

**TANNEHILL  
WATER SYSTEM, INC.**

FINANCIAL REPORT  
DECEMBER 31, 2023

SHANNA JONES, CPA  
WINNFIELD, LOUISIANA

**TANNEHILL WATER SYSTEM, INC.**  
**WINNFIELD, LOUISIANA**

**FINANCIAL REPORT**  
**DECEMBER 31, 2023**

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# *Shanna Jones, CPA*

*795 Big Creek Rd  
Winnfield, LA 71483  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Tannehill Water System, Inc.

### **Report on the Audit of the Financial Statements**

#### **Opinion**

I have audited the accompanying financial statements of Tannehill Water System, Inc. (a Louisiana nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tannehill Water System, Inc. (the "Water System") as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Tannehill Water System, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Water System's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Water System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tannehill Water System, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

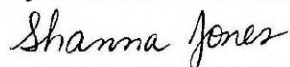
## **Report on Supplementary Information**

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Act 462 of 2015, which amends Act 706 of the Louisiana 2014 Legislative Session requires a Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head or Chief Executive Officer, "Schedule of Compensation" is presented to supplement the 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 information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

As allowed by Louisiana R.S. 24:513, the Louisiana Legislative Auditor has required entities with public funds of \$500,000 or more to have certain agreed-upon procedures performed as included in the *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures* (SAUPs). The Water System’s management is responsible for those control and compliance (C/C) areas identified in the SAUPs, see pages 21-28. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Governmental Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report presented on pages 29-32. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated April 23, 2024, on my consideration of Tannehill Water System, Inc.’s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tannehill Water System, Inc.’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tannehill Water System, Inc.’s internal control over financial reporting and compliance.



Shanna Jones, CPA  
Winnfield, Louisiana  
April 23, 2024

**TANNEHILL WATER SYSTEM, INC.**  
**WINNFIELD, LA**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**

**ASSETS:**

Current Assets:

Cash & Cash Equivalents	\$ 143,600
Accounts Receivable, Net	20,567
Grant Receivable	66,680
Prepaid Expense	<u>11,566</u>
Total Current Assets	242,413

Non-Current Assets:

Restricted Cash	60,647
Capital Assets (Net)	<u>2,248,355</u>
Total Non-Current Assets	<u>2,309,002</u>

Total Assets \$ 2,551,415

**LIABILITIES:**

Current Liabilities:

Accounts Payable	\$ 68,325
Payroll & Related Liabilities	6,674
Retainage Payable	30,729
Current portion—Note payable	<u>17,000</u>
Total Current Liabilities	122,728

Non-Current Liabilities:

Long Term Debt, net of current portions	<u>993,536</u>
Total Liabilities	<u>1,116,264</u>

NET ASSETS:

Without Donor Restrictions	1,435,151
With Donor Restrictions	<u>-</u>
Total Net Assets	<u>1,435,151</u>

Total Liabilities and Net Assets \$ 2,551,415

See independent auditor's report and notes to financial statements.

**TANNEHILL WATER SYSTEM, INC.**  
**WINNFIELD, LA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Changes in Net Assets:			
REVENUES:			
Water Sales	\$ 315,642		\$ 315,642
Other Related Fees	3,568		3,568
Grant and Appropriations	-	612,566	612,566
Interest Earned	<u>9</u>		<u>9</u>
Total Revenues	319,219	612,566	931,785
NET ASSETS RELEASED FROM RESTRICTIONS:			
Grant funds used for capital assets	<u>612,566</u>	<u>( 612,566)</u>	<u>-</u>
EXPENSES:			
Program:			
Program Services	234,796		234,796
Supporting:			
Management & General	<u>80,478</u>		<u>80,478</u>
Total Expenses	315,274	-	315,274
Change in Net Assets	616,511	-	616,511
Net Assets January 1, 2023	<u>818,640</u>	<u>-</u>	<u>818,640</u>
Net Assets December 31, 2023	<u>\$ 1,435,151</u>	<u>\$ -</u>	<u>\$ 1,435,151</u>

See independent auditor's report and notes to financial statements.

