

Presentation to

# Town of Fairview

Finance Committee | March 19, 2026

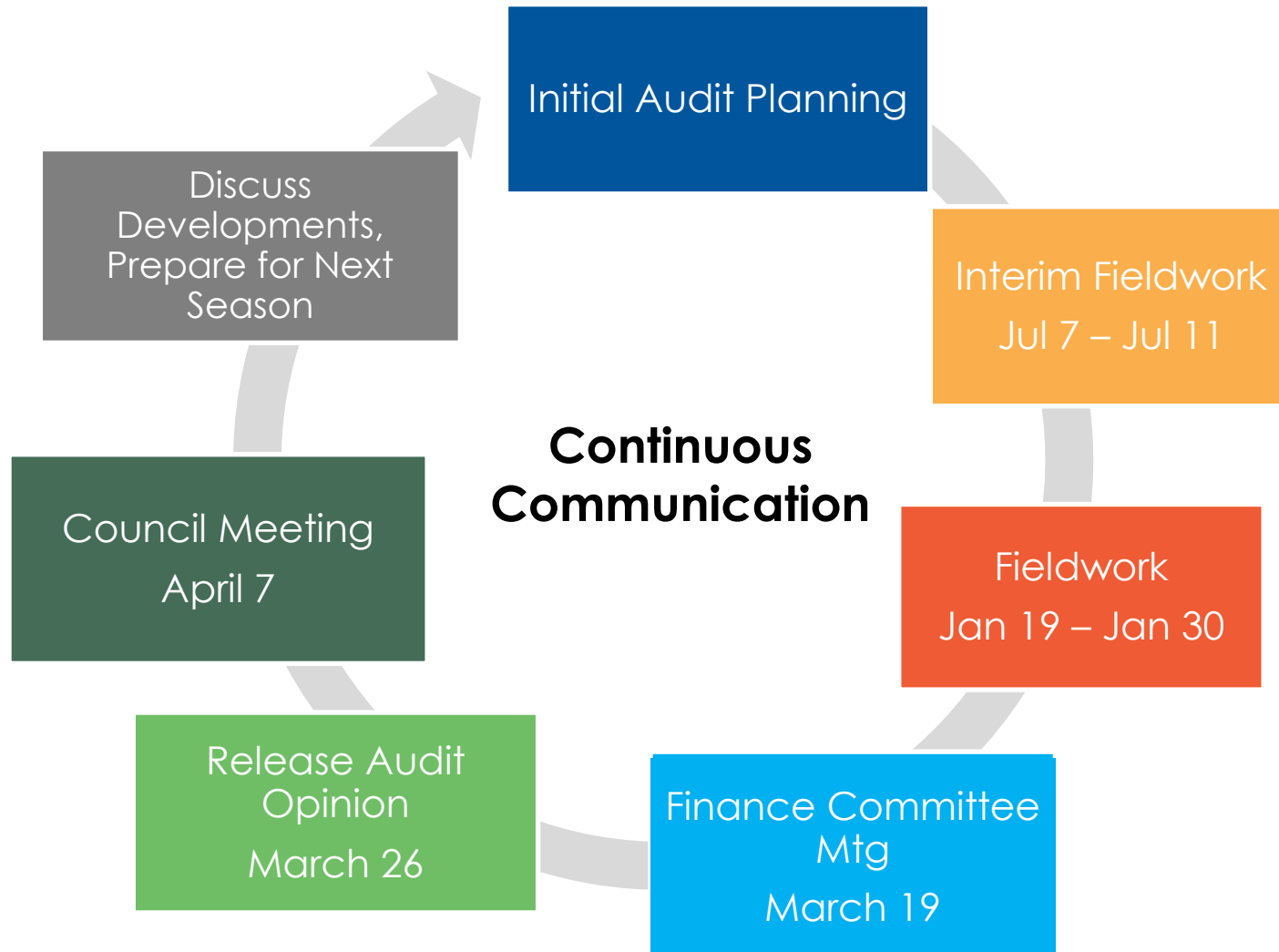
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# Audit Results

- ▶ We will issue the Independent Auditor's Report on the financial statements
  - » **Unmodified Opinion**
- ▶ We will issue the 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
  - » **No material weaknesses noted**
- ▶ We will issue the Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control Over Compliance in Accordance with Uniform Guidance
  - » **Unmodified Opinion**
  - » **No findings noted**

# The Audit Cycle



# Audit Process



**Audit Standards** — Performed the audit in accordance with Generally Accepted Auditing Standards (GAAS) and Generally Accepted Government Auditing Standards (GAGAS)



**Single Audit** — Performed the single audit of federal awards in accordance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)



**Compliance** — Performed tests of the Town's compliance with certain provisions of laws, regulations, contracts and grant agreements, including items such as compliance with the Public Funds Investment Act.

