

**N.E.W. CARROLL WATER ASSOCIATION, INC.**  
**Kilbourne, Louisiana**

**Financial Statements**  
**With Accountant's Compilation Report**  
**As of and for the Year Ended**  
**December 31, 2020**

N.E.W. CARROLL WATER ASSOCIATION, INC.  
Kilbourne, Louisiana

Financial Statements  
With Accountant's Compilation Report  
As of and for the Year Ended  
December 31, 2020

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*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

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**Accountant's Compilation Report**

BOARD OF DIRECTORS  
N.E.W. CARROLL WATER ASSOCIATION, INC.  
Kilbourne, Louisiana

Management is responsible for the accompanying financial statements of N.E.W. Carroll Water Association, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, 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. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information contained in Schedule 1 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to my compilation engagement. I have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

I am not independent with respect to N.E.W. Carroll Water Association, Inc., for the year ended December 31, 2020.

*Carleen Dumas*

Calhoun, Louisiana  
April 20, 2021

**FINANCIAL STATEMENTS**

N.E.W. CARROLL WATER ASSOCIATION, INC.  
Kilbourne, Louisiana

STATEMENT OF FINANCIAL POSITION  
December 31, 2020

**ASSETS**

## Current assets:

Cash	\$350,203
Investment - certificate of deposit	243,271
Accounts receivable (net of allowance for uncollectibles)	33,087
Total current assets	626,561
Property, plant, and equipment (net of accumulated depreciation)	300,727

## TOTAL ASSETS

\$927,288**LIABILITIES AND NET ASSETS**

## Current liabilities:

Accounts payable	\$13,418
Payroll taxes payable	4,777
Customer deposits	112,877
Total current liabilities	131,072
Net assets without donor restrictions	796,216

## TOTAL LIABILITIES AND NET ASSETS

\$927,288

See accompanying notes and accountant's compilation report.

N.E.W. CARROLL WATER ASSOCIATION, INC.  
Kilbourne, Louisiana

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2020

<b>Operating Revenues:</b>	
Water sales	\$528,360
Installation fees	5,400
Connection, transfer and reconnect fees	2,811
Sewer collection fee	6,000
Other operating revenue	2,875
Total operating revenues	<u>545,446</u>
<b>Operating Expenses:</b>	
Salaries	162,181
Payroll taxes	12,677
Accounting	1,198
Postage	4,217
Advertising	643
Utilities and telephone	50,831
Insurance	16,899
Fuel expense	6,000
Supplies	60,109
Office supplies and expense	5,592
Chemicals and salt	88,839
Dues and fees	24,304
Repairs	117,741
Tower expense	15,079
Depreciation	27,325
Other operating expenses	11,314
Total operating expenses	<u>604,949</u>
<b>Operating Income (Loss)</b>	<u>(59,503)</u>
<b>Non-Operating Revenue:</b>	
Interest Income	6,669
Local grant - West Carroll Parish Police Jury	83,000
Total non-operating revenue	<u>89,669</u>
<b>Increase in Net Assets</b>	30,166
<b>Net Assets at Beginning of Year</b>	<u>766,050</u>
<b>Net Assets at End of Year</b>	<u><u>\$796,216</u></u>

See accompanying notes and accountant's compilation report.

N.E.W. CARROLL WATER ASSOCIATION, INC.  
Kilbourne, Louisiana

STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2020

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase in net assets	<u>\$30,166</u>
Adjustments to reconcile increase in net assets to net cash used by operating activities:	
Depreciation expense	27,325
Decrease in accounts receivable	11,387
Increase in accounts and taxes payable	3,454
Increase in customer deposits	4,700
Interest income	(6,669)
Local grant	<u>(83,000)</u>
Total adjustments	<u>(42,803)</u>
Net cash used by operating activities	<u>(12,637)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Grant from West Carroll Parish Police Jury	<u>83,000</u>
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**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest income	6,669
Increase in investments	<u>(6,413)</u>
Net cash provided by investing activities	<u>256</u>

**NET INCREASE IN CASH**

70,619

**CASH AT BEGINNING OF YEAR**279,584**CASH AT END OF YEAR**\$350,203

See accompanying notes and accountant's compilation report.

N.E.W. CARROLL WATER ASSOCIATION, INC.  
Kilbourne, Louisiana

NOTES TO THE FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

**A. NATURE OF ACTIVITIES**

N.E.W. Carroll Water Association, Inc., is a nonprofit organization domiciled in Kilbourne, Louisiana, and organized under the provisions of Louisiana Revised Statutes 12:201-269. The association is governed by a seven member board of directors who are members of the association and who are elected by members of the association. On March 6, 1972, the West Carroll Parish Police Jury, in accordance with Louisiana Revised Statute 33:4361, granted the association a franchise to provide water to members residing within the territorial boundaries of the association, which are defined by the aforementioned franchise. The water system has approximately 1,177 members and 4 employees.

