City of Monticello, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF MONTICELLO, ARKANSAS
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Legislative Joint Auditing Committee

Report on the Audit of the Financial Statements

Opinions

We have audited the regulatory basis financial statements of the City of Monticello, Arkansas (City), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, street fund, and other funds in the aggregate as of December 31, 2024; the related Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis; the Statement of Revenues, Expenditures, and Change in Fund Balances – Budget and Actual – General and Street Funds – Regulatory Basis for the year then ended; and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, street fund, and other funds in the aggregate of the City of Monticello, Arkansas as of December 31, 2024; the regulatory basis revenues, expenditures, and changes in fund balance; and the budgetary comparisons for the general fund and street fund for the year then ended, in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying regulatory basis financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the general fund, street fund, and other funds in the aggregate of the City of Monticello, Arkansas, as of December 31, 2024, or the revenues, expenditures, and changes in fund balance and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements permitted by the State of Arkansas.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the City would have included another fund under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. However, under the regulatory basis, this fund is not required to be included as part of the reporting entity. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412, as described in Note 1, to meet the requirements permitted by the State of Arkansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risk of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements as a whole. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information listed in the table of contents is fairly stated in all material respects, in relation to the regulatory basis financial statements as a whole on the basis of accounting described in Note 1.

Other Information

Management is responsible for the other information included in the report. The other information is comprised of the schedules listed in the table of contents but does not include the regulatory basis financial statements, supplemental information, and our auditor's reports thereon. Our opinions on the regulatory basis financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the regulatory basis financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
May 14, 2026
LOM106424

Arkansas

Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair

Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

City of Monticello, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of City of Monticello, Arkansas (City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's regulatory basis financial statements, and have issued our report thereon dated May 14, 2026. We issued an adverse opinion because the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, street fund, and other funds in the aggregate were unmodified.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. 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

Joseph D. Archer

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
May 14, 2026

Arkansas

Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair

Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

City of Monticello, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

The commentary contained in this letter relates to the following officials who held office during 2024:

Mayor: Jason Akers
Finance Director: Vickie Norris
Clerk/Treasurer: Taryn Wiggly
District Court Clerk: Julie Watkins
Police Chief: Carlos Garcia

No issues came to our attention that we considered necessary to report to management.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the City Council (or local governing body) and City 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
Joseph D. Archer

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
May 14, 2026
LOM106424

CITY OF MONTICELLO, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2024

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	$ 6,839,921	$ 424,390	$ 2,551,875
Investments	3,745		299
Accounts receivable	616,015	28	24,443
TOTAL ASSETS	$ 7,459,681	$ 424,418	$ 2,576,617
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 25,451	$ 5,834	$ 30,473
Settlements pending			324,594
Total Liabilities	25,451	5,834	355,067
Fund Balances:			
Restricted		177,816	2,120,957
Committed		240,768	
Assigned	4,813,129		100,593
Unassigned	2,621,101		
Total Fund Balances	7,434,230	418,584	2,221,550
TOTAL LIABILITIES AND FUND BALANCES	$ 7,459,681	$ 424,418	$ 2,576,617

The accompanying notes are an integral part of these financial statements.

CITY OF MONTICELLO, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	$ 125,545	$ 694,192	$ 235,480
Federal aid	1,062,131		347,273
Property taxes	280,063	63,024	45,815
Franchise fees	605,406		
Sales taxes	5,236,328		3,335
Fines, forfeitures, and costs	346,490		74,955
Interest	29,103	2,367	30,458
Local permits and fees	47,352		
Advertising and promotion taxes			131,025
Airport fees			95,549
Airport fuel sales			316,310
Alcohol beverage revenues	23,461		
Reimbursment for senior citizen meals			101,473
Employee contributions			49,410
Employer constributions			25,000
Net increase/(decrease) in fair value of investments			(52)
Other	315,123	2,652	42,350
TOTAL REVENUES	8,071,002	762,235	1,498,381
EXPENDITURES			
Current:			
General government	1,012,953		12
Law enforcement	2,443,430		49,710
Highways and streets	119,226	736,217	
Public safety	1,500,777		156,093
Recreation and culture	815,930		31,018
Social services	36,112		345,231
Advertising and promotion			41,750
Economic development	415,000		304,938
Airport			500,641
Cemetery	120,837		66,536
TOTAL EXPENDITURES	6,464,265	736,217	1,495,929

CITY OF MONTICELLO, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Exhibit B

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 1,606,737	$ 26,018	$ 2,452
OTHER FINANCING SOURCES (USES)			
Transfers in			187,100
Transfers out	(187,100)		
Contribution to water department	(2,096,732)		
Contribution from water department	163,500		
Insurance proceeds	407,664		134,003
TOTAL OTHER FINANCING SOURCES (USES)	(1,712,668)		321,103
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(105,931)	26,018	323,555
FUND BALANCES - JANUARY 1	7,540,161	392,566	1,897,995
FUND BALANCES - DECEMBER 31	$ 7,434,230	$ 418,584	$ 2,221,550

The accompanying notes are an integral part of these financial statements.

