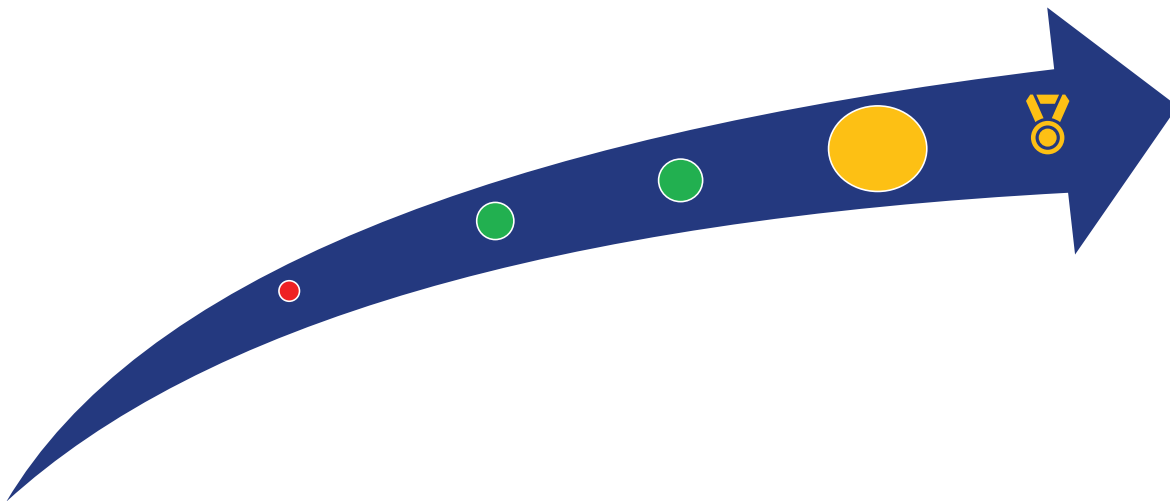


FINANCIAL SERVICES INITIATIVES: UPDATE

April 29, 2026

The Road to Gold: Continuous Monitoring and Compliance



Plante Moran Reports

- Wire Transfer and Check Payment Analysis – March 2024
- Internal Control Assessment and Standard Operating Procedures Process Observations – January 2025
- Transaction Testing – November 2025



Control Assessment Report Summary

Processes	Plante Moran Report
Accounts Payable	
Cash Receipts	
Accounts Receivable	
CIS	
Financial Reporting	
Procurement	
Project Tracking - CapEx	
Project Tracking - Customer	
Budgeting	
Payroll	



Phase 1 (now to May 2026)

- Implement improvements in the cash handling processes (three of the eight identified areas):
 - Accounts Payable (12 recommendations)
 - Cash Receipts (5 recommendations)
 - Accounts Receivable (8 recommendations)
- Document new SOPs
- Develop interim KPIs for AR and AP

Observations and Initiatives Summary

	Processes	Plante Moran Report	2026												2027					
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Phase 1	Accounts Payable																			
	Cash Receipts																			
	Accounts Receivable																			
Phase 2	CIS																			
	Financial Reporting																			
	Procurement																			
	Project Tracking - CapEx																			
	Project Tracking - Customer																			
	Budgeting																			
Phase 3	Payroll																			
	Continuous Monitoring and Audit	N/A																		
	Annual SOP Review	N/A																		
	Acceptable																			
	In Process																			
	Not Started																			

Accounts Payable

Number	Recommendations	Status	Completion Timing
1	For PO purchases, the Senior Accounting Technician performs a match ensuring the PO, invoice, Packing Slip when applicable, and PO Detail (SSRS) report match to prevent errors and fraud (AP-01)	Completed	March 2026
2	Weekly, The CFO reviews the Backlog spreadsheet and verifies that all the problem invoices are unable to be processed. The CFO monitors these invoices and ensures that any issues are resolved timely to allow the invoice to be paid on time (AP-14)	Completed	March 2026
3	Reconfigure current AP module in Great Plains to automate repetitive tasks, reduce human error, and increase efficiency (process improvement).	New ERP System	Phase 3
4	Conduct a comprehensive clean-up of Accounts Payable within the Great Plains system to eliminate excessively aged invoices (process improvement)	In Process	May 2026
5	Invoices are reviewed and approved by the designated approver. Their review consists of ensuring that the payment is properly identified as a Purchase Order invoice or a Transactional Entry. The reviewer then verifies that the goods or services were performed as contracted (AP-2).	Completed	March 2026
6	Implement a formal dual review of any check deposits that are flagged within Pacific Premier Bank (process improvement).	In Process	August 2026

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Accounts Payable (Continued)

Number	Recommendations	Status	Completion Timing
7	Implement a formal process for postage where checks are not driven to the post office (process improvement).	In Process	August 2026
8	Consider the implementation of a formal ACH payment process to eliminate checks (process improvement).	In Process	August 2026
9	Implement a formal vendor review to ensure all new vendors and vendor changes are input accurately resulting in clarity when paying vendors (process improvement). - Moved from CR Section	Completed	April 2026
10	Monthly, select a group of invoice batches and review the completion of the process, including the 3-way-match and management review.	Completed	March 2026
11	Monthly, review a sample of 3-way matches performed to ensure the control is performed properly.	Completed	March 2026
12	Implement Dashboarding Tools, showing the A/P Aging categories and trends for review of A/P activity.	New ERP System	Phase 3

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Cash Receipts

Number	Recommendations	Status	Completion Timing
1	Implement technology solutions, such as an integrated cash receipting software module of a future CIS, to automate and streamline the cash receipts process (process improvement).	In Process - CIS Implementation	June 2026
2	Design and implement a system that allows for payments made through 3rd-party software to be automatically batched into Mesa Water's future CIS (process improvement).	In Process - CIS Implementation	June 2026
3	Provide regular training for employees on cash handling procedures and the importance of internal controls (process improvement).	Completed	March 2026
4	Officially retire EFT, AIQ, and CASS and formally transition customers to newer systems with the proper automation in place (process improvement).	In Process - CIS Implementation	June 2026
5	Monthly, implement a review of a sample of weekly cash receipts to ensure all transactions are accurately recorded and corresponding journal entries are correctly completed.	Completed	April 2026

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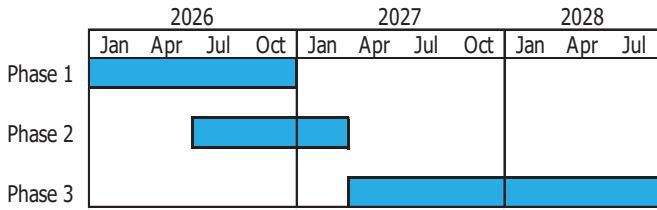
Accounts Receivable

Number	Recommendations	Status	Completion Timing
1	Utilize automation tools to streamline the accounts receivable process where possible (process improvement).	New ERP System	Phase 3
2	Invest in user-friendly software or tools that can generate A/R Aging reports efficiently, minimizing the need for manual conversion (process improvement).	Completed	April 2026
3	Develop a tracker or monitoring process to provide management with visibility into A/R processes, ensuring better oversight and control (process improvement).	Completed	April 2026
4	Implement AR management software to automate invoicing, payment tracking, and reminders (process improvement).	In Process - CIS Implementation	June 2026
5	Implement a similar deadline process to A/R and review/send all billings at one point during the week (process improvement).	In Process - CIS Implementation	June 2026
6	Implement a monthly reconciliation of A/R with proper reviews completed by management (AR-01).	Completed	April 2026
7	Monthly, implement a review process over a sample of billings sent during the month to ensure the billings align with policies set out by Mesa Water.	Completed	April 2026
8	Monthly, implement a management review of any past due A/R.	In Process - CIS Implementation	June 2026

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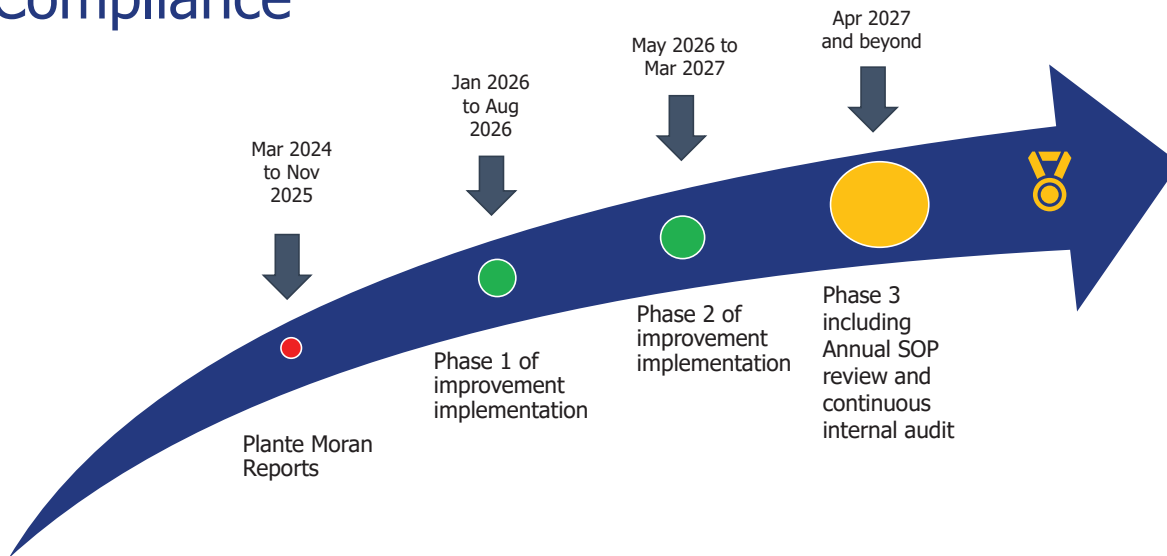
Timeline and Scorecard (Phase 1)



Process	2026							
	Jan	Feb	Mar	Apr	May	June	July	Aug
AP1	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
AP2	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed
AP3	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
AP4	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
AP5	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
AP6	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
AP7	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
AP8	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
AP9	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
AP10	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
AP11	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
AP12	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
CR1	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
CR2	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
CR3	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
CR4	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
CR5	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
AR1	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
AR2	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
AR3	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
AR4	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
AR5	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
AR6	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
AR7	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process
AR8	In Process	In Process	In Process	In Process	In Process	In Process	In Process	In Process



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QUESTIONS?



THANK YOU!