

City of Hawk Cove 2025-2026 budget notes

All P&Ls received cannot be reconciled as they are, nor are they complete. According to P&Ls city of Hawk Cove was in the RED (NEGATIVE) 2023-2024 in the amount of \$173,956.64, as well as in 2024-2025 YTD in the amount of \$105,144.23. I found no clear entries for the M&O property taxes listed in the income of either year. I also found no franchise fees for 23-24 other than one entry of \$ 1167. Yet in 24-25 there is \$ 18343.69 reported.

The payroll totals for P&Ls for 23-24 were in excess of \$606,319.82. With payroll totals for 24-25 in excess of \$362,960. Keeping in mind this is only 3 of 4 quarters of this fiscal year, I had told city administrator over a month ago we needed to begin on budget with her acknowledging we did. Then on Saturday August 16, 2025 city Administrator called me to discuss budget and ask me to pick up a folder which was to contain everything needed to create the budget. The folder contained P&Ls for 24-25 that were provided to U.S.D.A. along with property tax calculation worksheet, 23-24 proforma statement of budget provided to U.S.D.A. and Texas code on city budgets. At that time I informed city administrator that my home computer had no software capable of producing the budget and the best I could do was "old school", hand written. I have requested a meeting with the cities paid C.F.O. and have yet to have a meeting, (EVER). I also requested a meeting with city secretary with no responding meeting to date. At the regular council meeting the following Tuesday August 19, 2025 the city Administrator informed me she had not given me the correct information and presented me with a new folder containing the 2023-2024 P&Ls saying sorry and that the cities C.F.O. had told her this was , indeed all that was needed to create the budget, 25-26. At that meeting I ask for and gave Administrator a list of further needed information which included the following items; 1. To confirm that the 2022-2023 produced by previous Mayor Evans was the last actual budget passed by council. I stated that I believed it was rolled over as 23-24 due to programing problems and again as 24-25 due to lack of council members. 2. What is M&O total for 23-24 and 24-25 as they were not obvious on any of the P&Ls. 3. Complete totals for all franchise fees. 4. Complete totals for all sales tax. 5. I ask if the I.R.S. debt owed by city had been paid off and what was balance if it had not. At present I have received none of these. On Thursday August 21, 2025 after 5pm the city Administrator called again to inform me that the computer program used by the city for the P&Ls has additional program able to assist with creating a city budget, which she could email me the information. She was inquiring as to the legality of using this program to produce the city

budget. At present I have not received any further information. Please also be aware that NONE of the P&Ls furnished were ever brought to council for their o.k. or even allowed on agendas to be discussed, only provided. I have requested this be on agenda or special meeting at last meeting.

Mayor Delores Spence

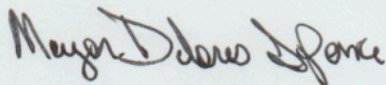
AS OF August 25, 2025 @ 10 am

Monday August 25, 2025 @ 11:49 a.m. received phone call from City Admin Mckeehan to come to city hall for updates on budget information. At that time I requested, again to meet with C.F.O. City Admin mentioned phone conference only. Note that neither city council nor Mayor has ever seen the C.F.O. only heard of her and her contract. Then on Friday August 29, 2025 City Admin Mckeehan and City Attorney began sending attached emails @ 11:27 a.m..

On Friday August 29, 2025 an associate with computer knowledge worked on computer so budget could be prepared. All hand written notes for budget were transferred to computer. By Saturday August 30, 2025 Mayors revised budget was completed and delivered to city hall via night drop with picture and email sent to city secretary, city Administrator and city attorney at 4:46pm. While at city hall I saw that the cities program produced budget had been posted outside on announcement board. I had not seen nor agreed with anything on this budget. ONLY Because of threatening emails from city attorney I had told them post with revision that I would be delivering revised budget by Tuesday, September 2, 2025. (as mentioned Monday, September 1st is a holiday.

Mayor Delores Spence

AS of August 30, 2025



8/30/25