

NIOBRARA COUNTY



**ANNUAL FINANCIAL
REPORT**

JUNE 30, 2010

NIOBRARA COUNTY, WYOMING

ANNUAL FINANCIAL REPORT

June 30, 2010

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PORTER, MUIRHEAD, CORNIA & HOWARD

(A Corporation of Certified Public Accountants)

123 West First Street Suite 800 P.O. Box 2759 Casper, Wyoming 82602 (307) 265-4311 Fax (307) 265-5180

INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Niobrara County, Wyoming

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Niobrara County, Wyoming, as of and for the year ended June 30, 2010, which collectively comprise Niobrara County, Wyoming's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Niobrara County, Wyoming's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Niobrara County, Wyoming, as of June 30, 2010, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2010, on our consideration of Niobrara County, Wyoming'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Niobrara County, Wyoming's basic financial statements. The budgetary comparison information on pages 37 through 45 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying basic financial statements, required supplementary information, other supplementary information, and our independent auditor's reports are for the purpose of meeting local, state and federal requirements and are for the use of those entities and the management and the Board of County Commissioners and should not be used or relied upon by any other party for any purpose. Additional users of these basic financial statements, required supplementary information, other supplementary information, and our independent auditor's reports are hereby advised that the liability of Porter, Muirhead, Cornia & Howard to third party users who use or rely on this information may be limited pursuant to 1995 Wyoming Session Laws, Chapter 155 creating Wyoming Statute §33-3-201.

Porter, Muirhead, Cornia & Howard
Porter, Muirhead, Cornia & Howard
Certified Public Accountants

December 21, 2010

NIORRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010

(Unaudited)

As management of the Niobrara County Government, we offer readers of the Niobrara County Government's financial statements this narrative overview and analysis of the financial activities of the Niobrara County Government for the fiscal year ended June 30, 2010.

Financial Highlights

The assets of the Niobrara County exceeded its liabilities at the close of the most recent fiscal year by \$15,546,565 (*net assets*). Of this amount, \$3,204,539 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, the Niobrara County Government's governmental funds reported combined ending fund balances of \$3,457,885. Of this total amount, \$2,835,069 is available for spending at the government's discretion (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,879,143.

The Niobrara County Government's major debt was the Tax-Exempt Lease /Purchase Series 2008 for \$234,182 to lease/purchase a D6T XL Caterpillar Tractor. It is estimated that this debt will be satisfied by 2013.

Overview of the Financial Statements

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

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

The statement of net assets presents information on all of the Niobrara County Government's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Niobrara County Government is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the Niobrara County Government that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Niobrara County Government include general government, public safety and transportation, public works, health, welfare and recreation, and conservation of natural resources.

The government-wide financial statements can be found on pages 10-13 of this report.

NIOBRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010

(Unaudited)

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Niobrara County Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Niobrara County Government can be divided into two categories: governmental funds, and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Niobrara County Government maintained six individual governmental funds during the year. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all six funds. The general fund, the county road construction fund and the capital facilities-fair, library and courthouse fund, the federal and state grants fund, the E-911 and the 1% fund are considered to be major funds.

The Niobrara County Government adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statement can be found on pages 14-17 of this report.

Fiduciary funds - Fiduciary funds (agency funds) are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of the funds are not available to support the Niobrara County Government's own programs. The accounting for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 19 of this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-35 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Niobrara County Government's budgets for the general fund. This information and the notes to the required supplementary information can be found on pages 37-45 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Niobrara County Government's net assets, 75.84% reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding.

NIOBRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010

(Unaudited)

The Niobrara County Government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the Niobrara County Government's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

NIOBRARA COUNTY GOVERNMENT'S NET ASSETS
Governmental Activities

	<u>2010</u>	<u>2009</u>
Assets:		
Current and other assets	\$ 3,858,566	\$ 3,659,758
Capital assets	12,062,818	12,252,803
Total assets	<u>15,921,384</u>	<u>15,912,561</u>
Liabilities:		
Long-term liabilities outstanding	272,731	318,780
Other liabilities	102,088	599,889
Total liabilities	<u>374,819</u>	<u>918,669</u>
Net assets:		
Invested in capital assets, net of related debt	11,814,074	11,934,023
Restricted for Road Construction	551,939	178,053
Unrestricted	3,180,552	2,881,816
Total net assets	<u><u>\$ 15,546,565</u></u>	<u><u>\$ 14,993,892</u></u>

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NIOBRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010

(Unaudited)

At the end of the current fiscal year, the Niobrara County Government is able to report positive balances in the two categories of net assets, both for the government as a whole, as well as for its separate governmental activities.

The government's net assets increased by \$552,673 during the current fiscal year.

NIOBRARA COUNTY GOVERNMENT'S CHANGES IN NET ASSETS

	2010	2009
Revenues:		
Program revenues		
Charges for services	\$ 65,532	\$ 241,946
Operating grants and contributions	552,710	860,704
General revenues:		
Property taxes - current and delinquent	1,198,698	1,094,011
Other taxes	1,826,438	1,916,730
Miscellaneous	250,270	73,371
Unrestricted investment earnings	36,326	81,805
Total Revenues	3,929,974	4,268,567
Expenses:		
General government	1,279,843	1,663,524
Public safety	777,492	503,595
Public works	984,239	687,832
Health, welfare, recreation	262,667	232,530
Conservation of natural resources	59,016	58,756
Interest on long-term debt	14,044	17,148
Total Expenses	3,377,301	3,163,385
Increase in net assets	552,673	1,105,182
Net assets - beginning of year	14,993,892	13,888,710
Net assets - end of year	\$ 15,546,565	\$ 14,993,892

Governments change in nets assets:

Increases in public safety expenses occurred because additional overtime was accrued for the Sheriff's office due to a shortage of highway patrol coverage in this area. This resulted in the Sheriff's office responding to more accidents, which normally would be taken care of by highway patrol. In addition, increased fuel prices, computer expenses, and construction resulted in increased expenses. Travel expenses, overtime, and inmate medical expenditures in the detention center added to the increases as did part time wages in dispatch. Homeland Security Grants were again available to the county and were utilized fully. The Homeland Security Grants and a WyoLink grant allowed the county to purchase new equipment and make our communications systems compliant with federal standards.

NIOBRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010

(Unaudited)

Expenses in Public Works increased over last year because new inventory was purchased to replace outdated vehicles. Fuel price increases and equipment repairs were factors in the increase as well.

The general government expenses decreased because department heads and Elected Officials were conservative in spending due to projected shortfalls for the upcoming fiscal year. There was no need for major purchases such as phone systems, postage meter systems, etc., because they had been purchased in the previous fiscal year. There was no election in the county's fiscal year reducing the election budget and a onetime bonus was given in lieu of raises. IT expenses were kept to a minimum and no major computer programs were purchased.

Financial Analysis of the Government's Funds

As noted earlier, the Niobrara County Government uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus on the Niobrara County Government's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Niobrara County Government's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Niobrara County Government's governmental funds reported ending fund balance of \$3,457,885, an increase \$678,732 in comparison with the prior year.

The general fund is the chief operating fund of the Niobrara County Government. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,879,143, while total fund balance reached \$1,986,346. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

The fund balance of the Niobrara County Government's general fund increased by \$290,122 during the current fiscal year.

General Fund Budgetary Highlights

While Niobrara County's valuation has continued to increase, the Commissioners remain prudent in spending, as revenue projections appear somewhat bleak for the upcoming fiscal year. With this projection in mind, the County awarded bonuses to employees in lieu of raises, replaced outdated equipment, and continued to improve and maintain county buildings as funding allowed.

Consensus Block Grants continue to play a vital role in the improvement and construction of county buildings. The 2009-2010 funds are 100% funded by SLIB, with no county match required as were the 2008-2009 funds. The 2009-2010 funds were used to construct a pole barn at the fairgrounds and repair the fairgrounds auditorium roof. There are still 2008-2009 Consensus Block Grant funds which need to be spent as well as the completion of the Hospital Roof project which was funded with 2007-2008 Consensus Block Funds. The county provided a 25% match for that grant.

