

**POINT BLUE/CHATAIGNIER  
WATER SYSTEM, INC.**

Ville Platte, Louisiana  
Financial Report  
Year Ended June 30, 2025

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James L. Nicholson, Jr., CPA  
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Lisa Trouille Manuel, CPA  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Point Blue/Chataignier Water System, Inc.  
Ville Platte, Louisiana

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

#### **Opinion**

We have audited the accompanying financial statements of Point Blue/Chataignier Water System, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Point Blue/Chataignier Water System, Inc. as of June 30, 2025, 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 of Opinion**

We conducted our 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Point Blue/Chataignier Water System, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

To the Board of Directors of  
Point Blue/Chataignier Water System, Inc.  
Ville Platte, Louisiana

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

Our 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 our 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, we:

- 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 our judgment, 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 for a reasonable period of time.

We are 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 we identified during the audit.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Par 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards on page 23 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 our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

To the Board of Directors of  
Point Blue/Chataignier Water System, Inc.  
Ville Platte, Louisiana

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 2, 2025, on our consideration of Point Blue/Chataignier Water System, Inc.'s internal control over financial reporting and on our 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 our 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 Point Blue/Chataignier 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 Point Blue/Chataignier Water System, Inc.'s internal control over financial reporting and compliance.

*John S. Dowling & Company*

Opelousas, Louisiana  
December 2, 2025

## **FINANCIAL STATEMENTS**

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.  
Ville Platte, Louisiana

Statement of Financial Position  
June 30, 2025

ASSETS

Current assets:	
Cash and cash equivalents	\$ 77,586
Certificate of deposits	166,515
Accounts receivable, net	136,665
Grant receivable	1,349,940
Total current assets	1,730,706
Restricted assets:	
Certificate of deposits - bank loan	70,899
Savings account - bank loan	28,828
Meter deposits - customer deposits	61,610
Cash - deposits	10
Total restricted assets	161,347
Property, plant and equipment, net	5,004,174
Total assets	\$ 6,896,227

LIABILITIES AND NET ASSETS

Liabilities:	
Current liabilities	
Accounts payable and accrued liabilities	\$ 18,353
Accrued salaries and related liabilities	3,150
Construction and retainage payable	1,533,015
Notes payable	33,781
Total current liabilities	1,588,299
Current liabilities (payable from restricted assets):	
Notes payable	21,780
Meter deposits	61,610
Total current liabilities	83,390
Long-term liability:	
Notes payable	77,947
Total long-term liabilities	77,947
Total liabilities	1,749,636
Net assets:	
Without donor restrictions	5,146,591
Total liabilities and net assets	\$ 6,896,227

The accompanying notes are an integral part of this statement.

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.  
Ville Platte, Louisiana

Statement of Activities  
For the Year Ended June 30, 2025

Changes in net assets without donor restrictions	
Revenues:	
Water sales	\$ 612,328
Connection charges	9,770
Late charges	13,813
Miscellaneous income	7,162
Total revenues	<u>643,073</u>
Expenses:	
Management and general	494,358
Supporting services	79,917
Total expenses	<u>574,275</u>
Operating income	<u>68,798</u>
Other increases in net assets:	
Interest income	10,927
Grant revenue	3,995,554
Total other increases in net assets	<u>4,006,481</u>
Change in net assets without donor restrictions	4,075,279
Net assets, beginning of year	<u>1,071,312</u>
Net assets, end of year	<u>\$ 5,146,591</u>

The accompanying notes are an integral part of this statement.

