

Oak Grove Heights Wastewater

(A Component Unit of the City of Oak Grove Heights, Arkansas)

Agreed-Upon Procedures Report

For the Year Ended December 31, 2022

**Thomas, Speight & Noble
Certified Public Accountants**

2210 Fowler Avenue
Jonesboro, AR 72401
(870) 932-5858



INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor and
Members of the City Council
City of Oak Grove Heights
85 Kimberly Street
Paragould, AR 72450

We have performed the procedures enumerated below with respect to modified cash basis financial information and compliance with certain state laws for Oak Grove Heights Wastewater, a component unit of the City of Oak Grove Heights, Arkansas, for the year ended December 31, 2022. This report is prepared in accordance with Ark. Code Ann. 14-234-119-122. Oak Grove Heights Wastewater's management is responsible for the modified cash basis financial information and compliance with certain state laws.

Oak Grove Heights Wastewater has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of compliance with certain state laws. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

CASH AND INVESTMENTS

1. 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 deposits and investments.
- C. Agree the proof of cash ending balances to the book balances with 5% of \$500, whichever is greater.

Findings: We found no exceptions as a result of the procedures.

RECEIPTS

2. 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 10 customer payments in the accounts receivable subledger to deposit and billing documents.
- C. For ten deposits, agree the cash/check composition of the deposit with receipt information.

Findings: We found one exception where one cash/check composition of the deposit did not agree with the receipt information as a result of the procedures.

ACCOUNTS RECEIVABLE

3. A. Agree 10 customer billings to the accounts receivable subledger.
- B. Determine that five (5) customer adjustments were properly authorized.

Findings: We found no exceptions as a result of the procedures.

DISBURSEMENTS

4. 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 adequately documented.

Findings: We found no exceptions as a result of the procedures.

PROPERTY, PLANT AND EQUIPMENT

5. A. Determine that additions and disposals were properly accounted for in the records. (Materiality level – 5% of total equipment or \$500, whichever is greater.)

Findings: We found no exceptions as a result of the procedures.

LONG-TERM DEBT

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

Findings: We found no exceptions as a result of the procedures.

GENERAL

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

Findings: We found no exceptions as a result of the procedures.

We were engaged by Oak Grove Heights Wastewater to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the modified cash basis financial information and compliance with certain state laws. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Oak Grove Heights Wastewater and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City Council of Oak Grove Heights, Arkansas, Arkansas Natural Resources Commission, USDA Rural Development and the Division of Legislative Audit for the State of Arkansas and is not intended to be and should not be used by anyone other than those specified parties.

Thomas, Speight & Noble, CPAs

Thomas, Speight & Noble, CPAs
Jonesboro, Arkansas
January 20, 2023

Oak Grove Heights Wastewater

(A Component Unit of the City of Oak Grove Heights, Arkansas)

Compiled Financial Statements

For the Year Ended December 31, 2022

Thomas, Speight & Noble
Certified Public Accountants

2210 Fowler Avenue
Jonesboro, AR 72401
(870) 932-5858

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THOMAS, SPEIGHT & NOBLE, CPAs

A PROFESSIONAL ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF THE PRIVATE COMPANIES SECTION OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Honorable Mayor and
Members of the City Council
City of Oak Grove Heights
85 Kimberly Street
Paragould, AR 72450

Management is responsible for the accompanying financial statement of Oak Grove Heights Wastewater, a component unit of Oak Grove Heights, Arkansas, which comprise the Statements of Assets, Liabilities & Net Position as of December 31, 2022 and 2021 and the related Statements of Revenues, Expenses & Changes in Net Position for the years then ended. 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 statements 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 Department's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Thomas, Speight & Noble, CPAs

Thomas, Speight & Noble, CPAs
Jonesboro, Arkansas
January 20, 2023

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Oak Grove Heights Wastewater
(A Component Unit of the City of Oak Grove Heights, Arkansas)
Statements of Assets, Liabilities & Net Position
December 31, 2022 & 2021

	2022	2021
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents - unrestricted	\$ 193,255	\$ 105,197
Total current assets	193,255	105,197
NON-CURRENT ASSETS		
Cash and cash equivalents - restricted	155,917	349,217
Capital assets, net of accumulated depreciation	2,569,643	2,405,865
Total non-current assets	2,725,560	2,755,082
TOTAL ASSETS	\$ 2,918,815	\$ 2,860,279
<u>LIABILITIES AND NET POSITION</u>		
CURRENT LIABILITIES		
Accrued interest	\$ 2,582	\$ 2,349
Current portion of long-term debt	47,999	46,565
Total current liabilities	50,581	48,914
LONG-TERM DEBT, net of current portion	1,878,043	1,926,181
LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Customer deposits	11,748	11,164
TOTAL LIABILITIES	1,940,372	1,986,259
NET POSITION		
Net investment in capital assets	643,601	433,119
Restricted	144,169	338,053
Unrestricted	190,673	102,848
Total net position	978,443	874,020
TOTAL LIABILITIES AND NET POSITION	\$ 2,918,815	\$ 2,860,279

Oak Grove Heights Wastewater
(A Component Unit of the City of Oak Grove Heights, Arkansas)
Statements of Revenues, Expenses & Changes in Net Position
For the Years Ended December 31, 2022 & 2021

	2022	2021
OPERATING REVENUES		
Sewer revenue	\$ 182,980	\$ 183,540
Sales and use tax	195,666	213,631
Other operating revenue	4,188	12,924
Total operating revenue	382,834	410,095
 OPERATING EXPENSES		
Salaries	29,024	26,903
Payroll taxes	9,171	7,160
Utilities	33,101	27,000
Repairs & maintenance	34,886	21,091
Insurance and dues	7,817	4,898
Materials & supplies	11,773	23,167
Professional fees	7,826	17,109
Permits and licenses	7,122	5,705
Fuel	3,301	2,318
Miscellaneous expense	8,024	1,570
Depreciation	74,826	70,695
Total operating expenses	226,871	207,616
 OPERATING INCOME (LOSS)	 155,963	 202,479
 NON-OPERATING REVENUES (EXPENSES)		
Interest income	776	361
Interest expense	(52,316)	(59,544)
Non-operating revenues (expenses)	(51,540)	(59,183)
 CHANGE IN NET POSITION	 104,423	 143,296
 NET POSITION AT BEGINNING OF YEAR	 874,020	 730,724
NET POSITION AT END OF YEAR	\$ 978,443	\$ 874,020