FREMONT COUNTY
ASSOCIATION OF GOVERNMENTS

Basic Financial Statements

For the Year Ended June 30, 2025

(With Independent Auditor's Report Thereon)

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Fremont County Association of Governments (the Association), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Association as of June 30, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Association 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.

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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 GAAS and *GAS* 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 GAAS and *GAS*, 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 Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Association's basic financial statements. The 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.

The schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2026 on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

Carver Florek & James, CPAs

Sheridan, Wyoming
March 19, 2026

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
WIND RIVER TRANSPORTATION AUTHORITY • PROJECT INDEPENDENCE
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MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 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 fiscal year ended June 30, 2025. This discussion is intended to assist readers in understanding the Association's financial performance and position and should be read in conjunction with the accompanying basic financial statements and related notes.

FINANCIAL HIGHLIGHTS

The Association's total net position at June 30, 2025 was $2,160,464, consisting of $1,341,259 in net investment in capital assets and $819,205 in unrestricted net position. Total assets were $2,872,965, deferred outflows of resources were $97,455, total liabilities were $736,719, and deferred inflows of resources were $73,237.

The Association reported an increase in government-wide net position of $481,289 during fiscal year 2025. This increase is measured against a restated beginning net position of $1,679,175, following correction of prior-period errors primarily associated with receivable balances. The prior-year net position had originally been reported at $1,427,550, and was increased by $251,625 through restatement.

At the fund level, total governmental fund balance ended the year at $1,386,784, compared with a restated beginning fund balance of $1,454,491, representing a net decrease of $67,707 during the year. Ending fund balances were $360,684 in the General Fund, $961,649 in the WRTA Fund, and $64,451 in the CSBG Fund.

Total governmental fund revenues for fiscal year 2025 were $2,721,321, while total expenditures were $2,789,028. Governmental funds therefore reported expenditures in excess of revenues of $67,707. Interfund transfers totaled $884,490 in both transfers in and transfers out, producing no net change in total governmental fund balance on a combined basis.

The Association's net capital assets increased from $739,187 at the beginning of the year to $1,341,259 at June 30, 2025, an increase of $602,072. This increase reflects $899,775 in capital outlays during the year, offset by $297,703 in depreciation expense. Capital asset additions were primarily in buildings and improvements, vehicles, and equipment.

The Association continued to report pension-related balances in accordance with GASB requirements. At year-end, the Association reported a net pension liability of $573,003, deferred outflows of resources related to pensions of $97,455, deferred inflows of resources related to pensions of $73,237, and non-cash pension expense of $53,848.

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: government-wide financial statements, fund financial statements, and notes to the basic financial statements. The report also contains required supplementary information, including budgetary comparison schedules and pension schedules.

The government-wide financial statements provide a broad overview of the Association's finances, presenting information for the Association as a whole using the accrual basis of accounting and the economic resources measurement focus. The statement of net position presents information on all assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. The statement of activities presents information showing how net position changed during the fiscal year.

The fund financial statements provide more detailed information about the Association's major funds. The Association reports governmental funds, which focus on near-term inflows and outflows of spendable resources and on balances available at year-end. The Association's major funds are the General Fund, the WRTA Fund, and the CSBG Fund.

The notes to the financial statements provide additional detail and explanation concerning the figures reported in the statements, including the Association's significant accounting policies, capital assets, pension obligations, interfund transfers, contingencies, prior-period corrections, and subsequent events.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted above, the Association's total net position at June 30, 2025 was $2,160,464. Of this amount, $1,341,259 represents the Association's investment in capital assets, net of accumulated depreciation, while $819,205 is unrestricted net position available to support ongoing operations and obligations.

The Association's total governmental activities expenses for fiscal year 2025 were $2,240,032. These expenses were offset by $2,295,343 in program revenues, consisting of $297,831 in charges for services, $1,295,242 in operating grants and contributions, and $702,270 in capital grants and contributions. Net program revenues therefore exceeded direct program expenses by $55,311.

Transportation activities represented the largest functional area of the Association. Transportation expenses totaled $1,581,618, while transportation-related program revenues totaled $1,817,361, resulting in positive net activity of $235,743. Community development expenses totaled $228,091, while related program revenues totaled $477,982, resulting in positive net activity of $249,891. General government and depreciation functions were not fully funded by program revenues and therefore represented net costs to the Association. General government reflected a net cost of $132,620, while depreciation reflected a net cost of $297,703.

In addition to program revenues, the Association reported general revenues including $29,500 in membership dues, $386,523 in intergovernmental revenue, $5,070 in investment earnings, and

$1,000 in miscellaneous revenue. These general revenues helped support activities not fully financed through program-specific revenue sources.

FINANCIAL ANALYSIS OF THE ASSOCIATION'S FUNDS

Governmental funds ended fiscal year 2025 with total fund balance of $1,386,784, compared with $1,454,491 at the beginning of the year, as restated. This represents a net decrease of $67,707. Total governmental fund assets were $1,531,706, total liabilities were $144,922, and the resulting combined fund balance remained strong at year-end.

The General Fund ended the year with fund balance of $360,684, down from a restated beginning balance of $589,028. The General Fund reported revenues of $408,906 and expenditures of $208,648, resulting in operating income of $200,258 before other financing sources and uses. After net transfers out of $428,602, the General Fund reported a decrease in fund balance of $228,344.

