

PEARLINGTON WATER & SEWER DISTRICT
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
AUGUST 20, 2025

AGENDA

1. **Call to Order, Pledge of Allegiance and Moment of Silence**
 - 1A Roll Call. Commissioners Must Sign Sheet.
 - 1B Amendments to Agenda
 - 1C **MOTION** to accept agenda as presented and/or amended.
 - 1D Announcements:
 - Date of the next regularly scheduled meeting: September 17, 2025 at 3 PM
2. **Guest Presentation (3 minutes each)**
 - 2A Gerald Rigby, CPA – Audit presentation
 - 2B David Pitalo, Director – Update on HCUA Activities
3. **Requests to Speak on Agenda Items (3 minutes each)**
4. **Old Business**
 - 4A **MOTION** to approve the July 2025 regular meeting minutes.
 - 4B **Discussion.** Meeting time for regular monthly board meetings.
5. **Engineer Report**
6. **Operations Report**
 - 6A Hydrant Maintenance Update.
 - 6B Health Department Inspection.
7. **Management and Business Report**
 - 7A Budget vs Actual Report
 - 7B Discussion: Budget and Long-Range Plan Workshop, set date and time.
8. **Attorney Report**
9. **Board Members' Reports**
10. **New Business**
 - 10A **MOTION** to approve the August 2025 Docket of Claims.
 - 10B **MOTION** to approve the August 2025 Payroll Docket.
 - 10C **MOTION** to approve the July 2025 Treasurer's Report.
 - 10D **MOTION** to authorize an additional 24 hours for operator services. This time was incurred during the Health Department inspection process and feasibility study.
 - 10F **MOTION** to accept the FY2023 audit.
 - 10G **MOTION** to approve Annual Rate Review Policy, 4.4.
 - 10H **MOTION** to approve the amended FY2025 operating budget.

10I **MOTION** to approve revised Payment Plan Agreement, Policy 6.1

10J **MOTION** to approve the following pool adjustments, in accordance with District policy.

- Account #265 - \$7.98 (sewer only)

11. **Requests to Speak on Non-Agenda Items**

12. **Executive Session**

13. **Adjournment**

12A **MOTION** to adjourn the meeting at _____ PM.

Gerald W. Rigby, C.P.A., P.C.

**724 Dunbar Avenue
Bay St. Louis, MS 39520
(228) 467-5744**

*Member of
Mississippi Society of Certified Public Accountants
American Institute of Certified Public Accountants*

Communication with Those Charged with Governance during Planning

June 10, 2025

To the Board of Commissioners of
Pearlington Water and Sewer District

We are engaged to audit the financial statements of the business-type activities of Pearlington Water and Sewer District for the year ended September 30, 2023. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 9, 2025, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to Budgetary Comparison Schedule and Notes which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have not been engaged to report on the of Schedule of Surety Bonds, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited and we will not express an opinion or provide any assurance on it.

Planned Scope, Timing of the Audit, Significant Risks, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including the system of internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risk(s) of material misstatement as part of our auditing planning:

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks. Revenue recognition is a significant risk due to the complexities involved in recording revenue on the accrual basis which is relying upon several personnel in different departments to coordinate properly on a consistent basis.

**Pearlington Water & Sewer District
Annual Financial Report
Year Ended September 30, 2023**

**Pearlington Water & Sewer District
Table of Contents
September 30, 2023**

	<u>Page(s)</u>
Introductory Section	
Principal Officials	1
Financial Section	
Independent Auditor's Report	2-3
Management's Discussion and Analysis	4-6
Basic Financial Statements	
Statement of Net Position	7
Statement of Revenues, Expenses, and Changes in Net Position	8
Statement of Cash Flows	9
Notes to Financial Statements	10-15
Required Supplementary Information	
Budgetary Comparison Schedule (Non-GAAP Basis)	16
Notes to Required Supplementary Information	17
Other Information	
Schedule of Surety Bonds	18

INTRODUCTORY SECTION

**Pearlington Water & Sewer District
Principal Officials
As of September 30, 2023**

LEGISLATIVE

Nolan Pansano
Cabrina Bell
Rosa Jackson
John Pavlovich
Deborah Sonnier

Chairman
Vice Chairwoman
Treasurer
Commissioner
Secretary

FINANCIAL SECTION

Gerald W. Rigby, C.P.A., P.C.

**724 Dunbar Avenue
Bay St. Louis, MS 39520
(228) 467-5744**

*Member of
Mississippi Society of Certified Public Accountants
American Institute of Certified Public Accountants*

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Pearlington Water & Sewer District
Pearlington, Mississippi

Opinions

We have audited the accompanying financial statements of the business-type activities of the Pearlington Water & Sewer District as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Pearlington Water & Sewer District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Pearlington Water & Sewer District, as of September 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 the Pearlington Water & Sewer District 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Pearlington Water & Sewer District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's 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 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, 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 Pearlinton Water & Sewer 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 Pearlinton Water & Sewer 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and schedule of surety bonds but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Bay St. Louis, Mississippi
August 4, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS



J. Nolan Pansano, Chairman
Rosa Jackson, Treasurer
John Pavlovich, Commissioner

Cabrina Bell, Vice-Chairwoman
Deborah Sonnier, Secretary
Derek Cusick, Attorney

Within this section of the report, the Pearlington Water & Sewer District's (the District) financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

The components of this annual financial report include:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements
- Required Supplementary Information
- Other Information

Financial Highlights

- Operating Revenue decreased by \$13,270 while expenses increased by \$48,713
- Bonds payable decreased by \$14,837
- The district did report interest income of \$14,136 in FY 2023

Overview of the Financial Statements

Management's Discussion and Analysis introduces the District's basic financial statements and any additional information to supplement the basic financial statements.

Basic Financial Statements for the district consist of the; Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, Statement of Cash Flows and Notes to Financial Statements. These statements provide information about the District's assets and liabilities and its revenues and expenses using the accrual basis of accounting. In addition, they report the District's net position and changes in them.

The accompanying *Notes to the Financial Statements* provide information essential to a full understanding of the financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Required Supplementary Information consists of information that is considered to be an essential part of financial reporting and should be reported with, but not as a part of, the basic financial statements. The District's board approved budget is being presented as required supplementary information (RSI) in this report.

