

NIOBRARA COUNTY,
WYOMING

Financial and Compliance Report

June 30, 2021





**NIOBRARA COUNTY,
WYOMING**

Financial and Compliance Report

June 30, 2021

This page is intentionally left blank

Table of Contents

Independent Auditor’s Report	1
Management’s Discussion and Analysis (Unaudited)	4
Basic Financial Statements	12
Government-wide Financial Statements	
Statement of Net Position.....	13
Statement of Activities.....	15
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	22
Statement of Fiduciary Net Position – Fiduciary Funds.....	23
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	24
Notes to the Financial Statements.....	25
Required Supplementary Information (Unaudited)	47
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis) – General Fund (Unaudited).....	48
Notes to Required Supplementary Information.....	50
Other Supplementary Information	51
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis) – County Road Construction Fund.....	52
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis) – Federal and State Grants Fund.....	53
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis) – E-911 Fund.....	54
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis) – 1% Fund.....	55
Combining Balance Sheet – Nonmajor Governmental Funds.....	56
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	58
Compliance Section	60
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>	61
Schedule of Findings and Responses.....	63
Summary Schedule of Prior Year Audit Findings	

This page is intentionally left blank

INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Niobrara County, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Niobrara County, Wyoming, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Niobrara County, Wyoming's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



MAIL: PO Box 2750
Casper, WY 82602-2750



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



LOCATION: 600 East 1st Street
Casper, WY 82601

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Niobrara County, Wyoming, as of June 30, 2021, 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.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 1 to the financial statements, Niobrara County, Wyoming adopted new accounting guidance with the implementation of GASB Statement No. 84, *Fiduciary Activities*. The District reported a restatement of beginning net position and fund balance for the change in accounting principle. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Niobrara County, Wyoming's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 March 1, 2022, on our consideration of Niobrara County, Wyoming's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering Niobrara County, Wyoming's internal control over financial reporting and compliance.



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming
March 1, 2022

This page is intentionally left blank



**MANAGEMENT'S
DISCUSSION
AND ANALYSIS**

This page is intentionally left blank

Management's Discussion and Analysis
(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, 2021.

Financial Highlights

- The assets of Niobrara County exceeded its liabilities at the close of the most recent fiscal year by \$18,037,629 (*net position*). Of this amount, \$5,544,498 (*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 \$6,957,304. Of this total amount, \$5,435,330 is available for spending at the government's discretion (unassigned).
- The County's debt, other than compensated absences, increased by \$3,784 due to the addition of new 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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains 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.

**Management's Discussion and Analysis
(Unaudited)**

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

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.

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 seven 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 seven funds. The general fund, the county road construction fund, and the capital facilities fair, library, courthouse 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 and other supplementary information

**Management's Discussion and Analysis
(Unaudited)*****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's net position, 62% 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 uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

Comparative Statement of Net Position

	<u>2021</u>	<u>2020</u>
Assets:		
Current and other assets	\$ 8,269,557	\$ 8,728,576
Capital assets	11,134,774	11,095,890
Total assets	<u>19,404,331</u>	<u>19,824,466</u>
Liabilities:		
Other liabilities	43,336	97,555
Long-term liabilities outstanding	80,519	45,147
Total liabilities	<u>123,855</u>	<u>142,702</u>
Deferred inflows of resources:		
Unavailable property tax revenue	1,242,847	1,275,331
Total deferred inflows of resources	<u>1,242,847</u>	<u>1,275,331</u>
Net position:		
Net investment in capital assets	11,116,938	11,081,838
Restricted for		
County road construction (W.S. 24-2-110)	691,987	809,504
E-911	14,758	(13,381)
Special purpose tax	669,448	701,613
Unrestricted	5,544,498	5,826,859
Total net position	<u>\$ 18,037,629</u>	<u>\$ 18,406,433</u>

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.

**Management's Discussion and Analysis
(Unaudited)**

The government's net position increased by approximately \$368,804 during the current fiscal year.

Comparative Statement of Changes in Net Position

	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues		
Charges for services	\$ 164,352	\$ 270,471
Operating grants and contributions	115,463	106,761
Capital grants and contributions	344,229	86,453
General revenues:		
Property taxes	1,274,026	1,237,010
Other taxes	2,452,418	2,859,525
Miscellaneous revenues and reimbursements	217,008	487,077
Unrestricted investment earnings	24,251	86,902
Total revenues	<u>4,591,747</u>	<u>5,134,199</u>
Expenses:		
General government	1,956,299	2,193,624
Public safety	1,203,842	1,267,228
Public works	1,318,386	1,300,690
Health, welfare and recreation	419,574	34,212
Conservation of natural resources	61,690	79,624
Interest on long-term debt	760	500
Total expenses	<u>4,960,551</u>	<u>4,875,878</u>
Change in net position	(368,804)	258,321
Net position - beginning of year, as previously stated	18,406,433	18,197,831
Prior period adjustment	-	(49,719)
Net position - beginning of year, as restated	<u>18,406,433</u>	<u>18,148,112</u>
Net position - end of year	<u>\$ 18,037,629</u>	<u>\$ 18,406,433</u>

Governments change in net position

Sales tax revenue decreased significantly due to reduced pipeline and mineral activity in the area, as well as travel restrictions and poor economic conditions associated with the COVID-19 pandemic. The Wyoming Women's Center stopped housing inmates at the County's detention facility; therefore, inmate housing decreased dramatically. In fiscal year 2020, the County received a cash settlement for ONEOK in lieu of ONEOK performing road repairs on roads impacted by the Elk Creek pipeline, and those repairs were performed during fiscal year 2021. This timing issue resulted in an increase in net position in the prior fiscal year and a decrease in net position in the current fiscal year.

**Management's Discussion and Analysis
(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 \$6,957,304, a decrease of \$332,528, 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 \$5,435,894. 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 decreased by \$210,820 during the current fiscal year.

General Fund Budgetary Highlights

Niobrara County remains steadfast in its commitment to its citizens to be as fiscally responsible as possible while performing statutory duties as efficiently as possible.

Grants continue to provide a source of revenue to the County. Public health used COVID grants to provide vaccine clinics and public information through advertising. The prevention grant allowed for activities the County would not otherwise undertake, including substance abuse and suicide prevention. Grant funds were also used for improvements to the fairgrounds auditorium, including HVAC upgrades, new lighting, and new flooring.

The general fund's budget for the road and bridge department was amended from \$772,895 to \$795,447, an increase of \$22,552.