The WRTA Fund ended the year with fund balance of $961,649, up from a restated beginning balance of $834,285. WRTA reported revenues of $1,833,433 and expenditures of $2,358,954, resulting in an operating deficiency of $525,521 before transfers. Net transfers in of $652,885 more than offset that deficiency, resulting in an increase in fund balance of $127,364. This reflects the continuing use of interfund support to supplement transportation operations and related capital activity.

The CSBG Fund ended the year with fund balance of $64,451, up from $31,178 at the beginning of the year. CSBG reported revenues of $478,982 and expenditures of $221,426, resulting in operating income of $257,556 before transfers. After net transfers out of $224,283, fund balance increased by $33,273.

Interfund transfers remained a notable feature of fiscal year 2025 operations. Total transfers out of the General Fund were $546,611, while the WRTA Fund received $683,981 of transfers in. The notes indicate that the purpose of these transfers was to supplement the Wind River Transportation Authority program using funds from the 1/2 cent collections designated for FCAG, thereby supporting WRTA operational and service objectives.

CAPITAL ASSETS

At June 30, 2025, the Association reported $1,341,259 in net capital assets, compared with $739,187 at the beginning of the fiscal year. Gross capital assets totaled $3,008,085, with accumulated depreciation of $1,666,826.

Capital asset additions during the year totaled $899,775 and included $80,172 in buildings and improvements, $804,884 in vehicles, and $14,719 in equipment and contents. Ending balances by class included $28,805 in land, $429,505 in buildings and improvements, $2,237,719 in vehicles, and $312,056 in equipment and contents. Depreciation expense for the year was $297,703.

The Association's capital asset policy provides for capitalization of assets with an estimated useful life in excess of one year and a capitalization threshold of $1,000. Capital assets are depreciated using the straight-line method over estimated useful lives of 3 to 50 years for buildings and improvements, 3 to 40 years for furniture and equipment, and 3 to 5 years for vehicles.

LONG-TERM LIABILITIES AND PENSION ACTIVITY

The Association reported no bonded debt in the FY25 financial statements. Long-term obligations reported at year-end consisted primarily of the net pension liability of $573,003 and compensated absences of $18,794. These items are reported at the government-wide level but are not due and payable from current financial resources and therefore are not reported as liabilities in the governmental fund statements.

The Association participates in the Wyoming Retirement System, a multiple-employer cost-sharing defined benefit plan. At June 30, 2025, the Association reported its proportionate share of the net pension liability at $573,003. Related deferred outflows and deferred inflows were $97,455 and $73,237, respectively. The Association also recognized $53,848 in non-cash pension expense during the year. The pension note further indicates that the Association's fiscal year 2025 contribution rate was 18.62 percent.

BUDGETARY HIGHLIGHTS

The Association prepares annual operating budgets under the provisions of Wyoming State Statutes for all funds. Budgetary comparison schedules are presented for the General Fund, WRTA Fund, and CSBG Fund. The notes state that budgetary statements are presented on the modified accrual basis and that the Association may amend the budget and authorize transfers within budgetary programs.

CORRECTION OF ERRORS IN PRIOR PERIOD

During fiscal year 2025, the Association identified prior-period errors primarily associated with receivable balances. These corrections resulted in a restatement of beginning fund balance and beginning net position. The General Fund beginning balance was adjusted from $591,085 to $589,028, the WRTA Fund beginning balance was adjusted from $580,603 to $834,285, and governmental activities beginning net position was adjusted from $1,427,550 to $1,679,175. Management believes it is important for readers to consider these restatements when evaluating year-over-year changes in the Association's financial position.

ECONOMIC FACTORS AND NEXT YEAR'S OUTLOOK

The Association ended fiscal year 2025 with a solid overall financial position, including $1,167,503 in cash and investments and $1,386,784 in total governmental fund balance. The year also reflected significant capital investment, particularly within transportation-related assets, as well as continued interfund support to sustain WRTA operations and service objectives.

Looking ahead, the Association expects to experience a significant reduction in revenues resulting from the loss of the 1/2% sales tax for economic development. Of that funding stream, 10% had been allocated for public ground transportation through the Fremont County Association of Governments and has served as an important local revenue source supporting transportation operations and related program stability. The loss of this revenue source will materially affect the Association's future financial capacity.

In anticipation of this revenue loss, the Association has taken steps to strengthen its financial position and increase the amount of emergency savings available to help weather future uncertainty and preserve the provision of public transportation services for as long as practicable. These efforts were undertaken in recognition of the importance of maintaining continuity of service while the Association evaluates long-term funding options.

Management expects continued attention will be required in several areas, including maintaining strong year-end reconciliation procedures, monitoring grant receivables and reimbursement cycles, managing pension-related reporting impacts, and evaluating the long-term sustainability of interfund support for transportation activities. The Association will also continue to monitor capital replacement and facility needs, compliance obligations tied to grant-funded activity, and the adequacy of available unrestricted resources to support operations.

Absent the identification and implementation of a replacement revenue source, the Association's future funding flexibility and revenue generation capacity will be extremely limited. Under those circumstances, the Wind River Transportation Authority could face substantial financial risk, including risk to the long-term sustainability of public transportation services. Management will continue to evaluate available funding strategies and operational measures intended to preserve essential services to the greatest extent possible.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, grantors, creditors, and other interested parties with a general overview of the Fremont County Association of Governments' finances and to demonstrate accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Fremont County Association of Governments, Riverton, Wyoming.

