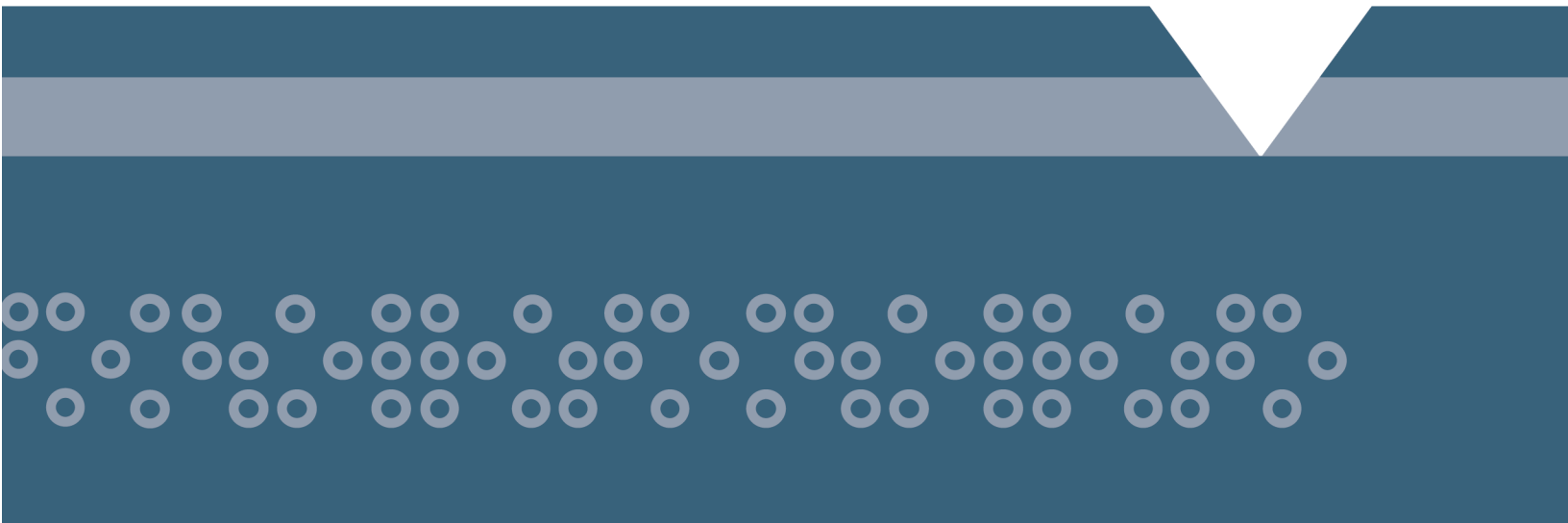


**Greater Ouachita Water Company**  
Monroe, Louisiana

August 31, 2024



**GREATER OUACHITA WATER COMPANY**

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**AUGUST 31, 2024**

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## **AUDITED FINANCIAL STATEMENTS**



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Board of Directors  
Greater Ouachita Water Company  
Monroe, Louisiana

## **INDEPENDENT AUDITOR'S REPORT**

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Greater Ouachita Water Company, which comprise the statement of financial position as of August 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Ouachita Water Company as of August 31, 2024, and the changes in its net assets and its cash flows for the year then ended in conformity 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibility 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 Greater Ouachita Water Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Statement***

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 Greater Ouachita Water Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***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 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, including omissions, are considered material if there is 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 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 Greater Ouachita Water Company'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 Greater Ouachita Water Company'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.

### **Other Matters**

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules presented on pages 18 to 20 are presented for purposes of additional analysis and are 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 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2025, on our consideration of Greater Ouachita Water Company'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 internal control over financial reporting or on compliance. That report is an integral part of an engagement to perform an audit in accordance with *Government Auditing Standards* in considering Greater Ouachita Water Company's internal control over financial reporting and compliance.

