

City of Summit, Arkansas

Financial and Compliance Report

December 31, 2024

***Including Financial Information
For
December 31, 2023 and 2022***

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF SUMMIT, ARKANSAS
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Financial and Compliance Report

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Arkansas

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Sen. Jim Dotson
Senate Vice Chair



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Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Summit, 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 Summit, Arkansas, as of and for the year ended December 31, 2024. 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, 2023, and 2022, and have issued our report thereon dated September 17, 2025. These procedures were not performed for the Water and Sewer Department. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The commentary contained in this section relates to the following officials who held office during 2024, 2023, and 2022:

Mayor: Tobey Norberg
Recorder/Treasurer: Sherry McFarland

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.

During our evaluation, nothing came to our attention that would warrant disclosure in this report.

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", with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
September 17, 2025
LOM217924

CITY OF SUMMIT, 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 | \$ 44,638 | \$ 122,190 |
| Receipts: | | |
| State aid | 8,090 | 57,968 |
| Property taxes | 15,843 | 4,955 |
| Franchise fees | 22,786 | |
| Sales taxes | 101,169 | 54,119 |
| Interest | 7 | |
| Local permits and fees | 167 | |
| Other | 18,995 | |
| Total Receipts | <u>167,057</u> | <u>117,042</u> |
| Disbursements: | | |
| General government | 112,340 | 4,692 |
| Law enforcement | 24,218 | |
| Highways and streets | | 106,947 |
| Public safety | 34,391 | 12,546 |
| Recreation and culture | | 5,379 |
| Social services | 422 | |
| Debt service | 5,702 | 6,694 |
| Total Disbursements | <u>177,073</u> | <u>136,258</u> |
| Cash Balance, December 31, 2024 | <u>\$ 34,622</u> | <u>\$ 102,974</u> |

CITY OF SUMMIT, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

Schedule 2

| | <u>Street</u> | <u>Fire Equip & Training (Act 833)</u> | <u>American Rescue Plan Act</u> | <u>Total</u> |
|---------------------------------|------------------|--|-------------------------------------|-------------------|
| Cash Balance, January 1, 2024 | \$ 84,479 | \$ 27,640 | \$ 10,071 | \$ 122,190 |
| Receipts: | | | | |
| State aid | 44,733 | 13,235 | | 57,968 |
| Property taxes | 4,955 | | | 4,955 |
| Sales taxes | 54,119 | | | 54,119 |
| Total Receipts | <u>103,807</u> | <u>13,235</u> | | <u>117,042</u> |
| Disbursements: | | | | |
| General government | | | 4,692 | 4,692 |
| Highways and streets | 106,947 | | | 106,947 |
| Public safety | | 12,546 | | 12,546 |
| Recreation and culture | | | 5,379 | 5,379 |
| Debt service | 6,694 | | | 6,694 |
| Total Disbursements | <u>113,641</u> | <u>12,546</u> | <u>10,071</u> | <u>136,258</u> |
| Cash Balance, December 31, 2024 | <u>\$ 74,645</u> | <u>\$ 28,329</u> | <u>\$ 0</u> | <u>\$ 102,974</u> |

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

Schedule 3

| | General Fund | Special Revenue Funds |
|---------------------------------|------------------|-----------------------------|
| Cash Balance, January 1, 2023 | \$ 45,273 | \$ 251,241 |
| Receipts: | | |
| State aid | 8,271 | 58,138 |
| Property taxes | 13,307 | 4,160 |
| Franchise fees | 23,801 | |
| Sales taxes | 99,329 | 52,728 |
| Interest | 9 | |
| Local permits and fees | 197 | |
| Other | 27,597 | |
| Total Receipts | <u>172,511</u> | <u>115,026</u> |
| Disbursements: | | |
| General government | 111,974 | 51,755 |
| Law enforcement | 27,939 | |
| Highways and streets | 1,236 | 92,892 |
| Public safety | 30,890 | 239 |
| Recreation and culture | | 93,612 |
| Social services | 157 | |
| Debt service | 950 | 5,579 |
| Total Disbursements | <u>173,146</u> | <u>244,077</u> |
| Cash Balance, December 31, 2023 | <u>\$ 44,638</u> | <u>\$ 122,190</u> |

