

**DOTA PUBLIC WATER AUTHORITY
AUDIT OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023**

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WHITMIRE, ROBINSON & CO., CPA, LTD.

CERTIFIED PUBLIC ACCOUNTANTS

JESSE WHITMIRE, CPA
SHARON ROBINSON, CPA

200 PSE DRIVE
NEWPORT, AR 72112

249 EAGLE MOUNTAIN BLVD. SUITE 300
BATESVILLE, AR 72501

PHONE (870) 523-4346
FAX (870) 523-4352
PHONE (870) 698-1203
FAX (870) 698-0295

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Dota Public Water Authority
Cord, Arkansas 72524

Opinions

We have audited the accompanying financial statements of the business type activities of Dota Public Water Authority as of and for the years ended December 31, 2024, and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Dota Public Water Authority as of December 31, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dota Public Water Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dota Public

Water Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dota Public Water Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dota Public Water Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted *Management's discussion and analysis* that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise DOTA Public Water Authority's basic financial statements. The supplementary information shown on pages 24-25 is presented for purposes of additional analysis is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2025 on our consideration of Dota Public Water Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of testing, and not to provide an opinion on internal control over financial reporting or on compliance. That

report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dota Public Water Authority's internal control over financial reporting and compliance.

Whitmire, Robinson, & Co.
Batesville, AR
April 22, 2025

DOTA PUBLIC WATER AUTHORITY
STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023
(Note 1)

Assets	<u>2024</u>	<u>2023</u>
Current Assets		
Cash in banks and on hand (Note 5)	\$799,126	\$507,507
Accounts receivable, net of allowance for credit losses of \$811	48,363	55,931
Unbilled revenue	23,631	27,085
Inventory (Note 1)	45,038	40,170
Prepaid insurance	7,335	6,917
Accrued interest receivable	187	161
Total Current Assets	<u>923,680</u>	<u>637,771</u>
Noncurrent Assets		
Restricted Assets (Notes 2 and 5)		
Cash - meter deposit account	39,577	35,747
Cash - construction	55,280	52,630
Total Restricted Assets	<u>94,857</u>	<u>88,377</u>
Capital Assets (Note 3)		
Land	26,067	26,067
Other capital assets, net accumulated depreciation	1,868,584	2,038,253
Total Capital Assets	<u>1,894,651</u>	<u>2,064,320</u>
Other Assets		
Utilities and other deposits	740	740
Total Other Assets	<u>740</u>	<u>740</u>
Total Noncurrent Assets	<u>1,990,248</u>	<u>2,153,437</u>
Total Assets	<u><u>\$2,913,928</u></u>	<u><u>\$2,791,208</u></u>

See notes to financial statements.

**DOTA PUBLIC WATER AUTHORITY
STATEMENTS OF NET POSITION (Cont.)
DECEMBER 31, 2024 AND 2023**

	2024	2023
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$16,351	\$22,080
Payroll and other taxes payable	8,812	8,441
Accrued vacation	4,170	3,505
Total Current Liabilities	29,333	34,026
Meter Deposit	78,212	74,372
Total Liabilities	107,545	108,398
Net Position		
Invested in capital assets	1,894,651	2,064,320
Unrestricted	911,732	618,490
Total Net Position	2,806,383	2,682,810
Total Liabilities and Net Position	\$2,913,928	\$2,791,208

See notes to financial statements.

**DOTA PUBLIC WATER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Operating Income		
Water sales	\$730,042	\$691,771
Connection charges	28,884	12,100
Late payment penalties	14,201	14,057
Sales of materials	1,963	1,606
Miscellaneous income	12,283	1,805
Total Operating Income	<u>787,373</u>	<u>721,339</u>
Operating Expenses		
Purchased water	3,693	7,988
Salaries	212,429	201,437
Utilities	42,769	46,648
Chemicals	7,208	2,908
Operating supplies	60,772	53,693
Repairs	24,208	11,578
Transmission fees	13,748	13,297
Automobile and truck expense	11,706	10,124
Equipment rental	4,415	4,520
Telephone and telemeter	6,873	6,089
Office supplies and postage	13,732	12,103
Insurance	20,138	18,999
Legal and accounting	11,790	11,040
Payroll taxes	16,566	15,474
Employee benefits	49,272	47,376
Association fees	1,265	1,703
Bad debts and returned checks	610	3,917
Miscellaneous	4,382	4,041
Depreciation and amortization	183,739	184,962
Total Operating Expenses	<u>\$689,315</u>	<u>\$657,897</u>

See notes to financial statements.

