



Todd&Associates CPAs
ACCOUNTING - TAX - PAYROLL - CONSULTING

**CITY OF DIAZ WATER AND SEWER DEPARTMENT
Diaz, Arkansas**

For the Year Ended December 31, 2022

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
AND COMPILATION REPORT**

**CITY OF DIAZ
WATER AND SEWER DEPARTMENT
DIAZ, ARKANSAS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**CITY OF DIAZ
WATER AND SEWER DEPARTMENT
DIAZ, ARKANSAS
FOR THE YEAR ENDED DECEMBER 31, 2022**

**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-
UPON PROCEDURES**

**To the Mayor, City Council and Management
of the City of Diaz, Arkansas Water Department
Diaz, Arkansas**

I have performed the procedures enumerated below with respect to modified cash basis financial information and compliance with certain state laws, which were agreed to by the Mayor, City Council and management of the City of Diaz, Arkansas Water and Sewer Department (the “Department”) for the year ended December 31, 2022. This report is prepared in accordance with Arkansas Code Ann. 14-234-119. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Mayor, City Council and management of the Department. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and findings are as follows:

1. Cash and Investments

- A. Perform a proof of cash for the year and reconcile year-end bank balances to book balance.
- B. Confirm with depository institutions the cash on deposit and investments.
- C. Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater.

2022 – I found no exceptions as a result of the above procedures.

2. Receipts

- A. Agree the deposits per the proof of cash for the year with the deposits per the journal within 5% or \$500, whichever is greater.
- B. Agree ten customer payments on the accounts receivable subsidiary ledger to deposit and billing documents.
- C. For one deposit, agree the cash/check composition of the deposit with receipt information.

2022 – I found no exceptions as a result of the above procedures.

**CITY OF DIAZ
WATER AND SEWER DEPARTMENT
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FOR THE YEAR ENDED DECEMBER 31, 2022**

3. Accounts Receivable

- A. Agree ten customer billings to the accounts receivable subledger
- B. Determine that five customer adjustments were properly authorized

2022 – I found no exceptions as a result of the above procedures.

4. Disbursements

- A. Agree the disbursements per the proof of cash for the year with the disbursements per the journal within 5% or \$500, whichever is greater.
- B. Analyze all property, plant, and equipment disbursements.
- C. Select all disbursements paid to employees other than payroll and ten other disbursement and determine if they were properly documented.

2022 – I found no exceptions as a result of the above procedures

5. Property, Plant & Equipment

- A. Determine that additions and disposals were properly accounted for in the records.

2022 – There were no additions or disposal during the year.

6. Long-Term Debt

- A. Schedule long-term debt and verify changes in all balances for the year.
- B. Confirm loans, bonds, notes and contracts payable with the lender/trustee/contractor.
- C. Determine that the appropriate debt service accounts have been established and maintained.

2022 – I found no exceptions as a result of the above procedures. All remaining debt is current as of December 31, 2022.

7. General

- A. Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings.

2022 – I found no exceptions as a result of the above procedure. Monthly mosquito fee increased from \$3.75 to \$5.00 in July 2022.

**CITY OF DIAZ
WATER AND SEWER DEPARTMENT
DIAZ, ARKANSAS
FOR THE YEAR ENDED DECEMBER 31, 2022**

I was not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, I do not express such an opinion. Had I performed additional procedures other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee and City of Diaz Water and Sewer Department, and it is not intended to be and should not be used by anyone other than those specified parties.

Todd & Associates CPAs LLC

Todd & Associates CPAs
Mark Todd, Managing Partner
Little Rock, Arkansas
December 22, 2023

**CITY OF DIAZ
WATER AND SEWER DEPARTMENT
DIAZ, ARKANSAS
FOR THE YEAR ENDED DECEMBER 31, 2022**

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**To the Mayor, City Council and Management of the
City of Diaz Water and Sewer Department
Diaz, Arkansas**

Management is responsible for the accompanying financial statements of the City of Diaz Water and Sewer Department (the "Department"), which comprise the statements of assets, liabilities, and net position – modified cash basis as of December 31, 2022 and the related statement of cash receipts and cash disbursements for the years then ended, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the water and sewer system's assets, liabilities, net position, revenue and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not required as part of the modified cash financial statements. We did not audit or review the supplementary information nor were we required to perform any procedures to verify the accuracy or completeness of the supplementary information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this supplementary information.

