retirement Option<br>Plan (DROP) | <u>2</u>                  |
|                                                      | <u><u>102</u></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**  
**Year Ended December 31, 2023**

For the December 31, 2022, actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included a 7.25% investment rate of return (net of administrative expenses), projected salary increases of 3.25%, which includes an inflation rate of 2.50% and no costs of living increases. The remaining amortization period at January 1, 2022, was 16 years using a closed amortization period based on projected future payroll. The mortality assumption was based on the RP-2014 Health Annuitant, 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, 2022, actuarial valuation were based on the results of an actuarial experience study for the period 2012 through 2016.

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building block method in which 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:

| <b>Firemen's Pension<br/>Asset Class</b> | <b>Target<br/>Allocation</b> | <b>Long-term<br/>Expected Real<br/>of Return</b> |
|------------------------------------------|------------------------------|--------------------------------------------------|
| U.S. stock – large cap                   | 21%                          | 4.05%                                            |
| U.S. stock – small cap                   | 21%                          | 4.65%                                            |
| International equity                     | 9%                           | 5.27%                                            |
| Emerging markets                         | 9%                           | 7.49%                                            |
| U.S. corporate bonds                     | 25%                          | -0.35%                                           |
| Real estate                              | 5%                           | 3.76%                                            |
| Private equity                           | 10%                          | 9.10%                                            |
|                                          | <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 4.05%, and the resulting *Single Discount Rate* (SDR) is 4.28%, 2.26% 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, 2023, was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

***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, 2023:

| <b>Changes in Net Pension Liability – Firemen's Plan</b>         |                                            |                                                |                                                |
|------------------------------------------------------------------|--------------------------------------------|------------------------------------------------|------------------------------------------------|
|                                                                  | <b>Total<br/>Pension<br/>Liability (a)</b> | <b>Plan<br/>Fiduciary Net<br/>Position (b)</b> | <b>Net Pension<br/>Liability (a) -<br/>(b)</b> |
| <b>Balances as of Beginning of Year</b>                          | <u>\$ 34,783,269</u>                       | <u>\$ 3,836,807</u>                            | <u>\$ 30,946,462</u>                           |
| Charges for the year                                             |                                            |                                                |                                                |
| Interest on total pension liability                              | 754,578                                    | -                                              | 754,578                                        |
| Difference between expected and actual return                    | 384,748                                    | -                                              | 384,748                                        |
| Changes of assumptions                                           | (5,183,797)                                | -                                              | (5,183,797)                                    |
| Benefit Payments, including refunds of<br>employee contributions | (2,789,715)                                | (2,789,715)                                    | -                                              |
| Administrative expense                                           | -                                          | (3,284)                                        | 3,284                                          |
| Contributions – member                                           | -                                          | 1,249                                          | (1,249)                                        |
| Contributions – employer                                         | -                                          | 1,902,882                                      | (1,902,882)                                    |
| Net investment income                                            | <u>-</u>                                   | <u>(499,811)</u>                               | <u>499,811</u>                                 |
| Net changes                                                      | <u>(6,834,186)</u>                         | <u>(1,388,679)</u>                             | <u>(5,445,507)</u>                             |
| <b>Balances as of End of Year</b>                                | <u><u>\$ 27,949,083</u></u>                | <u><u>\$ 2,448,128</u></u>                     | <u><u>\$ 25,500,955</u></u>                    |

***Sensitivity to Discount Rate Changes***

The following presents the City's net pension liability calculated using the discount rate of 4.28%, 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:

|                                                              | <b>1%<br/>Decrease<br/>3.28%</b> | <b>Current<br/>Discount<br/>Rate<br/>4.28%</b> | <b>1%<br/>Increase<br/>5.28%</b> |
|--------------------------------------------------------------|----------------------------------|------------------------------------------------|----------------------------------|
| Firemen's Pension and Relief Fund -<br>Net pension liability | <u>\$ 27,792,319</u>             | <u>\$ 25,500,955</u>                           | <u>\$ 23,401,697</u>             |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

***Pension Expense and Deferred Outflows of Resources***

For the year ended December 31, 2023, the City recognized pension income, as measured in accordance with GASB Statement No. 68, of \$4,278,636, 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, 2023:

| <b>Firemen's Pension and Relief Fund</b>                                         | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|----------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Net difference between projected and actual earnings on pension plan investments | \$ 154,660                                    | \$ -                                         |
| Contributions subsequent to measurement date                                     | 2,007,470                                     | -                                            |
| Total                                                                            | <u>\$ 2,162,130</u>                           | <u>\$ -</u>                                  |

At December 31, 2023, the Firemen's Pension and Relief reported \$2,007,470 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2023, related to pensions will be recognized in pension expense as follows:

**Fire**

| <b>Year Ending December 31,</b> |                   |
|---------------------------------|-------------------|
| 2024                            | \$ (92,662)       |
| 2025                            | 23,371            |
| 2026                            | 76,494            |
| 2027                            | 147,457           |
| Total                           | <u>\$ 154,660</u> |

***Arkansas Public Employees Retirement System (APERS)***

**Plan Description**

The City also contributes to the Arkansas Public Employees Retirement System (APERS), which is a 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.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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***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<br>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 2023. City contributions to the plan in 2023 were \$83,455.

***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**  
**Year Ended December 31, 2023**

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

At December 31, 2023, the primary government and Advertising and Promotion Commission reported a liability of \$716,239 and \$975,495, respectively, for its proportionate share of the net pension liability. The City's proportionate share was .02457768% (.02136670% in prior year) for court clerks and .03347401% (.03039531% in prior year) for the Advertising and Promotions Commission. The net pension liability was measured as of June 30, 2023, 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, 2023.

For the year ended December 31, 2023, the primary government and Advertising and Promotion Commission recognized pension expense of \$147,845 and \$224,741, respectively. At December 31, 2023, the City and its component unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                  | <b>Court Clerks</b>                           |                                              | <b>A&amp;P</b>                                |                                              |
|----------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|-----------------------------------------------|----------------------------------------------|
|                                                                                  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
| Differences in expected and actual experience                                    | \$ 40,430                                     | \$ 3,935                                     | \$ 55,065                                     | \$ 5,359                                     |
| Change in proportion                                                             | 52,137                                        | 4,189                                        | 100,420                                       | 4,155                                        |
| Net difference between projected and actual earnings on pension plan investments | 89,146                                        | -                                            | 121,414                                       | -                                            |
| Change of assumptions                                                            | 33,672                                        |                                              | 45,860                                        |                                              |
| Contributions subsequent to the measurement date*                                | 41,728                                        | -                                            | 58,082                                        | -                                            |
| Total                                                                            | <u>\$ 257,113</u>                             | <u>\$ 8,124</u>                              | <u>\$ 380,841</u>                             | <u>\$ 9,514</u>                              |

\*Contributions made subsequent to measurement date of June 30, 2023.

At December 31, 2023, the primary government and Advertising and Promotion Commission reported \$41,728 and \$58,082, respectively, as deferred outflows of resources related to pensions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Year Ending<br/>December 31,</b> | <b>Court Clerks</b> | <b>A&amp;P</b>    |
|-------------------------------------|---------------------|-------------------|
| 2024                                | \$ 37,989           | \$ 94,713         |
| 2025                                | 18,776              | 66,322            |
| 2026                                | 108,565             | 160,404           |
| 2027                                | 41,931              | (8,194)           |
| Total                               | <u>\$ 207,261</u>   | <u>\$ 313,245</u> |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

**Actuarial Assumptions**

The total pension liability in the June 30, 2023, 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       | 23 years (6.6 years for District Judges New Plan and Paid Off Old Plan and 15 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 | 3.7241%                                                                                                                                                                                                                                                                |
| Cost of living adjustments          | 3.0% annual compounded increase                                                                                                                                                                                                                                        |

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by 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, 2023, are summarized in the table below:

| <b>Asset Class</b>    | <b>Target Allocation</b> | <b>Long-term Expected Real Rate of Return</b> |
|-----------------------|--------------------------|-----------------------------------------------|
| Broad Domestic Equity | 37%                      | 6.19%                                         |
| International Equity  | 24%                      | 6.77%                                         |
| Real Assets           | 16%                      | 3.34%                                         |
| Absolute Return       | 5%                       | 3.36%                                         |
| Domestic Fixed        | 18%                      | 1.79%                                         |
| Total                 | 100%                     |                                               |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

**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:

|      |                       | <b>1% Decrease<br/>6.00%</b> | <b>Current<br/>Discount<br/>Rate 7.00%</b> | <b>1% Increase<br/>8.00%</b> |
|------|-----------------------|------------------------------|--------------------------------------------|------------------------------|
| City | Net pension liability | \$ 1,141,621                 | \$ 716,239                                 | \$ 365,765                   |
| A&P  | Net pension liability | \$ 1,554,851                 | \$ 975,495                                 | \$ 498,160                   |

**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 18.51 and 19.71% for the year ended December 31, 2023 and 2022, 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**

|                                 | <b>Total OPEB<br/>Liability</b> | <b>Deferred<br/>Outflows</b> | <b>Deferred<br/>Inflows</b> | <b>OPEB<br/>Expense</b> |
|---------------------------------|---------------------------------|------------------------------|-----------------------------|-------------------------|
| <b>Total Primary Government</b> |                                 |                              |                             |                         |
| OPEB – Governmental Activities  | \$ 4,491,945                    | \$ 613,924                   | \$ 2,107,062                | \$ 189,827              |
| OPEB – Business-type Activities | 463,566                         | 84,987                       | 411,012                     | 5,549                   |
|                                 | <u>\$ 4,955,511</u>             | <u>\$ 698,911</u>            | <u>\$ 2,518,074</u>         | <u>\$ 195,376</u>       |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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***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.

***Employees Covered by Benefit Terms***

At December 31, 2023, the following employees were covered by the benefit terms:

|                                                                  |                   |
|------------------------------------------------------------------|-------------------|
| Inactive employees or beneficiaries currently receiving benefits | 25                |
| Inactive employees entitled to but not yet receiving benefits    | -                 |
| Active employees                                                 | <u>800</u>        |
|                                                                  | <u><u>825</u></u> |

***Premiums***

Retired participants must pay the same premium as the city is charging active employees. Retired participants pay monthly premiums between \$440.50 for single coverage and \$980.00 for family coverage. Benefits paid by the City for the year ended December 31, 2023 were \$211,274.

***Actuarial Assumptions***

The City's total OPEB liability was measured as of December 31, 2023, and the total OPEB liability was determined by an actuarial valuation as of December 31, 2023, 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               | 4.00% (prior year was 4.31%)                                                    |
| Mortality Table             | Based on retirement Plans 2014 Mortality Rate                                   |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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***Total OPEB Liability***

The components of the total OPEB liability of the City at December 31, 2023, were as follows:

|                                                   |                     |
|---------------------------------------------------|---------------------|
| <b>Balance at January 1, 2023</b>                 | <b>\$ 4,641,652</b> |
| Changes for the year                              |                     |
| Service cost                                      | 192,501             |
| Interest on total OPEB liability                  | 203,799             |
| Difference between expected and actual experience | -                   |
| Benefit payments                                  | (211,274)           |
| Effect of assumptions changes or inputs           | 128,833             |
| Net Changes                                       | 313,859             |
| <b>Balance at December 31, 2023</b>               | <b>\$ 4,955,511</b> |

***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 4.00%, 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:

|                      | <b>1% Decrease<br/>in Discount<br/>Rate (3.00%)</b> | <b>Current<br/>Discount<br/>Rate<br/>Assumptions<br/>Rate (4.00%)</b> | <b>1% Increase<br/>in Discount<br/>Rate (5.00%)</b> |
|----------------------|-----------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------|
| Total OPEB liability | \$ 5,401,544                                        | \$ 4,955,511                                                          | \$ 4,544,191                                        |

***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:

|                      | <b>1% Decrease<br/>in Discount<br/>Rate (7%)</b> | <b>Current<br/>Health Care<br/>Trend Cost<br/>(8%)</b> | <b>1% Increase<br/>in Discount<br/>Rate (9%)</b> |
|----------------------|--------------------------------------------------|--------------------------------------------------------|--------------------------------------------------|
| Total OPEB liability | \$ 4,360,920                                     | \$ 4,955,511                                           | \$ 5,668,346                                     |

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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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, 2023, the City of North Little Rock recognized OPEB expense of \$195,376. At December 31, 2023, the City of North Little Rock reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                               | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|-----------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences in expected and actual experience | \$ 25,256                                     | \$ 1,539,099                                 |
| Changes of assumptions                        | 673,655                                       | 978,975                                      |
|                                               | <u>\$ 698,911</u>                             | <u>\$ 2,518,074</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**

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|            |                       |
|------------|-----------------------|
| 2024       | \$ (200,924)          |
| 2025       | (200,924)             |
| 2026       | (200,924)             |
| 2027       | (200,924)             |
| 2028       | (200,924)             |
| Thereafter | <u>(814,543)</u>      |
| Total      | <u>\$ (1,819,163)</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 William F. Laman Public Library, 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, 2023.

The Waste Water Utility was insured at December 31, 2023, 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, 2023, 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 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 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 2023, the Department paid \$14,798,546 in purchased power from MJMEUC.

**City of North Little Rock, Arkansas**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2023**

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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 2023, the Department paid \$13,908,746 in purchased power from MISO.

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 Department agrees to purchase certain volumes of energy at an agreed upon price. During 2023, the Department paid \$9,407,901 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, 2023. 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 *Single Audit Act of 1984*, as amended by the *Single Audit Act of 1996*. 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



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

Nonuniformed Employees' Defined Benefit Plan

|                                                                              | 2023                  | 2022                 | 2021                 | 2020                 |
|------------------------------------------------------------------------------|-----------------------|----------------------|----------------------|----------------------|
| <b>Total Pension Liability</b>                                               |                       |                      |                      |                      |
| Service cost                                                                 | \$ 2,367,018          | \$ 2,339,321         | \$ 2,580,665         | \$ 2,442,653         |
| Interest                                                                     | 6,092,597             | 5,864,289            | 5,547,208            | 5,173,335            |
| Difference between expected and actual experience                            | 1,708,079             | 103,392              | (18,268)             | (665,282)            |
| Changes in assumptions                                                       | -                     | -                    | 1,687,692            | 3,043,281            |
| Benefit payments, including refunds of plan member contributions             | (4,868,044)           | (4,748,795)          | (4,848,129)          | (3,774,079)          |
| <b>Net Change in Total Pension Liability</b>                                 | 5,299,650             | 3,558,207            | 4,949,168            | 6,219,908            |
| <b>Total Pension Liability, Beginning of Year</b>                            | 94,982,771            | 91,424,564           | 86,475,396           | 80,255,488           |
| <b>Total Pension Liability, End of Year</b>                                  | <u>\$ 100,282,421</u> | <u>\$ 94,982,771</u> | <u>\$ 91,424,564</u> | <u>\$ 86,475,396</u> |
| <b>Plan Fiduciary Net Position</b>                                           |                       |                      |                      |                      |
| Employer contributions                                                       | 3,856,072             | 3,566,827            | 3,193,138            | 2,741,804            |
| Plan member contributions                                                    | 1,639,133             | 1,507,468            | 1,351,664            | 1,370,902            |
| Net investment income                                                        | 5,768,881             | (6,636,903)          | 6,101,015            | 1,969,255            |
| Benefit payments, including refunds of plan member contributions             | (4,868,044)           | (4,748,795)          | (4,848,130)          | (3,774,079)          |
| Administrative expense                                                       | (79,345)              | (77,603)             | (71,689)             | (76,605)             |
| <b>Net Change in Plan Fiduciary Net Position</b>                             | 6,316,697             | (6,389,006)          | 5,725,998            | 2,231,277            |
| <b>Plan Fiduciary Net Position, Beginning of Year</b>                        | 53,287,511            | 59,676,517           | 53,950,519           | 51,719,242           |
| <b>Plan Fiduciary Net Position, End of Year</b>                              | <u>\$ 59,604,208</u>  | <u>\$ 53,287,511</u> | <u>\$ 59,676,517</u> | <u>\$ 53,950,519</u> |
| <b>City's Net Pension Liability, End of Year</b>                             | <u>\$ 40,678,213</u>  | <u>\$ 41,695,260</u> | <u>\$ 31,748,047</u> | <u>\$ 32,524,877</u> |
| Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability | 59.44%                | 56.10%               | 65.27%               | 62.39%               |
| Covered Payroll                                                              | \$ 31,223,255         | \$ 28,881,190        | \$ 26,946,312        | \$ 27,418,040        |
| Plan's Net Pension Liability as a Percentage of Covered Payroll              | 130.28%               | 144.37%              | 117.82%              | 118.63%              |

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.

