

**CITY OF MONTICELLO, FLORIDA**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council,  
City of Monticello, Florida:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monticello, Florida (the City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### ***Qualified Opinion on the Governmental Activities, Business-type Activities, and Water and Sewer Fund***

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph on the governmental activities, business-type activities and Water and Sewer Fund, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, business-type activities, and Water and Sewer Fund of the City as of September 30, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Unmodified Opinion on the General Fund and Aggregate Remaining Fund Information***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund and the aggregate remaining fund information for the City, as of September 30, 2024, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 Qualified Opinion on the Governmental Activities, Business-type Activities, and Water and Sewer Fund***

As discussed in Note (11) to the financial statements, the City omitted certain disclosures and required supplementary information for the police and fire pension funds as required in Statement No. 67 *Financial Reporting for Pension Plans* and Statement No. 68 *Accounting and Financial Reporting for Pensions*. Accounting principles generally accepted in the United States of America require the inclusion of these note disclosures and required supplementary information in the financial statements.

In addition, as discussed in Note (12) to the financial statements, the City has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in the governmental activities, business-type activities, and the Water and Sewer Fund.

The amounts by which these departures would affect the deferred inflows, liabilities, deferred outflows, net position, and expenses of the governmental activities, business-type activities, and Water and Sewer Fund has not been determined.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, 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.

***Auditors' 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 auditors' 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 GAS 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 GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement 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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

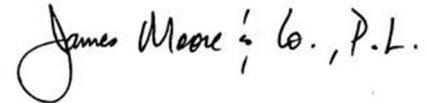
### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule of expenditures state financial assistance as required by Chapter 10.550, Rules of the Florida Auditor General, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 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 that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large initial "J" and a stylized "M".

Tallahassee, Florida  
March 30, 2026

**CITY OF MONTICELLO, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**  
(Continued)

As management of the City of Monticello, Florida, we offer readers of this narrative overview and analysis of the financial activities of the City of Monticello, Florida for the fiscal year ended September 30, 2024.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City of Monticello, Florida's basic financial statements. The City of Monticello, Florida's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Monticello, Florida's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Monticello, Florida's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Monticello, Florida is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Monticello, Florida that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Monticello, Florida include general government, public safety, transportation, physical environment, intergovernmental services, and culture and recreation. The business-type activities of the City of Monticello, Florida include a water and sewer operation.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Monticello, Florida, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Monticello, Florida can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**CITY OF MONTICELLO, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**  
(Continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Monticello, Florida maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund which is considered to be a major fund.

The City of Monticello, Florida adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

**Proprietary funds.** The City of Monticello, Florida maintains a proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Monticello, Florida uses an enterprise fund to account for its water and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the water and sewer operations, which is considered to be a major fund.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Monticello, Florida's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Monticello, Florida's budgetary and pension information.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Monticello, Florida, assets exceeded liabilities by \$18,115,777 at the close of the most recent fiscal year.

By far the largest portion of the City of Monticello, Florida's net assets (80%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City of Monticello, Florida uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Monticello, Florida's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF MONTICELLO, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**  
(Continued)

**City of Monticello, Florida's Net Position**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>ASSETS</b>						
Current and other assets	\$ 2,094,730	\$ 3,258,643	\$ 1,086,627	\$ 1,700,594	\$ 3,181,357	\$ 4,959,237
Net pension asset	1,158,740	683,132	-	-	1,158,740	683,132
Capital assets	3,103,716	3,082,592	18,663,913	17,137,075	21,767,629	20,219,667
Noncurrent Assets	442,616	-	608,520	-	1,051,136	-
Total assets	<u>\$ 6,799,802</u>	<u>\$ 7,024,367</u>	<u>\$ 20,359,060</u>	<u>\$ 18,837,669</u>	<u>\$ 27,158,862</u>	<u>\$ 25,862,036</u>
<b>DEFERRED OUTFLOWS</b>	<u>\$ 354,903</u>	<u>\$ 439,369</u>	<u>\$ 26,158</u>	<u>\$ 69,217</u>	<u>\$ 381,061</u>	<u>\$ 508,586</u>
<b>LIABILITIES</b>						
Current liabilities	\$ 51,085	\$ 707,783	\$ 368,483	\$ 567,599	\$ 419,568	\$ 1,275,382
Noncurrent liabilities:	1,524,701	1,457,110	6,842,643	5,909,339	8,367,344	7,366,449
Total liabilities	<u>\$ 1,575,786</u>	<u>\$ 2,164,893</u>	<u>\$ 7,211,126</u>	<u>\$ 6,476,938</u>	<u>\$ 8,786,912</u>	<u>\$ 8,641,831</u>
<b>DEFERRED INFLOWS</b>	<u>\$ 608,570</u>	<u>\$ 172,179</u>	<u>\$ 133,295</u>	<u>\$ 22,671</u>	<u>\$ 741,865</u>	<u>\$ 194,850</u>
<b>NET POSITION</b>						
Net investment in capital assets	\$ 2,623,783	\$ 2,579,064	\$ 11,859,964	\$ 11,566,104	\$ 14,483,747	\$ 14,145,168
Restricted	1,363,924	869,507	141,552	137,311	1,505,476	1,006,818
Unrestricted	982,642	1,678,093	1,039,281	703,862	2,021,923	2,381,955
Total net position	<u>\$ 4,970,349</u>	<u>\$ 5,126,664</u>	<u>\$ 13,040,797</u>	<u>\$ 12,407,277</u>	<u>\$ 18,011,146</u>	<u>\$ 17,533,941</u>

An additional portion of the City of Monticello, Florida's net assets (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$2,021,923 may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City of Monticello, Florida is able to report positive balances in net position for its separate governmental and business-type activities.

**Governmental activities.** Governmental activities decreased the City of Monticello, Florida's net position by \$268,998.

Key elements of this decrease are as follows:

- Decrease in operating grants for General Fund and increase in Governmental expenses.

**CITY OF MONTICELLO, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**  
(Continued)

**City of Monticello, Florida's Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 610,249	\$ 465,361	\$ 1,421,093	\$ 1,371,207	2,031,342	1,836,568
Operating grants and contributions	-	1,690	-	-	-	1,690
Capital grants and contributions	-	22,250	635,219	132,000	635,219	154,250
General revenues:						
Property taxes	834,943	789,655	-	-	\$ 834,943	\$ 789,655
Franchise and utility taxes	1,577,401	-	-	-	1,577,401	-
Intergovernmental sources	204,379	2,006,044	-	32,223	204,379	2,038,267
Other revenues	156,988	-	43,501	-	200,489	-
Total revenues	3,383,960	3,285,000	2,099,813	1,535,430	5,483,773	4,820,430
<b>EXPENSES</b>						
General government	1,025,123	830,686	-	-	1,025,123	830,686
Physical environment	540,333	471,157	-	-	540,333	471,157
Public safety	1,071,705	1,123,220	-	-	1,071,705	1,123,220
Culture and recreation	59,545	37,008	-	-	59,545	37,008
Parking	-	-	-	-	-	-
Transportation	719,280	1,044,740	-	-	719,280	1,044,740
Water and Sewer	-	-	1,696,860	1,785,209	1,696,860	1,785,209
Interest expense	6,405	-	-	-	6,405	-
Total expenses	3,422,391	3,506,811	1,696,860	1,785,209	5,119,251	5,292,020
Income before transfers	(38,431)	(221,811)	402,953	(249,779)	364,522	(471,590)
Transfers	(230,567)	(79,119)	230,567	79,119	-	-
Change in net position	(268,998)	(300,930)	633,520	(170,660)	364,522	(471,590)
Net position, beginning of year	5,239,347	5,427,594	12,407,277	12,577,937	17,646,624	18,005,531
Net position, end of year	\$ 4,970,349	\$ 5,126,664	\$ 13,040,797	\$ 12,407,277	\$ 18,011,146	\$ 17,533,941

**Business-type activities.** Business-type activities decreased the City of Monticello, Florida's net position by \$738,151.

Key elements of this decrease are as follows:

- Reduction in operating grant revenue and increased expenses in business-type activities.

**CITY OF MONTICELLO, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**  
(Continued)

**Financial Analysis of the Government's Funds**

As noted earlier, the City of Monticello, Florida uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental fund.** The focus of the City of Monticello, Florida's *governmental fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Monticello, Florida's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Monticello, Florida's governmental fund reported ending fund balance of \$2,486,261, a decrease of \$161,126 in comparison with the prior year. Of this total amount, \$2,206,241 constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the City of Monticello, Florida. At the end of the current fiscal year, unassigned and total fund balance of the general fund was \$2,206,241 and \$2,486,261, respectively. As a measure of the general fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. Unassigned fund balance represents 68% percent of total general fund expenditures.

