

City of Pocahontas, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2017



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



Rep. Richard Womack
House Chair
Rep. Mary Bentley
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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 Pocahontas, 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 Pocahontas, 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 Pocahontas, 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 Pocahontas, 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 some funds 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, these funds are 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 August 31, 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
August 31, 2018
LOM107717

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 Pocahontas, 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 Pocahontas, 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 August 31, 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 issue is not a significant deficiency, material weakness, or material instance of noncompliance, but is an issue that is 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: Kary Story
Clerk/Treasurer: Suzanne Hawkins
Police Chief: Cecil Tackett

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 office of **Police Chief** was in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law and accepted accounting practices was noted in the offices of **Mayor and Clerk/Treasurer**.

Mayor and Clerk/Treasurer

The City paid \$16,500 and \$10,500 to a business owned by an Airport Commissioner in 2017 and 2016, respectively, for grounds maintenance services. Although the Council passed an ordinance allowing the City to do business with the Airport Commissioner, as required by Ark. Code Ann. § 14-42-107, the ordinance was not passed until June 2018.

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
August 31, 2018

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

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 1,449,135	\$ 267,267	\$ 2,099,562
Accounts receivable	304,366	32,317	138,593
TOTAL ASSETS	\$ 1,753,501	\$ 299,584	\$ 2,238,155
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 138,712	\$ 12,968	\$ 23,533
Settlements pending			56,366
Total Liabilities	138,712	12,968	79,899
Fund Balances:			
Restricted	58,458		1,499,977
Committed			25,992
Assigned	1,071,413	286,616	632,287
Unassigned	484,918		
Total Fund Balances	1,614,789	286,616	2,158,256
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,753,501	\$ 299,584	\$ 2,238,155

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

CITY OF POCAHONTAS, 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	\$ 104,827	\$ 454,573	\$ 57,318
Federal aid	121,827		97,507
Property taxes	111,923	31,150	
Franchise fees	414,989		
Sales taxes	1,893,895	364,215	1,502,406
Fines, forfeitures, and costs	203,688		
Interest	2,470	523	8,085
Local permits and fees	117,396		
Sanitation fees	347,878		
Fire protection fees	263,797		38,246
Airport fees			53,268
Fuel sales			112,537
Aquatic fees			178,338
Insurance proceeds	688,330		
Other	200,827	1,794	96,388
TOTAL REVENUES	4,471,847	852,255	2,144,093
EXPENDITURES			
Current:			
General government	1,216,946		
Law enforcement	1,255,540		
Highways and streets		968,390	
Public safety	514,458		62,747
Sanitation	305,593		
Health	35,736		
Recreation and culture			1,023,828
Social services			15,918
Economic development	283,328		
Airport			269,588
Total Current	3,611,601	968,390	1,372,081
Debt Service:			
Bond principal			575,000
Bond interest and other charges			201,644
Lease principal	25,727		
Lease interest	2,548		
Note principal	22,338		39,024
Note interest	2,662		6,944
TOTAL EXPENDITURES	3,664,876	968,390	2,194,693

CITY OF POCAHONTAS, 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
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 806,971</u>	<u>\$ (116,135)</u>	<u>\$ (50,600)</u>
OTHER FINANCING SOURCES (USES) Sales taxes remitted to Five Rivers Medical Center	<u>(750,000)</u>		
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	56,971	(116,135)	(50,600)
FUND BALANCES - JANUARY 1	<u>1,557,818</u>	<u>402,751</u>	<u>2,208,856</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,614,789</u>	<u>\$ 286,616</u>	<u>\$ 2,158,256</u>

