

Town of Montrose, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF MONTROSE, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2024

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Arkansas

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Sen. Jim Dotson
Senate Vice Chair



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House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Montrose, 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 Montrose, Arkansas, as of and for the year ended December 31, 2024, and have issued our report thereon dated September 24, 2025. These procedures were not performed for the Water and Sewer Departments. Management of the Town is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The finding contained in this section relates to the following officials who held office during 2024:

Mayor: Joseph Carlton
City Clerk: Cindy Friend

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.

Noncompliance with state law and accepted accounting practices was noted in the office of the **Mayor**.

Mayor

The Town entered into a loan agreement in the amount of \$53,241 that was utilized for various expenses, including payment for services. This arrangement appears to conflict with Ark. Const. Amendment 78 § 2, which limits short-term financing obligations for the acquiring, construction, installing, and renting of real property or tangible property having an expected useful life of more than one year.

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 light blue horizontal line.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
September 24, 2025
LOM320724

TOWN OF MONTROSE, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u>\$</u>	<u>\$</u>
Cash Balance, January 1, 2024	7,755	38,575
Receipts:		
State aid	3,614	32,739
Property taxes	8,557	1,632
Franchise fees	11,530	
Sales taxes	41,266	
Fines, forfeitures, and costs		3,261
Interest	28	
Advertising and promotion taxes	952	
Mosquito fees	1,790	
Sanitation fees	17,200	
Community center rental	75	
Checkpay agent fees	1,645	
Bank loan	40,000	
Contribution from water/sewer	2,045	
Sales revenue	956	
Other	1,843	
Transfers in	6,300	2,747
Total Receipts	<u>137,801</u>	<u>40,379</u>
Disbursements:		
General government	73,505	40
Highways and streets	69	27,487
Public safety	5,241	10,713
Sanitation	17,193	
Recreation and culture	8,988	
Wastewater	20,727	
Debt service	5,539	
Transfers out	4,047	5,000
Unclassified		202
Total Disbursements	<u>135,309</u>	<u>43,442</u>
Cash Balance, December 31, 2024	<u>\$ 10,247</u>	<u>\$ 35,512</u>

TOWN OF MONTROSE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

Schedule 2

	Street	ACT 833	Criminal Justice	Fire Department	Firewise	Total
Cash Balance, January 1, 2024	\$ 4,857	\$ 23,645	\$ 5,894	\$ 3,768	\$ 411	\$ 38,575
Receipts:						
State aid	19,982	12,757				32,739
Property taxes	1,118			514		1,632
Fines, forfeitures, and costs			3,261			3,261
Transfers in	2,556	191				2,747
Total Receipts	<u>23,656</u>	<u>12,948</u>	<u>3,261</u>	<u>514</u>		<u>40,379</u>
Disbursements:						
General government		20			20	40
Highways and streets	27,487					27,487
Public safety		8,503		2,210		10,713
Transfers out			5,000			5,000
Unclassified		202				202
Total Disbursements	<u>27,487</u>	<u>8,725</u>	<u>5,000</u>	<u>2,210</u>	<u>20</u>	<u>43,442</u>
Cash Balance, December 31, 2024	<u>\$ 1,026</u>	<u>\$ 27,868</u>	<u>\$ 4,155</u>	<u>\$ 2,072</u>	<u>\$ 391</u>	<u>\$ 35,512</u>

TOWN OF MONTROSE, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
General, Sales Tax, Heritage Festival, Mosquito Abatement, Sanitation, and Special
3. The cash balance at year-end in the custodial fund is as follows:

	December 31, 2024
	<hr/>
Check Free Pay	\$ 1,214

This balance represents bill payments that have not been withdrawn by the appropriate entities.

4. The Municipality's capital assets records are summarized below:

	December 31, 2024
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Land	\$ 94,500
Buildings	294,000
Equipment	<hr/> 502,068
Total	<hr/> \$ 890,568 <hr/>

5. The outstanding balance at year-end for long-term liabilities is as follows:

	December 31, 2024
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Financed purchases	<hr/> \$ 50,181 <hr/>