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
STATEMENT OF NET POSITION
As of June 30, 2025

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	1,167,503
Taxes receivable		2,861
Grant receivables		354,109
Prepaid assets		7,233
Capital assets:		
Non-depreciable		28,805
Depreciable, net of accumulated depreciation		1,312,454
Total assets		2,872,965
DEFERRED OUTFLOWS OF RESOURCES		
Related to pensions		97,455
LIABILITIES		
Accounts payable		144,922
Compensated absences		18,794
Net pension liability		573,003
Total liabilities		736,719
DEFERRED INFLOWS OF RESOURCES		
Related to pensions		73,237
NET POSITION		
Net investment in capital assets		1,341,259
Unrestricted		819,205
Total net position	$	2,160,464

The notes to financial statements are an integral part of this statement.

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position
			Operating	Capital	Primary Government
PRIMARY GOVERNMENT	Program Expenses	Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities
Governmental activities:					
General government	$ 132,620	$ -	$ -	$ -	$ (132,620)
Transportation	1,581,618	297,831	817,260	702,270	235,743
Community development	228,091	-	477,982	-	249,891
Depreciation	297,703	-	-	-	(297,703)
Total governmental activities	$ 2,240,032	$ 297,831	$ 1,295,242	$ 702,270	$ 55,311
		General revenues:			
		Membership dues			29,500
		Intergovernmental			386,523
		Investment earnings			5,070
		Miscellaneous revenues			1,000
		Gain (loss) on disposal of assets			3,885
		Total general revenues			425,978
		Change in net position			481,289
		Net position, beginning of year, restated Note 7			1,679,175
		Net position, end of year			$ 2,160,464

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
BALANCE SHEET - GOVERNMENTAL FUNDS
As of June 30, 2025

	General Fund	Special Revenue Funds: WRTA Fund	Special Revenue Funds: CSBG Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 391,166	$ 722,502	$ 53,835	$ 1,167,503
Grant receivables	7,905	318,327	27,877	354,109
Tax receivables	-	2,861	-	2,861
Prepaids	-	7,233	-	7,233
Total assets	$ 399,071	$ 1,050,923	$ 81,712	$ 1,531,706
LIABILITIES				
Accounts payable and accrued expenses	$ 38,387	$ 89,274	$ 17,261	$ 144,922
Total liabilities	38,387	89,274	17,261	144,922
FUND BALANCES				
Restricted for:				
Transportation	-	961,649	-	961,649
Community services	-	-	64,451	64,451
Unassigned	360,684	-	-	360,684
Total fund balances	360,684	961,649	64,451	1,386,784
Total liabilities and fund balances	$ 399,071	$ 1,050,923	$ 81,712	$ 1,531,706

The notes to financial statements are an integral part of this statement.

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
As of June 30, 2025

Fund balance of governmental funds		$ 1,386,784
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Capital assets at cost	3,008,085	
Accumulated depreciation	(1,666,826)	1,341,259
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position:		
Deferred outflows related to pensions	97,455	
Deferred inflows related to pensions	(73,237)	24,218
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the governmental funds:		
Compensated absences		(18,794)
Net pension liability		(573,003)
Net position of governmental activities		$ 2,160,464

The notes to financial statements are an integral part of this statement.

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General Fund	Special Revenue Funds: WRTA Fund	Special Revenue Funds: CSBG Fund	Total Governmental Funds
REVENUES				
Member dues	$ 29,500	$ -	$ -	$ 29,500
Intergovernmental	377,847	8,676	-	386,523
Fares and contract services	-	297,831	-	297,831
Investment income	1,559	3,511	-	5,070
Grant revenue	-	1,519,530	477,982	1,997,512
Other revenue	-	3,885	1,000	4,885
Total revenues	408,906	1,833,433	478,982	2,721,321
EXPENDITURES				
Salaries and benefits	-	1,084,835	-	1,084,835
Transportation	-	244,626	-	244,626
Office	6,411	45,679	-	52,090
Community-program	7,502	-	-	7,502
Administration costs	-	164,211	-	164,211
Purchased services	100,093	-	-	100,093
CSBG services	-	-	221,426	221,426
Other costs	14,470	-	-	14,470
Capital outlay	80,172	819,603	-	899,775
Total expenditures	208,648	2,358,954	221,426	2,789,028
Excess (deficiency) of revenue over (under) expenditures	200,258	(525,521)	257,556	(67,707)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	118,009	683,981	82,500	884,490
Operating transfers out	(546,611)	(31,096)	(306,783)	(884,490)
Total other financing sources (uses)	(428,602)	652,885	(224,283)	-
Change in fund balance	(228,344)	127,364	33,273	(67,707)
FUND BALANCE				
Fund balance, beginning of year (Restated, see Note 7)	589,028	834,285	31,178	1,454,491
Fund balance, end of year	$ 360,684	$ 961,649	$ 64,451	$ 1,386,784

The notes to financial statements are an integral part of this statement.