**Management's Discussion and Analysis
(Unaudited)**

The County in fiscal year 2021 received several new unbudgeted and unanticipated grants. These were predominately due to COVID-19. Some funds were pass-through grant funds collected for the benefit of other entities, and all funds were received with specific expenditures restrictions and reporting requirements. The following is an overview of these funds:

Grant	Amount Awarded	Amounts Expended
Public Health Personnel Salaries to Support Contract Tracing & Testing Cost	\$81,168	\$41,587
Coronavirus Relief Fund – Emergency Management & Public Health Nurse Wages	\$18,824	\$18,824
COVID-19 Vaccination Outreach Activities	\$32,417	\$0
20-SHSP-NIO-HRP20 Purchase of Communication Equipment to Upgrade Internet Service for Emergency Shelter & EOC	\$8,000	\$6,476
WY Judicial Branch – Courtroom Technology Upgrades	\$5,382	\$5,382
Governor's Office Community Charitable Relief Program	\$52,872	\$52,872
COVID-19 Disease Surveillance & Testing Activities	\$29,376	\$0

Capital Asset and Debt Administration

Niobrara County's investment in capital assets for its governmental type activities as of June 30, 2021, amounts to \$11,134,774, net of depreciation. This investment in capital assets includes 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 \$38,884.

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

CAPITAL ASSETS (NET OF DEPRECIATION)

	2021	2020
Land	\$ 40,997	\$ 40,997
Construction in progress	257,991	8,396
Buildings	2,664,080	2,817,011
Vehicles, machinery and equipment	1,083,620	1,242,086
Infrastructure	7,088,086	6,987,400
Total	\$ 11,134,774	\$ 11,095,890

Long-Term Debt

At the end of the current fiscal year, Niobrara County had debt of \$17,836 from capital leases for three copiers and a postage meter. The County also has long-term debt related to amounts due to employees for accrued compensated absences.

**Management's Discussion and Analysis
(Unaudited)**

Economic Factors and Future of the County

COVID-19 (the Pandemic) is an ongoing situation. At this time the County cannot determine the duration of the Pandemic or the overall impact the Pandemic, including the federal and state responses thereto, will have on its programs and operation. However, the continuation of the Pandemic and the resulting containment and mitigation efforts could have a material adverse effect on the County, its programs and operations.

The State of Wyoming is experiencing dramatic revenue losses as a result of decreased oil, gas and coal production, in addition to the outbreak of the COVID-19 virus. It is expected that the State may decrease future funding to make up for these revenue losses.

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.

This page is intentionally left blank



**BASIC
FINANCIAL
STATEMENTS**

Niobrara County, Wyoming
June 30, 2021

Statement of Net Position

	Primary Government	
	Governmental Activities	Total
ASSETS		
Cash and cash equivalents	\$ 2,440,624	\$ 2,440,624
Investments, at fair value	4,002,903	4,002,903
Receivables	1,464,572	1,464,572
Inventory	350,458	350,458
Restricted assets		
Investments, at fair value	11,000	11,000
Beneficial interest in assets held by others	-	-
Capital assets, not being depreciated	298,988	298,988
Capital assets, net of accumulated depreciation	10,835,786	10,835,786
Total assets	<u>19,404,331</u>	<u>19,404,331</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan items	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>
LIABILITIES		
Accounts payable	26,583	26,583
Retainage payable	16,753	16,753
Noncurrent liabilities		
Long-term debt due within one year	5,827	5,827
Long-term debt due in more than one year	74,692	74,692
Total liabilities	<u>123,855</u>	<u>123,855</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable property tax revenue	1,242,847	1,242,847
Pension plan items	-	-
Total deferred inflows of resources	<u>1,242,847</u>	<u>1,242,847</u>
NET POSITION		
Net investment in capital assets	11,116,938	11,116,938
Restricted for		
County road construction (W.S. 24-2-110)	691,987	691,987
E-911	14,758	14,758
Special purpose tax	669,448	669,448
Library foundation		
Expendable	-	-
Permanent endowment for the library (nonexpendable)	-	-
Unrestricted	5,544,498	5,544,498
Total net position	<u>\$ 18,037,629</u>	<u>\$ 18,037,629</u>

Component Units

Weed and Pest Control District	County Library Board	County Fair Board	Predator Management District
\$ 529,099	\$ 101,607	\$ 65,384	\$ 46,450
959,522	-	-	163,470
286,651	162,641	48,800	-
85,315	-	-	-
-	278,894	-	-
-	2,648,363	-	-
16,906	550	13,795	-
341,281	637,074	1,329,451	-
<u>2,218,774</u>	<u>3,829,129</u>	<u>1,457,430</u>	<u>209,920</u>
29,018	-	-	-
<u>29,018</u>	<u>-</u>	<u>-</u>	<u>-</u>
22,559	-	-	-
-	-	-	-
-	-	-	-
126,448	9,194	-	-
<u>149,007</u>	<u>9,194</u>	<u>-</u>	<u>-</u>
243,984	162,222	48,674	-
49,596	-	-	-
<u>293,580</u>	<u>162,222</u>	<u>48,674</u>	<u>-</u>
358,187	637,624	1,343,246	-
-	-	-	-
-	-	-	-
-	-	-	-
-	278,894	-	-
-	2,648,363	-	-
1,447,018	92,832	65,510	209,920
<u>\$ 1,805,205</u>	<u>\$ 3,657,713</u>	<u>\$ 1,408,756</u>	<u>\$ 209,920</u>

Niobrara County, Wyoming
Year Ended June 30, 2021
Statement of Activities

Function/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 1,956,299	\$ 95,139	\$ -	\$ 298,824
Public safety	1,203,842	53,277	90,581	-
Public works	1,318,386	-	-	-
Health, welfare and recreation	419,574	15,936	24,882	45,405
Conservation of natural resources	61,690	-	-	-
Interest on long-term debt	760	-	-	-
Total governmental activities	<u>4,960,551</u>	<u>164,352</u>	<u>115,463</u>	<u>344,229</u>
Total primary government	<u>4,960,551</u>	<u>164,352</u>	<u>115,463</u>	<u>344,229</u>
Component units				
Weed and Pest Control District	432,580	136,654	35,000	-
County Library Board	425,107	-	25,000	10,663
County Fair Board	181,410	-	30,000	349,704
Predator Management District	213,749	61,765	120,000	-
Total component units	<u>\$ 1,252,846</u>	<u>\$ 198,419</u>	<u>\$ 210,000</u>	<u>\$ 360,367</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				
Net position - ending of year				

Net (Expense) Revenue and Changes in Net Position

Primary Government		Component Units			
Governmental Activities	Total	Weed and Pest Control District	County Library Board	County Fair Board	Predator Management District
\$ (1,562,336)	\$ (1,562,336)	\$ -	\$ -	\$ -	\$ -
(1,059,984)	(1,059,984)	-	-	-	-
(1,318,386)	(1,318,386)	-	-	-	-
(333,351)	(333,351)	-	-	-	-
(61,690)	(61,690)	-	-	-	-
(760)	(760)	-	-	-	-
<u>(4,336,507)</u>	<u>(4,336,507)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(4,336,507)</u>	<u>(4,336,507)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	(260,926)	-	-	-
-	-	-	(389,444)	-	-
-	-	-	-	198,294	-
-	-	-	-	-	(31,984)
<u>-</u>	<u>-</u>	<u>(260,926)</u>	<u>(389,444)</u>	<u>198,294</u>	<u>(31,984)</u>
1,274,026	1,274,026	276,877	183,019	55,680	-
452,307	452,307	-	-	-	-
1,882,860	1,882,860	-	-	-	-
117,251	117,251	-	-	-	-
217,008	217,008	1,256	20,868	39,684	-
-	-	-	59,009	-	-
24,251	24,251	8,289	817,771	68	1,069
<u>3,967,703</u>	<u>3,967,703</u>	<u>286,422</u>	<u>1,080,667</u>	<u>95,432</u>	<u>1,069</u>
(368,804)	(368,804)	25,496	691,223	293,726	(30,915)
<u>18,406,433</u>	<u>18,406,433</u>	<u>1,779,709</u>	<u>2,966,490</u>	<u>1,115,030</u>	<u>240,835</u>
<u>\$ 18,037,629</u>	<u>\$ 18,037,629</u>	<u>\$ 1,805,205</u>	<u>\$ 3,657,713</u>	<u>\$ 1,408,756</u>	<u>\$ 209,920</u>

