

HENDERSON NINA WATER SYSTEM, INC.  
ANNUAL FINANCIAL REPORT  
AUGUST 31, 2019

## TABLE OF CONTENTS

	<u>PAGE</u>
Independent Accountant's Review Report	1-2
Statement of Financial Position	3
Statement of Activities	4-5
Statement of Cash Flows	6
Notes to Financial Statements	7-15
<u>SUPPLEMENTARY INFORMATION</u>	
Schedule of Insurance in Force	16

James L. Nicholson, Jr., CPA  
 G. Kenneth Pavy, II, CPA  
 Michael A. Roy, CPA  
 Lisa Trouille Manuel, CPA  
 Dana D. Quebedeaux, CPA



**JOHN S. DOWLING & COMPANY**  
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS  
 www.jsdc-cpas.com

John S. Dowling, CPA  
 1904-1984  
 John Newton Stout, CPA  
 1936-2005  
 Chizal S. Fontenot, CPA  
 1955-2012

Retired

Harold Dupre, CPA  
 1996  
 Dwight Ledoux, CPA  
 1998  
 Joel Landos, Jr., CPA  
 2003  
 Russell J. Stelly, CPA  
 2005

Van L. Auld, CPA

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors of  
 Henderson Nina Water System, Inc.  
 Henderson, Louisiana

We have reviewed the accompanying financial statements of Henderson Nina Water System, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditor's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter Effect of Adopting New Accounting Standard**

As discussed in Note 12, the Financial Accounting Standards board issued Accounting Standards Update ("ASU") 2016-14, "Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities." The update addresses the complexity and understandability of net asset classification, deficiencies information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Henderson Nina Water System, Inc. adopted ASU 2016-14 for the year ended August 31, 2019. Our opinion is not modified with respect to this matter.

P. O. Box 1549  
 4766 I-49 North Service Road  
 Opelousas, Louisiana 70570  
 Phone: 337-948-4848  
 Fax: 337-948-6109

112 Fountain Bend Dr.  
 Lafayette, LA 70506  
 Phone: 337-984-9717  
 Fax: 337-984-5544

To the Board of Directors of  
Henderson Nina Water System, Inc.  
Henderson, Louisiana

**Supplementary Information**

The supplementary information on page 16 is presented for purposes of additional analysis and is not a required part of the basic 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 supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the information. We have not audited the information and, accordingly, do not express an opinion on such information.

*John S. Dowling & Company*

Opelousas, Louisiana  
January 13, 2020

HENDERSON NINA WATER SYSTEM, INC.  
HENDERSON, LOUISIANA  
STATEMENT OF FINANCIAL POSITION  
AUGUST 31, 2019

<u>ASSETS</u>	<u>2019</u>
Cash - unrestricted	\$ 189,203
Accounts receivable, net of allowance for doubtful accounts	120,856
Other Receivables	3,444
Prepaid insurance	3,470
Supplies inventory	21,710
Restricted assets	
Cash - reserve	73,802
Cash - garbage and sewer deposits	53,874
Cash - Butte La Rose water deposits	1,687
Investments	224,537
Property and equipment (net)	<u>846,509</u>
<u>Total assets</u>	<u><u>1,539,092</u></u>
<u>LIABILITIES</u>	
Accounts payable	\$ 5,343
Other accrued liabilities	51,304
Meter deposits	82,128
Restricted payables	
Restricted deposits	38,472
Notes payable	<u>889,580</u>
<u>Total liabilities</u>	<u><u>1,066,827</u></u>
<u>NET ASSETS</u>	
Without donor restrictions	<u>472,265</u>
<u>Total net assets</u>	<u><u>472,265</u></u>
<u>Total liabilities and net assets</u>	<u><u>1,539,092</u></u>

See accompanying notes and independent accountant's review report.

