

City of Ratcliff, Arkansas

Financial and Compliance Report

December 31, 2023

*Including Financial Information
For
December 31, 2022 and 2021*

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF RATCLIFF, ARKANSAS
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Arkansas

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Sen. John Payton
Senate Vice Chair



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Rep. Richard Womack
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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

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

A priority of Arkansas Legislative Audit is to assist local government officials by promoting sound financial management and accountability of government resources. The Legislative Auditor reports on the fiscal affairs of local governments, as well as compliance with relevant state laws and observance of good business practices to provide accountability for tax dollars expended to support government operations.

We have performed certain limited procedures with respect to cash basis financial information and compliance with certain state laws and accepted accounting practices for the City of Ratcliff, Arkansas, as of and for the year ended December 31, 2023. Additionally, we requested certain cash basis information and your acknowledgement of compliance with certain state laws and accepted accounting practices for the years ended December 31, 2022, and 2021, and have issued our report thereon dated November 21, 2024. These procedures were not performed for the Water Department. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The findings contained in this section relates to the following officials who held office during 2023, 2022, and 2021:

Mayor: Roger Hughey
Recorder/Treasurer: Oleda Bennett

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

Noncompliance with state law and accepted accounting practices was noted in the office of **Mayor**.

Mayor

The governing body did not adopt the budgets by ordinance or resolution, in noncompliance with Ark. Code Ann. § 14-58-202.

The minutes of the governing body did not document the review of the prior report by the governing body, as required by Ark. Code Ann. § 10-4-418.

In 2023, Street Fund monies totaling \$35,000 were transferred to the General Fund, in apparent conflict with Ark. Code Ann. §§ 26-79-104, 27-70-207. The City repaid the Street Fund on October 2, 2024.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local City government, state executive and oversight 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

A handwritten signature in black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
November 21, 2024
LOM216123

CITY OF RATCLIFF, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2023	\$ 493,583	\$ 223,073
Receipts:		
State aid	11,379	14,088
Property taxes	13,255	3,982
Franchise fees	6,067	
Sales taxes	25,014	
Interest	3,325	1,422
Other	7,091	
Transfers in	35,000	
Total Receipts	<u>101,131</u>	<u>19,492</u>
Disbursements:		
General government	51,989	
Highways and streets		10,142
Public safety	14,397	
Settlement paid	95,000	
Transfers out		35,000
Total Disbursements	<u>161,386</u>	<u>45,142</u>
Cash Balance, December 31, 2023	<u>\$ 433,328</u>	<u>\$ 197,423</u>

CITY OF RATCLIFF, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 2

	<u>Street</u>	<u>American Rescue Plan Act (ARPA)</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 219,304	\$ 3,769	\$ 223,073
Receipts:			
State aid	14,088		14,088
Property taxes	3,982		3,982
Interest	1,422		1,422
Total Receipts	<u>19,492</u>		<u>19,492</u>
Disbursements:			
Highways and streets	10,142		10,142
Transfers out	35,000		35,000
Total Disbursements	<u>45,142</u>		<u>45,142</u>
Cash Balance, December 31, 2023	<u>\$ 193,654</u>	<u>\$ 3,769</u>	<u>\$ 197,423</u>

CITY OF RATCLIFF, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2022	\$ 441,662	\$ 225,589
Receipts:		
State aid	12,785	14,418
Federal aid		18,957
Property taxes Franchise fees	12,351	3,705
Sales taxes	5,743	
Interest	23,804	
Arkansas Department of Transportation reimbursement	1,341	624
Other	58,882	
Total Receipts	<u>2,567</u>	<u>31</u>
	<u>117,473</u>	<u>37,735</u>
Disbursements:		
General government	59,152	34,145
Highways and streets		6,106
Public safety	6,400	
Total Disbursements	<u>65,552</u>	<u>40,251</u>
Cash Balance, December 31, 2022	<u>\$ 493,583</u>	<u>\$ 223,073</u>

CITY OF RATCLIFF, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 4

	<u>Street</u>	<u>American Rescue Plan Act (ARPA)</u>	<u>Total</u>
Cash Balance, January 1, 2022	\$ 206,632	\$ 18,957	\$ 225,589
Receipts:			
State aid	14,418		14,418
Federal aid		18,957	18,957
Property taxes	3,705		3,705
Interest	624		624
Other	31		31
Total Receipts	<u>18,778</u>	<u>18,957</u>	<u>37,735</u>
Disbursements:			
General government		34,145	34,145
Highways and streets	6,106		6,106
Total Disbursements	<u>6,106</u>	<u>34,145</u>	<u>40,251</u>
Cash Balance, December 31, 2022	<u>\$ 219,304</u>	<u>\$ 3,769</u>	<u>\$ 223,073</u>

CITY OF RATCLIFF, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 5

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2021	\$ 469,487	\$ 194,083
Receipts:		
State aid	12,635	15,948
Federal aid		18,957
Property taxes	11,676	3,503
Franchise fees	3,943	
Sales taxes	24,670	
Interest	1,980	657
Other	374	77
Total Receipts	<u>55,278</u>	<u>39,142</u>
Disbursements:		
General government	81,628	
Highways and streets		7,636
Public safety	1,475	
Total Disbursements	<u>83,103</u>	<u>7,636</u>
Cash Balance, December 31, 2021	<u>\$ 441,662</u>	<u>\$ 225,589</u>

CITY OF RATCLIFF, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (UNAUDITED)

Schedule 6

	<u>Street</u>	<u>American Rescue Plan Act (ARPA)</u>	<u>Total</u>
Cash Balance, January 1, 2021	\$ 194,083		\$ 194,083
Receipts:			
State aid	15,948		15,948
Federal aid		\$ 18,957	18,957
Property taxes	3,503		3,503
Interest	657		657
Other	77		77
Total Receipts	<u>20,185</u>	<u>18,957</u>	<u>39,142</u>
Disbursements:			
Highways and streets	<u>7,636</u>		<u>7,636</u>
Cash Balance, December 31, 2021	<u>\$ 206,632</u>	<u>\$ 18,957</u>	<u>\$ 225,589</u>

CITY OF RATCLIFF, ARKANSAS
 OTHER INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021
 (UNAUDITED)

Schedule 7

1. Cash balances on the Financial Schedules include demand and certificates of deposit.

2. The General Fund column on the Financial Schedules includes the following bank accounts:
 General Fund, Sales Tax, and Fire Department

3. The Municipality's capital assets records are summarized below:

	December 31, 2023	December 31, 2022	December 31, 2021
	<u> </u>	<u> </u>	<u> </u>
Land	\$ 16,700	\$ 16,700	\$ 16,700
Buildings	91,591	91,591	91,591
Equipment	<u>130,138</u>	<u>130,138</u>	<u>95,993</u>
Totals	<u>\$ 238,429</u>	<u>\$ 238,429</u>	<u>\$ 204,284</u>

4. The City received federal funding in the following amounts related to COVID-19 relief:

	December 31, 2022	December 31, 2021
	<u> </u>	<u> </u>
American Rescue Plan Act (ARPA)	<u>\$ 18,957</u>	<u>\$ 18,957</u>

5. The City paid a settlement totaling \$95,000 on April 28, 2023, to an engineering firm.