

CARBON WATER CONSERVANCY DISTRICT

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES

DECEMBER 31, 2023

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**



CERTIFIED PUBLIC
ACCOUNTANTS

Gary K. Keddington, CPA
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May 21, 2024

Board of Trustees and Management
Carbon Water Conservancy District
49 North 5th East
Price, Utah 84051

In accordance with Utah Code 51-2a-201, we have performed the procedures enumerated below, which were agreed to by the Board of Trustees of Carbon Water Conservancy District and the Office of the Utah State Auditor, related to Carbon Water Conservancy District's Financial Survey, accounting records, and compliance with applicable state laws, rules, and requirements for the period January 1, 2023, to December 31, 2023.

Carbon Water Conservancy District's management is responsible for its Financial Survey, accounting records, and compliance with applicable state laws, rules, and requirements. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted in accordance with the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

The procedures that we performed and our findings are summarized as follows:

PROCEDURES	RESULT
FINANCIAL SURVEY	
GENERAL	
1. We obtained a copy of the entity's Financial Survey which was completed by the entity.	We noted no exceptions as a result of these procedures
2. We agreed amounts reported on the Financial Survey to the entity's general ledger.	We noted no exceptions as a result of these procedures
REVENUES	
3. We compared each revenue account on the Financial Survey to the corresponding prior period amounts. For changes greater than 5% of total revenues and 10% of the individual line item from the prior year, we inquired of management and reviewed applicable supporting documentation and determined whether the entity's explanation for the change was in accordance with the entity's policies and procedures, GAAP, and State and/or Federal policies as applicable.	We noted no exceptions as a result of these procedures

PROCEDURES	RESULT
DISBURSEMENTS 4. We compared each expense account on the Financial Survey to the corresponding prior period amounts. For changes greater than 5% of total expenses and 10% of the individual line item from the prior year, we inquired of management and reviewed applicable supporting documentation to determine whether the entity's explanation for the change was in accordance with the entity's policies and procedures, GAAP, and State and/or federal policies as applicable.	We noted no exceptions as a result of these procedures
ACCOUNTING RECORDS	
GENERAL 5. We inquired with those charged with governance, the chief administrative officer, and the chief financial officer (as designated in UCA 11-50-202) of any instances of fraud, illegal acts, or noncompliance.	We noted no exceptions as a result of these procedures
DISBURSEMENTS 6. We determined whether financial reports were prepared monthly or quarterly as required, and reviewed by the governing body. We selected one financial report and (1) scanned the general ledger and determined that all funds were included in the report, and (2) agreed the lesser of 10% or 15 line items from the report to the general ledger.	We noted no exceptions as a result of these procedures
7. We inquired with the chief administrative officer and the chief financial officer whether there were disbursements to related parties. We also scanned disbursement records for disbursements to related parties and determined who has credit cards or purchasing cards issued by the entity. We selected the lesser of 25 disbursements or 10% of disbursements ensuring that the selection includes disbursements to related parties as well as credit card or purchase card disbursements made by members of the governing body and executive level of management. For each transaction selected, we determined the whether the disbursement: a. Was consistent with the entity's purpose.	We noted no exceptions as a result of these procedures
b. Agreed to the receipt or invoice supporting the amount and payee.	We noted no exceptions as a result of these procedures
c. Was authorized consistent with the entity's policies and procedures.	We noted no exceptions as a result of these procedures
d. Was in compliance with the entity's purchasing policy (bids, quotes, etc.).	We noted no exceptions as a result of these procedures

