

**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, 2024**

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, 2024

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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. Water Association, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 is presented for purpose of additional analysis and is 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 N.E.W. Water Association, Inc., for the year ended December 31, 2024.



Calhoun, Louisiana  
June 17, 2025

## FINANCIAL STATEMENTS

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

STATEMENT OF FINANCIAL POSITION  
December 31, 2024

**ASSETS**

## Current assets:

Cash	\$212,475
Receivables - water sales	<u>33,339</u>
Total current assets	<u>245,814</u>
Investment	269,662
Property, plant, and equipment (net of accumulated depreciation)	<u>443,253</u>
 TOTAL ASSETS	 <u><u>\$958,729</u></u>

**LIABILITIES AND NET ASSETS**

## Current liabilities:

Accounts payable	\$21,976
Payroll liabilities	4,003
Customer deposits	<u>138,798</u>
Total current liabilities	<u>164,777</u>
Net assets without donor restrictions	<u>793,952</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$958,729</u></u>

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, 2024

**Operating Revenue:**

Water sales	\$536,427
Installation fees	2,400
Connects, transfers, and reconnect fees	4,550
Sewer collection fee	6,000
Other operating revenue	1,981
Total operating revenue	<u>551,358</u>

**Operating Expenses:**

Salaries	171,988
Payroll taxes	13,420
Contract labor	8,419
Accounting	1,302
Postage	5,955
Utilities and telephone	75,392
Insurance	19,073
Fuel expense	10,714
Supplies	47,211
Repairs	14,141
Office supplies and expense	6,926
Chemicals and salt	159,584
Dues and fees	28,834
Tower expense	38,254
Depreciation	31,076
Other operating expenses	3,766
Total operating expenses	<u>636,055</u>

**Operating Income (Loss)**(84,697)**Non-Operating Revenue:**

Interest income	19,217
Grant revenue	27,150
Total non-operating revenue	<u>46,367</u>

**Decrease in Net Assets**

(38,330)

**Net Assets at Beginning of Year**832,282**Net Assets at End of Year**\$793,952

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, 2024

**CASH FLOWS FROM OPERATING ACTIVITIES**

Decrease in net assets	<u>(\$38,330)</u>
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation expense	31,076
Decrease in accounts receivable	1,766
Increase in accounts and taxes payable	16,957
Increase in customer deposits	7,426
Interest income	(19,217)
Grant revenue	<u>(27,150)</u>
Total adjustments	<u>10,858</u>
Net cash used by operating activities	<u>(27,472)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Construction of capital assets	(31,060)
Grant revenue	<u>47,150</u>
Net cash provided by financing activities	<u>16,090</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest income	19,217
Increase in investments	<u>(17,994)</u>
Net cash provided by investing activities	<u>1,223</u>

**NET DECREASE IN CASH** (10,159)

**CASH AT BEGINNING OF YEAR** 222,634

**CASH AT END OF YEAR** \$212,475

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, 2024

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

**A. NATURE OF ACTIVITIES**

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

**B. INVESTMENT**

At December 31, 2024, the water system's investment consists of a five-year fixed annuity invested with Regions Investment Solutions. The annuity was issued on August 30, 2024 and will mature on August 30, 2029. The interest rate is 4.58% at December 31, 2024. The investment is reported at market value in the accompanying financial statements which approximates cost. Unrealized gains/losses are reported as interest income in the accompanying financial statements. The investment is not considered a deposit at Regions Bank, is not insured from risk by federal deposit insurance or national credit union share insurance, and may lose value.

**C. RECEIVABLES**

Receivable consist of amounts due from active members for water service provided prior to year end. Receivables are generally reported at the net amount expected to be collected by using an allowance for credit losses. The water system adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13 *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments* (Accounting Standards Codification ("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. The water system is of the opinion that an allowance for credit losses at December 31, 2024, is immaterial to the financial statements taken as a whole; therefore, no allowance for credit losses has been reported in the accompanying financial statements. Non-payment within ten days after the due date results in the customer being disconnected from water service. Past due accounts are written off when they are considered uncollectible by management.

See accountant's compilation report.



#### **D. PROPERTY, PLANT, AND EQUIPMENT**

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 water system. Property, plant, and equipment 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, 2024, is \$31,076.

#### **E. 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 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 \$9,550 in American Rescue Plan Act of 2021 ("ARPA") grant funds under a beneficiary agreement with the West Carroll Parish Police Jury (the "Police Jury"). The agreement with the Police Jury provided for \$200,000 in funding from the Police Jury's ARPA allocation for the purchase of automated water meters and the related digital reading equipment. The water system also received \$17,600 in grant funds from the State of Louisiana's Community Water Enrichment Fund that was passed through the Police Jury. All of the grant funds are accounted for as contributions and are considered conditional because the funds must be used solely for the purpose specified in the agreements and are disbursed to the water system as project costs are incurred.

See accountant's compilation report.

N.E.W. CARROLL WATER ASSOCIATION, INC.  
Notes to the Financial Statements

**F. INCOME TAX STATUS**

The water system is a not-for-profit organization that is exempt from federal income taxes under Section 501 (c) (12) of the Internal Revenue Code.

The water system's Forms 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 are 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. 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 in interest bearing and non-interest bearing checking accounts totaling \$212,475. These deposits are stated at cost, which approximates market. These deposits are fully secured from risk by federal deposit insurance.

**3. RECEIVABLES**

Receivables at December 31, 2024 consist of the following:

Water sales	\$33,339
Less - allowance for credit losses	<u>NONE</u>
Net	<u><u>\$33,339</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

See accountant's compilation report.



N.E.W. CARROLL WATER ASSOCIATION, INC.  
Notes to the Financial Statements

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 \$35,105 at the beginning of the year and \$33,339 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, 2024, reduced by amounts not available for general use because of contractual restrictions/board designations within one year of the balance sheet date:

Financial assets at December 31, 2024	\$515,476
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>\$515,476</u>

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

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

Production and distribution system	\$2,481,373
Office building	19,500
Equipment	77,443
Land	<u>12,050</u>
	2,590,366
Less accumulated depreciation	<u>(2,147,113)</u>
Net	<u>\$443,253</u>

**7. CONTINGENCIES**

As discussed in Note 1E, the water system expended \$27,150 in grant funds during the year ended December 31, 2024. These 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

See accountant's compilation report.

N.E.W. CARROLL WATER ASSOCIATION, INC.  
Notes to the Financial Statements

contingencies.

**8. SUBSEQUENT EVENTS**

The water system has evaluated subsequent events through June 17, 2025, the date which the financial statements were available to be issued.

See accountant's compilation report.

## **SUPPLEMENTAL INFORMATION**

See accountant's compilation report.



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

See accountant's compilation report.

**Schedule 1**

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

Schedule of Compensation, Reimbursements, Benefits, and  
Other Payments to Agency Head  
For the Year Ended December 31, 2024

Agency Head - James Stephens - President

NONE

See accountant's compilation report.