

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2024 AND 2023



CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor’s Report	3-5
Management Discussion and Analysis	6-10
<i>Financial Statements:</i>	
Statements of Net Position.....	11
Statements of Revenues, Expenses, and Changes in Net Position.....	12
Statements of Cash Flows.....	13
Notes to Financial Statements	14-22
<i>Single Audit Section:</i>	
Schedule of Expenditures of Federal Awards.....	24-25
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 <i>Government Auditing Standards</i>	26-27
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance	28-30
Schedule of Findings.....	31-32
<i>Management Response:</i>	
Summary Schedule of Prior Audit Findings.....	34
Corrective Action Plan	35



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Central Wyoming Regional Water System Joint Powers Board
Casper, Wyoming

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Central Wyoming Regional Water System Joint Powers Board (the System), a component unit of the City of Casper, Wyoming, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the System, as of June 30, 2024 and 2023, and the changes in financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Unmodified Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and there is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as a fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Central Wyoming Regional Water System Joint Powers Board

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain other internal control matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 6-10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2024 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Central Wyoming Regional Water System Joint Powers Board

NOTICE:

The accompanying financial statements and our independent auditor's report are for the use of the System's Board of Directors and the System's management, which have been specifically communicated to Ketel Thorstenson, LLP by the System, and should not be used or relied upon for any other party for any purpose. Additional users of these financial statements and independent auditor's report are hereby advised that the liability of Ketel Thorstenson, LLP to third party users who use or rely on this information may be limited pursuant to 1995 Wyo. Sess. Laws, Chapter 155 creating Wyo. Stat. Sec. 33-3-201.



KETEL THORSTENSON, LLP
Certified Public Accountants

November 19, 2024

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED) JUNE 30, 2024 AND 2023

As management of the Central Wyoming Regional Water System Joint Powers Board (Regional Water System), we offer readers of the Regional Water System's financial statement this narrative overview and analysis of the financial activities of the Regional Water System for the fiscal year ended June 30, 2024.

Financial Highlights

- The assets of the Regional Water System exceeded its liabilities at the close of the most recent fiscal year by \$45,188,103 (*net position*). Of this amount, \$10,313,992 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Regional Water System's total net position increased by \$2,936,909 or 6.95%. Most of this difference is attributable to a decrease in long-term liabilities and an increase in capital grant revenue.
- The Regional Water System's total debt decreased by \$1,152,898 or (13.97%). This is the result of total principal payments in the amount of \$1,152,898 that were applied to the New Construction Note; Rehabilitation Note; City Note; Water Treatment Plant Emergency Power Project Loan; Zone IIB Water Improvements Note; Backwash Water Supply Note; and WTP SCADA Improvements Project loan. No new debt was issued during the year. The City Note was fully repaid during fiscal year 2024.

Overview of the Financial Statements

This discussion and analysis are intended to introduce the Regional Water System's financial statements. The Regional Water System maintains a single proprietary fund further classified as an enterprise fund. Enterprise funds are used to account for ongoing activities that are similar to those often found in the private sector. The Regional Water System's financial statements are prepared on an accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). As such, revenues are recognized when earned, not when received, and expenses are recognized when incurred, not when paid. Capital assets are capitalized and depreciated (except land and construction in process) over their estimated useful lives.

Following this management discussion and analysis are the financial statements of the Regional Water System and the notes to the financial statements. The Regional Water System's financial statements are designed to provide the readers with a broad overview of the Regional Water System's finances, and the notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 14-22 of this report.

The *Statement of Net Position* presents information on all the Regional Water System's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Regional Water System is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information showing how the Regional Water System's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some of the items that will result in cash flows in future periods.

The *Statement of Cash Flows* relates to the flows of cash and cash equivalents. Consequently, only transactions that affect the Regional Water System's cash accounts are recorded in this statement. Reconciliation is provided at the bottom of the Statement of Cash Flows to assist in the understanding of the difference between cash flows from operating activities and operating income.

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Regional Water System, assets exceeded liabilities by \$45,188,103 at the close of fiscal year 2024.

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2024 AND 2023

Analysis of Net Position

By far the largest portion of the Regional Water System’s net position is the net investment in capital assets (\$33,874,111 or 75.0%). This includes land, buildings, machinery, equipment, and construction in progress less any outstanding debt used to acquire those assets. Although the Regional Water System’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Regional Water System’s net position is \$1,000,000 (2.2%) of resources that are subject to external restrictions on how they may be used. The restricted net position represents resources that have been set aside by the Board and must be used to pay for certain building maintenance costs.

The unrestricted balance of net position is \$10,313,992 (22.8%). These assets are unrestricted and may be used to meet the government’s ongoing obligations to citizens and creditors.

Of the unrestricted net position, \$3,893,753 has been designated, per the Regional Water System’s Reserve Policy: Operating Reserves (90 days of budgeted operating expense as calculated from most recent Board approved annual budget) - \$1,121,618; Debt Service Reserves (one year of annual principal payments) - \$712,823; Capital Reserves (one year of annual depreciation expense taken from most recent annual audit) - \$2,059,312.