**TANNEHILL WATER SYSTEM, INC.**  
**WINNFIELD, LA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Without Donor Restrictions:

	<u>Program Services</u>	<u>Support Services</u>	
	<u>Water</u>	<u>Management &amp; General</u>	<u>Total</u>
Accounting		\$ 3,500	\$ 3,500
Automobile Expense	\$ 6,000	-	6,000
Contract Labor	39,339	9,203	48,542
Depreciation	77,945	-	77,945
Dues & Subscriptions	-	13,255	13,255
Insurance	-	13,627	13,627
Interest	8,649	-	8,649
Meeting Expenses	-	579	579
Office Supplies	-	6,175	6,175
Payroll	22,494	25,000	47,494
Postage	-	494	494
Repairs & Maintenance	22,541	-	22,541
System Supplies	18,964	-	18,964
Taxes & Licenses	1,720	1,983	3,703
Telephone & Internet	-	3,106	3,106
Utilities	37,144	3,556	40,700
Total Expenses	<u>\$ 234,796</u>	<u>\$ 80,478</u>	<u>\$ 315,274</u>

See independent auditor's report and notes to financial statements.



**TANNEHILL WATER SYSTEM, INC.**  
**WINNFIELD, LA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>Cash Flows from Operating Activities:</b>	
Change in Net Assets	\$ 616,511
Adjustments to Reconcile Changes in Net Assets to	
Net Cash Provided by/(Used In) Operating Activities:	
Depreciation	77,945
Changes in Assets & Liabilities:	
(Increase)/Decrease in Accounts Receivable, Net	6,064
(Increase)/Decrease in Grant Receivable, Net	( 66,680)
(Increase)/Decrease in Prepaid Expense	( 1,943)
Increase/(Decrease) in Accounts Payable	47,304
Increase/(Decrease) in Payroll Related Payable	( 10)
Increase/(Decrease) in Retainage Payable	<u>30,729</u>
Net Cash Provided by/(Used In) Operating Activities	<u>709,920</u>
<b>Cash Flows from Investing Activities:</b>	
Purchases of Assets	( 690,583)
(Increase)/Decrease in Construction in Progress	<u>34,600</u>
Net Cash Provided by/(Used In) Investing Activities	<u>( 655,983)</u>
<b>Cash Flows from Capital &amp; Related Financing Activities:</b>	
Repayments	( 17,000)
Net Cash Provided By/(Used In) Financing Activities	<u>( 17,000)</u>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	36,937
<b>Cash &amp; Cash Equivalents—Beginning of Year</b>	<u>167,310</u>
<b>Cash &amp; Cash Equivalents—End of Year</b>	<u>\$ 204,247</u>
Cash & Cash Equivalents—Beginning of Year	
Unrestricted Cash	\$ 146,277
Restricted Cash	<u>21,033</u>
Total Cash & Cash Equivalents—Beginning of Year	<u>\$ 167,310</u>
Cash & Cash Equivalents—End of Year	
Unrestricted Cash	\$ 143,600
Restricted Cash	<u>60,647</u>
Total Cash & Cash Equivalents—End of Year	<u>\$ 204,247</u>

See independent auditor's report and notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

**TANNEHILL WATER SYSTEM, INC.**  
WINNFIELD, LA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 1—INTRODUCTION**

The Tannehill 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 in 1977. 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 vote only regardless of the number of membership certificates held.

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Tannehill 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

The Tannehill Water System, Inc. has adopted the provisions of FASB Accounting Standards Codification 958-205. Under the new Accounting Standards Update 2016-14, the Tannehill 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 Tannehill Water System, Inc. is required to present a statement of cash flows.

Measurement Focus and Basis of Accounting

The Tannehill Water System, Inc. uses the accrual basis of accounting and accordingly reflects all significant receivables, payables and other liabilities. Revenues are recognized when they become measurable and available as net current assets. Expenses are generally recognized when the related liability is incurred. Purchases of various operating supplies are regarded as expenses at the time purchased. Expenses are further categorized by program verses supporting the program function, which is producing water for customers.

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 as applicable.

Restricted Cash and Cash Equivalents—The Water System has cash in demand deposits and interest bearing deposits that are restricted by grants and by the loan promisor.

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

**TANNEHILL WATER SYSTEM, INC.**  
WINNFIELD, LA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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, 2023, the Water System had no funds in Net Assets with Donor Restrictions. All \$1,435,151 of Net Assets were made up Net Assets without Donor Restrictions.

Capital Assets—The Tannehill 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	5-10 years
Major Water Dist. Sys. Repairs/Equipment materially ext. life	8-20 years
Water Well	20 years
Water Distribution System	40-50 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, 2023.

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

Budget—The Tannehill 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.