**DOTA PUBLIC WATER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

Net Income From Operations	<u>2024</u> \$98,058	<u>2023</u> \$63,442
Nonoperating Revenue (Expense)		
Other Income - Interest	<u>25,515</u>	<u>22,875</u>
Total Nonoperating Revenue (Expense)	<u>25,515</u>	<u>22,875</u>
Changes in Net Assets	123,573	86,317
Net Position - Beginning of Year	<u>2,682,810</u>	<u>2,596,493</u>
Net Position - End of Year	<u>\$2,806,383</u>	<u>\$2,682,810</u>

See notes to financial statements.

**DOTA PUBLIC WATER AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Water sales	\$741,064	\$688,516
Other income	57,331	29,568
Total Receipts	<u>798,395</u>	<u>718,084</u>
Purchased water	3,691	7,986
Salaries	211,764	197,932
Administrative	25,522	24,846
Utilities	42,926	46,562
Operating and maintenance	184,907	162,525
Taxes and insurance	36,745	35,430
Total Disbursements	<u>505,555</u>	<u>475,281</u>
Net Cash Provided by Operating Activities	<u>292,840</u>	<u>242,803</u>
Cash Flows From Capital and Related Financing		
Purchase of fixed assets	(24,070)	(427,218)
Other deposits	-0-	(240)
Customer deposits	3,840	3,032
Net Cash Used in Capital and Related Financing	<u>(20,230)</u>	<u>(424,426)</u>
Cash Flow From Investing Activities		
Interest received	25,489	22,714
Net (Decrease)/Increase in Cash	298,099	(158,909)
Cash, Beginning of Year	<u>595,884</u>	<u>754,793</u>
Cash, End of Year	<u><u>\$893,983</u></u>	<u><u>\$595,884</u></u>

Statements of Cash Flows is continued on next page.

See notes to financial statements.

**DOTA PUBLIC WATER AUTHORITY
STATEMENTS OF CASH FLOWS (Cont.)
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
Cash Flows from Operating Activities		
Net income from operations	\$98,058	\$63,442
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	183,739	184,962
Increase or decrease in:		
Accounts receivable	7,568	995
Unbilled revenue	3,454	(4,250)
Accounts payable and other current liabilities	5,307	818
Inventory	(4,868)	(2,172)
Prepaid insurance	(418)	(992)
Net Cash Provided by Operating Activities	\$292,840	\$242,803

Supplemental Disclosure:

Cash paid during the year for interest was \$0; of this amount, none was capitalized.

See notes to financial statements.

**DOTA PUBLIC WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

Note 1 - Summary of Significant Accounting Policies

- a. The Association was incorporated as a nonprofit corporation under the laws of the State of Arkansas in 1984 to construct, operate and maintain a rural water system.
- Effective February 13, 2002, Dota Water Association, Inc. was reconstituted as Dota Public Water Authority pursuant to Act 115 of 2001. Dota Public Water Authority is a body politic and corporate and a political subdivision of the State of Arkansas. The primary benefit from the entity change is to provide access to tax-exempt capital markets and thereby assuring the customers the lowest water rates possible.
- b. Dota Public Water Authority is exempt from federal income taxes as a governmental entity.
- c. Under the Governmental Accounting Standards Board (GASB) Statement No. 62, *Accounting and Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, Dota Public Water Authority has adopted the option to apply all Financial Accounting Standards Board (FASB) Statements and Interpretations issued before November 30, 1989, except for those that conflict with or contradict GASB pronouncements.
- d. Dota Public Water Authority is using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.
- e. Property, plant and equipment are recorded at cost. Depreciation of the cost of property, plant and equipment is calculated on a straight-line basis over the estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred.
- f. Inventory is reported at cost determined by using the first-in, first out method. Inventory consists of construction and maintenance supplies related to the water system.

