

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, 2025

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

1120 Windover Road
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, 2025. This report is prepared in accordance with Ark. Code Ann. 14-234-119-122. Oak Grove Heights Wasterwater'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.

1120 Windover Rd
PO Box 17156
Jonesboro, AR 72403
870-935-1091
Fax 870-935-1312

420 West Walnut
PO Box 205
Blytheville, AR 72315
870-762-5831
Fax 870-762-5833

1400 West Keiser
PO Box 644
Osceola, AR 72370
870-563-2638
Fax 870-563-3794

915 Townsend Drive
PO Box 700
Pocahontas, AR 72455
870-892-2575
Fax 870-892-2576

501 Ward Avenue
PO Box 1154
Caruthersville, MO 63830
573-333-4225
Fax 573-333-4443

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 10, 2026

Oak Grove Heights Wastewater

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

Compiled Financial Statements

For the Year Ended December 31, 2025

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

1120 Windover Road
Jonesboro, AR 72401
(870) 932-5858

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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, 2025 and 2024 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 10, 2026

1120 Windover Rd PO Box 17156 Jonesboro, AR 72403 870-935-1091 Fax 870-935-1312	420 West Walnut PO Box 205 Blytheville, AR 72315 870-762-5831 Fax 870-762-5833	1400 West Keiser PO Box 644 Osceola, AR 72370 870-563-2638 Fax 870-563-3794	915 Townsend Drive PO Box 700 Pocahontas, AR 72455 870-892-2575 Fax 870-892-2576	501 Ward Avenue PO Box 1154 Caruthersville, MO 63830 573-333-4225 Fax 573-333-4443
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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, 2025 & 2024

	2025	2024
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents - unrestricted	\$ 226,817	\$ 193,920
Total current assets	226,817	193,920
NON-CURRENT ASSETS		
Cash and cash equivalents - restricted	190,279	285,556
Capital assets, net of accumulated depreciation	2,338,552	2,419,860
Total non-current assets	2,528,831	2,705,416
TOTAL ASSETS	\$ 2,755,649	\$ 2,899,336
<u>LIABILITIES AND NET POSITION</u>		
CURRENT LIABILITIES		
Accrued interest	\$ 7,451	\$ 1,942
Current portion of long-term debt	42,603	40,741
Total current liabilities	50,054	42,683
LONG-TERM DEBT, net of current portion	1,477,948	1,649,518
LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Customer deposits	13,604	12,883
TOTAL LIABILITIES	1,541,606	1,705,084
NET POSITION		
Net investment in capital assets	818,001	729,601
Restricted	176,675	272,673
Unrestricted	219,367	191,978
Total net position	1,214,043	1,194,252
TOTAL LIABILITIES AND NET POSITION	\$ 2,755,649	\$ 2,899,336

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, 2025 & 2024

	2025	2024
OPERATING REVENUES		
Sewer revenue	\$ 191,451	\$ 189,207
Sales and use tax	151,644	172,481
Other operating revenue	3,042	2,768
Total operating revenue	346,137	364,456
 OPERATING EXPENSES		
Salaries	48,816	45,093
Payroll taxes	11,467	13,523
Utilities	35,497	31,286
Repairs & maintenance	18,716	10,573
Insurance and dues	9,424	9,378
Materials & supplies	18,763	22,201
Professional fees	11,025	6,702
Permits and licenses	8,233	5,670
Fuel	2,156	2,915
Miscellaneous expense	2,389	4,785
Depreciation	81,308	81,308
Total operating expenses	247,794	233,434
 OPERATING INCOME (LOSS)	 98,343	 131,022
 NON-OPERATING REVENUES (EXPENSES)		
Interest income	1,042	1,123
Interest expense	(79,594)	(44,827)
Non-operating revenues (expenses)	(78,552)	(43,704)
 CHANGE IN NET POSITION	 19,791	 87,318
 NET POSITION AT BEGINNING OF YEAR	 1,194,252	 1,106,934
NET POSITION AT END OF YEAR	\$ 1,214,043	\$ 1,194,252