

City of Camden, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2022 and 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF CAMDEN, ARKANSAS
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Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
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Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
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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 Audit of the Financial Statements

Opinions

We have audited the regulatory basis financial statements of the City of Camden, Arkansas (City), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, street fund, and other funds in the aggregate as of December 31, 2022, and 2021 and the related Statements of Revenues, Expenses, and Changes in Fund Balances and Budget and Actual – General and Street Funds – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis 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, 2022 and 2021; 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.

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 section of our report, the accompanying regulatory basis 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 general fund, street fund, and other funds in the aggregate of the City of Camden, Arkansas, as of December 31, 2022 and 2021, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 and pervasive.

Emphases of Matter

As discussed in Note 1 to the financial statements, in 2021 the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this 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 Governmental 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.

Responsibilities of Management 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 misstatements, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The 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 regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information listed in the table of contents 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.

Other Information

Management is responsible for the other information included in the report. The other information is comprised of the schedules listed in the table of contents but does not include the regulatory basis financial statements, supplemental information, and our auditor's reports thereon. Our opinions on the regulatory basis financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. The 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 12, 2023
LOM101722

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
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 AND ON COMPLIANCE AND OTHER MATTERS 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 regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of City of Camden, Arkansas (City), as of and for the year ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the City's regulatory basis financial statements, and have issued our report thereon dated September 12, 2023. 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.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

We also reported to management of the City in a separate letter dated September 12, 2023.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. 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



Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
September 12, 2023

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

The commentary contained in this letter relates to the following officials who held office during 2022 and 2021:

Mayor: Julian Lott
City Clerk: Donna Stewart
Treasurer: Jim Green (retired January 29, 2021)
Lauren Robertson (appointed March 9, 2021)
District Court Clerk: Victoria Huggins
Police Chief: Boyd Woody

We would like to communicate the following items that came to our attention during this audit. The purpose of such comments is to provide constructive feedback and guidance, in an effort to assist management in maintaining a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. These matters were discussed previously with City officials during the course of our audit fieldwork and at the exit conference.

Mayor

Compensated absences records were not maintained in accordance with the City's policy manual. A similar finding was issued in the previous two reports dating back to 2019.

Treasurer

Salary overpayments for one employee for 2022 and 2021 totaled \$4,325 and \$4,891, respectively. The overpayments resulted from the City not reconciling payroll to the approved budget.

Other Issues

Seven unauthorized withdrawals totaling \$5,600 were made from the City's payroll account between December 14, 2021 and January 5, 2022. Entity personnel discovered the unauthorized withdrawals upon review of the affected bank account and \$5,350 of the funds were recovered by the bank.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the City Council (or local governing body) and City management, and other parties as required by Arkansas Code and is not intended to be and should not be used by anyone other than these specified parties. 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

Handwritten signature of Timothy R. Jones in black ink.

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
September 12, 2023

CITY OF CAMDEN, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2022

Exhibit A

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 4,625,902	\$ 1,321,802	\$ 4,601,041
Accounts receivable	503,157	1,000	118,481
Interfund receivables	<u>1,113,487</u>		<u>44,363</u>
TOTAL ASSETS	<u><u>\$ 6,242,546</u></u>	<u><u>\$ 1,322,802</u></u>	<u><u>\$ 4,763,885</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 4,162		\$ 5,246
Interfund payables	44,363		1,113,487
Settlements pending			109,406
Total Liabilities	<u>48,525</u>		<u>1,228,139</u>
Fund Balances:			
Restricted	608,599	\$ 659,791	2,616,175
Committed			75,026
Assigned	741,192	663,011	844,545
Unassigned	4,844,230		
Total Fund Balances	<u>6,194,021</u>	<u>1,322,802</u>	<u>3,535,746</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 6,242,546</u></u>	<u><u>\$ 1,322,802</u></u>	<u><u>\$ 4,763,885</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 -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit B

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
REVENUES			
State aid	\$ 255,708	\$ 916,204	\$ 17,436
Federal aid	94,413	211,291	1,203,178
Property taxes	693,007	146,542	96,350
Franchise fees	892,622		
Sales taxes	5,275,515		1,051,253
Fines, forfeitures, and costs	200,088		
Interest	18,557	5,393	13,994
Local permits and fees	89,236		
Sanitation fees			369,138
Advertising and promotion taxes			362,784
Airport rentals			169,070
Airport gasoline sales			257,516
Other	62,254	25,819	3,944
	<u>7,581,400</u>	<u>1,305,249</u>	<u>3,544,663</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
General government	1,807,946		115,825
Law enforcement	2,464,917		556,744
Highways and streets	554,999	2,092,830	
Public safety	2,210,934		565,950
Sanitation			1,468,022
Recreation and culture	402,579		147,802
Airport			310,385
Total Current	<u>7,441,375</u>	<u>2,092,830</u>	<u>3,164,728</u>
Debt Service:			
Bond principal	26,708		
Bond interest and other charges	50,764		
Financed purchase principal			31,020
	<u>7,518,847</u>	<u>2,092,830</u>	<u>3,195,748</u>
TOTAL EXPENDITURES			

CITY OF CAMDEN, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit B

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 62,553</u>	<u>\$ (787,581)</u>	<u>\$ 348,915</u>
OTHER FINANCING SOURCES (USES)			
Contribution from South Central Service Cooperative	77,472		
Contribution to Camden-Ouachita County Library			(96,350)
TOTAL OTHER FINANCING SOURCES (USES)	<u>77,472</u>		<u>(96,350)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	140,025	(787,581)	252,565
FUND BALANCES - JANUARY 1	<u>6,053,996</u>	<u>2,110,383</u>	<u>3,283,181</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 6,194,021</u></u>	<u><u>\$ 1,322,802</u></u>	<u><u>\$ 3,535,746</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, 2022