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

CITY OF POCAHONTAS, 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	\$ 104,827	\$ 104,827		\$ 427,000	\$ 454,573	\$ 27,573
Federal aid	61,350	121,827	\$ 60,477			
Property taxes	112,255	111,923	(332)	19,000	31,150	12,150
Franchise fees	409,000	414,989	5,989			
Sales taxes	2,542,553	1,893,895	(648,658)	350,000	364,215	14,215
Fines, forfeitures, and costs	210,070	203,688	(6,382)			
Interest	2,480	2,470	(10)	245	523	278
Local permits and fees	117,666	117,396	(270)			
Sanitation fees	347,878	347,878				
Fire protection fees	263,797	263,797				
Insurance proceeds	688,500	688,330	(170)			
Other	155,940	200,827	44,887	1,000	1,794	794
TOTAL REVENUES	5,016,316	4,471,847	(544,469)	797,245	852,255	55,010
EXPENDITURES						
Current:						
General government	1,189,850	1,216,946	(27,096)			
Law enforcement	1,295,791	1,255,540	40,251			
Highways and streets				1,086,750	968,390	118,360
Public safety	585,050	514,458	70,592			
Sanitation	311,600	305,593	6,007			
Health	38,875	35,736	3,139			
Economic development	434,075	283,328	150,747			
Total Current	3,855,241	3,611,601	243,640	1,086,750	968,390	118,360
Debt Service:						
Lease principal		25,727	(25,727)			
Lease interest		2,548	(2,548)			
Note principal	64,300	22,338	41,962			
Note interest		2,662	(2,662)			
TOTAL EXPENDITURES	3,919,541	3,664,876	254,665	1,086,750	968,390	118,360

CITY OF POCAHONTAS, 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)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,096,775	\$ 806,971	\$ (289,804)	\$ (289,505)	\$ (116,135)	\$ 173,370
OTHER FINANCING SOURCES (USES)						
Transfers in	128,830		(128,830)			
Transfers out	(68,100)		68,100			
Sales taxes remitted to Five Rivers Medical Center	(751,132)	(750,000)	1,132			
TOTAL OTHER FINANCING SOURCES (USES)	(690,402)	(750,000)	(59,598)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	406,373	56,971	(349,402)	(289,505)	(116,135)	173,370
FUND BALANCES - JANUARY 1	1,169,000	1,557,818	388,818	300,000	402,751	102,751
FUND BALANCES - DECEMBER 31	<u>\$ 1,575,373</u>	<u>\$ 1,614,789</u>	<u>\$ 39,416</u>	<u>\$ 10,495</u>	<u>\$ 286,616</u>	<u>\$ 276,121</u>

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

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

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Pocahontas 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 funds of the City would have been included in the reporting entity: Water and Sewer and Five Rivers Medical Center Funds. However, under Arkansas's regulatory basis described below, inclusion of these funds is not required and these funds are 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.

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. See Schedules 1 and 2 for Debt Service Funds as 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 POCAHONTAS, 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 POCAHONTAS, 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.

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

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)	\$ 1,235,122	\$ 1,237,139
Collateralized:		
Collateral held by the City's agent, pledging bank, or pledging bank's trust department or agent in the City's name	1,994,202	2,099,700
Collateral held by the pledging bank, or pledging bank's trust department or agent not in the City's name	571,205	571,205
United States Treasury funds	13,971	13,971
Total Deposits	\$ 3,814,500	\$ 3,922,015

The above total deposits do not include cash on hand of \$1,464.

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.

Pension Trust Funds

State law generally requires that pension funds be deposited in banks. Pension funds may be invested in interest-bearing bonds of the United States, of the State of Arkansas, or of the city in which the board is located, in a local government joint investment trust, in the Arkansas Local Police and Fire Retirement System, or in savings and loan associations duly established and authorized to do business in this state. State law also provides that if the total assets of the pension trust fund exceed \$100,000, the board may employ an investment advisor to invest the assets, subject to terms, conditions, limitations, and restrictions imposed by law upon the Arkansas Local Police and Fire Retirement System.