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.

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| 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 2,249,277         | \$ 2,171,091         | \$ 2,081,105         | \$ 1,842,603         | \$ 2,432,932         |
| 4,888,174            | 4,685,936            | 4,483,827            | 4,189,965            | 3,885,117            |
| 1,153,182            | 4,871                | (228,243)            | 1,873,765            | (1,495,386)          |
| -                    | -                    | -                    | 4,089,326            | (9,232,564)          |
| (4,226,370)          | (3,352,897)          | (3,191,730)          | (2,787,461)          | (2,755,249)          |
| 4,064,263            | 3,509,001            | 3,144,959            | 9,208,198            | (7,165,150)          |
| 76,191,225           | 72,682,224           | 69,537,265           | 60,329,067           | 67,494,217           |
| <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> |
| 2,462,350            | 2,389,157            | 2,220,368            | 1,364,281            | 1,133,620            |
| 1,231,175            | 1,195,958            | 996,081              | 909,519              | 755,749              |
| 7,836,754            | (3,222,842)          | 4,326,066            | 2,153,389            | (1,596,295)          |
| (4,226,370)          | (3,352,897)          | (3,191,730)          | (2,787,461)          | (2,755,249)          |
| (83,747)             | (70,492)             | (73,790)             | (52,951)             | (55,210)             |
| 7,220,162            | (3,061,116)          | 4,276,995            | 1,586,777            | (2,517,385)          |
| 44,499,080           | 47,560,196           | 43,283,201           | 41,696,424           | 44,213,809           |
| <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>\$ 28,536,246</u> | <u>\$ 31,692,145</u> | <u>\$ 25,122,028</u> | <u>\$ 26,254,064</u> | <u>\$ 18,632,643</u> |
| 64.44%               | 58.40%               | 65.44%               | 62.24%               | 69.11%               |
| \$ 24,623,500        | \$ 23,891,570        | \$ 22,770,923        | \$ 21,964,782        | \$ 19,641,076        |
| 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 8 Years**

Police Pension Plan

|                                                                              | 2023                 | 2022                 | 2021                 | 2020                 |
|------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total Pension Liability</b>                                               |                      |                      |                      |                      |
| Service cost                                                                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Interest                                                                     | 611,617              | 701,468              | 934,706              | 1,160,441            |
| Difference between expected and actual experience                            | 9,291                | (358,146)            | (169,317)            | 712,195              |
| Changes in assumptions                                                       | (6,440,925)          | 363,205              | 2,885,065            | 3,301,888            |
| Benefit payments, including refunds of plan member contributions             | (2,691,804)          | (2,387,873)          | (2,498,547)          | (2,507,532)          |
| <b>Net Change in Total Pension Liability</b>                                 | (8,511,821)          | (1,681,346)          | 1,151,907            | 2,666,992            |
| <b>Total Pension Liability, Beginning of Year</b>                            | 34,585,979           | 36,267,325           | 35,115,418           | 32,448,426           |
| <b>Total Pension Liability, End of Year</b>                                  | <u>\$ 26,074,158</u> | <u>\$ 34,585,979</u> | <u>\$ 36,267,325</u> | <u>\$ 35,115,418</u> |
| <b>Plan Fiduciary Net Position</b>                                           |                      |                      |                      |                      |
| Employer contributions                                                       | 2,295,127            | 2,171,733            | 2,106,247            | 2,111,338            |
| Plan member contributions                                                    | 3,098                | 3,047                | 3,097                | 2,924                |
| Net investment income                                                        | -                    | -                    | -                    | 31,005               |
| Benefit payments, including refunds of plan member contributions             | (2,691,804)          | (2,387,873)          | (2,498,547)          | (2,507,532)          |
| Administrative expense                                                       | -                    | -                    | -                    | (273)                |
| Other                                                                        | -                    | -                    | -                    | -                    |
| <b>Net Change in Plan Fiduciary Net Position</b>                             | (393,579)            | (213,093)            | (389,203)            | (362,538)            |
| <b>Plan Fiduciary Net Position, Beginning of Year</b>                        | (601,821)            | (388,728)            | 475                  | 363,013              |
| <b>Plan Fiduciary Net Position, End of Year</b>                              | <u>\$ (995,400)</u>  | <u>\$ (601,821)</u>  | <u>\$ (388,728)</u>  | <u>\$ 475</u>        |
| <b>City's Net Pension Liability, End of Year</b>                             | <u>\$ 27,069,558</u> | <u>\$ 35,187,800</u> | <u>\$ 36,656,053</u> | <u>\$ 35,114,943</u> |
| Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability | 0.00%                | 0.00%                | 0.00%                | 0.00%                |
| Covered Payroll                                                              | \$ 120,345           | \$ 173,125           | \$ 175,942           | \$ 170,821           |
| Plan's Net Pension Liability as a Percentage of Covered Payroll              | 22493.30%            | 20325.08%            | 20834.17%            | 20556.57%            |

**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, 2019 - 2.76%  
December 31, 2020 - 2.00%  
December 31, 2021 - 1.84%  
December 31, 2022 - 4.05%

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| 2019                 | 2018                 | 2017                 | 2016                 |
|----------------------|----------------------|----------------------|----------------------|
| \$ 15,917            | \$ 15,204            | \$ 10,573            | \$ 16,248            |
| 1,117,341            | 1,250,577            | 1,271,018            | 1,312,455            |
| 517,137              | 686,422              | (39,875)             | 569,326              |
| (1,258,960)          | 1,341,560            | (556,753)            | 221,478              |
| (2,577,015)          | (2,608,595)          | (2,726,985)          | (2,613,959)          |
| (2,185,580)          | 685,168              | (2,042,022)          | (494,452)            |
| 34,634,006           | 33,948,838           | 35,990,860           | 36,485,312           |
| <u>\$ 32,448,426</u> | <u>\$ 34,634,006</u> | <u>\$ 33,948,838</u> | <u>\$ 35,990,860</u> |
| 2,027,867            | 1,984,413            | 1,890,091            | 1,790,813            |
| (13,040)             | 6,179                | 7,608                | 10,961               |
| (18,924)             | 154,359              | 101,074              | 4,546                |
| (2,577,015)          | (2,608,595)          | (2,726,985)          | (2,613,959)          |
| (1,255)              | (1,979)              | (3,794)              | (6,131)              |
| -                    | -                    | 47,400               | -                    |
| (582,367)            | (465,623)            | (684,606)            | (813,770)            |
| 945,380              | 1,411,003            | 2,095,609            | 2,909,379            |
| <u>\$ 363,013</u>    | <u>\$ 945,380</u>    | <u>\$ 1,411,003</u>  | <u>\$ 2,095,609</u>  |
| <u>\$ 32,085,413</u> | <u>\$ 33,688,626</u> | <u>\$ 32,537,835</u> | <u>\$ 33,895,251</u> |
| 1.12%                | 2.73%                | 4.16%                | 5.82%                |
| \$ 168,808           | \$ 157,318           | \$ 159,587           | \$ 241,190           |
| 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 8 Years**

Firemen's Pension and Relief Fund

|                                                                              | <u>2023</u>          | <u>2022</u>          | <u>2021</u>          | <u>2020</u>          |
|------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total Pension Liability</b>                                               |                      |                      |                      |                      |
| Service cost                                                                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Interest                                                                     | 754,578              | 849,852              | 1,094,731            | 1,333,982            |
| Difference between expected and actual experience                            | 384,748              | 636,101              | (455,759)            | 868,397              |
| Changes in assumptions                                                       | (5,183,797)          | 1,014,037            | 2,162,151            | 2,658,115            |
| Benefit payments, including refunds of plan member contributions             | (2,789,715)          | (2,882,030)          | (3,267,356)          | (3,214,307)          |
| <b>Net Change in Total Pension Liability</b>                                 | (6,834,186)          | (382,040)            | (466,233)            | 1,646,187            |
| <b>Total Pension Liability, Beginning of Year</b>                            | 34,783,269           | 35,165,309           | 35,631,542           | 33,985,355           |
| <b>Total Pension Liability, End of Year</b>                                  | <u>\$ 27,949,083</u> | <u>\$ 34,783,269</u> | <u>\$ 35,165,309</u> | <u>\$ 35,631,542</u> |
| <b>Plan Fiduciary Net Position</b>                                           |                      |                      |                      |                      |
| Employer contributions                                                       | 1,902,882            | 1,893,613            | 1,789,674            | 1,646,347            |
| Plan member contributions                                                    | 1,249                | 2,592                | 2,697                | 4,243                |
| Net investment income                                                        | (499,811)            | 615,017              | 572,318              | 928,740              |
| Benefit payments, including refunds of plan member contributions             | (2,789,715)          | (2,882,030)          | (3,267,356)          | (3,214,307)          |
| Administrative expense                                                       | (3,284)              | (5,104)              | (7,078)              | (8,168)              |
| Other                                                                        | -                    | -                    | -                    | -                    |
| <b>Net Change in Plan Fiduciary Net Position</b>                             | (1,388,679)          | (375,912)            | (909,745)            | (643,145)            |
| <b>Plan Fiduciary Net Position, Beginning of Year</b>                        | 3,836,807            | 4,212,719            | 5,122,464            | 5,765,609            |
| <b>Plan Fiduciary Net Position, End of Year</b>                              | <u>\$ 2,448,128</u>  | <u>\$ 3,836,807</u>  | <u>\$ 4,212,719</u>  | <u>\$ 5,122,464</u>  |
| <b>City's Net Pension Liability, End of Year</b>                             | <u>\$ 25,500,955</u> | <u>\$ 30,946,462</u> | <u>\$ 30,952,590</u> | <u>\$ 30,509,078</u> |
| Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability | 8.76%                | 11.03%               | 11.98%               | 14.38%               |
| Covered Payroll                                                              | \$ 164,710           | \$ 158,095           | \$ 183,387           | \$ 250,678           |
| Plan's Net Pension Liability as a Percentage of Covered Payroll              | 15482.34%            | 19574.60%            | 16878.29%            | 12170.62%            |

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, 2019 - 3.22%  
December 31, 2020 - 2.52%  
December 31, 2021 - 2.26%  
December 31, 2022 - 4.28%

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

LOPFI - Fire

|                                                                                            | <b>2023</b>   | <b>2022</b>   | <b>2021</b>   | <b>2020</b>   |
|--------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
| City's proportion of the net pension liability                                             | 2.71215%      | 2.77841%      | 2.94302%      | 2.84686%      |
| City's proportionate share of the net pension liability                                    | \$ 28,957,404 | \$ 14,039,739 | \$ 20,232,816 | \$ 21,998,832 |
| City's covered payroll                                                                     | \$ 11,235,915 | \$ 10,905,896 | \$ 11,093,451 | \$ 10,429,122 |
| City's proportionate share of the net pension liability as a percentage of covered payroll | 257.72%       | 128.74%       | 182.39%       | 210.94%       |
| Plan fiduciary net position as a percentage of the total pension liability                 | 69.20%        | 84.75%        | 77.79%        | 73.21%        |

LOPFI - Police

|                                                                                            | <b>2023</b>   | <b>2022</b>   | <b>2021</b>   | <b>2020</b>   |
|--------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
| City's proportion of the net pension liability                                             | 2.85858%      | 2.75861%      | 2.84163%      | 2.71348%      |
| City's proportionate share of the net pension liability                                    | \$ 30,520,827 | \$ 13,939,642 | \$ 19,535,772 | \$ 20,968,132 |
| City's covered payroll                                                                     | \$ 11,842,547 | \$ 10,828,177 | \$ 13,375,657 | \$ 13,486,861 |
| City's proportionate share of the net pension liability as a percentage of covered payroll | 257.72%       | 128.73%       | 146.05%       | 155.47%       |
| Plan fiduciary net position as a percentage of the total pension liability                 | 69.20%        | 84.75%        | 77.79%        | 73.21%        |

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.

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| <b>2019</b>  | <b>2018</b>   | <b>2017</b>   | <b>2016</b>  |
|--------------|---------------|---------------|--------------|
| 2.67953%     | 2.73119%      | 2.74166%      | 2.49184%     |
| \$ 2,572,414 | \$ 19,407,730 | \$ 15,642,023 | \$ 9,020,695 |
| \$ 9,557,042 | \$ 9,359,122  | \$ 8,707,186  | \$ 7,931,178 |
| 26.92%       | 207.37%       | 179.64%       | 113.74%      |
| 66.09%       | 71.48%        | 72.87%        | 79.14%       |

| <b>2019</b>   | <b>2018</b>   | <b>2017</b>   | <b>2016</b>   |
|---------------|---------------|---------------|---------------|
| 2.63745%      | 2.55587%      | 2.51139%      | 2.30461%      |
| \$ 2,554,074  | \$ 18,161,919 | \$ 14,328,255 | \$ 8,342,893  |
| \$ 12,257,002 | \$ 11,783,650 | \$ 10,999,885 | \$ 10,825,411 |
| 20.84%        | 154.13%       | 130.26%       | 77.07%        |
| 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 9 Years**

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|                                                                                            | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|
| City's proportion of the net pension liability                                             | 0.02457768% | 0.02136670% | 0.02177704% | 0.02133044% |
| City's proportionate share of the net pension liability                                    | \$ 716,239  | \$ 576,128  | \$ 167,429  | \$ 610,815  |
| City's covered payroll                                                                     | \$ 553,501  | \$ 407,600  | \$ 415,428  | \$ 411,537  |
| City's proportionate share of the net pension liability as a percentage of covered payroll | 129.40%     | 141.35%     | 40.30%      | 148.42%     |
| Plan fiduciary net position as a percentage of the total pension liability                 | 77.94%      | 78.31%      | 93.57%      | 75.38%      |

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

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

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

**City of North Little Rock, Arkansas**  
**Schedule of City's Contributions - Non-Uniformed Plan**  
**Last 9 Years**

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|                                                                     | <u>2023</u>         | <u>2022</u>       | <u>2021</u>       | <u>2020</u>         |
|---------------------------------------------------------------------|---------------------|-------------------|-------------------|---------------------|
| Contractually required contribution                                 | \$ 5,064,412        | \$ 3,763,219      | \$ 4,109,313      | \$ 3,879,653        |
| Contribution in relation of the contractually required contribution | 3,856,072           | 3,566,827         | 3,193,138         | 2,741,804           |
| Contribution deficiency (excess)                                    | <u>\$ 1,208,340</u> | <u>\$ 196,392</u> | <u>\$ 916,175</u> | <u>\$ 1,137,849</u> |
| City's covered payroll                                              | \$ 31,223,255       | \$ 28,881,190     | \$ 26,946,312     | \$ 27,418,040       |
| Contributions as a percentage of covered payroll                    | 12.35%              | 12.35%            | 11.85%            | 10.00%              |

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.

