Town of Rosston, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE

TOWN OF ROSSTON, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Financial and Compliance Report

	Schedule
Schedule of Financial Information (Unaudited)	1
Combining Schedule of Financial Information – Special Revenue Funds (Unaudited)	2
Other Information (Unaudited)	3

Arkansas

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

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

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Town of Rosston, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

A priority of Arkansas Legislative Audit is to assist local government officials by promoting sound financial management and accountability of government resources. The Legislative Auditor reports on the fiscal affairs of local governments, as well as compliance with relevant state laws and observance of good business practices to provide accountability for tax dollars expended to support government operations.

We have performed certain limited procedures with respect to cash basis financial information and compliance with certain state laws and accepted accounting practices for the Town of Rosston, Arkansas, as of and for the year ended December 31, 2024, and have issued our report thereon dated December 22, 2025. These procedures were not performed for the Water Department. Management of the Town is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The findings contained in this section relate to the following officials who held office during 2024:

Mayor: Samuel Quarles
Recorder/Treasurer: Tia Blakely (appointed August 2024)
Recorder: Emily Evans (resigned August 2024)
Treasurer: Melissa Hicks (resigned August 2024)
Financial Administrator: Melissa Hicks (appointed August 2024)

We evaluated the Town's compliance with certain state laws concerning general and district court accounting, budgeting, purchasing, and investing and depositing of public funds.

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

Financial Administrator

Accounting procedures for municipalities are set forth in Ark. Code Ann. §§ 14-59-101 - 14-59-119. The Town was in noncompliance with these codes and other proper accounting procedures as noted below:

- Cash receipts and disbursements journals were not properly maintained to include all receipts and were not reconciled to total deposits and withdrawals per bank.
- Bank accounts were not reconciled properly.
- Prenumbered receipts were not issued for all revenues.
- A fixed asset listing was established but did not include cost values for all assets listed, deletions, control totals, and identification number when applicable.
- The posted annual financial statements did not include receipts and expenditures for the period.
- Numerous disbursements were made by debit card rather than a prenumbered check.
- The monthly financial reports presented to the council did not contain receipts and disbursements and balances presented were bank balances rather than book balances.

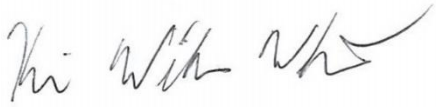
A similar finding was noted in the prior report.

Mayor and Financial Administrator

State aid restricted for highway funds from previous years of $14,900 was not transferred from the General Fund to the Street Fund, as required by Ark. Code Ann. § 27-70-207. In July 2024, the Town passed Resolution No. 7-24, to pay $470 a month until the balance is paid in full. The Town made payments totaling $2,820 in 2024 and subsequent to report date, the Town repaid the balance in full. A similar finding was issued in the previous report.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local Town government, state executive and oversight management, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
December 22, 2025
LOM314224

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2024	$ 96,874	$ 54,436
Receipts:		
State aid	4,045	33,532
Sales taxes	76,621	
Interest	1,540	25
Loan proceeds	58,600	
Transfers in		2,820
Unclassified	26,177	8,050
Total Receipts	166,983	44,427
Disbursements:		
Highways and streets		13,068
Public safety		11,945
Debt service	5,256	
Transfers out	2,820	
Unclassified	156,027	
Total Disbursements	164,103	25,013
Cash Balance, December 31, 2024	$ 99,754	$ 73,850

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

Schedule 2

	Street	Fire Department	Total
Cash Balance, January 1, 2024	$ 42,023	$ 12,413	$ 54,436
Receipts:			
State aid	22,367	11,165	33,532
Interest	25		25
Transfers in	2,820		2,820
Unclassified	2,145	5,905	8,050
Total Receipts	27,357	17,070	44,427
Disbursements:			
Highways and streets	13,068		13,068
Public safety		11,945	11,945
Total Disbursements	13,068	11,945	25,013
Cash Balance, December 31, 2024	$ 56,312	$ 17,538	$ 73,850

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

Schedule 3

1. Cash balances on the Financial Schedules include demand and savings accounts.

2. The Municipality's capital assets records were not available.

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

	December 31, 2024
Financed purchases	$ 13,968