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

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	\$ 5		
Federal aid	60,505		
Franchise fees	67,110		
Sales taxes	152,106	\$ 32,317	\$ 127,372
Fines, forfeitures, and costs	17,762		
Fire protection fees			216
Fuel sales			10,874
Aquatic fees			104
SRO Reimbursement	4,872		
Other	2,006		27
Totals	<u>\$ 304,366</u>	<u>\$ 32,317</u>	<u>\$ 138,593</u>

NOTE 5: Accounts Payable

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

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 112,825	\$ 12,968	\$ 22,022
Employee Withholdings Payable	25,887		1,066
Payroll Taxes Payable			445
Totals	<u>\$ 138,712</u>	<u>\$ 12,968</u>	<u>\$ 23,533</u>

CITY OF POCAHONTAS, 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	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
Law enforcement	\$ 58,458		
Public safety			\$ 89,546
Recreation and culture			359,933
Airport			60,599
Debt service			989,899
Total Restricted	<u>58,458</u>		<u>1,499,977</u>
Committed for:			
Public safety			<u>25,992</u>
Assigned to:			
General government	297,716		
Law enforcement	4,596		
Highways and streets		\$ 286,616	
Recreation and culture			614,179
Economic development	769,101		
Airport			18,108
Total Assigned	<u>1,071,413</u>	<u>286,616</u>	<u>632,287</u>
Unassigned	<u>484,918</u>		
Totals	<u>\$ 1,614,789</u>	<u>\$ 286,616</u>	<u>\$ 2,158,256</u>

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 \$13,105,559. 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 \$3,488,756. The amount of short-term financing obligations was \$336,687, leaving a legal debt margin of \$3,152,069.

CITY OF POCAHONTAS, 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	\$ 6,441,858
Construction contract	14,227
Total Commitments	\$ 6,456,085

Long-term liabilities

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

	December 31, 2017
<p>Note payable to the United States Department of Agriculture dated October 17, 2002, used in aid of construction of a Head Start building. Total amount authorized is \$286,000. Interest is to accrue at 4.625% from the date of each advance. Payments are to be made from the Arkansas Department of Economic Development Loan Fund beginning November 17, 2003, from rentals received from Black River Area Development Council. Original terms were 360 monthly payments of \$1,496; however, additional payments were made and the note will mature in 2023. The note is secured with a \$286,000 revenue bond issued in accordance with City of Pocahontas Ordinance no. 2002-10 (October 17, 2002), and is held by the United States Department of Agriculture. The bond is a special obligation of the City and will be returned once the note is paid in full. Accordingly, the bond has been excluded from long-term liabilities.</p>	\$ 87,178
<p>Bonds payable dated December 1, 2013, with interest rates from 1% to 3.875% used to finance all or a portion of the costs of acquiring, constructing, furnishing and equipping a new swimming facility. Interest is payable July 1, 2014, and semiannually thereafter on each January 1 and July 1. Principal is payable annually for 16 years beginning January 1, 2015. Payments are to be made from the 2013 Sales and Use Tax Bonds Fund.</p>	5,810,000
<p>Lease agreement dated March 8, 2016, with Bancorp South Equipment Finance for the purchase of a Freightliner garbage truck; interest at 2.29%; monthly installments of \$2,356 for 24 months and one balloon payment of \$98,011 on April 28, 2018. Payments are to be made from the General Fund.</p>	97,293
<p>Note payable dated December 1, 2016, with River Bank for the purchase of a fire truck; interest at 2.9%; forty-eight monthly installments of \$4,418. Payments are to be made from the General Fund.</p>	152,216
<p>Arkansas District Judge Retirement unfunded pension liability to be repaid over 30 years beginning January 1, 2005. Payments are to be made from the General Fund.</p>	66,173
<p>Compensated absences</p>	228,998
<p>Total Long-term liabilities</p>	\$ 6,441,858

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

NOTE 8: Commitments (Continued)

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

Debt Service Requirements to Maturity

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

Years Ending December 31,	Bonds	Notes	Leases	Total
2018	\$ 598,754	\$ 70,968	\$ 98,011	\$ 767,733
2019	600,554	70,968		671,522
2020	596,734	71,041		667,775
2021	596,109	17,952		614,061
2022	598,928	17,952		616,880
2023 through 2027	2,993,226	9,163		3,002,389
2028 through 2030	1,271,319			1,271,319
Total Obligations	7,255,624	258,044	98,011	7,611,679
Less Interest	1,445,624	18,650	718	1,464,992
Total Principal	<u>\$5,810,000</u>	<u>\$ 239,394</u>	<u>\$ 97,293</u>	<u>\$6,146,687</u>