**HENDERSON NINA WATER SYSTEM, INC.**  
**HENDERSON, LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

	Without Donor Restrictions
	2019
<b><u>REVENUES AND OTHER SUPPORT</u></b>	
Water sales	\$ 498,965
Connection charges	11,880
Reconnection charges	12,700
Interest income	7,989
Membership fees	1,470
Miscellaneous income	68,849
Town of Henderson reimbursement	10,000
Donation income	2,800
Dividend income	2,116
<u>Total revenues and other support</u>	616,769
<b><u>EXPENSES</u></b>	
Management & General	
Salaries	24,505
Payroll taxes	2,092
Board fees	8,800
Utilities	1,235
Insurance	2,320
Professional fees	15,411
Communications	164
Office supplies	325
Travel and entertainment	4,414
Telephone	172
Retirement expense	666
Depreciation expense	781
<u>Total management &amp; general</u>	60,885
Program Services	
Salaries	234,706
Payroll taxes	14,003
Auto & gas	8,644
Chemicals	20,943
Utilities	23,458
Insurance	44,079
Communications	3,122
Miscellaneous expenses	15,384
Postage & printing	11,355
Repairs and maintenance	11,988
Certification and training	783
Advertising	159
Office supplies	1,842
Telephone	3,263
Retirement expense	4,460
Salt water disposal	7,232
Water supplies	29,191
Dues and subscriptions	878
Bad debt expense	16,945

Continued on next page

See accompanying notes and independent accountant's review report.

HENDERSON NINA WATER SYSTEM, INC.  
HENDERSON, LOUISIANA  
STATEMENT OF ACTIVITIES (CONTINUED)  
FOR THE YEAR ENDED AUGUST 31, 2019

	Without Donor Restrictions
	2019
Uniforms	\$ 1,770
Depreciation expense	77,320
Interest expense	42,618
<u>Total program services</u>	574,143
<u>Total expenses</u>	635,028
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES</u>	(18,259)
<u>OTHER INCREASES (DECREASES)</u>	
Unrealized gain/(loss) on investments	12,999
<u>Total other increases (decreases)</u>	12,999
Change in net assets	(5,260)
<u>NET ASSETS</u> , beginning of year, as restated	477,525
<u>NET ASSETS</u> , end of year	472,265

See accompanying notes and independent accountant's review report.

HENDERSON NINA WATER SYSTEM, INC.  
HENDERSON, LOUISIANA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2019

	2019
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>	
Cash received from customers	\$ 633,215
Interest earned on investments	8,276
Cash paid to suppliers	(266,587)
Cash paid to employees	(259,211)
Interest paid on loans	(43,008)
<u>Net cash provided by operating activities</u>	72,685
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>	
Principal payments on loans	(23,923)
<u>Net cash used by capital and related financing activities</u>	(23,923)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>	
Purchase of fixed assets	(12,521)
Proceeds from redemption of investments	16,100
Purchase of investments	(11,815)
<u>Net cash used by investing activities</u>	(8,236)
<b><u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u></b>	40,526
<b><u>CASH AND CASH EQUIVALENTS, beginning of year</u></b>	278,040
<b><u>CASH AND CASH EQUIVALENTS, end of year</u></b>	318,566
<b><u>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>	
Change in net assets	\$ (5,260)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	78,101
Unrealized (gain)/loss on investments	(12,999)
Changes in assets and liabilities	
(Increase) decrease in accounts receivable	20,116
(Increase) decrease in other receivable	(4,959)
(Increase) decrease in interest receivable	287
(Increase) decrease in prepaid insurance	2,728
(Increase) decrease in supplies inventory	(610)
Increase (decrease) in accounts payable	(2,423)
Increase (decrease) in other accrued liabilities	(11,184)
Increase (decrease) in accrued interest payable	(389)
Increase (decrease) in meter deposits	3,355
Increase (decrease) in tenant deposits	5,922
<u>Net cash provided by operating activities</u>	72,685

See accompanying notes and independent accountant's review report.

