

ADEQ

ARKANSAS
Department of Environmental Quality

Hand Delivered Mail Receipt

Date	12-12-24
Division	SW
Sender	City of Little Rock
Received By	Diane Email - FA'S

Class 7 - 0266-51

Class 4 - 0266-545

Compost - 0031 - SCYW

Amounts already entered on spreadsheet.



CITY OF LITTLE ROCK
Finance • Administration
Little Rock City Hall
500 W. Markham St., Third Floor
Little Rock, AR 72201

P: 501.371.68060
E: nsarpy@littlerock.gov

April 3, 2024

Director
Arkansas Department of Environmental Quality
5301 Northshore Drive
North Little Rock, Arkansas 72118-5317

I am the chief financial officer of the City of Little Rock, Arkansas. This letter is in support of this government's use of the Local Government Financial Test to demonstrate financial assurance for closure and/or post-closure costs, as specified in Regulation 22, Chapter 14.

1. The City of Little Rock is the owner or operator of the following facilities in Arkansas for which financial assurance for closure or post-closure care is demonstrated through the financial test specified in Reg. 22.1405 (f). The current closure and/or post-closure cost estimates covered by the test are shown for each facility.

a. **Class 1**

Name & Permit Number City of Little Roc Municipal Landfill, 0266-S1

AFIN 60-01071

Physical Location 10803 Ironton Cutoff, Little Rock, AR 72206,

Closure Cost Estimate \$9,324,592

Post-Closure Cost Estimate \$1,966,247

7 11,290,839.00

b. **Class 4**

Name & Permit Number City of Little Roc Municipal Landfill, 0266-S4J

AFIN 60-01071

Physical Location 10803 Ironton Cutoff, Little Rock, AR 72206,

Closure Cost Estimate \$1,265,581

Post-Closure Cost Estimate \$4,871

7 1,270,452.00

c. **Transfer Station**

Name & Permit Number None

d. **Compost Facility**

Name & Permit Number City of Little Roc Municipal Landfill, 0031-SCYW

AFIN 60-01071

Physical Location 10803 Ironton Cutoff, Little Rock, AR 72206,

Closure Cost Estimate \$214,337

e. **Other Permitted Waste Facility**

Name & Permit Number None

2. The fiscal year of this local government ends on December 31, 2023.
3. The City of Little Rock has provided evidence (attached) and certifies that the City of Little Rock meets the conditions of the Financial Component [Reg.22.1405 (f)(1)(i)].

PARAGRAPH A:

BOND RATING REQUIREMENT

Is the current bond rating of the owner or operator adequate? Yes

Indicate the appropriate Bond Rating and the source:

Standard and Poor's

Moody's

AAA

X AA

A

BBB

Aaa

X Aa1

A

Baa

PARAGRAPH B:

FINANCIAL RATIO ALTERNATIVE

Does the owner or operator satisfy each of the following financial ratios based on the owner or operator's most recent audited annual financial statements: N/A

Cash + Marketable securities > or = 0.05 Total Expenditures

Annual Debt Service < 0.20 Total Expenditures

4. The City of Little Rock has provided evidence [city-of-little-rock-2022-annual-comprehensive-financial-report.pdf \(littlerock.gov\)](#) and certifies that the City of Little Rock has prepared its financial statements in conformity with Generally Accepted Accounting Principles for governments and has had these financial statements audited by an independent certified public accountant (or appropriate State agency). [Reg.22.1405 (f)(1)(ii)].
5. The City of Little Rock has provided evidence [city-of-little-rock-2022-annual-comprehensive-financial-report.pdf \(littlerock.gov\)](#) and certifies that the City of Little Rock meets the following conditions [Reg.22.1405(f)(1)(iii)]:
 - a. The City of Little Rock is not currently in default on any outstanding general obligation bonds;
 - b. The City of Little Rock does not have any outstanding general obligation bonds rated lower than Baa as issued by Moodys or BBB as issued by Standard and Poors;
 - c. The City of Little Rock has not operated at a deficit equal to five percent (5%) or more of total annual revenue in each of the past two years;
 - d. The City of Little Rock has not received an adverse opinion, disclaimer of opinion, or other qualified opinion from the independent certified public accountant (or appropriate State agency) auditing its financial statement as required under Paragraph Reg.22.1405(f)(1)(ii).



