

City of Camden, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CAMDEN, ARKANSAS
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Sen. Lance Eads
Senate Vice Chair



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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

City of Camden, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of the City of Camden, Arkansas, as of and for the year ended December 31, 2017, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412, as described in Note 1, to meet the requirements permitted by the State of Arkansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements permitted by the State of Arkansas.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Camden, Arkansas, as of December 31, 2017, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, street fund, and other funds in the aggregate of the City of Camden, Arkansas, as of December 31, 2017, the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and street fund for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the City would have included another fund under accounting principles generally accepted in the United States of America (GAAP) as established by the *Government Accounting Standards Board*. However, under the regulatory basis, this fund is not required to be included as part of the reporting entity. Our opinions are not modified with respect to this matter.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the accompanying regulatory basis financial statements. The accompanying supplementary information and other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 regulatory basis financial statements as a whole on the basis of accounting described in Note 1.

The other information has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

ARKANSAS LEGISLATIVE AUDIT



Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

Little Rock, Arkansas
September 17, 2018
LOM101717

Arkansas

Sen. Jimmy Hickey, Jr.
Senate Chair
Sen. Lance Eads
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Mary Bentley
House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING, COMPLIANCE AND OTHER MATTERS,
AND OTHER ISSUES BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

City of Camden, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of the City of Camden, Arkansas, as of and for the year ended December 31, 2017, and the related notes to the financial statements, and have issued our report thereon dated September 17, 2018. We issued an adverse opinion because the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, street fund, and other funds in the aggregate were unmodified.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Other Issues

The following issues are not significant deficiencies, material weaknesses, or material instances of noncompliance, but are issues that are presented to assist in the efficient operation of the City.

The commentary contained in this section relates to the following officials that held office during 2017:

Mayor: Marie Trisollini
City Clerk: Donna Stewart
City Treasurer: Jim Green
District Court Clerk: Victoria Huggins
Police Chief: Boyd Woody

We reviewed the City's compliance with certain Arkansas laws concerning general and district court accounting, budgeting, purchasing, and investing and depositing of public funds.

Our audit procedures indicated that the offices of **Mayor**, **City Treasurer**, **District Court Clerk**, and **Police Chief** were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law and accepted accounting practices was noted in the office of **City Clerk**.

City Clerk

Fixed asset records were not maintained in accordance with Ark. Code Ann. § 14-59-107.

Compensated absences records were not maintained in accordance with the City's policy manual.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT



Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
September 17, 2018

CITY OF CAMDEN, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2017

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 3,190,295	\$ 1,419,546	\$ 3,181,075
Accounts receivable	438,175	500	169,458
TOTAL ASSETS	\$ 3,628,470	\$ 1,420,046	\$ 3,350,533
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 7,512	\$ 7,052	\$ 74,204
Settlements pending			251,706
Total Liabilities	7,512	7,052	325,910
Fund Balances:			
Restricted	368,696	749,983	1,991,183
Committed			631,789
Assigned	144,512	663,011	401,651
Unassigned	3,107,750		
Total Fund Balances	3,620,958	1,412,994	3,024,623
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,628,470	\$ 1,420,046	\$ 3,350,533

The accompanying notes are an integral part of these financial statements.

CITY OF CAMDEN, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 607,411	\$ 837,990	\$ 207,441
Federal aid	257,048		2,140,592
Property taxes	630,949	134,190	88,530
Franchise fees	885,443		
Sales taxes	4,025,962		788,017
Fines, forfeitures, and costs	288,254		5,601
Interest	20,402	9,073	25,923
Local permits and fees	80,174		
Sanitation fees			401,651
Advertising and promotion taxes			307,504
Airport gasoline sales			85,384
Airport rentals			104,629
Other	180,889	16,541	5,362
TOTAL REVENUES	6,976,532	997,794	4,160,634
EXPENDITURES			
Current:			
General government	767,898		304,290
Law enforcement	2,735,701		9,599
Highways and streets	498,211	639,755	
Public safety	2,278,930		7,939
Sanitation			1,233,337
Recreation and culture	342,702		1,057,984
Airport			1,827,726
Total Current	6,623,442	639,755	4,440,875
Debt Service:			
Bond principal	22,079		
Bond interest and other charges	55,393		
Note principal			31,020
TOTAL EXPENDITURES	6,700,914	639,755	4,471,895