*Heard, McElroy & Vestal, LLC*

Shreveport, Louisiana  
February 27, 2025

**GREATER OUACHITA WATER COMPANY****STATEMENT OF FINANCIAL POSITION****AUGUST 31, 2024**

---

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
General fund cash	\$ 2,162,312
Accounts receivable, net	4,527,611
Prepaid expenses	607,078
Total current assets	<u>7,297,001</u>
<b>INVESTMENT SECURITIES</b>	
Revenue fund	157,438
Reserve fund	24,389
Renewals, replacements and extensions fund	97,313
2021 Water improvements fund	2
2021 Debt service fund	590,847
2019 Debt service fund	2,867,297
2019 Reserve fund	2
2024 Debt service fund	177,823
2024 Water improvements	19,429,991
2024 COI acct	20,512
Total investment securities	<u>23,365,614</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>	
Property, plant and equipment, at cost	138,856,592
Accumulated depreciation	<u>(57,150,813)</u>
Net property, plant and equipment	<u>81,705,779</u>
<b>OTHER ASSETS</b>	
Total other assets	<u>-</u>
Total assets	<u><u>\$ 112,368,394</u></u>

---

*(Continued)*

**GREATER OUACHITA WATER COMPANY**

**STATEMENT OF FINANCIAL POSITION**

**AUGUST 31, 2024**

---

**LIABILITIES AND NET ASSETS**

**LONG-TERM DEBT**

Bonds payable-Series 2019	\$ 67,600,000
Bonds reoffering Premium-Series 2019	4,235,596
Bonds payable-Series 2021	4,500,000
Bonds payable-Series 2024	20,940,000
Less unamortized bond issuance cost	(3,624,728)
Less current maturities of long-term debt	<u>(2,020,000)</u>
Total long-term debt	91,630,868

**FUNDED LIABILITIES**

Interest payable	<u>1,387,948</u>
Total funded liabilities	1,387,948

**CURRENT LIABILITIES**

Accounts payable-trade	1,387,124
Accounts payable-other sewer districts	905,662
Current maturities of long-term debt	2,020,000
Payroll and sales taxes payable	5,799
Accrued insurance	<u>63,026</u>
Total current liabilities	4,381,611

**DEFERRED LIABILITIES**

Customer meter deposits	2,000,748
Pension fund liability	<u>2,322</u>
Total deferred liabilities	<u>2,003,070</u>
Total liabilities	99,403,497

**NET ASSETS**

Undesignated	<u>12,964,897</u>
Total net assets	<u>12,964,897</u>
Total liabilities and net assets	<u><u>\$ 112,368,394</u></u>

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



**GREATER OUACHITA WATER COMPANY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2024**

	<u>Without Donor Restrictions</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 18,953,677
Late payment charges	254,958
Water connect charges	183,200
Tapping fees	304,645
Sewer maintenance agreement	440,551
Operations maintenance fees	552,605
Other income	198,696
	<hr/>
Total operating revenues	20,888,332
<b>OPERATING EXPENSES</b>	
Program expenses	12,876,868
Administrative expenses	6,335,154
	<hr/>
Total operating expenses	19,212,022
	<hr/>
<b>NET OPERATING INCOME</b>	1,676,310
	<hr/>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income	246,018
Miscellaneous	2,050,958
Interest expense	(2,647,195)
Pension expense	(38,735)
	<hr/>
Total nonoperating revenues (expenses)	(388,954)
	<hr/>
<b>CHANGE IN NET ASSETS</b>	1,287,356
	<hr/>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	11,677,541
	<hr/>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 12,964,897</u></u>

