

**GOODWILL WATER SYSTEM, INC.**  
**Oak Grove, Louisiana**

**Financial Statements**  
**With Accountant's Compilation Report**

**As of and for the Year Ended**  
**December 31, 2024**

GOODWILL WATER SYSTEM, INC.  
Oak Grove, Louisiana

Financial Statements  
With Accountant's Compilation Report  
As of and for the Year Ended  
December 31, 2024

**C O N T E N T S**

**Statement Page No.**

**Accountant's Compilation Report**

2

**Financial Statements:**

Statement of Financial Position

A 4

Statement of Activities

B 5

Statement of Cash Flows

C 6

**Notes to the Financial Statements**

7

**Schedule Page No.**

**Supplemental Information:**

Schedule of Compensation, Reimbursements, Benefits, and  
Other Payments to Agency Head

1 15

Schedule of Prior Year Findings

16

*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

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**Accountant's Compilation Report**

BOARD OF DIRECTORS  
GOODWILL WATER SYSTEM, INC.  
Oak Grove, Louisiana

Management is responsible for the accompanying financial statements of Goodwill Water System, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. I do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

***Supplementary Information***

The accompanying schedule of compensation, reimbursements, benefits, and other payments to agency head and the schedule of prior year findings are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the representation of management. The information was subject to my compilation engagement, but I have not audited or reviewed the supplementary information, and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

I am not independent with respect to Goodwill Water System, Inc., for the year ended December 31, 2024.

*Carleen Dumas*

Calhoun, Louisiana  
June 16, 2025

## FINANCIAL STATEMENTS

**Statement A**

GOODWILL WATER SYSTEM, INC.  
Oak Grove, Louisiana

STATEMENT OF FINANCIAL POSITION  
December 31, 2024

**ASSETS**

## Current assets:

Cash	\$129,514
Accounts receivable (net of allowance for credit losses)	<u>22,875</u>
Total current assets	152,389
Investments - certificates of deposit	123,827
Property, plant, and equipment (net of accumulated depreciation)	<u>582,691</u>
 TOTAL ASSETS	 <u><u>\$858,907</u></u>

**LIABILITIES AND NET ASSETS**

## Current liabilities:

Accounts payable	\$1,127
Payroll taxes payable	1,086
Accrued interest payable	33
Current portion of loan payable	47,051
Customer deposits	<u>68,475</u>
Total current liabilities	117,772
Long-term liabilities - loan payable	<u>10,365</u>
Total liabilities	128,137
Net assets without donor restrictions	<u>730,770</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$858,907</u></u>

See accompanying notes and accountant's compilation report.

GOODWILL WATER SYSTEM, INC.  
Oak Grove, Louisiana

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2024

**Operating Revenue:**

Water sales	\$293,440
Installation fees	375
Total operating revenue	<u>293,815</u>

**Operating Expenses:**

Salaries	98,205
Payroll taxes	7,786
Accounting fees	4,271
Advertising	342
Postage	4,022
Utilities	19,818
Insurance	12,903
Repairs and maintenance	27,532
Safe drinking water fee	5,421
Sales tax	295
Office supplies	2,644
Plant supplies	5,731
Travel expense	16,570
Depreciation	87,760
Fees	375
Bad debt expense	1,085
Other operating expenses	1,279
Total operating expenses	<u>296,039</u>

**Operating Income (Loss)**

(2,224)

**Non-Operating Revenue (Expenses):**

Interest income	1,333
Federal grant	68,958
Interest expense	(7,517)
Total non-operating revenue (expenses)	<u>62,774</u>

**Increase in Net Assets**

60,550

**Net Assets at Beginning of Year**

670,220

**Net Assets at End of Year**\$730,770

See accompanying notes and accountant's compilation report.



GOODWILL WATER SYSTEM, INC.  
Oak Grove, Louisiana

STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2024

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase in net assets	<u>\$60,550</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation expense	87,760
Bad debt expense	1,085
Increase in accounts receivable	(6,227)
Decrease in accounts and taxes payable	(5,950)
Increase in customer deposits	5,175
Interest income	(1,333)
Federal grant	(68,958)
Interest expense	<u>7,517</u>
Total adjustments	<u>19,069</u>
Net cash provided by operating activities	<u>79,619</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Principal on long-term debt	(141,364)
Interest on long-term debt	<u>(7,600)</u>
Net cash used by financing activities	<u>(148,964)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of capital assets	(59,810)
Federal grant	<u>68,958</u>
Net cash provided by investing activities	<u>9,148</u>

**NET DECREASE IN CASH** (60,197)

**CASH AT BEGINNING OF YEAR** 189,711

**CASH AT END OF YEAR** \$129,514

See accompanying notes and accountant's compilation report.