HENDERSON NINA WATER SYSTEM, INC.  
HENDERSON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2019

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

Henderson Nina Water System, Inc. is a nonprofit organization providing water for the Town of Henderson and the surrounding area. The water system is governed by a board of directors composed of five members elected by the members of the water system.

The water system is exempt from federal income tax as an organization described in Section 501(c)(12) of the Internal Revenue Code, and the water system is classified as a private foundation by the Internal Revenue Service.

A. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Henderson Nina Water System, Inc. is a nonprofit organization which is accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

B. Investments

Investments consist of certificates of deposits, municipal bonds, corporate bonds, unit trusts, and mutual funds purchased through a broker. All investments have readily determinable fair values and are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

C. Allowance for Doubtful Accounts

Through the establishment of an allowance account, uncollectible amounts due from customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. After an account is 365 days old, the system clerk will consider, on an account by account basis, if the receivable should be charged off. The system manager reviews and approves all charge offs made by the system clerk. The allowance for uncollectible for customers' utility receivables at August 31, 2019 was \$8,318.

D. Property, Plant and Equipment

Fixed assets purchased are recorded at cost. Depreciation is computed using the straight-line method based on the estimated useful life of each asset. The water distribution system is depreciated over a fifty (50) year period. Average lives for office furniture and equipment are estimated to be five (5) to seven (7) years. Average lives for buildings are estimated to be fifteen (15) to forty (40) years. Maintenance and repairs are charged to operations when incurred.

Interest during construction is capitalized. Henderson Nina Water System, Inc. follows a policy of capitalizing all assets in excess of \$500.

HENDERSON NINA WATER SYSTEM, INC.  
HENDERSON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2019

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Income Taxes

Henderson Nina Water System, Inc. is a nonprofit organization exempt from income taxes under the Internal Revenue Code Section 501(c)(12) and similar provisions of the State Code. Therefore, no provisions for income taxes have been made. Henderson Nina Water System, Inc. is required to file a Form 990 with the Internal Revenue Service annually. The years open to examination by the Internal Revenue Service are fiscal years after August 31, 2015.

F. Statement of Cash Flows

For the purposes of reporting the statements of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

G. Compensated Absences

The water system allows one day of vacation for each month worked, not to exceed ten (10) days during the first year of hire; ten days of vacation are granted per year to employees who have been employed greater than one year, with increased days after four years of service. Vacation normally is taken in the year accrued, however up to three days may be carried over if not taken. Accrued vacation is payable at termination of employment. One day of sick leave is granted for each month worked in the first year of hire; twelve (12) days are granted per year to employees who have been employed greater than one year. Sick leave may not be carried over and is not payable at termination of employment; it is recorded as an expense of the period in which paid.

H. Liquidity and Availability of Financial Assets

The following represents the Water System's financial assets as of the balance sheet date. There are no donor-imposed restrictions.

	<u>2019</u>
Financial assets at year-end	\$ 667,403
Less those unavailable for general expenditures within one year - donor imposed restrictions	<u>-</u>
Financial assets available to meet cash needs for general expenditure within one year	<u><u>667,403</u></u>

As part of the Water System's liquidity management, it invests excess cash in certificates of deposits, municipal bonds, corporate bonds, unit trusts, and mutual funds through a broker.

I. Inventory

Items such as water supplies, that are on hand at August 31, 2019 are recorded as inventory. Inventory is recorded at cost based on the specific identification method.

HENDERSON NINA WATER SYSTEM, INC.  
HENDERSON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2019

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

J. Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation, payroll taxes, utilities, insurance, communications, office supplies, telephone, retirement, and depreciation.

K. 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.

NOTE (2) - CASH

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, Henderson Nina Water System's deposits may not be recovered. These deposits are stated at cost, which approximates market. These deposits should be secured by federal deposit insurance. The federal deposit insurance must, at all times equal the amount on deposit with the bank. The bank balances of cash were \$320,543 and the carrying amounts of cash were \$318,566, respectively. Of the cash bank balance at August 31, 2019, \$258,990 was covered by federal deposit insurance and \$61,553 was not insured.