**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<br>Projected with MP-2020 |

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

**City of North Little Rock, Arkansas**  
**Schedule of City's Contributions - Police Pension**  
**Last 8 Years**

Police Pension

| <b>Fiscal Year<br/>Ended<br/>December 31,</b> | <b>Actuarially<br/>Determined<br/>Contribution<br/>(ADC)</b> | <b>Actual<br/>Contribution</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>Covered<br/>Payroll</b> | <b>Actual<br/>Contribution<br/>as a Percent of<br/>Covered Payroll</b> |
|-----------------------------------------------|--------------------------------------------------------------|--------------------------------|-------------------------------------------------|----------------------------|------------------------------------------------------------------------|
| 2016                                          | \$ 1,626,971                                                 | \$ 1,626,971                   | \$ -                                            | \$ 159,587                 | 1019.49%                                                               |
| 2017                                          | 1,705,029                                                    | 1,705,029                      | -                                               | 157,318                    | 1083.81%                                                               |
| 2018                                          | 1,708,560                                                    | 1,708,560                      | -                                               | 168,808                    | 1012.13%                                                               |
| 2019                                          | 1,813,500                                                    | 1,813,500                      | -                                               | 170,821                    | 1061.64%                                                               |
| 2020                                          | 1,805,304                                                    | 1,805,304                      | -                                               | 175,942                    | 1026.08%                                                               |
| 2021                                          | 1,883,856                                                    | 1,883,856                      | -                                               | 173,125                    | 1088.15%                                                               |
| 2022                                          | 2,009,328                                                    | 2,009,328                      | -                                               | 120,345                    | 1669.64%                                                               |
| 2023                                          | 2,288,930                                                    | 2,288,930                      | -                                               | N/A                        | N/A                                                                    |

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    | 16 years beginning Januar 1, 2022                                                                                                                                                                                                                                       |
| Asset valuation           | 5-year smoothed market; 20% corridor                                                                                                                                                                                                                                    |
| Investment rate of return | 7.25%                                                                                                                                                                                                                                                                   |
| Mortality                 | RP-2014 Healthy Annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016. |

Other Information

|       |                                                |
|-------|------------------------------------------------|
| Notes | There were no benefit changes during the year. |
|-------|------------------------------------------------|

**City of North Little Rock, Arkansas**  
**Schedule of City's Contributions - Firemen's Pension and Relief Fund**  
**Last 8 Years**

Firemen's Pension and Relief Fund

| <b>Fiscal Year<br/>Ended<br/>December 31,</b> | <b>Actuarially<br/>Determined<br/>Contribution<br/>(ADC)</b> | <b>Actual<br/>Contribution</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>Covered<br/>Payroll</b> | <b>Actual<br/>Contribution<br/>as a Percent of<br/>Covered Payroll</b> |
|-----------------------------------------------|--------------------------------------------------------------|--------------------------------|-------------------------------------------------|----------------------------|------------------------------------------------------------------------|
| 2016                                          | \$ 1,517,418                                                 | \$ 1,517,418                   | \$ -                                            | \$ 526,042                 | 288.46%                                                                |
| 2017                                          | 1,487,237                                                    | 1,487,237                      | -                                               | 411,211                    | 361.67%                                                                |
| 2018                                          | 1,458,360                                                    | 1,458,360                      | -                                               | 333,149                    | 437.75%                                                                |
| 2019                                          | 1,457,352                                                    | 1,457,352                      | -                                               | 250,678                    | 581.36%                                                                |
| 2020                                          | 1,591,524                                                    | 1,591,524                      | -                                               | 183,387                    | 867.85%                                                                |
| 2021                                          | 1,695,540                                                    | 1,695,540                      | -                                               | 158,095                    | 1072.48%                                                               |
| 2022                                          | 1,695,540                                                    | 1,695,540                      | -                                               | 164,710                    | 1029.41%                                                               |
| 2023                                          | 2,007,470                                                    | 2,007,470                      | -                                               | N/A                        | N/A                                                                    |

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    | 16 years beginning Januar 1, 2022                                                                                                                                                                                                                                       |
| Asset valuation           | 5-year smoothed market; 20% corridor                                                                                                                                                                                                                                    |
| Investment rate of return | 7.25%                                                                                                                                                                                                                                                                   |
| Mortality                 | RP-2014 Healthy Annuitant, Disabled Retiree and Employee mortality tables for males and females. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016. |

Other Information

|       |                                                |
|-------|------------------------------------------------|
| Notes | There were no benefit changes during the year. |
|-------|------------------------------------------------|



**City of North Little Rock, Arkansas**  
**Schedule of City's Contributions - LOPFI**  
**Last 8 Years**

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LOPFI - Fire

|                                                                     | <u>2023</u>      | <u>2022</u>      | <u>2021</u>      | <u>2020</u>      |
|---------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| Contractually required contribution                                 | \$ 2,824,477     | \$ 2,630,131     | \$ 2,530,463     | \$ 2,602,961     |
| Contribution in relation of the contractually required contribution | <u>2,824,477</u> | <u>2,630,131</u> | <u>2,530,463</u> | <u>2,602,961</u> |
| Contribution deficiency (excess)                                    | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| City's covered payroll                                              | \$ 12,393,492    | \$ 11,235,915    | \$ 10,905,896    | \$ 11,093,451    |
| Contributions as a percentage of covered payroll                    | 22.79%           | 23.41%           | 23.20%           | 23.46%           |

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>2023</u>      | <u>2022</u>      | <u>2021</u>      | <u>2020</u>      |
|---------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| Contractually required contribution                                 | \$ 3,275,646     | \$ 2,772,133     | \$ 2,512,422     | \$ 2,513,286     |
| Contribution in relation of the contractually required contribution | <u>3,275,646</u> | <u>2,772,133</u> | <u>2,512,422</u> | <u>2,513,286</u> |
| Contribution deficiency (excess)                                    | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| City's covered payroll                                              | \$ 14,373,172    | \$ 11,842,547    | \$ 10,828,177    | \$ 13,375,657    |
| Contributions as a percentage of covered payroll                    | 22.79%           | 23.41%           | 23.20%           | 18.79%           |

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.

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

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

**City of North Little Rock, Arkansas**  
**Schedule of City's Contributions - APERS**  
**Last 9 Years**

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|                                                                        | <u>2023</u>   | <u>2022</u>   | <u>2021</u>   | <u>2020</u>   |
|------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
| Contractually required contribution                                    | \$ 83,455     | \$ 68,243     | \$ 66,621     | \$ 63,761     |
| Contribution in relation of the contractually<br>required contribution | <u>83,455</u> | <u>68,243</u> | <u>66,621</u> | <u>63,761</u> |
| Contribution deficiency (excess)                                       | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| City's covered payroll                                                 | \$ 553,501    | \$ 425,455    | \$ 415,343    | \$ 411,627    |
| Contributions as a percentage of covered payroll                       | 15.08%        | 16.04%        | 16.04%        | 15.49%        |

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.

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| <u>2019</u>   | <u>2018</u>   | <u>2017</u>   | <u>2016</u>   | <u>2015</u>   |
|---------------|---------------|---------------|---------------|---------------|
| \$ 66,070     | \$ 54,804     | \$ 58,679     | \$ 54,575     | \$ 55,139     |
| <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>   |
| \$ 431,266    | \$ 377,959    | \$ 401,636    | \$ 370,754    | \$ 368,084    |
| 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, 2023**

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

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, 2023**

|                                                                       | <b>Special<br/>Revenue</b> | <b>Debt<br/>Service</b> | <b>Capital<br/>Projects</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-----------------------------------------------------------------------|----------------------------|-------------------------|-----------------------------|-----------------------------------------|
| <b>Assets</b>                                                         |                            |                         |                             |                                         |
| Cash and cash equivalents                                             | \$ 4,237,530               | \$ 116,884              | \$ 14,214,648               | \$ 18,569,062                           |
| Investments                                                           | -                          | -                       | 3,106,494                   | 3,106,494                               |
| Property taxes receivable - net of allowance                          | 2,206,699                  | 261,278                 | -                           | 2,467,977                               |
| Sales tax receivable                                                  | 2,017,444                  | -                       | -                           | 2,017,444                               |
| Accounts receivable                                                   | 5,475                      | -                       | -                           | 5,475                                   |
| Due from other governments                                            | 169,743                    | -                       | -                           | 169,743                                 |
| Due from other funds                                                  | 415,001                    | -                       | 3,821,874                   | 4,236,875                               |
| Prepays                                                               | 195,746                    | -                       | -                           | 195,746                                 |
| Restricted cash equivalents                                           | -                          | 613,139                 | -                           | 613,139                                 |
| Total assets                                                          | <u>\$ 9,247,638</u>        | <u>\$ 991,301</u>       | <u>\$ 21,143,016</u>        | <u>\$ 31,381,955</u>                    |
| <b>Liabilities</b>                                                    |                            |                         |                             |                                         |
| Accounts payable                                                      | \$ 753,172                 | \$ -                    | \$ 1,697,764                | \$ 2,450,936                            |
| Accrued expenses                                                      | 255,976                    | -                       | -                           | 255,976                                 |
| Due to other funds                                                    | 46,409                     | -                       | 51,911                      | 98,320                                  |
| Total liabilities                                                     | <u>1,055,557</u>           | <u>-</u>                | <u>1,749,675</u>            | <u>2,805,232</u>                        |
| <b>Deferred Inflows of Resources</b>                                  |                            |                         |                             |                                         |
| Unavailable revenue - property taxes                                  | <u>2,044,657</u>           | <u>245,790</u>          | <u>-</u>                    | <u>2,290,447</u>                        |
| Total deferred inflows of resources                                   | <u>2,044,657</u>           | <u>245,790</u>          | <u>-</u>                    | <u>2,290,447</u>                        |
| <b>Fund Balances</b>                                                  |                            |                         |                             |                                         |
| Nonspendable                                                          | 195,746                    | -                       | -                           | 195,746                                 |
| Restricted                                                            |                            |                         |                             |                                         |
| Capital projects                                                      | -                          | -                       | 3,234,588                   | 3,234,588                               |
| Debt service                                                          | -                          | 745,511                 | -                           | 745,511                                 |
| Street and traffic                                                    | 3,488,047                  | -                       | -                           | 3,488,047                               |
| Parks and recreation                                                  | 1,557,945                  | -                       | -                           | 1,557,945                               |
| Community development                                                 | 123                        | -                       | -                           | 123                                     |
| Police - equitable sharing                                            | 229,578                    | -                       | -                           | 229,578                                 |
| Drainage improvement                                                  | 675,985                    | -                       | -                           | 675,985                                 |
| Committed                                                             | -                          | -                       | 16,158,753                  | 16,158,753                              |
| Total fund balances                                                   | <u>6,147,424</u>           | <u>745,511</u>          | <u>19,393,341</u>           | <u>26,286,276</u>                       |
| Total liabilities, deferred inflows of resources<br>and fund balances | <u>\$ 9,247,638</u>        | <u>\$ 991,301</u>       | <u>\$ 21,143,016</u>        | <u>\$ 31,381,955</u>                    |

**City of North Little Rock, Arkansas**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2023**

|                                                                      | <b>Special<br/>Revenue</b> | <b>Debt<br/>Service</b> | <b>Capital<br/>Projects</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|----------------------------------------------------------------------|----------------------------|-------------------------|-----------------------------|-----------------------------------------|
| <b>Revenues</b>                                                      |                            |                         |                             |                                         |
| Taxes - sales                                                        | \$ 12,765,287              | \$ -                    | \$ -                        | \$ 12,765,287                           |
| Taxes - other                                                        | 1,993,685                  | 215,538                 | -                           | 2,209,223                               |
| Licenses and permits                                                 | 68,137                     | -                       | -                           | 68,137                                  |
| Charges for services                                                 | 1,708,317                  | -                       | -                           | 1,708,317                               |
| Intergovernmental                                                    | 992,641                    | -                       | -                           | 992,641                                 |
| Investment earnings                                                  | 125,645                    | 38,223                  | 358,684                     | 522,552                                 |
| Miscellaneous                                                        | 161,203                    | 30                      | 8                           | 161,241                                 |
| Total revenues                                                       | 17,814,915                 | 253,791                 | 358,692                     | 18,427,398                              |
| <b>Expenditures</b>                                                  |                            |                         |                             |                                         |
| Current                                                              |                            |                         |                             |                                         |
| Community development                                                | 938,648                    | -                       | 1,570                       | 940,218                                 |
| Parks and recreation                                                 | 9,426,155                  | -                       | -                           | 9,426,155                               |
| Public safety - police                                               | 7,975                      | -                       | -                           | 7,975                                   |
| Street and traffic                                                   | 6,738,415                  | -                       | -                           | 6,738,415                               |
| Capital outlay                                                       | 1,748,566                  | -                       | 11,889,412                  | 13,637,978                              |
| Debt service                                                         |                            |                         |                             |                                         |
| Principal retirement                                                 | 70,263                     | 640,000                 | -                           | 710,263                                 |
| Interest and fiscal charges                                          | 5,200                      | 407,638                 | -                           | 412,838                                 |
| Total expenditures                                                   | 18,935,222                 | 1,047,638               | 11,890,982                  | 31,873,842                              |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>(1,120,307)</b>         | <b>(793,847)</b>        | <b>(11,532,290)</b>         | <b>(13,446,444)</b>                     |
| <b>Other Financing Sources (Uses)</b>                                |                            |                         |                             |                                         |
| Transfers in                                                         | 1,153,157                  | 852,587                 | 18,182,410                  | 20,188,154                              |
| Transfers out                                                        | -                          | -                       | (1,718,348)                 | (1,718,348)                             |
| Leases and Subscriptions                                             | 18,525                     | -                       | -                           | 18,525                                  |
| Total other financing sources (uses)                                 | 1,171,682                  | 852,587                 | 16,464,062                  | 18,488,331                              |
| <b>Net Change in Fund Balances</b>                                   | <b>51,375</b>              | <b>58,740</b>           | <b>4,931,772</b>            | <b>5,041,887</b>                        |
| <b>Fund Balances, Beginning of Year</b>                              | <b>6,096,049</b>           | <b>686,771</b>          | <b>14,461,569</b>           | <b>21,244,389</b>                       |
| <b>Fund Balances, End of Year</b>                                    | <b>\$ 6,147,424</b>        | <b>\$ 745,511</b>       | <b>\$ 19,393,341</b>        | <b>\$ 26,286,276</b>                    |



**City of North Little Rock, Arkansas**  
**Combining Balance Sheet**  
**Governmental Funds - Nonmajor Special Revenue**  
**December 31, 2023**

|                                                                    | <b>Street</b>       | <b>Parks and Recreation</b> | <b>Community Development</b> | <b>Equitable Sharing</b> |
|--------------------------------------------------------------------|---------------------|-----------------------------|------------------------------|--------------------------|
| <b>Assets</b>                                                      |                     |                             |                              |                          |
| Cash and cash equivalents                                          | \$ 2,501,096        | \$ 822,713                  | \$ 3,658                     | \$ 234,078               |
| Property taxes receivable - net of allowance                       | 2,206,699           | -                           | -                            | -                        |
| Sales tax receivable                                               | 928,133             | 1,089,311                   | -                            | -                        |
| Accounts receivable                                                | -                   | 5,475                       | -                            | -                        |
| Due from other governments                                         | -                   | -                           | 169,743                      | -                        |
| Due from other funds                                               | 235,969             | 179,032                     | -                            | -                        |
| Prepays                                                            | 76,639              | 118,189                     | 918                          | -                        |
| Total assets                                                       | <u>\$ 5,948,536</u> | <u>\$ 2,214,720</u>         | <u>\$ 174,319</u>            | <u>\$ 234,078</u>        |
| <b>Liabilities</b>                                                 |                     |                             |                              |                          |
| Accounts payable                                                   | \$ 236,687          | \$ 374,442                  | \$ 137,543                   | \$ 4,500                 |
| Accrued expenses                                                   | 98,817              | 157,159                     | -                            | -                        |
| Due to other funds                                                 | 3,689               | 6,985                       | 35,735                       | -                        |
| Total liabilities                                                  | <u>339,193</u>      | <u>538,586</u>              | <u>173,278</u>               | <u>4,500</u>             |
| <b>Deferred Inflows of Resources</b>                               |                     |                             |                              |                          |
| Unavailable revenue - property taxes                               | <u>2,044,657</u>    | <u>-</u>                    | <u>-</u>                     | <u>-</u>                 |
| Total deferred inflows of resources                                | <u>2,044,657</u>    | <u>-</u>                    | <u>-</u>                     | <u>-</u>                 |
| <b>Fund Balances</b>                                               |                     |                             |                              |                          |
| Nonspendable                                                       | 76,639              | 118,189                     | 918                          | -                        |
| Restricted                                                         |                     |                             |                              |                          |
| Street and traffic                                                 | 3,488,047           | -                           | -                            | -                        |
| Parks and recreation                                               | -                   | 1,557,945                   | -                            | -                        |
| Community development                                              | -                   | -                           | 123                          | -                        |
| Police - equitable sharing                                         | -                   | -                           | -                            | 229,578                  |
| Drainage improvement                                               | -                   | -                           | -                            | -                        |
| Total fund balances                                                | <u>3,564,686</u>    | <u>1,676,134</u>            | <u>1,041</u>                 | <u>229,578</u>           |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 5,948,536</u> | <u>\$ 2,214,720</u>         | <u>\$ 174,319</u>            | <u>\$ 234,078</u>        |

