

Town of Cove, Arkansas

Financial and Compliance Report

December 31, 2017

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF COVE, ARKANSAS
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Arkansas

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Sen. Lance Eads
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Roger A. Norman, JD, CPA, CFE, CFF
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, 2017, and have issued our report thereon dated September 17, 2018. 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 2017:

Mayor: Joan Headley
Recorder/Treasurer: Barbara Vallee

We evaluated the Town's compliance with certain state laws concerning general accounting, budgeting, purchasing, and investing and depositing of public funds.

Our procedures indicated that the above offices were in substantial compliance with Arkansas fiscal and financial laws.

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

Handwritten signature of Roger A. Norman in cursive.

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

Little Rock, Arkansas
September 17, 2018
LOM304217

TOWN OF COVE, ARKANSAS
 SCHEDULE OF FINANCIAL INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (UNAUDITED)

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2017	<u>\$ 379,326</u>	<u>\$ 99,058</u>
Receipts:		
State aid	6,058	28,821
Property taxes	2,889	1,443
Franchise fees	5,324	
Sales taxes	237,724	
Interest	404	78
Other	7,330	19,747
Transfers in		23,988
Total Receipts	<u>259,729</u>	<u>74,077</u>
Disbursements:		
General government	52,022	
Highways and streets		55,888
Public safety		8,185
Recreation and culture	4,186	
Transfers out	23,988	
Contributions to water and sewer department	97,823	
Total Disbursements	<u>178,019</u>	<u>64,073</u>
Cash Balance, December 31, 2017	<u><u>\$ 461,036</u></u>	<u><u>\$ 109,062</u></u>

TOWN OF COVE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (UNAUDITED)

Schedule 2

	<u>Street</u>	<u>Fire</u>	<u>Total</u>
Cash Balance, January 1, 2017	<u>\$ 77,818</u>	<u>\$ 21,240</u>	<u>\$ 99,058</u>
Receipts:			
State aid	26,278	2,543	28,821
Property taxes	1,443		1,443
Interest	59	19	78
Other	19,728	19	19,747
Transfers in	17,446	6,542	23,988
Total Receipts	<u>64,954</u>	<u>9,123</u>	<u>74,077</u>
Disbursements:			
Highways and streets	55,888		55,888
Public safety		8,185	8,185
Total Disbursements	<u>55,888</u>	<u>8,185</u>	<u>64,073</u>
Cash Balance, December 31, 2017	<u>\$ 86,884</u>	<u>\$ 22,178</u>	<u>\$ 109,062</u>

TOWN OF COVE, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (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 and Park
3. The Municipality's capital assets records are summarized below:

	December 31, 2017
Land	\$ 37,054
Buildings	109,228
Equipment	242,658
Total	\$ 388,940

4. Bonds:
 The Town has two bond issues outstanding at December 31, 2017, totaling \$539,520. One of the bond issues is secured by water and sewer system revenues. The other is secured by a portion of a 1% sales and use tax. The aforementioned information was obtained from the "Town of Cove, Arkansas, Waterworks and Sewer Department" audit report dated June 8, 2018, by Przybysz & Associates, Certified Public Accountants, P.C. Per Town of Cove ordinance no. 232 (December 4, 2001), the bond proceeds were used to acquire, construct, and equip a sewer system for the Town.