Town of Norman, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE

TOWN OF NORMAN, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2024

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Norman, 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 Town of Norman, Arkansas, as of and for the year ended December 31, 2024, and have issued our report thereon dated August 13, 2025. These procedures were not performed for the Water and Sewer Department. Management of the Town 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 2024:

Mayor: Tammy Whisenhunt
Recorder/Treasurer: Karen Tardiff (resigned April 8, 2025)

We evaluated the Town'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 offices of **Mayor** and **Recorder/Treasurer**.

Mayor

An audit or agreed upon procedures and compilation report has not been obtained for the Water and Sewer Departments for the years 2020 through 2024, as required by Ark. Code Ann. § 14-234-119. A similar finding was noted in the prior report.

The 2024 budget was not adopted by ordinance or resolution as required by Ark. Code Ann. § 14-58-202. A similar finding was noted in the prior report.

The governing body did not review the prior year report and accompanying comments at the first regularly scheduled meeting following receipt of the report, in noncompliance with Ark. Code Ann. § 10-4-418. A similar finding was noted in the prior report.

Recorder/Treasurer

Accounting procedures for municipalities are set forth in the Municipal Accounting Law, Ark. Code Ann. §§ 14-59-101 – 14-59-119. The City was in noncompliance with these codes and other proper accounting procedures during 2024 as noted below:

- Bank accounts were not properly reconciled, and reconciliations were not approved by a municipal official employee, other than the person preparing the bank statement. A similar finding was noted in the prior two reports.
- Cash receipts and disbursements journals were not properly maintained for all funds. A similar finding was noted in the prior report.
- Checks were not issued in sequential order.
- Prenumbered receipts were not issued for all funds received. A similar finding was noted in the prior report.
- Annual financial statements were not prepared and posted. A similar finding was noted in the prior report.
- Prenumbered checks were not issued for all disbursements. A similar finding was noted in the prior report.
- The Recorder/Treasurer presented monthly financial reports to the Council; however, receipts, disbursements, and balances on hand were not presented for all funds, and amounts presented were not accurate. A similar finding was noted in the prior report.
- Adequate supporting documentation was not maintained for $1,450 (2%) of disbursements tested. A similar finding was noted in the prior two reports.
- Town Council minutes were not provided for inspection for one month in 2024 and four months in 2025.

During our review of payroll records we noted salary payments to the Mayor, Recorder/Treasurer, and various employees were reported on Internal Revenue Service (IRS) Form Misc-1099 rather than the IRS Form W-2. Additionally, compensation reported did not reconcile to amounts paid. A similar finding was issued in the prior report.

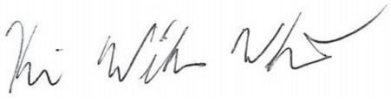
Mayor and Recorder/Treasurer

Restricted funds were expended from the Street Fund in noncompliance with Ark. Code Ann. § 27-70-207 for the General Fund and the Water and Sewer Fund, totaling $4,457 and $787, respectively. When combined with amounts due from previous years, the city's General Fund and Water and Sewer Fund owed the Street Fund $22,995 and $4,740, respectively, as of December 31, 2024. On July 11, 2025, the Legislative Joint Auditing Committee authorized the Town to repay the Street Fund $200 per month for monies owed from the General Fund and the Water and Sewer Fund. A similar finding was noted in the previous report.

As shown in Note 5 on Schedule 3 of this report, when the amount due to the Street Fund was considered, the General Fund had a deficit balance of $18,278 at December 31, 2024.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local Town 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



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 13, 2025
LOM311524

TOWN OF NORMAN, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2024	$ 3,883	$ 98,411
Receipts:		
State aid	302	40,445
Federal aid		134,615
Property taxes	10,903	2,050
Franchise fees	10,584	
Sales taxes	33,594	46,110
Sanitation fees		17,480
Other		2,001
Unclassified	6,915	17,023
Total Receipts	62,298	259,724
Disbursements:		
Water and sewer		7,479
Contribution to water department	11,652	
Debt service		6,614
Unclassified	49,812	222,854
Total Disbursements	61,464	236,947
Cash Balance, December 31, 2024	$ 4,717	$ 121,188

TOWN OF NORMAN, ARKANSAS

Schedule 2

COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2024

(UNAUDITED)

	Street	Fire Department	Fire Equipment and Training (Act 833)	Solid Waste	American Rescue Plan Act	Community Development Block Grant	Fire Equipment Grant	Total
Cash Balance, January 1, 2024	$ 7,926	$ 37,415	$ 16,295	$ 11,655	$ 11	$ 109	$ 25,000	$ 98,411
Receipts:								
State aid	24,916		15,529					40,445
Federal aid		37,565	1,000			96,050		134,615
Property taxes	2,050							2,050
Sales taxes		12,647		33,463				46,110
Sanitation fees				17,480				17,480
Other	2,000						1	2,001
Unclassified		17,023						17,023
Total Receipts	28,966	67,235	16,529	50,943		96,050	1	259,724
Disbursements:								
Water and sewer				7,479				7,479
Debt service	2,552		4,062					6,614
Unclassified	29,084	55,436	3,509	38,775		96,050		222,854
Total Disbursements	31,636	55,436	7,571	46,254		96,050		236,947
Cash Balance, December 31, 2024	$ 5,256	$ 49,214	$ 25,253	$ 16,344	$ 11	$ 109	$ 25,001	$ 121,188

TOWN OF NORMAN, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts.

2. The Cash balance at year-end in the custodial fund is as follows:

	December 31, 2024
Payroll	$ 2,917

This balance represents payroll taxes that have not been transferred to the appropriate entities.

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

	December 31, 2024
Buildings and Land	$ 100,000
Equipment	228,341
Total	$ 328,341

4. The outstanding balance at year-end for long-term liabilities is as follows:

	December 31, 2024
Financed purchases	$ 18,119

TOWN OF NORMAN, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

5. The schedules included in our Financial and Compliance Reports are typically cash basis. We are including additional information here, as it came to our attention in prior reports, that various restricted funds were deposited into or expended from the wrong bank accounts. The information below begins with cash balances per Schedules 1 and 2 of this report. The computation includes increases and decreases to cash balances for amounts due to and due from funds within the Town.

	General	Street
Cash balances per Schedules as of December 31, 2024	$ 4,717	$ 5,256
Due from General Fund	(22,995)	
Due to Street Fund		22,995
Due from Water and Sewer Fund		4,740
Restated balances as of December 31, 2024	$ (18,278)	$ 32,991