

City of Diaz, Arkansas

Financial and Compliance Report

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF DIAZ, ARKANSAS
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FOR THE YEAR ENDED DECEMBER 31, 2023

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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, 2023, and have issued our report thereon dated October 30, 2024. 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 finding contained in this section relates to the following officials who held office during 2023:

Mayor: Perry Stegall
Recorder/Treasurer: Sherry Smith
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 \$190,303 (70%) and \$38,366 (33%), respectively, in noncompliance with Ark. Code Ann. § 14-58-203. A similar finding was noted in the previous report.

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

A handwritten signature in black ink, appearing to read "Kevin White".

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
October 30, 2024
LOM204523

CITY OF DIAZ, 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	\$ 823,056	\$ 479,787
Receipts:		
State aid	18,610	116,864
Federal aid	4,000	
Property taxes	29,539	16,571
Franchise fees	43,264	
Sales taxes	267,476	
Fines, forfeitures, and costs	7,571	
Interest	27,389	8,490
Local permits and fees	1,451	
Donations	135,250	
Other	6,954	
Total Receipts	<u>541,504</u>	<u>141,925</u>
Disbursements:		
General government	228,509	19,414
Law enforcement	118,525	4,222
Highways and streets	13,304	159,797
Public safety	32,696	17,928
Sanitation	25,838	
Recreation and culture	221	
Contribution to water department	42,089	32,061
Total Disbursements	<u>461,182</u>	<u>233,422</u>
Cash Balance, December 31, 2023	<u>\$ 903,378</u>	<u>\$ 388,290</u>

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

Schedule 2

	Street	Fire Equipment and Training Act 833	Fire Department	American Recovery Plan Act	Total
Cash Balance, January 1, 2023	\$ 336,985	\$ 11,418	\$ 3,155	\$ 128,229	\$ 479,787
Receipts:					
State aid	103,252	13,612			116,864
Property taxes	16,571				16,571
Interest	8,487	3			8,490
Total Receipts	<u>128,310</u>	<u>13,615</u>			<u>141,925</u>
Disbursements:					
General government				19,414	19,414
Law enforcement				4,222	4,222
Highways and streets	155,388			4,409	159,797
Public safety		16,263	520	1,145	17,928
Contribution to water department				32,061	32,061
Total Disbursements	<u>155,388</u>	<u>16,263</u>	<u>520</u>	<u>61,251</u>	<u>233,422</u>
Cash Balance, December 31, 2023	<u>\$ 309,907</u>	<u>\$ 8,770</u>	<u>\$ 2,635</u>	<u>\$ 66,978</u>	<u>\$ 388,290</u>

CITY OF DIAZ, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(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:

	<u>December 31,</u> <u>2023</u>
Land	\$ 54,014
Buildings	293,266
Equipment	<u>989,337</u>
Total	<u>\$ 1,336,617</u>