

Report on Compliance and Other Matters

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

District's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the RAE Subdivision County Water and Sewer District No. 313's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of the 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.



Bozeman, Montana
October 31, 2023

RAE SUBDIVISION COUNTY WATER AND SEWER DISTRICT NO. 313
SCHEDULE OF CURRENT YEAR FINDINGS
June 30, 2023

The results of our tests disclosed no instances of noncompliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters and one material weakness required to be reported under *Government Auditing Standards* as of June 30, 2023.

2023-1 Placed in Service Date of Donated Infrastructure

Criteria:	The District's policy is to place donated infrastructure assets into service when the donated infrastructure begins its useful life as part of the District's system.
Condition:	Donated infrastructure has been recorded based on the warranty expiration dates included in the service agreements, rather than recorded when the infrastructure becomes part of the District's system.
Effect:	The District's infrastructure assets have been materially understated for donated assets that should have been placed in service when they became part of the system.
Cause:	The District was not reporting the donated infrastructure assets on the dates when the assets became part of the system.
Recommendation:	The District should record donated infrastructure as placed in service when it becomes part of the system.
Response:	The District will request, from the affiliated engineering firm, infrastructure costs upon completion of infrastructure for a new subdivision. The District will place donated infrastructure assets into service based upon the date the first home or property in the subdivision has the water and sewer service connected and placed into service.

RAE SUBDIVISION COUNTY WATER AND SEWER DISTRICT NO. 313
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2023

The results of our prior audit disclosed no instances of noncompliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters and no material weaknesses required to be reported under *Government Auditing Standards* as of June 30, 2021 (the previous auditors' report and report on internal control and compliance covered the fiscal years ended June 30, 2021 and 2020).