

City of Diaz, Arkansas

Financial and Compliance Report

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



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

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Kevin William White, CPA, JD
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, 2024, and have issued our report thereon dated May 13, 2025. 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 2024:

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 **Recorder/Treasurer**.

Recorder/Treasurer

The General Fund bank account was not reconciled accurately at the end of each month. Additionally, the bank reconciliations were not prepared promptly at the end of each month for the Act 833 and Fire Department accounts, in noncompliance with Ark. Code Ann. § 14-59-108.

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
May 13, 2025
LOM204524

CITY OF DIAZ, 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	\$ 903,378	\$ 388,290
Receipts:		
State aid	18,203	117,651
Federal aid	7,400	
Property taxes	33,837	20,970
Franchise fees	45,357	
Sales taxes	265,207	
Fines, forfeitures, and costs	5,818	
Interest	42,316	12,229
Local permits and fees	1,381	
Donations	135,000	500
Other	9,486	4,000
Total Receipts	<u>564,005</u>	<u>155,350</u>
Disbursements:		
General government	194,413	
Law enforcement	161,180	1,247
Highways and streets	588	96,265
Public safety	44,748	15,020
Sanitation	1,560	
Contribution to water department		62,692
Total Disbursements	<u>402,489</u>	<u>175,224</u>
Cash Balance, December 31, 2024	<u>\$ 1,064,894</u>	<u>\$ 368,416</u>

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

Schedule 2

	Street	Fire Equipment and Training Act 833	Fire Department	American Recovery Plan Act	Total
Cash Balance, January 1, 2024	\$ 309,907	\$ 8,770	\$ 2,635	\$ 66,978	\$ 388,290
Receipts:					
State aid	100,650	17,001			117,651
Property taxes	20,970				20,970
Interest	12,224	5			12,229
Donations			500		500
Other	4,000				4,000
Total Receipts	<u>137,844</u>	<u>17,006</u>	<u>500</u>		<u>155,350</u>
Disbursements:					
Law enforcement				1,247	1,247
Highways and streets	96,265				96,265
Public safety		13,881	1,139		15,020
Contribution to water department				62,692	62,692
Total Disbursements	<u>96,265</u>	<u>13,881</u>	<u>1,139</u>	<u>63,939</u>	<u>175,224</u>
Cash Balance, December 31, 2024	<u>\$ 351,486</u>	<u>\$ 11,895</u>	<u>\$ 1,996</u>	<u>\$ 3,039</u>	<u>\$ 368,416</u>

CITY OF DIAZ, ARKANSAS
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(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>2024</u>
Land	\$ 54,014
Buildings	293,266
Equipment	<u>1,031,736</u>
Total	<u>\$ 1,379,016</u>