CITY OF CAMDEN, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

Exhibit B

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 275,618</u>	<u>\$ 358,039</u>	<u>\$ (311,261)</u>
OTHER FINANCING SOURCES (USES)			
Contribution from South Central Service Cooperative	86,124		
Contribution to Camden-Ouachita County Library			<u>(88,530)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>86,124</u>		<u>(88,530)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	361,742	358,039	(399,791)
FUND BALANCES - JANUARY 1	<u>3,259,216</u>	<u>1,054,955</u>	<u>3,424,414</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 3,620,958</u></u>	<u><u>\$ 1,412,994</u></u>	<u><u>\$ 3,024,623</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF CAMDEN, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 482,700	\$ 607,411	\$ 124,711	\$ 809,000	\$ 837,990	\$ 28,990
Federal aid	136,500	257,048	120,548	240,000		(240,000)
Property taxes	617,000	630,949	13,949	132,750	134,190	1,440
Franchise fees	893,154	885,443	(7,711)			
Sales taxes	4,152,512	4,025,962	(126,550)			
Fines, forfeitures, and costs	267,358	288,254	20,896			
Interest	15,000	20,402	5,402	4,500	9,073	4,573
Local permits and fees	77,865	80,174	2,309			
Other	236,955	180,889	(56,066)	11,200	16,541	5,341
TOTAL REVENUES	6,879,044	6,976,532	97,488	1,197,450	997,794	(199,656)
EXPENDITURES						
Current:						
General government	1,049,925	767,898	282,027			
Law enforcement	3,048,584	2,735,701	312,883			
Highways and streets	479,027	498,211	(19,184)	1,356,115	639,755	716,360
Public safety	2,340,178	2,278,930	61,248			
Recreation and culture	681,365	342,702	338,663			
Total Current	7,599,079	6,623,442	975,637	1,356,115	639,755	716,360
Debt Service:						
Bond principal		22,079	(22,079)			
Bond interest and other charges		55,393	(55,393)			
TOTAL EXPENDITURES	7,599,079	6,700,914	898,165	1,356,115	639,755	716,360
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(720,035)	275,618	995,653	(158,665)	358,039	516,704
OTHER FINANCING SOURCES (USES)						
Transfers in				100,000		(100,000)
Contribution from South Central Service Cooperative	86,122	86,124	2			
TOTAL OTHER FINANCING SOURCES (USES)	86,122	86,124	2	100,000		(100,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(633,913)	361,742	995,655	(58,665)	358,039	416,704
FUND BALANCES - JANUARY 1		3,259,216	3,259,216		1,054,955	1,054,955
FUND BALANCES - DECEMBER 31	\$ (633,913)	\$ 3,620,958	\$ 4,254,871	\$ (58,665)	\$ 1,412,994	\$ 1,471,659

The accompanying notes are an integral part of these financial statements.

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Camden was incorporated under the laws of the State of Arkansas and operates under an elected Mayor-Council form of government. The reporting entity includes all funds of the City. Under accounting principles generally accepted in the United States of America (GAAP) as established by the *Government Accounting Standards Board*, the following fund of the City would have been included in the reporting entity: Water and Sewer. However, under Arkansas's regulatory basis described below, inclusion of this fund is not required and this fund is not included in this report.

B. Basis of Presentation – Regulatory

The financial statements are presented in accordance with the regulatory basis of presentation as prescribed or permitted by Ark. Code Ann. § 10-4-412. The law requires that the financial statements be presented on a fund basis with, as a minimum, the general fund and street fund presented separately with all other funds included in the financial statements presented in the aggregate. This law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general and street funds; notes to financial statements; and a supplemental schedule of capital assets.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with related liabilities and residual balances, and changes therein, which are segregated for purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds are recognized in the accompanying regulatory basis financial statements.

General Fund - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

Street Fund - The Street Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Street Fund accounts for and reports the proceeds of state highway turnback and property taxes that are restricted or committed for maintaining and constructing highways and streets.

Other Funds in the Aggregate - Other Funds in the Aggregate consist of all funds included in the financial statements except for the General and Street Funds. The following types of funds are included in this column as follows:

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. See Schedules 1 and 2 for Special Revenue Funds as reported with other funds in the aggregate.

Enterprise Funds – Enterprise funds are used to report activity that is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; activity that is legally required to recover its costs through fees or charges; or activity that the government's policy is to establish fees or charges designed to recover the cost of providing services. See Schedules 1 and 2 for the Enterprise Fund reported with other funds in the aggregate.

Agency Funds - Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). See Schedule 1 for Agency Funds as reported with other funds in the aggregate.

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting - Regulatory

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Ark. Code Ann. § 10-4-412. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues generally are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. However, most state aid received from the State Treasury is by state law revenue of the year in which it was received by the government. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. As a result of the use of this regulatory basis of accounting, capital assets and long-term debt are not recorded in these financial statements.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, and payroll withholdings that have not been transferred to the appropriate entities.

Fund Balance Classifications

1. Restricted fund balance - amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed fund balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council (passage of an ordinance).
3. Assigned fund balance - amounts that are constrained by the City Council's intent to be used for specific purposes, but are neither restricted nor committed.
4. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

E. Property Taxes

A lien attaches to the real property in January and on personal property in June of each year. Property taxes are collectible beginning the first business day of March of the subsequent year, but are not considered delinquent until after October 15. Property taxes reflected as revenues on the financial statements include the property tax relief distribution made by the State of Arkansas. The purpose of this distribution is to reimburse the municipality for property tax credits in accordance with Arkansas Code.

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budget Law

State law requires that these procedures be followed in establishing the budgetary data:

- a. Prior to December 1, the Mayor submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. The proposed budget is discussed at a City Council meeting prior to adoption.
- c. Prior to February 1, the budget is legally enacted by ordinance or resolution of the City Council.
- d. Appropriations lapse at the end of each year.
- e. Under certain conditions, the budget may be amended subsequent to the year-end.

The budgeted revenues and expenditures represent the formal operating budget adopted by the City Council, as amended by the Council during the year.

Basis of Accounting

The City prepared an annual budget on the regulatory basis for the General Fund, Street Fund, and the other operating funds.

G. Fund Balance Classification Policies and Procedures

The Municipality's highest level of decision-making authority is its City Council. The establishment of amounts classified as committed fund balances and any subsequent modifications to such balances are the result of formal action taken by the City Council through passage of an ordinance. The City Council is authorized to assign amounts to a specific purpose, although a formal policy has not been established.

