

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 12, 2024

NEW ISSUE  
BOOK-ENTRY ONLY

RATINGS  
S&P: "AA"  
Moody's: "Aa1"

In the opinion of Bond Counsel, based on existing statutes, regulations, rulings and court decisions, the interest on the Series 2024A Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2024A Bonds. In the opinion of Bond Counsel, interest on the Series 2024A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Series 2024A Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, interest on the Series 2024B Bonds is includable in gross income for federal income tax purposes. In the opinion of Bond Counsel, the Series 2024A Bonds and the Series 2024B Bonds and the interest thereon are exempt from all Arkansas state, county and municipal taxes. See **TAX MATTERS**, herein.

**\$37,005,000\***  
**CITY OF LITTLE ROCK, ARKANSAS**  
**LIMITED TAX GENERAL OBLIGATION**  
**CAPITAL IMPROVEMENT BONDS**

**\$26,260,000\***  
**SERIES 2024A**

**\$10,745,000\***  
**TAXABLE SERIES 2024B**

Dated: Date of Delivery

Due: February 1, as shown on inside cover page

Principal of and interest on the Series 2024A Bonds and the Series 2024B Bonds (collectively, the "2024 Bonds") are payable from a pledge of receipts derived by the City of Little Rock, Arkansas (the "City") from a 3-mills ad valorem tax levied by the City on all taxable real and personal property located within the jurisdictional limits of the City, which pledge is on a parity with the pledge in favor of the City's Limited Tax General Obligation Capital Improvement Bonds, Series 2022A. Interest on the 2024 Bonds is payable semiannually on February 1 and August 1 in each year, commencing August 1, 2025, and the 2024 Bonds mature (on February 1 of each year), bear interest and are priced to yield as shown on the inside cover page hereof.

The 2024 Bonds of each maturity and series will be initially issued as a single registered bond registered in the name of Cede & Co., the nominee of The Depository Trust Company ("DTC"), New York, New York. The 2024 Bonds will be available for purchase in book-entry form only, in denominations of \$5,000 or any integral multiple thereof. Except in limited circumstances described herein, purchasers of the 2024 Bonds will not receive physical delivery of 2024 Bonds. Payments of principal of and interest on the 2024 Bonds will be made by First Security Bank, Searcy, Arkansas, as the Trustee, directly to Cede & Co., as nominee for DTC, as registered owner of the 2024 Bonds, to be subsequently disbursed to DTC Participants and thereafter to the Beneficial Owners of the 2024 Bonds, all as further described herein.

The 2024 Bonds are offered, subject to prior sale, when, as and if issued and received by the Underwriters named below, subject to the approval of legality by Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, Bond Counsel, and subject to certain other conditions. It is expected that the 2024 Bonds will be available for delivery on or about December 30, 2024.

This cover page contains information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Stephens Inc.

 Crews & Associates  
A First Security Company

Dated: \_\_\_\_\_, 2024

\*Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. These securities may not be sold nor any offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

## MATURITY SCHEDULE\*

### Series 2024A Bonds

\$16,645,000 Serial Bonds

<u>Maturity</u>	<u>Amount</u>	<u>Rate(%)</u>	<u>Yield(%)</u>
2029	\$1,075,000		
2030	1,130,000		
2031	1,180,000		
2032	1,245,000		
2033	1,300,000		
2034	1,355,000		
2035	1,410,000		
2036	1,465,000		
2037	1,525,000		
2038	1,590,000		
2039	1,655,000		
2040	1,715,000		

\$9,615,000 \_\_\_\_ % Term Bonds due February 1, 2045 to Yield \_\_\_\_ %

### Series 2024B Bonds

<u>Maturity</u>	<u>Amount</u>	<u>Rate(%)</u>	<u>Yield(%)</u>
2026	\$4,310,000		
2027	3,150,000		
2028	3,285,000		

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\* Preliminary; subject to change.

No dealer, broker, salesman or other person has been authorized by the City or the Underwriters to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or other solicitation of an offer to buy, nor shall there be any sale of the 2024 Bonds by any persons in any state in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City since the date hereof.

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## OFFICIAL STATEMENT

**\$37,005,000\***  
**CITY OF LITTLE ROCK, ARKANSAS**  
**LIMITED TAX GENERAL OBLIGATION**  
**CAPITAL IMPROVEMENT BONDS**

**\$26,260,000\***  
**SERIES 2024A**

**\$10,745,000\***  
**TAXABLE SERIES 2024B**

### INTRODUCTION TO OFFICIAL STATEMENT

This Introduction is subject in all respects to the more complete information contained in this Official Statement. The offering of the bonds to potential investors is made only by means of the entire Official Statement, including the cover page hereof and exhibit hereto. A full review should be made of the entire Official Statement, as well as the Authorizing Ordinance described herein.

This Official Statement of the City of Little Rock, Arkansas (the "City") is furnished in connection with the offering by the City of its \$26,260,000\* principal amount of Limited Tax General Obligation Capital Improvement Bonds, Series 2024A (the "Series 2024A Bonds") and its \$10,745,000\* principal amount of Limited Tax General Obligation Capital Improvement Bonds, Taxable Series 2024B (the "Series 2024B Bonds" and together with the Series 2024A Bonds, the "2024 Bonds"). The Series 2024A Bonds are being issued for the purpose of financing District Court Improvements (as defined herein), Park and Recreational Improvements (as defined herein), Fire Improvements (as defined herein) and paying costs of issuing the Series 2024A Bonds. The Series 2024B Bonds are being issued for the purpose of financing Port Industrial Park Improvements (as defined herein) and paying costs of issuing the Series 2024B Bonds. The District Court Improvements, the Park and Recreational Improvements, the Fire Improvements and the Port Industrial Park Improvements are collectively referred to herein as the "2024 Improvements." See **THE 2024 BONDS, Purposes for 2024 Bonds**.

The City is a city of the first class duly organized under the laws of the State of Arkansas (the "State") and is located in central Arkansas. The City is the capital of the State. The City is authorized under Amendment No. 62 to the Constitution of the State ("Amendment 62") and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") to issue capital improvement bonds and to expend the proceeds thereof for the intended purposes. See **DESCRIPTION OF THE CITY OF LITTLE ROCK**.

The 2024 Bonds are limited tax general obligations of the City, secured by (i) all proceeds derived from the 3 mills annual ad valorem tax levied by the City on all taxable real and personal property located within the jurisdictional limits of the City (the "Bond Tax"), including penalties and interest payable with respect thereto, and (ii) all payments received by the City from the State in lieu thereof under Amendment No. 79 to the Arkansas Constitution ("Special State Sales Tax Collections" and collectively with collections of the Bond Tax, "Special Tax Collections"). The pledge of the Special Tax Collections in favor of the 2024 Bonds is on a parity with the pledge in favor of the City's Limited Tax General Obligation Capital Improvement Bonds, Series 2022A (the "2022 Bonds").\*\* See **SECURITY FOR THE 2024 BONDS**. The issuance of the 2024 Bonds and the levy of the Bond Tax for the payment of the principal of and interest on the 2024 Bonds was approved at the special election held August 9, 2022. The 2024 Bonds are being issued pursuant to and in full compliance with Amendment 62 and the Authorizing Legislation and Ordinance No. 22,192 of the City, adopted on November 15, 2022, and Ordinance No. \_\_\_\_\_ of the City, adopted on \_\_\_\_\_, 2024 (collectively, the "Authorizing Ordinance"). See **THE AUTHORIZING ORDINANCE**.

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\* Preliminary; subject to change.

\*\* In 2022, the City also issued its Limited Tax General Obligation Capital Improvement Bonds, Taxable Series 2022B (the "Series 2022B Bonds"). The Series 2022B Bonds matured on February 1, 2024.

The City has reserved the right in the Authorizing Ordinance to issue additional bonds on a parity of security with the 2024 Bonds and the 2022 Bonds (the "Additional Parity Bonds"). See **SECURITY FOR THE 2024 BONDS, Additional Parity Bonds**, herein.

The 2024 Bonds will be initially issued in book-entry form and purchasers of 2024 Bonds will not receive certificates representing their interest in the 2024 Bonds purchased. See **THE 2024 BONDS, Book-Entry Only System**. The 2024 Bonds will contain such other terms and provisions as described herein. See **THE 2024 BONDS, Generally**.

The 2024 Bonds are issuable only as fully registered bonds, without coupons, in the denomination of \$5,000 or an integral multiple thereof. Interest is payable August 1, 2025, and semiannually thereafter on each February 1 and August 1. Unless the 2024 Bonds are in book-entry form, payment of principal of the 2024 Bonds will be made to the owners of the 2024 Bonds at the principal office of First Security Bank, Searcy, Arkansas, as trustee and paying agent for the 2024 Bonds (the "Trustee"). Interest is payable by check mailed by the Trustee to the registered owners as of the record date for each interest payment date. The record date for payment of interest on the 2024 Bonds shall be the fifteenth day of the calendar month next preceding each interest payment date. A 2024 Bond may be transferred, in whole or in part (in integral multiples of \$5,000), but only upon delivery of the 2024 Bond, together with a written instrument of transfer, to the Trustee. See **THE 2024 BONDS, Generally**, and **THE 2024 BONDS, Book-Entry Only System**.

The 2024 Bonds are subject to special mandatory redemption from Surplus Tax Collections (as hereinafter defined). The Series 2024A Bonds are subject to optional redemption on and after February 1, 2030. The Series 2024B Bonds are not subject to optional redemption. The Series 2024A Bonds maturing on February 1, 2045\* are subject to mandatory sinking fund redemption prior to maturity. The Trustee shall give at least thirty (30) days notice of redemption. See **THE 2024 BONDS, Redemption**.

Under existing law and assuming compliance with certain covenants described herein, (i) interest on the Series 2024A Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) interest on the Series 2024A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Series 2024A Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations, (iii) the 2024 Bonds and interest thereon are exempt from all State, county and municipal taxes and (iv) interest on the Series 2024B Bonds is includable in gross income for federal income tax purposes. See **TAX MATTERS**.

It is expected that the 2024 Bonds will be available for delivery on or about December 30, 2024, through the facilities of the Depository Trust Company in New York, New York.

The City and the Trustee will enter into a Continuing Disclosure Agreement in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Continuing Disclosure Agreement"). See **CONTINUING DISCLOSURE AGREEMENT**.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of the Authorizing Ordinance and the Continuing Disclosure Agreement summarized herein are available upon request from the Underwriters listed on the cover page of this Official Statement.

## **THE 2024 BONDS**

**Book-Entry Only System**. The Depository Trust Company ("DTC"), New York, New York, or its successor, will act as securities depository for the 2024 Bonds. The 2024 Bonds will each be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered

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\* Preliminary; subject to change.

2024 Bond certificate for each maturity and series will be issued in the principal amount of the maturity and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2024 Bond (referred to herein as "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2024 Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in 2024 Bonds, except in the event that use of the book-entry system for the 2024 Bonds is discontinued.

To facilitate subsequent transfers, all 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2024 Bonds are credited, which may or may not be the Beneficial Owners. Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to Cede & Co. If fewer than all of the 2024 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and premium, if any, payments on the 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2024 Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, 2024 Bonds are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2024 Bonds will be printed and delivered.

The information concerning DTC and DTC's book-entry system set forth above has been obtained from DTC. Neither the Underwriters nor the City make any representation or warranty regarding the accuracy or completeness thereof.

**So long as the 2024 Bonds are in book-entry only form, Cede & Co., as nominee for DTC, will be treated as the sole owner of the 2024 Bonds for all purposes under the Authorizing Ordinance, including receipt of all principal of and interest on the 2024 Bonds, receipt of notices, voting and requesting or directing the Trustee to take or not to take, or consenting to, certain actions under the Authorizing Ordinance. The City and the Trustee have no responsibility or obligation to the Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Participant; (b) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the 2024 Bonds; (c) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Authorizing Ordinance to be given to owners of 2024 Bonds; or (d) other action taken by DTC or Cede & Co. as owner of the 2024 Bonds.**

Generally. The 2024 Bonds are dated, mature and bear interest as set forth on the inside front cover page hereof. The principal of the 2024 Bonds is payable upon presentation and surrender at the principal office of the Trustee. Payment of interest on the 2024 Bonds will be made to each registered owner thereof by check or draft mailed by the Trustee to such owner at his address as such name and address appear on the registration book of the City kept by the Trustee on the record date which is the fifteenth day of the calendar month next preceding the calendar month in which such interest payment date falls. All such payments will be made in lawful money of the United States of America.

The 2024 Bonds are issuable in the form of registered 2024 Bonds without coupons in the denomination of \$5,000 each or any integral multiple thereof, interchangeable in accordance with the provisions of the Authorizing Ordinance. In the event any 2024 Bond is mutilated, lost or destroyed, the City shall, if not then prohibited by law, execute and the Trustee may authenticate a new 2024 Bond in accordance with the provisions therefor in the Authorizing Ordinance.

Each 2024 Bond is transferable by the registered owner thereof or by his attorney duly authorized in writing at the principal office of the Trustee. Upon such transfer a new fully registered 2024 Bond or 2022 Bonds of the same maturity and series, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor.

No charge shall be made to any owner of any 2024 Bond for the privilege of registration, but any owner of any 2024 Bond requesting any such registration shall pay any tax or other governmental charge required to be paid with respect thereto. Except as otherwise provided in the immediately preceding

sentence, the cost of preparing each new 2024 Bond upon each exchange or transfer and any other expenses of the City or the Trustee incurred in connection therewith shall be paid by the City. Neither the City nor the Trustee shall be required to transfer or exchange any 2024 Bonds selected for redemption in whole or in part.

The person in whose name any 2024 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or interest of any 2024 Bond shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such 2024 Bond to the extent of the sum or sums so paid.

In any case where the date of maturity of interest on or principal of the 2024 Bonds or the date fixed for redemption of any 2024 Bonds shall be a Saturday or Sunday or shall be in the State a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after the date of maturity or date fixed for redemption.

Redemption. The 2024 Bonds are subject to special mandatory, optional and mandatory sinking fund redemption prior to maturity as follows:

(1) Special Mandatory Redemption. The 2024 Bonds shall be redeemed from Surplus Tax Collections (hereinafter defined) on each February 1, in inverse order of maturity (and by lot within a maturity in such manner as the Trustee shall determine), in whole or in part, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date.

"Surplus Tax Collections" are Special Tax Collections in excess of the amount necessary to (i) make the next two interest payments, the next principal payment, the Trustee's fees and expenses and other administrative charges with respect to the 2022 Bonds, the 2024 Bonds, and the Additional Parity Bonds and (ii) pay any arbitrage rebate due under Section 148(f) of the Code.

While the 2022 Bonds are outstanding, the City shall apply 100% of the Surplus Tax Collections to the redemption of the 2022 Bonds. Thereafter, Surplus Tax Collections shall be used to redeem the Series 2024B Bonds. Once the 2022 Bonds and the Series 2024B Bonds are no longer outstanding, Surplus Tax Collections may be used to redeem the Series 2024A Bonds, and after the Series 2024A Bonds are no longer outstanding, Surplus Tax Collections shall be used to redeem Additional Parity Bonds. In the event of a redemption from Surplus Tax Collections, the bonds of a particular series shall be redeemed in inverse order of maturity and by lot within a maturity in such manner as the Trustee shall determine.

In case of any defeasance of the 2024 Bonds, redemption of defeased 2024 Bonds shall be scheduled on the basis of mandatory redemption requirements and assuming annual Special Tax Collections in an amount equal to receipts for the most recent twelve-month period.

