PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.

FINANCIAL REPORT
DECEMBER 31, 2018

SHANNA JONES, CPA
WINNFIELD, LOUISIANA

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

FINANCIAL REPORT
DECEMBER 31, 2018

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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.

I have reviewed the accompanying financial statements of the Pleasant Hill-Crossroads Water System, Inc. (a Non-Profit Corporation), which comprise the statement of financial position of as of December 31, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Water System's 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.

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.

Other Matter
Supplementary Information
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 supplement the financial statements. I have applied certain limited procedures to the required supplementary information presented on page 15, in accordance with accounting principles generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the

financial statements, and other knowledge I obtained during my review of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated March 28, 2019, on the results of our agreed-upon procedures on pages 16 through 19. Pages 20 through 22 present the Louisiana Attestation Questionnaire.

Shanna Jones

Shanna Jones, CPA
Winnfield, Louisiana
March 28, 2019

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
JOYCE, LA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

ASSETS:		
Current Assets:		
Cash & Cash Equivalents	$	109,280
Investments		46,570
Accounts Receivable		9,911
Interest Receivable		79
Prepaid Expense		1,296
Total Current Assets		167,136
Non-Current Assets:		
Cash—Customer Deposits, Membership		15,696
Investment—Restricted portion CDs		18,052
Capital Assets (Net)		1,116,802
Total Non-Current Assets		1,150,550
Total Assets	$	1,317,686
LIABILITIES:		
Current Liabilities:		
Accounts Payable	$	2,186
Current Portions of Long Term Debt		16,217
Retainage Payable		15,406
Customer Deposits		15,696
Total Current Liabilities		49,505
Non-Current Liabilities:		
Long Term Debt, net of current portions		605,415
Total Liabilities		654,920
NET ASSETS:		
Without Donor Restrictions		644,714
With Donor Restrictions		18,052
Total Net Assets		662,766
Total Liabilities and Net Assets	$	1,317,686

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, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Activities:			
REVENUES:			
Water Sales	$ 106,232		$ 106,232
Other Related Fees	4,865		4,865
Interest Earned	241		241
Total Revenues	111,338	$ -	111,338
EXPENSES:			
Program:			
Program Services	96,613		96,613
Supporting:			
Management & General	18,636		18,636
Total Expenses	115,249	-	115,249
NET ASSETS RELEASED FROM RESTRICTIONS:			
Grant funds used for fixed assets	39,407	(39,407)	-
NET ASSETS INCLUDED IN RESTRICTIONS:			
Reserves required by USDA Loans	(52)	52	-
Change in Net Position	35,444	(39,355)	(3,911)
Net Position January 1, 2018-restated	609,270	57,407	666,677
Net Position December 31, 2018	$ 644,714	$ 18,052	$ 662,766

See accompanying notes and independent accountant's review report.

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
JOYCE, LA
STATEMENT OF FUNCTION EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

Without Donor Restrictions:

	Program Services	Support Services	
	Water	Management & General	Total
Advertising		$ 444	$ 444
Accounting		6,038	6,038
Contract Labor	$ 18,554		18,554
Depreciation	42,285		42,285
Dues & Subscriptions		400	400
Insurance		3,518	3,518
Interest Expense	11,320		11,320
Miscellaneous		75	75
Office Supplies		2,304	2,304
Postage		1,507	1,507
Rent		152	152
Repairs & Maintenance	9,037		9,037
System Supplies	6,046		6,046
Taxes & Licenses	1,804		1,804
Telephone & Internet		4,198	4,198
Utilities	7,567		7,567
Total Expenses	$ 96,613	$ 18,636	$ 115,249

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, 2018

Cash Flows from Operating Activities:	
Change in Net Assets	$ (3,911)
Adjustments to Reconcile Changes in Net Assets to	
Net Cash Provided by/(Used In) Operating Activities:	
Depreciation	42,285
Changes in Assets & Liabilities:	
(Increase)/Decrease in Accounts Receivable, Net	1,743
(Increase)/Decrease in Prepaid Expense	2,940
Increase/(Decrease) in Accounts Payable	1,126
Increase/(Decrease) in Retainage Payable	15,406
Increase/(Decrease) in Customer Deposits	468
Net Cash Provided by/(Used In) Operating Activities	60,057
Cash Flows from Investing Activities:	
Interest Earned on Accounts	(241)
Purchases of Assets	(46,800)
(Increase)/Decrease in Construction in Progress	(397,089)
Net Cash Provided by/(Used In) Investing Activities	(444,130)
Cash Flows from Financing Activities:	
Proceeds from contributions restricted for:	
Investment in Water System Assets	306,110
Other Financing Activities:	
Notes Payable on Principal Payments	(11,591)
Net Cash Provided By/(Used In) Financing Activities	294,519
Net Increase/(Decrease) in Cash & Cash Equivalents	(89,554)
Cash & Cash Equivalents—Beginning of Year	214,530
Cash & Cash Equivalents—End of Year	$ 124,976

Cash & Cash Equivalents—Beginning of Year	
Unrestricted Cash	$ 199,302
Restricted Cash	15,228
Total Cash & Cash Equivalents—Beginning of Year	$ 214,530
Cash & Cash Equivalents—End of Year	
Unrestricted Cash	$ 109,280
Restricted Cash	15,696
Total Cash & Cash Equivalents—End of Year	$ 124,976

See accompanying notes and independent accountant's review report.

