

City of Diaz, Arkansas

Financial and Compliance Report

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF DIAZ, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2022

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Arkansas

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Senate Vice Chair



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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

City of Diaz, 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 Diaz, Arkansas, as of and for the year ended December 31, 2022, and have issued our report thereon dated July 24, 2023. These procedures were not performed for the Water and Sewer Fund. Management of the City 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 2022:

Mayor: Perry Stegall
Recorder/Treasurer: Kathy Howard (retired March 31, 2022)
Sherry Smith (appointed April 1, 2022)
Police Chief: James Thompson

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.

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

Mayor

General Fund and Street Fund expenditures exceeded budgeted appropriations by \$59,764 (17%) and \$36,223 (103%) respectively, in noncompliance with Ark. Code Ann. § 14-58-203.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local City 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

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

Little Rock, Arkansas
July 24, 2023
LOM204522

CITY OF DIAZ, ARKANSAS
SCHEDULE OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 1

	General Fund	Special Revenue Funds
Cash Balance, January 1, 2022	\$ 721,907	\$ 400,702
Receipts:		
State aid	34,407	119,238
Federal aid	3,000	125,137
Property taxes	29,645	11,828
Franchise fees	43,922	
Sales taxes	246,537	
Fines, forfeitures, and costs	4,593	
Interest	6,044	2,653
Local permits and fees	3,135	
Donations	135,000	15,000
Other	12,429	293
Total Receipts	<u>518,712</u>	<u>274,149</u>
Disbursements:		
General government	194,295	51,220
Law enforcement	191,493	1,964
Highways and streets		73,971
Public safety	31,498	22,470
Recreation and culture	277	
Contribution to water department		45,439
Total Disbursements	<u>417,563</u>	<u>195,064</u>
Cash Balance, December 31, 2022	<u>\$ 823,056</u>	<u>\$ 479,787</u>

CITY OF DIAZ, ARKANSAS
 COMBINING SCHEDULE OF FINANCIAL INFORMATION - SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

Schedule 2

	Street	Fire Equipment and Training Act 833	Fire Department	American Recovery Plan Act	Total
Cash Balance, January 1, 2022	\$ 287,953	\$ 4,948	\$ 3,236	\$ 104,565	\$ 400,702
Receipts:					
State aid	105,676	13,562			119,238
Federal aid				125,137	125,137
Property taxes	11,828				11,828
Interest	2,649	4			2,653
Donations			15,000		15,000
Other			293		293
Total Receipts	120,153	13,566	15,293	125,137	274,149
Disbursements:					
General government				51,220	51,220
Law enforcement				1,964	1,964
Highways and streets	71,121			2,850	73,971
Public safety		7,096	15,374		22,470
Contribution to water department				45,439	45,439
Total Disbursements	71,121	7,096	15,374	101,473	195,064
Cash Balance, December 31, 2022	\$ 336,985	\$ 11,418	\$ 3,155	\$ 128,229	\$ 479,787

CITY OF DIAZ, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Schedule 3

1. Cash balances on the Financial Schedules include demand accounts and certificates of deposit.

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

	December 31, 2022
Land	\$ 54,014
Buildings	293,266
Equipment	898,611
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Total	\$ 1,245,891
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3. The outstanding balance at year-end for long-term liabilities is as follows:

	December 31, 2022
Notes Payable	\$ 21,073
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4. The City received federal funding in the following amount related to COVID-19 relief:

	December 31, 2022
American Rescue Plan Act (ARPA)	\$ 125,137
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