(2) Optional Redemption. The Series 2024A Bonds are subject to redemption at the option of the City, from funds from any source, on and after February 1, 2030, in whole or in part at any time, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date. If fewer than all of the Series 2024A Bonds shall be called for redemption, the particular maturities of the Series 2024A Bonds to be redeemed shall be selected by the City in its discretion. If fewer than all of the Series 2024A Bonds of any one maturity shall be called for redemption, the particular Series 2024A Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

(3) Mandatory Sinking Fund Redemption.\* To the extent not previously redeemed, the Series 2024A Bonds maturing on February 1, 2045 are subject to mandatory sinking fund redemption by lot in such manner as the Trustee shall determine, on February 1 in the years and in the amounts set forth below, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption:

Series 2024A Bonds Maturing February 1, 2045

<u>Year</u>	<u>Principal Amount</u>
2041	\$1,785,000
2042	1,850,000
2043	1,920,000
2044	1,995,000
2045 (maturity)	2,065,000

In the case of any redemption of 2024 Bonds prior to maturity, the Trustee shall mail or send via other standard means, including electronic or facsimile communication, a copy of the redemption notice to the registered owners of the 2024 Bonds to be redeemed, in each case not less than 30 nor more than 60 days prior to the date of redemption. After the date for redemption no further interest shall accrue on any 2024 Bond called for redemption if funds for redemption of such 2024 Bond have been deposited with the Trustee as provided in the Authorizing Ordinance.

Notwithstanding the above, so long as the 2024 Bonds are issued in book-entry only form, if fewer than all the 2024 Bonds are called for redemption, the particular 2024 Bonds to be redeemed will be selected pursuant to the procedures established by DTC. So long as the 2024 Bonds are issued in book-entry only form, notice of redemption will be given only to Cede & Co., as nominee for DTC. **The Trustee will not give any notice of redemption to the Beneficial Owners of the 2024 Bonds.**

Otherwise, any selection of 2024 Bonds by lot shall be effected by the Trustee, by any method chosen by the Trustee in its discretion.

Purposes for 2024 Bonds. At the special election held August 9, 2022, there was approved the issuance of bonds for the following purposes:

(a) financing the construction, reconstruction or acquisition of, or improvements to, new or current streets, roads, trails, bridges and viaducts, and any necessary intersection improvements, traffic signalizations, speed calming measures, lighting, equipment, land and easement acquisition and drainage improvements therefor ("Street Improvements") - \$40,500,000;

(b) financing the construction or acquisition of facilities for drainage and flood control and any necessary land and easement acquisition therefor ("Drainage Improvements") - \$40,500,000;

(c) financing fire apparatus, including particularly, without limitation, fire trucks, equipment and other apparatus for the Little Rock Fire Department ("Fire Improvements") - \$19,500,000;

(d) financing the acquisition, construction, furnishing and equipping of new, and improvements to existing, park and recreational facilities including particularly, without limitation, renovations and improvements to the Little Rock Zoo, and any necessary land and easement acquisition and drainage improvements therefor ("Park and Recreational Improvements") - \$37,000,000;

(e) financing the construction, equipping and furnishing of a new facility to house the Little Rock State District Court and related uses ("District Court Improvements") - \$8,500,000; and

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\* Preliminary; subject to change.

(f) financing the acquisition of land, rights-of-way and easements for the expansion of the Little Rock Port Industrial Park for future economic development projects and any necessary costs associated therewith ("Port Industrial Park Improvements") - \$15,800,000.

The City is issuing \$37,797,359.75\* (principal amount plus net original issue premium) of the voter-approved bonds as 2024 Bonds. The City is issuing the Series 2024A Bonds for the purpose of financing the remaining voter-approved District Court Improvements, financing a portion of the remaining voter-approved Park and Recreational Improvements, financing a portion of the remaining voter-approved Fire Improvements and paying costs of issuing the Series 2024A Bonds. The City is issuing the Series 2024B Bonds for the purpose of financing the remaining voter-approved Port Industrial Park Improvements and paying costs of issuing the Series 2024B Bonds.

The principal amounts of the Series 2022A Bonds, the Series 2022B Bonds,\*\* the Series 2024A Bonds, and the Series 2024B Bonds, plus any original issue premium, are allocated approximately among the purposes described above as follows:

	Series 2022A Bonds	Series 2022B Bonds*	Series 2024A Bonds*	Series 2024B Bonds*	Total
Street Improvements	\$23,070,792	--	--	--	\$23,070,792
Drainage Improvements	12,968,086	--	--	--	12,968,086
Fire Improvements	7,077,503	--	\$5,944,426	--	13,021,929
Park and Recreational Improvements	10,107,994	--	13,176,038	--	23,284,032
District Court Improvements	568,087	--	7,931,896	--	8,499,983
Port Industrial Park Improvements	<u>--</u>	<u>\$5,055,000</u>	<u>--</u>	<u>\$10,745,000</u>	<u>\$15,800,000</u>
Total	\$53,792,462	\$5,055,000	\$27,052,360	\$10,745,000	\$96,644,822

The balance of the voter-approved bonds for the Street Improvements, the Drainage Improvements, the Fire Improvements, and the Park and Recreational Improvements is expected to be issued as Additional Parity Bonds in 2026 and will be limited to \$65,155,000\* in aggregate principal amount.

The proceeds of the 2024 Bonds are estimated to be expended by the City as follows:

SOURCES:*	Series 2024A Bonds	Series 2024B Bonds	Total
Principal Amount of 2024 Bonds	\$26,260,000	\$10,745,000	\$37,005,000
Net Original Issue Premium	<u>792,360</u>	<u>--</u>	<u>792,360</u>
Total Sources	<u>\$27,052,360</u>	<u>\$10,745,000</u>	<u>\$37,797,360</u>
USES:*			
District Court Improvements	\$7,839,647	--	\$7,839,647
Fire Improvements	5,875,299	--	5,875,299
Park and Recreational Improvements	13,022,809	--	13,022,809
Port Industrial Park Improvements	--	\$10,614,144	10,614,144
Underwriters' Discount and Costs of Issuance	<u>314,605</u>	<u>130,856</u>	<u>445,461</u>
Total Uses	<u>\$27,052,360</u>	<u>\$10,745,000</u>	<u>\$37,797,360</u>

\* Preliminary; subject to change.

\*\* The Series 2022B Bonds matured on February 1, 2024.

The payment of Underwriters' discount and the costs of issuing the 2024 Bonds relating to the payment of professional fees will be contingent on the 2024 Bonds being issued. See **MISCELLANEOUS, Underwriting** for a description of the Underwriters' discount. The City will deposit the net proceeds of the Series 2024A Bonds (principal amount plus any original issue premium, less any original issue discount and less Underwriters' discount and certain costs of issuance of the Series 2024A Bonds) into three construction funds established with the Trustee. The City will deposit the net proceeds of the Series 2024B Bonds (principal amount less Underwriters' discount and certain costs of issuance of the Series 2024B Bonds) into a construction fund established with the Trustee. Each construction fund is referred to herein as a "Construction Fund" and collectively, the "Construction Funds." Moneys contained in each Construction Fund will be disbursed in payment of costs of the respective 2024 Improvements, paying necessary expenses incidental thereto and paying a share of the costs of issuance. Each Construction Fund will be designated to reflect the purpose, e.g., 2024A District Court Facility Construction Fund, and will have deposited therein a pro rata portion of 2024 Bond proceeds based upon principal amount; provided, however, the net proceeds of the Series 2024B Bonds shall be deposited into the 2024B Port Industrial Park Construction Fund. Moneys in each Construction Fund shall be used only for the specific 2024 Improvements related thereto. Disbursements shall be on the basis of requisitions which shall contain at least the following information: the names of the person, firm or corporation to whom payment is to be made; the amount of the payment; and the purpose by general classification of the payment. For a description of how the net proceeds of the 2024 Bonds are to be invested pending use and the provisions governing those investments, see **THE AUTHORIZING ORDINANCE, Investments**.

### **SECURITY FOR THE 2024 BONDS**

**General.** The 2024 Bonds are limited tax special obligations of the City secured by the levy of a continuing annual Bond Tax and by a pledge of the Special Tax Collections. The pledge of Special Tax Collections in favor of the 2024 Bonds is on a parity with the pledge in favor of the 2022 Bonds. Special Tax Collections must be used solely to pay the principal of and interest on the 2022 Bonds, the 2024 Bonds and any Additional Parity Bonds, Trustee's fees and expenses and other administrative charges and any arbitrage rebate due under Section 148(f) of the Code. The 2024 Bonds are secured under the Authorizing Ordinance. For a summary of the terms of the Authorizing Ordinance, see **THE AUTHORIZING ORDINANCE**.

The rate of the Bond Tax cannot exceed the rate specified on the ballot for the August 9, 2022 election at which the 2024 Bonds were approved. The maximum rate specified for the 2024 Bonds is three mills per dollar of assessed value of taxable property in the City. For a discussion of the estimated amount of the Special Tax Collections to be collected in each year, see Computation of Dollar Amount of Bond Tax Levied.

The electors adopted Constitutional Amendment No. 79 at the November 2000 General Election. This Amendment, which was effective January 1, 2001, provides for an annual state credit against ad valorem property tax on a homestead. As directed by the Amendment, the General Assembly has instituted a statewide sales and use tax in the amount of one half of one percent (0.5%) (previously defined as the "Special State Sales Tax Collections"). The purpose of the statewide sales and use tax is to assure that the tax or millage levied for bonded indebtedness will provide a level of income sufficient to meet current debt service and other expenses requirements. See **SUMMARY OF ARKANSAS AD VALOREM TAX PROCEDURES, Property Tax Relief Trust Fund**.

The 2024 Bonds are not secured by any lien on or security interest in any physical properties. There is no debt service reserve for the 2024 Bonds.

**Additional Parity Bonds.** The City covenants that it will not issue any additional bonds, or incur any other additional obligations, secured by a lien on or pledge of the Special Tax Collections, other than the Additional Parity Bonds. The Additional Parity Bonds are limited to \$65,155,000\* in aggregate principal amount. The Additional Parity Bonds may be issued so long as either (i) upon the issuance of the Additional Parity Bonds, each rating agency rating the 2022 Bonds and the 2024 Bonds confirms

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\* Preliminary; subject to change.

that the rating on the 2022 Bonds and the 2024 Bonds will not be reduced, (ii) the City has received Special Tax Collections in the preceding fiscal year in an amount equal to or in excess of 125% of the maximum annual debt service requirement for the 2022 Bonds, the 2024 Bonds, any outstanding Additional Parity Bonds, and the Additional Parity Bonds proposed to be issued or (iii) based on the most recent assessed value of all taxable real and personal property within the jurisdictional limits of the City, the Chief Financial Officer of the City certifies that a 3 mill tax on all taxable real and personal property within the jurisdictional limits of the City, after applying a collection rate of 97%,\* would produce Special Tax Collections in the next succeeding fiscal year at least equal to 125% of the maximum annual debt service requirement for the 2022 Bonds, the 2024 Bonds, any outstanding Additional Parity Bonds, and the Additional Parity Bonds proposed to be issued. Notwithstanding the above, nothing shall be construed to prohibit the City from refunding the 2022 Bonds, the 2024 Bonds, or Additional Parity Bonds and pledging Special Tax Collections to the refunding bonds on a parity with the non-refunded 2022 Bonds, 2024 Bonds, or Additional Parity Bonds.

## **DESCRIPTION OF THE CITY OF LITTLE ROCK**

General. The City is organized under the laws of the State of Arkansas as a city of the first class. It is the capital of the State, the largest city in the State and was chartered in 1835. The City is located in the central part of the State.

The City is the geographic, governmental, economic, cultural and financial center of the State. It is nearly equidistant from the four corners of the State and is the county seat of Pulaski County, Arkansas (the "County"). Within a radius of 500 miles from the City are located 24 metropolitan areas and substantial portions of 17 states containing more than one-third of the nation's population. Major cities near the City include: St. Louis, 360 miles northeast; Kansas City, 400 miles northwest; Atlanta, 520 miles east; New Orleans, 440 miles south; Oklahoma City, 350 miles northwest; Dallas, 310 miles southwest; and Memphis, 135 miles northeast.

The City is served by U.S. Interstates 30 and 40, U.S. Highways 65, 67, 70 and 167, and State Highways 10, 338, 365 and 367. Union Pacific Railroad Company and Amtrak provide railroad service to the City. The Bill and Hillary Clinton National Airport is owned by the City of Little Rock and operated by the Little Rock Municipal Airport Commission, and is served by American Airlines, Delta Airlines, Southwest Airlines, United Airlines, Frontier Airlines, and Allegiant Air.

Governmental Organization. The City operates under the City Manager/City Board form of municipal government. It has an 11-member Board of Directors, including a directly elected Mayor, with seven Directors elected from wards and three Directors elected city-wide. The Mayor's position is a city-wide elected position and must be elected by at least 40% of the votes cast. If no candidate for Mayor receives 40% or more of the votes cast, the two candidates receiving the most votes will face each other in a run-off election. All Directors and the Mayor serve four-year terms.

At a special election held August 14, 2007, the voters of the City approved two measures which granted to the Mayor greater powers including granting the Mayor veto power over measures adopted by the Board of Directors, subject to override by the Board, the authority to hire and fire the City Manager and City Attorney, subject to Board approval, to fill vacancies on municipal boards and commissions, subject to Board approval, and to prepare the annual budget with the City Manager, subject to Board approval.

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\* The collection rate of 97% in the additional parity bonds test set forth in Ordinance No. 22,192 of the City, adopted on November 15, 2022, authorizing the issuance of the 2022 Bonds, was the average ten-year collection rate at the time the 2022 Bonds were issued. The current average ten-year collection rate is 96%. See FINANCIAL INFORMATION – Collection of Taxes.

The current members of the City of Little Rock Board of Directors are as follows:

<u>Name</u>	<u>Term Expires</u>	<u>Principal Occupation</u>
Frank Scott, Jr., Mayor	December 31, 2026	Mayor, City of Little Rock
Kathy Webb, Vice-Mayor	December 31, 2026	Recently Retired as Executive Director at the Arkansas Hunger Relief Alliance
B.J. (Brenda) Wyrick	December 31, 2026	Retired from Enterprise Services Network Division of the Arkansas Department of Information Services
Dean Kumpuris	December 31, 2024	Physician
Ken Richardson	December 31, 2026	Community Activist for Disadvantaged Youth
Capi Peck	December 31, 2024	Restaurateur
Lance Hines	December 31, 2026	Transportation Consultant/Outside Sales with Priority 1, Inc.
Joan Adcock	December 31, 2024	Community Activist
Virgil Miller	December 31, 2026	Banker
Andrea Hogan Lewis	December 31, 2026	Banker
Antwan Phillips	December 31, 2024	Attorney

The principal executive officers of the City are:

<u>Office</u>	<u>Name</u>
Interim City Manager	Emily Cox
Chief Financial Officer	Nicholas Sarpy
City Attorney	Thomas M. Carpenter

The City Manager and the City Attorney are appointed by the Mayor with approval by the Board of Directors; the Chief Financial Officer is employed by the Mayor and the City Manager.

The City provides a broad range of municipal services, including: Police, Fire, Parks and Recreation, Finance, City Clerk, Personnel, Housing and Neighborhood Programs, Planning, Public Works, Community Services and Information Technology. Boards and commissions have primary responsibility for the operation of the City's Airport, Water Reclamation Authority (formerly the Wastewater Utility), and Emergency Medical Service. The water utilities of the City have been conveyed for operation by a joint board known as Central Arkansas Water consisting of the former Little Rock and North Little Rock Water Utilities.

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Employees. The City operates a full service Human Resources Department under the leadership of Sheridan Richards, Chief People Officer. City workers are represented by a number of trade unions. The primary ones are the American Federation of State, County and Municipal Employees, representing blue-collar employees; the Fraternal Order of Police, representing police officers; and the International Association of Fire Fighters, representing fire department employees.