	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 12,706,446	\$ 10,307,413
Capital assets	40,972,621	41,067,073
Total Assets	\$ 53,679,067	\$ 51,374,486
Long-term liabilities outstanding	\$ 6,385,687	\$ 7,181,667
Other liabilities	2,105,277	1,941,625
Total Liabilities	8,490,964	9,123,292
Net Position:		
Invested in capital assets, net of related debt	33,874,111	32,815,665
Restricted	1,000,000	1,000,000
Unrestricted	10,313,992	8,435,529
Total Net Position	\$ 45,188,103	\$ 42,251,194
Beginning Net Position	\$ 42,251,194	\$ 40,328,759
Change in Net Position	2,936,909	1,922,435
Percentage of Change in Net Position	6.95%	4.77%

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

**MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024 AND 2023**

Analysis of Changes in Net Position

The Regional Water System’s net position increased by \$2,936,909 during the current fiscal year. Key elements of this increase can be attributed to positive operating financial performance and receipt of grant revenue.

Budgetary Highlights

Operating revenues were \$336,780 or 3.8% less than the amount budgeted while operating expenditures were \$49,839 or 1.1% less than budgeted. Investment earnings performed significantly better than budgeted by providing revenue of \$336,740 while budgeted interest income was \$200,000 for an increase over expected of \$136,740.

The Chiller Replacement Project construction is substantially complete. The 42-inch steel pipe and vault replacement project construction has been completed. The Caisson Well Rehabilitation project includes ARPA funding in the amount of \$1,500,000 and is about halfway completed as of June 30, 2024.

Design for the Disinfection System Upgrades for \$745,000 is underway. This project includes installation of a new UV Disinfection System for the Groundwater Treatment Plant and associated modifications to the Ozone Disinfection System.

Design work for the Mountain View Tank Improvements project for \$1,500,000 began during fiscal year 2024. Construction for this project is expected to start during fiscal year 2025.

	<u>2024</u>	<u>2023</u>
Revenues		
Water Sales	\$ 8,334,979	\$ 8,206,561
Other Revenues	259,170	195,491
Total Revenues	8,594,149	8,402,052
Expenses		
Operations and Maintenance	\$ 4,479,344	\$ 4,190,191
Administrative Expense	156,871	149,568
Depreciation	2,095,894	2,059,312
Total Expenses	6,732,109	6,399,071
Net Non-Operating Expense	1,074,869	(80,546)
Net Income	\$ 2,936,909	\$ 1,922,435

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

**MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024 AND 2023**

Capital Asset Administration

The Regional Water System’s capital assets decreased to \$40,972,621 net of accumulated depreciation. Capital assets include land, buildings, improvements, machinery, equipment, and construction projects in progress. Capital asset balances remained relatively similar to the prior year. The depreciation for the fiscal year exceeded the additions and accounts for the decrease in total capital assets.

**Table A-3
Capital Assets (Net of Depreciation)**

	2024	2023	Increase / Decrease	Percent Change
Land	\$ 580,874	\$ 580,874	\$ -	0.00%
Construction in Progress	1,690,817	211,710	1,479,107	698.65%
Buildings, Net	8,289,053	8,968,143	(679,090)	-7.57%
Improvements, Net	29,561,939	30,820,545	(1,258,606)	-4.08%
Machinery and Equipment, Net	849,938	485,801	364,137	74.96%
Total Capital Assets, Net	\$ 40,972,621	\$ 41,067,073	\$ (94,452)	-0.23%

Debt Administration

At the end of fiscal year 2024, the Regional Water System had total outstanding debt of \$7,098,510. Of this amount, \$2,912,901 (41.04%) represents notes to the Wyoming Water Development Commission (WWDC) that are secured by mortgages on the facilities constructed under the terms of the agreement. As part of those requirements, restricted funds in the amount of \$1,000,000 are maintained as part of the capital construction reserve fund. The Regional Water System is also using State Land and Investment Board (SLIB) funds for the Water Treatment Plant Emergency Power Project, the Zone IIB Water Improvement Project, the Backwash Water Supply Project, and the SCADA Improvement Project.

The Zone IIB Water Improvement project was completed in fiscal year 2016 and has entered repayment status, with an outstanding balance of \$291,681 (4.11%) at year-end. The WTP Emergency Power and WTP Alternate Backwash Supply projects were completed in fiscal year 2019 and the loans to date for the improvements total \$3,001,786 (42.29%). The SCADA Improvement Project was completed in fiscal year 2021 and entered repayment status with an outstanding balance of \$892,142 (12.57%) at year-end.

