Financial Statements and Supplemental Information

El Dorado Water Utilities
An Enterprise Fund of the City of El Dorado, Arkansas

For the Year Ended December 31, 2024
(with Independent Auditor's Reports thereon)

El Dorado
Water Utilities

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LANDMARK
CERTIFIED PUBLIC ACCOUNTANTS

To Paul Choate, Mayor, and Members of City Council
City of El Dorado, Arkansas
El Dorado, Arkansas

Report on the Financial Statements

Opinion

We have audited the financial statements of **El Dorado Water Utilities** (an enterprise fund of the City of El Dorado, Arkansas, hereinafter referred to as the Utility), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Utility's financial statements as listed in the table of contents

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Utility as of December 31, 2024, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Utility 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 opinion.

Responsibilities of Management for the Financial Statements

The Utility's management is responsible for the preparation and fair presentation of the 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 the Utility'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 Responsibilities 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 opinion. 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 U.S. GAAS and *Government 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 U.S. GAAS and *Government 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 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 the Utility'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 the Utility'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

Accounting principles generally accepted in the United States of America require that the schedule of the Utility's proportionate share of the net pension liability and the schedule of the Utility's contributions to pension plan be presented to supplement the financial statements. Such information is the responsibility of management, and although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who consider it an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and

Required Supplementary Information (Continued)

comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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.

Accounting principles generally accepted in the United States of America also require that *Management's Discussion and Analysis* be presented to supplement the financial statements. *Management's Discussion and Analysis*, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, as it is considered to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. Management has elected to omit *Management's Discussion and Analysis*. Our opinion on the financial statements is not affected by this missing information.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Utility's financial statements. The combining schedule of net position; combining schedule of revenues, expenses and changes in net position; comparative schedule of net position – water; comparative schedule of revenues, expenses and changes in net position – water; schedule of operating expenses – water; comparative schedule of net position – wastewater; comparative schedule of revenues, expenses and changes in net position – wastewater; and schedule of operating expenses – wastewater are presented for the purposes of additional analysis and are not a required part of the financial statements. The information presented in these schedules 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2026, on our consideration of the Utility'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Utility's 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 the Utility's internal control over financial reporting and compliance.

Other Matters

As disclosed in Note 1 to the financial statements, these financial statements present only the financial position, the changes in financial position and cash flows of the Utility and are not intended to present, and do not present the financial position of the City of El Dorado, Arkansas.

Landmark PLC

Little Rock, Arkansas
March 16, 2026

Financial Statements

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Statement of Net Position
December 31, 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets		
Cash and cash equivalents	$	4,258,452
Receivables		1,715,860
Inventories		426,532
Prepaid Insurance		25,764
Total Current Assets		6,426,608
Restricted Assets		
Cash and cash equivalents		3,123,746
Designated Assets		
Cash and cash equivalents designated for long-term purposes		8,976,613
Capital Assets		
Non-depreciable		5,104,932
Depreciable		111,924,974
		117,029,906
Less: Accumulated depreciation		58,990,567
Net Capital Assets		58,039,339
Total Assets		76,566,306
Deferred Outflows of Resources		
Pension related deferred outflows		215,249
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$	76,781,555

The accompanying notes are an integral part of these financial statements.

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Statement of Net Position (Continued)
December 31, 2024

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Current Liabilities		
Accounts payable	$	2,395,391
Accrued liabilities		174,081
Due to other funds		66,079
Customer deposits		323,465
Payable from restricted assets:		
Accrued interest payable		44,437
Current maturities of long-term debt		838,115
Total Current Liabilities		3,841,568
Long-term Liabilities		
Long-term debt		8,069,830
Net pension liability		1,300,452
Total Long-term Liabilities		9,370,282
Total Liabilities		13,211,850
Deferred Inflows of Resources		
Pension related deferred inflows		220,478
Net Position		
Net investment in capital assets		51,019,771
Restricted - expendable for capital projects		991,723
Unrestricted		11,337,733
Total Net Position		63,349,227
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$	76,781,555

The accompanying notes are an integral part of these financial statements.

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2024

OPERATING REVENUES		
Water sales	$	6,825,812
Wastewater sales		4,699,196
Other income		586,410
Total Operating Revenues		12,111,418
OPERATING EXPENSES		
Water operations		4,037,134
Wastewater operations		3,411,014
Depreciation and amortization		2,938,349
Total Operating Expenses		10,386,497
OPERATING INCOME		1,724,921
NON-OPERATING REVENUES (EXPENSES)		
Investment income		112,130
Interest expense		(178,796)
Other expense		(3,450)
Gain (loss) on disposal of assets		17,500
Total Non-operating Revenues (Expenses)		(52,616)
INCREASE IN NET POSITION BEFORE TRANSFERS		1,672,305
Transfer from other funds		6,336,000
CHANGE IN NET POSITION		8,008,305
NET POSITION - BEGINNING OF YEAR		55,340,922
NET POSITION - END OF YEAR	$	63,349,227

The accompanying notes are an integral part of these financial statements.

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Statement of Cash Flows
For the Year Ended December 31, 2024

Operating Activities		
Receipts from customers	$	10,836,781
Other receipts		586,410
Cash paid for supplies and operating costs		(3,777,907)
Cash paid for employee and related costs		(3,596,979)
Net Cash Provided by Operating Activities		4,048,305
Capital and Related Financing Activities		
Purchases of property, plant and equipment		(2,701,689)
Transfer from other funds		6,336,000
Long-term compensated absences paid		(5,960)
Interest paid on bonds		(195,714)
Proceeds from issuance of long-term debt		2,624,606
Principal payments on long-term debt		(815,000)
Trustee fees paid		(3,451)
Net Cash Provided by Capital and Related Financing Activities		5,238,792
Investing Activities		
Income from investments		112,130
Net Cash Provided by Investing Activities		112,130
NET INCREASE IN CASH AND CASH EQUIVALENTS		9,399,227
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		6,959,584
CASH AND CASH EQUIVALENTS - END OF YEAR	$	16,358,811
Presented on Statement of Net Position as follows:		
Current assets - cash and cash equivalents	$	4,258,452
Restricted assets - cash and cash equivalents		3,123,746
Designated assets - cash and cash equivalents designated for long-term purposes		8,976,613
	$	16,358,811
Supplemental Disclosures		
Schedule of Noncash Investing and Financing Transactions		
Property, plant and equipment additions included in accounts payable	$	2,223,584

The accompanying notes are an integral part of these financial statements.