As of December 31, 2023 the City employment was as follows:

<u>City Government</u>	<u>Total</u>	<u>Full-Time</u>	<u>Part-Time</u>
AFSCME - Union Eligible	395	395	--
IAFF - Sworn Uniform	408	408	--
FOP - Sworn Uniform	490	490	--
Non-Union - Eligible	<u>1,113</u>	<u>718</u>	<u>395</u>
	2,406	2,011	395
<u>Commissions</u>			
Water Reclamation Authority	207	206	1
Bill & Hillary Clinton National Airport	159	157	2
LR Convention & Visitors Bureau	188	112	76
Port Authority	10	9	1
Metropolitan Emergency Medical Services	390	325	65
Rock Region Metro	225	212	13
Arkansas Museum of Discovery	53	31	22
Arkansas Museum of Fine Arts	168	57	111
Central Arkansas Library	<u>301</u>	<u>223</u>	<u>78</u>
	<u>1,701</u>	<u>1,332</u>	<u>369</u>
Total Employment	4,107	3,343	764

Bill and Hillary Clinton National Airport. Bill and Hillary Clinton National Airport is located within the city limits of Little Rock and is three miles from downtown. It is served by six airlines. It has three runways and twelve gates (eleven with jetways). In 2023, approximately 2,237,000 passengers traveled through this facility. This was up from approximately 2,021,000 passengers in 2022.

Source: Bill and Hillary Clinton National Airport Website: Fly-LIT.com - Activity Report.

Port of Little Rock. The development of the Arkansas River through the McClellan-Kerr Arkansas River Navigation System has resulted in a 448-mile navigation channel with 18 locks and dams from the Mississippi River northwest to a point 15 miles east of Tulsa, Oklahoma. The ability to provide low-cost, bulk transportation has created opportunities for industrial development in the area.

Little Rock is also the location of Foreign Trade Zone #14. The Zone is located in the Little Rock Port Industrial Park and allows imported goods to be stored or processed without payment of customs duty or posting of bond until the goods are moved out of the Zone and into normal domestic commerce.

The facility includes an Industrial Harbor which is 4,500 feet long, 320 feet wide and 15 feet deep. The Harbor is surrounded by 312 acres of new industrial sites and provides an additional two miles of water frontage.

Source: City of Little Rock, Arkansas Port Authority.

Population. The following chart sets out population data for the City and the County (source: U.S. Bureau of Census):

<u>Year</u>	<u>Little Rock</u>	<u>Pulaski County</u>
2020	202,591	399,125
2010	193,524	382,748
2000	183,133	361,474
1990	175,795	349,660
1980	159,151	340,613
1960	107,813	242,980

Public Schools. Enrollment in the Little Rock School District, whose boundaries are generally co-extensive with the City limits, has been as follows:

<u>School Year</u>	<u>Enrollment<sup>(1)</sup></u>
2023	21,252
2022	21,456
2021	22,054
2020	21,612
2019	23,237

Source: Annual Disclosure Statement of the City of Little Rock, Arkansas for the year ended December 31, 2023.

<sup>(1)</sup> Total enrollment

Higher Education. Little Rock offers educational institutions with instruction in undergraduate, graduate and professional fields. The following is a list of colleges and universities located within the Little Rock MSA (or with relatively short commutes) with approximate on-campus enrollments:

University of Central Arkansas (Conway)	8,499 <sup>(2)</sup>
University of Arkansas - Little Rock <sup>(1)</sup>	6,913 <sup>(2)</sup>
University of Arkansas - Pulaski Technical College	4,480 <sup>(2)</sup>
University of Arkansas Medical Sciences Campus	3,485 <sup>(2)</sup>
Hendrix College (Conway)	1,144 <sup>(3)</sup>
Arkansas Baptist College	864 <sup>(3)</sup>
Philander Smith College	769 <sup>(3)</sup>
Central Baptist College (Conway)	564 <sup>(3)</sup>
University of Arkansas Bowen School of Law	460 <sup>(2)</sup>

<sup>(1)</sup> Includes full-time equivalent numbers for the University of Arkansas Clinton School of Public Service.

<sup>(2)</sup> Fall 2024

<sup>(3)</sup> Fall 2022

Building Permits. The following table shows new construction in the City, as reflected by building permits issued, at year end:

<u>Year</u>	<u>Commercial Construction</u>		<u>Residential Construction</u>	
	<u>Number of Permits</u>	<u>Value</u>	<u>Number of Permits</u>	<u>Value</u>
2023	139	\$163,637,926	423	\$155,743,834
2022	39	186,213,017	375	169,820,056
2021	88	166,577,215	540	166,474,819
2020	68	115,488,838	415	131,972,141
2019	76	85,798,573	413	125,590,680

Source: City of Little Rock Planning Department.

Principal Employers. The City’s economy is comprised of a diverse mix of financial, commercial, industrial, government, health and educational sectors. This diversity helps maintain a relatively stable employment environment in the City. The top 10 employers within the boundaries of the City and Pulaski County (except as noted for the MSA) for 2023 were as follows:

<u>Rank</u>	<u>Employer</u>	<u>Product/Service</u>	<u>Employees</u>
1	State Government (MSA)	Government	34,900
2	Local Government (MSA)	Government	27,200
3	Federal Government (MSA)	Government	9,900
4	University of Arkansas for Medical Sciences	Education/Medical Services	9,100
5	Baptist Health	Medical Services	5,360
6	Little Rock Air Force Base	Government	4,500
7	Arkansas Children’s Hospital	Medical Services	4,000
8	Little Rock School District	Schools/Education	3,500
9	Central Arkansas Veterans Health Care	Medical Services	2,800
10	Entergy Arkansas	Utility (Electric)	2,740

Source: Annual Disclosure Statement of the City of Little Rock, Arkansas for the year ended December 31, 2023.

Employment. The Arkansas Department of Workforce Services has provided the following data about the labor force and rate of unemployment for the Little Rock MSA:

<u>Date</u>	<u>Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate (%)</u>
2023	366,487	355,441	11,046	2.8
2022	359,829	348,328	11,501	3.2
2021	349,207	334,641	14,566	4.2
2020	356,019	333,062	22,957	6.4
2019	359,249	347,937	11,312	3.1

Medical Facilities. City hospitals serve patients throughout Arkansas. The following hospitals are located in the City. Baptist Medical Center, the area’s largest hospital, has an 851-bed capacity. St. Vincent Infirmiry Medical Center is a 615-bed general hospital. The Arkansas Children’s Hospital is a 336-bed facility that administers acute pediatric care to children up to age 21. The Arkansas Heart Hospital is a 112-bed facility specializing in cardiac care. The University of Arkansas for Medical Sciences Medical Center has a 450-bed capacity and is the state’s only academic health center. The Arkansas State Hospital is a 222-bed psychiatric facility. Baptist Health Extended Care Hospital is a 36-bed surgery and general medical care hospital. Baptist Health Rehabilitation Institute is a 120-bed rehabilitation hospital. Cornerstone Specialty Hospitals Little Rock is a 40-bed surgery and general medical care hospital. Pinnacle Pointe Behavioral Healthcare System is a 127-bed psychiatric hospital. The Central Arkansas Veterans Healthcare System includes two hospitals: John L. McClellan Memorial Veterans Hospital, located on the University of Arkansas for Medical Sciences Medical Center’s campus, which has a 305-bed capacity, and Eugene J. Towbin Healthcare Center in North Little Rock, which has an 86-bed capacity. Each of the following are located in North Little Rock: Baptist Health Medical Center-North Little Rock has a 225-bed capacity, Arkansas Surgical Hospital is a 49-bed surgery and general medical care hospital, and The BridgeWay is a 127-bed psychiatric hospital. Located in Sherwood, St. Vincent Medical Center/North is a 69-bed general care hospital, and CHI St. Vincent Sherwood Rehabilitation Hospital is an 80-bed rehabilitation hospital. United Methodist Behavioral Hospital is a 60-bed psychiatric hospital located in Maumelle. In 2016, Baptist Health completed a new 111-bed general care hospital in Conway, Arkansas. Conway Regional Medical Center is a 150-bed acute care hospital serving Conway, Faulkner County, and North Pulaski County. Conway Behavioral Health is an 80-bed hospital specializing in psychiatric care. Conway Regional Rehabilitation Hospital is a 26-bed rehabilitation hospital.

Sources: Arkansas Department of Health; Central Arkansas Veterans Healthcare System; and Baptist Health Website: [www.baptist-health.com/conway](http://www.baptist-health.com/conway) – Baptist Health Medical Center-Conway.

County Economic Data. Per capita personal income estimates for the County are as follows:<sup>(1)</sup>

<u>Year</u>	<u>Per Capita Personal Income</u>
2022	\$61,575
2021	60,465
2020	55,665
2019	51,389
2018	49,284

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<sup>(1)</sup>Source: Bureau of Economic Analysis, United States Department of Commerce; data for 2023 is not yet available.

Total personal income estimates for the County are as follows:<sup>(1)</sup>

<u>Year</u>	<u>Total Personal Income</u>
2022	\$24,577,444,000
2021	24,069,176,000
2020	22,224,069,000
2019	20,441,695,000
2018	19,568,805,000

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<sup>(1)</sup>Source: Bureau of Economic Analysis, United States Department of Commerce; data for 2023 is not yet available.

Litigation. The City is a party to multiple matters of litigation and regulatory proceedings arising from the City's various governmental activities. There are no lawsuits or regulatory proceedings pending or, to the knowledge of the City, threatened against the City, in which claims of damage are made which, individually or in the aggregate, create a financial exposure which would substantially impair the financial solvency of the City.

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## DEBT STRUCTURE

The information set forth under the heading "DEBT STRUCTURE" was obtained from the City of Little Rock and is believed to be accurate.

Authorized and Outstanding General Obligation Debt. As of December 31, 2023 the City had outstanding six general obligation bond issues and a number of short-term general obligation notes.

Assessed Value	\$5,700,745,210
Debt limit:	
General obligation debt limitation <sup>(1)</sup>	\$1,140,149,042
Short-term financing debt limitations <sup>(2)</sup>	<u>285,037,261</u>
Total Debt Limitation	<u>\$1,425,186,303</u>
Debt applicable to limit:	
General obligation and short-term financing	\$42,041,492
Less: Amount set aside for repayment in debt service funds	<u>19,209,252</u>
Total Net Debt Applicable to Limit	<u>\$22,832,240</u>
Legal debt margin	<u>\$1,402,354,063</u>

<sup>(1)</sup> General obligation debt is not to exceed 20% of assessed value.

<sup>(2)</sup> Short-term financing debt is not to exceed 5% of assessed value.

General Obligation Debt Service. The scheduled consolidated annual debt service requirements for the outstanding general obligation debt (long term and short term combined) of the City is as follows as of December 31, 2023:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$11,110,323	\$ 4,503,797	\$15,614,119
2025	5,049,725	4,171,901	9,221,626
2026	5,918,071	3,966,930	9,885,001
2027	6,407,854	3,699,367	10,107,221
2028	6,709,569	3,392,777	10,102,346
2029	5,375,000	3,083,688	8,458,688
2030	5,610,000	2,833,713	8,443,713
2031	5,870,000	2,572,338	8,442,338
2032	6,140,000	2,298,763	8,438,763
2033	<u>6,415,000</u>	<u>2,030,563</u>	<u>8,445,563</u>
Totals:	\$64,605,542	\$32,553,835	\$97,159,376

*Ratio of Annual Debt Service Payments for General Obligation Bonded Debt to Total General Governmental Expenditures:*

<u>Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Debt Service<sup>(1)</sup></u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to Total Governmental Expenditures</u>
2014	\$22,020,574	\$5,276,039	\$27,296,613	\$282,477,906	9.7%
2015	41,825,439	4,970,185	46,795,624	276,343,888	16.9
2016	23,024,131	4,663,739	27,687,870	292,810,265	9.5
2017	66,990,749	4,533,871	71,524,620	296,044,325	24.2
2018	22,782,724	3,107,332	25,890,056	288,660,273	9.0
2019	25,735,150	5,225,557	30,960,707	303,261,668	10.2
2020	25,453,737	5,015,782	30,469,519	327,762,613	9.3
2021	28,028,075	4,214,024	32,242,099	320,942,343	10.0
2022	49,283,237	3,523,982	52,807,219	315,319,308	16.7
2023	7,348,298	4,896,711	12,245,009	338,820,014	3.6

<sup>(1)</sup> Includes debt service from both long term and short term general obligation bonds and notes and debt payable solely from franchise fees collected from public utilities for the privilege of using the City's streets and public rights-of-way ("franchise fees").

Source: City of Little Rock.

*Ratio of General Net Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita:*

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Appraised Value of Property</u>	<u>Net Bonded Debt per Capita</u>
2014	\$102,395,291	\$20,845,865	\$81,549,426	2.04%	\$421.39
2015	106,214,395	14,880,687	91,333,708	2.26	471.95
2016	93,476,815 <sup>(1)</sup>	18,299,509	75,177,306	1.78	388.47
2017	74,133,457	16,381,890	57,751,567	1.34	298.42
2018	103,289,199 <sup>(2)</sup>	22,255,918	81,033,281	1.82	418.72
2019	85,179,234	21,678,709	63,500,525	1.37	328.13
2020	66,373,957	23,059,339	43,314,618	0.91	223.82
2021	44,321,544	21,954,920	22,366,624	0.45	110.40
2022	101,821,513 <sup>(3)</sup>	1,093,589	100,727,924	1.87	497.20
2023	101,434,342	19,209,952	82,224,389	1.44	405.86

Source: City of Little Rock Annual Comprehensive Financial Report ending December 31, 2023.

<sup>(1)</sup> In 2015, the City issued \$36,620,000 in limited tax general obligation bonds to refund the outstanding Library Construction Bonds, Series 2008 and Series 2009, and to fund additional capital improvements for the Central Arkansas Library System.

<sup>(2)</sup> In 2018, the City issued \$43,475,000 in limited tax general obligation bonds to finance street and drainage improvements for the City.

<sup>(3)</sup> In 2022, the City issued \$40,770,000 in Library construction and refunding bonds. The 2017 Library bonds were retired and the 2015 Library bonds were refunded. The City also issued the Series 2022A Bonds in the aggregate principal amount of \$53,510,000 and the Series 2022B Bonds in the aggregate principal amount of \$5,055,000. The Series 2022B Bonds matured on February 1, 2024. The 2018 Limited Tax General Obligation Capital Improvement Bonds were retired.

Defaults. No general obligation or revenue securities for which the City is an obligated party (as opposed to a conduit issuer) have been in default as to principal or interest payments or in any other material respect at any time in the last 68 years.

Invalidity of Tourism Bonds. In the case of Purvis v. City of Little Rock, 282 Ark. 101, 669 S.W.2d 900 (1984), a divided Arkansas Supreme Court held invalid an issue of bonds by the City of Little Rock to finance construction of a privately-owned motel on City property. Four of the seven justices concurred in the result on the basis of that either (1) the bonds were issued without a required election, or (2) the bonds were not issued for a proper public purpose. These bonds were revenue bonds payable solely from lease rentals paid by the user of the motel, and the City was not obligated to use any other funds for payment of debt service. After the Supreme Court decision, the Lessee paid all bondholders in full and took title to the motel property. No other obligations of the City have been declared invalid or unenforceable in the last 40 years.