GOODWILL WATER SYSTEM, INC.  
Oak Grove, Louisiana

NOTES TO THE FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2024

**1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**A. NATURE OF ACTIVITIES**

Goodwill Water System, Inc., is a nonprofit organization domiciled in Oak Grove, Louisiana, and organized under the provisions of Louisiana Revised Statutes 12:201-269. The water system is governed by a five member board of directors who are members of the water system and who are elected by members of the water system. In 1970, the West Carroll Parish Police Jury, in accordance with Louisiana Revised Statute 33:4361, granted Goodwill Water System, Inc., a franchise to provide water to members residing within the territorial boundaries of the water system, which are defined by the aforementioned franchise. The water system has approximately 631 members and five employees.

**B. INVESTMENTS**

At December 31, 2024, the water system's investments consisted of nonnegotiable certificates of deposits with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost.

**C. RECEIVABLES**

Accounts receivable consists of amounts due from members for water service provided prior to year end. Receivables are reported at the net amount expected to be collected by using an allowance for credit losses. The water system has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13 *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments* (ASC 326). ASC 326 requires that the estimate of credit losses on trade receivables be based not only on historical experience but also on current conditions and reasonable forecasts of future events. In accordance with ASC 326, the water system's estimate of the allowance for credit losses is based on accounts in arrears at December 31, 2024 and the percentage of total accounts receivable paid in January 2025. Customers with accounts past due 60 days or more are disconnected for nonpayment.

**D. FEDERAL GRANT FUNDS**

The accounting and reporting of grants is determined by the underlying substance of the transaction. A grant may be accounted for as contribution, an exchange transaction, or

See accountant's compilation report.



GOODWILL WATER SYSTEM, INC.  
Notes to the Financial Statements

a combination of the two. If it is determined to be a contribution, a grant may be considered a conditional or an unconditional grant.

The water system has adopted FASB ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides clarified guidance on evaluating whether grant funds should be accounted for as a contribution or an exchange transaction based on whether the grantor is receiving value in return for the resources transferred to the grantee. Grant funds are considered contributions if the grantor does not receive commensurate value in exchange for the assets transferred. ASU 2018-08 also provides guidance to determine whether grants funds that are accounted for as contributions are considered conditional or unconditional. Grant funds are considered conditional if the grantee must overcome one or more barriers before it is entitled to the funds and a right of return to the grantor exists for funds transferred. For conditional grants, revenue is recognized in the period the condition or conditions are met. For grants that are considered unconditional, revenue is recognized in the period the grant funds are received.

For the year ended December 31, 2024, the water system received \$68,958 in American Rescue Plan Act of 2021 ("ARPA") funding as a sub-recipient passed through the West Carroll Parish Police Jury (the "Police Jury"). The ARPA funding is accounted for as a contribution and is considered conditional because the agreement with the Police Jury provides that the funding must be used for eligible expenses. Contributions that are considered conditional are reported as increases in net assets without donor restrictions if the restrictions are met in the same accounting period in which the contributions are received.

**E. PROPERTY, PLANT, AND EQUIPMENT**

Major improvements to the water system, land, buildings, and equipment with an item cost of \$1,000 or more and that are expected to have a useful life of at least five years are capitalized by the water system. Property, plant, and equipment is recorded at actual cost. Depreciation of all exhaustible property, plant, and equipment is charged as an expense against operations. Depreciation is computed using the straight-line method over estimated useful lives of 10 to 40 years for the water production and distribution systems, 25 years for buildings, 20 years for fencing and 5 to 10 years for equipment. Depreciation expense for the year ended December 31, 2024 is \$87,760.

**F. INCOME TAX STATUS**

The water system is a nonprofit organization that is exempt from federal income taxes under Section 501 (c) (12) of the Internal Revenue Code.

See accountant's compilation report.

GOODWILL WATER SYSTEM, INC.  
Notes to the Financial Statements

The water system's Form 990, *Return of Organization Exempt from Income Tax*, for the years ended 2021, 2022, and 2023 are subject to examination by the IRS, generally for three years after they were filed.

**G. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**H. INTEREST COSTS**

The following provides disclosure on interest costs for the year ended December 31, 2024:

Total interest cost expensed	\$7,517
Total interest cost capitalized	<u>NONE</u>
Total interest costs incurred	<u><u>\$7,517</u></u>

**I. FUNCTIONAL ALLOCATION OF EXPENSES**

The water system's only activity is to provide water service to its members. All costs incurred by the water system are incurred for the purpose of providing water service; therefore, it is not feasible to allocate expenses between program services and support services.

**2. DEPOSITS IN FINANCIAL INSTITUTIONS**

At December 31, 2024, the water system has cash and investments (book balances) as follows:

Petty cash	\$100
Checking accounts	124,936
Savings accounts	4,478
Certificates of deposit	<u>123,827</u>
Total	<u><u>\$253,341</u></u>

Cash and investments (bank balances) at December 31, 2024, are fully secured by federal deposit insurance.

See accountant's compilation report.