# Audit Process

- ▶ The audit process was a **risk-based approach** in which we identified potential areas of risk that could lead to material misstatement of the financial statements. We tailored our audit programs and resources to specifically address areas of risk, such as :
  - » Revenue recognition and related receivables
  - » Expenditures of Federal Awards and compliance with related grant requirements
- ▶ Walkthroughs of **internal controls** over significant transaction cycles:
  - » Cash disbursements – including credit cards
  - » Payroll
  - » Cash receipts – including grants, utilities
  - » Financial close/reporting



# Audit Process

- ▶ **Tested internal controls** over financial reporting
  - » Cash Disbursements
  - » Payroll
  
- ▶ **Substantive testing of account balances** using a combination of vouching of material transactions, sampling, and analytical procedures.
  
- ▶ **Preparation of the financial statements.** Management accepts responsibility for the financial statements, exercises appropriate oversight over the financial reporting process.





# Audit Communications

for the year ended September 30, 2025



Weaver**Views**

# Required Communications

| Communication                                                               | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Auditor's responsibility under generally accepted auditing standards (GAAS) | <p>The financial statements are the responsibility of the Town. Our audit was designed to provide for reasonable rather than absolute assurance that the financial statements are free of material misstatement. Our responsibility is to express an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>The audit of the fiscal year 2025 financial statements has been substantially completed and we will issue an <b>unmodified opinion</b>.</p> |

# Required Communications

| Communication                                                | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Auditor's responsibility under Government Auditing Standards | <p>In addition to the GAAS responsibilities, we are required to issue a written report on our consideration of internal controls and identify significant deficiencies, including material weaknesses, if any. Our report does not provide assurance on internal controls. We design our audit to provide reasonable assurance of detecting material misstatements resulting from noncompliance with provisions of contracts or grant agreements that have a direct or material effect on the financial statements. We issued a written report on the results of these procedures; however, our report does not express an opinion on compliance.</p> <p><b>No findings noted.</b></p> |

# Required Communications

| Communication                                 | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Auditor Responsibility under Uniform Guidance | <p>Our testing includes the major federal programs. We report on such testing, and disclose significant deficiencies in internal control over compliance, including material weaknesses we identify, if any. Our report does not provide assurance on internal control over compliance. We perform procedures for the purpose of expressing an opinion on whether major federal financial assistance programs have been administered in compliance with applicable laws and regulations.</p> <p>The audit of the fiscal year 2025 major federal financial assistance programs has been substantially completed and we will issue an <b>unmodified opinion</b>.</p> |

# Required Communications

## Communication

Unusual transactions and the adoption of new accounting principles

## Results

The significant accounting policies used by the Town are described in Note 1 to the financial statements.

Pronouncements implemented in 2025 included GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 101 was effectively implemented in 2025.

We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus.

# Required Communications

| Communication                                                                    | Results                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Difficulties encountered                                                         | No difficulties or disagreements arose during the course of our audit.                                                                                                                                                                                                                              |
| Management representations                                                       | We will request certain representations from management that will be included in the management representation letter.                                                                                                                                                                              |
| Auditor independence                                                             | No independence issues noted.                                                                                                                                                                                                                                                                       |
| Other information contained in documents containing audited financial statements | We performed limited procedures on the Management's Discussion and Analysis (MD&A) and Required Supplementary Information (RSI). We did not provide any assurance on this information.                                                                                                              |
| Management judgments and accounting estimates                                    | <p>Management's estimates evaluated:</p> <ul style="list-style-type: none"><li>- Pension and OPEB liabilities</li><li>- Allowance for uncollectible receivables</li></ul> <p>These estimates were evaluated and determined to be reasonable in relation to the financial statements as a whole.</p> |