Overlapping Debt. Property within the City is also chargeable with a portion of the debt of the Little Rock School District, shown as follows as of December 31, 2023:

	Gross Debt Less Funds Available for <u>Retirement</u>	Percentage Applicable to <u>the City</u>	Amount Chargeable to Property Within <u>the City</u>
Little Rock Public School District	\$412,200,971	100%	\$412,200,971

Revenue Bonds. The City has issued revenue bonds, which are not general obligations of the City but which are repayable solely from the specific revenues of the City pledged to pay debt service on these bonds. The amount of these bonds outstanding (plus any original issue discount and less any original issue premium) at December 31, 2023, was as follows:

2003 Capital Improvement & Refunding Bonds (Parking Bonds)	\$ 3,788,568
Water Reclamation System Revenue Bonds	397,323,878
2014 Hotel and Restaurant Gross Receipts Tax Bonds	57,046,415
2018 Hotel Gross Receipts Tax Bonds	30,078,827
2017 Capital Improvement Refunding Revenue Bonds	12,908,959
Port Authority Revenue Bonds	<u>4,831,168</u>
<b>Total</b>	<b><u>\$505,977,815</u></b>

The annual requirements to amortize the principal and interest of all bonded indebtedness as of December 31, 2023, are as follows:

Year	<u>Governmental Activities</u>			<u>Business-Type</u> <u>Activities</u>	<u>Total Primary</u> <u>Government</u>
	<u>General Obligation</u> <u>&amp; Revenue Bonds</u>	<u>Notes Payable</u>	<u>Capital</u> <u>Leases</u>	<u>Revenue Bonds</u>	<u>Total</u>
2024	\$14,973,356	\$4,070,907	\$1,604,703	\$886,135	\$ 21,535,101
2025	9,784,456	2,863,414	798,828	889,830	14,336,528
2026	10,450,331	2,863,414	394,087	886,405	14,594,237
2027	11,890,581	1,648,383	210,430	891,125	14,640,519
Thereafter	<u>156,078,869</u>	<u>1,648,383</u>	<u>597,843</u>	<u>863,460</u>	<u>159,188,555</u>
<b>Total</b>	<b><u>\$203,177,593</u></b>	<b><u>\$13,094,501</u></b>	<b><u>\$3,605,891</u></b>	<b><u>\$4,416,955</u></b>	<b><u>\$224,294,940</u></b>

## FINANCIAL INFORMATION

Audited Financial Statements. The City's Annual Comprehensive Financial Report ("ACFR") contains the audited general purpose financial statements of the City. The most recent ACFR is for the fiscal year ended December 31, 2023. The ACFR can be viewed in its entirety, including the accountants' report, notes to the financial statements and required supplementary information on the City's website at [www.littlerock.gov](http://www.littlerock.gov).

The City Budget. The three principal sources of revenue for the City's operating budget are sales and use taxes, utility franchise fees and property taxes. The County sales and use tax is levied by Pulaski County and distributed to the governmental entities on a per capita basis. Sales and use tax proceeds have increased steadily since the tax was approved by the voters in 1982, despite a successful lawsuit which required that the County discontinue collection of the use tax portion of the sales and use tax in 1986. The use tax was reinstated in 1987 and successfully defended against litigation before the Arkansas Supreme Court in 1990 and again in 2004.

Little Rock electors passed a one (1)-cent sales and use tax increase in September 2011 that went into effect on January 1, 2012. The one (1)-cent local sales and use tax increase was comprised of two separate sales and use taxes: (i) a permanent five-eighths (5/8)-cent sales and use tax for operations and (ii) a temporary three-eighths (3/8)-cent sales and use for capital projects, which expired on December 31, 2021. The permanent five-eighths (5/8)-cent sales and use tax for operations is reflected in the 2024 adopted budget.

A special election was held in the City on November 5, 2024 on a proposed one (1)-cent local sales and use tax increase, which included (i) a temporary (10-year) five-eighths (5/8)-cent sales and use tax for capital improvements and (ii) a permanent three-eighths (3/8)-cent sales and use tax for operations. The voters rejected the new sales and use tax. Funding for capital projects is currently limited to bonds, operational revenues, grants and short-term financing notes.

In 2002, the Board of Directors adopted a policy that established a designated reserve within the General Fund. At the end of the fiscal year, the Board reviews audited financial statements and determines the appropriate amount to place in the reserve. Prior to 2006, the Board had increased the reserve to \$9,418,000. The General Fund goal was to set aside the greater of \$10,000,000, or 10% of General Fund revenues in the reserve. The City's management team has increased the reserve to \$13.1 million.

Utility franchise fees are collected as a percentage of the gross revenues of the utilities doing business in the City of Little Rock: Entergy Arkansas, Summit Utilities, Comcast Cable, AT&T U-Verse, Windstream, and a number of telecommunication providers of local landlines and long distance. State tax turnback (intergovernmental revenues) consists of general revenue and gasoline tax revenues and is distributed to Arkansas municipalities on a per capita basis.

The following table summarizes the changes in net position of the City for the years indicated.

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

**Table 2**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
<b>Governmental activities</b>										
General government	\$ 50,079,445	\$ 55,582,516	\$ 53,272,988	\$ 52,444,900	\$ 51,413,544	\$ 51,825,519	\$ 52,235,183	\$ 61,255,761	\$ 60,770,407	\$ 75,533,259
Public works	39,260,053	39,559,132	39,423,882	36,221,854	39,017,097	38,667,619	38,618,295	39,957,927	39,618,691	45,562,726
Parks and recreation services	11,436,512	11,324,541	13,144,116	14,871,467	17,180,915	17,962,635	41,645,355	15,236,418	14,347,852	14,226,915
Rivermarket	1,337,298	1,298,563	1,284,327	1,331,241	1,353,019	1,404,893	887,997	1,081,976	1,102,088	1,094,976
Golf	2,420,678	2,434,632	2,551,972	2,526,247	2,594,869	2,439,255	1,912,674	1,969,055	1,818,690	2,098,118
Jim Dailey Fitness	1,389,915	988,633	1,004,748	1,009,427	944,192	953,498	764,511	819,547	955,821	1,100,238
Zoo	6,920,847	10,754,587	7,466,778	7,419,725	7,467,458	7,153,851	6,439,107	7,356,332	8,706,384	9,202,827
Fire	48,017,977	36,708,372	51,670,486	54,864,567	55,250,732	58,868,639	64,046,333	57,803,583	51,724,011	66,855,184
Police	74,326,931	71,455,621	75,772,406	78,969,098	97,132,460	92,011,803	92,249,026	83,668,110	74,238,853	90,039,080
911 operations	-	-	-	-	-	-	-	-	4,585,371	4,713,284
Economic development	-	-	-	528,000	250,000	200,000	205,360	300,000	200,000	2,453,222
Education	6,505,814	5,773,774	10,131,712	7,130,903	2,501,134	763,492	27,000	119,815	3,005,774	1,645,243
Housing and neighborhood programs	6,996,437	10,142,884	9,149,127	9,942,239	9,844,864	9,373,900	8,089,873	10,940,380	10,862,513	11,774,133
Fleet	3,397,637	1,164,920	1,918,738	896,094	483,356	63,480	81,144	141,148	84,945	1,327,538
Interest Expense and fiscal charges on long-term debt	5,096,215	4,830,546	4,641,761	3,608,458	3,678,321	4,125,269	4,626,302	3,779,600	4,521,449	5,181,322
<b>Total governmental activities expenses</b>	<b>257,185,759</b>	<b>252,018,721</b>	<b>271,433,041</b>	<b>271,764,220</b>	<b>289,111,961</b>	<b>285,813,853</b>	<b>311,828,160</b>	<b>284,429,652</b>	<b>276,542,849</b>	<b>332,808,065</b>
<b>Business-type activities</b>										
Waste disposal	13,854,376	14,401,947	14,790,357	14,846,883	16,692,777	19,132,052	21,657,734	20,385,069	22,714,914	22,985,284
Rivermarket garage	1,938,758	1,985,775	2,087,989	1,964,207	2,191,965	2,146,710	1,521,759	1,658,313	1,803,028	1,675,425
Vehicle Storage	1,332,818	1,350,526	1,409,481	1,408,219	1,586,109	1,589,571	1,447,768	1,506,812	1,450,998	1,645,796
<b>Total business-type activities expenses</b>	<b>17,125,952</b>	<b>17,738,248</b>	<b>18,287,827</b>	<b>18,219,309</b>	<b>20,470,851</b>	<b>22,868,333</b>	<b>24,627,261</b>	<b>23,550,194</b>	<b>25,968,940</b>	<b>26,306,505</b>
<b>Total primary government expenses</b>	<b>\$ 274,311,711</b>	<b>\$ 269,756,969</b>	<b>\$ 289,720,868</b>	<b>\$ 289,983,529</b>	<b>\$ 309,582,812</b>	<b>\$ 308,682,186</b>	<b>\$ 336,455,421</b>	<b>\$ 307,979,846</b>	<b>\$ 302,511,789</b>	<b>\$ 359,114,570</b>
<b>Program Revenues</b>										
<b>Governmental activities</b>										
Charges for services										
General government	\$ 16,062,816	\$ 16,717,877	\$ 19,383,270	\$ 16,018,807	\$ 16,314,356	\$ 16,955,954	\$ 14,154,728	\$ 15,885,206	\$ 15,848,571	\$ 17,258,226
Public works	593,298	571,436	422,907	365,621	325,421	411,203	1,812,185	631,745	414,839	309,617
Parks and recreation services	1,506,979	1,539,875	2,360,546	2,729,707	2,573,039	1,812,398	868,641	1,050,862	1,181,952	1,358,855
Rivermarket	617,337	605,207	551,711	524,584	558,919	476,057	191,914	407,544	399,666	287,941
Golf	1,581,520	1,476,467	1,306,904	1,426,564	1,283,538	1,019,081	960,326	1,255,997	1,152,176	1,396,329
Jim Dailey Fitness	920,051	495,687	455,025	449,846	455,880	561,516	135,895	165,523	332,899	412,731
Zoo	3,869,582	3,798,687	4,191,378	4,202,332	3,440,997	3,391,686	1,313,288	3,422,623	3,733,929	3,547,904
Fire	2,602,223	2,562,979	2,724,322	2,677,645	2,882,895	2,869,900	1,826,533	1,499,132	1,980,587	6,482,474
Police	3,322,195	3,231,294	3,622,692	3,430,233	2,821,198	3,757,566	6,954,354	5,572,866	3,195,411	1,594,042
911 operations	-	-	-	-	-	-	-	-	3,006,992	3,100,451
Education	-	-	-	-	886	-	-	-	-	-
Fleet	229,248	-	-	-	689,291	449,253	559,309	713,646	771,858	1,111,163
Housing and neighborhood programs	669,271	945,430	794,696	822,456	1,437,279	1,074,006	889,668	910,037	1,236,115	534,815
Operating grants and contributions	5,396,151	6,041,316	4,619,575	4,330,755	29,379,100	32,172,071	40,578,867	40,744,859	38,282,851	35,440,687
Capital grants and contributions	1,379,420	591,966	2,415,017	1,568,435	6,328,314	9,722,917	5,602,611	24,319,712	5,540,438	3,104,639
<b>Total governmental activities program revenues</b>	<b>\$ 38,750,091</b>	<b>\$ 38,578,221</b>	<b>\$ 42,848,043</b>	<b>\$ 38,546,985</b>	<b>\$ 68,491,113</b>	<b>\$ 74,673,608</b>	<b>\$ 75,848,319</b>	<b>\$ 96,579,752</b>	<b>\$ 77,078,284</b>	<b>\$ 75,939,874</b>

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

**Table 2**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Business-type activities</b>										
Charges for services										
Waste disposal	\$ 17,452,777	\$ 17,761,020	\$ 17,975,553	\$ 17,959,296	\$ 18,291,143	\$ 18,909,436	\$ 23,534,488	\$ 23,967,918	\$ 25,039,773	\$ 25,976,307
Rivermarket garage	2,144,882	2,500,013	2,873,719	2,560,451	2,590,183	3,201,736	2,507,294	2,321,067	2,718,304	2,547,937
Vehicle storage	1,347,321	1,196,723	1,319,514	1,464,567	2,000,823	1,877,877	1,853,295	2,040,048	2,224,338	2,224,752
Capital grants and contributions	170,289	-	17,482	1,521	52,807	-	-	-	-	-
Total business-type activities program revenues	21,115,269	21,457,756	22,186,268	21,985,835	22,934,956	23,989,049	27,895,077	28,329,033	29,982,415	30,748,996
Total primary government program revenues	59,865,360	60,035,977	65,034,311	60,532,820	91,426,069	98,662,657	103,743,396	124,908,785	107,060,699	106,688,870
<b>Net (expense)/revenue</b>										
Governmental activities	(218,435,668)	(213,440,500)	(228,584,998)	(233,217,235)	(220,620,848)	(211,140,245)	(235,979,841)	(187,849,900)	(199,464,565)	(256,868,191)
Business-type activities	3,989,317	3,719,508	3,898,441	3,766,526	2,464,105	1,120,716	3,267,816	4,778,839	4,013,475	4,442,491
Total primary government net expense	(214,446,351)	(209,720,992)	(224,686,557)	(229,450,709)	(218,156,743)	(210,019,529)	(232,712,025)	(183,071,061)	(195,451,090)	(252,425,700)
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
<b>Taxes</b>										
General Property taxes	51,570,745	50,469,150	57,028,881	56,421,850	58,677,802	60,412,042	61,054,723	64,473,416	67,315,382	71,007,524
Sales taxes	114,294,652	118,312,110	118,220,534	120,269,724	121,474,064	132,033,373	130,975,321	151,788,411	135,892,366	145,043,984
Utility franchise taxes	29,898,410	31,065,494	29,599,082	29,326,328	29,965,553	31,182,685	29,714,100	31,432,173	33,971,762	35,198,152
Unrestricted grants and contributions	27,219,998	22,990,373	25,055,029	23,009,538	-	-	-	3	4,619,172	8,521,875
Investment income (loss)	1,131,952	775,618	559,560	1,094,589	1,591,250	4,416,791	1,691,383	(505,636)	(6,929,856)	11,861,683
Other	-	-	-	7,428,860	-	-	-	-	-	-
Transfers	1,804,131	1,816,098	1,801,106	1,880,606	1,581,764	1,784,335	1,909,301	1,944,761	1,822,544	1,255,109
Total governmental activities	225,919,888	225,428,843	232,264,192	239,431,495	213,290,433	229,829,226	225,344,828	249,133,128	236,691,370	272,888,327
<b>Business-type activities</b>										
Investment earnings	135,013	111,523	47,467	138,478	229,421	441,870	134,710	(82,788)	(496,033)	1,202,808
Special item - transfer of net pension obligation	-	-	-	-	-	-	-	-	-	-
Transfers	(1,804,131)	(1,816,098)	(1,801,106)	(1,880,606)	(1,581,764)	(1,784,335)	(1,909,301)	(1,944,761)	(1,822,544)	(1,255,109)
Total business-type activities	(1,669,118)	(1,704,575)	(1,753,639)	(1,742,128)	(1,352,343)	(1,342,465)	(1,774,591)	(2,027,549)	(2,318,577)	(52,301)
Total primary government	224,250,770	223,724,268	230,510,553	237,689,367	211,938,090	228,486,761	223,570,237	247,105,579	234,372,793	272,836,026
<b>Changes in Net Position</b>										
Governmental activities	7,484,220	11,988,343	3,679,194	6,214,260	(7,330,415)	18,688,981	(10,635,013)	61,283,228	37,226,805	16,020,136
Business-type activities	2,320,199	2,014,933	2,144,802	2,024,398	1,111,762	(221,749)	1,493,225	2,751,290	1,694,898	4,390,190
Change in accounting principle	-	(122,021,882)	-	-	(10,849,970)	-	-	-	667,091	-
Total primary government	\$ 9,804,419	\$ (108,018,606)	\$ 5,823,996	\$ 8,238,658	\$ (17,068,623)	\$ 18,467,232	\$ (9,141,788)	\$ 64,034,518	\$ 39,588,794	\$ 20,410,326

Computation of Dollar Amount of Bond Tax Levied. The most recent county-wide reassessment of taxable property required by the Arkansas Supreme Court was completed in Pulaski County in 2022. For purposes of Amendment 59, the year in which the reassessment is completed is known as the "Base Year." For a general discussion of the reassessment requirement and its effect on assessed value and the tax rate. See, **SUMMARY OF ARKANSAS AD VALOREM TAX PROCEDURES.**

The Bond Tax pledged to the 2022 Bonds and the 2024 Bonds is levied at the rate of 3.0 mills. For purposes of this computation it has been assumed that collections of the Bond Tax will remain constant for so long as any of the 2022 Bonds and the 2024 Bonds remain outstanding. In connection with this assumption, it is assumed that Special State Sales Tax Collections will equal the decrease in collections of the Bond Tax resulting from the Homestead Exemption. See, **SUMMARY OF ARKANSAS AD VALOREM TAX PROCEDURES, Homestead Exemption,** infra. However, if the assessed valuation of the property in the City increases or decreases for any reason, the dollar amount of the Bond Tax actually levied will increase or decrease proportionately as will the Special State Sales Tax Collections.