Other Information consists of the Schedule of Surety Bonds. This information is not required, but is presented for informational purposes.

Financial Analysis

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the District as a whole.

The District's net position at fiscal year-end is \$1,035,084. This is a \$55,759 decrease from last year's net position of \$1,090,843.

Financial Analysis (continued)

The following table (Table 1) presents the condensed statement of net position as of September 30, 2023 and 2022, derived from the District's Statement of Net Position.

**Table 1: Condensed Statement of Net Position
As of September 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Current and other assets	\$ 1,305,392	\$ 1,357,397	\$ (52,006)	-3.83%
Capital assets	289,293	298,162	(8,869)	-2.97%
Total assets	<u>1,594,685</u>	<u>1,655,560</u>	<u>(60,875)</u>	-3.68%
Current and other liabilities	50,893	43,203	7,689	17.80%
Long-term liabilities	508,708	521,513	(12,805)	-2.46%
Total liabilities	<u>559,601</u>	<u>564,717</u>	<u>(5,116)</u>	-0.91%
Net position:				
Invested in capital assets	-	-	-	0.00%
Net investment in capital assets	(205,939)	(211,908)	5,968	-2.82%
Restricted	83,910	80,970	2,940	3.63%
Unrestricted	1,157,113	1,221,781	(64,667)	-5.29%
Prior Period Adjustment				
Total net position	<u>\$ 1,035,084</u>	<u>\$ 1,090,843</u>	<u>\$ (55,759)</u>	-5.11%

The decrease during the fiscal year indicated a lower financial position when compared to the prior year. The District generated an operating loss of \$61,458.

The following table (Table 2) presents the District's condensed statement of changes in net position for the fiscal years ended September 30, 2023 and 2022. For more detailed information see the Statement of Revenues, Expenses, and Changes in Net Position.

**Table 2: Condensed Statement of Changes in Net Position
September 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
<i>Revenues</i>				
Charges for services	\$ 424,332	\$ 437,602	\$ (13,270)	-3.03%
Total revenues	<u>424,332</u>	<u>437,602</u>	<u>(13,270)</u>	-3.03%
<i>Expenses</i>				
Management and administration	476,017	421,199	54,817	13.01%
Depreciation	16,385	15,993	392	2.45%
Total expenses	<u>492,402</u>	<u>437,192</u>	<u>55,210</u>	12.63%
<i>Nonoperating revenues (expenses)</i>				
Other income	14,137	794	13,343	1680.39%
Other expenses	(12,583)	(12,158)	(425)	3.49%
Insurance reimbursements	4,260	5,150	(889)	100.00%
Total nonoperating revenue (expenses)	<u>5,815</u>	<u>(6,214)</u>	<u>12,029</u>	-193.58%
Increase (decrease) in net position	(62,256)	(5,805)	(56,451)	972.52%
Beginning net position	<u>1,090,843</u>	<u>1,099,564</u>	<u>-</u>	
Prior period adjustment	6,497	(2,916)	-	
Beginning net position, restated	<u>1,097,340</u>	<u>1,096,648</u>	<u>692</u>	0.06%
Ending net position	<u>\$ 1,035,084</u>	<u>\$ 1,090,843</u>	<u>\$ (55,759)</u>	-5.11%

Budgetary Highlights

The District chose to adopt a budget to reflect projected expenses for the fiscal year ending 2023. A budgetary comparison schedule (non-GAAP basis) is presented as Required Supplementary Information in this report.

The adopted budget for the fiscal year was approximately \$432,572. The District incurred operating expenses of \$487,999 excluding depreciation and bad debt expense.

Capital Assets

Infrastructure costs have been incurred by the Hancock County Utility Authority as part of a regional grant that paid for the installation of the system. The ownership of this infrastructure will be conveyed to the District at some time in the future. The District purchased assets totaling \$7,516 and recorded accumulated depreciation for the year of \$16,385 for a net reduction for the year of \$8,869.

Debt Administration

At the start of the fiscal year, the District's debt consisted of a revenue bond issued in 2013 for \$611,000. The principal balance as of September 30, 2023 was \$495,232.

Economic Factors

The district serves a small community mostly consisting of residential customers. There are no economic drivers or factors currently affecting the community.

Currently Known Facts and Conditions

The District is a member of the Hancock County Utility Authority. Currently the Utility Authority sets the rates for wholesale water purchased by its member entities. The Utility Authority Board has voted to increase water cost several times in the last few years. Due to the continued financial struggles of the Utility Authority, an additional increase is possible for 2023.

The District only has one well to provide water for its customers. For community safety and disaster preparation purposes, the District is exploring options to construct and fund a back-up water well.

Contacting the District's Management

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the office of the Administrator, Pearlinton Water and Sewer District, P.O. Box 130, Pearlinton, MS 39572; Attention: Ty Necaise, CPA.

BASIC FINANCIAL STATEMENTS

Pearlington Water & Sewer District
Statement of Net Position
September 30, 2023

Assets

Current assets:

Cash and cash equivalents	\$ 1,119,417
Prepaid expenses	13,211
Accounts receivable, net	24,481
Inventory	<u>64,374</u>
Total current assets	<u>1,221,482</u>

Non-current assets:

Cash, restricted	83,910
Assets not being depreciated	5,900
Other capital assets, net of accumulated depreciation	<u>283,393</u>
Total non-current assets	<u>373,202</u>
Total assets	<u>1,594,685</u>

Liabilities

Current liabilities:

Accounts payable	26,766
Payroll liabilities	6,098
Accrued Wages	2,766
Sales tax payable	50
Bonds payable, current	<u>15,213</u>
Total current liabilities	<u>50,893</u>

Non-current liabilities:

Customer deposits	22,960
Compensated absences	5,729
Bonds payable, non-current	<u>480,019</u>
Total non-current liabilities	<u>508,708</u>
Total liabilities	<u>559,601</u>

Net Position

Net investment in capital assets	(205,939)
Restricted	83,910
Unrestricted	<u>1,157,113</u>
Total net position	<u>\$ 1,035,084</u>

Pearlington Water & Sewer District
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2023

Operating Revenues

Charges for water services	\$ 142,016
Charges for sewer services	263,244
Other fees	<u>19,071</u>
Total operating revenues	<u>424,332</u>