**Table A-4
Outstanding Debt Obligations**

	2024	2023	Increase / Decrease	Percent Change
WWDC New Construction	\$ 2,207,790	\$ 2,599,731	\$ (391,941)	-15.08%
WWDC Rehabilitation	705,111	830,287	(125,176)	-15.08%
City of Casper Note	-	382,286	(382,286)	-100.00%
DWSRF #115 Emergency Power	1,769,944	1,881,110	(111,166)	-5.91%
DWSRF #129 Zone IIB Water	291,681	315,819	(24,138)	-7.64%
DWSRF #153 Backwash Water Supply	1,231,842	1,304,383	(72,541)	-5.56%
DWSRF #213 SCADA	892,142	937,792	(45,650)	-4.87%
Total	\$ 7,098,510	\$ 8,251,408	\$ (1,152,898)	-13.97%

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED) JUNE 30, 2024 AND 2023

Investment Portfolio

The Regional Water System invested with the State Treasurer's WYO-STAR program. The Wyoming State Treasurer has established an investment pool in which all WYO-STAR monies are co-mingled for investment purposes. Each participant has an individual interest in the pool based on the ratio of that participant's cash balance as a percentage of the total cash balance of the pool. Income is distributed to participants based on each entity's average daily cash balance in the pool. Interest is calculated and credited monthly. The Pool does not have a guaranteed rate of return, and Participants expose their investments to market losses as well as gains. WYO-STAR I is short-term investments that remain liquid while WYO-STAR II is a long-term investment pool with a minimum transaction size of \$1,500 and the funds must be invested for a minimum of three months or be subject to early withdrawal penalties.

During fiscal year 2024, the Regional Water System started investing with Wyoming Government Investment Fund (WGIF). WGIF provides cash management investments designed exclusively for Wyoming public entities and is sponsored by the Wyoming School Board Association and Wyoming Association of Municipalities. WGIF offers two ways to invest, and the system utilized both in fiscal year 2024. WGIF Liquid Asset Series is a fully liquid investment that is reported on net asset value and WGIF Term provides fixed interest rates for a fixed period of time not to exceed one year. The System invested in two certificates of deposit at \$236,000 each that mature in November of 2024.

As of June of 2024, the Regional Water System had \$2,133,706 invested with WYO-STAR I, \$3,000,850 invested in WYO-STAR II and \$518,309 invested with WGIF. Also, the Regional Water System Board maintains a commercial checking account at Hilltop National Bank. As of June 2024, the balances in the Hilltop National Bank accounts were \$4,775,357. Amounts held at Hilltop National Bank are insured for \$250,000 by the Federal Deposit Insurance Corporation as well as collateralized by the financial institution.

Economic Factors and Next Year's Budgets and Rates

Water production for fiscal year 2024, at 3.59 billion gallons, was approximately 71 million gallons less than that of fiscal year 2023. Fiscal year 2024 water sales were strong through most of the fiscal year. July, August, and September were wetter than normal, but May and June were drier resulting in consistent water production when compared to fiscal year 2023.

The fiscal year 2025 System Operating Budget is 14% more than the fiscal year 2024 budget. In large part, the increases are attributable to increases in personnel costs, increases in general materials and supplies, a significant increase in chemical costs, an increase to non-contract maintenance and repair services, and an increase in electrical costs. The total amount budgeted for fiscal year 2025 capital expenditure is \$3,185,000, a decrease of \$255,000 from fiscal year 2024. The capital budget also includes funds for the lining of the ground water ozone contactor (\$750,000), improvements to the raw water building (\$500,000) and continued focus on water well rehabilitation projects (\$1,000,000). Rounding out the capital plan are several smaller dollar projects needed to replace aging facilities and equipment.

Increased revenue is expected to come from a 3.5% rate increase. The rate per thousand gallons of water was raised to \$2.32 for the fiscal year ended 2024 and has subsequently been approved to be increased to \$2.40 per thousand gallons for fiscal year 2025.

Requests for Information

This financial report is designed to provide citizens, customers, creditors, and others with a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the office of the Central Wyoming Regional Water System Joint Powers Board.

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

**STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023**

ASSETS	2024	2023
Current Assets		
Cash and Cash Equivalents	\$ 3,456,199	\$ 2,387,638
Cash and Cash Equivalents, Restricted	1,000,000	1,000,000
Investments	5,652,865	5,437,318
Due from City of Casper	1,155,991	625,295
Accounts Receivable	748,332	58,809
Inventory	658,381	768,405
Prepaid Expenses	34,678	29,948
Total Current Assets	12,706,446	10,307,413
Capital Assets		
Land	580,874	580,874
Construction in Progress	1,690,817	211,710
Buildings, Net of Depreciation	8,289,053	8,968,143
Improvements Other Than Buildings, Net of Depreciation	29,561,939	30,820,545
Machinery and Equipment, Net of Depreciation	849,938	485,801
Net Property and Equipment	40,972,621	41,067,073
TOTAL ASSETS	\$ 53,679,067	\$ 51,374,486
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 447,781	\$ 61,213
Due to City of Casper	666,787	614,849
Accrued Expenses	113,474	84,704
Interest Payable	87,659	100,562
Retainage Payable	76,753	10,556
Current Portion of Long-Term Debt	712,823	1,069,741
Total Current Liabilities	2,105,277	1,941,625
Long Term Liabilities		
Long-Term Debt, Net of Current Maturities	6,385,687	7,181,667
NET POSITION		
Net Investment in Capital Assets	33,874,111	32,815,665
Restricted:		
Construction Reserve Fund	1,000,000	1,000,000
Unrestricted	10,313,992	8,435,529
Total Net Position	45,188,103	42,251,194
TOTAL LIABILITIES AND NET POSITION	\$ 53,679,067	\$ 51,374,486

The accompanying notes are an integral part of these statements.