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Statement of Cash Flows (Continued)
For the Year Ended December 31, 2024

Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	$	1,724,921
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization		2,938,349
Bad debts		258,291
Changes in pension-related accounts:		
Net pension liability		(318,631)
Pension related deferred outflows		244,121
Pension related deferred inflows		(99,535)
Decrease (increase) in current assets:		
Receivables		(679,655)
Inventories		(2,227)
Prepaid insurance		23,002
Increase (decrease) in current liabilities:		
Accounts payable		(8,129)
Accrued liabilities		(23,630)
Due to other funds		(1,719)
Customer deposits		(6,853)
Total adjustments		2,323,384
Net cash provided by operating activities	$	4,048,305

The accompanying notes are an integral part of these financial statements.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations and Reporting Entity

The El Dorado Water Utilities (the Utility) is an enterprise fund of the City of El Dorado, Arkansas (the City) providing water and wastewater services to approximately 9,200 customers in the City of El Dorado and surrounding areas.

The City Council of the City of El Dorado (City Council) serves as the governing board of the Utility and approves rates and fees for user charges. The Water Advisory Board, established by City Council and placed under the jurisdiction of the Public Works Department, serves the Utility in an advisory capacity.

Basis of Accounting and Presentation

The Utility is accounted for as an enterprise fund and uses the accrual basis of accounting. The Utility's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental enterprise units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the enterprise fund's ongoing operations. The principal operating revenues of the Utility are charges to customers for water and wastewater sales and services. Operating expenses for the Utility include the cost of pumping, treating and delivering water and wastewater discharge, administrative services, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available, the Utility's policy is to use restricted resources first, as required, and then unrestricted resources as they are needed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

Deferred outflows and inflows of resources are financial statement elements distinct from assets and liabilities and represent a consumption or production of net position that applies to future periods and so will not be recognized as an outflow or inflow of resources until then.

Cash and Cash Equivalents

For purposes of the presentation of cash flows, cash and cash equivalents include all restricted and unrestricted cash on hand, demand deposit accounts, money market deposits accounts and certificates of deposit with original maturities of 3 months or less at the date of purchase.

Receivables

The Utility uses the direct write-off method of recording bad debts; and accordingly, an allowance for doubtful accounts is not included in the financial statements. Management believes that there is no material difference between the direct write-off method used and the allowance method.

Inventories

Inventory consists of material and supplies used in the operation, maintenance and construction of or improvements to capital assets. Amounts in inventory are valued at cost, which approximates market values.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

It is generally the Utility's policy that assets to be used in operations with an initial cost greater than or equal to $1,000 and an estimated useful life of greater than one year are reported as capital assets. Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by the Utility:

Land improvements and buildings	10 - 40 years
Distribution mains	10 - 50 years
Equipment	5 - 50 years

Net Position

The Utility's net position is classified in three components. *Net investment in capital assets* consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. *Restricted net position* presents assets which are restricted either for debt service or capital projects, net of related payables. Net position restricted for debt service is related to assets which are restricted for use pursuant to bond agreements. Net position restricted for capital projects is related to bond proceeds, capital contributions, and contributions receivable which are restricted to certain capital projects. *Unrestricted net position* is the remaining assets less the remaining liabilities that do not meet the definition of net position in capital assets, net of related debt; or net position restricted for debt service or capital projects.

Revenue Recognition

The Utility recognizes revenue as water and sewer 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 cycle basis and unbilled amounts based on estimated usage from the last billing to the end of the accounting period. Unbilled amounts are calculated by deriving estimates based on average daily usage of the billing cycle immediately following the accounting period and are included in accounts receivable and operating revenues in the financial statements.

Compensated Absences

The Utility's policies permit employees to earn time off benefits that may be realized in the form of a cash payment or paid time off. A liability for compensated absences and related expenses are recognized as the time off benefits are earned by employees using regular pay rates in effect. Sick leave benefits are recognized only when the time off occurs.

Income Taxes

As a department of a local governmental entity, the Utility is exempt from federal and state income taxes.

Retirement Benefits

The Utility participates in the Arkansas Public Employees Retirement System (APERS), a cost-sharing multi-employer defined benefit plan, which provides retirement benefits to the Utility's employees. Pension items are allocated to the Utility based on contributions paid to APERS. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of APERS and additions to/deductions from APERS' fiduciary net position have been determined on the same basis as they are reported by APERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

NOTE 2 – DEPOSITS, INVESTMENTS AND INVESTMENT INCOME

At December 31, 2024, the Utility's deposits consisted of demand and time deposit accounts, and the Utility also holds investments of $274,794 in an open-ended money market account. The open-ended money market account is a Federated Treasury Obligation Fund, which is a publicly traded money market mutual fund comprised of short-term United States (U.S.) Treasury Securities. These balances are classified as cash and cash equivalents in the Utility's Statement of Net Position due to their highly liquid nature.

NOTE 2 – DEPOSITS, INVESTMENTS AND INVESTMENT INCOME (Continued)