Operating Expenses

Sewer treatment costs	58,433
Water purchase	19,896
Insurance	18,578
Field Supplies	69,846
Repairs and maintenance	34,233
Utilities	8,703
Vehicle expense	18,117
Personnel expense	138,826
Professional fees	91,407
Office expense	17,978
Depreciation expense	<u>16,385</u>
Total operating expenses	<u>492,402</u>
Operating income (loss)	<u>(68,070)</u>

Non-operating Revenues (Expenses)

Interest income	14,137
Interest expense	(12,583)
Insurance reimbursement	<u>4,260</u>
Total non-operating revenues (expenses)	<u>5,815</u>

Change in net position	(62,256)
Net position, beginning	<u>1,090,843</u>
Prior period adjustment	<u>6,497</u>
Net position, ending	<u><u>\$ 1,035,085</u></u>

Pearlington Water & Sewer District
Statement of Cash Flows
For the Year Ended September 30, 2023

Cash flows from operating activities:

Cash received from customers	\$ 431,878
Cash payments to employees for services	(137,303)
Cash payments to suppliers for goods and services	<u>(332,822)</u>
Net cash flows provided (used) by operating activities	<u>(38,247)</u>

Cash flows from capital and related financing activities:

Principal payments on debt	(14,837)
Interest paid on debt	(12,583)
Insurance reimbursement	4,260
Acquisition of capital assets	<u>(7,516)</u>
Net cash provided (used) by financing activities	<u>(30,676)</u>

Cash flows from investing activities:

Interest received	<u>14,137</u>
Net cash provided (used) by investing activities	<u>14,137</u>
Net increase (decrease) in cash	(54,786)
Cash at beginning of year	<u>1,258,112</u>
Cash at end of year	<u><u>1,203,327</u></u>

**Reconciliation of operating income (loss) to net cash flows
provided (used) by operating activities:**

Net operating income (loss)	(68,070)
Adjustments to reconcile net operating income to cash provided by operating activities:	
Depreciation expense	16,385
(Increase)/decrease in assets:	
Prepaid expenses	(889)
Accounts receivable	11,302
Inventory	(6,697)
Increase/(decrease) in liabilities:	
Accounts payable	5,465
Sales tax payable	(6)
Payroll liabilities	1,525
Accrued wages	330
Compensated absences	(332)
Customer deposits	<u>2,740</u>
Net cash flows used by operating activities	<u><u>\$ (38,247)</u></u>

NOTES TO FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies**A) Financial Reporting Entity**

The Pearlington Water and Sewer District (the District) was created on March 2, 1998, for the purpose of providing a water and sewer system within certain territorial boundaries of Hancock County known as the Pearlington Community. All powers of the District are vested in a five-member Board of Commissioners. The Board has identified no component units using the criteria established by the Governmental Standards Board. However, the District has been determined to be a component unit of Hancock County, Mississippi. In addition, the District is a participating agency with the Hancock County Utility Authority for purposes of sewer treatment, disposal, and water purchases. As a sewer collection entity within Hancock County, it falls under the jurisdiction of the regional wastewater management authority.

B) Measurement Focus and Basis of Accounting

These financial statements have been presented in conformity with accounting principles generally accepted in the United States of America (GAAP) relative to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District has been identified as an enterprise fund as described by GAAP for governmental entities. Enterprise funds utilize accounting principles in a manner similar to private business enterprises. Accordingly, accounting records are maintained and the financial statements are presented on the accrual basis of accounting. The accrual basis of accounting recognizes revenues when earned and expenses when incurred without regard to when each is received or disbursed, respectively. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Operating income includes revenues and expenses related to the primary continuing operation of the District. Principal operating revenues will be charges for water and sewer services. Principal operating expenses will be the costs of providing services and include administrative expenses and depreciation of capital assets. Any other revenues and expenses will be classified as non-operating in the financial statements.

C) Cash and cash equivalents

The District's cash consist of demand deposits held in a local bank and several short-term certificates of deposit. Cash consists of both unrestricted and restricted. The restricted cash is for the reserve accounts required by the Revenue Bond covenants.

D) Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year end are recorded as prepaid items.

E) Accounts Receivable

Accounts receivable consists of amounts expected to be received from customers for water and sewer services; and is presented net of any allowance for doubtful accounts and write-offs. As of September 30, 2023, the District's total write-off is \$17,855 and the allowance is \$4,000. This allowance is based on estimates by management.

F) Inventory

The District records inventory at cost. Inventories consist of replacement parts and supplies for the water and sewer system.

Note 1: Summary of Significant Accounting Policies (continued)

G) Capital Assets

The District's assets that have a useful life of more than one year are reported at historical cost in the financial statements. The District generally capitalizes assets with a cost of \$500 or more. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. The estimated useful lives, in years, for depreciable assets will be as follows:

Buildings	10 – 50 years
Infrastructure and improvements other than buildings	10 – 50 years
Mobile equipment, furniture, machinery and equipment	5 – 20 years

H) Long-Term Liabilities

Outstanding debt is reported as liabilities in the District's financial statements. In accordance with GASB Statement No. 65, issuance cost of debt, if any, is expended in the period incurred.

Debt service maturity schedules for the next 5 years are not presented due to incomplete amortization schedule. Management will update disclosures as information becomes available.

I) Compensated Absences

The District has adopted a policy of compensation for accumulated unpaid employee personal leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities. Full time employees are granted vacation benefits. Employees who resign in good standing are entitled to receive payment for accrued vacation not yet taken.

J) Equity Classifications

Equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation. The District's policy is to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted are available.

Unrestricted net position – All other net position not meeting the definition of "restricted" or "net investment in capital assets."

K) Cost Allocation

The District allocates costs based upon a cost allocation policy. Direct costs are charged directly to water, sewer and debt service while certain other indirect costs are allocated among the three.

Note 2: Deposits and Investments

Mississippi statutes allow government entities to select depositories on the basis of competitive bid. Depositories must be covered by FDIC or FSLIC insurance and must provide qualifying collateral. In the case of institutions covered by FDIC insurance, collateral must equal 105% of deposits exceeding amounts insured by FDIC. Deposits in institutions insured by the FSLIC may not exceed the amount of federal insurance.

