



**Todd&Associates CPAs**  
ACCOUNTING - TAX - PAYROLL - CONSULTING

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

**For the Year Ended December 31, 2023**

**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, 2023**

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**CITY OF DIAZ  
WATER AND SEWER DEPARTMENT  
DIAZ, ARKANSAS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**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, 2023. 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.

2023 – 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.

2023 – I found no exceptions as a result of the above procedures.

3. Accounts Receivable

- A. Agree ten customer billings to the accounts receivable subledger

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

B. Determine that five customer adjustments were properly authorized

2023 – 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 disbursements and determine if they were properly documented.

2023 – 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.

2023 – I found no exceptions as a result of the above procedures.

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.

2023 – I found no exceptions as a result of the above procedures. All outstanding debt has been satisfied as of December 31, 2023.

7. General

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

2023 – I found no exceptions as a result of the above procedure.

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.

**CITY OF DIAZ  
WATER AND SEWER DEPARTMENT  
DIAZ, ARKANSAS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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 31, 2024

**CITY OF DIAZ  
WATER AND SEWER DEPARTMENT  
DIAZ, ARKANSAS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**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, 2023 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 31, 2024

**CITY OF DIAZ  
WATER AND SEWER DEPARTMENT  
DIAZ, ARKANSAS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Statement of Assets, Liabilities, and Net Positions  
Modified Cash Basis  
For the Year Ended December 31, 2023  
(Unaudited)

|   | <u>2023</u>       |
|---|-------------------|
| <u>Assets</u>                                   |                   |
| Current Assets                                  |                   |
| Cash  | \$ 66,502         |
| Restricted Assets                               |                   |
| Cash  | \$ 29,808         |
| Capital Assets                                  |                   |
| Capital assets, net of accumulated depreciation | \$ 398,632        |
| Total Assets                                    | <u>\$ 494,942</u> |
| <u>Liabilities and Net Position</u>             |                   |
| Current Liabilities                             |                   |
| Customer Deposits                               | \$ 29,808         |
| Notes Payable                                   | \$ -              |
| Total current liabilities                       | <u>\$ 29,808</u>  |
| Total Liabilities                               | <u>\$ 29,808</u>  |
| Net Position                                    |                   |
| Net investment in capital assets                | \$ 398,632        |
| Unrestricted                                    | <u>\$ 66,502</u>  |
| Total Net Position                              | <u>\$ 465,134</u> |
| Total Liabilities and Net Position              | <u>\$ 494,942</u> |

**CITY OF DIAZ  
WATER AND SEWER DEPARTMENT  
DIAZ, ARKANSAS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Statement of Cash Receipts and Cash Disbursements  
For the Year Ended December 31, 2023  
(Unaudited)

|   | <u>2023</u>      |
|---|------------------|
| Cash Receipts                                     |                  |
| Services  | \$ 326,896       |
| Interest  | 89               |
| Miscellaneous income                              | 772              |
| Sale of capital asset                             | -                |
| Total Cash Receipts                               | <u>327,757</u>   |
| Cash Disbursements                                |                  |
| Debt Service:                                     | 21,389           |
| Capital expenditures                              | -                |
| Water purchase                                    | 112,205          |
| Landfill fees                                     | 20,646           |
| Payroll and related expenses                      | 72,775           |
| Contract Labor                                    | 4,427            |
| Sales tax   | 18,231           |
| Operation and maintenance                         | 10,238           |
| Garbage bags                                      | 8,850            |
| Insurance   | 7,112            |
| Licenses and fees                                 | 9,773            |
| Mosquito control                                  | 5,500            |
| Office supplies                                   | 4,470            |
| Operating supplies                                | 2,675            |
| Utilities   | 8,270            |
| Gas and Oil                                       | 6,368            |
| Miscellaneous                                     | 563              |
| Total Cash Disbursements                          | <u>313,493</u>   |
| Net cash receipts (disbursements) from operations | 14,263           |
| Change in customer deposits                       | <u>225</u>       |
| Increase/(Decrease) in Cash                       | 14,488           |
| Beginning Cash, January 1st                       | 81,821           |
| Ending Cash, December 31st                        | <u>\$ 96,309</u> |



**CITY OF DIAZ  
WATER AND SEWER DEPARTMENT  
DIAZ, ARKANSAS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**City of Diaz Water and Sewer Department  
Water and Sewer Rates  
Supplementary Information  
For the Year Ending December 31, 2023**

| Usage                                | Water   | Sewer   | Usage | Water    | Sewer    | Usage | Water    | Sewer    |
|--------------------------------------|---------|---------|-------|----------|----------|-------|----------|----------|
| First 1,000 Gallons<br>(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    |       |          |          |