**Proprietary fund.** The City of Monticello, Florida's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer fund at the end of the year amounted to \$1,039,281. The total decrease in net position for the fund was \$738,151. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Monticello, Florida's business-type activities.

**General Fund Budgetary Highlights**

There was no difference between the original budget and the final amended budget.

**Capital Asset and Debt Administration**

**Capital assets.** The City of Monticello, Florida's investment in capital assets for its governmental and business type activities as of September 30, 2024, amounts to \$21,767,629 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities and roads.

Additional information on the City of Monticello, Florida's capital assets can be found in Note (6) of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Monticello, Florida had debt outstanding of \$7,177,601.

## City of Monticello, Florida's Long-term Outstanding Debt

	<b>2024</b>		
	<b>Governmental activities</b>	<b>Business-type activities</b>	<b>Total</b>
Revenue bonds	\$ —	\$ 4,697,032	\$ 4,697,032
Notes payable	479,933	2,000,636	2,480,569
<b>Total</b>	<b>\$ 479,933</b>	<b>\$ 6,697,668</b>	<b>\$ 7,177,601</b>
	<b>2023</b>		
	<b>Governmental activities</b>	<b>Business-type activities</b>	<b>Total</b>
Revenue bonds	\$ —	\$ 4,885,350	\$ 4,885,350
Notes payable	503,528	685,621	1,189,149
<b>Total</b>	<b>\$ 503,528</b>	<b>\$ 5,570,971</b>	<b>\$ 6,074,499</b>

Additional information on the City of Monticello, Florida's long-term debt can be found in Note (7) of this report.

### **Economic Factors and Next Year's Budgets and Rates**

Changes in state budgets and legislation make financial forecasting difficult; however, past performances and trends, expected growth, and expected tax revenue projections, as well as anticipated operational and capital expenditures, are all factors in determining next year's budget.

All of these factors were considered in preparing the City of Monticello, Florida's budget for the 2024/2025 fiscal year.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Monticello, Florida's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Clerk, 245 South Mulberry Street, Monticello, Florida 32344.

## **BASIC FINANCIAL STATEMENTS**

These basic financial statements contain Government-wide Financial Statements, Fund Financial Statements and Notes to the Financial Statements.

**CITY OF MONTICELLO, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2024**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 356,247	\$ 160,459	\$ 516,706
Investments	1,409,619	707,860	2,117,479
Receivables, net	26,796	99,943	126,739
Internal balances	35,859	(35,859)	-
Due from other governments, net	246,373	146,271	392,644
Inventory	4,900	2,975	7,875
Prepays	14,936	4,978	19,914
Restricted assets:			
Cash and cash equivalents	-	608,520	608,520
Investments	442,616	-	442,616
Net pension asset	1,158,740	-	1,158,740
Capital assets:			
Capital assets, not being depreciated	848,526	2,863,117	3,711,643
Other capital assets, net of depreciation	2,255,190	15,800,796	18,055,986
Total assets	<u>\$ 6,799,802</u>	<u>\$ 20,359,060</u>	<u>\$ 27,158,862</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	\$ 354,903	\$ 26,158	\$ 381,061
Total deferred outflows	<u>\$ 354,903</u>	<u>\$ 26,158</u>	<u>\$ 381,061</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 51,085	\$ 196,361	\$ 247,446
Customer deposits	-	160,036	160,036
Accrued interest payable	-	12,086	12,086
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	23,895	195,774	219,669
Compensated absences	10,066	2,696	12,762
Due in more than one year:			
Bonds and notes payable	456,038	6,501,894	6,957,932
Compensated absences	90,596	24,266	114,862
Net pension liability	944,106	118,013	1,062,119
Total liabilities	<u>\$ 1,575,786</u>	<u>\$ 7,211,126</u>	<u>\$ 8,786,912</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	\$ 608,570	\$ 28,664	\$ 637,234
Deferred inflows related to grants	-	-	-
Total deferred inflows of resources	<u>\$ 608,570</u>	<u>\$ 28,664</u>	<u>\$ 637,234</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 2,623,783	\$ 11,859,964	\$ 14,483,747
Restricted for:			
Debt service	-	141,552	141,552
Cemetery	205,184	-	205,184
Pensions	1,158,740	-	1,158,740
Unrestricted	982,642	1,143,912	2,126,554
Total net position	<u>\$ 4,970,349</u>	<u>\$ 13,145,428</u>	<u>\$ 18,115,777</u>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF MONTICELLO, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 1,025,123	\$ 1,725	\$ -	\$ -	\$ (1,023,398)	\$ -	\$ (1,023,398)
Public safety	1,071,705	64,999	-	-	(1,006,706)	-	(1,006,706)
Physical environment	540,333	458,637	-	-	(81,696)	-	(81,696)
Transportation	719,280	54,946	157,768	-	(506,566)	-	(506,566)
Culture and recreation	59,545	-	2,200	-	(57,345)	-	(57,345)
Interest on long-term debt	6,405	-	-	-	(6,405)	-	(6,405)
Total governmental activities	<u>3,422,391</u>	<u>580,307</u>	<u>159,968</u>	<u>-</u>	<u>(2,682,116)</u>	<u>-</u>	<u>(2,682,116)</u>
Business-type activities:							
Water and sewer	1,696,860	1,421,093	-	739,850	-	464,083	464,083
Total business-type activities	<u>1,696,860</u>	<u>1,421,093</u>	<u>-</u>	<u>739,850</u>	<u>-</u>	<u>464,083</u>	<u>464,083</u>
Total primary government	<u>\$ 5,119,251</u>	<u>\$ 2,001,400</u>	<u>\$ 159,968</u>	<u>\$ 739,850</u>	<u>(2,682,116)</u>	<u>464,083</u>	<u>(2,218,033)</u>
General revenues:							
Property taxes					834,943	-	834,943
Sales taxes					658,882	-	658,882
Casualty and fire insurance premium taxes					116,475	-	116,475
Public service taxes					562,126	-	562,126
Other taxes					109,892	-	109,892
State revenue sharing					204,379	-	204,379
Investment earnings					105,132	43,501	148,633
Miscellaneous revenues					51,856	-	51,856
Transfers					(230,567)	230,567	-
Total general revenues and transfers					<u>2,413,118</u>	<u>274,068</u>	<u>2,687,186</u>
Change in net position					(268,998)	738,151	469,153
<b>Net position, beginning of year</b>					<u>5,239,347</u>	<u>12,407,277</u>	<u>17,646,624</u>
<b>Net position, ending of year</b>					<u>\$ 4,970,349</u>	<u>\$ 13,145,428</u>	<u>\$ 18,115,777</u>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF MONTICELLO, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2024**

	<b>General</b>
<b>ASSETS</b>	
Equity in pooled cash and cash equivalents	\$ 356,247
Investments	1,852,235
Receivables, net	26,796
Due from other governments, net	246,373
Due from other funds	35,859
Inventories	4,900
Prepaid items	14,936
Total assets	\$ 2,537,346
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 51,085
Total liabilities	51,085
<b>FUND BALANCES</b>	
Nonspendable:	
Inventories	4,900
Prepaid items	14,936
Restricted for:	
Parks and recreation	205,184
Assigned to:	
Subsequent year's budget	55,000
Unassigned	2,206,241
Total fund balances	2,486,261
Total liabilities, deferred inflows, and fund balances	\$ 2,537,346

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF MONTICELLO, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024**

<b>Fund balances - total governmental funds</b>		\$ 2,486,261
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds</p>		
Total governmental capital assets	5,703,647	
Less: accumulated depreciation	(2,599,931)	3,103,716
<p>On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.</p>		
Net pension liability	(944,106)	
Deferred outflows related to pensions	354,903	
Deferred inflows related to pensions	(608,570)	(39,033)
<p>Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:</p>		
Bonds and notes payable	(479,933)	
Compensated absences	(100,662)	(580,595)
<b>Net position of governmental activities</b>		<b>\$ 4,970,349</b>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF MONTICELLO, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<b>General</b>
<b>Revenues</b>	
Taxes	\$ 2,182,576
Permits and fees	232,111
Intergovernmental	202,036
Charges for services	601,579
Fines and forfeitures	8,670
Investment income	105,132
Miscellaneous	51,856
Total revenues	3,383,960
<b>Expenditures</b>	
Current:	
General government	875,675
Public safety	1,120,156
Physical environment	539,373
Transportation	659,315
Capital outlay	90,000
Debt service:	
Principal retirement	23,595
Interest and fiscal charges	6,405
Total expenditures	3,314,519
<b>Excess (deficiency) of revenues over expenditures</b>	69,441
<b>Other financing sources (uses)</b>	
Transfers out	(230,567)
Total other financing sources (uses)	(230,567)
<b>Net change in fund balances</b>	(161,126)
<b>Fund balances, beginning of year</b>	2,647,387
<b>Fund balances, end of year</b>	\$ 2,486,261

