FISH HAVEN AREA RECREATIONAL SEWER DISTRICT

Financial Statements

For the Year Ended November 30, 2024

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FINANCIAL SECTION

MATTHEW REGEN, CPA, PC

Certified Public Accountant/Business Consultant

P.O. Box 6393 • Logan, Utah 84341
Office (435) 752-4864 • Fax (435) 752-0329
Cell (435) 770-5403 • matt@regencpa.com

INDEPENDENT AUDITOR'S REPORT

Fish Haven Area Recreational Sewer District
St. Charles, Idaho

Opinion

I have audited the accompanying financial statements of the Fish Haven Area Recreational Sewer 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 June 3, 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
June 3, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Fish Haven Area Recreational Sewer 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. We encourage readers to consider the information presented here in conjunction with the financial statements which follow this section

FINANCIAL HIGHLIGHTS

- The total net position of the District increased during fiscal year 2024 by $262,259 to a total of $4,259.665.

- The total net position of the District consist of $1,577,425 in capital assets, net of related debt, and $2,682,240 in unrestricted net position.

- The total long-term liabilities of the District decreased by $113,883 during the fiscal year 2024.

REPORTING THE DISTRICT AS A WHOLE

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements and notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

The 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 revenues and expenses, and changes in net position* 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 (e.g., uncollected taxes and earned but unused vacation leave). The business-type activities of the District include the General operations and the Lagoon operation. The General operation covers the waste process from the start of the operation until it reaches the Lagoons. The Lagoons are the final phase of the operation.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

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 also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are proprietary funds.

- **Proprietary funds** - The District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities, where the costs of providing goods or services to the general public is recovered primarily through user charges. As determined by generally accepted accounting principles, all enterprise funds meet the criteria of major fund classification.

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 $4,259,665.

By far, the largest portion of the District's net position (37 percent) reflect its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less depreciation and any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to users; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following schedules present summarized information from the Statement of Net Position and the Statement of Activities:

STATEMENT OF NET POSITION

		2024	2023	2022
Current and other assets	$	2,880,609	2,572,301	2,311,397
Capital assets		2,169,900	2,317,119	2,361,233
Total assets		5,050,509	4,889,420	4,672,630
Deferred outflows–Pensions		5,205	2,629	1,413
Current liabilities		299,068	183,613	199,727
Noncurrent liabilities		495,763	709,219	818,953
Total liabilities		794,831	892,832	1,018,680
Deferred inflows		20,592	1,218	1,625
Invested in capital assets, net of debt		1,577,425	1,610,761	1,544,781
Unrestricted		2,682,240	2,387,238	2,108,957
Total net position	$	4,259,665	3,997,999	3,653,738

CHANGES IN NET POSITION

		2024	2023	2022
Revenues:				
Program revenues:				
Charges for services	$	438,400	416,911	402,583
Other revenues		351,187	364,136	459,668
Total revenues		789,587	781,047	862,251
Expenses:				
Operating expenses		512,746	415,248	362,553
Interest on LTD		14,582	21,364	23,796
Total expenses		527,328	436,612	386,349
Change in net position		262,259	344,435	475,902
Transfer out		-	-	-
Net position – beginning, restated		3,997,999	3,653,564	3,177,836
Net position – ending	$	4,259,665	3,997,999	3,653,738

CAPITAL ASSETS

Capital assets - The District's investment in capital assets for its business-type activities as of November 30, 2024, amounts to $2,169,900 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, The increase in the District's investment in capital assets for the current fiscal year was $419 and depreciation expense was $147,638.

Additional information on the District's capital assets can be found in the footnotes to this financial report.

LONG-TERM DEBT

Long-term debt – At November 30, 2024, the District had total debt outstanding of $592,475 which comprised notes payable to the Department of Environmental Quality. Additional information on the outstanding debt obligations of the District can be found in the footnotes to this financial report.

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 Fish Haven Recreational Sewer District, PO Box 24, St. Charles, ID 83272.

BASIC FINANCIAL STATEMENTS

FISH HAVEN AREA RECREATIONAL SEWER DISTRICT
STATEMENT OF NET POSITION -
PROPRIETARY FUND
NOVEMBER 30, 2024

Assets		General Operations	Lagoon Operations	Total Business-Type Activities
Pooled cash and cash equivalents	$	1,885,279	945,744	2,831,023
Property tax receivable		32,168	-	32,168
Receivables, net		17,418	-	17,418
Fixed assets, net		327,228	1,842,672	2,169,900
Total assets		2,262,093	2,788,416	5,050,509
Deferred Outflows of Resources				
Deferred outflows - Pensions		5,205	-	5,205
Liabilities				
Accounts payable and accrued liabilities		177,246	4,518	181,764
Non-current liabilities:				
Due within one year		-	117,304	117,304
Due in more than one year		-	475,171	475,171
Net pension liability		20,592	-	20,592
Total liabilities		197,838	596,993	794,831
Deferred Inflows of Resources				
Deferred inflows - Pensions		-	-	-
Deferred inflows - Unavailable revenues-Property tax		1,218	-	1,218
Total deferred inflows of resources		1,218	-	1,218
Net Position				
Investments in capital assets, net of related debt		327,228	1,250,197	1,577,425
Unrestricted		1,741,014	941,226	2,682,240
Total net position	$	2,068,242	2,191,423	4,259,665

The accompanying notes are an integral part of these financial statements.