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

Change in fund balance - governmental funds		$ (67,707)
Amounts reported for governmental activities in 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 expenses. This is the amount by which capital outlays exceed depreciation expense in the period:		
Capital outlays	899,775	
Depreciation expense	(297,703)	602,072
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Compensated absences		772
Changes in pension liabilities and related deferred outflows and inflows of resources		(53,848)
Change in net position of governmental activities		$ 481,289

The notes to financial statements are an integral part of this statement.

1. 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. The Associations “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 the Association, this includes general operations. The following activities are also included within the reporting entity:

In accordance with Generally Accepted Accounting Principles (GAAP), when a component unit is blended, its financial activities are reported as part of the primary government. The Wind River Transportation Authority (WRTA), a legally separate entity, is reported as a component unit of the Association because it is governed by the Association's Board of Trustees (Board), and is presented as a blended component unit.

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.

1. Government-Wide Financial Statements

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

2. 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 Funds - The special revenue funds account for all financial resources, generally from granting agencies, that are restricted, committed, or assigned, for a specific purpose. The WRTA Fund accounts for all transportation activities. The CSBG Fund accounts for all activities associated with the Community Services Block Grant.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 deferred revenue 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.

Budgetary Data

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 2025.

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.

Budgets for the General and Special Revenue Funds are adopted on a basis and perspective which can differ significantly from 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position

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.

Receivables

Grants receivables represent amounts due from federal, state or local agencies. The Association has determined that all receivables are fully collectible and there is no need for an allowance for doubtful accounts.

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 purchased 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 are depreciated. Capital assets 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 in accordance with GASB 101.

Accrued Liabilities and Long-Term Obligations

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The Association's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

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

2. 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. Restrictions may be changed or lifted only with the consent of resource provider.

3. Committed fund balance - amounts constrained to specific purposes by the Association itself enacted by resolution of the Association's Board. 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.

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

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

When an expenditure is incurred for purposes for which a combination of fund balances is available, the Association will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

The Association has not elected to adopt a minimum fund balance policy as of June 30, 2025.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 eliminated from 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 GAAP 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.

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.

New Accounting Pronouncements Implemented

GASB Statement No. 101, Compensated Absences, was adopted in the current year, the effects of this implementation were not significant.

Budgetary Reporting

The Association prepares its annual operating budget under the provisions of Wyoming State Statutes for all funds. The statement of revenues, expenditures, and changes in fund balance budget and actual presented for the general fund and special revenue funds are presented on the modified accrual basis.

The Association may amend the budget once it is approved, and may authorize transfers within the various budgetary programs, in any fund. Unused appropriations typically lapse at the end of the year.

2. CASH AND CASH EQUIVALENTS

The Association's cash is 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 were protected with a combination of FDIC insurance and pledged securities.

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.

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.

3. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2025, was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 28,805	$ -	$ -	$ 28,805
Depreciable assets:				
Buildings and improvements	349,333	80,172	-	429,505
Vehicles	1,904,066	804,884	(471,231)	2,237,719
Equipment and contents	297,337	14,719	-	312,056
Total depreciable assets	2,550,736	899,775	(471,231)	2,979,280
Total accumulated depreciation	(1,840,354)	(297,703)	(471,231)	(1,666,826)
Governmental activities capital assets, net	$ 739,187			$ 1,341,259

4. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM

Plan Description

The Association's employees participate in the Wyoming Retirement System (WRS or the Plan), which is a multiple employer cost sharing defined benefit plan. GASB standards require that the Association recognize a liability for its proportionate share of the net pension liability. This proportion is determined on a basis that is consistent with the manner in which contributions to the plan are determined. The Association derived their portion of the net pension liability by applying the actual contribution as a percentage of total contributions to the Plan.

In addition to reporting the Association's share of the net pension liability, deferred inflows and deferred outflows on the statement of net position and the related expense on the statement of activities, this standard requires the Association to present two additional schedules in the required supplementary information section of this report, including the Schedule of Proportionate Share of the Net Pension Liability and the Schedule of Contributions.

Significant Accounting Policies

The net pension liability, deferred outflows and deferred inflows of resources, and pension expense have been determined using the same basis as reported by WRS. Benefit payments are recognized when due and payable in accordance with benefit terms and investments are reported at fair value.

Actuarial Valuation

An actuarial valuation of the Plan's assets and net pension liability is performed annually. At the date of the most recent actuarial valuation, January 1, 2025, the fiduciary net position as a percentage of total pension liability increased from 80.19 percent on January 1, 2024 to 82.46 percent on January 1, 2025. The net pension liability as a percentage of covered employee payroll decreased from 120.86 percent to 102.93 percent as of January 1, 2024 and 2025, respectively. The net pension liability was $2.08 billion as of January 1, 2025 compared to $2.27 billion as of January 1, 2024. This is a decrease from the prior year.

Determination of Tier 1 versus Tier 2 Employees

Tier 1 employees are those whose first contribution to the Plan was made on or before September 1, 2012; whereas, Tier 2 employees are those whose first contribution to the Plan was made after September 1, 2012.

Vesting

Participants are vested within the Plan after four years of service constituted by 48 months of service.

Contributions

As a condition of participation in the Plan, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by Wyoming State Statute and specified by the WRS Board. Contributions are actuarially determined as an amount that is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. The contribution rate of fiscal year 2025 was 18.62 percent.

4. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

Benefits

The 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: a 100 percent joint and survivor annuity, and a 50 percent joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. Any cost-of-living adjustment (COLA) provided to retirees must be granted by the State Legislature. In addition, a COLA will not be approved by the legislature unless the plan is 100 percent funded after the COLA is awarded.

Employees terminating prior to normal retirement can elect to withdraw all employee contributions plus accumulated interest through date of termination or, if they are vested, they may elect to remain in the Plan and be eligible for unreduced retirement benefits at age 60 (Tier 1 employee) or 65 (Tier 2 employee).

Tier 1, 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 but will result in a reduction of benefits based on the length of time remaining to age 60.

Tier 2, 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 or more years of service but will result in a reduction of benefits based on the length of time remaining to age 65. All employees may also retire upon normal retirement on the basis that the sum of the member's age and service is at least 85.

Actuarial Assumptions

An actuarial valuation of each WRS defined benefit plan is performed annually. The funded status of each plan is shown in the Schedules of Funding Progress, which is located in the Actuarial section of the WRS Annual Comprehensive Financial Report (ACFR). It is important to note that in November 2021 and also in February 2022, the WRS Board changed the assumptions used by the actuary to value the plans. The new assumptions are reflected in the valuation results and have been incorporated into the Association's proportionate share of the net pension liability. In general, the new assumptions reflect an update to the mortality tables, adjustments to the demographic and salary scale, as well as a lower long-term investment return.
For all plans except the Paid Firemen's Pension Plan A, beginning July 1, 2012, all future COLA's must be granted by the State Legislators. In addition, the WRS board cannot recommend the COLA unless the plan is considered actuarily sound and the unfunded liability must not drop below 100% after the award of the COLA.

The results of the actuarial valuation are dependent upon the actuarial assumptions used. Actual result can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially changes the liabilities, calculated contributions rates and funding periods.

The long-term expected rate of return on pension plan investments was determined using a building block method in which expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the Plan's target asset allocation as of January 1, 2025, the best estimates are summarized in the following table:

4. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

Asset Class	Target Allocation	Geometric Real Return	Arithmetic Real Return
Cash	0.50%	0.41%	0.40%
Gold	1.50%	2.33%	0.90%
Fixed income	20.00%	3.79%	4.22%
Equity	51.50%	6.51%	8.19%
Marketable alternatives	16.00%	4.54%	5.38%
Private markets	10.50%	6.23%	7.74%
Total	100.00%	5.53%	6.75%

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the Plan's fiduciary net position is projected to be sufficient to pay benefits using a 100-year analysis) and 2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For purposes of this valuation, the expected rate of return on pension plan investments is 6.80% and the municipal bond rate is 4.08%, which is based upon 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 Municipal GO AA Index as of December 31, 2024.

The projection of cash flows used to determine the rate assumed that plan member contributions and employer contributions will be made at the current contribution rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2025, the Association reported a total liability of $573,003 for its proportionate share of the net pension liability. The net pension liability was determined by an actuarial valuation as of January 1, 2024, applied to all prior periods included in the measurement. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. An experience study was conducted covering the five-year period ending December 31, 2020. The net pension liability as of December 31, 2024, is based on the results of an actuarial valuation as of January 1, 2024, rolled forward to a measurement date of December 31, 2024, and taking into consideration information from the recent experience study.

The schedule below shows the Association's proportionate share of the net pension liability at June 30, 2025, the proportionate portion at the measurement date of December 31, 2024, and the change in the proportion from the previous measurement date.

4. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

	Pension liability at June 30, 2025	Proportion at December 31, 2024	Increase (decrease) from December 31, 2023
Public Employee Pension Plan	$ 573,003	0.02747%	0.00096461%

At June 30, 2025, the Association reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities
Non-cash pension expense (revenue)	$ 53,848
Deferred outflows of resources	
Differences between expected and actual experience	$ 37,154
Contributions subsequent to the measurement date	60,301
Total deferred outflows of resources	$ 97,455
Deferred inflows of resources	
Differences between expected and actual experience	$ 690
Net difference between projected and actual earnings on pension plan investments	72,547
Total deferred inflows of resources	$ 73,237

The Association reported $60,301 as deferred outflows of resources related to the pension resulting from the Association's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

Year ended December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	$ 16,143	$ (27,032)
2026	14,363	21,000
2027	6,648	(48,871)
2028	-	(18,334)
	$ 37,154	$ (73,237)

4. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table sets forth the Association's proportionate share of the net pension liability calculated using the discount rate, shown below, along with what it would be using one percentage point higher and lower than the current rate.

	1% Decrease (5.80 percent)	Discount Rate (6.80 percent)	1% Increase (7.80 percent)
Proportionate Share of Net Pension Liability	$ 954,502	$ 573,003	$ 257,074

5. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2025, were as follows:

	Transfers to Other Funds	Transfers from Other Funds
Primary Government:		
Governmental Activities:		
General Fund	$ 546,611	$ 118,009
WRTA Fund	31,096	683,981
CSBG Fund	306,783	82,500
Total governmental activities	$ 884,490	$ 884,490

Interdepartmental transfers occur throughout the year as part of the Association's cost allocation methodology, which distributes shared administrative, personnel, and operational costs to the appropriate funds based on benefit received. Transfer activity also reflects annual public transit funding previously awarded to WRTA from the 1/2% sales tax for economic development, which was used in part to support federal local match requirements.

