PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.

FINANCIAL REPORT
DECEMBER 31, 2025

SHANNA JONES, CPA
WINNFIELD, LOUISIANA

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
JOYCE, LOUISIANA

FINANCIAL REPORT
DECEMBER 31, 2025

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Shanna Jones, CPA

795 Big Creek Rd
Winnfield, LA 71483
792-8544

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Pleasant Hill-Crossroads Water System, Inc.

Report on the Financial Statements

I have reviewed the accompanying financial statements of Pleasant Hill-Crossroads Water System, Inc., (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2025 and the related statements of activities, functional expenses, 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, I 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.

Accountant's Responsibility

My 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 me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Pleasant Hill-Crossroads Water System, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Other Matter

Supplementary Information

Act 706 of the Louisiana 2014 Legislative Session as amended by Act 462 of the 2015 session requires a Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head or Chief Executive Officer supplement the financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the supplementary information presented on page 16 and, accordingly, do not express an opinion on such information.

Accountant's Conclusion

Based on my review, I am 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.

Shanna Jones

Shanna Jones, CPA
Winnfield, Louisiana
June 5, 2026

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
JOYCE, LA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS:	
Current Assets:	
Cash & Cash Equivalents	$ 62,833
Investments	15,501
Accounts Receivable	11,342
Interest Receivable	475
Prepaid Expense	8,733
Total Current Assets	98,884
Non-Current Assets:	
Restricted Cash	105,992
Restricted Investment	53,959
Capital Assets (Net)	1,712,605
Total Non-Current Assets	1,872,556
Total Assets	$ 1,971,440
LIABILITIES:	
Current Liabilities:	
Accounts Payable	$ 7,945
Sales Tax Payable	253
Retainage Payable	17,070
Current Portions of Long Term Debt	7,115
Customer Deposits	18,988
Total Current Liabilities	51,371
Non-Current Liabilities:	
URAF Liability	148,024
Long Term Debt, net of current portions	329,528
Total Non-Current Liabilities	477,552
Total Liabilities	528,923
NET ASSETS:	
Without Donor Restrictions	1,442,517
With Donor Restrictions	-
Total Net Assets	1,442,517
Total Liabilities and Net Assets	$ 1,971,440

See accompanying notes and independent accountant's review report.

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
JOYCE, LA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Activities:			
REVENUES:			
Water Sales	$ 157,340		$ 157,340
Other Related Fees	9,782		9,782
Grant Income—ARPA	-	$ 100,000	100,000
Interest Earned	1,487	-	1,487
Total Revenues	168,609	100,000	268,609
NET ASSETS RELEASED FROM RESTRICTIONS:			
Grant funds used for capital assets	100,000	(100,000)	-
EXPENSES:			
Program:			
Program Services	192,455		192,455
Supporting:			
Management & General	25,377		25,377
Total Expenses	217,832	-	217,832
Change in Net Assets	50,777	-	50,777
Net Assets January 1, 2025	1,391,740	-	1,391,740
Net Assets December 31, 2025	$ 1,442,517	$ -	$ 1,442,517

See accompanying notes and independent accountant's review report.

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
JOYCE, LA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

Without Donor Restrictions:

	Program Services	Support Services	
	Water	Management & General	Total
Advertising		$ 440	$ 440
Accounting		8,400	8,400
Contract Labor	$ 69,945		69,945
Depreciation	78,935		78,935
Dues & Subscriptions		475	475
Insurance		7,150	7,150
Interest Expense	8,823		8,823
Office Supplies		1,090	1,090
Postage		2,808	2,808
Repairs & Maintenance	6,132		6,132
System Supplies	15,779		15,779
Taxes, Permits & Licenses		1,890	1,890
Telephone & Internet		1,816	1,816
Utilities	12,841	1,308	14,149
Total Expenses	$ 192,455	$ 25,377	$ 217,832

See accompanying notes and independent accountant’s review report.