Construction Contract

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

Project Name	Estimated Completion Date	Contract Balance December 31, 2017
Airport Runways Rehabilitation	December 31, 2018	<u>\$ 14,227</u>

NOTE 9: Pledged Revenues

Two and one half of one percent sales and use taxes have been levied and pledged to repay \$7,500,000 in bonds that were issued in 2013 to provide funding for financing all or a portion of the costs of acquiring, constructing, furnishing, and equipping a new swimming facility. Total principal and interest remaining on the bonds are \$5,810,000 and \$1,445,624, respectively, payable through January 1, 2030. For 2017, principal and interest paid were \$575,000 and \$197,694, respectively.

The Debt Service Fund (Pocahontas Ordinance no. 2013-16) received \$749,742 in sales taxes in 2017. Any sales taxes collected in excess of debt service payments on these bonds will be used solely to retire the bonds. Upon the retirement of the bonds, the tax will expire and any remaining excess collections are permitted to be used for any lawful purpose.

The Recreation Facilities Fund (Pocahontas Ordinance nos. 2013-02 and 2013-03) received \$749,742 in sales taxes in 2017. This sales tax collection is a secondary pledge to retire the bonds and to acquire, construct, improve, expand, equip, furnish, operate, and maintain new or existing park and recreational facilities.

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

NOTE 10: 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.

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 POCAHONTAS, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

**NOTE 11: 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 15, 2008, administration of the City of Pocahontas Firemen's Pension and Relief Fund was 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 \$149,606 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$105,392 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 \$2,015,402.

NOTE 12: Non-uniformed Employee's Pension Plan (A Defined Contribution)

Plan Description

The City maintains a pension plan for all non-uniformed employees. MetLife Insurance Company is the trustee. Plan provisions were established in accordance with the Employees Retirement Security Act of 1974. All non-uniformed regular, and full time employees are eligible to become members of the plan after six months of service. Participation in the plan is compulsory. Normal retirement age is 62. Funding is provided by contributions from the General Fund of \$1,000 every six months per eligible employee. The City's contributions are vested at a rate of 20% per year of service, with the employee being fully vested after five years of service. Employees may choose to contribute to the plan in addition to the City's contributions. Upon retirement, the employee may choose to withdraw the funds in a lump sum or to receive an annuity, which will end when funds are exhausted. The City's contribution to the plan was \$50,000 for the year ended December 31, 2017.

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

Schedule 1

	SPECIAL REVENUE FUNDS				DEBT SERVICE FUNDS		AGENCY FUNDS		Totals
	Airport	Recreation Facilities	Fire Equipment and Training (Act 833)	Rural Fire Association	Arkansas Department of Economic Development Loan	2013 Sales and Use Tax Bond	Forfeiture and Seizure	Payroll	
ASSETS									
Cash and cash equivalents	\$ 74,158	\$ 925,792	\$ 89,546	\$ 27,368	\$ 19,496	\$ 906,836	\$ 2,063	\$ 54,303	\$ 2,099,562
Accounts receivable	11,112	63,698		216		63,567			138,593
TOTAL ASSETS	\$ 85,270	\$ 989,490	\$ 89,546	\$ 27,584	\$ 19,496	\$ 970,403	\$ 2,063	\$ 54,303	\$ 2,238,155
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 6,563	\$ 15,378		\$ 1,592					\$ 23,533
Settlements pending							\$ 2,063	\$ 54,303	56,366
Total Liabilities	6,563	15,378		1,592			2,063	54,303	79,899
Fund Balances:									
Restricted	60,599	359,933	\$ 89,546		\$ 19,496	\$ 970,403			1,499,977
Committed				25,992					25,992
Assigned	18,108	614,179							632,287
Total Fund Balances	78,707	974,112	89,546	25,992	19,496	970,403			2,158,256
TOTAL LIABILITIES AND FUND BALANCES	\$ 85,270	\$ 989,490	\$ 89,546	\$ 27,584	\$ 19,496	\$ 970,403	\$ 2,063	\$ 54,303	\$ 2,238,155