**TANNEHILL WATER SYSTEM, INC.**  
**WINNFIELD, LA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

Income Taxes—The Tannehill 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, 2023, the carrying amount of the Tannehill Water System Inc.'s cash and cash equivalents totaled \$204,247. As of December 31, 2023, the Water System bank balances totaled \$210,349, the Water System was fully insured by FDIC at fiscal year-end.

**NOTE 4—ACCOUNTS RECEIVABLE**

Accounts receivable as of December 31, 2023, consisted of \$30,509 due from water customers. The Water System services approximately 650 residential and commercial customers. As of December 31, 2023, \$9,942 of accounts were considered likely to be uncollectible and therefore a provision for these uncollectible accounts was made at this time.

**NOTE 6—LIQUIDITY OF FINANCIAL ASSETS**

The following reflects the Water System's financial assets as of the December 31, 2023, 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, 2023.

Total Current Assets, 12/31/23	\$ 242,413
Less those unavailable for general expenditures within one year, due to:	
Prepays	( 11,566)
Grant Receivable	<u>( 66,680)</u>
Financial Assets available to meet cash needs for General Expenditures within one year	<u>\$ 164,167</u>

**NOTE 5—CAPITAL ASSETS**

Capital asset balances and activity for the year ended December 31, 2023 are as follows:

Capital Assets:	<u>Balance</u> <u>01/01/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/23</u>
NonDepreciable				
Land	\$ 22,390	\$ -	\$ -	\$ 22,390
Construction in Progress	<u>34,600</u>	<u>655,983</u>	<u>690,583</u>	<u>-</u>
Subtotal of Non-Depreciable Assets	56,990	655,983	690,583	22,390

**TANNEHILL WATER SYSTEM, INC.**  
**WINNFIELD, LA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
	<u>01/01/23</u>			<u>12/31/23</u>
Capital Assets:				
Depreciable				
Equipment & Furniture	536,450	-	-	536,450
Water Distribution System/Wells	<u>2,397,004</u>	<u>690,583</u>	-	<u>3,087,587</u>
Subtotal of Depreciable Assets	2,933,454	690,583	-	3,624,037
Subtotal of Assets	2,990,444	1,346,566	690,583	3,646,427
Less: Accumulated Depreciation				
Equipment & Furniture	402,384	29,384	-	431,768
Water Distribution System/Wells	<u>917,743</u>	<u>48,561</u>	-	<u>966,304</u>
Subtotal of Accum. Depreciation	1,320,127	77,945	-	1,398,072
Net Capital Assets	<u>\$1,670,317</u>			<u>\$2,248,355</u>

Depreciation expense for the year ended December 31, 2023 totaled \$77,945.

**NOTE 6—NOTES PAYABLE**

The Tannehill Water System, Inc. had the following notes payable:

<u>Lender</u>	<u>Original</u>	<u>Balance Due</u>	<u>Current due</u>	<u>Interest</u>
	<u>Amount</u>	<u>12/31/23</u>	<u>in 2024</u>	<u>Rate</u>
LA Dept. of Health	\$ 400,000*	\$ 336,000	\$ 17,000	1.95% (plus .5% SRF Admn Fee)
State of Louisiana	49,725	49,725	-	0%
State of Louisiana	624,811	<u>624,811</u>	-	0%
Total Notes Payable		\$ 1,010,536	\$ 17,000	

The LA Dept. of Health note payable is approximately 20-year term note secured by water system assets maturing in September of 2039. \*This loan had proceeds provided to the company in installments as requisitioned by the company for the project rather than providing the full \$400,000 approved in the beginning of the loan. The loan started being repaid to LDH before the project was completed. Of the estimated \$25,232 amount payable on this loan for the coming year, approximately \$17,000 is principal with the remaining portion interest and administrative fees. The state passed this money from (EPA) federal monies associated with CFDA 66.468, Capitalization Grants for Drinking Water Revolving Fund.