FISH HAVEN AREA RECREATIONAL SEWER DISTRICT
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION -
PROPRIETARY FUND
FOR THE YEAR ENDED NOVEMBER 30, 2024

	General Operations	Lagoon Operations	Total Business-Type Activities
Operating revenues:			
Services	$ 324,584	113,816	438,400
Total operating revenues	324,584	113,816	438,400
Operating expenses:			
Wages and benefits	54,665	-	54,665
Depreciation	75,455	72,183	147,638
Current expenses	294,078	16,365	310,443
Total operating expense	424,198	88,548	512,746
Operating income	(99,614)	25,268	(74,346)
Non-operating income (expense):			
Interest income	88,981	36,828	125,809
Property tax - sales tax	44,816	-	44,816
Hook on - other income	28,200	130,594	158,794
Other income	21,511	257	21,768
Interest expense	-	(14,582)	(14,582)
	-		
Total non-operating income (expense)	183,508	153,097	336,605
Change in net position	83,894	178,365	262,259
Transfer	-	-	-
Net position - beginning of year	1,984,348	2,013,058	3,997,406
Net position - end of year	$ 2,068,242	2,191,423	4,259,665

The accompanying notes are an integral part of these financial statements.

FISH HAVEN AREA RECREATIONAL SEWER DISTRICT
STATEMENT OF CASH FLOWS -
PROPRIETARY FUND
FOR THE YEAR ENDED NOVEMBER 30, 2024

		General Operations	Lagoon Operations	Total Business-Type Activities
Cash flows from operating activities:				
Receipts from customers and users	$	355,796	113,816	469,612
Payments to employees		(54,665)	-	(54,665)
Payments to suppliers		(273,920)	(15,172)	(289,092)
Net cash provided by operating activities		27,211	98,644	125,855
Cash flows from non-capital financing activities		51,755	130,851	51,755
Cash flows from capital and related financing activities:				
Purchase of capital assets		(419)	-	(419)
Impact fee income		-	-	-
Principal payments on bonds and long-term debt		-	(113,884)	(113,884)
Proceeds from sale of land		-	-	-
Interest payments on bonds		-	(14,582)	(14,582)
Net cash used in capital and related financing activities		(419)	(128,466)	(128,885)
Cash flows from investing activities:				
Interest on investments		88,388	36,828	125,216
Net cash provided by investing activities		88,388	36,828	125,216
Net decrease in cash and cash equivalents		166,935	137,857	304,792
Cash and cash equivalents at beginning of year		1,718,344	807,887	2,526,231
Cash and cash equivalents at end of year	$	1,885,279	945,744	2,831,023
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$	(99,614)	25,268	(74,346)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization		75,455	72,183	147,638
Change in assets and liabilities:				
Decrease in accounts receivable		31,212	-	31,212
Increase in accounts payable		20,158	1,193	21,351
Total adjustments		126,825	73,376	200,201
Net cash provided by operating activities	$	27,211	98,644	125,855

The accompanying notes are an integral part of these financial statements.

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The Fish Haven Area Recreational Sewer District (the District) is organized and operates under the laws of the State of Idaho. It was created by court order in accordance with Idaho Code Chapter 32 on May 19, 1981. The District operates under direction of its Board of Directors and provides sewer services as authorized under Idaho Code.

The financial statements of the District present the activities of the District. The District has no oversight responsibility for any other governmental entity. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The District has no component units.

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:

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The District reports its sewer operations as a proprietary fund. Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenue of proprietary funds relates to charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets are defined by the District as assets with an individual cost of more than $5,000 and 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:

Buildings and improvements	15 to 50 years
Water system and equipment	7 to 50 years
Machinery and equipment	3 to 20 years
Infrastructure	15 to 40 years

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.
- 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."

Note 1 – Summary of Significant Accounting Policies (continued)

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 Council formally designates the use of resources by ordinance or resolution for a specific purpose and cannot be used for any other purpose unless the District Council, likewise, formally changes the use.
d. Assigned fund balance – Fund balances are reported as assigned when the District Council 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.

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 District has provided otherwise in its commitment or assignment actions.

Note 1 – Summary of Significant Accounting Policies (continued)

Property Taxes

Property taxes attach as an enforceable lien when levied. The District received $43,000 from property tax levied to finance the District's operations during the fiscal year ending November 30, 2024.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles.