Assessed Valuation. The following table contains the assessed valuation of real, personal and utility property within the City:

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utility Property</u>	<u>Total</u>
2014	\$2,933,524,621	\$794,658,400	\$275,131,285	\$4,003,314,306
2015	3,008,366,567	787,937,640	252,624,940	4,048,929,147
2016	3,117,379,881	858,956,525	253,978,240	4,230,314,646
2017	3,213,577,682	842,285,575	239,815,220	4,295,678,477
2018	3,383,352,274	835,678,550	239,937,630	4,458,968,454
2019	3,524,794,031	867,123,910	245,697,775	4,637,615,716
2020	3,622,833,643	868,891,340	260,165,285	4,751,890,268
2021	3,691,913,456	915,003,040	272,818,075	4,879,734,571
2022	4,011,070,758	1,079,054,005	283,762,390	5,373,887,153
2023	4,236,196,770	1,171,843,240	292,705,200	5,700,745,210

Source: Pulaski County Tax Assessor.

Collection of Taxes. Collections of ad valorem taxes levied by the City are shown in the following table:

<u>Year Ended</u>	<u>Total Tax Levy</u>	<u>Collection of Current Year's Taxes During Current Period</u>	<u>Percentage of Levy Collected</u>	<u>Prior Years' Collections</u>	<u>Total Collections</u>	<u>Percentage of Total Collections to Tax Levy</u>
2014	\$51,613,055	\$47,315,821	91.67%	\$2,805,622	\$50,121,443	97.11%
2015	53,396,476	48,850,999	91.49	2,564,574	51,415,573	96.29
2016	53,782,561	49,486,679	92.01	2,606,358	52,093,037	96.86
2017	56,364,487	50,946,371	90.39	2,742,826	53,689,197	95.25
2018	57,324,101	52,552,647	91.68	3,137,897	55,690,544	97.15
2019	59,626,225	54,658,989	91.67	3,206,963	57,865,921	97.05
2020	61,986,496	54,757,924	88.34	3,055,485	57,813,409	93.27
2021	63,760,446	60,429,413	94.78	3,045,220	63,474,633	99.55
2022	65,345,884	58,476,965	89.49	4,141,027	62,617,992	95.83
2023	69,245,077	62,524,713	90.29	3,795,398	66,320,111	95.78

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.

Source: Annual Disclosure Statement of the City of Little Rock, Arkansas for the year ended December 31, 2023.

Overlapping Ad Valorem Taxes. The ad valorem taxing entities in the State of Arkansas are municipalities, counties, school districts and community college districts. All taxable property located within the boundaries of a taxing entity is subject to taxation by that entity. Thus, property within a municipality is also subject to county ad valorem taxes. Property located within a school district and/or within a community college district is also subject to taxation by that entity or entities. The present rate of ad valorem taxation on taxable property within the City (not including the Bond Tax) is 12.1 mills. The ad valorem tax entities whose boundaries overlap the City and their ad valorem taxing rates are:

<u>Names of Overlapping Entity</u>	<u>Mills</u>
Pulaski County	10.10
Little Rock School District (LRSD)	46.40
Pulaski County Special School District (PCSSD)	40.70

Source: Arkansas Assessment Coordination Department.

Pension Plans. Substantially all of the City's employees receive retirement benefits. The City sponsors two single employer defined benefit plans and two defined contribution pension plans. The City participates in two agent-multiple employer defined pension plans. The City also contributes to three cost-sharing multiple employer defined benefit pension plans. The assets of the plans are maintained in legally separate trusts and each plan's assets may be used only for the payment of benefits to the members of that plan or their beneficiaries in accordance with the terms of the plan.

Information regarding the pension plans as of December 31, 2023 is found in Note 7 to the general purpose financial statements of the City for the fiscal year ended December 31, 2023, which are contained in the ACFR. The ACFR can be viewed in its entirety, including the accountants' report, notes to the financial statements and required supplementary information on the City's website at [www.littlerock.gov](http://www.littlerock.gov).

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## DEBT SERVICE REQUIREMENTS

The following tables show amounts required to pay scheduled principal and interest on the 2024 Bonds during each year ending February 1. However, the City expects to retire the 2024A Bonds earlier than scheduled from Surplus Tax Collections. See **THE 2024 BONDS**, Redemption and **PROJECTED MANDATORY REDEMPTION**.

### SERIES 2024A BONDS

<u>(February 1)</u>	<u>Principal*</u>	<u>Interest</u>	<u>Total Debt Service</u>
2029	\$1,075,000		
2030	1,130,000		
2031	1,180,000		
2032	1,245,000		
2033	1,300,000		
2034	1,355,000		
2035	1,410,000		
2036	1,465,000		
2037	1,525,000		
2038	1,590,000		
2039	1,655,000		
2040	1,715,000		
2041	1,785,000		
2042	1,850,000		
2043	1,920,000		
2044	1,995,000		
2045	2,065,000		
Totals:	\$26,260,000		

### SERIES 2024B BONDS

<u>(February 1)</u>	<u>Principal*</u>	<u>Interest</u>	<u>Total Debt Service</u>
2026	\$4,310,000		
2027	3,150,000		
2028	3,285,000		
Totals:	\$10,745,000		

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\* Preliminary; subject to change.

**COMBINED SERIES 2024A BONDS AND SERIES 2024B BONDS**

<u>(February 1)</u>	<u>Principal*</u>	<u>Interest</u>	<u>Total Debt Service</u>
2026	\$4,310,000		
2027	3,150,000		
2028	3,285,000		
2029	1,075,000		
2030	1,130,000		
2031	1,180,000		
2032	1,245,000		
2033	1,300,000		
2034	1,355,000		
2035	1,410,000		
2036	1,465,000		
2037	1,525,000		
2038	1,590,000		
2039	1,655,000		
2040	1,715,000		
2041	1,785,000		
2042	1,850,000		
2043	1,920,000		
2044	1,995,000		
2045	2,065,000		
Totals:	\$37,005,000		

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\* Preliminary; subject to change.

The following table shows the amounts required to pay the remaining scheduled principal of and interest on the 2022 Bonds and the 2024 Bonds during each year. However, the City expects to retire the 2022 Bonds and the 2024A Bonds earlier than scheduled from Surplus Tax Receipts. See **THE 2024 BONDS, Redemption and PROJECTED MANDATORY REDEMPTION.**

**COMBINED 2022 BONDS AND 2024 BONDS**

<u>(February 1)</u>	<u>2022 Bond Debt Service</u>	<u>2024 Bond Debt Service</u>	<u>Total Debt Service</u>
2025	\$ 976,215.63		
2026	2,637,431.26		
2027	4,113,181.26		
2028	4,113,431.26		
2029	4,113,181.26		
2030	4,106,381.26		
2031	4,110,981.26		
2032	4,111,381.26		
2033	4,107,581.26		
2034	4,109,581.26		
2035	4,101,981.26		
2036	4,114,981.26		
2037	4,112,581.26		
2038	4,110,181.26		
2039	4,111,881.26		
2040	4,113,350.00		
2041	4,109,393.76		
2042	2,815,012.50		
2043			
2044			
2045			
Totals:	\$68,088,709.53		

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## DEBT SERVICE COVERAGE

Based on an estimated collection rate of 96% of the Bond Tax levied on the taxable property within the City, the Special Tax Collections will provide coverage in excess of annual principal and interest requirements for the 2022 Bonds and the 2024 Bonds as shown below. (For information concerning the historical rate of tax collections, see **FINANCIAL INFORMATION, Collection of Taxes**. See also **SUMMARY OF ARKANSAS AD VALOREM TAX PROCEDURES, Property Tax Relief Trust Fund**, herein.) The figures set forth below are estimates only, and there can be no assurance that the collection and the collection rate will equal the estimated amounts set forth hereinbelow.

Estimated Special Tax Collections At 100% Collection	\$17,102,236
County Treasurer's Commission at 2%	(342,045)
Most Recent Ten Years Average Total Collection Rate	96%
Estimated Special Tax Collections Available for Debt Service	16,089,783
Maximum Annual Debt Service for the 2022 Bonds and the 2024 Bonds <sup>(1)</sup>	8,613,869
Coverage Ratio	1.87x

<sup>(1)</sup> Based on a bond year ending February 1; assuming an average coupon rate of 3.97% for the 2024 Bonds.

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**PROJECTED MANDATORY REDEMPTION**

The tables under the caption **DEBT SERVICE REQUIREMENTS** do not reflect possible redemptions of the 2022 Bonds and the 2024 Bonds from Surplus Tax Collections. "Surplus Tax Collections" are Special Tax Collections in excess of the amount necessary to (i) make the next two interest payments, the next principal payment, the Trustee’s fees and expenses and other administrative charges with respect to the 2022 Bonds, the 2024 Bonds, and the Additional Parity Bonds and (ii) pay any arbitrage rebate due under Section 148(f) of the Code.

While the 2022 Bonds are outstanding, the City shall apply 100% of the Surplus Tax Collections to the redemption of the 2022 Bonds. Thereafter, Surplus Tax Collections shall be used to redeem outstanding Series 2024B Bonds. Once the 2022 Bonds and the Series 2024B Bonds are no longer outstanding, Surplus Tax Collections shall be used to redeem the Series 2024A Bonds, and after the Series 2024A Bonds are no longer outstanding, Surplus Tax Collections shall be used to redeem Additional Parity Bonds. In the event of a redemption from Surplus Tax Collections, the bonds of a particular series shall be redeemed in inverse order of maturity and by lot within a maturity in such manner as the Trustee shall determine.

Based on a collection rate of 96%, the estimated Special Tax Collections will be approximately \$16,089,783 per year. The City has also assumed that the Additional Parity Bonds will be issued in 2026 in the aggregate principal amount of \$65,155,000\* with scheduled principal due annually from 2029 through 2046 and an average coupon rate of 5%. If such estimates are correct and there is no increase or decrease in such collections or collection rate and scheduled debt service on the 2022 Bonds and the 2024 Bonds as shown at the caption **DEBT SERVICE REQUIREMENTS** herein, the 2024A Bonds would be redeemed prior to maturity as shown below. There can be no assurance that these estimates will be sufficient to provide for the projected redemptions set forth.

**SERIES 2024A BONDS**

<u>Year</u>	<u>Scheduled Principal*</u>	<u>Series 2024A Bonds Redeemed Prior to Maturity*</u>	<u>Total Principal Retired*</u>
2029	\$1,075,000	\$990,000	\$2,065,000
2030	1,130,000	10,195,000	11,325,000
2031	1,180,000	10,640,000	11,820,000
2032	<u>1,050,000</u>	<u>--</u>	<u>1,050,000</u>
Totals:	\$4,435,000	\$21,825,000	\$26,260,000

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\* Preliminary; subject to change.

## SUMMARY OF ARKANSAS AD VALOREM TAX PROCEDURES

The following is a summary of the principal provisions of the Arkansas Constitution and statutes relating to the assessment and collection of real and personal property taxes in the State.

Taxable Property. In general, the Arkansas Constitution subjects all real estate property situated in the State to ad valorem taxation except the following: (1) public property used exclusively for public purposes, (2) churches used as such, (3) cemeteries used exclusively as such, (4) school buildings and apparatus, (5) libraries and grounds used exclusively for school purposes, (6) buildings, grounds, and materials used exclusively for public charity, and (7) items of household furniture and furnishings, clothing, appliances, and other personal property used within the home, if not held for sale, rental, or other commercial or professional use.

The General Assembly may exempt one or more classes of intangible personal property from taxation, tax intangible property at a lower rate, or provide for taxation of intangible personal property on a basis other than ad valorem. Under statutes presently in force, intangible personal property is not subject to ad valorem taxation. Amendment 59 also authorizes the General Assembly to exempt from taxation the first \$20,000 of value of a homestead of a taxpayer 65 years of age or older.

The Arkansas Constitution provides exemptions from ad valorem taxation, with limitations, for textile mills and new manufacturing establishments.

Tangible personal property in transit through the State is not subject to ad valorem taxation. This exemption has been interpreted to include raw materials shipped to Arkansas for inclusion in tangible personal property manufactured, processed, or refined here for shipment outside the State.

Assessment. Each Arkansas county has a county assessor, elected for a four-year term of office. Every year between the first Monday in January and July 1 the assessor is required to assess the value of all real property located in the county and has the authority to list, value and assess all tangible personal property subject to ad valorem taxation located in the county. Under certain circumstances, a professional appraiser or appraisers may be employed for the purpose of assessing all or any portion of the property located in the county.

It is the duty of the assessor to determine and to keep current a correct and pertinent description of each tract of real property in the county and to place a value on each such tract, including any improvements. The assessor must then file with the county clerk, by July 31, an assessment report of all tangible personal property within the county and, by the third Monday of August, of all real property within the county. The assessor must also, by the third Monday of August of each year, report to the Public Service Commission ("PSC") the total assessment of real and tangible personal property in the county and the kind, character, number, and value of property assessed for taxation in the county.

The owner of every vehicle subject to registration in the state must assess the vehicle with the county tax assessor. County tax assessors and collectors are required to forward information identifying vehicles which have been assessed within the time frame required by law and vehicles for which the owners have paid personal property taxes within the time frame required by law to the Arkansas Department of Finance and Administration.

Any property owner may appeal an assessment made by the assessor to the county equalization board, which has the authority to increase or decrease such assessment. From a decision by the board, a property owner or the assessor may appeal to the county court.

Upon complaint made to the Assessment Coordination Division (the "ACD"), a division of the PSC, by the county judge, county assessor, or county equalization board, or upon the ACD's own investigation and motion, and a summary hearing, the ACD may, in its discretion, order a reassessment of all or any part of the taxable property in any county, to be made by the county

assessor or by a person or persons to be recommended by the county judge and appointed by the ACD.

Property owned by public utilities and common carriers and "used and/or held for use in the operation of the company..." is assessed for tax purposes by the Tax Division of the Arkansas Public Service Commission. A. C. A. § 26-26-1605 provides that the Tax Division "shall assess the property at its true and full market or actual value" and that all utility property of a company, whether located within or without the State of Arkansas, is to be valued as a unit. Annually, the company files a report with the Tax Division. The Tax Division reviews these reports, along with other reports (such as reports to shareholders, the Federal Communications Commission, the Federal Energy Regulatory Commission and the Interstate Commerce Commission), to determine the value of the property. Valuation is currently made on the basis of a formula, as set forth in A.C.A. § 26-26-1607, with consideration given to (i) original cost less depreciation, replacement cost less depreciation or reconstruction cost less depreciation; (ii) market value of capital stock and funded debt; and (iii) capitalization of income. As provided in A.C.A. § 26-26-1611, once the value of a company's property as a unit is determined, the Tax Division removes the value allocable to out-of-state property and assigns the remainder among Arkansas taxing units on the basis of value within each jurisdiction. The Tax Division certifies the assessment to the county assessor who enters the assessment as certified on the county assessment roll. County officials have no authority to change such assessment.

Reassessment. All other property is assessed by the elected assessor of each Arkansas county (or other official or officials designated by law). This includes both real and tangible personal property. Amendment No. 79 to the Arkansas Constitution requires each county to appraise all market value real estate normally assessed by the county assessor at its full and fair value at a minimum of once every five (5) years.

Amendment No. 79 requires the county assessor (or other official or officials designated by law), after each county-wide reappraisal, to compare the assessed value of each parcel of real property reappraised or reassessed to the prior year's assessed value. If the assessed value of the parcel increased, then the assessed value of that parcel must be adjusted as provided below.

(a) Subject to subsection (c) below, if the parcel is not the homestead and principal place of residence ("homestead") of a taxpayer, then any increase in the assessed value in the first year after reappraisal cannot be greater than 10% (or 5% if the parcel is the taxpayer's homestead) of the assessed value for the previous year. For each year thereafter, the assessed value shall increase by an additional 10% (or 5% if the parcel is the taxpayer's homestead) of the assessed value for the year preceding the first assessment resulting from reappraisal; however, the increase cannot exceed the assessed value determined by the reappraisal prior to adjustment under Amendment No. 79.

