WESLEY CHAPEL WATER SYSTEM, INC.
RUSTON, LOUISIANA

Financial Statements
For the Year Ended December 31, 2024 and 2023

CAMERON, HINES & COMPANY, (A Professional Accounting Corporation) West Monroe, Louisiana
Certified Public Accountants

Wesley Chapel Water System, Inc.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Wesley Chapel Water System, Inc.
Ruston, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Wesley Chapel Water System, Inc., (a nonprofit organization) which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wesley Chapel Water System, Inc., as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Wesley Chapel Water System, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 System's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Wesley Chapel Water System, Inc.
Ruston, Louisiana

Auditors' Responsibilities 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 auditors' report that includes our opinions. 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 substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 District'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 District'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 schedule of board of directors on page 17, the schedule of residential and commercial users on page 18, the schedule of water rates on page 19, the schedule of insurance on page 20, and the schedule of compensation, reimbursements, benefits, and other payments to agency head on page 21, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted

in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2026, on our consideration of the System'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 the System'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 Wesley Chapel Water System. Inc.'s internal control over financial reporting and compliance.

Cameron Hines & Company (APAC)

West Monroe, Louisiana
October 7, 2026

Financial Statements

Wesley Chapel Water System, Inc.
Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 351,592	$ 202,733
Investments	388,623	396,322
Accounts Receivable - Customers	91,666	74,343
Grants Receivable	-	220,476
Inventory	29,804	29,804
Total Current Assets	861,685	923,678
Restricted Assets		
Reserve Accounts	197,232	181,053
Tenant Deposits	117,000	88,517
Total Restricted Assets	314,232	269,570
Property and Equipment - net of accumulated depreciation of $3,129,854 and $2,877,928	6,765,435	6,934,717
Other Assets		
Deposits	392	692
Total Other Assets	392	692
Total Assets	$ 7,941,744	$ 8,128,657
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current Portion of Long-Term Debt	$ 57,948	$ 55,537
Accounts Payable and Accrued Expenses	15,376	197,693
Retainage Payable	-	67,054
Tenant Security Deposits	117,000	88,517
Total Current Liabilities	190,324	408,801
Long Term Liabilities		
Notes Payable - Rural Development	2,294,897	2,359,945
Total Long-Term Liabilities	2,294,897	2,359,945
Total Liabilities	2,485,221	2,768,746
Net Assets		
Without Donor Restrictions		
Undesignated	729,701	571,106
Invested in Property and Equipment, net of Related Debt	4,412,590	4,519,235
Total Without Donor Restrictions	5,142,291	5,090,341
With Donor Restrictions	314,232	269,570
Total Net Assets	5,456,523	5,359,911
Total Liabilities and Net Assets	$ 7,941,744	$ 8,128,657

The accompanying notes are an integral part of this financial statement.

Wesley Chapel Water System, Inc.
Statement of Activities
For The Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets			
Revenues and Gains:			
Water Sales	$ 959,818	$ -	$ 959,818
Grant Revenue	-	142,146	142,146
Miscellaneous Revenue	990	-	990
Investment Return	20,789	-	20,789
Total Revenues & Gains	981,597	142,146	1,123,743
Net Assets Released From Restrictions			
Satisfaction of Program Restrictions	97,484	(97,484)	-
Total Revenues, Gains, and Other Support	1,079,081	44,662	1,123,743
Operating Expenses			
Advertising	-	-	-
Auto Expense	12,367	-	12,367
Bank Service Charges	5,878	-	5,878
Contract Services	78,658	-	78,658
Depreciation	251,925	-	251,925
Director's Per Diem	3,600	-	3,600
Dues & Subscriptions	7,126	-	7,126
Insurance	38,314	-	38,314
Interest Expense	57,927	-	57,927
Safe Drinking Water Fees	11,722	-	11,722
Miscellaneous Expenses	47,943	-	47,943
Office Supplies	33,570	-	33,570
Postage	1,987	-	1,987
Professional Fees	36,933	-	36,933
Repairs & Maintenance	57,465	-	57,465
Salaries & Wages	176,777	-	176,777
Supplies	67,882	-	67,882
Taxes - Payroll	30,444	-	30,444
Taxes - Other	13,054	-	13,054
Telephone	12,563	-	12,563
Utilities	80,996	-	80,996
Total Operating Expenses	1,027,131	-	1,027,131
Increase/(Decrease) in Net Assets	51,950	44,662	96,612
Net Assets at Beginning of Year	5,090,341	269,570	5,359,911
Prior Period Adjustment	-	-	-
Net Assets at End of Year	$ 5,142,291	$ 314,232	$ 5,456,523

The accompanying notes are an integral part of this financial statement.