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
JOYCE, LA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

Cash Flows from Operating Activities:	
Change in Net Assets	$ 50,777
Adjustments to Reconcile Changes in Net Assets to	
Net Cash Provided by/(Used In) Operating Activities:	
Depreciation	78,935
Changes in Assets & Liabilities:	
(Increase)/Decrease in Accounts Receivable, Net	(122)
(Increase)/Decrease in Prepaid Expense	(7,523)
Increase/(Decrease) in Accounts Payable	1,213
Increase/(Decrease) in Sales Tax Payable	154
Increase/(Decrease) in Retainage Payable	17,070
Increase/(Decrease) in Customer Deposits	100
Net Cash Provided by/(Used In) Operating Activities	140,604
Cash Flows from Investing Activities:	
Interest Earned on Accounts	(1,486)
(Increase)/Decrease in Construction in Progress	5,200
Purchase Assets	(177,900)
Net Cash Provided by/(Used In) Investing Activities	(174,186)
Cash Flows from Financing Activities:	
Other Financing Activities:	
Notes Payable – Principal Payments	(6,969)
Net Cash Provided By/(Used In) Financing Activities	(6,969)
Net Increase/(Decrease) in Cash & Cash Equivalents	(40,551)
Cash & Cash Equivalents—Beginning of Year	209,376
Cash & Cash Equivalents—End of Year	$ 168,825
Cash & Cash Equivalents—Beginning of Year	
Unrestricted Cash	$ 131,984
Restricted Cash	77,392
Total Cash & Cash Equivalents—Beginning of Year	$ 209,376
Cash & Cash Equivalents—End of Year	
Unrestricted Cash	$ 62,833
Restricted Cash	105,992
Total Cash & Cash Equivalents—End of Year	$ 168,825

See accompanying notes and independent accountant's review report.

NOTES TO FINANCIAL STATEMENTS

NOTE 1—INTRODUCTION

The Pleasant Hill-Crossroads Water System, Inc. was formed as a non-profit corporation on a non-stock basis under the provisions of Title 12, Sections 201-209, of the Louisiana Revised Statutes on January 1, 1988. The Corporation was formed for the mutual benefit of its members to construct, maintain, and operate a private water system providing a supply of water to its membership. Persons who are owners or part owners or have a substantial possessory interest in property desired to be served by the corporation's water system shall be admitted as members. The voting power and property rights and interest of each member whose fees are fully paid and who is in good standing shall be equal and each member shall be entitled to one (1) vote only regardless of the number of membership certificates held.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Pleasant Hill-Crossroads Water System, Inc. conform to generally accepted accounting principles as applicable to nonprofit organizations. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

Basis of Presentation

In 2018, The Pleasant Hill-Crossroads Water System, Inc. adopted the provisions of FASB Accounting Standards Codification 958-205. Under the new Accounting Standards Update 2016-14, the Pleasant Hill-Crossroads Water System, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. In addition, the Pleasant Hill-Crossroads Water System, Inc. is required to present a statement of cash flows.

Measurement Focus and Basis of Accounting

The Pleasant Hill-Crossroads Water System, Inc. uses the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Assets Liabilities and Equity

Cash and Cash Equivalents—The Water System's cash and cash equivalents are considered to be cash in demand deposits, interest bearing deposits and time deposits of less than 90 days.

Investments—Investments are stated at cost. Interest bearing deposits and time deposits of more than 90 days are considered investments.

Equity Classifications— Under FASB Accounting Standards Update 2016-14, financial position is classified as net assets and displayed in two components as applicable. The components are as follows:

Net Assets with Donor Restrictions — The part of net assets of a not-for-profit entity that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Net Assets without Donor Restrictions —The part of net assets of a not-for-profit entity that is not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

As of December 31, 2025 the Water System had only Net Assets without Donor Restrictions of $1,442,517.