Note 2: Deposits and Investments (continued)

The State of Mississippi Treasury Department provides for a Public Depositors Statewide Collateral Pool Program. This program monitors financial institutions pledged balances to confirm that they meet the 105% minimum requirement with consideration given to the appropriate FDIC insurance coverage. The Treasury Department issues quarterly reports disclosing the District's accrual and average daily account balances in total by account type of each bank. If in fact a certain bank was under pledged then the Treasury Department would take appropriate steps in a timely fashion to bring the pledge back up to the minimum requirement.

The District deposits funds in financial institutions selected by its Board of Commissioners in accordance with State statute.

A summary of cash as of September 30, 2023:

Cash on hand	\$	1,438
Deposits, unrestricted		1,117,979
Deposits, restricted		<u>83,910</u>
Total cash	\$	<u>1,203,326</u>

Note 3: Capital Assets

Capital asset activity for the year ended September 30, 2023 is as follows:

	<i>Balance</i> <i>10/1/2022</i>	<i>Additions</i>	<i>Disposals</i>	<i>Balance</i> <i>9/30/2023</i>
Capital assets, not being depreciated				
Land	\$ 5,900	\$ -	\$ -	\$ 5,900
Total capital assets, not being depreciated	<u>5,900</u>	<u>-</u>	<u>-</u>	<u>5,900</u>
Capital assets, being depreciated				
Office furniture and equipment	23,285	3,473	-	26,758
Equipment	113,907	4,043	-	117,950
Trucks & trailers	52,048	-	-	52,048
Storage building	326,519	-	-	326,519
Improvements	61,762	-	-	61,762
Software	<u>4,993</u>	<u>-</u>	<u>-</u>	<u>4,993</u>
Total capital assets, being depreciated	<u>582,514</u>	<u>7,516</u>	<u>-</u>	<u>590,030</u>
Less accumulated depreciation	<u>(290,252)</u>	<u>(16,385)</u>	<u>-</u>	<u>(306,637)</u>
Total capital assets, being depreciated, net	<u>292,262</u>	<u>(8,869)</u>	<u>-</u>	<u>283,393</u>
Capital assets, net	<u>\$ 298,162</u>	<u>\$ (8,869)</u>	<u>\$ -</u>	<u>\$ 289,293</u>

Note 4: Debt Obligations

Changes in outstanding debt during the year ended September 30, 2023 are as follows:

	<i>Balance 10/1/2022</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance 9/30/2023</i>	<i>Due within one year</i>
Revenue bond	\$ 510,070	\$ -	\$ (14,837)	\$ 495,232	\$ 15,213
Customer deposits	20,220	2,740	-	22,960	-
Compensated absences	6,061	7,003	(7,335)	5,729	-
Total	<u>\$ 536,351</u>	<u>\$ 9,743</u>	<u>\$ (22,173)</u>	<u>\$ 523,921</u>	<u>\$ 15,213</u>

A) Water and Sewer System Revenue Bond

On March 20, 2013, the District issued a Revenue Bond with a face value of \$ 611,000 with an interest rate of 3% to be repaid over a period of 35 years. The bond was issued for the purpose of constructing, acquiring, improving or extending a combined water and sewer system. At the time of issuance, the District deferred the bond payments until March 20, 2015.

A summary of the Revenue Bond is as follows:

Bonds

	<i>Date Issued</i>	<i>Maturity Date</i>	<i>Original Amount</i>	<i>Balance 9/30/2023</i>
Water and Sewer System Revenue Bond	3/20/2013	3/20/2048	\$ 611,000	\$ 495,232

A maturity schedule for the outstanding portion at September 30, 2023 is as follows:

<i>Year Ending September 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total Requirements</i>
2024	15,213	12,207	27,420
2025	15,597	11,823	27,420
2026	15,992	11,428	27,420
2027	16,396	11,024	27,420
2028-2032	88,415	48,685	137,100
2033-2037	100,174	36,926	137,100
2038-2042	113,497	23,603	137,100
Thereafter	129,948	8,508	138,456
	<u>\$ 495,232</u>	<u>\$ 164,204</u>	<u>\$ 659,436</u>

Debt service maturity schedules for the next 5 years are not presented due to incomplete amortization schedule. Management will update disclosures as information becomes available.

Note 4: Debt Obligations (continued)

The District's Revenue Bond contains a number of limitations and restrictions on annual debt service requirements, maintenance of, and flow of monies through various restricted accounts, and minimum revenue bond coverages. At September 30, 2023, the District was in compliance with the bond covenants as noted below.

The indenture covenants of the revenue bond require the establishment of the following accounts:

- *Construction Fund.* Proceeds of the bond shall be deposited into this account.
- *Revenue Fund.* Operating revenues are to be deposited into this fund.
- *Operation and Maintenance Fund.* An amount will be deposited each month that will provide for the payment of reasonable expense that will operate and maintain the system in good working order.
- *Bond and Interest Fund.* Amounts will be deposited each month that will provide for the payment of the next installment of principal and interest.
- *Debt Service Reserve Fund.* An amount of \$ 245.22 is to be deposited each month until it reaches \$ 29,426. It is now fully funded.
- *Short Lived Asset Replacement Fund.* Shall be established and have \$ 10.00 a month deposited into it was fully funded. The district chose to fully fund it in the amount of \$4,200.

During the year ended September 30, 2023, the debt service reserve requirements above were fully funded.

In addition to the above requirements, the bond indenture contains a resolution that requires the reporting of certain other information related to the water and sewer system as presented below:

1.	The number of customers at the beginning of the fiscal year	532
	The number of customers at the end of the fiscal year	532
2.	The number of properties connected with water lines	526
3.	The number of metered customers at the end of the year	526
	The number of unmetered customers at the end of the year	6

B) Schedule of Insurance

<i>Description</i>	<i>Coverage Amount</i>	<i>Insurer</i>	<i>Expiration Dates</i>
Commercial Liability	1,000,000	National Union Fire Insurance	4/1/2024
Worker's Compensation	500,000	Liberty Mutual Insurance	9/13/2024
Flood	290,400	Wright National Flood Insurance	9/1/2024
Public Officials	50,000	Old Republic Surety Co.	10/13/2024

Additionally, the bond indenture requires a statement by the auditor regarding the manner in which the District complied with the requirements of this resolution. As stated in the Compliance report, the results of our tests disclosed no instances of noncompliance.