NOTES TO FINANCIAL STATEMENTS

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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

The Pleasant Hill-Crossroads Water System, Inc. has 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.

Net assets as of January 1, 2018 is restated by $485,549. For the fiscal year ended December 31, 2017, management understated assets for property, plant and equipment, receivables, prepaid expenses and cash. Liabilities for that same prior year were understated for accounts payable, notes payable. The financial statements for the fiscal year ended December 31, 2017 did not begin with the net position from the prior year.

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 — Net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation. These constraints can expire with the passage of time or actions by the entity.

Net Assets without Donor Restrictions —All other net assets that do not meet the definition of "with donor restrictions", including board designated assets.

At December 31, 2018 the Water System had $18,052 in Net Assets with Donor Restrictions that was required to be reserved related to the USDA loans and the remaining amount of $644,714 in Net Assets without Donor Restrictions.

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, 2018.

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.

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

Under state law, the Water System may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana Law and national banks having their principal offices in Louisiana.

At December 31, 2018, the carrying amount of the Pleasant Hill Crossroads Water System Inc.'s cash and cash equivalents totaled $124,976. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agents. These securities are held in the name of the pledging fiscal agent banks in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2018, the Water System bank balances totaled $127,394; the Water System was fully insured by FDIC at fiscal year-end.

NOTE 4— INVESTMENTS

At the same financial institution, the Water System had time deposits with maturities of greater than 90 days. At December 31, 2018 the bank balances of those certificates totaled $64,622. As the combined total of Investments and Cash did not exceed the $250,000 FDIC insurance limit, the Water System was fully secured.

NOTE 5—ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2018, consisted of $9,911 due from 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.

NOTE 6—INTEREST RECEIVABLE

Interest receivable at December 31, 2018, consisted of $79 due from certificates of deposit with maturities within 60 days of year end.

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 7—PREPAID EXPENSES

Prepaid expenses at December 31, 2018 totaled $1,296 which consisted of $98 prepaid insurance, $380 prepaid permits and licenses, $417 in computer expenses, $300 dues and $101 rent.

NOTE 8—CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2018 are as follows:

	Balance 01/01/18	Additions	Deletions	Balance 12/31/18
Capital Assets:				
NonDepreciable				
Land	$ 2,000	$ -	$ -	$ 2,000
Construction in Progress	-	397,089	-	397,089
Depreciable				
Equipment & Furniture	13,252	-	-	13,252
Water Wells	440,341	-	-	440,341
Water Distribution System	846,134	46,800	-	892,934
Subtotal of Assets	1,301,727	443,889	-	1,745,616
Less: Accumulated Depreciation				
Equipment & Furniture	3,835	1,898	-	5,733
Water Wells	136,861	16,894	-	153,755
Water Distribution System	445,833	23,493	-	469,326
Subtotal of Accum. Depreciation	586,529	42,285	-	628,814
Net Capital Assets	$ 715,198			$1,116,802

Depreciation expense for the year ended December 31, 2018 totaled $42,285.

NOTE 9—NOTES PAYABLE

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

Lender	Original Amount	Balance Due 12/31/18	Interest Rate
USDA 91-01	$ 252,500	$ 152,489	6.375%
USDA 91-05	85,000	44,423	2.00%
USDA 91-03	303,000	303,000	2.75%
State of Louisiana	75,049	75,049	0%
State of Louisiana	72,975	72,975	0%

The USDA notes payable are 40 year term notes secured by water system assets. The USDA 91-01 note matures in December of 2028. The USDA 91-05 note appears to mature in December of 2057, but still has funds available to borrow. The USDA 91-03 note also appears to mature in December of 2057.

The following is a schedule of maturing principle and interest of the USDA notes for the coming five years.

	91-01	91-03	91-05
2019	$ 17,700	$ 12,696	$ 3,096
2020	17,700	12,696	3,096
2021	17,700	12,696	3,096
2022	17,700	12,696	3,096
2023	17,700	12,696	3,096

The State of Louisiana notes payable are for line relocations that were billed to the Water System for the work done by the state in prior years. The Water System is in discussion with the State of Louisiana on these notes.

NOTE 10—RESERVES

The USDA Loan 91-01 required $18,000 of 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 payments began in November of 2018, Pleasant Hill-Crossroads Water System, Inc. has a certificate of deposit for an amount greater than the apparent required reserves for the fiscal year. Additional reserved funds will be required in the subsequent fiscal years.

NOTE 11—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. The water system does not use any donated facilities.