Capital Assets—The Pleasant Hill-Crossroads Water System, Inc. has depreciable fixed assets that are depreciated over the estimated useful life of the related asset. Depreciation is computed on the straight line basis. The assets estimated useful lives are as follows:

Furniture, computers, office equipment	5-15 years
Water Wells	25-40 years
Water Distribution System	40 years
Major Water Dist. Sys. Repairs materially ext. life	10 years

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized. When plant and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation are relieved, and any gain or loss is included in activities.

Leases—There were no leases in effect during the year ended December 31, 2025.

Inventory—The Water System does not maintain inventories. Supplies are purchased on an as needed basis and are used normally within the year purchased.

Compensated Absences—There are no full-time employees, therefore no entry is made to record compensated absences.

Budget—The Pleasant Hill-Crossroads Water System, Inc. is not required to adopt a budget, except for specific grant usage. Accordingly, no budget comparisons have been presented.

Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Expenses: Program verses Support—Costs that are necessary in the production of water for the system's customers is listed as program expenses, such as system supplies, depreciation, repairs, etc. Items that assist the Water System such as accounting, insurance, office supplies are described as support expenses. Items like utilities sometimes do both; the utilities that run the system wells are categorized as program and those that are billed for the office are classified as support.

Income Taxes—The Pleasant Hill-Crossroads Water System, Inc. is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes has been made in the accompanying financial statements.

NOTE 3—CASH AND CASH EQUIVALENTS

As of December 31, 2025, the carrying amount of the Pleasant Hill Crossroads Water System Inc.'s cash and cash equivalents totaled $168,825. As of December 31, 2025, the Water System bank balances totaled $190,945. FDIC states demand deposits be calculated separately from savings and certificates of deposit; therefore, the Water System's cash was fully insured by FDIC at fiscal year-end. Certain amounts of cash were restricted for debt service (see Note 9) and for customer deposits (see Note 11).

NOTE 4— INVESTMENTS

At the same financial institution, the Water System had time deposits with maturities of greater than 90 days. As of December 31, 2025 the bank balances of those certificates totaled $69,460 which did not exceed the $250,000 FDIC insurance limit.

NOTE 5—ACCOUNTS RECEIVABLE

Accounts receivable as of December 31, 2025, consisted of $11,342 in billings to water customers. The Water System services approximately 280 residential and commercial customers. All receivables are considered to be collectible and therefore no allowance for doubtful accounts is recorded. As of December 31, 2024 the accounts receivable from water customers were $11,220 with an allowance of $0. The current year is a net increase of $122 over the prior year. All receivables and future sales of water are pledged as collateral against USDA loans.

NOTE 6—INTEREST RECEIVABLE

Interest receivable as of December 31, 2025, consisted of $475 due from certificates of deposit with maturities within 60 days of year end. This is an increase of $14 over the interest receivable of $461 as of December 31, 2024.

NOTE 7— LIQUIDITY OF FINANCIAL ASSETS

The following reflects the Water System's financial assets as of December 31, 2025, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the Statement of Financial Position date, December 31, 2025.

Total Current Assets, 12/31/25	$ 98,884
Less those unavailable for general expenditures within one year, due to: Prepaids	(8,733)
Financial Assets available to meet cash needs for General Expenditures within one year	$ 90,151

NOTE 8—CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2025 are as follows:

Capital Assets:	Balance 01/01/25	Additions	Deletions	Balance 12/31/25
NonDepreciable				
Land	$ 2,000	$ -	$ -	$ 2,000
Construction in Progress	5,200	172,700	177,900	-
Depreciable				
Equipment & Furniture	34,756	-	-	34,756
Water Wells	440,341	-	-	440,341
Water Distribution System	2,173,398	177,900	-	2,351,298
Subtotal of Assets	2,655,695	350,600	177,900	2,828,395
Less: Accumulated Depreciation				
Equipment & Furniture	18,695	2,714	-	21,409
Water Wells	255,116	16,894	-	272,010
Water Distribution System	763,044	59,327	-	822,371
Subtotal of Accum. Depreciation	1,036,855	78,935	-	1,115,790
Net Capital Assets	$1,618,840			$1,712,605

Depreciation expense for the year ended December 31, 2025 totaled $78,935. The water treatment plant added to the Water Distribution System during the fiscal year is mortgaged by the notes payable to USDA listed in Note 9.