DOTA PUBLIC WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Cont.)
DECEMBER 31, 2024 AND 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

- g. For purposes of the statement of cash flows, the Authority considers all highly liquid debt instruments that are not restricted funds and with a maturity of three months or less to be cash equivalents.
- h. Accounts receivable related to water billing are shown net of an allowance for credit losses. Credit extended to customers is generally uncollateralized. Accounts are due the 16th of each month. Past due accounts are charged a \$5 late fee. It is the Company's policy to disconnect services once an account becomes 60 days past due. Customers are required to make a deposit, and deposits can be offset against the receivable.

Accounts receivable consist of credit extended to users in the normal course of business. Dota Public Water Authority uses the allowance method to account for uncollectible accounts receivable. Management performs ongoing credit evaluations of its accounts. Those considered uncollectible are reserved for through the allowance accounts. The policy for determining when receivables are past due or delinquent is based on how recently payments have been received. Management uses significant judgment in estimating uncollectible amounts. While management believes that Dota Public Water Authority's processes effectively address its exposure to doubtful accounts, changes in economic, industry or specific customer conditions may require adjustment to any allowance recorded by Dota Public Water Authority.

- i. The Authority grants credit for water sales to its members, all of whom are located in the immediate geographic area, on terms which are usual for a water utility. The collectibility of the Authority's receivables is dependent upon its member's ability to honor their water bill obligations. However, each member has a deposit with the Authority which is held as security for up to \$100 for homeowners and \$175 for renters of their unpaid account balance.
- j. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those amounts.

DOTA PUBLIC WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Cont.)
DECEMBER 31, 2024 AND 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

- k.** Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to customers water sales. Operating expenses for the Authority include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.
- l.** GASB Statement No. 34 established a new financial reporting model for state and local governments that included the addition of management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required fund financial statements and notes.
- m.** The Authority is exposed to various risks of loss related to property and casualty losses. It is the policy of Dota Public Water Authority to purchase commercial insurance including workers' compensation, for the risks of loss to which it is exposed. Under this arrangement, the Authority assumes the risk for the amount of loss where risk management principles and prior loss experience indicate a premium savings greater than exposures assumed.
- n.** Any rate increase must be authorized by the Authority's Board of Directors. The quality of water furnished to customers is subject to the requirements of the Environmental Protection Agency under the Safe Drinking Water Act, and the Arkansas Department of Health.
- o.** The Authority recognizes revenue as water services are provided to customers, which happens over time as the service is delivered and the performance obligation is satisfied. Revenues recognized in an accounting period include amounts billed to customers on a cyclical basis as well as an estimate of charges for services provided but unbilled for the period. Unbilled amounts are calculated by deriving estimates based on average daily usage of the billing cycle immediately following the accounting period.

DOTA PUBLIC WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Cont.)
DECEMBER 31, 2024 AND 2023

Summary of Significant Accounting Policies (continued)

o. (continued)

Customer bills are generated during the last week of each month, and payment is due by the 16th of the following month. Payments are considered delinquent if not received on or before the 16th, and a \$5 late charge is assessed. Sales tax and other taxes that are collected on behalf of government authorities, concurrent with revenue-producing activities, are primarily excluded from revenue.

Note 2 - Restricted Assets

Funds held as restricted assets at December 31, 2024 are detailed as follows:

<u>FUND</u>	<u>DESCRIPTION</u>	<u>2024</u>	<u>2023</u>
Construction	C.D.	\$55,280	\$52,630
Meter Deposit	Checking	<u>39,577</u>	<u>35,747</u>
		<u>\$94,857</u>	<u>\$88,377</u>

Note 3 - Utility Plant in Service

	<u>Balance</u> <u>January 1,</u> <u>2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31,</u> <u>2024</u>
Land and easements	\$26,067			\$26,067
Office furniture and fixtures	22,345			22,345
Office building	26,916			26,916
Water lines distribution system	4,288,845	\$406,480		4,695,325
Booster stations and tanks	82,944			82,944
Storage tanks	306,320			306,320
Connection costs	98,219			98,219
Equipment and tools	275,081			275,081
Construction in progress	392,410		(\$392,410)	-0-
Totals	<u>5,519,147</u>			<u>5,533,217</u>
Accumulated depreciation	<u>(3,454,827)</u>	<u>(183,739)</u>		<u>(3,638,566)</u>
Utility Plant, net	<u>\$2,064,320</u>	<u>\$222,741</u>	<u>(\$392,410)</u>	<u>\$1,894,651</u>

The policy of Dota Public Water is to capitalize all assets with a cost in excess of \$500.