Custodial Credit Risk

State of Arkansas (the State) statutes require the City, and thus the Utility, to maintain cash balances on deposit with financial institutions located within the State. There is risk that, in the event of a bank failure, these deposits may not be returned to the Utility. To mitigate this risk, it is generally the Utility's policy to obtain collateral for all deposit balances in excess of Federal Deposit Insurance Corporation (FDIC) insurance and that such collateral be held in the Utility's name by an agent of the Utility. At December 31, 2024, the Utility had uninsured deposit balances of $6,618,110. The money market mutual fund is a U.S. Treasury obligation fund and has a rating of AAAm/Aaa-mf.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investing is performed in accordance with the investment policies complying with state statutes. Funds may be invested in: (1) direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities, (2) certificates of deposit at financial institutions when secured by acceptable collateral, (3) time deposit accounts at financial institutions, to the extent fully insured, (4) any bond, note or other indebtedness insured by U.S. government or those agencies insured and guaranteed by the federal government and (5) in equity securities, to a limited extent.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Additions	Retirements	Reclasses	Ending Balance
Capital Assets, Nondepreciable					
Water Utility					
Land and land rights	$ 304,270	$ -	$ -	$ -	$ 304,270
Construction in progress	-	573,324	-	-	573,324
Wastewater Utility					
Land and land rights	696,052	-	-	-	696,052
Construction in progress	-	3,531,286	-	-	3,531,286
Total Capital Assets, Not Being Depreciated	1,000,322	4,104,610	-	-	5,104,932
Capital Assets, Depreciable					
Water Utility					
Plant and infrastructure	23,829,165	161,900	-	-	23,991,065
Distribution mains	24,746,110	-	-	-	24,746,110
Equipment	2,377,792	28,569	-	-	2,406,361
Other	47,145	2,980	-	-	50,125
Transportation	827,879	-	(80,562)	-	747,317
Wastewater Utility					
Plant and infrastructure	15,286,492	9,567	-	-	15,296,059
Distribution mains	14,229,403	393,208	-	-	14,622,611
Discharge line	23,814,339	-	-	-	23,814,339
Equipment	4,970,982	199,556	(58,052)	-	5,112,486
Other	415,217	-	-	-	415,217
Transportation	712,653	42,383	(31,752)	-	723,284
Total Capital Assets, Depreciable	111,257,177	838,163	(170,366)	-	111,924,974
Total Capital Assets	112,257,499	4,942,773	(170,366)	-	117,029,906
Accumulated Depreciation	(56,222,584)	(2,938,349)	170,366	-	(58,990,567)
Capital Assets, Net	$ 56,034,915	$ 2,004,424	$ -	$ -	$ 58,039,339

NOTE 4 – LONG-TERM DEBT

The Utility's long-term debt includes the following:

Water and Sewer Refunding Revenue Bonds, Series 2019A

The $4,540,000 Water and Sewer Refunding Revenue Bonds, Series 2019A (the Series 2019A Bonds) are special obligations of the Utility, payable from revenues of the water and wastewater system. Annual interest rates range from 2.25% to 3.00%. Principal payments are due annually on October 1 with the final payment scheduled in 2032. Interest payments are due semiannually on April 1 and October 1.

Water and Sewer Refunding Revenue Bonds, Taxable Series 2019B

The $5,375,000 Water and Sewer Refunding Revenue Bonds, Taxable Series 2019B, (the Series 2019B Bonds) are special obligations of the Utility, payable from revenues of the water and wastewater system. Annual interest rates range from 2.05% to 3.00%. Principal payments are due annually on October 1 with the final payment scheduled in 2030. Interest payments are due semiannually on April 1 and October 1.

Water and Sewer Revenue Bonds, Series 2024

The $33,000,000 City of El Dorado, Arkansas Water and Sewer Revenue Bond, Series 2024 (the Series 2024 Bond) is a special obligation, payable from revenues of the water and wastewater system. The Series 2024 Bond was issued to finance the costs of extensions, betterments and improvements to the sewer facilities. The Series 2024 Bond has an annual interest rate of 1.25% and a servicing fee of 1.00% which are payable monthly along with principal payments commencing on January 1, 2027 with the final payment scheduled in 2056. The disbursement cutoff date is December 1, 2026. As of December 31, 2024, the Utility had drawn $2,624,606 on the bond.

Compensated Absences

Compensated absences consist of vacation and other leave to the extent that payments are attributable to services already rendered and are not contingent on a specific event that is outside the control of the Utility and the employee. The liability has been calculated using pay rates in effect at December 31, 2024.

Changes in long-term debt for the year ended December 31, 2024, are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
Revenue bonds, 2019A	$ 3,375,000	$ -	$ (335,000)	$ 3,040,000	$ 345,000
Revenue bonds, 2019B	3,645,000	-	(480,000)	3,165,000	490,000
Revenue bonds, 2024	-	2,624,606	-	2,624,606	-
Compensated absences	37,109	-	(5,960)	31,149	3,115
Total Long-term Debt	$ 7,057,109	$ 2,624,606	$ (820,960)	8,860,755	$ 838,115
	Unamortized premiums on bonds			48,858	
	Unamortized discounts on bonds			(1,668)	
				$ 8,907,945	

Long-term debt is presented on the statement of net position under the following captions:

Current maturities of long-term debt payable from restricted assets	$ 838,115
Long-term debt, net of current portion	8,069,830
	$ 8,907,945

NOTE 4 – LONG-TERM DEBT (Continued)

The sinking fund requirements as of December 31, 2024 were as follows:

Year Ending December 31,	Revenue Bonds Principal	Interest	Total to be Paid
2025	$ 835,000	$ 173,952	$ 1,008,952
2026	860,000	151,156	1,011,156
2027	946,972	185,137	1,132,109
2028	973,381	160,540	1,133,921
2029	999,822	134,611	1,134,433
2030-2034	2,126,896	345,801	2,472,697
2035-2039	388,161	213,786	601,947
2040-2044	434,334	167,613	601,947
2045-2049	486,000	115,947	601,947
2050-2054	543,812	58,135	601,947
2055-2056	235,228	5,551	240,779
	$ 8,829,606	$ 1,712,229	$ 10,541,835

The terms of the bond agreements impose certain restrictive covenants on the Utility. Generally, the Utility is required to establish and maintain rates to provide net revenues, as defined, in each fiscal year at least equal to 110% of the maximum annual principal and interest requirements on all outstanding bonds to which the Utility's water and wastewater revenues are pledged.

Pledged Revenues

The following is a summary of pledged revenues of the Utility for the year ended December 31, 2024:

Debt	Revenue Pledged	Total Pledged Revenue	Current Portion of Remaining Debt Service Requirements	Percentage Portion of Pledged Revenue Stream	Long-term Portion of Remaining Debt Service Requirements	Period Revenue will not be Available for Other Purposes
Revenue bonds, Series 2019A	Net revenues of the Water and Wastewater System	$ 4,775,400	$ 428,244	9.0%	$ 3,003,563	Until 2032
Revenue bonds, Series 2019B	Net revenues of the Water and Wastewater System	4,775,400	580,709	12.2%	2,917,638	Until 2030
Revenue bond, Series 2024	Net revenues of the Water and Wastewater System	4,775,400	-	0.0%	3,611,681	Until 2056

NOTE 5 – RISK MANAGEMENT

The Utility is exposed to various risks of loss from: torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, life and accident benefits. Commercial insurance is purchased for claims arising from such matters other than business interruption.