6. CONTINGENCIES

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 granter 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, 2025.

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, 2025. 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.

6. CONTINGENCIES (Continued)

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.

7. CORRECTION OF ERRORS IN PRIOR PERIOD

The Association identified various errors, primarily associated with receivable balances, in the previously stated financial statements the effect of correcting these errors are as follows:

	General Fund	WRTA Fund	Governmental Activities Net Position
Fund balance/Net position, as of			
June 30, 2024, as previously reported	$ 591,085	$ 580,603	$ 1,427,550
Error corrections	(2,057)	253,682	251,625
Fund balance/Net position, as of			
June 30, 2024, as restated	$ 589,028	$ 834,285	$ 1,679,175

8. SUBSEQUENT EVENTS

Events occurring subsequent to June 30, 2025 have been evaluated for financial statement impact or disclosure through March 19, 2026, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
STATEMENT REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Operating Revenues	$ 37,500	$ 37,500	$ 29,500	$ (8,000)
Government Support	478,936	478,936	377,847	(101,089)
Grants	-	-	-	-
Miscellaneous	21,876	21,876	1,559	(20,317)
Total revenues	538,312	538,312	408,906	(109,089)
Expenditures				
Capital outlay	100,000	100,000	80,172	(19,828)
Administration	36,350	36,350	113,435	77,085
Indirect costs	2,191	2,191	15,041	12,850
Total expenditures	138,541	138,541	208,648	70,107
Excess (deficiency) of revenue over (under) expenditures	399,771	399,771	200,258	(199,513)
Other financing sources (uses):				
Operating transfers in	50,000	50,000	118,009	68,009
Operating transfers out	(470,030)	(470,030)	(546,611)	(76,581)
Total other financing sources	(420,030)	(420,030)	(428,602)	(8,572)
Net change in fund balance	$ (20,259)	$ (20,259)	$ (228,344)	$ (187,768)

The notes to financial statements are an integral part of this statement.

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
STATEMENT REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
WRTA FUND
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Operating Revenues	$ 233,500	$ 233,500	$ 297,831	$ 64,331
Grants	1,936,455	1,936,455	1,519,530	(416,925)
Miscellaneous	120,246	120,246	16,072	(104,174)
Total revenues	2,290,201	2,290,201	1,833,433	(352,594)
Expenditures				
Capital outlay	1,163,327	1,163,327	819,598	(343,729)
Administration	136,582	136,582	157,262	20,680
Operations	1,293,888	1,293,888	1,332,925	39,037
Indirect costs	31,886	31,886	49,169	17,283
Total expenditures	2,625,683	2,625,683	2,358,954	(266,729)
Excess (deficiency) of revenue over (under) expenditures	(335,482)	(335,482)	(525,521)	(190,039)
Other financing sources (uses):				
Operating transfers in	462,530	462,530	683,981	221,451
Operating transfers out	(50,000)	(50,000)	(31,096)	18,904
Total other financing sources	412,530	412,530	652,885	240,355
Net change in fund balance	$ 77,048	$ 77,048	$ 127,364	$ 154,490

The notes to financial statements are an integral part of this statement.

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
STATEMENT REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CSBG FUND
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Operating Revenues	$ -	$ -	$ -	$ -
Government Support	-	-	-	-
Grants	386,925	386,925	477,982	91,057
Miscellaneous	-	-	1,000	1,000
Total revenues	386,925	386,925	478,982	91,057
Expenditures				
Capital outlay	-	-	-	-
Administration	52,337	52,337	-	(52,337)
Operations	339,560	339,560	221,426	(118,134)
Indirect costs	-	-	-	-
Total expenditures	391,897	391,897	221,426	(170,471)
Excess (deficiency) of revenue over (under) expenditures	(4,972)	(4,972)	257,556	262,528
Other financing sources (uses):				
Operating transfers in	7,500	7,500	82,500	75,000
Operating transfers out	-	-	(306,783)	(306,783)
Total other financing sources	7,500	7,500	(224,283)	(231,783)
Net change in fund balance	$ 2,528	$ 2,528	$ 33,273	$ 29,745

The notes to financial statements are an integral part of this statement.

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

WYOMING RETIREMENT SYSTEM

As of December 31, 2024

Last 10 Years

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered-employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
Public Employee Pension Plan					
2024	0.02747%	$ 573,003	$ 625,099	91.67%	82.46%
2023	0.02651%	$ 601,864	$ 611,635	98.40%	80.19%
2022	0.02683%	$ 733,228	$ 510,763	143.56%	75.47%
2021	0.02169%	$ 330,659	$ 444,487	74.39%	86.03%
2020	0.01863%	$ 437,784	$ 362,016	120.93%	79.24%
2019	0.03017%	$ 709,086	$ 542,000	130.83%	79.08%
2018	0.02682%	$ 816,632	$ 467,025	174.86%	69.17%
2017	0.02559%	$ 606,037	$ 467,325	129.68%	76.35%
2016	0.02436%	$ 588,937	$ 435,650	135.19%	73.42%
2015	0.02635%	$ 582,519	$ 436,500	133.45%	73.40%

The notes to financial statements are an integral part of this statement.