CITY OF MONTICELLO, ARKANSAS

Exhibit C

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	$ 125,543	$ 125,545	$ 2	$ 694,191	$ 694,192	$ 1
Federal aid	366,235	1,062,131	695,896			
Property taxes	280,061	280,063	2	63,023	63,024	1
Franchise fees	605,241	605,406	165			
Sales taxes	5,238,737	5,236,328	(2,409)			
Fines, forfeitures, and costs	362,819	346,490	(16,329)			
Interest	16,972	29,103	12,131	1,648	2,367	719
Local permits and fees	46,252	47,352	1,100			
Alcohol beverage revenues	23,588	23,461	(127)			
Other	889,363	315,123	(574,240)	44,874	2,652	(42,222)
TOTAL REVENUES	7,954,811	8,071,002	116,191	803,736	762,235	(41,501)
EXPENDITURES						
Current:						
General government	1,024,365	1,012,953	11,412			
Law enforcement	2,616,008	2,443,430	172,578			
Highways and streets	119,227	119,226	1	785,297	736,217	49,080
Public safety	1,461,728	1,500,777	(39,049)			
Recreation and culture	821,051	815,930	5,121			
Social services	36,113	36,112	1			
Economic development	418,085	415,000	3,085			
Cemetery	120,837	120,837	0			
TOTAL EXPENDITURES	6,617,414	6,464,265	153,149	785,297	736,217	49,080

CITY OF MONTICELLO, ARKANSAS

Exhibit C

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 1,337,397	$ 1,606,737	$ 269,340	$ 18,439	$ 26,018	$ 7,579
OTHER FINANCING SOURCES (USES)						
Transfers in	1,176,074		(1,176,074)			
Transfers out	(187,100)	(187,100)	0			
Contribution to water department	(2,096,735)	(2,096,732)	3			
Contribution from water department	163,500	163,500	0			
Insurance proceeds		407,664	407,664			
TOTAL OTHER FINANCING SOURCES (USES)	(944,261)	(1,712,668)	(768,407)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	393,136	(105,931)	(499,067)	18,439	26,018	7,579
FUND BALANCES - JANUARY 1	591,191	7,540,161	6,948,970		392,566	392,566
FUND BALANCES - DECEMBER 31	$ 984,327	$ 7,434,230	$ 6,449,903	$ 18,439	$ 418,584	$ 400,145

The accompanying notes are an integral part of these financial statements.

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Monticello was incorporated under the laws of the State of Arkansas and operates under an elected Mayor-Council form of government. The reporting entity includes all funds of the City. Under accounting principles generally accepted in the United States of America (GAAP) as established by the *Government Accounting Standards Board*, the following fund of the City would have been included in the reporting entity: Water, Sewer, and Solid Waste. However, under Arkansas's regulatory basis described below, inclusion of this fund is not required and this fund is not included in this report.

B. Basis of Presentation – Regulatory

The financial statements are presented in accordance with the regulatory basis of presentation as prescribed or permitted by Ark. Code Ann. § 10-4-412. The law requires that the financial statements be presented on a fund basis with, as a minimum, the general fund and street fund presented separately with all other funds included in the financial statements presented in the aggregate. This law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general and street funds; notes to financial statements; and a supplemental schedule of capital assets.

The regulatory basis of presentation is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide and fund financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, separate financial statements for fiduciary fund types and other requirements for fiduciary fund types, specific procedures for the identification of major governmental funds, and applicable note disclosures. The regulatory basis of presentation does not require government-wide financial statements or the previously identified concepts.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with related liabilities and residual balances, and changes therein, which are segregated for purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds are recognized in the accompanying regulatory basis financial statements.

General Fund - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

Street Fund - The Street Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Street Fund accounts for and reports the proceeds of state highway turnback, federal aid, and property taxes that are restricted or committed for maintaining and constructing highways and streets.

Other Funds in the Aggregate - Other Funds in the Aggregate consist of all funds included in the financial statements except for the General and Street Funds. The following types of funds are included in this column as follows:

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. See Schedules 1 and 2 for Special Revenue Funds as reported with other funds in the aggregate.

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets (other than those financed by Enterprise Funds). See Schedules 1 and 2 for the Capital Projects Fund reported with other funds in the aggregate.

Enterprise Funds – Enterprise funds are used to report activity that is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; activity that is legally required to recover its costs through fees or charges; or activity that the government's policy is to establish fees or charges designed to recover the cost of providing services. See Schedules 1 and 2 for the Enterprise Fund as reported with other funds in the aggregate.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation – Regulatory (Continued)

Other Funds in the Aggregate (Continued)

Custodial Funds - Custodial Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). See Schedule 1 for Custodial Funds as reported with other funds in the aggregate.

C. Basis of Accounting – Regulatory

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Ark. Code Ann. § 10-4-412. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues generally are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. However, most state aid received from the State Treasury is by state law revenue of the year in which it was received by the government. Expenditures generally are recorded when a liability is incurred. Liabilities incurred by the government on or before the end of the current period that are paid within 60 days of the end of the current period, are considered to be expenditures of the current period. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. As a result of the use of this regulatory basis of accounting, capital assets and long-term debt are not recorded in these financial statements. Pension trust funds are reported in a separate column as a part of supplementary information in order to provide users a better understanding of the entity as a whole.

The regulatory basis of accounting is not in accordance with generally accepted accounting principles (GAAP). GAAP require the following major concepts: Accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, inclusion of the net pension liability in the financial statements, and applicable note disclosures. The regulatory basis of accounting does not require the previously identified concepts.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, “cash and cash equivalents” includes all demand accounts and certificates of deposit.