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6. The City of Little Rock has provided evidence (**Note 11, pg. 108 of 2022 Annual Comprehensive Financial Report (ACFR)**) and certifies that the City of Little Rock meets the conditions [Reg.22.1405(f)(2)].
7. The City of Little Rock has provided evidence (attached) and certifies that the City of Little Rock meets the conditions Reg.22.1405(f)(4):
 - a. If the City of Little Rock does not assure other environmental obligations through a financial test, it may assure closure, post-closure care, and corrective action costs that equal up to 43 percent of the local government's total annual revenue.
 - b. If the City of Little Rock assures other environmental obligations through a financial test, including those associated with UIC facilities under 40 CFR Part 280, PCB storage facilities under 40CFR Part 761, and hazardous waste treatment, storage, and disposal facilities under 40 CFR Parts 264 and 265, it must add those costs to the closure, post-closure care, and corrective action costs it seeks to assure under this paragraph. The total that may be assured must not exceed 43 percent of the local government's total annual revenue.

Using the Statement of Activities (found on page 24 of the 2021 ACFR) the maximum assurance amount allowed the City is $\$341,433,492 * 43\% = \$146,816,402$. Closure and post-closure costs through the year 2065 are estimated to be $\$20,209,117$ (Note 11, page 108 of the 2022 ACFR).

- c. For those costs that exceed the limits set in Reg.22.1405 (f)(4)(i) and (ii), the City of Little Rock certifies that they have obtained an alternate financial assurance mechanism.
Not applicable as the City of Little Rock meets criteria in Reg. 22.1405 (f)(4)(i) and (ii).

I hereby certify that the wording of this letter is in compliance with wording specified in APC&EC Regulation 22.1405 (f)(3)(i)(A)(a) and (b), as such regulations were constituted on the date shown immediately below.

Signature 

Name Nicholas Sarpy

Title City of Little Rock – Chief Financial Officer

Date April 5, 2024

Attachments:

Summary of Closure and Postclosure Cost Estimates (Table 6.1) from the Annual Financial Assurance Report prepared by Terracon Consultants, Inc. 25809 Interstate 30 South, Bryant, Arkansas 72022 dated March 2024.

Excerpts from the City of Little Rock 2022 Annual Comprehensive Financial Report for the Year Ended December 31, 2022

- **Independent Auditor's Report – FORVIS, LLP**
- **Statement of Activities**
- **Footnote 11 – Landfill Closure and Postclosure Care Cost**

5.5 Closure Liability of the Composting Facility

The current estimated closure cost for the composting facility, in December 2022 dollars, is \$214,968.34, as shown in **Table 5.7**. As required by DEQ, the cost is calculated by multiplying the maximum design storage capacity of 36,000 tons by 150% (45,000 tons), subtracting 36,000 tons that would be distributed to other CLR agencies, and multiplying the remainder (9,000 tons) by the cost to process and remove the remaining materials (\$23.89 per ton).

Item Description	Units	Estimated Quantity	Unit Cost ⁽¹⁾	Total Cost
Hauling & redistribution of compost material to parks	ton	36,000	\$0.00	\$0.00
Processing and distribution of remaining yard waste by private contractor	ton	9,000	\$23.82	\$214,337.30
Total Financial Assurance Closure Cost:				\$214,337.30

⁽¹⁾ Cost per acre, as estimated by Edwards Engineering, P.A. on January 2008 adjusted annually for inflation.

6 Requirements for Financial Assurance

Under state and federal regulations, each facility owner or operator must provide financial assurance to the state permitting authority. The purpose is to show that the owner or operator has the financial ability to close the composting facility and, for the Class 1 and Class 4 landfills, to close the largest open area of each landfill and to conduct post-closure care. A financial assurance mechanism must be in place throughout the operating life of the facilities, and the instrument must be updated annually.

Originally, CLR used a "contract of obligation" as the mechanism to satisfy financial assurance. A contract of obligation is essentially a resolution from the City Board recognizing the liability associated with landfill operations, a pledge to meet that obligation, and an agreement to allow the state to garnish turn-back money if CLR fails to fully meet the obligations. However, since that time, changes in state law removed the contract of obligation from the list of acceptable financial assurance mechanisms.

In 2002, CLR decided to utilize a financial test as the financial assurance mechanism. Under this option, an accounting demonstration is used to show that sufficient funds are

available to meet all needs for closure and post-closure care. If a successful demonstration can be made, the governing body can use that demonstration to guarantee financial assurance through a formal resolution.

According to DEQ, the total amount to be placed in the financial assurance instrument is calculated as 100% of the combined closure cost estimates plus 20% of the combined post-closure cost estimates. **Table 6.1** provides a summary of closure and post-closure costs for all three facilities.

