

MARVELL WATER & SEWER DEPARTMENT

MARVELL, ARKANSAS

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

THE CLATWORTHY FIRM

PUBLIC ACCOUNTANTS

P.O. BOX 1307 • 703 CARRUTH AVENUE
MARVELL, AR 72366-1307

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P. R. CLATWORTHY, PA, EA, ATA

CHRIS R. CLATWORTHY, CPA, CPCU, ARE, ACU

Board of Directors
Marvell Water & Sewer Department
Marvell, Arkansas

ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have conducted the procedures enumerated below in compliance with Ark. Code Ann. 14-234-119 of the Marvell Water & Sewer Department as of September 30, 2024, and for the year then ended. Management is responsible for the Department's accounting records.

The Marvell Water & Sewer Department has agreed to and acknowledged that the procedures performed are appropriate to meet the intended compliance with Ark. Code Ann. 14-234-119. Additionally, the Board of Directors and management have agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for other purposes. The procedures performed may not address all the items of interest of a user of this report and may not meet the needs of all users of the report, and as such, users are responsible for determining whether the procedures are appropriate for their purpose. Accordingly, we do not express an opinion or conclusion on the subject matter.

The procedures and associated findings are as follows:

Cash and Investments

1. A. We performed a proof of cash for the year and reconciled year end bank balances to book balances. All balances were correct except for Certificate of Deposit #34992. The interest earned was added to match the bank balance.
- B. We obtained confirmation of the cash on deposit for the following accounts for the Marvell Water & Sewer Department:

Partners Bank	
Revenue	\$ 49,969
Meter Deposit	19,981
Operation and Maintenance	6,991
Debt Reserve	105,595
Certificates of Deposit	<u>26,739</u>
	<u>\$209,275</u>

- C. We agreed the proof of cash ending balances to the book balances. We found no exceptions as a result of these procedures except for the Certificate of Deposit mentioned in 1. A., which has been corrected.

Receipts

2. A. We agreed the deposits per the proof of cash with the deposits per the journal. We found no exceptions as a result of this procedure.
- B. We agreed ten customer payments to the accounts receivable subledger to deposit and billing documents. We found no exceptions as a result of this procedure.
- C. We agreed ten deposits with the cash/check composition of the deposit with receipt Information. We found no exceptions as a result of this procedure.

Accounts Receivable

3. A. We agreed ten customer billings to the accounts receivable subledger. We found no exception as a result of this procedure.
- B. We reviewed five customer adjustments which were reviewed and authorized by the Marvell Water & Sewer Board of Directors.

Disbursements

4. A. We agreed the disbursements per the proof of cash for the year with the disbursements per the journal. We found no exceptions as a result of this procedure.
- B. We analyzed all property, plant and equipment disbursements. All disbursements were properly accounted for in the records.
- C. We analyzed all disbursements paid to employees other than payroll and ten other disbursements and found them to be adequately documented.

Property, Plant and Equipment

5. Additions and disposals were properly accounted for in the records.

Long-Term Debt.

6. A. The long-term debt balances were reviewed. Minor adjustments were made to adjust for interest amounts. Principal amounts were reported correctly in the journal but the payments drafted caused interest to need adjustment.

Note Payable – FmHA 92 Sewer Bonds – loan balance reduced from \$200,690 to \$200,662

Note Payable – FMFA #05 – loan balance reduced from \$301,805 to \$301,069

Note Payable – USDA – New Water Tank – loan balance reduced from \$873,378 to \$873,267

- B. Loans are still in force and being paid.
- C. We agreed the debt service accounts have been established and maintained.

General

7. Items of significance were approved and documented in the Board of Director meetings.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the specified elements, accounts or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

This report is intended solely for the information and use of the Marvell Water & Sewer Department and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to Marvell Water & Sewer Department.

A handwritten signature in black ink that reads "Chris R. Clatworthy". The signature is written in a cursive style with a large, stylized initial "C" and a prominent "y" at the end.

Chris R. Clatworthy, CPA
Partner
The Clatworthy Firm
Marvell, AR 72366

August 31, 2026

THE CLATWORTHY FIRM

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Members of the Board of Directors
Marvell Water & Sewer Department
Marvell, AR 72366

Management is responsible for the accompanying financial statements of Marvell Water & Sewer Department which comprise the Statement of Assets, Liabilities and Equity – Cash Basis and the Statement of Revenue & Expense – Cash Basis for the year then ended in accordance with the cash basis of accounting and for determining that the cash basis of accounting is an acceptable financial reporting framework. 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.

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

Management has elected to omit substantially all of the disclosures and Statement of Cash Flows by the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Marvell Water & Sewer Department's financial position and results of operation. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Marvell Water & Sewer Department.



