Aycock, Miles & Associates, CPAs, P.C.

Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Carbon Water Conservancy District

In accordance with *Utah Code* 51-2a-201, we have performed the procedures enumerated below, which were agreed to by the Carbon Water Conservancy District, and the Office of the State Auditor, related to the District's Financial Survey, accounting records, and compliance with applicable state laws, rules, and requirements for the period January 1, 2025 to December 31, 2025.

The 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.	No exceptions noted.
2. We agreed amounts reported on the Financial Survey to the entity's general ledger.	No exceptions noted.
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.	No exceptions noted.

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.	No exceptions noted.
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.	No exceptions noted.
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.	No exceptions noted.
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.	No exceptions noted.
b. Agreed to the receipt or invoice supporting the amount and payee.	No exceptions noted.
c. Was authorized consistent with the entity's policies and procedures.	No exceptions noted.

PROCEDURES	RESULT
d. Was in compliance with the entity's purchasing policy (bids, quotes, etc.).	No exceptions noted.
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.	No exceptions noted.
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.	Not applicable.
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.	No exceptions noted.
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.	No exceptions noted.
b. Traced the reconciled book balance to the general ledger and the amount reported on the Financial Survey.	No exceptions noted.
c. Tested the clerical accuracy of the reconciliation.	No exceptions noted.
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.	No exceptions noted.
e. Traced the lesser of 10% or five deposit transactions and 10% or five disbursement transactions to the general ledger.	No exceptions noted.

PROCEDURES	RESULT
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.	No exceptions noted.
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.	No exceptions noted.
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:	
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.	No exceptions noted.
b. We determined if the agenda was reasonably specific to enable lay persons to understand the topics to be discussed.	No exceptions noted.
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.	No exceptions noted.
d. We determined whether the minutes were posted to the Utah Public Notice Website within three days of the minutes being approved.	No exceptions noted.

PROCEDURES	RESULT
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.	No exceptions noted.
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.	No exceptions noted.
15. We determined if the entity provided the required 7-day notice for its original and final budget adoption hearing.	No exceptions noted.
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.	No exceptions noted.
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.	No exceptions noted.
18. **General Fund Balance Limitations:** ***Towns***: We determined whether the entity's unrestricted (committed, assigned, and unassigned) general fund balance did not exceed 35% for cities or 100% for towns of the total revenue of the general fund for the engagement year.	No exceptions noted.
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.	No exceptions noted.

PROCEDURES	RESULT
b. Annual online training by the entity's designated records officer on the requirements of GRAMA.	No exceptions noted.
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.	No exceptions noted.
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.	No exceptions noted.
OTHER COMPLIANCE 22. Municipalities Only: We verified that the mayor of the municipality does not also serve as the municipal recorder or treasurer.	Not applicable.
23. Municipalities Only: We verified that the recorder of the municipality does not also serve as the municipal treasurer.	Not applicable.
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.	Not applicable.
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.	No exceptions noted.
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	No exceptions noted.
PUBLIC TREASURER'S BOND 27. We determined whether the Treasurer was bonded or insured in accordance with Money Management Council Rule R628-4-4.	No exceptions noted.
Government Fees 28. We determined that Government Fees collected by the entity were approved, tracked and reasonable according to the prescribed criteria.	No exceptions noted.

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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 the 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.

In accordance with Government Auditing Standards, we are required to report significant deficiencies, material weaknesses, instances of fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that come to our attention during our agreed-upon procedures that warrant the attention of those charged with governance. *Our agreed-upon procedures did not disclose any matters or exceptions to the agreed-upon procedures.*

The purpose of this report is solely to describe the scope of our testing of the 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.

Aycock, Miles & Associates, CPAs

Roosevelt, Utah
June 12, 2026