# Required Communications

| Communication                                                                          | Results                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit adjustments and Passed adjustments                                               | <p>Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.</p> <p>All audit adjustments were identified and communicated to management, and were corrected in FY25.</p> <p>The Town had one Passed Adjusting Journal Entry (PAJE) in FY25 (see next slide) for the adjustment of FY24 Unbilled A/R.</p> |
| Other material written communications between Weaver and Tidwell, L.L.P., and the Town | Nothing to note                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

The following uncorrected misstatement was identified during the performance of our audit procedures:

| Account                                                                                                                       | Description                 | Debit                    | Credit                   |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------|--------------------------|
| <b>Proposed JE # 3001</b>                                                                                                     |                             |                          |                          |
| PAJE to record the effect of correcting UB FY24 Revenue and FY25 Revenue related to the FY24 Unbilled Receivable calculation. |                             |                          |                          |
| 20-000-3910                                                                                                                   | FUND BALANCE - UNRESERVED   |                          | 443,899.00               |
| 20-000-4505                                                                                                                   | WATER SALES                 | 276,895.00               |                          |
| 20-000-4571                                                                                                                   | UTILITY REVENUE - SEWER SVC | 167,004.00               |                          |
| 25-000-3910                                                                                                                   | FUND BALANCE - UNRESERVED   |                          | 38,803.00                |
| 25-000-4206                                                                                                                   | RECYCLING FEES              | 10,968.00                |                          |
| 25-000-4208                                                                                                                   | SOLID WASTE COLLECTIONS     | 27,835.00                |                          |
| 50-000-3910                                                                                                                   | FUND BALANCE-UNRESERVED     |                          | 17,446.00                |
| 50-000-4560                                                                                                                   | STORMWATER CHARGES          | 17,446.00                |                          |
| <b>Total</b>                                                                                                                  |                             | <b><u>500,148.00</u></b> | <b><u>500,148.00</u></b> |

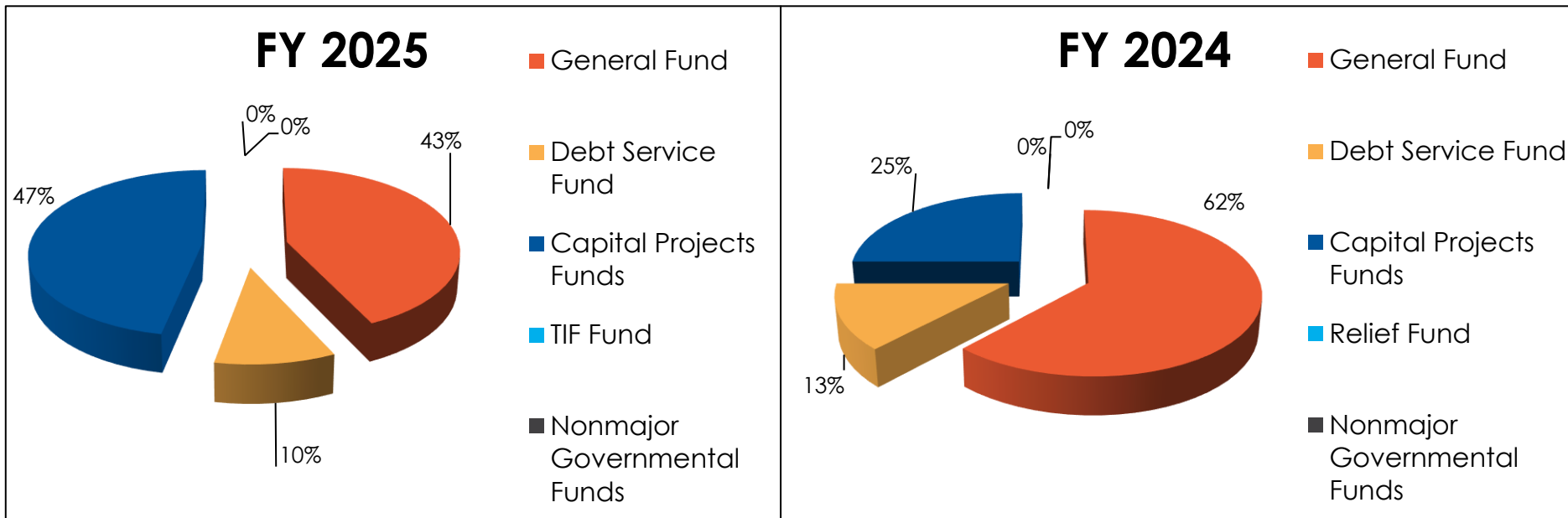


# Financial Highlights

Weaver**Views**

# Financial Highlights

## Comparison of Governmental Funds Expenditures by Fund (in millions of dollars)

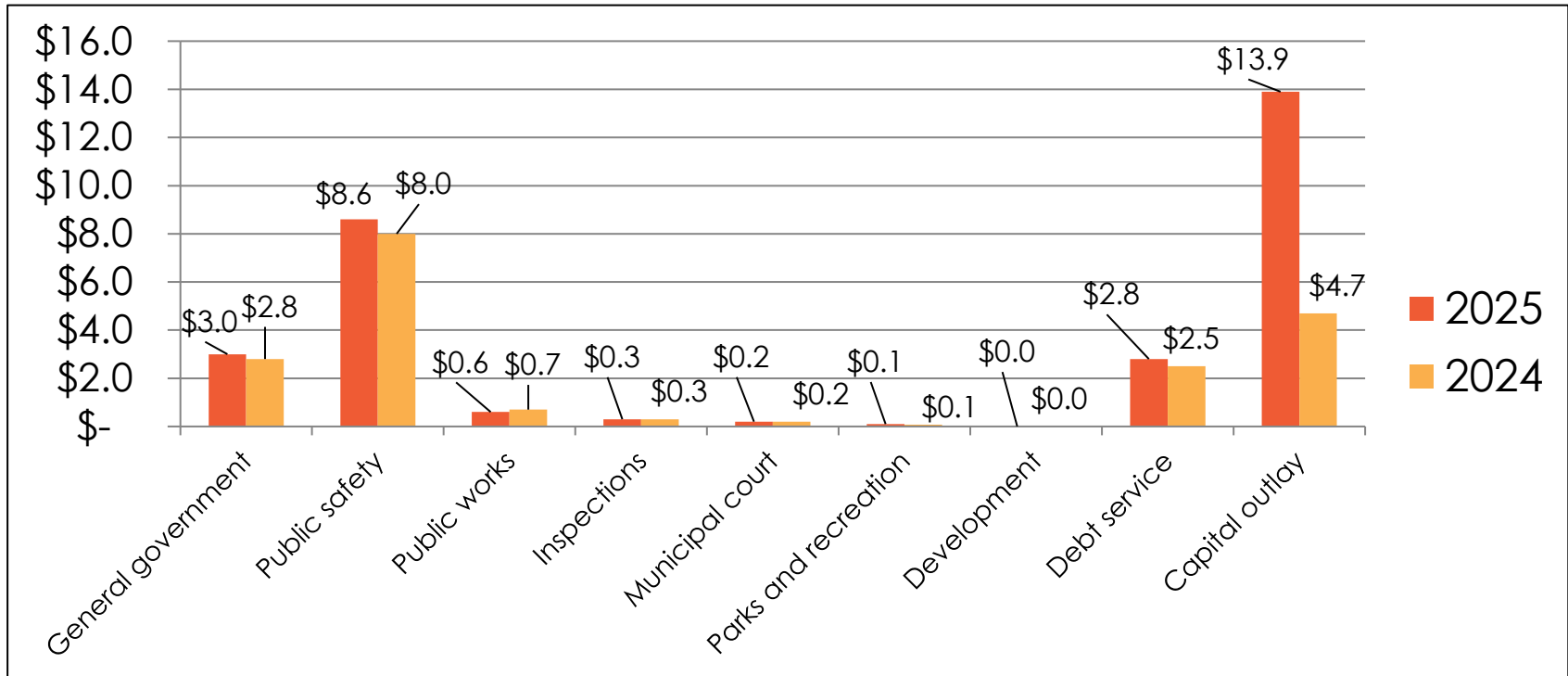


### **Governmental Funds Expenditures for FY 2025 totaled \$29.5 million, a \$10.2 million or 53% increase**

- Capital Outlay increased \$9.2M due to ongoing capital projects.
- Public Safety increased \$501 thousand due to increase in personnel expenses as well as increased operational expenses related to equipment and fees.
- Debt Service increased \$290 thousand due to debt payments in FY25, as well as issuance costs from the Series 2024 Tax Notes.

# Financial Highlights

## Comparison of Governmental Funds Expenditures



(2-year comparison – current year and prior year – in millions)

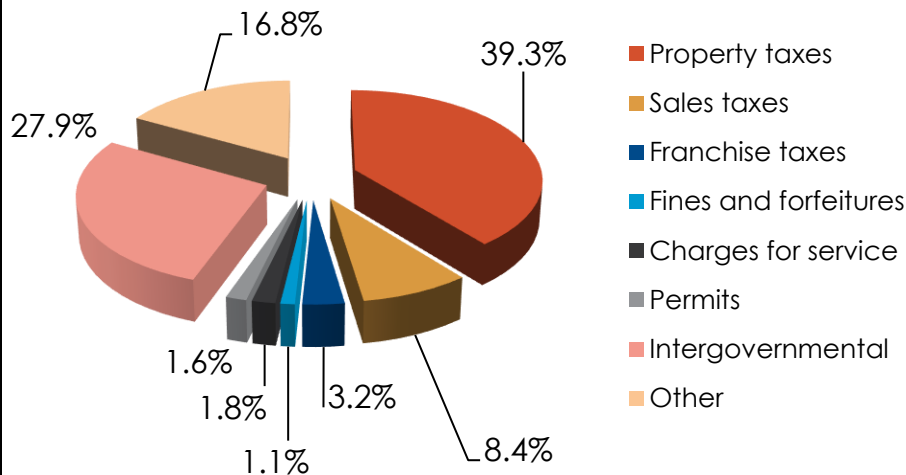
# Financial Highlights

## Comparison of Governmental Revenues by Source

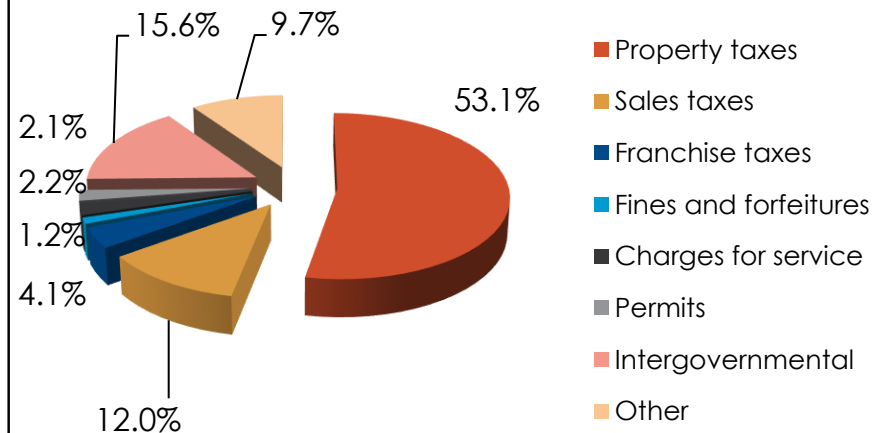
Governmental Revenues for FY 2025 totaled \$26.5 million, a \$8.7 million or 49% increase. Increase is primarily attributable to:

- Increase in Property Tax revenue (\$953 thousand)
- Increase in Intergovernmental revenue (\$4.6 million) – Collin County, EDA, ARPA
- Increase in Other revenue (\$2.7 million) – Contribution from developer

### FY 2025 Revenues

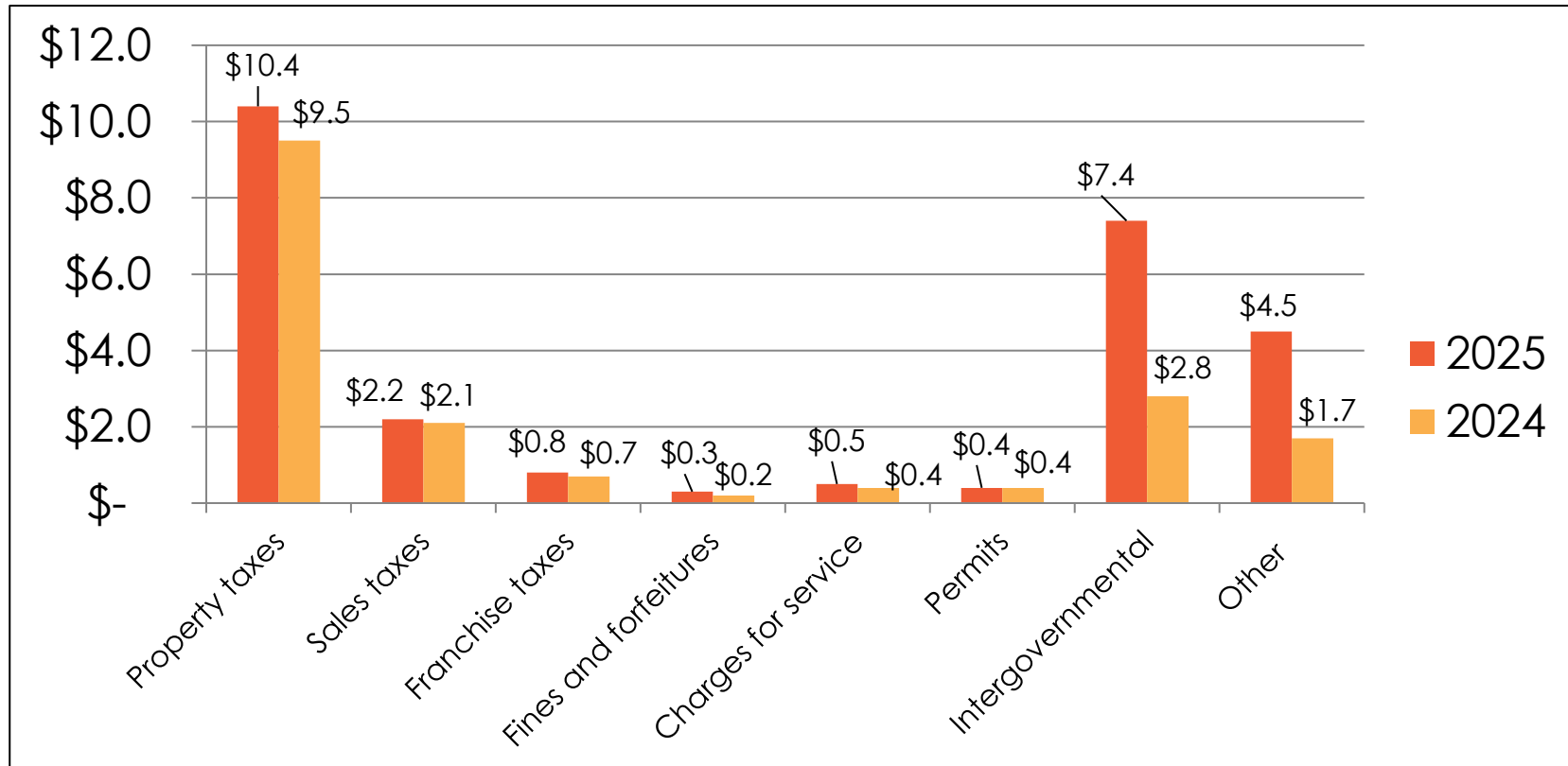


### FY 2024 Revenues



# Financial Highlights

## Comparison of Governmental Revenues by Source



(2-year comparison – current year and prior year – in millions)

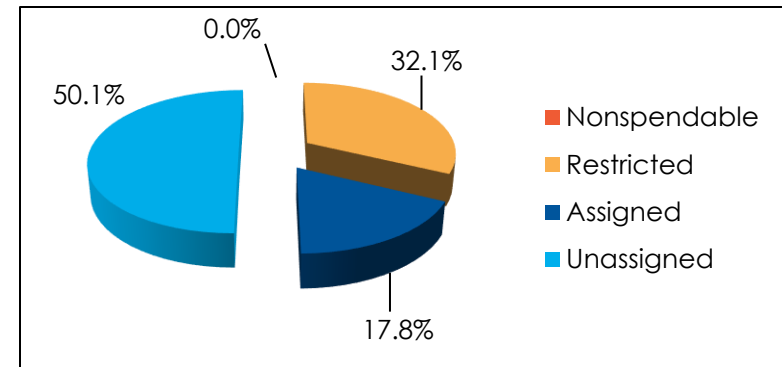
# Financial Highlights

## Fund Balances

### Governmental Funds' Fund Balances

As of September 30, 2025, the Town's governmental funds reported a combined ending fund balance of \$12.6 million as follows:

|                    |                |
|--------------------|----------------|
| • General Fund     | \$6,543,282    |
| • Debt Service     | 488,653        |
| • Capital Projects | 2,037,960      |
| • TIRZ Fund        | 2,638,009      |
| • Other Funds      | <u>921,659</u> |
|                    | \$12,629,563   |



Overall, fund balance of the Governmental Funds increased by \$89 thousand.

- Capital Projects fund balance decreased \$1.1 million, due to \$10.1M in intergovernmental revenue recognized (EDA, ARPA, Collin County, and Developer contribution), \$2.5M proceeds from sale of land/ROW, and \$14M of capital outlay.
- TIRZ fund increased \$758 thousand, mostly due to \$833 thousand property tax revenue combined with a \$75 thousand transfer out for debt service.
- Note: TIRZ became a major fund in FY25.

# Financial Highlights

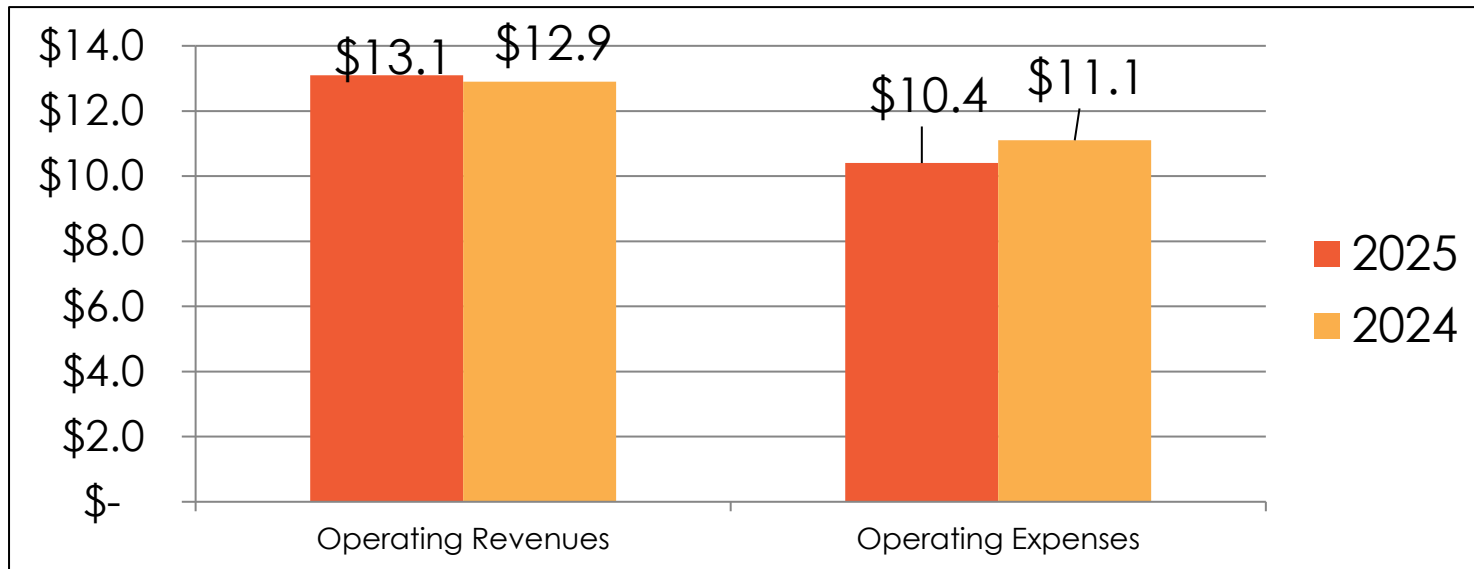
## Budgetary Highlights – General Fund

The Town had a favorable budget variance of \$291K (net change in fund balance):

- Actual revenues were \$344K more than budgeted.
- Actual expenditures were \$52K above budget.