Balance Sheet - Governmental Funds

	General Fund	County Road Construction Fund
ASSETS		
Cash and cash equivalents	\$ 2,000,234	\$ -
Investments, at fair value	3,302,881	431,400
Property taxes receivable	1,272,045	-
Accounts receivable	21,080	-
Due from other governments	124,288	30,652
Due from other funds	10,755	-
Inventory	103,770	246,688
Total assets	<u>\$ 6,835,053</u>	<u>\$ 708,740</u>
LIABILITIES		
Accounts payable	\$ 26,583	\$ -
Retainage payable	-	16,753
Due to other funds	-	-
Total liabilities	<u>26,583</u>	<u>16,753</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable property tax revenue	1,268,806	-
Unavailable intergovernmental revenue	-	-
Total deferred inflows of resources	<u>1,268,806</u>	<u>-</u>
FUND BALANCES		
Nonspendable	103,770	246,688
Restricted for		
County road construction (W.S. 24-2-110)	-	445,299
E-911	-	-
Special purpose tax	-	-
Committed for 1% projects	-	-
Unassigned	5,435,894	-
Total fund balances	<u>5,539,664</u>	<u>691,987</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,835,053</u>	<u>\$ 708,740</u>

Capital Facilities Fair, Library, Courthouse Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 442,837	\$ 8,553	2,451,624
155,917	112,705	4,002,903
-	-	1,272,045
-	16,507	37,587
-	-	154,940
-	-	10,755
-	-	350,458
<u>\$ 598,754</u>	<u>\$ 137,765</u>	<u>\$ 8,280,312</u>
\$ -	\$ -	\$ 26,583
-	-	16,753
-	10,755	10,755
<u>-</u>	<u>10,755</u>	<u>54,091</u>
-	-	1,268,806
-	111	111
<u>-</u>	<u>111</u>	<u>1,268,917</u>
-	-	350,458
-	-	445,299
-	14,758	14,758
598,754	70,694	669,448
-	42,011	42,011
-	(564)	5,435,330
<u>598,754</u>	<u>126,899</u>	<u>6,957,304</u>
<u>\$ 598,754</u>	<u>\$ 137,765</u>	<u>\$ 8,280,312</u>

This page is intentionally left blank

Niobrara County, Wyoming

June 30, 2021

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

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

Total fund balances - governmental funds \$ 6,957,304

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds. 11,134,774

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 governmental funds. (80,519)

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

Difference in unavailable property tax revenue	\$ 25,959	
Unavailable revenue - other government	<u>111</u>	<u>26,070</u>

Net position of governmental activities \$ 18,037,629

Niobrara County, Wyoming
 Year Ended June 30, 2021

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

	General Fund	County Road Construction Fund
Revenues		
Taxes	\$ 1,853,655	\$ -
Intergovernmental revenues	1,477,156	405,705
Charges for services	134,221	-
Investment earnings	19,497	2,485
Miscellaneous revenues and reimbursements	224,038	-
Total revenues	<u>3,708,567</u>	<u>408,190</u>
Expenditures		
Current		
General government	2,037,829	-
Public safety	972,292	-
Public works	787,449	212,189
Health, welfare and recreation	19,707	-
Conservation of natural resources	70,110	-
Capital outlay	44,404	349,220
Debt service		
Principal	11,571	-
Interest	760	-
Total expenditures	<u>3,944,122</u>	<u>561,409</u>
Excess (deficiency) of revenues over expenditures	<u>(235,555)</u>	<u>(153,219)</u>
Other financing sources (uses)		
Transfers in	45,169	35,702
Transfers out	(35,789)	-
Capital lease financing	15,355	-
Total other financing sources (uses)	<u>24,735</u>	<u>35,702</u>
Net change in fund balances	(210,820)	(117,517)
Fund balances - beginning of year	<u>5,750,484</u>	<u>809,504</u>
Fund balances - end of year	<u>\$ 5,539,664</u>	<u>\$ 691,987</u>

Capital Facilities Fair, Library, Courthouse Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,853,655
-	479,850	2,362,711
-	37,478	171,699
1,783	485	24,250
-	-	224,038
<u>1,783</u>	<u>517,813</u>	<u>4,636,353</u>
-	-	2,037,829
-	123,239	1,095,531
-	-	999,638
-	50,166	69,873
-	-	70,110
-	305,300	698,924
-	-	11,571
-	-	760
<u>-</u>	<u>478,705</u>	<u>4,984,236</u>
<u>1,783</u>	<u>39,108</u>	<u>(347,883)</u>
-	-	80,871
(34,404)	(10,678)	(80,871)
-	-	15,355
<u>(34,404)</u>	<u>(10,678)</u>	<u>15,355</u>
(32,621)	28,430	(332,528)
<u>631,375</u>	<u>98,469</u>	<u>7,289,832</u>
<u>\$ 598,754</u>	<u>\$ 126,899</u>	<u>\$ 6,957,304</u>

Niobrara County, Wyoming

Year Ended June 30, 2021

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities**

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

Net change in fund balances - total governmental funds \$ (332,528)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

This is the amount by which depreciation exceeds capital outlay.

Additions to capital assets	\$ 1,202,349	
Depreciation expense	<u>(1,158,644)</u>	43,705

The disposal of capital assets that results in a loss (cost is greater than the accumulated depreciation) does not require the use of current financial resources of governmental funds. Thus, that change is not recorded in the governmental funds. This is the net effect of these differences in the treatment of the disposal of capital assets.