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 306,885	\$ 255,708	\$ (51,177)	\$ 950,000	\$ 916,204	\$ (33,796)
Federal aid	53,500	94,413	40,913	322,400	211,291	(111,109)
Property taxes	677,000	693,007	16,007	135,000	146,542	11,542
Franchise fees	898,970	892,622	(6,348)			
Sales taxes	4,933,800	5,275,515	341,715			
Fines, forfeitures, and costs	310,645	200,088	(110,557)			
Interest	35,000	18,557	(16,443)	12,000	5,393	(6,607)
Local permits and fees	72,140	89,236	17,096			
Other	74,930	62,254	(12,676)	6,200	25,819	19,619
TOTAL REVENUES	7,362,870	7,581,400	218,530	1,425,600	1,305,249	(120,351)
EXPENDITURES						
Current:						
General government	1,776,173	1,807,946	(31,773)			
Law enforcement	3,463,116	2,464,917	998,199			
Highways and streets	819,436	554,999	264,437	2,903,068	2,092,830	810,238
Public safety	2,922,858	2,210,934	711,924			
Recreation and culture	570,201	402,579	167,622			
Total Current	9,551,784	7,441,375	2,110,409	2,903,068	2,092,830	810,238
Debt Service:						
Bond principal	77,472	26,708	50,764			
Bond interest and other charges		50,764	(50,764)			
TOTAL EXPENDITURES	9,629,256	7,518,847	2,110,409	2,903,068	2,092,830	810,238
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,266,386)	62,553	2,328,939	(1,477,468)	(787,581)	689,887
OTHER FINANCING SOURCES (USES)						
Transfers in	200,000		(200,000)	100,000		(100,000)
Transfers out						
Contribution from South Central Service Cooperative	77,472	77,472	0			
TOTAL OTHER FINANCING SOURCES (USES)	277,472	77,472	(200,000)	100,000		(100,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,988,914)	140,025	2,128,939	(1,377,468)	(787,581)	589,887
FUND BALANCES - JANUARY 1	1,417,181	6,053,996	4,636,815	1,372,468	2,110,383	737,915
FUND BALANCES - DECEMBER 31	\$ (571,733)	\$ 6,194,021	\$ 6,765,754	\$ (5,000)	\$ 1,322,802	\$ 1,327,802

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

CITY OF CAMDEN, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2021

Exhibit A-1

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 5,554,635	\$ 2,110,383	\$ 3,384,274
Accounts receivable	487,184		112,309
Interfund receivables	16,256		
TOTAL ASSETS	\$ 6,058,075	\$ 2,110,383	\$ 3,496,583
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 4,079		\$ 32,442
Interfund payables			16,256
Settlements pending			164,704
Total Liabilities	4,079		213,402
Fund Balances:			
Restricted	1,636,905	\$ 1,447,372	2,321,921
Committed			75,026
Assigned	412,391	663,011	886,234
Unassigned	4,004,700		
Total Fund Balances	6,053,996	2,110,383	3,283,181
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,058,075	\$ 2,110,383	\$ 3,496,583

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, 2021

Exhibit B-1

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
REVENUES			
State aid	\$ 198,437	\$ 972,688	\$ 43,351
Federal aid	51,438		1,142,500
Property taxes	672,734	141,824	95,278
Franchise fees	863,696		
Sales taxes	5,062,964		1,002,420
Fines, forfeitures, and costs	285,630		
Interest	29,955	13,241	20,422
Local permits and fees	73,464		
Sanitation fees			369,894
Advertising and promotion taxes			338,348
Airport rentals			162,162
Airport gasoline sales			113,376
Other	<u>162,345</u>	<u>8,885</u>	<u>7,286</u>
 TOTAL REVENUES	 <u>7,400,663</u>	 <u>1,136,638</u>	 <u>3,295,037</u>
 EXPENDITURES			
Current:			
General government	976,819		251,985
Law enforcement	2,298,280		556,750
Highways and streets	772,484	946,878	
Public safety	2,283,051		556,767
Sanitation			1,642,291
Recreation and culture	426,725		37,013
Airport			241,463
Total Current	<u>6,757,359</u>	<u>946,878</u>	<u>3,286,269</u>
 Debt Service:			
Bond principal	27,827		
Bond interest and other charges	56,101		
Financed purchase principal			<u>31,020</u>
 TOTAL EXPENDITURES	 <u>6,841,287</u>	 <u>946,878</u>	 <u>3,317,289</u>

CITY OF CAMDEN, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit B-1

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 559,376	\$ 189,760	\$ (22,252)
OTHER FINANCING SOURCES (USES)			
Contribution from South Central Service Cooperative	77,472		
Contribution to Camden-Ouachita County Library			(95,278)
TOTAL OTHER FINANCING SOURCES (USES)	77,472		(95,278)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	636,848	189,760	(117,530)
FUND BALANCES - JANUARY 1	5,417,148	1,920,623	3,400,711
FUND BALANCES - DECEMBER 31	\$ 6,053,996	\$ 2,110,383	\$ 3,283,181

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, 2021

Exhibit C-1

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 210,000	\$ 198,437	\$ (11,563)	\$ 809,000	\$ 972,688	\$ 163,688
Federal aid	60,400	51,438	(8,962)	322,400		(322,400)
Property taxes	620,500	672,734	52,234	132,750	141,824	9,074
Franchise fees	898,970	863,696	(35,274)			
Sales taxes	4,762,118	5,062,964	300,846			
Fines, forfeitures, and costs	350,505	285,630	(64,875)			
Interest	42,000	29,955	(12,045)	4,500	13,241	8,741
Local permits and fees	77,070	73,464	(3,606)			
Other	128,227	162,345	34,118	11,200	8,885	(2,315)
TOTAL REVENUES	7,149,790	7,400,663	250,873	1,279,850	1,136,638	(143,212)
EXPENDITURES						
Current:						
General government	1,173,103	976,819	196,284			
Law enforcement	3,246,976	2,298,280	948,696			
Highways and streets	601,389	772,484	(171,095)	2,004,215	946,878	1,057,337
Public safety	2,441,028	2,283,051	157,977			
Recreation and culture	477,852	426,725	51,127			
Total Current	7,940,348	6,757,359	1,182,989	2,004,215	946,878	1,057,337
Debt Service:						
Bond principal	77,472	27,827	49,645			
Bond interest and other charges		56,101	(56,101)			
TOTAL EXPENDITURES	8,017,820	6,841,287	1,176,533	2,004,215	946,878	1,057,337
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(868,030)	559,376	1,427,406	(724,365)	189,760	914,125
OTHER FINANCING SOURCES (USES)						
Transfers in	400,000		(400,000)	100,000		(100,000)
Transfers out	(500,000)		500,000			
Contribution from South Central Service Cooperative	77,472	77,472	0			
TOTAL OTHER FINANCING SOURCES (USES)	(22,528)	77,472	100,000	100,000		(100,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(890,558)	636,848	1,527,406	(624,365)	189,760	814,125
FUND BALANCES - JANUARY 1	1,357,158	5,417,148	4,059,990	624,365	1,920,623	1,296,258
FUND BALANCES - DECEMBER 31	\$ 466,600	\$ 6,053,996	\$ 5,587,396	\$ 0	\$ 2,110,383	\$ 2,110,383

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

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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.

