

City of Star City, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF STAR CITY, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Financial and Compliance Report

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

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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, 2023, and have issued our report thereon dated May 23, 2024. 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 2023:

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".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
May 23, 2024
LOM217523

CITY OF STAR CITY, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
	<u> </u>	<u> </u>
Cash Balance, January 1, 2023	\$ 216,632	\$ 851,133
Receipts:		
State aid	33,039	313,047
Federal aid	167,906	
Property taxes	54,326	67,995
Franchise fees	125,257	
Sales taxes	776,293	153,073
Fines, forfeitures, and costs	28,942	15,556
Interest	1,831	4,756
Local permits and fees	15,551	14,904
Airport fuel		13,893
Airport hangar rental		5,125
Civic center rental	9,385	
Tower rent	5,280	
Contribution from water department	63,302	
Other	70,987	16,932
Transfers in		113,613
Total Receipts	<u>1,352,099</u>	<u>718,894</u>
Disbursements:		
General government	602,579	71,685
Law enforcement	477,072	49,407
Highways and streets	735	462,174
Public safety	21,874	80,210
Recreation and culture	68,260	
Social services	8,039	
Airport	67	42,867
Contribution to water department	63,905	
Debt service		17,378
Transfers out	108,113	5,500
Total Disbursements	<u>1,350,644</u>	<u>729,221</u>
Cash Balance, December 31, 2023	<u>\$ 218,087</u>	<u>\$ 840,806</u>

CITY OF STAR CITY, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 2

	<u>Street</u>	<u>District Court Cost</u>	<u>Local Police and Fire Retirement (LOPFI) - Police</u>	<u>Local Police and Fire Retirement (LOPFI) - Fire</u>	<u>Emergency Vehicle Special Police</u>	<u>Fire Equipment and Training (Act 833)</u>	<u>District Court Automation</u>	<u>Computer</u>
Cash Balance, January 1, 2023	\$ 429,224	\$ 8,560	\$ 147,292	\$ 49,485	\$ 12	\$ 73,449	\$ 3,219	\$ 50,701
Receipts:								
State aid	183,307					21,950		
Property taxes	40,787			27,208				
Sales taxes	152,862							
Fines, forfeitures, and costs		2,492	2,693		4,320		563	4,813
Interest	2,369	44	1,286	22	1	580		270
Local permits and fees								
Airport fuel								
Airport hangar rental								
Other	6,242					5,165		
Transfers in	100,000							
Total Receipts	<u>485,567</u>	<u>2,536</u>	<u>3,979</u>	<u>27,230</u>	<u>4,321</u>	<u>27,695</u>	<u>563</u>	<u>5,083</u>
Disbursements:								
General government								495
Law enforcement		2,475	40,426		2,868		3,638	
Highways and streets	462,174							
Public safety				25,312		35,894		
Airport								
Debt service	17,378							
Transfers out								
Total Disbursements	<u>479,552</u>	<u>2,475</u>	<u>40,426</u>	<u>25,312</u>	<u>2,868</u>	<u>35,894</u>	<u>3,638</u>	<u>495</u>
Cash Balance, December 31, 2023	<u>\$ 435,239</u>	<u>\$ 8,621</u>	<u>\$ 110,845</u>	<u>\$ 51,403</u>	<u>\$ 1,465</u>	<u>\$ 65,250</u>	<u>\$ 144</u>	<u>\$ 55,289</u>

CITY OF STAR CITY, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 2

	Airport Commission	Airport Operation & Maintenance	Prisoner Care	Fire District Dues	ARPA	Fun Park	Total
Cash Balance, January 1, 2023	\$ 9,022	\$ 544	\$ 86	\$ 8,533	\$ 71,006		\$ 851,133
Receipts:							
State aid	7,790					\$ 100,000	313,047
Property taxes							67,995
Sales taxes	120	91					153,073
Fines, forfeitures, and costs			675				15,556
Interest					184		4,756
Local permits and fees				14,904			14,904
Airport fuel	13,893						13,893
Airport hangar rental		5,125					5,125
Other	5,525						16,932
Transfers in		13,613					113,613
Total Receipts	<u>27,328</u>	<u>18,829</u>	<u>675</u>	<u>14,904</u>	<u>184</u>	<u>100,000</u>	<u>718,894</u>
Disbursements:							
General government					71,190		71,685
Law enforcement							49,407
Highways and streets							462,174
Public safety				19,004			80,210
Airport	26,259	16,608					42,867
Debt service							17,378
Transfers out	5,500						5,500
Total Disbursements	<u>31,759</u>	<u>16,608</u>		<u>19,004</u>	<u>71,190</u>		<u>729,221</u>
Cash Balance, December 31, 2023	<u>\$ 4,591</u>	<u>\$ 2,765</u>	<u>\$ 761</u>	<u>\$ 4,433</u>	<u>\$ 0</u>	<u>\$ 100,000</u>	<u>\$ 840,806</u>

CITY OF STAR CITY, ARKANSAS
 OTHER INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

Schedule 3

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, One Fourth Cent Sales Tax, Civic Center, Sports Complex, Therapeutic Pool, and Property Disposal

3. Cash balances at year-end in the custodial funds are as follows:

	December 31, 2023
District Court - Small Claims	\$ 305
District Court - Bond & Fine (City)	5,800
District Court - Partial Pay	1,000
District Court - Bond & Fine (County)	18,814

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, 2023
Land & Buildings	\$ 1,919,204
Equipment	1,188,333
 Total	 <u><u>\$ 3,107,537</u></u>