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

**GREATER OUACHITA WATER COMPANY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED AUGUST 31, 2024**

	<b>Program</b>			
	<b>Water Services</b>	<b>Sewer Services</b>	<b>Administrative</b>	<b>Total</b>
Operating contract	\$ 4,985,370	\$ 1,551,821	\$ -	\$ 6,537,191
Tapping charges	-	-	-	-
Power	820,327	477,653	-	1,297,980
Maintenance	1,522,456	1,146,718	-	2,669,174
Chemicals	617,571	217,747	-	835,318
Carbon amortization	790,573	-	-	790,573
Testing	-	43,605	-	43,605
Water meter monitoring	312,101	-	-	312,101
Water purchases	84,728	-	-	84,728
Water used in sewer plant	-	116,273	-	116,273
Sterlington franchise fee	60,000	-	-	60,000
Service and franchise fee	(4,001)	5,376	-	1,375
Accounting	-	-	25,250	25,250
Bank charges	-	-	17,761	17,761
Consulting fees	-	-	32,703	32,703
Dues and subscriptions	-	-	663	663
Engineering fees	103,976	-	-	103,976
Inspection and supervision fee	-	-	24,982	24,982
Insurance	-	-	438,565	438,565
Legal and administrative	-	-	235,660	235,660
Office expense	-	-	196,121	196,121
Postage	-	-	5,448	5,448
Rent	-	-	66,685	66,685
Right of way	20,943	3,631	-	24,574
Salaries	-	-	369,476	369,476
Taxes and licenses	-	-	45,282	45,282
Trustee fees	-	-	12,500	12,500
Travel	-	-	5,206	5,206
Amortization	-	-	118,051	118,051
Depreciation	-	-	4,740,801	4,740,801
Total operating expenses	<u>\$ 9,314,044</u>	<u>\$ 3,562,824</u>	<u>\$ 6,335,154</u>	<u>\$ 19,212,022</u>

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

**GREATER OUACHITA WATER COMPANY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED AUGUST 31, 2024**

---

**CASH FLOWS FROM OPERATING ACTIVITIES**

Decrease in net assets	\$ 1,287,356
Noncash items included in change in net assets:	
Depreciation and amortization	4,858,852
Bond premiums amortized to interest expense	(169,424)
Change in operating assets and liabilities:	
Accounts receivable, net	(947,599)
Prepaid expenses	225,442
Accounts payable	361,822
Accrued expenses	151,131
	<hr/>
Net cash provided by operating activities	5,767,580

**CASH FLOWS FROM INVESTING ACTIVITIES**

Capital expenditures	(6,857,787)
Investment in special funds	(17,149,708)
	<hr/>
Net cash (used in) investing activities	(24,007,495)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Customer meter deposits	55,679
Proceeds from bond issuance, net of expense	20,020,399
Payments on bonds payable	(1,970,000)
Accounts payable-sewers	166,577
	<hr/>
Net cash provided by financing activities	18,272,655

<b>NET INCREASE IN CASH</b>	<hr/> 32,740
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<b>CASH AT BEGINNING OF YEAR</b>	<hr/> 2,129,572
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<b>CASH AT END OF YEAR</b>	<hr/> <hr/> \$ 2,162,312
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**SUPPLEMENTARY DISCLOSURE OF CASH FLOW:**

Interest paid	<hr/> <hr/> \$ 2,321,998
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The accompanying notes are an integral part of these financial statements.

# GREATER OUACHITA WATER COMPANY

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2024

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### 1. Nature of Operations

The Greater Ouachita Water Company was incorporated May 29, 1963, under the laws of the State of Louisiana, as a nonprofit organization. The Company was organized to consolidate various water companies operating in Ouachita Parish (Ouachita Parish Police Jury), a political subdivision of the State of Louisiana, into a single company in order to provide better service to the area residents.

By a contract dated June 12, 1963, between the Greater Ouachita Water Company and the Parish of Ouachita, the Company agreed to acquire and construct a waterworks, sewerage, and natural gas system within the Parish. Under terms of the contract, the Parish recognizes the Company's title to the system until all indebtedness of the Company, together with accrued interest thereon, incurred by the Company in the financing of the purchase, extension, and improvement of the Company is paid in full. When all such indebtedness of the Company is paid in full, all rights, title and interest of the Company and the system shall vest in the Parish.

The Company began operations September 28, 1964. Currently, it has an agreement with Northeast Louisiana Utilities of Louisiana to operate the system.