**B. INVESTMENTS**

At December 31, 2020, the water system's investments consisted of a short-term nonnegotiable certificate of deposit with an original maturity that exceeds 90 days that is reported in the accompanying financial statements at cost.

**C. RECEIVABLES**

Accounts receivable consist of amounts due from members for water service provided prior to year end. Receivables are reported net of an allowance for doubtful accounts that is an estimate based on historical collection percentages. Past due accounts are written off when they are considered uncollectible by management.

**D. FIXED ASSETS**

Major improvements to the water system and equipment that cost \$1,000 or more and are expected to have a useful life of at least five years are capitalized by the association. Fixed assets are recorded at actual cost. Depreciation is computed using the straight-line method over estimated useful lives of 20 to 40 years for the water production and distribution systems and 5 to 10 years for equipment. Depreciation expense for the year ended December 31, 2020 was \$27,325.

**E. INCOME TAX STATUS**

N.E.W. Carroll Water Association, Inc., is a non-for-profit organization that is exempt from federal income taxes under Section 501 (c) (12) of the Internal Revenue Code.



N.E.W. CARROLL WATER ASSOCIATION, INC.  
Kilbourne, Louisiana  
Notes to the Financial Statements (Continued)

The Association's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2017, 2018, and 2019 are subject to examination by the IRS, generally for three years after they were filed.

**F. 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.

**G. FUNCTIONAL ALLOCATION OF EXPENSES**

N.E.W. Carroll Water Association, Inc.'s only activity is to provide water service to its members. All costs incurred by N.E.W. Carroll Water Association, Inc., 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, 2020, the water system had cash and investments (book balances) as follows:

Checking accounts	\$350,203
Certificate of deposit	<u>243,271</u>
Total	<u>\$593,474</u>

Bank balances were not fully secured by FDIC insurance.

**3. RECEIVABLES**

Receivables at December 31, 2020 consist of the following:

Water sales	\$34,168
Less - allowance for uncollectible accounts - water sales	<u>(1,081)</u>
Net	<u>\$33,087</u>

**4. REVENUE FROM CONTRACTS WITH CUSTOMERS**

The water system has adopted Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") 2014-09 *Revenue from Contracts with Customers* and all subsequent

N.E.W. CARROLL WATER ASSOCIATION, INC.  
 Kilbourne, Louisiana  
 Notes to the Financial Statements (Continued)

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, installation fees, and connection, reconnect, and transfer 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 each month for the number of gallons of water delivered during the billing cycle and payment is due the following month. The receivable for water fees was \$43,750 at the beginning of the year and \$34,168 at the end of the year. All other fees are recognized when the customer pays the fee.

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

The following reflects the water system's financial assets as of December 31, 2020, 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, 2020	\$626,561
Less those unavailable for general expenditure within one year, due to:	
Contractual restrictions or board designations	<u>NONE</u>
Financial assets available to meet cash needs for general expenditure, within one year	<u>\$626,561</u>

**6. FIXED ASSETS**

A summary of fixed assets at December 31, 2020 follows:

Production and distribution system	\$2,240,913
Office building	19,500
Equipment	104,309
Land	<u>\$10,550</u>
	2,375,272
Less accumulated depreciation	<u>(2,074,545)</u>
Net	<u>\$300,727</u>

**7. CONTINGENCIES**

N.E.W. Carroll Water Association, Inc., was named as a defendant in a lawsuit that involves hundreds of water systems throughout Louisiana. An employee of a company that was under contract with the water system is claiming damages from working at the jobsites identified in the lawsuit. The water system's insurance carrier is handling the defense for the water system.

**8. SUBSEQUENT EVENTS**

Since March 2020, the spread of COVID-19 has severely impacted many local economies. Measures taken to contain the spread of the virus have triggered significant disruptions to businesses. There were no significant adverse effects from COVID-19 on the water system's financial position during 2020. Although not expected, the water system's future cash flows could be affected by an economic slowdown that results from measures taken to contain the spread of the virus. The water system has determined that the potential impact of COVID-19 is a non-adjusting subsequent event. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2020, have not been adjusted to reflect this potential impact. The duration and impact of the COVID-19 pandemic remains unclear at this time.

N.E.W. Carroll Water Association, Inc., has evaluated subsequent events through April 20, 2021, the date which the financial statements were available to be issued.

N.E.W. CARROLL WATER ASSOCIATION, INC.  
Kilbourne, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE  
As of and For the Year Ended December 31, 2020

**SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO AGENCY HEAD**

The schedule of compensation, benefits, and other payments to agency head is presented in compliance with Louisiana Revised Statute 24:513 A (3).

N.E.W. CARROLL WATER ASSOCIATION, INC.  
Kilbourne, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD  
For the Year Ended December 31, 2020

**BOARD COMPENSATION**

A.M. O'Neal, Jr. - President

NONE