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

Schedule 4

| | Street | Fire Equip & Training (Act 833) | City Park Grant | American Rescue Plan Act | Total |
|---------------------------------|------------------|------------------------------------|-----------------|-----------------------------|-------------------|
| Cash Balance, January 1, 2023 | \$ 79,695 | \$ 15,392 | \$ 75,000 | \$ 81,154 | \$ 251,241 |
| Receipts: | | | | | |
| State aid | 45,890 | 12,248 | | | 58,138 |
| Property taxes | 4,160 | | | | 4,160 |
| Sales taxes | 52,728 | | | | 52,728 |
| Total Receipts | <u>102,778</u> | <u>12,248</u> | | | <u>115,026</u> |
| Disbursements: | | | | | |
| General government | | | | 51,755 | 51,755 |
| Highways and streets | 92,415 | | | 477 | 92,892 |
| Public safety | | | | 239 | 239 |
| Recreation and culture | | | 75,000 | 18,612 | 93,612 |
| Debt service | 5,579 | | | | 5,579 |
| Total Disbursements | <u>97,994</u> | | <u>75,000</u> | <u>71,083</u> | <u>244,077</u> |
| Cash Balance, December 31, 2023 | <u>\$ 84,479</u> | <u>\$ 27,640</u> | <u>\$ 0</u> | <u>\$ 10,071</u> | <u>\$ 122,190</u> |

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

Schedule 5

| | General Fund | Special Revenue Funds |
|---------------------------------|-------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Cash Balance, January 1, 2022 | \$ 52,513 | \$ 214,955 |
| | <u> </u> | <u> </u> |
| Receipts: | | |
| State aid | 8,116 | 58,104 |
| Federal aid | | 61,118 |
| Property taxes | 13,520 | 4,229 |
| Franchise fees | 22,563 | |
| Sales taxes | 96,510 | 49,164 |
| Interest | 9 | |
| Local permits and fees | 277 | |
| Other | 9,419 | |
| Total Receipts | <u>150,414</u> | <u>172,615</u> |
| | <u> </u> | <u> </u> |
| Disbursements: | | |
| General government | 91,124 | 11,209 |
| Law enforcement | 33,858 | |
| Highways and streets | 1,272 | 118,455 |
| Public safety | 30,938 | 6,665 |
| Social services | 462 | |
| Total Disbursements | <u>157,654</u> | <u>136,329</u> |
| | <u> </u> | <u> </u> |
| Cash Balance, December 31, 2022 | <u>\$ 45,273</u> | <u>\$ 251,241</u> |

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

Schedule 6

| | Street | Fire Equip & Training (Act 833) | City Park Grant | American Rescue Plan Act | Total |
|---------------------------------|------------------|------------------------------------|------------------|-----------------------------|-------------------|
| Cash Balance, January 1, 2022 | \$ 90,066 | \$ 7,400 | \$ 75,000 | \$ 42,489 | \$ 214,955 |
| Receipts: | | | | | |
| State aid | 46,967 | 11,137 | | | 58,104 |
| Federal aid | | | | 61,118 | 61,118 |
| Property taxes | 4,229 | | | | 4,229 |
| Sales taxes | 49,164 | | | | 49,164 |
| Total Receipts | <u>100,360</u> | <u>11,137</u> | | <u>61,118</u> | <u>172,615</u> |
| Disbursements: | | | | | |
| General government | | | | 11,209 | 11,209 |
| Highways and streets | 110,731 | | | 7,724 | 118,455 |
| Public safety | | 3,145 | | 3,520 | 6,665 |
| Total Disbursements | <u>110,731</u> | <u>3,145</u> | | <u>22,453</u> | <u>136,329</u> |
| Cash Balance, December 31, 2022 | <u>\$ 79,695</u> | <u>\$ 15,392</u> | <u>\$ 75,000</u> | <u>\$ 81,154</u> | <u>\$ 251,241</u> |

CITY OF SUMMIT, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022
(UNAUDITED)

Schedule 7

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

2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Animal Control, Special Donations, and Fire Truck.

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

| | December 31, 2024 | December 31, 2023 | December 31, 2022 |
|-----------|----------------------|----------------------|----------------------|
| Land | \$ 130,149 | \$ 130,149 | \$ 10,149 |
| Buildings | 240,000 | 240,000 | 220,000 |
| Equipment | 1,317,644 | 1,260,833 | 1,229,248 |
| Totals | <u>\$ 1,687,793</u> | <u>\$ 1,630,982</u> | <u>\$ 1,459,397</u> |

4. Outstanding balances at year-end for long-term liabilities are as follows:

| | December 31, 2024 | December 31, 2023 | December 31, 2022 |
|--------------------|----------------------|----------------------|----------------------|
| Financed purchases | <u>\$ 139,614</u> | <u>\$ 101,069</u> | <u>\$ 24,268</u> |

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

| | December 31, 2022 |
|---------------------------------|----------------------|
| American Rescue Plan Act (ARPA) | <u>\$ 61,118</u> |