Note 5: Commitments

The Pearlington Water and Sewer District has a service agreement with the Hancock County Utility Authority. This agreement is to purchase wholesale potable water and sewer treatment services. Additionally, the District has assumed maintenance responsibility of the water and sewer system's collection and distribution lines.

Note 6: Risk Management

The District is exposed to various risks and losses related to torts, errors and omission, and personal injury. All of the Commissioners and employees maintain public official bonds in the amount of \$50,000 each. The District also has commercial general liability and vehicle policies to cover risk related to plant, equipment and management.

The District has issued a Revenue Bond that was purchased by United States Department of Agriculture through the Rural Utilities Service (RUS) program. These programs are subject to audit by the granting authority, the purpose of which is to ensure compliance with conditions precedent to the funds.

Note 7: Subsequent Events

The District has evaluated events through August 4, 2025. There were no events identified that would have an effect on the financial statements of the District.

REQUIRED SUPPLEMENTARY INFORMATION

Pearlington Water & Sewer District
Budgetary Comparison Schedule (Non-GAAP Basis)
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating Revenues				
Total operating revenues	\$ 424,000	\$ 424,000	\$ 422,042	\$ (1,958)
Operating Expenses				
Personnel services	138,872	138,872	137,633	(1,239)
Utilities	8,000	8,000	17,689	9,689
Insurance	23,000	23,000	22,911	(89)
Office expense	9,500	9,500	17,978	8,478
Repairs and maintenance	60,000	60,000	86,734	26,734
Outside Services	14,000	14,000	24,042	10,042
Vehicle expense	9,000	9,000	18,117	9,117
Water quality test	2,000	2,000	1,605	(395)
Director's pay	6,300	6,300	5,964	(336)
Professional fees	79,400	79,400	76,998	(2,402)
Water purchase	20,000	20,000	19,896	(104)
Sewer collection cost	-	-	-	-
Sewer treatment cost	62,500	62,500	58,433	(4,067)
Total operating expenses	432,572	432,572	487,999	55,427
Nonoperating Income (Expenses)				
Interest income	1,000	1,000	14,137	13,137
Other Income	-	-	4,260	4,260
Equipment Purchase	(10,000)	(10,000)	(7,516)	2,484
RUS Debt Payments	(28,000)	(28,000)	(27,420)	580
Total nonoperating income (expenses)	(37,000)	(37,000)	(16,539)	20,461
Change in net position, non-GAAP basis	\$ (45,572)	\$ (45,572)	\$ (82,496)	\$ (36,924)

Note 1: Budgetary Information

Pearlington Water & Sewer District is not required by statute to adopt or amend a budget. The entity does not receive governmental funds and operates solely on revenues received from providing services. The budget passed by the entity is on a non-GAAP basis and is used as a management tool. The major differences between the budgetary basis and the GAAP basis are:

- Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Note 2: Basis of Presentation

The Budgetary Comparison Schedule (Non-GAAP Basis) presents the final adopted budget and the actual amounts on a budgetary (Non-GAAP Basis) and variances between the final budget and the actual amounts.

OTHER INFORMATION

Name	Title	Company	Coverage
Nolan Pansano	Chairman	Old Republic Surety	\$ 50,000
Cabrina Bell	Vice-Chairwoman	Old Republic Surety	\$ 50,000
Rosa Jackson	Treasurer/Commissioner	Old Republic Surety	\$ 50,000
John Pavlovich	Commissioner	Old Republic Surety	\$ 50,000
Deborah Sonnier	Secretary/Commissioner	Old Republic Surety	\$ 50,000
Zoe Bowers	Operator	Old Republic Surety	\$ 50,000
Carolyn Wilkinson	Office Manager	Old Republic Surety	\$ 50,000
Renee Pitre	Office Clerk	Old Republic Surety	\$ 50,000
Ronnie Pack	Field Operator	Old Republic Surety	\$ 50,000
Justin Hansen	Field Operator	Old Republic Surety	\$ 50,000



Management Representation Letter

August 4, 2025

Gerald W. Rigby, CPA, PC
724 Dunbar Avenue
Bay St. Louis, MS 39520

This representation letter is provided in connection with your audit of the financial statements of Pearlington Water and Sewer District, which comprise the respective financial position of the business-type activities, as of September 30, 2023, and the respective changes in financial position and, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of July 18, 2025, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 9, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the government required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) There are no related party relationships or transactions.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) There are no uncorrected misstatements.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

- 25) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, if any, that we believe have a material effect on the financial statements.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) The Pearlington Water and Sewer District [Describe governmental unit, e.g., city, county, school district, etc.] has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The Pearlington Water and Sewer District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 30) The financial statements properly classify all funds and activities in accordance with GASBS No. 34 , as amended.
- 31) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 32) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 33) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 34) Provisions for uncollectible receivables have been properly identified and recorded.
- 35) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 36) Revenues are appropriately classified in the statement of activities within program revenues.
- 37) Deposits and investment securities transactions are properly classified as to risk and are properly disclosed.
- 38) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 39) We have appropriately disclosed the Pearlington Water and Sewer District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 40) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 41) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signature: _____

Title: _____

John A. [Signature]
 Title: Chairman

Signature: _____

Title: _____

[Signature]
 Title: CPA

JA

**PEARLINGTON WATER & SEWER DISTRICT
MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
JULY 16, 2025**

The Board of Commissioners of the Pearlington Water and Sewer District met in official session at 3:00 P.M. on Wednesday, July 16, 2025, in the Pearlington Recovery Center.

In Attendance:

John Pavlovich, Vice Chairperson
Rosa Jackson, Treasurer
Debra Sonnier, Secretary
Nolan Pansano, Commissioner – arrived 3:20
Cheryl Bennett, Chairperson
Scott Burge, Engineer
Derek Cusick Board Attorney
Ty Necaie, Accountant
Kodie Koenenn, Contract Operator – arrived 3: 42

Absent:

Chairperson Bennett called the official meeting to order at 3:00 pm. The Pledge of Allegiance was recited, followed by a moment of silence.

APPROVAL TO THE AGENDA

1C Motion to accept the agenda as presented.

Moved: Sonnier
Seconded: Pavlovich
Ayes: All
Results: PASSED

ANNOUNCEMENTS

The date of the next regular meeting is August 20, 2025 at 3 PM.