Wesley Chapel Water System, Inc.
Statement of Activities
For The Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets			
Revenues and Gains:			
Water Sales	$ 777,994	$ -	$ 777,994
Grant Revenue	-	1,905,931	1,905,931
Miscellaneous Revenue	4,673	-	4,673
Investment Return	16,055	-	16,055
Total Revenues & Gains	798,722	1,905,931	2,704,653
Net Assets Released From Restrictions			
Satisfaction of Program Restrictions	1,886,380	(1,886,380)	-
Total Revenues, Gains, and Other Support	2,685,102	19,551	2,704,653
Operating Expenses			
Advertising	-	-	-
Auto Expense	16,162	-	16,162
Bank Service Charges	4,758	-	4,758
Contract Services	39,529	-	39,529
Depreciation	189,149	-	189,149
Director's Per Diem	4,080	-	4,080
Dues & Subscriptions	5,659	-	5,659
Insurance	38,508	-	38,508
Interest Expense	71,127	-	71,127
Safe Drinking Water Fees	14,272	-	14,272
Miscellaneous Expenses	52	-	52
Office Supplies	30,063	-	30,063
Postage	1,945	-	1,945
Professional Fees	3,315	-	3,315
Repairs & Maintenance	31,196	-	31,196
Salaries & Wages	178,742	-	178,742
Supplies	40,608	-	40,608
Taxes - Payroll	20,994	-	20,994
Taxes - Other	1,944	-	1,944
Telephone	13,154	-	13,154
Utilities	83,533	-	83,533
Total Operating Expenses	788,790	-	788,790
Increase/(Decrease) in Net Assets	1,896,312	19,551	1,915,863
Net Assets at Beginning of Year	3,134,176	250,019	3,384,195
Prior Period Adjustment	59,853	-	59,853
Net Assets at End of Year	$ 5,090,341	$ 269,570	$ 5,359,911

The accompanying notes are an integral part of this financial statement.

Wesley Chapel Water System, Inc.
Statements of Cash Flows
For The Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Receipts from Customers and Users	$ 1,184,750	$ 786,172
Receipts from Grants	142,146	1,685,455
Payments to Suppliers for Goods and Services	(740,659)	(131,734)
Payments to Employees and Contractors for Services	(255,435)	(218,271)
Net Cash Provided by Operating Activities	330,802	2,121,622
Cash Flows From Capital and Related Financing Activities		
Purchases of Property & Equipment	(82,643)	(2,142,732)
Principal Payments on Debt	(62,637)	(60,411)
Net Cash Used by Financing Activities	(145,280)	(2,203,143)
Cash Flows From Investing Activities		
Transfers From/(To) Investments	7,699	(18,233)
Transfers From/(To) Restricted Assets	(44,662)	(19,551)
Increase in Deposits	300	(300)
Net Cash Provided/(Used) by Investing Activities	(36,663)	(38,084)
Net Increase(Decrease) in Cash and Cash Equivalents	148,859	(119,605)
Cash and Cash Equivalents at Beginning of Year	202,733	322,338
Cash and Cash Equivalents at End of Year	$ 351,592	$ 202,733
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Increase/(Decrease) in Net Assets	$ 96,612	$ 1,915,863
Adjustments to Reconcile Net Assets to Net Cash provided by Operating Activities:		
Depreciation	251,925	189,149
(Increase) Decrease in Accounts Receivable - Customers	(17,323)	(12,550)
(Increase) Decrease in Grants Receivable	220,476	(220,476)
Increase (Decrease) in Inventory	-	-
Increase (Decrease) in Tenant Deposits	28,483	9,950
Increase/(Decrease) in Retainage Payable	(67,054)	64,379
Increase (Decrease) in Accounts Payable and Accrued Expenses	(182,317)	175,307
Net Cash Provided by Operating Activities	$ 330,802	$ 2,121,622

The accompanying notes are an integral part of this financial statement.

Note 1 – Nature of Activities and Significant Accounting Policies

The Wesley Chapel Water System, Inc. is a non-profit corporation formed on a non-stock basis, under the provisions of Title 12, Sections 201-269 of the Louisiana Revised Statutes. The Corporation maintains and operates a private water system for the benefit of its members.