Deposits: The bank balance for the years ended August 31, 2019 was as follows:

	2019
<u>FM Bank</u>	
Bank Balance	\$ 311,553
Federal deposit insurance	(250,000)
<u>Total not insured</u>	61,553
 <u>Edward Jones</u>	
Bank Balance	\$ 8,990
Federal deposit insurance	(8,990)
<u>Total not insured</u>	-

**HENDERSON NINA WATER SYSTEM, INC.**  
**HENDERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

**NOTE (3) - UTILITY ACCOUNTS RECEIVABLE**

Henderson Nina Water System, Inc. 's accounts receivable consists of uncollected billed and unbilled water sales. Accounts receivable aging schedule at August 31, 2019, is as follows:

Days	2019
Unbilled receivables	\$ 39,874
0-30	81,910
31-60	573
61-90	5,992
	128,349
Allowance for doubtful accounts	(8,318)
NSF checks accounts receivable	825
<b><u>Totals</u></b>	<b>120,856</b>

The following is a user classification of members for the year ended August 31, 2019:

	2019
Residential users	1,407
Commercial users	57
<b><u>Total</u></b>	<b>1,464</b>

The rates for Henderson Nina Water System, Inc. for the year ended August 31, 2019, are as follows:

**Residential rates:**

\$12.72 per month for the first 2,000 gallons (minimum charge)  
\$2.91 per 1,000 gallons or part thereof

**Commercial rates:**

\$12.72 per month for the first 2,000 gallons (minimum charge)  
\$2.91 per 1,000 gallons for the next 18,000 gallons  
\$2.20 per 1,000 gallons after 20,000 gallons

**NOTE (4) - RESTRICTED ASSETS**

As part of the loan agreements, the USDA – Rural Development requires that the equivalent of one year's loan payments be set aside in a restricted account (which is represented by these investments). If the equivalent of one year's loan payments is not available up front, the reserve should provide for at least an annual reserve equal to one-tenth of an average annual loan installment each year for the life of the loan. These funds may be used to pay monthly note payments if sufficient funds are not otherwise available but must be replenished whenever possible. The reserve is maintained in a checking accounts which is fully insured by the Federal Deposit Insurance Corporation.

HENDERSON NINA WATER SYSTEM, INC.  
HENDERSON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2019

NOTE (4) - RESTRICTED ASSETS – Continued

Restricted assets for notes payable at August 31, 2019 consist of:

	<u>Required by USDA</u> <u>Note # 91-09</u>	<u>Actual On</u> <u>Reserve</u>
Reserve	<u>\$ 66,504</u>	<u>\$ 73,802</u>
<u>Total USDA restricted assets</u>	<u>66,504</u>	73,802
Customer deposits		<u>38,472</u>
<u>Total restricted assets</u>		<u>112,274</u>

NOTE (5) - PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment of Henderson Nina Water System, Inc. at August 31, 2019, is as follows:

<u>Description</u>	<u>2019</u>
Total depreciable assets (Water distribution system, furniture and equipment)	\$ 2,144,635
Accumulated depreciation	<u>(1,346,850)</u>
Net	797,785
Construction in progress	26,624
Land (at cost)	<u>22,100</u>
<u>Total</u>	<u>846,509</u>
Depreciation	<u>\$ 78,101</u>
<u>Changes during the year</u>	
Asset additions	<u>\$ 9,720</u>

HENDERSON NINA WATER SYSTEM, INC.  
HENDERSON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2019

**NOTE (6) - LONG-TERM DEBT**

The following is a summary of long-term debt at August 31, 2019:

United States Department of Agriculture - Rural Development

Note dated January 29, 2001, in the original amount of \$1,179,000 due in monthly installments of \$5,542 which includes interest at 4.75% due on January 29, 2041. The note is secured by promissory notes, a pledge of revenues from the sale of water, and a mortgage on the real estate and personal property owned.

