

Town of Montrose, Arkansas

Financial and Compliance Report

December 31, 2025

LEGISLATIVE JOINT AUDITING COMMITTEE



TOWN OF MONTROSE, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2025

Financial and Compliance Report

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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, 2025, and have issued our report thereon dated April 20, 2026. 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 commentary contained in this section relates to the following officials who held office during 2025:

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.

During our evaluation, nothing came to our attention that would warrant disclosure in this report.

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 black ink, appearing to read "Kevin White", written over a horizontal line.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
April 20, 2026
LOM320725

TOWN OF MONTROSE, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(UNAUDITED)

Schedule 1

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Balance, January 1, 2025	\$ 10,247	\$ 36,299
Receipts:		
State aid	40,326	33,138
Federal aid		79,800
Property taxes	8,659	1,733
Franchise fees	12,570	
Interest	2	
Local permits and fees	456	
Mosquito fees	2,923	
Sanitation fees	20,500	
Contribution from water	2,000	1,586
Other	823	1,959
Transfers in	3,500	
Unclassified	3,545	
Total Receipts	<u>95,304</u>	<u>118,216</u>
Disbursements:		
General government	58,663	20
Highways and streets		20,915
Public safety	10,471	112,849
Sanitation	20,167	
Recreation and culture	5,391	
Contribution to Water Department	600	
Debt service	3,302	
Transfers out		3,500
Unclassified	2,245	13
Total Disbursements	<u>100,839</u>	<u>137,297</u>
Cash Balance, December 31, 2025	<u>\$ 4,712</u>	<u>\$ 17,218</u>

TOWN OF MONTROSE, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (UNAUDITED)

Schedule 2

	Street	Act 833	Criminal Justice	Fire Department	Firewise	Designated	Total
Cash Balance, January 1, 2025	\$ 1,026	\$ 27,868	\$ 4,155	\$ 2,072	\$ 391	\$ 787	\$ 36,299
Receipts:							
State aid	20,534	12,604					33,138
Federal aid						79,800	79,800
Property taxes	1,118			615			1,733
Contribution from water				1,586			1,586
Other			1,959				1,959
Total Receipts	<u>21,652</u>	<u>12,604</u>	<u>1,959</u>	<u>2,201</u>		<u>79,800</u>	<u>118,216</u>
Disbursements:							
General government		20					20
Highways and streets	20,915						20,915
Public safety		32,713		2,485		77,651	112,849
Transfers out			3,500				3,500
Unclassified		13					13
Total Disbursements	<u>20,915</u>	<u>32,746</u>	<u>3,500</u>	<u>2,485</u>		<u>77,651</u>	<u>137,297</u>
Cash Balance, December 31, 2025	<u>\$ 1,763</u>	<u>\$ 7,726</u>	<u>\$ 2,614</u>	<u>\$ 1,788</u>	<u>\$ 391</u>	<u>\$ 2,936</u>	<u>\$ 17,218</u>

TOWN OF MONTROSE, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand deposits.
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 follow:

	December 31, 2025
Check Free Pay	\$ 3,957

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, 2025
Land	\$ 94,500
Buildings	294,000
Equipment	490,768
Total	\$ 879,268

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

	December 31, 2025
Financed purchases	\$ 41,245