Homeland Security Grants continue to allow the Sheriff and Search & Rescue to purchase equipment necessary to conduct operations safely and effectively.

The County applied for and was awarded an Energy Efficiency Conservation Block Grant (EECBG) Energy Retrofit grant in the amount of \$247,003. This grant will provide for retrofit funds for the Courthouse, Library, Fairgrounds Auditorium and the Road and Bridge Shop to upgrade lighting, heating and make the buildings more energy efficient.

NIOBRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010

(Unaudited)

Capital Asset and Debt Administration

The Niobrara County Government's investment in capital assets for its governmental type activities as of June 30, 2010, amounts to \$12,062,818. This investment in capital assets included land, buildings, machinery and equipment, infrastructures, and roads, highways and bridges. The total decrease in Niobrara County's investment in capital assets for the current year was \$189,985.

The County Road Fund continues to provide funding necessary to upgrade and maintain Niobrara County roads and bridges.

NIOBRARA COUNTY GOVERNMENT'S CAPITAL ASSETS

	<u>2010</u>	<u>2009</u>
Land	\$ 4,064	\$ 4,064
Construction in progress	-	336,461
Buildings and system	3,905,860	3,409,703
Machinery and equipment	1,509,226	1,592,225
Infrastructure	6,643,668	6,910,350
Total	<u>\$ 12,062,818</u>	<u>\$ 12,252,803</u>

Additional information on the Niobrara County Government's capital assets can be found in the Notes to Financial Statements on pages 30-32.

Requests for Information

The financial report is designed to provide a general overview of the Niobrara County Government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Clerk, 424 S. Elm, Lusk, WY 82225.

BASIC FINANCIAL STATEMENTS

NIOBRARA COUNTY, WYOMING

STATEMENT OF NET ASSETS

June 30, 2010

	Primary Government	
	Governmental Activities	Total
ASSETS		
Cash and cash equivalents	\$ 2,928,209	\$ 2,928,209
Investments, at fair value	673,351	673,351
Receivables	149,803	149,803
Inventory	107,203	107,203
Restricted assets		
Cash and cash equivalents	-	-
Beneficial interest in assets held by others	-	-
Capital assets not being depreciated		
Land	4,064	4,064
Construction in progress	-	-
Capital assets net of accumulated depreciation		
Buildings	3,905,860	3,905,860
Machinery and equipment	1,509,226	1,509,226
Infrastructure	6,643,668	6,643,668
Total assets	15,921,384	15,921,384
LIABILITIES		
Accounts payable and other current liabilities	85,499	85,499
Funds held in trust	4,394	4,394
Deferred revenue	12,195	12,195
Long-term debt due within one year	72,722	72,722
Long-term debt due in more than one year	200,009	200,009
Total liabilities	374,819	374,819
NET ASSETS		
Invested in capital assets, net of related debt	11,814,074	11,814,074
Restricted for		
Road construction	551,939	551,939
Library Foundation	-	-
Permanent endowment for the library (nonexpendable)	-	-
Unrestricted	3,180,552	3,180,552
Total net assets	\$ 15,546,565	\$ 15,546,565

See accompanying notes to the financial statements

Component Units

Weed and Pest Control Board	County Library	County Fair Board	Predator Management District
\$ 900,182	\$ 58,411	\$ 132,428	\$ 108,031
421,595	-	-	233,440
342,096	6,002	2,921	-
37,111	-	-	-
-	11,595	-	-
-	766,918	-	-
16,906	550	11,635	-
-	-	17,631	-
425,467	297,705	666,781	-
47,167	208,181	9,474	-
-	-	-	-
<u>2,190,524</u>	<u>1,349,362</u>	<u>840,870</u>	<u>341,471</u>
1,003,151	-	2,260	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,003,151</u>	<u>-</u>	<u>2,260</u>	<u>-</u>
489,540	506,436	687,890	-
-	-	-	-
-	11,595	-	-
-	766,918	-	-
697,833	64,413	150,720	341,471
<u>\$ 1,187,373</u>	<u>\$ 1,349,362</u>	<u>\$ 838,610</u>	<u>\$ 341,471</u>

NIOBRARA COUNTY, WYOMING

STATEMENT OF ACTIVITIES
Year Ended June 30, 2010

Function/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary government				
Governmental activities				
General government	\$ 1,279,843	\$ 47,717	\$ -	\$ -
Public safety and transportation	777,492	15,764	267,265	-
Public works	984,239	-	112,446	-
Health, welfare, and recreation	262,667	2,051	172,999	-
Conservation of natural resources	59,016	-	-	-
Interest on long-term debt	14,044	-	-	-
Total governmental activities	<u>3,377,301</u>	<u>65,532</u>	<u>552,710</u>	<u>-</u>
Total primary government	<u>3,377,301</u>	<u>65,532</u>	<u>552,710</u>	<u>-</u>
Component units				
Weed and Pest Control	929,514	474,036	342,665	-
County Library	271,583	-	21,841	-
County Fair Board	104,371	-	-	-
Predator Management District	202,665	-	89,318	-
Total component units	<u>\$ 1,508,133</u>	<u>\$ 474,036</u>	<u>\$ 453,824</u>	<u>\$ -</u>

General revenues

 Property taxes

 Sales taxes

 Special purpose taxes

 Gas and coal tax

 Automobile taxes

 Grants and contributions not restricted to specific programs

 Miscellaneous revenues and reimbursements

 Contribution to permanently restricted endowment

 Change in permanently restricted endowment

 Unrestricted investment earnings

 Total general revenues

 Change in net assets

Net assets - beginning of year

Prior period adjustment

Net assets - beginning of year as restated

Net assets - ending of year

See accompanying notes to the financial statements

Net (Expense) Revenue and Changes in Net Assets

Primary Government		Component Units			
Governmental Activities	Total	Weed and Pest Control Board	County Library	County Fair Board	Predator Management District
\$ (1,232,126)	\$ (1,232,126)	\$ -	\$ -	\$ -	\$ -
(494,463)	(494,463)	-	-	-	-
(871,793)	(871,793)	-	-	-	-
(87,617)	(87,617)	-	-	-	-
(59,016)	(59,016)	-	-	-	-
(14,044)	(14,044)	-	-	-	-
<u>(2,759,059)</u>	<u>(2,759,059)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>(2,759,059)</u>	<u>(2,759,059)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	(112,813)	-	-	-
-	-	-	(249,742)	-	-
-	-	-	-	(104,371)	-
-	-	-	-	-	(113,347)
<u>-</u>	<u>-</u>	<u>(112,813)</u>	<u>(249,742)</u>	<u>(104,371)</u>	<u>(113,347)</u>
1,198,698	1,198,698	197,338	153,444	74,612	-
414,815	414,815	-	-	-	-
88,838	88,838	-	-	-	-
1,246,456	1,246,456	-	-	-	-
76,329	76,329	-	-	-	-
-	-	-	117,132	187,306	51,535
250,270	250,270	1,945	-	20,421	12,506
-	-	-	121,369	-	-
-	-	-	18,841	-	-
36,326	36,326	12,508	19,285	773	6,003
<u>3,311,732</u>	<u>3,311,732</u>	<u>211,791</u>	<u>430,071</u>	<u>283,112</u>	<u>70,044</u>
552,673	552,673	98,978	180,329	178,741	(43,303)
14,993,892	14,993,892	1,088,395	2,003,727	659,869	384,774
-	-	-	(834,694)	-	-
<u>14,993,892</u>	<u>14,993,892</u>	<u>1,088,395</u>	<u>1,169,033</u>	<u>659,869</u>	<u>384,774</u>
<u>\$ 15,546,565</u>	<u>\$ 15,546,565</u>	<u>\$ 1,187,373</u>	<u>\$ 1,349,362</u>	<u>\$ 838,610</u>	<u>\$ 341,471</u>

NIOBRARA COUNTY, WYOMING

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2010

	General	County Road Construction
ASSETS		
Cash and cash equivalents	\$ 1,842,809	\$ 551,612
Investments	310,960	-
Delinquent property taxes receivable	39,092	-
Interest receivable	2,997	327
Due from other governments	35,932	-
Inventory	107,203	-
Total assets	<u>\$ 2,338,993</u>	<u>\$ 551,939</u>
LIABILITIES		
Accounts payable	\$ 49,660	\$ -
Funds held in trust	4,394	-
Deferred revenue	298,593	-
Total liabilities	<u>352,647</u>	<u>-</u>
FUND BALANCES		
Reserved for inventory	107,203	-
Reserved for road construction	-	551,939
Unreserved, reported in		
Capital projects funds	-	-
Special revenue funds	-	-
General fund	1,879,143	-
Total fund balances	<u>1,986,346</u>	<u>551,939</u>
Total liabilities and fund balances	<u>\$ 2,338,993</u>	<u>\$ 551,939</u>

Amounts reported in governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

Long-term liabilities, including bonds and lease purchase obligations are not due and payable in the current period and therefore, are not reported in the funds.

Other assets are not available to apply to current-period expenditures and therefore, are deferred in the funds.

Net assets of governmental activities

<u>Capital Facilities Fair, Library, Courthouse</u>	<u>Federal and State Grants Fund</u>	<u>E-911 Fund</u>	<u>1% Fund</u>	<u>Total Governmental Funds</u>
\$ 435,722	\$ 14,057	\$ 71,945	\$ 12,064	\$ 2,928,209
362,391	-	-	-	673,351
-	-	-	-	39,092
954	-	-	-	4,278
-	57,080	5,732	7,689	106,433
-	-	-	-	107,203
<u>\$ 799,067</u>	<u>\$ 71,137</u>	<u>\$ 77,677</u>	<u>\$ 19,753</u>	<u>\$ 3,858,566</u>
\$ -	\$ 35,839	\$ -	\$ -	\$ 85,499
-	-	-	-	4,394
-	12,195	-	-	310,788
-	48,034	-	-	400,681
-	-	-	-	107,203
-	-	-	-	551,939
799,067	-	-	-	835,393
-	23,103	77,677	19,753	120,533
-	-	-	-	1,879,143
<u>799,067</u>	<u>23,103</u>	<u>77,677</u>	<u>19,753</u>	<u>3,457,885</u>
<u>\$ 799,067</u>	<u>\$ 71,137</u>	<u>\$ 77,677</u>	<u>\$ 19,753</u>	
				12,062,818
				(272,731)
				298,593
				<u>\$ 15,546,565</u>

NIOBRARA COUNTY, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2010**

	General	County Road Construction
Revenues		
Taxes	\$ 1,683,633	\$ -
Licenses and permits	780	-
Intergovernmental revenues	863,657	490,719
Charges for services	63,481	-
Investment earnings	16,178	6,541
Miscellaneous revenues and reimbursements	240,611	-
Total revenues	<u>2,868,340</u>	<u>497,260</u>
Expenditures		
Current		
General government	1,085,267	-
Public safety and transportation	699,940	-
Public works	410,727	73,374
Health, welfare, and recreation	30,360	-
Conservation of natural resources	54,689	-
Capital outlay	335,710	-
Debt service		
Principal	8,694	-
Interest	2,831	-
Total expenditures	<u>2,628,218</u>	<u>73,374</u>
Excess (deficiency) of revenues over expenditures	<u>240,122</u>	<u>423,886</u>
Other financing sources (uses)		
Transfers in	50,000	-
Transfers out	-	(50,000)
Total other financing sources (uses)	<u>50,000</u>	<u>(50,000)</u>
Net change in fund balance	290,122	373,886
Fund balances - beginning of year	1,684,555	178,053
Increase in reserve for inventory	11,669	-
Fund balances - end of year	<u>\$ 1,986,346</u>	<u>\$ 551,939</u>

See accompanying notes to the financial statements

Capital Facilities Fair, Library, Courthouse	Federal and State Grants Fund	E-911 Fund	1% Fund	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,683,633
-	-	-	-	780
-	444,339	23,454	88,838	1,911,007
-	-	-	-	63,481
9,985	-	12	39	32,755
-	-	-	-	240,611
<u>9,985</u>	<u>444,339</u>	<u>23,466</u>	<u>88,877</u>	<u>3,932,267</u>
362	-	-	-	1,085,629
-	72,850	10,435	-	783,225
-	49,621	-	-	533,722
-	12,040	-	-	42,400
-	-	-	-	54,689
-	334,080	-	-	669,790
-	-	-	61,342	70,036
-	-	-	11,213	14,044
<u>362</u>	<u>468,591</u>	<u>10,435</u>	<u>72,555</u>	<u>3,253,535</u>
<u>9,623</u>	<u>(24,252)</u>	<u>13,031</u>	<u>16,322</u>	<u>678,732</u>
-	-	-	-	50,000
-	-	-	-	(50,000)
-	-	-	-	-
9,623	(24,252)	13,031	16,322	678,732
789,444	47,355	64,646	3,431	2,767,484
-	-	-	-	11,669
<u>\$ 799,067</u>	<u>\$ 23,103</u>	<u>\$ 77,677</u>	<u>\$ 19,753</u>	<u>\$ 3,457,885</u>

NIOBRARA COUNTY, WYOMING

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2010**

Amounts reported for governmental activities in the statement of activities are different because

Net change in fund balances - total governmental funds \$ 678,732

Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay. (189,985)

The governmental funds report the purchase of inventory using the purchase method. However, in the statement of activities the change in inventory has been accounted for using the consumption method. This is the net effect of this difference in the treatment of inventory. 11,669

The change in long-term liabilities (compensated absences and lease purchase obligations) does not require the use of current financial resources of governmental funds. Thus the change is not recorded in the governmental funds. This is the net effect of these differences in the statement. 46,049

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 6,208

Change in net assets of governmental activities \$ 552,673

NIOBRARA COUNTY, WYOMING
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2010

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 1,618,438
Investments, at fair value	257,879
Accounts receivable	51,824
Taxes receivable	<u>235,536</u>
Total assets	<u><u>\$ 2,163,677</u></u>
LIABILITIES	
Due to other agencies	\$ 157,404
Due to construction	18,430
Due to other taxing units	<u>1,987,843</u>
Total liabilities	<u><u>\$ 2,163,677</u></u>

See accompanying notes to the financial statements

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1. Summary of Significant Accounting Policies

The Reporting Entity

Niobrara County, Wyoming (the "County") (primary government) is a municipal corporation governed by three elected commissioners. The County provides the following services as authorized by statute: public safety, road and bridge maintenance and operation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. As required by generally accepted accounting principles, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations and so data from those units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the basic financial statements to emphasize that it is legally separate from the County. Each discretely presented component unit has a June 30 year end. The County has no blended component units.

Discretely Presented Component Units

The component unit columns in the basic financial statements include the financial data of the County's other component units. They are reported in a separate column to emphasize that they are legally separate from the County. The governing boards of all of these component units are appointed by the Board of County Commissioners.

The *Weed and Pest Control District* was established for the purpose of implementing and pursuing an effective program for the control of weeds and pests within the County. The District is fiscally dependent upon the County because the Board of Commissioners approves the District's budget and levies taxes (if necessary) on behalf of the District. The District is presented as a governmental fund type component unit. The District does not issue separate financial statements.

The *County Fair Board* maintains and manages the operations of the County Fair and conducts agricultural, industrial and other fairs and exhibitions within the County. The Fair Board is fiscally dependent upon the County because the Board of Commissioners approves the Fair's budget, levies taxes (if necessary), and must approve any debt issuances. The Fair's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy. The Fair is presented as a governmental fund type component unit. The Board does not issue separate financial statements.

The *County Library Board* maintains and manages the operations of the County Library and library system. The Library Board is fiscally dependent upon the County because the Board of Commissioners approves the Library's budget, levies taxes (if necessary), and must approve any debt issuances. The Library's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy. The Library is presented as a governmental fund type component unit. The Board does not issue separate financial statements. Also included in the Board is the financial data of the Library's fund-raising association (the "Foundation"). Although the Library Board does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, which the Foundation holds or invests, is restricted to the activities of the Library by the donors. Because the restricted resources held by the Foundation can only be used by, or for the benefit of, the Library, the Foundation is considered a component unit of the Library and is included in the Library's financial statements.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1. Summary of Significant Accounting Policies (Continued)

The *Predator Management District* was established for the purpose of exercising general supervision over the eradication and extermination of predatory animals that prey upon and destroy livestock, pigs, poultry, other domestic animals and wild game. In prior years the County provided significant subsidies to the District; however, none have been necessary in recent years. The District is considered a component unit of the County due to its nature and significance of its relationship to the County, and in the opinion of the Commissioners its exclusion would render the financial statements of the County incomplete. The District is presented as a governmental fund type component unit. The District does not issue separate financial statements.

The accounting policies of Niobrara County conform to generally accepted accounting principles as applicable to governments. The following is a summary of the most significant policies:

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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.

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The County Road Construction fund is a *capital project fund* and is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The Capital Facilities – Fair, Library, Courthouse fund is a *capital project fund* and is used to account for acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The Federal and State Grants fund is a *special revenue fund* used to account for the revenue and expenditures of various federal and state grants.

The E-911 fund is a *special revenue fund* used to account for the revenue and expenditures of E-911 monies.

The 1% fund is a *special revenue fund* used to account for the revenue and expenditures of 1% monies.

Additionally, the government reports the following fund types:

The *agency fund* is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities, and Net Assets or Equity

Deposits and Investments

The County's defines its cash and cash equivalents to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition and investments in WYOSTAR and WGIF. However, the Predator Management District considers its investment in WYOSTAR to be an investment.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity (Continued)

Deposits and Investments (Continued)

Wyoming Statutes authorize the types of investments in which counties may invest. Among these authorized investments are certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, and repurchase agreements involving U.S. Government securities. The County's investments consist of certificates of deposit, US. Agencies' obligations, all of which are carried at fair value, and participation in two governmental investment pools. A portion of the County's investment activity is conducted in a pooled investment account with the State of Wyoming, State Treasurer's office. The State Treasurer's Investment Pool (WYOSTAR) operates in accordance with appropriate state laws and regulations. The County also invests in the Wyoming Government Investment Fund (WGIF). WGIF is a comprehensive cash management program available to Wyoming public entities. WGIF provides a full range of programs to meet participants' needs. The investments purchased by the WGIF are comprised of governmental securities meeting state statutory requirements. The reported value of WYOSTAR and WGIF is the same as the fair value of the pool shares. Investments for the County are reported at fair value. Fair value is determined using the latest bid price or by the closing exchange price at the statements of net assets date

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property Taxes

Property taxes attach as an enforceable lien on property as of May 11. Taxes are levied on or about August 1 and payable in two installments on September 1 and March 1. The County bills and collects its own property taxes and also taxes for all municipalities and political subdivisions within the County. Collections and remittances of these taxes for other taxing districts are accounted for in the respective agency funds of the County.

County property tax revenues are recognized when levied to the extent that they result in current receivables, which means when collected within the period or expected to be collected within 60 days of the fiscal year end to be used to pay liabilities of the current period.

The County is permitted by Wyoming Statutes to levy taxes up to 12 mills of assessed valuation for all purposes, exclusive of state revenue, except for the payment of public debt and interest thereon. The combined tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2010, was 12 mills, which means that the County has levied to the maximum amount available.

Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed (purchases method), within the fund level financial statements. On the other hand, the consumption method is used for reporting these inventories at the government-wide level.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the County as all tangible assets, regardless of cost, with a useful life in excess of one year to provide more accurate inventory of County assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Building	50
Building improvements	20
Public domain infrastructure	50
System infrastructure	30
Vehicles	5
Office equipment	5
Computer equipment	5

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. In the fund financial statements, governmental fund types recognize proceeds from bonds and lease purchase obligations and are reported as other financing sources. Repayments of long-term debt (bonds and lease purchase obligations) are reported as debt service expenditures.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the reporting period. Actual amounts could differ from those estimates.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The details of this \$(272,731) difference are as follows:

Lease purchase obligations	\$ (248,744)
Accrued compensated absences	<u>(23,987)</u>
 Net adjustments to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	 \$ <u><u>(272,731)</u></u>

Another element of that reconciliation states that “other assets are not available to apply to current-period expenditures and, therefore, are deferred in the funds.” The details of this \$298,593 are as follows:

Property taxes	\$ <u>298,593</u>
 Net adjustments to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	 \$ <u><u>298,593</u></u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$(189,985) difference are as follows:

Capital outlay	\$ 669,790
Depreciation expense	<u>(859,775)</u>
 Net adjustment to decrease <i>net change in fund balance - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	 \$ <u><u>(189,985)</u></u>

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (Continued)

Another element of that reconciliation states that “governmental funds report the purchase of inventory using the purchase method. However, in the statement of activities the change in inventory has been accounted for using the consumption method.” The details of this \$11,669 difference are as follows:

Inventory as of June 30, 2010	\$ 107,203
Inventory as of June 30, 2009	(95,534)
	<u>11,669</u>
Net adjustment to increase <i>net change in fund balance - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	\$ <u>11,669</u>

Another element of that reconciliation states that the change in long-term liabilities does not require the use of current financial resources and is not recognized in the governmental funds; however, it is recognized in the statement of activities. The details of this \$46,049 difference are as follows:

Principal paid on long-term debt obligations	\$ 70,036
Increase in compensated absences	(23,987)
	<u>46,049</u>
Net adjustment to increase <i>net change in fund balance - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	\$ <u>46,049</u>

Another element of that reconciliation states revenues reported in the statement of activities do not provide current financial resources and are reported as deferred revenue in the governmental funds. The details of this \$6,208 difference are as follows:

Deferred revenue - June 30, 2010	\$ 298,593
Deferred revenue - June 30, 2009	(292,385)
	<u>6,208</u>
Net adjustment to increase <i>net change in fund balance - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	\$ <u>6,208</u>

Note 3. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to May 15, the County Clerk submits to the Board of County Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

A public hearing is conducted on the third Monday in July to obtain public comments.

The budget is adopted on the third Thursday of July.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 3. Stewardship, Compliance, and Accounting (Continued)

Budgets and Budgetary Accounting (Continued)

At the request of the County Clerk or upon its own motion after publication of notice, the Board of County Commissioners may by resolution transfer any unencumbered or unexpended appropriation balance or part thereof from one fund, department or account to another. Expenditures cannot exceed appropriations at the department level and any unexpended or unencumbered appropriations lapse at year end.

Formal legally adopted budgets are prepared as a management control device during the year for the General Fund, Special Revenue Funds and Capital Project Funds.

Budgets for the General Fund are adopted on a cash basis (Budgetary). Capital Projects Fund expenditures are budgeted within the General Fund. Such basis is not consistent with generally accepted accounting principles (GAAP).

Note 4. Detailed Notes on All Funds

Deposits and Investments

As of June 30, 2010, the County had the following deposits and investments:

Type	Fair Value	Interest Rate	Investment Maturity (in Years)				Investment Rating
			Less Than 1	1-5	6-10	More Than 10	
Deposits							
Cash in banks	\$ 608,556		\$ 608,556	\$ -	\$ -	\$ -	N/A
Certificates of Deposit (term of 3 months or less)	1,539,290	0.70%	1,539,290	-	-	-	N/A
WGIF	1,247,230		1,247,230	-	-	-	AAAm
WYOSTAR Investment Pool	1,151,571		1,151,571	-	-	-	N/A
Total Deposits	4,546,647		4,546,647	-	-	-	
Investments							
Federal Home Loan Mortgage Corp	28,457	4.00%	-	28,457	-	-	Aaa/AAA
Federal Home Loan Bank	75,164	3.75%	-	75,164	-	-	Aaa/AAA
Certificates of Deposit (term greater than 3 months)	827,609	1.00%	826,609	1,000	-	-	N/A
Total Investments	931,230		826,609	104,621	-	-	
Total Deposits and Investments	\$ 5,477,877		\$ 5,373,256	\$ 104,621	\$ -	\$ -	

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 4. Detailed Notes on All Funds (Continued)

Deposits and Investments (Continued)

Deposits and investments of the County are reported under the following captions:

Cash and cash equivalents in the government-wide statement of net assets	\$ 2,928,209
Cash and cash equivalents in the statement of fiduciary net assets - fiduciary funds	<u>1,618,438</u>
Total Deposits	<u>4,546,647</u>
Investments in the government-wide statement of net assets	673,351
Investments in the statement of fiduciary net assets - fiduciary funds	<u>257,879</u>
Total Investments	<u>931,230</u>
Total Deposits and Investments	<u>\$ 5,477,877</u>

As of June 30, 2010, the component units of the County had the following deposits and investments:

Type	Fair Value	Interest Rate	Investment Maturity (in Years)				Investment Rating
			Less Than 1	1-5	6-10	More Than 10	
Deposits							
Cash in banks	<u>\$ 1,210,501</u>		<u>\$1,210,501</u>	\$ -	\$ -	\$ -	N/A
Total Deposits	<u>1,210,501</u>		<u>1,210,501</u>	-	-	-	
Investments							
Certificates of Deposit (term greater than 3 months)	\$ 579,620	1.00%-2.50%	\$ 102,920	\$476,700	\$ -	\$ -	N/A
WYOSTAR Investment Pool	<u>75,561</u>		<u>75,561</u>	-	-	-	N/A
Total Investments	<u>655,181</u>		<u>178,481</u>	<u>476,700</u>	-	-	
Total Deposits and Investments	<u>\$ 1,865,682</u>		<u>\$1,388,982</u>	<u>\$476,700</u>	\$ -	\$ -	

Deposits and investments of the component units are reported under the following captions:

Cash and cash equivalents in the government-wide statement of net assets - Weed and Pest Control	\$ 900,182
Cash and cash equivalents in the government-wide statement of net assets - County Library	58,411
Cash and cash equivalents in the government-wide statement of net assets - County Library (Restricted)	11,595
Cash and cash equivalents in the government-wide statement of net assets - County Fair Board	132,428
Cash and cash equivalents in the government-wide statement of net assets - Predator Management District	<u>108,031</u>
Total Deposits	<u>1,210,647</u>
Investments in the government-wide statement of net assets - Weed and Pest Control	421,595
Investments in the government-wide statement of net assets - Predator Management District	<u>233,440</u>
Total Investments	<u>655,035</u>
Total Deposits and Investments	<u>\$ 1,865,682</u>

N/A - not available, investment is unrated

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 4. Detailed Notes on All Funds (Continued)

Deposits and Investments (Continued)

Interest rate risk Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Some of the County's investments are held in an external pooled investment account, and as a means of limiting its exposure to fair value losses arising from rising interest rates, the County attempts to match its investment maturities to expected cash flow needs. With this investment focus, investments are expected to reach maturity with limited gains or losses.

Credit risk Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Under investment agreements with WYOSTAR and WGIF, the County has invested monies at a fixed contract rate of interest. Because the security is essentially a written contract, there is no rating available for such an investment, however, under Wyoming statutes, underlying providers are required to have the highest rating from at least one of the nationally recognized rating organizations.

Concentration of credit risk The County does not have a formal policy that allows or limits an investment in any one issuer to a specified percentage of the County's total investments. The composition of the investment portfolio of the County at June 30, 2010 is as follows:

Deposit and Investment Types	Fair Value	Percent of Portfolio
Federal Home Loan Mortgage Corp	\$ 28,457	0.58%
Federal Home Loan Bank	75,164	1.54%
Certificates of Deposit	2,366,899	48.61%
WGIF	1,247,230	25.61%
WYOSTAR Investment Pool	1,151,571	23.66%

Custodial credit risk - deposits In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that the County's deposits in excess of the Federal depository insurance amount be collateralized. At June 30, 2010, the County's deposits were fully collateralized as required by statutes. The deposits of the Weed and Pest Control District were under collateralized as of June 30, 2010 by \$ 559,745.

Custodial credit risk - investments For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2010, the County's investments were fully collateralized as required by state statute.

Receivables

Receivables as of year end for the County's governmental funds, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	County Road Construction	Capital Facilities Fair, Library, Courthouse	Federal and State Grants Fund	E-911 Fund	1% Fund	Total
Receivables							
Delinquent property taxes receivable	\$ 39,092	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,092
Due from other governments	35,932	-	-	57,080	5,732	7,689	106,433
Interest receivable	2,997	327	954	-	-	-	4,278
	\$ 78,021	\$ 327	\$ 954	\$ 57,080	\$ 5,732	\$ 7,689	\$ 149,803

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 4. Detailed Notes on All Funds (Continued)

Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Adjustments and Deletions	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 4,064	\$ -	\$ -	\$ 4,064
Construction in progress	336,461	223,111	(559,572)	-
Total capital assets, not being depreciated	340,525	223,111	(559,572)	4,064
Capital assets, being depreciated				
Buildings	5,026,693	632,266	-	5,658,959
Vehicles, machinery and equipment	2,899,805	220,717	-	3,120,522
Infrastructure	15,214,131	153,268	-	15,367,399
Total capital assets, being depreciated	23,140,629	1,006,251	-	24,146,880
Less accumulated depreciation for				
Buildings	1,616,990	136,109	-	1,753,099
Vehicles, machinery and equipment	1,307,580	303,716	-	1,611,296
Infrastructure	8,303,781	419,950	-	8,723,731
Total accumulated depreciation	11,228,351	859,775	-	12,088,126
Total capital assets, being depreciated, net	11,912,278	146,476	-	12,058,754
Total capital assets, net	<u>\$ 12,252,803</u>	<u>\$ 369,587</u>	<u>\$ (559,572)</u>	<u>\$ 12,062,818</u>

Depreciation expense was charged to function / programs of the primary government as follows:

Governmental activities	
General government	\$ 166,450
Public safety	109,432
Public works	582,086
Conservation of natural resources	1,807
Total depreciation expense - governmental activities	<u>\$ 859,775</u>

Leased Equipment

Machinery and equipment that was purchased by a lease purchase obligation is included in machinery and equipment of the governmental activities. The purchase price of that equipment was \$485,437 with accumulated depreciation of \$86,297 and current year depreciation expense of \$9,215 expensed in general government activities and \$28,151 expensed in public works activities.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 4. Detailed Notes on All Funds (Continued)

Capital Assets (Continued)

Discretely Presented Component Units

Activity for the Weed and Pest Control for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 16,906	\$ -	\$ -	\$ 16,906
Total capital assets, not being depreciated	16,906	-	-	16,906
Capital assets, being depreciated				
Buildings	475,445	-	-	475,445
Vehicles, machinery and equipment	163,016	1,866	-	164,882
Total capital assets, being depreciated	638,461	1,866	-	640,327
Less accumulated depreciation for				
Buildings	37,775	12,203	-	49,978
Vehicles, machinery and equipment	101,723	15,992	-	117,715
Total accumulated depreciation	139,498	28,195	-	167,693
Total capital assets, being depreciated, net	498,963	(26,329)	-	472,634
Total capital assets, net	<u>\$ 515,869</u>	<u>\$ (26,329)</u>	<u>\$ -</u>	<u>\$ 489,540</u>

Activity for the County Library for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 550	\$ -	\$ -	\$ 550
Total capital assets, not being depreciated	550	-	-	550
Capital assets, being depreciated				
Buildings	404,760	2,925	-	407,685
Machinery and equipment	775,281	61,375	20,151	816,505
Total capital assets, being depreciated	1,180,041	64,300	20,151	1,224,190
Less accumulated depreciation for				
Buildings	97,742	12,238	-	109,980
Machinery and equipment	583,765	43,440	18,881	608,324
Total accumulated depreciation	681,507	55,678	18,881	718,304
Total capital assets, being depreciated net	498,534	8,622	1,270	505,886
Total capital assets, net	<u>\$ 499,084</u>	<u>\$ 8,622</u>	<u>\$ 1,270</u>	<u>\$ 506,436</u>

