FREMONT COUNTY
ASSOCIATION OF GOVERNMENTS

FINANCIAL REPORT

JUNE 30, 2024

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Fremont County Association of Governments
Riverton, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the blended component unit, and each major fund of Fremont County Association of Governments (Association), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Association'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 respective financial position of the governmental activities, the business-type activities, the blended component units, each major fund, and the aggregate remaining fund information of the Fremont County Association of Governments, as of June 30, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 Fremont County Association of Governments and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

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 Association'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 opinions. 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 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 fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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.

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 audit 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 Fremont County Association of Governments' 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 Fremont County Association of Governments' 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 internal control related matters that we identified during the audit.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of Fremont County Association of Governments as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and required GASB pension schedules be presented to supplement the basic financial statements. Such information, 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 opinions on the financial statements that collectively comprise the Fremont County Association of Governments' basic financial statements. The accompanying combining and individual nonmajor fund financial statements and 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*, are presented for purposes of additional analysis and are 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2024, on our consideration of Fremont County Association of Governments' 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 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 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 Fremont County Association of Governments' internal control over financial reporting and compliance.

SUMMIT WEST CPA GROUP, P.C.

Summit West CPA Group, P.C.
Lander, Wyoming
July 2, 2025

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SUMMIT WEST CPA GROUP, P.C.

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Lander, Wyoming
July 2, 2025

As management of the Fremont County Association of Governments, we offer readers of the Association's financial statements this narrative overview and analysis of the financial activities of the Association for the year ended June 30, 2024. We encourage readers to consider the information presented in conjunction with the Association's financial statements, notes to the financial statements and various supplementary information which follow this section.

Financial Highlights

As of June 30, 2024, the Association's total Governmental Activities net position was $1,427,550, compared to $1,181,149 as of June 30, 2023. The change in net position for the year was $246,401, reflecting continued efforts to manage expenditures and adapt to evolving funding sources. This year's results were influenced by the final year of revenue from the ½% Economic Development sales tax, ongoing intergovernmental support, and adjustments in grant funding levels.

Total governmental funds revenue for FY24 was $1,914,902, including the Wind River Transportation Authority (WRTA) component unit, which generated $1,159,716 in grant revenues, fares, and contractual agreements. Total expenses for all governmental funds, including WRTA, were $1,636,620. These figures reflect the Association's commitment to providing essential services while maintaining fiscal responsibility.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Association's basic financial statements. The Association's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Association's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Association's assets, deferred outflows, deferred inflows and liabilities, with the difference between them 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 Association is improving or deteriorating. However, fluctuations from year to year need to be reviewed in light of the timing of funding.

The *statement of activities* presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the Association's government-wide financial statements distinguish the functions of the Association as being principally supported by taxes and intergovernmental revenues (governmental activities) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Association, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The fund financial statements provide more detailed information about the Association's most significant funds - not the Association as a whole.

The Association only has governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. Such information may be useful in evaluating a government's near-term financing requirements. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities reported in the Statement of Net Position and the Statement of Activities and the governmental funds are reconciled in the financial statements. The general fund, and grants fund are considered major funds and are reported as separate columns in the fund financial statements. All other governmental funds of the Association are combined into a single, aggregated presentation.

Notes to the Financial Statements

The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements.

Financial Analysis of the Association as a Whole

The Statement of Net Position provides the perspective of the Association as a whole. The following provides a summary of the Association's net position at June 30, 2024:

Condensed Statement of Net Position

	2022-2023 Governmental Activities	2023-2024 Governmental Activities
Current and other assets	$ 1,029,876	$ 1,301,474
Capital assets	817,266	739,187
Total Assets	1,847,142	2,040,661
Deferred outflow of resources - pension	432,083	315,927
Current liabilities	122,492	118,174
Long-term liabilities	733,228	601,864
Total Liabilities	855,720	720,038
Deferred Inflows of Resources - Pension	242,356	209,000
Net Position		
Net investment in capital assets	817,266	739,187
Unrestricted	363,883	688,363
Total Net Position	$ 1,181,149	$ 1,427,550

The Statement of Net Position offers a holistic view of FCAG's financial standing as of June 30, 2024, including the impact of GASB 68 on the Association's pension-related liabilities and deferred outflows, which influences unrestricted funds significantly.

Changes in the Association's Net Position

	2022-2023 Governmental Activities	2023-2024 Governmental Activities
Revenues		
Program Revenues		
Charges for services	$ 297,864	$ 290,328
Operating grants and contributions	1,544,263	993,874
Capital grants and contributions	0	0
General Revenues		
Membership dues	31,500	31,500
Investment	2,428	5,103
Miscellaneous	73,141	112,498
Intergovernmental	434,789	455,282
Loss on disposal	0	(32,055)
Total revenues	2,383,985	1,856,530
Expenses		
General government	618,167	615,150
Transportation	709,788	566,933
Community development	512,409	267,296
Other costs	0	0
Debt service - interest	53	0
Depreciation	69,455	160,750
Total expenses	1,909,872	1,610,129
Change in net position	$ 474,113	$ 246,401

Financial Analysis of the Association's Funds
Governmental Funds

Revenues
In FY24, total revenues for Governmental Activities were $1,914,902, reflecting changes in grant funding, sales tax receipts, and membership dues. The final complete year of the ½% Economic Development sales tax provided $449,043, while grant revenues and intergovernmental support remained essential to program delivery. WRTA continued to be a significant revenue generator, with $1,159,716 in operating and capital grants, fares, and contracts.

Expenditures
Total expenses for Governmental Activities in FY24 were $1,636,620. Major categories included Salaries and benefits ($889,393), Transportation ($172,393), and community development ($258,645). These expenses reflect the Association's ongoing investment in public services, infrastructure, and community programming.