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.  
Ville Platte, Louisiana

Statement of Functional Expenses  
For the Year Ended June 30, 2025

PROGRAM SERVICES	
Advertising and promotion	\$ 1,670
Auto and truck	9,662
Bad debt	5,078
Chemicals	40,876
Contract labor	38,732
Depreciation expense	33,864
Insurance expense	29,953
Payroll taxes	11,224
Professional fees	26,536
Repairs and maintenance	30,789
Equipment rent	20,834
Uniforms	62
Salaries	147,509
Supplies	48,375
Licenses	3,320
Telephone	5,493
Utilities	40,381
	<hr/>
TOTAL PROGRAM SERVICES	<u>\$ 494,358</u>
MANAGEMENT AND GENERAL	
Bank charges	\$ 270
Board per diem	8,100
Dues and subscriptions	996
Meals	1,098
Interest expense	9,281
Office expense	10,046
Postage	8,633
Rent	1,800
Salaries	36,911
Payroll taxes	2,782
	<hr/>
TOTAL SUPPORTING SERVICES	<u>\$ 79,917</u>

The accompanying notes are an integral part of this statement.

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.  
Ville Platte, Louisiana

Statement of Cash Flows  
For the Year Ended June 30, 2025

Cash flows from operating activities:	
Change in net assets without donor restrictions	\$ 4,075,279
Adjustments to reconcile change in net assets to net cash flow from operating activities:	
Depreciation	33,864
Changes in operating assets:	
Accounts receivable	(70,502)
Grants receivable	(1,349,940)
Changes in operating liabilities:	
Accounts and other payables	1,466
Construction and retainage payable	1,533,015
Accrued salaries and payables	(13)
Meter deposits	1,745
Total adjustments	<u>149,635</u>
Net cash provided by operating activities	<u>4,224,914</u>
Cash flows from investing activities:	
Purchase of property, plant and equipment	(4,238,527)
Purchase of interest-bearing deposits with maturity in excess of ninety days	(2,737)
Net cash used by investing activities	<u>(4,241,264)</u>
Cash flows from financing activities:	
Proceeds from notes payable	30,050
Repayments of debt	(16,002)
Net cash used by financing activities	<u>14,048</u>
Net change in cash, cash equivalents, and restricted cash	(2,302)
Cash, cash equivalents, and restricted cash beginning of period	<u>170,326</u>
Cash, cash equivalents, and restricted cash end of period	<u><u>168,024</u></u>

This statement continued on following page.

The accompanying notes are an integral part of this statement.

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.  
Ville Platte, Louisiana

Statement of Cash Flows (Continued)  
For the Year Ended June 30, 2025

Reconciliation of cash, cash equivalents, and restricted cash per statement of cash flows to the statement of financial position:

Cash, cash equivalents, and restricted cash, beginning of period -	
Cash and cash equivalents - unrestricted	\$ 110,461
Cash and cash equivalents - restricted	
Cash - meter deposits	59,865
Total cash, cash equivalents, and restricted cash beginning of period	170,326
Cash, cash equivalents, and restricted cash, end of period -	
Cash and cash equivalents - unrestricted	77,586
Cash and cash equivalents - restricted	
Cash - savings account	28,828
Cash - meter deposits	61,610
Total cash, cash equivalents, and restricted cash, end of period	168,024
Net change in cash, cash equivalents, and restricted cash	\$ (2,302)

Supplemental disclosure of cash flow information:

Cash paid during year for interest	\$ 9,281
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The accompanying notes are an integral part of this statement.

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.  
Ville Platte, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Operations

Point Blue/Chataignier Water System, Inc. (Water System) is a nonprofit organization formed under the laws of the State of Louisiana on October 10, 1968. The Water System provides water to its members in the Ville Platte area. The Water System is governed by a board of directors composed of seven members elected by the members of the Water System.

B. Financial Statement Presentation

The Water System reports information regarding its financial position and activities according to two classes of net assets: Net Assets without Donor Restrictions and Net Assets with Donor Restrictions.

The financial statements of the Water System have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

C. Cash and Cash Equivalents

Cash and cash equivalents are comprised of interest-bearing deposits which are stated at cost, which approximates market. All short-term investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the date of purchase, they have a maturity date no longer than three months. Certificates of deposit are classified separate from cash equivalents if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Certificates of deposit are stated at cost which approximates market.