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| <b>Drainage<br/>Improvement</b> | <b>Total<br/>Special<br/>Revenue<br/>Fund</b> |
|---------------------------------|-----------------------------------------------|
| \$ 675,985                      | \$ 4,237,530                                  |
| -                               | 2,206,699                                     |
| -                               | 2,017,444                                     |
| -                               | 5,475                                         |
| -                               | 169,743                                       |
| -                               | 415,001                                       |
| -                               | 195,746                                       |
| <u>\$ 675,985</u>               | <u>\$ 9,247,638</u>                           |

|                   |                     |
|-------------------|---------------------|
| \$ -              | \$ 753,172          |
| -                 | 255,976             |
| -                 | 46,409              |
| <u>-</u>          | <u>1,055,557</u>    |
| <u>-</u>          | <u>2,044,657</u>    |
| <u>-</u>          | <u>2,044,657</u>    |
| -                 | 195,746             |
| -                 | 3,488,047           |
| -                 | 1,557,945           |
| -                 | 123                 |
| -                 | 229,578             |
| <u>675,985</u>    | <u>675,985</u>      |
| <u>675,985</u>    | <u>6,147,424</u>    |
| <u>\$ 675,985</u> | <u>\$ 9,247,638</u> |

**City of North Little Rock, Arkansas**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds - Nonmajor Special Revenue**  
**Year Ended December 31, 2023**

|                                                                  | <u>Street</u>       | <u>Parks and Recreation</u> | <u>Community Development</u> | <u>Equitable Sharing</u> |
|------------------------------------------------------------------|---------------------|-----------------------------|------------------------------|--------------------------|
| <b>Revenues</b>                                                  |                     |                             |                              |                          |
| Taxes - sales                                                    | \$ 5,430,029        | \$ 7,335,258                | \$ -                         | \$ -                     |
| Taxes - other                                                    | 1,993,685           | -                           | -                            | -                        |
| Licenses and permits                                             | -                   | -                           | -                            | -                        |
| Charges for services                                             | -                   | 1,708,317                   | -                            | -                        |
| Intergovernmental                                                | -                   | -                           | 937,980                      | 54,661                   |
| Investment earnings                                              | 57,860              | 46,244                      | -                            | 5,358                    |
| Miscellaneous                                                    | 85,290              | 66,725                      | -                            | 9,188                    |
| Total revenues                                                   | <u>7,566,864</u>    | <u>9,156,544</u>            | <u>937,980</u>               | <u>69,207</u>            |
| <b>Expenditures</b>                                              |                     |                             |                              |                          |
| Current                                                          |                     |                             |                              |                          |
| Community development                                            | -                   | -                           | 938,648                      | -                        |
| Parks and recreation                                             | -                   | 9,426,155                   | -                            | -                        |
| Public safety - police                                           | -                   | -                           | -                            | 7,975                    |
| Street and traffic                                               | 6,738,415           | -                           | -                            | -                        |
| Capital outlay                                                   | 41,804              | 1,629,500                   | -                            | 51,125                   |
| Debt service                                                     |                     |                             |                              |                          |
| Principal retirement                                             | 8,167               | 62,096                      | -                            | -                        |
| Interest and fiscal charges                                      | 9                   | 5,191                       | -                            | -                        |
| Total expenditures                                               | <u>6,788,395</u>    | <u>11,122,942</u>           | <u>938,648</u>               | <u>59,100</u>            |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b> | <u>778,469</u>      | <u>(1,966,398)</u>          | <u>(668)</u>                 | <u>10,107</u>            |
| <b>Other Financing Sources</b>                                   |                     |                             |                              |                          |
| Transfers in                                                     | -                   | 1,153,157                   | -                            | -                        |
| Leases and Subscriptions                                         | -                   | 18,525                      | -                            | -                        |
| Total other financing sources (uses)                             | <u>-</u>            | <u>1,171,682</u>            | <u>-</u>                     | <u>-</u>                 |
| <b>Net Change in Fund Balances</b>                               | <u>778,469</u>      | <u>(794,716)</u>            | <u>(668)</u>                 | <u>10,107</u>            |
| <b>Fund Balances, Beginning of Year</b>                          | <u>2,786,217</u>    | <u>2,470,850</u>            | <u>1,709</u>                 | <u>219,471</u>           |
| <b>Fund Balances, End of Year</b>                                | <u>\$ 3,564,686</u> | <u>\$ 1,676,134</u>         | <u>\$ 1,041</u>              | <u>\$ 229,578</u>        |

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| <u>Drainage<br/>Improvement</u> | <u>Total<br/>Special<br/>Revenue<br/>Fund</u> |
|---------------------------------|-----------------------------------------------|
| \$ -                            | \$ 12,765,287                                 |
| -                               | 1,993,685                                     |
| 68,137                          | 68,137                                        |
| -                               | 1,708,317                                     |
| -                               | 992,641                                       |
| 16,183                          | 125,645                                       |
| -                               | 161,203                                       |
| <u>84,320</u>                   | <u>17,814,915</u>                             |
| -                               | 938,648                                       |
| -                               | 9,426,155                                     |
| -                               | 7,975                                         |
| -                               | 6,738,415                                     |
| 26,137                          | 1,748,566                                     |
| -                               | 70,263                                        |
| -                               | 5,200                                         |
| <u>26,137</u>                   | <u>18,935,222</u>                             |
| <u>58,183</u>                   | <u>(1,120,307)</u>                            |
| -                               | 1,153,157                                     |
| -                               | 18,525                                        |
| -                               | 1,171,682                                     |
| 58,183                          | 51,375                                        |
| <u>617,802</u>                  | <u>6,096,049</u>                              |
| <u>\$ 675,985</u>               | <u>\$ 6,147,424</u>                           |

**City of North Little Rock, Arkansas**  
**Combining Balance Sheet**  
**Governmental Funds - Nonmajor Debt Service**  
**December 31, 2023**

|                                                                   | <b>Baring Cross<br/>Debt Service</b> | <b>2019 Capital<br/>Improvement<br/>Debt Service</b> | <b>Total<br/>Debt<br/>Service<br/>Fund</b> |
|-------------------------------------------------------------------|--------------------------------------|------------------------------------------------------|--------------------------------------------|
| <b>Assets</b>                                                     |                                      |                                                      |                                            |
| Cash and cash equivalents                                         | \$ 116,884                           | \$ -                                                 | \$ 116,884                                 |
| Property taxes receivable - net of allowance                      | 261,278                              | -                                                    | 261,278                                    |
| Restricted cash equivalents                                       | -                                    | 613,139                                              | 613,139                                    |
| Total assets                                                      | <u>\$ 378,162</u>                    | <u>\$ 613,139</u>                                    | <u>\$ 991,301</u>                          |
| <b>Deferred Inflows of Resources</b>                              |                                      |                                                      |                                            |
| Unavailable revenue - property taxes                              | \$ 245,790                           | \$ -                                                 | \$ 245,790                                 |
| Total deferred inflows of resources                               | <u>245,790</u>                       | <u>-</u>                                             | <u>245,790</u>                             |
| <b>Fund Balance</b>                                               |                                      |                                                      |                                            |
| Debt service                                                      | <u>132,372</u>                       | <u>613,139</u>                                       | <u>745,511</u>                             |
| Total fund balances                                               | <u>132,372</u>                       | <u>613,139</u>                                       | <u>745,511</u>                             |
| Total liabilities, deferred inflows of resources and fund balance | <u>\$ 378,162</u>                    | <u>\$ 613,139</u>                                    | <u>\$ 991,301</u>                          |

**City of North Little Rock, Arkansas**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds - Nonmajor Debt Service**  
**Year Ended December 31, 2023**

|                                                                      | <b>Baring Cross<br/>Debt Service</b> | <b>2019 Capital<br/>Improvement<br/>Debt Service</b> | <b>Total<br/>Debt<br/>Service<br/>Fund</b> |
|----------------------------------------------------------------------|--------------------------------------|------------------------------------------------------|--------------------------------------------|
| <b>Revenues</b>                                                      |                                      |                                                      |                                            |
| Taxes - other                                                        | \$ 215,538                           | \$ -                                                 | \$ 215,538                                 |
| Investment earnings                                                  | 4,333                                | 33,890                                               | 38,223                                     |
| Miscellaneous                                                        | 30                                   | -                                                    | 30                                         |
| Total revenues                                                       | <u>219,901</u>                       | <u>33,890</u>                                        | <u>253,791</u>                             |
| <b>Expenditures</b>                                                  |                                      |                                                      |                                            |
| Debt service                                                         |                                      |                                                      |                                            |
| Principal retirement                                                 | 135,000                              | 505,000                                              | 640,000                                    |
| Interest and fiscal charges                                          | 61,238                               | 346,400                                              | 407,638                                    |
| Total expenditures                                                   | <u>196,238</u>                       | <u>851,400</u>                                       | <u>1,047,638</u>                           |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>23,663</u>                        | <u>(817,510)</u>                                     | <u>(793,847)</u>                           |
| <b>Other Financing Sources</b>                                       |                                      |                                                      |                                            |
| Transfers in                                                         | -                                    | 852,587                                              | 852,587                                    |
| Total other financing sources                                        | <u>-</u>                             | <u>852,587</u>                                       | <u>852,587</u>                             |
| <b>Net Change in Fund Balances</b>                                   | 23,663                               | 35,077                                               | 58,740                                     |
| <b>Fund Balances, Beginning of Year</b>                              | <u>108,709</u>                       | <u>578,062</u>                                       | <u>686,771</u>                             |
| <b>Fund Balances, End of Year</b>                                    | <u>\$ 132,372</u>                    | <u>\$ 613,139</u>                                    | <u>\$ 745,511</u>                          |

**City of North Little Rock, Arkansas**  
**Combining Balance Sheet**  
**Governmental Funds - Nonmajor Capital Projects**  
**December 31, 2023**

|                                                                       | <b>Sales Tax<br/>Capital<br/>Improvement</b> | <b>2010 Sales<br/>Tax Capital<br/>Improvement</b> | <b>2017 Sales<br/>Tax Capital<br/>Improvement</b> | <b>2023 Sales<br/>Tax Capital<br/>Improvement</b> |
|-----------------------------------------------------------------------|----------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| <b>Assets</b>                                                         |                                              |                                                   |                                                   |                                                   |
| Cash and cash equivalents                                             | \$ 4,691,065                                 | \$ -                                              | \$ 500,921                                        | \$ 9,022,662                                      |
| Investments                                                           | -                                            | -                                                 | 3,106,494                                         | -                                                 |
| Due from other funds                                                  | 1,162,185                                    | -                                                 | 536,825                                           | 2,122,864                                         |
| Total assets                                                          | <u>\$ 5,853,250</u>                          | <u>\$ -</u>                                       | <u>\$ 4,144,240</u>                               | <u>\$ 11,145,526</u>                              |
| <b>Liabilities</b>                                                    |                                              |                                                   |                                                   |                                                   |
| Accounts payable                                                      | \$ 259,186                                   | \$ -                                              | \$ 902,152                                        | \$ 536,426                                        |
| Due to other funds                                                    | 44,411                                       | -                                                 | 7,500                                             | -                                                 |
| Total liabilities                                                     | <u>303,597</u>                               | <u>-</u>                                          | <u>909,652</u>                                    | <u>536,426</u>                                    |
| <b>Fund Balances</b>                                                  |                                              |                                                   |                                                   |                                                   |
| Capital projects                                                      | -                                            | -                                                 | 3,234,588                                         | -                                                 |
| Committed                                                             | 5,549,653                                    | -                                                 | -                                                 | 10,609,100                                        |
| Total fund balances                                                   | <u>5,549,653</u>                             | <u>-</u>                                          | <u>3,234,588</u>                                  | <u>10,609,100</u>                                 |
| Total liabilities, deferred inflows of<br>resources and fund balances | <u>\$ 5,853,250</u>                          | <u>\$ -</u>                                       | <u>\$ 4,144,240</u>                               | <u>\$ 11,145,526</u>                              |

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| <b>Total<br/>Capital<br/>Projects<br/>Fund</b> |                   |
|------------------------------------------------|-------------------|
| \$                                             | 14,214,648        |
|                                                | 3,106,494         |
|                                                | <u>3,821,874</u>  |
| \$                                             | <u>21,143,016</u> |
|                                                |                   |
| \$                                             | 1,697,764         |
|                                                | <u>51,911</u>     |
|                                                | <u>1,749,675</u>  |
|                                                |                   |
|                                                | 3,234,588         |
|                                                | <u>16,158,753</u> |
|                                                | <u>19,393,341</u> |
|                                                |                   |
| \$                                             | <u>21,143,016</u> |



**City of North Little Rock, Arkansas**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds - Nonmajor Capital Projects**  
**Year Ended December 31, 2023**

|                                                                      | <b>Sales Tax<br/>Capital<br/>Improvement</b> | <b>2010 Sales<br/>Tax Capital<br/>Improvement</b> | <b>2017 Sales<br/>Tax Capital<br/>Improvement</b> | <b>2023 Sales<br/>Tax Capital<br/>Improvement</b> |
|----------------------------------------------------------------------|----------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| <b>Revenues</b>                                                      |                                              |                                                   |                                                   |                                                   |
| Investment earnings                                                  | \$ 51,595                                    | \$ -                                              | \$ 245,101                                        | \$ 61,988                                         |
| Miscellaneous                                                        | -                                            | 8                                                 | -                                                 | -                                                 |
| Total revenues                                                       | 51,595                                       | 8                                                 | 245,101                                           | 61,988                                            |
| <b>Expenditures</b>                                                  |                                              |                                                   |                                                   |                                                   |
| Community development                                                | 1,570                                        | -                                                 | -                                                 | -                                                 |
| Capital outlay                                                       | 2,458,633                                    | -                                                 | 7,856,284                                         | 1,574,495                                         |
| Total expenditures                                                   | 2,460,203                                    | -                                                 | 7,856,284                                         | 1,574,495                                         |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | (2,408,608)                                  | 8                                                 | (7,611,183)                                       | (1,512,507)                                       |
| <b>Other Financing Sources (Uses)</b>                                |                                              |                                                   |                                                   |                                                   |
| Transfers in                                                         | 6,060,803                                    | -                                                 | -                                                 | 12,121,607                                        |
| Transfers out                                                        | (1,718,348)                                  | -                                                 | -                                                 | -                                                 |
| Total other financing sources (uses)                                 | 4,342,455                                    | -                                                 | -                                                 | 12,121,607                                        |
| <b>Net Change in Fund Balances</b>                                   | 1,933,847                                    | 8                                                 | (7,611,183)                                       | 10,609,100                                        |
| <b>Fund Balances, Beginning of Year</b>                              | 3,615,806                                    | (8)                                               | 10,845,771                                        | -                                                 |
| <b>Fund Balances, End of Year</b>                                    | <u>\$ 5,549,653</u>                          | <u>\$ -</u>                                       | <u>\$ 3,234,588</u>                               | <u>\$ 10,609,100</u>                              |

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| <b>Total<br/>Capital<br/>Projects<br/>Fund</b> |                          |
|------------------------------------------------|--------------------------|
| \$                                             | 358,684                  |
|                                                | <u>8</u>                 |
|                                                | <u>358,692</u>           |
|                                                | 1,570                    |
|                                                | <u>11,889,412</u>        |
|                                                | <u>11,890,982</u>        |
|                                                | <u>(11,532,290)</u>      |
|                                                | 18,182,410               |
|                                                | <u>(1,718,348)</u>       |
|                                                | <u>16,464,062</u>        |
|                                                | 4,931,772                |
|                                                | <u>14,461,569</u>        |
| \$                                             | <u><u>19,393,341</u></u> |