NOTE 9—NOTES PAYABLE

The Pleasant Hill-Crossroads Water System, Inc. had the following notes payable:

	Balance Due 12/31/25	Current Portion
$303,000 promissory note payable (91-03) to USDA-Rural Development dated December 15, 2017, due in monthly installments of $1,058, including interest at 2.75%, final maturity at December 15, 2057.	$ 265,725	$ 5,457

	Balance Due 12/31/25	Current Portion
$85,000 promissory note payable (91-05) to USDA-Rural Development dated December 15, 2017, due in monthly installments of $258, including interest at 2.0%, final maturity at December 15, 2057. (Funds borrowed: $44,462 in 2018; $3,018 in 2019; $35,298 in 2025).	70,918	1,658

	Loan #91-03	Loan #91-05
LDH Loan Balance 01/01/25	$ 271,034	$ 72,578
Principal Payments	(5,309)	(1,660)
Balance of LDH Loan 12/31/25	$ 265,725	$ 70,918
Interest Payments	$ 7,387	$ 1,436

The combined annual debt service requirements for the above USDA-RD promissory notes are as follows:

	Principal	Interest	Total
2026	$ 7,115	$ 8,677	$ 15,792
2027	7,301	8,491	15,792
2028	7,492	8,300	15,792
2029	7,689	8,103	15,792
2030	7,890	7,902	15,792
2031-2035	42,665	36,295	78,960
2036-2040	48,568	30,392	78,960
2041-2045	55,302	23,658	78,960
2046-2050	62,981	15,979	78,960
2051-2055	71,741	7,219	78,960
2056-2059	17,899	1,067	18,966

NOTE 10—URAF LIABILITY

The Water System entered into funding arrangements with the State of Louisiana, Utility Relocation Assistance Fund (URAF). Under this program the Water System received funding for two different projects as follows:

	Balance	Interest Rate
Agreement #9474 State Project #022-03-0039 (Const) State Project #022-03-0045 (R/W) New Bridges, Rte: US 84 Winn Parish	$ 75,049	0%
Agreement #8768 State Project #022-03-0035 (Const) State Project #022-03-0040 (R/W) New Bridge, Rte: US 84 Winn Parish	72,975	0%
Total URAF Liability	$ 148,024	

These liabilities are for line relocations that were billed to the Water System for the work done by the state in prior years. The Water System states they are in discussion with the State of Louisiana regarding them.

NOTE 11—RESERVES/RESTRICTIONS

The water system collects deposits from their water customers. These collections are kept in a separate bank account and classified as restricted cash. As of December 31, 2025, this amount totaled $18,988.

The USDA notes require certain reserves. The USDA Loans 91-03 and 91-05 have terms showing the following reserves required. Debt Service Reserve in the amount of $25.80 per month until $3,096 has accumulated to remain restricted for the life of the loan. Short-Lived Asset Reserve in the amount of $13,700 annually for the life of the loan to pay for repairs and/or replacement of major system assets. According to documentation from USDA these reserves go into effect once payments on the loans begin. As of December 31, 2025, Pleasant Hill-Crossroads Water System, Inc. had a restricted cash account and certificates of deposit restricted for amounts greater than the apparent required reserves for the fiscal year.

NOTE 12—GRANT FROM WPPJ, ALN 21.027 ARPA

During the fiscal year ended December 31, 2025, the Pleasant Hill-Crossroads Water System, Inc. received and spent $100,000 through the Winn Parish Police Jury (WPPJ) in ARPA (American Rescue Plan Act) grant monies for the improvements to the water system. This money is federal funding from the U.S. Department of Treasury, Coronavirus State and Local Fiscal Recovery Funds. After a change order, the Water System expended an additional amount of $77,900 from their own funds related to this project and the asset was capitalized, see Note 8.