D. Accounts Receivables and Allowance for Credit Losses

Accounts receivable consists primarily of amounts due from billings to customers for water services. Accounts receivable are reported at their outstanding balances, reduced by an allowance for credit losses. Management periodically evaluates the status of all accounts receivable balances for collectability. The receivable balance is assessed based on management's knowledge and history of collection and the age of the receivable balance. An allowance is recorded for the customer receivables deemed to be uncollectible. As of June 30, 2025, the Water System has recorded a \$0 allowance for credit losses due to insignificant past due accounts and writing off uncollectible customer accounts each year.

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.  
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

E. Property, Plant and Equipment

Property, plant, and equipment, with an acquisition cost of \$1,000 or more is capitalized. Assets donated to the Water System are capitalized at their current fair market value. Property and equipment are valued at historical costs and are being depreciated on a straight-line basis.

Water System	40 years
Building	40 years
Office furniture & equipment	3-10 years
Machinery & equipment	5-10 years
Vehicle	5 years

F. Net Assets

The net assets of the Water System and changes therein are classified and reported as follows:

Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions may be temporary in nature. These restrictions will be satisfied by actions of the Water System or by the passage of time.

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Water System. These net assets may be used at the discretion of the Water System's management and board of directors.

G. Revenue and Expense Recognition

The Water System recognizes revenues on the accrual basis of accounting. Revenues from water sales and other charges are recognized at the time services are rendered. The performance obligations are satisfied on a monthly basis as billed. Substantially all other revenues are recorded when received. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting.

H. Allocation of Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort.

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.  
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

I. Income Tax Status

The Water System is exempt from federal income tax as an organization described in Section 501(c) (12) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

ASC 740 requires that a tax position be recognized or derecognized based on a "more than not" threshold. This applies to positions taken or expected to be taken in a tax return where there is uncertainty about whether a tax position will ultimately be sustained upon examination. Management has analyzed the tax positions taken by the Water System and has concluded that as of June 30, 2025 there are no uncertain positions take or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Water System is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

J. Vacation, Sick Leave, and Compensated Absences

Full time employees of Point Blue/Chataignier Water System, Inc. earn fifteen (15) days and part time employees earn five (5) days of vacation per year. Vacation time cannot be carried over to the next year.

No sick leave is provided to employees.

K. Advertising

Advertising costs are expensed as incurred. Total advertising expense was \$1,670 for the year ended June 30, 2025.

L. Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires management to use estimates and make assumptions regarding certain types of assets, liabilities, support, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.  
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

(2) Contract Balances

The timing of revenue recognition, billings, and cash collections result in billed accounts receivable. The Water System requires customer deposits resulting in contract liabilities. The beginning contract balances are as follows:

Accounts receivable, net	\$ 66,163
Customer deposits asset and liability	\$ 59,865

(3) Restricted Assets

Restricted assets consist of the following at June 30, 2025:

Customer deposits	\$ 61,610
Savings account	28,828
Certificate of deposits	70,899
Cash deposits	10
	\$ 161,347

(4) Property, Plant and Equipment

A summary of property, plant and equipment is as follows:

Non depreciable	
Land	\$ 106,462
Construction in progress	4,618,701
Depreciable	
Buildings	49,729
Improvements	18,401
Water distribution system	1,502,023
Machinery & equipment	196,629
Vehicle	85,009
Total property, plant and equipment	6,576,954
Less: Accumulated depreciation	(1,572,780)
Net property, plant and equipment	\$ 5,004,174

Depreciation expense for the year ended June 30, 2025 was \$33,864.

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.  
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

(5) Short-Term Debt

Notes payable - The Evangeline Bank and Trust Company

\$37,741 promissory note dated January 3, 2025, due in one annual installment of \$40,469 including interest of 7.0% through January 03, 2026, secured by equipment.

The Water System pays \$1,000 per month, then renews the loan when due.

\$ 33,781

\$ 33,781

(6) Long-Term Debt

The following is a summary of long-term liability transactions for the year ended June 30, 2025:

Notes payable - The Evangeline Bank and Trust Company

\$79,912 promissory note dated February 26, 2024, due in (60) monthly installments of \$920 including interest of 6.688% through February 5, 2029, secured by certificate of deposits with The Evangeline Bank and Trust Company.

