

Niobrara County, Wyoming

FINANCIAL REPORT

JUNE 30, 2019



NIOBRARA COUNTY, WYOMING

FINANCIAL REPORT

JUNE 30, 2019

This page is intentionally left blank

CONTENTS

Independent Auditor’s Report	1
Management’s Discussion and Analysis (Unaudited)	4
Basic Financial Statements	10
Government-wide Financial Statements	
Statement of Net Position	11
Statement of Activities	13
Fund Financial Statements	
Balance Sheet – Governmental Funds	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Fiduciary Net Position – Fiduciary Funds	21
Notes to the Financial Statements	22
Required Supplementary Information (Unaudited)	42
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) – General Fund	43
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) – Federal and State Grants Fund	48
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) – E-911 Fund	49
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) – 1% Fund	50
Notes to Required Supplementary Information	51
Other Supplementary Information	52
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) – County Road Construction Fund	53
Compliance Section	54
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	55
Schedule of Findings and Responses	57
Summary Schedule of Prior Audit Findings	60

This page is intentionally left blank

INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Niobrara County, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate 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, 2019, and the related notes to the financial statements, which collectively comprise Niobrara County, Wyoming's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



MAIL: PO Box 2750
Casper, WY 82602-2750



PHONE: (307) 265-4311
FAX: (307) 265-5180



LOCATION: 600 East 1st Street
Casper, WY 82601

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Niobrara County, Wyoming, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Supplementary Information

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 other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019, 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, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 in considering Niobrara County, Wyoming's internal control over financial reporting and compliance.



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming

December 20, 2019

This page is intentionally left blank

NIOBRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

As management of Niobrara County ("County"), we offer readers of Niobrara County's financial statements this narrative overview and analysis of the financial activities of Niobrara County for the fiscal year ended June 30, 2019.

Financial Highlights

The assets of the Niobrara County exceeded its liabilities at the close of the most recent fiscal year by \$18,197,831 (*net position*). Of this amount, \$4,944,529 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, Niobrara County's governmental funds reported combined ending fund balances of \$6,562,106. Of this total amount, \$4,925,549 is available for spending at the government's discretion (unassigned).

The County's debt, other than compensated absences, decreased by \$2,828 due to payments made on last year's capital leases.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Niobrara County's basic financial statements. Niobrara County'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 required supplementary and 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 Niobrara County's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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.)

Government-wide financial statements distinguish functions of any 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 Niobrara County include general government, public safety, public works, health, welfare and recreation, and conservation of natural resources.

The government-wide financial statements include not only Niobrara County itself, (known as the primary government), but also the following legally separate entities: Niobrara County Weed and Pest Control District, Niobrara County Library Board, Niobrara County Fair Board, and Niobrara County Predator Management District. The County is financially accountable for these entities and appoints directors to their boards. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

NIORRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(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. Niobrara County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Niobrara County 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 funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

Niobrara County 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.

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 Niobrara County's own programs.

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.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Niobrara County's budgets for the major funds.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Niobrara County Government's net position, 64% 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, 2019

(Unaudited)

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

Although Niobrara County'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.

Comparative Statement of Net Position

	<u>2019</u>	<u>2018</u>
Assets:		
Current and other assets	\$ 7,976,040	\$ 7,193,421
Capital assets	11,682,908	12,028,132
Total assets	<u>19,658,948</u>	<u>19,221,553</u>
Liabilities:		
Other liabilities	117,541	76,846
Long-term liabilities outstanding	57,149	56,981
Total liabilities	<u>174,690</u>	<u>133,827</u>
Deferred inflows of resources:		
Unavailable property tax revenue	1,284,482	1,110,838
Unavailable grant revenue	1,945	102
Total deferred inflows of resources	<u>1,286,427</u>	<u>1,110,940</u>
Net position:		
Net investment in capital assets	11,658,120	12,000,516
Restricted for		
E-911	20,939	39,480
County road construction (W.S. 24-2-110)	199,945	625,752
Inventory	670,878	661,841
Special purpose tax	703,420	863,583
Unrestricted	4,944,529	3,785,614
Total net position	<u>\$ 18,197,831</u>	<u>\$ 17,976,786</u>

NIOBRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

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

The government's net position increased by approximately \$221,045 during the current fiscal year.

Comparative Statement of Changes in Net Position

	2019	2018
Revenues:		
Program revenues		
Charges for services	\$ 288,590	\$ 85,245
Operating grants and contributions	167,659	251,569
Capital grants and contributions	237,361	4,338
General revenues:		
Property taxes	1,131,830	1,046,579
Other taxes	2,796,388	2,703,835
Miscellaneous revenues and reimbursements	175,925	891,461
Unrestricted investment earnings	80,131	33,421
Total revenues	4,877,884	5,016,448
Expenses:		
General government	2,335,496	2,031,532
Public safety	1,090,956	1,174,009
Public works	1,138,295	858,359
Health, welfare, recreation	28,732	25,889
Conservation of natural resources	78,954	72,951
Interest on long-term debt	760	836
Total expenses	4,673,193	4,163,576
Change in net position	204,691	852,872
Net position - beginning of year, as previously stated	17,976,786	16,812,553
Prior period adjustment	16,354	311,361
Net position - beginning of year, as restated	17,993,140	17,123,914
Net position - end of year	\$ 18,197,831	\$ 17,976,786

Governments change in net position

Property and other taxes, and investment earnings increased, but miscellaneous revenues and reimbursements under general government revenues decreased due to the completion of the Lance Creek Bridge. General government expenses increased slightly due to the completion of records digitization in the County Clerk's office and repairs to the door boards and the roof at the Justice Center. Expenditures for public works increased as a result of the purchase of a new blade. In addition, health, welfare and recreation and conservation of natural resources expenditures remained comparable to last year.

NIORRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

Financial Analysis of the Government's Funds

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

Governmental funds - The focus on Niobrara County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Niobrara County's financing requirements. In particular, unassigned 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, Niobrara County's governmental funds reported ending fund balance of \$6,562,106, an increase of \$556,471, as compared to the prior year.

The general fund is the chief operating fund of Niobrara County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,853,036. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

The fund balance of Niobrara County's general fund increased by \$518,214 during the current fiscal year.

General Fund Budgetary Highlights

While the Long Term Recovery Manager grant ended, grants continue to provide a source of revenue to the County. The Prevention Manager Grant and the WASCOP Grant allow for activities the County would not otherwise undertake. In addition to grants, FY 19 saw sales and property tax revenue increase due to pipeline and mineral activity in the area.

In the end, the County remains steadfast in its commitment to its citizens to be as fiscally responsible as possible while performing the duties required as efficiently as possible.

The total budget for FY 2018-2019 was amended by \$201,681 to account for unanticipated revenues in the general fund and the public health grant.

The General Fund had the following amendments: 1% Option Tax was amended from \$235,000 to \$282,446, an increase of \$47,446 in unanticipated funds; Charges for services was amended from \$181,225 to \$190,165, an increase of \$8,940 in unanticipated funds; General Government Facilities was amended from \$477,140 to \$486,080, an increase of \$8,940; and Public Works was amended from \$537,612 to \$680,006, an increase of \$142,394.

Capital Asset and Debt Administration

Niobrara County's investment in capital assets for its governmental type activities as of June 30, 2019, amounts to \$11,658,120, net of depreciation. This investment in capital assets include 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 \$342,396.

The county road construction fund continues to provide funding necessary to upgrade and maintain Niobrara County roads and bridges.

NIOBRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

CAPITAL ASSETS (NET OF DEPRECIATION)

	<u>2019</u>	<u>2018</u>
Land	\$ 40,997	\$ 40,997
Construction in progress	7,206	1,549,741
Buildings	2,907,640	3,037,713
Vehicles, machinery and equipment	1,370,807	1,139,811
Infrastructure	7,356,258	6,259,870
Total	<u>\$ 11,682,908</u>	<u>\$ 12,028,132</u>

Long-Term Debt

At the end of the current fiscal year, Niobrara County had debt of \$24,788 from capital leases for three copiers and a postage meter.