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF MONTICELLO, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

<b>Net change in fund balances - total governmental funds</b>	\$ (161,126)
Differences in amounts reported for governmental activities in the statement of activities are:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.	
Capital outlay expenditures	90,000
Depreciation expense	(181,559)
Bond, loan, and leases proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond, note and leases principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:	
Principal repayment of general long-term debt and lease principal	23,595
Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the statement of activities are amounts required to be amortized.	
Change in net pension liability and deferred inflows/outflows related to pensions	(35,773)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:	
Change in compensated absences liability	(4,135)
<b>Change in net position of governmental activities</b>	<b>\$ (268,998)</b>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF MONTICELLO, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2024**

	<u>Water and Sewer</u>
<b>ASSETS</b>	
Equity in pooled cash and cash equivalents	\$ 160,459
Investments	707,860
Accounts receivable, net	99,943
Due from other governments, net	146,271
Inventories	2,975
Prepaid items	4,978
Restricted current assets:	
Equity in pooled cash	608,520
Total current assets	<u>1,731,006</u>
Noncurrent assets:	
Capital assets:	
Land	699,572
Construction in progress	2,163,545
Improvements	24,422,928
Equipment	567,180
Accumulated depreciation	(9,189,312)
Total capital assets, net	<u>18,663,913</u>
Total noncurrent assets	18,663,913
Total assets	<u>\$ 20,394,919</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	\$ 26,158
Total deferred outflows of resources	<u>\$ 26,158</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 196,361
Deposits	160,036
Due to other funds	35,859
Compensated absences	2,696
Payable from restricted assets:	
Current maturities on long-term debt	195,774
Accrued interest payable	12,086
Total current liabilities	<u>602,812</u>
Noncurrent liabilities:	
Bonds and notes payable, net	6,501,894
Compensated absences	24,266
Net pension liability	118,013
Total noncurrent liabilities	<u>6,644,173</u>
Total liabilities	<u>\$ 7,246,985</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	\$ 28,664
Deferred inflows related to grants	-
Total deferred inflows of resources	<u>\$ 28,664</u>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 11,859,964
Restricted for debt service	141,552
Unrestricted	1,143,912
Total net position	<u>\$ 13,145,428</u>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF MONTICELLO, FLORIDA**  
**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Water and Sewer</u>
<b>Operating revenues</b>	
Charges for services	\$ 1,421,093
Total operating revenues	<u>1,421,093</u>
<b>Operating expenses</b>	
Personal services	357,986
Operating expenses	653,234
Depreciation	535,136
Total operating expenses	<u>1,546,356</u>
<b>Operating income (loss)</b>	<u>(125,263)</u>
<b>Nonoperating revenues (expenses)</b>	
Interest earnings	43,501
Interest expense	(150,504)
Total nonoperating revenues (expenses)	<u>(107,003)</u>
<b>Income (loss) before contributions and transfers</b>	<u>(232,266)</u>
Capital grants	739,850
Transfers out	230,567
<b>Change in net position</b>	<u>738,151</u>
<b>Net position</b> , beginning of year	12,407,277
<b>Net position</b> , end of year	<u><u>\$ 13,145,428</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF MONTICELLO, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Water and Sewer</u>
<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 1,550,960
Cash paid to employees	(535,748)
Cash paid to suppliers	(806,744)
Net cash provided by (used in) operating activities	<u>208,468</u>
<b>Cash flows from noncapital financing activities</b>	
Transfers from other funds	230,567
Net cash provided by (used in) noncapital financing activities	<u>230,567</u>
<b>Cash flows from capital and related financing activities</b>	
Acquisition and construction of capital assets	(2,061,974)
Capital grants	739,850
Principal payments of long-term debt	(190,874)
Proceeds from issuance of long-term debt	1,317,571
Interest paid	(114,645)
Net cash provided by (used in) capital and related financing activities	<u>(310,072)</u>
<b>Cash flows from investing activities</b>	
Interest received	43,501
Purchases of investments	(29,390)
Net cash provided by (used in) investing activities	<u>14,111</u>
<b>Net change in cash and cash equivalents</b>	<u>143,074</u>
<b>Cash and cash equivalents, beginning of year</b>	625,905
<b>Cash and cash equivalents, end of year</b>	<u>\$ 768,979</u>
<b>Cash and cash equivalents classified as:</b>	
Unrestricted	\$ 160,459
Restricted	608,520
Total cash and cash equivalents	<u>\$ 768,979</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>	
Operating income (loss)	\$ (125,263)
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	535,136
Changes in assets and liabilities:	
Accounts receivable	(2,695)
Due from other governments	134,882
Prepaid items	9,865
Accounts payable and accrued liabilities	(163,375)
Unearned revenue	(2,320)
Compensated absences	(6,459)
Net pension liability	(171,303)
Net cash provided by (used in) operating activities	<u>\$ 208,468</u>
<b>Non-cash investing, capital, and financing activities:</b>	
Payables related to capital asset acquisition	\$ 106,281

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF MONTICELLO, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2024**

	<b>Police Officers' Pension Plan Trust Fund</b>	<b>Firefighters' Pension Plan Trust Fund</b>	<b>Total Pension Plan Trust Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents with trustee	\$ 105,824	\$ 7,693	113,517
Total cash and cash equivalents	<u>105,824</u>	<u>7,693</u>	<u>113,517</u>
Prepaid benefit payments	932	-	932
Receivables			
Contributions receivable	34,483	12,520	47,003
Interest and dividends receivable	58	26	84
Total receivables	<u>34,541</u>	<u>12,546</u>	<u>47,087</u>
Investments, at fair value			
Mutual funds - fixed income	1,015,517	416,436	1,431,953
Mutual funds - equity	1,918,673	778,596	2,697,269
Total investments	<u>2,934,190</u>	<u>1,195,032</u>	<u>4,129,222</u>
Total assets	<u>\$ 3,075,487</u>	<u>\$ 1,215,271</u>	<u>4,290,758</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 18,636	\$ 10,472	29,108
Total liabilities	<u>\$ 18,636</u>	<u>\$ 10,472</u>	<u>29,108</u>
<b>NET POSITION</b>			
Restricted for pensions	<u>\$ 3,056,851</u>	<u>\$ 1,204,799</u>	<u>4,261,650</u>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF MONTICELLO, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Officers'</u> <u>Pension Plan</u> <u>Trust Fund</u>	<u>Firefighters'</u> <u>Pension Plan</u> <u>Trust Fund</u>	<u>Total</u> <u>Pension Plan</u> <u>Trust Funds</u>
<b>Additions</b>			
Contributions:			
Plan members	\$ 27,388	\$ -	\$ 27,388
State - insurance premium taxes	34,483	20,005	54,488
Total contributions	<u>61,871</u>	<u>20,005</u>	<u>81,876</u>
Investment earnings (loss)			
Net appreciation (depreciation) in fair value of investments	557,655	229,700	787,355
Interest and dividends	66,003	27,225	93,228
Total investment earnings (loss)	<u>623,658</u>	<u>256,925</u>	<u>880,583</u>
Less: investment expense	-	-	-
Net investment income (loss)	<u>623,658</u>	<u>256,925</u>	<u>880,583</u>
Total additions	<u>685,529</u>	<u>276,930</u>	<u>962,459</u>
<b>Deductions</b>			
Benefit payments and refunds	116,859	56,620	173,479
Administrative expenses	20,289	26,130	46,419
Total deductions	<u>137,148</u>	<u>82,750</u>	<u>219,898</u>
<b>Change in net position</b>	<u>548,381</u>	<u>194,180</u>	<u>742,561</u>
<b>Net position restricted for pensions, beginning of year</b>	2,508,470	1,010,619	3,519,089
<b>Net position restricted for pensions, end of year</b>	<u>\$ 3,056,851</u>	<u>1,204,799</u>	<u>4,261,650</u>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(1) **Summary of Significant Accounting Policies:**

The financial statements of the City of Monticello, Florida (the City), have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the City has adopted the GASB Codification. The following is a summary of the City's significant accounting policies:

(a) **Reporting entity**—The City of Monticello, Florida (“City”), was created by Special Acts of 1921, Chapter 9026, Laws of Florida. The City operates under a council form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services. As required by accounting principles generally accepted in the United States of America, these financial statements present the City only, since there are no entities for which the City is considered to be financially accountable.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report aggregated information for the overall government for all of the activities of the primary government. These statements do not report fiduciary funds or fiduciary component units such as retirement trust funds. Those activities are reported only in fund financial statements. The effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange revenues, are reported separately from business-type activities, which are financed wholly or partially by fees charged to external parties for goods or services and are reported in enterprise funds.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are included in the program expense reported for individual functions and activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(1) **Summary of Significant Accounting Policies:** (Continued)

(c) **Measurement focus, basis of accounting, and financial statement presentation**—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues 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 fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and other postemployment benefits, and claims and judgments are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

**General Fund**—The General Fund is the City’s primary operating fund. It accounts for all resources traditionally associated with governments except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

**Water and Sewer System Fund**—The Water and Sewer System Fund accounts for the activities of the City’s water distribution operations.