PROCEDURES	RESULT
e. Was classified and recorded in accordance with the entity's chart of accounts and policies and procedures, GAAP, and State/Federal policies as applicable.	We noted no exceptions as a result of these procedures
8. For each credit or purchasing card used, we selected one month during the period and determined whether card purchases were reconciled to receipts monthly by someone other than the card holder.	N/A. Carbon Water Conservancy District does not have credit cards or purchasing cards.
9. Through inquiry with management and scanning receipt records, we determined what restricted revenue was received by the entity and selected the lesser of 10% or 5 disbursements from restricted funds and determined whether the disbursements were in compliance with restrictions placed on the funds.	N/A. Carbon Water Conservancy District does not restricted funds.
CASH	
10. For each depository account, we obtained the year-end bank reconciliation and one additional month's bank reconciliation and performed the following: a. Traced the bank balance on the reconciliation to the balance per the bank statement.	We noted no exceptions as a result of these procedures
b. Traced the reconciled book balance to the general ledger and the amount reported on the Financial Survey.	We noted no exceptions as a result of these procedures
c. Tested the clerical accuracy of the reconciliation.	We noted no exceptions as a result of these procedures
d. For reconciling items greater than 5% of annual revenues, inquired of management and reviewed applicable supporting documentation to determine that the items were consistent with the entity's policies and procedures, GAAP, and State/Federal policies. Traced the lesser of 10% or five reconciling items to a subsequent bank statement.	We noted no exceptions as a result of these procedures
e. Traced the lesser of 10% or five deposit transactions and 10% or five disbursement transactions to the general ledger.	We noted no exceptions as a result of these procedures
11. For each depository bank reconciliation selected above, through inquiry of management and review of the reconciliation, we determined whether the bank reconciliation was performed by someone who does not have access to receipts or disbursements (including direct access to perform withdrawals/transfers in the bank accounts). If the individual did have access to receipts or disbursements, we determined whether a separate individual reviewed the completed bank reconciliation.	We noted no exceptions as a result of these procedures

PROCEDURES	RESULT
MEETINGS 12. We reviewed the governing board's meeting minutes for the period applicable to the engagement through the report date of the engagement. For all financial transactions discussed in the minutes exceeding 5% of total revenues, and a selection of the lesser of 10% or 3 less-significant financial transactions discussed, we traced the transactions to the entity's accounting records and determined whether the transactions were recorded and reported in accordance with the entity's policies and procedures, GAAP, and State and/or Federal policies, as applicable.	We noted no exceptions as a result of these procedures
COMPLIANCE	
MEETINGS 13. We selected and obtained the agenda and meeting minutes for two public meetings held during the engagement year and performed the following:	Selected 4/18/2023 and 10/17/2023 meeting minutes
a. We determined if the entity gave proper notice of the meeting at least 24 hours before each meeting by posting the notice on the Utah Public Notice Website.	We noted no exceptions as a result of these procedures
b. We determined if the agenda was reasonably specific to enable lay persons to understand the topics to be discussed.	We noted no exceptions as a result of these procedures
c. We determined if the public body took any final actions on a topic in the meeting that was not listed under an agenda item.	We noted no exceptions as a result of these procedures
d. We determined whether the minutes were posted to the Utah Public Notice Website within three days of the minutes being approved. (Exceptions: Charter schools are required only to <u>make the meeting minutes available</u> to the public within three days of being approved.)	N/A. Carbon Water Conservancy District is not required to post minutes on the Utah Public Notice Website.
e. If a portion of the meeting was closed to the public, we determined that 1) before the meeting was closed, the reason for holding the closed meeting was documented in the meeting minutes and a roll call vote was taken, 2) the reason for closing the meeting was permitted under UCA 52-4-205, and 3) an audio recording of the closed meeting was made, or in the case of meetings closed to discuss Section 52-4-205(1)(a)(i)(f) or (2), the presiding person had executed a sworn statement that the sole purpose of the closed meeting was to discuss those issued.	N/A. No closed meetings noted for the selected meetings.
BUDGET 14. We determined if a budget was approved before the start of the budget year and if the budget presented to the public and governing body contained the required financial information.	We noted no exceptions as a result of these procedures