Settled claims have not materially exceeded coverage in any of the three preceding years and there has been no significant reduction in coverage in fiscal year 2024.

NOTE 6 – PENSION PLAN

Substantially all of the Utility's employees are eligible to receive retirement benefits. Employees hired prior to July 18, 2018, participate in a defined benefit plan and employees hired on or after July 18, 2018, participate in a defined contribution plan.

(A) Arkansas Public Employees' Retirement Plan

Plan description: Utility employees hired prior to July 18, 2018, participate in the Arkansas Public Employees' Retirement Plan (the Plan), a multi-employer, cost sharing, defined benefit plan, qualified under Section 401(a) of the Internal Revenue Code, with defined contribution options. The administration and control of the plan is vested in the Board of Trustees of APERS.

Benefits provided: The Plan provides retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Current retirement law provides for a three percent (3%) COLA to all APERS retirees who have been retired or participated in the Deferred Retirement Option Plan (DROP) for at least twelve months on July 1 of each year. Benefit provisions are established by state law and may be amended only by state legislature.

Contributions: Contributions are set forth in Arkansas statute and the Plan was established as contributory. Act 793 of 1977 allowed existing and previous members to become noncontributory members. Anyone joining after January 1, 1978 was automatically enrolled as a noncontributory member. Act 2084 of 2005 established a new contributory requirement for all covered employees first hired on or after July 1, 2005. Employees hired prior to this date have the option to become a contributory member at any time. The Utility is required to contribute a percent of covered salary at an actuarially determined rate. Required employer contributions made during the period July 1, 2023 through June 30, 2024 totaled $181,900. Employer contribution rates applicable were 15.32% of covered payroll.

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources Related to Pensions: At December 31, 2024, the Utility reported a liability of $1,300,452 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Utility's proportion of the net pension liability was based on a projection of the Utility's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Utility's proportion was 0.05%.

For the year ended December 31, 2024, the Utility recognized the actuarially determined pension expense of ($751). At December 31, 2024, the Utility reported deferred inflows and outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and share of contributions	$ -	$ 167,308
Changes of assumptions	45,320	-
Differences between expected and actual experience	50,468	53,170
Net difference between projected and actual investment earnings on pension plan investments	37,726	-
Utility contributions subsequent to the measurement date	81,735	-
Total	$ 215,249	$ 220,478

NOTE 6 – PENSION PLAN (Continued)

(A) Arkansas Public Employees' Retirement Plan (Continued)

At December 31, 2024, the Utility reported $81,735 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending December 31, 2025.

Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflow/Inflows
2025	$ (129,447)
2026	143,147
2027	(69,541)
2028	(31,123)
	$ (86,964)

Actuarial assumptions: The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Discount rate	7.00%
Inflation rate	3.25%
Salary increases	3.25% - 9.85%
Investment rate of return, net	7.00%

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 114% and 132% of the PubG-2010 Amount-Weighted Below-Median Income General Retiree Mortality tables males and females, respectively. The disabled retiree mortality tables, for post-retirement disabled mortality, used in evaluating allowances to be paid were 114% and 132% of the PubNS-2010 Amount-Weighted Disabled Retiree Mortality tables for males and females, respectively. The pre-retirement mortality tables used were 75% of the PubG-2010 Amount-Weighted Below-Median General Employee Mortality tables for active mortality experience. Mortality rates for a particular calendar year are determined by applying the MP-2021 mortality improvement scale to the above-described tables. These assumptions were first used for the June 30, 2023 valuation.

Investment rate of return: The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage and by adding expected price inflation. Best estimates of arithmetic real rates of return for the 10-year period from 2020 – 2029 were based upon capital market assumptions provided by the Plan's investment consultant. For each major asset class included in the Plan's target asset allocation as of June 30, 2024, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad Domestic Equity	37%	6.19%
International Equity	24%	6.77%
Real Assets	16%	3.34%
Absolute Return	5%	3.36%
Domestic Fixed	18%	1.79%
	100%	

NOTE 6 – PENSION PLAN (Continued)

(A) Arkansas Public Employees' Retirement Plan (Continued)

Discount rate: A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Utility's proportionate share of the net pension liability to changes in the discount rate: The following presents the Utility's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Utility's proportionate share of the net pension liability would be if it were calculated using a discount rate of one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Utility's proportionate share of the net pension liability	$ 2,219,039	$ 1,300,452	$ 543,144

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued APERS financial report. Additional financial and actuarial information is available in APERS' annual financial report for the year ended June 30, 2024. This information and the actuarial valuation report are available on the APERS website, www.apers.org. The reports may also be obtained by writing to APERS, 124 West Capitol, Suite 400, Little Rock, Arkansas 72201 or by calling 1-501-682-7800.

(B) Defined Contribution Plan

Employees hired subsequent to July 18, 2018 are eligible to participate in a money-purchase defined contribution plan (the Defined Contribution Plan). The Defined Contribution Plan provides retirement benefits to plan members and their beneficiaries. Benefit provisions and contribution requirements may be amended by the City Council. Funding is provided by contributions of 5% by the employee and 5% by the Utility of the employee's total annual compensation. The Utility made contributions totaling $14,311 to the Defined Contribution Plan during the year ended December 31, 2024.

NOTE 7 – RESTRICTED AND DESIGNATED NET POSITION

Restricted – At December 31, 2024, the Utility had restricted net position of $991,723 which was restricted for capital projects.

Designated – Unrestricted net position was designated for capital improvements and other future projects by the Utility's Board of Commissioners prior to the dissolution of that governing body. The City Council has not formally released the designation, which may be done at their discretion and, therefore, the assets are reported in the statement of net assets as cash and cash equivalents designated for long-term purposes.

NOTE 8 – COMMITMENTS

At December 31, 2024, the Utility had construction contract commitments in place on the following projects:

Project Description	Project Authorization	Paid through 12/31/24	Remaining Commitment
Bleach Conversion Project	$ 578,904	$ 202,521	$ 376,383
Wastewater Treatment Plant Project	25,775,342	3,531,286	22,244,056
	$ 26,354,246	$ 3,733,807	$ 22,620,439

NOTE 9 – TRANSFER FROM OTHER FUNDS

During the year, the City of El Dorado transferred $6,336,000 to the Utility for capital improvements.