For property owned by public utilities and common carriers, any annual increase in the assessed value cannot exceed more than 10% of the assessed value for the previous year. The provisions of this subsection (a) do not apply to newly discovered real property, new construction or substantial improvements to real property.

(b) If a homestead is purchased or constructed on or after January 1, 2001 by a disabled person or by a person over age 65, then that parcel will be assessed based on the lower of the assessed value as of the date of purchase (or construction) or a later assessed value. If a person is disabled or is at least 65 years of age and owns a homestead on January 1, 2001, then the homestead will be assessed based on the lower of the assessed value on January 1, 2001 or a later assessed value. When a person becomes disabled or reaches age 65 on or after January 1, 2001, that person's homestead should thereafter be assessed based on the lower of the assessed value on the person's 65th birthday, on the date the person becomes disabled or a later assessed value. This subsection (b) does not apply to substantial improvements to real property. For real property subject to subsection (c) below, the applicable date in this subsection (b), in lieu of January 1, 2001, is January 1 of the year following the completion of the adjustments to assessed value required in subsection (c).

(c) If, however, there has been no county-wide reappraisal and resulting assessed value of property between January 1, 1986 and December 1, 2000, then real property in that county is adjusted differently. In that case, the assessor (or other official or officials designated by law) compares the assessed value of each parcel to the assessed value of the parcel for the previous year. If the assessed value of the parcel increases, then the assessed value of the parcel for the year in which the parcel is reappraised or reassessed is adjusted by adding one-third (1/3) of the increase to the assessed value for the year prior to appraisal or reassessment. An additional one-third (1/3) of the increase is added in each of the next two (2) years.

The adjustment contemplated by subsection (c) does not apply to the property of public utilities or common carriers. No adjustment will be made for newly discovered real property, new construction or substantial improvements to real property.

Pulaski County completed its most recent reassessment in 2022. Based on current growth rates, Pulaski County is required to conduct a county-wide reappraisal at least once every five years.

Valuation. Residential property used solely as the principal place of residence by the owner is assessed according to its value as a residence; agricultural land, pasture land, and timber land is assessed according to the productivity of its soil; and residential and commercial land that is vacant is assessed according to the value of its typical use. All other taxable property is assessed according to its current market value, and the General Assembly may establish the methods and procedures for valuation of such property, as long as they are equal and uniform throughout the State.

Assessed value is an amount equal to 20 percent of market value, and the levied millage is applied against the assessed value to determine the tax owed.

Millage Rollback. Amendment 59 to the Arkansas Constitution, as implemented by Act 848 of 1981, as amended (the "Amendment 59 Implementation Act"), directed the General Assembly to limit the effects of any comprehensive county-wide reassessment by providing for adjustment or rollback of millage rates in certain circumstances.

The Amendment 59 Implementation Act provides that the computation of millage rollbacks is to be made separately for each tax source or millage levy (in the case of school districts this requires separate computations for operation and maintenance millage and debt service millage), with the new tax rate for each millage levy to be rounded up to the nearest 1/10 mill. In the case of debt service millage, the tax rate as so adjusted will continue as the continuing annual tax rate until retirement of the bonds to which the tax is pledged. The adjusted rate for operation and maintenance millage is subject to change at each annual school election in accordance with law. The term "base year" means the year in which a county-wide reassessment is completed and adjusted millage rates first extended for collection in the following year. When a county-wide reappraisal of property for ad valorem tax purposes is conducted over a period of two or more years, the taxes are not assessed on the basis of the reappraised value of the property until all tax property in the county has been reappraised, and the adjustment or rollback of millage is applicable in the year of completion.

Rollback procedures differ for (a) real property, (b) personal property, and (c) all property of public utilities and regulated carriers.

*Real Property.* If county-wide reassessment results in an increase in value of taxable property in any taxing unit (county, municipality, school district, or community college district) in the base year of ten percent or more over the previous year, then a millage rollback occurs. The millage rollback is designed to assure that taxpayers, as a group, in each taxing unit will pay taxes no greater than ten percent above the taxes paid during the previous year to such taxing unit.

Millage rates applicable to real property are rolled back only one time following any comprehensive, county-wide reassessment.

*Personal Property.* A separate millage rate is applied to reassessed personal property in order to produce revenues equal to the revenues received from personal property taxes in the base year. As the assessed value of taxable personal property increases, the separate personal property millage rate is reduced annually in order to maintain revenues equal to those for the base year. The tax rate for personal property will increase (at least to the level in effect before the rollback), however, in the event the personal property assessment declines so that a tax rate increase would be necessary to produce revenues equivalent to the base year revenues from personal property. When the revenues from personal property taxes computed on the basis of the current (real property) millage rates equal or exceed revenues from personal property taxes for the base year, the current millage rates applicable to real property will also apply to taxable personal property.

The Arkansas Supreme Court has held that a voted increase in the tax rate is not applicable to personal property prior to equalization.

*Property of Public Utility and Regulated Carriers.* During the first five years in which taxes are levied on taxable real and personal property or public utilities and regulated carriers as reassessed, the taxes paid equal the greater of (a) the amount of taxes paid on such property in the base year (less adjustments for property disposed of or reductions in the assessed valuation of such property) and (b) the amount of taxes due on such property at millage rates levied in the current year. If in any of the sixth through tenth years after the base year the base year taxes of a public utility or regulated carrier exceed the current year taxes, then the amount of the taxes are decreased in each year by 20 percent of the difference until, in the tenth year and thereafter, the taxpayer pays taxes calculated with current millage rates only. If in any of the first ten years after the base year the current year taxes equal or exceed the base year taxes, the public utility or regulated carrier thereafter pays the current year taxes.

In implementation of Amendment 59, the Amendment 59 Implementation Act provides that if the provisions in the Amendment and the Act relating to the taxing of public utilities and regulated carriers, or any class thereof, are held to be contrary to the Constitution or statutes of the United States or of the State of Arkansas, all utilities and all classes of carriers shall receive the same treatment provided or required under the court order for a particular type of carrier or utility "if deemed necessary to promote equity between similar utilities or class of carriers." Certain regulated carriers (railroads) have successfully challenged Amendment 59, as applied to them, as contrary to federal statutes. The effect of this challenge by the railroads on utilities and on other classes of carriers cannot be predicted at this time.

*Bond Protection.* As directed by Amendment 59, the Amendment 59 Implementation Act provides that any millage rates rolled back or adjusted pursuant to the Amendment 59 Implementation Act shall be rolled back or adjusted only to a level which will produce at least a level of income sufficient to meet the current requirements of all principal, interest, paying agent fees, reserves, and other requirements of the bond indenture.

Amendment 78. Amendment 78 to the Arkansas Constitution, approved at the 2000 General Election and effective January 1, 2001, authorized cities and counties to form redevelopment districts for the purpose of financing redevelopment projects. The ad valorem taxes levied by any taxing unit (including municipalities) on property in a redevelopment district may be divided so that all or part of the ad valorem taxes levied against any increase in the assessed value of property in the area after approval of the redevelopment plan for the district shall be used to pay any indebtedness incurred for the redevelopment project. Debt service millage approved by voters prior to January 1, 2001, and debt service millage existing at the time of the creation of the redevelopment district are excluded. The increase in total millage rate in the redevelopment district occurring after the creation of such redevelopment district is excluded if such additional millage is pledged for repayment of a specific bond issue.

Amendment 79. Amendment 79 to the Arkansas Constitution, approved at the 2000 General Election and effective January 1, 2001, generally limits increases in the assessed value of taxable real property and requires that such increases be effected over time. The extent of the limitation

depends upon whether the property is a taxpayer's homestead used as the taxpayer's principal place of residence.

*General Adjustments.* With respect to the first assessment following a county-wide reappraisal, Amendment 79 limits any increase in the assessed value of the non-homestead real property to ten percent of the previous year's assessed value. For each year thereafter, the assessed value of such property will be increased by an additional ten percent of the assessed value for the year preceding the first assessment following reappraisal, but shall not exceed the assessed value determined by reappraisal. If the property is taxpayer's homestead, any increase in the assessed value following reappraisal is limited to five percent of the previous year's assessed value. For each year thereafter, the assessed value of such property will increase by an additional five percent of the assessed value for the year prior to the first assessment following reappraisal (not to exceed the value determined by reappraisal).

The adjustment described above will not apply to newly discovered real property, new construction, or substantial improvements to real property.

*Property of Public Utilities and Regulated Carriers.* Under Amendment 79, any annual increase in the value of utility and carrier real property is limited to ten percent of the assessed value for the previous year.

*Special Provisions for Those 65 or Over and Disabled Persons.* Amendment 79 allows persons who reach 65 years of age or who become disabled on or after January 1, 2001 to pay ad valorem taxes based on lower assessed values of homestead property (but not substantial improvements to such property) after reaching 65 or after becoming disabled.

*Homestead Exemption.* Amendment 79 provides for an annual state credit against ad valorem property tax on a homestead in an amount not less than \$300 (but not below zero). The General Assembly implemented this homestead exemption with the passage of Act 1544 of 2001, which provides that, effective with the assessment year 2000 and thereafter, the amount of real property taxes assessed on the homestead of each property owner is reduced by \$300. The homestead exemption has since been increased to \$500. Property owners have until October 31 in each year to certify that their property is subject to this homestead exemption, notwithstanding that taxes are due and payable by October 15.

*Property Tax Relief Trust Fund.* Following the passage of Amendment 79, the Arkansas General Assembly increased the state sales and use tax from 4.625% to 5.125%. The proceeds of this one half of one percent (0.5%) increase are paid into the State's Property Tax Relief Trust Fund ("PTRTF"). Act 1544 of 2001, implementing the homestead exemption, also provided for annual distributions to each county treasurer from the PTRTF in accordance with the county's proportionate share of the total statewide property tax reduction for that calendar year resulting from the \$500 homestead exemption. County treasurers, in turn, are required to distribute these payments to the taxing entities in the county in proportion to each taxing entity's millage rate.

In addition to the proportionate distribution described in the preceding paragraph, an additional \$2 million is payable each year from the PTRTF to both cities and counties, provided such amounts are remaining in the PTRTF after the proportional distributions made pursuant to Act 1544 of 2001. Such additional funds are distributed to cities and counties pursuant to a population-based formula prescribed by State law.

According to the State Treasurer’s Office, the amounts paid out of PTRTF in the State's fiscal years ended June 30, 2014 through 2024, are as follows:

<u>Year</u>	<u>Amount</u>
2014	\$231,930,975.09
2015	234,220,926.36
2016	243,948,710.39
2017	249,017,824.47
2018	257,117,847.77
2019	249,632,948.36
2020	245,958,856.09
2021	246,368,423.81
2022	248,496,142.83
2023	247,827,574.29
2024	286,135,212.11

*Bond Protection.* Amendment 79 requires the General Assembly to provide procedures for adjusting ad valorem tax rates in such a way that will not interfere with the payment of bonded indebtedness secured by such taxes or millage. Millage rates for real, personal, and public utility and regulated carrier property shall be equal unless adjustment of personal property rates is necessary to pay bonded indebtedness in accordance with an indenture agreement.

*Other.* Amendment 79 directs the General Assembly to prescribe the method for reassessing real property and to establish the frequency of reassessment, which should occur at least once every five years. Millage rollback will not be affected except to the extent that the adjustments under Amendment 79 are made prior to rollback.

Collection. The sheriff of each county serves as collector of property taxes (except as to certain counties, for which the legislature has separated the offices of the sheriff and tax collector). The City is located in Pulaski County, which has a separate collector. All taxes levied are collected in the calendar year immediately following the year in which levied, except that personal property taxes levied on motor vehicles owned by individuals are collected in the calendar year in which levied.

Property taxes are payable at any time from March 1 through October 15 of each year and are payable in installments at the option of the taxpayer.

Delinquent Taxes. All taxes unpaid after October 15 of any year are considered to be delinquent and delinquent taxpayers are subject to a penalty of ten percent of the taxes due. It is the duty of the tax collector to diligently collect all delinquent personal property taxes, and in the performance of these duties the collector is empowered to distrain and sell at public auction personal property for the purpose of enforcing collection of personal property taxes and to garnish the wages or other money owed to the delinquent taxpayer.

If real property taxes remain unpaid for two years following the date the taxes were due, the land is certified to the Commissioner of State Lands for collection or sale. In the absence of any bid in an amount at least equal to the assessed value of the land, the Commissioner may negotiate a sale. Real property may be redeemed by the taxpayer at a price equal to the taxes due, ten percent interest for each year of delinquency, a ten percent penalty for each year of delinquency, and costs. The right of redemption must be exercised within 30 days after real property is sold.

Remittance of Tax Collections. The county collector is required by law to pay over to the county treasurer, by the fifth day of each month, all funds in the collector’s hands belonging to the county or to any municipality or school district located in the county. Upon a certificate of the county clerk, which shall be issued on or before the thirtieth day of each month, the county treasurer is required to transfer to the various taxing bodies, 90 percent of all funds received by the treasurer from the county collector. Upon final settlement, adjustments are made and the balance is

distributed upon order of the county court approving the final settlement. Because of administrative difficulties, it is generally assumed that no substantial portion of annual tax collections is available to the taxing bodies until December of each year.

Miscellaneous. If the assessed value of all classes of taxable property located in the City remains at the same level, without increase or decrease, and the total tax rates applicable to all taxable property in the City remain constant, the annual revenues derived from taxable property will be the same in each year. This would be true of annual revenues available for debt service on the 2022 Bonds and the 2024 Bonds, as well as other annual revenues of the City (subject in the case of such other revenues to adjustments in the tax rate).

In recent years, initiatives which would reduce or abolish property taxes collected pursuant to the Arkansas Constitution have been approved for submission to the voters of Arkansas; however, to date, no initiatives have been approved for submission to the voters at the next general election.

### THE AUTHORIZING ORDINANCE

Set forth below is a summary of certain portions of the Authorizing Ordinance. This summary does not purport to be comprehensive and reference is made to the full text of the Authorizing Ordinance for a complete description of its provisions. **Unless the context clearly indicates otherwise, all references under this heading to the "Bonds" shall include the 2022 Bonds, the 2024 Bonds and the Additional Parity Bonds.** The City will covenant as set forth below in the Authorizing Ordinance.

The Bond Fund. (a) All Special Tax Collections shall be deposited by the City each month into a special fund of the City at the Trustee which is created by the Authorizing Ordinance and designated "Limited Tax General Obligation Capital Improvement Bond Fund" (the "Bond Fund"), for the purpose of providing funds for the payment of principal of and interest on the Bonds as they become due at maturity or at redemption prior to maturity, the Trustee's fees and expenses and other administrative charges and any arbitrage rebate. Moneys in the Bond Fund shall be used in the following order of priority as and when necessary:

1. to pay the interest on the Bonds when due; and
2. to pay the principal of the Bonds when due at maturity or upon mandatory sinking fund redemption; and
3. to pay the Trustee's fees and expenses and other administrative charges when due; and
4. to make any arbitrage rebate payment due under Section 148(f) of the Code; and
5. to redeem Bonds prior to maturity.

(b) For purposes of redeeming the Bonds from Surplus Tax Collections, the Trustee shall, on or about December 20 of each year, calculate the amount of Surplus Tax Collections and deposit such amount into a Special Redemption Account into which shall be deposited all funds in the Bond Fund available for the redemption of the Bonds arising from Surplus Tax Collections. Moneys in the Special Redemption Account shall be used to redeem the Bonds prior to maturity.

(c) When the moneys in the Bond Fund shall be and remain sufficient to pay (1) the principal of all the Bonds then outstanding, (2) interest on the Bonds until the next interest payment date, (3) the Trustee's fees and expenses and other administrative charges and (4) all arbitrage rebate payments due the United States under Section 148(f) of the Code, there shall be no obligation to make any further payments into the Bond Fund and any Special Tax Collections remaining in the Bond Fund after the principal of, premium, if any and interest on the Bonds have been paid may be used by the City for any lawful purpose.