\$ 70,899

\$30,050 promissory note dated May 12, 2025, due in (24) monthly installments of \$1,284.14 including interest of 2.4% through May 12, 2027, secured by a savings account with The Evangeline Bank and Trust Company.

28,828

\$ 99,727

Changes in Long-term Debt:

	2025
Long-term debt at July 1, 2024	\$ 77,614
Additions	30,050
Payments	<u>(7,937)</u>
Long-term debt at June 30, 2025	<u>\$ 99,727</u>

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.  
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

(6) Long-Term Debt - Continued

The future principal and interest payments for notes payable as of June 30, 2025, are as follows:

	Principal payments	Interest payments	Total payments
2026	\$ 21,780	\$ 5,199	\$ 26,979
2027	20,929	4,392	25,321
2028	7,283	3,757	11,040
2029	49,735	2,232	51,967
Total	\$ 99,727	\$ 15,580	\$ 115,307

(7) Commitments and Contingencies

At June 30, 2025, the Water System had no pending litigation.

(8) Concentration of Credit Risk

The Water System maintains its cash deposits at multiple financial institutions. Balances are insured by the Federal Deposit Insurance Company (FDIC) up to \$250,000. The Water System had bank balances of \$424,881 deposits, all of which was covered by FDIC insurance at June 30, 2025.

(9) Compensation of Board Members

A detail of the per diem paid to the board members for the year ended June 30, 2025, follows:

Board Members:

Rayburn Fontenot	\$ 1,500
Anthony Rozas	1,100
Blaine Vidrine	1,000
Feeman Celestine	1,200
James Saucier	1,100
James Daire	1,000
Mark Duplechain	1,200
	\$ 8,100

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.  
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

(10) Compensation, Benefits, and Other Payments to Board President

A detail of compensation, benefits, and other payments paid to President Rayburn Fontenot for the year ended June 30, 2025, are as follows:

Purpose	Amount
Salary	\$ 957
Per Diem	1,500
Reimbursements	600
	\$ 3,057

(11) Liquidity and Availability of Resources

The Water System's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash and cash equivalents	\$ 77,586
Certificate of deposits	166,515
Accounts receivable	136,665
Total current assets	\$ 380,766

Certain assets are restricted by lenders for specific purposes and, therefore, are not available for general expenditure. As part of the Water System's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Although the Water System does not intend to spend from its restricted assets other than amounts appropriated for general expenditures as part of its annual appropriation process, amounts from its restricted assets could be made available if necessary.

(12) Subsequent Event Review

Subsequent events were evaluated through December 2, 2025, which is the date the financial statements were available to be issued. In January 2023 the Water System was awarded a water sector grant from the State of Louisiana, Division of Administration for \$10,000,000. These proceeds are being used for the expansion of the Water System. As of June 30, 2025, the Water System has utilized \$4,706,288 of the \$10,000,000. The project is still ongoing and expected to use the entirety of the grant.

**RELATED REPORTS**

James L. Nicholson, Jr., CPA  
Michael A. Roy, CPA  
Lisa Trouille Manuel, CPA  
Dana D. Quebedeaux, CPA  
Molly Fontenot Duplechain, CPA

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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  
Point Blue/Chataignier Water System, Inc.  
Ville Platte, Louisiana

We have audited, in accordance with the 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, the financial statements of Point Blue/Chataignier Water System, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 2, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Point Blue/Chataignier 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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Point Blue/Chataignier Water System, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Water System'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.

Our consideration of 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 or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-1 that we consider to be a significant deficiency.

To the Board of Directors of  
Point Blue/Chataignier Water System, Inc.

