

POINT BLUE/CHATAIGNIER
WATER SYSTEM, INC.
Ville Platte, Louisiana
Financial Report
Year Ended June 30, 2024

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

Van L. Auld, CPA



JOHN S. DOWLING & COMPANY
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
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John S. Dowling, CPA - 1904-1984
John Newton Stout, CPA - 1936-2005
Chizal S. Fontenot, CPA - 1955-2012
Russell J. Stelly, CPA - 1942 - 2019
Harold Dupre, CPA - 1931-2019

Retired
Dwight Ledoux, CPA - 1998
Joel Lanclos, Jr., CPA - 2003
G. Kenneth Pavy, II, CPA - 2020

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, 2024, 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, 2024, 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 27, 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.

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

Report on Other Legal and Regulatory Requirements

In accordance with requirements of the Louisiana Legislative Auditor, we have issued a report, dated January 27, 2025, on the results of our state wide agreed-upon procedures performed 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. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

John L. Dowling & Company

Opelousas, Louisiana
January 27, 2025

FINANCIAL STATEMENTS

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

Statement of Financial Position
June 30, 2024

ASSETS

Current assets:	
Cash and cash equivalents	\$ 110,461
Certificate of deposits	157,064
Accounts receivable, net	<u>66,163</u>
Total current assets	<u>333,688</u>
Restricted assets:	
Certificate of deposits - bank loan	77,614
Meter deposits - customer deposits	59,865
Cash - deposits	<u>10</u>
Total restricted assets	<u>137,489</u>
Property, plant and equipment, net	<u>799,511</u>
Total assets	<u>\$ 1,270,688</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Current liabilities	
Accounts payable	\$ 16,856
Accrued salaries and related liabilities	3,163
Notes payable	41,847
Sales tax payable	<u>31</u>
Total current liabilities	<u>61,897</u>
Current liabilities (payable from restricted assets):	
Notes payable	5,954
Meter deposits	<u>59,865</u>
Total current liabilities	<u>65,819</u>
Long-term liability:	
Notes payable	<u>71,660</u>
Total long-term liabilities	<u>71,660</u>
Total liabilities	<u>199,376</u>
Net assets:	
Without donor restrictions	<u>1,071,312</u>
Total liabilities and net assets	<u>\$ 1,270,688</u>

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, 2024

Changes in net assets without donor restrictions

Revenues:

Water sales	\$ 529,736
Connection charges	11,169
Late charges	12,243
Miscellaneous income	<u>10,648</u>
Total revenues	<u>563,796</u>

Expenses:

Management and general	515,156
Supporting services	<u>79,744</u>
Total expenses	<u>594,900</u>
Operating loss	<u>(31,104)</u>

Other increases in net assets:

Interest income	9,681
Grant revenue	<u>527,659</u>
Total other increases in net assets	<u>537,340</u>

Change in net assets without donor restrictions	506,236
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Net assets, beginning of year	<u>565,076</u>
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Net assets, end of year	<u><u>\$ 1,071,312</u></u>
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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, 2024

PROGRAM SERVICES

Advertising and promotion	\$ 2,498
Auto and truck	7,316
Bad debt	8,392
Chemicals	48,743
Contract labor	19,962
Depreciation expense	28,320
Insurance expense	25,368
Payroll taxes	10,916
Professional fees	11,530
Repairs and maintenance	88,619
Equipment rent	18,401
Uniforms	95
Salaries	141,816
Supplies	55,945
Licenses	2,025
Telephone	6,047
Utilities	<u>39,163</u>

TOTAL PROGRAM SERVICES	<u>\$ 515,156</u>
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MANAGEMENT AND GENERAL

Bank charges	\$ 240
Board per diem	8,442
Dues and subscriptions	375
Meals	992
Interest expense	8,954
Office expense	10,733
Postage	9,218
Rent	1,800
Salaries	36,208
Payroll taxes	<u>2,782</u>

TOTAL SUPPORTING SERVICES	<u>\$ 79,744</u>
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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, 2024

Cash flows from operating activities:	
Change in net assets without donor restrictions	<u>\$ 506,236</u>
Adjustments to reconcile change in net assets to net cash flow from operating activities:	
Depreciation	28,320
Changes in operating assets:	
Accounts receivable	(13,878)
Changes in operating liabilities:	
Accounts and other payables	13,515
Accrued salaries and payables	(1,269)
Meter deposits	1,145
Sales tax payable	<u>11</u>
Total adjustments	<u>27,844</u>
Net cash provided by operating activities	<u>534,080</u>
Cash flows from investing activities:	
Purchase of property, plant and equipment	(527,659)
Purchase of interest-bearing deposits with maturity in excess of ninety days	<u>(2,678)</u>
Net cash used by investing activities	<u>(530,337)</u>
Cash flows from financing activities:	
Proceeds from notes payable	121,759
Repayments of debt	<u>(132,754)</u>
Net cash used by financing activities	<u>(10,995)</u>
Net change in cash, cash equivalents, and restricted cash	(7,252)
Cash, cash equivalents, and restricted cash beginning of period	<u>177,578</u>
Cash, cash equivalents, and restricted cash end of period	<u>\$ 170,326</u>