\$ 889,580

Total Rural Development debt

889,580

Changes in Long-term Debt

	2019
Long-term Debt at September 1, 2018	\$ 913,503
Debt retired	<u>(23,923)</u>
Long-term debt at August 31, 2019	<u>889,580</u>

Long-term debt obligations mature as follows:

2020	\$ 24,784
2021	25,987
2022	27,249
2023	28,572
2024	29,959
2025-2029	173,074
2030-2034	219,368
2035-2039	278,045
2040-2041	<u>82,542</u>
<u>Total</u>	<u>889,580</u>

The Henderson Nina Water System, Inc. was in compliance with all significant limitations and restrictions in the loan agreement at August 31, 2019.

**NOTE (7) - RETIREMENT PLAN**

In January, 2005 the Water System implemented a simple IRA retirement plan which is a defined contribution plan. This plan provides eligibility to employees who are reasonably expected to receive at least \$5,000 in compensation for the calendar year. All contributions made under this plan are fully vested and non-forfeitable. Each eligible employee is allowed to make an election (salary reduction election), on a tax-deferred basis, to have his or her compensation reduced for each pay period, subject to Internal Revenue Service limits. The salary reduction election can be made or modified during a 60-day period immediately preceding January 1 of

HENDERSON NINA WATER SYSTEM, INC.  
HENDERSON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2019

NOTE (7) – RETIREMENT PLAN - Continued

the year of election. The Water System will contribute 2% of the employee's salary for the year. Water system contributions for the year ending August 31, 2019 was \$5,127.

NOTE (8) - AGREEMENT WITH THE TOWN OF HENDERSON AND ST. MARTIN PARISH GOVERNMENT

Several years ago, the Henderson Nina Water System and the Town of Henderson entered into an agreement where the water system bills and collects for the Town garbage and sewer fees. Once collected by the water system, the amounts collected for garbage and sewer fees are remitted to the Town.

During the year ended August 31, 2013, the Henderson Nina Water System and the St. Martin Parish Government entered into an agreement where the water system bills and collects for the Parish Government garbage fees for the customers in the Henderson Nina area. Once collected by the water system, the amounts collected for garbage fees are remitted to the Parish Government. This agreement ended during the current year.

NOTE (9) – FAIR VALUE MEASUREMENTS

The fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is determined based upon amounts reported on the broker statement.

The water system utilizes fair value measurements to record fair value adjustments to investments and to determine fair value disclosures. Investments are recorded at fair value on a recurring basis. The water system has no assets or liabilities recorded at fair value on a nonrecurring basis.

The water system uses a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Level 1 – Observable inputs such as quoted prices in active markets;

Level 2 – Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The following is a description of the valuation methodology used for assets recorded at fair value.

Investments Securities

Investments are valued at quoted market prices on the broker statement.

**HENDERSON NINA WATER SYSTEM, INC.**  
**HENDERSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

NOTE (9) – FAIR VALUE MEASUREMENTS – Continued

	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Observable Inputs (Level 3)</u>
August 31, 2019				
Assets valued on a recurring basis:				
Investment securities:				
Certificates of deposits	\$ 17,165	\$ -	\$ 17,165	\$ -
Municipal bonds	12,358	-	12,358	-
Corporate bonds	48,304	-	48,304	-
Government and agency securities	6,085	-	6,085	-
Mutual funds	140,625	-	140,625	-
<u>Total recurring</u>	<u>224,537</u>	<u>-</u>	<u>224,537</u>	<u>-</u>

NOTE (10) – RESTATEMENT OF PRIOR NET ASSETS

A restatement of the beginning net assets was recorded for a correction of an error in payables related to garbage and sewer. The correction of the error resulted in an increase in net assets in the amount of \$60,983.

NOTE (11) – SUBSEQUENT EVENTS

Subsequent events were evaluated through January 13, 2020, which is the date the financial statements were available to be issued. As of January 13, 2020, there were no subsequent events noted.