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
REVENUE		
Water Sales	\$ 8,334,979	\$ 8,206,561
System Development Charges and Miscellaneous Income	259,170	195,491
Total Revenue	8,594,149	8,402,052
Operating Expenses		
Operating Expenses Paid to City of Casper	4,204,768	3,843,427
Depreciation	2,095,894	2,059,312
Repairs and Maintenance	274,576	346,764
Insurance	116,591	101,534
Other	40,280	48,034
Total Operating Expenses	6,732,109	6,399,071
Operating Income	1,862,040	2,002,981
Nonoperating Income (Expense)		
Capital Grants	890,791	-
Interest Income	336,740	214,168
Interest Expense	(232,073)	(298,321)
Loss on Disposal of Capital Assets	-	(784)
Unrealized Gain on Investments	79,411	4,391
Total Nonoperating Income (Expense)	1,074,869	(80,546)
Change in Net Position	2,936,909	1,922,435
Net Position - Beginning of Year	42,251,194	40,328,759
Net Position - End of Year	\$ 45,188,103	\$ 42,251,194

The accompanying notes are an integral part of these statements.

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Cash Received from Customers	\$ 7,373,930	\$ 8,861,371
Cash Payments to Suppliers	(338,132)	(616,062)
Cash Payments to City of Casper	(4,152,830)	(3,699,791)
Net Cash Flows Provided by Operating Activities	2,882,968	4,545,518
Cash Flows From Capital and Related Financing Activities		
Grant Revenue	890,791	-
Interest Paid	(244,976)	(306,777)
Purchase of Property and Equipment	(1,507,928)	(293,409)
Repayment of Long-Term Debt	(1,152,898)	(2,242,742)
Net Cash Flows Used in Capital and Related Financing Activities	(2,015,011)	(2,842,928)
Cash Flows From Investing Activities		
Purchase of Investments	(215,547)	(108,337)
Investment Earnings	79,411	4,391
Interest Income	336,740	214,168
Net Cash Flows Provided by Investing Activities	200,604	110,222
Net Change in Cash, Cash Equivalents, and Restricted Cash	1,068,561	1,812,812
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	3,387,638	1,574,826
Cash, Cash Equivalents, and Restricted Cash - End of Year	\$ 4,456,199	\$ 3,387,638
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	\$ 1,862,040	\$ 2,002,981
<i>Adjustment to Reconciling Operating Income to Net Cash</i> <i>Provided by Operating Activities:</i>		
Depreciation Expense	2,095,894	2,059,312
<i>Change in Assets and Liabilities:</i>		
Accounts Receivable	(1,220,219)	459,319
Inventory	110,024	(170,078)
Prepaid Expense	(4,730)	(5,785)
Accounts Payable, Due to Primary Government, and Retainage Payable	11,189	158,912
Accrued Expenses	28,770	40,857
Net Cash Provided by Operating Activities	\$ 2,882,968	\$ 4,545,518
Noncash Operating and Capital and Related Financing Activities		
Purchase of Property and Equipment included in Accounts Payable, Due to Primary Government, and Retainage Payable	\$ 493,514	\$ -
Reconciliation of Cash, Cash Equivalents, and Restricted Cash		
Cash and Cash Equivalents	\$ 3,456,199	\$ 2,387,638
Restricted Cash	1,000,000	1,000,000
	\$ 4,456,199	\$ 3,387,638

The accompanying notes are an integral part of these statements.

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

(1) Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Central Wyoming Regional Water System Joint Powers Board (the System) is the result of a Joint Powers Agreement between the following entities: City of Casper, Pioneer Water and Sewer District, Town of Bar Nunn (formerly Wardwell Water and Sewer District), Salt Creek Joint Powers Board, and Natrona County. The System was organized for the purpose of developing, maintaining, and providing safe, reliable, and affordable water at wholesale prices. The System is reported as a component unit of the City of Casper and is governed by a Board of Directors consisting of eight members. Four members are representatives of the City of Casper, and four members are representatives of the other members of the System.

During fiscal year 2024 the Wardwell Water and Sewer District dissolved and transferred all its assets, liabilities, and its representation on the Board of Directors to the Town of Bar Nunn.

For the years ended June 30, 2024 and 2023, **88** and 91 percent of the System's operating revenue was generated from charges to the City of Casper. Additionally, accounts receivable from the City of Casper for water usage charges represent **92** and 91 percent of total water usage accounts receivable of the System as of June 30, 2024 and 2023, respectively.

Summary of Significant Accounting Policies

Basis of Presentation

The System reports its financial position, revenue and expenses, and cash flows as an enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The acquisition, maintenance, and improvement of the building and equipment to provide these services are financed from existing cash resources, notes payable, and other System funds.

Basis of Accounting and Measurement Focus

The System accounts for operations using the accrual basis of accounting and "economic resources" measurement focus. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Use of Estimates

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain financial statement balances. Actual results could vary from the estimates used.

Cash and Cash Equivalents

For the purposes of financial reporting, "cash and cash equivalents" includes all demand and saving accounts and certificates of deposit or short-term investments with a term to maturity at date of acquisition of three months or less. Investments in open-end mutual fund shares, or similar investments in external investment pools, are also considered to be cash equivalents. The System maintains cash balances that may at times exceed federally insured limits. The System has not experienced any losses in these accounts and does not expect to incur losses in the future.