Change in Net Position
The net position for Governmental Activities changed by $246,401 in FY24. This outcome demonstrates the Association's ability to balance revenue fluctuations with prudent expenditure management, ensuring continued service delivery and financial health.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2024, the Association's investment in capital assets for Governmental Activities, net of accumulated depreciation, was $739,187, compared to $817,266 at the end of the previous year. This decrease is primarily due to scheduled depreciation of existing assets, partially offset by targeted investments in vehicle and equipment upgrades to support WRTA and other programs. The Association continues to evaluate capital needs and prioritize asset renewal to maintain operational readiness.

Association's Capital Assets (Governmental Activities)

Net of Depreciation	2022-2023	2023-2024
Buildings and improvements	$ 197,468	$ 188,972
Land	28,805	28,805
Vehicles	566,914	495,347
Equipment and contents	24,079	26,063
Total	$ 817,266	$ 739,187

Factors Affecting the Association's Future

Looking ahead, the expiration of the ½% Economic Development sales and use tax marks a pivotal shift in the Association's funding landscape. In November 2024, Fremont County voters declined to renew this tax, which has served as a cornerstone of local funding for both FCAG and the Wind River Transportation Authority (WRTA). The tax is scheduled to sunset in April 2025, and no additional applications will be accepted for new projects. Historically, this revenue stream has enabled the Association and WRTA to leverage federal grants to maintain and expand regional transportation services.

The loss of this dedicated local funding source will have significant implications. For WRTA, the ½% sales tax provided the critical local match required to access federal transit grants, such as FTA 5311 and FTA 5339, which cover between 56% and 80% of operating and capital costs. Without a reliable local match, WRTA's ability to sustain current service levels, maintain its fleet, and pursue future improvements is at risk. In response, management is actively evaluating alternative revenue sources, including new grant opportunities, public-private partnerships, and potential adjustments to service delivery, to help offset the anticipated impact on operations and programming.

At the federal level, proposed administrative reforms are introducing additional uncertainty. The Department of Government Efficiency (DOGE) has begun consolidating and streamlining federal grant programs, with a focus on cost savings and increased oversight. Recent executive actions have centralized control over grant approvals, resulting in delays and, in some cases, the cancellation of previously awarded grants. These changes have already affected the timing and availability of federal funding for local governments and public agencies nationwide. Of particular concern is the future of the Community Services Block Grant (CSBG) program, which has been identified as potentially vulnerable to restructuring or funding reductions under DOGE's review. While the specific effects on FCAG are not yet fully known, management is closely monitoring these developments and remains prepared to adapt as federal guidance evolves.

Despite these challenges, FCAG remains committed to prudent fiscal stewardship and the strategic management of resources. The Association will continue to prioritize essential services, pursue diversified funding streams, and collaborate with regional partners to support sustainable service delivery and growth throughout Fremont County. Management is confident that, through careful planning and community engagement, FCAG can navigate this period of transition and continue to fulfill its mission on behalf of county residents.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Association's finances, as well as demonstrate accountability for funds the Association receives. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to Tim Nichols, Administrator, 2554 Airport Road, Riverton, WY 82501.

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government Governmental Activities
ASSETS	
Current Assets	
Cash and investments	$ 983,090
Taxes receivable	300,180
Grant receivables	0
Prepaid assets	18,204
Total Current Assets	1,301,474
Noncurrent Assets	
Nondepreciated capital assets	28,805
Depreciated capital assets, net	710,382
Total Noncurrent Assets	739,187
TOTAL ASSETS	2,040,661
DEFERRED OUTFLOW OF RESOURCES	
Pension	315,927
TOTAL DEFERRED OUTFLOW OF RESOURCES	315,927
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	98,609
Compensated absences	19,565
Total Current Liabilities	118,174
Noncurrent Liabilities	
Net pension liability	601,864
Total Noncurrent Liabilities	601,864
TOTAL LIABILITIES	720,038
DEFERRED INFLOW OF RESOURCES	
Pension	209,000
TOTAL DEFERRED INFLOW OF RESOURCES	209,000
NET POSITION	
Net investment in capital assets	739,187
Unrestricted	688,363
TOTAL NET POSITION	$ 1,427,550

See Notes to Financial Statements

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Primary Government Governmental Activities
Primary Government					
Governmental Activities					
General government	$ 615,150	$ 0	$ 34,101	$ 0	$ (581,049)
Transportation	566,933	290,328	724,226	0	447,621
Community development	267,296	0	235,547	0	(31,749)
Depreciation	160,750	0	0	0	(160,750)
Total Governmental Activities	1,610,129	290,328	993,874	0	(325,927)
		General Revenues			
		Membership dues			$ 31,500
		Intergovernmental			446,043
		Taxes			9,239
		Investment earnings			5,103
		Rents			17,171
		Miscellaneous revenues			95,327
		Loss on disposal of fixed assets			(32,055)
		Total general revenues			572,328
		Change in net position			246,401
		Net Position - July 1			1,181,149
		Net Position - June 30			$ 1,427,550

See Notes to Financial Statements

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Funds WRTA Fund	Special Revenue Funds CSBG Fund	Total Governmental Funds
ASSETS				
Cash and investments	$ 545,887	$ 445,614	$ 9,793	$ 1,001,294
Receivables				
Taxes	48,501	0	0	48,501
Grants	0	213,033	38,646	251,679
Total Assets	594,388	658,647	48,439	1,301,474
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable and accrued expenses	3,303	78,044	17,261	98,608
Total Liabilities	3,303	78,044	17,261	98,608
FUND BALANCE				
Unassigned	591,085	580,603	31,178	1,202,866
Total Fund Balance	591,085	580,603	31,178	1,202,866
TOTAL LIABILITIES, AND FUND BALANCE	$ 594,388	$ 658,647	$ 48,439	$ 1,301,474

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Fund Balances - Governmental Funds	$ 1,202,866
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. The cost of assets is $2,579,541 and the accumulated depreciation is $1,840,354	739,187
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, not reported in the governmental fund statements. but are reported in the Statement of Net Position	315,927
Deferred inflows of resources related to pensions are applicable to future periods and, therefore, not reported in the governmental fund statements. but are reported in the Statement of Net Position	(209,000)
Liabilities, such as bonds and leases, are not due and payable in the current period and, therefore, are not reported in the funds: Liabilities at year-end consist of:	
Net pension liability	(601,864)
Compensated absences payable	(19,566)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	$ 1,427,550

See Notes to Financial Statements

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

		Special Revenue Funds		Total
	General Fund	WRTA Fund	CSBG Funds	Governmental Funds
REVENUES				
Member dues	$ 31,500	$ 0	$ 0	$ 31,500
Intergovernmental	449,043	45,756	0	494,799
Fares and contract services	0	290,328	0	290,328
Investment income	3,578	1,525	0	5,103
Grant revenue	6,570	757,996	235,547	1,000,113
Other revenue	28,948	64,111	0	93,059
Total Revenues	519,639	1,159,716	235,547	1,914,902
EXPENDITURES				
Governmental activities				
Salaries and benefits	29,054	860,339	0	889,393
Other costs	1,956	0	10,046	12,002
Transportation	0	172,393	0	172,393
Office	9,134	43,892	2,250	55,276
Community- program	6,000	0	130,491	136,491
Admin costs	0	208,364	0	208,364
Purchased services	0	22,550	17,997	40,547
CSBG services	0	0	122,154	122,154
Total Expenditures	46,144	1,307,538	282,938	1,636,620
Excess of revenues over (under) expenditures	473,495	(147,822)	(47,391)	278,282
OTHER FINANCING SOURCES (USES)				
Operating transfers in	0	371,763	25,000	396,763
Operating transfers out	(396,763)	0	0	(396,763)
Total Other Financing Sources (Uses)	(396,763)	371,763	25,000	0
Excess of revenues and other sources over (under) expenditures and other uses	76,732	223,941	(22,391)	278,282
FUND BALANCE - JULY 1	514,353	356,662	53,569	924,584
FUND BALANCE - JUNE 30	$ 591,085	$ 580,603	$ 31,178	$ 1,202,866

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Total Net Change in Fund Balances - Governmental Funds		$ 278,282
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period:		
Depreciation expense	(160,749)	
Capital outlays	114,725	(46,024)
Losses on disposal of assets is reported in the statement of activities. However, they are not reported in governmental funds.		(32,055)
Pension expense reported in the Statement of Activities is based on the changes in the net pension liability and differs from the pension contributions reported in the governmental funds:		
Change in Deferred Outflows related to Pensions	116,156	
Change in Deferred Inflows related to Pensions	(67,593)	48,563
Governmental funds do not reflect expenses which will be paid by future financial resources. However, accrued obligations at year-end are reflected in the statement of activities and expenses.		
Accrued compensated absences		(2,365)
TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 246,401

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

General Information

Fremont County Association of Governments (the Association) operates any, or all of the projects allowed a Joint Powers Board as set forth in Section 16-1-104 c., Wyoming Statutes, 1077 amended. The board consists of seven (7) members, all of whom shall be qualified electors of Fremont County, Wyoming. At present, this board consists of six (6) mayors of Fremont County, and one (1) county commissioner. Fremont County Association of Governments' "Mission" since 1976 is "Cooperating to Enhance Quality Public Services."

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the Association are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Association. For Fremont County Association of Governments, this includes general operations. The following activities are also included within the reporting entity:

In accordance with GAAP, when a component unit is blended, its financial activities are reported as part of the primary government. The Wind River Transportation Authority (WRTA) is the only component unit of the Association and is presented as a blended component unit. As a result, WRTA's funds are subject to the same financial reporting requirements as the primary government's funds and are combined within the Association's financial statements.

WRTA's funds are included with those of the primary government in the appropriate fund financial statements and combining statements, if presented. The Association's general fund serves as the primary operating fund for the reporting entity, and thus WRTA's general fund is classified and reported as a special revenue fund, in line with GAAP guidance for blended component units.

WRTA was established to provide transportation services to residents of Fremont County, Wyoming, and operates under the same governing board as the Association, reflecting its close operational integration with the primary government.

The most significant of the Association's accounting policies are described below:

Basis of Presentation

The Association's basic financial statements consist of government-wide financial statements consisting of a statement of net position, a statement of activities, and fund financial statements which provide a more detailed level of financial information.

<u>Government-Wide Financial Statements</u>

The statement of net position and the statement of activities display information about the Association as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately.

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

Basis of Presentation (cont.)

Government-Wide Financial Statements (cont.)

The statement of net position presents the financial condition of the governmental activities of the Association at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Association's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Association. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Association.

Fund Financial Statements

During the year, the Association segregates transactions related to certain Association functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Association at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major governmental fund is presented in separate columns.

Fund Accounting

The Association uses funds to maintain its financial records with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the Association's governmental funds:

Major Funds

General Fund - The general fund is the operating fund of the Association and is used to account for all financial resources not accounted for and reported in another fund. The general fund balance is available to the Association for any purpose, provided it is expended or transferred according to the general laws of Wyoming.

Special Revenue Fund - The special revenue fund accounts for all financial resources, generally from granting agencies, that are restricted, committed, or assigned, for a specific purpose.

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

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (assets plus deferred outflows of resources minus liabilities minus deferred inflows of resources equals net position) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Revenue from federal, state, and other grants designated for payment of specific Association expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as grant advances until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

Budget and Budgetary Accounting

The amounts reported as the original budgeted amounts in the budgetary statement reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts after approved budget amendments during fiscal year 2024.

