

City of Star City, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF STAR CITY, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2024

Financial and Compliance Report

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Arkansas



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Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Star City, 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 City of Star City, Arkansas, as of and for the year ended December 31, 2024, and have issued our report thereon dated July 25, 2025. These procedures were not performed for the Water and Sewer Department. Management of the City is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

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

Mayor: Paul Carter
Recorder/Treasurer: Alicia Hawkins
District Court Clerk – City Division: Ashley Hunter
District Court Clerk – County Division: Tammy Smith
Police Chief: Cody Drake

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

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

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

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Kevin White", with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
July 25, 2025
LOM217524

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

Schedule 1

	General Fund	Special Revenue Funds
	<u>\$</u>	<u>\$</u>
Cash Balance, January 1, 2024	218,087	841,190
Receipts:		
State aid	32,747	202,405
Federal aid	24,813	65,423
Property taxes	48,432	60,510
Franchise fees	123,551	
Sales taxes	788,485	139,945
Fines, forfeitures, and costs	31,276	17,127
Interest	1,616	5,139
Local permits and fees	14,168	12,360
Airport fuel		7,530
Airport hanger rental		7,660
Civic center rental	6,395	
Tower rental	4,840	
Other	190,168	7,672
Transfers in		1,146
Total Receipts	<u>1,266,491</u>	<u>526,917</u>
Disbursements:		
General government	618,802	1,037
Law enforcement	522,736	55,026
Highways and streets	451	457,177
Public safety	16,673	44,110
Sanitation	62,578	
Health	4,744	
Recreation and culture	62,761	100,000
Social services		49,523
Airport	35,690	31,216
Transfers out	1,146	
Unclassified	21	
Total Disbursements	<u>1,325,602</u>	<u>738,089</u>
Cash Balance, December 31, 2024	<u>\$ 158,976</u>	<u>\$ 630,018</u>

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

Schedule 2

	Street	District Court Cost	Local Police and Fire Retirement (LOPFI) - Police	Local Police and Fire Retirement (LOPFI) - Fire	Emergency Vehicle Special Police	Fire Equipment and Training (Act 833)	District Court Automation	Computer
Cash Balance, January 1, 2024	\$ 435,239	\$ 8,621	\$ 110,845	\$ 51,403	\$ 1,465	\$ 65,250	\$ 144	\$ 55,289
Receipts:								
State aid	178,688					23,717		
Federal aid								
Property taxes	36,359			24,151				
Sales taxes	139,713							
Fines, forfeitures, and costs		2,187	2,693		4,565		1,270	5,207
Interest	2,660	53	1,124	13	16	934		339
Local permits and fees								
Airport fuel								
Airport hanger rental								
Other	3,900						150	
Transfers in								
Total Receipts	<u>361,320</u>	<u>2,240</u>	<u>3,817</u>	<u>24,164</u>	<u>4,581</u>	<u>24,651</u>	<u>1,420</u>	<u>5,546</u>
Disbursements:								
General government								1,037
Law enforcement		1,732	44,859		3,630		346	3,139
Highways and streets	457,177							
Public safety				24,036		10,316		
Recreation and culture								
Social services								
Airport								
Total Disbursements	<u>457,177</u>	<u>1,732</u>	<u>44,859</u>	<u>24,036</u>	<u>3,630</u>	<u>10,316</u>	<u>346</u>	<u>4,176</u>
Cash Balance, December 31, 2024	<u>\$ 339,382</u>	<u>\$ 9,129</u>	<u>\$ 69,803</u>	<u>\$ 51,531</u>	<u>\$ 2,416</u>	<u>\$ 79,585</u>	<u>\$ 1,218</u>	<u>\$ 56,659</u>

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

Schedule 2

	<u>Airport Commission</u>	<u>Airport Operation & Maintenance</u>	<u>Prisoner Care</u>	<u>Fire District Dues</u>	<u>Food Pantry Grant</u>	<u>Fun Park</u>	<u>Total</u>
Cash Balance, January 1, 2024	\$ 4,975	\$ 2,765	\$ 761	\$ 4,433		\$ 100,000	\$ 841,190
Receipts:							
State aid							202,405
Federal aid	15,900				\$ 49,523		65,423
Property taxes							60,510
Sales taxes	232						139,945
Fines, forfeitures, and costs			1,205				17,127
Interest							5,139
Local permits and fees				12,360			12,360
Airport fuel	7,530						7,530
Airport hanger rental		7,660					7,660
Other	703	2,919					7,672
Transfers in	1,046				100		1,146
Total Receipts	<u>25,411</u>	<u>10,579</u>	<u>1,205</u>	<u>12,360</u>	<u>49,623</u>		<u>526,917</u>
Disbursements:							
General government							1,037
Law enforcement			1,320				55,026
Highways and streets							457,177
Public safety				9,758			44,110
Recreation and culture						100,000	100,000
Social services					49,523		49,523
Airport	24,141	7,075					31,216
Total Disbursements	<u>24,141</u>	<u>7,075</u>	<u>1,320</u>	<u>9,758</u>	<u>49,523</u>	<u>100,000</u>	<u>738,089</u>
Cash Balance, December 31, 2024	<u>\$ 6,245</u>	<u>\$ 6,269</u>	<u>\$ 646</u>	<u>\$ 7,035</u>	<u>\$ 100</u>	<u>\$ 0</u>	<u>\$ 630,018</u>

CITY OF STAR CITY, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

1. Cash balances on the Financial Schedules include demand and savings accounts and certificates of deposit.
2. The General Fund column on the Financial Schedules includes the following bank accounts:
 General Fund, General Reserve, Fire Call, Civic Center, Sports Complex, Therapeutic Pool, and Property Disposal.
3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2024
District Court - Small Claims	\$ 840
District Court - Bond & Fine (City)	3,319
District Court - Partial Pay	1,000
District Court - Bond & Fine (County)	10,680

These balances represent fines, forfeitures, and costs that have not been transferred to the appropriate entities.

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

	December 31, 2024
Land	\$ 1,919,204
Equipment	1,425,466
 Total	 <u>\$ 3,344,670</u>

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

	December 31, 2024
Financed purchase	<u>\$ 50,200</u>