REQUESTS TO SPEAK

See list attached.

OLD BUSINESS

4A Public Hearing on Rate Increase (Oak Harbor) – 3 minutes each speaker.

Chairperson Bennett opened the Public Hearing and gave a brief history and justification for a proposed rate increase for Oak Harbor residents only. The proposal will be to adjust Oak Harbor's rates to match the existing rate for all other PWSD customers.

Public comments were made by all interested persons – sign in sheet attached.

Chairperson Bennett closed the Public Hearing. No official action with respect to a rate increase was taken by the board at this time.

**PEARLINGTON WATER & SEWER DISTRICT
MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
JULY 16, 2025**

4B Motion to approve the minutes of the June 2025 Regular Meeting.

Moved: Pansano
Seconded: Pavlovich
Ayes: All
Results: PASSED

4C Motion to approve the July 8, 2025, Special Called Meeting Minutes.

Moved: Sonnier*
* moved to approve with one correction, the date of next scheduled meeting should be July 16, 2025, instead of July 8, 2025.
Seconded: Pavlovich
Ayes: All
Results: PASSED

Engineer Report – presented by Scott Burge

Operations Report – presented by Ty Necaise and Kodie Koenenn

Business Report – presented by Ty Necaise

7A Presented Budget Report
7B Presented Rate Study

Attorney Report – presented by Derek Cusick

Board Member's Report – None

NEW BUSINESS

10A Motion to approve the July 2025 Docket of Claims.

Moved: Pavlovich
Seconded: Pansano
Ayes: All
Results: PASSED

10B Motion to approve the July 2025 Payroll Docket.

Moved: Jackson
Seconded: Pavlovich
Ayes: All
Results: PASSED

**PEARLINGTON WATER & SEWER DISTRICT
MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
JULY 16, 2025**

10C Motion to approve the June 2025 Treasurer's Report.

Moved: Jackson
Seconded: Pansano
Ayes: All
Results: PASSED

10D Discussion. Board Meeting time.

Motion to move PWSD Board Meeting time to 4 pm effective September 2025 Regular Meeting.

Moved: Bennett
Seconded: Sonnier
Ayes: Bennett and Sonnier
Nays: Jackson, Pavlovich and Pansano
Results: FAILED

10F(sic) Motion to approve leak adjustments. NONE for this month

10G Motion to approve the following pool adjustments, in accordance with District Policy.

**Account #61 - \$24.75
Account #31 - \$28.26**

Moved: Jackson
Seconded: Pavlovich
Ayes: All
Results: PASSED

REQUESTS TO SPEAK – NON-ADGENA ITEMS

See attached list.

EXECUTIVE SESSION – None

ADJOURNMENT

12A Motion to adjourn meeting at 4:49 pm.

Moved: Jackson
Seconded: Pavlovich
Ayes: All
Results: PASSED

Debra Sonnier, Secretary

Date

7A

11:34 AM
08/19/25
Cash Basis

Pearlington Water & Sewer District
Profit & Loss Budget vs. Actual
October 2024 through July 2025

	<u>Oct '24 - Jul 25</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Operating Revenues	476,649.16	556,400.00	-79,750.84	85.7%
Total Income	476,649.16	556,400.00	-79,750.84	85.7%
Gross Profit	476,649.16	556,400.00	-79,750.84	85.7%
Expense				
Salary Budget Items	135,386.72	186,049.00	-50,662.28	72.8%
Utilities Budget Items	16,076.38	13,000.00	3,076.38	123.7%
Insurance Expense	24,774.09	27,000.00	-2,225.91	91.8%
Office Budget Items	14,402.21	13,500.00	902.21	106.7%
Repairs and Maintenance	75,635.40	65,000.00	10,635.40	116.4%
Outside Services	23,909.11	34,000.00	-10,090.89	70.3%
Vehicle Expense	12,453.02	13,500.00	-1,046.98	92.2%
Water Quality Fee	1,643.38	2,000.00	-356.62	82.2%
Commissioner's Fees	6,888.00	6,300.00	588.00	109.3%
Professional Fees	90,399.39	93,400.00	-3,000.61	96.8%
Water Purchase	23,321.86	19,500.00	3,821.86	119.6%
Sewer Treatment Costs	63,114.21	59,000.00	4,114.21	107.0%
Sewer Collection Costs	9,951.00	9,000.00	951.00	110.6%
Total Expense	497,954.77	541,249.00	-43,294.23	92.0%
Net Ordinary Income	-21,305.61	15,151.00	-36,456.61	-140.6%
Other Income/Expense				
Other Income				
Sales Tax Discount	12.41			
Interest Income	18,295.54	12,000.00	6,295.54	152.5%
Total Other Income	18,307.95	12,000.00	6,307.95	152.6%
Other Expense				
Interest / Debt Service	22,850.00	28,000.00	-5,150.00	81.6%
Capital Expenditures	2,091.76	0.00	2,091.76	100.0%
Total Other Expense	24,941.76	28,000.00	-3,058.24	89.1%
Net Other Income	-6,633.81	-16,000.00	9,366.19	41.5%
Net Income	-27,939.42	-849.00	-27,090.42	3,290.9%

