

NEBRASKA SECTION  
AMERICAN WATER WORKS ASSOCIATION

FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2006  
AND  
INDEPENDENT AUDITORS' REPORT

Nebraska Section American Water Works Association

Year ended December 31, 2006

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Stockholders  
Nebraska Section American Water Works Association  
Omaha, Nebraska

We have audited the accompanying statement of financial position of Nebraska Section American Water Works Association, a Nebraska corporation (the "Association"), as of December 31, 2006 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2006, and the changes in its net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

WEIST, TOUREK and HOWER, CPA, PC

*Weist Tourek and Hower CPA PC*

January 8, 2008

NEBRASKA SECTION AMERICAN WATER WORKS ASSOCIATION

STATEMENT OF FINANCIAL POSITION

Year-ended December 31, 2006

CURRENT ASSETS:

Cash and cash equivalents	\$ 66,741
Accountants receivable	<u>11,468</u>
Total Current Assets	<u>78,209</u>
Total Assets	<u>\$ 78,209</u>

LIABILITIES:

Accounts payable	\$ <u>750</u>
Total Liabilities	<u>750</u>

NET ASSETS:

Unrestricted	<u>77,459</u>
Total Liabilities and Net Assets	<u>\$ 78,209</u>

See Accompanying Notes to Financial Statements.

NEBRASKA SECTION AMERICAN WATER WORKS ASSOCIATION

STATEMENT OF ACTIVITIES  
Year-ended December 31, 2006

CHANGES IN UNRESTRICTED NET ASSETS

Support:

Advertising	\$ 5,800
Section allotment	15,000
Annual meeting	11,368
Multi-Section allotment	713
Fund raising events	6,635
Miscellaneous	3,220
Teleconferences	520
Water for People	2,411
Interest income	<u>1,971</u>

Total unrestricted support 47,638

Expenses:

Program services	13,271
Management and general	16,379
Fundraising	<u>16,278</u>

Total expenses 45,928

Increase in unrestricted net assets 1,710

INCREASE IN NET ASSETS 1,710

Net assets, beginning of year 75,749

Net assets, end of year \$ 77,459

See Accompanying Notes to Financial Statements.

NEBRASKA SECTION AMERICAN WATER WORKS ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES  
Year-ended December 31, 2006

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Abel Wolman	\$ 0	\$ 0	\$ 1,000	\$ 1,000
Annual meeting	0	5,902	0	5,902
Education committee/SRF	0	1,004	0	1,004
LONM/NSA WWA seminars	0	2,776	0	2,776
Membership	62	0	0	62
Miscellaneous	0	762	0	762
Publications	12,696	0	0	12,696
Publicity	513	0	0	513
Regional officer's meeting/training	0	2,098	0	2,098
Research Foundation	0	0	1,000	1,000
Scholarship	0	0	4,001	4,001
Small Systems Committee	0	2,021	0	2,021
Teleconference	0	1,816	0	1,816
Water for People	0	0	10,277	10,277
	<u>0</u>	<u>0</u>	<u>10,277</u>	<u>10,277</u>
<b>TOTAL EXPENSES</b>	<u>\$ 13,271</u>	<u>\$ 16,379</u>	<u>\$ 16,278</u>	<u>\$ 45,928</u>

See Accompanying Notes to Financial Statements.

NEBRASKA SECTION AMERICAN WATER WORKS ASSOCIATION

STATEMENT OF CASH FLOWS  
Year-ended December 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from support	\$ 34,950
Cash paid to suppliers	(65,385)
Interest received	<u>1,971</u>
Net decrease in cash	(28,464)
Cash, beginning of year	<u>95,205</u>
Cash, end of year	<u>\$ 66,741</u>
Reconciliation of decrease in net assets to net cash used by operating activities	
Increase in net assets	\$ 1,710
Adjustment to reconcile decrease in net assets to net cash used by operating activities	
Increase in assets	
Accounts receivable	(10,718)
Decrease in liabilities	
Accounts payable	<u>(19,456)</u>
Net cash used by operating activities	<u>\$ (28,464)</u>

See Accompanying Notes to Financial Statements.

NEBRASKA SECTION AMERICAN WATER WORKS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

Nebraska Section American Water Works Association (the "Association") is an affiliate of the American Water Works Association that is a not-for-profit organization that was formed in order to:

- Advance the knowledge of the design, construction, water treatment, and management of water utilities;
- Advance the knowledge of the problems involving the resources, production, and distribution of safe and adequate water supplies;
- Educate the public on the problems of water supply; and,
- Conduct research to determine the causes of problems of providing a safe and adequate water supply and proposing solutions in an effort to improve the quality and quantity of the water supply to the general public.

NOTE A - Summary of Significant Accounting Policies:

A summary of the significant account policies consistently applied in the preparation of the accompanying financial statements follows:

**Method of Accounting.** The accompanying financial statements have been prepared on the accrual method of accounting.

**Receivables.** Receivables are stated at the amount management expects to collect at year-end. Based on management's assessment of the donors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end are immaterial.

**Functional Expenses.** Expenses are charged directly to their respective functional category based on specific identification.

**Income Taxes.** The Association is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of its exempt purpose is not subject to income tax. Any income earned through activities not related to its exempt purpose is subject to income tax at normal corporate rates.

**Use of Estimates.** The preparation of financial statements in conformity with U.S. 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.



NEBRASKA SECTION AMERICAN WATER WORKS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Year-ended December 31, 2006

NOTE B - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following as of December 31, 2006.

Cash in checking and savings	\$	4,130
Certificates of deposit		<u>62,611</u>
	\$	<u><u>66,741</u></u>