Disposal of capital assets (cost basis)	(240,360)	
Accumulated depreciation	<u>235,539</u>	(4,821)

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

New lease purchase obligations	(15,355)	
Principal paid on long-term debt obligations	11,571	
Compensated absences - prior year	31,095	
Compensated absences - current year	<u>(62,683)</u>	(35,372)

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

Difference in unavailable property tax revenue - current year	25,959	
Difference in unavailable property tax revenue - prior year	(11,347)	
Unavailable revenue - other government - current year	111	
Unavailable revenue - other government - prior year	<u>(54,511)</u>	<u>(39,788)</u>

Change in net position of governmental activities \$ (368,804)

Niobrara County, Wyoming

June 30, 2021

Statement of Fiduciary Net Position - Fiduciary Funds

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 600,026
Investments, at fair value	592,809
Property taxes receivable	71,414
Due from other governments	<u>16,607</u>
Total assets	<u>1,280,856</u>
LIABILITIES	
Due to other taxing jurisdictions	<u>1,256,345</u>
Total liabilities	<u>1,256,345</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	24,511
	<u>\$ 24,511</u>

Niobrara County, Wyoming

June 30, 2021

Statement of Changes in Fiduciary Net Position - Fiduciary Funds

	<u>Custodial Funds</u>
Additions	
Contributions:	
Inmate deposits	\$ 16,944
Child support collections	56,643
Total contributions	<u>73,587</u>
Investment earnings:	
Interest and dividends	17,665
Total investment earnings	<u>17,665</u>
Collection of taxes and fees for other governments	9,630,038
Total additions	<u>9,721,290</u>
Deductions	
Commissary - sales and services	15,624
Payments of taxes and fees to other governments and organizations	9,654,321
Child support distributions	57,268
Total deductions	<u>9,727,213</u>
Net decrease in fiduciary net position	(5,923)
Net position, beginning of the year	-
Prior period adjustment	<u>(30,434)</u>
Net position, beginning of the year, as restated	<u>(30,434)</u>
Net position, end of the year	<u>\$ 24,511</u>

Note 1. Nature of Operations and Significant Accounting Policies

The Reporting Entity

Niobrara County, Wyoming (the "County") (primary government) is a municipal corporation governed by three elected commissioners. The County provides the following services as authorized by statute: public safety, road and bridge maintenance and operation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. As required by generally accepted accounting principles, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the basic financial statements to emphasize that it is legally separate from the County and each has a June 30 year end.

Discretely Presented Component Units

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

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

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

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

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

Discretely Presented Component Units (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.

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.

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

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

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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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.

Additionally, the County reports the following fund types:

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 *custodial fund* is custodial in nature and is used to account for assets that the County holds for others in a fiduciary capacity (e.g. taxes collected by the treasurer for the benefit of other governments).

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

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

Cash and Cash Equivalents 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 to be cash and cash equivalents.

The County's cash activity is accounted for in pooled cash accounts. The accounting records for each applicable fund reflect its portion of the pooled cash and/or investments or its actual cash balance. When a particular fund overdraws its share of the pooled cash, the deficit is recorded as a payable to the general fund and a corresponding entry is made in the general fund to reflect the receivable from the other fund.

The County follows the guidelines described in WY statute 9-4-831 as it relates to the investment of public funds. Wyoming Statutes authorize the types of investments in which counties may invest. Among these authorized investments are certificates of deposit, money market funds, commercial paper, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, mortgage backed securities, guaranteed investment contracts, mutual funds and repurchase agreements with banks with the underlying securities being obligations of the U.S. Treasury or agencies and instrumentalities of the U.S. Government. 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, WYO-STAR and WGIF.

WYO-STAR is an authorized government investment pool offered exclusively to Wyoming Governmental entities by the Wyoming State Treasurer's Office. The value of the County's investments in WYO-STAR equal the value of its WYO-STAR shares. Each participant's position in the WYO-STAR investment pool is calculated by the proportion of the cost of their contribution to the total funds invested in the pool multiplied by the pool's total fair value as of any specific date. WYO-STAR investments consist of short-term bonds and cash with a weighted average maturity which does not exceed 90 days, with a benchmark using Bank of America 3 month T-Bills index. The WYO-STAR investment pools were established by the Wyoming Statutory Trust Act. Shares of the fund are offered exclusively to Wyoming governmental entities. Separate accounts are maintained for each entity. These pools invest in obligations of the U.S. Treasury and other investments as authorized by the Wyoming Statutes. The reported value of the pool is the same as the fair value of the pool shares.

WGIF is a comprehensive cash management program available to Wyoming public entities. WGIF provides a full range of programs to meet participants' needs. The fund employs a team of professionals to manage the investments which are comprised of governmental securities meeting state statutory requirements. The value of the County's investment in WGIF equals the value of its WGIF 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. These amounts are held in certificates of deposit at a local bank.

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)

Endowments

Restricted nonexpendable net position as of June 30, 2021, represents the principal of permanent endowments restricted to investment in perpetuity by donors of the library foundation. Investment earnings, except for changes in fair market value, are expendable to support the purposes designated by donors.

Receivables, Payables and Interfund Balances

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

Any advances between funds, would be offset by recognizing nonspendable fund balance in the applicable governmental funds. This indicates that the assets reported are not available for appropriation and are not expendable financial resources.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on or about August 1 and payable in two installments. The first becomes due on September 1 delinquent on November 10; the second becomes due on March 1 and delinquent on May 11. If the entire amount is paid by December 31, the interest on the first installment will be waived. County property tax revenues are recognized when levied to the extent that they result in current receivables, which means when collected within the period or expected to be collected within 60 days of the fiscal year end to be used to pay liabilities of the current period. The County bills and collects its own property taxes and also taxes for all municipalities and political subdivisions within the County. Collections and remittances of these taxes for other taxing districts are accounted for in the respective agency funds of the County.

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, 2021, 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.

Notes to the Financial Statements**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)******Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the County as all tangible assets, over \$1,500, with a useful life in excess of one year to provide more accurate inventory of County assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Assets	Years
Buildings	20-50
Infrastructure	30-50
Vehicles, machinery and equipment	5

Collections

The Niobrara County Library owns a collection of rare historical books on Wyoming, as well as its complete collection of library books. These items are not considered to be held for financial gain. All books in the collection are protected, kept unencumbered, and preserved. The Library has capitalized this collection. The library collection has a limited life and is available to be borrowed by the general public.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the financial statements 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 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 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 one sources: property taxes. 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 is reported as a deferred inflow of resources in the year a lien attaches to the property.

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 (Continued)

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, limited to a 40 hour maximum. 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.

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.

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)

Fund Equity/Net Position

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

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

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

Restricted Net Position

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

Notes to the Financial Statements**Note 1. Nature of Operations and Significant Accounting Policies (Continued)*****Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)******Budgets and Budgetary Accounting (Continued)***

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

Formal legally adopted budgets are prepared as a management control device during the year for the General Fund, Special Revenue Funds and the County Road Construction Fund. The Capital Facilities Fair, Library, Courthouse Fund and the Jail O&M Fund does not set an annual budget as these funds are used to account for the Specific Purpose Tax of 1990 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).

Standards Issued and Implemented

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how governmental activities should report their fiduciary activities. Management implemented this standard during the year ended June 30, 2021. Implementation resulted in a prior period adjustment to the Custodial Fund of \$30,434.