Chris R. Clatworthy, CPA
Partner
The Clatworthy Firm
Marvell, AR 72366

August 31, 2026

**Financial Statements of
MARVELL WATER & SEWER DEPARTMENT
For the Period Ended
September 30, 2024**

Prepared by:

The Clatworthy Firm

PO Box 1307
Marvell, AR 72366-1307
870-829-2842

MARVELL WATER & SEWER DEPARTMENT
Statement of Assets, Liabilities, and Equity- CASH BASIS
As of September 30, 2024

Assets

	2024
Current Assets	
CASH	\$ 60.00
BANK-HNB-WATER & SEWER #1	81,646.44
BANK-HNB-CUST.METER DEP.FUND	19,980.79
BANK-HNB-WATER & SEWER-O & M	2,773.00
BANK-HNB-METER DEP-CD34992	26,739.30
BANK-HNB-USDA DEBT RESERVE	105,595.28
RETURNED CHECKS	285.68
A/R-CUSTOMERS	60,866.16
A/R-UNBILLED	12,315.06
SUPPLY INVENTORY	7,249.00
PREPAID INSURANCE	2,218.80
ACCRUED INT REC-RESTRICTED	24.68
WATER PLANT EQUIPMENT	2,374,909.05
SEWER PLANT EQUIPMENT	2,095,197.82
OFFICE EQUIPMENT	2,790.47
EQUIPMENT	29,065.92
LESS: ACCUM. DEPR.	(2,048,618.45)
IMPROVEMENTS	12,940.86
VEHICLES	242,623.10
LAND	31,110.00
BUILDINGS	59,417.82
ACCUM.DEPR-EQUIPMENT	(265,194.05)
Total Current Assets	<u>2,853,996.73</u>
Total Assets	<u><u>\$ 2,853,996.73</u></u>

MARVELL WATER & SEWER DEPARTMENT
Statement of Assets, Liabilities, and Equity- CASH- BASIS
As of September 30, 2024

Liabilities and Equity

2024

Current Liabilities

TRASH COLLECTED PAYABLE	\$ 138,556.80
STATE W/H PAYABLE	342.08
SALES TAX PAYABLE	1,373.05
CUSTOMER METER DEPOSITS	<u>45,838.38</u>

Total Current Liabilities	<u>186,110.31</u>
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Long-Term Liabilities

N/P-FmHA 92 SEWER BONDS	200,661.76
N/P-FMFA #05	301,069.13
N/P PARTNERS BANK - 2018 CHEVROLET #21010355	37,723.11
N/P-USDA-NEW WATER TANK	873,266.98
A/P-CITY OF MARVELL	19,924.55
N/P JOHN DEERE FINANCIAL - EXCAVATOR & ROTARY CUTTER	<u>25,871.85</u>

Total Long-Term Liabilities	<u>1,458,517.38</u>
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Total Liabilities	<u>1,644,627.69</u>
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Equity

Other Equity	1,203,704.53
Retained Earnings	<u>5,664.51</u>

Total Equity	<u>1,209,369.04</u>
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Total Liabilities and Equity	<u>\$ 2,853,996.73</u>
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MARVELL WATER & SEWER DEPARTMENT
Statement of Revenue & Expense- CASH BASIS

	12 Months Ended September 30, 2024	
Sales		
WATER INCOME	\$ 200,231.21	39.5%
SEWER INCOME	109,904.02	21.7
MARVELL RURAL WATER-SEWER	13,995.71	2.8
RECONNECTION FEES	2,925.00	0.6
ACT 1053 INCOME	2,014.80	0.4
MARVELL RURAL WATER	170,573.90	33.7
INTEREST INCOME	1,321.39	0.0
MISCELLANEOUS INCOME	682.00	0.0
PENALTIES COLLECTED	4,807.39	0.0
Total Sales	506,455.42	100.0
Gross Profit	506,455.42	100.0
Operating Expenses		
ENVIRONMENTAL	45.00	0.0
MEETINGS	1,045.65	0.2
DEPRECIATION	33,000.00	6.5
OUTSIDE SERVICES	10,816.90	2.1
CONTRACT LABOR	13,320.00	2.6
RETIREMENT PROGRAM	21,456.69	4.2
FUEL & OIL	13,689.08	2.7
INS-PROPERTY	5,122.48	1.0
INS-VEHICLE	723.94	0.1
INS-WORKERS COMP	1,903.70	0.4
INS-EMPLOYEE MEDICAL & LIFE	31,100.24	6.1
RENT	1,104.08	0.2
INTEREST EXPENSE	61,880.20	12.2
LEGAL & ACCOUNTING	4,260.00	0.8
COMMISSIONERS' FEES	2,100.00	0.4
OPERATION SUPPLIES & EXPENSE	32,540.05	6.4
OFFICE SALARIES	56,010.76	11.1
SALARIES & WAGES	88,162.41	17.4
BILLING ADJUSTMENTS	30,095.45	5.9
OFFICE SUPPLIES	7,515.92	1.5
OFFICE POSTAGE	5,210.28	1.0
REPAIRS & MAINTENANCE	4,114.67	0.8
REPAIRS & MAIN.-WATER PLANT	100.00	0.0
REPAIRS & MAIN.-SEWER PLANT	10,337.72	2.0
STREET REPAIRS	552.50	0.1
UTILITIES & TELEPHONE	47,878.37	9.5
TAXES, LICENSES & PERMITS	5,958.52	1.2
PAYROLL TAX	10,746.30	2.1
Total Operating Expenses	500,790.91	98.9
Operating Income (Loss)	5,664.51	1.1
Net Income (Loss) Before Taxes	5,664.51	1.1
Net Income (Loss)	\$ 5,664.51	1.1%

No assurance is provided on these financial statements