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

(1) Nature of Operations and Summary of Significant Accounting Policies

Summary of Significant Accounting Policies

Investments

The System follows the guidelines described in Wyoming Statute 9-4-831 as it relates to the investment of public funds. Wyoming Statutes authorize the types of investments in which the System may invest. Among these authorized investments are U.S., state, and local government securities and accounts of any bank or savings association that is Federally insured or secured by a pledge of assets, including bonds, debentures, and other securities in which the System may by law invest. The System's investments consist of participation in WYO-STAR and Wyoming Government Investment Fund (WGIF).

WYO-STAR is an authorized government investment pool created by the Wyoming State Treasurer's office for Wyoming local government investing. The value of the System's investments in WYO-STAR equals the value of its WYO-STAR shares. Each participant's position in the WYO-STAR investment pool is calculated by the proportion of the cost of their contribution to the total funds invested in the pool multiplied by the pool's total fair value. WYOSTAR investments consist of short-term bonds and cash with a weighted average maturity which does not exceed 90 days. The annual report can be obtained by contacting the Wyoming State Treasurer's Office at 122 West 25th St., Suite E300, Cheyenne, Wyoming 82002.

WGIF is authorized pursuant to the Wyoming Statutory Trust act to provide cash management investment designed exclusively for Wyoming public entities. WGIF was established for local governments to pool their available funds for investing in instruments as permitted by Wyoming Law to provide a high rate of return while preserving capital and maintaining liquidity. The annual report can be obtained by contacting Wyoming Government Investment Fund at 2323 Pioneer Avenue, Cheyenne, Wyoming 82001.

Receivables and Payables

Receivables and payables are not aggregated in these financial statements. The System expects all receivables to be collected within one year. No past due receivables exist at June 30, 2024 or 2023, and management has determined that no allowance for uncollectible amounts is necessary.

Inventories

Inventories consist of chemicals used in operations and replacement parts for repair of the water transmission system and are recorded at the lower of cost or market, using the first-in, first-out method.

Capital Assets

Capital asset purchases over \$5,000 are capitalized at cost. Donated water systems are recorded as contributions and capitalized at the developer's cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Years</u>
Buildings	7-50
Machinery and Equipment	3-15
Improvements	75

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

(1) Nature of Operations and Summary of Significant Accounting Policies

Summary of Significant Accounting Policies

Net Position

Equity is classified as net position and is displayed in three components:

1. Net investment in capital assets – consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) laws through constitutional provisions or enabling legislation.
3. Unrestricted net position – all other net position that do not meet the definition of restricted or net investment in capital assets.

The System does not have a formal minimum fund balance policy. It is the System's policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

The System has included in its restricted net position amounts as the Construction Reserve Fund, which are required by the Wyoming Water Development Commission to be held to pay the costs for certain capital improvements to the distribution system if necessary.

Operating Revenues and Expenses

In the Statements of Revenues, Expenses, and Changes in Net Position, revenues and expenses are classified in a manner consistent with how they are classified in the Statement of Cash Flows. That is, transactions for which related cash flows are reported as capital and related financing activities, non-capital financing activities, or investing activities are not reported as components of operating revenues or expenses.

Reclassifications

Certain items in the 2023 financial statements have been reclassified to conform to the 2024 presentation with no effect on previously reported net income.

Subsequent Events

The System has evaluated subsequent events through November 19, 2024, the date which the financial statements were available to be issued.

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

(2) Deposits and Investments

As of June 30, 2024, the System had the following investments:

Investment	Fair Value	Interest Rate	Investment Maturities Less than One Year
WGIF	\$ 518,309	5.19% - 5.80%	\$ 518,309
State Treasurer's Investment Pool:			
WYO-STAR I	2,133,706	4.97% - 5.28%	2,133,706
WYO-STAR II	3,000,850	5.10% - 6.15%	3,000,850
Total Investments	\$ 5,652,865		\$ 5,652,865

As of June 30, 2023, the System had the following investments:

Investment	Fair Value	Interest Rate	Investment Maturities Less than One Year
WGIF	\$ -	N/A	\$ -
State Treasurer's Investment Pool:			
WYO-STAR I	3,486,831	2.23% - 5.00%	3,486,831
WYO-STAR II	1,950,487	3.16% - 5.71%	1,950,487
Total Investments	\$ 5,437,318		\$ 5,437,318

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Valuation methodologies used for investments measured at fair value are as follows:

WYO-STAR – Income is calculated on each entity’s average daily cash balance in the pool. Earnings are credited to each account on a monthly basis. WYO-STAR is measured as a Level 2 recurring fair value measurement according to the fair value hierarchy.

WGIF – each participant’s position in WGIF is calculated at net asset value, which equates to fair market value.

Interest Rate Risk:

To limit exposure to fair value losses arising from rising interest rates, the System attempts to match its investment maturities to expected cash flow needs. All the System’s investments have maturities of less than one year.