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
SCHEDULE OF CONTRIBUTIONS
WYOMING RETIREMENT SYSTEM
For the Year Ended December 31, 2024
Last 10 Years

For the year ended fiscal year ended December 31,	Actuarial Determined Contributions	Contributions in relation to the contractually required Contributions	Contribution deficiency (excess)	Covered Payroll	Contributions as a percentage of covered employee payroll
Public Employee Pension Plan					
2024	$ 116,394	$ 116,394	$ -	$ 625,099	18.62%
2023	$ 107,170	$ 107,170	$ -	$ 575,564	18.62%
2022	$ 93,460	$ 93,460	$ -	$ 501,934	18.62%
2021	$ 80,007	$ 80,007	$ -	$ 429,683	18.62%
2020	$ 60,653	$ 60,653	$ -	$ 334,730	18.12%
2019	$ 93,252	$ 93,252	$ -	$ 528,800	17.63%
2018	$ 78,348	$ 78,348	$ -	$ 459,900	17.04%
2017	$ 77,650	$ 77,650	$ -	$ 467,325	16.62%
2016	$ 72,419	$ 72,419	$ -	$ 435,650	16.62%
2015	$ 72,529	$ 72,529	$ -	$ 436,500	16.62%

The notes to financial statements are an integral part of this statement.

SUPPLEMENTAL INFORMATION SECTION

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND RELATED NOTES
For the Year Ended June 30, 2025

Program Title	Federal ALN		Expenditures	Passed through to Subrecipients
Department of Transportation				
Wyoming Department of Transportation				
Formula Grants for Other Than Urbanized Areas	20.509	*	$ 772,305	$ -
Buses and Bus Facilities Program	20.526	*	684,151	-
State and Community Highway Safety	20.600		21,739	-
			1,478,195	-
Total Department of Transportation				
Department of Health and Human Services				
Wyoming Department of Health				
Community Service Block Grant	93.569		477,983	-
Total Department of Health and Human Services			477,983	-
Total Expenditures of Federal Awards			$ 1,956,178	$ -

1. BASIS FOR PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Fremont County Association of Governments (the Association) under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards (Uniform Guidance). All federal financial awards received directly from federal agencies as well as federal financial awards passed through from other governmental agencies are included in the schedule. Because the schedule presents only a selected portion of the operations of the Association, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Association.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the same basis of accounting used in preparation of the fund financial statements from which the information was derived as described in Note 1 to the Association's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

* Denotes major program.

3. INDIRECT COST RATES

The Association does not utilize the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

OTHER REPORTS

CARVER
FLOREK &
JAMES, CPA's
CERTIFIED PUBLIC ACCOUNTANTS

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*

To the Board of Trustees
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 (*Government Auditing Standards)*, the financial statements of the governmental activities of Fremont County Association of Governments (the Association) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated March 19, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) as a basis for designing 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 the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Association'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 identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 that we consider to be significant deficiencies.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Association's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Association's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Association's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

Carver Florek & James, CPAs

Sheridan, Wyoming
March 19, 2026

CARVER
FLOREK &
JAMES, CPA's
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Board of Trustees of
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 (the Association) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Association's major federal program for the year ended June 30, 2025. The Association's 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 Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

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

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

In performing an audit in accordance with GAAS, *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 the Association's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Association's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned cost as item 2025-003 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Government Auditing Standards requires the auditor to perform limited procedures on the Association's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Association's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Carver Florek & James, CPAs

Sheridan, Wyoming
March 19, 2026

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

SECTION I – Summary of the Auditor's Results:

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified.*

Internal control over financial reporting:

• Material weakness identified?	___ Yes	_X_ No
• Significant deficiency identified?	_X_ Yes	___ No
Noncompliance material to financial statements noted?	___ Yes	_X_ No

Federal Awards

Internal control over major federal programs:

• Material weakness identified?	___ Yes	_X_ No
• Significant deficiency identified?	_X_ Yes	___ No

Type of auditor's report issued on compliance for major federal programs: *Unmodified*

- Audit finding required to be reported in accordance with 2 CFR 200.516(a)?

_X_ Yes ___ No

Identification of major federal program:

- Formula Grants for Rural Areas and Tribal Transit Program – ALN #20.509
- Buses and Bus Facilities Formula Program – ALN #20.526

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as a low-risk auditee? ___ Yes _X_ No

<u>SECTION II – Financial Statement Findings</u>

2025-001 Segregation of Duties – Significant Deficiency

Criteria:	Segregation of duties is a basic, key internal control and often one of the most difficult to achieve, especially in a small organization. The concept is that one individual should not be able to handle or dominate transactions for initiation to posting, having access to both assets and accounting records.
Condition:	The Association has a limited number of administrative staff and accordingly a proper segregation of duties does not exist. Neither is it practicable for the Association to maintain such segregation.
Effect:	A lack of segregation of duties can have several negative effects on an organization, including increased risk of fraud, error, and noncompliance with laws and regulations.
Recommendation:	We recommend that members of the Board of Directors continue to exercise appropriate financial oversight as a result of this condition.

Responsible Officials Response: See the last page for management's response to these findings.