The Municipality does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The Municipality does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

NOTE 2: Cash Deposits with Financial Institutions

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 1,016,567	\$ 1,089,272
Collateralized:		
Collateral held by the City's agent, pledging bank, or pledging bank's trust department or agent in the City's name	6,525,761	6,754,762
Uninsured and uncollateralized	247,186	247,816
Total Deposits	\$ 7,789,514	\$ 8,091,850

The above total deposits do not include cash on hand of \$1,402.

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 2: Cash Deposits with Financial Institutions (Continued)

Custodial risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2017, \$247,816 of the City's bank balance of \$8,091,850 was exposed to custodial credit risk.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

State law generally requires that municipal funds be deposited in federally insured banks located in the State of Arkansas. The municipal deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in eligible investment securities having a maturity of not longer than 5 years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity; an Arkansas bank certificate of deposit; an account established by a local government joint investment trust; or an Arkansas financial institution repurchase agreement for eligible investment securities in which the seller agrees to repurchase the investment at a price including interest earned during the holding period as determined by the repurchase agreement.

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2017, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
State aid	\$ 14,736		
Federal aid	5,154		\$ 57,739
Franchise fees	60,116		
Sales taxes	315,744		59,730
Fines, forfeitures, and costs	19,637		
Local permits and fees	267		
Sanitation fees			25,580
Advertising and promotion taxes			19,090
Airport gasoline sales			7,104
Airport rentals			215
Other	22,521	\$ 500	
Totals	<u>\$ 438,175</u>	<u>\$ 500</u>	<u>\$ 169,458</u>

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2017, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 7,512</u>	<u>\$ 7,052</u>	<u>\$ 74,204</u>

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 6: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2017, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government	\$ 2,500		\$ 1,917,919
Law enforcement	181,515		1,080
Highways and streets		\$ 749,983	
Public safety	66,834		6,663
Recreation and culture	24,576		
Airport			62,847
Pension benefits			2,674
Debt service	93,271		
Total Restricted	368,696	749,983	1,991,183
Committed for:			
Sanitation			556,763
Airport			75,026
Total Committed			631,789
Assigned to:			
General government	34,061		
Law enforcement	28,657		
Highways and streets		663,011	
Public safety	81,794		
Sanitation			401,651
Total Assigned	144,512	663,011	401,651
Unassigned	3,107,750		
Totals	\$ 3,620,958	\$ 1,412,994	\$ 3,024,623

NOTE 7: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The City is subject to a constitutional limitation for bonded indebtedness equal to 20% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2017, the legal debt limit for the bonded debt was \$ 18,359,633. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2017, the legal debt limit for short-term financing obligations was \$4,890,565. The amount of short-term financing obligations, was \$292,877 leaving a legal debt margin of \$4,597,688.

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 8: Commitments

Total commitments consist of the following at December 31, 2017:

	December 31, 2017
Long-term liabilities	\$ 2,212,949
Construction contracts	392,014
 Total Commitments	 \$ 2,604,963

Long-term liabilities

Long-term liabilities at December 31, 2017, are comprised of the following:

	December 31, 2017
Education Center Revenue Bonds with the U.S. Department of Agriculture Rural Development for the construction of the South Central Service Cooperative building. Interest is at 3.75% with one interest only payment due December 1, 2011 and 468 monthly installments of \$6,456 beginning January 1, 2012 through December 1, 2050. Payments are to be made from the Debt Service account maintained in the General Fund.	\$ 1,465,116
 Note payable with the U.S. Department of Housing and Urban Development passed through the Arkansas Department of Economic Development to fund the construction of a 100'x140" clear span metal building at the Camden Regional Airport to be owned and operated by the Camden Regional Airport Commission. This is a zero percent interest loan with a stipulation that the City has no loan payments due without tenant for the building. The City currently has leased the building to the United States Postal Service at a rate of \$4,400 per month for the period April 1, 2008 through March 31, 2018. The City's monthly payment is \$2,585 payable through June 1, 2027, and is made from the Airport Fund.	292,877
 Compensated absences	212,317
 Estimated liability for landfill closure and postclosure care costs	242,639
 Total Long-term liabilities	\$ 2,212,949

Due to the City's regulatory basis of accounting, these liabilities are not recorded in the financial statements.

Post Employment Benefits Other Than Pensions

The amount of any actuarially determined accrued liability for post employment benefits other than pensions was not determined.

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 8: Commitments (Continued)

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2017:

<u>December 31,</u>	<u>Bonds</u>	<u>Notes</u>	<u>Total</u>
2018	\$ 77,472	\$ 31,020	\$ 108,492
2019	77,472	31,020	108,492
2020	77,472	31,020	108,492
2021	77,472	31,020	108,492
2022	77,472	31,020	108,492
2023 through 2027	387,360	137,777	525,137
2028 through 2032	387,360		387,360
2033 through 2037	387,360		387,360
2038 through 2042	387,360		387,360
2043 through 2047	387,360		387,360
2048 through 2050	231,366		231,366
Total Obligations	2,555,526	292,877	2,848,403
Less Interest	1,090,410		1,090,410
Total Principal	<u>\$ 1,465,116</u>	<u>\$ 292,877</u>	<u>\$ 1,757,993</u>

Landfill Closure and Postclosure Care Costs

The City of Camden is the owner of permit # 0255-S4 to operate a Class IV solid waste landfill. State and federal regulations require a final cover to be placed on the landfill site when it stops accepting waste and the performance of certain maintenance and monitoring functions at the site for two years after the closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, a portion of these closure and postclosure care costs are being recognized as a commitment each year based on landfill capacity used as of the balance sheet date. The estimated commitment for the landfill closure and postclosure care costs has a balance of \$242,639 as of December 31, 2017, and represents the cumulative amount reported to date based on 87% usage of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$37,787 as the remaining capacity is filled. At the present utilization rate, the landfill site is estimated to exhaust in 9 years from the balance sheet date.