Revenue bonds were issued in ten series. Proceeds of the first series (series 1964) were received on September 23, 1964, and the first purchase of systems was made. Proceeds of the second series (Series 1965) were received on April 12, 1965, and additional properties were added to the system. Proceeds of the third series (Series 1994A) were received on March 16, 1994, and of the fourth series (Series 97A&B) were received on December 11, 1997. Proceeds of the fifth Series (Series 2003) were received on August 7, 2003. Proceeds of the sixth series (Series 2009) were received on December 9, 2009. Proceeds from the seventh series (Series 2013) were received December 13, 2013. Proceeds from the eighth series (Series 2019) were received in September 2019. Proceeds from the ninth series (Series 2021) were received in April 2021. Proceeds from the tenth series (Series 2024) were received in June 2024.

### 2. Summary of Significant Accounting Policies

#### (a) *Method of Accounting*

The Company uses the accrual method of accounting in accordance with generally accepted accounting principles in the United States for non-profit organizations.

#### (b) *Depreciation*

Depreciation was computed using the straight-line method in amounts sufficient to amortize the cost of the depreciable assets over their estimated useful lives. The estimated useful lives used in computing depreciation are:

Cost of System	25 to 50 Years
Various Equipment	5 to 20 Years

#### (c) *Special Funds*

The Indentures of Mortgage require the Company twice each month to transfer from the general or operating bank accounts all monies in excess of a minimum amount that is shown by the annual budget to be necessary for operating expenses for the current fiscal year to the Trustee for credit to the Principal Fund and Interest Fund.

**GREATER OUACHITA WATER COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2024**

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Special bond funds held by the Trustee are computed as follows:

- 1) Debt Service Fund is funded monthly to cover principal and interest payments on all outstanding bonds. On August 31, 2024, the balance in the Debt Service Fund was \$3,635,967. Interest payable at August 31, 2024, was \$1,387,948 and the current portion of bonds payable was \$2,020,000.

**(d) *Deferred Charges and Amortization***

Premiums on bonds redeemed by the Company are being amortized over the term of the new bonds issued.

Costs of issuing bonds are being amortized over the term of the bonds:

Balance at August 31, 2023	\$ 2,823,178
Proceeds from bond issuance, net of expense	919,601
Less: Amortization	<u>(118,051)</u>
Balance at August 31, 2024	<u><u>\$ (3,624,728)</u></u>

**(e) *Cash and Cash Equivalents***

The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents.

**(f) *Accounts Receivable-Customers***

Accounts receivable are reported net of an allowance for credit losses of \$509,523 as of August 31, 2024. Management believes that accounts receivable are substantially collectible and requires customers to provide meter deposits. Accounts are reviewed monthly, and management determines which accounts are not collectible. As of August 31, 2024, accounts receivable also includes unbilled revenues of \$1,227,237, which consist of revenues earned but not billed.

**(g) *Use of Estimates***

Management uses estimates and assumptions in preparing the financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

**(h) *Income Taxes***

The Company, a nonprofit corporation, is exempt from federal and state income taxes under Internal Revenue Code 501(a). Accordingly, no provision for income taxes has been made in the financial statements.

**(i) *Advertising Expenses***

The Company expenses advertising costs as they are incurred. Advertising expenses for the year ended August 31, 2024, were immaterial.

GREATER OUACHITA WATER COMPANY

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2024

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**(j) Contributions**

The Company reports information regarding its financial position and activities based on the absence or existence of donor-imposed restrictions, as follows:

*Net Assets Without Donor Restrictions* - Net assets that are not subject to donor-imposed stipulations. Some net assets without donor restrictions may be designated by the Board for specific purposes.

*Net Assets With Donor Restrictions* - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Company, and/or by the passage of time. Generally, the Company does not have any donor restricted assets.

Contributions received are recorded based on the existence and/or nature of any donor restrictions.

Donated services are recognized as contributions in accordance with professional standards, if the services create or enhance a non-financial asset or require specialized skills, are provided by entities or persons possessing those skills and would need to be purchased if they were not donated.