**City of North Little Rock, Arkansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget to Actual - Street Fund**  
**Year Ended December 31, 2023**

|                                         | <b>Original<br/>Budget</b> | <b>Changes</b>      | <b>Final<br/>Budget</b> | <b>Actual</b>       | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|-----------------------------------------|----------------------------|---------------------|-------------------------|---------------------|-------------------------------------------------------------------|
| <b>Revenues</b>                         |                            |                     |                         |                     |                                                                   |
| Taxes - sales                           | \$ 5,000,000               | \$ -                | \$ 5,000,000            | \$ 5,430,029        | \$ 430,029                                                        |
| Taxes - other                           | 1,825,000                  | -                   | 1,825,000               | 1,993,685           | 168,685                                                           |
| Investment earnings                     | 15,000                     | -                   | 15,000                  | 57,860              | 42,860                                                            |
| Miscellaneous                           | 353,500                    | -                   | 353,500                 | 85,290              | (268,210)                                                         |
| Total revenues                          | 7,193,500                  | -                   | 7,193,500               | 7,566,864           | 373,364                                                           |
| <b>Expenditures</b>                     |                            |                     |                         |                     |                                                                   |
| Street and traffic                      | 7,193,500                  | 528,563             | 7,722,063               | 6,738,415           | 983,648                                                           |
| Capital outlay                          | -                          | -                   | -                       | 41,804              | (41,804)                                                          |
| Principal retirement                    | -                          | -                   | -                       | 8,167               | (8,167)                                                           |
| Interest and fiscal charges             | -                          | -                   | -                       | 9                   | (9)                                                               |
| Total expenditures                      | 7,193,500                  | 528,563             | 7,722,063               | 6,788,395           | 933,668                                                           |
| <b>Net Change in Fund Balances</b>      | -                          | (528,563)           | (528,563)               | 778,469             | 1,307,032                                                         |
| <b>Fund Balances, Beginning of Year</b> | 2,786,217                  | -                   | 2,786,217               | 2,786,217           | -                                                                 |
| <b>Fund Balances, End of Year</b>       | <u>\$ 2,786,217</u>        | <u>\$ (528,563)</u> | <u>\$ 2,257,654</u>     | <u>\$ 3,564,686</u> | <u>\$ 1,307,032</u>                                               |

**City of North Little Rock, Arkansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual - Parks and Recreation Fund**  
**Year Ended December 31, 2023**

|                                                      | <b>Original<br/>Budget</b> | <b>Changes</b>        | <b>Final<br/>Budget</b> | <b>Actual</b>       | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|------------------------------------------------------|----------------------------|-----------------------|-------------------------|---------------------|-------------------------------------------------------------------|
| <b>Revenues</b>                                      |                            |                       |                         |                     |                                                                   |
| Taxes - sales                                        | \$ 6,237,800               | \$ 800,000            | \$ 7,037,800            | \$ 7,335,258        | \$ 297,458                                                        |
| Charges for services                                 | 1,880,956                  | (392,900)             | 1,488,056               | 1,708,317           | 220,261                                                           |
| Investment earnings                                  | 15,000                     | -                     | 15,000                  | 46,244              | 31,244                                                            |
| Miscellaneous                                        | 755,500                    | -                     | 755,500                 | 66,725              | (688,775)                                                         |
| Total revenues                                       | 8,889,256                  | 407,100               | 9,296,356               | 9,156,544           | (139,812)                                                         |
| <b>Expenditures</b>                                  |                            |                       |                         |                     |                                                                   |
| Parks and recreation                                 | 9,639,256                  | 3,829,723             | 13,468,979              | 9,426,155           | 4,042,824                                                         |
| Capital outlay                                       | -                          | -                     | -                       | 1,629,500           | (1,629,500)                                                       |
| Principal retirement                                 | -                          | -                     | -                       | 62,096              | (62,096)                                                          |
| Interest and fiscal charges                          | -                          | -                     | -                       | 5,191               | (5,191)                                                           |
| Total expenditures                                   | 9,639,256                  | 3,829,723             | 13,468,979              | 11,122,942          | 2,346,037                                                         |
| <b>Deficiency of Revenues<br/>Under Expenditures</b> | (750,000)                  | (3,422,623)           | (4,172,623)             | (1,966,398)         | 2,206,225                                                         |
| <b>Other Financing Sources</b>                       |                            |                       |                         |                     |                                                                   |
| Transfers in                                         | 750,000                    | 232,900               | 982,900                 | 1,153,157           | 170,257                                                           |
| Leases (as lessee)                                   | -                          | -                     | -                       | 18,525              | 18,525                                                            |
| Total other financing sources                        | 750,000                    | 232,900               | 982,900                 | 1,171,682           | 188,782                                                           |
| <b>Net Change in Fund Balances (Deficit)</b>         | -                          | (3,189,723)           | (3,189,723)             | (794,716)           | 2,395,007                                                         |
| <b>Fund Balances, Beginning of Year</b>              | 2,470,850                  | -                     | 2,470,850               | 2,470,850           | -                                                                 |
| <b>Fund Balances (Deficit), End of Year</b>          | <u>\$ 2,470,850</u>        | <u>\$ (3,189,723)</u> | <u>\$ (718,873)</u>     | <u>\$ 1,676,134</u> | <u>\$ 2,395,007</u>                                               |

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

|                                                      | <u>Original<br/>Budget</u> | <u>Changes</u>        | <u>Final<br/>Budget</u> | <u>Actual</u>       | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|------------------------------------------------------|----------------------------|-----------------------|-------------------------|---------------------|-------------------------------------------------------------------|
| <b>Revenues</b>                                      |                            |                       |                         |                     |                                                                   |
| Investment earnings                                  | \$ 15,000                  | \$ -                  | \$ 15,000               | \$ 51,595           | \$ 36,595                                                         |
| Total revenues                                       | <u>15,000</u>              | <u>-</u>              | <u>15,000</u>           | <u>51,595</u>       | <u>36,595</u>                                                     |
| <b>Expenditures</b>                                  |                            |                       |                         |                     |                                                                   |
| Community development                                | -                          | -                     | -                       | 1,570               | (1,570)                                                           |
| Capital outlay                                       | <u>2,969,172</u>           | <u>2,574,983</u>      | <u>5,544,155</u>        | <u>2,458,633</u>    | <u>3,085,522</u>                                                  |
| Total expenditures                                   | <u>2,969,172</u>           | <u>2,574,983</u>      | <u>5,544,155</u>        | <u>2,460,203</u>    | <u>3,083,952</u>                                                  |
| <b>Deficiency of Revenues<br/>Under Expenditures</b> | <u>(2,954,172)</u>         | <u>(2,574,983)</u>    | <u>(5,529,155)</u>      | <u>(2,408,608)</u>  | <u>3,120,547</u>                                                  |
| <b>Other Financing Sources (Uses)</b>                |                            |                       |                         |                     |                                                                   |
| Transfers in                                         | 5,125,000                  | 500,000               | 5,625,000               | 6,060,803           | 435,803                                                           |
| Transfers out                                        | <u>(1,718,348)</u>         | <u>-</u>              | <u>(1,718,348)</u>      | <u>(1,718,348)</u>  | <u>-</u>                                                          |
| Total other financing sources                        | <u>3,406,652</u>           | <u>500,000</u>        | <u>3,906,652</u>        | <u>4,342,455</u>    | <u>435,803</u>                                                    |
| <b>Net Change in Fund Balances (Deficit)</b>         | <u>452,480</u>             | <u>(2,074,983)</u>    | <u>(1,622,503)</u>      | <u>1,933,847</u>    | <u>3,556,350</u>                                                  |
| <b>Fund Balances, Beginning of Year</b>              | <u>3,615,806</u>           | <u>-</u>              | <u>3,615,806</u>        | <u>3,615,806</u>    | <u>-</u>                                                          |
| <b>Fund Balances (Deficit), End of Year</b>          | <u>\$ 4,068,286</u>        | <u>\$ (2,074,983)</u> | <u>\$ 1,993,303</u>     | <u>\$ 5,549,653</u> | <u>\$ 3,556,350</u>                                               |

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

|                                                      | <u>Original<br/>Budget</u> | <u>Changes</u>      | <u>Final<br/>Budget</u> | <u>Actual</u>        | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|------------------------------------------------------|----------------------------|---------------------|-------------------------|----------------------|-------------------------------------------------------------------|
| <b>Revenues</b>                                      |                            |                     |                         |                      |                                                                   |
| Investment earnings                                  | \$ -                       | \$ -                | \$ -                    | \$ 61,988            | \$ 61,988                                                         |
| Total revenues                                       | -                          | -                   | -                       | 61,988               | 61,988                                                            |
| <b>Expenditures</b>                                  |                            |                     |                         |                      |                                                                   |
| Capital outlay                                       | -                          | 8,425,000           | 8,425,000               | 1,574,495            | 6,850,505                                                         |
| Total expenditures                                   | -                          | 8,425,000           | 8,425,000               | 1,574,495            | 6,850,505                                                         |
| <b>Deficiency of Revenues<br/>Under Expenditures</b> | -                          | (8,425,000)         | (8,425,000)             | (1,512,507)          | 6,912,493                                                         |
| <b>Other Financing Sources</b>                       |                            |                     |                         |                      |                                                                   |
| Transfers in                                         | -                          | 9,425,000           | 9,425,000               | 12,121,607           | 2,696,607                                                         |
| Total other financing sources                        | -                          | 9,425,000           | 9,425,000               | 12,121,607           | 2,696,607                                                         |
| <b>Net Change in Fund Balances (Deficit)</b>         | -                          | 1,000,000           | 1,000,000               | 10,609,100           | 9,609,100                                                         |
| <b>Fund Balances, Beginning of Year</b>              | -                          | -                   | -                       | -                    | -                                                                 |
| <b>Fund Balances (Deficit), End of Year</b>          | <u>\$ -</u>                | <u>\$ 1,000,000</u> | <u>\$ 1,000,000</u>     | <u>\$ 10,609,100</u> | <u>\$ 9,609,100</u>                                               |

# 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 . . . . 132

**Revenue Capacity (Tables 7-10)**

These schedules contain information to help the reader assess the City's most significant revenue sources, local sales taxes and property taxes . . . . 144

**Debt Capacity (Tables 11–14)**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. . . . . 149

**Demographic and Economic Information (Table 15)**

This schedule offers demographic and economic indicators to assist the reader in understanding the environment within which the City's financial activities take place. . 157

**Operating Information (Tables 16-19)**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to services the City provides and the activities it performs 159



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

**Table 1**

|                                             | <u>2014</u>           | <u>2015</u>           | <u>2016</u>           | <u>2017</u>           |
|---------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Governmental activities</b>              |                       |                       |                       |                       |
| Net invested in capital assets              | \$ 62,915,426         | \$ 64,950,657         | \$ 71,815,036         | \$ 77,828,156         |
| Restricted                                  | 1,892,023             | 1,704,038             | 2,232,076             | 2,527,403             |
| Unrestricted                                | <u>31,124,594</u>     | <u>9,579,065</u>      | <u>(4,793,593)</u>    | <u>(7,948,848)</u>    |
| Total governmental activities net position  | <u>\$ 95,932,043</u>  | <u>\$ 76,233,760</u>  | <u>\$ 69,253,519</u>  | <u>\$ 72,406,711</u>  |
| <b>Business-type activities</b>             |                       |                       |                       |                       |
| Net invested in capital assets              | \$ 91,572,859         | \$ 101,865,437        | \$ 106,379,890        | \$ 113,882,253        |
| Restricted                                  | 15,688,015            | 15,356,221            | 4,987,495             | 10,525,161            |
| Unrestricted                                | <u>8,513,735</u>      | <u>2,148,550</u>      | <u>9,028,777</u>      | <u>3,628,809</u>      |
| Total business-type activities net position | <u>\$ 115,774,609</u> | <u>\$ 119,370,208</u> | <u>\$ 120,396,162</u> | <u>\$ 128,036,223</u> |
| <b>Primary government</b>                   |                       |                       |                       |                       |
| Net invested in capital assets              | \$ 154,488,285        | \$ 166,816,094        | \$ 178,194,926        | \$ 191,710,409        |
| Restricted                                  | 17,580,038            | 17,060,259            | 7,219,571             | 13,052,564            |
| Unrestricted                                | <u>39,638,329</u>     | <u>11,727,615</u>     | <u>4,235,184</u>      | <u>(4,320,039)</u>    |
| Total primary government net position       | <u>\$ 211,706,652</u> | <u>\$ 195,603,968</u> | <u>\$ 189,649,681</u> | <u>\$ 200,442,934</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.

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| <u>2018</u>           | <u>2019</u>           | <u>2020 (A)</u>       | <u>2021</u>           | <u>2022</u>           | <u>2023</u>           |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 83,669,833         | \$ 88,578,170         | \$ 96,586,369         | \$ 113,011,793        | \$ 130,524,357        | \$ 149,323,912        |
| -                     | 7,545,786             | 22,964,049            | 18,931,884            | 19,660,092            | 12,612,466            |
| (3,096,150)           | (79,203,245)          | (80,778,097)          | (77,162,162)          | (64,202,454)          | (46,811,053)          |
| <u>\$ 80,573,683</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> |
| <br>                  |                       |                       |                       |                       |                       |
| \$ 115,621,652        | \$ 105,196,767        | \$ 107,272,083        | \$ 108,760,225        | \$ 109,997,145        | \$ 115,367,289        |
| 10,657,111            | 3,166,687             | 3,110,730             | 3,106,611             | 1,725,938             | 1,786,631             |
| 11,104,480            | 40,675,868            | 44,706,357            | 45,606,747            | 47,571,724            | 58,361,063            |
| <u>\$ 137,383,243</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> |
| <br>                  |                       |                       |                       |                       |                       |
| \$ 199,291,485        | \$ 193,774,937        | \$ 203,858,452        | \$ 221,772,018        | \$ 240,521,502        | \$ 264,691,201        |
| 10,657,111            | 10,712,473            | 26,074,779            | 22,038,495            | 21,386,030            | 14,399,097            |
| 8,008,330             | (38,527,377)          | (36,071,740)          | (31,555,415)          | (16,630,730)          | 11,550,010            |
| <u>\$ 217,956,926</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> |

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

**Table 2**

|                                                 | <u>2014</u>            | <u>2015</u>            | <u>2016</u>            | <u>2017</u>            |
|-------------------------------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Expenses</b>                                 |                        |                        |                        |                        |
| Governmental activities                         |                        |                        |                        |                        |
| General government                              | \$ 19,951,630          | \$ 14,044,077          | \$ 17,518,071          | \$ 21,670,423          |
| Public safety                                   | 38,701,265             | 41,160,354             | 54,742,749             | 45,907,394             |
| Public works                                    | 677,643                | 863,116                | 1,113,145              | 1,132,566              |
| Street and traffic                              | 2,253,354              | 3,194,899              | 2,440,182              | 5,555,518              |
| Health and sanitation                           | 3,926,160              | 4,955,822              | 4,997,929              | 4,697,221              |
| Community development                           | 1,179,457              | 2,406,171              | 2,029,428              | 1,699,839              |
| Culture and recreation                          | 7,083,912              | 6,619,136              | 8,490,298              | 8,428,770              |
| Interest and fiscal charges                     | 105,398                | 63,184                 | 37,673                 | 48,957                 |
| Total governmental activities expenses          | <u>73,878,819</u>      | <u>73,306,759</u>      | <u>91,369,475</u>      | <u>89,140,688</u>      |
| Business-type activities                        |                        |                        |                        |                        |
| Electric department                             | 75,909,179             | 72,817,920             | 70,454,991             | 72,050,817             |
| Utilities Accounting Department                 | -                      | -                      | 3,022,544              | 1,690,056              |
| Total business-type activities expenses         | <u>75,909,179</u>      | <u>72,817,920</u>      | <u>73,477,535</u>      | <u>73,740,873</u>      |
| Total primary government expenses               | <u>\$ 149,787,998</u>  | <u>\$ 146,124,679</u>  | <u>\$ 164,847,010</u>  | <u>\$ 162,881,561</u>  |
| <b>Program Revenues</b>                         |                        |                        |                        |                        |
| Governmental activities                         |                        |                        |                        |                        |
| Charges for services                            |                        |                        |                        |                        |
| General government                              | \$ 2,768,921           | \$ 3,080,894           | \$ 3,306,825           | \$ 3,381,707           |
| Public safety                                   | 3,610,421              | 3,314,597              | 3,255,331              | 2,935,147              |
| Public works                                    | -                      | -                      | -                      | -                      |
| Street and traffic                              | 27,031                 | 27,080                 | 5,700                  | 39,660                 |
| Community development                           | 804,422                | 923,910                | 808,971                | 888,294                |
| Culture and recreation                          | 1,284,269              | 1,273,852              | 1,491,754              | 1,763,352              |
| Operating grants and contributions              | 333,141                | 196,479                | 1,326,271              | 1,614,112              |
| Capital grants and contributions                | 1,940,766              | 1,412,468              | 1,706,993              | 7,653,537              |
| Total governmental activities program revenues  | <u>10,768,971</u>      | <u>10,229,280</u>      | <u>11,901,845</u>      | <u>18,275,809</u>      |
| Business-type activities                        |                        |                        |                        |                        |
| Charges for services                            |                        |                        |                        |                        |
| Electric department                             | 96,222,583             | 91,547,365             | 82,798,486             | 89,964,914             |
| Utilities Accounting Department                 | -                      | -                      | 2,396,386              | 1,590,733              |
| Operating grants and contributions              | -                      | -                      | -                      | -                      |
| Capital grants and contributions                | -                      | -                      | -                      | -                      |
| Total business-type activities program revenues | <u>96,222,583</u>      | <u>91,547,365</u>      | <u>85,194,872</u>      | <u>91,555,647</u>      |
| Total primary government program revenues       | <u>\$ 106,991,554</u>  | <u>\$ 101,776,645</u>  | <u>\$ 97,096,717</u>   | <u>\$ 109,831,456</u>  |
| <b>Net (Expense)/Revenue</b>                    |                        |                        |                        |                        |
| Governmental activities                         | \$ (63,109,848)        | \$ (63,077,479)        | \$ (79,467,630)        | \$ (70,864,879)        |
| Business-type activities                        | <u>20,313,404</u>      | <u>18,729,445</u>      | <u>11,717,337</u>      | <u>17,814,774</u>      |
| Total primary government net expense            | <u>\$ (42,796,444)</u> | <u>\$ (44,348,034)</u> | <u>\$ (67,750,293)</u> | <u>\$ (53,050,105)</u> |