Note 2. Cash and Cash Equivalents and Investments***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, 2021, the County had balances in the bank of \$3,404,978. 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. The carrying amounts for the cash accounts are listed below:

	<u>Carrying Amount</u>
Government-Wide Statement of Net Position	
Governmental activities	\$ 2,451,624
Fiduciary Fund Statement of Net Position	
Custodial Fund	600,026
Total carrying amount of deposits	<u>\$ 3,051,650</u>

Notes to the Financial Statements**Note 2. Cash and Cash Equivalents and Investments (Continued)*****Component Units***

As of June 30, 2021, the County's component units had balances in the bank of \$720,459, and the Weed and Pest District had approximately \$88,000 of the total bank balance that was exposed to custodial credit risk because it was uninsured and uncollateralized with securities held by the pledging or financial institution's trust department or agent. The difference between the carrying amount and the bank balance is the result of transactions in transit, if any. The carrying amounts for the cash accounts are listed below:

	<u>Carrying Amount</u>
Component Units Statement of Net Position	
Weed and Pest Control District	\$ 529,099
Library Board	101,607
Fair Board	65,384
Predator Management District	46,450
Total carrying amount of deposits	<u>\$ 742,540</u>

Additionally, there is approximately \$14,000 in cash held by the Wyoming State Library Division.

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository institution, the County will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require that the County's deposits in excess of the Federal depository insurance must be collateralized.

In accordance with State Statutes, the County maintains deposits at those depository banks authorized by the County Commissioners. As of June 30, 2021, all of the County's bank deposits were fully covered by Federal depository insurance or collateral held by the pledging bank's trust department or by its agent under joint custody receipts as required by state statutes.

Notes to the Financial Statements**Note 2. Cash and Cash Equivalents and Investments (Continued)*****Investments***

As of June 30, 2021, 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	
Investments							
Certificates of deposit	\$ 607,130	1.61-3.20%	\$ -	\$ 607,130	\$ -	\$ -	N/A
U.S. Government bonds	747,900	0.25-0.60%	-	747,900	-	-	AA+
WGIF	1,647,038	0.04%	1,647,038	-	-	-	AAAm
WYO-STAR	1,593,644	0.49-0.54%	1,593,644	-	-	-	
Total investments	<u>\$ 4,595,712</u>		<u>\$ 3,240,682</u>	<u>\$ 1,355,030</u>	<u>\$ -</u>	<u>\$ -</u>	

As of June 30, 2021, the component units of the County had the following investments:

Type	Fair Value	Interest Rate	Investment Maturity (in Years)				Investment Rating
			Less Than 1	1-5	6-10	More Than 10	
Investments							
Certificates of deposit	\$ 959,522	0.15-0.75%	\$ 959,522	\$ -	\$ -	\$ -	N/A
WYO-STAR	163,470	0.53%	163,470	-	-	-	N/A
Total investments	<u>1,122,992</u>		<u>1,122,992</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total investments	<u>\$ 1,122,992</u>		<u>\$ 1,122,992</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

N/A - not available, investment is unrated

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal policy to address interest rate risk. 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.

Notes to the Financial Statements**Note 2. Cash and Cash Equivalents and Investments (Continued)*****Credit Risk***

Generally, credit risk is the risk that an issuer of investments will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law does not allow governments to invest in corporate bonds, stocks, or mutual funds and limits investments in commercial paper to short term maturities (not greater than 270 days) and to the top ratings issued by nationally recognized statistical rating organizations (Moody's and Standard and Poor's). Obligations of the U.S. Government and obligations specifically guaranteed by the U.S. Government are backed by the full faith and credit of the U.S. Government. The County follows the mandates for allowable investments as prescribed by Wyoming statute 9-4-831 as their credit risk policy. WYO-STAR invest in asset backed securities, the collateral for which is securities issued by GNMA, FNMA, FHLMC or notes fully guaranteed as to principal and interest by the Small Business Administration, and the government securities including obligations of the U.S. Treasury and U.S. government agencies.

Concentration of Credit Risk

The County does not have a formal policy that allows for or limits an investment in any one issuer as a specified percentage of the County's total investments. The composition of the investment portfolio of the County at June 30, 2021 is as follows:

<u>Deposit and Investment Type</u>	<u>Fair Value</u>	<u>Percent of Portfolio</u>
Certificates of deposit	\$ 607,130	13.21%
U.S. Government bonds	747,900	16.27%
WGIF	1,647,038	35.84%
WYO-STAR	1,593,644	34.68%
	<u>\$ 4,595,712</u>	<u>100.00%</u>

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. The County does not have a formal policy for custodial credit risk; however all of the County's investments were held by nationally recognized brokers or the Treasurer for the State of Wyoming in the County's name. While the County has no formal policy for custodial credit risk for investments, management believe the stability and reputation of these brokers and banks serves to limit its custodial credit risk.

The County's deposits in WYO-STAR are held in trust by the Treasurer of the State of Wyoming and not comingled with other State funds; each entity has an individual interest in the pool held in its own name. Management does not believe that WYO-STAR 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.

The County also had cash equivalents of \$1,647,038 in the WGIF liquid Asset Series, a money market investment rated AAAM by Standard and Poor's. WGIF is owned and operated by funds held in pools sponsored by the Wyoming School Board Association and the Wyoming Association of Municipalities, which limits the risk of counterparty failure. Management does not believe its cash balances are at risk as a result of not being fully insured or collateralized. The County has not incurred any losses related to uninsured deposits.

Notes to the Financial Statements

Note 2. Cash and Cash Equivalents and Investments (Continued)

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, 2021:

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

WGIF: 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.

WYO-STAR: Valued on level 2 inputs by which each participant's position in the investment pool is calculated by the proportion of the cost of their contribution to the total funds invested in the pool multiplied by the pool's total fair value as of any specific date.

The following table sets forth by level, within the fair value hierarchy, the County's investment at fair value as of June 30, 2021:

Primary Government Investments

	Assets at Fair Value as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Investments by fair value level				
U.S. Government bonds	\$ -	\$ 747,900	\$ -	\$ 747,900
WGIF	1,647,038	-	-	1,647,038
WYO-STAR	-	1,593,644	-	1,593,644
Total investments at fair value	<u>\$ 1,647,038</u>	<u>\$ 2,341,544</u>	<u>\$ -</u>	<u>\$ 3,988,582</u>
Other investments				
Certificates of deposit				607,130
Total primary government investments				<u>\$ 4,595,712</u>

Component Unit Investments

	Assets at Fair Value as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Investments by fair value level				
WYO-STAR	\$ -	\$ 163,470	\$ -	\$ 163,470
Total investments at fair value	<u>\$ -</u>	<u>\$ 163,470</u>	<u>\$ -</u>	163,470
Other investments				
Certificates of deposit				959,522
Beneficial interest in assets held by Wyoming Community Foundation				2,648,363
Total other investments				<u>3,607,885</u>
Total component unit investments				<u>\$ 3,771,355</u>

Notes to the Financial Statements**Note 3. Receivables and Individual Inter-fund Receivables and Payables**

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

	General Fund	County Road Construction Fund	Federal and State Grants Fund	E-911 Fund	Total
Property taxes receivable	\$ 1,272,045	\$ -	\$ -	\$ -	\$ 1,272,045
Accounts receivable	21,080	-	10,191	6,316	37,587
Due from other governments	124,288	30,652	-	-	154,940
	<u>\$ 1,417,413</u>	<u>\$ 30,652</u>	<u>\$ 10,191</u>	<u>\$ 6,316</u>	<u>\$ 1,464,572</u>

At June 30, 2021, the Federal and State Grants Fund owed the General Fund for outstanding pooled cash transactions that had not yet settled:

Interfund receivables and payables at June 30, 2021 are as follows:

	Receivable	Payable
General Fund	\$ 10,755	\$ -
Federal and State Grants Fund	-	10,755
	<u>\$ 10,755</u>	<u>\$ 10,755</u>

The outstanding balances between funds results mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers at June 30, 2021 consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 45,169	\$ (35,789)
Capital Facilities Fair, Library, Courthouse Fund	-	(34,404)
County Road Construction Fund	35,702	-
Federal and State Grants Fund	-	(10,678)
	<u>\$ 80,871</u>	<u>\$ (80,871)</u>

Transfers are used to (1) move cash or revenues from the fund that voter restriction, statute or budget requires to collect them to the fund that voter restriction, 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.