Pearlington Water & Sewer District Docket of Claims

10A

As of August 20, 2025

Date	Num	Name	Memo	Paid Amount
The First - Operating Account				
07/18/2025	Ach	MS Dept of Revenue		-61.15
08/18/2025	Ach	MS Dept of Revenue		-61.38
07/21/2025	Ach	RUS Rural Developement	Debt service payment	-2,285.00
07/29/2025	Ach	Coast Electric Power Association		-604.89
07/29/2025	Ach	US Bank		-584.73
08/20/2025	5799	AnSer	Answering Service June & July	-520.39
08/20/2025	5800	Bay St Louis Newspapers	Legal Advertising	-111.65
08/20/2025	5801	Brown, Mitchell & Alexander, Inc	General Engineer Services	-3,168.00
08/20/2025	5802	C Spire	Cell Phones	-74.40
08/20/2025	5803	Canon U.S.A., Inc	Canon U.S.A., Inc	-59.09
08/20/2025	5804	Cheryl Bennett	July 16, 2025 Board Meeting	-84.00
08/20/2025	5805	Coburn's Supply Company, Inc	Field and Maintenance Supplies	-1,007.48
08/20/2025	5806	Debra Sonnier	July 16, 2025 Board Meeting	-84.00
08/20/2025	5807	Derek Cusick	Retainer Fee	-1,762.50
08/20/2025	5808	Hancock County Utility Authority	Water & Sewer Wholesale	-8,208.33
08/20/2025	5809	Hubbards Waveland Hardware	Boots	-26.23
08/20/2025	5810	Hunt's Automotive	24 Dodge 1500 Oil Change	-97.00
08/20/2025	5811	Jennifer Johnston	Partial deposit refund	-40.00
08/20/2025	5812	John Pavlovich	July 16, 2025 Board Meeting	-84.00
08/20/2025	5813	Kodie Koenenn	Operator Services	-2,677.50
08/20/2025	5814	Necaise & Company, PLLC	Accounting Fees	-4,631.25
08/20/2025	5815	Need Surveillance, LLC	Background Check - Joseph Boehnel	-75.00
08/20/2025	5816	Nolan Pansano	July 16, 2025 Board Meeting	-84.00
08/20/2025	5817	Point One Strategies LLC	Professional Consulting Services	-2,083.33
08/20/2025	5818	Rosa Jackson	July 16, 2025 Board Meeting	-84.00
08/20/2025	5819	Southern Pro Truck	Bedliner, seat covers, floor mats, toolbox , rain guards, dash c	-2,230.00
08/20/2025	5820	TechRadium, Inc	Iris Service Fees	-695.75
08/20/2025	5821	USA Blue Book	2 Pants, 2 Jackets	-308.56
08/20/2025	5822	Wright National Flood Insurance Co	Flood Renewal Policy 23 1151655245 07	-1,831.00
08/20/2025	5823	Gerald Rigby, CPA	Audit and Assurance Services for YE 9/30/23	-13,720.00
08/20/2025	5824	Wise WiFi Inc	Network Services for June & July	-270.00
Total The First - Operating Account				-47,614.61
The First - DFA Account				
08/20/2025	1011	DNA Underground LLC	WO# 8 Oak Harbor Repairs Pay App #2	-56,968.24
08/20/2025	1012	Brown, Mitchell & Alexander, Inc	Engineering for Oak Harbor Improvements	-6,624.00
Total The First - DFA Account				-63,592.24

Pearlington Water & Sewer District Docket of Claims

As of August 20, 2025

Date	Num	Name	Memo	Paid Amount
------	-----	------	------	-------------

The First - SLAR Reserve

Total The First - SLAR Reserve

The First - RD Debt Service

Total The First - RD Debt Service

The First- Emergency Operations

Total The First- Emergency Operations

The First - Customer Deposits

Total The First - Customer Deposits

The First - Bond & Interest Fun

Total The First - Bond & Interest Fun

TOTAL

-111,206.85

The District's administration has prepared the above docket list for each payment made or pending payments to be made since the last board meeting. Two signatories must sign below to evidence approval. Signatures shall serve as formal authorization to process payments via printed checks with digital signatures and/or ACH Treasury Services.

Authorized signers include:

- | | |
|--|--------------------------|
| | Cheryl Bennett, Chairman |
| | Rosa Jackson, Treasurer |
| | Debra Sonnier, Secretary |

** Please sign within the box.

9:23 AM

08/20/25

10B

Pearlington Water & Sewer District
Payroll Docket
 July 17 through August 20, 2025

	Jul 17 - Aug 20, 25
Employee Wages, Taxes and Adjustments	
Gross Pay	
Hourly	7,307.20
Overtime (x1.5)	67.88
Sick Leave	107.10
Vacation Time	518.20
Total Gross Pay	8,000.38
Deductions from Gross Pay	
Pre-AFLAC Sup	-21.36
Total Deductions from Gross Pay	-21.36
Adjusted Gross Pay	7,979.02
Taxes Withheld	
Federal Withholding	-562.00
Medicare Employee	-115.69
Social Security Employee	-494.70
MS - Withholding	-228.00
Medicare Employee Addl Tax	0.00
Total Taxes Withheld	-1,400.39
Deductions from Net Pay	
Post- AFLAC	-55.80
Total Deductions from Net Pay	-55.80
Net Pay	6,522.83
Employer Taxes and Contributions	
Federal Unemployment	12.31
Medicare Company	115.69
Social Security Company	494.70
MS - Unemployment Company	20.52
AFLAC-Supplemental	77.16
MS - Training Contribution	0.00
Total Employer Taxes and Contributions	720.38

106

Pearlington Water & Sewer District
Treasurer Report
As of July 31, 2025

	Jul 31, 25	Sep 30, 24	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
The First - Operating Account	124,278.09	191,590.77	-67,312.68	-35.1%
The First - DFA Account	340,407.63	0.00	340,407.63	100.0%
The First - SLAR Reserve	4,200.18	4,200.16	0.02	0.0%
The First - RD Debt Service	29,427.25	29,427.12	0.13	0.0%
The First- Emergency Operations	138,663.63	138,585.90	77.73	0.1%
The First - Customer Deposits	26,261.11	25,180.96	1,080.15	4.3%
The First - Bond & Interest Fun	27,421.17	27,421.05	0.12	0.0%
HWB CD x [REDACTED]	111,361.33	107,702.11	3,659.22	3.4%
HWB CD x [REDACTED]	111,361.33	107,702.11	3,659.22	3.4%
HWB CD x [REDACTED]	111,459.46	107,690.30	3,769.16	3.5%
HWB CD x [REDACTED]	111,459.46	107,690.30	3,769.16	3.5%
HWB CD x [REDACTED]	111,002.78	107,761.09	3,241.69	3.0%
HWB CD x [REDACTED]	106,901.55	106,901.55	0.00	0.0%
Total Checking/Savings	1,354,204.97	1,061,853.42	292,351.55	27.5%
Total Current Assets	1,354,204.97	1,061,853.42	292,351.55	27.5%
TOTAL ASSETS	1,354,204.97	1,061,853.42	292,351.55	27.5%
LIABILITIES & EQUITY	0.00	0.00	0.00	0.0%

**Pearlington Water and Sewer District
Policy Manual**

TITLE: Annual Rate Review Policy

POLICY NUMBER: 4.4

DATE ADOPTED: August 20, 2025

Purpose

This policy establishes a requirement for the management of the Pearlington Water and Sewer District to conduct an annual rate review and present findings to the Board of Commissioners to ensure rates remain fair, competitive, and sufficient to meet operational and financial needs.