| 2018            | 2019            | 2020            | 2021            | 2022            | 2023            |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ 25,657,328   | \$ 24,312,352   | \$ 26,601,470   | \$ 25,654,068   | \$ 30,660,183   | \$ 50,216,265   |
| 42,344,278      | 61,910,602      | 59,987,367      | 53,340,207      | 47,950,176      | 44,671,828      |
| 1,028,141       | 2,650,674       | 1,782,790       | 3,200,186       | 1,394,466       | 2,959,471       |
| 14,669,174      | 6,841,766       | 7,902,594       | 10,793,629      | 9,786,423       | 8,950,164       |
| 4,893,759       | 5,672,952       | 5,634,372       | 6,840,427       | 6,551,846       | 7,088,623       |
| 287,952         | 898,511         | 1,165,136       | 615,673         | 1,446,767       | 950,774         |
| 7,867,602       | 9,191,100       | 8,985,499       | 9,795,437       | 10,427,475      | 11,935,917      |
| 36,874          | 315,068         | 411,286         | 322,202         | 301,671         | 296,603         |
| 96,785,108      | 111,793,025     | 112,470,514     | 110,561,829     | 108,519,007     | 127,069,645     |
| 74,677,547      | 73,179,016      | 68,631,031      | 78,828,925      | 89,306,365      | 82,204,333      |
| 793,643         | -               | -               | -               | -               | -               |
| 75,471,190      | 73,179,016      | 68,631,031      | 78,828,925      | 89,306,365      | 82,204,333      |
| \$ 172,256,298  | \$ 184,972,041  | \$ 181,101,545  | \$ 189,390,754  | \$ 197,825,372  | \$ 209,273,978  |
| \$ 3,886,267    | \$ 4,742,957    | \$ 4,202,639    | \$ 4,398,923    | \$ 5,356,290    | \$ 5,635,592    |
| 3,323,813       | 3,153,614       | 2,258,289       | 1,642,960       | 3,291,508       | 2,096,952       |
| -               | -               | -               | 183,711         | -               | -               |
| 153,971         | 213,386         | 67,987          | -               | 46,105          | 38,695          |
| 954,822         | 1,042,275       | 1,100,416       | 1,196,866       | 1,405,486       | 1,489,316       |
| 1,356,283       | 1,498,433       | 1,380,087       | 1,861,279       | 825,941         | 1,708,315       |
| 404,425         | 1,035,577       | 3,207,844       | 2,391,152       | 393,129         | 16,153,352      |
| 3,416,216       | 1,767,996       | 2,794,546       | 3,279,733       | 4,677,191       | 4,773,558       |
| 13,495,797      | 13,454,238      | 15,011,808      | 14,954,624      | 15,995,650      | 31,895,780      |
| 93,739,108      | 93,442,310      | 87,823,545      | 93,857,877      | 102,966,537     | 106,771,617     |
| 960,315         | -               | -               | -               | -               | -               |
| -               | -               | -               | 873,714         | 1,620,078       | 3,443,908       |
| -               | 1,500,000       | 62,241          | -               | -               | -               |
| 94,699,423      | 94,942,310      | 87,885,786      | 94,731,591      | 104,586,615     | 110,215,525     |
| \$ 108,195,220  | \$ 108,396,548  | \$ 102,897,594  | \$ 109,686,215  | \$ 120,582,265  | \$ 142,111,305  |
| \$ (83,289,311) | \$ (98,338,787) | \$ (97,458,706) | \$ (95,607,205) | \$ (92,523,357) | \$ (95,173,865) |
| 19,228,233      | 21,763,294      | 19,254,755      | 15,902,666      | 15,280,250      | 28,011,192      |
| \$ (64,061,078) | \$ (76,575,493) | \$ (78,203,951) | \$ (79,704,539) | \$ (77,243,107) | \$ (67,162,673) |

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

**Table 2**

|                                                           | <u>2014</u>          | <u>2015</u>          | <u>2016</u>           | <u>2017</u>          |
|-----------------------------------------------------------|----------------------|----------------------|-----------------------|----------------------|
| <b>General Revenues and Other Changes in Net Position</b> |                      |                      |                       |                      |
| Governmental activities                                   |                      |                      |                       |                      |
| General revenues                                          |                      |                      |                       |                      |
| Taxes – sales                                             | \$ 39,373,366        | \$ 40,960,942        | \$ 40,714,914         | \$ 41,317,871        |
| Taxes – other                                             | 13,540,945           | 14,615,168           | 14,120,158            | 15,080,258           |
| Utility franchise taxes                                   | 3,181,670            | 3,191,694            | 2,975,695             | 3,022,080            |
| Investment income                                         | 75,000               | 101,692              | 140,856               | 143,579              |
| Unrestricted grants and contributions                     | -                    | -                    | -                     | -                    |
| Other                                                     | 1,854,710            | 996,764              | 2,535,766             | 2,529,664            |
| Transfers                                                 | 12,000,000           | 12,000,000           | 12,000,000            | 11,930,000           |
| Total governmental activities                             | <u>70,025,691</u>    | <u>71,866,260</u>    | <u>72,487,389</u>     | <u>74,023,452</u>    |
| Business-type activities                                  |                      |                      |                       |                      |
| Investment earnings                                       | 83,313               | 210,467              | 93,787                | 197,214              |
| Other                                                     | 8,071,514            | 4,318,952            | 1,214,830             | 1,622,692            |
| Transfers                                                 | (12,000,000)         | (12,000,000)         | (12,000,000)          | (12,000,000)         |
| Total business-type activities                            | <u>(3,845,173)</u>   | <u>(7,470,581)</u>   | <u>(10,691,383)</u>   | <u>(10,180,094)</u>  |
| Total primary government                                  | <u>\$ 66,180,518</u> | <u>\$ 64,395,679</u> | <u>\$ 61,796,006</u>  | <u>\$ 63,843,358</u> |
| <b>Changes in Net Position</b>                            |                      |                      |                       |                      |
| Governmental activities                                   | \$ 6,915,843         | \$ 8,788,781         | \$ (6,980,241)        | \$ 3,158,573         |
| Business-type activities                                  | 16,468,231           | 11,258,864           | 1,025,954             | 7,634,680            |
| Total primary government                                  | <u>\$ 23,384,074</u> | <u>\$ 20,047,645</u> | <u>\$ (5,954,287)</u> | <u>\$ 10,793,253</u> |

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| 2018          | 2019           | 2020          | 2021          | 2022           | 2023           |
|---------------|----------------|---------------|---------------|----------------|----------------|
| \$ 57,921,583 | \$ 61,505,034  | \$ 62,161,298 | \$ 72,015,308 | \$ 75,845,699  | \$ 80,691,742  |
| 15,046,525    | 16,217,949     | 15,868,429    | 17,885,986    | 18,154,620     | 19,736,443     |
| 3,834,205     | 3,883,894      | 3,737,046     | 4,055,911     | 4,352,373      | 4,587,543      |
| 253,047       | 637,273        | 462,260       | 130,868       | 179,173        | 2,642,811      |
| 578,067       | -              | -             | -             | 8,297,940      | 2,109,603      |
| 1,822,856     | 2,176,717      | 2,545,631     | 3,879,020     | 3,244,686      | 899,707        |
| 12,000,000    | 10,621,009     | 13,649,346    | 13,649,306    | 13,649,346     | 13,649,346     |
| 91,456,283    | 95,041,876     | 98,424,010    | 111,616,399   | 123,723,837    | 124,317,195    |
| 289,464       | 513,794        | 444,439       | 131,053       | 190,320        | 1,858,330      |
| 2,204,272     | -              | -             | -             | -              | -              |
| (12,000,000)  | (10,621,009)   | (13,649,346)  | (13,649,306)  | (13,649,346)   | (13,649,346)   |
| (9,506,264)   | (10,107,215)   | (13,204,907)  | (13,518,253)  | (13,459,026)   | (11,791,016)   |
| \$ 81,950,019 | \$ 84,934,661  | \$ 85,219,103 | \$ 98,098,146 | \$ 110,264,811 | \$ 112,526,179 |
| \$ 8,166,972  | \$ (3,296,911) | \$ 965,304    | \$ 16,009,194 | \$ 31,200,480  | \$ 29,143,330  |
| 9,721,969     | 11,656,079     | 6,049,848     | 2,384,413     | 1,821,224      | 16,220,176     |
| \$ 17,888,941 | \$ 8,359,168   | \$ 7,015,152  | \$ 18,393,607 | \$ 33,021,704  | \$ 45,363,506  |

**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<br/>Other</u> | <u>Taxes<br/>Sales</u> | <u>Utility<br/>Franchise<br/>Taxes</u> | <u>Total</u>  |
|-------------|------------------------|------------------------|----------------------------------------|---------------|
| 2014        | \$ 13,540,945          | \$ 39,373,366          | \$ 3,090,107                           | \$ 56,004,418 |
| 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   |

(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>2014</u>          | <u>2015</u>          | <u>2016</u>          | <u>2017</u>          |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund</b>                 |                      |                      |                      |                      |
| Nonspendable                        | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Committed                           | -                    | -                    | -                    | -                    |
| Assigned                            | 7,911,210            | 10,995,941           | 12,308,991           | 7,609,980            |
| Unassigned                          | <u>15,543,579</u>    | <u>14,738,107</u>    | <u>12,449,750</u>    | <u>18,277,147</u>    |
| Total general fund                  | <u>\$ 23,454,789</u> | <u>\$ 25,734,048</u> | <u>\$ 24,758,741</u> | <u>\$ 25,887,127</u> |
| <b>All Other Governmental Funds</b> |                      |                      |                      |                      |
| Nonspendable                        | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Restricted                          | 6,262,519            | 10,976,446           | 10,473,281           | 11,962,162           |
| Committed                           | -                    | -                    | -                    | -                    |
| Assigned                            | 2,820,114            | -                    | -                    | -                    |
| Unassigned                          | <u>(19,301)</u>      | <u>-</u>             | <u>-</u>             | <u>-</u>             |
| Total all other government funds    | <u>\$ 9,063,332</u>  | <u>\$ 10,976,446</u> | <u>\$ 10,473,281</u> | <u>\$ 11,962,162</u> |

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| <u>2018</u>          | <u>2019</u>          | <u>2020</u>          | <u>2021</u>          | <u>2022</u>          | <u>2023</u>          |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ -                 | \$ -                 | \$ 1,488,242         | \$ 1,148,945         | \$ 966,118           | \$ 1,531,725         |
| -                    | -                    | -                    | 18,015,356           | 18,591,848           | 20,115,807           |
| 170,288              | 270,000              | 270,000              | 270,000              | 270,000              | 3,761,615            |
| <u>34,017,542</u>    | <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>\$ 34,187,830</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> |
| \$ -                 | \$ -                 | \$ -                 | \$ 162,820           | \$ 172,017           | \$ 195,746           |
| 16,715,588           | 16,459,696           | 7,501,579            | 17,020,792           | 17,544,338           | 10,322,019           |
| -                    | 13,480,478           | 2,995,779            | 4,081,760            | 3,615,806            | 16,158,753           |
| -                    | 955,629              | 769,485              | 758,181              | -                    | -                    |
| <u>(67,859)</u>      | <u>(73,294)</u>      | <u>(218,805)</u>     | <u>(181,805)</u>     | <u>(60,506)</u>      | <u>(50,773)</u>      |
| <u>\$ 16,647,729</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> |

**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>2014</u>         | <u>2015</u>         | <u>2016</u>           | <u>2017</u>         |
|------------------------------------------------------------|---------------------|---------------------|-----------------------|---------------------|
| <b>Revenues</b>                                            |                     |                     |                       |                     |
| Taxes – sales                                              | \$ 39,373,366       | \$ 40,960,942       | \$ 40,714,914         | \$ 41,317,871       |
| Taxes – other                                              | 13,175,818          | 13,630,033          | 13,953,068            | 14,724,341          |
| Franchise fees                                             | 3,181,670           | 3,191,694           | 2,975,695             | 3,022,080           |
| Fines and forfeitures                                      | 2,871,963           | 2,865,368           | 2,830,850             | 2,209,000           |
| Licenses and permits                                       | 2,611,210           | 2,694,459           | 2,708,444             | 2,897,123           |
| Charges for services                                       | 2,876,666           | 3,060,506           | 3,329,287             | 3,902,037           |
| Intergovernmental                                          | 2,424,024           | 1,608,947           | 3,033,264             | 9,267,649           |
| Investment earnings                                        | 75,000              | 101,692             | 140,856               | 143,579             |
| Miscellaneous                                              | 1,925,236           | 1,226,722           | 2,418,217             | 3,917,791           |
| Total revenues                                             | <u>68,514,953</u>   | <u>69,340,363</u>   | <u>72,104,595</u>     | <u>81,401,471</u>   |
| <b>Expenditures</b>                                        |                     |                     |                       |                     |
| General government                                         | 7,748,764           | 7,803,010           | 8,426,930             | 9,006,554           |
| Animal shelter                                             | 722,066             | 758,706             | 787,006               | 733,546             |
| Community development                                      | 981,360             | 1,145,414           | 654,364               | 643,192             |
| Emergency services                                         | 1,463,989           | 1,604,573           | 1,966,098             | 1,837,787           |
| Fit 2 Live                                                 | 132,481             | 146,933             | 155,657               | 127,210             |
| Health                                                     | 420,889             | 196,912             | 78,071                | 245,217             |
| Neighborhood services                                      | 158,112             | 164,090             | 174,839               | 204,288             |
| Parks and recreation                                       | 5,415,227           | 5,834,379           | 7,220,455             | 8,965,828           |
| Public safety – fire                                       | 14,456,478          | 16,267,613          | 16,545,450            | 16,444,094          |
| Public safety – police                                     | 20,900,702          | 21,587,940          | 22,524,446            | 23,117,459          |
| Public works                                               | 647,605             | 849,837             | 1,070,419             | 1,147,806           |
| Sanitation                                                 | 4,452,936           | 4,436,801           | 4,441,956             | 4,471,118           |
| Senior citizens                                            | 926,884             | 887,376             | 919,528               | 1,011,537           |
| Special appropriations                                     | 5,888,389           | 5,759,614           | 7,424,577             | 12,649,392          |
| Street and traffic                                         | 4,805,707           | 4,760,634           | 5,361,379             | 6,010,465           |
| Capital outlay                                             | 5,492,017           | 1,611,661           | 4,376,727             | 3,706,562           |
| Debt service                                               |                     |                     |                       |                     |
| Principal                                                  | 2,958,304           | 3,008,807           | 3,672,012             | 414,745             |
| Interest                                                   | 122,712             | 93,732              | 46,214                | 42,282              |
| Bond issuance costs                                        | -                   | -                   | -                     | -                   |
| Total expenditures                                         | <u>77,694,622</u>   | <u>76,918,032</u>   | <u>85,846,128</u>     | <u>90,779,082</u>   |
| <b>Excess of revenues</b>                                  |                     |                     |                       |                     |
| <b>Over (under) expenditures</b>                           | (9,179,669)         | (7,577,669)         | (13,741,533)          | (9,377,611)         |
| <b>Other Financing Sources (Uses)</b>                      |                     |                     |                       |                     |
| Transfer in                                                | 16,637,985          | 16,643,137          | 17,885,975            | 14,283,090          |
| Transfer out                                               | (4,927,307)         | (4,873,095)         | (5,760,814)           | (2,290,922)         |
| Leases (as lessee)                                         | -                   | -                   | -                     | -                   |
| Net debt proceeds                                          | 1,281,347           | -                   | 137,000               | 3,610               |
| Total other financing sources (uses)                       | <u>12,992,025</u>   | <u>11,770,042</u>   | <u>12,262,161</u>     | <u>11,995,778</u>   |
| <b>Net change in fund balance</b>                          | <u>\$ 3,812,356</u> | <u>\$ 4,192,373</u> | <u>\$ (1,479,372)</u> | <u>\$ 2,618,167</u> |
| Debt service as a percentage of<br>noncapital expenditures | 4.3%                | 4.1%                | 4.6%                  | 0.5%                |