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 4. Detailed Notes on All Funds (Continued)

Capital Assets (Continued)

Discretely Presented Component Units (Continued)

Activity for the County Fair for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 11,635	\$ -	\$ -	\$ 11,635
Construction in progress	-	17,631	-	17,631
Total capital assets, not being depreciated	11,635	17,631	-	29,266
Capital assets, being depreciated				
Buildings	794,546	162,675	-	957,221
Machinery and equipment	32,192	-	-	32,192
Total capital assets, being depreciated	826,738	162,675	-	989,413
Less accumulated depreciation for				
Buildings	268,370	22,070	-	290,440
Machinery and equipment	21,126	1,592	-	22,718
Total accumulated depreciation	289,496	23,662	-	313,158
Total capital assets, being depreciated net	537,242	139,013	-	676,255
Total capital assets, net	<u>\$ 548,877</u>	<u>\$ 156,644</u>	<u>\$ -</u>	<u>\$ 705,521</u>

Activity for the Predator Management District for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, being depreciated				
Buildings	\$ 16,619	\$ -	\$ -	\$ 16,619
Total capital assets, being depreciated	16,619	-	-	16,619
Less accumulated depreciation for				
Buildings	16,619	-	-	16,619
Total accumulated depreciation	16,619	-	-	16,619
Total capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 4. Detailed Notes on All Funds (Continued)

Long-Term Debt

The following is a summary of changes in long-term debt of the County for the year ended June 30, 2010:

	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010	Due Within One Year
Primary Government					
Lease purchase obligations	\$ 318,780	\$ -	\$ 70,036	\$ 248,744	\$ 72,722
Compensated absences	-	23,987	-	23,987	-
Total primary government	<u>\$ 318,780</u>	<u>\$ 23,987</u>	<u>\$ 70,036</u>	<u>\$ 272,731</u>	<u>\$ 72,722</u>

A summary of the long-term debt as of June 30, 2010 is as follows:

Primary government

Capital Leases Payable

Capital lease obligations collateralized by the assets noted as of June 30, 2010 are as follows:

Lease purchase obligation on caterpillar tractor, due in 9 semiannual installments varying from \$36,066 to \$36,408, including interest of 4%, through December 2013, serviced by the 1% fund.	\$ 234,182
Lease purchase obligation on a copier, due in monthly installments of \$304, including interest of 12.8%, through March 2011, serviced by the general fund.	2,595
Lease purchase obligation on a copier, due in monthly installments of \$185, including interest of 10.3%, through November 2011, serviced by the general fund.	2,914
Lease purchase obligation on a copier, due in monthly installments of \$265, including interest of 12.4%, through January 2012, serviced by the general fund.	4,549
Lease purchase obligation on a postage machine, due in monthly installments of \$260, including interest of 21.8%, through October 2012, serviced by the general fund.	4,504
	<u>248,744</u>
Less current maturities of capital lease obligations	<u>72,722</u>
	<u>\$ 176,022</u>

Future minimum lease payment under capital leases together with the present value of net minimum lease payments as of June 30, 2010 are as follows:

Year ending June 30,

2011	\$ 83,038
2012	77,553
2013	72,990
2014	36,408
Total minimum lease payments	<u>269,989</u>
Less: amount representing interest	<u>21,245</u>
Present value of minimum lease payments	<u>\$ 248,744</u>

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 4. Detailed Notes on All Funds (Continued)

Other Information

Interfund Transfers

Interfund transfers at June 30, 2010 consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 50,000	\$ -
Capital Project Funds		
County road construction	-	50,000
	\$ 50,000	\$ 50,000

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In the fiscal year ended June 30, 2010, the County Road Construction fund transferred money to the General Fund.

Net Assets Restricted by Legislation

The government-wide statement of net assets reports \$551,939 of restricted net assets which are restricted for road construction by state legislation.

Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the year ended June 30, 2010, the County contracted with various insurance companies for property insurance (including boiler and machinery), general liability insurance, professional insurance and vehicle insurance. The coverage under each type of insurance policy varies in amounts and deductibles. The County has not had significant settlements exceeding insurance coverage in any of the past three years. The County has had no significant reductions in insurance coverage from coverage in the prior years.

The County pays into the State Worker's Compensation System a premium based on a rate per covered payroll. This rate is calculated based on accident history and administrative costs.

Currently, Niobrara County is unable to offer health insurance to its employees. However, the County does offer some supplemental insurance coverages.

Niobrara County paid no quarterly unemployment benefits in the year ended June 30, 2010. The County is classified as a reimbursable employer; therefore, a monthly fee is not paid. Payment is made when a claim is filed.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 4. Detailed Notes on All Funds (Continued)

Beneficial Interest

In the past, the Library Foundation transferred investments to the Wyoming Community Foundation specifying itself as the beneficiary. The Wyoming Community Foundation ("WCF") is a Wyoming not-for-profit organization. The WCF receives contributions that are specifically designated for the benefit of the Foundation. The WCF established an endowment fund to account for these permanently restricted contributions. Distributions of interest and dividend income to the Foundation for unrestricted use are to be made not less than annually, however no distributions to the Foundation occurred during the year ended June 30, 2010. Per professional accounting standards, the Foundation recorded its beneficial interest in the fund and recorded as permanently restricted those contributions received by the WCF for the benefit of the Foundation. The Wyoming Community Foundation may substitute another beneficiary in place of the Foundation, should the Foundation cease to exist or if the governing board of the Wyoming Community Foundation votes that support of the Foundation is not necessary, or is inconsistent with the needs of the community. The Foundation's beneficial interest in WCF was \$766,918 as of June 30, 2010.

Donors have also given funds directly to WCF which are held by WCF the benefit of the Library. Per professional accounting standards, the amount of the endowment as of June 30, 2010 is not recorded in the county's financial statement. The fair market value of these assets as of June 30, 2010 was \$979,208.

Note 5 Prior Period Adjustment

During the year ended June 30, 2010, it was determined that the endowment funds held at the WCF and recorded in the prior year as a beneficial interest in assets held by others were actually made up of two types of funds. Part of the funds were donated by the Library Foundation and part had been donated directly to WCF for the benefit of the Library. Professional accounting standards require that the portion of the endowment which was donated directly to the WCF not be recorded as an asset of the Library. Therefore, a prior period adjustment was made to reduce the Library's beneficial interest in assets held by others and the net assets by \$834,694.

REQUIRED SUPPLEMENTARY INFORMATION

NIOBRARA COUNTY, WYOMING

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
Year Ended June 30, 2010**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
PROPERTY TAXES AND OTHER TAXES				
Property taxes - current and delinquent	\$ 910,207	\$ 910,207	\$ 883,566	\$ (26,641)
Vehicle fees	75,000	75,000	76,869	1,869
Payments in lieu of property taxes	292,385	292,385	298,593	6,208
Sales and use taxes	264,253	264,253	256,279	(7,974)
1% optional tax	161,683	161,683	149,033	(12,650)
	<u>1,703,528</u>	<u>1,703,528</u>	<u>1,664,340</u>	<u>(39,188)</u>
LICENSES AND PERMITS	<u>750</u>	<u>750</u>	<u>780</u>	<u>30</u>
INTERGOVERNMENTAL REVENUES				
State gasoline tax	62,090	62,090	55,672	(6,418)
Car company tax	12,000	12,000	13,098	1,098
Cigarette tax	15	15	-	(15)
Severance tax	711,051	711,051	705,570	(5,481)
Special fuel tax	112,910	112,910	87,265	(25,645)
	<u>898,066</u>	<u>898,066</u>	<u>861,605</u>	<u>(36,461)</u>
CHARGES FOR SERVICES				
Clerk of Court fees	8,000	8,000	5,923	(2,077)
Treasurer	3,800	3,800	4,612	812
Assessor	1,500	1,500	3,813	2,313
County Clerk fees	35,000	35,000	33,629	(1,371)
County Sheriff fees	19,000	19,000	14,420	(4,580)
Public health nurse	4,000	4,000	2,051	(1,949)
Commissions and fees	144,700	144,700	162,611	17,911
	<u>216,000</u>	<u>216,000</u>	<u>227,059</u>	<u>11,059</u>
MISCELLANEOUS REVENUES				
Interest earnings	55,000	55,000	17,475	(37,525)
Interest on delinquent taxes	1,500	1,500	1,706	206
Other income	26,850	26,850	72,191	45,341
	<u>83,350</u>	<u>83,350</u>	<u>91,372</u>	<u>8,022</u>
Total revenues	<u>2,901,694</u>	<u>2,901,694</u>	<u>2,845,156</u>	<u>(56,538)</u>