Estimated costs are based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2017. However, the actual cost of closure and postclosure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

In accordance with Ark. Code Ann. § 8-6-1603, the City has provided financial assurance of \$178,379 in the form of a Contract of Obligation. This Contract of Obligation authorizes the State Treasurer to withhold from any funds being distributed from the State of Arkansas to the City of Camden the sum of \$178,379 upon receiving notice from the Director of the Arkansas Department of Environmental Quality of the City's failure to properly close the disposal operation.

Construction Contracts

The City was contractually obligated for the following construction contracts at December 31, 2017:

<u>Project Name</u>	<u>Estimated Completion Date</u>	<u>Contract Balance December 31, 2017</u>
Trace Pedestrian Trail	September 2018	\$ 88,264
Streetscape	August 2018	303,750
Total Construction Contracts		<u>\$ 392,014</u>

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 9: Pledged Revenues

Building Rental

The City pledged future lease rental charges for the South Central Service Cooperative building to repay \$1,586,000 in bonds that were issued in 2010 to provide funding for the acquisition, construction, improvement, and equipping of educational and training facilities for public employees. The total principal and interest remaining on the bonds are \$1,465,116 and \$1,090,410, respectively, payable through December 1, 2050. For 2017, principal and interest paid were \$22,079 and \$55,393, respectively.

The General Fund received \$86,124 in lease rentals in 2017. Any lease rentals collected in excess of debt service payments on these bonds are permitted to be used for major repairs, construction improvements, or any lawful project purpose.

NOTE 10: Related Party Transactions

The City maintained deposits of \$1,318,603 at December 31, 2017, with Generations Bank, where District Court Judge Phillip Foster is a director on the Generations Bank Board. Camden Ordinance no. 29-13 (December 10, 2013) authorizes the City to conduct business with Generations Bank.

The City paid \$23,355 to Gatling's Cooling and Heating, Inc., owned by Airport Commissioner Kyle Gatling, for cooling and heating services in 2017. Camden Ordinance no. 18-16 (August 9, 2016) authorizes the City to conduct business with this related party.

NOTE 11: Joint Venture

Camden-Ouachita County Library

The Camden Library Commission and Ouachita County Library Board entered into an agreement in January 1954 in accordance with Ark. Code Ann. § 13-2-401 to establish the Camden-Ouachita County Library. The agreement states that all funds, income, and properties of the city and county, which are levied for library purposes together with all funds received from any source by either city or county, shall be pooled and made available for joint operation of the city-county library system under the management and control of the joint city-county board. The City made contributions of \$88,530 to Ouachita County for the Camden-Ouachita County Library in 2017. Separate financial statements of the Camden-Ouachita County Library are not available.

NOTE 12: Jointly Governed Organization

Thirteenth Judicial District Drug Task Force

The Police Departments of Camden, El Dorado, Fordyce, Hampton, Magnolia, Rison, and Smackover and the Sheriffs' Departments of Calhoun, Cleveland, Columbia, Dallas, Ouachita, and Union Counties entered into an agreement to establish the Thirteenth Judicial District Drug Task Force. The agreement covers the period July 1, 2017 to June 30, 2018, and may be extended upon written mutual agreement. Funds were provided through a Drug Law Enforcement Program grant applied for by the Prosecuting Attorney of the Thirteenth Judicial District. No contribution or payments for expenditures were made to or on behalf of the Thirteenth Judicial District Drug Task Force by the City. The 2017 statements of the Thirteenth Judicial District Drug Task force have not been audited.

NOTE 13: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in a public entity risk pool. The amount of settlements, if any, has not exceeded the insurance coverage for each of the past three years. There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 13: Risk Management (Continued)

The City participates in the Arkansas Municipal League Program (public entity risk pools) for coverage in the following areas:

Workers' Compensation - This program provides statutory benefits for losses incurred by municipal officials, employees, and volunteer fire fighters while performing work for the municipality. Rates for municipalities participating in this program are revised by class code on an annual basis by the Arkansas Workers' Compensation Commission.

Municipal Vehicle Program

- A. Liability - This program may pay all sums the municipality legally must pay as damages because of bodily injury, death or property damage to which this agreement applies involving a covered municipal vehicle and for which the municipality is liable. The limit of payment by the program is as follows: \$25,000 because of bodily injury to or death of one person in any one accident; \$50,000 because of bodily injury to or death of two or more persons in any one accident; and \$25,000 because of injury to or destruction of property of others in any one accident. The City shall pay into the program each year a charge established annually by the program administrator for covered municipal vehicles and self-propelled mobile equipment owned or leased by the City.
- B. Physical Damage - This program covers motor vehicles and permanently attached equipment which are the property of the participating municipality. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$1,000 per occurrence. The City agrees to pay into the program each year a service charge established annually by the program administrator for covered property.

