

Town of Cove, Arkansas

Financial and Compliance Report

December 31, 2023 and 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF COVE, ARKANSAS
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FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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Arkansas

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Sen. John Payton
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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Cove, 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 Cove, Arkansas, as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated July 11, 2024. 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 commentary contained in this section relates to the following officials who held office during 2023 and 2022:

Mayor: Joan Headley
Recorder/Treasurer: Barbara Vallee

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.

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 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 black ink, appearing to read "Kevin White", written over a horizontal line.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
July 11, 2024
LOM304223

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

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 510,337	\$ 225,677
Receipts:		
State aid	4,850	30,570
Property taxes	3,885	10
Franchise fees	7,991	
Sales taxes	299,059	
Interest	525	189
Other	4,693	
Transfers in		32,219
Total Receipts	<u>321,003</u>	<u>62,988</u>
Disbursements:		
General government	80,064	
Highways and streets		63,136
Public safety		12,883
Recreation and culture	6,290	
Water and sewer	77,306	13,266
Transfers out	32,219	
Total Disbursements	<u>195,879</u>	<u>89,285</u>
Cash Balance, December 31, 2023	<u>\$ 635,461</u>	<u>\$ 199,380</u>

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

Schedule 2

	<u>Street</u>	<u>Fire Department</u>	<u>American Rescue Plan Act (ARPA)</u>	<u>Total</u>
Cash Balance, January 1, 2023	\$ 170,311	\$ 42,106	\$ 13,260	\$ 225,677
Receipts:				
State aid	26,910	3,660		30,570
Property taxes	10			10
Interest	121	62	6	189
Transfers in	23,432	8,787		32,219
Total Receipts	<u>50,473</u>	<u>12,509</u>	<u>6</u>	<u>62,988</u>
Disbursements:				
Highways and streets	63,136			63,136
Public safety		12,883		12,883
Water and sewer			13,266	13,266
Total Disbursements	<u>63,136</u>	<u>12,883</u>	<u>13,266</u>	<u>89,285</u>
Cash Balance, December 31, 2023	<u>\$ 157,648</u>	<u>\$ 41,732</u>	<u>\$ 0</u>	<u>\$ 199,380</u>

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

Schedule 3

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2022	\$ 355,992	\$ 228,446
Receipts:		
State aid	4,823	30,868
Federal aid		38,639
Property taxes	3,643	384
Franchise fees	7,000	
Sales taxes	310,893	
Interest	242	138
Other	1,974	
Transfers in		31,437
Total Receipts	<u>328,575</u>	<u>101,466</u>
Disbursements:		
General government	55,299	
Highways and streets		30,575
Public safety		9,622
Recreation and culture	5,542	
Water and sewer	81,952	64,038
Transfers out	31,437	
Total Disbursements	<u>174,230</u>	<u>104,235</u>
Cash Balance, December 31, 2022	<u>\$ 510,337</u>	<u>\$ 225,677</u>

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

Schedule 4

	<u>Street</u>	<u>Fire Department</u>	<u>American Rescue Plan Act (ARPA)</u>	<u>Total</u>
Cash Balance, January 1, 2022	\$ 150,003	\$ 39,797	\$ 38,646	\$ 228,446
Receipts:				
State aid	27,541	3,327		30,868
Federal aid			38,639	38,639
Property taxes	384			384
Interest	95	30	13	138
Transfers in	22,863	8,574		31,437
Total Receipts	<u>50,883</u>	<u>11,931</u>	<u>38,652</u>	<u>101,466</u>
Disbursements:				
Highways and streets	30,575			30,575
Public safety		9,622		9,622
Water and sewer			64,038	64,038
Total Disbursements	<u>30,575</u>	<u>9,622</u>	<u>64,038</u>	<u>104,235</u>
Cash Balance, December 31, 2022	<u>\$ 170,311</u>	<u>\$ 42,106</u>	<u>\$ 13,260</u>	<u>\$ 225,677</u>

TOWN OF COVE, ARKANSAS
OTHER INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(UNAUDITED)

Schedule 5

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, General Reserve, and Park
3. The Municipality's capital assets records are summarized below:

	December 31, 2023	December 31, 2022
Land	\$ 37,064	\$ 37,064
Buildings	154,423	127,804
Equipment	254,504	249,680
Totals	\$ 445,991	\$ 414,548

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

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 38,639