

**CITY OF GREEN RIVER, WYOMING -  
CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF  
WYOMING JOINT POWERS WATER BOARD**

**FINANCIAL REPORT**

**JUNE 30, 2025 AND 2024**

FOR BOARD APPROVAL

## **C O N T E N T S**

	<b><u>Page</u></b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1-2
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	3-6
<b>FINANCIAL STATEMENTS</b>	
Statements of Net Position - Proprietary Fund	7
Statements of Revenues, Expenses, and Changes in Net Position - Proprietary Fund	8
Statements of Cash Flows - Proprietary Fund	9
<b>NOTES TO FINANCIAL STATEMENTS</b>	10-29
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of the Board's Proportionate Share of the Net Pension Liability	30
Schedule of Board Contributions	31
Notes to Required Supplementary Pension Information	32
<b>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</b>	33-34
<b>SCHEDULE OF FINDINGS</b>	35
<b>MANAGEMENT RESPONSE</b>	36
<b>SCHEDULE OF PRIOR FINDINGS</b>	37

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2025 and 2024**

## **Introduction**

The following is a discussion and analysis of the City of Green River, Wyoming - City of Rock Springs, Wyoming - Sweetwater County, State of Wyoming Joint Powers Water Board's (the "Board") performance and activities for the year ended June 30, 2025 and 2024. When read in conjunction with the Board's audited financial statements, this section's financial highlights, overview and analysis should assist the reader in gaining a more complete knowledge of the Board's financial performance.

## **Financial Highlights**

- The Board's assets exceeded its liabilities at the close of the fiscal year by \$113,326,124 (net position). This represents a decrease of \$905,305 from the prior year.
- Of the total net position amount, \$12,396,123 (unrestricted net position) may be used to meet the Board's ongoing obligations to the forming governments and creditors. Of that unrestricted amount, the Board has designated \$7,393,532 for caustic, depreciation, capital improvements, water resource, unemployment, and amelioration reserves.
- Note that with the financial reporting model, the total net position figure includes capital assets net of accumulated depreciation reduced by outstanding debt attributable to these assets.
- Total debt decreased by \$1,613,986 due to normal debt payments during the year.

## **Overview of the Financial Statements**

The basic financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, a statement of cash flows and notes to the financial statements. The *statement of net position* provides financial information on the overall position of the Board at year-end. The *statement of revenues, expenses and changes in net position* summarizes the results of operations over the course of the fiscal year. The *statement of cash flows* provides relevant information about the Board's cash receipts and cash payments during the year. The notes to the financial statements provide information regarding the Board's significant accounting policies, significant account balances and activities, certain material risks, obligations, commitments, contingencies, and subsequent events. The Board's financial statements are presented using the economic resources measurement focus and an accrual method of accounting is used.

**Net Position.** An analysis of net position is probably the most important financial measurement to assist with understanding the financial position of the Board, and whether the financial position improves or deteriorates each year. The following table presents summary information from the statement of net position in the basic financial statements.

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

	<b>2025</b>	<b>2024</b>	<b>2023</b>
Current Assets	\$ 15,746,954	\$ 13,410,714	\$ 12,615,458
Noncurrent Assets	771,496	1,886,984	2,013,468
Capital Assets, net of accumulated depreciation	104,388,921	108,142,286	110,691,260
Other Assets	103,993	95,267	101,275
Total Assets	<u>121,011,364</u>	<u>123,535,251</u>	<u>125,421,461</u>
Deferred Outflows of Resources	<u>527,386</u>	<u>672,865</u>	<u>889,945</u>
Current Liabilities	2,546,330	3,797,764	3,527,445
Noncurrent Liabilities	5,186,064	5,675,133	7,518,249
Total Liabilities	<u>7,732,394</u>	<u>9,472,897</u>	<u>11,045,694</u>
Deferred Inflows of Resources	<u>480,232</u>	<u>503,790</u>	<u>442,956</u>
Net Position			
Net investment in capital assets	100,090,302	102,237,929	103,208,464
Restricted	839,699	2,014,247	2,139,219
Unrestricted	12,396,123	9,979,253	9,475,073
Total Net Position	<u>\$ 113,326,124</u>	<u>\$ 114,231,429</u>	<u>\$ 114,822,756</u>

As depicted at June 30, 2025, the Board's assets exceeded liabilities by \$113,326,123 (net position). Approximately 88% of this amount is represented by the investment in capital assets, net of debt still outstanding relating to the acquisition of those assets which is similar to last year. Due to the nature of these assets – long-term assets which are not readily convertible to liquid assets – they are not considered to be available for spending or appropriation. Further, even though the presentation here shows capital assets net of related debt, it should be understood that the repayment of this debt does not come from the capital assets themselves, but comes from other sources.

Other sub-classifications of net position are restricted and unrestricted. The amount of \$839,699 is restricted to fund cash reserves for debt service.

**Changes in Net Position.** As taken from the statement of revenues, expenses and changes in net position in the financial statements, the following table depicts the changes in net position for 2025 and 2024:

	<b>2025</b>	<b>2024</b>	<b>2023</b>
Operating revenues			
Water sales	\$ 7,225,810	\$ 6,457,164	\$ 6,591,591
Operating expense, including depreciation	<u>9,070,305</u>	<u>8,238,531</u>	<u>7,717,742</u>
Income from operations	(1,844,495)	(1,781,367)	(1,126,151)
Nonoperating revenues	774,385	678,265	357,495
Interest and other debt costs	<u>(130,256)</u>	<u>(198,582)</u>	<u>(249,015)</u>
Income before other gains and losses	(1,200,366)	(1,301,684)	(1,017,671)
Contributions to other governments	(139,939)	(134,763)	(145,690)
Capital contributions	<u>435,000</u>	<u>845,120</u>	<u>101,689</u>
Change in net position	<u>\$ (905,305)</u>	<u>\$ (591,327)</u>	<u>\$ (1,061,672)</u>

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

- Water revenues increased \$768,646 from the previous year due to an increase in wholesale water rates and an increase in water usage.
- Non-depreciation operating expenses decreased by 0.2% from the previous year. The Board experienced inflationary pressures related to various operating expenses and cost savings in other various operating expenses.
- Interest and debt amortization costs were down compared to the prior year with the decrease in interest expense being directly related to the amount of debt in service at year end. Final payments on two outstanding loans were made during the year.
- Capital contributions decreased over the prior year as a result of less infrastructure projects being completed by the cities of Rock Springs and Green River and transferring ownership of those projects to the Board.

**Capital Assets**

The following table provides a summary of the Board's capital assets by class:

	<b>2025</b>	<b>2024</b>	<b>2023</b>
Nondepreciable capital assets			
Land	\$ 72,500	\$ 72,500	\$ 72,500
Construction in process	897,809	712,666	581,113
Total nondepreciable capital assets	970,309	785,166	653,613
Depreciable capital assets			
Treatment plant, water system, transmission and distribution, and hydrants	180,503,441	179,856,421	178,793,748
Idle treatment plant	3,260,940	3,260,940	3,260,940
Vehicles	232,733	232,733	232,733
Other equipment	1,205,206	1,205,206	1,205,206
Total depreciable capital assets	185,202,320	184,555,300	183,492,627
Less impairment of idle treatment plant	(3,260,940)	(3,260,940)	(3,260,940)
Less accumulated depreciation	(78,522,768)	(73,937,240)	(70,194,040)
Depreciable capital assets, net	103,418,612	107,357,120	110,037,647
Capital assets, net	<u>\$ 104,388,921</u>	<u>\$ 108,142,286</u>	<u>\$ 110,691,260</u>

Net capital assets in the current year decreased by \$3,753,365 for the year ended June 30, 2025. The Board recognized \$4,585,528 of depreciation expense offset by the capital costs of plant upgrades and the contributed assets for local city and subdivision improvements for the year ended June 30, 2025.

Included in the asset number is \$3,260,940 for the old treatment plant. The financial statements reflect a (\$3,260,940) impairment for this asset which is the amount left not depreciated on the asset when it was taken out of service.

**Long-Term Debt**

At year-end, the Board had \$347,916 of principal being due in the next fiscal year on total outstanding long-term debt of \$4,298,619 as of June 30, 2025. Of the total debt at June 30, 2025, \$278,684 is guaranteed by the City of Rock Springs, Wyoming with funds to pay this debt coming directly from the city.

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Request for Information**

The financial report is designed to provide citizens, customers, investors, 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: Green River, Rock Springs, Sweetwater County Joint Powers Water Board, P.O. Box 1299, Green River, Wyoming, 82935.

FOR BOARD APPROVAL

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
STATEMENTS OF NET POSITION  
JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 14,076,845	\$ 11,855,053
Investments (Note 3)	266,309	260,717
Receivables (Note 4)	1,335,597	1,167,681
Other current assets	103,993	95,267
Current portion of notes receivable (Note 6)	68,203	127,263
Total Current Assets	<u>15,850,947</u>	<u>13,505,981</u>
<b>NONCURRENT ASSETS</b>		
Cash and cash equivalents - restricted (Note 3)	561,015	1,608,139
Note receivable for debt service, long term (Note 6)	210,481	278,845
Capital assets, net (Note 5)	104,388,921	108,142,286
Total Noncurrent Assets	<u>105,160,417</u>	<u>110,029,270</u>
<b>TOTAL ASSETS</b>	<u>121,011,364</u>	<u>123,535,251</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Loss on advance refunding of debt (Note 6)	0	8,248
Pension (Note 7)	527,386	664,617
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<u>527,386</u>	<u>672,865</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	187,910	369,602
Accrued payroll and compensated absences	217,641	201,901
Due to other governments	1,730,175	1,530,831
Interest payable	62,688	86,225
Loan payable, bond defeasance, net of unamortized discount, current (Note 6)	0	1,212,626
Loans payable, State of Wyoming, current (Note 6)	347,916	396,579
Total Current Liabilities	<u>2,546,330</u>	<u>3,797,764</u>
<b>NONCURRENT LIABILITIES</b>		
Net pension liability (Note 7)	1,235,361	1,371,733
Loans payable, State of Wyoming (Note 6)	3,950,703	4,303,400
Total Noncurrent Liabilities	<u>5,186,064</u>	<u>5,675,133</u>
<b>TOTAL LIABILITIES</b>	<u>7,732,394</u>	<u>9,472,897</u>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Pension (Note 7)	480,232	503,790
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u>480,232</u>	<u>503,790</u>
<b>NET POSITION</b>		
Net investment in capital assets	100,090,302	102,237,929
Restricted		
Debt service	839,699	2,014,247
Unrestricted	12,396,123	9,979,253
<b>TOTAL NET POSITION</b>	<u>\$ 113,326,124</u>	<u>\$ 114,231,429</u>

See Notes to Financial Statements

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>OPERATING REVENUES</b>		
Water sales (Note 8)	\$ 7,225,810	6,457,164
<b>OPERATING EXPENSES</b>		
Depreciation	4,585,528	3,743,200
Salaries and wages	1,254,678	1,251,444
Electrical power	922,963	933,254
Payroll taxes and benefits	730,710	828,749
Chemicals	656,843	580,859
Repairs and maintenance	398,758	289,447
Liability insurance	147,263	148,908
Natural gas	85,949	129,482
Other costs	198,468	237,003
Legal and professional	65,467	61,149
Telemetry and telephone	16,705	24,508
Travel and training	6,973	10,528
Total Operating Expenses	<u>9,070,305</u>	<u>8,238,531</u>
Operating Loss	<u>(1,844,495)</u>	<u>(1,781,367)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment earnings	543,842	467,716
Unrealized gain/(loss) on investments	32,299	49,152
Grant revenues	185,143	146,785
Reimbursement of interest expense	13,101	14,612
Interest expense	(122,008)	(168,068)
Contribution to other governments	(139,939)	(134,763)
Amortization of bond and loan costs	(8,248)	(30,514)
Total nonoperating revenues (expenses)	<u>504,190</u>	<u>344,920</u>
Contribution of fixed assets from other governments	<u>435,000</u>	<u>845,120</u>
Change in Net Position	<u>(905,305)</u>	<u>(591,327)</u>
Net Position, beginning of year	<u>114,231,429</u>	<u>114,822,756</u>
Net Position, end of year	<u><u>\$ 113,326,124</u></u>	<u><u>\$ 114,231,429</u></u>



**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from water sales	\$ 7,057,894	\$ 6,159,843
Cash paid to employees or on behalf of employees	(1,238,938)	(1,244,657)
Cash for goods and services	(3,443,216)	(3,143,787)
Net cash provided by operating activities	<u>2,375,740</u>	<u>1,771,399</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(5,592)	0
Sale of investments	0	239,338
Interest received	543,842	467,716
Interest collected on behalf of other governments	59,405	71,378
Unrealized gain/(loss) on sale of investments	32,299	49,152
Net cash provided by investing activities	<u>629,954</u>	<u>827,584</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(397,163)	(349,106)
Interest paid	(145,545)	(191,532)
Contributions received for debt service	140,525	140,123
Capital grants	185,143	146,785
Payments on loans and bonds payable	(1,613,986)	(1,608,953)
Net cash used in capital and related financing activities	<u>(1,831,026)</u>	<u>(1,862,683)</u>
Net increase in cash and cash equivalents	<u>1,174,668</u>	<u>736,300</u>
Cash and Cash Equivalents		
Beginning of the year	<u>13,463,192</u>	<u>12,726,892</u>
End of the year	<u><u>\$ 14,637,860</u></u>	<u><u>\$ 13,463,192</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (1,844,495)	\$ (1,781,367)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	4,585,528	3,743,200
(Increase) or decrease in:		
Receivables	(167,916)	(297,321)
Other current assets	(8,726)	6,008
Increase or (decrease) in:		
Accounts payable attributable to operations	(181,692)	81,204
Accrued payroll and compensated absences	15,740	6,787
Pension liabilities and related outflows/inflows	(22,699)	12,888
Net cash provided by operating activities	<u><u>\$ 2,375,740</u></u>	<u><u>\$ 1,771,399</u></u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Capital assets donated	\$ 435,000	\$ 845,120

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - Organization and Summary of Significant Accounting Policies**

**General Information**

The City of Green River, Wyoming - City of Rock Springs, Wyoming - Sweetwater County, State of Wyoming Joint Powers Water Board (the "Board") was formed by action under applicable provisions of Wyoming Statutes 16-1-102 to 16-1-109. The purpose of the Board is to provide an efficient, orderly and economically feasible method of purchasing, financing and operating a joint water supply and distribution facility for the service and benefit of Sweetwater County, cities of Green River and Rock Springs and their residents. For financial reporting purposes, the statements include all activities and funds that are controlled by or are dependent on the Board.

The Board consists of five members, comprised of two members who are residents of the City of Rock Springs, two members who are residents of the City of Green River and one member who is a resident of Sweetwater County. Since Board members have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters, the Board is not included in any other governmental reporting entity as defined by the Governmental Accounting Standards Board (GASB), which establishes accounting principles generally accepted in the United States of America for state and local governmental entities (U.S. GAAP).

The participating municipalities are responsible for the maintenance, operation, staffing, rate setting and billing for each distribution system, as well as construction of storage facilities. The municipalities are also required to transfer all capital assets associated with water projects to the Board. The Board recognizes contributed capital revenue, as well as additions to capital assets, when the projects from each municipality are completed.

For financial reporting purposes, the Board includes all funds, agencies, and authorities that are controlled by or dependent on the Board. Oversight responsibility is determined by the extent of financial interdependency, selection of governing board, and ability to significantly influence operations. Financial interdependency results when a separate agency produces a financial benefit or imposes a financial burden on a unit of government. Financial interdependency can include responsibility for debt. Oversight also includes accountability for fiscal matters. Fiscal authority normally includes the authority for final approval over budgetary appropriations, responsibility for funding deficits and operating deficiencies, disposal of surplus funds, control over collection and disbursement of funds, and maintenance of title to assets. The Board itself has no component units.

**Basis of Accounting**

The financial statements of the Board have been prepared in conformity with U.S. GAAP as applied to governmental entities. The GASB is the recognized standard setting body for establishing governmental accounting and financial reporting principles for governments within the United States.

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - Organization and Summary of Significant Accounting Policies (cont.)**

**Financial Reporting**

The Board accounts for its operations as an enterprise fund. The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Board's enterprise funds are water service charges. Operating expenses for the Board's enterprise fund include water production and distribution costs, chemicals, administrative costs, and depreciation on capital assets that are in service. All revenues or expenses not meeting this definition are reported as non-operating revenues and expenses.

Operating revenues and expenses result from the sale of water to the cities of Rock Springs and Green River, Wyoming, Simplot Phosphates, Inc. and a number of small water districts. All other revenues and expenses are reported as nonoperating revenues and expenses.

**Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Board considers cash and cash equivalents to consist of all cash, either on hand or in banks, including certificates of deposits, and any highly liquid debt instruments.

**Accounts Receivable**

Receivables are recorded and reported when revenue is earned. The Board utilizes the direct write-off method for bad debts. When the Board deems a receivable to be uncollectible, it is recorded as an expense. At the present time, all accounts are deemed collectible.

**Investments**

The Joint Powers Water Board's goal is to invest public funds in a manner that will provide a reasonable rate of return while assuring principal security, meet related cash flow requirements of the Board, and conform to all state laws and regulations governing the investment of public funds.

The Board has investments with a third-party investment broker that specializes in helping government entities meet their investment goals while staying in compliance with applicable state statutes. Investment holdings with this broker consist of certificates of deposit, U.S. government issued bonds, U.S. treasuries, and mortgage backed securities.

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - Organization and Summary of Significant Accounting Policies (cont.)**

**Property and Equipment**

Property and equipment are recorded at cost if purchased or, if received as a donation, at the fair market value at the date of the gift. Depreciation on the assets is computed using the straight-line method over the estimated useful lives of the assets. The Board capitalizes capital assets with a cost in excess of \$10,000 and useful lives of over 5 years.

	Estimated Useful lives
Buildings and improvements	12 - 50 years
Water system infrastructure	12 - 50 years
Other equipment	5 - 20 years
Vehicles	5 years

The costs of normal maintenance and repairs are charged to operations as incurred. Renewals and betterments are capitalized and depreciated over the remaining useful lives of the related properties.

**Accrued Compensated Absences**

The Board provides vacation benefits to employees. Subsequent to the employee's first anniversary date, employees are allowed 10 to 25 days of vacation per year depending on the length of service. Up to 5 days of carry-over vacation leave is permitted each year but vacation days in excess of 5 are forfeited at December 31<sup>st</sup>. The liabilities for compensated absences are accrued and recorded in these financial statements.

**Net Position**

Net position is a function of assets plus deferred outflows of resources minus liabilities minus deferred inflows of resources equals net position. The caption 'net investment in capital assets' consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

The Board applies restricted and then unrestricted resources when an expense is incurred for purposes that satisfy the related definition and criteria for the related net position classification shown above for fund financial statements.

The Board's net position is classified as follows:

*Net investment in capital assets* – This represents the Board's total investment in capital assets, net of accumulated depreciation and debt related to the purchase or construction of those assets.

*Restricted current debt service* – The purpose of this account is to accumulate funds to pay current notes payable and interest.

*Unrestricted net position* – These resources are used for transactions relating to the general operations of the Board, and may be used at the discretion of the governing Board to meet current expenses for any purpose.

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - Organization and Summary of Significant Accounting Policies (cont.)**

**Revenue Recognition**

Revenue is recognized at the time of sale for customers purchasing water and when principal and interest payments are due on notes receivable.

**Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. For the Board, some elements related to pensions reported in the Proprietary Fund Statement of Net Position are considered deferred outflows of resources. The four pension areas included in deferred outflows of resources are as follows: the effect of the net change in the Board's proportion of the collective net pension liability, the difference between the Board's contributions and its proportionate share of total contributions to the pension system, changes in assumptions used to determine net pension liability, and the Board's contributions to the Wyoming Retirement System subsequent to the measurement date. Additionally, the advanced refunding of the bonds, from 2005, resulted in a difference between the reacquisition price and net carry amount of the old debt of \$1,172,494 which has been amortized over the remaining debt service period. The remaining unamortized amount of \$0 and \$8,248, as of June 30, 2025 and 2024, respectively, is reported as a deferred outflow of resources in the accompanying financial statements and has been charged to operations through the year 2025 using the effective interest method.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. For the Board, some elements related to pensions reported in the Statement of Net Position are considered deferred inflows of resources. The three pension areas included in deferred inflows of resources are as follows: the effect of the net change in the Board's proportion of the collective net pension liability, the difference between the Board's contributions and its proportionate share of total contributions to the pension system, and the difference between the Plan's expected and actual experience of the total gains and losses.

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - Organization and Summary of Significant Accounting Policies (cont.)**

**New and Upcoming Accounting Pronouncements**

The following are Statements of the Governmental Accounting Standards Board (GASB) that are or will be applicable to the Board. At June 30, 2025, the Board was aware of the following new standards issued by GASB:

**Implemented in the Current Year**

- GASB Statement No. 101, *Compensated Absences*, effective for fiscal year beginning after December 15, 2023

**Not Yet Implemented**

- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for fiscal year beginning after June 15, 2025

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The Board implemented this Statement during the current year.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.



**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - Organization and Summary of Significant Accounting Policies (cont.)**

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

The Board is evaluating the impact that the above GASB statement will have on its financial reporting.

**NOTE 2 - Budgetary Basis of Accounting**

While the Board is reporting financial position, results of operations and changes in net position on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The major differences between the budgetary basis and GAAP basis are as follows:

- A. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- B. Expenditures are recorded when paid in cash (budgetary) as opposed to when the fund liability is incurred (GAAP).

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - Deposits and Investments**

Cash, investments, and restricted cash as of June 30, 2025 and 2024, as classified in the accompanying financial statements, consists of the following:

	2025	2024
Statement of Net Position		
Deposits with financial institutions	\$ 4,131,684	\$ 4,815,360
Certificates of deposit held at banks	10,506,176	8,647,832
Investments:		
U.S. Government bonds	246,489	236,640
Asset backed securities	19,820	24,077
	<u>\$ 14,904,169</u>	<u>\$ 13,723,909</u>

The Board follows the guidelines set forth in Wyoming State Statute 9-4-831 as it relates to the investment of public funds. Board policy restricts investments to certificates of deposit with local banks, unless specific Board action authorizes an alternative investment. All investments made during the year were made within these limits. The Board has an investment policy in place related to exposure to credit risk, custodial credit risk, concentration of credit risk, or foreign currency risk.

Custodial Credit Risk of Investments

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Board's investment policy does not contain any specific provisions intended to limit the Board's exposure to credit risk. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Custodial Credit Risk of Bank Deposits

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Board will not be able to recover its deposits or collateral securities that are in the possession of an outside party. Deposits held in Board bank accounts are insured by Federal depository insurance or are collateralized with securities held by the custodian bank or Federal Reserve in the name of the Board and the financial institution in accordance with Wyoming State Statutes. As of June 30, 2025 and 2024, the Board had balances in financial institutions of \$14,812,970 and \$13,433,384, respectively, which were fully collateralized or insured in 2025 and 2024. The Board's reconciled cash balances in financial institutions (excluding investments but including Certificates of Deposit) were \$14,637,860 and \$13,463,192, respectively, as of June 30, 2025 and 2024.

The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. As of June 30, 2025 and 2024, all investment securities were held by the Board's custodian and registered in the Board's name.

Certificates of deposit are unrated and are held in various financial institutions that are insured by the Federal Deposit Insurance Corporation with maturities ranging from 1 to 36 months. Interest rates on these certificates range from 0.5% - 5.07% annually.



**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - Deposits and Investments (cont.)**

Concentration of Credit Risk

The Board places no limit on the amount the Board may invest in any one issuer.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity its fair value is to changes in market interest rates.

Fair Value of Investments

As of June 30, 2025, and 2024, the Board's investment portfolio includes U.S. Treasury Securities, U.S. Government Bonds and asset backed securities held with a third party full-service financial institution.

The Board defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in accordance with the Government Accounting Standards Statement (GASB) No. 72, *Fair Value Measurement and Application*. This statement establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1 Fair Value Measurements

The fair value of government and municipal obligations, corporate obligations, and equities are based on quoted values of the shares held by the Board at year-end. Zero percent of the investments held, on behalf of the Board, fall into this category.

Level 2 Fair Value Measurements

These are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means. One hundred percent of the investments held, on behalf of the Board, fall into this category.

Level 3 Fair Value Measurements

These are largely unobservable inputs for the asset or liability; they should be used only when relevant Level 1 and Level 2 inputs are unavailable. Zero percent of the investments held, on behalf of the Board, fall into this category.

The table below breaks out the separate investments and their related fair value category.

	2025	2024	
U.S Government Bonds - MBS	\$ 246,489	\$ 236,640	Level 2
Asset Backed Securities - MBS	19,820	24,077	Level 2
Total Fair Value of Investments	<u>\$ 266,309</u>	<u>\$ 260,717</u>	

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - Receivables**

As of June 30, 2025 and 2024 receivable balances consist of the following:

	2025	2024
Water services	1,054,466	914,733
Note receivable, water surcharge	243,660	233,463
Capital project funding receivable	15,624	8,854
Accrued interest on notes receivable	21,847	10,631
	<u>\$ 1,335,597</u>	<u>\$ 1,167,681</u>

The Board had no amounts that were 90 days past due as of June 30, 2025 and 2024.

FOR BOARD APPROVAL

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - Capital Assets**

Capital assets consist of the following as of June 30, 2025 and 2024:

	Balance June 30, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Nondepreciable capital assets					
Land	\$ 72,500	\$ 0	\$ 0	\$ 0	\$ 72,500
Construction in process	712,666	185,143	0	0	897,809
Total nondepreciable capital assets	785,166	185,143	0	0	970,309
Depreciable capital assets					
Treatment plant, water system, transmission and distribution, and hydrants	179,856,421	647,020	0	0	180,503,441
Idle treatment plant	3,260,940	0	0	0	3,260,940
Vehicles	232,733	0	0	0	232,733
Other equipment	1,205,206	0	0	0	1,205,206
Total depreciable capital assets	184,555,300	647,020	0	0	185,202,320
Less impairment of idle treatment plant	(3,260,940)	0	0	0	(3,260,940)
Less accumulated depreciation	(73,937,240)	(4,585,528)	0	0	(78,522,768)
Depreciable capital assets, net	107,357,120	(3,938,508)	0	0	103,418,612
Capital assets, net	\$ 108,142,286	\$ (3,753,365)	\$ 0	\$ 0	\$ 104,388,921
	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Nondepreciable capital assets					
Land	\$ 72,500	\$ 0	\$ 0	\$ 0	\$ 72,500
Construction in process	581,113	131,553	0	0	712,666
Total nondepreciable capital assets	653,613	131,553	0	0	785,166
Depreciable capital assets					
Treatment plant, water system, transmission and distribution, and hydrants	178,793,748	1,062,673	0	0	179,856,421
Idle treatment plant	3,260,940	0	0	0	3,260,940
Vehicles	232,733	0	0	0	232,733
Other equipment	1,205,206	0	0	0	1,205,206
Total depreciable capital assets	183,492,627	1,062,673	0	0	184,555,300
Less impairment of idle treatment plant	(3,260,940)	0	0	0	(3,260,940)
Less accumulated depreciation	(70,194,040)	(3,743,200)	0	0	(73,937,240)
Depreciable capital assets, net	110,037,647	(2,680,527)	0	0	107,357,120
Capital assets, net	\$ 110,691,260	\$ (2,548,974)	\$ 0	\$ 0	\$ 108,142,286

For the year ended June 30, 2025, no projects were completed with the City of Rock Springs. For the year ended June 30, 2024, projects were completed with the City of Rock Springs for \$587,120. The Board policy states that contributed capital revenue and capital additions will be recognized when projects are complete.

For the year ended June 30, 2025, projects were completed with the City of Green River for \$435,000. For the year ended June 30, 2024, projects were completed with the City of Green River for \$258,000.

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - Loans Payable**

On July 21, 2005, the Board acquired a loan through the Wyoming Office of State Lands and Investments to defease 1999 revenue bonds issued on April 1, 1999. The loan, in the amount of \$20,000,000, requires annual payments of \$1,282,943, including interest at 2.5%, which will be repaid until the note matures on December 1, 2024. The first payment on the loan was made on December 1, 2005, and payments are due annually by December 1 until paid in full. The loan is collateralized by revenues generated from the water system user fees. The loan balance at June 30, 2025 and 2024 was \$0 and \$1,212,626, respectively.

The advanced refunding of the bonds resulted in a difference between the reacquisition price and net carrying amount of the old debt of \$1,172,494. The difference is reported as a deferred outflow of resources for loss on advanced refunding on the Statement of Net Position.

During the year ended June 30, 2005, the Board and the City of Rock Springs completed the Clark Additions Project that was funded through a note payable to the Wyoming Office of State Lands and Investments. The loan, in the amount of \$1,000,000 requires annual payments of \$64,147, including interest at 2.5%, and will be repaid until the note matures on December 1, 2023. The City of Rock Springs will reimburse the Board for all required payments under the note and, accordingly, a receivable is reflected in the statement of net position. The loan balance outstanding at June 30, 2025 and 2024 was \$0 and \$60,973, respectively.

During the year ended June 30, 2010, the Board completed a project to make improvements to the sludge pond at the water treatment plant which was funded 33% by a \$400,000 loan payable to the Wyoming Office of State Lands and Investments, 33% with grant funds, with the balance funded by the Board. The loan requires annual payments of \$25,659, including interest at 2.5%, and matures December 12, 2027. The loan is collateralized by revenues generated from the water system user fees. The loan balance outstanding at June 30, 2025 and 2024 was \$72,563 and \$95,833, respectively. This loan was refinanced as of June 5, 2025 with a restated interest rate of 1.5% and an updated annual payment of \$24,951 beginning with the payment due December 12, 2025. All other terms remained the same.

During the year ended June 30, 2009, the Board and the City of Rock Springs completed the Gobel/O'Donnell Streets project, which was funded by a \$1,171,045 loan payable to the Wyoming Office of State Lands and Investments. The loan requires payments of \$74,876, including interest at 2.5%, and matures December 1, 2029. The City of Rock Springs will reimburse the Board for all the required payments under the note and, accordingly, a receivable is reflected in the statement of net position. The loan balance outstanding at June 30, 2025 and 2024 was \$278,684 and \$345,136, respectively. This loan was refinanced as of June 5, 2025 with a restated interest rate of 1.5% and an updated annual payment of \$72,326 beginning with the payment due December 1, 2025. All other terms remained the same.

At its regularly scheduled meeting on February 2, 2013, the Wyoming State Land and Investment Board approved loan DWSRF #136, a 2.5%, 20-year, \$8,118,000 loan to the Board to be utilized for the construction of a Raw Water Sedimentation Basin Project. The loan provides for principal forgiveness of up to 25% of the drawn loan funds upon completion of the project. Repayment of the loan began during the year ended June 30, 2020 even though the project was not 100% operational due to flaws in the construction of the project. The loan balance outstanding at June 30, 2025 and 2024 was \$3,947,372 and \$4,198,037, respectively. This loan was refinanced as of June 5, 2025 with a restated interest rate of 1.5% and an updated annual payment of \$314,251 beginning with the payment due December 15, 2025. All other terms remained the same.

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - Loans Payable (cont.)**

Loans payable to the State of Wyoming consist of the following at June 30, 2025:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Due Within One Year
Obligation of Board					
DWSRF #44 Bond Defeasance	\$ 1,212,626	\$ 0	\$ 1,212,626	\$ 0	\$ 0
DWSRF #068	95,833	0	23,270	72,563	23,862
DWSRF #136	4,198,037	0	250,665	3,947,372	255,851
Total obligation of Board	5,506,496	0	1,486,561	4,019,935	279,713
Unamortized bond discount	0	0	0	0	0
Net obligation of Board	5,506,496	0	1,486,561	4,019,935	279,713
Guaranteed by City of Rock Springs					
DWSRF #029	60,973	0	60,973	0	0
DWSRF #066	345,136	0	66,452	278,684	68,203
Total obligation of City of Rock Springs	406,109	0	127,425	278,684	68,203
	<u>\$ 5,912,605</u>	<u>\$ 0</u>	<u>\$ 1,613,986</u>	<u>\$ 4,298,619</u>	<u>\$ 347,916</u>

The Board's outstanding notes from direct borrowings and direct placements of \$4,298,619 contain provisions that in an event of default, the holders of the obligations are entitled to declare the whole on the unpaid balance due and payable on demand. The holder of the obligations can then proceed against revenues assigned and pledged to the Board to satisfy any unpaid balance due.

	Principal	Interest
2026	\$ 347,916	\$ 68,643
2027	353,068	61,908
2028	358,194	56,417
2029	338,411	52,734
2030	271,332	53,573
2031-2035	1,418,073	155,816
thereafter	1,211,625	46,255
	<u>\$ 4,298,619</u>	<u>\$ 495,346</u>

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - Defined Benefit Pension Plans**

**General Information about the Plan**

*Plan Descriptions* - Substantially all qualified employees of the State, Public School Systems, and other political subdivisions of Wyoming which have elected to participate are eligible for the Public Employees Pension Plan, a cost-sharing, multiple employer defined benefit pension plan administered by the Wyoming Retirement System (WRS). Benefit provisions under the Plan are established by State statute. WRS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the WRS website.

Employees terminating prior to normal retirement can elect to withdraw all employee contributions plus accumulated interest through the date of termination or, if they are vested, they may elect to remain in the Plan and be eligible for early retirement benefits at age 50 (Tier 1 employees) or 55 (Tier 2 employees).

*Benefits Provided* - WRS Public Employees Plan provides retirement, disability and death benefits according to predetermined formulas and allows retirees to select one of seven optional methods for receiving benefits, including two joint and survivor forms of benefits: 100% joint and survivor annuity, and a 50% joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. Any cost of living adjustments provided to retirees must be granted by the State Legislature. In addition, a cost of living adjustment will not be approved by the legislature unless the Plan is 100% funded after the COLA is awarded.

Benefits are determined based on two tiers:

Tier 1 are members who joined WRS by August 31, 2012. The Plan allows for normal retirement after four years of service and attainment of age 60. Early retirement is allowed provided the employee has completed four years of service and attained age 50 or 25 years of service. Benefits are calculated as 2.125% of employee's highest average salary for each year of credited service for the first 15 years of service plus 2.25% of the highest average salary for any years of service credit exceeding 15 years. This amount is reduced by 5% per year that the employee is under age 60.

Tier 2 are members who joined WRS after August 31, 2012. The Plan allows for normal retirement after four years of service and attainment of age 65. Early retirement is allowed provided the employee has completed four years of service and attained age 55 or 25 years of service. Benefits are calculated as 2% of employee's highest average salary for each year of credited service. This amount is reduced by 5% per year that the employee is under age 65.

All employees may also retire upon normal retirement on the basis that the sum of the employee's age and service is at least 85.

*Contributions* - The Plan statutorily requires 18.62% of the participant's salary to be contributed to the Plan. Contributions consist of 9.25% of the participant's salary as employee contributions and 9.37% as employer contributions. The amount of contributions designated as employee contributions represents the portion of total contributions that a participant retains ownership of and can elect to receive as a refund upon termination of employment. Employers can elect to cover all or a portion of the employee's contribution at their discretion. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - Defined Benefit Pension Plans (cont.)**

**General Information about the Plan (cont.)**

Employers can elect to cover all or a portion of the employee's contribution at their discretion. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2025 and 2024, the contributions from the Board that are recognized as part of pension expense for the Plan were as follows:

	2025	2024
Contributions - employer	\$ 116,280	\$ 116,408
Contributions - employee (paid by employer)	\$ 114,791	\$ 114,918

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2025 and 2024, the Board reported a net pension liability of \$1,235,361 and \$1,371,733, respectively, for its proportionate share of the net pension liability of the Plan.

The Board's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of December 31, 2024 and 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024 and 2023, rolled forward to December 31, 2024 and 2023, using generally accepted actuarial procedures. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Board's proportionate share of the net pension liability for the Plan as of December 31, 2024 was .05923 percent, which was a decrease of 1.97% from its .06042 percent proportionate share at December 31, 2023.

For the year ended June 30, 2025 and 2024, the Board recognized pension expense of \$96,625 and \$128,375, respectively. At June 30, 2025 and 2024, the Board reported deferred outflows of resources related to pensions from the following sources:



**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - Defined Benefit Pension Plans (cont.)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of  
Resources Related to Pensions (cont.)**

	2025 Deferred Outflows of Resources	2025 Deferred Inflows of Resources	2024 Deferred Outflows of Resources	2024 Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 129,446	\$ 0	\$ 133,304	\$ 0
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	15,874	19,463	38,871	0
Net differences between projected and actual earnings on Plan investments	301,643	459,280	452,464	497,909
Differences between expected and actual experience on net (inflows)/outflows of resources	80,423	1,489	26,495	5,881
Changes in assumptions	0	0	13,483	0
Total	<u>\$ 527,386</u>	<u>\$ 480,232</u>	<u>\$ 664,617</u>	<u>\$ 503,790</u>

The \$129,446 and \$133,304, as of June 30, 2025 and 2024, respectively, was reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	6/30/2022	6/30/2023	6/30/2024	6/30/2025	Total
6/30/2026	99,696	(151,575)	48,621	22,163	18,905
6/30/2027	0	(150,821)	55,819	22,163	(72,839)
6/30/2028	0	0	67,158	29,541	96,699
6/30/2029	0	0	0	39,527	39,527



**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - Defined Benefit Pension Plans (cont.)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (cont.)**

*Actuarial Assumptions* - The total pension liabilities in the January 1, 2024 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	January 1, 2024
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll Closed
Actuarial Assumptions:	
Discount Rate	6.80%
Inflation	2.25%
Projected Salary Increase	2.5% to 6.5%, per year
Investment Rate of Return	6.80%
Mortality	Pub-2010 General Health Annuitant Mortality Table, Projected with MP-2020 Ultimate Scale

*Discount Rate* - The discount rate used to measure the total pension liability was 6.80% for the Plan. The projection of cash flows used to determine the discount rate assumed contributions from participating employers will be made on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Wyoming State Statutes. Based on those assumptions, the WRS fiduciary net position was projected to be available to make all the projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

DISCOUNT RATE			
Single Discount Rate	Long-Term Expected Rate of Return	Long-Term Municipal Bond Rate*	Last year ending December 31 in the 2024 to 2123 projection period for which projected benefit payments are fully funded
6.80%	6.80%	4.08%	2123

\* Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year GO AA Index" as of December 31, 2024. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.

In determining the long-term expected rate of return, the Plan assumes a long-term investment rate of return of 6.80%. The long-term rate of return is determined through a 4.55% net real rate of return and an inflation rate of 2.25%. The following table represents a comparison of an annual money-weighted rate of return, net of investment expenses compared to the expected real rate of return.