(Continued)

See accompanying note to required supplementary information

NIOBRARA COUNTY, WYOMING

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (CONTINUED)
Year Ended June 30, 2010**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
County Commissioners				
Salaries	\$ 36,000	\$ 36,000	\$ 36,000	\$ -
Other expenditures	8,850	8,850	8,665	185
Capital outlay	-	-	-	-
	<u>44,850</u>	<u>44,850</u>	<u>44,665</u>	<u>185</u>
County Clerk				
Salaries	97,545	97,545	91,681	5,864
Other expenditures	20,000	20,000	16,193	3,807
Capital outlay	1,500	1,500	1,237	263
	<u>119,045</u>	<u>119,045</u>	<u>109,111</u>	<u>9,934</u>
County Treasurer				
Salaries	84,853	84,853	80,352	4,501
Other expenditures	12,974	12,974	12,814	160
Capital outlay	1,500	1,500	2,095	(595)
	<u>99,327</u>	<u>99,327</u>	<u>95,261</u>	<u>4,066</u>
County Assessor				
Salaries	85,097	85,097	85,097	-
Other expenditures	18,225	18,225	12,272	5,953
Capital outlay	500	500	490	10
	<u>103,822</u>	<u>103,822</u>	<u>97,859</u>	<u>5,963</u>
County Attorney				
Salaries	74,600	74,600	74,600	-
Other expenditures	18,200	18,200	12,599	5,601
	<u>92,800</u>	<u>92,800</u>	<u>87,199</u>	<u>5,601</u>
Clerk of District Court - Administration				
Salaries	69,360	69,360	66,958	2,402
Other expenditures	30,185	30,185	28,787	1,398
Capital outlay	5,000	5,000	4,758	242
	<u>104,545</u>	<u>104,545</u>	<u>100,503</u>	<u>4,042</u>

(Continued)

NIOBRARA COUNTY, WYOMING

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (CONTINUED)
Year Ended June 30, 2010**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT (Continued)				
Justice Court				
Other expenditures	\$ 9,000	\$ 9,000	\$ 9,000	\$ -
	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Elections				
Other expenditures	7,450	7,450	4,329	3,121
Capital outlay	500	500	1,122	(622)
	<u>7,950</u>	<u>7,950</u>	<u>5,451</u>	<u>2,499</u>
Facilities				
Other expenditures	186,242	186,242	192,595	(6,353)
Capital outlay	198,209	198,209	161,701	36,508
	<u>384,451</u>	<u>384,451</u>	<u>354,296</u>	<u>30,155</u>
Other general accounts				
Community and economic development	950	950	-	950
Unemployment and FICA	119,000	119,000	102,930	16,070
Retirement match	180,000	180,000	134,895	45,105
Health Coalition/Mental Health	3,000	3,000	3,000	-
Financial administration	7,475	7,475	7,925	(450)
Printing and publishing	9,000	9,000	9,810	(810)
Insurance	120,000	120,000	87,288	32,712
Litigation	5,000	5,000	-	5,000
Emergency relief	-	-	-	-
Other miscellaneous	115,800	115,800	107,941	7,859
Information technology	7,500	7,500	3,632	3,868
	<u>567,725</u>	<u>567,725</u>	<u>457,421</u>	<u>110,304</u>
Optional 1% Tax				
Intergovernmental expenditures	161,683	161,683	149,033	12,650
	<u>1,695,198</u>	<u>1,695,198</u>	<u>1,509,799</u>	<u>185,399</u>

(Continued)

See accompanying note to required supplementary information

NIOBRARA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (CONTINUED)
 Year Ended June 30, 2010

	Budget Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
PUBLIC SAFETY				
County Sheriff				
Salaries	\$ 162,809	\$ 162,809	\$ 160,771	\$ 2,038
Other expenditures	80,550	80,550	71,889	8,661
Capital outlay	3,000	3,000	12,246	(9,246)
	<u>246,359</u>	<u>246,359</u>	<u>244,906</u>	<u>1,453</u>
County Coroner				
Salaries	6,314	6,314	6,314	-
Other expenditures	27,300	27,300	2,673	24,627
	<u>33,614</u>	<u>33,614</u>	<u>8,987</u>	<u>24,627</u>
Detention				
Salaries	224,143	224,143	209,188	14,955
Other expenditures	68,775	68,775	77,676	(8,901)
Capital outlay	3,000	3,000	3,277	(277)
	<u>295,918</u>	<u>295,918</u>	<u>290,141</u>	<u>5,777</u>
Emergency Management				
Salaries	3,710	3,710	3,210	500
Other expenditures	1,400	1,400	1,628	(228)
Capital outlay	200	200	133	67
	<u>5,310</u>	<u>5,310</u>	<u>4,971</u>	<u>339</u>
911 Dispatch				
Salaries	135,755	135,755	131,241	4,514
Other expenditures	22,550	22,550	17,377	5,173
Capital outlay	2,100	2,100	1,711	389
	<u>160,405</u>	<u>160,405</u>	<u>150,329</u>	<u>10,076</u>
Total public safety	<u>741,606</u>	<u>741,606</u>	<u>699,334</u>	<u>42,272</u>

(Continued)

See accompanying note to required supplementary information

NIOBRARA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
Year Ended June 30, 2010

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
PUBLIC WORKS				
Road and Bridge				
Salaries	\$ 187,181	\$ 187,181	\$ 153,880	\$ 33,301
Other expenditures	183,700	183,700	149,940	33,760
Capital outlay	50,000	50,000	107,539	(57,539)
Total public works	<u>420,881</u>	<u>420,881</u>	<u>411,359</u>	<u>9,522</u>
HEALTH, WELFARE AND RECREATION				
Health Officer				
Salaries	748	748	-	748
	<u>748</u>	<u>748</u>	<u>-</u>	<u>748</u>
Public Health Nurse				
Contractual services	33,718	33,718	30,087	3,631
	<u>33,718</u>	<u>33,718</u>	<u>30,087</u>	<u>3,631</u>
Total health, welfare and recreation	<u>34,466</u>	<u>34,466</u>	<u>30,087</u>	<u>4,379</u>
CONSERVATION OF NATURAL RESOURCES				
Agriculture department				
Salaries	32,472	32,472	32,838	(366)
Other expenditures	27,950	27,950	22,005	5,945
Capital outlay	1,650	1,650	117	1,533
Total conservation of natural resources	<u>62,072</u>	<u>62,072</u>	<u>54,960</u>	<u>7,112</u>
Total expenditures	<u>2,954,223</u>	<u>2,954,223</u>	<u>2,705,539</u>	<u>248,684</u>
Excess (deficiency) of revenues over expenditures	<u>(52,529)</u>	<u>(52,529)</u>	<u>139,617</u>	<u>192,146</u>
Other financing sources				
Transfers in	(50,000)	(50,000)	(50,000)	-
Total other financing sources	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balances	(102,529)	(102,529)	89,617	192,146
Fund balance - beginning of year	2,042,997	2,042,997	2,042,997	-
Fund balance - end of year	<u>\$ 1,940,468</u>	<u>\$ 1,940,468</u>	<u>\$ 2,132,614</u>	<u>\$ 192,146</u>