PROCEDURES	RESULT
15. We determined if the entity provided the required 7-day notice for its original and final budget adoption hearing.	We noted no exceptions as a result of these procedures
16. We examined the entity's records and financial reports and determined whether the total expenditures stayed within the amounts appropriated in the final adopted budget.	We noted no exceptions as a result of these procedures
FUND BALANCES	
17. Deficit Fund Balances: For any fund that had a deficit fund balance in the year under review, we determined whether the entity included in the subsequent budget year an appropriation to retire the deficit of an amount equal to or greater than 5% of the fund's total actual revenue of the year under review.	We noted no exceptions as a result of these procedures
18. General Fund Balance Limitations: Special Districts and Special Service Districts: The maximum unrestricted (committed, assigned, and unassigned) general fund balance is restricted to the greater of: a. 100% of the most recently adopted budget; Plus b. 100% of the current years property tax collections	We noted no exceptions as a result of these procedures
TRAINING	
19. Through inquiry with officials of the entity and observation of meeting agendas, certificates or other relevant evidence, we determined whether the following training had occurred as applicable:	
a. Annual training on the requirements of the Open and Public Meetings Act.	We noted no exceptions as a result of these procedures
b. Annual online training by the entity's designated records officer on the requirements of GRAMA.	We noted no exceptions as a result of these procedures
c. [Special Districts and Special Service Districts] – At least once a term, members of a board of trustees of a special district attending training developed by the Office of the Utah State Auditor in cooperation with the Utah Association of Special Districts.	We noted no exceptions as a result of these procedures
GRAMA (GOVERNMENT RECORDS ACCESS MANAGEMENT ACT)	
20. If the entity charges fees for GRAMA requests, we verified that the entity has adopted a uniform fee structure.	N/A – Carbon Water Conservancy District does not charge a fee and has not adopted a uniform fee structure.
Fraud Risk Assessment	
21. We reviewed the entity Fraud Risk Assessment and verified that it was signed by the appropriate officers and discussed by the governing body as represented in the minutes.	We noted no exceptions as a result of these procedures

PROCEDURES	RESULT
OTHER COMPLIANCE	NA
22. [Municipalities Only] We verified that the mayor of the municipality does not also serve as the municipal recorder or treasurer.	
23. [Municipalities Only] We verified that the recorder of the municipality does not also serve as the municipal treasurer.	NA
24. [Municipalities Only] We verified that all individuals who hold a municipal elected office do not, at the same time, also hold a county elected office.	NA
25. We verified that the entity requires and maintains a conflict of interest disclosure for all officials and employees with decision-making or management responsibilities that is updated annually.	The District maintains a conflict of interest disclosure but such disclosure was not updated for the year end December 31, 2023
26. If the entity collects Personally Identifiable Information (PII), we determined if it is collected in compliance with the requirements for collecting PII found in Utah Code 63D-2-103	N/A – Carbon Water Conservancy District does not collect PII
PUBLIC TREASURER'S BOND	
27. We determined whether the Treasurer was bonded or insured in accordance with Money Management Council Rule R628-4-4.	We noted no exceptions as a result of these procedures
Government Fees	
28. We determined that Government Fees collected by the entity were approved, tracked and reasonable according to the prescribed criteria.	N/A – Carbon Water Conservancy District has no fees that they charge to customers or the public

We were not engaged to and did not conduct an examination or review, the objectives of which would be the expression of an opinion or conclusion, respectively, on Carbon Water Conservancy District's Financial Survey, accounting records, or compliance with applicable state laws, rules, and requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of our testing of Carbon Water Conservancy District's Financial Survey, accounting records, and compliance with applicable state laws, rules, and requirements and the results of that testing, and not to provide an opinion or conclusion on the Financial Survey, the accounting records, or compliance with applicable state laws, rules, and requirements. Accordingly, this communication is not suitable for any other purpose.

K&C CPAs

K&C, Certified Public Accountants
Wood Cross City, Utah
May 21, 2024