CITY OF POCAHONTAS, 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				DEBT SERVICE FUNDS		Totals
	Airport	Recreation Facilities	Fire Equipment and Training (Act 833)	Rural Fire Association	Arkansas Department of Economic Development Loan	2013 Sales and Use Tax Bond	
REVENUES							
State aid			\$ 57,318				\$ 57,318
Federal aid	\$ 97,507						97,507
Sales taxes	2,922	\$ 749,742				\$ 749,742	1,502,406
Interest	44	3,870	101	\$ 62		4,008	8,085
Fire protection fees				38,246			38,246
Airport fees	53,268						53,268
Fuel sales	112,537						112,537
Aquatic fees		178,338					178,338
Other	4,359	73,026		1,051	\$ 17,952		96,388
TOTAL REVENUES	270,637	1,004,976	57,419	39,359	17,952	753,750	2,144,093
EXPENDITURES							
Current:							
Public safety			33,467	29,280			62,747
Recreation and culture		1,023,828					1,023,828
Social services		15,918					15,918
Airport	269,588						269,588
Total Current	269,588	1,039,746	33,467	29,280			1,372,081
Debt Service:							
Bond principal						575,000	575,000
Bond interest and other charges						201,644	201,644
Note principal			7,322	18,124	13,578		39,024
Note interest			694	1,876	4,374		6,944
TOTAL EXPENDITURES	269,588	1,039,746	41,483	49,280	17,952	776,644	2,194,693
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,049	(34,770)	15,936	(9,921)		(22,894)	(50,600)
FUND BALANCES - JANUARY 1	77,658	1,008,882	73,610	35,913	19,496	993,297	2,208,856
FUND BALANCES - DECEMBER 31	\$ 78,707	\$ 974,112	\$ 89,546	\$ 25,992	\$ 19,496	\$ 970,403	\$ 2,158,256

CITY OF POCAHONTAS, 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. § 14-361-116 established fund to receive revenues obtained by a municipality from the ownership, control, or operation of any airport or air navigation facility, including proceeds from the sale of any airport or portion thereof or air navigation facility property. The revenues shall be used solely for airport purposes.
Recreation Facilities	Pocahontas Ordinance nos. 2013-02 and 2013-03 (March 12, 2013) established fund to receive sales and use tax of 1/2% approved by the voters to pay and secure the repayment of bonds and to acquire, construct, improve, expand, equip, furnish, operate, and maintain new or existing park and recreation facilities.
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.
Rural Fire Association	Pocahontas Ordinance no. 2009-13 (December 8, 2009) established fund to account for rural fire protection fees. The revenues shall be used solely for rural fire purposes.
Arkansas Department of Economic Development Loan	Established to finance a loan from the United States Department of Agriculture Rural Development to construct a child care facility. Monies are received from Black River Area Development (BRAD).
2013 Sales and Use Tax Bond	Pocahontas Ordinance no. 2013-16 (November 12, 2013) authorized the issuance of sales and use tax bonds for the purpose of financing all or a portion of the cost of capital improvements; pledging 1/2% sales and use taxes to pay the principal of and interest on the bonds.
Forfeiture and Seizure	Established as holding account for seized monies until court orders are issued to specify their distribution.
Payroll	Established to account for payroll expenditures.