Todd & Associates CPAs LLC

Todd & Associates CPAs
Little Rock, Arkansas
December 22, 2023

**CITY OF DIAZ
WATER AND SEWER DEPARTMENT
DIAZ, ARKANSAS
FOR THE YEAR ENDED DECEMBER 31, 2022**

**City of Diaz, Arkansas
Water and Sewer Department**

Statement of Assets, Liabilities, and Net Positions
Modified Cash Basis
For the Year Ended December 31, 2022

	<u>2022</u>
<u>Assets</u>	
Current Assets	
Cash	\$ 52,239
Restricted Assets	
Cash	\$ 29,583
Capital Assets	
Capital assets, net of accumulated depreciation	\$ 316,173
Total Assets	<u>\$ 397,994</u>
<u>Liabilities and Net Position</u>	
Current Liabilities	
Customer Deposits	\$ 29,583
Notes Payable	<u>\$ 21,073</u>
Total current liabilities	\$ 50,655
Net Position	
Net investment in capital assets	\$ 295,100
Unrestricted	<u>\$ 52,239</u>
Total Net Position	\$ 347,339
Total Liabilities and Net Position	<u>\$ 397,994</u>

**CITY OF DIAZ
WATER AND SEWER DEPARTMENT
DIAZ, ARKANSAS
FOR THE YEAR ENDED DECEMBER 31, 2022**

**City of Diaz, Arkansas
Water and Sewer Department**

Statement of Cash Receipts and Cash Disbursements
For the Year Ended December 31, 2022
(Unaudited)

	2022
Cash Receipts	
Services	\$ 311,315
Interest	341
Miscellaneous income	100
Sale of capital asset	120
Total Cash Receipts	<u>311,876</u>
Cash Disbursements	
Debt Service:	21,389
Capital expenditures	-
Water purchase	101,388
Landfill fees	20,860
Payroll and related expenses	92,277
Contract Labor	2,569
Sales tax	17,585
Operation and maintenance	2,019
Garbage bags	8,850
Insurance	4,203
Licenses and fees	10,170
Mosquito control	13,100
Office supplies	4,349
Operating supplies	2,289
Utilities	7,873
Gas and Oil	3,772
Miscellaneous	815
Total Cash Disbursements	<u>313,508</u>
Net cash receipts (disbursements) from operations	(1,632)
Change in customer deposits	<u>4,008</u>
Increase/(Decrease) in Cash	2,376
Beginning Cash, January 1st	<u>79,445</u>
Ending Cash, December 31st	<u>\$ 81,821</u>

**CITY OF DIAZ
WATER AND SEWER DEPARTMENT
DIAZ, ARKANSAS
FOR THE YEAR ENDED DECEMBER 31, 2022**

**City of Diaz Water and Sewer Department
Water and Sewer Rates
Supplementary Information
For the Year Ending December 31, 2022**

Usage	Water	Sewer	Usage	Water	Sewer	Usage	Water	Sewer
First 1,000 Gallons								
(Minimum Fee)	\$ 5.00	\$ 7.50	4900	\$ 19.50	\$ 14.63	8800	\$ 34.77	\$ 19.05
1100	5.00	7.70	5000	20.00	14.75	8900	35.04	19.15
1200	5.00	7.90	5100	20.50	14.88	9000	35.30	19.25
1300	5.00	8.10	5200	21.00	15.00	9100	35.57	19.35
1400	5.00	8.30	5300	21.50	15.13	9200	35.83	19.45
1500	5.00	8.50	5400	22.00	15.25	9300	36.10	19.55
1600	5.00	8.70	5500	22.50	15.38	9400	36.36	19.65
1700	5.00	8.90	5600	23.00	15.50	9500	36.63	19.75
1800	5.00	9.10	5700	23.50	15.30	9600	36.89	19.85
1900	5.00	9.30	5800	24.00	15.75	9700	37.16	19.95
2000	5.00	9.50	5900	24.50	15.88	9800	37.42	20.05
2100	5.50	9.70	6000	25.00	16.00	9900	37.69	20.15
2200	6.00	9.90	6100	25.50	16.13	10000	37.95	20.25
2300	6.50	10.10	6200	26.00	16.25			
2400	7.00	10.30	6300	26.50	16.38			
2500	7.50	10.50	6400	27.00	16.50			
2600	8.00	10.70	6500	27.50	16.63			
2700	8.50	10.90	6600	28.00	16.75			
2800	9.00	11.10	6700	28.50	16.88			
2900	9.50	11.30	6800	29.00	17.00			
3000	10.00	11.50	6900	29.50	17.13			
3100	10.50	11.70	7000	30.00	17.25			
3200	11.00	11.90	7100	30.27	17.35			
3300	11.50	12.10	7200	30.53	17.45			
3400	12.00	12.30	7300	30.80	17.55			
3500	12.50	12.50	7400	31.06	17.65			
3600	13.00	12.70	7500	31.33	17.75			
3700	13.50	12.90	7600	31.59	17.85			
3800	14.00	13.10	7700	31.86	17.95			
3900	14.50	13.30	7800	32.12	18.05			
4000	15.00	13.50	7900	32.39	18.15			
4100	15.50	13.63	8000	32.65	18.25			
4200	16.00	13.75	8100	32.92	18.35			
4300	16.50	13.88	8200	33.18	18.45			
4400	17.00	14.00	8300	33.45	18.55			
4500	17.50	14.13	8400	33.71	18.65			
4600	18.00	14.25	8500	33.98	18.75			
4700	18.50	14.38	8600	34.24	18.85			
4800	19.00	14.50	8700	34.51	18.95			