Policy

1. Annual Rate Review Requirement

Management shall conduct a comprehensive review of the District's water and sewer rates annually. The review shall be completed no later than August 31 of each year to align with the District's budgeting process.

2. Scope of the Review

The rate review shall include, but not be limited to:

- An assessment of the District's current water and sewer rates, including residential, commercial, and any special rate categories.
- A comparison of Pearlington Water and Sewer District rates with those of comparable water and sewer districts within a reasonable distance (e.g., within 90 miles or within the same county/region).
- An analysis of the District's operational costs, capital improvement needs, debt service obligations, and reserve fund requirements.
- An evaluation of economic factors, such as inflation, cost-of-living adjustments, and changes in service demand.
- Recommendations for rate adjustments, if necessary, to ensure financial sustainability while maintaining affordability for customers.

3. Comparative Analysis

The comparison with other districts shall include at least three (3) comparable water and sewer districts, selected based on factors such as population served, service area size, infrastructure age, or other relevant criteria. The analysis shall include:

- Base rates and tiered rate structures for water and sewer services.
- Connection fees, late fees, and other applicable charges.
- Any unique factors affecting rates, such as state or federal regulations, infrastructure investment needs, or regional economic conditions.

4. Presentation to the Board of Commissioners

Management shall present the findings of the annual rate review to the Board of Commissioners at a regularly scheduled meeting no later than September 30 of each year. The presentation shall include:

- A written report summarizing the rate review findings, including the comparative analysis and any proposed rate adjustments.
- Supporting data, such as rate schedules, financial projections, and cost analyses.
- An opportunity for the Board to ask questions and provide feedback.

5. Board Action

Following the presentation, the Board of Commissioners shall review the report and determine whether to:

- Maintain current rates.
- Adjust rates based on management's recommendations or alternative proposals.
- Request additional information or analysis before making a decision.

Any rate adjustments approved by the Board shall comply with applicable state and local regulations and include appropriate public notification.

6. Public Transparency

The annual rate review report shall be made available to the public upon request, and a summary of the findings shall be posted on the District's website (if applicable) or at the District office to promote transparency.

7. Effective Date

This policy has been in effect for several years, but this formal draft of the policy shall be approved on August 20, 2025 and remain in force until amended or repealed by the Board of Commissioners.

Pearlington Water & Sewer District
Fiscal Year: 10/1/2024 - 9/30/2025
Operating Budget

FY2025 (AMENDED)

	Original Budget	Adjustments	Amended Budget	
Water & Sewer Charges	551,400	13,600	565,000	(1)
Late Charges	5,000	1,000	6,000	
Transfer in from Prior Year Surplus	-	-	-	
<i>Total Income</i>	<u>450,000</u>	<u>14,600</u>	<u>571,000</u>	
Operating Expenses				
Personnel Costs:				
Wages	179,009	(27,009)	152,000	(2)
Overtime	2,000	-	2,000	
Medical Reimbursements	5,040	(2,800)	2,240	
Retirement	-	-	-	
Utilities	13,000	7,346	20,346	
Insurance	27,000	-	27,000	
Office Expense	13,500	500	14,000	
Repairs & Maintenance	65,000	21,000	86,000	(3)
Outside Services	34,000	-	34,000	
Truck Cost	13,500	-	13,500	
Water Quality Test	2,000	(300)	1,700	
Director's Pay	6,300	900	7,200	
Professional Services	93,400	11,600	105,000	(4)
Water Purchase	19,500	8,000	27,500	
Sewer Collection Cost	9,000	-	9,000	
Sewer Treatment Cost	59,000	16,000	75,000	
<i>Total Expenses</i>	<u>417,935</u>	<u>35,237</u>	<u>576,486</u>	
Cash Inflows from Operations	<u>32,065</u>	<u>(20,637)</u>	<u>(5,486)</u>	
Other Income:				
Interest Income	1,000	-	18,250	
Capital & Debt Expenditures:				
Equipment Purchase	-	-	-	(5)
RUS Debt Payments	28,000	-	28,000	
Design & Engineering	-	-	-	
<i>Total Nonoperating Spending</i>	<u>33,000</u>	<u>-</u>	<u>28,000</u>	
Surplus/(Deficit)	<u>65</u>	<u>(20,637)</u>	<u>(15,236)</u>	



Cheryl Bennett, Chairperson
Rosa Jackson, Treasurer
Debra Sonnier, Secretary

John Pavlovich, Vice-Chairperson
Nolan Pansano, Commissioner
Derek Cusick, Attorney

PAYMENT PLAN AGREEMENT

Customer Name: _____ Account Number: _____

Service Address: _____

Monthly bills are based on water usage. Therefore, if gallons used is greater than the current minimum, your monthly bill will be higher, and you will still be responsible for the agreed upon additional payment amount and the current monthly charges. No payment agreement may exceed 18 months. The minimum monthly payment is \$50.

Example: If your monthly bill is \$62.75 and your payment agreement is \$50.00, then you will be expected to pay \$112.75.

By signing this Agreement, I acknowledge and reaffirm my outstanding balance with Pearlington Water and Sewer District as of the date identified below. I agree to pay my outstanding debt according to the following schedule, terms, and conditions:

Date: _____ Outstanding Balance: _____

Initial to Acknowledge:

_____ I agree to pay \$_____ over the amount of the regular monthly bill due each month until payment agreement balance has been paid in full.

_____ I understand that the late fee will only be suspended from this day forward as long as the monthly bill and the agreed additional payment amount is paid on time each month for _____ consecutive months.

_____ I understand that the amount agreed upon must be paid by the due date each month and if I fail to do so, I will be disconnected and will be subject to the security deposit of \$100.00, reconnect fees of \$100.00, and late fees for each month delinquent.

_____ I also understand that I am only allowed one payment agreement. If I fail to meet the requirements outlined in this Agreement, the account balance will have to be paid in full to be reconnected.

I have carefully and completely read this Agreement and fully understand the purpose, intent, and effect of this Agreement.

Customer Signature: _____ Date: _____

Customer Printed Name: _____ PWSD Representative: _____