2025-002 Year End Adjusting Entries – Significant Deficiency

Criteria:	The Association should have comprehensive procedures at year end to ensure that all asset and liability accounts are fully reconciled and reported in accordance with Generally Accepted Accounting Principles.
Condition:	During our testing, we noted that both accounts receivable and payroll liabilities were understated.
Cause:	A lack of comprehensive year end procedures.
Effect:	Both accounts receivable and payroll liabilities understatement, both accounts have been adjusted in connection with the audit.
Recommendation:	We recommend that the Association develops a comprehensive set of procedures to ensure all asset and liability accounts are fully reconciled at year end.

Responsible Officials Response: See the last page for management's response to these findings.

SECTION III – Federal Awards Findings:

2025-003 Reimbursement Request Approval Documentation – Significant Deficiency

Criteria:	Reimbursement requests should be prepared and approved by responsible officials of the Association who are noted in internal policies, and such procedures should be documented.
Condition:	During our testing, we noted that all reimbursement requests sampled did not contain documentation of the preparation and approval procedures.
Cause:	Undetermined.
Effect:	The Association did not follow their policy for preparation and approval of the reimbursement requests, which allows for the possibility of having such requests be for expenditures outside of the program or expenditure period.
Recommendation:	We recommend that the Association develops a more comprehensive system to ensure that all reimbursement requests have proper documentation to represent the preparation and approval process.

Responsible Officials Response: See the last page for management's response to these findings.

SECTION IV – Status of Prior Year Findings:

2024-001 – Repeated, See finding 2025-001
2024-002 – Similar issue is present in finding 2025-002
2024-003 – Appears to be resolved.

FREMONT COUNTY ASSOCIATION OF GOVERNMENTS
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MANAGEMENT'S RESPONSE TO FINDINGS
Year Ended June 30, 2025

Finding 2025-001
Segregation of Duties - Significant Deficiency

Management Response:
The Fremont County Association of Governments acknowledges this finding. Due to the Association's size and limited administrative staffing structure, full segregation of duties is not always practicable. Management recognizes the importance of maintaining appropriate internal controls despite these staffing limitations.

To mitigate this condition, the Association will continue to rely on compensating controls, including management review, Board oversight, review of financial reporting, monitoring of disbursement activity, and review of bank and accounting reconciliations. Management will also continue evaluating opportunities to further strengthen administrative workflows as staffing capacity and operational structure allow.

The Association understands that this finding is common in smaller organizations where staffing constraints limit ideal separation of responsibilities. While full segregation may not be immediately attainable, management is committed to maintaining and improving oversight procedures designed to reduce the risk of error, fraud, or noncompliance. This finding was also noted as repeated from the prior year, and management will continue to evaluate realistic internal control improvements moving forward.

Responsible Official: Director
Planned Corrective Action Date: Ongoing

Finding 2025-002
Year End Adjusting Entries - Significant Deficiency

Management Response:
The Association acknowledges this finding and concurs that stronger year-end reconciliation procedures were needed. During the audit process, understated accounts receivable and payroll liabilities were identified and corrected in connection with the preparation of the financial statements.

In response, the Association has already begun strengthening its year-end closeout procedures to ensure that all asset and liability accounts are fully reconciled and supported prior to audit fieldwork. Management has also taken steps to reduce reliance on fragmented or manual processes that contributed to this issue. More specifically, payroll-related entries and reconciliations have since been consolidated into a clearer and more unified process to improve accuracy and traceability.

Going forward, the Association will implement a more comprehensive year-end checklist and reconciliation process for all material balance sheet accounts, including receivables, payroll liabilities, and other accrued liabilities. Management will also coordinate more closely with its third-party accountant at year-end to verify account balances, review supporting schedules, and identify needed adjustments prior to the start of the audit.

Management views this as an important corrective action area and expects these strengthened procedures to materially improve year-end financial reporting in future periods. The Association also notes that the prior-year finding was cited as a similar issue, and management's intent is to resolve this matter through formalized reconciliation procedures and improved year-end review.

Responsible Official: Director / Business Manager
Planned Corrective Action Date: Implemented for FY26 year-end close process

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Finding 2025-003
Reimbursement Request Approval Documentation - Significant Deficiency

Management Response:
The Association acknowledges this finding and agrees that reimbursement request files should contain clearer documentation evidencing the preparation and approval process required under internal policy. Although reimbursement requests were prepared and submitted as part of routine grant administration, the supporting documentation did not consistently reflect the full preparation trail and approval record expected for audit purposes.

Management has already identified the need to formalize this process and will implement a standardized reimbursement request file structure for all future reimbursement submissions. This process will include documentation showing who prepared the request, the date of preparation, the review and approval path, and the supporting expenditure records associated with the reimbursement period. Where applicable, the Association will incorporate a formal checklist or cover sheet to ensure each request file demonstrates compliance with internal procedures and grant requirements.

Management does not believe the issue resulted from intentional noncompliance, but rather from inadequate documentation of a process that had been operationally performed. Even so, management agrees that documentation standards must be improved to reduce risk and strengthen compliance controls over federal reimbursement activity.

The Association is committed to implementing this corrective action immediately for all future reimbursement requests to ensure that preparation and approval procedures are clearly evidenced and consistently retained. The draft audit notes that the comparable prior-year federal finding appears to be resolved, and management intends to similarly resolve this finding through standardized documentation and retention procedures.

Responsible Official: Director / Business Manager
Planned Corrective Action Date: Immediately for all reimbursement requests submitted after audit issuance