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

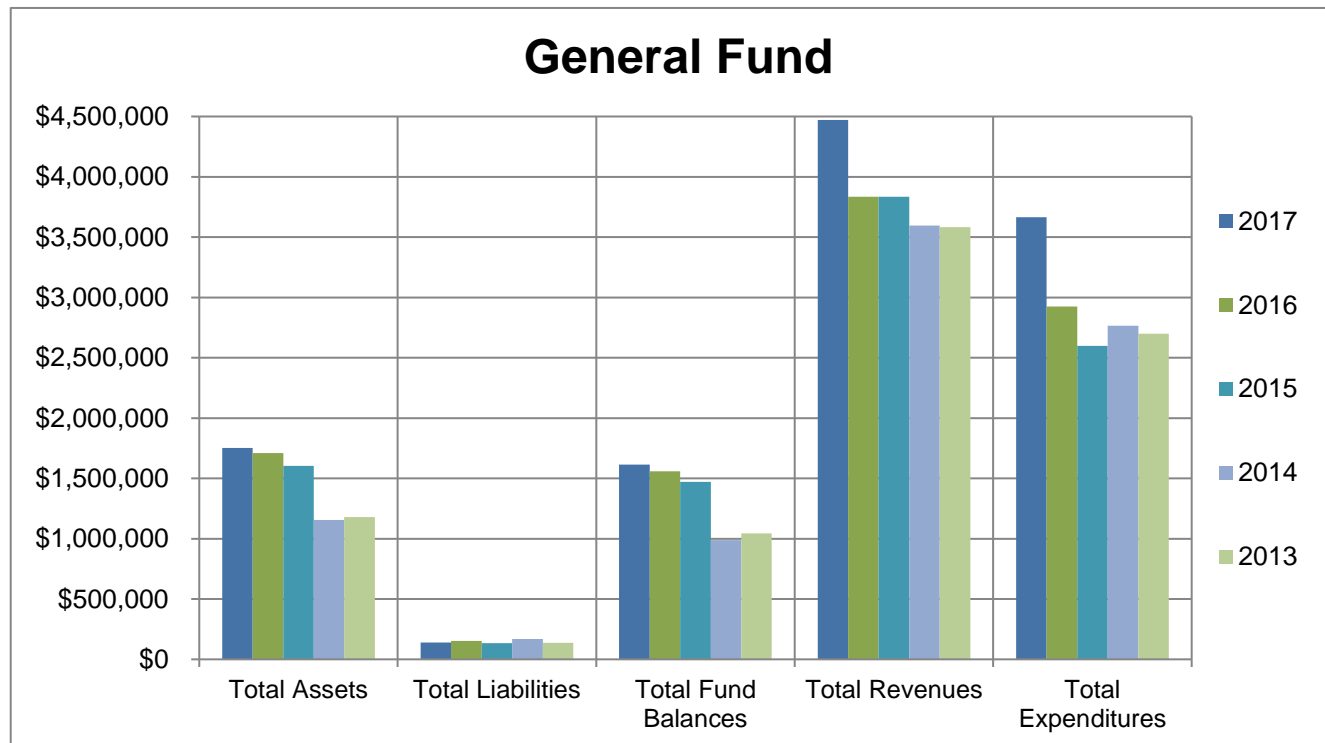
Schedule 3

	<u>December 31, 2017</u>
Land	\$ 2,990,075
Buildings	13,040,737
Equipment	<u>3,552,564</u>
Total	<u><u>\$ 19,583,376</u></u>