Municipal Property Program - This program covers insurable property and equipment, exclusive of motor vehicles and water vessels, which belong to or are in the care, custody, or control of a participating municipality. Property is valued at the full cost to repair or replace the property after deduction of depreciation or as agreed to by the participating municipality and program. Loss amounts payable will be reduced by the deductible amount of \$5,000, or in the case of flood or earthquake, \$100,000. The municipality agrees to pay into the program each year a service charge established annually by the program administrator for property for which the municipality desires coverage.

Municipal Legal Defense Program - The program shall, at the sole discretion of the program administrators, provide extraordinary legal defense and extraordinary expenses in suits against municipal officials and employees and civil rights suits against the municipal government of a participating municipality and pay extraordinary judgments (for actual damages – not punitive damages) imposed on municipal officials and employees and the municipal government. The program shall never be liable to reimburse the municipal government, municipal officials, and employees because of judgment in any one lawsuit for more than 25% of the program's available funds at time the lawsuit was filed or the judgment becomes final, or \$1 million, whichever is less. The City agrees to pay into the program each year a charge established by the steering committee. Each city also agrees to pay the first \$3,000 of the aggregate cost for all expenses on each lawsuit. This cost deposit is not refundable.

The City also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of \$300,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the Municipal Aid Fund. There is a \$2,500 deductible per occurrence.

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

**NOTE 14: Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan)**

Plan Description

The City contributes to the Local Police and Fire Retirement System (LOPFI), an agent multiple employer retirement system that acts as a common investment and administrative agent for cities and towns in Arkansas. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Local Police and Fire Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for LOPFI. That report may be obtained by writing to Arkansas Local Police and Fire Retirement System, 620 W. 3rd, Suite 200, Little Rock, Arkansas 72201, by calling 1-866-859-1745, or on their website www.lopfi-prb.com.

On December 9, 2015, administration of the City of Camden Firemen's and Policemen's Pension and Relief Funds were transferred to LOPFI. The benefit structure of these plans was not changed.

Funding Policy

The employee contribution rate depends on the type of service being rendered and whether or not the service is also covered by Social Security. The different employee contribution rates required by state law are:

- A. Paid service not covered by Social Security: 8.5% of gross pay
- B. Paid service also covered by Social Security: 2.5% of gross pay
- C. Volunteer fire service: no employee contribution

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was \$403,100 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$273,219 for the year ended December 31, 2017.

Net Pension Liability

The City's proportionate share of the collective net pension liability at December 31, 2017 (actuarial valuation date and measurement date) was \$4,000,729.

NOTE 15: Arkansas Public Employees Retirement System

Plan Description

The City contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers municipal employees whose municipalities have elected coverage under this System. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 W. Capitol, Suite 400, Little Rock, Arkansas 72201, by calling 1-800-682-7377, or on their website www.apers.org.

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system, based on the annual actuarial valuation. The City's contribution to the plan was \$7,980 for the year ended June 30, 2017.

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 15: Arkansas Public Employees Retirement System (Continued)

Net Pension Liability

The City's proportionate share of the collective net pension liability at June 30, 2017 (actuarial valuation date and measurement date) was \$78,911.

NOTE 16: Employee Retirement Program (A Deferred Compensation Plan)

The City offers its regular full-time employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, administered by Voya Financial, permits employees to defer receiving a portion of their salary until they become eligible for benefits at retirement, termination, death or unforeseeable emergency. The City matches employee contributions, excluding civil service employees, up to five (5%) of their base pay. The City's contributions to the plan were \$47,776 for the year ended December 31, 2017.

NOTE 17: City Clerk or City Treasurer Retirement Benefits

Ark. Code Ann. § 24-12-121 establishes retirement benefits for a City Clerk or City Treasurer in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive a monthly retirement benefit during the remainder of their natural life, payable at the rate of one-half (1/2) of the monthly salary received by him or her during the last preceding year of his or her service. Retirement benefits are to be paid from the City's General Fund. A City Clerk or City Treasurer may retire: 1.) upon reaching the age of sixty with a minimum of 10 years of service or 2.) upon serving 20 years, regardless of age. During 2016, the City paid retired Clerk/Treasurer Preston Woods' spouse Mary Woods \$9,450, and retired Clerk/Treasurer Jerry Cross \$23,369.

NOTE 18: Mayor Retirement Benefits

Ark. Code Ann. § 24-12-123 establishes retirement benefits for the mayors in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive a monthly retirement benefit during the remainder of their natural life, payable at the rate of one-half (1/2) of the monthly salary received by him or her during the last preceding year of his or her service. Retirement benefits are to be paid from the City's General Fund. A mayor may retire: 1.) upon reaching the age of sixty with a minimum of 10 years of service or 2.) upon serving 20 years, regardless of age. During 2016, the City paid retired Mayor Chris Claybaker \$31,922.

NOTE 19: Federal Funds Program Compliance

The federal funds of the City have not yet received a compliance audit in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. However, a federal compliance audit is currently being conducted for the 2017 federal funds. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the City.

