

**TOWN OF GREENWAY WATER AND SEWER
DEPARTMENT
Greenway, Arkansas**

December 31, 2024

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

S. DON RAY

CERTIFIED PUBLIC ACCOUNTANT

**TOWN OF GREENWAY
WATER AND SEWER DEPARTMENT
GREENWAY, ARKANSAS
DECEMBER 31, 2024**

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S. DON RAY
CERTIFIED PUBLIC ACCOUNTANT

**To the Mayor, Town Council and Management
of the Town of Greenway Water and Sewer Department
Greenway, Arkansas**

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

I have performed the procedures enumerated below, which were agreed to by the Mayor, Town Council and management on the procedures specified by the Arkansas Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 for the Town of Greenway, Arkansas, Water and Sewer Department (the Department), for the year ended December 31, 2024. The Department's management is responsible for the Department's accounting records. The sufficiency of these procedures is solely the responsibility of the Arkansas Legislative Joint Auditing Committee. 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.

1. Cash and Investments

- A. Perform a proof of cash for the year and reconcile year-end bank balances to book balances.
- 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.

Findings: 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.

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

3. Accounts Receivable

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

Findings: 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 adequately documented.

Findings: 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.

Findings: 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.

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

7. General

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

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

This engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. I was not engaged to, and did not, conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the procedures specified by the Arkansas Code Ann. 14-234-119. Accordingly, I do not express such an opinion or conclusion. 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, USDA Rural Development, and the Department and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in blue ink that reads "S. Don Ray, CPA". The signature is stylized and cursive.

S. Don Ray, CPA
Jonesboro, Arkansas
February 9, 2025

S. DON RAY
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**To the Mayor, Town Council and Management
of the Town of Greenway Water and Sewer Department
Greenway, Arkansas**

Management is responsible for the accompanying financial statements of the Town of Greenway Water and Sewer Department (the Department) business-type activities, which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 31, 2024 and the related statement of cash receipts and cash disbursements for the year then ended, and for determining the modified-cash basis of accounting is an acceptable financial reporting framework. I 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. I did not audit or review the financial statements, nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Supplementary Information

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



**S. Don Ray, CPA
Jonesboro, Arkansas
February 9, 2025**

TOWN OF GREENWAY WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS

Cash - Water Maintenance Account	\$	2,541
Cash - Sewer Fund		14,990
TOTAL CURRENT ASSETS	\$	<u>17,531</u>

RESTRICTED ASSETS

Cash - Water Deposit	\$	9,969
Certificate of Deposit - Water Department		31,262
Cash - USDA Short-Lived Asset		7,601
Cash - Sewer Revenue Bond		655
Cash - Sewer Construction		-
Cash - USDA Debt Service Reserve		1,126
TOTAL RESTRICTED ASSETS	\$	<u>50,613</u>

CAPITAL ASSETS

Land	\$	8,000
Sewer capital assets, net of accumulated depreciation		523,769
Water capital assets, net of accumulated depreciation		-
TOTAL CAPITAL ASSETS	\$	<u>531,769</u>

TOTAL ASSETS

	\$	<u><u>599,913</u></u>
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LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Customer deposits	\$	9,969
Current maturities of long-term debt		3,032
TOTAL CURRENT LIABILITIES	\$	<u>13,001</u>

LONG-TERM LIABILITIES

Long-term debt, net of current maturities	\$	145,257
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TOTAL LIABILITIES

	\$	<u>158,258</u>
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NET POSITION

Net investment in capital assets	\$	383,480
Restricted		40,644
Unrestricted		17,531
TOTAL NET POSITION	\$	<u>441,655</u>

TOTAL LIABILITIES AND NET POSITION

	\$	<u><u>599,913</u></u>
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SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

TOWN OF GREENWAY WATER AND SEWER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2024