The regulatory basis of presentation is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide and fund financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, separate financial statements for fiduciary fund types and other requirements for fiduciary fund types, specific procedures for the identification of major governmental funds, and applicable note disclosures. The regulatory basis of presentation does not require government-wide financial statements or the previously identified concepts.

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 through 4 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 through 4 for the Enterprise Fund reported with other funds in the aggregate.

Custodial Funds - Custodial Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). See Schedules 1 and 3 for Custodial Funds as reported with other funds in the aggregate.

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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. Liabilities incurred by the government on or before the end of the current period that are paid within 60 days of the end of the current period, are considered to be expenditures of the current period. 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. Pension trust funds are reported in a separate column as a part of supplementary information in order to provide users a better understanding of the entity as a whole.

The regulatory basis of accounting is not in accordance with generally accepted accounting principles (GAAP). GAAP require the following major concepts: Accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, inclusion of the net pension liability in the financial statements, and applicable note disclosures. The regulatory basis of accounting does not require the previously identified concepts.

In 2021, the City implemented Governmental Accounting Standards Board Statement No. 87, Leases. The significant/material effect on the Regulatory Basis of Accounting in the current period is that certain items included in debt service in the previous period are included in the expenditure/function code of the applicable opinion unit.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand, savings, money market 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.

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

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.

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 CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2: Cash Deposits with Financial Institutions

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value at December 31, 2022 is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 890,124	\$ 1,068,961
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	9,656,804	9,763,732
Total Deposits	\$ 10,546,928	\$ 10,832,693

The above total deposits do not include cash on hand of \$1,817.

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value at December 31, 2021 is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 942,736	\$ 962,600
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	10,105,349	10,171,594
Total Deposits	\$ 11,048,085	\$ 11,134,194

The above total deposits do not include cash on hand of \$1,207.

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.

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2022, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Franchise fees	\$ 47,255		
Sales taxes	433,983		\$ 88,287
Fines, forfeitures, and costs	8,157		
Local permits and fees	13,762		
Sanitation fees			29,859
Airport rentals			335
Other		\$ 1,000	
Totals	\$ 503,157	\$ 1,000	\$ 118,481

The accounts receivable balance at December 31, 2021, is composed of the following:

Description	General Fund	Other Funds in the Aggregate
Franchise fees	\$ 43,718	
Sales taxes	424,887	\$ 83,399
Fines, forfeitures, and costs	13,525	
Local permits and fees	5,054	
Sanitation fees		26,718
Airport rentals		2,192
Totals	\$ 487,184	\$ 112,309

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2022, is composed of the following:

Description	General Fund	Other Funds in the Aggregate
Vendor payables	\$ 4,162	\$ 5,246

The accounts payable balance at December 31, 2021, is composed of the following:

Description	General Fund	Other Funds in the Aggregate
Vendor payables	\$ 4,079	\$ 32,442

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2022	
	Interfund Receivables	Interfund Payables
General Fund	\$ 1,113,487	\$ 44,363
Other Funds in the Aggregate:		
Special Revenue Funds:		
American Rescue Plan Act		1,113,487
Enterprise Funds:		
Airport	44,363	
Totals	\$ 1,157,850	\$ 1,157,850

	December 31, 2021	
	Interfund Receivables	Interfund Payables
General Fund	\$ 16,256	
Other Funds in the Aggregate:		
Special Revenue Funds:		
Solid Waste		\$ 16,256
Totals	\$ 16,256	\$ 16,256

Interfund receivables and payables consist of errors in depositing restricted revenues and interfund loans. These balances are expected to be repaid in the subsequent period.

NOTE 7: Federal Funds Program Compliance

The City's 2022 and 2021 federal funds are in the process of being audited in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the City.

A separate report was issued for the City's 2020 federal funds. The following material instances of noncompliance were reported:

Finding 2020-001: The City relied on various employees to oversee compliance with federal awards but did not establish written internal control policies over federal awards to ensure compliance requirements were met. As a result, some supporting documentation for federal expenditures could not be located.

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 8: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2022, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government	\$ 1,223		\$ 2,140,545
Law enforcement	250,260		838
Highways and streets	4,390	\$ 659,791	
Public safety	231,053		42,146
Recreation and culture	95,812		
Airport			432,646
Debt service	25,861		
Total Restricted	<u>608,599</u>	<u>659,791</u>	<u>2,616,175</u>
Committed for:			
Airport			<u>75,026</u>
Assigned to:			
General government	41,270		
Law enforcement	31,935		
Highways and streets		663,011	
Public safety	667,987		
Sanitation			844,545
Total Assigned	<u>741,192</u>	<u>663,011</u>	<u>844,545</u>
Unassigned	<u>4,844,230</u>		
Totals	<u>\$ 6,194,021</u>	<u>\$ 1,322,802</u>	<u>\$ 3,535,746</u>

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 8: Details of Fund Balance Classifications (Continued)

Fund balance classifications at December 31, 2021, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government	\$ 1,120,826		\$ 2,010,224
Law enforcement	241,189		
Highways and streets	4,390	\$ 1,447,372	
Public safety	145,516		32,959
Recreation and culture	19,240		
Airport			278,738
Debt service	105,744		
Total Restricted	<u>1,636,905</u>	<u>1,447,372</u>	<u>2,321,921</u>
Committed for:			
Airport			<u>75,026</u>
Assigned to:			
General government	41,125		
Law enforcement	29,229		
Highways and streets		663,011	
Public safety	342,037		
Sanitation			886,234
Total Assigned	<u>412,391</u>	<u>663,011</u>	<u>886,234</u>
Unassigned	<u>4,004,700</u>		
Totals	<u>\$ 6,053,996</u>	<u>\$ 2,110,383</u>	<u>\$ 3,283,181</u>

NOTE 9: 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, 2022 and 2021, the legal debt limit for the bonded debt was \$19,664,384 and \$18,763,169, respectively. 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, 2022 and 2021, the legal debt limit for short-term financing obligations was \$5,489,430 and \$5,248,969, respectively. The amounts of short-term financing obligations were \$137,777 and \$168,797, leaving legal debt margins of \$5,351,653 and \$5,080,172, respectively.