Notes to the Financial Statements**Note 4. Capital Assets*****Primary Government***

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 40,997	\$ -	\$ -	\$ 40,997
Construction in progress	8,396	249,595	-	257,991
Total capital assets, not being depreciated	<u>49,393</u>	<u>249,595</u>	<u>-</u>	<u>298,988</u>
Capital assets, being depreciated				
Buildings	6,249,042	22,220	-	6,271,262
Vehicles, machinery and equipment	5,648,084	135,574	240,360	5,543,298
Infrastructure	21,580,333	794,960	-	22,375,293
Total capital assets, being depreciated	<u>33,477,459</u>	<u>952,754</u>	<u>240,360</u>	<u>34,189,853</u>
Less accumulated depreciation for				
Buildings	3,432,031	175,151	-	3,607,182
Vehicles, machinery and equipment	4,405,998	289,219	235,539	4,459,678
Infrastructure	14,592,933	694,274	-	15,287,207
Total accumulated depreciation	<u>22,430,962</u>	<u>1,158,644</u>	<u>235,539</u>	<u>23,354,067</u>
Total capital assets, being depreciated, net	<u>11,046,497</u>	<u>(205,890)</u>	<u>4,821</u>	<u>10,835,786</u>
Total capital assets, net	<u>\$ 11,095,890</u>	<u>\$ 43,705</u>	<u>\$ 4,821</u>	<u>\$ 11,134,774</u>

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

Governmental activities	
General government	\$ 193,968
Public safety	155,972
Public works	805,442
Conservation of natural resources	3,262
Total depreciation expense - governmental activities	<u>\$ 1,158,644</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 \$57,695 with accumulated depreciation of \$25,533 and current year depreciation expense of \$9,748 in general government activities.

Notes to the Financial Statements**Note 4. Capital Assets (Continued)*****Discretely Presented Component Units***

Activity for the Weed and Pest Control District for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 16,906	\$ -	\$ -	\$ 16,906
Total capital assets, not being depreciated	16,906	-	-	16,906
Capital assets, being depreciated				
Buildings	475,445	-	-	475,445
Vehicles, machinery and equipment	213,647	36,000	-	249,647
Total capital assets, being depreciated	689,092	36,000	-	725,092
Less accumulated depreciation for				
Buildings	171,895	12,188	-	184,083
Vehicles, machinery and equipment	194,053	5,675	-	199,728
Total accumulated depreciation	365,948	17,863	-	383,811
Total capital assets, being depreciated, net	323,144	18,137	-	341,281
Total capital assets, net	\$ 340,050	\$ 18,137	\$ -	\$ 358,187

Activity for the County Library Board for the year ended June 30, 2021 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	736,378	-	-	736,378
Machinery and equipment	1,129,547	73,087	31,410	1,171,224
Total capital assets, being depreciated	1,865,925	73,087	31,410	1,907,602
Less accumulated depreciation for				
Buildings	334,472	28,358	-	362,830
Machinery and equipment	841,391	90,671	24,364	907,698
Total accumulated depreciation	1,175,863	119,029	24,364	1,270,528
Total capital assets, being depreciated net	690,062	(45,942)	7,046	637,074
Total capital assets, net	\$ 690,612	\$ (45,942)	\$ 7,046	\$ 637,624

Notes to the Financial Statements**Note 4. Capital Assets (Continued)*****Discretely Presented Component Units (Continued)***

Activity for the County Fair Board for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 11,635	\$ -	\$ -	\$ 11,635
Construction in progress	-	2,160		2,160
Total capital assets, not being depreciated	11,635	2,160	-	13,795
Capital assets, being depreciated				
Buildings	1,917,274	363,704	-	2,280,978
Machinery and equipment	41,940	-	1,561	40,379
Total capital assets, being depreciated	1,959,214	363,704	1,561	2,321,357
Less accumulated depreciation for				
Buildings	872,932	78,592	-	951,524
Machinery and equipment	41,575	368	1,561	40,382
Total accumulated depreciation	914,507	78,960	1,561	991,906
Total capital assets, being depreciated net	1,044,707	284,744	-	1,329,451
Total capital assets, net	\$ 1,056,342	\$ 286,904	\$ -	\$ 1,343,246

Activity for the Predator Management District for the year ended June 30, 2021 was as follows:

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

Notes to the Financial Statements**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, 2021:

	Balance July 01, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Primary Government					
Lease purchase obligations	\$ 14,052	\$ 15,355	\$ 11,571	\$ 17,836	\$ 5,827
Compensated absences	31,095	31,588	-	62,683	-
Total primary government	<u>\$ 45,147</u>	<u>\$ 46,943</u>	<u>\$ 11,571</u>	<u>\$ 80,519</u>	<u>\$ 5,827</u>
Discretely Presented Component Units					
Weed and Pest Control District					
Compensated absences	\$ 4,128	\$ -	\$ 423	\$ 3,705	\$ -
Pension liability	137,306	-	14,563	122,743	-
Total Weed and Pest Control District	<u>\$ 141,434</u>	<u>\$ -</u>	<u>\$ 423</u>	<u>\$ 126,448</u>	<u>\$ -</u>
County Library Board					
Compensated absences	\$ 9,856	\$ -	\$ 662	\$ 9,194	\$ -
Total County Library Board	<u>\$ 9,856</u>	<u>\$ -</u>	<u>\$ 662</u>	<u>\$ 9,194</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, 2021 is as follows:

Lease purchase obligations collateralized by the assets noted as of June 30, 2021 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.	\$ 2,769
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.	505
Lease purchase obligation on a copier, due in monthly installments of \$165, including interest of 10.94%, through February 2026, serviced by the general fund.	7,281
Lease purchase obligation on a copier, due in monthly installments of \$165, including interest of 10.94%, through February 2026, serviced by the general fund.	<u>7,281</u>
	17,836
Less current maturities of lease purchase obligations	<u>5,827</u>
	<u>\$ 12,009</u>

Notes to the Financial Statements

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, 2021 are as follows:

Year ending June 30,		
2022	\$	7,262
2023		3,960
2024		3,960
2025		3,960
2026		2,640
Total minimum lease payments		21,782
Less: amount representing interest		3,946
Net present value of minimum lease payments	\$	17,836

Note 6. Fund Equity

Net Position Restricted by Legislation

The government-wide statement of net position reports \$1,376,194 of restricted net position. The amount which is restricted for county road construction by State legislation is \$691,987, E-911 fund has \$14,758 restricted by federal regulations, and \$669,448 is restricted by as a special purpose tax assessed specifically for the Capital Facilities Fair, Library, Courthouse Fund, and Jail Operations and Maintenance Fund.