Investments

Investments are reported at fair value.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, and payroll taxes that have not been transferred to the appropriate entities.

Fund Balance Classifications

1. Restricted fund balance - amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

2. Committed fund balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council (passage of an ordinance).

3. Assigned fund balance - amounts that are constrained by the City Council’s intent to be used for specific purposes but are neither restricted nor committed.

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Fund Balances (Continued)

Fund Balance Classifications (Continued)

4. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

E. Property Taxes

A lien attaches to the real property in January and on personal property in June of each year. Property taxes are collectible beginning the first business day of March of the subsequent year but are not considered delinquent until after October 15. Property taxes reflected as revenues on the financial statements include the property tax relief distribution made by the State of Arkansas. The purpose of this distribution is to reimburse the municipality for property tax credits in accordance with Arkansas Code.

F. Budget Law

State law requires that these procedures be followed in establishing the budgetary data:

a. Prior to December 1, the Mayor submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

b. The proposed budget is discussed at a City Council meeting prior to adoption.

c. Prior to February 1, the budget is legally enacted by ordinance or resolution of the City Council.

d. Appropriations lapse at the end of each year.

e. Under certain conditions, the budget may be amended subsequent to the year-end.

The budgeted revenues and expenditures represent the formal operating budget adopted by the City Council, as amended by the Council during the year.

Basis of Accounting

The City prepared an annual budget on the regulatory basis for the General Fund, Street Fund, and the other operating funds.

G. Fund Balance Classification Policies and Procedures

The Municipality's highest level of decision-making authority is its City Council. The establishment of amounts classified as committed fund balances and any subsequent modifications to such balances are the result of formal action taken by the City Council through passage of an ordinance. The City Council is authorized to assign amounts to a specific purpose, although a formal policy has not been established.

The Municipality does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The Municipality does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

NOTE 2: Cash Deposits with Financial Institutions

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	$ 1,378,205	$ 1,376,220
Collateralized:		
Collateral held by the pledging financial institution's trust department or agent in the City's name	8,437,615	8,196,792
Total Deposits	$ 9,815,820	$ 9,573,012

The above total deposits do not include cash on hand of $366.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

State law generally requires that municipal funds be deposited in federally insured banks located in the State of Arkansas. The municipal deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in eligible investment securities having a maturity of not longer than 5 years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity; an Arkansas bank certificate of deposit; an account established by a local government joint investment trust; or an Arkansas financial institution repurchase agreement for eligible investment securities in which the seller agrees to repurchase the investment at a price including interest earned during the holding period as determined by the repurchase agreement.

NOTE 4: Accounts Receivable

The accounts receivable balance at December 31, 2024, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
State aid			$ 11,555
Federal aid	$ 4,961		
Franchise fees	151,446		
Sales taxes	437,578		182
Fines, forfeitures, and costs			3,416
Local permits and fees	1,033		
Advertising and promotion taxes			7,389
Airport fees			525
Airport fuel sales			3
Alcohol beverage revenues	1,684		
Reimbursment for senior citizen meals			1,336
Other	19,313	$ 28	37
Totals	$ 616,015	$ 28	$ 24,443

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2024, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	$ 25,451	$ 5,834	$ 30,473

NOTE 6: Federal Funds Program Compliance

The grants of the U.S. Department of Transportation Federal Aviation Administration, U.S. Department of Transportation, American Rescue Plan Act of 2021, Justice Assistance Grant and U.S, Department of Housing and Urban Development, were not audited in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the City.

NOTE 7: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2024, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			$ 661
Law enforcement			315,673
Highw ays and streets		$ 177,816	
Public safety			107,696
Recreation and culture			11,592
Advertising and promotion			1,393,923
Airport			178,023
Capital outlay			113,389
Total Restricted		177,816	2,120,957
Committed for:			
Highw ays and streets		240,768	
Assigned to:			
General government	$ 4,491,506		
Law enforcement	40,350		9,516
Recreation and culture	281,273		
Social services			66,414
Cemetery			24,663
Total Assigned	4,813,129		100,593
Unassigned	2,621,101		
Totals	$ 7,434,230	$ 418,584	$ 2,221,550

NOTE 8: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The City is subject to a constitutional limitation for bonded indebtedness equal to 20% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2024, the legal debt limit for the bonded debt was $23,662,573. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2024, the legal debt limit for short-term financing obligations was $6,323,002. There were no short-term financing obligations.

NOTE 9: Commitments

Total commitments consist of the following at December 31, 2024:

	December 31, 2024
Long-term liabilities	$ 7,504
Construction contracts	991,607
Total Commitments	$ 999,111

Long-term liabilities

Long-term liabilities at December 31, 2024, are comprised of the following:

	December 31, 2024
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	$ 7,504

Due to the City's regulatory basis of accounting, these liabilities are not recorded in the financial statements.

Change in Compensated Absences

	December 31, 2024
Beginning balance compensated absences	$ 11,052
Ending balance compensated absences	7,504
Net increase (decrease)	$ (3,548)

Post Employment Benefits Other Than Pensions

The amount of any actuarially determined accrued liability for post employment benefits other than pensions was not determined.