CITY OF CAMDEN, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022 AND 2021

NOTE 10: Commitments

Total commitments consist of the following at December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
Long-term liabilities	\$ 1,810,762	\$ 1,840,023
Construction contract	84,895	
Total Commitments	\$ 1,895,657	\$ 1,840,023

Long-term liabilities

Long-term liabilities at December 31, 2022 and 2021 are comprised of the following:

	December 31, 2022	December 31, 2021
<u>Bonds</u>		
Education Center Revenue Bonds with the U.S. Department of Agriculture Rural Development, dated December 1, 2010, in the amount of \$1,586,000, 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.	\$ 1,339,160	\$ 1,365,868
<u>Direct Borrowings</u>		
Financed purchase, dated April 5, 1999, in the amount of \$713,000, 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' x 140' 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 Aerojet Rocketdyne, INC at a rate of \$5,500 per month for the period August 28, 2017 through July 31, 2020. The City's monthly payment is \$2,585 payable through June 1, 2027, and is made from the Airport Fund.	137,777	168,797
Landfill closure and postclosure care costs	333,825	305,358
Total Long-term liabilities	\$ 1,810,762	\$ 1,840,023

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

The City's outstanding bonds payable of \$1,339,160 and \$1,365,868 at December 31, 2022 and 2021, respectively, contain a provision that in an event of default, the Owner may, by proper suit, compel the performance of the duties of the officials of the City under laws of the State of Arkansas.

The City's outstanding financed purchase from direct borrowings of \$137,777 and \$168,797 at December 31, 2022 and 2021, respectively, contain a provision that in an event of default, at the Lender's option, the loan shall be accelerated and enforced as permitted by law.

Compensated Absences

Compensated absences do vest or accumulate. The amount of compensated absences was not determined.

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 10: Commitments (Continued)

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 \$ 333,825 and \$305,358 as of December 31, 2022 and December 31, 2021, respectively. This represents the cumulative amount reported to date based on 99% and 97% usage of the landfill for 2022 and 2021, respectively. The City will recognize the remaining estimated cost of closure and postclosure care of \$2,557 and \$10,932 for 2022 and 2021, respectively, as the remaining capacity is filled. At the present utilization rate, the landfill site is estimated to exhaust in 5.2 and 6 years from the balance sheet dates of December 31, 2022 and December 31, 2021, respectively.

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, 2022 and December 31, 2021. 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 \$177,890 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 \$177,890 upon receiving notice from the Director of the Arkansas Department of Environmental Quality of the City's failure to properly close the disposal operation

Long-Term Debt Issued and Outstanding

<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding December 31, 2022</u>	<u>Maturities to December 31, 2022</u>
<u>Bonds</u>					
12/1/10	12/1/50	3.75%	\$ 1,586,000	\$ 1,339,160	\$ 246,840
<u>Direct Borrowings</u>					
4/5/99	6/1/27	0.00%	713,000	137,777	575,223
Total Long-Term Debt			<u>\$ 2,299,000</u>	<u>\$ 1,476,937</u>	<u>\$ 822,063</u>

<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding December 31, 2021</u>	<u>Maturities to December 31, 2021</u>
<u>Bonds</u>					
12/1/10	12/1/50	3.75%	\$ 1,586,000	\$ 1,365,868	\$ 220,132
<u>Direct Borrowings</u>					
4/5/99	6/1/27	0.00%	713,000	168,797	544,203
Total Long-Term Debt			<u>\$ 2,299,000</u>	<u>\$ 1,534,665</u>	<u>\$ 764,335</u>

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 10: Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2022	Issued	Retired	Balance December 31, 2022
Bonds payable	\$ 1,365,868	\$ 0	\$ 26,708	\$ 1,339,160
<u>Direct Borrow ings</u>				
Financed purchases	168,797	0	31,020	137,777
Total Long-Term Debt	<u>\$ 1,534,665</u>	<u>\$ 0</u>	<u>\$ 57,728</u>	<u>\$ 1,476,937</u>

	Balance January 01, 2021	Issued	Retired	Balance December 31, 2021
Bonds payable	\$ 1,393,695	\$ 0	\$ 27,827	\$ 1,365,868
<u>Direct Borrow ings</u>				
Financed purchases	199,817	0	31,020	168,797
Total Long-Term Debt	<u>\$ 1,593,512</u>	<u>\$ 0</u>	<u>\$ 58,847</u>	<u>\$ 1,534,665</u>

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2022:

Years Ending December 31,	Bonds			Direct Borrow ings
	Principal	Interest	Total	Principal
2023	\$ 25,376	\$ 45,640	\$ 71,016	\$ 31,020
2024	28,695	48,777	77,472	31,020
2025	29,790	47,682	77,472	31,020
2026	30,926	46,546	77,472	31,020
2027	32,106	45,366	77,472	13,697
2028 through 2032	179,866	207,494	387,360	
2033 through 2037	216,896	170,464	387,360	
2038 through 2042	261,550	125,810	387,360	
2043 through 2047	315,398	71,962	387,360	
2048 through 2050	218,557	12,809	231,366	
Totals	<u>\$ 1,339,160</u>	<u>\$ 822,550</u>	<u>\$ 2,161,710</u>	<u>\$ 137,777</u>

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 10: Commitments (Continued)

The City is obligated for the following amounts at December 31, 2021:

Years Ending December 31,	Bonds			Direct Borrowings
	Principal	Interest	Total	Principal
2022	\$ 24,444	\$ 46,572	\$ 71,016	\$ 31,020
2023	27,641	49,831	77,472	31,020
2024	28,695	48,777	77,472	31,020
2025	29,790	47,682	77,472	31,020
2026	30,926	46,546	77,472	31,020
2027 through 2031	173,256	214,104	387,360	13,697
2032 through 2036	208,925	178,435	387,360	
2037 through 2041	251,938	135,422	387,360	
2042 through 2046	303,807	83,553	387,360	
2047 through 2050	286,446	22,392	308,838	
Totals	<u>\$ 1,365,868</u>	<u>\$ 873,314</u>	<u>\$ 2,239,182</u>	<u>\$ 168,797</u>

Construction Contract

The City was contractually obligated for the following construction contract at December 31, 2022:

Project Name	Completed	Contract Balance December 31, 2022
Sidewalk Improvements	July 2023	<u>\$ 84,895</u>

NOTE 11: 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 equipment of educational and training facilities for public employees. The total principal and interest remaining on the bonds as of December 31, 2022 are \$1,339,160 and \$822,550, respectively, and the total principal and interest remaining on the bonds as of December 31, 2021 are \$1,365,868 and \$873,314, respectively, payable through December 1, 2050. For 2022, principal and interest paid were \$26,708 and \$50,764, respectively, and for 2021, principal and interest paid were \$27,827 and \$56,101, respectively. The General Fund received \$77,472 in lease rentals in 2022 and 2021. Any lease rentals collected in excess of debt service payments on these bonds is permitted to be used for major repairs, construction, improvements, or any lawful project purpose.

NOTE 12: 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 \$96,350 and \$95,278 to Ouachita County for the Camden-Ouachita County Library in 2022 and 2021, respectively. Separate financial statements of the Camden-Ouachita County Library are not available.

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 13: 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 agreements cover the period July 1, 2021 to June 30, 2022 and July 1, 2022 to June 30, 2023, 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 2022 and 2021 statements of the Thirteenth Judicial District Drug Task force have not been audited.

NOTE 14: 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.

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 14: Risk Management (Continued)

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.

**NOTE 15: 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's 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 \$526,449 and \$490,046 for the years ended December 31, 2022 and December 31, 2021, respectively, and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$307,857 and \$309,326 for the years ended December 31, 2022 and December 31, 2021, respectively.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2022 and December 31, 2021, (actuarial valuation date and measurement date) was \$5,795,371 and \$2,717,202, respectively.

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 16: 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. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contribution rate was increased to 5.25% as of July 1, 2022. 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 \$2,842 and \$8,857 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at June 30, 2022 and June 30, 2021, (actuarial valuation date and measurement date) was \$23,934 and \$22,260, respectively. The covered employees included the Court Clerk for the year ended December 31, 2022 and the District Judge and Court Clerk for the year ended December 31, 2021.

NOTE 17: 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 \$52,531 and \$49,198 for the years ended December 31, 2022 and December 31, 2021, respectively.

NOTE 18: Mayor's Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-123 establishes retirement benefits for 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 an annual retirement benefit during the remainder of their natural life, payable at the rate of one-half (1/2) of the salary payable to the mayor at the completion of his or her last term as mayor. Retirement benefits are to be paid monthly from the City's General Fund. A mayor may retire: 1.) upon reaching the age of 60 with a minimum of ten years of service or 2.) upon serving 20 years, regardless of age. The City paid former Mayor Chris Claybaker \$31,922 and \$29,262 for the years ended December 31, 2022 and December 31, 2021, respectively.

CITY OF CAMDEN, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 19: Clerk/Treasurer Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-121 establishes retirement benefits for clerk/treasurers 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, a sum equal to one-half (1/2) of the monthly salary received during the last preceding year of service. Retirement benefits are to be paid from the City's General Fund. A clerk/treasurer may retire: 1.) upon reaching the age of 60 with a minimum of 10 years of service or 2.) upon serving 20 years, regardless of age. The City paid former Clerk/Treasurer Jerry Cross \$23,369 and \$23,369 and former Clerk/Treasurer Preston Woods' spouse Mary Woods \$2,363 and \$9,450 for the years ended December 31, 2022 and December 31, 2021, respectively.

NOTE 20: Treasurer's Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-125 establishes retirement benefits for treasurers in cities of the first class 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 an annual retirement benefit during the remainder of their natural life, payable at the rate of one-half (1/2) of the monthly salary received during the preceding year of service. Retirement benefits are to be paid from the City's General Fund. A treasurer who shall retire from office or be succeeded by another city treasurer with 15 years of service shall, upon reaching 60 years of age, receive retirement pay. The City paid former Treasurer Jim Green \$26,083 and \$23,910 for the years ended December 31, 2022 and December 31, 2021, respectively.

NOTE 21: Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). In 2021, the City was awarded \$2,226,987 in federal aid from the American Rescue Plan Act of 2021, and as of the report date, \$2,226,987 of this amount has been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

CITY OF CAMDEN, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 1

	SPECIAL REVENUE FUNDS						ENTERPRISE FUND
	Two Bayou Development	Economic Development	Solid Waste	Fire Equipment and Training (Act 833)	Advertising and Promotion	American Rescue Plan Act	Airport
ASSETS							
Cash and cash equivalents	\$ 59,603	\$ 671,186	\$ 726,399	\$ 41,308	\$ 1,412,417	\$ 1,115,163	\$ 465,559
Accounts receivable			118,146				335
Interfund receivables							44,363
TOTAL ASSETS	<u>\$ 59,603</u>	<u>\$ 671,186</u>	<u>\$ 844,545</u>	<u>\$ 41,308</u>	<u>\$ 1,412,417</u>	<u>\$ 1,115,163</u>	<u>\$ 510,257</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable					\$ 2,661		\$ 2,585
Interfund payables						\$ 1,113,487	
Settlements pending							
Total Liabilities					<u>2,661</u>	<u>1,113,487</u>	<u>2,585</u>
Fund Balances:							
Restricted	\$ 59,603	\$ 671,186		\$ 41,308	1,409,756	1,676	432,646
Committed							75,026
Assigned			\$ 844,545				
Total Fund Balances	<u>59,603</u>	<u>671,186</u>	<u>844,545</u>	<u>41,308</u>	<u>1,409,756</u>	<u>1,676</u>	<u>507,672</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 59,603</u>	<u>\$ 671,186</u>	<u>\$ 844,545</u>	<u>\$ 41,308</u>	<u>\$ 1,412,417</u>	<u>\$ 1,115,163</u>	<u>\$ 510,257</u>