# Financial Highlights

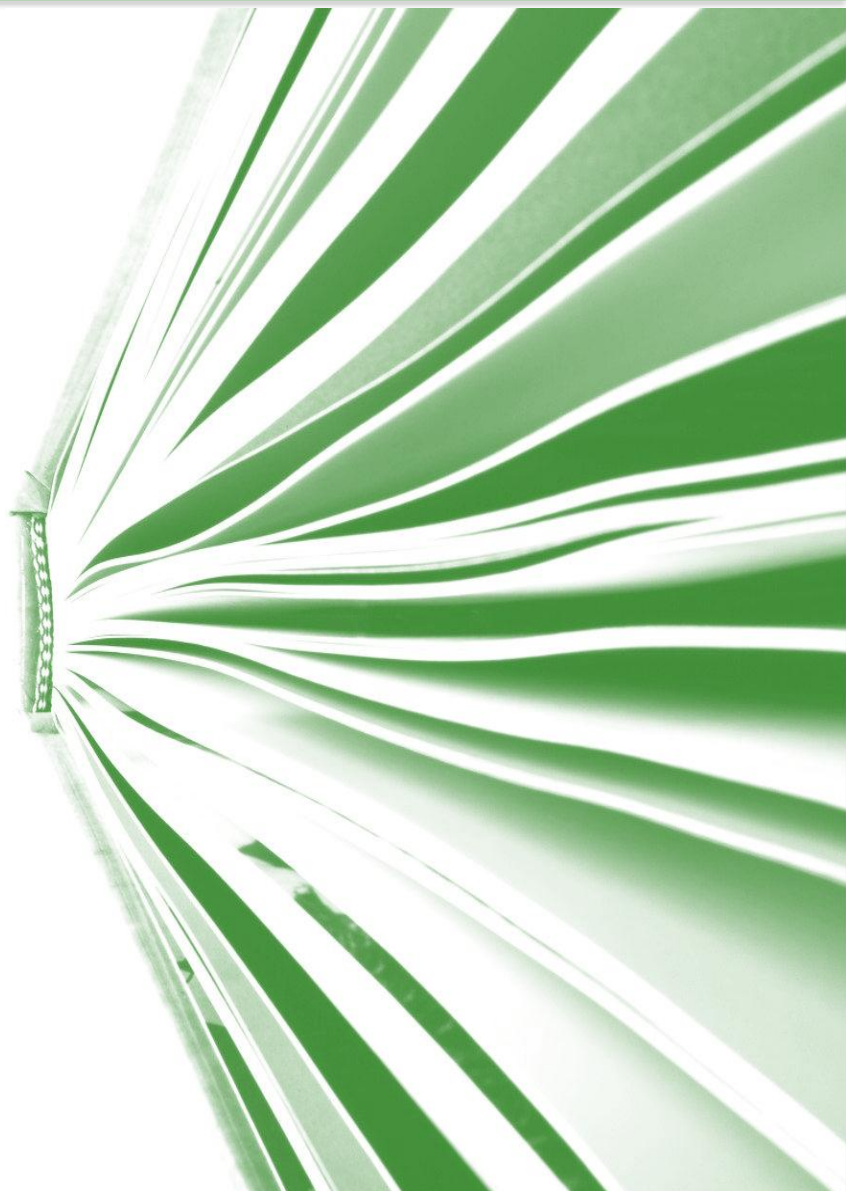
## Comparison of Enterprise Funds Operating Revenues and Expenses – FY 2025 and the prior year (in millions)



Enterprise funds' net position increased by \$1.9 million during FY25.

- Operating revenues increased \$0.2 million primarily due to increased water sales and sewer charges, as well as trash & recycling fees.
- Operating expenses decreased \$0.7M mostly due to the net effect of: In FY24, the completion of a drainage repair project were one-time costs, and in FY25, Stormwater fund expenses normalized. In addition, there were increases in costs of water, repair and maintenance expenses, and increased personnel costs led to decreased overall operating expenses.

We appreciate the  
opportunity to work with  
**Town of Fairview**  
and look forward to our  
continued relationship.



# DISCUSSION

Contact Us



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