Credit Risk:

State law limits eligible investments for the System. The System has no investment policy that would further limit its investment choices. As of June 30, 2024, the System’s investment in WYO-STAR pool was unrated. However, under Wyoming State Statutes, underlying providers are required to have the highest rating from at least one of the nationally recognized statistical rating organizations. The U.S. Government-Sponsored Enterprises are not specifically guaranteed by the U.S. government, however they are rated AAA by Moody’s and AA+ by Standard and Poor’s. WGIF received an AAA rating by Standard & Poor.

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

(2) Deposits and Investments

Custodial Credit Risk - Deposits:

The risk that, in the event of a depository failure, the System's deposits may not be returned to it. The System does not have a deposit policy for custodial credit risk.

The actual bank balances at June 30, 2024 were as follows:

	Bank Balance
Insured - FDIC	\$ 250,000
Uninsured-Collateralized in Accordance with State Statute	4,525,357
Total	\$ 4,775,357

Concentration of Credit Risk:

The System does not have a formal policy that allows for or limits an investment in any one issuer to a specified percentage of the System's total investments.

(3) Capital Assets

Capital asset activity during the year ended June 30, 2024 was as follows:

	Balance 6/30/2023	Additions	Disposal	Transfer	Balance 6/30/2024
Capital Assets, not being Depreciated:					
Land	\$ 580,874	\$ -	\$ -	\$ -	\$ 580,874
Construction in Process	211,710	1,598,223	-	(119,116)	1,690,817
Total Capital Assets, not being Depreciated	792,584	1,598,223	-	(119,116)	2,271,691
Capital Assets, being Depreciated:					
Buildings	47,483,360	-	(11,568)	-	47,471,792
Improvements Other Than Buildings	44,542,818	-	-	-	44,542,818
Machinery and Equipment	1,546,879	403,219	(21,727)	119,116	2,047,487
Total Capital Assets, being Depreciated	93,573,057	403,219	(33,295)	119,116	94,062,097
Less Accumulated Depreciation for:					
Buildings	38,515,217	679,090	(11,568)	-	39,182,739
Improvements Other Than Buildings	13,722,273	1,258,606	-	-	14,980,879
Machinery and Equipment	1,061,078	158,198	(21,727)	-	1,197,549
Total Accumulated Depreciation	53,298,568	2,095,894	(33,295)	-	55,361,167
Assets, being Depreciated, Net	40,274,489	(1,692,675)	-	119,116	38,700,930
Total Capital Assets	\$41,067,073	\$ (94,452)	\$ -	\$ -	\$40,972,621

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

(3) Capital Assets

Capital asset activity during the year ended June 30, 2023 was as follows:

	Balance 6/30/2022	Additions	Disposal	Transfer	Balance 6/30/2023
Capital Assets, not being Depreciated:					
Land	\$ 580,874	\$ -	\$ -	\$ -	\$ 580,874
Construction in Process	179,179	108,139	-	(75,608)	211,710
Total Capital Assets, not being Depreciated	760,053	108,139	-	(75,608)	792,584
Capital Assets, being Depreciated:					
Buildings	47,485,671	-	(2,311)	-	47,483,360
Improvements Other Than Buildings	44,467,210	-	-	75,608	44,542,818
Machinery and Equipment	1,361,609	185,270	-	-	1,546,879
Total Capital Assets, being Depreciated	93,314,490	185,270	(2,311)	75,608	93,573,057
Less Accumulated Depreciation for:					
Buildings	37,831,005	685,739	(1,527)	-	38,515,217
Improvements Other Than Buildings	12,462,708	1,259,565	-	-	13,722,273
Machinery and Equipment	947,070	114,008	-	-	1,061,078
Total Accumulated Depreciation	51,240,783	2,059,312	(1,527)	-	53,298,568
Assets, being Depreciated, Net	42,073,707	(1,874,042)	(784)	75,608	40,274,489
Total Capital Assets	\$ 42,833,760	\$ (1,765,903)	\$ (784)	\$ -	\$ 41,067,073

As of June 30, 2024, the System has remaining commitments on the Caisson Well Rehabilitation and Mountain View Tank Improvements projects of approximately \$552,302 and \$119,035, respectively.

During the year ended June 30, 2023, the System was awarded \$1,500,000 of grant funds related to the American Rescue Plan Act (ARPA). The grant will reimburse the System for construction costs. During fiscal year 2024, \$878,458 of this grant had been spent.

(4) Long-Term Debt

The following is a summary of long-term debt activity for the year ended June 30, 2024:

	Balance 6/30/2023	Borrowings	Payments	Balance 6/30/2024	Due Within One Year
State Lands and Investments #129	\$ 315,819	\$ -	\$ (24,138)	\$ 291,681	\$ 19,767
State Lands and Investments #153	1,304,383	-	(72,541)	1,231,842	-
State Lands and Investments #115	1,881,110	-	(111,166)	1,769,944	108,672
State Lands and Investments #213	937,792	-	(45,650)	892,142	46,583
City of Casper Loan	382,286	-	(382,286)	-	-
New Construction Note	2,599,731	-	(391,941)	2,207,790	407,618
Rehabilitation Note	830,287	-	(125,176)	705,111	130,183
Total	\$ 8,251,408	\$ -	\$ (1,152,898)	\$ 7,098,510	\$ 712,823