GOODWILL WATER SYSTEM, INC.  
Notes to the Financial Statements

**3. RECEIVABLES AND ALLOWANCE FOR CREDIT LOSSES**

Receivables at December 31, 2024 consist of the following:

Water sales	\$28,008
Less - allowance for credit losses	<u>(5,133)</u>
Net	<u><u>\$22,875</u></u>

The water system's estimate of the allowance for credit losses at December 31, 2024 is as follows:

Allowance for credit losses at January 1, 2024	\$4,048
Current period provision for expected credit losses	<u>1,085</u>
Allowance for credit losses at December 31, 2024	<u><u>\$5,133</u></u>

**4. REVENUE FROM CONTRACTS WITH CUSTOMERS**

The water system adopted Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") 2014-09 *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively Accounting Standards Codification ("ASC") 606) which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. The water system's revenue from contracts with customers within the scope of ASC 606 is reported as water sales and installation fees on the Statement of Activities. Water sales are recognized in the period the gallons of water are produced and delivered to the customer. The customer is billed monthly for the number of gallons of water delivered during the previous month and payment is due the following month. The receivable for water fees was \$21,780 at the beginning of the year and \$28,008 at the end of the year. Installation fees are recognized when the customer signs the water users agreement and pays the fee.

**5. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the water system's financial assets as of December 31, 2024, reduced by amounts not available for general use because of contractual restrictions or board designations within one year of the balance sheet date:

Financial assets at December 31, 2024	\$276,216
Less those unavailable for general expenditure within one year, due to:	
Contractual restrictions/board designations	<u>NONE</u>
Financial assets available to meet cash needs for general expenditure, within one year	<u><u>\$276,216</u></u>

See accountant's compilation report.

GOODWILL WATER SYSTEM, INC.  
Notes to the Financial Statements

**6. PROPERTY, PLANT, AND EQUIPMENT**

A summary of property, plant, and equipment at December 31, 2024 follows:

Land	\$38,500
Building and fence	70,905
Production and distribution system	2,897,623
Equipment	<u>166,972</u>
	3,174,000
Less accumulated depreciation	<u>(2,591,309)</u>
Net	<u><u>\$582,691</u></u>

**7. LOAN PAYABLE**

On July 27, 2023, the water system signed a promissory note to Regions Bank for \$214,483 to refinance the principal balance remaining on a maturing loan from Regions Bank dated February 28, 2018. The 2023 loan has an annual interest rate of 5.25% and is being repaid in 60 monthly payments of \$4,080 through July 27, 2028. The loan is secured by a security interest in water system funds on deposit with Regions Bank.

The following is a summary of loan payable transactions for the year ended December 31, 2024:

	Regions Bank Loan
Loan payable at January 1, 2024	<u>\$198,780</u>
Reductions	<u>(141,364)</u>
Loan payable at December 31, 2024	<u><u>\$57,416</u></u>

The annual requirements to amortize the loan outstanding at December 31, 2024, are as follows:

Year	Principal	Interest	Total
2025	\$47,051	\$1,914	\$48,965
2026	10,365	83	10,448
Totals	<u><u>\$57,416</u></u>	<u><u>\$1,997</u></u>	<u><u>\$59,413</u></u>

**8. CONCENTRATION OF INDEBTEDNESS**

As discussed in Note 7 above, all of the water system's debt is with Regions Bank. The collateral for this debt is described in Note 7.

See accountant's compilation report.

GOODWILL WATER SYSTEM, INC.  
Notes to the Financial Statements

**9. CONTINGENCIES**

As discussed in Note 1D, during the year ended December 31, 2024, the water system received \$68,958 in ARPA grant funding through the West Carroll Parish Police Jury. Grant expenses are subject to audit and adjustment by grantor agencies; therefore, to the extent that the water system has not complied with the rules and regulations governing the grant funds, refunds of any money received may be required. In the opinion of the water system's management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the grant funds; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**10. SUBSEQUENT EVENTS**

The water system has evaluated subsequent events through June 16, 2025, the date which the financial statements were available to be issued.

See accountant's compilation report.



## **SUPPLEMENTAL INFORMATION**

See accountant's compilation report.

GOODWILL WATER SYSTEM, INC.  
Oak Grove, Louisiana

SUPPLEMENTAL INFORMATION  
As of and For the Year Ended December 31, 2024

**COMPENSATION, REIMBURSEMENTS, BENEFITS, AND  
OTHER PAYMENTS TO AGENCY HEAD**

The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head is presented in compliance with Louisiana Revised Statute 24:513 A (3).

**SCHEDULE OF PRIOR YEAR FINDINGS**

The follow-up and corrective action taken on all prior year findings is presented in Schedule 2.

See accountant's compilation report.

GOODWILL WATER SYSTEM, INC.  
Oak Grove, Louisiana

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND  
OTHER PAYMENTS TO AGENCY HEAD  
For the Year Ended December 31, 2024

Agency Head - Charles Townsend - President

NONE

See accountant's compilation report.

GOODWILL WATER SYSTEM, INC.  
Oak Grove, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended December 31, 2024

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Status of Finding
2023-001	2023	Inadequate Segregation of Accounting Duties	Unresolved.
2023-002	2023	Need to Improve Controls over Maintaining and Approving Financial Records and Documents	Partially Resolved.
2023-003	2023	Failure to Submit Annual Financial Statements to Louisiana Legislative Auditor Within Six Months of the Close of the Fiscal Year	Resolved.

See accountant's compilation report.