City of Hawk Cove

FY 2024 Internal Year-End Financial Report

Fiscal year ended September 30, 2024

Prepared from the City's corrected FY 2024 balance sheet and profit and loss statements

Internal management report

Internal Auditor Opinion and Management Summary

In my opinion, the City's financial condition reflects continued fiscal strain. The City maintained $203,859.23 in cash at year-end and reported total assets of $2,040,259.36. However, the City also carried total liabilities of $1,872,103.34, including the USDA sewer loan and IRS back payroll tax debt, and reported a net loss of $67,280.16 for the fiscal year.

These conditions show that the City remained operational at year-end, but recurring revenues did not fully support annual expenses. The City's long-term financial position remains burdened by substantial debt and limited financial flexibility if revenue does not improve, expenses are not reduced, or outside assistance is not obtained.

Management also notes that the current revenue structure has not generated sufficient revenue to comfortably cover current bills, ordinary general upkeep, and long-term obligations. This point is consistent with the operating shortfall shown in the FY 2024 statements.

Bottom-line reading

- Short-term position: The City had cash on hand and continued operating.
- Main weakness: Debt obligations remain heavy relative to available flexibility.
- Operations: Revenues did not cover annual expenses in FY 2024.
- Structural issue: Current revenue levels were not enough to fund normal operations and upkeep.
- Redline note: Customer billing and detailed receivable support are maintained through Redline rather than QuickBooks.
- Deposit note: Sewer deposits received into the regular Sewer bank and not yet transferred to the Sewer Deposit bank are recorded as a current liability.

Prepared by	Title	Date
Karen Fronterhouse	CFO	4-14-2026

Detailed Statement of Revenues and Expenses

Revenue Detail

Account	Amount
4010a Income-General Fund-Current	$159,318.32
4010aa Income-OP 3844-Current Late Pymt Penalty	$1,598.15
4010bb Income-Op 3844-Current Late Pymt Interest	$628.85
4010op Income-OP 3844-Overpymt	$279.00
4010T Trash Income-GF	$37,518.20
Total for 4010a Income-General Fund-Current	**$199,342.52**
4010c Income-Op 3844-Delinquent	$20,069.15
4010cc Income-Op 3844-Delinquent Late Pymt Penalty	$2,318.53
4010dd Income-Op 3844-Late Pymt Interest	$19,720.67
Total for 4010c Income-Op 3844-Delinquent	**$42,108.35**
4011 Income-General-Sales Tax Revenue	$37,064.58
4012 Income-General-Permit	$28,229.32
4013 Income-General-Franchise	$19,821.32
4040 Income-Municipal Court	$43,320.04
4050 Income-Child Safety	$2,542.37
4061a Income-Sewer 3405-Current	$270,183.71
4061aa Income-Sewer-Current Late Pymt Penalty	$4,275.00
4061cd 4061 Income Sewer-3405 Sewer Overpayments	$6,821.86
Total for 4061a Income-Sewer 3405-Current	**$281,280.57**
4065a Income-I&S 2050-Current	$47,731.66
4065aa Income-I&S 2050-Current Penalty	$618.53
4065bb Income-I&S 2050-Current Interest	$252.60
Total for 4065a Income-I&S 2050-Current	**$48,602.79**
4065c Income-I&S 2050-Delinquent Income	$28,663.79
4065cc Income-I&S 2050-Late Pymt Penalty	$3,220.19
4065dd Income-I&S 2050-Late Pymt Interest	$23,737.11
Total for 4065c Income-I&S 2050-Delinquent Income	**$55,621.09**
4500 Income-Interest	$26.41
Total Income	**$757,959.36**

Expense Detail

Account	Amount
10055 PD-Dues & Subscriptions	$174.05
10100 PD-Equipment & Supplies	$1,936.31
10200 PD-Fuel	$9,003.87
10400 PD-Legal Shield	$191.40
10600 PD-R&M	$6,095.55
5010 Bank Service Charge	$120.91
5020 City Election	$3,533.56
5040 Dues & Subscriptions	$10,241.38
5050 Fire Department Payments	$2,049.78
5060 Payroll Expenses	$100,956.84
5075 Taxes	$9,369.24
Total for 5060 Payroll Expenses	**$110,326.08**
5090 Professional Fees-City Attorney	$10,000.00
6009 GF-Fees	$651.00
6010 GF-Fuel	$3,296.91
6011 Security-Camera Monitoring	$108.00
6020 GF-Insurance	$23,973.87
6040 GF-Postage	$1,547.32
6045 GF-Professional Fees	$3,983.33
6050 GF-R&M	$1,455.33
6060 GF-Supplies-Office	$2,088.15
6065 GF-Trash Service-Customers	$40,809.86
6066 GF-Trash Service-Park Dumpster	$478.75