

Town of Cove, Arkansas

Financial and Compliance Report

December 31, 2025

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF COVE, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2025

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
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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 year ended December 31, 2025, and have issued our report thereon dated August 6, 2026. 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 2025:

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

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 6, 2026
LOM304225

TOWN OF COVE, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2025	\$ 876,127	\$ 204,682
Receipts:		
State aid	4,740	31,792
Property taxes	4,215	189
Franchise fees	7,250	
Sales taxes	334,333	
Interest	1,467	234
Other	1,133	2,401
Transfers in		35,052
Unclassified	1,386	
Total Receipts	<u>354,524</u>	<u>69,668</u>
Disbursements:		
General government	53,004	
Highways and streets	47,978	73,639
Public safety		8,288
Recreation and culture	106,640	
Contributions to water and sewer	151,421	
Transfers out	35,052	
Total Disbursements	<u>394,095</u>	<u>81,927</u>
Cash Balance, December 31, 2025	<u>\$ 836,556</u>	<u>\$ 192,423</u>

TOWN OF COVE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (UNAUDITED)

Schedule 2

	<u>Street</u>	<u>Fire Department</u>	<u>Total</u>
Cash Balance, January 1, 2025	\$ 160,019	\$ 44,663	\$ 204,682
Receipts:			
State aid	26,775	5,017	31,792
Property taxes	189		189
Interest	150	84	234
Other	2,401		2,401
Transfers in	25,492	9,560	35,052
Total Receipts	<u>55,007</u>	<u>14,661</u>	<u>69,668</u>
Disbursements:			
Highways and streets	73,639		73,639
Public safety		8,288	8,288
Total Disbursements	<u>73,639</u>	<u>8,288</u>	<u>81,927</u>
Cash Balance, December 31, 2025	<u><u>\$ 141,387</u></u>	<u><u>\$ 51,036</u></u>	<u><u>\$ 192,423</u></u>

TOWN OF COVE, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(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, General Reserve, and Park
3. The Municipality's capital assets records are summarized below:

	December 31, 2025
Land	\$ 136,956
Buildings	154,422
Equipment	334,906
Total	\$ 626,284