Required Supplementary Information

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Schedule of the Utility's Contributions to Pension Plan – Last Ten Years
For the Plan Years Ended June 30, 2014 through June 30, 2024

	As of June 30, 2024	As of June 30, 2023	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020
Utility's proportion of the net pension liability (percentage)	0.0523%	0.0556%	0.0594%	0.0761%	0.0887%
Utility's proportionate share of the net pension liability (dollars)	$ 1,300,452	$ 1,619,083	$ 1,602,694	$ 585,258	$ 2,542,369
Utility's covered-employee payroll	$ 1,187,337	$ 1,231,410	$ 1,215,066	$ 1,364,372	$ 1,599,869
Utility's proportionate share of the net pension liability as a percentage of its covered-employee payroll	109.53%	131.48%	131.90%	42.90%	158.91%
Plan fiduciary net position as a percentage of the total pension liability	81.61%	77.94%	78.31%	93.57%	75.38%

	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Utility's proportion of the net pension liability (percentage)	0.0995%	0.1099%	0.1243%	0.1210%	0.1180%
Utility's proportionate share of the net pension liability (dollars)	$ 2,401,016	$ 2,424,685	$ 3,212,529	$ 3,059,997	$ 2,173,514
Utility's covered-employee payroll	$ 1,933,242	$ 2,264,562	$ 2,264,838	$ 2,224,684	$ 2,122,028
Utility's proportionate share of the net pension liability as a percentage of its covered-employee payroll	124.20%	107.07%	141.84%	137.55%	102.43%
Plan fiduciary net position as a percentage of the total pension liability	78.55%	79.59%	75.65%	75.50%	80.39%

Information in this schedule has been determined as of the measurement date (June 30 of each year) of the Utility's net pension liability.

See independent auditor's report.

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Schedule of the Utility's Contributions to Pension Plan – Last Ten Years
For the Plan Years Ended June 30, 2014 through June 30, 2024

	2024	2023	2022	2021	2020
Required contributions	$ 181,900	$ 188,652	$ 190,341	$ 232,877	$ 265,389
Contributions in relation to the required contribution	181,900	188,652	190,341	232,877	265,389
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Utility's covered-employee payroll	$ 1,187,337	$ 1,231,410	$ 1,215,066	$ 1,364,372	$ 1,599,869
Contributions as a percentage of covered-employee payroll	15.32%	15.32%	15.67%	17.07%	16.59%

	2019	2018	2017	2016	2015
Required contributions	$ 291,771	$ 303,680	$ 329,454	$ 315,338	$ 309,055
Contributions in relation to the required contribution	291,771	303,680	329,454	315,338	309,055
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Utility's covered-employee payroll	$ 1,933,242	$ 2,264,562	$ 2,264,838	$ 2,224,684	$ 2,122,028
Contributions as a percentage of covered-employee payroll	15.09%	13.41%	14.55%	14.17%	14.56%

See independent auditor's report.

Supplementary Information

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Combining Schedule of Net Position
December 31, 2024

	Water	Wastewater	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current Assets			
Cash and cash equivalents	$ 1,297,857	$ 2,960,595	$ 4,258,452
Receivables	1,035,152	680,708	1,715,860
Due from other funds	13,175,139	-	13,175,139
Inventories	395,515	31,017	426,532
Prepaid insurance	12,882	12,882	25,764
Total Current Assets	15,916,545	3,685,202	19,601,747
Non-current Assets			
Cash restricted for long-term purposes	815,553	2,308,193	3,123,746
Cash designated for long-term purposes	1,420,074	7,556,539	8,976,613
Capital assets, net	27,801,602	30,237,737	58,039,339
Total Non-current Assets	30,037,229	40,102,469	70,139,698
Deferred Outflows of Resources	107,707	107,542	215,249
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 46,061,481	$ 43,895,213	$ 89,956,694
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current Liabilities			
Accounts payable and accrued liabilities	$ 408,758	$ 2,205,151	$ 2,613,909
Due to other funds	66,079	13,175,139	13,241,218
Customer deposits	323,465	-	323,465
Current maturities of long-term debt	492,266	345,849	838,115
Total Current Liabilities	1,290,568	15,726,139	17,016,707
Long-term Liabilities			
Long-term debt	2,693,730	5,376,100	8,069,830
Net pension liablity	650,226	650,226	1,300,452
Total Long-term Liabilities	3,343,956	6,026,326	9,370,282
Total Liabilities	4,634,524	21,752,465	26,386,989
Deferred Inflows of Resources	110,239	110,239	220,478
Net Position			
Net investment in capital assets	24,638,270	26,381,501	51,019,771
Restricted - expendable for capital projects	659,313	332,410	991,723
Unrestricted	16,019,135	(4,681,402)	11,337,733
Total Net Position	41,316,718	22,032,509	63,349,227
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 46,061,481	$ 43,895,213	$ 89,956,694

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2024

	Water	Wastewater	Total
Operating Revenues			
Water sales	$ 6,825,812	$ -	$ 6,825,812
Wastewater sales	-	4,699,196	4,699,196
Other income	196,866	389,544	586,410
Total Operating Revenues	7,022,678	5,088,740	12,111,418
Operating Expenses			
Pumping operations	796,791	-	796,791
Pumping maintenance	66,067	-	66,067
Treatment operations	251	34,210	34,461
Fluoride operations	8,962	-	8,962
Laboratory	-	42,972	42,972
Distribution operations	563,115	-	563,115
Distribution maintenance	1,172,599	-	1,172,599
Wastewater collection system	-	337,723	337,723
Wastewater collection maintenance	-	442,477	442,477
South treatment plant	-	543,329	543,329
North treatment plant	-	502,419	502,419
Billing and collecting	496,895	396,837	893,732
General and administrative	932,454	612,214	1,544,668
Ouachita pipeline	-	498,833	498,833
Depreciation and amortization	1,065,561	1,872,788	2,938,349
Total Operating Expenses	5,102,695	5,283,802	10,386,497
Operating Income (Loss)	1,919,983	(195,062)	1,724,921
Non-operating Revenues (Expenses)			
Investment income	36,371	75,759	112,130
Interest expense	(99,642)	(79,154)	(178,796)
Other expense	(1,850)	(1,600)	(3,450)
Gain (loss) on disposal of assets	-	17,500	17,500
Total Non-operating Revenues (Expenses)	(65,121)	12,505	(52,616)
Income (Loss) before Transfers	1,854,862	(182,557)	1,672,305
Transfers in	-	6,336,000	6,336,000
Change in Net Position	1,854,862	6,153,443	8,008,305
Net Position - Beginning of Year	39,461,856	15,879,066	55,340,922
Net Position - Ending of Year	$ 41,316,718	$ 22,032,509	$ 63,349,227