NOTE 9: Commitments (Continued)

Construction Contracts

The City was contractually obligated for the following construction contracts at December 31, 2024:

Project Name	Completed or Estimated Completion	Contract Balance December 31, 2024
Sidewalk Project- Library/Jordan Park	December 2026	$ 2,790
Airport Lighting	December 2026	34,002
Main Street Water and Sewer Relocation	December 2026	205,944
Taxiway & Apron Rehab	December 2026	23,644
West Plant Headworks Project	June 2025	725,227
Total Construction Contracts		$ 991,607

NOTE 10: Interfund Transfers

The General Fund transferred $187,100 to Other Funds in the Aggregate ($49,100 to Cemetery, $38,000 to Water Reservoir, $100,000 to Airport Improvement) for operations.

NOTE 11: Subsequent Events

On January 9, 2025, the City entered a contract with Broadway Electric Inc. for $209,975 for airport lighting improvements.

On January 15, 2025, the City entered a contract through Arkansas Department of Transportation for an overlay project in which the City's portion is $379,382.

On January 9, 2025, the City entered a contract with Hi-Lite Airfield Services, LLC for $291,065 for a taxiway and apron rehabilitation.

On April 25, 2025, the City entered a contract with Scott Ark Construction LLC for $384,322 for an airport hangar extension.

On September 3, 2025, the City entered a contract with Johnsville Company, LLC for $255,403 for milling of Rebecca Circle and Glennwood Drive.

On October 14, 2025, the City entered a contract with D and D paving for $461,414 for paving of Rebecca Circle and Glennwood Drive.

On November 6, 2025, the City entered a contract with Progressive Trail Design, LLC for $561,600 for phase 2 lake trail project.

NOTE 12: Related Party Transaction

The City maintained a bank balance of $5,827,558 with Union Bank at December 31, 2024. A council member is also Vice President of the aforementioned bank.

NOTE 13: Jointly Governed Organization: Southeast Arkansas Regional Intermodal Facilities Authority

Drew and Bradley Counties and the Cities of Monticello and Warren entered into an agreement on May 14, 1998, to establish the Southeast Arkansas Regional Intermodal Facilities Authority pursuant to Ark. Code Ann. §§ 14-143-101 –14-143-129. The Southeast Arkansas Regional Intermodal Facilities Authority shall be governed by a board of directors consisting of 12 members appointed by the participants' Mayors and County Judges. Each participating City and County will appoint three board members. Separate financial statements may be obtained at 101 Myrtle, Warren, Arkansas 71671.

NOTE 14: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in a public entity risk pool. The amount of settlements, if any, has not exceeded the insurance coverage for each of the past three years. There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

The City participates in the Arkansas Municipal League Program (public entity risk pools) for coverage in the following areas:

Workers' Compensation - This program provides statutory benefits for losses incurred by municipal officials, employees, and volunteer fire fighters while performing work for the municipality. Rates for municipalities participating in this program are revised by class code on an annual basis by the Arkansas Workers' Compensation Commission.

Municipal Vehicle Program

A. Liability - This program may pay all sums the municipality legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered municipal vehicle and for which the municipality is liable. The limit of payment by the program is as follows: $25,000 because of bodily injury to or death of one person in any one accident; $50,000 because of bodily injury to or death of two or more persons in any one accident; and $25,000 because of injury to or destruction of property of others in any one accident. The City shall pay into the program each year a charge established annually by the program administrator for covered municipal vehicles and self-propelled mobile equipment owned or leased by the City.

B. Physical Damage - This program covers motor vehicles and permanently attached equipment which are the property of the participating municipality. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of $1,000 per occurrence. The City agrees to pay into the program each year a service charge established annually by the program administrator for covered property.

Municipal Property Program - This program covers insurable property and equipment, exclusive of motor vehicles and water vessels, which belong to or are in the care, custody, or control of a participating municipality. Property is valued at the full cost to repair or replace the property after deduction of depreciation or as agreed to by the participating municipality and program. Loss amounts payable will be reduced by the deductible amount of $5,000, or in the case of flood or earthquake, $100,000. The municipality agrees to pay into the program each year a service charge established annually by the program administrator for property for which the municipality desires coverage.

Municipal Legal Defense Program - The program shall, at the sole discretion of the program administrators, provide extraordinary legal defense and extraordinary expenses in suits against municipal officials and employees and civil rights suits against the municipal government of a participating municipality and pay extraordinary judgments (for actual damages – not punitive damages) imposed on municipal officials and employees and the municipal government. The program shall never be liable to reimburse the municipal government, municipal officials, and employees because of judgment in any one lawsuit for more than 25% of the program's available funds at time the lawsuit was filed, or the judgment becomes final, or $1 million, whichever is less. The City agrees to pay into the program each year a charge established by the steering committee. Each city also agrees to pay the first $3,000 of the aggregate cost for all expenses on each lawsuit. This cost deposit is not refundable.

The City also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of $300,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the Municipal Aid Fund. There is a $2,500 deductible per occurrence.

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**NOTE 15: Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan)**

Plan Description

The City contributes to the Local Police and Fire Retirement System (LOPFI), an agent multiple employer retirement system that acts as a common investment and administrative agent for cities and towns in Arkansas. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Local Police and Fire Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for LOPFI. That report may be obtained by writing to Arkansas Local Police and Fire Retirement System, 620 W. 3rd, Suite 200, Little Rock, Arkansas 72201, by calling 1-866-859-1745, or on their website www.lopfi-prb.com.