CITY OF CAMDEN, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 1

CUSTODIAL FUNDS				
	Police Bond and Fine	District Court	Payroll	Totals
ASSETS				
Cash and cash equivalents	\$ 2,627	\$ 46,934	\$ 59,845	\$ 4,601,041
Accounts receivable				118,481
Interfund receivables				44,363
TOTAL ASSETS	\$ 2,627	\$ 46,934	\$ 59,845	\$ 4,763,885
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable				\$ 5,246
Interfund payables				1,113,487
Settlements pending	\$ 2,627	\$ 46,934	\$ 59,845	109,406
Total Liabilities	2,627	46,934	59,845	1,228,139
Fund Balances:				
Restricted				2,616,175
Committed				75,026
Assigned				844,545
Total Fund Balances				3,535,746
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,627	\$ 46,934	\$ 59,845	\$ 4,763,885

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, 2022

Schedule 2

	SPECIAL REVENUE FUNDS							ENTERPRISE FUND	Totals	
	Two Bayou Development	Economic Development	Solid Waste	Fire Equipment and Training (Act 833)	Advertising and Promotion	Library	American Rescue Plan Act	Community Center Grant		Airport
REVENUES										
State aid				\$ 17,436					\$ 17,436	
Federal aid										
Property taxes						\$ 96,350			96,350	
Sales taxes			\$ 1,050,464					789	1,051,253	
Interest	\$ 81	\$ 2,086	2,843	120	\$ 5,669		1,676	1,519	13,994	
Sanitation fees			369,138						369,138	
Advertising and promotion taxes					362,784				362,784	
Airport rentals								169,070	169,070	
Airport gasoline sales								257,516	257,516	
Other			3,888					56	3,944	
TOTAL REVENUES	81	2,086	1,426,333	17,556	368,453	96,350	1,115,163	23,328	495,313	3,544,663
EXPENDITURES										
Current:										
General government					115,825				115,825	
Law enforcement							556,744		556,744	
Public safety				9,207			556,743		565,950	
Sanitation			1,468,022						1,468,022	
Recreation and culture					124,474			23,328	147,802	
Airport								310,385	310,385	
Total Current			1,468,022	9,207	240,299		1,113,487	23,328	310,385	3,164,728
Debt Service:										
Financed purchase principal								31,020	31,020	
TOTAL EXPENDITURES			1,468,022	9,207	240,299		1,113,487	23,328	341,405	3,195,748
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	81	2,086	(41,689)	8,349	128,154	96,350	1,676		153,908	348,915
OTHER FINANCING SOURCES (USES)										
Contribution to Camden-Ouachita County Library						(96,350)			(96,350)	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	81	2,086	(41,689)	8,349	128,154		1,676		153,908	252,565
FUND BALANCES - JANUARY 1	59,522	669,100	886,234	32,959	1,281,602			353,764	3,283,181	
FUND BALANCES - DECEMBER 31	\$ 59,603	\$ 671,186	\$ 844,545	\$ 41,308	\$ 1,409,756	\$ 0	\$ 1,676	\$ 0	\$ 507,672	\$ 3,535,746

CITY OF CAMDEN, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2021

Schedule 3

	SPECIAL REVENUE FUNDS					ENTERPRISE FUND	CUSTODIAL FUNDS			Totals
	Two Bayou Development	Economic Development	Solid Waste	Fire Equipment and Training (Act 833)	Advertising and Promotion	Airport	Police Bond and Fine	District Court	Payroll	
ASSETS										
Cash and cash equivalents	\$ 59,522	\$ 669,100	\$ 792,373	\$ 32,959	\$ 1,281,602	\$ 384,014	\$ 10,473	\$ 34,656	\$ 119,575	\$ 3,384,274
Accounts receivable			110,117			2,192				112,309
TOTAL ASSETS	<u>\$ 59,522</u>	<u>\$ 669,100</u>	<u>\$ 902,490</u>	<u>\$ 32,959</u>	<u>\$ 1,281,602</u>	<u>\$ 386,206</u>	<u>\$ 10,473</u>	<u>\$ 34,656</u>	<u>\$ 119,575</u>	<u>\$ 3,496,583</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable						\$ 32,442				\$ 32,442
Interfund payables			\$ 16,256							16,256
Settlements pending							\$ 10,473	\$ 34,656	\$ 119,575	164,704
Total Liabilities			<u>16,256</u>			<u>32,442</u>	<u>10,473</u>	<u>34,656</u>	<u>119,575</u>	<u>213,402</u>
Fund Balances:										
Restricted	\$ 59,522	\$ 669,100		\$ 32,959	\$ 1,281,602	278,738				2,321,921
Committed						75,026				75,026
Assigned			886,234							886,234
Total Fund Balances	<u>59,522</u>	<u>669,100</u>	<u>886,234</u>	<u>32,959</u>	<u>1,281,602</u>	<u>353,764</u>				<u>3,283,181</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 59,522</u>	<u>\$ 669,100</u>	<u>\$ 902,490</u>	<u>\$ 32,959</u>	<u>\$ 1,281,602</u>	<u>\$ 386,206</u>	<u>\$ 10,473</u>	<u>\$ 34,656</u>	<u>\$ 119,575</u>	<u>\$ 3,496,583</u>