Requests for Information

The financial report is designed to provide a general overview of Niobrara County'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 POSITION

June 30, 2019

	Primary Government	
	Governmental Activities	Total
ASSETS		
Cash and cash equivalents	\$ 5,379,747	\$ 5,379,747
Investments, at fair value	-	-
Receivables	1,658,980	1,658,980
Inventory	670,878	670,878
Restricted assets		
Investments, at fair value	266,435	266,435
Beneficial interest in assets held by others	-	-
Capital assets, not being depreciated	48,203	48,203
Capital assets, net of accumulated depreciation	11,634,705	11,634,705
Total assets	19,658,948	19,658,948
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan items	-	-
Total deferred outflows of resources	-	-
LIABILITIES		
Accounts payable	79,874	79,874
Funds held in trust	35,963	35,963
Noncurrent liabilities		
Long-term debt due within one year	10,736	10,736
Long-term debt due in more than one year	46,413	46,413
Total liabilities	174,690	174,690
DEFERRED INFLOWS OF RESOURCES		
Unavailable property tax revenue	1,284,482	1,284,482
Unavailable grant revenue	1,945	1,945
Pension plan items	-	-
Total deferred inflows of resources	1,286,427	1,286,427
NET POSITION		
Net investment in capital assets	11,658,120	11,658,120
Restricted for		
County road construction (W.S. 24-2-110)	199,945	199,945
E-911	20,939	20,939
Inventory	670,878	670,878
Special purpose tax	703,420	703,420
By donor for fairground improvements	-	-
Library foundation		
Expendable	-	-
Permanent endowment for the library (nonexpendable)	-	-
Unrestricted	4,944,529	4,944,529
Total net position	\$ 18,197,831	\$ 18,197,831

See accompanying notes to the financial statements

Component Units

Weed and Pest Control District	County Library Board	County Fair Board	Predator Management District
\$ 374,876	\$ 68,976	\$ 92,897	\$ 3,930
939,683	-	-	268,258
341,339	180,572	6,514	3,540
125,260	-	-	-
-	242,894	-	-
-	2,016,532	-	-
16,906	550	11,635	-
333,271	766,299	1,058,174	-
<u>2,131,335</u>	<u>3,275,823</u>	<u>1,169,220</u>	<u>275,728</u>
72,091	-	-	-
<u>72,091</u>	<u>-</u>	<u>-</u>	<u>-</u>
14,133	-	-	-
-	-	-	-
-	-	-	-
176,792	8,200	-	-
<u>190,925</u>	<u>8,200</u>	<u>-</u>	<u>-</u>
246,587	178,623	6,446	-
-	-	-	-
20,906	-	-	-
<u>267,493</u>	<u>178,623</u>	<u>6,446</u>	<u>-</u>
350,177	758,649	1,069,809	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	50,000	-
-	242,894	-	-
-	2,016,532	-	-
1,394,831	70,925	42,965	275,728
<u>\$ 1,745,008</u>	<u>\$ 3,089,000</u>	<u>\$ 1,162,774</u>	<u>\$ 275,728</u>

NIOBRARA COUNTY, WYOMING

STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Function/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 2,335,496	\$ 261,124	\$ -	\$ -
Public safety	1,090,956	14,351	166,837	-
Public works	1,138,295	-	29	142,394
Health, welfare and recreation	28,732	13,115	793	94,967
Conservation of natural resources	78,954	-	-	-
Interest on long-term debt	760	-	-	-
Total governmental activities	<u>4,673,193</u>	<u>288,590</u>	<u>167,659</u>	<u>237,361</u>
Total primary government	<u>4,673,193</u>	<u>288,590</u>	<u>167,659</u>	<u>237,361</u>
Component units				
Weed and Pest Control District	532,731	235,512	68,000	-
County Library Board	467,339	-	20,000	-
County Fair Board	140,764	-	8,000	-
Predator Management District	213,560	117,000	50,544	-
Total component units	<u>\$ 1,354,394</u>	<u>\$ 352,512</u>	<u>\$ 146,544</u>	<u>\$ -</u>

General revenues
 Property taxes
 Sales taxes
 Gas and coal tax
 Motor vehicle taxes
 Miscellaneous revenues and reimbursements
 Contribution to permanently restricted endowment
 Unrestricted investment earnings
 Total general revenues

Change in net position

Net position - beginning of year, as previously stated

Prior period adjustment

Net position, beginning of year, as restated

Net position - ending of year

See accompanying notes to the financial statements

Net (Expense) Revenue and Changes in Net Position

Primary Government		Component Units			
Governmental Activities	Total	Weed and Pest Control District	County Library Board	County Fair Board	Predator Management District
\$ (2,074,372)	\$ (2,074,372)	\$ -	\$ -	\$ -	\$ -
(909,768)	(909,768)	-	-	-	-
(995,872)	(995,872)	-	-	-	-
80,143	80,143	-	-	-	-
(78,954)	(78,954)	-	-	-	-
(760)	(760)	-	-	-	-
<u>(3,979,583)</u>	<u>(3,979,583)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(3,979,583)</u>	<u>(3,979,583)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	(229,219)	-	-	-
-	-	-	(447,339)	-	-
-	-	-	-	(132,764)	-
-	-	-	-	-	(46,016)
<u>-</u>	<u>-</u>	<u>(229,219)</u>	<u>(447,339)</u>	<u>(132,764)</u>	<u>(46,016)</u>
1,131,830	1,131,830	235,618	159,558	16,177	-
685,946	685,946	-	-	-	-
1,996,646	1,996,646	-	-	-	-
113,796	113,796	-	-	-	-
175,925	175,925	-	145,894	98,197	20
-	-	-	71,875	-	-
80,131	80,131	6,817	51,498	108	5,704
<u>4,184,274</u>	<u>4,184,274</u>	<u>242,435</u>	<u>428,825</u>	<u>114,482</u>	<u>5,724</u>
204,691	204,691	13,216	(18,514)	(18,282)	(40,292)
17,976,786	17,976,786	1,731,792	3,107,514	1,181,056	316,020
16,354	16,354	-	-	-	-
<u>17,993,140</u>	<u>17,993,140</u>	<u>1,731,792</u>	<u>3,107,514</u>	<u>1,181,056</u>	<u>316,020</u>
<u>\$ 18,197,831</u>	<u>\$ 18,197,831</u>	<u>\$ 1,745,008</u>	<u>\$ 3,089,000</u>	<u>\$ 1,162,774</u>	<u>\$ 275,728</u>

NIOBRARA COUNTY, WYOMING

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2019

	General Fund	County Road Construction Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 4,675,678	\$ 174,418
Property taxes receivable	1,296,183	-
Accounts receivable	55,424	-
Due from other governments	142,370	25,527
Due from other funds	59,637	-
Inventory	95,342	575,536
Total assets	<u>\$ 6,324,634</u>	<u>\$ 775,481</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 44,141	\$ -
Due to other funds	1,704	-
Funds held in trust	35,963	-
Total liabilities	<u>81,808</u>	<u>-</u>
 Deferred inflows of resources		
Unavailable property tax revenue	1,294,448	-
Unavailable grant revenue	-	-
Total deferred inflows of resources	<u>1,294,448</u>	<u>-</u>
 Fund balances		
Nonspendable	95,342	575,536
Restricted - state legislation	-	199,945
Restricted - E-911	-	-
Restricted - special purpose tax	-	-
Committed for 1% projects	-	-
Unassigned	4,853,036	-
Total fund balances	<u>4,948,378</u>	<u>775,481</u>
 Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,324,634</u>	<u>\$ 775,481</u>

