

**City of Ratcliff, Arkansas**

**Financial and Compliance Report**

**December 31, 2017 and 2016**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CITY OF RATCLIFF, ARKANSAS  
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# Arkansas

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**Roger A. Norman, JD, CPA, CFE, CFF**  
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 years ended December 31, 2017 and 2016, and have issued our report thereon dated September 28, 2018. 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 relate to the following officials who held office during 2017 and 2016:

Mayor: Roger Hughey  
Recorder/Treasurer: Oleda Bennett

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

Our procedures noted noncompliance with state law and accepted accounting practices in the offices of **Mayor** and **Recorder/Treasurer**.

### **Mayor**

General Fund disbursements in 2017 exceeded budgeted appropriations by \$80,734 (65%), in noncompliance with Ark. Code Ann. § 14-58-203.

### **Recorder/Treasurer**

Internal Revenue Service quarterly Forms 941 were not filed for the last two quarters of 2017. Subsequently, on September 17, 2018, the forms were filed and the related payments were remitted.

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

Handwritten signature of Roger A. Norman in cursive.

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

Little Rock, Arkansas  
September 28, 2018  
LOM216117

CITY OF RATCLIFF, ARKANSAS  
 SCHEDULE OF FINANCIAL INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2017  
 (UNAUDITED)

Schedule 1

	<u>General Fund</u>	<u>Special Revenue (Street) Fund</u>
Cash Balance, January 1, 2017	<u>\$ 438,001</u>	<u>\$ 137,506</u>
Receipts:		
State aid	9,346	13,896
Property taxes	10,785	3,235
Franchise fees	3,623	
Sales taxes	19,606	
Interest	3,500	1,134
Other	1,105	
Total Receipts	<u>47,965</u>	<u>18,265</u>
Disbursements:		
General government	95,867	
Highways and streets		5,451
Public safety	12,493	
Unclassified	(714)	
Total Disbursements	<u>107,646</u>	<u>5,451</u>
Cash Balance, December 31, 2017	<u>\$ 378,320</u>	<u>\$ 150,320</u>

CITY OF RATCLIFF, ARKANSAS  
 SCHEDULE OF FINANCIAL INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2016  
 (UNAUDITED)

Schedule 2

	<u>General Fund</u>	<u>Special Revenue (Street) Fund</u>
Cash Balance, January 1, 2016	<u>\$ 409,563</u>	<u>\$ 125,852</u>
Receipts:		
State aid	3,226	13,344
Property taxes	11,072	3,323
Franchise fees	3,529	
Sales taxes	19,148	
Interest	3,386	1,161
Other	700	
Total Receipts	<u>41,061</u>	<u>17,828</u>
Disbursements:		
General government	13,356	
Highways and streets		6,174
Unclassified	(733)	
Total Disbursements	<u>12,623</u>	<u>6,174</u>
Cash Balance, December 31, 2016	<u>\$ 438,001</u>	<u>\$ 137,506</u>

CITY OF RATCLIFF, ARKANSAS  
 OTHER INFORMATION  
 FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016  
 (UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:  
     General, Sales Tax, and Fire Department
3. The Municipality's capital assets records are summarized below:

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Land	\$ 16,700	\$ 16,700
Buildings	91,591	35,591
Equipment	<u>86,073</u>	<u>85,198</u>
Totals	<u>\$ 194,364</u>	<u>\$ 137,489</u>