NOTE (12) – NEW FINANCIAL STATEMENT PRESENTATION

In August 2016, the FASB issued ASU No. 2016-14, "Presentation of Financial Statements of Not-for-Profit Entities," with the stated purpose of improving financial reporting by those entities. Among other provisions, this ASU reduces the number of classes of net assets from three to two, requires the presentation of expenses in both natural and functional classifications, and requires additional disclosures concerning liquidity and the availability of financial resources. This standard is effective for fiscal years beginning after December 15, 2017. The Water System adopted this standard for the year ended August 31, 2019 and its implementation is reflected in the financial statements.

HENDERSON NINA WATER SYSTEM, INC.  
HENDERSON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2019

**NOTE (13) - COMPENSATION PAID TO BOARD OF DIRECTORS**

The following is a list of the Board of Directors and the compensation paid for each member for the years ended August 31, 2019.

	<u>Term Expires</u>	<u>2019</u>
Terry Melancon, President	2020	\$ 2,025
Perry Serrette, Vice President	2022	1,675
Anthony Robin, Secretary/Treasurer	2022	1,525
Wade Domingue, Director	2020	1,900
Gillray Patin, Director	2021	1,675
		<hr/>
<u>Total compensation paid</u>		<u>8,800</u>

**NOTE (14) - SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Agency Head Name: Terry Melancon, President of the Board

<u>Purpose</u>	<u>Amount</u>
Salary	\$0
Benefits-insurance	0
Benefits-retirement	0
Benefits-<list any other here>	0
Car allowance	0
Vehicle provided by government	0
Per diem	2,025
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses - Telephone allowance	0
Special meals	0

See independent accountant's review report.

SUPPLEMENTARY INFORMATION

HENDERSON NINA WATER SYSTEM, INC.  
HENDERSON, LOUISIANA  
SCHEDULE OF INSURANCE IN FORCE  
AUGUST 31, 2019

INSURER	TYPE OF COVERAGE	COVERAGE	LIMITS	CO-INSURANCE	EFFECTIVE DATE	
					FROM	TO
American Alternative Ins.	Property	Blanket Limit of Insurance Business Loss of Income & Extra Expense	\$529,360 \$250,000 per occurrence	\$1,000 deductible	10/21/18	10/21/19
American Alternative Ins.	General Liability	General Aggregate Operations Aggregate Personal & Advertising Injury Damages to Premises Medical Damage Each Occurrence	\$3,000,000 \$3,000,000 \$1,000,000 \$1,000,000 \$10,000 \$1,000,000		10/21/18	10/21/19
American Alternative Ins.	Commercial Crime	Employee Theft Computer/Funds Transfer Fraud Robbery/Burglary Forgery/Alteration Theft of Money & Securities Outside the Premises Money Orders Fraudulent Impersonation	\$250,000 per loss \$250,000 per occurrence \$100,000 per occurrence \$250,000 per occurrence \$250,000 per occurrence \$250,000 per occurrence \$250,000 per occurrence \$250,000 per occurrence	\$500 deductible	10/21/18	10/21/19
American Alternative Ins.	Inland Marine	2016 Ditch Witch Trencher Case 580N Backhoe Loader Blanket Small Tools & Equip	\$64,808 \$43,797 \$25,000 not to exceed \$10,000 per item	\$1,000 deductible \$1,000 deductible \$500 deductible	10/21/18	10/21/19
American Alternative Ins.	Auto	Liability Auto Medical Uninsured Motorist Underinsured	\$1,000,000 per occurrence \$5,000 each person \$500,000 per occurrence \$500,000		10/21/18	10/21/19
American Alternative Ins.	Liability	Directors and Officers	\$3,000,000		10/21/18	10/21/19
L.W.C.C.	Worker's compensation		Statutory		11/30/18	11/30/19

See independent accountant's review report.