Donated facilities are recognized as contributions in accordance with professional standards.

During the fiscal year ended August 31, 2024, no contributions were received by the Company that meet the criteria for recognition in these financial statements.

**(k) Liquidity and Availability**

The Company strives to maintain liquid financial assets sufficient to meet its general operating expenditures. At August 31, 2024, the Company estimates that it has approximately one month of expenses in liquid assets. Accounts receivable are managed closely to ensure they are being paid promptly in order to provide for payment of accounts payable, and ongoing operations. The Company has \$30,055,537 of financial assets available within one year of the balance sheet date, consisting of cash, accounts receivable and short term investments as noted on page 3. Financial assets of \$3,635,967 are contractually restricted for debt service. None of the financial assets is subject to donor restrictions that make them unavailable within one year.

**GREATER OUACHITA WATER COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2024**

**3. Property, Plant and Equipment**

Property, plant, and equipment is stated at the acquisition costs of the assets, with the exception of the systems of Lakeview Utilities, Inc., North Louisiana Production Corporation, and B & W Utilities, Inc., which were contributed by their owners and are stated at their appraised values. Maintenance and repairs are charged to operations currently, and major renewals and betterments are capitalized. Additions to the system during the year ended August 31, 2024, totaled \$6,857,787. Shown below is an analysis of the cost of the system by expenditures from various funds:

	Balance as of August 31, 2023	2024 Additions	Retirements	Balance as of August 31, 2024
Bond Proceeds Series 2013	\$ 10,950,199	\$ -	\$ -	\$ 10,950,199
Bond Proceeds Series 1964	1,922,208	-	-	1,922,208
Bonds Proceeds Series 1965	907,211	-	-	907,211
General Fund	102,779,896	6,857,787	-	109,637,683
Renewals, Replacements and				
Extensions Fund	3,272,892	-	-	3,272,892
Improvements Fund	8,237,642	-	-	8,237,642
Revenue Fund	35,016	-	-	35,016
1994A Fund	1,670,072	-	-	1,670,072
97A&B Fund Contributions	1,911,211	-	-	1,911,211
Lakeview Utilities, Inc. Water and				
Sewer System	196,000	-	-	196,000
North Louisiana Production Corp.				
Water System	71,800	-	-	71,800
B & W Utilities, Inc. Water				
System	44,658	-	-	44,658
Total	<u>\$ 131,998,805</u>	<u>\$ 6,857,787</u>	<u>\$ -</u>	<u>\$ 138,856,592</u>

The details of plant and equipment are as follows:

Water mains and extensions	\$ 33,591,206
Water service lines	9,846,266
Water meters	11,443,957
Water wells	29,569,466
Water chlorine equipment	1,382,800
Meter stations	170,637
Sewer	48,588,912
Buildings	83,325
Other equipment	1,202,562
Land	2,977,461
Total	<u>\$ 138,856,592</u>

**GREATER OUACHITA WATER COMPANY****NOTES TO THE FINANCIAL STATEMENTS****AUGUST 31, 2024****4. Long-Term Debt**

The Company issued bonds as of September 1, 2019 (Series 2019). The par value of the Bonds was \$72,300,000 and were issued with a premium of 5,082,715. The source and use of the funds from the Series 2019 Bonds was as follows:

Services (including \$37,337 from prior debt service fund)	<u><u>\$ 77,420,052</u></u>
Use of Funds:	
Deposit to Construction Fund	\$ 38,476,402
Payoff Bank Note (JP Morgan)	12,398,174
Payoff Series 2003, 2009, and 2013	
Bonds (includes premiums of \$1,010,405)	24,417,458
Cost (Insurance, Underwriters Discount, Cost to Issue, Surety)	<u><u>2,128,018</u></u>
	<u><u>\$ 77,420,052</u></u>

The Company issued bonds as of September 1, 2021 (Series 2021). The par value of the bonds was \$5,000,000. The proceeds of the loan were used to finance the construction of three new water wells and pay issuance costs.