**DOTA PUBLIC WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Cont.)
DECEMBER 31, 2024 AND 2023**

Note 3 - Utility Plant in Service (continued)

	Balance January 1, <u>2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2023</u>
Land easements	\$26,067			\$26,067
Office furniture and fixtures	22,345			22,345
Office building	26,916			26,916
Water lines distribution system	4,288,845			4,288,845
Booster stations and tanks	82,944			82,944
Storage tanks	306,320			306,320
Connection costs	98,219			98,219
Equipment and tools	230,273	\$44,808		275,081
Construction in progress		392,410		392,410
Totals	<u>5,081,929</u>	<u>437,218</u>		<u>5,519,147</u>
Accumulated depreciation	<u>(329,865)</u>	<u>(184,962)</u>		<u>(3,454,827)</u>
Utility Plant, net	<u><u>\$1,812,064</u></u>	<u><u>\$252,256</u></u>	<u><u>\$-0-</u></u>	<u><u>\$2,064,320</u></u>

Note 4 - Concentrations of Credit Risk

The Authority's financial instruments that are exposed to concentrations of credit risk consist primarily of cash equivalents and trade receivables. The Authority maintains its cash accounts primarily with banks located in Batesville, Arkansas. The total cash balances are insured by the F. D. I. C. up to \$250,000 per bank. At December 31, 2024, the Authority's carrying amount of deposits was \$893,983 and the bank balance was \$894,228. Of the bank balance, \$894,228 was insured by the F. D. I. C. and/or collateralized. At December 31, 2023, the Authority's carrying amount of deposits was \$595,884 and the bank balance was \$602,824. Of the bank balance, \$602,824 was insured by the F.D.I.C. and/or collateralized.

Note 5 - Compensated Absences

Dota Public Water Authority's policy provides that employees accrue vacation at the rate of 10 days per year for the first five years of employment and 15 days per year thereafter. A maximum carryover of 10 days is authorized.

Note 6 - Evaluation of Subsequent Events

The Authority has evaluated subsequent events through April 22, 2025, the date which the financial statements were available to be issued.

DOTA PUBLIC WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Cont.)
DECEMBER 31, 2024 AND 2023

Note 7 - Fair Value of Financial Instruments

The following methods and assumptions were used by Dota Public Water Authority in estimating the fair value of its financial instruments:

Cash, cash equivalents and other deposits: The carrying amounts reported in the balance sheets for cash, cash equivalents and other deposits approximates its fair value.

Receivables: The carrying amount reported in the balance sheets for receivables approximates its fair value.

Accounts payable and accrued expenses: The carrying amount reported in the balance sheets for accounts payable and accrued expenses approximate its fair value.

Other noncurrent liabilities: The carrying amount reported in the balance sheets for other noncurrent liabilities approximates its fair value.

Note 8 - Pension Plan

The Authority participates in SEP-IRA employer defined contribution pension plan. The employer cost for the plan is five percent of employee compensation for employees. The cost for the pension plan for 2024 and 2023 was \$9,386 and \$9,037 respectively. There have been no significant changes that affect the comparability of 2024 and 2023 contributions.

WHITMIRE, ROBINSON & CO., CPA, LTD.

CERTIFIED PUBLIC ACCOUNTANTS

JESSE WHITMIRE, CPA
SHARON ROBINSON, CPA

200 PSE DRIVE
NEWPORT, AR 72112

249 EAGLE MOUNTAIN BLVD. SUITE 300
BATESVILLE, AR 72501

PHONE (870) 523-4346
FAX (870) 523-4352
PHONE (870) 698-1203
FAX (870) 698-0295

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND ON OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Dota Public Water Authority
Cord, Arkansas 72524

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Dota Public Water Authority as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise Dota Public Water Authority's basic financial statements, and have issued our report thereon dated April 22, 2025.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered Dota Public Water Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dota Public Water Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Dota Public Water Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control described below that we consider to be a significant deficiency. The significant deficiency was as follows:

2024 - 1

Criteria: A proper segregation of duties is an integral part of the control structure.