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Comparative Schedule of Net Position – Water
December 31, 2024 and 2023

	2024	2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash and cash equivalents	$ 1,297,857	$ 1,520,011
Receivables	1,035,152	617,916
Due from other funds	13,175,139	11,932,837
Inventories	395,515	394,562
Prepaid insurance	12,882	24,383
Total Current Assets	15,916,545	14,489,709
Non-current Assets		
Cash restricted for long-term purposes	815,553	660,347
Cash designated for long-term purposes	1,420,074	1,294,944
Capital assets, net	27,801,602	28,100,390
Total Non-current Assets	30,037,229	30,055,681
Deferred Outflows of Resources	107,707	229,767
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 46,061,481	$ 44,775,157
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities		
Accounts payable and accrued liabilities	$ 408,758	$ 276,190
Due to other funds	66,079	67,798
Customer deposits	323,465	330,318
Current maturities of long-term debt	492,266	482,663
Total Current Liabilities	1,290,568	1,156,969
Long-term Liabilities		
Long-term debt	2,693,730	3,186,783
Net pension liablity	650,226	809,542
Total Long-term Liabilities	3,343,956	3,996,325
Total Liabilities	4,634,524	5,153,294
Deferred Inflows of Resources	110,239	160,007
Net Position		
Net investment in capital assets	24,638,270	24,457,570
Restricted - expendable for capital projects	659,313	504,979
Unrestricted	16,019,135	14,499,307
Total Net Position	41,316,718	39,461,856
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 46,061,481	$ 44,775,157

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Comparative Schedule of Revenues, Expenses and Changes in Net Position – Water
For the Years Ended December 31, 2024 and 2023

	2024	2023
Operating Revenues		
Water sales	$ 6,825,812	$ 5,981,301
Other income	196,866	600,923
Total Operating Revenues	7,022,678	6,582,224
Operating Expenses		
Pumping operations	796,791	767,721
Pumping maintenance	66,067	73,963
Treatment operations	251	24,269
Flouride operations	8,962	18,781
Distribution operations	563,115	473,827
Distribution maintenance	1,172,599	821,208
Billing and collecting	496,895	600,764
General and administrative	932,454	746,708
Depreciation and amortization	1,065,561	1,053,995
Total Operating Expenses	5,102,695	4,581,236
Operating Income	1,919,983	2,000,988
Non-operating Revenues (Expenses)		
Investment income	36,371	32,999
Interest expense	(99,642)	(111,342)
Other expense	(1,850)	(1,850)
Gain (loss) on disposal of assets	-	2,000
Total Non-operating Revenues (Expenses)	(65,121)	(78,193)
Change in Net Position	1,854,862	1,922,795
Net Position - Beginning of Year	39,461,856	37,539,061
Net Position - Ending of Year	$ 41,316,718	$ 39,461,856

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Schedule of Operating Expenses – Water
For the Year Ended December 31, 2024

	Pumping Operations	Pumping Maintenance	Treatment Operations	Fluoride Operations
Operating Expenses				
Labor	$ 181,689	$ 39,590	$ -	$ -
Transportation	6,818	-	-	2,782
Office supplies	2,969	-	-	-
Postage	-	-	-	-
Telephone	-	-	-	-
Retirement	1,325	289	-	-
Insurance	-	-	-	-
Bad debts	-	-	-	-
Utilities - gas	230	-	-	-
Utilities - electric	448,467	-	-	-
Professional fees	-	-	-	-
Payroll taxes and other	13,135	2,862	-	-
Training, meeting and travel	-	-	-	-
Membership and dues	-	-	-	-
Miscellaneous	344	-	-	-
Outside engineering	12,077	-	-	-
Uniforms	-	-	-	-
Employee expense	-	-	-	-
Building/site maintenance	1,496	-	-	-
Equipment maintenance	1,337	1,431	-	-
Electrical maintenance	37,699	2,628	-	-
Equipment lease and maintenance	-	-	-	-
Contract labor	-	-	-	-
Materials and supplies	15,694	19,081	251	2,660
Computer support	-	-	-	-
Claim settlement/ADEQ Fees	-	-	-	-
Cellular meter fees	-	-	-	-
Safety	83	186	-	-
Chemicals	73,428	-	-	3,520
Total Operating Expenses before Depreciation and Amortization	$ 796,791	$ 66,067	$ 251	$ 8,962

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Schedule of Operating Expenses – Water (Continued)
For the Year Ended December 31, 2024

Distribution Operations	Distribution Maintenance	Billing and Collecting	General and Administrative	Total
$ 454,833	$ 471,776	$ 245,394	$ 217,216	$ 1,610,498
13,450	58,547	12,228	3,940	97,765
22	996	23,725	25,812	53,524
-	-	19,203	4,328	23,531
-	-	-	67,081	67,081
3,315	3,438	1,788	1,473	11,628
-	-	-	234,024	234,024
-	-	163,771	-	163,771
-	-	-	1,221	1,451
-	-	-	9,664	458,131
-	-	-	68,227	68,227
32,881	34,106	17,740	14,615	115,339
-	-	-	8,086	8,086
-	-	-	43,989	43,989
-	3,421	-	86,321	90,086
-	-	-	5,133	17,210
-	-	-	45,899	45,899
-	-	-	2,055	2,055
-	-	-	9,979	11,475
2,032	42,986	-	-	47,786
-	-	-	-	40,327
-	-	3,353	21,280	24,633
-	-	-	-	-
56,582	524,009	9,614	54	627,945
-	1,750	-	57,474	59,224
-	31,259	-	4,497	35,756
-	-	-	-	-
-	311	79	86	745
-	-	-	-	76,948
$ 563,115	$ 1,172,599	$ 496,895	$ 932,454	$ 4,037,134

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Schedule of Operating Expenses – Water
For the Year Ended December 31, 2023