Investments. (a) Moneys held for the credit of each Construction Fund may be invested and reinvested in Permitted Investments (as hereinafter defined) or other investments permitted by State law, which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the date or dates when such money will be required for the purposes intended. The Trustee shall so invest and reinvest pursuant to the direction of the City.

(b) Moneys held for the credit of the Bond Fund shall be invested and reinvested in Permitted Investments, which will mature, or which will be subject to redemption by the holder thereof at the option of the holder, not later than the date or dates on which the money shall be required for the payment of the principal of and interest on the Bonds when due. The Trustee shall so invest and reinvest pursuant to the direction of the City and in the Trustee's discretion in the absence of any direct instructions from the City.

(c) Obligations purchased as an investment of any fund or account shall be deemed at all times a part of such fund. Any profit or loss realized on investments of moneys in any fund shall be charged to said fund.

(d) "Permitted Investments" means any of the securities that are at the time legal for investment of City funds pursuant to Resolution No. 14,890 of the City, as may be amended from time to time. "Permitted Investments" include:

1. U.S. Treasury obligations, U.S. government agency obligations, and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value;
2. Certificates of deposit and other evidences of deposit at financial institutions, and commercial paper, rated in the highest tier (e.g., A-1, P-1, F-1, D-1, or higher) by a nationally recognized rating agency;
3. Investment-grade obligations of state, provincial, and local governments and public authorities;
4. Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities; and
5. Local government investment pools either state-administered or developed through joint powers statutes and other intergovernmental agreement legislation.

The City's investment policy prohibits investments in derivative products, common stocks, and long-term bonds used for speculation.

Certain Covenants. The City covenants that:

(a) It will not take, suffer or permit any action which may cause the interest payable on the Series 2024A Bonds to be included in gross income for federal income tax purposes, including any use of proceeds of the sale of the Series 2024A Bonds or Special Tax Collections directly or indirectly in such manner as to cause the Series 2024A Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code.

(b) It will not use or permit the use of the improvements financed by the Series 2024A Bonds or the proceeds of the Series 2024A Bonds in such manner as to cause the Series 2024A Bonds to be private activity bonds within the meaning of Section 141 of the Code.

(c) It will faithfully and punctually perform all duties with reference to the Bond Tax and the Bonds, required by the Constitution and laws of the State and by the Authorizing Ordinance, including the levy and collection of the Bond Tax, as therein specified and covenanted, the segregating of the Special Tax Collections and the applying of the Special Tax Collections as provided in the Authorizing Ordinance.

(d) It will make any arbitrage rebate payment due the United States under Section 148(f) of the Code from moneys in the Bond Fund.

Defaults and Remedies. (a) If there be any default in the payment of the principal of and interest on the Bonds, or if the City defaults in the performance of any covenant contained in the Authorizing Ordinance, the Trustee may, and upon the written request of the owners of not less than 10% in principal amount of the Bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the City and officials of the State, under the Authorizing Ordinance, to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

(b) No owner of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or in law for the protection or enforcement of any right under the Authorizing Ordinance or under the Constitution and laws of the State unless such owner previously shall have given to the Trustee written notice of the default on account of which such suit, action or proceeding is to be taken, and unless the owners of not less than 10% in principal amount of the Bonds then outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted by the Constitution and laws of the State, or to institute such action, suit or proceeding in its name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the cost, expense and liabilities to be incurred therein or thereby and the Trustee shall have refused or neglected to comply with such request within a reasonable time, and such notification, request and offer of indemnity are in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trust of the Authorizing Ordinance or to any other remedy thereunder. No one or more owners of the Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Authorizing Ordinance, or to enforce any right thereunder except in the manner therein provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner therein provided and for the benefit of all owners of the outstanding Bonds, and any individual rights of action or other right given to one or more of such owners by law are restricted by the Authorizing Ordinance to the rights and remedies therein detailed.

(c) All rights of action under the Authorizing Ordinance or under any of the Bonds secured thereby, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name and for the benefit of all the owners of the Bonds, subject to the provisions of the Authorizing Ordinance.

(d) No remedy conferred upon or reserved to the Trustee or to the owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Authorizing Ordinance or given by any law or by the Constitution of the State.

(e) No delay or omission of the Trustee or of any owners of the Bonds to exercise any right or power accrued upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy given by the Authorizing Ordinance to the Trustee and to the owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(f) The Trustee may, and upon the written request of the owners of not less than a majority in principal amount of the Bonds then outstanding shall, waive any default which shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted under the provision of the Authorizing Ordinance or before the completion of the enforcement of any other remedy, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Defeasance. Any Bond shall be deemed to be paid within the meaning of the Authorizing Ordinance when payment of the principal of and interest on such Bond (whether at maturity or upon redemption as provided herein, or otherwise), either (i) shall have been made or caused to be made in accordance

with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (1) cash sufficient to make such payment and/or (2) non-callable Government Securities (provided that such deposit will not cause any of the Bonds issued as tax-exempt bonds for federal income tax purposes to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code), maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee.

On the payment of any Bonds within the meaning of the Authorizing Ordinance, the Trustee shall hold in trust, for the benefit of the owners of such Bonds, all such moneys and/or Government Securities.

When all the Bonds shall have been paid within the meaning of the Authorizing Ordinance, if the Trustee has been paid its fees and expenses and if any arbitrage rebate payment has been paid or provision has been made therefor, the Trustee shall take all appropriate action to cause (i) the pledge and lien of the Authorizing Ordinance to be discharged and cancelled and (ii) all moneys held by it pursuant to the Authorizing Ordinance and which are not required for the payment of such Bonds, to be paid over or delivered to or at the direction of the City.

The Trustee. The Trustee shall be responsible for the exercise of good faith and ordinary prudence in the execution of its trusts and duties. The recitals in the Authorizing Ordinance and in the Bonds are the recitals of the City and not of the Trustee. The Trustee shall not be required to take any action unless it shall have been requested to do so in writing by the owners of not less than 10% in principal amount of Bonds then outstanding and shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby. The Trustee may resign at any time by 60 days' notice in writing to the City and the owners of the Bonds, and the majority in principal amount of the owners of the outstanding Bonds or the City, so long as it is not in default under the Authorizing Ordinance, may at any time, with or without cause, remove the Trustee. In the event of a vacancy in the office of Trustee either by resignation or by removal, the City shall forthwith designate a new Trustee. The Trustee and any successor Trustee shall file a written acceptance and agreement to execute the trusts and duties imposed upon it by the Authorizing Ordinance, but only upon the terms and conditions set forth in the Authorizing Ordinance and subject to the provisions of the Authorizing Ordinance, to all of which the respective owners of the Bonds agree. Such written acceptance shall be filed with the City, and a copy thereof shall be placed in the bond transcript. Any successor Trustee shall have all the powers herein granted to the original Trustee.

Supplemental Ordinances. The terms of the Authorizing Ordinance constitute a contract between the City and the owners of the Bonds and no variation or change in the undertaking set forth in the Authorizing Ordinance shall be made while any of the Bonds are outstanding, except as hereinafter set forth. The owners of not less than 75% in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the adoption by the City of a supplemental ordinance as shall be necessary or desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Authorizing Ordinance or in any supplemental ordinance. The Trustee may consent to any change without the consent of 75% of the owners of the aggregate principal amount of Bonds outstanding (i) that the Trustee determines is not to the material prejudice of the owners of the Bonds, (ii) in order to cure any ambiguity or formal defect or omission in the Authorizing Ordinance or any amendment thereto or (iii) in connection with the issuance of Additional Parity Bonds, provided, however, that nothing therein contained shall permit or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bond issued thereunder, or (b) a reduction in the principal amount of any Bond or the rate of interest thereon, or (c) the creation of a pledge of Special Tax Collections superior to the pledge created by the Authorizing Ordinance, or (d) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance.

## CONTINUING DISCLOSURE AGREEMENT

During the past five (5) years, the City has been obligated to comply with continuing disclosure agreements involving twenty-one (21) bond issues. Almost all such agreements require the City to file annual reports as the dissemination agent., which reports are required to be filed with the MSRB on EMMA within various time periods set by those agreements. While the City has not made any determination as to materiality, the following summarizes a non-exhaustive list of the City's compliance with its continuing disclosure agreements during the past five years.

As part of its annual report, the City was obligated to file annual audited financial statements. For ten (10) of the bond issues, the City was required to file the audit of the general purpose financial statements of the City as part of its annual report. The City was obligated to file audited financial statements of the City's water reclamation system for eight (8) bond issues. The City was obligated to file audited financial statements of the Little Rock Port Authority for one bond issue. The City was obligated to file the audited financial statements of its advertising and promotion commission for one bond issue. The City was obligated to file both the audit of the general purpose financial statements of the City and the audited financial statements of its advertising and promotion commission for one bond issue. For one bond issue, the City failed to timely file the audited financial statements of its advertising and promotion commission for the year ended December 31, 2021. Such filing was made approximately 42 days late. For the same issue, the audited financial statements of its advertising and promotion commission for the year ended December 31, 2020 was made approximately 21 days late. A notice of such failure was not filed on EMMA. Other than as set forth above, during the past five years, the City filed all audited financial statements on EMMA in a timely manner.

All of the continuing disclosure agreements require that certain supplemental financial and operating data be provided as part of the annual report. The supplemental data to be provided varies by the type of bond issue and how each is secured. In certain cases, however, the supplemental data was included in the audited financial statements that were filed as part of the annual report but was not presented in the manner prescribed by the continuing disclosure agreements. In other cases, the format of the information contained in the annual report was not presented in the format prescribed by the continuing disclosure agreements. The supplemental financial and operating data required to be provided in connection with the City's Capital Improvement Refunding Revenue Bonds, Series 2017 for the year ended December 31, 2023, was filed one day late. The City did not provide all of the information required to be provided in connection with the City's Library Construction and Refunding Bonds, Series 2022 for the years ended December 31, 2022 and 2023. Other than as set forth above, supplemental data for all bond issues that are outstanding has been filed on EMMA in a timely manner.

The continuing disclosure agreements also obligated the City to file a notice of the occurrence of any event listed in Securities and Exchange Commission, Rule 15c2-12(b)(5). Included in the list of events are notices of bond calls, notices of defeasance, notices of the substitution of liquidity providers and rating changes. The City failed to file a call notice with respect to one bond issue. The City failed to file a notice of defeasance with respect to two bond issues. Notices concerning such failures were not filed on EMMA. For three bond issues, the City failed to timely file notices that the issuer of a debt service reserve insurance policy merged into a related entity. For one bond issue, the City failed to timely file a notice of an upgrade to the ratings of an insurer of its bonds. Otherwise, the City has timely filed a notice of the occurrence of any listed event during the past five years.

The City will enter into a Continuing Disclosure Agreement with the Trustee in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Set forth below is a summary of certain portions of the Continuing Disclosure Agreement. This summary does not purport to be comprehensive, and reference is made to the full text of the Continuing Disclosure Agreement for a complete description of the provisions.

Purpose of the Continuing Disclosure Agreement. The Continuing Disclosure Agreement is executed and delivered by the City and the Trustee for the benefit of the Beneficial Owners of the 2024 Bonds and in order to assist the Underwriters in complying with the Securities and Exchange Commission, Rule 15c2-12(b)(5).

Definitions. In addition to the definitions set forth in this Official Statement, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any annual report provided by the City pursuant to, and as described in, the Continuing Disclosure Agreement.

"Beneficial Owner" of a 2024 Bond shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any 2024 Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the Trustee, acting in its capacity as Dissemination Agent, or any successor Dissemination Agent designated in writing by the City and which has filed with the Trustee a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

"Financial Obligation" shall mean a

- (A) debt obligation;
- (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or
- (C) guarantee of obligations described in (A) or (B).

The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed hereunder.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Provision of Annual Report. (a) The City shall, or cause the Dissemination Agent to, not later than June 30 of each year (or 180 days after the end of the City's fiscal year if the City's fiscal year changes), commencing with the report due June 30, 2025, provide to the MSRB, through its continuing disclosure service portal provided through EMMA at <http://www.emma.msrb.org> or any similar system acceptable to the Securities and Exchange Commission, an Annual Report which is consistent with the requirements of the Continuing Disclosure Agreement. The Annual Report shall be in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in the Continuing Disclosure Agreement; provided that the Financial Statements (defined below) of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but, in such event, such Financial Statements shall be submitted within thirty (30) days after receipt thereof by the City. If the City's fiscal year changes, it shall give notice of such change in the manner as for a Listed Event.

(b) Not later than five days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent and

the Trustee (if the Trustee is not the Dissemination Agent). If by such date, the Trustee has not received a copy of the Annual Report, the Trustee shall contact the City and the Dissemination Agent to determine if the City is in compliance with the first sentence of this subsection (b).

(c) If the Trustee is unable to verify that an Annual Report (containing the information in (a) set forth in Content of Annual Report, below) has been provided to the MSRB by the date required in subsection (a), the Trustee shall send a notice to the MSRB.

Content of Annual Report. The City's Annual Report will include (a) information of the type set forth under **FINANCIAL INFORMATION**, Assessed Valuation and Collection of Taxes for the latest calendar year and the preceding four calendar years, if available and (b) the annual financial statements of the general fund of the City, which (i) need not be audited in accordance with auditing standards generally accepted in the United States of America, (ii) shall be prepared using accounting principles prescribed by Arkansas Code Annotated Section 10-4-412, as it may be amended from time to time, or any successor statute and (iii) shall be audited in accordance with, and as required by, State law (the "Financial Statements").

Any or all of the items above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so incorporated by reference.

Reporting of Listed Events. (a) This caption describes the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security.
7. Modification to rights of security holders, if material.
8. 2024 Bond calls (excluding mandatory sinking fund redemptions), if material.
9. Defeasances and tender offers.
10. Release, substitution, or sale of property securing repayment of the securities, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the obligated person.
13. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to

undertake such action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) After the occurrence of a Listed Event (excluding an event described in (a)8 above), the City shall promptly notify the Dissemination Agent (if other than the City) in writing. Such notice shall instruct the Dissemination Agent to report the occurrence.

(c) After the occurrence of a Listed Event (excluding an event described in (a)8 above), whether by notice from the Trustee or otherwise, the City shall file (or shall cause the Dissemination Agent to file), in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event, a notice of such occurrence with the MSRB, through its continuing disclosure service portal provided through EMMA at <http://www.emma.msrb.org> or any other similar system that is acceptable to the Securities and Exchange Commission, with a copy to the Trustee (if the Trustee is not the Dissemination Agent). Each notice of the occurrence of a Listed Event shall be captioned "Notice of Listed Event" and shall be filed in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. In the event of a Listed Event described in (a)8 above, the Trustee shall make the filing in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event.

Termination of Reporting Obligation. The City's obligations under the Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all the 2024 Bonds.

Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Continuing Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to the Continuing Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be the Trustee.

Amendment; Waiver. Notwithstanding any other provision of the Continuing Disclosure Agreement, the City and the Trustee may amend the Continuing Disclosure Agreement, and any provisions of the Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the requirements for providing an Annual Report, to the contents of the Annual Report or the reporting of Listed Events, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2024 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2024 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the 2024 Bonds in the same manner as provided in the Authorizing Ordinance for amendments to the Authorizing Ordinance with the consent of Beneficial Owners, or (ii) does not, in the opinion of the Trustee, materially impair the interests of the Beneficial Owners of the 2024 Bonds.

In the event of any amendment or waiver of a provision of the Continuing Disclosure Agreement, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason of the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Additional Information. Nothing in the Continuing Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by the Continuing Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by the Continuing Disclosure Agreement, the City shall have no obligation under the Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Default. In the event of a failure of the City or the Trustee to comply with any provision of the Continuing Disclosure Agreement, the Trustee, the City or any Beneficial Owner may (and the Trustee, at the request of the Underwriters or the Beneficial Owners of at least 25% aggregate principal amount of outstanding Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City or the Trustee, as the case may be, to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement shall not be deemed a default under the Authorizing Ordinance, and the sole remedy under the Continuing Disclosure Agreement in the event of any failure of the City or the Trustee to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

Duties of Trustee and Dissemination Agent and Right of Indemnity. The Dissemination Agent (if other than the Trustee) and the Trustee in its capacity as Dissemination Agent shall have only such duties as are specifically set forth in the Continuing Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent and the Trustee, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or the Trustee's gross negligence or willful misconduct.