|    | 2018         | 2019          | 2020           | 2021          | 2022          | 2023          |
|----|--------------|---------------|----------------|---------------|---------------|---------------|
| \$ | 57,921,583   | \$ 61,505,034 | \$ 61,897,024  | \$ 72,015,308 | \$ 75,845,699 | \$ 80,691,742 |
|    | 14,993,301   | 16,203,498    | 15,868,429     | 17,426,504    | 17,173,879    | 18,888,596    |
|    | 3,834,205    | 3,883,894     | 3,737,046      | 4,055,911     | 4,352,373     | 4,587,543     |
|    | 2,030,672    | 2,154,232     | 1,843,421      | 1,336,936     | 1,233,271     | 1,422,105     |
|    | 3,432,168    | 4,280,681     | 4,012,429      | 4,086,751     | 4,748,912     | 5,183,173     |
|    | 4,212,316    | 4,215,752     | 3,153,568      | 3,860,052     | 4,943,149     | 4,363,592     |
|    | 4,398,708    | 2,803,573     | 6,004,894      | 5,670,885     | 13,368,258    | 23,037,907    |
|    | 253,047      | 637,273       | 462,260        | 130,868       | 179,173       | 2,642,811     |
|    | 1,822,856    | 2,244,764     | 2,483,444      | 3,905,986     | 3,867,403     | 1,702,065     |
|    | 92,898,856   | 97,928,701    | 99,462,515     | 112,489,201   | 125,712,117   | 142,519,534   |
|    | 9,109,578    | 12,549,794    | 13,422,535     | 14,764,091    | 15,314,775    | 31,734,143    |
|    | 800,807      | 802,112       | 749,860        | 682,359       | 833,561       | 974,776       |
|    | 287,952      | 882,737       | 1,149,897      | 602,485       | 1,435,939     | 940,218       |
|    | 1,909,070    | 2,028,599     | 2,021,023      | 1,929,667     | 1,969,498     | 2,561,553     |
|    | 173,855      | 184,221       | 189,166        | 181,180       | 148,790       | 131,513       |
|    | 121,754      | 95,281        | 133,542        | 93,227        | 88,141        | 105,434       |
|    | 189,592      | 171,971       | 169,060        | 190,704       | 325,993       | 445,017       |
|    | 597,211      | 8,032,479     | 7,672,299      | 8,670,876     | 9,284,403     | 10,842,534    |
|    | 16,658,888   | 19,063,092    | 18,686,275     | 18,676,818    | 19,669,405    | 20,659,468    |
|    | 23,776,320   | 23,908,322    | 24,570,426     | 24,828,088    | 27,117,120    | 29,021,592    |
|    | 1,028,141    | 2,613,126     | 1,746,623      | 3,156,392     | 1,358,183     | 2,926,302     |
|    | 4,598,150    | 5,108,572     | 4,987,955      | 6,260,984     | 5,969,082     | 6,416,809     |
|    | 902,633      | 1,094,334     | 1,054,989      | 986,195       | 965,944       | 969,803       |
|    | 7,310,799    | 6,498,909     | 7,464,739      | 7,340,137     | 10,738,171    | 13,960,936    |
|    | 14,669,174   | 5,098,436     | 6,004,037      | 8,853,115     | 7,733,782     | 6,738,415     |
|    | 9,525,001    | 12,320,239    | 23,733,371     | 25,647,003    | 25,621,450    | 27,593,484    |
|    | 442,708      | 400,551       | 682,284        | 594,060       | 663,938       | 1,081,591     |
|    | 40,953       | 48,266        | 487,327        | 469,385       | 442,188       | 430,174       |
|    | -            | 205,274       | -              | -             | -             | -             |
|    | 92,142,586   | 101,106,315   | 114,925,408    | 123,926,766   | 129,680,363   | 157,533,762   |
|    | 756,270      | (3,177,614)   | (15,462,893)   | (11,437,565)  | (3,968,246)   | (15,014,228)  |
|    | 25,832,841   | 30,273,227    | 32,260,903     | 34,320,017    | 38,249,670    | 36,345,065    |
|    | (13,602,841) | (18,251,657)  | (18,611,557)   | (20,670,711)  | (24,600,324)  | (22,695,719)  |
|    | -            | -             | -              | -             | 68,316        | 458,257       |
|    | -            | 11,388,976    | 253,902        | -             | -             | -             |
|    | 12,230,000   | 23,410,546    | 13,903,248     | 13,649,306    | 13,717,662    | 14,107,603    |
| \$ | 12,986,270   | \$ 20,232,932 | \$ (1,559,645) | \$ 2,211,741  | \$ 9,749,416  | \$ (906,625)  |
|    | 0.6%         | 0.5%          | 1.3%           | 1.1%          | 1.1%          | 1.2%          |

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

**Table 6**

| <b>Year</b> | <b>Taxes<br/>Other</b> | <b>Taxes<br/>Sales</b> | <b>Utility<br/>Franchise<br/>Taxes</b> | <b>Total</b>  |
|-------------|------------------------|------------------------|----------------------------------------|---------------|
| 2014        | \$ 13,175,818          | \$ 39,373,366          | \$ 3,090,107                           | \$ 55,639,291 |
| 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   |

(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           |                  |                              |
| 2014 | \$ 758,072,584 | \$ 261,348,185 | \$ 59,233,420     | \$ 1,078,654,189 |                              |
| 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    |                              |

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.

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| <b>Total<br/>Direct Tax<br/>Rate</b> |    | <b>Total Appraised<br/>Value</b> | <b>Assessed Value<br/>as a Percentage<br/>of Appraised Value</b> |
|--------------------------------------|----|----------------------------------|------------------------------------------------------------------|
| 11.45                                | \$ | 5,373,637,980                    | 20%                                                              |
| 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%                                                              |



**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 |
| 2014 | 11.45             | 11.45    | 7.05           | 7.05     | 48.30                             | 48.30    | 66.80  | 66.80    |
| 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    |

| Tax Levies |    |            |    |            |
|------------|----|------------|----|------------|
| 2014       | \$ | 11,976,874 | \$ | 42,943,103 |
| 2015       |    | 12,325,393 |    | 44,246,866 |
| 2016       |    | 12,620,106 |    | 45,136,887 |
| 2017       |    | 13,040,506 |    | 46,834,699 |
| 2018       |    | 13,181,294 |    | 47,282,686 |
| 2019       |    | 13,614,397 |    | 48,949,768 |
| 2020       |    | 14,197,870 |    | 50,794,124 |
| 2021       |    | 14,527,186 |    | 51,998,836 |
| 2022       |    | 15,010,957 |    | 63,187,101 |
| 2023       |    | 16,625,460 |    | 69,507,995 |

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, 2023**

**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 2023, the two cent city sales tax generated revenue of approximately \$48,485,000.

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.

| <b>North Little Rock Top Ten<br/>2 Cent Sales Taxpayers Industry</b> |    | <b>2023<br/>Total</b> | <b>% of<br/>Total</b> |    | <b>2022<br/>Total</b> | <b>% of<br/>Total</b> |
|----------------------------------------------------------------------|----|-----------------------|-----------------------|----|-----------------------|-----------------------|
| Other General Merchandise Stores                                     | 1  | 4,668,760             | 9.7%                  | 1  | 4,334,472             | 9.3%                  |
| Building Material and Supplies Dealers                               | 2  | 4,639,221             | 9.6%                  | 2  | 3,746,923             | 8.1%                  |
| Grocery Stores                                                       | 3  | 2,703,588             | 5.6%                  | 3  | 2,633,680             | 5.7%                  |
| Full-Service Restaurants                                             | 4  | 2,459,349             | 5.1%                  | 4  | 2,379,955             | 5.1%                  |
| Restaurants and Other Eating Places                                  | 5  | 2,048,986             | 4.3%                  | 6  | 1,800,844             | 3.9%                  |
| Electric Power Generation; Transmission and Distribution             | 6  | 1,891,512             | 3.9%                  | 7  | 1,782,863             | 3.8%                  |
| Electronic Shopping and Mail-Order Houses                            | 7  | 1,824,303             | 3.8%                  | 5  | 1,771,285             | 3.8%                  |
| Clothing Stores                                                      | 8  | 1,248,059             | 2.6%                  | 9  | 1,153,562             | 2.5%                  |
| Electronics and Appliance Stores                                     | 9  | 1,223,701             | 2.5%                  | 8  | 1,145,924             | 2.5%                  |
| Gasoline Stations                                                    | 10 | 1,219,443             | 2.5%                  | 10 | 1,129,379             | 2.4%                  |
| Totals                                                               |    | <u>23,926,922</u>     | 49.6%                 |    | <u>21,878,887</u>     | 47.1%                 |

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

**Table 10**

| Year | Total Tax Levy<br>In Prior Year |            | Taxes Levied in the Prior Year<br>Collected Within the Current Year |                    |
|------|---------------------------------|------------|---------------------------------------------------------------------|--------------------|
|      |                                 |            | Amount                                                              | Percentage of Levy |
| 2014 | \$                              | 11,976,874 | \$ 11,545,579                                                       | 96.40%             |
| 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%             |

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<br>Obligation<br>Bonds | Leases    | Subscriptions | Financed<br>Purchase | Bond<br>Premium |
| 2014 | \$ -                           | \$ -      | \$ -          | \$ 7,418,344 (B)     | \$ -            |
| 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         |

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.

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| Business-Type<br>Activities |         | Subscriptions | Total<br>Primary<br>Government | Percentage of<br>Personal<br>Income (A) | Per<br>Capita (A) |
|-----------------------------|---------|---------------|--------------------------------|-----------------------------------------|-------------------|
| Revenue<br>Bonds            |         |               |                                |                                         |                   |
| \$ 65,790,000               | \$ -    | \$            | 73,208,344                     | 2.84%                                   | 1,175.02          |
| 60,115,000                  | -       |               | 64,524,537                     | 2.45%                                   | 1,035.64          |
| 45,655,000 (B)              | -       |               | 46,537,137                     | 1.74%                                   | 746.94            |
| 41,360,000                  | -       |               | 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                  | 183,029 |               | 23,578,775                     | 0.64%                                   | 151.75            |

**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**

| Year | General Bonded Debt Outstanding |                 |            | Less Debt<br>Service Fund |
|------|---------------------------------|-----------------|------------|---------------------------|
|      | General<br>Obligation<br>Bonds  | Bond<br>Premium | Total      |                           |
| 2014 | \$ -                            | \$ -            | \$ -       | \$ -                      |
| 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  | 745,511                   |

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.

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| <b>Net<br/>Bonded<br/>Debt</b> | <b>Percentage of<br/>Appraised<br/>Value (A) of<br/>Property</b> | <b>Per<br/>Capita (B)</b> |
|--------------------------------|------------------------------------------------------------------|---------------------------|
| \$ -                           | 0.00%                                                            | -                         |
| -                              | 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                    |
| 8,777,284                      | 0.11%                                                            | 135.89                    |



**City of North Little Rock, Arkansas**  
**Direct and Overlapping Governmental Activities Debt**  
**For the Year Ending December 31, 2023**

**Table 12**

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| <u>Governmental Unit</u>                 | <u>Debt<br/>Available for<br/>Retirement</u> | <u>Percentage<br/>Applicable</u> (B) | <u>City's Share<br/>of Overlapping<br/>Debt</u> |
|------------------------------------------|----------------------------------------------|--------------------------------------|-------------------------------------------------|
| City of North Little Rock, Arkansas      | \$ 10,991,190 (A)                            | 100.00%                              | \$ 10,991,190                                   |
| North Little Rock Public School District | <u>187,815,000</u>                           | 100.00%                              | <u>187,815,000</u>                              |
| Total Direct and Overlapping Debt        | <u>\$ 198,806,190</u>                        |                                      | <u>\$ 198,806,190</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>2014</u>           | <u>2015</u>           | <u>2016</u>           | <u>2017</u>           |
|-------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Debt limit                                                              | \$ 269,663,547        | \$ 220,971,062        | \$ 228,363,498        | \$ 288,646,544        |
| Total net debt applicable to limit                                      | <u>6,118,344</u>      | <u>3,109,537</u>      | <u>882,137</u>        | <u>886,677</u>        |
| Legal debt margin                                                       | <u>\$ 263,545,203</u> | <u>\$ 217,861,525</u> | <u>\$ 227,481,361</u> | <u>\$ 287,759,867</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 2.27%                 | 1.41%                 | 0.39%                 | 0.31%                 |

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.

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| <u>2018</u>           | <u>2019</u>           | <u>2020</u>           | <u>2021</u>           | <u>2022</u>           | <u>2023</u>           |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 298,212,517        | \$ 307,819,033        | \$ 314,391,851        | \$ 324,582,868        | \$ 359,465,793        | \$ 387,977,974        |
| 508,969               | 173,418               | 255,037               | 190,976               | 9,492,038             | 9,801,667             |
| <u>\$ 297,703,548</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> |
| 0.17%                 | 0.06%                 | 0.08%                 | 0.06%                 | 2.64%                 | 2.53%                 |

Legal Debt Margin Calculation for 2023

|                                                                |                       |
|----------------------------------------------------------------|-----------------------|
| Assessed value                                                 | \$ 1,551,911,896      |
| Debt limit                                                     |                       |
| General obligation debt limitation (A)                         | 310,382,379           |
| Short-term financing debt limitation (B)                       | <u>77,595,595</u>     |
| Total debt limitation                                          | <u>387,977,974</u>    |
| Debt applicable to limit                                       |                       |
| General obligation and short-term financing                    | 8,801,667             |
| Less: Amount set aside for repayment in<br>debt services funds | <u>-</u>              |
| Total net debt applicable to limit                             | <u>8,801,667</u>      |
| Legal debt margin                                              | <u>\$ 379,176,307</u> |

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

**Table 14**

| <b>Governmental Activities Revenue Bonds</b>  |                         |                     |                 |              |                       |  |
|-----------------------------------------------|-------------------------|---------------------|-----------------|--------------|-----------------------|--|
| <b>2019 Capital Improvement Revenue Bonds</b> |                         |                     |                 |              |                       |  |
| <b>Fiscal Year</b>                            | <b>Pledged Revenues</b> | <b>Debt Service</b> |                 |              | <b>Coverage Ratio</b> |  |
|                                               |                         | <b>Principal</b>    | <b>Interest</b> | <b>Total</b> |                       |  |
| 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                  |  |

| <b>Special Assessment Bonds</b> |                         |                     |                 |              |                       |  |
|---------------------------------|-------------------------|---------------------|-----------------|--------------|-----------------------|--|
| <b>Fiscal Year</b>              | <b>Pledged Revenues</b> | <b>Debt Service</b> |                 |              | <b>Coverage Ratio</b> |  |
|                                 |                         | <b>Principal</b>    | <b>Interest</b> | <b>Total</b> |                       |  |
| 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                  |  |

| <b>Business-type Activities Revenue Bonds</b> |                      |                           |                              |                     |                 |                     |                       |
|-----------------------------------------------|----------------------|---------------------------|------------------------------|---------------------|-----------------|---------------------|-----------------------|
| <b>Electric System Revenue Bonds</b>          |                      |                           |                              |                     |                 |                     |                       |
| <b>Fiscal Year</b>                            | <b>Gross Revenue</b> | <b>Operating Expenses</b> | <b>Net Available Revenue</b> | <b>Debt Service</b> |                 | <b>Debt Service</b> |                       |
|                                               |                      |                           |                              | <b>Principal</b>    | <b>Interest</b> | <b>Total</b>        | <b>Coverage Ratio</b> |
| 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                                          | 108,629,947          | 70,862,619                | 37,767,328                   | 2,971,911           | 256,013         | 3,227,924           | 11.70                 |