The Company issued bonds as of June 20, 2024 (Series 2024). The par value of the bonds was \$20,940,000. The proceeds of the loan were used to improve the water system.

The annual debt service requirements to maturity, including principal, interest, and bond amortization for long-term debt as of August 31, 2024, are as follows:

<b>Due September 1,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 2,020,000	\$ 2,577,300	\$ 4,597,300
2025	2,495,000	2,484,001	4,979,001
2026	2,605,000	2,386,428	4,991,428
2027	2,720,000	2,284,333	5,004,333
2028-2032	14,840,000	9,780,148	24,620,148
2033-2037	15,235,000	7,318,250	22,553,250
2038-2042	17,535,000	5,014,350	22,549,350
2043-2047	21,405,000	2,701,500	24,106,500
2048-2052	12,955,000	342,150	13,297,150
2053-2054	1,230,000	-	1,230,000
	<u><u>\$ 93,040,000</u></u>	<u><u>\$ 34,888,460</u></u>	<u><u>\$ 127,928,460</u></u>



**GREATER OUACHITA WATER COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2024**

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**5. Regulatory Compliance**

The Greater Ouachita Water Company is regulated by the Louisiana Department of Health (LDH), the United States Environmental Protection Agency (EPA) and/or the Louisiana Department of Environmental Quality (LDEQ) regarding the water systems owned and/or operated by the Company.

The Company is subject to various inspections and possible orders from those agencies. The Company has corrected or is working to correct various inspection issues (orders) from regulatory agencies.

**6. Pension Plan**

A non-contributory defined benefit pension plan (the Plan) was put into effect on October 1, 2010. All employees of the Company are eligible to participate. The Company's funding policy is to contribute to the pension plan a monthly amount necessary to meet or exceed the minimum funding standards under the Employee Retirement Income Security Act.

Contributions to the benefit plan are invested in a managed asset portfolio consisting of cash and bonds. The investments are conservative and require maximum income from their investments.

Moderate growth will occur since the portfolio has an income with growth objective. Short-term volatility will come from changes in bond prices due to interest rate fluctuations in the marketplace.

The Plan's investment policy is periodically reviewed and revised to reflect the best interest of the Plan's participants and beneficiaries. At present, investments of the Plan's assets are divided into four categories: Cash Equivalents, Mutual Funds – Fixed Income, Mutual Funds – Equity, and Mutual Funds – International Stock Fund.

At August 31, 2024, the breakdown of the fair value of Plan assets held is as follows:

	Amount	Percentage
Cash equivalents	\$ 101,358	5.09%
Mutual funds-equities	804,756	40.44%
Mutual funds-fixed income	1,084,081	54.47%
	<u>\$ 1,990,195</u>	<u>100.00%</u>

All investments, excluding Cash Equivalents, are valued using market prices. Cash equivalents are reported at cost.

For the year ended August 31, 2024, the net return on the Plan assets was \$211,769. Greater Ouachita Water Company expects the long-term rate of return on the assets to be 5.00%. The assumed overall rate of return takes into account long-term return expectations of the underlying asset classes within the investment portfolio mix, and the expected duration of the Plan's liabilities. Return expectations are forward looking and, in general, not much weight is given to short-term experience. Unless there is a drastic change in investment policy or market environment, the assumed investment return of 5.00% on the Plan assets is expected to remain broadly the same each year. Generally accepted accounting principles require an actuarially determined assessment of the periodic cost.

**GREATER OUACHITA WATER COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2024**

The following table sets forth information on the funded status, amounts recognized in the financial statements, and weighted average assumptions related to Greater Ouachita Water Company's pension plan for the year ended August 31, 2024.