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

As part of obtaining reasonable assurance about whether Point Blue/Chataignier Water System, Inc.'s financial statements are free from material misstatement, we 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, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Point Blue/Chataignier Water System, Inc.'s Response to Findings**

Government Auditing Standards requires the auditor to perform limited procedures on Point Blue/Chataignier Water System, Inc.'s responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. Point Blue/Chataignier Water System, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Water System'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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*John S. Dowling & Company*

Opelousas, Louisiana  
December 2, 2025

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Point Blue/Chataignier Water System, Inc.  
Ville Platte, Louisiana

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited Point Blue/Chataignier Water System, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Point Blue/Chataignier Water System, Inc.'s major federal programs for the year ended June 30, 2025. Point Blue/Chataignier Water System, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Point Blue/Chataignier Water System, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with 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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Point Blue/Chataignier Water System, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Point Blue/Chataignier Water System, Inc.'s compliance with the compliance requirements referred to above.

To the Board of Directors of  
Point Blue/Chataignier Water System, Inc.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with requirements referred to above and for the design, implementation, and management of effective internal control over compliance with requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Point Blue/Chataignier Water System, Inc.'s federal program.

### **Auditor's Responsibilities for the Audit Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Point Blue/Chataignier Water System, Inc.'s compliance based on our audit. 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, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Point Blue/Chataignier Water System, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Point Blue/Chataignier Water System, Inc.'s compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Point Blue/Chataignier Water System, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Point Blue/Chataignier Water System, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communication with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a

To the Board of Directors of  
Point Blue/Chataignier Water System, Inc.

type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any purpose. Under Louisiana Revises Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Opelousas, Louisiana  
December 2, 2025

POINT BLUE/CHATAIGNIER WATER SYSTEM  
Ville Platte, Louisiana

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2025

<u>Federal Grantor/Pass-Through Grantor/Program Name</u>	<u>Pass-Through Entity Number</u>	<u>Assistance Listing Number</u>	<u>Expenditures</u>
United States Department of the Treasury - Passed through the Louisiana Division of Administration Coronavirus State and Local Fiscal Recovery Funds - Water Sector Program	LAWSP10749	21.027	<u>\$ 4,178,629</u>

See independent auditor's report.

The accompanying notes are an integral part of this schedule.

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.  
Ville Platte, Louisiana

Notes to the Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2025

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes federal award activity for Point Blue/Chataignier Water System under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Point Blue/Chataignier Water System, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Point Blue/Chataignier Water System.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

Point Blue/Chataignier Water System has elected not to use the 15 percent de minimis indirect cost rate allowed under the Uniform Guidance.

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.  
VILLE PLATTE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2025

I. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements.
2. One significant deficiency and no material weaknesses relating to the audit of the financial statements was reported.
3. No instances of material noncompliance relating to the audit of the financial statements were reported.
4. No significant deficiencies relating to the audit of the major federal award program were reported.
5. The auditor's report on compliance for the major federal award program expresses an unmodified opinion on the major federal program.
6. The audit disclosed no findings required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance.
7. The following program was considered to be a major program:  
  
United States Department of the Treasury-Coronavirus State and Local Fiscal Recovery Funds,  
Assistance listing number 21.027
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The auditee did not qualify as a low-risk auditee.
10. No management letter was issued.

II. FINDINGS – FINANCIAL STATEMENT AUDIT

2025-1 Inadequate segregation of duties

Condition: Due to the small number of employees, Point Blue/Chataignier Water System does not have adequate segregation of functions within the water billing system. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion.

Criteria: Point Blue/Chataignier Water System should have adequate segregation of duties over accounting functions.

Cause: There is a small number of employees at Point Blue/Chataignier Water System performing the daily operating activities.

Effect: Water billing system functions are not segregated, and it is important that you are aware of this condition because errors or fraud could occur and not be detected.

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.  
VILLE PLATTE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2025

II. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)

2025-1 Inadequate segregation of duties

Recommendation: A system of internal control procedures should be established in order to mitigate the problem of having such a small number of employees performing the daily operating activities.

Management's Response: Due to the size of the entity, it is difficult to fully segregate duties. The board oversees the employee job performances.

Contact Person: Rayburn Fontenot, President

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.  
VILLE PLATTE, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024

Section I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINACIAL STATEMENTS

2024-1 Inadequate segregation of duties

Repeat comment

2024-2 Late submission of report

Resolved

Section II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

None

Section III – MANAGEMENT LETTER

None