The Association follows these procedures in establishing the budgetary data reflected for the General and Special Revenue Funds in the financial statements.

Prior to May 15, the administrator submits to the board a proposed operating budget for the fiscal year commencing that July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the two preceding years. In addition, more detailed line budgets are included for administrative control. The level of control for the detailed budgets is at the department head/function level.

Public hearings are conducted within the Association to obtain taxpayer comments.

Prior to August 1, the budget is legally enacted through passage of a motion.

The Association can, after public notice, transfer budgeted amounts between departments within any funds.

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

Budget and Budgetary Accounting (cont.)

Budgets for the General and Special Revenue are adopted on a basis and perspective which can differ significantly from generally accepted accounting principles (GAAP). The primary difference is that revenues and expenditures are recorded when received or paid in cash (budget) as opposed to when revenue is susceptible to accrual and when fund liability is incurred for expenditures (GAAP).

All appropriations, except capital project funds, lapse each fiscal year-end.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Association considers cash and cash equivalents to consist of all cash, either on hand or in banks, including time deposits, and any highly liquid debt instruments purchased with a maturity of three months or less.

Capital Assets

Generally, capital assets result from expenditures in the governmental funds and include property, plant, and equipment. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The Association possesses insignificant infrastructure.

All reported capital assets except for land and land improvements are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives.

Description	Estimated Lives
Buildings and improvements	3-50 years
Furniture and equipment	3-40 years
Vehicles	3-5 years

Fixed Assets

The Association has a capitalization threshold of $1,000 for assets that have estimated useful lives in excess of one year.

Compensated Absences

Compensated absences, consisting of vacation and sick leave, are reported in the fund financial statements in the period paid. For purposes of the government-wide financial statements, the liability for compensated absences is reflected when vested to the employees.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

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

Accrued Liabilities and Long-Term Obligations (cont.)

In general, payables and accrued liabilities that once incurred are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental funds. The bonds and capital leases, and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until the maturity date of each installment.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Association's Wyoming Retirement System (WRS) Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Grant Advances

Grant advances are amounts received from grant and contract sponsors that have not been earned.

Fund Balance

The Association uses the fund balance definitions in GASB Codification Section 1800 for financial reporting for all governmental fund types. The definitions provide more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints.

Nonspendable fund balance – amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by the Association itself enacted by resolution of the Association's Board of Directors. Committed fund balance cannot be used for any other purpose unless the commitment expires as set forth in the resolution, or a new resolution is enacted by the Association's Board of Directors.

Assigned fund balance – amounts the Association intends to use for a specific purpose. Intent can be expressed by the Association's Board of Directors or by an official or body to which the Association's Board of Directors delegates authority.

Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Association applies nonspendable, restricted, committed, assigned, and then unassigned resources when an expense is incurred for purposes that satisfy the related definition and criteria for the related net position classification shown above.

The board has not elected to adopt a minimum fund balance policy as of June 30, 2024.

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

Fund Balance (cont.)

It is the policy of the Association that negative fund balances are the responsibility of the general fund.

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 Association 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.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" in the governmental fund financial statements. Interfund receivables and payables are eliminated in the government-wide financial statements, except those with business-type and fiduciary funds which are reported in the government-wide financial statements as "internal balances."

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/expenditure) until then. For Fremont County Association of Governments, the elements related to pensions reported in the Association-wide Statement of Net Position are considered deferred outflows of resources. The three areas included in deferred outflow of resources are as follows: The effect of the net change in the Association's proportion of the collective net pension liability. The difference during the measurement period between the Association's contributions and its proportionate share of total contributions to the pension system are not included in pension expense. Lastly, the Association contributions to the Wyoming Retirement System subsequent to the measurement date due to fiscal year versus calendar year timing differences.

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

Deferred Outflows and Inflows of Resources (cont.)

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net position that applies to a future period and, therefore, will not be recognized as revenue until that time. The Association has one item that qualifies for reporting in this category, related to pensions, which is reported in the Association-wide Statement of Net Position. This item represents the effect of changes in the Association's proportion of the collective net pension liability within the Wyoming Retirement System, as well as the difference between the Association's contributions and its proportionate share of total contributions to the pension system during the measurement periods that are not included in pension expense..

New and Upcoming Accounting Pronouncements

The following are Statements of the Governmental Accounting Standards Board (GASB) that are, or will be, applicable to the District. At June 30, 2024, the District was aware of the following new standards issued by GASB:

Implemented in the Current Year

- None

Not Yet Implemented

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

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.

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

New and Upcoming Accounting Pronouncements

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

NOTE 2 - Budgetary Basis of Accounting

While the Association is reporting financial position, results of operations and changes in fund balance 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 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

A. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

B. Expenditures are recorded when paid in cash (budget) as opposed to when the fund liability is incurred (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General fund.

	General Fund
GAAP Basis	$ 76,732
Net adjustment for revenue items	18,240
Net adjustment for expenditure items	(8,100)
Budget Basis	$ 86,872

NOTE 3 - Deposits and Investments

Statutes authorize the Association to invest primarily in various federal government instruments, savings certificates of savings and loan associations, bank certificates of deposits, Wyoming State Treasurer Investment Pool, and Wyoming Government Investment Pool. The Association has elected to invest cash in excess of immediate needs in Wyoming. The Association's cash and investments are subject to several types of risk, which are examined in more detail below.

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Association's deposits may not be returned to it. At year-end, the carrying amount of the Association's bank deposits was $534,347. The entire bank balance was covered by federal depository insurance.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Association will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Association will minimize the custodial credit risk by limiting investments to the types of securities allowed by state law and by pre-qualifying the financial institutions, broker/dealers intermediaries, and advisors with which the Association would do business.

NOTE 3 - Deposits and Investments (cont.)

Custodial Credit Risk of Investments (cont.)

The Wyo-Star Investment Pool is an external investment pool administered by the Wyoming State Treasurer. The Association had $49,487 invested in Wyo-Star Investment Pool as of June 30, 2024. The pool invests in U.S. Treasury and Government Agency securities, and repurchase agreements collateralized with similar securities. The pooled securities are held in safekeeping by a third-party trust in the pool's name. The pool reports their investments at amortized cost, which they believe approximates fair value.

Concentration of Credit Risk

The Association places no limit on the amount the Association may invest in any one issuer. The Association, at times, minimizes the concentration of the credit risk by diversification so that the impact of potential losses from any one type of deposit and/or security or issuer will be minimized.

As of June 30, 2024 the Association had deposits in four financial institutions.

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

The Association has elected to invest money with a state financial institution, Wyo-Star, which provides investments in accordance with state statute as well as the Association's Policy. These investments include certificates of deposit, U.S. Treasury notes, and U.S. government agency bonds.

The Association 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 Board.

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 Association at year-end. One hundred percent of the Wyo-Star investments 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. None of the investments held by the Association, 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. None of the investments held by the Association, fall into this category.

Management has determined that the fair value hierarchy reporting requirements of GASB Statement No. 72 do not apply to Certificates of Deposit or the Wyoming CLASS external investment pool.

NOTE 4 - Receivables

Receivables at June 30, 2024, totaled $300,180 and consisted of accounts receivable and intergovernmental grants. Of this amount, $48,501 was related to taxes and contracts for services, classified as intergovernmental receivables. The remaining $251,679 represented grants receivable, including amounts from the Formula Grant for Other Than Urbanized Areas and reimbursements for general expenditures related to the grants. All receivables are expected to be collected within one year, and no allowance for uncollectible accounts was considered necessary at year-end.

NOTE 5 - Capital Assets

Capital assets activity for the fiscal year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Transfers and Additions	Deductions	Balance June 30, 2024
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	$ 28,805	$ 0	$ 0	$ 28,805
Total Capital Assets, Not Being Depreciated	**28,805**	**0**	**0**	**28,805**
Capital Assets, Being Depreciated				
Buildings and improvements	349,333	0	0	349,333
Vehicles	1,914,858	109,108	(119,900)	1,904,066
Equipment and contents	291,720	5,617	0	297,337
Total Capital Assets, Being Depreciated	**2,555,911**	**114,725**	**(119,900)**	**2,550,736**
Less Accumulated Depreciation				
Buildings and improvements	151,865	8,496	0	160,361
Vehicles	1,347,944	148,620	(87,845)	1,408,719
Equipment and contents	267,641	3,633	0	271,274
Total Accumulated Depreciation	1,767,450	160,749	(87,845)	1,840,354
Capital Assets, Being Depreciated, Net	**788,461**	**(46,024)**	**(32,055)**	**710,382**
Governmental Activities Capital Assets, Net	**$ 817,266**	**$ (46,024)**	**$ (32,055)**	**$ 739,187**

NOTE 5 - Capital Assets (cont.)

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Administrative	$ 6,291
WRTA	154,458
Total Depreciation Expense	$ 160,749

NOTE 6 - Defined Benefit Pension Plans

General Information About the Pension 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 retirement benefits at age 60 (Tier 1 employees) and 65 (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.

NOTE 6 - Defined Benefit Pension Plans (cont.)

General Information About the Pension Plan (cont.)

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 represent 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.

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, 2024, the contributions from the Association that are recognized as part of pension expense for the Plan were as follows:

Contributions - employer	$53,930
Contributions - employee (partially paid by employer)	$53,240

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

As of June 30, 2024, the Association reported a net pension liability of $601,864 for its proportionate share of the net pension liability of the Plan.

The Association'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, 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, 2023, rolled forward to December 31, 2023 using generally accepted actuarial procedures. The Association's proportion of the net pension liability was based on a projection of the Association's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Association's proportionate share of the Plan's net pension liability was 0.265117% as of December 31, 2023, and 0.268305% as of December 31, 2022.

For the year ended June 30, 2024, the Association recognized pension expense of $107,170.

At June 30, 2024, the Association reported deferred inflows and deferred outflows of resources related to pensions from the following sources:

NOTE 6 - Defined Benefit Pension Plans (cont.)

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

	Deferred Outflows	Deferred Inflows
Pension contributions subsequent to measurement date	$ 51,520	$ 0
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	40,380	6,300
Net differences between expected and actual experience on net (inflows)/outflows of resources	14,275	0
Changes in assumptions	5,054	0
Net differences between projected and actual earnings on plan investments	204,698	202,700
Total	$ 315,927	$ 209,000

The $51,520 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 year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year end June 30	2021	2022	2023	2024	Total
2025	10,096	23,324	(93,709)	27,456	(32,833)
2026	0	37,369	(76,869)	27,456	(12,044)
2027	0	0	(68,233)	28,237	(39,996)
2028	0	0	0	29,466	29,466

Actuarial Assumptions - The total pension liabilities in the January 1, 2022 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	January 1, 2023
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% - 6.5% per year
Investment Rate of Return	6.80%
Mortality	Pub-2010 General Healthy Annuitant Mortality Table, Projected with MP-2020

NOTE 6 - Defined Benefit Pension Plans (cont.)

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

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 payment 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 2023 to 2122 projection period for which projected benefit payments are fully funded
6.80%	6.80%	3.77%	2122

*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, 2023. 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.

Annual money-weighted rate of return, net of expenses for the fiscal year ended December 31, 2023	Annual money-weighted rate of return, net of expenses for the fiscal year ended December 31, 2022	Expected rate of return net investment expenses
13.84%	-6.99%	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.

NOTE 6 - Defined Benefit Pension Plans (cont.)

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

Major Portfolio Class	Target Allocation	Arithmetic Real Return	Arithmetic Nominal Return	Geometric Return	Geometric Nominal Return
Tactical Cash	**0.50%**	**-0.30%**	**2.50%**	**-0.30%**	**2.51%**
Gold	**1.50%**	**0.70%**	**3.50%**	**2.13%**	**4.93%**
Fixed Income	**20.00%**	**3.80%**	**6.60%**	**3.38%**	**6.18%**
Core Plus	5.00%	2.07%	4.87%	2.00%	4.80%
US Government	5.00%	1.34%	4.14%	1.30%	4.10%
TIPS	2.00%	2.12%	4.92%	1.90%	4.70%
Opportunistic	3.00%	4.39%	7.19%	3.90%	6.70%
Private Debt	5.00%	8.31%	11.11%	7.10%	9.90%
Equity	**51.50%**	**8.20%**	**11.00%**	**6.52%**	**9.32%**
US Equity	21.00%	6.93%	9.73%	5.70%	8.50%
Developed International	11.50%	7.47%	10.27%	6.10%	8.90%
Emerging Markets	6.00%	8.11%	10.91%	6.10%	8.90%
Private Equity	13.00%	10.92%	13.72%	8.40%	11.20%
Marketable Alternative	**16.00%**	**5.23%**	**8.03%**	**4.39%**	**7.19%**
Private Real Assets	**10.50%**	**7.48%**	**10.28%**	**5.97%**	**8.77%**
Private Natural Resources	2.5-7.5%	8.51%	11.31%	6.50%	9.30%
Private Infrastructure	2.5-7.5%	6.05%	8.85%	5.20%	8.00%
Real Estate	2.5-7.5%	7.88%	10.68%	6.20%	9.00%
Total	**100.00%**	**6.61%**	**9.41%**	**5.39%**	**8.19%**

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Association's proportionate share of the net pension liability for the Plan, calculated using the discount rate for each Plan, as well as what the Association'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:

	WRS
1% Decrease	5.80%
Net Pension Liability	$595,845
Current Discount Rate	6.80%
Net Pension Liability	$601,864
1% Increase	7.80%
Net Pension Liability	$607,882

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

NOTE 6 - Defined Benefit Pension Plans (cont.)

Payable to the Pension Plan

At June 30, 2024, the Association reported a payable of $0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

NOTE 7 - Long-Term Debt

The following is a summary of changes in long-term debt of the Association for the year:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
Net pension liability	733,228	0	131,364	601,864	0
	$ 733,228	$ 0	$ 131,364	$ 601,864	$ 0

NOTE 8 - Due To/From Other Funds and Transfers

Interfund transfers as of June 30, 2024, are as follows:

	Transfers To Other Funds	Transfers From Other Funds
General fund	$ 396,763	$ 0
WRTA Special Revenue fund	0	371,763
CSBG Special Revenue fund	0	25,000
	$ 396,763	$ 396,763

The purpose of the transfer was to supplement the Wind River Transportation Authority (WRTA) program using funds from the 1/2 cent collections designated for the Fremont County Association of Governments (FCAG). This transfer supported WRTA's operational and service objectives within the region.

NOTE 9 - Contingencies

A. Grants

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

B. Litigation

The Association is contingently liable in respect to lawsuits and claims in the ordinary course of its operations. In the opinion of Association personnel, the settlement of such contingencies would not affect the financial position of the Association at June 30, 2024. Should any claims prove to be a detriment to the Association, 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 Association is subject to loss from natural disasters and actions of others. In addition, the Association has the potential to be named as a responsible party in liability claims. The Association purchases commercial insurance packages to offset such losses, should they occur.

NOTE 10 - Subsequent Events

In the November 2024 general election, Fremont County voters did not approve the renewal of the ½-percent sales and use tax for economic development and transportation. This tax has historically been a major revenue source for both FCAG and the Wind River Transportation Authority (WRTA), supporting regional transportation services and related economic development activities. The existing tax is scheduled to sunset in April 2025. The expiration of this dedicated funding may affect future operations and programming. Management is actively exploring alternative funding options to help offset the potential impact

In 2025, the federal Department of Government Efficiency (DOGE) proposed administrative reforms aimed at consolidating and streamlining various federal grant programs. While the specific impacts are not yet clear, changes to federal funding structures could affect local governments that rely on these programs for core services. Management is monitoring developments and will assess any potential implications as more information becomes available.

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Member dues	$ 31,500	$ 31,500	$ 31,500	$ 0
Intergovernmental	410,000	410,000	467,283	57,283
Investment income	110	110	3,578	3,468
Grant revenue	28,000	28,000	6,570	(21,430)
Other revenue	17,171	17,171	28,948	11,777
Total Revenues	486,781	486,781	537,879	51,098
EXPENDITURES				
Governmental activities				
Salaries and benefits	36,981	36,981	29,054	7,927
Other costs	48,000	48,000	1,956	46,044
Transportation	390,000	390,000	396,763	(6,763)
Office	1,000	1,000	17,234	(16,234)
Community- program	5,000	5,000	6,000	(1,000)
Admin costs	3,800	3,800	0	3,800
Purchased services	27,000	27,000	0	27,000
Total Expenditures	511,781	511,781	451,007	60,774
Excess of revenues over (under) expenditures	(25,000)	(25,000)	86,872	111,872
FUND BALANCE - JULY 1	514,353	514,353	514,353	
FUND BALANCE - JUNE 30	$ 489,353	$ 489,353	$ 601,225	

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
SCHEDULE OF THE ASSOCIATION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
WYOMING RETIREMENT SYSTEM
PUBLIC EMPLOYEES PENSION PLAN

