

Alabama Water System, Inc.

Annual Financial Statements  
As of December 31, 2018 and for the Year Then Ended

WADE & PERRY, CPAs APAC  
116 North Pinecrest Drive  
Ruston, LA 71270  
318-251-2196

Accountant's Compilation Report

Alabama Water System, Inc.  
Arcadia, LA

Management is responsible for the accompanying financial statements of Alabama Water System, Inc. (a not for profit organization), which comprise the balance sheet as of December 31, 2018, and the related statement of income for the year then ended, in accordance with accounting principles generally accepted in the United States of America. We 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. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the System's financial position, changes in net assets, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

*Wade & Perry*  
Ruston, Louisiana  
February 5, 2019

**Alabama Water System, Inc.**  
**Balance Sheet**  
As of December 31, 2018

	Dec 31, 18
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Construction Account - GBT	3,578.54
First National Bank	
Deposits	6,404.18
First National Bank - Other	89,161.87
<b>Total First National Bank</b>	95,566.05
<b>Total Checking/Savings</b>	99,144.59
<b>Accounts Receivable</b>	
Accounts Receivable	19,904.83
<b>Total Accounts Receivable</b>	19,904.83
<b>Other Current Assets</b>	
Depreciation Fund CD	98,249.23
Edwards Jones M/M Account	5,897.12
Fed Farm Credit Bk Cons Bonds	31,740.45
FHLMC Bond	7,577.50
Franklin US Government Secs.	10,174.24
Revenue Fund CD # 8	211,885.37
<b>Total Other Current Assets</b>	365,523.91
<b>Total Current Assets</b>	484,573.33
<b>Fixed Assets</b>	
Accumulated Depreciation	-2,728,917.20
Equipment	37,141.20
Land (Woodard)	9,995.00
Office Building	80,664.80
Water System	5,488,040.31
<b>Total Fixed Assets</b>	2,886,924.11
<b>Other Assets</b>	
Utility Deposit	200.00
<b>Total Other Assets</b>	200.00
<b>TOTAL ASSETS</b>	<b>3,371,697.44</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	3,447.75
<b>Total Accounts Payable</b>	3,447.75
<b>Other Current Liabilities</b>	
Customer deposits	12,053.96
Payroll Liabilities	907.77
USDA Loan	1,368,218.95
<b>Total Other Current Liabilities</b>	1,381,180.68
<b>Total Current Liabilities</b>	1,384,628.43
<b>Total Liabilities</b>	1,384,628.43

See accountant's compilation letter.

**Alabama Water System, Inc.**  
**Balance Sheet**  
As of December 31, 2018

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	<u>Dec 31, 18</u>
Equity	
Retained Earnings	2,160,190.22
Net Income	<u>-173,121.21</u>
Total Equity	<u>1,987,069.01</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>3,371,697.44</u></b>

See accountant's compilation letter.

**Alabama Water System, Inc.**  
**Profit & Loss**  
January through December 2018

	Jan - Dec 18
<b>Ordinary Income/Expense</b>	
Income	
Grant	2,438.84
Interest	
Checking Account Interest	48.95
Total Interest	48.95
Water Revenue	139,521.18
<b>Total Income</b>	142,008.97
Expense	
Bank Service Charges	578.87
Construction Expense	2,307.00
Deposit Refund	160.39
Depreciation Expense	145,890.76
Honorarium	550.00
Insurance	
Property Insurance	5,011.05
Work Comp	1,529.00
Total Insurance	6,540.05
Interest Expense	
Loan Interest	25,333.26
Total Interest Expense	25,333.26
Miscellaneous	599.80
Office Expense	2,976.99
Office Supplies	532.73
Payroll Expenses	15,444.35
Postage and Delivery	1,982.80
Professional Fees	
Accounting	
Bonus	1,469.75
Accounting - Other	250.00
Total Accounting	1,719.75
Audit expense	2,600.00
Professional Fees - Other	28,886.07
Total Professional Fees	33,205.82
Repair & Maintenance	
Mowing	1,800.00
Repair & Maintenance - Other	35,681.62
Total Repair & Maintenance	37,481.62
Repairs	
Equipment Repairs	1,173.76
Janitorial Exp	50.00
Repairs - Other	357.28
Total Repairs	1,581.04
Supplies	9,784.27
Taxes	
Sales Tax	3,302.95
Unemployment taxes	29.92
Total Taxes	3,332.87
Telephone	1,292.92

See accountant's compilation letter.

**Alabama Water System, Inc.**  
**Profit & Loss**  
January through December 2018

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	<u>Jan - Dec 18</u>
Utilities	
Gas and Electric	26,519.59
Total Utilities	<u>26,519.59</u>
Total Expense	<u>316,095.13</u>
Net Ordinary Income	-174,086.16
Other Income/Expense	
Other Income	
Interest Income	1,549.32
Unrealized Gain on Edward Jones	-584.37
Total Other Income	<u>964.95</u>
Net Other Income	<u>964.95</u>
Net Income	<u><u>-173,121.21</u></u>

See accountant's compilation letter.

Alabama Water System  
Schedule of Compensation, Benefits and Other Payments  
to Agency Head or Chief Executive Officer  
For the Year Ended December 31, 2018

Agency Head Name: Jerry Simpson

Purpose	
Salary	\$0
Benefits-insurance	0
Benefits-retirement	0
Benefits-other	0
Car allowance	0
Vehicle provided by government	0
Per diem	100
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0