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. For the purposes of the Statement of Cash Flows, the enterprise funds consider all highly liquid investments (including restricted assets) with original maturities of three months or less to be cash equivalents.

Deferred Outflows/Inflows of Resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Note 1 – Summary of Significant Accounting Policies (continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) including additions to and deductions from Base Plan's fiduciary net position, have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Subsequent Events

The District has evaluated all subsequent events through June 3, 2025, the date the financial statements were available to be issued.

Note 2 – Deposits and Investments

The District follows the requirements for deposits and investments for local government as governed by Idaho Code.

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. For the fiscal year ended November 30, 2024 no portion of the District's bank balances was uninsured or uncollateralized.

Note 2 – Deposits and Investments (continued)

Investments

State law defines the types of securities authorized as appropriate investments for the District and the conditions for making investment transactions. Investment transactions may only be conducted through qualified depositories, certified dealers or directly with the issuers of the investment securities.

Statutes authorize the District to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Service or Standards & Poor's; bankers' acceptances; obligations of the United States Treasury including bills, notes and bonds; bonds, notes and other evidence of indebtedness of political subdivisions of the state; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in money market mutual fund.

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 has no policy for managing its exposure to fair value loss arising from increasing interest rates.

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.

Note 2 – Deposits and Investments (continued)

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. The District has no policy for reducing this risk of loss.

Note 3 – Legal Compliance – Budgets

The District follows these procedures in establishing the budgetary data reflected in the financial statements. Prior to September 30, the District holds hearings on a proposed operating budget for the fiscal year commencing the following December 1. The operating budget includes proposed expenditures and the means of financing them.

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
Business-type Activities:					
DEQ loan 1899-17	395,893	-	(83,767)	312,126	86,366
DEQ loan WW1007	310,465	-	(30,116)	280,349	30,938
Total business-type long-term liabilities	$ 706,358	-	(113,883)	592,475	117,304

Business-type Activities

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

Bonds and loans payable

$1,362,020 Idaho DEQ sewer lagoon loan, issued November 30, 2007, adjusted to $1,400,000 in May 2008, payable in bi-annual installments of $47,885, including interest of 3.25%, through November 2028.	312,126
$600,000 Idaho DEQ treated water lagoon loan, issued February 26, 2022, payable in bi-annual installments of $17,844, including interest of 1.75%, through July 2033.	280,349
Total	$ 592,475

Note 4 – Long-term Debt (continued)

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

Year Ending November 30,		Principal	Interest	Totals
2025		117,304	14,154	131,458
2026		120,677	10,780	131,457
2027		124,153	7,305	131,458
2028		77,213	3,799	81,012
Thereafter		153,128	5,625	158,753
Totals	$	592,475	41,663	634,138

Note 5 – Capital Assets

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

		December 1, 2023	Additions	Deletions	November 30, 2024
Business-type Activities:					
Capital assets not being depreciated:					
Land and water rights	$	44,229	-	-	44,229
Total capital assets not being depreciated		44,229	-	-	44,229
Capital assets being depreciated:					
Sewer system		2,469,980	419	-	2,470,399
Lagoon system		2,834,683	-	-	2,834,683
Total capital assets being depreciated		5,304,663	419	-	5,305,082
Accumulated depreciation for:					
Sewer system		(2,111,945)	(75,455)	-	(2,187,400)
Lagoon system		(919,828)	(72,183)	-	(992,011)
Total accumulated depreciation		(3,031,773)	(147,638)	-	(3,179,411)
Total capital assets being depreciated, net		2,272,890	(147,219)	-	2,125,671
Total business-type activities capital assets, net	$	2,317,119	(147,219)	-	2,169,900

Note 6 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The District participates in the Idaho Counties Risk Management Program (the Program), a public entity risk pool to manage its risk of loss. The District pays an annual premium to the trust for its general insurance coverage. The Program was created to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of one million dollars for each insured event. There have been no claim settlements that exceeded the District's insurance coverage for the past three years.

Note 7 - Retirement Plans

Plan Description

The District contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the-Governor-and confirmed by the-Idaho Senate: State law requires-that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Note 7 - Retirement Plans (continued)

Pension Benefits

The Base Plan provides retirement, disability, death, and survivor benefits of eligible members or beneficiaries. Benefits are based on member's years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service {5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2024 it was 6.71% for general employees and 9.83% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters. The District's contributions were $4,751 for the year ended November 30, 2024.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At Novebmer 30, 2024, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the District's proportion was .0000055048%.