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, 2024

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	\$ 118,858
Cash and cash equivalents - restricted	
Cash - meter deposits	<u>58,720</u>
Total cash, cash equivalents, and restricted cash beginning of period	<u>177,578</u>
 Cash, cash equivalents, and restricted cash, end of period -	
Cash and cash equivalents - unrestricted	110,461
Cash and cash equivalents - restricted	
Cash - meter deposits	<u>59,865</u>
Total cash, cash equivalents, and restricted cash, end of period	<u>170,326</u>
 Net change in cash, cash equivalents, and restricted cash	<u>\$ (7,252)</u>

Supplemental disclosure of cash flow information:

Cash paid during year for interest	<u>\$ 8,954</u>
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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, 2024, the Water System has recorded a \$0 allowance for credit losses due to insignificant past due accounts.

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, 2024 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 employee earn five (5) days of vacation per year. Vacation time can not 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 \$2,498 for the year ended June 30, 2024.

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	<u>\$ 52,285</u>
Customer deposits	<u>\$ 58,720</u>

(3) Restricted Assets

Restricted assets consist of the following at June 30, 2024:

Customer deposits	\$ 59,865
Certificate of deposits	77,614
Cash deposits	<u>10</u>
	<u>\$ 137,489</u>

(4) Property, Plant and Equipment

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

Land	\$ 106,462
Construction in progress	440,072
Buildings	49,729
Improvements	18,401
Water distribution system	1,502,023
Machinery & equipment	196,629
Vehicle	<u>25,111</u>
Total property, plant and equipment	2,338,427
Less: Accumulated depreciation	<u>(1,538,916)</u>
Net property, plant and equipment	<u>\$ 799,511</u>

Depreciation expense for the year ended June 30, 2024 was \$28,320.

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

\$41,847 promissory note dated January 9, 2024, due in one annual installment of \$44,736 including interest of 7.0% through December 29, 2024, secured by equipment. The Water System pays \$1,000 per month, then renews the loan when due.

\$ 41,847

\$ 41,847

(6) Long-Term Debt

The following is a summary of long-term liability transactions for the year ended June 30, 2024:

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.

\$ 77,614

\$ 77,614

Changes in Long-term Debt:

	<u>2024</u>
Long-term debt at July 1, 2023	\$ 83,921
Additions	-
Payments	<u>(6,307)</u>
Long-term debt at June 30, 2024	<u><u>\$ 77,614</u></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, 2024, are as follows:

	Principal payments	Interest payments	Total payments
2025	\$ 5,954	\$ 5,086	\$ 11,040
2026	6,370	4,670	11,040
2027	6,816	4,224	11,040
2028	7,283	3,757	11,040
2029	51,191	2,232	53,423
Total	<u>\$ 77,614</u>	<u>\$ 19,969</u>	<u>\$ 97,583</u>

(7) Commitments and Contingencies

At June 30, 2024, 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 \$418,268 deposits, all of which was covered by FDIC insurance at June 30, 2024.

(9) Compensation of Board Members

A detail of the per diem paid to the board members for the year ended June 30, 2024, follows:

Board Members:

Rayburn Fontenot	\$ 1,605
Anthony Rozas	1,200
Blaine Vidrine	1,200
Feeman Celestine	1,200
James Saucier	1,137
James Daire	1,000
Mark Duplechain	1,100
	<u>\$ 8,442</u>

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, 2024, are as follows:

<u>Purpose</u>	<u>Amount</u>
Per Diem	<u>\$ 1,605</u>

(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	\$ 110,461
Certificate of deposits	157,064
Accounts receivable	<u>66,163</u>
Total current assets	<u>\$ 333,688</u>

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) New accounting Standard Adopted

In July 2023, the Water System adopted FASB ASU 2016-13, Financial Instruments – Credit Losses (Topics 326): Measurement of Credit Losses on Financial Statements, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Water System adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have an impact on the Water System's financial statement and did not change how the allowance for credit losses is determined.

(13) Subsequent Event Review

Subsequent events were evaluated through January 27, 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, 2024, the Water System has utilized \$527,659 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

Van L. Auld, CPA



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Retired

Dwight Ledoux, CPA - 1998
Joel Lanclos, Jr., CPA - 2003
G. Kenneth Pavy, II, CPA - 2020

**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, 2024, 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 January 27, 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 2024-1 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

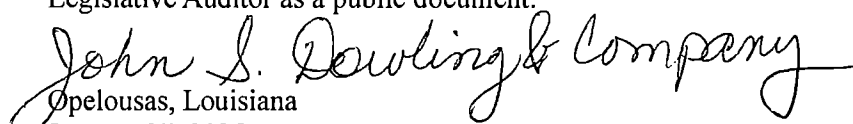
As part of obtaining reasonable assurance about whether Point Blue/Chataignier Water System, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could 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 an instance of noncompliance or other matter that are required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and responses as item 2024-2.