Deficit Fund Balance

The Federal and State Grants fund had a deficit fund balance at June 30, 2021 in the amount of \$564. The County plans to eliminate the deficit fund balances through the receipt of grant and local matching revenues or transfers from the general fund.

Note 7. Transactions with Component Units

During the fiscal year ended June 30, 2021, the County provided \$343,228, and \$10,633 in support to the Niobrara County Fair and the Niobrara County Library, respectively.

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 \$33,195 and \$15,210, respectively.

During the year ended June 30, 2021, the County contracted with the entities above 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.

On September 20, 2019 Niobrara County began offering health insurance to employees working 30 hours or more per week. The County pays the employee's premium.

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 \$77,827 occurred during the year ended June 30, 2021. 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 \$2,648,363 as of June 30, 2021.

Notes to the Financial Statements**Note 10. Construction Commitments**

The County had one outstanding construction project as of June 30, 2021. At year end the County's construction commitment is as follows:

Project Name	Total Contract Amount	Expended To Date	Remaining Commitment
Winter Road Rehab (const & gravel costs)	\$ 257,530	\$ 257,991	\$ (461)
Total construction commitments	<u>\$ 257,530</u>	<u>\$ 257,991</u>	<u>\$ (461)</u>

Note 11. Issued Standards Not Yet Implemented

GASB Statement No. 87, *Leases*, is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. Under this standard, government lessors must recognize (a) a lease receivable and (b) a deferred inflow of resources and continue to report the leased asset in its financial statements; and report in its financial statements (a) lease revenue recognized over the term of the lease, corresponding with the reduction of the deferred inflow, (b) interest income on the receivable, and (c) note disclosures about the lease. The requirements of this Statement are now effective for reporting periods beginning after June 15, 2021. GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postpones the effective date for GASB Statement No. 87 for one year from the original effective date to provide relief to governments and other stakeholders in light of the COVID-19 pandemic.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs). It is based on the standards established in Statement 87, *Leases*. This standard (a) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction; (b) requires governments with SBITAs to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability (with an exception for short-term SBITAs—those with a maximum possible term of 12 months); and (c) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Management has not yet completed its assessment of the effects of implementing these standards.

Note 12. Wyoming Educator Benefit Trust

The County participates in health care coverage through the Wyoming Educator Benefit Trust (WEBT). WEBT sets health care premium rates each year based on projected medical costs. In the year ended June 30, 2021, the County paid \$380,125 in premiums to WEBT. Were the County to withdraw from coverage through WEBT, the County would not be responsible for any specific liabilities nor is it entitled to any of the reserves. As a participating employer, if the trust is dissolved the County may be entitled to a residual portion of the plan reserves.

Notes to the Financial Statements

Note 13. Risk and Uncertainties

The COVID-19 pandemic remains an evolving situation. The County is closely monitoring its operations, liquidity and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the current and future full impact to the County is unknown.

Note 14. Prior Period Adjustment

For the year ended June 30, 2021, the County adopted the provisions of GASB Statement No. 84 *Fiduciary Activities*, effective for financial statements for periods beginning after December 31, 2019. GASB Statement No. 84 establishes improved guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

Implementation of GASB Statement No. 84 resulted in a restatement of the prior period net position for the fiduciary funds as shown below, these funds were previously held in the general fund as a liability:

	As originally stated June 30, 2020	Increase (Decrease)	Restated June 30, 2020
<i>Fiduciary Funds</i>			
Net position	\$ -	\$ (30,434)	\$ (30,434)



**REQUIRED
SUPPLEMENTARY
INFORMATION**

Niobrara County, Wyoming

Year Ended June 30, 2021

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Non-GAAP Basis) - General Fund

(Unaudited)

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes				
- current and delinquent	\$ 1,284,799	\$ 1,284,799	\$ 1,290,723	\$ 5,924
Vehicle fees	100,000	100,000	116,630	16,630
Payments in lieu of property taxes	208,603	208,603	360,266	151,663
Sales and use taxes	338,500	338,500	293,341	(45,159)
1% optional tax	225,000	225,000	181,193	-
Taxes	<u>2,156,902</u>	<u>2,156,902</u>	<u>2,242,153</u>	<u>85,251</u>
State gasoline tax	128,000	128,000	115,697	(12,303)
Car company tax	10,000	10,000	10,112	112
Severance tax	797,882	797,882	793,914	(3,968)
Special fuel tax	198,199	198,199	184,953	(13,246)
Intergovernmental revenues	<u>1,134,081</u>	<u>1,134,081</u>	<u>1,104,676</u>	<u>(29,405)</u>
Clerk of Court fees	4,000	4,000	5,642	1,642
Treasurer	5,000	5,000	3,166	(1,834)
Assessor	1,500	1,500	2,766	1,266
County Clerk fees	49,000	49,000	59,345	10,345
County Sheriff fees	15,200	15,200	10,808	(4,392)
Inmate housing	145,000	145,000	43,807	(101,193)
Liquor permits	700	700	730	30
Public health nurse	400	400	4,237	3,837
County health officer	14,050	14,050	9,600	(4,450)
Civil fees	5,500	5,500	5,205	(295)
Town of Lusk ESRI License Fee	1,175	1,175	1,175	-
Charges for services	<u>241,525</u>	<u>241,525</u>	<u>146,481</u>	<u>(95,044)</u>
Interest earnings	50,000	50,000	2,463	(47,537)
Interest on delinquent taxes	1,000	1,000	23,939	22,939
Investment earnings	<u>51,000</u>	<u>51,000</u>	<u>26,402</u>	<u>(24,598)</u>
Other income	181,218	181,218	226,131	44,913
Miscellaneous revenue	<u>181,218</u>	<u>181,218</u>	<u>226,131</u>	<u>44,913</u>
Total revenues	<u>3,764,726</u>	<u>3,764,726</u>	<u>3,745,843</u>	<u>(18,883)</u>

(Continued)

