

Niobrara County, Wyoming

FINANCIAL REPORT

JUNE 30, 2018



NIOBRARA COUNTY, WYOMING

FINANCIAL REPORT

JUNE 30, 2018

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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)	41
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) – General Fund	42
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) – Federal and State Grants Fund	47
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) – E-911 Fund	48
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) – 1% Fund	49
Notes to Required Supplementary Information	50
Other Supplementary Information	51
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) – County Road Construction Fund	52
Compliance Section	53
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>	54
Schedule of Findings and Responses	56
Summary Schedule of Prior Audit Findings	58

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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, 2018, 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.

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, 2018, 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 management’s discussion and analysis and budgetary comparison 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 February 18, 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 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

Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming

February 18, 2019

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NIORRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

(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, 2018.

Financial Highlights

The assets of the Niobrara County exceeded its liabilities at the close of the most recent fiscal year by \$17,976,786 (*net position*). Of this amount, \$3,785,614 (*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 \$6,005,635. Of this total amount, \$4,316,696 is available for spending at the government's discretion (*unassigned*).

The County's debt, other than compensated absences, decreased by \$7,700 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.

NIORRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

(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 fair, 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, 66.97% 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, 2018

(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.

Governmental Activities Net Position

	<u>2018</u>	<u>2017</u>
Assets:		
Current and other assets	\$ 7,193,421	\$ 6,468,213
Capital assets	12,028,132	11,550,500
Total assets	<u>19,221,553</u>	<u>18,018,713</u>
Liabilities:		
Other liabilities	76,846	87,137
Long-term liabilities outstanding	56,981	69,123
Total liabilities	<u>133,827</u>	<u>156,260</u>
Deferred inflows of resources:		
Unavailable taxes	1,110,838	1,041,564
Unavailable grant revenue	102	8,336
Total deferred inflows of resources	<u>1,110,940</u>	<u>1,049,900</u>
Net position:		
Net investment in capital assets	12,000,516	11,515,184
Restricted for		
E-911	39,480	51,346
County road construction (W.S. 24-2-110)	625,752	363,117
Inventory	661,841	129,975
Special purpose tax	863,583	939,058
Unrestricted	3,785,614	3,813,873
Total net position	<u>\$ 17,976,786</u>	<u>\$ 16,812,553</u>

NIOBRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

(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 \$1,164,233 during the current fiscal year.

Schedule of Activities

	<u>2018</u>	<u>2017</u>
Revenues:		
Program revenues		
Charges for services	\$ 85,245	\$ 81,913
Operating grants and contributions	251,569	187,929
Capital grants and contributions	4,338	100,360
General revenues:		
Property taxes	1,046,579	1,128,690
Other taxes	2,703,835	2,395,806
Miscellaneous revenues and reimbursements	891,461	862,208
Unrestricted investment earnings	33,421	20,567
Total revenues	<u>5,016,448</u>	<u>4,777,473</u>
Expenses:		
General government	2,031,532	1,942,677
Public safety	1,174,009	1,023,014
Public works	858,359	1,474,168
Health, welfare, recreation	25,889	241,724
Conservation of natural resources	72,951	74,811
Interest on long-term debt	836	883
Total expenses	<u>4,163,576</u>	<u>4,757,277</u>
Changes in net position	852,872	20,196
Net position - beginning of year, as previously stated	16,812,553	16,792,357
Prior period adjustment	311,361	-
Net position - beginning of year, as restated	<u>17,123,914</u>	<u>16,792,357</u>
Net position - end of year	<u>\$ 17,976,786</u>	<u>\$ 16,812,553</u>

Governments change in net position

While the assessed valuation was lower than the prior year, general government revenues increased as a result of higher sales tax revenue and increased direct distribution received from the State. General government and public safety expenditures were slightly over last year's figures, however, expenditures for public works were less because the Lance Creek Bridge replacement project was nearly completed in the last fiscal year. In addition, health, welfare and recreation saw fewer expenditures because the fairgrounds auditorium floor project was a one-time expense and was completed in the last fiscal year.

NIOBRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

(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 \$6,005,635, an increase of \$674,459, 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 \$4,310,591. 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 \$442,227 during the current fiscal year.

General Fund Budgetary Highlights

All of the County's unused balances of previous Consensus Block Grants were allocated to assist in the purchase of a blade for the road and bridge department. A Business Ready Community short term planning grant was awarded to Niobrara County. This grant was comprised of state and federal funds totaling \$66,650 and was used to hire a consultant to conduct an assessment for housing and economic development needs. The EDA Long Term Recovery grant was awarded December of 2016, became fully utilized in July of 2017 with the hiring of a long term recovery manager.

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 2017-2018 was amended by \$104,462 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 \$170,000 to \$238,921, an increase of \$68,921 in unanticipated funds; Bonds and Insurance was amended from \$28,141 to \$44,000, an increase of \$15,859; Public Health Office was amended from \$7,200 to \$9,600, an increase of \$2,400; and the Public Health Grant was amended by \$5,000 to account for a grant awarded mid fiscal year.

Capital Asset and Debt Administration

Niobrara County's investment in capital assets for its governmental type activities as of June 30, 2018, amounts to \$12,028,132, net of depreciation. This investment in capital assets include land, buildings, machinery and equipment, infrastructures, and roads, highways and bridges. The total increase in Niobrara County's investment in capital assets for the current year was \$477,632.