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, 2021

Schedule 4

	SPECIAL REVENUE FUNDS						ENTERPRISE FUND	Totals
	Two Bayou Development	Economic Development	Solid Waste	Fire Equipment and Training (Act 833)	Advertising and Promotion	Library	American Rescue Plan Act	
REVENUES								
State aid				\$ 16,000			\$ 27,351	\$ 43,351
Federal aid						\$ 1,113,500	29,000	1,142,500
Property taxes							\$ 95,278	95,278
Sales taxes			\$ 1,002,339				81	1,002,420
Interest	\$ 186	\$ 4,348	7,930	99	\$ 6,276		1,583	20,422
Sanitation fees			369,894					369,894
Advertising and promotion taxes					338,348			338,348
Airport rentals							162,162	162,162
Airport gasoline sales							113,376	113,376
Other			1,042				6,244	7,286
TOTAL REVENUES	186	4,348	1,381,205	16,099	344,624	95,278	1,113,500	3,295,037
EXPENDITURES								
Current:								
General government		190,000			61,985			251,985
Law enforcement						556,750		556,750
Public safety				17		556,750		556,767
Sanitation			1,642,291					1,642,291
Recreation and culture					37,013			37,013
Airport							241,463	241,463
Total Current		190,000	1,642,291	17	98,998	1,113,500	241,463	3,286,269
Debt Service:								
Financed purchase principal							31,020	31,020
TOTAL EXPENDITURES		190,000	1,642,291	17	98,998	1,113,500	272,483	3,317,289
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	186	(185,652)	(261,086)	16,082	245,626	95,278	67,314	(22,252)
OTHER FINANCING SOURCES (USES)								
Contribution to Camden-Ouachita County Library						(95,278)		(95,278)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	186	(185,652)	(261,086)	16,082	245,626		67,314	(117,530)
FUND BALANCES - JANUARY 1	59,336	854,752	1,147,320	16,877	1,035,976		286,450	3,400,711
FUND BALANCES - DECEMBER 31	<u>\$ 59,522</u>	<u>\$ 669,100</u>	<u>\$ 886,234</u>	<u>\$ 32,959</u>	<u>\$ 1,281,602</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,283,181</u>

CITY OF CAMDEN, ARKANSAS
NOTES TO SCHEDULES 1 THROUGH 4
DECEMBER 31, 2022 AND 2021

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.
Library	Established to remit money to the joint venture Camden-Ouachita County Library established in accordance with Ark. Code Ann. § 13-2-401.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Community Center Grant	Established to receive and disburse grant funds from the U.S. Department of Housing and Urban Development under the authority of Title I of the Housing and Community Development Act of 1974, as amended, to implement the Arkansas Community and Economic Development Program.
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.

CITY OF CAMDEN, ARKANSAS
NOTES TO SCHEDULES 1 THROUGH 4
DECEMBER 31, 2022 AND 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
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, 2022 AND 2021
 (Unaudited)

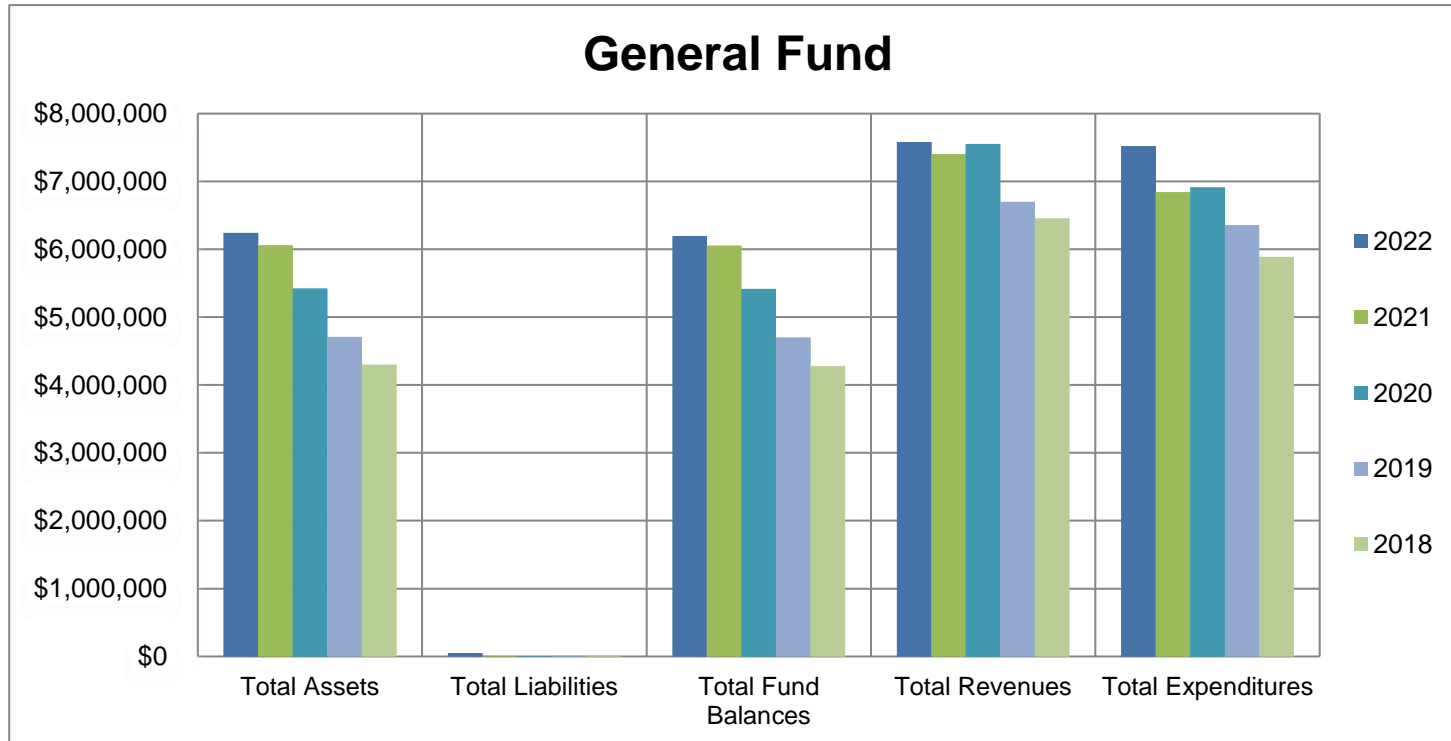
Schedule 5

	December 31, 2022	December 31, 2021
Land	\$ 1,091,453	\$ 1,091,453
Buildings	5,616,913	5,616,913
Improvements	3,607,161	3,607,161
Equipment	8,542,735	7,486,344
Totals	\$ 18,858,262	\$ 17,801,871
<u>Enterprise Fund Fixed Assets (Airport)</u>		
Land	\$ 7,373,643	\$ 7,373,643
Buildings	1,743,415	1,743,415
Improvements	2,772,707	2,772,707
Equipment	357,448	357,448
Totals	\$ 12,247,213	\$ 12,247,213