CITY OF CAMDEN, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2017

Schedule 1

SPECIAL REVENUE FUNDS							
	Two-Bayou Development	Economic Development	Solid Waste	Fire Equipment and Training (Act 833)	Advertising and Promotion	District Judge's and Clerk's Retirement	Police Scholarship
ASSETS							
Cash and cash equivalents	\$ 56,738	\$ 1,067,425	\$ 893,985	\$ 6,663	\$ 745,056	\$ 3,788	\$ 1,080
Accounts receivable			85,310		76,829		
TOTAL ASSETS	\$ 56,738	\$ 1,067,425	\$ 979,295	\$ 6,663	\$ 821,885	\$ 3,788	\$ 1,080
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable			\$ 20,881		\$ 28,129	\$ 1,114	
Settlements pending							
Total Liabilities			20,881		28,129	1,114	
Fund Balances:							
Restricted	\$ 56,738	\$ 1,067,425		\$ 6,663	793,756	2,674	\$ 1,080
Committed			556,763				
Assigned			401,651				
Total Fund Balances	56,738	1,067,425	958,414	6,663	793,756	2,674	1,080
TOTAL LIABILITIES AND FUND BALANCES	\$ 56,738	\$ 1,067,425	\$ 979,295	\$ 6,663	\$ 821,885	\$ 3,788	\$ 1,080

CITY OF CAMDEN, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2017

Schedule 1

	ENTERPRISE FUND	AGENCY FUNDS			Totals
	Airport	Police Bond and Fine	District Court	Payroll	
ASSETS					
Cash and cash equivalents	\$ 154,634	\$ 2,129	\$ 131,253	\$ 118,324	\$ 3,181,075
Accounts receivable	7,319				169,458
TOTAL ASSETS	\$ 161,953	\$ 2,129	\$ 131,253	\$ 118,324	\$ 3,350,533
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 24,080				\$ 74,204
Settlements pending		\$ 2,129	\$ 131,253	\$ 118,324	251,706
Total Liabilities	24,080	2,129	131,253	118,324	325,910
Fund Balances:					
Restricted	62,847				1,991,183
Committed	75,026				631,789
Assigned					401,651
Total Fund Balances	137,873				3,024,623
TOTAL LIABILITIES AND FUND BALANCES	\$ 161,953	\$ 2,129	\$ 131,253	\$ 118,324	\$ 3,350,533

CITY OF CAMDEN, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 2

	SPECIAL REVENUE FUNDS							ENTERPRISE FUND	Totals	
	Two-Bayou Development	Economic Development	Solid Waste	Fire Equipment and Training (Act 833)	Advertising and Promotion	District Judge's and Clerk's Retirement	Police Scholarship	Library		
REVENUES										
State aid				\$ 9,207					\$ 198,234	\$ 207,441
Federal aid					\$ 696,217				1,444,375	2,140,592
Property taxes								\$ 88,530		88,530
Sales taxes			\$ 787,618						399	788,017
Fines, forfeitures, and costs						\$ 5,601				5,601
Interest	\$ 230	\$ 9,542	8,161		7,990					25,923
Sanitation fees			401,651							401,651
Advertising and promotion taxes					307,504					307,504
Airport gasoline sales									85,384	85,384
Airport rentals									104,629	104,629
Other			5,234				\$ 64		64	5,362
TOTAL REVENUES	230	9,542	1,202,664	9,207	1,011,711	5,601	64	88,530	1,833,085	4,160,634
EXPENDITURES										
Current:										
General government		237,350			65,940			1,000		304,290
Law enforcement						9,599				9,599
Public safety				7,939						7,939
Sanitation			1,233,337							1,233,337
Recreation and culture					1,057,984					1,057,984
Airport									1,827,726	1,827,726
Total Current		237,350	1,233,337	7,939	1,123,924	9,599	1,000		1,827,726	4,440,875
Debt Service:										
Note principal									31,020	31,020
TOTAL EXPENDITURES		237,350	1,233,337	7,939	1,123,924	9,599	1,000		1,858,746	4,471,895
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	230	(227,808)	(30,673)	1,268	(112,213)	(3,998)	(936)	88,530	(25,661)	(311,261)
OTHER FINANCING SOURCES (USES)										
Contribution to Camden-Ouachita County Library								(88,530)		(88,530)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	230	(227,808)	(30,673)	1,268	(112,213)	(3,998)	(936)		(25,661)	(399,791)
FUND BALANCES - JANUARY 1	56,508	1,295,233	989,087	5,395	905,969	6,672	2,016		163,534	3,424,414
FUND BALANCES - DECEMBER 31	\$ 56,738	\$ 1,067,425	\$ 958,414	\$ 6,663	\$ 793,756	\$ 2,674	\$ 1,080	\$ 0	\$ 137,873	\$ 3,024,623

CITY OF CAMDEN, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2017

The following funds and descriptions represent all funds reported as other funds in the aggregate.