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(1) **Summary of Significant Accounting Policies:** (Continued)

Additionally, the City reports the following fund types:

**Pension Trust Funds**—Accounts for the net position held in trust for defined pension benefits and the related financial activities of the employees' retirement system, which accumulates resources for defined pension benefit payments to the Police Officers' Pension Fund and the Firefighter's Pension Trust Fund. Assets accumulated and held in trust in defined contribution pension plans (deferred compensation and money purchase retirement plans) are not included in the financial statements, since such amounts immediately vest with the employees.

As a general rule, the effect of the City's interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer function and various other functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments (when applicable). Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. The City recognizes as operating revenue the portion of impact fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(d) **Budget information**—An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year-end.

- i. The City follows these procedures in establishing the budgetary data reflected in the financial statements:
- ii. Prior to October 1, the City Council prepares a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- iii. Public hearings are conducted to obtain taxpayer comments.
- iv. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- v. Revisions that alter the total expenditures of any fund must be approved by the City Council.
- vi. Formal budgetary integration is employed as a management control device during the year for the General Fund. The legal level of budgetary control is the fund level.
- vii. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(1) **Summary of Significant Accounting Policies:** (Continued)

(a) **Deposits and investments**—The City’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The City is authorized to invest in financial instruments as established by Section 218.415, Florida Statutes. State statutes authorize the City to invest in direct obligations of the U.S. Treasury, Local Government Surplus Funds Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, SEC registered money market funds with the highest credit quality rating and savings and CD accounts in state-certified public depositories.

Investments for the City are reported as fair value. The Local Government Surplus Fund Investment Pool (“Florida Prime”) and the Fund B Surplus Funds Trust Fund (Fund B) operate in accordance with appropriate state laws and regulations. As a Florida Prime and Fund B Pool Participant, the City invests in pools of investments whereby, the City owns a share of the respective pool, not the underlying securities.

(b) **Property taxes**—Property taxes are billed and collected for the City by the County Tax Collector accounting to Florida Statute under the following calendar:

Lien Date:	January 1
Levy Date:	October 1
Due Date:	November 1
Delinquency Date:	April 1, of the following year

(c) **Receivables and payables**—Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Unbilled utility service receivables are recorded at year-end as customers are billed one month in arrears.

(f) **Inventories and prepaid items**—All inventory is valued at cost using the first-in/first-out (FIFO) method. Inventory of the governmental fund is recorded as expenditure when consumed rather than when purchased.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government wide and fund financial statements.

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(1) **Summary of Significant Accounting Policies:** (Continued)

(g) **Restricted assets**— Certain proceeds of the City’s enterprise fund revenue bonds and State Revolving Loan funds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

(h) **Capital assets**— Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. For financial reporting purposes, capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. For financial reporting purposes, infrastructure assets are defined by the government as assets with an initial, individual cost of more than \$15,000 (amount not rounded) acquired after September 30, 2003 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	15 – 50 years
Public domain infrastructure	30 – 50 years
System infrastructure	7 – 50 years
Vehicles, furniture and equipment	5 – 40 years

(i) **Compensated absences**—It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Long-term obligations**—In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issue costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(k) **Fund balance**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

*Restricted* – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation (i.e. when the government assesses, levies, charges, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* – Fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the City Council are reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

*Assigned* – Fund balance amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance, except for stabilization arrangements. The City Council has by resolution authorized the City Clerk to assign fund balance.

*Unassigned* – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(1) **Summary of Significant Accounting Policies:** (Continued)

When both restricted and unrestricted resources are available for use, it is generally the practice of the City to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any governmental fund, it is the City's practice to use committed resources first, then assigned, and then unassigned as needed.

(l) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item, deferred outflows related to pensions, which qualifies for reporting in this category. Deferred outflows related to pensions are discussed further in Note (11).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the only items in this category consisted of deferred inflows of resources related to pensions, as discussed further in Note (11).

(m) **Net position flow assumption**—Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the City's policy to consider restricted net position to have been used before unrestricted net position is applied.

(n) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(2) **Reconciliation of Government-wide and Fund Financial Statements**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

(3) **Cash Deposits and Investments:**

At year end, the carrying amount of the City’s deposits was \$1,125,226. Each demand account is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Any balance in excess of FDIC insurance is covered by collateral held by the City’s custodial bank, which is pledged to a state trust fund that provides security in accordance with Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

The Florida Security for Public Deposits Act (the Act) established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified public depository must pledge at least 50 percent of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125 percent, may be required, if deemed necessary under the conditions set forth in the Act.

Obligations pledged to secure deposits must be delivered to the State Treasurer or, with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer. Under the Act, the pool may assess participating financial institutions on a pro rata basis to fund any shortfall in the event of the failure of a member institution.

The City measures and records its investments, assets whose use is limited, and restricted assets using fair value measurement guidelines established by GASB Statement No. 72. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(3) Cash Deposits and Investments:**

As of September 30, 2024, the City had the following investments reported at fair values:

	<b>Fair Market Value</b>
Florida PRIME	\$ 2,560,095
Police Pension Fund	2,934,190
Fire Pension Fund	1,195,032
Total	<b>\$ 6,689,317</b>

Thus, the balance in the fund is its fair value. A “2a – 7 like” fund is not registered with the SEC as an investment company, but never the less has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a – 7 of the Investment Company Act of 1940, which comprises the rules governing money market funds.

The foremost objective of the City’s investment policy is the safety of capital and liquidity of funds. Achieving an optimal rate of return is of secondary importance as compared to the safety and liquidity of funds. The City’s investment policy limits investments to those relatively low risk securities authorized in anticipation of earning a fair return relative to the risk being assumed. How the City manages credit risk, interest rate risk, and custodial credit risk is as follows:

**Credit Risk:** The City minimizes credit risk, the risk of loss due to failure of the security, by, limiting investments to authorized investments. The Local Government Surplus Funds Trust (“PRIME Fund”) is rated by Standards and Pools. The current rating is AAAM.

**Interest Rate Risk:** The City manages its exposure to declines in fair values of investments by investing operating funds primarily in shorter-term securities, Florida State Board of Administration Florida PRIME. The weighted average days to maturity of the Florida PRIME at September 30, 2024, was 39 days. Next interest rate reset dates for floating rate securities are used in the calculation of the weighted average days to maturity.

**Custodial Credit Risk:** Investments are subject to custodial credit risk if the securities are uninsured, not registered in the City’s name, and are held by the party that either sells to or buys for the City. No investments held at year end were subject to custodial credit risk. The Florida State Board of Administration Florida PRIME does not participate in security lending, but the City owns shares of the Florida PRIME and not the underlying investments.

Of the total fair value, \$442,616 is presented as restricted assets on the statement of net position and \$707,860 is unrestricted for the Florida PRIME investments on the Proprietary Fund Statement of Net Position and \$1,409,619 is unrestricted for the Florida PRIME investments on the Governmental Fund Balance Sheet. The Police and Fire pension investments are reported as entirely restricted in the Statement of Fiduciary Net Position.

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(4) Receivables:**

The City's receivables consisted of the following at September 30, 2024:

	<b>Gross Receivable</b>	<b>Allowance for Doubtful Accounts</b>	<b>Net Receivable</b>
Governmental Activities:			
General Fund			
Accounts receivable	\$ 26,796	\$ -	\$ 26,796
Business-Type Activities:			
Water and Sewer Fund			
Accounts receivable	99,943	-	99,943
Totals	\$ 126,739	\$ -	\$ 126,739

The City also had \$392,644 due from other governments at September 30, 2024 relating to grants.

**(5) Interfund Loans, Advances, Fees, and Transfers:**

The outstanding balances between funds result mainly from the time lag between the dates reimbursable expenditures occur, when transactions are recorded in the accounting system, and when payments between funds are made. As of September 30, 2024, there are no balances due between interfund receivables and payables for the primary government.

For the year ended September 30, 2024, individual fund transfers to and from other funds for the primary government were comprised of the following:

	<b>Transfers In</b>	<b>Transfers Out</b>
Governmental Activities:		
General Fund	\$ 230,567	\$ -
Total Governmental Activities	230,567	-
Business-type Activities:		
Water Swer Fund	-	230,567
Total Business-type Activities	-	230,567
Totals - All Funds	\$ 230,567	\$ 230,567

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service funds to establish and maintain mandatory reserve and sinking fund accounts, (3) move revenues from proprietary fund operations to the general fund for payments in lieu of taxes, and (4) move unrestricted revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs.

