

City of Star City, Arkansas

Financial and Compliance Report

December 31, 2025

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF STAR CITY, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2025

Financial and Compliance Report

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

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, 2025, and have issued our report thereon dated May 13, 2026. 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 2025:

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", written over a horizontal line.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
May 13, 2026
LOM217525

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

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2025	\$ 158,976	\$ 630,160
Receipts:		
State aid	39,546	211,246
Federal aid	64,323	461,760
Property taxes	60,069	73,661
Franchise fees	130,456	
Sales taxes	798,674	157,863
Fines, forfeitures, and costs	16,783	12,873
Interest	1,289	4,015
Local permits and fees	9,383	14,573
Airport hangar rent		6,702
Airport fuel		5,931
Civic center rental	5,380	
Proceeds from loan	187,814	
Tower rental	5,720	
Other	149,468	12,886
Transfers in		12,006
Total Receipts	<u>1,468,905</u>	<u>973,516</u>
Disbursements:		
General government	810,866	
Law enforcement	532,410	67,306
Highways and streets		450,356
Public safety	87,457	84,249
Recreation and culture	98,491	
Social services	896	461,760
Airport		14,001
Debt service	42,536	27,970
Transfers out	12,006	
Total Disbursements	<u>1,584,662</u>	<u>1,105,642</u>
Cash Balance, December 31, 2025	<u>\$ 43,219</u>	<u>\$ 498,034</u>

CITY OF STAR CITY, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (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, 2025	\$ 339,382	\$ 9,129	\$ 69,803	\$ 51,531	\$ 2,416	\$ 79,585	\$ 1,218	\$ 56,659
Receipts:								
State aid	183,619					27,627		
Federal aid								
Property taxes	44,088			29,573				
Sales taxes	157,700							
Fines, forfeitures, and costs		2,222	2,635		3,470		555	3,511
Interest	2,188	53	425	8	2	997		342
Local permits and fees	1,750							
Airport hangar rent								
Airport fuel								
Other	7,760							
Transfers in	12,006							
Total Receipts	409,111	2,275	3,060	29,581	3,472	28,624	555	3,853
Disbursements:								
Law enforcement		4,526	54,722		3,257			3,781
Highways and streets	450,356							
Public safety				26,475		38,815		
Social services								
Airport								
Debt service					2,585	25,385		
Total Disbursements	450,356	4,526	54,722	26,475	5,842	64,200		3,781
Cash Balance, December 31, 2025	\$ 298,137	\$ 6,878	\$ 18,141	\$ 54,637	\$ 46	\$ 44,009	\$ 1,773	\$ 56,731

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

Schedule 2

	Airport Commission	Airport Operation & Maintenance	Prisoner Care	Fire District Dues	Food Pantry Grant	Total
Cash Balance, January 1, 2025	\$ 6,387	\$ 6,269	\$ 646	\$ 7,035	\$ 100	\$ 630,160
Receipts:						
State aid						211,246
Federal aid					461,760	461,760
Property taxes						73,661
Sales taxes	162	1				157,863
Fines, forfeitures, and costs			480			12,873
Interest						4,015
Local permits and fees				12,823		14,573
Airport hangar rent		6,702				6,702
Airport fuel	5,931					5,931
Other		5,126				12,886
Transfers in						12,006
Total Receipts	6,093	11,829	480	12,823	461,760	973,516
Disbursements:						
Law enforcement			1,020			67,306
Highways and streets						450,356
Public safety				18,959		84,249
Social services					461,760	461,760
Airport	6,859	7,142				14,001
Debt service						27,970
Total Disbursements	6,859	7,142	1,020	18,959	461,760	1,105,642
Cash Balance, December 31, 2025	\$ 5,621	\$ 10,956	\$ 106	\$ 899	\$ 100	\$ 498,034

CITY OF STAR CITY, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(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, Civic Center, Sports Complex, Therapeutic Pool, and Property Disposal

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

	December 31, 2025
District Court - Small Claims	\$ 1,853
District Court - Bond & Fine (City)	4,450
District Court - Partial Pay	1,000
District Court - Bond & Fine (County)	11,700

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, 2025
Land	\$ 1,910,704
Equipment	1,590,011
Total	<u>\$ 3,500,715</u>

5. Outstanding balances at year-end for long-term liabilities are as follows:

	December 31, 2025
Financed purchases	\$ 34,976
Line of credit	150,154
Total	<u>\$ 185,130</u>