Funding Policy

The employee contribution rate depends on the type of service being rendered and whether or not the service is also covered by Social Security. The different employee contribution rates required by state law are:

A. Paid service not covered by Social Security: 8.5% of gross pay

B. Paid service also covered by Social Security: 2.5% of gross pay

C. Volunteer fire service: no employee contribution

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was $129,952 and the amount of insurance tax paid by the state to the plan for the benefit of the City was $52,592 for the year ended December 31, 2024.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2024, (actuarial valuation date and measurement date) was $927,328.

NOTE 16: Arkansas Public Employees Retirement System

Plan Description

The City contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers municipal employees whose municipalities have elected coverage under this System. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 W. Capitol, Suite 400, Little Rock, Arkansas 72201, by calling 1-800-682-7377, or on their website www.apers.org.

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 5.75% as of July 1, 2024. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system, based on the annual actuarial valuation. The City's contribution to the plan for the year ended June 30, 2024, (date of APERS Employer Allocation Report) was $491,812.

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NOTE 16: Arkansas Public Employees Retirement System (Continued)

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at June 30, 2024, (actuarial valuation date and measurement date) was $3,516,096.

NOTE 17: Insurance Proceeds

The City received $530,725 of insurance proceeds for storm damage to multiple properties that occurred on May 4, 2024.

The City received $6,792 of insurance proceeds for damage to four City vehicles due to accidents that occurred on various dates in 2024 and for damage to one City vehicle that was stolen and recovered on June 19, 2024.

The City received $4,150 of insurance proceeds for property damage incurred from a non-city vehicle accident that occurred on December 12, 2023.

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CITY OF MONTICELLO, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2024

Schedule 1

	SPECIAL REVENUE FUNDS							
	Local Police and Fire Retirement (LOPFI)	Advertising and Promotion	Fire Equipment and Training (Act 833)	District Court Automation	Drug Control	Cemetery	Senior Citizens Center	Water Reservoir
ASSETS								
Cash and cash equivalents	$ 27,545	$ 1,386,534	$ 80,151	$ 305,319	$ 11,919	$ 24,378	$ 61,982	$ 11,592
Investments						299		
Accounts receivable		7,389		3,061			12,928	
TOTAL ASSETS	$ 27,545	$ 1,393,923	$ 80,151	$ 308,380	$ 11,919	$ 24,677	$ 74,910	$ 11,592
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable				$ 8,752		$ 14	$ 8,496	
Settlements pending								
Total Liabilities				8,752		14	8,496	
Fund Balances:								
Restricted	$ 27,545	$ 1,393,923	$ 80,151	299,628	$ 11,919			$ 11,592
Assigned						24,663	66,414	
Total Fund Balances	27,545	1,393,923	80,151	299,628	11,919	24,663	66,414	11,592
TOTAL LIABILITIES AND FUND BALANCES	$ 27,545	$ 1,393,923	$ 80,151	$ 308,380	$ 11,919	$ 24,677	$ 74,910	$ 11,592

CITY OF MONTICELLO, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2024

Schedule 1

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUND	ENTERPRISE FUND	CUSTODIAL FUNDS		
	Warrant Service	District Court Probation	American Rescue Plan Act	District Court Cost	Airport Improvement	Airport Commission	District Court	Payroll	Totals
ASSETS									
Cash and cash equivalents	$ 9,416	$ 568	$ 661	$ 3,303	$ 124,228	$ 179,685	$ 112,316	$ 212,278	$ 2,551,875
Investments									299
Accounts receivable	100			255		710			24,443
TOTAL ASSETS	$ 9,516	$ 568	$ 661	$ 3,558	$ 124,228	$ 180,395	$ 112,316	$ 212,278	$ 2,576,617
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable					$ 10,839	$ 2,372			$ 30,473
Settlements pending							$ 112,316	$ 212,278	324,594
Total Liabilities					10,839	2,372	112,316	212,278	355,067
Fund Balances:									
Restricted		$ 568	$ 661	$ 3,558	113,389	178,023			2,120,957
Assigned	$ 9,516								100,593
Total Fund Balances	9,516	568	661	3,558	113,389	178,023			2,221,550
TOTAL LIABILITIES AND FUND BALANCES	$ 9,516	$ 568	$ 661	$ 3,558	$ 124,228	$ 180,395	$ 112,316	$ 212,278	$ 2,576,617

CITY OF MONTICELLO, ARKANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Schedule 2