Condition: The Authority's internal control structure disclosed that there are inherent limitations in the Authority's controls in this regard.

Cause: The Authority does not presently have the staff necessary to achieve a complete segregation of duties and the employment of additional personnel for the purpose of segregating duties may not be practical from a cost-benefit stand point.

Effect or Potential Effect: There is not an adequate separation of duties.

Recommendations: We recommend that this control be kept in mind when reviewing the flow of transactions and the organizational structure.

Views of Responsible Officials: Dota Water is aware of the deficiency and will continue to mitigate the deficiency with increased controls and monitoring of the financial statements.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dota Public Water Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Whitmire, Robinson & Co.
Batesville, Arkansas
April 22, 2025

SUPPLEMENTAL INFORMATION

**DOTA PUBLIC WATER AUTHORITY
BUDGET COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Over/ (Under) Budget</u>
Operating Income			
Water sales	\$734,200	\$730,042	(\$4,158)
Connection charges	8,000	28,884	20,884
Late payment penalties and reconnects	14,000	14,201	201
Miscellaneous income	1,200	14,246	13,046
Total Operating Income	<u>757,400</u>	<u>787,373</u>	<u>29,973</u>
Operating Expenses			
Purchased water	9,000	3,693	5,307
Salaries	211,140	212,429	(1,289)
Utilities	48,500	42,769	5,731
Operating supplies	60,000	60,772	(772)
Repairs	26,000	24,208	1,792
Transmission fees	14,000	13,748	252
Auto and truck expense	15,000	11,706	3,294
Equipment rental	7,000	4,415	2,585
Telephone and telemeter	4,800	6,873	(2,073)
Chemicals	4,000	7,208	(3,208)
Office supplies and postage	13,600	13,732	(132)
Insurance	21,000	20,138	862
Legal and accounting	10,500	11,790	(1,290)
Payroll taxes	16,500	16,566	(66)
Employee benefits	49,700	49,272	428
Association fees	1,400	1,265	135
Bad debts/returned checks	3,000	610	2,390
Miscellaneous	3,800	4,382	(582)
Depreciation and amortization	182,000	183,739	1,739
Total Operating Expenses	<u>700,940</u>	<u>689,315</u>	<u>11,625</u>
Net Income From Operations	56,460	98,058	41,598
Other Income - Interest	20,000	25,515	5,515
Net Income (Loss)	<u>\$76,460</u>	<u>\$123,573</u>	<u>\$47,113</u>

**DOTA PUBLIC WATER AUTHORITY
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2024**

<u>Policy Number</u>	<u>Company</u>	<u>Description of Coverage and Property Insured</u>	<u>Policy Term</u>	<u>Amount of Coverage</u>
3A0696613	EMC Insurance Company	Blanket on water treatment plants, including plumbing furnishings and all items required for a complete installation, as per statement of values on file, subject to \$250 deductible	5/2/24 through 5/2/25	\$1,936,924
CPA900820120		General Liability	5/2/24 through 5/2/25	\$600,000 general aggregate limit \$600,000 products/completed operations aggregate \$300,000 personal and advertising injury limit \$300,000 premises rented to you \$5,000 medical expense limit
Binder WCA900361731	Union Standard	Workers Compensation	2/26/24 through 2/26/25	\$100,000 bodily injury by accident, each accident \$100,000 bodily injury by disease, each employee \$500,000 disease policy limit
CBB-1074072	Old Republic Surety Company	Position Schedule Bond	10/14/24 through 10/14/25	\$60,000 bond limit
EQA38363	Lloyds of London	Earthquake	9/17/24 through 9/17/25	\$1,220,499

**DOTA PUBLIC WATER AUTHORITY
SCHEDULE OF WATER RATES
DECEMBER 31, 2024**

	<u>Per Thousand Gallons</u>
First 1,000 gallons	\$18.00
Every 1,000 gallons after minimum	\$ 6.50

**DOTA PUBLIC WATER AUTHORITY
BOARD OF DIRECTORS
DECEMBER 31, 2024**

Paul Strecker, President	March, 2025
Thomas Foushee, Vice-President	March, 2026
Andy Crigler	March, 2026
Bobby Duneheew	March, 2026
Mike Shaw	March, 2027
Scott Copeland	March, 2027
Eric Wood	March, 2025