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

NIORARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

(Unaudited)

CAPITAL ASSETS (NET OF DEPRECIATION)

	<u>2018</u>	<u>2017</u>
Land	\$ 40,997	\$ 40,997
Construction in progress	1,549,741	974,392
Buildings and system	3,037,713	3,195,437
Vehicles, machinery and equipment	1,139,811	1,138,924
Infrastructure	6,259,870	6,200,750
Total	<u>\$ 12,028,132</u>	<u>\$ 11,550,500</u>

Long-Term Debt

At the end of the current fiscal year, Niobrara County had debt of \$26,616 from capital leases for two 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, 2018

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Total</u>
ASSETS		
Cash and cash equivalents	\$ 5,077,167	\$ 5,077,167
Investments, at fair value	-	-
Receivables	1,444,413	1,444,413
Inventory	661,841	661,841
Restricted assets		
Cash and cash equivalents	10,000	-
Beneficial interest in assets held by others	-	-
Capital assets, not being depreciated	1,590,738	1,590,738
Capital assets, net of accumulated depreciation	10,437,394	10,437,394
Total assets	<u>19,221,553</u>	<u>19,211,553</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan items	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>-</u>	<u>-</u>
LIABILITIES		
Accounts payable	62,014	62,014
Funds held in trust	14,832	14,832
Noncurrent liabilities		
Long-term debt due within one year	7,903	7,903
Long-term debt due in more than one year	<u>49,078</u>	<u>49,078</u>
Total liabilities	<u>133,827</u>	<u>133,827</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable property tax revenue	1,110,838	1,110,838
Unavailable grant revenue	102	102
Pension plan items	-	-
Total deferred inflows of resources	<u>1,110,940</u>	<u>1,110,940</u>
NET POSITION		
Net investment in capital assets	12,000,516	12,000,516
Restricted for		
County road construction (W.S. 24-2-110)	625,752	625,752
E-911	39,480	39,480
Inventory	661,841	661,841
Special purpose tax	863,583	863,583
Library foundation		
Expendable	-	-
Permanent endowment for the library (nonexpendable)	-	-
Unrestricted	<u>3,785,614</u>	<u>3,785,614</u>
Total net position	<u>\$ 17,976,786</u>	<u>\$ 17,976,786</u>

See accompanying notes to the financial statements

Component Units

Woodland Pest Control District	County Library Board	County Fair Board	Preston Management District
\$ 475,150	\$ 86,667	\$ 49,695	\$ 53,349
832,900	-	-	262,671
290,029	153,601	5,576	-
94,583	-	-	-
-	233,810	-	-
-	2,014,467	-	-
16,906	550	11,635	-
357,344	795,130	1,119,714	-
<u>2,066,912</u>	<u>3,284,225</u>	<u>1,186,620</u>	<u>316,020</u>
46,522	-	-	-
46,522	-	-	-
12,785	16,503	-	-
-	-	-	-
-	-	-	-
126,842	6,940	-	-
<u>139,627</u>	<u>23,443</u>	-	-
211,613	153,268	5,564	-
-	-	-	-
30,402	-	-	-
<u>242,015</u>	<u>153,268</u>	<u>5,564</u>	-
374,250	795,680	1,131,349	-
-	-	-	-
-	-	-	-
-	-	-	-
-	233,810	-	-
-	2,014,467	-	-
1,357,542	63,557	49,707	316,020
<u>\$ 1,731,792</u>	<u>\$ 3,107,514</u>	<u>\$ 1,181,056</u>	<u>\$ 316,020</u>

NIOBRARA COUNTY, WYOMING

STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

Function/Programs	Program Revenues			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government				
Governmental activities				
General government	\$ 2,031,532	\$ 58,659	\$ -	\$ -
Public safety	1,174,009	16,725	174,394	4,338
Public works	858,359	-	69,850	-
Health, welfare and recreation	25,889	9,861	7,325	-
Conservation of natural resources	72,951	-	-	-
Interest on long-term debt	836	-	-	-
Total governmental activities	<u>4,163,576</u>	<u>85,245</u>	<u>251,569</u>	<u>4,338</u>
Total primary government	<u>4,163,576</u>	<u>85,245</u>	<u>251,569</u>	<u>4,338</u>
Component units				
Weed and Pest Control District	391,652	176,586	10,000	-
County Library Board	440,343	-	25,750	-
County Fair Board	150,254	-	-	-
Predator Management District	191,939	58,102	130,000	-
Total component units	<u>\$ 1,174,188</u>	<u>\$ 234,688</u>	<u>\$ 165,750</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

Net (Expense) Revenue and Changes in Net Position

<u>Primary Government</u>		<u>Component Units</u>			
<u>Governmental Activities</u>	<u>Total</u>	<u>Weed and Pest Control District</u>	<u>County Library Board</u>	<u>County Fair Board</u>	<u>Pediment Management District</u>
\$ (1,972,873)	\$ (1,972,873)	\$ -	\$ -	\$ -	\$ -
(978,552)	(978,552)	-	-	-	-
(788,509)	(788,509)	-	-	-	-
(8,703)	(8,703)	-	-	-	-
(72,951)	(72,951)	-	-	-	-
(836)	(836)	-	-	-	-
<u>(3,822,424)</u>	<u>(3,822,424)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(3,822,424)</u>	<u>(3,822,424)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	(205,066)	-	-	-
-	-	-	(414,593)	-	-
-	-	-	-	(150,254)	-
-	-	-	-	-	(3,827)
<u>-</u>	<u>-</u>	<u>(205,066)</u>	<u>(414,593)</u>	<u>(150,254)</u>	<u>(3,827)</u>
1,046,579	1,046,579	221,623	160,304	5,957	-
637,526	637,526	-	-	-	-
1,953,798	1,953,798	-	-	-	-
112,511	112,511	-	-	-	-
891,461	891,461	136	157,278	23,569	37
-	-	-	90,601	-	-
33,421	33,421	4,581	200,447	177	3,264
<u>4,675,296</u>	<u>4,675,296</u>	<u>226,340</u>	<u>608,630</u>	<u>29,703</u>	<u>3,301</u>
852,872	852,872	21,274	194,037	(120,551)	(536)
16,812,553	16,812,553	1,710,518	2,913,477	1,301,607	316,556
311,361	311,361	-	-	-	-
<u>17,123,914</u>	<u>17,123,914</u>	<u>1,710,518</u>	<u>2,913,477</u>	<u>1,301,607</u>	<u>316,556</u>
<u>\$17,976,786</u>	<u>\$17,976,786</u>	<u>\$ 1,731,792</u>	<u>\$ 3,107,514</u>	<u>\$ 1,181,056</u>	<u>\$ 316,020</u>

NIOBRARA COUNTY, WYOMING

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018**

	<u>General Fund</u>	<u>County Road Construction Fund</u>
ASSETS		
Cash and cash equivalents	\$ 4,101,216	\$ 51,246
Property taxes receivable	1,113,251	-
Accounts receivable	42,307	-
Due from other governments	168,659	32,238
Due from other funds	72,698	-
Inventory	119,573	542,268
Total assets	<u>\$ 5,617,704</u>	<u>\$ 625,752</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 61,870	\$ -
Due to other funds	-	-
Funds held in trust	14,832	-
Total liabilities	<u>76,702</u>	<u>-</u>
Deferred inflows of resources		
Unavailable property tax revenues	1,110,838	-
Unavailable grant revenue	-	-
Total deferred inflows of resources	<u>1,110,838</u>	<u>-</u>
Fund balances		
Nonspendable	119,573	-
Restricted - state legislation	-	625,752
Restricted - E-911	-	-
Restricted - special purpose tax	-	-
Committed for 1% projects	-	-
Unassigned	4,310,501	-
Total fund balances	<u>4,430,164</u>	<u>625,752</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,617,704</u>	<u>\$ 625,752</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
\$ 630,100	\$ -	\$ 30,628	\$ 233,483	\$ 40,493	\$ 5,087,166
-	-	-	-	-	1,113,251
-	79,049	8,852	-	58	42,307
-	-	-	-	-	288,856
-	-	-	-	-	72,698
-	-	-	-	-	661,841
<u>\$ 630,100</u>	<u>\$ 79,049</u>	<u>\$ 39,480</u>	<u>\$ 233,483</u>	<u>\$ 40,551</u>	<u>\$ 7,266,119</u>
\$ -	\$ 144	\$ -	\$ -	\$ -	\$ 62,014
-	72,698	-	-	-	72,698
-	-	-	-	-	14,832
-	<u>72,842</u>	-	-	-	<u>149,544</u>
-	-	-	-	-	1,110,838
-	<u>102</u>	-	-	-	<u>102</u>
-	<u>102</u>	-	-	-	<u>1,110,940</u>
-	-	-	-	-	119,573
-	-	-	-	-	625,752
-	-	39,480	-	-	39,480
630,100	-	-	233,483	-	863,583
-	-	-	-	40,551	40,551
-	<u>6,105</u>	-	-	-	<u>4,316,696</u>
<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>
<u>\$ 630,100</u>	<u>\$ 79,049</u>	<u>\$ 39,480</u>	<u>\$ 233,483</u>	<u>\$ 40,551</u>	<u>\$ 7,266,119</u>

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NIOBRARA COUNTY, WYOMING

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

June 30, 2018

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

Total fund balances - governmental funds \$ 6,005,635

Capital assets used in governmental activities are not financial resources and,
therefore, are not reported in the funds. 12,028,132

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. (56,981)

Net position of governmental activities \$ 17,976,786

NIOBRARA COUNTY, WYOMING

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	General Fund	County Road Construction Fund
Revenues		
Taxes	\$ 1,796,615	\$ -
Intergovernmental revenues	1,522,158	431,640
Charges for services	186,549	-
Investment earnings	26,166	2,187
Miscellaneous revenues and reimbursements	238,226	-
Total revenues	3,769,714	433,827
Expenditures		
Current		
General government	1,865,637	-
Public safety	860,767	-
Public works	615,058	396,451
Health, welfare and recreation	19,651	-
Conservation of natural resources	72,594	-
Debt service		
Principal	7,700	-
Interest	836	-
Total expenditures	3,442,248	396,451
Excess (deficiency) of revenues over expenditures	327,471	37,376
Other financing sources (uses)		
Transfers in	114,756	-
Transfers out	-	(34,756)
Total other financing sources (uses)	114,756	(34,756)
Net change in fund balance	442,227	2,620
Fund balances - beginning of year, as previously stated	3,987,937	311,771
Prior period adjustment	-	311,361
Fund balances - beginning of year, as restated	3,987,937	623,132
Fund balances - end of year	\$ 4,430,164	\$ 625,752

See accompanying notes to the financial statements

<u>Capital Facilities Fair, Library, Courthouse Fund</u>	<u>Federal and State Grants Fund</u>	<u>E-911 Fund</u>	<u>Jail O&M Fund</u>	<u>1% Fund</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,796,615
-	219,630	36,275	-	-	2,209,703
-	-	-	-	-	186,549
2,772	-	-	1,753	543	33,421
-	-	-	-	-	238,226
<u>2,772</u>	<u>219,630</u>	<u>36,275</u>	<u>1,753</u>	<u>543</u>	<u>4,464,514</u>
-	-	-	-	-	1,865,637
-	138,493	48,141	-	-	1,047,401
-	69,850	-	-	-	1,081,359
-	6,238	-	-	-	25,889
-	-	-	-	-	72,594
-	-	-	-	-	7,700
-	-	-	-	-	836
-	<u>204,581</u>	<u>48,141</u>	-	-	<u>4,101,416</u>
<u>2,772</u>	<u>5,049</u>	<u>(11,866)</u>	<u>1,753</u>	<u>543</u>	<u>363,098</u>
-	-	-	-	-	114,756
-	-	-	(80,000)	-	(114,756)
-	-	-	<u>(80,000)</u>	-	-
2,772	5,049	(11,866)	(78,247)	543	363,098
<u>627,328</u>	<u>1,056</u>	<u>51,346</u>	<u>311,730</u>	<u>40,008</u>	<u>5,331,176</u>
-	-	-	-	-	311,361
<u>627,328</u>	<u>1,056</u>	<u>51,346</u>	<u>311,730</u>	<u>40,008</u>	<u>5,642,537</u>
<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>

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, 2018**

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

Net change in fund balances - total governmental funds		\$ 363,098
--	--	------------

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 capital outlay exceeds depreciation.

Additions to capital assets	\$ 1,602,285		
Gain (loss) on disposition of assets	(849)		
Depreciation expense	<u>(1,123,804)</u>		477,632

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 these differences in the statement.

Principal paid on long-term debt obligations	7,700		
Decrease in compensated absences	<u>4,442</u>		<u>12,142</u>

Change in net position of governmental activities		<u>\$ 852,872</u>
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NIOBRARA COUNTY, WYOMING

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2018

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 1,363,466
Investments, at fair value	1,000
Accounts receivable	<u>215,196</u>
Total assets	<u>\$ 1,579,662</u>
LIABILITIES	
Due to other governments	<u>\$ 1,579,662</u>
Total liabilities	<u>\$ 1,579,662</u>

See accompanying notes to the financial statements

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NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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, or income thereon, which the Foundation holds or invests, is restricted to the activities of the Library by the donors. Because the restricted resources held by the Foundation can only be used by, or for the benefit of, the Library, the Foundation is considered a component unit of the Library and is included in the Library's financial statements.

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, 2018

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, 2018

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.

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

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

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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 and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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 on September 1 and March 1. The County bills and collects its own property taxes and also taxes for all municipalities and political subdivisions within the County. Collections and remittances of these taxes for other taxing districts are accounted for in the respective agency funds of the County.

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

NIORARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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, 2018, 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:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Infrastructure	30-50
Vehicles, machinery and equipment	5

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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, 2018

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

Assets, Deferred Outflows, Liabilities, Deferred Inflows, 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 government’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, 2018

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

Assets, Deferred Outflows, Liabilities, Deferred Inflows, 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, 2018, 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	\$3,582,786	N/A	\$3,582,786	\$ -	\$ -	\$ -	N/A
WGIF	738,995	N/A	738,995	-	-	-	AAAm
WYOSTAR Investment Pool	2,118,852	N/A	2,118,852	-	-	-	N/A
Total deposits	6,440,633		6,440,633	-	-	-	
Investments							
Certificates of deposit (term greater than 3 months)	11,000	2.35%	-	11,000	-	-	N/A
Total investments	11,000		-	11,000	-	-	
Total deposits and investments	\$6,451,633		\$6,440,633	\$11,000	\$ -	\$ -	

NIORARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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	\$ 5,077,167
Restricted cash and cash equivalents in the government-wide statement of net position	10,000
Cash and cash equivalents in the statement of fiduciary net position - fiduciary funds	1,363,466
Total deposits	6,450,633
Investments in the statement of fiduciary net position - fiduciary funds	1,000
Total deposits and investments	\$ 6,451,633

As of June 30, 2018, 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	\$ 898,671	N/A	\$ 898,671	\$ -	\$ -	\$ -	N/A
Total deposits	898,671		898,671	-	-	-	
Investments							
Certificates of deposit (term greater than 3 months)	832,900	0.30-1.05%	832,900				N/A
WYOSTAR Investment Pool	262,671		262,671				N/A
Total investments	1,095,571		1,095,571	-	-	-	
Total deposits and investments	\$1,994,242		\$1,994,242	\$ -	-	\$ -	

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	\$ 475,150
County Library Board	86,667
County Library Board (Restricted)	233,810
County Fair Board	49,695
Predator Management District	53,349
Total deposits	898,671
Investments in the government-wide statement of net position -	
Weed and Pest Control District	832,900
Predator Management District	262,671
Total investments	1,095,571
Total deposits and investments	\$ 1,994,242

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

Note 2. Deposits and Investments (Continued)

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

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

Concentration of credit risk The County does not have a formal policy that allows or limits an investment in any one issuer to a specified percentage of the County's total investments. The composition of the investment portfolio of the County at June 30, 2018 is as follows:

Deposit and Investment Types	Fair Value	Percent of Portfolio
WGIF	\$ 738,995	25.86%
WYOSTAR Investment Pool	2,118,852	74.14%
	\$ 2,857,847	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, 2018, 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. Management does not believe its cash balances are at significant risk as a result of not being fully insured or collateralized. The County has not incurred any losses related to uninsured deposits.

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, 2018, the County had balances in the bank of \$3,907,353 with a carrying amount of 5,077,167. 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.

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.

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

Note 2. Deposits and Investments (Continued)

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, 2018, the County's component units had balances in the bank of \$1,768,856 with a carrying amount of \$1,760,463. 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, 2018:

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, 2018

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, 2018:

Primary government investments

	Assets at Fair Value as of June 30, 2018			Total
	Level 1	Level 2	Level 3	
Investments by fair value level				
WGIF	\$ 738,995	\$ -	\$ -	\$ 738,995
WYOSTAR investment pool	2,118,852	-	-	2,118,852
U.S. government agency mortgage backed securities	114	-	-	114
Total investments at fair value	\$ 2,857,961	\$ -	\$ -	2,857,961
Other investments				
Certificates of deposit				11,000
Money market				9,437
Total other investments				20,437
Less: amounts reported as cash and cash equivalents				(2,867,398)
Total primary government investments				\$ 11,000

Component unit investments

	Assets at Fair Value as of June 30, 2018			Total
	Level 1	Level 2	Level 3	
Investments by fair value level				
WYOSTAR investment pool	\$ 262,671	\$ -	\$ -	\$ 262,671
Total investments at fair value	\$ 262,671	\$ -	\$ -	262,671
Other investments				
Certificates of deposit				832,900
Beneficial interest in assets held by Wyoming Community Foundation				2,014,467
Total other investments				2,847,367
Total component unit investments				\$ 3,110,038

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

Note 3. Receivables

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	\$ 1,113,251	\$ -	\$ -	\$ -	\$ 1,113,251
Accounts receivable	42,307	-			42,307
Due from other governments	168,659	32,238	79,049	8,852	288,798
	<u>\$ 1,324,217</u>	<u>\$ 32,238</u>	<u>\$ 79,049</u>	<u>\$ 8,852</u>	<u>\$ 1,444,356</u>

Note 4. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 40,997	\$ -	\$ -	\$ 40,997
Construction in progress	974,392	575,349	-	1,549,741
Total capital assets, not being depreciated	<u>1,015,389</u>	<u>575,349</u>	<u>-</u>	<u>1,590,738</u>
Capital assets, being depreciated				
Buildings	6,108,845	12,801	-	6,121,646
Vehicles, machinery and equipment	4,967,693	299,147	74,888	5,191,952
Infrastructure	18,724,221	714,988	-	19,439,209
Total capital assets, being depreciated	<u>29,800,759</u>	<u>1,026,936</u>	<u>74,888</u>	<u>30,752,807</u>
Less accumulated depreciation for				
Buildings	2,913,408	170,525	-	3,083,933
Vehicles, machinery and equipment	3,828,769	297,411	74,039	4,052,141
Infrastructure	12,523,471	655,868	-	13,179,339
Total accumulated depreciation	<u>19,265,648</u>	<u>1,123,804</u>	<u>74,039</u>	<u>20,315,413</u>
Total capital assets, being depreciated, net	<u>10,535,111</u>	<u>(96,868)</u>	<u>849</u>	<u>10,437,394</u>
Total capital assets, net	<u>\$ 11,550,500</u>	<u>\$ 478,481</u>	<u>\$ 849</u>	<u>\$ 12,028,132</u>

NIORARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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	\$ 189,677
Public safety	170,541
Public works	763,263
Conservation of natural resources	323
	<u>1,123,804</u>
Total depreciation expense - governmental activities	<u>\$ 1,123,804</u>

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 \$40,904 with accumulated depreciation of \$14,541 and current year depreciation expense of \$7,188 was expensed in general government activities.

Discretely Presented Component Units

Activity for the Weed and Pest Control District for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	\$ 16,906	\$ —	\$ —	\$ 16,906
Total capital assets, not being depreciated	<u>16,906</u>	<u>—</u>	<u>—</u>	<u>16,906</u>
Capital assets, being depreciated				
Buildings	475,445	—	—	475,445
Vehicles, machinery and equipment	236,141	5,300	16,497	224,944
Total capital assets, being depreciated	<u>711,586</u>	<u>5,300</u>	<u>16,497</u>	<u>700,389</u>
Less accumulated depreciation for				
Buildings	135,331	12,188	—	147,519
Vehicles, machinery and equipment	199,814	12,209	16,497	195,526
Total accumulated depreciation	<u>335,145</u>	<u>24,397</u>	<u>16,497</u>	<u>343,045</u>
Total capital assets, being depreciated, net	<u>376,441</u>	<u>(19,097)</u>	<u>—</u>	<u>357,344</u>
Total capital assets, net	<u>\$ 393,347</u>	<u>\$ (19,097)</u>	<u>\$ —</u>	<u>\$ 374,250</u>

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

Note 4. Capital Assets (Continued)

Discretely Presented Component Units (Continued)

Activity for the County Library Board for the year ended June 30, 2018 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	709,133	37,857		746,990
Machinery and equipment	1,073,017	136,913	95,456	1,114,474
Total capital assets, being depreciated	1,782,150	174,770	95,456	1,861,464
Less accumulated depreciation for				
Buildings	257,479	26,471	-	283,950
Machinery and equipment	795,339	69,961	82,916	782,384
Total accumulated depreciation	1,052,818	96,432	82,916	1,066,334
Total capital assets, being depreciated net	729,332	78,338	12,540	795,130
Total capital assets, net	\$ 729,882	\$ 78,338	\$ 12,540	\$ 795,680

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

Note 4. Capital Assets (Continued)

Discretely Presented Component Units (Continued)

Activity for the County Fair Board for the year ended June 30, 2018 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	<u>11,635</u>	<u>-</u>	<u>-</u>	<u>11,635</u>
Capital assets, being depreciated				
Buildings	1,844,628	-	-	1,844,628
Machinery and equipment	41,940	-	-	41,940
Total capital assets, being depreciated	<u>1,886,568</u>	<u>-</u>	<u>-</u>	<u>1,886,568</u>
Less accumulated depreciation for				
Buildings	650,877	75,675	-	726,552
Machinery and equipment	39,042	1,260	-	40,302
Total accumulated depreciation	<u>689,919</u>	<u>76,935</u>	<u>-</u>	<u>766,854</u>
Total capital assets, being depreciated net	<u>1,196,649</u>	<u>(76,935)</u>	<u>-</u>	<u>1,119,714</u>
Total capital assets, net	<u>\$ 1,208,284</u>	<u>\$ (76,935)</u>	<u>\$ -</u>	<u>\$ 1,131,349</u>

Activity for the Predator Management District for the year ended June 30, 2018 was as follows:

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

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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, 2018:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Due Within</u> <u>One Year</u>
Primary Government					
Lease purchase obligations	\$ 35,316	\$ -	\$ 7,700	\$ 27,616	\$ 7,903
Compensated absences	33,807	-	4,442	29,365	-
Total primary government	<u>\$ 69,123</u>	<u>\$ -</u>	<u>\$ 12,142</u>	<u>\$ 56,981</u>	<u>\$ 7,903</u>
Discretely Presented Component Units					
Weed and Pest Control District					
Compensated absences	\$ 8,399	\$ -	\$ 2,968	\$ 5,431	\$ -
Pension liability	109,273	12,138	-	121,411	-
Total Weed and Pest Control District	<u>\$ 117,672</u>	<u>\$ 12,138</u>	<u>\$ 2,968</u>	<u>\$ 126,842</u>	<u>\$ -</u>
County Library Board					
Compensated absences	\$ 7,393	\$ -	\$ 453	\$ 6,940	\$ -
Total County Library Board	<u>\$ 7,393</u>	<u>\$ -</u>	<u>\$ 453</u>	<u>\$ 6,940</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, 2018 is as follows:

Primary Government

Lease Purchase Obligations

Lease purchase obligations collateralized by the assets noted as of June 30, 2018 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.	16,352
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.	4,801
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.	6,463
	<u>27,616</u>
Less current maturities of lease purchase obligations	7,903
	<u>\$ 19,713</u>

NIOBRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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, 2018 are as follows:

Year ending June 30,

2019	\$	8,536
2020		8,536
2021		8,536
2022		3,302
Total minimum lease payments		28,910
Less: amount representing interest		1,294
Net present value of minimum lease payments	\$	27,616

Note 6. Interfund Transfers

Interfund transfers at June 30, 2018 consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 114,756	\$ -
Capital Project Funds		
County Road Construction	-	34,756
Jail O&M	-	80,000
	\$ 114,756	\$ 114,756

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, 2018, the County Road Construction fund and the Jail O&M fund transferred money to the General Fund.

Note 7. Net Position Restricted by Legislation

The government-wide statement of net position reports \$2,190,656 of restricted net position. The amount which is restricted for road construction by State legislation is \$625,752, and E-911 fund has \$39,480 restricted by federal regulations.

NIORARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

Note 8. 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 \$48,510 and \$13,407, respectively.

During the year ended June 30, 2018, 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, 2018.

Note 9. 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 \$67,991 occurred during the year ended June 30, 2018. 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 \$2,014,467 as of June 30, 2018.

Note 10. Construction Commitments

The County had two outstanding construction projects as of June 30, 2018. At year end the County's construction commitments are as follows:

Project Name	Original Contract Amount	Expended To Date	Remaining Commitment
Lance Creek Bridge	\$ 1,526,326	\$ 1,526,326	\$ -
Jail improvements	87,305	23,415	63,890
Total construction commitments	\$ 1,613,631	\$ 1,549,741	\$ 63,890

NIORRARA COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

Note 11. Transactions with Related Parties and with Component Units

During the fiscal year ended June 30, 2018, the County provided \$23,175 and \$102,331 in support to the Niobrara County Public Library and Niobrara County Fair, respectively.

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. 85, *Omnibus 2017*, establishes accounting and financial reporting requirements for blending component units, goodwill, classifying real estate held by insurance entities, measuring certain money market investments and participating interest-earning contracts at amortized cost, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of the Statement are effective for reporting periods beginning after June 15, 2017. Management has not completed its assessment of the effects of implementing this standard.

Note 13. Prior Period Adjustment

In the prior year, 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 the prior year. The inventory in 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, 2017	Increase (Decrease)	Restated June 30, 2017
<i>Governmental activities</i>			
County Road Construction Fund			
Net position	\$ 16,812,553	\$ 311,361	\$17,123,914

Note 14. Subsequent Events

Subsequent to June 30, 2018, the County has purchased various pieces of equipment in the amount of \$234,285, and entered into construction contracts for multiple projects, including road rehabilitation, roof replacement, and HVAC installation in the amount of \$200,387. The County also purchased gravel for \$150,000.

REQUIRED SUPPLEMENTARY INFORMATION

NIOBRARA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) -
 GENERAL FUND
 (Unaudited)
 Year Ended June 30, 2018

	Budget Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
PROPERTY TAXES AND OTHER TAXES				
Property taxes				
- current and delinquent	\$ 1,040,916	\$ 1,040,916	\$ 1,047,110	\$ 6,194
Vehicle fees	110,000	110,000	112,511	2,511
Payments in lieu of property taxes	194,221	194,221	338,309	144,088
Sales and use taxes	272,743	272,743	366,205	93,462
1% optional tax	170,000	170,000	238,921	-
	<u>1,787,880</u>	<u>1,787,880</u>	<u>2,103,056</u>	<u>315,176</u>
INTERGOVERNMENTAL REVENUES				
State gasoline tax	123,665	123,665	124,923	1,258
Car company tax	10,000	10,000	10,322	322
Severance tax	859,753	859,753	861,117	1,364
Special fuel tax	207,778	207,778	181,751	(26,027)
	<u>1,201,196</u>	<u>1,201,196</u>	<u>1,178,113</u>	<u>(23,083)</u>
CHARGES FOR SERVICES				
Clerk of Court fees	5,500	5,500	3,704	(1,796)
Treasurer	5,500	5,500	5,029	(471)
Assessor	2,000	2,000	3,083	1,083
County Clerk fees	50,000	50,000	41,982	(8,018)
County Sheriff fees	5,500	5,500	8,535	3,035
Inmate housing	100,000	100,000	80,003	(19,997)
Town of Lusk ESRI license fees	1,175	1,175	1,175	-
Liquor permits	750	750	690	(60)
Public health nurse	500	500	261	(239)
County health officer	7,200	7,200	19,200	12,000
Civil fees	6,000	6,000	6,285	285
	<u>184,125</u>	<u>184,125</u>	<u>169,947</u>	<u>(14,178)</u>
MISCELLANEOUS REVENUES				
Interest earnings	6,500	6,500	19,254	12,754
Interest on delinquent taxes	3,500	3,500	1,870	(1,630)
Other income	153,594	153,594	235,710	82,116
	<u>163,594</u>	<u>163,594</u>	<u>256,834</u>	<u>93,240</u>
Total revenues	<u>3,336,795</u>	<u>3,336,795</u>	<u>3,707,950</u>	<u>371,155</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, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
County Commissioners				
Salaries	\$ 51,543	\$ 51,543	\$ 51,543	\$ -
Other expenditures	12,500	12,500	10,407	2,093
	<u>64,043</u>	<u>64,043</u>	<u>61,950</u>	<u>2,093</u>
County Clerk				
Salaries	98,655	98,655	96,789	1,866
Other expenditures	23,710	23,710	14,913	8,797
Capital outlay	2,000	2,000	1,764	236
	<u>124,365</u>	<u>124,365</u>	<u>113,466</u>	<u>10,899</u>
County Treasurer				
Salaries	106,050	106,050	101,790	4,260
Other expenditures	11,250	11,250	7,054	4,196
Capital outlay	2,000	2,000	-	2,000
	<u>119,300</u>	<u>119,300</u>	<u>108,844</u>	<u>10,456</u>
County Assessor				
Salaries	106,770	106,770	106,088	682
Other expenditures	26,655	26,655	25,636	1,019
Capital outlay	500	500	-	500
	<u>133,925</u>	<u>133,925</u>	<u>131,724</u>	<u>2,201</u>
County Attorney				
Salaries	123,328	123,328	118,141	5,187
Other expenditures	16,700	16,700	13,254	3,446
	<u>140,028</u>	<u>140,028</u>	<u>131,395</u>	<u>8,633</u>
Clerk of District Court - Administration				
Salaries	96,521	96,521	91,498	5,023
Other expenditures	27,750	27,750	12,673	15,077
Capital outlay	2,000	2,000	1,999	1
	<u>126,271</u>	<u>126,271</u>	<u>106,170</u>	<u>20,101</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, 2018

	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	14,400	14,400	14,125	275
Capital outlay	500	500	500	-
	<u>14,900</u>	<u>14,900</u>	<u>14,625</u>	<u>275</u>
Facilities				
Other expenditures	249,934	249,934	253,185	(3,251)
Capital outlay	84,000	84,000	42,136	41,864
	<u>333,934</u>	<u>333,934</u>	<u>295,321</u>	<u>38,613</u>
Other general accounts				
Community and economic development	2,250	2,250	-	2,250
Unemployment and FICA	156,700	156,700	147,520	9,180
Retirement match	160,000	160,000	151,800	8,200
Health coalition/mental health	1,500	1,500	1,500	-
Financial administration	25,000	25,000	25,536	(536)
Printing and publishing	15,000	15,000	14,505	495
Insurance	97,500	97,500	106,046	(8,546)
Other miscellaneous	151,600	179,741	188,503	(8,762)
Information technology	10,000	10,000	12,281	(2,281)
	<u>619,550</u>	<u>647,691</u>	<u>647,691</u>	<u>-</u>
Optional 1% Tax				
Intergovernmental expenditures	170,000	238,921	238,921	-
	<u>1,858,316</u>	<u>1,955,378</u>	<u>1,862,107</u>	<u>93,271</u>
Total general government				(Continued)

See accompanying notes to required supplementary information

NIOBARRA COUNTY, WYOMING

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

(Unaudited)

Year Ended June 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
PUBLIC SAFETY				
County Sheriff				
Salaries	\$ 227,809	\$ 227,809	\$ 233,309	\$ (5,500)
Other expenditures	62,350	62,988	57,427	5,561
Capital outlay	3,500	3,500	3,561	(61)
	<u>293,659</u>	<u>294,297</u>	<u>294,297</u>	<u>-</u>
County Coroner				
Salaries	12,610	12,610	12,610	-
Other expenditures	13,200	13,200	2,874	10,326
Capital outlay	1,000	1,000	280	720
	<u>26,810</u>	<u>26,810</u>	<u>15,764</u>	<u>11,046</u>
Detention				
Salaries	250,267	250,267	231,816	18,451
Other expenditures	108,815	85,515	75,987	9,528
Capital outlay	3,000	3,000	2,584	416
	<u>362,082</u>	<u>338,782</u>	<u>310,387</u>	<u>28,395</u>
Emergency Management				
Salaries	5,400	5,400	5,400	-
Other expenditures	2,750	2,750	1,617	1,133
Capital outlay	800	800	-	800
	<u>8,950</u>	<u>8,950</u>	<u>7,017</u>	<u>1,933</u>
911 Dispatch				
Salaries	191,622	191,622	190,584	1,038
Other expenditures	18,100	22,900	21,529	1,371
Capital outlay	4,000	21,862	23,959	(2,097)
	<u>213,722</u>	<u>236,384</u>	<u>236,072</u>	<u>312</u>
Total public safety	<u>905,223</u>	<u>905,223</u>	<u>863,537</u>	<u>41,686</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, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
PUBLIC WORKS				
Road and Bridge				
Salaries	\$ 218,189	\$ 218,189	\$ 215,523	\$ 2,666
Other expenditures	259,750	259,750	210,542	49,208
Capital outlay	175,450	175,450	176,649	(1,199)
Total public works	<u>653,389</u>	<u>653,389</u>	<u>602,714</u>	<u>50,675</u>
HEALTH, WELFARE AND RECREATION				
Health Officer				
Salaries	7,200	9,600	9,600	-
	<u>7,200</u>	<u>9,600</u>	<u>9,600</u>	<u>-</u>
Public Health Nurse				
Contractual services	20,124	20,124	10,073	10,051
	<u>20,124</u>	<u>20,124</u>	<u>10,073</u>	<u>10,051</u>
Total health, welfare and recreation	<u>27,324</u>	<u>29,724</u>	<u>19,673</u>	<u>10,051</u>
CONSERVATION OF NATURAL RESOURCES				
Agriculture department				
Salaries	27,987	27,987	26,526	1,461
Other expenditures	49,165	49,165	44,740	4,425
Capital outlay	1,500	1,500	1,477	23
Total conservation of natural resources	<u>78,652</u>	<u>78,652</u>	<u>72,743</u>	<u>5,909</u>
Total expenditures	<u>3,522,904</u>	<u>3,622,366</u>	<u>3,420,774</u>	<u>201,592</u>
Excess (deficiency) of revenues over expenditures	<u>(186,109)</u>	<u>(285,571)</u>	<u>287,176</u>	<u>572,747</u>
Other financing sources				
Transfers in	130,000	130,000	114,756	(15,244)
Total other financing sources	<u>130,000</u>	<u>130,000</u>	<u>114,756</u>	<u>(15,244)</u>
Net change in fund balance	(56,109)	(155,571)	401,932	\$ 557,503
Fund balance - beginning of year	<u>3,770,550</u>	<u>3,770,550</u>	<u>3,770,550</u>	
Fund balance - end of year	<u>\$ 3,714,441</u>	<u>\$ 3,614,979</u>	<u>\$ 4,172,482</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, 2018

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental revenues	\$ 470,589	\$ 475,589	\$ 134,757	\$ (340,832)
Total revenues	<u>470,589</u>	<u>475,589</u>	<u>134,757</u>	<u>(340,832)</u>
Expenditures				
Public safety	214,089	214,089	138,349	75,740
Public works	254,850	254,850	69,850	185,000
Health, welfare and recreation	3,558	8,558	6,603	1,955
Total expenditures	<u>472,497</u>	<u>477,497</u>	<u>214,802</u>	<u>262,695</u>
Net change in fund balance	<u>(1,908)</u>	<u>(1,908)</u>	<u>(80,045)</u>	<u>\$ (78,137)</u>
Fund balance - beginning of year	<u>7,347</u>	<u>7,347</u>	<u>7,347</u>	
Fund balance (deficit) - end of year	<u>\$ 5,439</u>	<u>\$ 5,439</u>	<u>\$ (72,698)</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) -**

**E-911 FUND
(Unaudited)**

Year Ended June 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final		(Negative)
Revenues				
Intergovernmental revenues	\$ 35,000	\$ 35,000	\$ 35,783	\$ 783
Total revenues	35,000	35,000	35,783	783
Expenditures				
Public safety	77,986	77,986	48,141	29,845
Total expenditures	77,986	77,986	48,141	29,845
Net change in fund balance	(42,986)	(42,986)	(12,358)	\$ 30,628
Fund balance - beginning of year	42,986	42,986	42,986	
Fund balance - end of year	\$ -	\$ -	\$ 30,628	

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, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ 427	\$ 427
Total revenues			427	427
Expenditures				
Public safety	40,008	40,008		40,008
Total expenditures	40,008	40,008		40,008
Net change in fund balance	(40,008)	(40,008)	427	\$ 40,435
Fund balance - beginning of year	40,008	40,008	40,008	
Fund balance - end of year	\$ -	\$ -	\$ 40,435	

See accompanying notes to required supplementary information

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NIOBRARA COUNTY, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

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	\$ 3,707,950	\$ 134,757	\$ 35,783	\$ 427
Differences - Budget Basis to GAAP				
Accrual of future property taxes receivable	68,472			
Accrual of accounts receivable	21,004	84,873	492	58
Accrual of gas and sales tax receivable	38,137			
Deferral of future property tax revenue	(69,274)			
Accrual of due to component units	2,294			
Miscellaneous reconciling items	1,131			58
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 3,769,714	\$ 219,630	\$ 36,275	\$ 543
Expenditures				
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 3,420,774	\$ 214,802	\$ 48,141	\$ -
Differences - Budget Basis to GAAP				
Accrual of accounts payable	8,556	144		
Accrual of wages payable	2,377			
Accrual of inventory	10,402			
Miscellaneous reconciling items	134	(365)		
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 3,442,243	\$ 214,581	\$ 48,141	\$ -

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 County amended the general fund budget during the year. 1% Option Tax was amended from \$170,000 to \$238,921, an increase of \$68,921 in unanticipated funds; Bonds and Insurance was amended from \$28,141 to \$44,000, an increase of \$15,859; Public Health Office was amended from \$7,200 to \$9,600, an increase of \$2,400; and the Public Health Grant was amended by \$5,000 to account for a grant awarded mid fiscal year

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OTHER SUPPLEMENTARY INFORMATION

NIOBRARA COUNTY, WYOMING

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

(Unaudited)

Year Ended June 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 416,582	\$ 416,582	\$ 431,286	\$ 14,704
Investment earnings	2,500	2,500	1,989	(511)
Total revenues	419,082	419,082	433,275	14,193
Expenditures				
Public works	649,068	649,068	396,451	252,617
Total expenditures	649,068	649,068	396,451	252,617
Excess (deficiency) of revenues over expenditures	(229,986)	(229,986)	36,824	266,810
Other financing (uses)				
Transfer out	(50,000)	(50,000)	(34,756)	15,244
Total other financing (uses)	(50,000)	(50,000)	(34,756)	15,244
Net change in fund balance	(279,986)	(279,986)	2,068	\$ (282,054)
Fund balance - beginning of year	279,986	279,986	279,986	
Fund balance - end of year	\$ -	\$ -	\$ 282,054	

COMPLIANCE SECTION

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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, 2018, 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 February 18, 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses, as item 2018-001 that we consider to be a significant deficiency.

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 February 18, 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
Porter, Muirhead, Cornia & Howard
Certified Public Accountants

Casper, Wyoming
February 18, 2019

NIOBRARA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2018

Significant Deficiencies in Internal Control over Financial Reporting

2018-001

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

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.

NIORARA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

Year Ended June 30, 2018

Response

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.

NIOBRARA COUNTY, WYOMING

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2018

Significant Deficiencies in Internal Control over Financial Reporting

2017-001: Noncompliance with State Budgetary Requirements

Condition

The County over expended the budgetary appropriations for the following departments by the amounts listed:

General Fund	
General government	
Facilities	\$ (17,347)
1% Optional Tax	(165)
Public Safety	
County sheriff	(17,740)
Total	<u>\$ (35,252)</u>

Status

This condition has been corrected.

2017-002: 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.