Calendar Year*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Association's proportion of the net pension liability	0.02585%	0.02635%	0.02436%	0.02559%	0.02682%	0.03017%	0.18630%	0.02169%	0.02683%	0.02651%
Association's proportionate share of the net pension liability	$ 447,113	$ 582,519	$ 588,937	$ 606,037	$ 816,632	$ 709,086	$ 437,784	$ 330,659	$ 733,228	$ 601,864
Association's covered-employee payroll	481,724	436,500	435,650	467,325	467,025	542,000	362,016	444,487	510,763	611,635
Association's proportionate share of the net pension liability as a percentage of its covered payroll	92.82%	133.45%	135.19%	129.68%	174.86%	130.83%	120.93%	74.39%	143.56%	98.40%
Plan fiduciary net position as a percentage of the total pension liability	79.08%	73.40%	73.42%	76.35%	69.17%	79.08%	79.24%	86.03%	75.47%	80.19%

* The amounts presented for each fiscal year were determined based on the calendar year-end (December 31) that falls within that fiscal year

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
SCHEDULE OF ASSOCIATION CONTRIBUTIONS
WYOMING RETIREMENT SYSTEM
PUBLIC EMPLOYEES PENSION PLAN

Fiscal Year

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	$ 76,816	$ 72,529	$ 72,419	$ 77,650	$ 78,348	$ 93,252	$ 60,653	$ 80,007	$ 93,460	$ 107,170
Contributions in relation to the contractually required contribution	76,816	72,529	72,419	77,650	78,348	93,252	60,653	80,007	93,460	107,170
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Association's covered payroll	$ 484,033	$ 436,500	$ 435,650	$ 467,325	$ 459,900	$ 528,800	$ 334,730	$ 429,683	$ 501,934	$ 575,564
Contributions as a percentage of covered employee payroll	15.87%	16.62%	16.62%	16.62%	17.04%	17.63%	18.12%	18.62%	18.62%	18.62%

Changes of benefit terms - There are no changes in benefit terms from prior year.

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

Changes in assumptions - There are no changes in assumptions from the prior year.

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor Program Title	Federal ALN Number	Pass-Through Grantor's Number		Expenditures
U.S. Department of Transportation				
Passed through Wyoming Department of Transportation				
Formula Grant for Other Than Urbanized Areas	20.509	N/A	$	723,895
National Highway Traffic Safety Administration				
State and Community Highway Safety	20.600	N/A		1,658
Total Department of Transportation				725,553
U.S. Department of Health and Human Services				
Passed through Wyoming Department of Health				
Community Service Block Grant	93.569	N/A		242,946
Total Federal Financial Assistance			$	968,499

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Fremont County Association of Governments and is presented on the modified accrual basis of accounting, except for amounts presented under the U.S. Department of Transportation, and passed through the State Department of Transportation which are presented on the accrual basis. The information in this schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*.

The Association is eligible to apply a 10% de minimis indirect cost rate on certain grants that have been awarded. The Association has evaluated this application on a grant-by-grant basis.

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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
Fremont County Association of Governments
Riverton, 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 the governmental activities, each major fund of Fremont County Association of Governments, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Fremont County Association of Governments' basic financial statements, and have issued our report thereon dated .

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fremont County Association of Governments' internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fremont County Association of Governments' internal control. Accordingly, we do not express an opinion on the effectiveness of Fremont County Association of Governments' 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 entity'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as findings 2024-001, 2024-002, and 2024-003 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fremont County Association of Governments' 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 determination of financial statement amounts. 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*.

Fremont County Association of Governments' Response to Findings

Fremont County Association of Governments' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Fremont County Association of Governments' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SUMMIT WEST CPA GROUP, P.C.

Summit West CPA Group, P.C.
Lander, Wyoming
July 2, 2025

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

To the Board of Directors
Fremont County Association of Governments
Riverton, Wyoming

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Fremont County Association of Governments compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Fremont County Association of Governments major federal programs for the year ended June 30, 2024. Fremont County Association of Governments major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Fremont County Association of Governments complied, in all material respects, with the types of 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; 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 Fremont County Association of Governments 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 Fremont County Association of Governments 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 Fremont County Association of Governments' 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 Fremont County Association of Governments 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 Fremont County Association of Governments 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 audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Fremont County Association of Governments compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Fremont County Association of Governments 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 Fremont County Association of Governments 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item Finding 2024-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Fremont County Association of Governments response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Fremont County Association of Governments response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Fremont County Association of Governments is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Fremont County Association of Government's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Fremont County Association of Government's internal control over compliance.

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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2024-001, that we consider to be a significant deficiency.

Fremont County Association of Government's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Fremont County Association of Government's response was not subjected to the 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.

SUMMIT WEST CPA GROUP, P.C.

Summit West CPA Group, P.C.
Lander, Wyoming
July 2, 2025

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness identified?	_X_ Yes	___ No
Significant deficiency identified not considered to be material weakness?	_X_ Yes	___ None Reported
Noncompliance material to financial statements noted?	___ Yes	_X_ No

Federal Awards

Internal control over major programs:		
Material weakness identified?	___ Yes	_X_ No
Significant deficiency identified not considered to be material weakness?	_X_ Yes	___ None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	_X_ Yes	___ No

Identification of major programs:

ALN Numbers	Name of Federal Program or Cluster
20.509	Formula Grant for Other than Urbanized Areas

* *Indicates a Cluster Program*

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as low-risk auditee?	__Yes	_X_ No

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY

Finding 2024-001: SEGREGATION OF DUTIES

Repeat Finding from Prior Year
Yes

Condition
The number of employees performing accounting and bookkeeping duties is not sufficient to provide an adequate segregation of duties.

Criteria
Circumstances permitting, accounting and bookkeeping duties should be assigned to different individuals to promote safeguarding of assets and accuracy of financial information.