<b>1. Change in Benefits Obligation</b>	
a. Benefit obligation at August 31, 2023	\$ 936,584
b. Employer service cost	146,748
c. Employee contributions for the year	-
d. Interest cost	42,115
e. Amendments	-
f. Actuarial (gain) loss	383,335
g. Changes in actuarial cost methods and/or systems	-
h. Benefits paid	(1,369)
i. Benefit obligation at August 31, 2024 (sum a through h)	<u><u>\$ 1,507,413</u></u>
<b>2. Change in Plan Assets</b>	
a. Assets at August 31, 2023	\$ 1,778,425
b. Actual return on Plan assets	213,138
c. Expenses	-
d. Employer contributions	-
e. Employee contributions	-
f. Benefits paid and transfers	(1,368)
g. Assets at August 31, 2024 (sum of a through f)	<u><u>\$ 1,990,195</u></u>
<b>3. Funded (Unfunded) Status</b>	
a. (Accrued) prepaid pension cost	\$ 482,780
b. Balance in accumulated other comprehensive income account	-
1) Unrecognized net actuarial gain (loss)	-
2) Unrecognized prior service (cost) income	-
3) Unrecognized transition (obligation) asset	-
4) Total unrecognized (expense) asset	-
c. Funded status (unfunded PBO) at August 31, 2024 (a + b4)	<u><u>\$ 482,780</u></u>

*continued*

**GREATER OUACHITA WATER COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2024**

**4. Weighted-Average Assumptions at Year-End**

a. Interest rate used to calculate net periodic pension cost	4.50%
b. Interest rate used to calculate year-end disclosure information (discount rate)	4.50%
c. Expected return on Plan assets	5.00%
d. Salary scale to calculate NPPC for FY that began September 1,	5.00%
e. Salary scale for disclosure information as of August 31, 2024	5.00%

**5. Components of Net Periodic Benefit Cost**

a. Service cost	\$ (146,748)
b. Interest cost	(42,115)
c. Expected return on Plan assets	88,887
d. Amortization of transition (asset) obligation	-
e. Amortization of prior service cost	-
f. Amortization of actuarial gain	65,980
g. Settlements or curtailments	-
h. Net periodic benefit cost (sum a through g)	<u><u>\$ (33,996)</u></u>

**6. Projection of Benefits for Next Ten Fiscal Years**

<u>Fiscal Years</u>	<u>Projected Benefits</u>
2024	\$ 344,062
2025	1,366
2026	1,364
2027	1,362
2028	1,360
Sum of fiscal years 2029 through 2033	6,736

**7. Lawsuits**

The Company, from time to time, is involved in various lawsuits incurred by operating in the normal course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Company.

**8. Concentration of Risk**

The Company maintains its cash balances at institutions which are insured by the Federal Deposit Insurance Corporation up to \$250,000. At August 31, 2024, the Company's uninsured cash balance was \$1,840,507.

Concentration of credit risk with respect to water and sewer billing receivables is limited due to the large number of customers and small balances. The risk is minimized further by customer meter deposits.

**GREATER OUACHITA WATER COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2024**

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**9. Related Party Transactions**

The following related party transactions were incurred in the normal course of business:

Webb & Webb, owned by Barry Webb, CPA, director, earned \$3,750 for accounting services performed for the Company. Barry Webb serves as Treasurer of the Company.

Stewart Law Group, owned by Philip McQueen, earned \$124,479 for legal services performed for the Company. Philip McQueen serves as President of the Company.

**10. Functional Allocation of Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among programs and supporting services benefited. The Company has determined that fund-raising costs are not material.

**11. Subsequent Events**

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Company through February 27, 2025, the date the report was available for issue, and concluded that no event required recognition in the notes to the financial statements.