LDH Loan Balance 01/01/23	\$ 353,000
Repayments of Principal	<u>( 17,000)</u>
Balance of LDH Loan 12/31/23	<u>\$ 336,000</u>

**TANNEHILL WATER SYSTEM, INC.**  
**WINNFIELD, LA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

Interest Payments \$ 8,649

The annual requirements for the LDH debt outstanding as of December 31, 2023, including interest (and administrative fees, which are included with interest in the interest column) payments of \$74,486 are as follows:

YEAR ENDING DECEMBER 31	PRINCIPLE	INTEREST	TOTAL PAYMENTS
2024	\$ 17,000	\$ 8,232	\$ 25,232
2025	18,000	7,816	25,816
2026	18,000	7,674	25,674
2027	19,000	6,934	25,934
2028	19,000	6,468	25,468
2029 - 2033	104,000	25,039	129,039
2034 - 2038	116,000	11,711	127,711
2039	25,000	612	25,612
<b>TOTALS</b>	<u><u>\$ 336,000</u></u>	<u><u>\$ 74,486</u></u>	<u><u>\$ 410,486</u></u>

The State of Louisiana notes payable are for relocations related to Highway 167 that were billed to the Water System for the work done by the state in 1985 \$49,725 and 2009 \$624,811. These amounts are reflected as long-term payables, as the State has notified the water system not to begin making payments until they either forgive the loans or require payments to be made.

**NOTE 7—STATE OF LOUISIANA AND WPPJ ARPA**

The Tannehill Water System received \$545,887 in ARPA (American Rescue Plan Act) funds flowing through the State of Louisiana Water Sector Program Project and the Winn Parish Police Jury (WPPJ) during the current fiscal year for a water system improvement. This was comprised of funds received from Louisiana and WPPJ in the amounts of \$320,887 and \$225,000 respectively. Subsequent to fiscal year end, an additional \$30,729 was received from the state which was accrued as a receivable. This was the contractor retainage payable. Also accrued as receivable was \$35,951 which was part of the contractor fees paid by THWS but payable from WSP funds. The full amount of these subrecipient ARPA funds, \$612,566, was classified as grant income based on the categorization of the receiving entities. Of the total grant funds, \$387,566 came from the state, while \$225,000 came through the parish as part of the matching funds for THWS. The remaining match required of THWS originally was \$83,267, but after some of the awarded funds were not utilized only \$81,250 was required. \$34,600 of THWS funds were utilized for this project in the prior fiscal year and classified as construction in progress. When the project was deemed substantially complete during the fiscal year end, the total water improvement project of \$690,583 was closed into water system improvement assets.

**TANNEHILL WATER SYSTEM, INC.**  
WINNFIELD, LA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 8—RESERVES/RESTRICTIONS**

Under FASB ASU 2016-14 only net assets restricted by donors is grouped as restricted in equity; however, some cash was required to be reserved/restricted by the loan. These monies are released from restriction when the loan is repaid, or the cash is used for approved purchases. As of the fiscal year ended December 31, 2023, \$12,500 in cash was restricted through the life of the loan for the Debt Service Reserve Fund and for Debt Service Fund approximately \$8,394 was restricted for semi-annual payment of the EPA/LDHH Safe Drinking Water Revolving Loan. Cash in the accounts restricted was greater than the required reserve/restrictions.

Included in restricted cash was \$33,340 received in grant funds that was paid in days subsequent to the fiscal year end. The related payable was included in accounts payable.

**NOTE 9—DONATED SERVICES, MATERIALS, AND FACILITIES**

The Tannehill Water System, Inc. received no donated services or materials in the operation of the system in the current fiscal year, other than the grant funds from the cooperative endeavor agreements with the State of Louisiana and the Winn Parish Police Jury described in Notes 7 and 11. The water system does not use any donated facilities.

**NOTE 10—LITIGATION**

The Tannehill Water System, Inc. was not involved in any litigation as of December 31, 2023.

**NOTE 11—RELATED PARTY DISCLOSURES/COOPERATIVE ENDEAVORS**

The water system entered into cooperative endeavor agreements with the State of Louisiana, Division of Administration and Winn Parish Police Jury to utilize ARPA funds for the purpose of water infrastructure projects, the Water Sector Program. The state dedicated \$385,000 then an additional \$9,316 while the parish dedicated \$225,000, all of which were ARPA funds that flowed from the federal government. See Note 7 above.

**NOTE 12—COMPENSATION OF BOARD DIRECTORS**

The members of the Board of Directors of the Tannehill Water System receive free usage of water for their services.

**NOTE 13—OTHER DISCLOSURES**

Management has evaluated events through April 23, 2024, the date which the financial statements were available for issue. There were no items noted to be reported as subsequent events.