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(6) Capital Assets:**

Capital asset activity for the fiscal year ended September 30, 2024, is as follows:

<b>Governmental activities:</b>	<b>Balance, as restated 09/30/23</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 09/30/24</b>
Capital assets not being depreciated:				
Land	\$ 339,976	\$ -	\$ -	\$ 339,976
Construction in progress	508,550	-	-	508,550
Total assets not being depreciated	<u>848,526</u>	<u>-</u>	<u>-</u>	<u>848,526</u>
Capital assets being depreciated and amortized:				
Buildings	396,931	-	-	396,931
Infrastructure	465,083	-	-	465,083
Improvements	2,290,783	-	-	2,290,783
Equipment	1,714,288	90,000	(101,964)	1,702,324
Total assets being depreciated and amortized	<u>4,867,085</u>	<u>90,000</u>	<u>(101,964)</u>	<u>4,855,121</u>
Less accumulated depreciation and amortization for:	<u>(2,520,336)</u>	<u>(181,559)</u>	<u>101,964</u>	<u>(2,599,931)</u>
Total capital assets being depreciated and amortized, net	<u>2,346,749</u>	<u>(91,559)</u>	<u>-</u>	<u>2,255,190</u>
Governmental activities capital assets, net	<u>\$ 3,195,275</u>	<u>\$ (91,559)</u>	<u>\$ -</u>	<u>\$ 3,103,716</u>
 <b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 699,572	\$ -	\$ -	\$ 699,572
Construction in progress	1,001,374	2,061,766	(899,595)	2,163,545
Total assets not being depreciated	<u>1,700,946</u>	<u>2,061,766</u>	<u>(899,595)</u>	<u>2,863,117</u>
Capital assets being depreciated and amortized:				
Buildings	2,807,310	729,345	-	3,536,655
Infrastructure	165,000	-	-	165,000
Improvements	20,551,023	170,250	-	20,721,273
Equipment	567,180	-	-	567,180
Total assets being depreciated and amortized	<u>24,090,513</u>	<u>899,595</u>	<u>-</u>	<u>24,990,108</u>
Less accumulated depreciation	<u>(8,654,384)</u>	<u>(535,136)</u>	<u>208</u>	<u>(9,189,312)</u>
Total capital assets being depreciated and amortized, net	<u>15,436,129</u>	<u>364,459</u>	<u>208</u>	<u>15,800,796</u>
Business-type activities capital assets, net	<u>\$ 17,137,075</u>	<u>\$ 2,426,225</u>	<u>\$ (899,387)</u>	<u>\$ 18,663,913</u>

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(6) **Capital Assets:** (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:		
General governmental	\$	7,788
Public safety		53,389
Transportation		59,965
Physical environment		872
Culture and recreation		59,545
Total depreciation expense - governmental activities	\$	<u>181,559</u>
Business-type activities:		
Water and sewer	\$	535,136
Total depreciation expense - business-type activities	\$	<u>535,136</u>

(7) **Long-Term Liabilities:**

Long-term liability activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
Notes payable	\$ 503,528	\$ -	\$ (23,595)	\$ 479,933	\$ 23,895
Compensated absences	96,527	22,166	(18,031)	100,662	10,066
Governmental activities – Total long-term liabilities	<u>\$ 600,055</u>	<u>\$ 22,166</u>	<u>\$ (41,626)</u>	<u>\$ 580,595</u>	<u>\$ 33,961</u>
<b>Business-type activities:</b>					
Bonds payable:					
Revenue bonds	\$ 4,885,350	\$ -	\$ (188,318)	\$ 4,697,032	\$ 195,774
Notes payable	685,621	1,317,571	(2,556)	2,000,636	27,129
Compensated absences	33,421	6,731	(13,190)	26,962	2,696
Business-type activities – Total long-term liabilities	<u>\$ 5,604,392</u>	<u>\$ 1,324,302</u>	<u>\$ (204,064)</u>	<u>\$ 6,724,630</u>	<u>\$ -</u>

Bond, notes and financed purchase agreements payable in the City’s governmental activities at September 30, 2024, were comprised of the following obligations.

\$521,000 note payable to Jefferson County in annual installments of \$30,000 starting June 1, 2023, through June 1, 2042, which includes interest at 1.265%, collateralized by the City’s constitutional gas tax.	\$ 479,933
Total revenue bonds, notes and lease payable	<u>\$ 479,933</u>

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(7) **Long-Term Liabilities:** (Continued)

Annual debt service requirements to maturity for the City’s governmental activities bonds, notes and financed purchase agreements payable are as follows:

<b>Governmental Activities</b>					
<b>Notes Payable</b>					
	<b>Principal</b>		<b>Interest</b>		<b>Total</b>
2025	\$ 23,895		\$ 6,105		\$ 30,000
2026	24,199		5,801		30,000
2027	24,507		5,493		30,000
2028	24,819		5,181		30,000
2029	25,135		4,865		30,000
2030-2034	130,550		19,450		150,000
2035-2039	139,068		10,932		150,000
2040-2042	87,760		2,242		90,002
Total	\$ 479,933		\$ 60,069		\$ 540,002

Bonds and financed purchase agreements payable in the City’s business-type activities at September 30, 2024, were comprised of the following obligations:

\$2,337,200 1990 Revenue Bond, payable in annual installments of \$22,200 to \$132,000, through September 1, 2030, plus interest at 5.0%, collateralized by net revenues of the sewer system.	\$ 705,000
\$4,715,000 2013 Revenue Bond, payable in annual installments of \$201,555 starting September 1, 2016 (first two years interest only), through September 1, 2053, plus interest at 2.75%, collateralized by net revenues of the sewer system.	3,992,032
\$215,268, note payable through the Clean Water State Revolving Fund from the Florida Department of Environmental Protection for the Solar Array project, due in semi-annual principle installments of \$2,930, through February 15, 2042, plus interest at .78%, collateralized by net revenues of the sewer system.	52,992
\$2,237,000, note payable through the Clean Water State Revolving Fund from the Florida Department of Environmental Protection for the Solar Array project, due in semi-annual principle installments of \$24,608, through August 15, 2044, plus interest at 0%, collateralized by net revenues of the sewer system.	1,947,644
Total revenue bonds payable	\$ 4,697,032

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(7) **Long-Term Liabilities:** (Continued)

Annual debt service requirements to maturity for the City’s business-type activities bonds payable and financed purchase agreement are as follows:

	<b>Business-type Activities</b>				
	<b>Capital Improvement and Revenue Bonds</b>		<b>SRF Loans</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2025	\$ 195,774	\$ 145,031	\$ 1,816,729	\$ 409	\$ 2,157,943
2026	203,298	137,307	27,149	389	368,143
2027	210,891	129,264	27,169	369	367,693
2028	219,556	120,899	27,189	349	367,993
2029	228,293	112,162	27,209	329	367,993
2030-2034	687,244	459,131	48,316	1,338	1,196,029
2035-2039	635,904	371,871	13,842	808	1,022,425
2040-2044	728,284	279,491	13,035	222	1,021,032
2045-2049	834,084	173,691	-	-	1,007,775
2050-2053	753,704	78,082	-	-	831,786
Total	<u>\$ 4,697,032</u>	<u>\$ 2,006,929</u>	<u>\$ 2,000,636</u>	<u>\$ 4,215</u>	<u>\$ 8,708,812</u>

(8) **Contingencies and Uncertainties:**

The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2024. The outcomes of established claims are included in these financial statements. In the opinion of the City’s legal counsel, no legal proceedings are pending or threatened against the City which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects amounts, if any, to be immaterial.

(9) **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; injuries to employees; and natural disasters, all of which is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

The City is a member of the Florida Municipal Self-Insurance fund (the Fund). The fund was created to allow members to pool their liabilities pursuant to provisions in Florida Workers’ Compensation Law. The City pays an annual premium to the Fund for workers’ compensation coverage. The Fund’s underwriting and rate setting policies were established after consulting with an independent actuary. The Fund is not assessable and the City has no liability for future deficits of the Fund, if any.

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(10) **Investments held in Trust:**

The investments, as of September 30, 2024, held in trust for employee retirement plans, are as follows:

**Firefighter Pension Fund**

	<b>Cost</b>	<b>Fair Value</b>
Mutual Fund – fixed income	\$ 457,209	\$ 416,436
Mutual Fund – equities	436,551	778,596
Total investments	\$ 893,760	\$ 1,195,032

**Police Officers’ Pension Fund**

	<b>Cost</b>	<b>Fair Value</b>
Mutual funds – fixed income	\$ 1,085,458	\$ 1,015,517
Mutual funds – equities	1,101,072	1,918,673
Total investments	\$ 2,186,530	\$ 2,934,190

**Credit Risk:** The City’s policies are designed to maximize investment earnings while protecting the security of the principal and providing adequate liquidity, in accordance with applicable state laws.