See accompanying notes to the financial statements

Capital Facilities Fair, Library, Courthouse Fund	Federal and State Grants Fund	E-911 Fund	Jail O&M Fund	1% Fund	Total Governmental Funds
\$ 634,445	\$ 4,508	\$ 48,487	\$ 67,271	\$ 41,375	\$ 5,646,182
-	-	-	-	-	1,296,183
-	-	-	-	-	55,424
-	129,587	8,185	-	-	305,669
-	-	-	1,704	-	61,341
-	-	-	-	-	670,878
<u>\$ 634,445</u>	<u>\$ 134,095</u>	<u>\$ 56,672</u>	<u>\$ 68,975</u>	<u>\$ 41,375</u>	<u>\$ 8,035,677</u>
\$ -	\$ -	\$ 35,733	\$ -	\$ -	\$ 79,874
-	59,637	-	-	-	61,341
-	-	-	-	-	35,963
<u>-</u>	<u>59,637</u>	<u>35,733</u>	<u>-</u>	<u>-</u>	<u>177,178</u>
-	-	-	-	-	1,294,448
-	1,945	-	-	-	1,945
<u>-</u>	<u>1,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,296,393</u>
-	-	-	-	-	670,878
-	-	-	-	-	199,945
-	-	20,939	-	-	20,939
634,445	-	-	68,975	-	703,420
-	-	-	-	41,375	41,375
-	72,513	-	-	-	4,925,549
<u>634,445</u>	<u>72,513</u>	<u>20,939</u>	<u>68,975</u>	<u>41,375</u>	<u>6,562,106</u>
<u>\$ 634,445</u>	<u>\$ 134,095</u>	<u>\$ 56,672</u>	<u>\$ 68,975</u>	<u>\$ 41,375</u>	<u>\$ 8,035,677</u>

This page is intentionally left blank

NIOBRARA COUNTY, WYOMING

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

June 30, 2019

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

Total fund balances - governmental funds	\$ 6,562,106
--	--------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,682,908
--	------------

Long-term liabilities, including compensated absences and lease purchase obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(57,149)
---	----------

Since the focus of governmental funds statements is on the short-term
financing, some assets will not be available to pay for current
expenditures. Those assets are offset by the deferred revenue in the
governmental funds and are not included in the governmental
fund balances.

Difference in unavailable property tax revenue	<u>9,966</u>
--	--------------

Net position of governmental activities	<u><u>\$ 18,197,831</u></u>
---	-----------------------------

See accompanying notes to the financial statements

NIOBRARA COUNTY, WYOMING

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2019

	General Fund	County Road Construction Fund
Revenues		
Taxes	\$ 1,921,606	\$ -
Intergovernmental revenues	1,566,261	430,414
Charges for services	288,590	-
Investment earnings	69,108	3,067
Miscellaneous revenues and reimbursements	147,719	-
Total revenues	<u>3,993,284</u>	<u>433,481</u>
Expenditures		
Current		
General government	2,153,947	-
Public safety	870,663	-
Public works	681,729	155,977
Health, welfare and recreation	28,037	-
Conservation of natural resources	74,850	-
Capital outlay	-	108,427
Debt service		
Principal	10,476	-
Interest	760	-
Total expenditures	<u>3,820,462</u>	<u>264,404</u>
Excess (deficiency) of revenues over expenditures	<u>172,822</u>	<u>169,077</u>
Other financing sources (uses)		
Transfers in	347,096	-
Transfers out	(1,704)	(35,702)
Total other financing sources (uses)	<u>345,392</u>	<u>(35,702)</u>
Net change in fund balance	518,214	133,375
Fund balances - beginning of year, as previously stated	<u>4,430,164</u>	<u>625,752</u>
Prior period adjustment	-	16,354
Fund balances - beginning of year, as restated	<u>4,430,164</u>	<u>642,106</u>
Fund balances - end of year	<u>\$ 4,948,378</u>	<u>\$ 775,481</u>

See accompanying notes to the financial statements

Capital Facilities Fair, Library, Courthouse Fund	Federal and State Grants Fund	E-911 Fund	Jail O&M Fund	1% Fund	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,921,606
-	367,243	37,750	-	-	2,401,668
-	-	-	-	-	288,590
4,345	-	-	2,788	824	80,132
-	-	-	-	-	147,719
<u>4,345</u>	<u>367,243</u>	<u>37,750</u>	<u>2,788</u>	<u>824</u>	<u>4,839,715</u>
-	-	-	-	-	2,153,947
-	157,746	56,291	-	-	1,084,700
-	-	-	-	-	837,706
-	695	-	-	-	28,732
-	-	-	-	-	74,850
-	-	-	-	-	108,427
-	-	-	-	-	10,476
-	-	-	-	-	760
<u>-</u>	<u>158,441</u>	<u>56,291</u>	<u>-</u>	<u>-</u>	<u>4,299,598</u>
<u>4,345</u>	<u>208,802</u>	<u>(18,541)</u>	<u>2,788</u>	<u>824</u>	<u>540,117</u>
-	-	-	1,704	-	348,800
-	(142,394)	-	(169,000)	-	(348,800)
<u>-</u>	<u>(142,394)</u>	<u>-</u>	<u>(167,296)</u>	<u>-</u>	<u>-</u>
4,345	66,408	(18,541)	(164,508)	824	540,117
<u>630,100</u>	<u>6,105</u>	<u>39,480</u>	<u>233,483</u>	<u>40,551</u>	<u>6,005,635</u>
-	-	-	-	-	16,354
<u>630,100</u>	<u>6,105</u>	<u>39,480</u>	<u>233,483</u>	<u>40,551</u>	<u>6,021,989</u>
<u>\$ 634,445</u>	<u>\$ 72,513</u>	<u>\$ 20,939</u>	<u>\$ 68,975</u>	<u>\$ 41,375</u>	<u>\$ 6,562,106</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, 2019

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

Net change in fund balances - total governmental funds		\$ 540,117
--	--	------------

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.

Additions to capital assets	\$ 2,441,955	
Assets transferred from construction in progress to fixed assets	(1,615,963)	
Depreciation expense	<u>(1,171,216)</u>	(345,224)

The change in long-term debt obligations (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 those differences,

Issuance of lease purchase obligations	(7,648)	
Principal paid on long-term debt obligations	10,476	
Decrease in compensated absences	<u>(2,996)</u>	(168)

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

Difference in unavailable property tax revenue	<u>9,966</u>	<u>9,966</u>
--	--------------	--------------

Change in net position of governmental activities		<u><u>\$ 204,691</u></u>
---	--	--------------------------

NIOBRARA COUNTY, WYOMING

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

June 30, 2019

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 860,521
Accounts receivable	<u>197,704</u>
Total assets	<u><u>\$ 1,058,225</u></u>
LIABILITIES	
Due to other governments	<u>\$ 1,058,225</u>
Total liabilities	<u><u>\$ 1,058,225</u></u>

See accompanying notes to the financial statements

This page is intentionally left blank

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 1. Nature of Operations and 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. Each discretely presented component unit is reported in a separate column in the basic financial statements to emphasize that it is legally separate from the County and each has a June 30 year end.

Discretely Presented Component Units

The component unit columns in the basic financial statements include the financial data of the County's 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. This District is fiscally dependent upon the County because the Board of Commissioners approves the budget and levies taxes (if necessary) on behalf of the Weed and Pest Control District. This District is presented as a governmental fund type component unit. The Weed and Pest Control District does not issue separate financial statements.

The *County Library Board* maintains and manages the operations of the County Library and library system. The Library 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 Library does not issue separate financial statements. Also included in the Library's financial data is financial information of the Library's fund-raising association the Niobrara County Library Foundation (the "Foundation"). Although the Library does not control the timing or amount of receipts from the Foundation, the majority of resources, and 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.

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 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 Fair does not issue separate financial statements.

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 1. Nature of Operations and 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 this District; however, none have been necessary in recent years. The Predator Management District is considered a component unit of the County due to the 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. This District is presented as a governmental fund type component unit. The Predator Management 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 position and the statement of changes in net position) 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 is 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.

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

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

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.

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.

The Jail O&M fund is a *capital project fund* and is used to account for operations and maintenance of the jail.

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* (a fiduciary fund) is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The County's agency fund is used to account for funds collected on behalf of and due to other government agencies.

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.

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Deposits and Investments

The County 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 the State Treasurer's Investment Pool (WYOSTAR) and the Wyoming Government Investment Fund (WGIF). However, the Predator Management District considers its investment in WYOSTAR to be an investment.

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, U.S. 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. WYOSTAR operates in accordance with appropriate state laws and regulations. The County also invests in the 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 position date. The Library Foundation is not subject to the state statutes which restrict investments.

Restricted Cash

The County has cash restricted by the DEQ for reclamation for the gravel pits. This amount is held in a certificate of deposit at a local bank.

Receivables, Payables and Interfund Balances

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." Transfers and interfund transactions between governmental funds are eliminated in the government-wide financial statements.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on or about August 1 and payable in two installments. The first becomes due on September 1 delinquent on November 10; the second becomes due on March 1 and delinquent on May 11. If the entire amount is paid by December 31, the interest on the first installment will be waived. 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 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.

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Property Taxes (Continued)

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, 2019, was 12 mills, which means that the County has levied to the maximum amount available.

Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market. Inventories are accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to expense when consumed or sold.

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, over \$1,500, 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
Buildings	20-50
Infrastructure	30-50
Vehicles, machinery and equipment	5

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the financial statements may include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a decrease of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements may include a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an increase of net position that applied to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County reports deferred outflows and deferred inflows of resources as follows:

Unavailable Revenues – Unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide statement of net position, property tax revenue and unearned grant revenue are reported as a deferred inflow of resources in the year the taxes are levied.

Pension-Related Amounts – In the government-wide statement of net position, a deferred outflow or deferred inflow of resources is reported for the unrecognized items not yet charged to component unit pension expense related to the net pension liability. This includes the unamortized portion of the net difference between projected and actual earnings on pension plan investments and other differences between expected and actual experience. Deferred outflows for the net difference between projected and actual investment earnings are recognized over a period of five years, while the deferred inflows or deferred outflows for the differences between expected and actual experience for economic/demographic assumptions are recognized over the remaining service life for all active and inactive members.

Compensated Absences

The County's policy for vacation is that any such amounts unused at the end of the fiscal year are accrued. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The general fund has been used to liquidate these liabilities in prior years.

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 position. In the fund financial statements, governmental fund types recognize proceeds from lease purchase obligations and are reported as other financing sources. Repayments of long-term debt (lease purchase obligations) are reported as debt service expenditures.

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Pensions

For purposes of measuring the net position liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wyoming Retirement System (“WRS”) plans and additions to/deductions from WRS’s fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The primary government of Niobrara County does not participate in the Wyoming Retirement System, however, the Weed and Pest Control District, a component unit of the County, does participate.

Fund Equity

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the government’s board through approval of resolutions. Assigned fund balances is a limitation imposed by a designee of the government’s board. Unassigned fund balance in the general fund is the net resources in excess of what can be properly classified in one of the above four categories.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of the governments or (2) imposed by law through constitutional provision or enabling legislation.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

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 THE FINANCIAL STATEMENTS
June 30, 2019

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (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 the County Road Construction Fund. The Capital Facilities Fair, Library, Courthouse Fund and the Jail O&M Fund does not set an annual budget as this fund is used to account for the Special Purpose Tax of 2008 which can only be used for the voter approved projects.

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

Note 2. Deposits and Investments

As of June 30, 2019, 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	\$ 1,598,481	N/A	\$ 1,598,481	\$ -	\$ -	\$ -	N/A
WGIF	2,983,067	N/A	2,983,067	-	-	-	AAAm
WYOSTAR Investment Pool	1,658,720	N/A	1,658,720	-	-	-	N/A
Total deposits	<u>6,240,268</u>		<u>6,240,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Investments							
Certificates of deposit (term greater than 3 months)	266,435	2.35%	-	266,435	-	-	N/A
Total investments	<u>266,435</u>		<u>-</u>	<u>266,435</u>	<u>-</u>	<u>-</u>	
Total deposits and investments	<u>\$ 6,506,703</u>		<u>\$ 6,240,268</u>	<u>\$ 266,435</u>	<u>\$ -</u>	<u>\$ -</u>	

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 2. 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 position	\$ 5,379,747
Cash and cash equivalents in the statement of fiduciary net position - fiduciary funds	<u>860,521</u>
Total deposits	<u>6,240,268</u>
Investments in the government-wide statement of net position	<u>266,435</u>
Total deposits and investments	<u><u>\$ 6,506,703</u></u>

As of June 30, 2019, 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	\$ 783,573	N/A	\$ 783,573	\$ -	\$ -	\$ -	N/A
Total deposits	<u>783,573</u>		<u>783,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Investments							
Certificates of deposit (term greater than 3 months)	939,683	0.30-1.70%	939,683	-	-	-	N/A
WYOSTAR Investment Pool	268,258		268,258	-	-	-	N/A
Total investments	<u>1,207,941</u>		<u>1,207,941</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total deposits and investments	<u><u>\$ 1,991,514</u></u>		<u><u>\$1,991,514</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	

N/A - not available, investment is unrated

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

Cash and cash equivalents in the government-wide statement of net position -	
Weed and Pest Control District	\$ 374,876
County Library Board	68,976
County Library Board (Restricted)	242,894
County Fair Board	92,897
Predator Management District	<u>3,930</u>
Total deposits	<u>783,573</u>
Investments in the government-wide statement of net position -	
Weed and Pest Control District	939,683
Predator Management District	<u>268,258</u>
Total investments	<u>1,207,941</u>
Total deposits and investments	<u><u>\$ 1,991,514</u></u>

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 2. Deposits and Investments (Continued)

Primary Government

Deposits held in the County’s bank accounts are insured by federal depository insurance or are collateralized with securities held by the pledging institution’s trust department or agent, in joint custody of the bank and the County. As of June 30, 2019, the County had balances in the bank of \$1,945,784 with a carrying amount of \$1,562,527. The difference between the carrying amount and the bank balance is the result of the transactions in transit. All deposits were covered by insurance or collateral held in joint custody with the financial institution.

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 insurer of investments 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 for 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, 2019 is as follows:

Investment Type	Fair Value	Percent of Portfolio
Certificates of Deposit	\$ 266,435	5.43%
WGIF	2,983,067	60.78%
WYOSTAR Investment Pool	1,658,720	33.79%
	\$4,908,222	100%

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, 2019, the County's deposits were fully collateralized as required by statutes. In addition, the County’s deposits in WYOSTAR are held in trust by the Treasurer of the State of Wyoming and not comingled with other State funds; each entity has an individual interest in the pool held in its own name. The County also had cash equivalents of \$2,983,067 in the WGIF Liquid Asset Series, a money market investment rated AAAM by Standard and Poor’s. Management does not believe these cash balances are at risk as a result of not being fully insured or collateralized. The County has not incurred any losses related to uninsured deposits.

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 2. Deposits and Investments (Continued)

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. All of the County's investments are held in pools sponsored by the Wyoming State Treasurer or the Wyoming School Board Association and Wyoming Association of Municipalities which limits the risk of counter party failure.

Component Units

Deposits held in the County's component unit bank accounts are insured by federal depository insurance or are collateralized with securities held by the pledging institution's trust department or agent, in joint custody of the bank and the County. As of June 30, 2019, the County's component units had balances in the bank of \$1,711,928 with a carrying amount of \$1,720,463. The difference between the carrying amount and the bank balance is the result of the transactions in transit. All deposits were covered by insurance or collateral held in joint custody with the financial institution.

Fair Value Measurements

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

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2019:

External investment pool: Valued at the net asset value (NAV) of shares held at year end, based on quoted prices for identical or similar assets in active markets.

U.S. government obligations: Valued using quoted prices for identical or similar assets in active markets.

U.S. government agency mortgage backed securities: Valued using quoted prices for identical or similar assets in active markets.

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 2. Deposits and Investments (Continued)

Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the County's investment at fair value as of June 30, 2019:

Primary government investments

	Assets at Fair Value as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
Investments by fair value level				
WGIF	\$ 2,983,067	\$ -	\$ -	\$ 2,983,067
WYOSTAR investment pool	1,658,720	-	-	1,658,720
U.S. government agency mortgage backed securities	86	-	-	86
Total investments at fair value	\$ 4,641,873	\$ -	\$ -	4,641,873
Other investments				
Certificates of deposit				266,435
Money market				9,586
Total other investments				276,021
Less: amounts reported as cash and cash equivalents				(4,651,459)
Total primary government investments				\$ 266,435

Component unit investments

	Assets at Fair Value as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
Investments by fair value level				
WYOSTAR investment pool	\$ 268,258	\$ -	\$ -	\$ 268,258
Total investments at fair value	\$ 268,258	\$ -	\$ -	268,258
Other investments				
Certificates of deposit				939,683
Beneficial interest in assets held by Wyoming Community Foundation				2,016,532
Total other investments				2,956,215
Total component unit investments				\$ 3,224,473

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 3. Receivables and Individual Inter-fund Receivables and Payables

Receivables as of year-end for the government's individual funds, including the applicable allowances for uncollectible accounts are as follows:

	General Fund	County Road Construction Fund	Federal and State Grants Fund	E-911 Fund	Total
Property taxes receivable	\$ 1,296,183	\$ -	\$ -	\$ -	\$ 1,296,183
Accounts receivable	55,424	-	-	-	55,424
Due from other governments	142,370	25,527	129,587	8,185	305,669
	<u>\$ 1,493,977</u>	<u>\$ 25,527</u>	<u>\$ 129,587</u>	<u>\$ 8,185</u>	<u>\$ 1,657,276</u>

At June 30, 2019 the Federal and State Grants Fund owed the General Fund \$59,637 for outstanding pooled cash transactions that had not yet settled. Also in the current year the General fund owed the Jail O&M Fund \$1,704 to refund the Jail fund for excess money not used from the initial transfer.

Note 4. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 40,997	\$ -	\$ -	\$ 40,997
Construction in progress	1,549,741	73,428	1,615,963	7,206
Total capital assets, not being depreciated	<u>1,590,738</u>	<u>73,428</u>	<u>1,615,963</u>	<u>48,203</u>
Capital assets, being depreciated				
Buildings	6,121,646	43,496	-	6,165,142
Vehicles, machinery and equipment	5,191,952	537,978	184,278	5,545,652
Infrastructure	19,439,209	1,787,053	-	21,226,262
Total capital assets, being depreciated	<u>30,752,807</u>	<u>2,368,527</u>	<u>184,278</u>	<u>32,937,056</u>
Less accumulated depreciation for				
Buildings	3,083,933	173,569	-	3,257,502
Vehicles, machinery and equipment	4,052,141	306,982	184,278	4,174,845
Infrastructure	13,179,339	690,665	-	13,870,004
Total accumulated depreciation	<u>20,315,413</u>	<u>1,171,216</u>	<u>184,278</u>	<u>21,302,351</u>
Total capital assets, being depreciated, net	<u>10,437,394</u>	<u>1,197,311</u>	<u>-</u>	<u>11,634,705</u>
Total capital assets, net	<u>\$ 12,028,132</u>	<u>\$ 1,270,739</u>	<u>\$ 1,615,963</u>	<u>\$ 11,682,908</u>

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 4. Capital Assets (Continued)

Primary Government (Continued)

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

Governmental activities	
General government	\$ 188,634
Public safety	175,399
Public works	798,776
Conservation of natural resources	8,407
Total depreciation expense - governmental activities	\$ 1,171,216

Capital Lease Equipment

Machinery and equipment that was purchased by a lease-purchase obligation is included in vehicles, machinery and equipment of the governmental activities. The purchase price of that equipment was \$53,753 with accumulated depreciation of \$30,255 and current year depreciation expense of \$15,714 was expensed in general government activities.

Discretely Presented Component Units

Activity for the Weed and Pest Control District for the year ended June 30, 2019 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	224,944	-	-	224,944
Total capital assets, being depreciated	700,389	-	-	700,389
Less accumulated depreciation for				
Buildings	147,519	12,188	-	159,707
Vehicles, machinery and equipment	195,526	11,885	-	207,411
Total accumulated depreciation	343,045	24,073	-	367,118
Total capital assets, being depreciated, net	357,344	(24,073)	-	333,271
Total capital assets, net	\$ 374,250	\$ (24,073)	\$ -	\$ 350,177

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 4. Capital Assets (Continued)

Discretely Presented Component Units (Continued)

Activity for the County Library Board for the year ended June 30, 2019 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	746,990	3,000	13,612	736,378
Machinery and equipment	1,114,474	97,017	80,300	1,131,191
Total capital assets, being depreciated	1,861,464	100,017	93,912	1,867,569
Less accumulated depreciation for				
Buildings	283,950	28,666	6,777	305,839
Machinery and equipment	782,384	87,078	74,031	795,431
Total accumulated depreciation	1,066,334	115,744	80,808	1,101,270
Total capital assets, being depreciated net	795,130	(15,727)	13,104	766,299
Total capital assets, net	\$ 795,680	\$ (15,727)	\$ 13,104	\$ 766,849

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 4. Capital Assets (Continued)

Discretely Presented Component Units (Continued)

Activity for the County Fair Board for the year ended June 30, 2019 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 11,635	\$ -	\$ -	\$ 11,635
Total capital assets, not being depreciated	11,635	-	-	11,635
Capital assets, being depreciated				
Buildings	1,844,628	13,294	-	1,857,922
Machinery and equipment	41,940	-	-	41,940
Total capital assets, being depreciated	1,886,568	13,294	-	1,899,862
Less accumulated depreciation for				
Buildings	726,552	74,198	-	800,750
Machinery and equipment	40,302	636	-	40,938
Total accumulated depreciation	766,854	74,834	-	841,688
Total capital assets, being depreciated net	1,119,714	(61,540)	-	1,058,174
Total capital assets, net	\$ 1,131,349	\$ (61,540)	\$ -	\$ 1,069,809

Activity for the Predator Management District for the year ended June 30, 2019 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	\$ -	\$ -	\$ -	\$ -

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 5. Long-Term Debt

The following is a summary of changes in long-term debt of the County for the year ended June 30, 2019:

	<u>Balance</u> <u>July 01, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Due Within</u> <u>One Year</u>
Primary Government					
Lease purchase obligations	\$ 27,616	\$ 7,648	\$ 10,476	\$ 24,788	\$ 10,736
Compensated absences	29,365	2,996	-	32,361	-
Total primary government	<u>\$ 56,981</u>	<u>\$ 10,644</u>	<u>\$ 10,476</u>	<u>\$ 57,149</u>	<u>\$ 10,736</u>
Discretely Presented Component Units					
Weed and Pest Control District					
Compensated absences	\$ 5,431	\$ -	\$ 1,476	\$ 3,955	\$ -
Pension liability	121,411	51,426	-	172,837	-
Total Weed and Pest Control District	<u>\$ 126,842</u>	<u>\$ 51,426</u>	<u>\$ 1,476</u>	<u>\$ 176,792</u>	<u>\$ -</u>
County Library Board					
Compensated absences	\$ 6,940	\$ 1,260	\$ -	\$ 8,200	\$ -
Total County Library Board	<u>\$ 6,940</u>	<u>\$ 1,260</u>	<u>\$ -</u>	<u>\$ 8,200</u>	<u>\$ -</u>

Long-term debt related to the governmental activities is generally liquidated by the general fund.

A summary of the long-term debt as of June 30, 2019 is as follows:

Primary Government

Lease Purchase Obligations

Lease purchase obligations collateralized by the assets noted as of June 30, 2019 are as follows:

Lease purchase obligation on a postage meter, due in monthly installments of \$399, including interest of 2.64%, through January 2022, serviced by the general fund.	\$ 11,943
Lease purchase obligation on a copier, due in monthly installments of \$127, including interest of 3.49%, through October 2021, serviced by the general fund.	3,419
Lease purchase obligation on a copier, due in monthly installments of \$185, including interest of 1.96%, through June 2021, serviced by the general fund.	4,351
Lease purchase obligation on a copier, due in monthly installments of \$225, including interest of 1.96%, through May 2021, serviced by the general fund.	<u>5,075</u>
	24,788
Less current maturities of lease purchase obligations	<u>10,736</u>
	<u>\$ 14,052</u>

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 5. Long-Term Debt (Continued)

Future minimum lease payments under lease purchase obligations together with the present value of net minimum lease payments as of June 30, 2019 are as follows:

Year ending June 30,

2020	\$ 11,236
2021	11,011
2022	3,302
Total minimum lease payments	25,549
Less: amount representing interest	761
Net present value of minimum lease payments	\$ 24,788

Note 6. Interfund Transfers

Interfund transfers at June 30, 2019 consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 347,096	\$ 1,704
Capital Project Funds		
County Road Construction Fund	-	35,702
Federal and State Grants Fund	-	142,394
Jail O&M	1,704	169,000
	\$ 348,800	\$ 348,800

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, 2019, the County Road Construction fund, Federal and State Grants Fund and the Jail O&M fund transferred money to the General Fund as a reimbursement for expenses paid.

Note 7. Related Organizations

The County provided funds to the County Fair Board during the fiscal year ended June 30, 2019. Following are the amounts provided to the component unit at June 30, 2019;

	Revenues Provided
County Fair Board	\$ 7,994

Note 8. Net Position Restricted by Legislation

The government-wide statement of net position reports \$1,595,182 of restricted net position. The amount which is restricted for road construction by State legislation is \$199,945, E-911 fund has \$20,939 restricted by federal regulations, and \$703,420 is restricted by as a special purpose tax assessed specifically for the Capital Facilities, and Jail operations and maintenance.

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 9. 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. As a result of these and other risks, the County participates in the Wyoming Association of Risk Management (WARM), a management risk pool and WARM property insurance pool and Local Government Claims Act (W.S. 1-39-101) up to \$250,000 per claimant but not more than \$500,000 per occurrence, \$1,500,000 per occurrence, and \$5,000,000 annual aggregate for federal and out-of-state claims. The coverage limit is \$1,000,000,000 for all members combined of the WARM risk pool including various additional sub-limits. Claims have not exceeded coverage amounts in any of the last three years. Premiums paid to WARM and LGLP by the County were approximately \$32,197 and \$14,695, respectively.

During the year ended June 30, 2019, 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 coverage.

Niobrara County paid quarterly unemployment benefits in the year ended June 30, 2019.

Note 10. Beneficial Interest

The Library Foundation ("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, and distributions of \$89,862 occurred during the year ended June 30, 2019. In accordance with generally accepted accounting standards, the Foundation recorded its beneficial interest in the endowment fund and recorded as permanently restricted those contributions received by the WCF for the benefit of the Foundation. The Foundation's beneficial interest in WCF was \$2,016,532 as of June 30, 2019.

Note 11. Construction Commitments

The County had one outstanding construction project as of June 30, 2019. At year end the County's construction commitment is as follows:

Project Name	Total Contract Amount	Expended To Date	Remaining Commitment
Air Conditioning Upgrade	\$ 27,250	\$ 7,205	\$ 20,045
Total construction commitments	<u>\$ 27,250</u>	<u>\$ 7,205</u>	<u>\$ 20,045</u>

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 12. Issued Standards Not Yet Implemented

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. The requirements of the Statement are effective for reporting periods beginning after December 15, 2018. Management has not completed its assessment of the effects of implementing this standard.

GASB Statement No. 87, *Leases*, is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. Under this standard, government lessors must recognize (a) a lease receivable and (b) a deferred inflow of resources and continue to report the leased asset in its financial statements; and report in its financial statements (a) lease revenue recognized over the term of the lease, corresponding with the reduction of the deferred inflow, (b) interest income on the receivable; and (c) note disclosures about the lease. This standard is effective for reporting periods beginning after December 15, 2019. Management has not concluded its assessment of the effect of implementing this guidance.

Note 13. Prior Period Adjustment

In the fiscal year 2017, the County began a rock crushing project. They received a discounted price on crushing and decided to increase their stockpile. The costs associated with this project were expensed in fiscal year 2017. During 2018, this error was identified. An engineering survey of the stockpile was completed in December 2018 and the County advised no inventory had been used since June 30, 2018. In 2019, it was determined that inventory had been used between July and December when the engineer survey was completed. The inventory used from the gravel stockpile was identified and added as an asset in the current year. The table below illustrates the net position as originally stated and restated:

	As originally stated June 30, 2018	Increase (Decrease)	Restated June 30, 2018
<i>Governmental activities</i>			
County Road Construction Fund			
Net position	\$ 625,752	\$ 16,354	\$ 642,106

Note 14. Subsequent Events

Effective September 1, 2019 the County began offering health insurance to its full time employees through Blue Cross Blue Shield under a fully insured plan.

REQUIRED SUPPLEMENTARY INFORMATION

This page is intentionally left blank

NIOBRARA COUNTY, WYOMING

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

GENERAL FUND

(Unaudited)

Year Ended June 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
TAXES				
Property taxes				
- current and delinquent	\$ 1,112,334	\$ 1,112,334	\$ 1,114,203	\$ 1,869
Vehicle fees	110,000	110,000	113,796	3,796
Payments in lieu of property taxes	198,703	198,703	347,671	148,968
Sales and use taxes	290,278	290,278	419,917	129,639
1% optional tax	235,000	282,446	282,446	0
	<u>1,946,315</u>	<u>1,993,761</u>	<u>2,278,033</u>	<u>284,272</u>
INTERGOVERNMENTAL REVENUES				
State gasoline tax	116,182	116,182	128,604	12,422
Car company tax	10,000	10,000	10,422	422
Severance tax	890,127	890,127	888,761	(1,366)
Special fuel tax	194,321	194,321	200,674	6,353
	<u>1,210,630</u>	<u>1,210,630</u>	<u>1,228,461</u>	<u>17,831</u>
CHARGES FOR SERVICES				
Clerk of Court fees	3,500	3,500	5,014	1,514
Treasurer	4,500	4,500	4,463	(37)
Assessor	3,000	3,000	1,660	(1,340)
County Clerk fees	45,000	45,000	51,767	6,767
County Sheriff fees	7,500	7,500	8,369	869
Inmate housing	100,000	108,940	186,304	77,364
Town of Lusk ESRI license fees	1,175	1,175	2,351	1,176
Liquor permits	700	700	710	10
Public health nurse	250	250	1,632	1,382
County health officer	9,600	9,600	9,600	0
Civil fees	6,000	6,000	7,200	1,200
	<u>181,225</u>	<u>190,165</u>	<u>279,070</u>	<u>88,905</u>
INVESTMENT EARNINGS				
Interest earnings	15,000	15,000	61,325	46,325
Interest on delinquent taxes	2,000	2,000	1,209	(791)
	<u>17,000</u>	<u>17,000</u>	<u>62,534</u>	<u>45,534</u>
MISCELLANEOUS REVENUE AND REIMBURSEMENTS				
Other income	145,801	145,801	149,715	3,914
	<u>145,801</u>	<u>145,801</u>	<u>149,715</u>	<u>3,914</u>
Total revenues	<u>3,500,971</u>	<u>3,557,357</u>	<u>3,997,813</u>	<u>440,456</u>

(Continued)

See accompanying notes to required supplementary information

NIOBRARA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) -
 GENERAL FUND (CONTINUED)
 (Unaudited)
 Year Ended June 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
County Commissioners				
Salaries	\$ 52,574	\$ 52,574	\$ 52,574	\$ -
Other expenditures	13,500	13,500	12,416	1,084
	<u>66,074</u>	<u>66,074</u>	<u>64,990</u>	<u>1,084</u>
County Clerk				
Salaries	102,448	102,448	97,459	4,989
Other expenditures	95,000	95,000	96,693	(1,693)
Capital outlay	1,000	1,000	584	416
	<u>198,448</u>	<u>198,448</u>	<u>194,736</u>	<u>3,712</u>
County Treasurer				
Salaries	104,686	104,686	104,277	409
Other expenditures	11,150	11,150	6,384	4,766
Capital outlay	2,000	2,000	1,852	148
	<u>117,836</u>	<u>117,836</u>	<u>112,513</u>	<u>5,323</u>
County Assessor				
Salaries	111,692	111,692	97,000	14,692
Other expenditures	33,620	33,620	32,841	779
Capital outlay	500	500	532	(32)
	<u>145,812</u>	<u>145,812</u>	<u>130,373</u>	<u>15,439</u>
County Attorney				
Salaries	128,024	128,024	120,615	7,409
Other expenditures	16,800	16,800	15,739	1,061
	<u>144,824</u>	<u>144,824</u>	<u>136,354</u>	<u>8,470</u>
Clerk of District Court				
- Administration				
Salaries	98,604	98,604	95,548	3,056
Other expenditures	27,750	27,750	22,462	5,288
Capital outlay	2,000	2,000	569	1,431
	<u>128,354</u>	<u>128,354</u>	<u>118,579</u>	<u>9,775</u>

(Continued)

See accompanying notes to required supplementary information

NIOBRARA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) -
 GENERAL FUND (CONTINUED)
 (Unaudited)
 Year Ended June 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT (CONTINUED)				
Justice Court				
Other expenditures	\$ 12,000	\$ 12,000	\$ 12,000	\$ -
	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Elections				
Other expenditures	33,850	33,850	30,338	3,512
Capital outlay	750	750	676	74
	<u>34,600</u>	<u>34,600</u>	<u>31,014</u>	<u>3,586</u>
Facilities				
Other expenditures	415,640	417,439	417,207	232
Capital outlay	61,500	68,641	68,873	(232)
	<u>477,140</u>	<u>486,080</u>	<u>486,080</u>	<u>-</u>
Other general accounts				
Community and economic development	-	-	4,500	(4,500)
Unemployment and FICA	159,500	159,500	150,277	9,223
Retirement match	160,000	160,000	151,110	8,890
Health coalition/mental health	1,500	1,500	1,500	-
Financial administration	25,000	25,000	26,786	(1,786)
Printing and publishing	17,500	17,500	19,952	(2,452)
Insurance	110,000	110,000	104,725	5,275
Other miscellaneous	154,900	154,900	144,392	10,508
Information technology	10,000	10,000	10,944	(944)
	<u>638,400</u>	<u>638,400</u>	<u>614,186</u>	<u>24,214</u>
Optional 1% Tax				
Intergovernmental expenditures	235,000	282,446	282,446	-
	<u>2,198,488</u>	<u>2,254,874</u>	<u>2,183,271</u>	<u>71,603</u>
Total general government				(Continued)

See accompanying notes to required supplementary information

NIOBRARA COUNTY, WYOMING

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

(Unaudited)

Year Ended June 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
PUBLIC SAFETY				
County Sheriff				
Salaries	\$ 242,583	\$ 242,583	\$ 252,660	\$ (10,077)
Other expenditures	69,096	69,096	57,431	11,665
Capital outlay	7,200	7,200	5,023	2,177
	<u>318,879</u>	<u>318,879</u>	<u>315,114</u>	<u>3,765</u>
County Coroner				
Salaries	14,189	14,189	14,189	-
Other expenditures	11,500	11,500	4,787	6,713
Capital outlay	750	750	76	674
	<u>26,439</u>	<u>26,439</u>	<u>19,052</u>	<u>7,387</u>
Detention				
Salaries	262,783	262,783	243,367	19,416
Other expenditures	83,000	83,000	78,916	4,084
Capital outlay	3,000	3,000	3,780	(780)
	<u>348,783</u>	<u>348,783</u>	<u>326,063</u>	<u>22,720</u>
Emergency Management				
Salaries	5,670	5,670	5,670	-
Other expenditures	3,275	3,275	1,980	1,295
Capital outlay	800	800	175	625
	<u>9,745</u>	<u>9,745</u>	<u>7,825</u>	<u>1,920</u>
911 Dispatch				
Salaries	201,053	201,053	182,667	18,386
Other expenditures	27,650	27,650	13,446	14,204
Capital outlay	5,000	5,000	4,783	217
	<u>233,703</u>	<u>233,703</u>	<u>200,896</u>	<u>32,807</u>
Total public safety	<u>937,549</u>	<u>937,549</u>	<u>868,950</u>	<u>68,599</u>

(Continued)

See accompanying notes to required supplementary information

NIOBRARA COUNTY, WYOMING

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

(Unaudited)

Year Ended June 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
PUBLIC WORKS				
Road and Bridge				
Salaries	\$ 248,912	\$ 248,912	\$ 235,605	\$ 13,307
Other expenditures	228,700	371,094	188,160	182,934
Capital outlay	60,000	60,000	235,126	(175,126)
Total public works	<u>537,612</u>	<u>680,006</u>	<u>658,891</u>	<u>21,115</u>
HEALTH, WELFARE AND RECREATION				
Health Officer				
Salaries	9,600	9,600	9,600	-
	<u>9,600</u>	<u>9,600</u>	<u>9,600</u>	<u>-</u>
Public Health Nurse				
Contractual services	20,115	20,115	18,438	1,677
	<u>20,115</u>	<u>20,115</u>	<u>18,438</u>	<u>1,677</u>
Total health, welfare and recreation	<u>29,715</u>	<u>29,715</u>	<u>28,038</u>	<u>1,677</u>
CONSERVATION OF NATURAL RESOURCES				
Agriculture department				
Salaries	29,346	29,346	29,447	(101)
Other expenditures	50,320	50,320	44,898	5,422
Capital outlay	1,500	1,500	374	1,126
Total conservation of natural resources	<u>81,166</u>	<u>81,166</u>	<u>74,719</u>	<u>6,447</u>
Total expenditures	<u>3,784,530</u>	<u>3,983,310</u>	<u>3,813,869</u>	<u>169,441</u>
Excess (deficiency) of revenues over expenditures	<u>(283,559)</u>	<u>(425,953)</u>	<u>183,944</u>	<u>609,897</u>
Other financing sources (uses)				
Transfers in	189,000	331,394	347,096	15,702
Transfers out	-	-	(1,704)	(1,704)
Total other financing sources (uses)	<u>189,000</u>	<u>331,394</u>	<u>345,392</u>	<u>13,998</u>
Net change in fund balance	(94,559)	(94,559)	529,336	\$ 623,895
Fund balance - beginning of year	<u>4,172,482</u>	<u>4,172,482</u>	<u>4,172,482</u>	
Fund balance - end of year	<u>\$ 4,077,923</u>	<u>\$ 4,077,923</u>	<u>\$ 4,701,818</u>	

See accompanying notes 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

(Unaudited)

Year Ended June 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 512,108	\$ 515,008	\$ 318,191	\$ (196,817)
Total revenues	512,108	515,008	318,191	(196,817)
Expenditures				
Public safety	319,615	322,515	157,740	164,775
Health, welfare and recreation	3,103	3,103	695	2,408
Total expenditures	322,718	325,618	158,435	167,183
Excess (deficiency) of revenues over expenditures	189,390	189,390	159,756	(29,634)
Other financing uses				
Transfers out	147,942	147,942	142,394	5,548
Total other financing uses	147,942	147,942	142,394	5,548
Net change in fund balance	337,332	337,332	17,362	\$ (24,086)
Fund balance (deficit) - beginning of year	(72,698)	(72,698)	(72,698)	
Fund balance (deficit) - end of year	\$ 264,634	\$ 264,634	\$ (55,336)	

See accompanying notes to required supplementary information

NIOBRARA COUNTY, WYOMING

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

E-911 FUND

(Unaudited)

Year Ended June 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 35,000	\$ 35,000	\$ 38,417	\$ 3,417
Total revenues	35,000	35,000	38,417	3,417
Expenditures				
Public safety	65,628	65,628	20,558	45,070
Total expenditures	65,628	65,628	20,558	45,070
Net change in fund balance	(30,628)	(30,628)	17,859	<u>\$ 48,487</u>
Fund balance - beginning of year	30,628	30,628	30,628	
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,487</u>	

See accompanying notes to required supplementary information

NIOBRARA COUNTY, WYOMING

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

1% FUND
(Unaudited)

Year Ended June 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ 862	\$ 862
Total revenues	-	-	862	862
Expenditures				
Public safety	40,735	40,735	-	40,735
Total expenditures	40,735	40,735	-	40,735
Net change in fund balance	(40,735)	(40,735)	862	<u>\$ 41,597</u>
Fund balance - beginning of year	40,435	40,435	40,435	
Fund balance (deficit)- end of year	<u>\$ (300)</u>	<u>\$ (300)</u>	<u>\$ 41,297</u>	

See accompanying notes to required supplementary information

NIOBRARA COUNTY, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

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	\$ 3,997,813	\$ 318,191	\$ 38,417	\$ 862
Differences - Budget Basis to GAAP				
Accrual of future property taxes receivable	182,932	-	-	-
Accrual of accounts receivable	13,117	-	-	-
Accrual of due from other governments	(26,289)	49,052	(667)	(38)
Deferral of future property tax revenue	(183,610)	-	-	-
Miscellaneous reconciling items	9,321	-	-	-
	<u>\$ 3,993,284</u>	<u>\$ 367,243</u>	<u>\$ 37,750</u>	<u>\$ 824</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds				
	<u>\$ 3,993,284</u>	<u>\$ 367,243</u>	<u>\$ 37,750</u>	<u>\$ 824</u>
Expenditures				
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 3,813,869	\$ 158,435	\$ 20,558	\$ -
Differences - Budget Basis to GAAP				
Accrual of accounts payable	(17,989)	-	35,733	-
Accrual of wages payable	260	-	-	-
Accrual of inventory	24,231	-	-	-
Miscellaneous reconciling items	91	6	-	-
	<u>\$ 3,820,462</u>	<u>\$ 158,441</u>	<u>\$ 56,291</u>	<u>\$ -</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds				
	<u>\$ 3,820,462</u>	<u>\$ 158,441</u>	<u>\$ 56,291</u>	<u>\$ -</u>

Note 2. Budgeting

Annual budgets are adopted on the cash basis for all governmental funds. Legal spending control for the County monies is at the function level. The County may amend the budget after it is appropriated using the same procedures necessary to approve the original budget at the functional level. Management monitors expenditures at budgetary line item levels within each fund to enhance the accounting control system and may amend the budget at this level as long as the functional level budget is maintained.

The General Fund had the following amendments: 1% Option Tax was amended from \$235,000 to \$282,446, an increase of \$47,446 in unanticipated funds; Charges for services was amended from \$181,225 to \$190,165, an increase of \$8,940 in unanticipated funds; General Government Facilities was amended from \$477,140 to \$486,080, an increase of \$8,940; and Public Works was amended from \$537,612 to \$680,006, an increase of \$142,394.

This page is intentionally left blank

OTHER SUPPLEMENTARY INFORMATION

This page is intentionally left blank

NIOBRARA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) -
 COUNTY ROAD CONSTRUCTION FUND
 Year Ended June 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 423,296	\$ 423,296	\$ 437,026	\$ 13,730
Investment earnings	2,000	2,000	2,813	813
Total revenues	<u>425,296</u>	<u>425,296</u>	<u>439,839</u>	<u>14,543</u>
Expenditures				
Public works	<u>461,443</u>	<u>461,443</u>	<u>281,318</u>	<u>180,125</u>
Total expenditures	<u>461,443</u>	<u>461,443</u>	<u>281,318</u>	<u>180,125</u>
Excess (deficiency) of revenues over expenditures	<u>(36,147)</u>	<u>(36,147)</u>	<u>158,521</u>	<u>194,668</u>
Other financing (uses)				
Transfer out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(35,702)</u>	<u>(20,702)</u>
Total other financing (uses)	<u>(15,000)</u>	<u>(15,000)</u>	<u>(35,702)</u>	<u>(20,702)</u>
Net change in fund balance	(51,147)	(51,147)	122,819	<u>\$ (173,966)</u>
Fund balance - beginning of year	<u>282,054</u>	<u>282,054</u>	<u>282,054</u>	
Fund balance - end of year	<u>\$ 230,907</u>	<u>\$ 230,907</u>	<u>\$ 404,873</u>	

This page is intentionally left blank

COMPLIANCE SECTION

This page is intentionally left blank

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*

INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Niobrara County, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate 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, 2019, and the related notes to the financial statements, which collectively comprise Niobrara County, Wyoming's basic financial statement, and have issued our report thereon dated December 20, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Niobrara County, Wyoming's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Niobrara County, Wyoming's internal control. Accordingly, we do not express an opinion on the effectiveness of Niobrara County, Wyoming's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 2019-001 to be a material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as 2019-002, and 2019-003 to be significant deficiencies.



MAIL: PO Box 2750
Casper, WY 82602-2750



PHONE: (307) 265-4311
FAX: (307) 265-5180



LOCATION: 600 East 1st Street
Casper, WY 82601

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Niobrara County, Wyoming's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

We noted certain matters we have reported to management of Niobrara County in a separate letter dated December 20, 2019.

County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming

December 20, 2019

NIOBRARA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2019

Material Weakness in Internal Control over Financial Reporting

2019-001

Financial Reporting

Criteria

Inventory is stock of material held for sale or use. The financial statements should report inventory items as assets until the materials are used and an expense is recognized. Consequently, the entity must have adequate records to determine the balance in inventory for financial reporting.

Condition

The County has controls in place and operating over the preparation of budget-basis financial reports. These controls include 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. The County has gravel stockpiles for the maintenance and construction of county roads. Inventory in these stockpiles are expensed when used, however, no measurement is performed at year-end to quantify an inventory value at year-end. In our judgement, the County's personnel are unable to identify and determine the balance of the gravel inventory at year-end. In addition controls over these accounts are inadequate to prevent, detect and correct a material misstatement, if present, without additional procedures and record keeping.

Cause

The County does not have a county engineer on staff to measure their stockpiles each year and do not maintain adequate records to determine the year-end inventory balances in the gravel stockpile.

Effect or Potential Effect

Without additional record keeping and inventory measurement, a significant error in financial statement presentation of the balance in inventory could occur and not be discovered and corrected in a timely manner. In addition, gravel could be misappropriated without being detected.

Recommendation

In our judgment, management and those charged with governance need to understand the importance of this communication as it relates to the proper measurement of inventory at year-end. While County personnel have the records for increases and decreases to inventory, we recommend personnel prepare and maintain records calculating the determination of inventory balances as of year-end. Management may also mitigate this weakness by utilizing the services of an engineering firm to assist measuring amounts of gravel in inventory at year-end.

Views of Responsible Officials and Planned Corrective Actions

The County understands the changes that need to be made, and have created a tracking system for inventory. This system includes the details of the gravel purchases and gravel usage and what roads the gravel was used on, as well as the date of purchase and usage, the tons purchased or used, and if the work performed was a repair or improvement.

NIOBRARA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED) Year Ended June 30, 2019

Significant Deficiencies in Internal Control over Financial Reporting

2019-002

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, without additional training or additional tools.

Cause

The County is in a rural area of Wyoming with limited access to individuals with strong financial backgrounds.

Effect or Potential Effect

Without involvement from people with strong financial backgrounds a significant error in financial statement disclosure could occur and not be discovered and corrected in a timely manner.

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 have 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, or by using professional tools such as disclosure checklists to enhance the review of the financial statements.

NIOBRARA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED) Year Ended June 30, 2019

Views of Responsible Officials and Planned Corrective Actions

While the County understands the guidelines under SAS No. 115, the County does not see a significant value from the technical compliance with this 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. The County will review the disclosure checklists as part of its process in reviewing the GAAP basis financial statements.

Significant Deficiencies in Internal Control over Financial Reporting

2019-003

Clerk of District Court Bank Reconciliations

Criteria

The Clerks of District Court have many responsibilities and duties. They are responsible to maintain the records in criminal cases, including receipting and distributing restitution and fines. In Wyoming, they are required to use specific software to carry out these functions.

Condition

The Clerk of District Court has not been able to reconcile her bank accounts to the transactions in the court software for the last year. Therefore, she has not consistently remitted the required amounts to various individuals and entities.

Cause

The Clerk of District Court did not receive specific training on the State mandated software that is used to report specific items to the State of Wyoming and track mandated disbursements.

Effect or Potential Effect

Without a robust reconciliation process over the receipting, collection, repayment and distribution of the district court funds, errors and misappropriation can occur and not be detected or corrected in a timely manner.

Recommendation

The State mandated process is not optional and is part of the oversight procedures needed to foster accountability throughout the system. Training on how to use the mandated software as well as following timely reconciliation processes is imperative to showing competency in this role.

Views of Responsible Officials and Planned Corrective Actions

The Clerk of District Court is aware of this situation and is working with the State judicial team to reconcile her accounts.

NIOBRARA COUNTY, WYOMING

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS Year Ended June 30, 2019

Significant Deficiencies in Internal Control over Financial Reporting

2018-001: Financial Reporting

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, without additional training or additional tools.

Status

This condition has been repeated.