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

Schedule 4-1

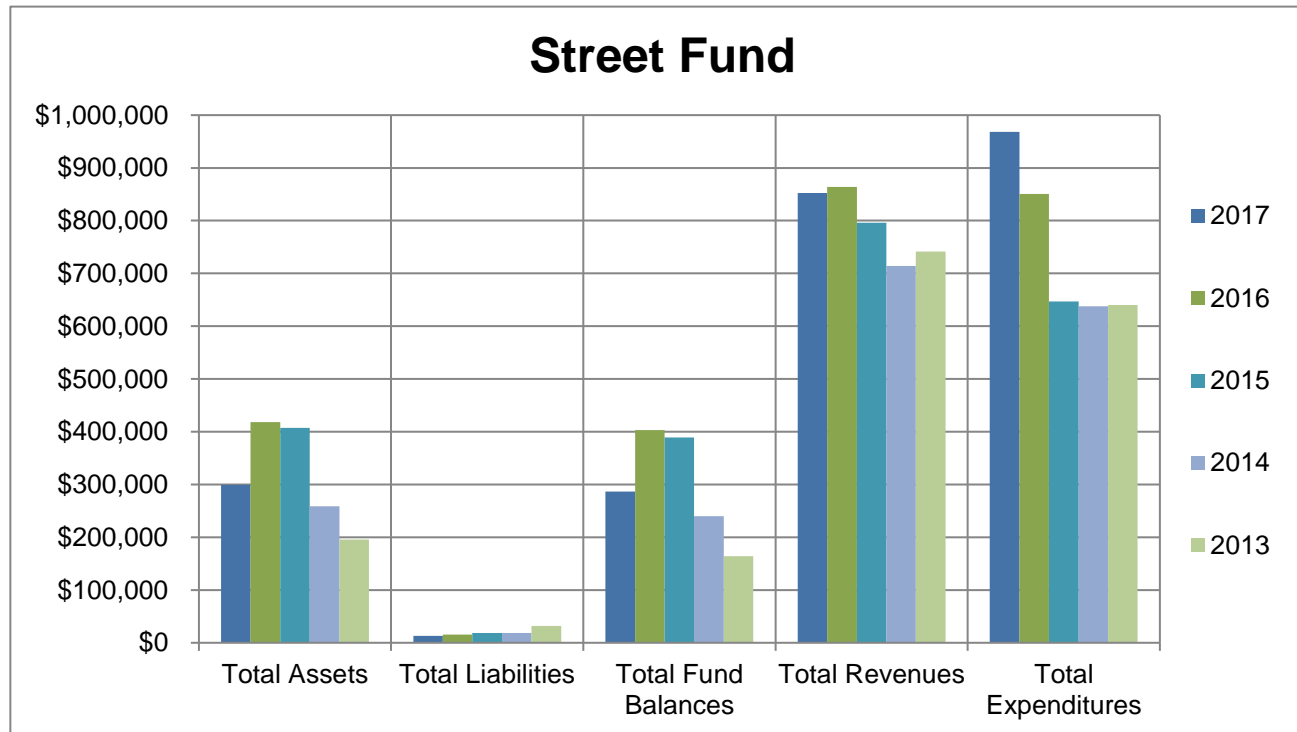
<u>General</u>	2017	2016	2015	2014	2013
Total Assets	\$ 1,753,501	\$ 1,710,681	\$ 1,604,985	\$ 1,156,415	\$ 1,180,554
Total Liabilities	138,712	152,863	134,436	168,033	135,988
Total Fund Balances	1,614,789	1,557,818	1,470,549	988,382	1,044,566
Total Revenues	4,471,847	3,835,898	3,833,720	3,596,070	3,583,230
Total Expenditures	3,664,876	2,925,086	2,599,149	2,765,435	2,700,407
Total Other Financing Sources/Uses	(750,000)	(823,543)	(752,404)	(886,819)	(866,093)



CITY OF POCAHONTAS, 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	\$ 299,584	\$ 418,333	\$ 407,523	\$ 258,878	\$ 195,465
Total Liabilities	12,968	15,582	18,619	18,764	31,635
Total Fund Balances	286,616	402,751	388,904	240,114	163,830
Total Revenues	852,255	864,213	795,892	713,926	741,643
Total Expenditures	968,390	850,366	647,102	637,642	640,056
Total Other Financing Sources/Uses					



CITY OF POCAHONTAS, 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>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assets	\$ 2,238,155	\$ 2,287,660	\$ 2,438,681	\$ 7,840,714	\$ 7,833,646
Total Liabilities	79,899	78,804	73,199	105,917	26,378
Total Fund Balances	2,158,256	2,208,856	2,365,482	7,734,797	7,807,268
Total Revenues	2,144,093	2,552,149	2,479,702	1,769,577	887,871
Total Expenditures	2,194,693	2,797,318	7,822,194	1,897,769	730,222
Total Other Financing Sources/Uses		88,543	(26,823)	55,721	7,370,111