OTHER  
SUPPLEMENTARY INFORMATION

**TANNEHILL WATER SYSTEM, INC.**  
**WINNFIELD, LA**  
**SCHEDULE OF COMPENSATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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 Tannehill Water System, Inc. would be its Board Members which for the fiscal year ended December 31, 2023 were: Jacque Derr—President, Bert Wilson—Vice President, and Members at Large: Tammy Griffin, Cranford Jordan, and Greg Thompson.

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 entities. As no payments were noted to be made with public funds no disclosure is required.

See independent auditor's report.

*Shanna Jones, CPA*

*795 Big Creek Rd  
Winnfield, LA 71483  
792-8544*

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of  
Tannehill Water System, Inc.  
P.O. Box 1029  
Winnfield, LA 71483

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, the financial statements of Tannehill Water System, Inc. (a Louisiana nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated April 23, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Tannehill Water System, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tannehill Water System, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Tannehill Water System, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Tannehill Water System, Inc.'s financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Shanna Jones, CPA  
Winnfield, Louisiana  
April 23, 2024

**TANNEHILL WATER SYSTEM, INC.**  
**SCHEDULE OF AUDIT FINDINGS**  
**YEAR ENDED DECEMBER 31, 2023**

**A. SUMMARY OF AUDIT RESULTS**

1. The Independent Auditor's Report expresses an unmodified opinion on the financial statements of the Tannehill Water System, Inc.
2. There were no significant deficiencies noted during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Tannehill Water System, Inc., were disclosed during the audit.

**B. FINANCIAL STATEMENTS AUDIT**

None.

**C. PRIOR YEAR FINDINGS**

None.

STATEWIDE AGREED UPON PROCEDURES

# *Shanna Jones, CPA*

*795 Big Creek Rd  
Winnfield, LA 71483  
792-8544*

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE YEAR ENDED DECEMBER 31, 2023

To the Board of Directors of Tannehill Water System, Inc.  
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below on the on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2023. Tannehill Water System, Inc. (the "Water System" or "THWS")'s management is responsible for those C/C areas identified in the SAUPs.

Tannehill Water System, Inc. 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 C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This 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.

It is important to note that Tannehill Water System, Inc. is a nonprofit entity and as such only public funds are subject to the procedures noted below.

The procedures and associated findings are as follows:

### WRITTEN POLICIES AND PROCEDURES

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable.
  - a) **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - b) **Disbursements**, including processing, reviewing, and approving.
  - c) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff

procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- d) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- e) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- f) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exception noted.

#### BOARD OR FINANCE COMMITTEE, if applicable

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exception noted.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Tannehill Water System, Inc. (THWS) is not required to prepare a budget.

- c) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

The prior year's report on the Water System was a compilation and therefore no findings reported.

#### BANK RECONCILIATIONS

- 3. Obtain listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);



No exception noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

While there is evidence that a board member reviewed selected reconciliation timely, this board member also has signing privileges.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exception noted.

## COLLECTIONS

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Management provided listing and representation.

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Management stated one employee collects checks and that cash is not accepted at THWS, except as received by third party with receipt support. State and federal monies were noted as electronic deposits, except when paid as a subrecipient.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

No cash noted as received other than checks and money orders by THWS. Bank and Business Service Center can accept cash and they prepare receipts to give to THWS. Only THWS employee and bank employees prepare deposit slips. When bank employee prepares, a copy is given to THWS and customer. State and federal monies were noted as electronic deposits, except when paid as a subrecipient.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No cash accepted by THWS employee except as given with receipt from third party. THWS employee, secretary, does post collection entry to general ledger.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No cash accepted, secretary performs reconciliations, president reviews reconciliation.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Bonding noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Items remitted to THWS appear to have alternative supporting documentation. Federal and state monies were noted as electronic deposits, except when remitted through WPPJ to THWS as the recipient and subrecipient respectively.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exception noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exception noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

No exceptions noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exception noted.

#### NON-PAYROLL DISBURSEMENTS

(excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained listing and representation letter.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Only public funds require a second individual's approval/signature according to THWS's policies and due to small size of entity and cost effectiveness of further controls. No exception noted on documentation.

- b) At least two employees are involved in processing and approving payments to vendors.

Only public funds require two signatures or board signature approval. No exception noted

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

It does not appear that the person responsible for processing payments, secretary, is prohibited from adding vendors. However, supporting invoices were noted for each payment and board member approval noted for public fund purchases.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Secretary can be signee and mails; however, on public funds a board member is also required to sign.

- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exception noted.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that the deliverables included on the invoice were received by the entity.

No exception noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Noted Board member's approval via signature.

- 11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note. If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No public fund disbursements were noted as electronic disbursements.

## CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Client representation letter states no credit/debit/fuel cards held by Water System.

## TRAVEL AND EXPENSE REIMBURSEMENT

13. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Obtained management's representation and listing. No public fund disbursements were noted for travel reimbursement.

## CONTRACTS

14. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Obtained management representation and listing.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law or Louisiana Procurement Code (e.g., solicited quotes or bids, advertised), if required by law.

In the prior year (2022) contract appears properly bid.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exceptions noted.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

No exceptions noted.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

## PAYROLL AND PERSONNEL

14. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Obtained listing and representation. No public funds appear to be utilized for payroll.

#### DEBT SERVICE

15. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued. N/A
16. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Obtained listing and representation. No exceptions noted.

#### FRAUD NOTICE

17. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Obtained management's representation that no misappropriations of public funds or assets noted.

18. Observe that the entity has posted on its premises and website, the notice required by R.S. 24.523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.
- No exceptions noted.

#### INFORMATION TECHNOLOGY DISASTER RECOVERY/ BUSINESS CONTINUITY

22. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
  - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup 1) occurred within the past week, 2) was not stored on the entity's local server or network, and 3) was encrypted.
  - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers

have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

I performed the procedures above and discussed the results with management.

I was engaged by Tannehill Water System, Inc. 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 applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. 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 Tannehill Water System, Inc. and to meet other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, 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 LLA as a public document.



Shanna Jones, CPA  
Winnfield, Louisiana  
April 23, 2024

Louisiana Agreed-upon Procedures Representation Form

	<b>Tannehill Water System, Inc.</b> P.O. Box 1029 Winnfield, Louisiana 71483
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April 23, 2024

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

The Louisiana Legislative Auditor (LLA) is considered to be a specified party to the Statewide Agreed-Upon Procedures (AUPs) and acknowledges that the procedures performed are appropriate for their purposes by their acceptance of the standard audit engagement approval forms. In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the LLA's statewide agreed-upon procedures (AUPs), for the fiscal period January 1, 2023 through December 31, 2023, we confirm, to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We acknowledge that we are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel-related expense reimbursement; contracts; payroll and personnel; debt service; and other areas.  
Yes  No
2. We acknowledge that we are responsible for establishing and maintaining effective internal control over compliance.  
Yes  No
3. For the fiscal period January 1, 2023 through December 31, 2023, we have performed an evaluation of our compliance with the best practices criteria presented in the statewide AUPs.  
Yes  No
4. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.  
Yes  No
5. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.  
Yes  No

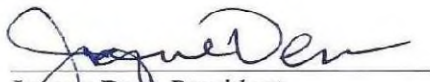
6. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.
- Yes  No
7. We have disclosed to you any known noncompliance with laws or regulations affecting the statewide AUPs occurring during the period of January 1, 2023 through December 31, 2023 and between December 31, 2023, and April 23, 2024, including any actual, suspected, or alleged fraud.
- Yes  No
8. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between December 31, 2023, and April 23, 2024.
- Yes  No
9. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.
- Yes  No
10. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.
- Yes  No
11. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.
- Yes  No
12. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.
- Yes  No
13. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.
- Yes  No
14. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.
- Yes  No



15. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.  
Yes  No
16. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.  
Yes  No
17. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.  
Yes  No
18. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.  
Yes  No
19. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.  
Yes  No
20. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.  
Yes  No
21. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.  
Yes  No
22. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.  
Yes  No
23. We represent that the listing of computers currently in use and their related locations that we provided to you is complete.  
Yes  No

24. We are not aware of any material misstatements in the C/C areas identified in the SAUPs.  
Yes  No
25. We have disclosed to you all items of which we are aware need disclosure in the financial statements.  
Yes  No
26. We have responded fully to all inquiries made by you during the engagement.  
Yes  No
27. We have disclosed to you all known events that have occurred subsequent to December 31, 2023, that would have a material effect on the C/C areas identified in the SAUPs, or would require adjustment to or modification of the results of the agreed-upon procedures.  
Yes  No

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

  
Jacquie Der, President  
Tannehill Water System, Inc.

  
Tracy Kelley, Secretary  
Tannehill Water System, Inc.