The total financial assurance amount for the whole facility is the sum of the financial assurance for the Class 1 landfill, the Class 4 landfill, and the composting facility. Therefore, \$12,775,628 must be guaranteed by the financial assurance instrument utilized by CLR.

Item Description	Source	Cost
100% of Closure Cost Estimates of Class 1 LF	From Table 5.1	\$9,324,592
20% of Post-Closure Cost Estimates of Class 1	From Table 5.3	\$1,966,247
Total Financial Assurance of Class 1		\$11,290,839
100% of Closure Cost Estimates of Class 4 LF	From Table 5.4	\$1,265,581
20% of Post Closure Estimates of Class 4	From Table 5.6	\$4,871
Total Financial Assurance of Class 4		\$1,270,452
100% of Closure Cost Estimate of Compost	From Table 5.7	\$214,337
Total Financial Assurance of Composting Facility		\$214,337
TOTAL FINANCIAL ASSURANCE		\$12,775,628

FORVIS

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forvis.com

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

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

Basis for Opinions

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

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

FORVIS,LLP

Little Rock, Arkansas
September 11, 2023

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Primary Government								
Governmental Activities								
General administration	\$ 32,542,724	\$ 11,626,160	\$ 7,438,251	\$ 35,423	\$ (13,442,890)	\$ -	\$ (13,442,890)	\$ -
Board of Directors	332,882	-	-	-	(332,882)	-	(332,882)	-
Community programs	4,505,099	25,338	233,186	-	(4,246,575)	-	(4,246,575)	-
City attorney	1,893,490	-	-	-	(1,893,490)	-	(1,893,490)	-
Courts	3,092,459	1,762,514	-	-	(1,329,945)	-	(1,329,945)	-
Finance	4,955,731	51,074	-	-	(4,914,657)	-	(4,914,657)	-
Human resources	2,386,406	33,202	51,834	-	(2,301,370)	-	(2,301,370)	-
Information technology	7,806,547	(17,905)	-	-	(7,824,452)	-	(7,824,452)	-
Planning and development	3,245,089	2,368,106	45,171	-	(831,710)	-	(831,710)	-
Public works	39,618,691	414,839	17,460,973	5,349,856	(16,393,023)	-	(16,393,023)	-
Parks and recreation services	14,347,852	1,181,952	730,894	31,875	(12,403,131)	-	(12,403,131)	-
Rivermarket	1,102,088	399,666	250,554	-	(451,868)	-	(451,868)	-
Golf	1,818,690	1,152,176	-	-	(666,514)	-	(666,514)	-
Jim Dailey Fitness	955,821	332,899	-	-	(622,922)	-	(622,922)	-
Fire	8,706,384	3,733,929	63,852	-	(4,908,603)	-	(4,908,603)	-
Police	51,724,011	1,980,587	1,769,048	122,334	(47,852,042)	-	(47,852,042)	-
911 operations	74,238,853	3,195,411	6,750,484	950	(64,292,008)	-	(64,292,008)	-
Fleet	4,585,371	3,006,992	-	-	(1,578,379)	-	(1,578,379)	-
Economic development	84,945	771,858	-	-	686,913	-	686,913	-
Education	200,000	-	-	-	(200,000)	-	(200,000)	-
Housing and neighborhood programs	3,005,774	-	-	-	(3,005,774)	-	(3,005,774)	-
Fiscal charges on long term debt	10,862,513	1,236,115	3,488,604	-	(6,137,794)	-	(6,137,794)	-
Total governmental activities	4,521,449	-	-	-	(4,521,449)	-	(4,521,449)	-
Business-Type Activities								
Waste disposal	22,714,914	25,039,773	-	-	-	2,324,859	2,324,859	-
River Market Garage	1,803,028	2,718,304	-	-	-	915,276	915,276	-
Vehicle storage	1,450,998	2,224,336	-	-	-	773,340	773,340	-
Total business-type activities	25,968,940	29,982,415	-	-	-	4,013,475	4,013,475	-
Total primary government	\$ 302,511,789	\$ 63,237,410	\$ 38,282,851	\$ 5,540,438	\$ (199,464,565)	\$ 4,013,475	\$ (195,451,090)	\$ -
Total component units	\$ 243,288,124	\$ 165,889,366	\$ 91,039,573	\$ 14,297,742	\$ -	\$ -	\$ -	\$ 27,938,557
General revenues								
General property taxes					67,315,382	-	67,315,382	24,666,166
Sales taxes					135,892,366	-	135,892,366	1,012,491
Utility franchise taxes					33,971,762	-	33,971,762	-
Grants and contributions not restricted to specific programs					4,619,172	-	4,619,172	-
Investment loss					(6,929,856)	(498,033)	(7,427,889)	(5,634,711)
Other					-	-	-	8,085,216
Transfers					1,822,544	(1,822,544)	-	-
Total general revenues and transfers					236,691,370	(2,318,577)	234,372,793	28,129,162
Change in Net Position					37,226,805	1,694,898	38,921,703	56,067,719
Net Position, beginning of year					540,946,194	31,740,081	572,686,275	1,132,890,345
Change in accounting principle					667,091	-	667,091	-
Net Position, beginning of year, restated					541,613,285	31,740,081	573,353,366	1,132,890,345
Net Position, end of year					\$ 578,840,090	\$ 33,434,979	\$ 612,275,069	\$ 1,188,958,064