	WATER DEPARTMENT	SEWER DEPARTMENT	COMBINED BOTH DEPARTMENTS
CASH IN BANK, JANUARY 1			
Water Maintenance Account	\$ 3,545	-	\$ 3,545
Water Deposit Account	9,433	-	9,433
Water Department Certificate of Deposit	30,827	-	30,827
Sewer Fund Account	-	\$ 10,735	10,735
USDA Short-Lived Asset Account	-	4,092	4,092
USDA Sewer Revenue Bond Account	-	548	548
RD Sewer Construction Account	-	100	100
USDA Debt Service Reserve Account	-	609	609
TOTAL CASH IN BANK, JANUARY 1	\$ 43,805	\$ 16,084	\$ 59,889
ADD: CASH RECEIPTS			
Service Fees	\$ 52,776	\$ 30,392	\$ 83,168
Deposits	1,100	-	1,100
Contribution from Town Government	-	-	-
Loan Proceeds	-	24,911	24,911
Interest	435	7	442
TOTAL CASH RECEIPTS	\$ 54,311	\$ 55,310	\$ 109,621
LESS: CASH DISBURSEMENTS			
Payroll Expense	\$ 27,017	\$ 9,400	\$ 36,417
Payroll Tax	6,796	1,760	8,556
Contract Labor	253	-	253
Advertising	-	88	88
Fuel	-	204	204
Sales Tax	3,256	2,430	5,686
Postal Fees	798	-	798
Utilities	5,872	820	6,692
Repairs and Maintenance	6,074	514	6,588
Dues and Subscriptions	991	-	991
Workers Compensation	33	78	111
Capital Sewer Improvements	-	24,911	24,911
Professional Fees	1,505	1,765	3,270
Licensing Fees	720	-	720
Debt Service - Principle	-	3,345	3,345
Debt Service - Interest	-	1,707	1,707
Miscellaneous	466	-	466
Deposit Refunds	563	-	563
TOTAL CASH DISBURSEMENTS	\$ 54,344	\$ 47,022	\$ 101,366
CASH IN BANK, DECEMBER 31			
Water Maintenance Account	\$ 2,541	-	\$ 2,541
Water Deposit Account	9,969	-	9,969
Water Department Certificate of Deposit	31,262	-	31,262
Sewer Fund Account	-	\$ 14,990	14,990
USDA Short-Lived Asset Account	-	7,601	7,601
USDA Sewer Revenue Bond Account	-	655	655
RD Sewer Construction Account	-	-	-
USDA Debt Service Reserve Account	-	1,126	1,126
TOTAL CASH IN BANK, DECEMBER 31	\$ 43,772	\$ 24,372	\$ 68,144

SUPPLEMENTARY
INFORMATION

TOWN OF GREENWAY WATER AND SEWER DEPARTMENT
SCHEDULE OF WATER RATES
SUPPLEMENTARY INFORMATION
December 31, 2024

As of December 31, 2024, The Greenway Water and Sewer Department had 169 service connections.

WATER RATES				
		Minimum Charge	Additional Charges	Tax Rate
Water - Flat Rate	\$	16.00	None	8%
Water - Rate A	\$	12.77	\$3.05 per 1,000 gallons	8%
Water - Rate B	\$	16.00	\$4.00 per 1,000 gallons	8%

Miscellaneous Fees:

Safe Water Act \$.30 Minimum Charge plus 8% tax.
Reconnect Fee \$ 75.00 Minimum Charge.

SEWER RATES				
		Minimum Charge	Additional Charges	Tax Rate
Sewer - Flat Rate	\$	15.00	None	8%
Sewer	\$	15.00	\$7.25 per 1,000 gallons	8%

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**TOWN OF GREENWAY WATER AND SEWER DEPARTMENT
SCHEDULE OF COMMITMENTS
SUPPLEMENTARY INFORMATION
December 31, 2024**

ISSUER	ANNUAL PAYMENT	RATE OF INTEREST	AMOUNT AUTHORIZED AND ISSUED	CURRENT PORTION OF DEBT OUTSTANDING	LONG-TERM PORTION OF DEBT OUTSTANDING	TOTAL DEBT OUTSTANDING
USDA	\$ 5,052	1.375%	\$ 155,000	\$ 3,032	\$ 145,257	\$ 148,289
TOTAL COMMITMENTS	\$ 5,052		\$ 155,000	\$ 3,032	\$ 145,257	\$ 148,289