	SPECIAL REVENUE FUNDS								
	Local Police and Fire Retirement (LOPFI)	Advertising and Promotion	Fire Equipment and Training (Act 833)	District Court Automation	Drug Control	Cemetery	Senior Citizens Center	Water Reservoir	Warrant Service
REVENUES									
State aid			$ 33,882				$ 157,895		
Federal aid									
Property taxes	$ 45,815								
Sales taxes									
Fines, forfeitures, and costs				$ 41,873	$ 11,184				$ 4,500
Interest	24	$ 27,213	2,276	456		$ 237		$ 36	7
Advertising and promotion taxes		131,025							
Airport fees									
Airport fuel sales									
Reimbursment for senior citizen meals							101,473		
Employee contributions	49,410								
Employer constributions	25,000								
Net increase/(decrease) in fair value of investments						(52)			
Other		1,500				20,175	16,735		
TOTAL REVENUES	120,249	159,738	36,158	42,329	11,184	20,360	276,103	36	4,507
EXPENDITURES									
Current:									
General government									
Law enforcement				29,063	1,513				12
Public safety	126,730		29,363						
Recreation and culture								31,018	
Social services							345,231		
Advertising and promotion		41,750							
Economic development									
Airport									
Cemetery						66,536			
TOTAL EXPENDITURES	126,730	41,750	29,363	29,063	1,513	66,536	345,231	31,018	12
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,481)	117,988	6,795	13,266	9,671	(46,176)	(69,128)	(30,982)	4,495
OTHER FINANCING SOURCES (USES)									
Transfers in						49,100		38,000	
Insurance proceeds							45,117		
TOTAL OTHER FINANCING SOURCES (USES)						49,100	45,117	38,000	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(6,481)	117,988	6,795	13,266	9,671	2,924	(24,011)	7,018	4,495
FUND BALANCES - JANUARY 1	34,026	1,275,935	73,356	286,362	2,248	21,739	90,425	4,574	5,021
FUND BALANCES - DECEMBER 31	$ 27,545	$ 1,393,923	$ 80,151	$ 299,628	$ 11,919	$ 24,663	$ 66,414	$ 11,592	$ 9,516

CITY OF MONTICELLO, ARKANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Schedule 2

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUND	ENTERPRISE FUND	
	United States Department of Agriculture (USDA) Grant	District Court Probation	American Rescue Plan Act	District Court Cost	CDBG Grant SeaArk Boats	Airport Improvement	Airport Commission	Totals
REVENUES								
State aid						$ 43,703		$ 235,480
Federal aid					$ 304,928	42,345		347,273
Property taxes								45,815
Sales taxes							$ 3,335	3,335
Fines, forfeitures, and costs		$ 14,337		$ 3,061				74,955
Interest			$ 3			87	119	30,458
Advertising and promotion taxes								131,025
Airport fees							95,549	95,549
Airport fuel sales							316,310	316,310
Reimbursment for senior citizen meals								101,473
Employee contributions								49,410
Employer constributions								25,000
Net increase/(decrease) in fair value of investments								(52)
Other							3,940	42,350
TOTAL REVENUES		14,337	3	3,061	304,928	86,135	419,253	1,498,381
EXPENDITURES								
Current:								
General government			12					12
Law enforcement	$ 10	15,693		3,419				49,710
Public safety								156,093
Recreation and culture								31,018
Social services								345,231
Advertising and promotion								41,750
Economic development					304,938			304,938
Airport						90,471	410,170	500,641
Cemetery								66,536
TOTAL EXPENDITURES	10	15,693	12	3,419	304,938	90,471	410,170	1,495,929
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10)	(1,356)	(9)	(358)	(10)	(4,336)	9,083	2,452
OTHER FINANCING SOURCES (USES)								
Transfers in						100,000		187,100
Insurance proceeds							88,886	134,003
TOTAL OTHER FINANCING SOURCES (USES)						100,000	88,886	321,103
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(10)	(1,356)	(9)	(358)	(10)	95,664	97,969	323,555
FUND BALANCES - JANUARY 1	10	1,924	670	3,916	10	17,725	80,054	1,897,995
FUND BALANCES - DECEMBER 31	$ 0	$ 568	$ 661	$ 3,558	$ 0	$ 113,389	$ 178,023	$ 2,221,550

The following funds and descriptions represent all funds reported as other funds in the aggregate.

Fund Name	Fund Description
Local Police and Fire Retirement (LOPFI)	Ark. Code Ann. § 24-10-409 requires cities receiving revenues from the state derived from taxes levied on foreign and domestic insurers or any other state funds designated for support of fire and police retirement programs to be applied to the employer contribution to support this system.
Advertising and Promotion	Ark. Code Ann. § 26-75-606 established fund to account for the tax levied on gross receipts of hotels, restaurants, etc. The tax shall be used for the advertising and promoting of the city and its environs; construction, maintenance, and operation of a convention center, operation of tourist promotion facilities, and payment of principal and interest in connection with bonds issued.
Fire Equipment and Training (Act 833)	Ark. Code Ann. §§ 14-284-403, 404 requires insurance premium tax funds to be distributed by the county to municipal fire departments for training, purchase and improvement of fire fighting equipment, initial capital construction or improvements of fire departments, insurance for buildings, and utilities costs.
District Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees of 1/2 of $5 per month on each person to be used for court-related technology.
Drug Control	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
Cemetery	Established to account for perpetual care fees, interest earned, and maintenance of cemetery.
Senior Citizens Center	Established to account for state and federal aid, meal sales, fund raisers, and social services provided to senior citizens.
Water Reservoir	Established to account for maintenance of Lake Monticello.
Warrant Service	Established to account for fees collected for service of city arrest warrants.
United States Department of Agriculture (USDA) Grant	Established to account for grants received from the United States Department of Agriculture for the purchase of police equipment and supplies.
District Court Probation	Ark. Code Ann. § 5-4-322 authorizes district court fees for probation and public service work supervision.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.