**Interest Rate Risk:** In accordance with the investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities meet ongoing debt service requirements.

**Custodial Credit Risk:** Investments are subject to custodial credit risk if the securities are uninsured, not registered in the City’s name, and are held by the party that either sells to or buys for the City. All City securities were held in the City’s name; therefore, no investments held at year end were subject to custodial credit risk.

(11) **Employee Retirement Systems and Pension Funds:**

**A. Florida Retirement System and Health Insurance Subsidy**

**Plan Description and Administration**

The entity participates in the Florida Retirement System (FRS), a multiple-employer, cost-sharing defined public employee retirement system which covers all general employees hired before January 1, 1996, and all firefighters, regardless of date of hire. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail.

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(11) **Employee Retirement Systems and Pension Funds:** (Continued)

The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

**Benefits Provided and Employees Covered**

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate, except that certain instructional personnel may participate for up to 120 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(11) **Employee Retirement Systems and Pension Funds:** (Continued)

**Financial Statements**

Financial statements and other supplementary information of the FRS are included in the State’s Annual Comprehensive Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department’s Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services  
 Division of Retirement, Research and Education Services  
 P.O. Box 9000  
 Tallahassee, FL 32315-9000  
 850-488-5706 or toll free at 877-377-1737

**Contributions**

The entity participates in certain classes of FRS membership. Each class had descriptions and contribution rates in effect during the year ended September 30, 2024, as follows (contribution rates are in agreement with the actuarially determined rates):

<b>FRS Membership Plan &amp; Class</b>	<b>Through June 30, 2024</b>	<b>After June 30, 2024</b>
Regular Class	13.57%	13.63%
Senior Management Service	34.52%	34.52%
Special Risk Regular	32.67%	32.79%
DROP from FRS	12.64%	12.64%

Current-year employer HIS contributions were made at a rate of 2.00% of covered payroll, which are included in the above rates.

For the plan year ended June 30, 2024, actual contributions made for employees participating in FRS and HIS were as follows:

Entity Contributions – FRS	\$ 103,877
Entity Contributions – HIS	19,893
Employee Contributions – FRS	29,840

**Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions**

At September 30, 2024, the entity reported a net pension liability related to FRS and HIS as follows:

<b>Plan</b>	<b>Net Pension Liability</b>
FRS	\$ 709,624
HIS	352,477
Total	<u>\$ 1,062,119</u>

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(11) Employee Retirement Systems and Pension Funds:** (Continued)

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2024 and June 30, 2023, the City's proportionate share of the FRS and HIS net pension liabilities were as follows:

Plan	2024	2023
FRS	0.001834425%	0.013997843%
HIS	0.002349697%	0.017158944%

For the plan year ended June 30, 2024, pension expense was recognized related to the FRS and HIS plans as follows:

FRS	\$	92,001
HIS		3,213
Total	\$	95,214

*Deferred outflows/inflows related to pensions:*

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 71,693	\$ -	\$ 3,403	\$ (677)
Changes of assumptions	97,263	-	6,238	(41,729)
Net difference between projected and actual investment earnings	-	(47,166)	-	(127)
Change in proportionate share	18,149	(109,646)	5,629	(58,628)
Contributions subsequent to measurement date	27,696	-	5,347	-
Total	\$ 214,801	\$ (156,812)	\$ 20,617	\$ (101,161)

The above amounts for deferred outflows of resources for contributions related to pensions resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2025.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

	FRS	HIS	Total
2025	\$ (26,943)	\$ (16,553)	\$ (43,496)
2026	97,426	(18,803)	78,623
2027	(17,039)	(19,758)	(36,797)
2028	(22,759)	(16,852)	(39,611)
2029	(392)	(11,060)	(11,452)
Thereafter	-	(2,865)	(2,865)
	\$ 30,293	\$ (85,891)	\$ (55,598)

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(11) **Employee Retirement Systems and Pension Funds:** (Continued)

*Actuarial assumptions:*

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2024 for the period July 1, 2018, through June 30, 2023. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.50%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.70%. This rate is consistent with the prior year rate of 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.93% was used to determine the total pension for the program. This rate increased from the prior year rate, which was 3.65%. Mortality assumptions for both plans were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2021.

*Long-term expected rate of return:*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2024, the FRS Actuarial Assumptions Conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(11) **Employee Retirement Systems and Pension Funds:** (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Arithmetic Expected Rate of Return</u>
Cash	1.0%	3.3%
Fixed income	29.0%	5.7%
Global equities	45.0%	8.6%
Real estate	12.0%	8.1%
Private equity	11.0%	12.4%
Strategic investments	2.0%	6.6%
Total	<u>100.0%</u>	

*Sensitivity of the net pension liability to changes in the discount rate:*

The following presents the proportionate shares of the FRS and HIS net pension liability of the City calculated using the current discount rates, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

<u>Plan</u>	<u>Current Discount Rate</u>	<u>NPL with 1% Decrease</u>	<u>NPL at Current Discount Rate</u>	<u>NPL with 1% Increase</u>
FRS	6.70%	\$ 1,248,235	\$ 709,642	\$ 248,456
HIS	3.93%	401,250	352,477	311,988

(12) **Other Postemployment Benefits:**

The City provides other postemployment benefits (OPEB) to its employees by providing retirement healthcare benefits. The City contributes, along with its employees and retirees, to the Capital Health Plan (Plan) to provide certain healthcare benefits to active and retired employees and their dependents. The Plan is a single-employer plan administered by Capital Health Plan, Inc. and the City. The benefits, benefit levels, employee contributions and employer contributions are governed by the Plan.

Post-employment health care benefits are offered to retired employees and their dependents. All employees are eligible to receive benefits upon their retirement. All health care benefits are provided through the City's Capital Health Plan employee health care plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental and substance abuse care; dental care; and prescriptions. Upon retirees reaching 65 years of age, Medicare becomes the primary insurer and the City's plan will not pay benefits already paid by Medicare.

The City does not contribute any portion of the premiums for current retired employees. All premiums are paid entirely by the plan participant. The use of age-adjusted premiums results in an implicit rate subsidy funded by the City since the healthcare premiums for retirees and active employees are identical.

**CITY OF MONTICELLO, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(12) **Other Postemployment Benefits:** (Continued)

The state of Florida's Division of Retirement contributes each month \$5 for each year of service, up to \$150 per month. The City's Capital Health Plan contract establishes the individual premium to be paid by the retired employees. The state of Florida prohibits the City from separately rating retired employees and active employees. As a result, the City's premium charges to retired employees can be no more than the premium cost applicable to active employees.

The City has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Statement No. 75 establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities, note disclosures, and required supplementary information.

(13) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for fiscal years subsequent to September 30, 2024, that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the City's financial statements:

GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 amends various provisions regarding the calculation methodology and required disclosures related to the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023.

GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. The objective of GASB 102 is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The effective date for implementation is fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB Statement No. 104 requires governments to disclose separate information about specific types of capital assets and establishes criteria for identifying and reporting capital assets held for sale. The objective of GASB 104 is to enhance transparency and improve the usefulness of financial statements for stakeholders by providing more detailed information on these assets. The provisions are effective for fiscal years beginning after June 15, 2025.

GASB issued Statement No. 105, *Subsequent Events*, in December 2025. GASB Statement No. 105 clarifies the subsequent events time frame and establishes accounting and disclosure requirements for recognized and nonrecognized subsequent events. The provisions of GASB Statement No. 105 are effective for fiscal years beginning after June 15, 2026.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF MONTICELLO, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 2,171,270	\$ 2,171,270	\$ 2,182,576	\$ 11,306
Franchise fees and permits	241,540	241,540	232,111	(9,429)
Intergovernmental	1,671,500	1,671,500	202,036	(1,469,464)
Charges for services	1,354,736	1,354,736	601,579	(753,157)
Fines and forfeitures	11,400	11,400	8,670	(2,730)
Investment income	-	-	105,132	105,132
Miscellaneous	15,100	15,100	51,856	36,756
Total revenues	<u>5,465,546</u>	<u>5,465,546</u>	<u>3,383,960</u>	<u>(2,081,586)</u>
<b>Expenditures</b>				
Current:				
General government	2,041,884	2,041,884	875,675	1,166,209
Public safety	1,202,163	1,202,163	1,120,156	82,007
Highway and street	-	-	539,373	(539,373)
Economic environment	2,036,099	2,036,099	659,315	1,376,784
Capital outlay	198,400	198,400	90,000	108,400
Debt service:				
Principal	-	-	23,595	(23,595)
Interest and fiscal charges	-	-	6,405	(6,405)
Total expenditures	<u>5,478,546</u>	<u>5,478,546</u>	<u>3,314,519</u>	<u>2,164,027</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(13,000)</u>	<u>(13,000)</u>	<u>69,441</u>	<u>82,441</u>
<b>Other financing sources (uses)</b>				
Transfers out	(30,000)	(30,000)	(230,567)	(200,567)
Issuance of lease debt	43,000	43,000	-	(43,000)
Total other financing sources (uses)	<u>13,000</u>	<u>13,000</u>	<u>(230,567)</u>	<u>(243,567)</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>(161,126)</u>	<u>(161,126)</u>
<b>Fund balances, beginning of year</b>	2,647,387	2,647,387	2,647,387	-
<b>Fund balances, end of year</b>	<u>\$ 2,647,387</u>	<u>\$ 2,647,387</u>	<u>\$ 2,486,261</u>	<u>\$ (161,126)</u>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF MONTICELLO, FLORIDA**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**LAST 10 FISCAL YEARS**  
**(UNAUDITED)**