NOTE 13—REVENUE FROM CONTRACTS WITH CUSTOMERS

The Pleasant Hill-Crossroads Water System's normal operating revenue is recognized as performance obligations are satisfied on a monthly basis as customers are billed for the water they used. This billing typically occurs on the last day of the month, and the payments are due by approximately the 15th of the following month.

NOTE 14—DONATED SERVICES, MATERIALS, AND FACILITIES

The Pleasant Hill-Crossroads Water System, Inc. received no donated services or materials in the operation of the system in the current fiscal year other than previously mentioned grant. The water system does not use any donated facilities.

NOTE 15—LITIGATION

The Pleasant Hill-Crossroads Water System, Inc. was not involved in any litigation as of December 31, 2025.

NOTE 16—RELATED PARTY DISCLOSURES

During the fiscal year ended December 31, 2025, no related party transactions were noted.

NOTE 17—OTHER DISCLOSURES

Management has evaluated events through June 5, 2026, the date which the financial statements were available for issue. There were no items noted to be reported as subsequent events, other than retainage payable has been paid as project punch list completed.

OTHER
SUPPLEMENTARY INFORMATION

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
SCHEDULE OF COMPENSATION
FOR THE YEAR ENDED DECEMBER 31, 2025

In accordance with Act 462 of 2015 which amends Act 706 of the 2014 Legislative Session, payments to Agency Head or Chief Executive Officer must be disclosed. Included in the Disclosure Requirements are any reimbursements of travel or per diem, payments of salary, or payments to retirement or health insurance, providing of a vehicle, etc. for the Agency Head. The Agency Head of the Pleasant Hill-Crossroads Water System, Inc. would be its Board Members: Willie Doherty—President, Lane Capps—Vice President, Lanell Jordan—Secretary, Letha Sanders and Jesse Cox.

For a non-profit entity only payments made from public funds are required to be included. Public funds are defined as those made from the State or Federal. As no payments were noted to be made with public funds no disclosure is required.

See accountant's report.

AGREED-UPON PROCEDURES

Shanna Jones, CPA
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792-8544

Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Board of Directors of
Pleasant Hill-Crossroads Water System, Inc.
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below on the Pleasant Hill-Crossroads Water System, Inc. (the "Water System") compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2025, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Water System's management is responsible for its financial records and compliance with applicable laws and regulations.

The Water System has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the Water System's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the year ended December 31, 2025. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. The report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Agency's management.

   The Pleasant Hill-Crossroads Water System, Inc. provided me with the following list of expenditures made for federal grant awards received during the fiscal year ended December 31, 2025:

Federal, State, or Local Grant Name	Grant Year	AL No. (if applicable)	Amount
Dept of Treasury, Coronavirus State & Local Fiscal Recovery Funds, American Rescue Plan Act (ARPA)	2025	21.027	100,000
Total Expenditures			100,000

The Water System represented that they received no state or local government grant awards during the fiscal year ended December 31, 2025; other than the fact that the previously noted other financing source flowed through the Winn Parish Police Jury.

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

   Each of the selected disbursements agreed to the amount and payee in the supporting documentation.

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

   It appears the disbursements were coded to contractor fee expense. These have been reclassed to water treatment plant improvement assets.

5. Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.

   The Water System's minutes state that the board approved for the President sign approval as he deems proper. Documentation supporting each of the selected disbursements included the signature of the President.

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

   Activities allowed or unallowed

   I compared documentation for each of the selected disbursements with program compliance requirements related to services allowed or not allowed. No exceptions were noted.

   Costs allowed or unallowed

   I compared documentation for each of the selected disbursements with program compliance requirements related to costs allowed or not allowed. No exceptions were noted.