See accompanying note to required supplementary information

NIOBRARA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 FEDERAL AND STATE GRANTS FUND
 Year Ended June 30, 2010

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 1,215,477	\$ 1,421,045	\$ 910,506	\$ (510,539)
Total revenues	1,215,477	1,421,045	910,506	(510,539)
Expenditures				
Public safety and transportation	844,702	930,666	694,149	236,517
Public works	238,465	238,465	47,833	190,632
Health, welfare, and recreation	186,977	295,777	148,496	147,281
Total expenditures	972,709	1,255,191	890,478	574,430
Excess of revenues over expenditures	242,768	165,854	20,028	(145,826)
Net change in fund balance	242,768	165,854	20,028	(145,826)
Fund balance - beginning of year	(5,971)	(5,971)	(5,971)	-
Fund balance - end of year	\$ 236,797	\$ 159,883	\$ 14,057	\$ (145,826)

See accompanying note to required supplementary information

NIOBRARA COUNTY, WYOMING

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS)**

E-911 FUND

Year Ended June 30, 2010

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 25,000	\$ 25,000	\$ 23,330	\$ (1,670)
Total revenues	25,000	25,000	23,330	(1,670)
Expenditures				
Public safety and transportation	84,274	84,274	10,659	73,615
Total expenditures	84,274	84,274	10,659	73,615
Excess (deficiency) of revenues over expenditures	(59,274)	(59,274)	12,671	71,945
Net change in fund balance	(59,274)	(59,274)	12,671	71,945
Fund balance - beginning of year	59,274	59,274	59,274	-
Fund balance - end of year	\$ -	\$ -	\$ 71,945	\$ 71,945

See accompanying note to required supplementary information

NIOBRARA COUNTY, WYOMING

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS)**

1% FUND

Year Ended June 30, 2010

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 74,290	\$ 74,290	\$ 86,354	\$ 12,064
Total revenues	74,290	74,290	86,354	12,064
Expenditures				
Public safety and transportation	72,554	72,554	72,554	-
Total expenditures	72,554	72,554	72,554	-
Excess of revenues over expenditures	1,736	1,736	13,800	12,064
Net change in fund balance	1,736	1,736	13,800	12,064
Fund balance - beginning of year	(1,736)	(1,736)	(1,736)	-
Fund balance - end of year	\$ -	\$ -	\$ 12,064	\$ 12,064

See accompanying note to required supplementary information

NIOBRARA COUNTY, WYOMING

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2010

Note 1. Explanation of Differences between Budgetary Basis and GAAP Basis

	General Fund	Federal and State Grants Fund	E-911 Fund	1% Fund
Revenues				
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 2,845,156	\$ 910,506	\$ 23,330	\$ 86,354
Differences - Budget Basis to GAAP				
Accrual of property taxes receivable	15,608	-	-	-
Accrual of accounts receivable	12,499	(453,972)	136	2,522
Accrual of deferred revenue	(6,208)	(12,195)	-	-
Miscellaneous reconciling items	1,285	-	-	-
<hr/>				
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 2,868,340</u>	<u>\$ 444,339</u>	<u>\$ 23,466</u>	<u>\$ 88,876</u>
Expenditures				
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 2,705,539	\$ 890,478	\$ 10,659	\$ 72,554
Differences - Budget Basis to GAAP				
Accrual of accounts payable	<u>(77,321)</u>	<u>(421,887)</u>	<u>(224)</u>	-
<hr/>				
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 2,628,218</u>	<u>\$ 468,591</u>	<u>\$ 10,435</u>	<u>\$ 72,554</u>

OTHER SUPPLEMENTARY INFORMATION

NIOBRARA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 COUNTY ROAD CONSTRUCTION
 Year Ended June 30, 2010

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 429,164	\$ 429,164	\$ 490,719	\$ 61,555
Investment earnings	3,500	3,500	3,490	(10)
Total revenues	432,664	432,664	494,209	61,545
Expenditures				
Current				
Public works	560,530	560,530	73,374	487,156
Total expenditures	560,530	560,530	73,374	487,156
Excess (deficiency) of revenues over expenditures	(127,866)	(127,866)	420,835	548,701
Other financing (uses)				
Operating transfer out	(50,000)	(50,000)	(50,000)	-
Total other financing (uses)	(50,000)	(50,000)	(50,000)	-
Net change in fund balance	(177,866)	(177,866)	370,835	548,701
Fund balance - beginning of year	180,777	180,777	180,777	-
Fund balance - end of year	\$ 2,911	\$ 2,911	\$ 551,612	\$ 548,701

NIOBRARA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 CAPITAL FACILITIES - FAIR, LIBRARY, AND COURTHOUSE
 Year Ended June 30, 2010

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Miscellaneous	\$ -	\$ 13,337	\$ 13,337
Total revenues	-	13,337	13,337
Expenditures			
General government	-	362	(362)
Total expenditures	-	362	(362)
Excess of revenues over expenditures	-	12,975	12,975
Fund balance - beginning of year	785,138	785,138	-
Fund balance - end of year	\$ 785,138	\$ 798,113	\$ 12,975

COMPLIANCE SECTION



**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**

Honorable Board of County Commissioners
Niobrara County, Wyoming

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Niobrara County, Wyoming, as of and for the year ended June 30, 2010, which collectively comprise Niobrara County's basic financial statements and have issued our report thereon dated December 21, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Niobrara County, Wyoming's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Niobrara County, Wyoming's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Niobrara County, Wyoming's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses as item IC 2010-1, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item IC 2010-1 to be a material weakness.

Compliance and Other Matters

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

Niobrara County, Wyoming's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Niobrara County, Wyoming's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, its oversight audit agency and other agencies granting funds to the County, and should not be used by anyone other than these specified parties.


Porter, Muirhead, Cornia & Howard
Certified Public Accountants

December 21, 2010

NIOBRARA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended June 30, 2010

IC 2010-1.

Financial Reporting

Criteria

The Auditing Standards Board (ASB) issued guidance to auditors related to an entity's internal controls over external financial reporting (i.e. financial statements presented in conformity with generally accepted accounting principles [GAAP] and issued to outside third parties). Many small organizations rely on their auditor to generate these annual financial statements including the related footnotes. Statement on Auditing Standards (SAS) No. 115 emphasizes that the auditor cannot be part of the entity's system of internal control over external financial reporting. Consequently, the entity must have personnel who are capable of preparing external financial statements in conformity with GAAP even though the auditor may draft the statements on behalf of the entity.

Condition

The County has controls in place and operating over the preparation of budget-basis financial reports, including in-depth review by management and the Commissioners and a high level of awareness of all transactions being reported. However, budgetary basis financial reporting (non-GAAP) differs significantly from GAAP financial reporting. In our judgment, the County's accounting personnel and those charged with governance, in the course of their assigned duties, lack the skills to prepare the external financial statements and related footnotes in accordance with GAAP and to prevent, detect and correct a material misstatement, if present.

Recommendation

In our judgment, management and those charged with governance need to understand the importance of this communication as it relates to external GAAP basis financial statements. While accounting personnel, management, and those charged with governance has the skills to understand non-GAAP financial reports, we recommend accounting personnel attend training to improve their understanding of GAAP basis financial reporting specifically geared towards reporting for governmental organizations. We also recommend accounting personnel receive additional training to improve utilization of the software to produce accounting information on a GAAP basis in addition to the budgetary basis. Management may also mitigate this weakness by utilizing the services of another accounting firm to assist in compiling or reviewing the external financial statements.

Response

While the County understands the recently issued guidelines under SAS No. 115, the County does not see a significant value from the technical compliance with this new statement. The County feels that there is no justifiable benefit to employ a certified public accountant for the sole purpose of converting the County's budgetary basis reporting to the GAAP based annual financial statement. The County's accounting personnel have the skills and understand the County's finances to find and correct material misstatements on the budgetary basis. The lack of familiarity with all required disclosures for formal financial reporting in accordance with GAAP reflects more on the esoteric nature of many required disclosures than the management/oversight capabilities of the County's personnel.