	As of the Plan Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Florida Retirement System (FRS)</b>										
Proportion of the net pension liability (asset)	0.001834425%	0.002213048%	0.002238807%	0.002297092%	0.002107787%	0.002105577%	0.002072531%	0.002077410%	0.002091177%	0.002143612%
Proportionate share of the net pension liability (asset)	\$ 709,642	\$ 881,830	\$ 833,016	\$ 913,546	\$ 913,546	\$ 725,131	\$ 624,257	\$ 614,484	\$ 528,024	\$ 276,876
Covered payroll	994,661	1,023,345	1,026,447	987,157	947,503	994,968	943,546	919,060	888,426	840,018
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	71.35%	86.17%	81.16%	92.54%	96.42%	72.88%	66.16%	66.86%	59.43%	32.96%
Plan fiduciary net position as a percentage of the total pension liability	83.70%	82.38%	82.89%	78.85%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%
<b>Health Insurance Subsidy Program (HIS)</b>										
Proportionate share of the net pension liability (asset)	0.002349697%	0.002582405%	0.002815976%	0.002787815%	0.002974384%	0.002974384%	0.002888854%	0.002883354%	0.002877900%	0.002768871%
Covered payroll	\$ 352,477	\$ 410,120	\$ 298,257	\$ 332,804	\$ 332,804	\$ 332,804	\$ 305,760	\$ 308,301	\$ 335,407	\$ 282,381
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	994,661	1,023,345	1,026,447	987,157	947,503	994,968	943,546	919,060	888,426	840,018
Proportionate share of the net pension liability as a percentage of covered payroll	35.44%	40.08%	29.06%	33.71%	35.12%	33.45%	32.41%	33.55%	37.75%	33.62%
Plan fiduciary net position as a percentage of the total pension liability	4.80%	4.12%	4.81%	3.00%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

**CITY OF MONTICELLO, FLORIDA  
SCHEDULE OF CONTRIBUTIONS  
LAST 10 FISCAL YEARS  
(UNAUDITED)**

	<b>For the Fiscal Year Ended September 30,</b>									
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b><u>Florida Retirement System (FRS)</u></b>										
Contractually required contribution	\$ 104,538	\$ 107,835	\$ 100,615	\$ 87,509	\$ 70,032	\$ 65,289	\$ 63,987	\$ 58,678	\$ 54,241	\$ 55,062
Contributions in relation to the contractually required contribution	104,538	(107,835)	(100,615)	(87,509)	(70,032)	(65,289)	(63,987)	(58,678)	(54,241)	(55,062)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,011,533	\$ 1,030,812	\$ 1,032,894	\$ 987,157	\$ 947,503	\$ 994,968	\$ 943,546	\$ 919,060	\$ 888,426	\$ 840,018
Contributions as a percentage of covered payroll	10.33%	10.46%	9.74%	8.86%	7.39%	6.56%	6.78%	6.38%	6.11%	6.55%
<b><u>Health Insurance Subsidy Program (HIS)</u></b>										
Contractually required contribution	\$ 20,231	\$ 17,963	\$ 17,146	\$ 16,387	\$ 15,729	\$ 16,516	\$ 15,663	\$ 15,256	\$ 14,748	\$ 10,584
Contributions in relation to the contractually required contribution	20,231	(17,963)	(17,146)	(16,387)	(15,729)	(16,516)	(15,663)	(15,256)	(14,748)	(10,584)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,011,533	\$ 1,030,812	\$ 1,032,894	\$ 987,157	\$ 947,503	\$ 994,968	\$ 943,546	\$ 919,060	\$ 888,426	\$ 840,018
Contributions as a percentage of covered payroll	2.00%	1.74%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.26%

**SUPPLEMENTARY INFORMATION**

**CITY OF MONTICELLO, FLORIDA  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2024**

<u>Federal/State Agency / Pass-Through Entity / Federal Program / State Project</u>	<u>ALN CSFA Number</u>	<u>Contract / Grant Number</u>	<u>Expenditures</u>
<b>STATE FINANCIAL ASSISTANCE</b>			
<u>State of Florida Department of Environmental Protection</u>			
Direct Programs:			
Statewide Water Quality Restoration Projects	37.039	LPA0196	\$ 693,445
Wastewater Treatment Facility Construction	37.077	WW330222	<u>1,317,571</u>
Total Florida Department of Environmental Protection			<u>2,011,016</u>
<b>Total State Financial Assistance</b>			<u><u>\$ 2,011,016</u></u>

The accompanying notes to the schedule of expenditures of state financial assistance are an integral part of this statement.

**CITY OF MONTICELLO, FLORIDA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

(1) **Basis of Presentation:**

The accompanying schedule of expenditures of state financial assistance includes the federal and state grant activity of the City of Monticello, Florida. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Section 215.97, Florida Statutes, *Florida Single Audit Act*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

(2) **Summary of Significant Accounting Policies:**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

No grant awards were passed through to subrecipients.

(3) **De Minimis Indirect Cost Rate Election:**

The City has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

(4) **Contingency:**

Program and project expenditures are subject to audit and adjustment. If any expenditures were to be disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of the City. In the opinion of management, all program and project expenditures included on the accompanying schedule are in compliance with the terms of the project agreements and applicable federal and state laws and regulations.

**CITY OF MONTICELLO, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**A. Summary of Auditors' Results:**

***Financial Statements:***

Type of audit report issued on the financial statements: *Qualified*

Internal control over financial reporting:

Material weakness(es) identified?   X   yes        no

Significant deficiency(ies) identified?   X   yes        none reported

Noncompliance material to financial statements noted?        yes   X   no

***State Financial Assistance:***

Internal control over major State projects:

Material weakness(es) identified?        yes   X   no

Significant deficiency(ies) identified?        yes   X   none reported

Type of auditors' report issued on compliance for major State projects: *Unmodified*

Any audit findings disclosed that are required to be reported for state financial assistance projects in accordance with Chapter 10.550?        yes   X   none reported

Dollar threshold used to distinguish between type A and type B programs:   \$603,305  

Identification of major State programs:

CSFA Number	Project Name
37.039	Statewide Surface Water Restoration and Wastewater Projects
37.077	Wastewater Treatment Facility Construction

**B. Financial Statement Findings:**

**2024-001: Preparation of Financial Statements and Audit Adjustments**

**Criteria:** Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP").

**Condition:** Adjustments were required to be made to the accounting records subsequent to the start of the audit process to be in accordance with GAAP. Additionally, the City could not provide

documentation that adjustments proposed by the Contracted Accountant were reviewed or approved prior to be posted in the accounting system.

**Cause:** Management relied on auditors to propose entries that had not been recorded at the time of the audit.

**Effect:** Incorrect recording of accounting records could lead to a material misstatement on the financial statements.

**Recommendation:** We recommend that the process for identifying accounting transactions be reviewed and updated, including a process for reviewing and approving entries provided by the Contracted Accountant.

### **2024-002: Timeliness of Year-End Close and Financial Reporting**

**Criteria:** Timely financial reporting is essential for effective public fund management and oversight. The State of Florida mandates that financial audits be completed within nine months after the fiscal year-end to ensure stakeholders receive accurate and timely information.

**Condition:** The current audit was completed well after the statutory deadline.

**Cause:** While key employee turnover contributed to various delays in year-end closing procedures, other responsibilities of core finance personnel and limited overall staffing also adversely impacted the City's ability to produce timely financial reports.

**Effect:** This substantial delay hampers the City's ability to provide timely and reliable financial information for accounting and budget purposes. It also increases the risk of undetected errors and/or fraud.

**Recommendation:** The City should review and improve its financial reporting processes to ensure timely completion. This includes optimizing internal procedures and a consideration of the need to increase staffing and resources dedicated to the accounting function.

### **2024-003: Records Retention and Documentation Availability**

**Criteria:** Adequate records retention and documentation are essential to support financial reporting, compliance, and audit procedures. Sound internal control practices require that supporting documentation be properly maintained and readily accessible.