See Notes to Financial Statements

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

Note 11: Landfill Closure and Postclosure Care Cost

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

Note 12: Contingencies

Federal Grant Programs

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

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

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

FINANCIAL COMPONENT

Facility Name: City of Little Rock Municipal Landfill Permit No. 0031-SCYW; 0266-S1; 0266-S4J

YES	NO	QUESTION										
X	<input type="checkbox"/>	<p>Does the local government owner or operator pass one of the financial tests outlined on below?</p> <p align="center">BOND RATING REQUIREMENT</p>										
X	<input type="checkbox"/>	<p>Is the current bond rating of the owner or operator adequate?</p> <p>Indicate the appropriate Bond Rating and the source:</p> <table border="0"> <tr> <td align="center"><u>X</u> Standard and Poor's</td> <td align="center"><u>X</u> Moody's</td> </tr> <tr> <td><input type="checkbox"/> AAA</td> <td><input type="checkbox"/> Aaa</td> </tr> <tr> <td><input checked="" type="checkbox"/> AA</td> <td><input checked="" type="checkbox"/> Aa1</td> </tr> <tr> <td><input type="checkbox"/> A</td> <td><input type="checkbox"/> Aa3</td> </tr> <tr> <td><input type="checkbox"/> BBB</td> <td><input type="checkbox"/> Baa</td> </tr> </table> <p>[Reg.22.1405 (f)(1)(i)(A)]</p>	<u>X</u> Standard and Poor's	<u>X</u> Moody's	<input type="checkbox"/> AAA	<input type="checkbox"/> Aaa	<input checked="" type="checkbox"/> AA	<input checked="" type="checkbox"/> Aa1	<input type="checkbox"/> A	<input type="checkbox"/> Aa3	<input type="checkbox"/> BBB	<input type="checkbox"/> Baa
<u>X</u> Standard and Poor's	<u>X</u> Moody's											
<input type="checkbox"/> AAA	<input type="checkbox"/> Aaa											
<input checked="" type="checkbox"/> AA	<input checked="" type="checkbox"/> Aa1											
<input type="checkbox"/> A	<input type="checkbox"/> Aa3											
<input type="checkbox"/> BBB	<input type="checkbox"/> Baa											
<input type="checkbox"/>	<input type="checkbox"/>	<p>OR</p> <p align="center">FINANCIAL RATIO ALTERNATIVE</p> <p>Does the owner or operator satisfy each of the following financial ratios based on the owner or operator's most recent audited annual financial statements:</p> <p><input type="checkbox"/> $\frac{\text{Cash + Marketable securities}}{\text{Total Expenditures}} > \text{or} = 0.05$</p> <p><input type="checkbox"/> $\frac{\text{Annual Debt Service}}{\text{Total Expenditures}} < 0.20$</p> <p>[Reg.22.1405 (f)(1)(B) (a) and (b)]</p>										
X	<input type="checkbox"/>	<p>Has the local government owner or operator prepared its financial statements to conform with Generally Accepted Accounting Principles for governments and have its financial statements audited by an independent certified public accountant (or appropriate State Agency)?</p> <p>[Reg.22.1405 (f)(1)(ii)]</p>										
<input type="checkbox"/>	X	<p>Is the local government currently in default on any outstanding general obligation bond?</p> <p>[Reg.22.1405 (f)(1)(iii)(A)]</p>										
<input type="checkbox"/>	X	<p>Does the local government have any outstanding general obligation bonds rated lower than Baa as issued by Moodys or BBB as issued by Standard and Pools?</p> <p>[Reg.22.1405 (f)(1)(iii)(B)]</p>										
<input type="checkbox"/>	X	<p>Has the local government operated at a deficit equal to five percent or more of total annual revenue in each of the past two fiscal years?</p> <p>[Reg.22.1405 (f)(1)(iii)(C)]</p>										
<input type="checkbox"/>	X	<p>Has the local government received an adverse opinion, disclaimer of opinion, or other qualified opinion from the independent certified public accountant (or appropriate State agency) auditing its financial statement as required under paragraph Reg.22.1405(f)(1)(ii).</p> <p>[Reg.22.1405(f)(1)(iii)(D)]</p>										