A. Basis of Accounting

The Wesley Chapel Water System, Inc. maintains its records on the accrual basis of accounting whereby revenues are recognized as earned and expenses are recognized when the obligation is incurred.

B. Plant and Equipment

It is Wesley Chapel Water System's policy to capitalize property and equipment over $1,000. Lesser amounts are expensed. Plant and equipment are recorded at cost, and depreciation is computed thereon under the straight-line method of depreciation based on an estimated useful life of forty years for water lines and wells, and five years for office equipment and ten years for pumps.

C. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Financial Statement Presentation

The Organization has adopted FASB ASC 958 (formerly Statement of Financial Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*.) Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. As permitted by the statement, the organization does not use fund accounting.

Net assets, revenues, expenses, and changes in net assets are classified based on the existence or absence of donor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both. As of the years ended December 31, 2024 and 2023, Wesley Chapel Water System, Inc. does not have any donor-imposed restrictions that are perpetual in nature.

E. Income Taxes

The organization is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The provisions of FASB ASC 740-10 (formerly FASB Interpretation No. 48 (FIN 48)) were adopted by the organization on January 1, 2009. The adoption of FASB ASC 740-10 did not result in any changes to net assets or deferred income tax liabilities.

Accrued interest and penalties associated with uncertain tax positions are included as a component of the provision for income taxes. There were no unrecognized tax benefits at January 1, 2009. For the years ended December 31, 2024 and 2023, there were no unrecognized tax benefits, or accrued interest and penalties.

The company files Form 990, an informational tax return in the U.S. federal tax jurisdiction. Federal tax returns prior to 2020 are closed.

F. Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

G. Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash.

H. Inventory

Inventory is reflected in financial statements at cost. Inventory consists of parts and supplies frequently used by the Organization.

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

I. Receivables

The Organization has recognized a receivable for water sales billed but not yet collected at December 31. Management considers all amounts less than 90 days old to be collectible. An allowance for doubtful accounts has been established for all amounts aged 90 days or older.

J. Reclassifications

Certain amounts presented in the prior year have been reclassified in order to compare with the current year's presentation.

Note 2 – Cash and Cash Equivalents

Cash and Cash Equivalents consisted of checking accounts and money market funds with book balances of $351,592 and $202,733, and bank balances of $355,908 and $209,862 at December 31, 2024 and 2023, respectively. The balances were covered by federal depository insurance (FDIC) of $344,597 and $313,971 as of December 31, 2024 and 2023, respectively.

Note 3 – Investments

The Organization owns several certificates of deposit totaling $276,934 and $267,656 at December 31, 2024 and 2023, respectively. The certificates bear interest at rates from .15% to 2.15% and will mature from January 2025 thru January 2026. The Organization also owns two fixed annuity contracts valued at $248,555 at December 31, 2024 and $242,253 at December 31, 2023. Both contracts have a guaranteed interest rate of 3.05% and mature in April 2025.

Note 4 – Accounts Receivable

Accounts receivable consisted of amounts due from customers in the amount of $91,666 at December 31, 2024 and $74,343 at December 31, 2023.

Note 5 – Restricted Assets

Under the terms of the loan security agreements with the United States Department of Agriculture – Rural Development, the Wesley Chapel Water System, Inc. has pledged all revenues earned or derived from the operation of the Water System to the retirement of the loans from Rural Development.

Note 5 – Restricted Assets (Continued)

The Water System is required to set aside amounts equal to 10 percent of monthly loan payments until the accounts reach an amount equal to one year's interest and principal payments. These reserve funds are divided into two parts: a reserve fund and a contingency and depreciation fund.

The Water System signed closing documents for USDA Loan #10 on November 1, 2019. As part of this agreement, the Water System will be required to fund monthly a debt service reserve equal to 10% of the monthly mortgage payment until one annual installment is accumulated. In addition, a depreciation reserve for short-lived assets will be required to be funded also. These reserve payments will begin one year from project completion.

