



**FECHTER
& COMPANY**
Certified Public Accountants

**Presentation of the
June 30, 2025
Annual Financial
Report**





S C O R
CLEAN
PROGRESS
SUSTAINABLE
COMMUNITY

By
Scott A German, CPA
President, Fechter & Company
Certified Public Accountants

Presented January 27, 2025

**Thank-you for allowing us this
opportunity to meet with you**





Required Communications

We are required by our professional standards to communicate our mutual responsibilities, our scope and timing and our observations arising from the audit.

First, what is an audit?

A Financial Statement audit is defined as an independent examination of the organization's financial statements and disclosures by independent auditors with the goal of providing a materially true and fair view of the organization's financial performance.





Required Communications

An audit only provides reasonable assurance

NOT



absolute assurance on the accuracy of the financial statements



Required Communications

The Board and Management are equally responsible for:



- Fair and accurate financial reporting and
- Establishing the systems and policies necessary to achieve that goal.



Required Communications

The Board's responsibilities include:



- Approval of appropriate accounting policies
- Financial Statement presentation and accuracy
- Active monitoring of the system of internal controls



Required Communications

The Board's responsibilities include alerting the auditors to issues they believe may not be properly disclosed, such as:



- Legal matters
- Environmental matters
- Operational matters



Required Communications

Accounting policies are determined by management, defining how the financial statement numbers are calculated and presented.



- Accounting Policies Summarized in Note 2
 - Summarizes financial statement presentation of certain balances
 - Outlines policies used for estimates and selection of accounting treatment options



Required Communications



Our Responsibilities

We are responsible for *forming and expressing an opinion* about whether the financial statements, *prepared by management*, with the oversight of those charged with governance, are prepared, in all *material respects*, in accordance with the applicable financial reporting framework.



Required Communications

Engaging us as your auditors and the performance of the audit of the financial statements *does not* relieve Management or the Board of their responsibilities.





Required Communications

Difficulties Encountered

- None

Disagreements with Management



- None



Required Communications

Corrected Misstatements:



- None.
- CLA recorded several entries after we started



Required Communications

Consultations with Other Accountants

- CLA who does your internal accounting





Required Communications

Other Findings or Issues

- Journal Entry review process

Other Matters

- None





Annual Financial Report Overview

Independent Auditor's Report

Unmodified AKA "Clean" opinion on Financial Statements & Notes

Audited following Government Auditing Standards AKA Yellow Book



Includes Single Audit for the Community Development Block Grant



Annual Financial Report Overview

Statement of Net Position



- Net Position may provide an indication of stability over time.
- Net position includes all long-term assets and liabilities.



Annual Financial Report Overview

Statement of Revenues, Expenses and Changes in Net Position



- Equivalent to Income Statement
- Presents operating expenses programmatically



Annual Financial Report Overview

Statement of Cash Flows

- Explains how cash was received and used
- Acts as a bridge between the Statement of Net Position and Statement of Activities



Statement of Net Position Highlights

Cash and Investments	2025	2024	2023
Cash and equivalents	\$ 10,610,874	\$ 7,391,649	\$11,688,407
Restricted cash and equivalents	10,139,976	11,730,695	4,813,019
Total	\$ 20,750,850	19,122,344	16,501,426
Change from prior year	1,628,506	2,620,918	N/A
% of total assets	42%	48%	45%



Statement of Net Position Highlights

Capital Assets	2025	2024	2023
Net depreciating capital assets	\$17,795,735	\$ 6,380,934	\$ 6,713,664
Construction in progress	5,212,267	12,130,044	11,092,986
Land and property rights	411,361	411,361	411,361



Statement of Net Position Highlights

Receivables	2025	2024	2023
Member receivables	\$ 1,453,572	\$ 1,424,487	\$ 1,266,002
Grant receivable	3,315,100	377,634	600,124
Interest receivable	85,484	212,426	128,846



Statement of Net Position Highlights

Liabilities	2025	2024	2023
Accounts payable	\$ 3,580,027	\$ 503,207	\$237,317
Accrued payroll	60,474	50,965	41,584
Comp. absences	151,288	125,105	106,982
Net pension liability	1,628,429	1,596,963	1,617,705



Revenues and Expenses Highlights Operating Income

	2025	2024	2023
Operating revenues	\$ 5,727,061	\$ 5,545,588	\$ 4,565,856
Operating expenses	4,261,090	3,601,565	2,952,575
Operating Income	\$1,465,971	\$1,944,023	\$1,613,281



Revenues and Expenses Highlights

Non-operating Income	2025	2024	2023
Grant revenue	\$ 3,315,100	\$ -	\$ 289,153
Interest	896,721	730,521	391,760
Regional facilities charges	159,312	209,163	989,062
Other	294,551	196,428	105,256
Total	\$4,665,684	\$1,136,112	\$1,775,231



Revenues and Expenses Highlights

Expenses by department	2025	2024	2023
Administration	1,082,282	676,078	669,322
Sewage treatment	2,939,904	2,720,621	2,099,523
Sewage collection	238,904	204,866	183,730
Total all operating expense	\$4,261,090	\$ 3,601,565	\$2,952,575

Revenues and Expenses Highlights

	2025	2024	2023
Increase in net position	\$6,131,658	\$ 3,080,135	\$ 3,388,512

Annual Financial Report Overview

Notes To Financial Statements

- Summary of Accounting Policies approved by the Board
- Further explanation and details of balances and policies

New Accounting Standards


Statement No. 103:

- Financial Reporting Model Improvements, effective for fiscal years beginning after June 15, 2025

Statement No. 104:


- Disclosure of Certain Capital Assets, effective for fiscal years beginning after June 15, 2025

These statements aim to enhance transparency and improve the quality of financial reporting for governmental entities.



Single Audit Reports

- Report on Internal Control over federal programs
 - Improve review of journal entries
 - CLA will assist with corrective action
 - No material weaknesses
 - No reportable audit findings
- Report on Compliance
 - No findings





Thank you
It was a pleasure
working with your
staff



Presented January 27, 2026