Beneficiaries. The Continuing Disclosure Agreement shall inure solely to the benefit of the City, the Trustee, the Dissemination Agent, the Underwriters and the Beneficial Owners and shall create no rights in any other person or entity.

## LEGAL MATTERS

Legal Proceedings. There is no litigation pending seeking to restrain or enjoin the Bond Tax or the issuance or delivery of the 2024 Bonds, or questioning or affecting the legality of the Bond Tax or the 2024 Bonds or the proceedings and authority under which the 2024 Bonds are to be issued, or questioning the right of the City to adopt the Authorizing Ordinance or to issue the 2024 Bonds or the levy of the Bond Tax and pledge of the Special Tax Collections by the City.

Legal Opinions. Legal matters incident to the authorization and issuance of the 2024 Bonds are subject to the unqualified approving opinion of Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, Bond Counsel. A form of Bond Counsel's approving opinion is attached hereto as Exhibit A. Certain legal matters will be passed upon for the City by its counsel Thomas M. Carpenter, Esq., City Attorney.

## TAX MATTERS

State Taxation. In the opinion of Friday, Eldredge & Clark, LLP, Bond Counsel, under existing law the interest on the 2024 Bonds is exempt from all Arkansas state, county and municipal taxes.

Series 2024A Bonds. In the opinion of Bond Counsel, interest on the Series 2024A Bonds under existing law is excludable from gross income for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Series 2024A Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in the preceding sentence are subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2024A Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements generally relate to arbitrage, the use of the proceeds of the Series 2024A Bonds and the improvements financed by the Series 2024A Bonds. Failure to comply with certain of such requirements could cause the interest on the Series 2024A Bonds to be so included in gross income retroactive to the date of issuance of the Series 2024A Bonds. The City has covenanted to comply with all such requirements in the Authorizing Ordinance.

Prospective purchasers of the Series 2024A Bonds should be aware that (i) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Series 2024A Bonds, (ii) interest on the Series 2024A Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iii) passive investment income including interest on the Series 2024A Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income and (iv) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account in determining gross income, receipts or accruals of interest on the Series 2024A Bonds.

Prospective purchasers of the Series 2024A Bonds should be further aware that Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2024A Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Series 2024A Bonds, except with respect to certain financial institutions (within the meaning of Section 265(b)(5) of the Code).

As shown on the inside front cover of this Official Statement, certain of the Series 2024A Bonds are being sold at an original issue discount (collectively, the "Discount Bonds"). The difference between the initial public offering prices, as set forth on the inside front cover, of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated as interest which is excluded from gross income for federal income tax purposes, as described above.

The amount of original issue discount which is treated as having accrued with respect to such Discount Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption, or payment at maturity). Amounts received upon disposition of such Discount Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days which are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such

Discount Bond for a particular semiannual accrual period is equal to the product of (i) the yield of maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts which have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of the Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond.

As shown on the inside front cover of this Official Statement, certain of the Series 2024A Bonds are being sold at an original issue premium (collectively, the "Premium Bonds"). An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to the call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2024A Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent holders of the Series 2024A Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any legislative proposals or clarification of the Code or court decisions may affect, perhaps significantly, the market price for, or marketability of, the Series 2024A Bonds. Prospective purchasers of the Series 2024A Bonds should consult their own tax advisors regarding any proposed or enacted federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

It is not an event of default on the Series 2024A Bonds if legislation is enacted reducing or eliminating the exclusion of interest on state and local government bonds from gross income for federal or state income tax purposes.

Series 2024B Bonds. In the opinion of Bond Counsel, interest on the Series 2024B Bonds under existing law is not excludable from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Series 2024B Bonds. Prospective purchasers should consult their own tax advisor in determining the federal tax consequences to them of the purchase, holding and disposition of the Series 2024B Bonds.

Any federal tax advice contained in this Official Statement pertaining to the Series 2024B Bonds was written to support the marketing of and is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of avoiding any penalties that may be imposed under the Code. All taxpayers should seek advice based on such taxpayer's particular circumstances from an independent tax advisor. This disclosure is provided to comply with Treasury Circular 230.

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the Series 2024B Bonds under the Code, regulations and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. This summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws. This summary does not address owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold the Series 2024B Bonds (or foreign currency) as a hedge against currency risks or as part of a straddle with other investments or as part of a "synthetic security" or other integrated investment (including a "conversion transaction") comprised of a Series 2024B Bond and one or more other investments, or purchasers that have a "functional currency" other than the U.S. dollar. Except to the extent discussed below under "Foreign Investors," this summary is not applicable to non-United States persons not subject to federal income tax on their worldwide income. This summary does not discuss the tax laws of any state other than Arkansas or any local or foreign governments. Potential purchasers of the Series 2024B Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Series 2024B Bonds.

*General.* Although there are not any regulations, published rulings, or judicial decisions involving the characterization for federal income tax purposes of securities with terms substantially the same as the Series 2024B Bonds, Bond Counsel has advised that the Series 2024B Bonds will be treated for federal income tax purposes as evidences of indebtedness of the City and not as an ownership interest in the trust estate securing the Series 2024B Bonds or as an equity interest in the City or any other party, or in a separate association taxable as a corporation. Although the Series 2024B Bonds are issued by the City, interest on the Series 2024B Bonds (including original issue discount, if any) is not excludable from gross income for federal income tax purposes under Code Section 103. Interest on the Series 2024B Bonds will be fully subject to federal income taxation. Thus, owners of the Series 2024B Bonds generally must include interest (including any original issue discount) on the Series 2024B Bonds in gross income for federal Bincome tax purposes.

In general, interest paid on the Series 2024B Bonds, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of the Series 2024B Bonds, and principal payments (excluding the portion of such payments, if any, characterized as original issue discount) will be treated as a return of capital.

*Sales or Other Dispositions.* If a Series 2024B Bond is sold, redeemed prior to maturity or otherwise disposed of in a taxable transaction, gain or loss will be recognized in an amount equal to the difference between the amount realized on the sale or other disposition, and the adjusted basis of the transferor in the Series 2024B Bond. The adjusted basis of a Series 2024B Bond generally will be equal to its costs, increased by any original issue discount or market discount included in the gross income of the transferor with respect to the Series 2024B Bond and reduced by any amortized bond premium under Section 171 of the Code and by the payments on the Series 2024B Bond (other than payments of qualified stated interest), if any, that have previously been received by the transferor. Except as provided in Section 582(c) of the Code, relating to certain financial institutions, or as discussed in the following paragraph, any such gain or loss will be a capital gain or loss taxable at the applicable rate determined by the Code if the Series 2024B Bond to which it is attributable is held as a "capital asset."

Gain on the sale or other disposition of a Series 2024B Bond that was acquired at a market discount will be taxable as ordinary income in an amount not exceeding the portion of such discount that accrued during the period that the Series 2024B Bond was held by the transferor (after reduction by any market discount includable in income by such transferor in accordance with the rules described above under "Market Discount"). In addition, if the City is determined (pursuant to regulations that have yet to be promulgated under Code Section 1271(g)(2)(A)) to have had an intention on the date of original issuance of the Series 2024B Bonds to call all or a portion of the Series 2024B Bonds prior to maturity, then gain on the sale or other disposition of a Series 2024B

Bond in an amount equal to the original issue discount not previously includable in gross income would be required to be treated as ordinary income taxable at the applicable rate determined by the Code.

*Backup Withholding.* Payments of principal and interest (including original issue discount) on the Series 2024B Bonds, as well as payments of proceeds from the sale of the Series 2024B Bonds may be subject to the "backup withholding tax" under Section 3406 of the Code with respect to interest or original issue discount on the Series 2024B Bonds if recipients of such payments (other than foreign investors who have properly provided certifications described below) fail to furnish to the payor certain information, including their taxpayer identification numbers, or otherwise fail to establish an exemption from such tax. Any amounts deducted and withheld from a payment to a recipient would be allowed as a credit against the federal income tax of such recipient.

*Foreign Investors.* An owner of a Series 2024B Bond that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Series 2024B Bond will generally not be subject to United States income or withholding tax in respect of a payment on a Series 2024B Bond, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term "United States person" means a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United States is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a United States withholding tax will apply to interest paid and original issue discount accruing on the Series 2024B Bonds owned by foreign investors. In those instances in which payments of interest on the Series 2024B Bonds continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of the Series 2024B Bonds having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Series 2024B Bond.

*ERISA Considerations.* The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA (an "ERISA Plan") and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of a Series 2024B Bond, could be viewed as violating those prohibitions. In addition, Code Section 4975 prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons and Code Section 503 includes similar restrictions with respect to governmental and church plans. In this regard, the City or any underwriter of the Series 2024B Bonds, might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Code Sections 4975 or 503. Prohibited transactions within the meaning of ERISA and the Code may arise if the Series 2024B Bonds are acquired by such plans or arrangements with respect to which the City or any underwriter is a party in interest or disqualified person. In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above Code Sections, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Series 2024B Bonds.

## MISCELLANEOUS

Underwriting. Under a Bond Purchase Agreement (the "Agreement") entered into by and between the City, as issuer, and Stephens Inc., on behalf of itself and as representative of Crews & Associates, Inc. (the "Underwriters"), the Series 2024A Bonds are being purchased at a price of \$\_\_\_\_\_ (principal amount plus net original issue premium of \$\_\_\_\_\_ less Underwriters' discount of \$\_\_\_\_\_) and the Series 2024B Bonds are being purchased at a price of \$\_\_\_\_\_ (principal amount less Underwriters' discount of \$\_\_\_\_\_). The Agreement provides that the Underwriters will purchase all of the 2024 Bonds if any are purchased. The obligation of the Underwriters to accept delivery of the 2024 Bonds is subject to various conditions contained in the Agreement, including the absence of pending or threatened litigation questioning the validity of the 2024 Bonds or any proceedings in connection with the issuance thereof, and the absence of material adverse changes in the financial or business condition of the City.

The Underwriters intend to offer the 2024 Bonds to the public initially at the offering prices set forth on the cover page of this Official Statement, which prices may subsequently change without any requirement of prior notice. The Underwriters reserve the right to join with dealers and other underwriters in offering the 2024 Bonds to the public. The Underwriters may offer and sell 2024 Bonds to certain dealers (including dealers depositing 2024 Bonds into investment trusts) at prices lower than the public offering price.

Crews & Associates, Inc. and First Security Bank, the Trustee, are both wholly-owned subsidiaries of First Security Bancorp.

Ratings. S&P Global Ratings ("S&P") will assign its municipal bond rating of "AA" to the 2024 Bonds. Any explanation of such rating may only be obtained from S&P. Moody's Investors Service ("Moody's") will assign its municipal bond rating of "Aa1" to the 2024 Bonds. Any explanation of such rating may only be obtained from Moody's. Generally, rating agencies base their ratings upon information and materials supplied to them and on their own investigations, studies and assumptions. There is no assurance that such ratings, once assigned, will remain for any given period of time or that they will not be lowered or withdrawn entirely by the rating agencies if in their judgment circumstances so warrant. Any such downward change or withdrawal of the ratings assigned to the 2024 Bonds by S&P and Moody's may have an adverse effect on the market price of the 2024 Bonds. The Underwriters and the City have undertaken no responsibility after issuance of the 2024 Bonds to assure the maintenance of the ratings or to oppose any such revision or withdrawal.

Enforceability of Remedies. Rights of the registered owners of the 2024 Bonds and the enforceability of the remedies available under the Authorizing Ordinance may depend on judicial action and may be subject to the valid exercise of the constitutional powers of the United States of America and of the sovereign police powers of the State or other governmental units having jurisdiction, and to the application of federal bankruptcy laws or other debtor relief or moratorium laws in general. Therefore, enforcement of those remedies may be delayed or limited, or the remedies may be modified or unavailable, subject to the exercise of judicial discretion in accordance with general principles of equity. Bond Counsel expresses no opinion as to any effect upon any right, title, interest or relationship created by or arising under the Authorizing Ordinance resulting from the application of state or federal bankruptcy, insolvency, reorganization, moratorium or similar debtor relief laws affecting creditors' rights which are presently or may from time to time be in effect.

Information in Official Statement. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the 2024 Bonds.

The information contained in this Official Statement has been taken from sources considered to be reliable, but is not guaranteed. To the best of the knowledge of the undersigned the Official Statement does not include any untrue statement of a material fact, nor does it omit the statement of any material

fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

The execution of this Official Statement has been duly authorized by the City.

CITY OF LITTLE ROCK, ARKANSAS

By \_\_\_\_\_  
Mayor

Dated: As of the Cover Page hereof.

**EXHIBIT A**  
**FORM OF BOND COUNSEL OPINION**

\_\_\_\_\_, 2024

First Security Bank  
Searcy, Arkansas, as Trustee

Re: \$26,260,000\* City of Little Rock, Arkansas Limited Tax General Obligation  
Capital Improvement Bonds, Series 2024A

\$10,745,000\* City of Little Rock, Arkansas Limited Tax General Obligation  
Capital Improvement Bonds, Taxable Series 2024B

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of Little Rock, Arkansas (the "City") of \$26,260,000\* City of Little Rock, Arkansas Limited Tax General Obligation Capital Improvement Bonds, Series 2024A (the "Series 2024A Bonds") and \$10,745,000\* City of Little Rock, Arkansas Limited Tax General Obligation Capital Improvement Bonds, Taxable Series 2024B (the "Series 2024B Bonds" and collectively with the Series 2024A Bonds, the "2024 Bonds"). The 2024 Bonds are being issued to finance the costs of capital improvements and pay expenses of authorizing and issuing the 2024 Bonds. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion, including particularly a certified copy of Ordinance No. 22,192 of the City adopted on November 15, 2022 and Ordinance No. \_\_\_\_\_ of the City adopted on \_\_\_\_\_, 2024, authorizing the issuance of the 2024 Bonds (collectively, the "Authorizing Ordinance").

As to questions of fact material to our opinion we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation. Based on our examination, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The 2024 Bonds have been lawfully authorized and issued under the Constitution and laws of the State of Arkansas now in force, including particularly Amendment No. 62 to the Constitution of the State of Arkansas and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), and are valid and binding obligations of the City enforceable in accordance with their terms.

2. The 2024 Bonds are secured by a pledge of collections of a continuing ad valorem tax of 3 mills on the dollar of the assessed value of taxable real and personal property in the City, subject to rollback as provided in Amendment No. 59 to the Arkansas Constitution, duly levied by the City under the authority of the Authorizing Legislation, including penalties and interest payable with respect thereto, and all payments received by the City from the State of Arkansas in lieu thereof under Amendment No. 79 to the Arkansas Constitution (collectively, "Special Tax Collections"). The pledge of Special Tax Collections in favor of the 2024 Bonds is on a parity with the pledge in favor of the City's Limited Tax General Obligation Capital Improvement Bonds, Series 2022A. The 2024 Bonds are not secured by any lien on or security interest in any physical properties of the City.

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\* Preliminary; subject to change.

3. The interest on the Series 2024A Bonds (including any original issue discount properly allocable thereto) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Series 2024A Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in the preceding sentence are subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2024A Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes under Section 103 of the Code. The City has covenanted in the Authorizing Ordinance to comply with all such requirements. Failure to comply with certain of such requirements could cause the interest on the Series 2024A Bonds to be so included in gross income retroactive to the date of issuance of the Series 2024A Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Series 2024A Bonds.

4. The Series 2024B Bonds will be treated for federal income tax purposes as evidences of indebtedness of the City. Interest on the Series 2024B Bonds is not excludable from gross income for federal income tax purposes and will be fully subject to federal income taxation.

5. The 2024 Bonds and income thereon are exempt from all Arkansas state, county and municipal tax.

It is to be understood that the rights of the registered owners of the 2024 Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Sincerely,

FRIDAY, ELDREDGE & CLARK, LLP