

Town of Tupelo, Arkansas

Financial and Compliance Report

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF TUPELO, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2021

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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

Financial and Compliance Report

Town of Tupelo, 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 Tupelo, Arkansas, as of and for the year ended December 31, 2021, and have issued our report thereon dated April 4, 2023. 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 relates to the following officials who held office during 2021:

Mayor: Melissa Runyon
Recorder/Treasurer: Chelsea Golden

We evaluated the Town's compliance with certain state laws concerning general 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

Electronic disbursements were made without proper approval of the council (by ordinance) and without establishing written policies and procedures to ensure that the electronic funds payment system provides for internal accounting controls and documentation for audit and accounting purposes, as required by Ark. Code Ann. § 14-59-105.

Recorder/Treasurer

Restricted funds from previous years of \$10,389 were not transferred to the Street Fund from the General Fund, as required by Ark. Code Ann. § 14-59-104. The Town made payments in 2021 to reduce the balance owed to the Street Fund.

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

A handwritten signature in cursive script that reads "Roger A. Norman".

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

Little Rock, Arkansas
April 4, 2023
LOM316221

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

Schedule 1

	General Fund	Special Revenue Fund (Street)
	<u> </u>	<u> </u>
Cash Balance, January 1, 2021	\$ 34,617	\$ 75,791
Receipts:		
State aid	2,609	12,629
Property taxes	2,800	1,025
Franchise fees	4,241	663
Sales taxes	21,073	
Interest	192	239
Rent	1,000	
Other	1,566	
Transfers in		4,500
Total Receipts	<u>33,481</u>	<u>19,056</u>
Disbursements:		
General government	13,558	
Highways and streets		6,394
Sanitation	10,179	
Health	8,409	
Recreation and culture	1,028	
Transfers out	4,500	
Total Disbursements	<u>37,674</u>	<u>6,394</u>
Cash Balance, December 31, 2021	<u>\$ 30,424</u>	<u>\$ 88,453</u>

TOWN OF TUPELO, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Schedule 2

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

	December 31, 2021
Land	\$ 5,453
Buildings	40,278
Equipment	46,508
Total	<u>\$ 92,239</u>