Note 7 - Retirement Plans (continued)

For the year ended November 30, 2024, the District recognized pension expense (revenue) of $5,205. At November 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 3,278	$ -
Change in assumptions or other inputs	$ 816	$ -
Net difference between projected and actual earnings on pension plan investments	$ (374)	$ -
Changes in employer's proportion and differences between employer's contributions and the employer's proportionate contributions.		
Contributions subsequent to the measurement date	$ 1,485	$ -
Total	$ 5,205	$ -

$1,485 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending November 30, 2024.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2024 the beginning of the measurement period ended June 30, 2023 is 4.6 and 4.6 years for the measurement period June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

2025	1,016
2026	3,839
2027	(662)
2028	(473)

Note 7 - Retirement Plans (continued)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.05
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living adjustments	1%

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries-Males Pub-2010 General Tables, increased 11%.
General Employees and All Beneficiaries-Female Pub-2010 General Tables, increased 21%.
Teachers-Males Pub-2010 Teacher Tables, increased 12%.
Teachers-Female Pub-2010 Teacher Tables, increased 21%. Fire and Police-Males Pub-2010 Safety Tables, increased 21%.
Fire and Police-Females Pub-2010 Safety Tables, increased 26%.
Disabled Members-Males Pub-2010 Disabled Tables, increased 38%.
Disabled Members-Female Pub-2010 Disabled Tables, increased 36%.

An experience study was performed for the period of July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2024 is based on the results of an actuarial valuation dated July 1, 2024.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 7 - Retirement Plans (continued)

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2024.

Asset Class	DB Plans	Sick Leave
Fixed Income	30.00%	50.00%
US/Globa l Equity	55.00%	39.30%
International Equity	15.00%	10.70%
Cash	0.00%	0.00%
Total	100.00%	100.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Note 7 - Retirement Plans (continued)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the Employer's-proportionate share of the net pension liability calculated using the discount rate of 6.35%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.35%) or 1 percentage point higher (7.35%) than the current rate:

	1% Decrease (5.35%)	Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	39,130	20,592	5,450

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the Pension Plan

At November 30, 2024, the Commission reported payables to the defined pension plan of $0 for legally required employer contributions and $0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

REQUIRED SUPPLEMENTARY INFORMATION

FISH HAVEN AREA RECREATIONAL SEWER DISTRICT
SCHEDULE OF REQUIRED
SUPPLEMENTARY INFORMATION
NOVEMBER 30, 2024

Schedule of Proportionate Share of the Net Pension Liability
Last 10 Fiscal years

As of fiscal year ended June 30,	Portion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered-employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2015	0.000014592	19,215	34,863	55.12%	91.38%
2016	0.000011674	23,665	34,371	68.85%	87.26%
2017	0.000011155	17,534	41,927	41.82%	90.68%
2018	0.000010950	16,151	34,767	46.45%	91.69%
2019	0.000097390	11,117	39,880	27.88%	93.79%
2020	0.000007244	16,822	34,359	48.96%	88.22%
2021	0.000002940	(23)	28,398	-0.08%	100.36%
2022	0.000000635	2,501	23,957	10.44%	83.09%
2023	0.000000717	2,861	40,473	96.52%	83.83%
2024	0.000005505	20,592	55,193	37.31%	85.54%

Note:
This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.
Data reported is measured as of June 30, 2024

FISH HAVEN AREA RECREATIONAL SEWER DISTRICT
SCHEDULE OF REQUIRED
SUPPLEMENTARY INFORMATION
NOVEMBER 30, 2024

Schedule of Contributors
Last 10 Fiscal years

	As of fiscal year ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered payroll	Contribution as a percentage of covered employee payroll
Noncontributory System	2015	4,773	4,688	85	34,863	13.45%
	2016	3,470	3,918	(448)	34,371	11.40%
	2017	3,762	3,975	(214)	41,927	9.48%
	2018	4,252	4,042	210	34,797	11.63%
	2019	3,727	3,799	(72)	39,880	9.53%
	2020	2,842	3,120	(277)	34,359	9.08%
	2021	116	133	(17)	28,398	0.47%
	2022	294	303	(8)	23,957	1.26%
	2023	313	368	(55)	40,473	0.91%
	2024	427	437	(10)	55,193	0.79%

Note:
This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative practices.

Data reported is measured as of November 30, 2024

Changes in Assumptions

No changes were made in actuarial assumptions from the prior year's valuation

GOVERNMENTAL AUDIT REPORT

MATTHEW REGEN, CPA, PC

Certified Public Accountant/Business Consultant

P.O. Box 6393 • Logan, Utah 84341
Office (435) 752-4864 • Fax (435) 752-0329
Cell (435) 770-5403 • matt@regencpa.com

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*

Fish Haven Area Recreational Sewer District
St. Charles 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 Fish Haven Area Recreational Sewer 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 Fish Haven Recreational Sewer District's basic financial statements and have issued my report thereon dated June 3, 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 audit 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 District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 on compliance. This report is an integral part of an audit performed 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



June 3, 2025