Cause
The Association has limited resources that minimize the possibility to segregate the functions within the business office.

Effect
Because of the limited number of individuals involved in the accounting and bookkeeping functions, there is a greater risk that assets will not be properly safeguarded and that errors in financial information will occur and not be detected in a timely manner.

Questioned Costs
Not applicable

Sampling Method
Not applicable

Recommendation
Although it is not cost efficient to increase the number of employees performing accounting and bookkeeping functions, all employees either supervising or performing the duties, and the Board of Directors of the Association should constantly be aware of this deficiency in internal controls.

Response and Views of Responsible Officials
See Corrective Action Plan and Response to Findings.

SECTION II - FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY

Finding 2024-002: OVERSTATED PAYROLL LIABILITIES

Repeat Finding from Prior Year
Yes

Condition
The entity has failed to properly recognize and clear payroll liabilities in a timely manner, resulting in overstated liabilities on the financial statements.

Criteria
Liabilities should be accurately recorded and cleared in the accounting system when incurred to ensure that the financial statements accurately reflect the entity's obligations and financial position.

Cause
There appears to be a lack of timely review and reconciliation processes for payroll transactions, leading to delays in clearing payroll liabilities and resulting in the overstatement of those liabilities

Effect

The failure to clear payroll liabilities promptly may result in an overstatement of liabilities on the financial statements, which could mislead stakeholders regarding the entity's true financial obligations and position.

Questioned Costs
Not applicable

Sampling Method
Not applicable

Recommendation
The entity should implement procedures to ensure timely recognition and clearing of payroll liabilities. This could include regular reviews of payroll entries and reconciling liabilities at the end of each reporting period to ensure all obligations are accurately reflected in the financial statements.

Response and Views of Responsible Officials
See Corrective Action Plan and Response to Findings.

SECTION II - FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY

Finding 2024-003: MISCLASSIFICATION OF REVENUES AND EXPENDITURES

Repeat Finding from Prior Year
Yes

Condition
The entity has incorrectly categorized both revenues and expenditures, resulting in misstatements in the financial statements.

Criteria
All revenues and expenditures should be accurately classified to reflect their true nature, ensuring that the financial statements provide a clear and reliable representation of the entity's financial position and operating results.

Cause
The transition to multiple accounting systems, which occurred in fiscal year 2023, has led to ongoing confusion and inconsistencies in the classification of both revenues and expenditures. Staff have faced challenges in adjusting to new procedures and interfaces, contributing to errors.

Effect

Misclassifying revenues and expenditures makes it harder to see where money is coming from and how it's being used, which can affect budgeting, financial planning, and overall decision-making. It may also lead to misunderstandings about the organization's financial health..

Questioned Costs
Not applicable

Sampling Method
Not applicable

Recommendation
The entity should implement procedures to ensure timely and accurate recognition and classification of revenues and expenditures. This includes developing clear written guidelines, providing staff training, and conducting regular reviews and reconciliations of entries to ensure transactions are properly recorded each reporting period.

Response and Views of Responsible Officials
See Corrective Action Plan and Response to Findings.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

FINDING 2024-001 - SEGREGATION OF DUTIES

Refer to the above description. Applicable to all major programs.

CORRECTIVE ACTION

FINDING 2024-001: SEGREGATION OF DUTIES

Classes of financial transactions have been segregated to the extent possible among the existing employees. However, due to the limited number of individuals involved in the accounting and bookkeeping functions, a corrective action plan to fully remedy the lack of segregation of duties is not cost justified.

Instead, each level of management, the Board of Directors, and the Administrator remain aware of the principles of segregation of duties and the potential risks that exist when full segregation is not achievable.

Because of this awareness, management is responsible for ongoing review and follow-up on any transactions or circumstances that appear unusual. This oversight is considered a mitigating control to reduce the risk of undetected errors or irregularities.

Contact person: Tim Nichols

Anticipated completion date: Unknown

ITEM 2024-002: OVERSTATED PAYROLL LIABILITIES

In response to the continued finding regarding the timely recognition and clearing of payroll liabilities, the Association has maintained and built upon the corrective actions initiated in the prior year. These include formal training completed by key personnel to ensure compliance with State and Federal payroll requirements and the continued use of a specialized accounting consultant to provide oversight and support accurate financial reporting.

The Association remains committed to procedural accuracy and timely reconciliation of payroll liabilities. Regular reviews are being conducted, and additional emphasis has been placed on year-end reconciliation processes to ensure that all liabilities are appropriately recorded and cleared. These efforts are intended to improve the accuracy of the financial statements and prevent future overstatements of liabilities.

Contact person: Tim Nichols

Anticipated completion date: August 1, 2025

ITEM 2024-003: MISCLASSIFICATION OF REVENES AND EXPENDITURES

In response to the continued challenges related to the classification of revenues and expenditures, the Association has taken deliberate steps to address inconsistencies resulting from the transition to new accounting systems. Staff have received targeted training to better understand the functionality of the current systems and to reinforce proper coding and classification procedures.

The Association has also implemented internal review protocols, including periodic reconciliations and supervisory oversight, to help ensure that revenues and expenditures are appropriately recorded in accordance with their nature and purpose. Management remains committed to improving the accuracy and reliability of financial reporting and will continue refining these processes to reduce the risk of misclassification in future periods.

Contact person: Tim Nichols

Anticipated completion date: August 30, 2024

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

Finding 2023-001: SEGREGATION OF DUTIES - still present

Finding 2023-002: DUPLICATE ACCOUNTING RECORDS - resolved

Finding 2023-003: OVERSTATED PAYROLL LIABILITIES - still present

Finding 2023-004: MISCLASSIFICATION OF REVENUES AND EXPENDITURES - still present

Finding 2023-005: INADEQUATE PAYROLL CONTROLS - resolved