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

(4) Long-Term Debt

The following is a summary of long-term debt activity for the year ended June 30, 2023:

	Balance			Balance	Due Within
	6/30/2022	Borrowings	Payments	6/30/2023	One Year
State Lands and Investments #129	\$ 339,272	\$ -	\$ (23,453)	\$ 315,819	\$ 18,818
State Lands and Investments #153	1,372,279	-	(67,896)	1,304,383	-
State Lands and Investments #115	1,983,504	-	(102,394)	1,881,110	106,057
State Lands and Investments #213	984,060	-	(46,268)	937,792	45,462
City of Casper Loan	1,887,790	-	(1,505,504)	382,286	382,286
New Construction Note	2,976,597	-	(376,866)	2,599,731	391,942
Rehabilitation Note	950,648	-	(120,361)	830,287	125,176
Total	\$ 10,494,150	\$ -	\$ (2,242,742)	\$ 8,251,408	\$ 1,069,741

Future principal maturities of long-term debt as of June 30, 2024 are as follows:

	Principal	Interest
2025	\$ 712,823	\$ 187,692
2026	820,035	193,958
2027	848,843	165,151
2028	878,704	135,290
2029	909,657	104,404
2030-2034	1,509,863	288,520
2035-2039	1,360,174	101,769
2040	58,411	1,516
	\$ 7,098,510	\$ 1,178,300

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

(4) Long-Term Debt

Long-term debt at June 30 is comprised of the following:

<i>Due to the Wyoming Office of State Lands and Investment Board **:</i>	2024	2023
Original issue of \$965,250 for the funding of Zone IIB Water Improvements. The maturity date is October 15, 2034; quarterly payment \$8,183; 2.5 percent interest rate. The loan is secured by pledge and assignment of revenues.	\$ 291,681	\$ 315,819
Original issue of \$2,200,000 for the funding of Backwash Water Supply Project. The maturity date is July 15, 2038; annual payment \$105,775; 2.5 percent interest rate. The loan is secured by pledge and assignment of revenues.	1,231,842	1,304,383
Original issue \$2,600,000 for the funding of the Water Treatment Plant Emergency Power Project. The maturity date is March 15, 2038; annual payment \$152,525; 2.5 percent interest rate. The note is secured by pledged and assignment of revenues.	1,769,944	1,881,110
Original Issue of \$1,600,000 for the funding of the Water Treatment Plant SCADA improvements Project. The maturity date is March 1, 2040; annual payment \$102,635; 2.5 percent interest rate. The loan is secured by pledged and assignment of revenues.	892,142	937,792
<i>Due to the City of Casper:</i>		
Original issue \$15,905,000, maturing October 1, 2023, 2.5 percent interest rate; monthly payment \$127,960; secured by mortgage on Water Treatment Plant Property.	-	382,286
<i>Due to Wyoming Water Development Commission:</i>		
Original issue \$3,098,326, maturing December 1, 2028, 4 percent interest rate; annual payment \$495,930; secured by mortgage on facilities constructed under the terms of the agreement. *	2,207,790	2,599,731
Original issue \$2,586,396, maturing December 1, 2028, 4 percent interest rate; annual payment \$158,387; secured by mortgage facilities constructed under the terms of the agreement. *	705,111	830,287
Total Long-Term Debt	\$ 7,098,510	\$ 8,251,408

* - The System has asset management reserve requirements totaling \$1,000,000 at June 30, 2024, in accordance with the debt covenants on both Wyoming Water Development Commission loans. At June 30, 2024, the System was in compliance with the asset management reserve requirement.

** - During October 2024 the System's long-term debt with SLIB had a reduction in interest rate from 2.5 to 1.5 percent on all four obligations. By Board action, the System will continue making payments based on the original amortization schedule. This will result in the loans being paid off earlier.

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

(5) Risk Management

The System is exposed to various risks of loss from torts: theft of, damage to, and destruction of assets; business interruption; errors and omissions; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

(6) Related Organization

The City of Casper provides the day-to-day operations, maintenance, and approved capital improvement of the plant facility under an operating agreement with the System.

Under the operating agreement, the City of Casper provides billing services, collects income derived from the sale of the water from the plant, and incurs the costs for the operation of the plant. The operating costs are then reimbursed by the System monthly. Employees associated with the direct daily operations of the System are employees of the City of Casper. All personnel costs are reimbursed.

During the years ended June 30, 2024 and 2023, the City of Casper billed the System operating expenses of **\$4,204,768** and \$3,843,427, respectively. The System also reimbursed the City during the year for capital construction costs. Included in current liabilities are amounts owed to the City of Casper of **\$666,787** and \$614,849, as of June 30, 2024 and 2023, respectively.

During the years ended June 30, 2024 and 2023, the System billed the City of Casper **\$7,596,844** and \$7,484,737, respectively, for water sales. Additionally, system development charges of **\$216,459** and \$176,833, were related to the City of Casper for the years ended June 30, 2024 and 2023, respectively. Included in current assets are amounts due from the City of Casper of **\$1,155,991** and \$625,295, for water and system investment charges as of June 30, 2024 and 2023, respectively.