Reserve requirements for the year ended December 31, 2024 are shown below:

Description	Loan Date	Months To Reserve	Annual Pmts	Total Calculated Reserve
USDA 01	4/17/1990	120	$ 15,012	$ 15,012
USDA 05	9/25/2001	120	31,224	31,224
USDA 03	2/20/2002	120	8,016	8,016
USDA 07	7/18/1978	120	3,816	3,816
USDA 08	4/24/1979	120	2,052	2,052
USDA 09	3/30/1982	120	2,052	2,052
USDA 10	11/01/2019	48	89,184	35,673
Totals			$ 151,356	$ 97,845

Total Restricted Assets consisted of the following at December 31:

	2024	2023
USDA Debt Service Reserve Accounts	$ 97,845	$ 88,927
USDA Operations and Maintenance Reserve	79,387	71,444
USDA Other	20,000	20,000
Construction Account	-	682
Tenant Deposits	117,000	88,517
Total Restricted Assets	**$ 314,232**	**$ 269,570**

Note 6 – Plant and Equipment

Property and Equipment activity is summarized below:

	Balance December 31, 2023	Additions	Removals	Balance December 31, 2024
Water System	$ 7,445,494	$ 2,103,612	$ -	$ 9,549,106
Vehicles	95,797	-	-	95,797
Buildings	124,582	-	-	124,582
Office Furniture & Equipment	71,240	-	-	71,240
Construction in Progress	2,020,969	82,643	(2,103,612)	-
Land	54,563	-	-	54,563
Total Property and Equipment	9,812,645	2,186,255	(2,103,612)	9,895,288
Less: Accumulated Depreciation	(2,877,928)	-	(251,925)	(3,129,853)
Net Property and Equipment	$ 6,934,717	$ 2,186,255	$ (2,355,537)	$ 6,765,435

Depreciation expense was $251,925 and $189,149 for the years ended December 31, 2024 and 2023, respectively.

Note 7 – Long-Term Debt

Long-term debt consisted of the following at December 31, 2024 and 2023:

	2024	2023
USDA		
6% note payable to USDA Rural Development, payable in monthly installments of $1,251, including interest, secured by A second mortgage on plant and equipment and a pledge of revenues from the sale of water.	$ 57,894	$ 69,066
4 1/2% note payable to USDA Rural Development, payable in Monthly installments of $2,602, including interest, secured by a first mortgage on plant & equipment.	365,441	379,867

Note 7 – Long-Term Debt (Continued)

		2024	2023
USDA (Continued)			
4 1/2% note payable to USDA Rural Development interest only of $6,297.16 due February 20, 2003, then payable in monthly installments of $668, including interest, secured by a first mortgage on plant equipment.		95,060	98,709
2.375% note payable to USDA Rural Development payable in monthly installments of $7,432, including interest, secured by a first mortgage on plant and equipment.		1,834,450	1,867,840
	Total	2,353,845	2,415,482
Less, Current Portion		(58,948)	(55,537)
	Total	$ 2,294,897	$ 2,359,945

The annual requirements over the next five years to amortize all debts outstanding at December 31, 2024, including all interest payments are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	$ 57,948	$ 85,496	$ 143,444
2026	60,470	82,974	143,444
2027	63,108	80,336	143,444
2028	63,029	80,415	143,444
2029	56,043	72,389	128,432
Thereafter	2,053,247	1,696,831	3,750,078
Totals	$ 2,353,845	$ 2,098,441	$ 4,452,286

Note 8 – Board of Commissioners

For the years ended December 31, 2024 and 2023, commissioners received compensation as follows:

	2024	2023
Charles Neeles	$ 3,600	$ 3,600
William Cantrell	-	120
Charles Hopkins	-	120
Kenneth Jones	-	120
David Harvey	-	120
Total	$ 3,600	$ 4,080

Note 9 - Subsequent Events

Date of Management Evaluation

Management has evaluated subsequent events through October 7, 2026, the date on which the financial statements were available to be issued.

Supplemental Information

Wesley Chapel Water System, Inc.
Schedule of Board of Directors
For the Year Ended December 31, 2024

Schedule 1

Name	Position
Charles Neeles 904 Harper Bottom Road Ruston, LA 71270	President
David L. Harvey 316 Lampkin Road Ruston, LA 71270	Vice President
William Cantrell 1577 Mondy Road Ruston, LA 71270	Secretary/Treasurer
Charles Hopkins 799 Sugar Creek Road Quitman, LA 71268	Board Member
Kenneth Jones 326 Ferros Road Ruston, La 71270	Board Member

Wesley Chapel Water System, Inc.
Schedule of Residential and Commercial Users
For the Year Ended December 31, 2024

Schedule 2

Number of residential users on the water system:	1,425
Number of commercial users on the water system:	44

See independent auditors' report.

Wesley Chapel Water System, Inc.
Schedule of Water Rates
For the Year Ended December 31, 2024

Schedule 3

Type	Amount
Residential Rates:	
First 2,000 gallons	$ 20.00
Every 1,000 after first 2,000 gallons	$ 5.00
Commercial Rates:	
First 6,000 gallons	$ 60.00
Every 1,000 after first 6,000 gallons	$ 5.00

See independent auditors' report.