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - Defined Benefit Pension Plans (cont.)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of  
Resources Related to Pensions (cont.)**

Annual money-weighted rate of return, net of expenses for the fiscal year ended December 31, 2024	Annual money-weighted rate of return, net of expenses for the fiscal year ended December 31, 2023	Expected rate of return net investment expenses
10.54%	13.84%	6.80%

The table below reflects the assumed asset allocation of the Plan's portfolio, the long-term expected rate of return for each asset class and the expected rate of return is presented arithmetic and geometric. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Major Portfolio Class	Target Allocation	Arithmetic Real Return	Arithmetic Nominal Return	Geometric Return	Geometric Nominal Return
<b>Tactical Cash</b>	<b>0.50%</b>	<b>0.40%</b>	<b>3.10%</b>	<b>0.41%</b>	<b>3.11%</b>
<b>Gold</b>	<b>1.50%</b>	<b>0.90%</b>	<b>3.60%</b>	<b>2.33%</b>	<b>5.03%</b>
<b>Fixed Income</b>	<b>20.00%</b>	<b>4.22%</b>	<b>6.92%</b>	<b>3.79%</b>	<b>6.49%</b>
Core Plus	5.00%	2.67%	5.37%	2.60%	5.30%
US Government	5.00%	1.94%	4.64%	1.90%	4.60%
TIPS	2.00%	2.52%	5.22%	2.30%	5.00%
Opportunistic	3.00%	4.73%	7.43%	4.25%	6.95%
Private Debt	5.00%	8.41%	11.11%	7.20%	9.90%
<b>Equity</b>	<b>51.50%</b>	<b>8.19%</b>	<b>10.89%</b>	<b>6.51%</b>	<b>9.21%</b>
US Equity	21.00%	6.93%	9.63%	5.70%	8.40%
Developed International	11.50%	7.37%	10.07%	6.00%	8.70%
Emerging Markets	6.00%	8.02%	10.72%	6.00%	8.70%
Private Equity	13.00%	11.02%	13.72%	8.50%	11.20%
<b>Marketable Alternative</b>	<b>16.00%</b>	<b>5.38%</b>	<b>8.08%</b>	<b>4.54%</b>	<b>7.24%</b>
<b>Private Real Assets</b>	<b>10.50%</b>	<b>7.74%</b>	<b>10.44%</b>	<b>6.23%</b>	<b>8.94%</b>
Private Natural Resources	2.5-7.5%	8.51%	11.21%	6.50%	9.20%
Private Infrastructure	2.5-7.5%	6.15%	8.85%	5.30%	8.00%
Real Estate	2.5-7.5%	8.57%	11.27%	6.90%	9.60%
<b>Total</b>	<b>100.00%</b>	<b>6.75%</b>	<b>9.45%</b>	<b>5.53%</b>	<b>8.23%</b>

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - Defined Benefit Pension Plans (cont.)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (cont.)**

*Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* – The following presents the Board's proportionate share of the net pension liability for the Plan, calculated using the discount rate for each Plan, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2024 WRS	2024 WRS
1% Decrease	5.80%	5.80%
Net Pension Liability	\$2,057,849	\$2,178,355
Current Discount Rate	6.80%	6.80%
Net Pension Liability	\$1,235,361	\$1,371,733
1% Increase	7.80%	7.80%
Net Pension Liability	\$554,236	\$703,285

*Pension Plan Fiduciary Net Position* - Detailed information about each pension plan's fiduciary net position is available in the separately issued WRS financial reports.

**Payable to the Pension Plan**

The Board reported a payable of \$10,150 and \$8,570, for the outstanding amount of contributions to the pension plan required at June 30, 2025 and 2024, respectively.

**NOTE 8 - Major Customers and Related Parties**

For the year ended June 30, 2025 and 2024, the Board's major customers were the City of Rock Springs, City of Green River, and Simplot Phosphates, Inc. Each of these customers were individually responsible for over 10% of the Board's total operating revenue for the years ended June 30, 2025 and 2024.

The City of Rock Springs and City of Green River are also considered related parties due to the fact the cities appoint two individuals to represent their interest on the Board.

	Revenues	
	2025	2024
City of Rock Springs	\$ 3,758,935	\$ 3,308,872
City of Green River	1,464,786	1,342,250
Simplot Phosphates, Inc.	1,524,579	1,351,934

  

	Water Sales Receivable	
	2025	2024
City of Rock Springs	\$ 598,983	\$ 508,293
City of Green River	261,578	237,275
Simplot Phosphates, Inc.	147,345	126,389

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 - Risk Management**

The Board is subject to risk loss from various events, including torts, theft, damage to assets, business interruption, errors and omissions, and job-related injuries to employees, as well as acts of God. The Board mitigates its risk associated with the above through commercial insurance policies for liability insurance, purchase of commercial property insurance policies, and workers' compensation coverage. There has been no significant reduction in coverage against these losses from year to year.

**NOTE 10 - Commitments**

The Board is potentially liable for costs to restore the site of its old water treatment plant to the original condition of the property. The total costs to be incurred, along with the timing of these costs, could not be determined as of the date of these financial statements and is not reflected in the liabilities for the Board.

As of June 30, 2025, the Board had entered into a design/engineering contract in relation to the construction of the Crossroads Pump Station Project. The following is a summary of the remaining commitment on that contract.

	Contract Total	Spent to Date	Remaining Commitment
Design and Engineering	\$ 1,504,230	\$ 726,279	\$ 777,951
Totals	\$ 1,504,230	\$ 726,279	\$ 777,951

**NOTE 11 - Contingencies**

**A. Loans**

The Board received financial assistance from federal and state agencies in the form of loans. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the loan agreements and are subject to audit by the granting agencies. Any disallowed claims resulting from such audits could become a liability of the Board. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Board at June 30, 2025 and 2024.

**B. Litigation**

The Board is contingently liable in respect to lawsuits and claims in the ordinary course of its operations. In the opinion of Board personnel, the settlement of such contingencies would not affect the financial position of the Board at June 30, 2025 and 2024. Should any claims prove to be a detriment to the Board, they will be recorded as expenditure in the period in which a liability is realized.

**C. Property and Liability Risk Management**

Real and personal property owned by the Board is subject to loss from natural disasters and actions of others. In addition, the Board has the potential to be named as a responsible party in liability claims. The Board purchases commercial insurance packages to offset such losses, should they occur.