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 responses were 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.


Opelousas, Louisiana
January 27, 2025

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.
VILLE PLATTE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2024

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. One instance of material noncompliance relating to the audit of the financial statements was reported.
4. No management letter was issued for Point Blue/Chataignier Water System, Inc.
5. There was no single audit required under the Uniform Guidance

II. FINDINGS – FINANCIAL STATEMENT AUDIT

2024-1 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.

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

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.
VILLE PLATTE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2024

II. FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)

2024-2 Late submission of report

Condition: The Water System's audit report was not completed and submitted to the Louisiana Legislative Auditor within six months of the close of the fiscal year, as required by state law.

Criteria: Revises Statutes 24:513(A) required audits to be completed within six months of the close of the entity's fiscal year.

Cause: The completion of the audit report was delayed due to not understanding there was an audit requirement due to receiving a grant through the state.

Effect: The Water System is in violation of State Law requiring audited financial statements to be submitted within six months of the close of the fiscal year.

Recommendation: We recommend that the audit of the Water System be submitted on a timely basis in the future.

Management's Response: The board was not notified about the audit until November 21, 2024. As soon as the Water system was notified, they contacted a CPA firm to do the audit. Going forward, the Water System will be turning in all requested documents needed to complete the audit in a timely manner.

Contact Person: Rayburn Fontenot, President

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

Van L. Auld, CPA



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John S. Dowling, CPA - 1904-1984
John Newton Stout, CPA - 1936-2005
Chizal S. Fontenot, CPA - 1955-2012
Russell J. Stelly, CPA - 1942 - 2019
Harold Dupre, CPA - 1931-2019

Retired
Dwight Ledoux, CPA - 1998
Joel Lanclos, Jr., CPA - 2003
G. Kenneth Pavy, II, CPA - 2020

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2024

The Board of Directors of
Point Blue/Chataignier Water System, Inc.
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below 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 July 1, 2023 through June 30, 2024. Point Blue/Chataignier Water System's management is responsible for those C/C areas identified in the SAUPs.

Point Blue/Chataignier Water System has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2023 through June 30, 2024. 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.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- iii. Disbursements, including processing, reviewing, and approving.

The water system does not have any policies or procedures addressing disbursements related to the expenses paid with LDHH funds.

2) Board or Finance Committee

- A. 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
- i. 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 exceptions noted

3) Bank Reconciliations

- A. Obtain a 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:

Auditor selected the bank account that was effected by the LDHH funds.

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

The bank account reconciliation does not include evidence that it was completed within 2 months of the related statement date.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within in 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

The bank reconciliation does not include evidence that a board member reviewed it, but bank statements and bank reconciliations are reviewed each month at board meetings.

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

No reconciling items outstanding for more than 12 months.

5) Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- A. 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).

There is only one location that processes payments.

- B. For each location selected under #5A 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

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

No exceptions noted.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions noted.

The Board of Directors of
Point Blue/Chataignier Water System, Inc.
and the Louisiana Legislative Auditor

- iii. 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;

No exceptions noted.

- iv. 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; and

The president and manager signs checks, and the manager, who is responsible for processing payments, mails payments.

- v. 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 electronic disbursements in the bank account.

- C. For each location selected under #5A 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
 - 1. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity, and

No exceptions noted.

- 2. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions noted.

- D. 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 electronic disbursements in the bank account.

The Board of Directors of
Point Blue/Chataignier Water System, Inc.
and the Louisiana Legislative Auditor

We were engaged by Point Blue/Chataignier Water System to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were 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, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Point Blue/Chataignier Water System and to meet our 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.

John S. Dowling & Company

Opelousas, Louisiana

January 27, 2025

POINT BLUE/CHATAIGNIER WATER SYSTEM, INC.
VILLE PLATTE, LOUISIANA
JUNE 30, 2024

Management's responses to the following agreed-upon procedures sections:

Written Policies and Procedures:

1. Aii) Disbursements, including processing, reviewing, and approving.
 - As the Water System receives invoices, they are checked for accuracy, a copy is made, and it is listed on the bill form. At the time of the monthly meeting, all board members have a copy of the bill list with a grand total for all bills to be approved as read or disapproved. All disbursements require dual signature. We do not feel it is necessary to have a disbursement policy.

Bank Reconciliations

2. i) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g. initialed and dated or electronically logged).
ii) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).
 - All necessary reports are turned in to our CPA along with all current bank statements, check stubs, etc. In the future, the Water System will include a reconciliation bag to be presented at each board meeting, which will be initialed and dated by another board member that is not already a signee on accounts.

Non-payroll Disbursements

5. Biv) 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.
 - Due to the size of the entity, it is difficult to fully segregate duties.