RECORDKEEPING AND REPORTING REQUIREMENTS

Facility Name: City of Little Rock Municipal Landfill Permit No. 0031-SCYW; 0266-S1; 0266-S4J

The local government owner or operator must place the following documentation in the facility's operating record and furnish the information to the Director for approval:

YES	NO	Documentation
X	<input type="checkbox"/>	<p><u>A letter signed by the local government's chief financial officer that:</u> X Lists all the current costs estimates covered by a financial test, as described in Reg.22.1405 (f)(4). X Provides evidence and certifies that the local government meets the conditions of the financial component, as described in Reg.22.1405 (f)(1)(ii), and Reg.22.1405 (f)(1)(iii); and X Certifies that the local government meets the conditions of the public service component and calculation of costs to be assured, as described in Reg.22.1405 (f)(2), and Reg.22.1405 (f)(4). [Reg.22.1405 (f)(3)(i)(A) (a)(b) and (c)]</p> <p><i>An example letter containing requirements above is attached.</i></p>
X	<input type="checkbox"/>	<p>The local government's independently audited year-end financial statements for the latest fiscal year, including the unqualified opinion of the auditor who must be an independent, certified public accountant or an appropriate State agency that conducts equivalent comprehensive audits. [Reg.22.1405 (f)(3)(i)(B)]</p>
08/11/09 Spoke with Susan Speake. N/A	<input type="checkbox"/>	<p>A report to the local government from the local government's independent certified public accountant or the appropriate State agency based on performing an agreed upon procedures engagement relative to the financial ratios required by Reg.22.1405 (f)(1)(i)(B), if applicable, and the requirements of Reg.22.1405 (f)(1)(ii) and Reg.22.1405 (f)(1)(iii)(C) and (D). The CPA or State agency's report should state the procedures performed and the CPA or State agency's findings. [Reg.22.1405 (f)(3)(i)(C)]</p>
X	<input type="checkbox"/>	<p>A copy of the annual comprehensive financial report (ACFR) used to comply with Reg.22.1405(f)(2) or certification that the requirements of General Accounting Standards Board Statement 18 have been met. city-of-little-rock-2022-annual-comprehensive-financial-report.pdf littlerock.gov [Reg.22.1405 (f)(3)(i)(D)]</p>
<input type="checkbox"/>	X	<p>Has the local government operated at a deficit equal to five percent or more of total annual revenue in each of the past two fiscal years? [Reg.22.1405 (f)(1)(iii)(C)]</p>
<input type="checkbox"/>	X	<p>Has the local government received an adverse opinion, disclaimer of opinion, or other qualified opinion from the independent certified public accountant (or appropriate State agency) auditing its financial statement as required under paragraph Reg.22.1405(f)(1)(ii). [Reg.22.1405(f)(1)(iii)(D)]</p>
X	<input type="checkbox"/>	<p>Has the local government owner or operator updated the information and placed the updated information in the operating record within 180 days following the close of the local government's fiscal year? Date the updated information received by the Department. <u>March 29, 2024</u> [Reg.22.1405 (f)(3)(iii)]</p>

PUBLIC NOTICE COMPONENT

X	<input type="checkbox"/>	<p>Has the local government placed a reference to the closure and post-closure care costs assured through the financial test into its next comprehensive annual financial report (CAFR). Disclosure must include the following:</p> <ul style="list-style-type: none"><input type="checkbox"/> Nature and source of closure and post-closure care requirements;<input type="checkbox"/> Reported liability at the balance sheet date;<input type="checkbox"/> Estimated total closure and Post-closure care cost remaining to be recognized;<input type="checkbox"/> Percentage of landfill capacity used to date;<input type="checkbox"/> Estimated landfill life in years.<input type="checkbox"/> Reference to corrective action costs, if applicable; <p><i>(For closure and post-closure costs, conformance with Government Accounting Standards Board Statement 18 assures compliance with this public notice component)</i></p> <p>[Reg.22.1405(f)(2)]</p>
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Reviewed by: _____

Date: _____

Comments: _____