CITY OF MONTICELLO, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2024

The following funds and descriptions represent all funds reported as other funds in the aggregate.

Fund Name	Fund Description
District Court Cost	Ark. Code Ann. § 16-17-126 authorizes district court filing fees for writs of garnishment and executions to be appropriated for any permissible use in the administration of the district court.
CDBG Grant SeaArk Boats	Established to assist SeaArk Boats with a Community Development Block Grant for equipment purchases.
Airport Improvement	Established to account for grants received from the Federal Aviation Administration and Arkansas Department of Aeronautics for airport improvement projects.
Airport Commission	Ark. Code Ann. §§ 14-359-101 - 121 established the Municipal Airport Commission to operate and manage the airport. All revenue derived from the operation of the airport or flying field, after paying the operating expenses and maintenance, shall be set aside and used for additional improvements on the airport or for the retirement of bonds and interest thereon issued or advancement made for the purchase and improvement of the airport or flying field.
District Court	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the district court.
Payroll	Maintained to process payroll for the city's employees.

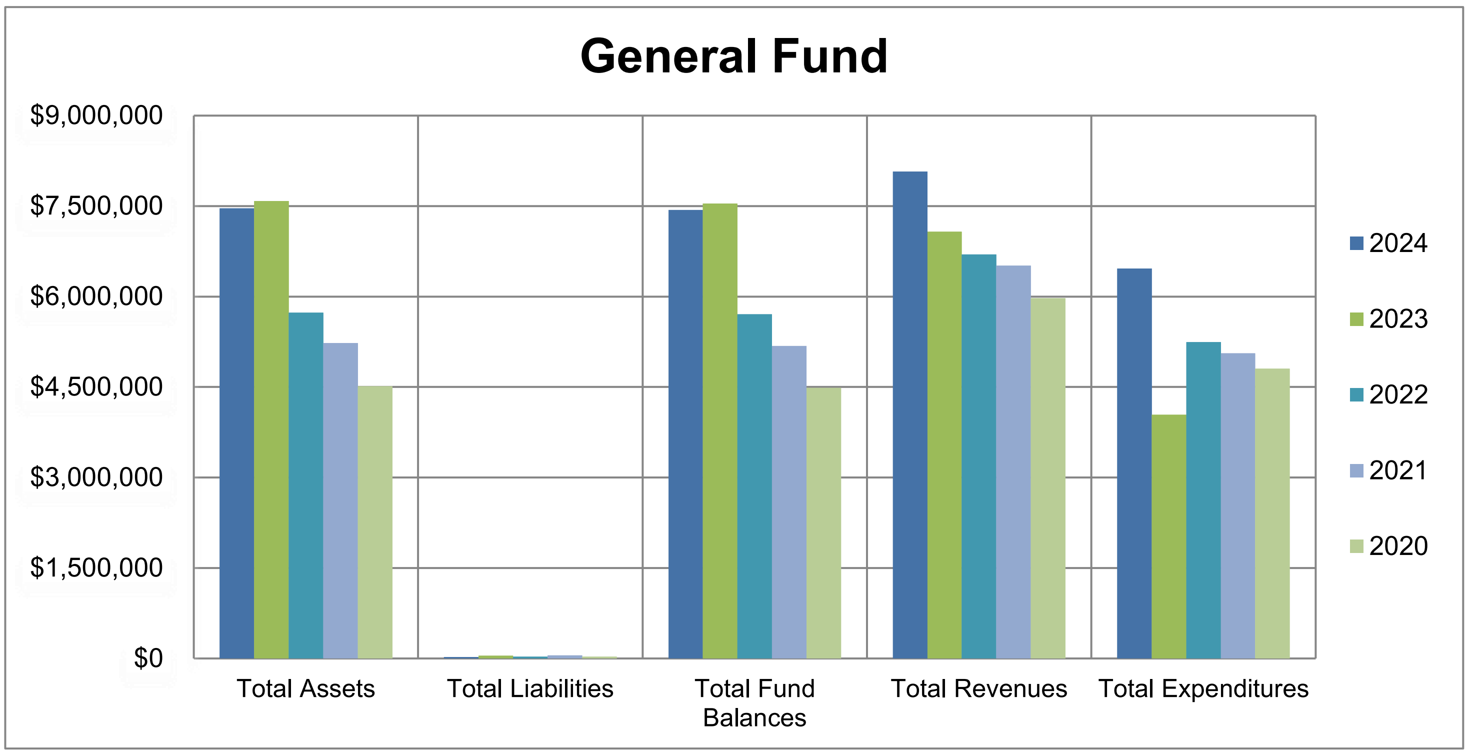
CITY OF MONTICELLO, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2024
(Unaudited)

Schedule 3

	December 31, 2024
Land / Buildings	$ 20,530,689
Equipment	5,916,169
Total	$ 26,446,858

CITY OF MONTICELLO, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
DECEMBER 31, 2024
(Unaudited)