<u>Fund Name</u>	<u>Fund Description</u>
Two-Bayou Development	Act 579 of 1999 appropriated funds for the local share of the Two-Bayou Flood Control Project.
Economic Development	Ark. Code Ann. § 14-174-104 authorizes the levy of a local sales tax dedicated to the operation of local economic development programs.
Solid Waste	Camden Ordinance no. 11-99 (August 10, 1999) dedicated a percentage of the one percent county-wide sales tax to the Solid Waste Fund for the purpose of paying for residential garbage collection services. The City also deposits user fees from the Class IV landfill in this fund.
Fire Equipment and Training (Act 833)	Ark. Code Ann. §§ 14-284-403, 404 requires insurance premium tax funds to be distributed by the county to municipal fire departments for training, purchase and improvement of fire fighting equipment, initial capital construction or improvements of fire departments, insurance for buildings, and utilities costs.
Advertising and Promotion	Ark. Code Ann. § 26-75-606 established fund to account for the tax levied on gross receipts of hotels, restaurants, etc. The tax shall be used for the advertising and promoting of the city and its environs; construction, maintenance, and operation of a convention center, operation of tourist promotion facilities, and payment of principal and interest in connection with bonds issued.
District Judge's and Clerk's Retirement	Ark. Code Ann. §§ 24-4-751, 24-8-902 established fund to contribute an amount of money that represents the actuarially determined accrued liability to be paid to the Arkansas Public Employees Retirement System. Excess funds will be retained in this fund for the sole purpose of paying the retirement benefits of district judges and clerks.
Police Scholarship	The Police Department established the fund to receive donations for scholarships to high school students.
Library	Established to remit money to the joint venture Camden-Ouachita County Library established in accordance with Ark. Code Ann. § 13-2-401.

CITY OF CAMDEN, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2017

The following funds and descriptions represent all funds reported as other funds in the aggregate.

<u>Fund Name</u>	<u>Fund Description</u>
Airport	Ark. Code Ann. §§ 14-359-101, -121 and Camden Ordinance no. 19-86 (November 4, 1986) established the Municipal Airport Commission to operate and manage the airport. All revenue derived from the operation of the airport or flying field, after paying the operating expenses and maintenance, shall be set aside and used for additional improvements on the airport or for the retirement of bonds and interest thereon issued or advancement made for the purchase and improvement of the airport or flying field.
Police Bond and Fine	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the police department.
District Court	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the district court.
Payroll	Established to deposit gross payroll amounts and disburse to the proper employees and agencies.

CITY OF CAMDEN, ARKANSAS
 OTHER INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 DECEMBER 31, 2017
 (Unaudited)

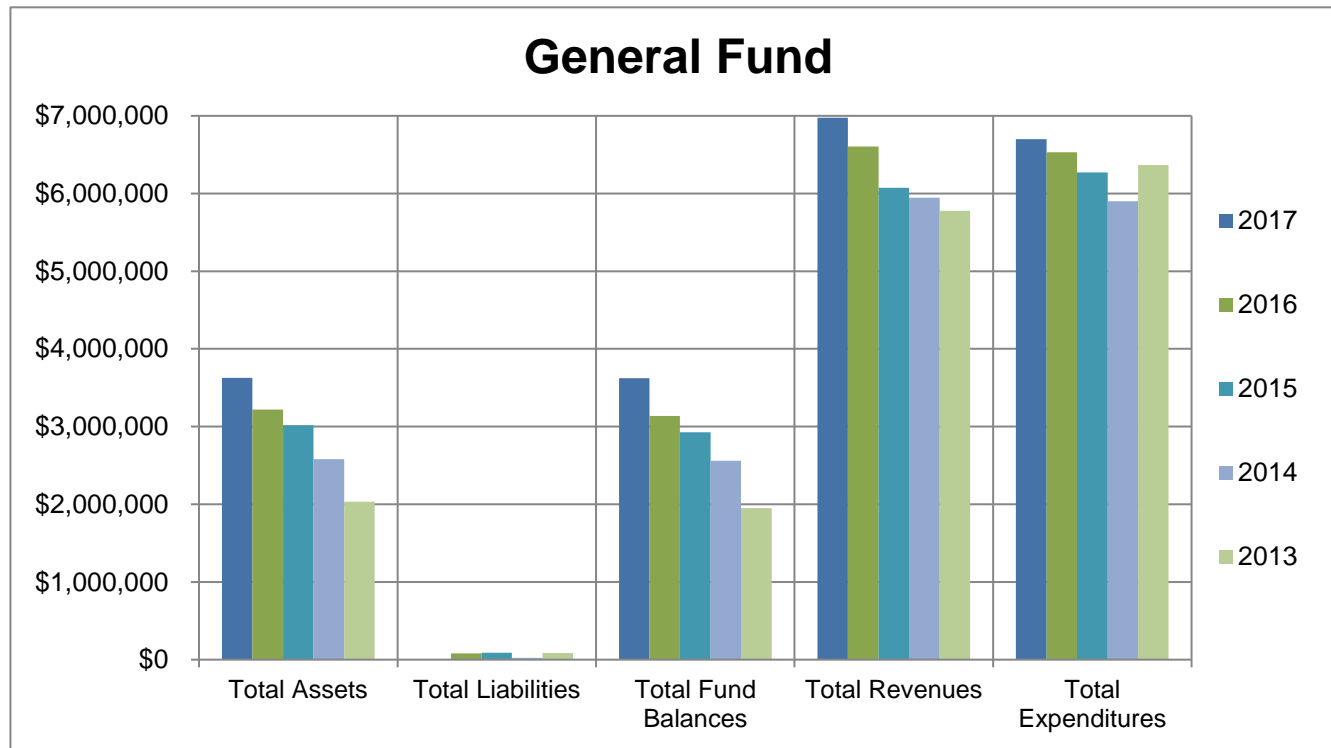
Schedule 3

	<u>December 31, 2017</u>
Land	\$ 1,091,453
Buildings	5,605,529
Improvements	2,365,410
Equipment	<u>6,125,508</u>
Total	<u><u>\$ 15,187,900</u></u>
 <u>Enterprise Fund Fixed Assets (Airport)</u>	
Land	\$ 7,373,643
Buildings	1,743,415
Improvements	2,764,086
Equipment	<u>357,448</u>
Total	<u><u>\$ 12,238,592</u></u>