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 - Contingencies (cont.)**

**D. Environmental**

The Board is subject to oversight from a variety of agencies throughout the normal course of business. During 2019, they had an inspection conducted by the Wyoming Department of Environmental Quality which resulted in some corrective actions to be taken to place additional monitoring devices on the outfalls of discharge points. The Board has willingly complied with these requirements. As of November 26, 2025, the Board has completed the corrections.

**NOTE 12 - Designations**

The Board has designated the following amounts:

	2025	2024
GAC/caustic reserve	\$ 787,563	\$ 737,563
Depreciation reserve	3,446,722	2,692,340
Capital improvements reserve	1,248,505	933,004
Water resource	362,000	100,000
Unemployment reserve	110,400	110,400
	<u>5,955,190</u>	<u>4,573,307</u>
Amelioration reserve	1,438,342	1,138,342
	<u>7,393,532</u>	<u>5,711,649</u>
Total Board designations	\$ 7,393,532	\$ 5,711,649

**Board Designated Assets**

To level the rates, as of June 30, 2025 and 2024, the Board has designated \$1,438,342 and \$1,138,342, respectively, in cash to be used for rate amelioration. It is the intention of the Board that these funds be used to help maintain a consistent rate structure.

The Board designated amounts shown are unrestricted as presented on the Statement of Net Position.

**NOTE 13 - Subsequent Events**

Subsequent events were considered for disclosure through November 26, 2025, the date these financial statement were available to be issued.

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
WYOMING RETIREMENT SYSTEM  
PUBLIC EMPLOYEES PENSION PLAN**

Calendar Year\*

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Board's proportion of the net pension liability	0.04623%	0.05248%	0.05304%	0.05161%	0.04712%	0.05514%	0.05786%	0.05931%	0.06042%	0.05923%
Board's proportionate share of the net pension liability	\$ 1,076,839	\$ 1,268,738	\$ 1,208,926	\$ 1,571,702	\$ 1,107,323	\$ 1,198,485	\$ 882,161	\$ 1,620,727	\$ 1,371,733	\$ 1,235,361
Board's covered payroll	\$ 896,402	\$ 931,805	\$ 950,050	\$ 990,725	\$ 841,374	\$ 1,010,778	\$ 1,054,269	\$ 1,117,331	\$ 1,236,964	\$ 1,264,337
Board's proportionate share of the net pension liability as a percentage of its covered payroll	120.13%	136.16%	127.25%	158.64%	131.61%	118.57%	153.73%	145.05%	110.90%	97.71%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	73.42%	76.35%	69.17%	76.83%	79.24%	86.03%	75.47%	80.19%	82.46%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

See Notes to Required Supplementary Pension Information

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
SCHEDULE OF BOARD CONTRIBUTIONS  
WYOMING RETIREMENT SYSTEM  
PUBLIC EMPLOYEES PENSION PLAN**

Fiscal Year

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually required contributions	\$ 148,982	\$ 154,866	\$ 157,898	\$ 146,139	\$ 164,017	\$ 187,867	\$ 199,207	\$ 219,858	\$ 231,326	\$ 231,071
Contributions in relation to the contractually required contribution	<u>148,982</u>	<u>154,866</u>	<u>157,898</u>	<u>146,139</u>	<u>164,017</u>	<u>187,867</u>	<u>199,207</u>	<u>219,858</u>	<u>231,326</u>	<u>231,071</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Board's covered payroll	\$ 896,402	\$ 931,805	\$ 990,725	\$ 853,616	\$ 930,857	\$ 1,036,796	\$ 1,069,857	\$ 1,193,603	\$ 1,245,809	\$ 1,241,747
Contributions as a percentage of covered payroll	16.62%	16.62%	15.94%	17.12%	17.62%	18.12%	18.62%	18.42%	18.57%	18.61%

See Notes to Required Supplementary Pension Information

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
NOTES TO REQUIRED SUPPLEMENTARY  
PENSION INFORMATION  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

*Changes of benefit terms -*

There are no changes in benefit terms from the prior year.

*Changes in assumptions -*

There are no changes in assumptions from the prior year.

*Changes in the composition of the population -*

There are no changes in the composition of the population from the prior year.

FOR BOARD APPROVAL



**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2025**

**SIGNIFICANT DEFICIENCY**

**Finding 2025-001: Segregation of Duties (Repeat Finding)**

**Condition:** The office manager of the Board has job duties that encompass portions of cash receipts, cash disbursements, and has the ability to post journal entries to the Board's financial statements. The Board holds no actual cash in the form of petty cash and no other actual cash holdings exist. All transactions within the office are in the form of checks; i.e., checks received, checks written and sent.

**Criteria:** Internal controls should be designed to safeguard assets and help prevent loss from employee dishonesty or error and be structured in such a way that it reduces the opportunity for errors and malicious acts to occur.

**Cause:** This is due to the organizational size of the Board and is a common difficulty for other organizations of this size.

**Effect:** The effect of having such a small administrative staff creates the opportunity for errors or theft to occur which could impact the financial statements.

**Recommendation:** Management should review the duties of the office manager and identify additional controls that could be put in place. In-house review procedures should be formalized, documented, and retained.

FOR BOARD APPROVAL



**MANAGEMENT RESPONSE**  
**YEAR ENDED JUNE 30, 2025**  
(Unaudited)

**CORRECTIVE ACTION ITEM - Finding: 2025-001 - Segregation of Duties**

**Individual Responsible:** Management and Board of Directors

**Anticipated Completion Date:** None anticipated

**Corrective Action:** It would not make economic sense for the Board to hire additional personnel to provide adequate segregation of duties. The Board is aware of the situation and has taken several steps to mitigate the situation. The Board itself is very involved in the different levels of internal control as each check is reviewed and signed by both the General Manager and one member of the Board. We will continue to utilize our external accountant in the accounting function to provide additional oversight and expertise.

FOR BOARD APPROVAL

**CITY OF GREEN RIVER, WYOMING - CITY OF ROCK SPRINGS, WYOMING -  
SWEETWATER COUNTY, STATE OF WYOMING JOINT POWERS WATER BOARD  
SCHEDULE OF PRIOR FINDINGS YEAR ENDED JUNE 30, 2024**

**SIGNIFICANT DEFICIENCY**

**Finding 2024-001: Segregation of Duties**

**Condition:** The office manager of the Board has job duties that encompass portions of cash receipts, cash disbursements, and has the ability to post journal entries to the Board's financial statements. The Board holds no actual cash in the form of petty cash and no other actual cash holdings exist. All transactions within the office are in the form of checks; i.e., checks received, checks written and sent.

**Current Year Status:** Corrective action has not been taken and the Board recognizes the risks associated with the job duties of this specific position.

FOR BOARD APPROVAL