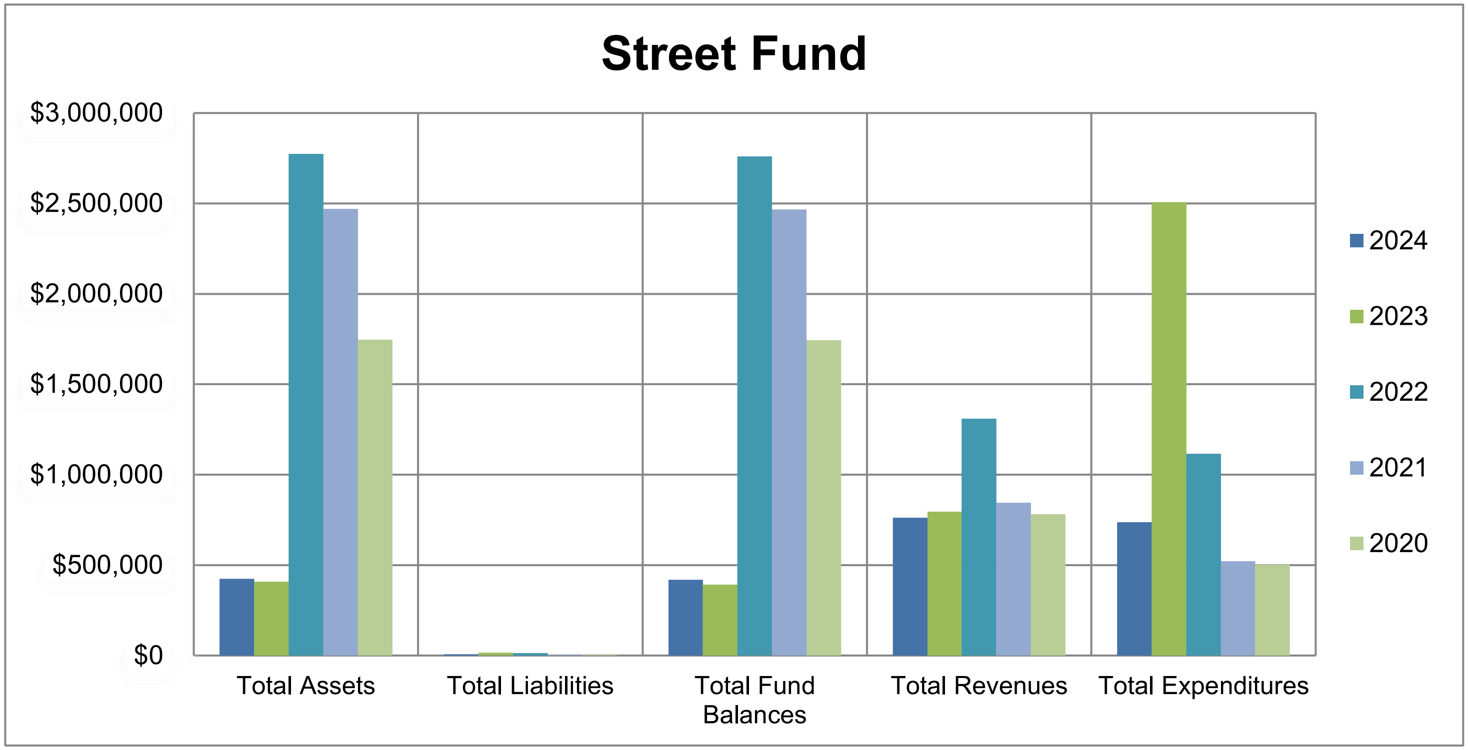
General	2024	2023	2022	2021	2020
Total Assets	$ 7,459,681	$ 7,583,175	$ 5,734,283	$ 5,230,853	$ 4,514,799
Total Liabilities	25,451	43,014	27,755	49,672	29,836
Total Fund Balances	7,434,230	7,540,161	5,706,528	5,181,181	4,484,963
Total Revenues	8,071,002	7,076,112	6,697,175	6,511,330	5,969,192
Total Expenditures	6,464,265	4,038,355	5,245,250	5,061,247	4,802,433
Total Other Financing Sources/Uses	(1,712,668)	(1,204,124)	(926,578)	(753,865)	(95,121)



CITY OF MONTICELLO, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS
DECEMBER 31, 2024
(Unaudited)

Schedule 4-2

Street	2024	2023	2022	2021	2020
Total Assets	$ 424,418	$ 406,901	$ 2,773,295	$ 2,469,178	$ 1,746,944
Total Liabilities	5,834	14,335	13,021	2,493	3,236
Total Fund Balances	418,584	392,566	2,760,274	2,466,685	1,743,708
Total Revenues	762,235	795,316	1,308,878	843,984	781,701
Total Expenditures	736,217	2,507,519	1,115,289	521,007	503,973
Total Other Financing Sources/Uses		(655,505)	100,000	400,000	



CITY OF MONTICELLO, ARKANSAS

Schedule 4-3

SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS

DECEMBER 31, 2024

(Unaudited)

Other Funds in the Aggregate	2024	2023	2022	2021	2020
Total Assets	$ 2,576,617	$ 2,054,721	$ 3,634,665	$ 2,803,231	$ 1,889,994
Total Liabilities	355,067	156,726	193,095	222,236	189,472
Total Fund Balances	2,221,550	1,897,995	3,441,570	2,580,995	1,700,522
Total Revenues	1,498,381	1,222,967	2,292,190	2,480,067	1,871,159
Total Expenditures	1,495,929	2,836,832	1,515,148	1,916,584	2,224,008
Total Other Financing Sources/Uses	321,103	70,290	83,533	316,990	185,777