   Matching

   I compared documentation for each of the selected disbursements with program compliance requirements related to matching. This did not appear applicable based on the compliance requirements; however, the recipient had cost match required by the flowthrough entity. No exceptions were noted.

Period of Performance

I compared documentation for each of the selected disbursements with program compliance requirements related to period of performance. No exceptions were noted.

Procurement

I compared documentation for each of the selected disbursements with program compliance requirements related to procurement. No exceptions were noted.

Reporting

I compared documentation for each of the selected disbursements with program compliance requirements related to reporting. No exceptions were noted.

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

   The selected disbursements included one federal other financing source award related to ARPA funds, that flowed through the Winn Parish Police Jury. No actual close out reports were noted.

Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

   Management represented that the Water System is only required to post a notice of each meeting and the accompanying agenda on the door of the Agency's office building. Although management has asserted that such documents were properly posted, no evidence was provided to support management's assertion other than an unmarked copy of the notices and agenda.

Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

   ARPA funds are considered other financing sources. The Water System was a subrecipient as funds flowed through the Winn Parish Police Jury. While not titled "budget," the cost estimates were provided and included the purpose and duration of the award program.

State Audit Law

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

    The agency was not subject to such reporting in the prior year. The agency's current year report will be submitted to the Legislative Auditor before the statutory due date of June 30, 2026.

11. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

    The Pleasant Hill-Crossroads Water System, Inc.'s management represented that the Water System entered into any contracts during the fiscal year that were subject to the public bid law; however, the agency was in compliance with R.S. 24:513 as applicable.

Prior-Year Comments

12. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

    The nonprofit water system did not receive any federal, state, or local funding subject to LA R.S. 24:513 in the prior year and as such this procedure is not applicable.

I was engaged by the Water System to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards,* issued by the United States Comptroller General. I was not engaged to and did not conduct an examination or review engagement related to these procedures, the objective of which would be the expression of an opinion or conclusion, respectively, on the Water System's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Water System and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to the agreed-upon procedures engagement.

The purpose of this report is solely to describe the scope of testing performed on the Pleasant Hill-Crossroads Water System, Inc.'s compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Shanna Jones

Shanna Jones, CPA
Winnfield, Louisiana
June 5, 2026

Pleasant Hill-Crossroads Water System, Inc.
PO Box 3
Joyce, LA 71440

May 22, 2026

Shanna Jones, CPA
795 Big Creek Rd
Winnfield, LA 71483

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2025 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes [✓] No [ ] N/A [ ]

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes [✓] No [ ] N/A [ ]

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [✓] No [ ] N/A [ ]

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [✓] No [ ] N/A [ ]

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law).

Yes [✓] No [ ] N/A [ ]

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Yes [✓] No [ ] N/A [ ]

Reporting

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [✓] No [ ] N/A [ ]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [✓] No [ ] N/A [ ]

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [✓] No [ ] N/A [ ]

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes [✓] No [ ] N/A [ ]

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [✓] No [ ] N/A [ ]

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [✓] No [ ] N/A [ ]

We acknowledge that we are responsible for determining that that the procedures performed are appropriate for the purposes of this engagement.

Yes [✓] No [ ] N/A [ ]

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [✓] No [ ] N/A [ ]

We have provided you with all relevant information and access under the terms of our agreement.

Yes [✓] No [ ] N/A [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [✓] No [ ] N/A [ ]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [✓] No [ ] N/A [ ]

We are not aware of any material misstatements in the information we have provided to you.

Yes [✓] No [ ] N/A [ ]

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [✓] No [ ] N/A [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [✓] No [ ] N/A [ ]

The previous responses have been made to the best of our belief and knowledge.

Lane Capps

Lane Capps, Vice President
Pleasant Hill-Crossroads Water System, Inc.

Wendy Albritton

Wendy Albritton, Bookkeeper
Pleasant Hill-Crossroads Water System, Inc.