Wesley Chapel Water System, Inc.
Schedule of Insurance Coverage
For the Year Ended December 31, 2024

Schedule 4

Type	Insurance Company	Coverage Amount	Expiration of Policy	Policy Number
Auto Liability	Allied Public Risk	$ 1,000,000	9/1/2025	5105-1437-04
Property Insurance	Allied Public Risk	$ 3,000,000	9/1/2025	5105-1437-04
Fidelity Policy	Allied Public Risk	$ 100,000	9/1/2025	5105-1437-04
Workers Compensation	Louisiana Workers Compensation Corp.	$ 1,000,000	9/1/2025	145156-A

See independent auditors' report.

Wesley Chapel Water System, Inc.
Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2025

Schedule 5

Agency Head:

Charles Neeles, President	**None**

Purpose:

Salary	$	-
Benefits - Payroll Taxes and Insurance		-
Travel		-
Reimbursements		-
Board of Directors Fees		3,600
Total Compensation, Benefits and Other Payments	**$**	**3,600**

See independent auditors' report.

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INDEPENDENT AUDITORS' 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
Wesley Chapel Water System, Inc.
Ruston, 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 Wesley Chapel Water System, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 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 October 7, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wesley Chapel Water System, Inc.'s internal control over financial reporting (internal control) as a basis for designing the 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 Wesley Chapel Water System, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Wesley Chapel Water System, Inc.'s internal control.

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

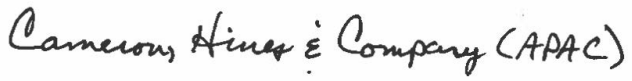
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wesley Chapel 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses item 2024-01.

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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



West Monroe, Louisiana
October 7, 2026

Wesley Chapel Water System, Inc.
Schedule of Findings and Responses
For the Year Ended December 31, 2024

We have audited the financial statements of Wesley Chapel Water System, Inc. as of and for the year ended December 31, 2024, and have issued our report thereon dated October 7, 2026. 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 audit of the financial statements as of December 31, 2024, resulted in an unmodified opinion.

Section I- Summary of Auditors' Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control
Material Weakness ___ yes _X_ no
Significant Deficiencies not considered to be
Material Weaknesses ___ yes _X_ no

Compliance
Compliance Material to Financial Statements _X_ yes ___ no

B. Federal Awards: N/A

Material Weakness Identified ___ yes ___ no
Significant Deficiencies not considered to be
Material Weaknesses ___ yes ___ no

Type of Opinion on Compliance For Major Programs
Unmodified ____ Modified _____
Disclaimer _____ Adverse _____

Are there findings required to be reported in accordance with the Uniform Guidance?

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster):

Dollar threshold used to distinguish between Type A and Type B Programs:

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance?

Wesley Chapel Water System, Inc.
Schedule of Findings and Responses
For the Year Ended December 31, 2024

Section II- Financial Statement Findings

2024-01 Late Submission of Audit Report

Condition:
It was noted that the Wesley Chapel Water System, Inc. did not submit its annual audit report for the year ended December 31, 2024 by the due date.

Criteria:
RUS Bulletin 1773-1 states that the reporting package must be submitted within 120 days of the audit date.

Cause:
The System was under staffed and not able to have its financial records ready to be audited by the required due date.

Potential Effect:
Wesley Chapel Water System, Inc. was not in compliance with USDA Rural Development requirements.

Recommendation:
We recommend that the System submit its required reports on a timely basis.

Management's Response:
Wesley Chapel Water System, Inc. is making every effort to get current with its audit requirements. In addition to the impacts that COVID-19 had, the System had a major system upgrade construction project that it was undergoing, as well as not being able to hire enough employees to keep up with the demands it faced.

Section III- Federal Award Findings and Questioned Costs – N/A

Wesley Chapel Water System, Inc.
Schedule of Prior Year Findings
For the Year Ended December 31, 2024

A. **Report on Internal Control and Compliance Material to the Financial Statements**

2023-01 Late Submission of Audit Report

Condition:
It was noted that the Wesley Chapel Water System, Inc. did not submit its annual audit report for the year ended December 31, 2023 by the due date.

Recommendation:
We recommend that the System submit its required reports on a timely basis.

Status:
No longer applicable.

Management Letter

No management letter was issued.