## **SUPPLEMENTARY INFORMATION**

**GREATER OUACHITA WATER COMPANY**  
**SCHEDULE I: SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM**  
**FOR THE YEAR ENDED AUGUST 31, 2024**

	<b>Water System</b>	<b>Sewer System</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 14,933,303	\$ 4,020,374	\$ 18,953,677
Late payment charges	193,243	61,715	254,958
Water connect charges	183,200	-	183,200
Tapping fees	304,645	-	304,645
Sewer maintenance agreement	-	440,551	440,551
Operations maintenance fees	434,019	118,586	552,605
Other	198,696	-	198,696
Total operating revenues	16,247,106	4,641,226	20,888,332
<b>DIRECT OPERATING EXPENSES</b>			
Operating contract	4,985,370	1,551,821	6,537,191
Power	820,327	477,653	1,297,980
Maintenance	1,522,456	1,146,718	2,669,174
Chemicals	617,571	217,747	835,318
Carbon amortization	790,573	-	790,573
Water purchased	84,728	-	84,728
Other	493,019	168,885	661,904
Total operating expenses	9,314,044	3,562,824	12,876,868
<b>NET OPERATING INCOME</b>	6,933,062	1,078,402	8,011,464
<b>ADMINISTRATIVE EXPENSES</b>	1,174,194	302,108	1,476,302
<b>NET OPERATING PROFIT</b>	5,758,868	776,294	6,535,162
<b>OTHER REVENUE</b>	2,295,396	1,580	2,296,976
<b>OTHER EXPENSES</b>	(1,952,258)	(733,672)	(2,685,930)
<b>NET INCOME BEFORE AMORTIZATION AND DEPRECIATION</b>	6,102,006	44,202	6,146,208
<b>AMORTIZATION AND DEPRECIATION</b>			
Amortization	82,636	35,415	118,051
Depreciation	3,038,057	1,702,744	4,740,801
Total amortization and depreciation	3,120,693	1,738,159	4,858,852
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ 2,981,313	\$ (1,693,957)	\$ 1,287,356

**GREATER OUACHITA WATER COMPANY**  
**SCHEDULE II: SCHEDULE OF ADMINISTRATIVE EXPENSES BY PROGRAM**  
**FOR THE YEAR ENDED AUGUST 31, 2024**

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	<b>Water System</b>	<b>Sewer System</b>	<b>Total</b>
Accounting	\$ 19,894	\$ 5,356	\$ 25,250
Bank charges	13,994	3,767	17,761
Consulting fees	25,766	6,937	32,703
Dues	522	141	663
Inspection and supervision fee	19,683	5,299	24,982
Insurance	345,538	93,027	438,565
Legal and administrative	216,412	19,248	235,660
Office expense	154,521	41,600	196,121
Postage	4,293	1,155	5,448
Rent	52,540	14,145	66,685
Salaries	291,104	78,372	369,476
Taxes and licenses	19,575	25,707	45,282
Travel	4,102	1,104	5,206
Trustee fees	6,250	6,250	12,500
	<hr/>	<hr/>	<hr/>
Total administrative expenses	\$ 1,174,194	\$ 302,108	\$ 1,476,302
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**GREATER OUACHITA WATER COMPANY**  
**SCHEDULE III: SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER**  
**PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDED AUGUST 31, 2024**

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**AGENCY HEAD:** Philip McQueen, President

Salary	\$ 141,048
Benefits insurance	33,548



## OTHER REPORTS



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REGIONS TOWER  
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101  
318.429.1525 (P) | 318.429.2124 (F)

To the Board of Directors  
Greater Ouachita Water Company  
Monroe, Louisiana

**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***

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 Greater Ouachita Water Company (a nonprofit organization), which comprise the statement of financial position as of August 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise Greater Ouachita Water Company's basic financial statements, and have issued our report thereon dated February 27, 2025.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Company'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 Greater Ouachita Water Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company'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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Greater Ouachita Water Company'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 these 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 organization's internal control or on compliance. This report is an integral part of an engagement to perform an audit in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Heard, McElroy & Vestal, LLC*

Shreveport, Louisiana  
February 27, 2025

**GREATER OUACHITA WATER COMPANY**  
**SCHEDULE OF AUDIT FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED AUGUST 31, 2024**

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**Section A - Summary of Audit Results**

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Greater Ouachita Water Company.
2. No material weakness or significant deficiencies were noted, relating to the engagement to perform an audit of the basic financial statements.
3. The Greater Ouachita Water Company was not subject to a federal single audit for the year ended August 31, 2024.