NOTE 12—LITIGATION

The Pleasant Hill-Crossroads Water System, Inc. was not involved in any litigation at December 31, 2018.

NOTE 13—RELATED PARTY DISCLOSURES

During the fiscal year ended December 31, 2018, management utilized a board member, Mr. Doherty to work on the system. He was paid using the System's funds for mileage totaling approximately $376 and contract labor of $1,820. They have since hired an operator to perform these tasks.

NOTE 14—OTHER DISCLOSURES

Management has evaluated events through March 28, 2019, the date which the financial statements were available for issue. There were no items noted to be reported as subsequent events, other than construction on the treatment plant related to the USDA loans/grants were still in progress.

SUPPLEMENTARY INFORMATION

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
SCHEDULE OF COMPENSATION
FOR THE YEAR ENDED DECEMBER 31, 2018

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.

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 independent accountant's review report.

Shanna Jones, CPA

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Winnfield, LA 71483
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, which were agreed to by the management of the Pleasant Hill-Crossroads Water System, Inc., and the Louisiana Legislative Auditor (the specified parties), on the Pleasant Hill-Crossroads Water System, Inc.'s compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2018, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. Management of Pleasant Hill-Crossroads Water System, Inc. is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

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.

   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, 2018:

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
USDA 91-03	2017 (paid 2018)	10.760	$ 303,000
USDA 91-05	2017 (paid 2018)	10.760	46,683
USDA 91-05	2017 (retainage for 2018)	10.760	15,406
Total Expenditures			$ 365,089

(Continued)

The Pleasant Hill-Crossroads Water System, Inc. represented that they received no state or local government grant awards during the fiscal year ended December 31, 2018.

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.

   Twelve disbursements were noted as made during the fiscal year end for the federal loans.

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.

   I examined supporting documentation for the selected disbursements and found that payments appeared to be for the proper amount and made to the correct payee.

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

   The payments selected appeared to be coded to expenditures rather than construction in progress and therefore were reclassed. Documentation appeared not to require a separate fund, only a separate bank account which was noted.

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

   Written policies were not noted; however verbal policy was to have two board members sign checks as approval and that was noted. Procedures should be written immediately as required by 2 CFR 200, Subparts D and E (2 CFR sections 200.300 and 200.400, respectively).

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. The disbursements selected appeared to meet the goals of the loans.

   Eligibility

   I reviewed the previously listed disbursements for eligibility requirements. The disbursements selected appeared to meet the eligibility requirements of the loans.

(Continued)

Reporting

I reviewed the previously listed disbursements for reporting requirements. The selected disbursements were traced to the requests for disbursement and to the payment advices to bank. However, the granting entity disclosed that there are items required to be reported: insurance, proposed budget, financial report; which were not submitted timely by the recipient entity.

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 disbursements selected have not been closed into assets but remain in progress. The amounts agree to documentation provided by USDA.

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. Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at http://app1.lla.state.la.us/llala.nsf, to determine whether a non-profit agency is subject to the open meetings law.

   Pleasant Hill-Crossroads Water System, Inc. is only required to post a notice of each meeting and the accompanying agenda on the door of the Pleasant Hill-Crossroads Water System, Inc.'s office building. Per accountant, the Board posted a notice on the door of the office stating the time and date of the monthly meeting.

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.

   Per USDA, Pleasant Hill-Crossroads Water System, Inc. provided an original budget to the applicable federal grantor agency for the grant received. This budget specified the anticipated use of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

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

    The Water System's prior year report was submitted to the Legislative Auditor before the statutory due date of March 31, 2018. Their current year will be submitted before the statutory due date of June 30, 2019.

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).

(Continued)

The Pleasant Hill Crossroads Water System's management represented that the Water System did not have any state funds utilized during the fiscal year ended December 31, 2018, only federal. They also represented that they are in compliance with the reporting requirements. In the prior year they entered into a contract that was subject to the public bid law and they represent that they complied with such law.

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.

    There were no prior year suggestions, recommendations, or comments as sworn financials were filed.

This agreed-upon procedures engagement was conducted 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, the objective of which would be the expression of an opinion or conclusion, respectively, on the Pleasant Hill Crossroads 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.

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
March 28, 2019

Concluded

Pleasant Hill-Crossroads Water System, Inc.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

2-11-2019 (Date Transmitted)

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, 2018 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 [ ]

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 [ ]

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

Yes [✓] No [ ]

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 [ ]

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). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

Yes [✓] No [ ]

(Continued)

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 [ ]

Reporting

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

Yes [✓] No [ ]

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 [ ]

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 [ ]

Prior-Year Comments

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

Yes [✓] No [ ]

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 [ ]

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

Yes [✓] No [ ]

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 [ ]

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

Yes [✓] No [ ]

Continued

We have provided you with 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 [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [✓] No [ ]

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

2-11-2019 Secretary Lana D Jordan
Date

2-11-2019 Treasurer Wendy Culbertson
Date

2-11-2019 President Willie Doherty
Date

Concluded