	Pumping Operations	Pumping Maintenance	Treatment Operations	Fluoride Operations
Operating Expenses				
Labor	$ 173,832	$ 39,553	$ -	$ -
Transportation	8,748	60	-	2,329
Office Supplies	1,682	-	103	-
Postage	-	-	-	-
Telephone	-	-	-	-
Retirement	2,953	672	-	-
Insurance	18	-	-	-
Bad debts	-	-	-	-
Utilities - gas	291	-	-	-
Utilities - electric	445,679	-	-	-
Professional fees	-	-	-	-
Payroll taxes and other	11,722	2,667	-	-
Training, meeting and travel	-	-	-	-
Membership and dues	-	-	-	-
Miscellaneous	660	-	-	-
Outside engineering	1,084	-	-	-
Uniforms	-	-	-	-
Employee expense	-	-	-	-
Building/site maintenance	-	4,157	12	-
Equipment maintenance	399	9,264	1,182	-
Electrical maintenance	62,213	11,218	-	1,619
Equipment lease and maintenance	-	-	-	-
Contract labor	17,913	-	-	-
Materials and supplies	14,304	6,372	482	2,005
Computer support	-	-	-	-
Claim settlement/ADEQ Fees	-	-	-	-
Cellular meter fees	-	-	-	-
Safety	83	-	-	-
Chemicals	26,140	-	22,490	12,828
Total Operating Expenses before Depreciation and Amortization	$ 767,721	$ 73,963	$ 24,269	$ 18,781

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Schedule of Operating Expenses – Water (Continued)
For the Year Ended December 31, 2023

Distribution Operations	Distribution Maintenance	Billing and Collecting	General and Administrative	Total
$ 389,860	$ 404,787	$ 247,063	$ 131,346	$ 1,386,441
11,663	45,883	13,733	2,766	85,182
-	730	22,729	25,034	50,278
-	-	21,440	1,335	22,775
-	-	-	57,783	57,783
6,622	6,875	4,196	2,457	23,775
-	-	-	234,288	234,306
-	-	142,691	-	142,691
-	-	-	2,080	2,371
-	-	-	9,652	455,331
-	-	800	66,133	66,933
26,289	27,296	16,660	9,756	94,390
-	-	-	3,269	3,269
	703	-	43,084	43,787
126	2,133	91,964	42,346	137,229
-	-	-	5,848	6,932
-	39	-	37,653	37,692
-	-	-	2,179	2,179
-	-	-	11,755	15,924
1,570	25,687	-	-	38,102
-	-	-	-	75,050
-	-	23,600	-	23,600
-	-	-	48	17,961
37,697	305,308	4,581	197	370,946
-	-	-	57,228	57,228
-	931	-	-	931
-	-	11,307	-	11,307
-	836	-	471	1,390
-	-	-	-	61,458
$ 473,827	$ 821,208	$ 600,764	$ 746,708	$ 3,527,241

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Comparative Schedule of Net Position – Wastewater
December 31, 2024 and 2023

	2024	2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash	$ 2,960,595	$ 1,980,123
Receivables	680,708	676,581
Inventories	31,017	29,743
Prepaid insurance	12,882	24,383
Total Current Assets	3,685,202	2,710,830
Non-current Assets		
Cash restricted for long-term purposes	2,308,193	352,238
Cash designated for long-term purposes	7,556,539	1,151,921
Capital assets, net	30,237,737	27,934,525
Total Non-current Assets	40,102,469	29,438,684
Deferred Outflows of Resources	107,542	229,603
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 43,895,213	$ 32,379,117
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities		
Accounts payable and accrued liabilities	$ 2,205,151	$ 151,692
Due to other funds	13,175,139	11,932,837
Current maturities of long-term debt	345,849	336,048
Total Current Liabilities	15,726,139	12,420,577
Long-term Liabilities		
Long-term debt	5,376,100	3,109,927
Net pension liability	650,226	809,541
Total Long-term Liabilities	6,026,326	3,919,468
Total Liabilities	21,752,465	16,340,045
Deferred Inflows of Resources	110,239	160,006
Net Position		
Net investment in capital assets	26,381,501	24,499,033
Restricted - expendable for capital projects	332,410	236,916
Unrestricted	(4,681,402)	(8,856,883)
Total Net Position	22,032,509	15,879,066
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 43,895,213	$ 32,379,117

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Comparative Schedule of Revenues, Expenses and Changes in Net Position – Wastewater
For the Years Ended December 31, 2024 and 2023

	2024	2023
Operating Revenues		
Wastewater sales	$ 4,699,196	$ 4,524,684
Other income	389,544	233,666
Total Operating Revenues	5,088,740	4,758,350
Operating Expenses		
Treatment operations	34,210	33,473
Laboratory	42,972	48,460
Wastewater system collection	337,723	408,876
Wastewater system collection maintenance	442,477	453,429
South treatment plant	543,329	523,414
North treatment plant	502,419	467,537
Billing and collecting	396,837	360,111
General and administrative	612,214	543,606
Ouachita pipeline	498,833	541,680
Depreciation and amortization	1,872,788	1,862,214
Total Operating Expenses	5,283,802	5,242,800
Operating Loss	(195,062)	(484,450)
Non-operating Revenues (Expenses)		
Investment income	75,759	10,768
Interest expense	(79,154)	(88,564)
Other expense	(1,600)	(1,600)
Gain (loss) on disposal of assets	17,500	(8,618)
Total Non-operating Revenues (Expenses)	12,505	(88,014)
Loss before Transfers	(182,557)	(572,464)
Transfers in	6,336,000	-
Change in Net Position	6,153,443	(572,464)
Net Position - Beginning of Year	15,879,066	16,451,530
Net Position - Ending of Year	$ 22,032,509	$ 15,879,066

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Schedule of Operating Expenses – Wastewater
For the Year Ended December 31, 2024