**Condition:** During the audit, the City was unable to provide certain supporting documentation requested or experienced delays in locating documentation in a timely manner. Specifically, items such as pension census reports, pension investment statements, pension remittance and related payroll records, and the State Qualified Public Depository Report filing were not available for audit review or had to be obtained by specialists engaged by the City. Additionally, certain documentation provided was incomplete, including records supporting accrued leave balances, which did not reflect the policy for maximum sick leave accruals, omitted additions and deletions to accrued balances, and excluded the accrual for one employee.

**Cause:** The condition appears to be the result of key employee turnover during the period under audit and subsequent to year-end, in addition to inadequate records retention practices and a lack of established procedures to ensure key documentation is maintained and accessible.

**Effect:** The inability to provide supporting documentation limits the scope of audit procedures and reduces assurance over the accuracy and completeness of financial and compliance-related information. It may also increase the risk of noncompliance with regulatory requirements and hinder effective oversight.

**Recommendation:** The City should implement and enforce comprehensive records retention policies and procedures to ensure that all relevant financial and compliance documentation is properly maintained and readily accessible for audit and other purposes. This may include establishing centralized recordkeeping practices, defining retention responsibilities, and periodically reviewing compliance with established policies.

#### **2024-004: Utility Billing Accuracy and Control Procedures**

**Criteria:** Effective internal controls over utility billing require that charges be accurately calculated and consistently applied based on approved rates and usage. Billing processes should include procedures to ensure accuracy and allow for independent verification.

**Condition:** During our test of controls over utility billing, we were unable to accurately recalculate the billed amounts for 7 out of 25 transactions selected for testing. All noted discrepancies occurred in the month of November 2024.

**Cause:** The condition appears to be the result of deficiencies in billing calculation controls and/or a lack of adequate review procedures to ensure billing accuracy during the period.

**Effect:** Errors in utility billing may result in inaccurate customer charges, potential revenue misstatements, and reduced confidence in the reliability of the City's billing processes.

**Recommendation:** The City should review and strengthen its utility billing control procedures to ensure charges are calculated accurately and consistently. This may include implementing additional review controls, verifying rate tables and system configurations, and performing periodic recalculations or audits of billing transactions, particularly following system changes or updates.

- C. **State Project Findings and Questioned Costs:** None.
- D. **Summary Schedule of Prior Audit Findings:** See accompanying Schedule of Prior Audit Findings as included in the Independent Auditors' Management Letter Required by Chapter 10.550, Rules of the State of Florida Office of the Auditor General.
- E. **Corrective Action Plan:** See management's response to findings on page 67.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To the Honorable Mayor and City Council,  
City of Monticello, Florida:

**Report on Compliance for Each Major State Project**

***Opinion on Each Major State Project***

We have audited the City of Monticello, Florida's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2024. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2024.

***Basis for Opinion on Each Major State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state projects. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs and state projects.

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit.

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, *Government Auditing Standards*, and Chapter 10.550 Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and Chapter 10.550 Rules of the Auditor General we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.550 Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

*James Moore & Co., P.L.*

Tallahassee, Florida  
March 30, 2026

**INDEPENDENT AUDITORS' 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***

To the Honorable Mayor and City Council,  
City of Monticello, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monticello, Florida (the City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 30, 2026.

As discussed in the Independent Auditor's Report, the City has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in the governmental activities, business-type activities, and the Utility Fund.

In addition, the City omitted certain disclosures and required supplementary information for the police and fire pension funds as required in Statement No. 67 *Financial Reporting for Pension Plans* and Statement No. 68 *Accounting and Financial Reporting for Pensions*. Accounting principles generally accepted in the United States of America require the inclusion of these note disclosures and required supplementary information in the financial statements.

***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 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.

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. However, as identified in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency identified in the accompanying schedule of findings and questioned costs as items 2024-001 to be material weaknesses.

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. We consider the deficiencies identified in the accompanying schedule of findings and questioned costs as items 2024-002, 2024-003 and 2024-004 to be a significant deficiency.

### ***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, regulations, 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*.

### **City's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the Schedule of Findings and Questioned Costs, as listed in the table of contents. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Tallahassee, Florida  
March 30, 2026

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED  
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA  
OFFICE OF THE AUDITOR GENERAL**

To the Honorable Mayor and City Council,  
City of Monticello, Florida:

**Report on the Financial Statements**

We have audited the financial statements of City of Monticello, Florida (the City), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 30, 2026.

As discussed in the Independent Auditor's Report, the City has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in the governmental activities, business-type activities, and the Utility Fund.

In addition, the City omitted certain disclosures and required supplementary information for the police and fire pension funds as required in Statement No. 67 *Financial Reporting for Pension Plans* and Statement No. 68 *Accounting and Financial Reporting for Pensions*. Accounting principles generally accepted in the United States of America require the inclusion of these note disclosures and required supplementary information in the financial statements.

**Auditors' Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control over Compliance in accordance with the Chapter 10.550 Rules of the Florida Auditor General; Schedule of Findings and Questioned Costs; and Independent Accountants' Examination Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 30, 2026, should be considered in conjunction with this management letter.

## **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The following summarizes the status of prior year findings and recommendations. There were no second preceding year findings that remain unresolved.

**2023-001 Preparation of Financial Statements and Audit Adjustments** – Corrective action not taken. See repeat finding 2024-001.

**2023-002 Impact Fee Accounting** – Corrective action taken.

## **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the primary government and component units of the reporting entity is disclosed in Note 1 of the basic financial statements.

## **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the City, did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had the following recommendations:

### **2024-005 Budgetary Compliance**

During our audit, we noted that the City budgeted for total transfers from the General Fund to the Water and Sewer Fund in the amount of \$30,000, but actual transfers were \$230,567 exceeding the budgeted amount by approximately \$200,000. We recommend the City ensure transfers between funds are within budget and/or assessed as part of any year-end budget amendments within the 60-day window subsequent to year end in order to ensure expenditures do not exceed appropriations in any funds.

## **Property Assessed Clean Energy (PACE) Programs**

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy, or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the City did not have a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the City's geographical boundaries during the fiscal year under audit.

### **Special District Component Units**

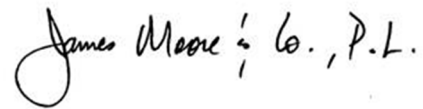
Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to address noncompliance with provisions of contracts or grant agreements, fraud, waste, or abuse, that has occurred, or is likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and State grant agencies, the City Council, management, others within the City, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Tallahassee, Florida  
March 30, 2026

## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

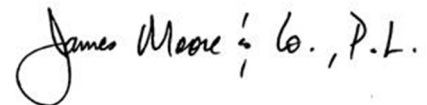
To the Honorable Mayor and City Council,  
City of Monticello, Florida:

We have examined the City of Monticello, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2024. Management is responsible for the City's compliance with those requirements. Our responsibility is to obtain reasonable assurance by evaluating the City's compliance with the Statute for the year ended September 30, 2024, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the AICPA. Those standards require that we obtain reasonable assurance by evaluating whether the City's compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2024, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of evaluation of the City's compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2024. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks that the City was not in compliance with the Statute in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the City of Monticello, Florida complied with the aforementioned requirements for the year ended September 30, 2024, in all material respects.



Tallahassee, Florida  
March 30, 2026



# City of Monticello

245 South Mulberry Street, Monticello, FL 32344

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## CITY COUNCIL

George Evans  
Group 1

March 30, 2026

### ***2024-001: Preparation of Financial Statements and Audit Adjustments***

Gloria Cox  
Group 2

Management agrees with the finding and will implement review and approval procedures over all journal entries, including those proposed by external accountants, to ensure compliance with GAAP.

Brian Bachman  
Group 3

John Jones  
Group 4, Mayor

### ***2024-002: Timeliness of Year-End Close and Financial Reporting***

Management acknowledges the delays and is taking steps to improve the year-end closing process, including reallocating responsibilities and evaluating staffing needs to ensure timely financial reporting going forward.

Katrina Richardson  
Group 5, Vice Mayor

Roosevelt Brooks, CPA  
City Clerk

### ***2024-003: Records Retention and Documentation Availability***

Management agrees and is implementing formal records retention policies and centralized documentation procedures to ensure all required records are complete, accurate, and readily accessible for audit purposes.

Kurt Mackiewicz  
City Manager

### ***2024-004: Utility Billing Accuracy and Control Procedures***

Management concurs and is strengthening billing controls by reviewing system configurations, implementing additional supervisory reviews, and performing periodic reconciliations to ensure billing accuracy.

### ***2024-005: Budgetary Compliance***

Management agrees and will implement procedures to monitor budget-to-actual activity throughout the year and ensure that any necessary budget amendments are approved timely to prevent expenditures from exceeding appropriations.

Sincerely,

Roosevelt Brooks, CPA  
City Clerk/Treasurer