SINGLE AUDIT SECTION

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Pass-Through Identifying Number	ALN Numbers	Amount
U.S. Department of the Treasury:			
<i>Pass-Through the Wyoming Office of State Land and Investment Board:</i>			
Coronavirus State and Local Fiscal Recovery Funds	WS-1203	21.027	\$ 878,458
Total Federal Expenditures			\$ 878,458

See Notes to the Schedule of Expenditures of Federal Awards.

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2024 AND 2023**

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Central Wyoming Regional Water System Joint Powers Board (the System) under programs of federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the System, it is not intended to and does not present the financial position, changes in net position, or cash flows of the System.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Indirect Cost Rate

The system has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



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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

Board of Directors and Management
Central Wyoming Regional Water System Joint Powers Board
Casper, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Central Wyoming Regional Water System Joint Powers Board (the System) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated November 19, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the System's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System'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.

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 System's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



KETEL THORSTENSON, LLP
Certified Public Accountants

November 19, 2024



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors and Management
Central Wyoming Regional Water System Joint Powers Board
Casper, Wyoming

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Central Wyoming Regional Water System Joint Powers Board's (the System) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the System's major federal programs for the year ended June 30, 2024. The System's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings.

In our opinion, the System complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the System's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the System's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the System's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the System's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the System's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the System's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings as item #2024-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the System's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings. The System's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



KETEL THORSTENSON, LLP
Certified Public Accountants

November 19, 2024

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

SCHEDULE OF FINDINGS

JUNE 30, 2024

A. SUMMARY OF AUDIT RESULTS

1. The Independent Auditor's Report expresses an unmodified opinion on all of the financial statements of the System.
2. No material weaknesses or significant deficiencies were disclosed during the audit of the financial statements and none are reported in 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.
3. No instances of noncompliance material to the financial statements of the System were disclosed during the audit.
4. A significant deficiency disclosed during the audit of the major federal award programs is reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for the System expresses unmodified opinions on all major programs, as listed in #7.
6. Audit findings relative to the major federal award program for the System are reported in Part C of this schedule.
7. The programs tested as major programs include the following:

Major Programs	ALN
<i>U.S. Department of the Treasury:</i>	
Coronavirus State and Local Fiscal Recovery Funds	21.027
8. The threshold for distinguishing types A and B programs was \$750,000.
9. The System was not determined to be a low risk auditee.

CENTRAL WYOMING REGIONAL WATER SYSTEM JOINT POWERS BOARD

SCHEDULE OF FINDINGS

JUNE 30, 2024

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

Significant Deficiency

Finding No. 2024-001: Suspension and Debarment

Federal Program Affected: Coronavirus State and Local Fiscal Recovery Funds AL #21.027

Compliance Requirement: Procurement, Suspension, and Debarment

Questioned Costs: None

Condition and Cause: A search for suspended and debarred vendors was not performed prior to awarding a construction contract with federal funding. The construction contractor was not suspended or debarred.

Criteria and Effect: Not performing a search could result in the System contracting with a vendor that is suspended or debarred from doing business with the federal government, resulting in noncompliance.

Repeat Finding from Prior Year: No

Recommendation: Management should adhere to their written procurement policies and verify all vendors are not suspended or debarred by searching SAM.gov, or other methods. Additionally, documentation should be retained that the search was performed.

Response/Correction Action Plan: Management agrees with the above finding. See Corrective Action Plan.

MANAGEMENT RESPONSE



Central Wyoming Regional Water System
1500 SW Wyoming Blvd.
Casper WY 82604
(307) 265-6063

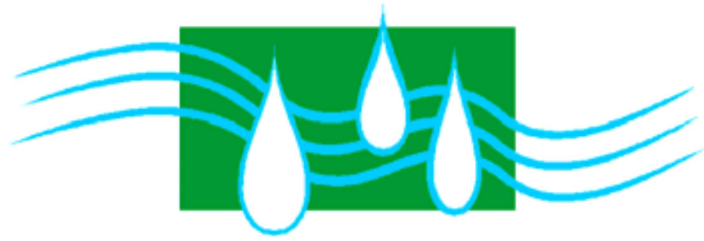
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2024**

The System respectfully submits the following summary Schedule of Prior Audit Findings from the June 30, 2023 Schedule of Findings. The findings are numbered consistently with the numbers assigned in the 2023 Schedule of Findings.

Finding No. 2023-001: Financial Statement Preparation

Status: The System has elected to prepare their own financial statements and related disclosures. As such, the finding is not repeated in 2024.

Initial Year Report: 2023



Central Wyoming Regional Water System
1500 SW Wyoming Blvd.
Casper WY 82604
(307) 265-6063

**CORRECTIVE ACTION PLAN
JUNE 30, 2024**

The System respectfully submits the following corrective action plan regarding findings from the June 30, 2024 Schedule of Findings. The findings are numbered consistently with the numbers assigned in the Schedule of Findings.

2024-001 FINDING: Suspension & Debarment

Responsible Officials: Nicholas Gassman, Accounting Supervisor

Corrective Action Plan: The System intends to begin searching vendors against Sam.gov.

Anticipated Completion Date: June 2025