	Treatment Operations	Laboratory	Wastewater System Collection	Wastewater Collection Maintenance
Operating Expenses				
Labor	$ 17,867	$ 16,814	$ 154,271	$ 167,700
Transportation	-	2,603	12,296	26,583
Office supplies	-	417	-	14
Postage	-	-	-	-
Retirement	263	247	2,268	2,466
Insurance	-	-	-	-
Bad debts	-	-	-	-
Utilities - electric	-	2,263	99,031	-
Utilities - other	-	2,240	-	-
Professional fees	-	-	-	-
Payroll taxes and other	1,347	1,268	11,633	12,646
Training, meeting and travel	-	-	53	-
Membership and dues	-	-	-	-
Miscellaneous	-	9,600	-	2,107
Outside engineering	-	-	-	-
Uniforms	-	-	-	-
Repairs and maintenance	-	-	-	18,933
Building/site maintenance	-	-	-	734
Equipment maintenance	-	131	1,214	21,743
Contract labor	-	-	-	-
Materials and supplies	-	5,970	13,976	122,384
Electrical maintenance	-	-	42,864	13,976
Claim settlement/ADEQ Fees	-	-	-	53,191
Independent sampling	14,733	1,419	117	-
Safety	-	-	-	-
Chemicals	-	-	-	-
Total Operating Expenses before Depreciation and Amortization	$ 34,210	$ 42,972	$ 337,723	$ 442,477

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Schedule of Operating Expenses – Wastewater (Continued)
For the Year Ended December 31, 2024

South Treatment Plant	North Treatment Plant	Billing and Collecting	General and Administrative	Ouachita Pipeline	Total
$ 127,484	$ 129,379	$ 245,395	$ 203,733	$ 14,482	$ 1,077,125
5,184	7,857	14,321	3,713	6,029	78,586
558	207	88	6,469	-	7,753
-	-	20,400	-	-	20,400
1,874	1,902	3,608	2,973	212	15,813
-	-	-	215,595	38,177	253,772
-	-	94,521	-	-	94,521
142,847	170,307	-	5,393	89,064	508,905
-	-	-	5,070	-	7,310
-	175	-	30,673	210	31,058
9,613	9,756	18,504	15,245	1,092	81,104
-	-	-	3,525	-	3,578
-	-	-	19,400	15,068	34,468
-	-	-	(13,875)	-	(2,168)
-	-	-	35,489	110,771	146,260
-	-	-	42,420	-	42,420
-	-	-	-	-	18,933
37	-	-	2,932	39,218	42,921
1,727	1,168	-	1,450	8,180	35,613
-	-	-	2,040	-	2,040
13,155	9,533	-	29,946	4,943	199,907
10,043	10,388	-	-	3,081	80,352
-	-	-	-	-	53,191
-	-	-	-	168,306	184,575
73	73	-	23	-	169
230,734	161,674	-	-	-	392,408
$ 543,329	$ 502,419	$ 396,837	$ 612,214	$ 498,833	$ 3,411,014

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Schedule of Operating Expenses – Wastewater
For the Year Ended December 31, 2023

	Treatment Operations	Laboratory	Wastewater System Collection	Wastewater Collection Maintenance
Operating Expenses				
Labor	$ 16,563	$ 15,648	$ 199,836	$ 201,564
Transportation	-	8,384	17,459	26,384
Office supplies	-	188	1,427	19
Postage	-	-	-	-
Telephone	-	-	-	-
Retirement	220	207	2,647	2,670
Insurance		-	-	-
Bad debts	-	-	-	-
Utilities - electric	-	2,606	104,599	-
Utilities - other	-	2,362	-	-
Professional fees	-	-	-	-
Payroll taxes and other	1,335	1,261	16,110	16,249
Training, meeting and travel	-	-	-	-
Membership and dues	-	-	-	-
Miscellaneous	-	9,870	63	1,500
Outside engineering	-	-	-	-
Uniforms	-	-	-	-
Building/site maintenance	-	-	5,506	1,082
Equipment maintenance	-	294	2,222	31,528
Materials and supplies	1,101	5,462	10,703	153,464
Electrical maintenance	-	-	45,087	10,848
Computer support	-	-	-	-
Claim settlement/ADEQ Fees	-	-	-	7,346
Independent sampling	14,254	2,178	3,217	-
Safety	-	-	-	775
Chemicals	-	-	-	-
Total Operating Expenses before Depreciation and Amortization	$ 33,473	$ 48,460	$ 408,876	$ 453,429

EL DORADO WATER UTILITIES
An Enterprise Fund of the City of El Dorado, Arkansas
Schedule of Operating Expenses – Wastewater (Continued)
For the Year Ended December 31, 2023

South Treatment Plant	North Treatment Plant	Billing and Collecting	General and Administrative	Ouachita Pipeline	Total
$ 121,597	$ 110,290	$ 258,401	$ 127,090	$ 13,057	1,064,046
9,165	9,329	11,757	4,117	9,903	96,498
36	36	117	8,903	-	10,726
-	-	18,700	28	-	18,728
-	-	-	3,756	-	3,756
1,611	1,461	3,423	1,766	173	14,178
295	-	-	229,113	34,607	264,015
-	-	43,713	-	-	43,713
160,181	181,700	-	5,336	108,789	563,211
-	-	-	4,930	-	7,292
-	-	-	29,370	300	29,670
9,802	8,891	20,831	10,749	1,053	86,281
-	-	-	449	-	449
-	500	-	20,361	15,067	35,928
543	543	2,528	(6,616)	-	8,431
-	-	-	35,545	125,412	160,957
-	-	-	41,355	-	41,355
1,344	435	-	4,497	33,881	46,745
2,267	1,871	-	170	7,575	45,927
9,837	6,451	641	19,013	29,395	236,067
3,657	1,964	-	-	999	62,555
-	-	-	1,740	-	1,740
-	-	-	-	-	7,346
-	-	-	-	161,469	181,118
252	303	-	1,934	-	3,264
202,827	143,763	-	-	-	346,590
$ 523,414	$ 467,537	$ 360,111	$ 543,606	$ 541,680	$ 3,380,586

LANDMARK
CERTIFIED PUBLIC ACCOUNTANTS

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

To Paul Choate, Mayor, and Members of City Council
City of El Dorado, Arkansas
El Dorado, Arkansas

We have audited, in accordance with 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 **El Dorado Water Utilities** (the Utility), which comprise the statement of net position as of December 31, 2024, and the related statement of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 16, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Utility's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Utility's internal control. Accordingly, we do not express an opinion on the effectiveness of the Utility'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Utility'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

To Paul Choate, Mayor, and Members of City Council
City of El Dorado, Arkansas

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Utility's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit 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 Utility'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 Utility's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Landmark PLC

Little Rock, Arkansas
March 16, 2026