CITY OF CAMDEN, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2017
 (Unaudited)

Schedule 4-1

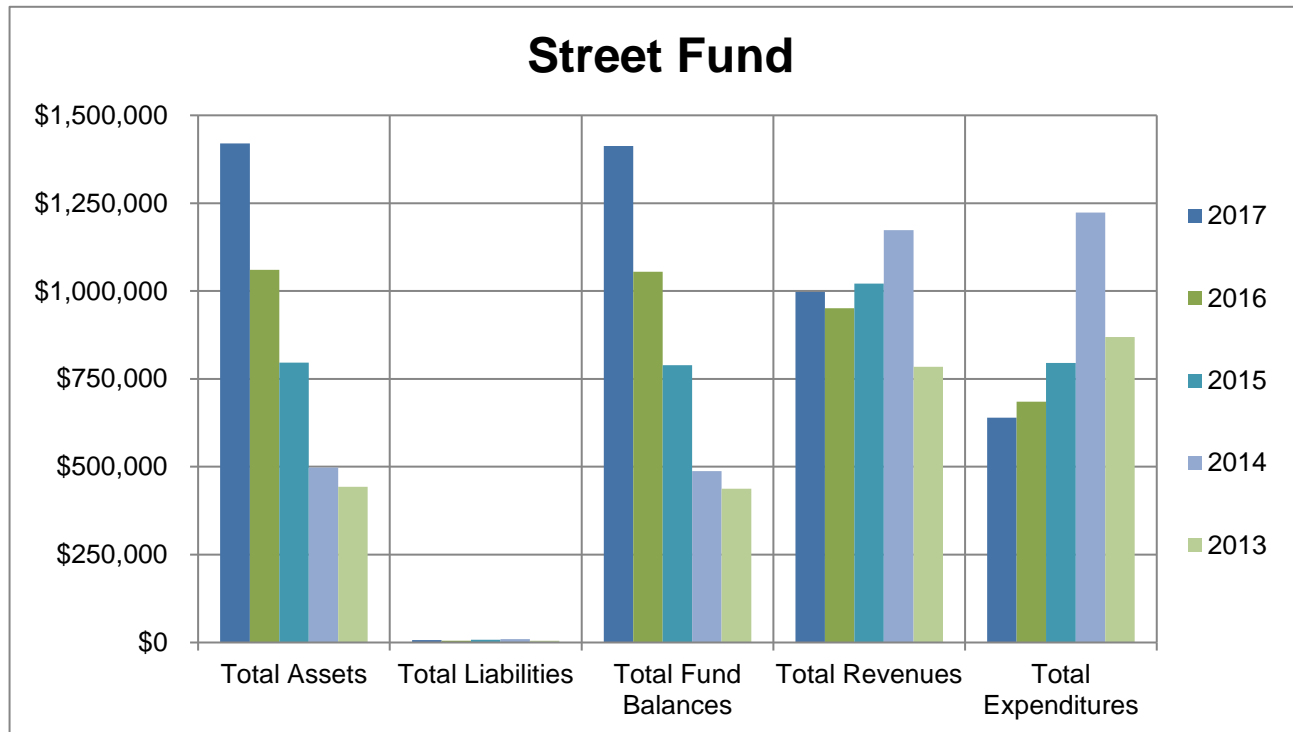
General	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 3,628,470	\$ 3,218,124	\$ 3,018,969	\$ 2,580,509	\$ 2,033,802
Total Liabilities	7,512	82,545	90,607	21,437	84,092
Total Fund Balances	3,620,958	3,135,579	2,928,362	2,559,072	1,949,710
Total Revenues	6,976,532	6,606,263	6,071,831	5,947,582	5,777,196
Total Expenditures	6,700,914	6,531,877	6,270,258	5,902,891	6,367,177
Total Other Financing Sources/Uses	86,124	132,831	567,717	564,671	513,120



CITY OF CAMDEN, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS
 DECEMBER 31, 2017
 (Unaudited)

Schedule 4-2

<u>Street</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 1,420,046	\$ 1,060,242	\$ 796,561	\$ 497,908	\$ 443,033
Total Liabilities	7,052	5,287	7,965	9,897	5,494
Total Fund Balances	1,412,994	1,054,955	788,596	488,011	437,539
Total Revenues	997,794	951,443	1,021,066	1,173,563	784,808
Total Expenditures	639,755	685,084	795,481	1,223,091	869,417
Total Other Financing Sources/Uses			75,000	100,000	150,000



CITY OF CAMDEN, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2017
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2017	2016	2015	2014	2013
Total Assets	\$ 3,350,533	\$ 3,893,679	\$ 4,283,549	\$ 9,325,199	\$ 10,024,367
Total Liabilities	325,910	345,628	396,004	265,547	517,708
Total Fund Balances	3,024,623	3,548,051	3,887,545	9,059,652	9,506,659
Total Revenues	4,160,634	2,065,842	3,679,736	2,997,604	3,597,957
Total Expenditures	4,471,895	2,272,238	2,885,272	2,893,988	3,046,025
Total Other Financing Sources/Uses	(88,530)	(133,098)	(5,966,571)	(550,623)	(662,050)