CITY OF CAMDEN, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2022
 (Unaudited)

Schedule 6-1

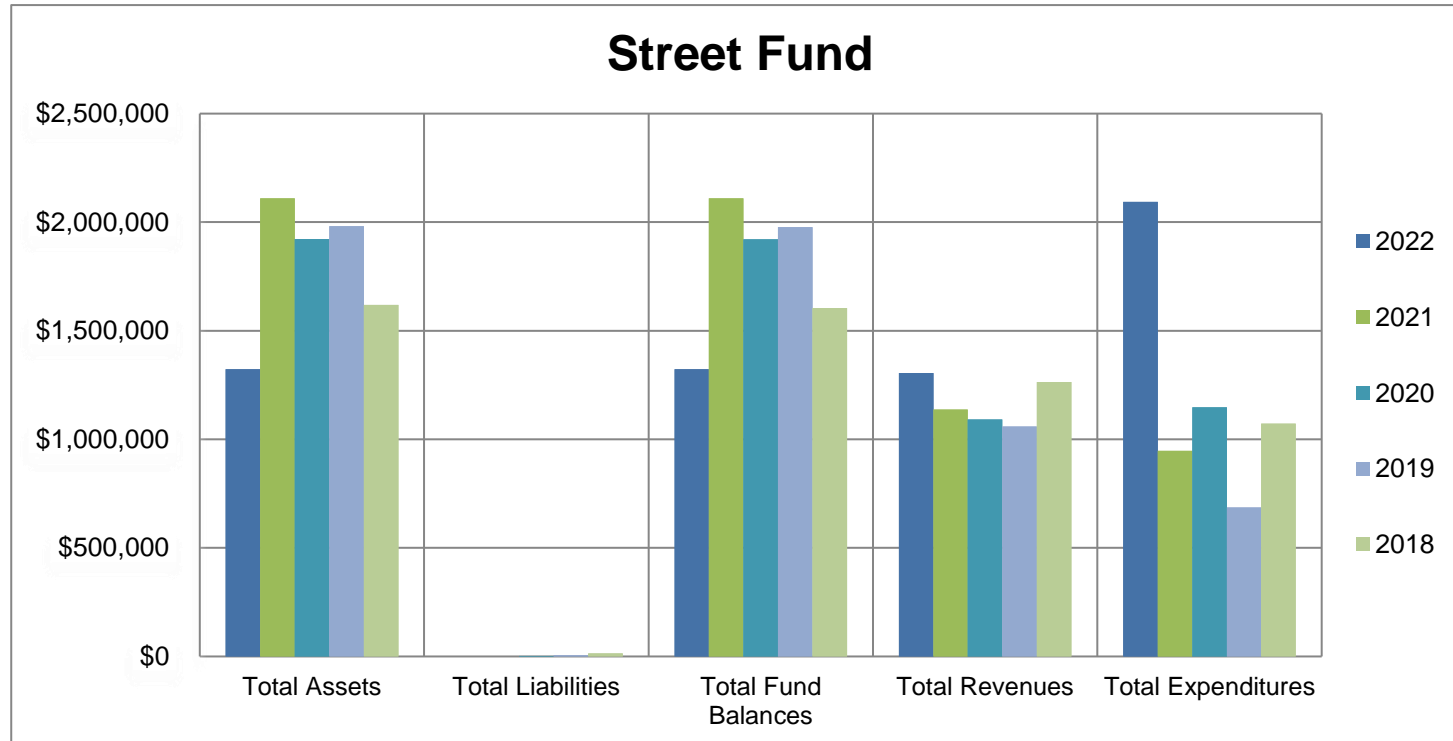
<u>General</u>	2022	2021	2020	2019	2018
Total Assets	\$ 6,242,546	\$ 6,058,075	\$ 5,419,670	\$ 4,711,250	\$ 4,296,834
Total Liabilities	48,525	4,079	2,522	9,378	21,287
Total Fund Balances	6,194,021	6,053,996	5,417,148	4,701,872	4,275,547
Total Revenues	7,581,400	7,400,663	7,550,484	6,697,795	6,454,465
Total Expenditures	7,518,847	6,841,287	6,912,680	6,356,152	5,886,000
Total Other Financing Sources/Uses	77,472	77,472	77,472	84,682	86,124



CITY OF CAMDEN, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS
 DECEMBER 31, 2022
 (Unaudited)

Schedule 6-2

<u>Street</u>	2022	2021	2020	2019	2018
Total Assets	\$ 1,322,802	\$ 2,110,383	\$ 1,922,866	\$ 1,981,842	\$ 1,618,461
Total Liabilities			2,243	5,144	14,543
Total Fund Balances	1,322,802	2,110,383	1,920,623	1,976,698	1,603,918
Total Revenues	1,305,249	1,136,638	1,091,525	1,058,719	1,263,631
Total Expenditures	2,092,830	946,878	1,147,600	685,939	1,072,707
Total Other Financing Sources/Uses					



CITY OF CAMDEN, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2022
 (Unaudited)

Schedule 6-3

<u>Other Funds in the Aggregate</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Assets	\$ 4,763,885	\$ 3,496,583	\$ 3,559,197	\$ 3,365,662	\$ 3,393,540
Total Liabilities	1,228,139	213,402	158,486	207,496	179,702
Total Fund Balances	3,535,746	3,283,181	3,400,711	3,158,166	3,213,838
Total Revenues	3,544,663	3,295,037	2,423,416	2,002,469	2,120,618
Total Expenditures	3,195,748	3,317,289	2,088,508	1,967,499	1,986,610
Total Other Financing Sources/Uses	(96,350)	(95,278)	(92,363)	(90,642)	55,207

