

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

December 31, 2025

**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, 2025**

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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, 2025. 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 items 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.



S. Don Ray, CPA
Jonesboro, Arkansas
February 1, 2026

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, 2025 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 1, 2026**

TOWN OF GREENWAY WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2025

ASSETS

CURRENT ASSETS

Cash - Water Maintenance Account	\$	841
Cash - Sewer Fund		15,007
TOTAL CURRENT ASSETS	\$	<u>15,848</u>

RESTRICTED ASSETS

Cash - Water Deposit	\$	10,479
Certificate of Deposit - Water Department		31,701
Cash - USDA Short-Lived Asset		11,126
Cash - Sewer Revenue Bond		747
Cash - USDA Debt Service Reserve		1,645
TOTAL RESTRICTED ASSETS	\$	<u>55,698</u>

CAPITAL ASSETS

Land	\$	8,000
Sewer capital assets, net of accumulated depreciaation		512,868
Water capital assets, net of accumulated depreciation		-
TOTAL CAPITAL ASSETS	\$	<u>520,868</u>

TOTAL ASSETS

	\$	<u>592,414</u>
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LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Customer deposits	\$	10,479
Current maturities of long-term debt		3,074
TOTAL CURRENT LIABILITIES	\$	<u>13,553</u>

LONG-TERM LIABILITIES

Long-term debt, net of current maturities	\$	142,183
TOTAL LIABILITIES	\$	<u>155,736</u>

NET POSITION

Net investment in capital assets	\$	375,611
Restricted		45,219
Unrestricted		15,848
TOTAL NET POSITION	\$	<u>436,678</u>

TOTAL LIABILITIES AND NET POSITION

	\$	<u>592,414</u>
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TOWN OF GREENWAY WATER AND SEWER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2025

	WATER DEPARTMENT	SEWER DEPARTMENT	COMBINED BOTH DEPARTMENTS
CASH IN BANK, JANUARY 1			
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
USDA Debt Service Reserve Account	-	1,126	1,126
TOTAL CASH IN BANK, JANUARY 1	\$ 43,772	\$ 24,372	\$ 68,144
ADD: CASH RECEIPTS			
Service Fees	\$ 51,329	\$ 28,600	\$ 79,929
Deposits	800	-	800
Contribution from Town Government	7,500	-	7,500
Loan Proceeds	-	-	-
Interest	442	27	469
TOTAL CASH RECEIPTS	\$ 60,071	\$ 28,627	\$ 88,698
LESS: CASH DISBURSEMENTS			
Payroll Expense	\$ 25,946	\$ 9,400	\$ 35,346
Payroll Tax	6,798	1,653	8,451
Supplies	284	-	284
Lab Testing Fees	918	174	1,092
Sales Tax	3,762	2,288	6,050
Postal Fees	790	-	790
Utilities	6,592	3,414	10,006
Repairs and Maintenance	9,796	675	10,471
Dues and Subscriptions	600	-	600
Workers Compensation	35	107	142
Milage	165	187	352
Insurance	900	900	1,800
Professional Fees	1,100	550	1,650
Permits	1,250	-	1,250
Debt Service - Principle	-	3,032	3,032
Debt Service - Interest	-	2,020	2,020
Miscellaneous	1,594	74	1,668
Deposit Refunds	292	-	292
TOTAL CASH DISBURSEMENTS	\$ 60,822	\$ 24,474	\$ 85,296
CASH IN BANK, DECEMBER 31			
Water Maintenance Account	\$ 841	-	\$ 841
Water Deposit Account	10,479	-	10,479
Water Department Certificate of Deposit	31,701	-	31,701
Sewer Fund Account	-	\$ 15,007	15,007
USDA Short-Lived Asset Account	-	11,126	11,126
USDA Sewer Revenue Bond Account	-	747	747
USDA Debt Service Reserve Account	-	1,645	1,645
TOTAL CASH IN BANK, DECEMBER 31	\$ 43,021	\$ 28,525	\$ 71,546

SUPPLEMENTARY
INFORMATION

TOWN OF GREENWAY WATER AND SEWER DEPARTMENT
SCHEDULE OF WATER RATES
SUPPLEMENTARY INFORMATION
December 31, 2025

As of December 31, 2025, The Greenway Water and Sewer Department had 144 service connections, comprised of 78 sewer connections and 66 water 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%

TOWN OF GREENWAY WATER AND SEWER DEPARTMENT
SCHEDULE OF COMMITMENTS
SUPPLEMENTARY INFORMATION
December 31, 2025

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	\$ 3,074	\$ 142,183	\$ 145,257
TOTAL COMMITMENTS	\$ 5,052		\$ 155,000	\$ 3,074	\$ 142,183	\$ 145,257

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT