Fairview Water District

Audited Financial Statements

For the Year Ended November 30, 2024

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Fairview Water District
Preston, Idaho

Opinion

I have audited the accompanying financial statements of Fairview Water District (the District), as of and for the year ended November 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of November 30, 2024, 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 Opinion

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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

My 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement if 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 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*, I:

- Exercise professional judgement 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 my judgement, 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.

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as the management's discussion and analysis 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. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards* I have also issued my report dated May 28, 2025, on my consideration of the District's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the District's internal control and compliance.

MATTHEW REGEN, CPA, PC



Logan, Utah
May 28, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Fairview Water District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended November 30, 2024 .

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities by $855,538 on November 30, 2024.
- The total net position consists of $693,660 in capital assets and $161,878 in unrestricted net position.
- The total long-term liabilities of the District were reduced by $93,178 during the fiscal year ended November 30, 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

- *The statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, there will also be a need to consider other non-financial factors.
- *The statement of activities* presents information showing how the District's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund financial statements:

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has a single fund category – proprietary.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District's only major governmental fund (as determined by generally accepted accounting principles) is the Proprietary Fund.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $855,538.

STATEMENT OF NET POSITION

		2024	2023	2022
Current and other assets	$	162,012	195,269	211,322
Capital assets, net		2,680,005	2,720,000	2,800,000
Total assets		2,842,017	2,915,269	3,011,322
Accounts payable and accrued expenses		134	-	-
Long-term liabilities		1,986,345	2,079,524	2,169,974
Total liabilities		1,986,479	2,079,524	2,169,974
Invested in capital assets, net of debt		693,660	640,476	630,026
Unrestricted		161,878	195,270	211,323
Total net position	$	855,538	835,746	841,349

CHANGES IN NET POSITION

		2024	2023	2022
Revenues:				
Services	$	319,710	246,525	237,088
Other revenues		2,662	115	60
Total revenues		322,372	246,640	237,148
Expenses:				
Operations & maintenance		180,373	127,281	101,972
Interest expense		41,391	44,962	59,251
Depreciation		80,816	80,000	80,000
Total expenses		302,580	252,241	241,223
Change in net position		19,792	(5,603)	(4,075)
Net position - beginning		835,746	841,349	845,424
Net position - ending	$	855,538	835,746	841,349

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The financial reporting focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental fund reported an ending fund balance of $161,878, a decrease of $33,392 over the prior year. All of the ending fund balance is assigned, which means the Board of Trustees intends to use it for Water expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the current fiscal year the General Fund budget for revenues was $415,288. The actual revenue was $322,372, resulting in an unfavorable variance of $92,916 for revenue. The General Fund budget for expenditures was $358,483. The actual expenditures were $302,580 resulting in a favorable variance of $55,903 for expenditures. Overall, the District had an unfavorable variance for the excess of expenditures over revenues of $37,013.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - The District's investment in capital assets for its governmental activities as of November 30, 2024, amounts to $2,680,005 (net of accumulated depreciation). This investment in capital assets consists of equipment and improvements.

On November 30, 2024 the District had total bonded debt outstanding of $1,986,345.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Fairview Water District, PO Box 646, Preston, ID 83263.

BASIC FINANCIAL STATEMENTS

FAIRVIEW WATER DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUND
NOVEMBER 30, 2024

Assets		
Cash and cash equivalents	$	131,439
Accounts receivable		30,573
Capital assets, net		2,680,005
Total assets		2,842,017
Liabilities		
Liabilities:		
Accounts payable and accrued expenses		134
Non-current liabilities:		
Due within one year		92,034
Due in more than one year		1,894,311
Total liabilities		1,986,479
Net Position		
Investments in capital assets, net of related debt		693,660
Unrestricted		161,878
Total net position	$	855,538

See accompanying notes and independent accountant's audit report.

FAIRVIEW WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED NOVEMBER 30, 2024

Operating revenues:		
Services	$	319,710
Total operating revenues		319,710
Operating expenses:		
Current expenses		180,373
Depreciation		80,816
Total operating expenses		261,189
Operating income		58,521
Non-operating income (expense):		
Interest income		2,662
Interest expense		(41,391)
Total non-operating income (expense)		(38,729)
Change in net position		19,792
Net position - beginning of year		835,746
Net position - end of year	$	855,538

See accompanying notes and independent accountant's audit report.

FAIRVIEW WATER DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED NOVEMBER 30, 2024

Cash flows from operating activities:		
Receipts from customers and users	$	314,335
Payments to suppliers		(180,239)
Net cash provided by operating activities		134,096
Cash flows from capital and related financing activities:		
Purchases of capital assets		(40,821)
Principal payments on bonds		(93,178)
Interest payments on bonds		(41,391)
Net cash used in capital and related financing activities		(175,390)
Cash flows from investing activities:		
Interest on investments		2,662
Net cash provided by investing activities		2,662
Net decrease in cash and cash equivalents		(38,632)
Cash and cash equivalents at beginning of year		170,071
Cash and cash equivalents at end of year	$	131,439
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	58,521
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		80,816
Change in assets and liabilities:		
Increase in accounts receivable		(5,375)
Increase in accounts payable		134
Total adjustments		75,575
Net cash provided by operating activities	$	134,096

See accompanying notes and independent accountant's audit report.

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The Fairview Water District (the District) is a special service district created to construct and maintain a culinary water distribution system for the residents of the Preston, Idaho area. The District is governed by a board of trustees represented by each community in the District. Each trustee serves a four-year term. The District is not a component unit of another organization.

The accounting and reporting policies of the District relating to the accompanying financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued prior to December 1, 1989, which do not conflict with or contradict GASB pronouncements. The District has elected not to follow FASB pronouncements issued after November 30, 1989 in the preparation of these financial statements. The following represents the more significant accounting and reporting policies and practices used in the preparation of these financial statements:

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District and its component units. The interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Note 1 – Summary of Significant Accounting Policies (continued)

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

- *The statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, there will also be a need to consider other non-financial factors.

- *The statement of activities* presents information showing how the District's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has a single fund category – governmental.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The District applies expenses for restricted resources first when both restricted and unrestricted net position are available.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recognized only when payment is due.

Note 1 – Summary of Significant Accounting Policies (continued)

Property taxes, state-shared revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be available only when cash is received by the District.

The District reports the following major governmental fund:

> The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Assets

Capital assets, which include equipment and improvements, are defined by the District as assets with an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible fixed assets used is charged as an expense against the District's operations. Accumulated depreciation is reported on the financial statements. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Water maintenance equipment	7 years
Land and road improvements	10-20 years

In the governmental fund financial statements, the acquisition or construction of capital assets is accounted for as capital outlay expenditures.

Equity Classifications: Government-wide Financial Statements

Equity in the government-wide financial statements is classified as net position and displayed in three components:

- Invested in capital assets, net of related debt – 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 that are attributable to the acquisition, construction or improvement of these assets.

Note 1 – Summary of Significant Accounting Policies (continued)

- Restricted net position – Consists of net position with constraints placed on the usage whether by 1) external groups such as creditors, grantors or laws and regulations of other governments; 2) law through constitutional provisions or enabling legislation.

- Unrestricted net position – All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Equity Classifications: Fund Financial Statements

In February 2009, GASB issued Statement No. 54 on Fund Balance Reporting and Governmental Fund Type Definitions. The statement is effective for years beginning after June 15, 2010. The statement applies only to governmental fund financial statements and not to government-wide statements or proprietary fund statements. Proprietary fund equity is classified the same as in the government-wide statements. The governmental fund balances may be classified as follows:

a. Non-spendable – Fund balances that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

b. Restricted fund balances – Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, by law through constitutional provision or enabling legislation, or restrictions set by creditors, grantors, or contributors.

c. Committed fund balance – Fund balances are reported as committed when the Board of Trustees formally designates the use of resources by ordinance or resolution for a specific purpose and cannot be used for any other purpose unless the Board of Trustees, likewise, formally changes the use.

d. Assigned fund balance – Fund balances are reported as assigned when the Board of Trustees or management intends to use funds for a specific purpose. Normally funds are assigned by the appropriation process of setting the budget. Additionally, funds in special revenue, debt service, and capital project funds are by their nature assigned to the purpose of those respective funds.

e. Unassigned fund balance – Fund balances in the General Fund are reported as unassigned when they are neither restricted, committed, nor assigned. They may be used for any governmental purpose.

Note 1 – Summary of Significant Accounting Policies (continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for governmental fund types. Encumbrance accounting is not employed by the District in its governmental funds, therefore all annual appropriations lapse at fiscal year end.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the Statement of Net Position, the term “cash and cash equivalents” includes all demand deposit accounts, savings accounts, or other short-term, highly-liquid investments.

Subsequent Events

The District has evaluated all subsequent events through May 28, 2025, the date the financial statements were available to be issued.

Note 2 – Deposits

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District does not have a formal deposit policy for custodial credit risk. As of November 30, 2024 none of the District's bank balances were uninsured and/or uncollateralized.

Interest Rate Risk – Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The District's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits and fixed rate corporate obligations of 270 to 365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have remaining term to final maturity exceeding two years.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing its exposure to credit risk is to comply with the Act as previously discussed. See the quality ratings on the investment schedules above.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a formal investment policy for custodial credit risk in regard to the custody of the District's investments.

Concentration of Credit Risk – Concentrations of credit risk is the risk of loss attributed to the magnitude of government's investment in a single issuer.

Note 3 – Capital Assets

Capital asset changes occurring for the year ended November 30, 2024, are as follows:

	December 1, 2023	Additions	Deletions	November 30, 2024
Governmental activities:				
Capital assets being depreciated:				
Equipment & improvements	$ 4,068,500	40,821	-	4,109,321
Total capital assets being depreciated	4,068,500	40,821	-	4,109,321
Accumulated depreciation for:				
Equipment	(1,348,500)	(80,816)	-	(1,429,316)
Total accumulated depreciation	(1,268,500)	(80,816)	-	(1,429,316)
Total capital assets being depreciated, net	2,720,000	(39,995)	-	2,680,005
Total governmental activities capital assets, net	$ 2,720,000	(39,995)	-	2,680,005

Note 4 – Long-term Debt

Long-term liability transactions for the fiscal year ended November 30, 2024, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Idaho DEQ Bond	$ 1,529,612	-	(59,612)	1,470,000	57,083
USDA Rural Dev. Bond	549,912	-	(37,567)	516,345	34,951
Total business-type long-term liabilities	$ 2,079,524	-	(93,178)	1,986,345	92,034

Note 4 – Long-term Debt (continued)

Long-term debt for business-type activities consists of the following:

Bonds payable

$1,879,236 Idaho DEQ bond, issued during the year 2017. Due in Semiannual installments of $37,659, including interest at 1.25%, through 2047.	1,470,000
$949,174 USDA Rural Dev. bond, issued during the year 2007. Due in annual installments of $59,251, including interest at 4.5%, through 2036.	516,345
Total	$ 1,986,345

The following is a summary of the annual payments to maturity:

Year Ending Novebmer 30,	Principal	Interest	Totals
2025	92,035	42,535	134,570
2026	94,323	40,246	134,570
2027	96,692	37,878	134,570
2028	99,113	35,427	134,540
2029	101,681	32,889	134,570
2030-2034	549,757	123,088	672,845
2035-2039	418,392	52,570	470,962
Thereafter	534,354	27,251	561,604
Totals	$ 1,986,345	391,883	2,378,228

REQUIRED SUPPLEMENTARY INFORMATION

FAIRVIEW WATER DISTRICT
PROPRIETARY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED NOVEMBER 30, 2024

		Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:					
Services	$	415,288	415,288	319,710	(95,578)
Other revenues		-	-	2,662	2,662
Total revenues		415,288	415,288	322,372	(92,916)
Expenditures:					
Operations & maintenance		308,483	308,483	261,189	47,294
Other operating costs		50,000	50,000	41,391	8,609
Total expenditures		358,483	358,483	302,580	55,903
Excess (deficiency) of revenues over expenditures		56,805	56,805	19,792	(37,013)
Other financing sources (uses):					
Unrestricted Fund Balance		-	-	-	-
Total other financing sources(uses)		-	-	-	-
Change in fund balance	$	56,805	56,805	19,792	(37,013)
Fund balance - beginning of year				835,746	
Fund balance - end of year	$			855,538	

See Independent Auditor's Report.

GOVERNMENTAL AUDIT REPORT

MATTHEW REGEN, CPA, PC

Certified Public Accountant/Business Consultant

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Fairview Water District
Preston, Idaho

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the government activities, business-type activities, and each major fund of Fairview Water District (the District) as of and for the year ended November 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued my report thereon dated May 28, 2025.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) to determine the procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, I identified certain deficiencies in internal control that I consider to be material weaknesses.

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. I consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit preformed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MATTHEW REGEN, CPA, PC



May 28, 2025