

**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, 2023**

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

2210 Fowler Avenue  
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A Professional Association of Certified Public Accountants

Member of the Private Companies Section of the American Institute of Certified Public Accountants

## 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, 2023. 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.

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870-892-2575  
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501 Ward Avenue  
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573-333-4225  
Fax 573-333-4443

1120 Windover Rd  
PO Box 17156  
Jonesboro, AR 72403  
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## **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 no exception 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  
February 9, 2024

**Oak Grove Heights Wastewater**

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

**Compiled Financial Statements**

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

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

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## 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, 2023 and 2022 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  
February 9, 2024

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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, 2023 & 2022**

	<u>2023</u>	<u>2022</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents - unrestricted	\$ 227,476	\$ 193,255
Total current assets	<u>227,476</u>	<u>193,255</u>
<b>NON-CURRENT ASSETS</b>		
Cash and cash equivalents - restricted	271,462	155,917
Capital assets, net of accumulated depreciation	<u>2,501,167</u>	<u>2,569,643</u>
Total non-current assets	<u>2,772,629</u>	<u>2,725,560</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,000,105</u></u>	<u><u>\$ 2,918,815</u></u>
<b><u>LIABILITIES AND NET POSITION</u></b>		
<b>CURRENT LIABILITIES</b>		
Accrued interest	\$ 3,727	\$ 2,582
Current portion of long-term debt	<u>49,478</u>	<u>47,999</u>
Total current liabilities	<u>53,205</u>	<u>50,581</u>
<b>LONG-TERM DEBT, net of current portion</b>	1,828,422	1,878,043
<b>LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Customer deposits	<u>11,544</u>	<u>11,748</u>
<b>TOTAL LIABILITIES</b>	1,893,171	1,940,372
<b>NET POSITION</b>		
Net investment in capital assets	623,268	643,601
Restricted	259,918	144,169
Unrestricted	<u>223,748</u>	<u>190,673</u>
Total net position	<u>1,106,934</u>	<u>978,443</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 3,000,105</u></u>	<u><u>\$ 2,918,815</u></u>



**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, 2023 & 2022**

	<u>2023</u>	<u>2022</u>
<b>OPERATING REVENUES</b>		
Sewer revenue	\$ 185,635	\$ 182,980
Sales and use tax	183,212	195,666
Other operating revenue	<u>10,514</u>	<u>4,188</u>
Total operating revenue	379,361	382,834
<b>OPERATING EXPENSES</b>		
Salaries	17,166	29,024
Payroll taxes	6,668	9,171
Utilities	32,183	33,101
Repairs & maintenance	19,336	34,886
Insurance and dues	7,097	7,817
Materials & supplies	14,051	11,773
Professional fees	8,350	7,826
Permits and licenses	7,740	7,122
Fuel	2,863	3,301
Miscellaneous expense	5,183	8,024
Depreciation	<u>79,474</u>	<u>74,826</u>
Total operating expenses	<u>200,111</u>	<u>226,871</u>
<b>OPERATING INCOME (LOSS)</b>	179,250	155,963
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest income	1,033	776
Interest expense	<u>(51,792)</u>	<u>(52,316)</u>
Non-operating revenues (expenses)	<u>(50,759)</u>	<u>(51,540)</u>
<b>CHANGE IN NET POSITION</b>	128,491	104,423
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>978,443</u>	<u>874,020</u>
<b>NET POSITION AT END OF YEAR</b>	<u><u>\$ 1,106,934</u></u>	<u><u>\$ 978,443</u></u>