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**

| <b>Year</b> | <b>Population</b> | <b>Personal<br/>Income (B)</b> | <b>Per Capita<br/>Income (B)</b> | <b>Median<br/>Age</b> |
|-------------|-------------------|--------------------------------|----------------------------------|-----------------------|
| 2014        | 62,304 (A)        | \$ 2,582,126,976               | \$ 41,444                        | 36.4                  |
| 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                  |

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

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| <b>Percent of<br/>Population<br/>Age 25+<br/>Grad/Professional<br/>Degree or Higher</b> | <b>School<br/>Enrollment</b> | <b>Unemployment<br/>Rate</b> |
|-----------------------------------------------------------------------------------------|------------------------------|------------------------------|
| 10.2%                                                                                   | 8,576 (C)                    | 5.4%                         |
| 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%                         |



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

**Table 16**

| Employer                                           | 2023          |      |                                     | 2014 (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 2014, 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**

| <b>Function</b>                  | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>General Government</b>        |             |             |             |             |             |             |
| Administration                   | 9           | 8           | 8           | 8           | 9           | 9           |
| City clerk                       | 4           | 4           | 4           | 4           | 5           | 5           |
| Code enforcement                 | 13          | 14          | 14          | 14          | 13          | 13          |
| Commerce                         | 4           | 4           | 4           | 4           | 4           | 4           |
| Communications                   | 1           | 1           | 1           | 1           | 1           | 1           |
| District court - First division  | 9           | 9           | 9           | 9           | 9           | 8           |
| District court - Second division | 9           | 9           | 9           | 9           | 9           | 9           |
| Finance                          | 12          | 13          | 13          | 13          | 14          | 14          |
| Human Resources                  | 8           | 8           | 8           | 8           | 8           | 9           |
| Legal                            | 8           | 8           | 8           | 8           | 8           | 8           |
| Planning                         | 12          | 12          | 12          | 12          | 12          | 13          |
| Vehicle maintenance              | 13          | 13          | 13          | 13          | 13          | 13          |
| Animal shelter                   | 9           | 9           | 9           | 9           | 9           | 10          |
| Emergency services               | 32          | 32          | 32          | 32          | 32          | 32          |
| Fit 2 Live - Wellness            | 2           | 1           | 1           | 1           | 1           | 1           |
| Neighborhood services            | 2           | 2           | 2           | 2           | 2           | 2           |
| Fire                             | 151         | 151         | 175         | 175         | 175         | 166 (A)     |
| Police                           | 238         | 238         | 239         | 240         | 240         | 239 (B)     |
| Public works                     | 10          | 11          | 11          | 11          | 11          | 11          |
| Sanitation                       | 41          | 39          | 39          | 39          | 39          | 39          |
| Senior Citizens Center           | 8           | 8           | 8           | 8           | 8           | 8           |
| <b>Total general fund</b>        | <b>595</b>  | <b>594</b>  | <b>619</b>  | <b>620</b>  | <b>622</b>  | <b>614</b>  |
| Community development            | 6           | 6           | 5           | 5           | 5           | 5           |
| Electric                         | 103         | 103         | 101         | 104         | 131         | 134 (C)     |
| Information technology           | -           | -           | -           | -           | -           | 21 (D)      |
| Parks and recreation             | 64          | 64          | 71          | 71          | 79          | 85          |
| Street                           | 53          | 53          | 53          | 53          | 58          | 58          |
| Traffic services                 | 13          | 13          | 13          | 13          | 13          | 14          |
| Utilities accounting             | 43          | 43          | 43          | 43          | 10          | - (C)       |
| <b>Total other funds</b>         | <b>282</b>  | <b>282</b>  | <b>286</b>  | <b>289</b>  | <b>296</b>  | <b>317</b>  |
| <b>Total personnel</b>           | <b>877</b>  | <b>876</b>  | <b>905</b>  | <b>909</b>  | <b>918</b>  | <b>931</b>  |

(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.

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| <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|-------------|-------------|-------------|-------------|
| 9           | 9           | 9           | 13          |
| 5           | 5           | 5           | 4           |
| 13          | 13          | 13          | 13          |
| 4           | 4           | 4           | -           |
| 1           | 1           | 1           | 2           |
| 8           | 8           | 8           | 8           |
| 9           | 9           | 9           | 9           |
| 14          | 17 (E)      | 18          | 22          |
| 9           | 9           | 9           | 9           |
| 8           | 8           | 8           | 7           |
| 13          | 13          | 13          | 13          |
| 13          | 14          | 14          | 14          |
| 11          | 11          | 11          | 11          |
| 32          | 32          | 32          | 33          |
| 1           | 2           | 1           | 1           |
| 2           | 2           | 4           | 4           |
| 166         | 166         | 166         | 166         |
| 239         | 237 (E)     | 231         | 230         |
| 11          | 11          | 11          | 5           |
| 39          | 39          | 39          | 39          |
| <u>8</u>    | <u>8</u>    | <u>8</u>    | <u>8</u>    |
| <u>615</u>  | <u>618</u>  | <u>614</u>  | <u>611</u>  |
| 4           | 4           | 4           | 4           |
| 134         | 138         | 136         | 135         |
| 21          | 23          | 23          | 23          |
| 86          | 93          | 93          | 95          |
| 58          | 58          | 58          | 58          |
| 14          | 15          | 15          | 17          |
| <u>-</u>    | <u>-</u>    | <u>-</u>    | <u>-</u>    |
| <u>317</u>  | <u>331</u>  | <u>329</u>  | <u>332</u>  |
| <u>932</u>  | <u>949</u>  | <u>943</u>  | <u>943</u>  |

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

**Table 18**

| <b>Function</b>                 | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Animal Shelter</b>           |             |             |             |             |             |
| Animals Handled                 | 3,865       | 3,368       | 3,350       | 3,195       | 3,443       |
| Adoptions                       | 674         | 668         | 722         | 887         | 968         |
| <b>Fire</b>                     |             |             |             |             |             |
| Number of uniformed employees   | 148         | 148         | 172         | 172         | 172         |
| Fires and explosions            | 470         | 555         | 512         | 496         | 519         |
| Rescue, emergency medical calls | 6,157       | 6,605       | 7,112       | 7,261       | 7,044       |
| Service calls                   | 1,082       | 1,066       | 1,158       | 1,250       | 1,340       |
| Good intent calls               | -           | -           | -           | -           | -           |
| False alarm calls               | 802         | 733         | 835         | 857         | 838         |
| Other calls                     | 2,222       | 1,833       | 2,207       | 2,317       | 2,325       |
| Total calls                     | 10,733      | 10,792      | 11,824      | 12,181      | 12,066      |
| <b>Police</b>                   |             |             |             |             |             |
| Number of uniformed employees   | 202         | 202         | 202         | 202         | 201         |
| Calls for service               | 97,558      | 94,413      | 91,273      | 94,986      | 109,715     |
| Arrests                         | 8,655       | 8,421       | 8,176       | 7,311       | 7,225       |

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.

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| <u>2019</u>   | <u>2020</u>   | <u>2021</u>   | <u>2022</u>   | <u>2023</u>   |
|---------------|---------------|---------------|---------------|---------------|
| 2,557         | 2,304         | 2,363         | 2,425         | 3,187         |
| 806           | 563           | 765           | 1,040         | 1,274         |
| 163           | 160           | 160           | 160           | 163           |
| 453           | 523           | 210           | 723           | 624           |
| 6,775         | 6,347         | 5,936         | 8,030         | 7,826         |
| 1,085         | 266           | 1,402         | 1,557         | 1,534         |
| -             | -             | -             | 1,976 (A)     | 1,965         |
| 869           | 802           | 871           | 947           | 1,008         |
| <u>2,119</u>  | <u>3,409</u>  | <u>4,378</u>  | <u>352</u>    | <u>504</u>    |
| <u>11,301</u> | <u>11,347</u> | <u>12,797</u> | <u>13,585</u> | <u>13,461</u> |
| 201           | 178           | 201           | 201           | 201           |
| 90,058        | 72,537        | 100,731       | 79,301        | 93,372        |
| 6,862         | 6,317         | 5,448         | 7,909         | 3,576         |

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

**Table 19**

| <b>Function</b>                      | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Fire Stations                        | 10          | 10          | 11          | 11          | 11          | 11          |
| Police Stations                      | 4           | 4           | 4           | 4           | 4           | 4           |
| Parks and Recreation                 |             |             |             |             |             |             |
| Number of parks                      | 33          | 31          | 32          | 34          | 35          | 35          |
| Number of playground areas           | 46          | 46          | 47          | 49          | 50          | 51          |
| Number of tennis courts              | 40          | 40          | 40          | 40          | 40          | 40          |
| Number of golf courses               | 3           | 2           | 2           | 2           | 2           | 2           |
| Number of disc golf courses          | 4           | 4           | 4           | 4           | 4           | 4           |
| 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          | 49          | 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.

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| 2020 | 2021 | 2022 | 2023 * |
|------|------|------|--------|
| 11   | 11   | 11   | 11     |
| 4    | 4    | 4    | 4      |
| 35   | 37   | 37   | 37     |
| 51   | 54   | 54   | 54     |
| 40   | 50   | 50   | 50     |
| 2    | 2    | 2    | 2      |
| 4    | 5    | 5    | 2      |
| 5    | 6    | 6    | 6      |
| 3    | 3    | 3    | 3      |
| 51   | 55   | 55   | 55     |



# 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, 2023.

- 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 requirement 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, 2023.

**Forvis Mazars, LLP**

**Dallas, Texas  
July 16, 2024**



# SINGLE AUDIT SECTION



**City of North Little Rock, Arkansas**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2023**

| <b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>    | <b>Federal Assistance Listing Number</b> | <b>Pass-Through Entity Identifying Number</b> | <b>Passed Through to Subrecipients</b> | <b>Total Federal Expenditures</b> |
|-------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------|----------------------------------------|-----------------------------------|
| <b><u>U. S. Department of Housing and Urban Development</u></b>         |                                          |                                               |                                        |                                   |
| Direct Programs:                                                        |                                          |                                               |                                        |                                   |
| <i>CDBG – Entitlement Grants Cluster</i>                                |                                          |                                               |                                        |                                   |
| COVID-19 – Community Development Block Grants/Entitlement Grants        | 14.218                                   |                                               | \$ -                                   | \$ 289,998                        |
| Community Development Block Grants/Entitlement Grants                   | 14.218                                   |                                               | 69,457                                 | 203,937                           |
| <i>Total CDBG – Entitlement Grants Cluster</i>                          |                                          |                                               | <u>69,457</u>                          | <u>493,935</u>                    |
| COVID-19 – HOME Investment Partnerships Program                         | 14.239                                   |                                               | -                                      | 60,791                            |
| HOME Investment Partnerships Program                                    | 14.239                                   |                                               | 366,377                                | 383,859                           |
| Total HOME Investment Partnerships Program                              |                                          |                                               | <u>366,377</u>                         | <u>444,650</u>                    |
| <b>Total Department of Housing and Urban Development</b>                |                                          |                                               | <b><u>435,834</u></b>                  | <b><u>938,585</u></b>             |
| <b><u>Department of Justice</u></b>                                     |                                          |                                               |                                        |                                   |
| Direct Programs:                                                        |                                          |                                               |                                        |                                   |
| Bulletproof Vest Partnership Program                                    | 16.607                                   |                                               | -                                      | 11,497                            |
| Edward Byrne Memorial Justice Assistance Grant                          | 16.738                                   |                                               | -                                      | 62,905                            |
|                                                                         |                                          |                                               | <u>-</u>                               | <u>74,402</u>                     |
| Passed through from:                                                    |                                          |                                               |                                        |                                   |
| National Recreation and Park Association                                |                                          |                                               |                                        |                                   |
| Juvenile Mentoring Program                                              | 16.726                                   | 15PJDP-22-GG-03844-MENT                       | -                                      | 3,753                             |
|                                                                         |                                          |                                               | <u>-</u>                               | <u>3,753</u>                      |
| <b>Total Department of Justice</b>                                      |                                          |                                               | <b><u>-</u></b>                        | <b><u>78,155</u></b>              |
| <b><u>Department of Transportation</u></b>                              |                                          |                                               |                                        |                                   |
| Direct Program:                                                         |                                          |                                               |                                        |                                   |
| <i>Highway Planning and Construction Cluster</i>                        |                                          |                                               |                                        |                                   |
| Highway Planning and Construction Program                               | 20.205                                   |                                               | -                                      | 1,554,629                         |
| Passed through from:                                                    |                                          |                                               |                                        |                                   |
| Arkansas State Police                                                   |                                          |                                               |                                        |                                   |
| <i>Highway Safety Cluster</i>                                           |                                          |                                               |                                        |                                   |
| State and Community Highway Safety                                      | 20.600                                   | OP-2023-02-02-18                              | -                                      | 214                               |
| Child Safety and Child Booster Seats Incentive Grants                   | 20.613                                   | OP-2023-02-02-18                              | -                                      | 5,958                             |
| National Priority Safety Programs                                       | 20.616                                   | OP-2024-02-02-18                              | -                                      | 2,179                             |
| <i>Total Highway Safety Cluster</i>                                     |                                          |                                               | <u>-</u>                               | <u>8,351</u>                      |
| <b>Total Department of Transportation</b>                               |                                          |                                               | <b><u>-</u></b>                        | <b><u>1,562,980</u></b>           |
| <b><u>U.S. Department of Treasury</u></b>                               |                                          |                                               |                                        |                                   |
| Direct Program:                                                         |                                          |                                               |                                        |                                   |
| COVID-19 – Coronavirus State and Local Fiscal Recovery Funds            | 21.027                                   |                                               | -                                      | 2,101,191                         |
| <b>Total U. S. Department of Treasury</b>                               |                                          |                                               | <b><u>-</u></b>                        | <b><u>2,101,191</u></b>           |
| <b><u>Department of Homeland Security</u></b>                           |                                          |                                               |                                        |                                   |
| Passed through from:                                                    |                                          |                                               |                                        |                                   |
| Arkansas Department of Emergency Management                             |                                          |                                               |                                        |                                   |
| Emergency Management Performance Grants                                 | 97.042                                   | EMT-2021-EP-00008-S01, EMT-2022-EP-00002-S01  | -                                      | 78,415                            |
| Disaster Grants – Public Assistance (Presidentially Declared Disasters) | 97.036                                   | 4698                                          | -                                      | 20,957,579                        |
| <b>Total Department of Homeland Security</b>                            |                                          |                                               | <b><u>-</u></b>                        | <b><u>21,035,994</u></b>          |
| <b>Total Federal Awards Expended</b>                                    |                                          |                                               | <b><u>\$ 435,834</u></b>               | <b><u>\$ 25,716,905</u></b>       |

**City of North Little Rock, Arkansas**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2023**

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**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, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the City.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory 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, 2023.

## **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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 16, 2024.

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  
July 16, 2024**



## **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, 2023. 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, 2023.

#### ***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.

### ***Report on Internal Control Over Compliance***

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

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

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

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

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

**Forvis Mazars, LLP**

**Dallas, Texas  
July 16, 2024**

**City of North Little Rock, Arkansas**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2023**

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**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<br>Number |
|-------------------------------------------------------------------------|------------------------------|
| COVID-19 - Coronavirus State and Local Fiscal Recovery Funds            | 21.027                       |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036                       |

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
  
9. Auditee qualified as a low-risk auditee?      ☒ Yes      ☐ No

City of North Little Rock, Arkansas  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2023

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**Section II – Financial Statement Findings**

| <b>Reference<br/>Number</b> | <b>Finding</b>             |
|-----------------------------|----------------------------|
|                             | No matters are reportable. |

**Section III – Federal Award Findings and Questioned Costs**

| <b>Reference<br/>Number</b> | <b>Finding</b>             |
|-----------------------------|----------------------------|
|                             | No matters are reportable. |

City of North Little Rock, Arkansas  
Summary Schedule of Prior Audit Findings  
Year Ended December 31, 2023

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| Reference<br>Number | Summary of Finding         | Status |
|---------------------|----------------------------|--------|
|                     | No matters are reportable. |        |