Niobrara County, Wyoming

Year Ended June 30, 2021

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Basis) - General Fund (Continued)
(Unaudited)**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
County Commissioners	\$ 121,998	\$ 121,998	\$ 102,217	19,781
County Clerk	126,623	126,623	125,335	1,288
County Treasurer	127,802	127,802	124,008	3,794
County Assessor	143,978	143,978	130,218	13,760
County Attorney	155,338	155,338	147,433	7,905
Clerk of District Court	126,483	126,483	117,872	8,611
Justice Court	12,000	12,000	12,000	-
Elections	23,220	23,220	13,434	9,786
Facilities	298,071	298,071	287,717	10,354
Other general accounts	883,250	883,250	833,774	49,476
Optional 1% Tax	225,000	225,000	181,151	-
General government	<u>2,243,763</u>	<u>2,243,763</u>	<u>2,075,159</u>	<u>124,755</u>
County Sheriff	396,493	396,493	375,247	21,246
County Coroner	28,099	28,099	25,062	3,037
Detention	419,572	419,572	318,830	100,742
Emergency Management	10,822	10,822	6,270	4,552
911 Dispatch	281,277	281,277	257,413	23,864
Public safety	<u>1,136,263</u>	<u>1,136,263</u>	<u>982,822</u>	<u>153,441</u>
Road and Bridge	772,895	795,447	795,447	-
Public works	<u>772,895</u>	<u>795,447</u>	<u>795,447</u>	<u>-</u>
Health Officer	9,600	9,600	9,600	-
Public Health Nurse	21,203	21,203	11,577	9,626
Health, welfare and recreation	<u>30,803</u>	<u>30,803</u>	<u>21,177</u>	<u>9,626</u>
Agriculture department	82,202	82,202	73,307	8,895
Conservation of natural resources	<u>82,202</u>	<u>82,202</u>	<u>73,307</u>	<u>8,895</u>
Total expenditures	<u>4,265,926</u>	<u>4,288,478</u>	<u>3,947,912</u>	<u>296,717</u>
Excess (deficiency) of revenues over expenditures	<u>(501,200)</u>	<u>(523,752)</u>	<u>(202,069)</u>	<u>321,683</u>
Other financing sources (uses)				
Transfers in	52,021	52,021	42,157	(9,864)
Transfers out	-	-	(35,702)	(35,702)
Total other financing sources (uses)	<u>52,021</u>	<u>52,021</u>	<u>6,455</u>	<u>(45,566)</u>
Net change in fund balance	(449,179)	(471,731)	(195,614)	<u>\$ 276,117</u>
Fund balance - beginning of year	<u>5,505,956</u>	<u>5,505,956</u>	<u>5,505,956</u>	
Fund balance - end of year	<u>\$ 5,056,777</u>	<u>\$ 5,034,225</u>	<u>\$ 5,310,342</u>	

Notes to Required Supplementary Information**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	\$ 3,745,843	\$ 495,429	\$ 37,924	\$ 40
Differences - Budget Basis to GAAP				
Accrual of accounts receivable	(21,079)	(15,579)	(446)	(11)
Accrual of future property taxes receivable	(13,401)	-	-	-
Miscellaneous reconciling items	(2,796)	-	-	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 3,708,567</u>	<u>\$ 479,850</u>	<u>\$ 37,478</u>	<u>\$ 29</u>
Expenditures				
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 3,947,912	\$ 472,774	\$ 35,072	\$ -
Differences - Budget Basis to GAAP				
Accrual of inventory	13,238	-	-	-
Accrual of accounts payable	(17,882)	(3,408)	(25,733)	-
Accrual of wages payable	855	-	-	-
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 3,944,123</u>	<u>\$ 469,366</u>	<u>\$ 9,339</u>	<u>\$ -</u>

Note 2. Budgeting

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

The general fund budget road and bridge department was amended from \$772,895 to \$795,447, an increase of \$22,552.

The County in fiscal year 2021 received several new unbudgeted and unanticipated grants. These were predominately due to COVID-19. Some funds were pass-through grant funds collected for the benefit of other entities, and all funds were received with specific expenditures restrictions and reporting and requirements. There was not a formal budget amendment made for these grant expenditures of \$202,042.



**OTHER
SUPPLEMENTARY
INFORMATION**

Niobrara County, Wyoming

Year Ended June 30, 2021

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Basis) - County Road Construction Fund**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 377,446	\$ 377,446	\$ 396,284	\$ 18,838
Investment earnings	-	-	1,316	1,316
Total revenues	<u>377,446</u>	<u>377,446</u>	<u>397,600</u>	<u>20,154</u>
Expenditures				
Public works	653,712	653,712	279,447	374,265
Total expenditures	<u>653,712</u>	<u>653,712</u>	<u>279,447</u>	<u>374,265</u>
Excess (deficiency) of revenues over expenditures	<u>(276,266)</u>	<u>(276,266)</u>	<u>118,153</u>	<u>394,419</u>
Other financing sources				
Transfers in	-	-	35,702	35,702
Total other financing sources	<u>-</u>	<u>-</u>	<u>35,702</u>	<u>35,702</u>
Net change in fund balance	(276,266)	(276,266)	153,855	<u>\$ (430,121)</u>
Fund balance - beginning of year	<u>276,266</u>	<u>276,266</u>	<u>276,266</u>	
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430,121</u>	

Niobrara County, Wyoming

Year Ended June 30, 2021

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Basis) - Federal and State Grants Fund**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 433,300	\$ 635,342	\$ 495,429	\$ (139,913)
Total revenues	433,300	635,342	495,429	(139,913)
Expenditures				
Health, welfare and recreation	421,482	623,524	472,774	150,750
Total expenditures	421,482	623,524	472,774	150,750
Other financing sources (uses)				
Transfers out	-	-	7,753	(7,753)
Total other financing sources (uses)	-	-	7,753	(7,753)
Net change in fund balance	11,818	11,818	14,902	\$ 18,590
Fund balance (deficit) - beginning of year	(25,657)	(25,657)	(25,657)	
Fund balance (deficit) - end of year	\$ (13,839)	\$ (13,839)	\$ (10,755)	

Niobrara County, Wyoming

Year Ended June 30, 2021

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Basis) - E-911 Fund**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 40,000	\$ 40,000	\$ 37,924	\$ (2,076)
Total revenues	40,000	40,000	37,924	(2,076)
Expenditures				
Public safety	45,701	45,701	35,072	10,629
Total expenditures	45,701	45,701	35,072	10,629
Net change in fund balance	(5,701)	(5,701)	2,852	<u>\$ 8,553</u>
Fund balance - beginning of year	5,701	5,701	5,701	
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,553</u>	

Niobrara County, Wyoming

Year Ended June 30, 2021

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Basis) - 1% Fund**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ 500	\$ 500	\$ 40	\$ (460)
Total revenues	500	500	40	(460)
Expenditures				
Public safety	42,470	42,470	-	42,470
Total expenditures	42,470	42,470	-	42,470
Net change in fund balance	(41,970)	(41,970)	40	<u>\$ 42,010</u>
Fund balance - beginning of year	41,970	41,970	41,970	
Fund balance (deficit)- end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,010</u>	

Combining Balance Sheet - Nonmajor Governmental Funds

	Federal and State Grants Fund	E-911 Fund
ASSETS		
Cash and cash equivalents	\$ -	\$ 8,553
Investments, at fair value	-	-
Accounts receivable	10,191	6,316
Total assets	<u>\$ 10,191</u>	<u>\$ 14,869</u>
LIABILITIES		
Due to other funds	\$ 10,755	\$ -
Total liabilities	<u>10,755</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable property tax revenue	-	111
Total deferred inflows of resources	<u>-</u>	<u>111</u>
FUND BALANCES		
Restricted - E-911	-	14,758
Restricted - special purpose tax	-	-
Committed for 1% projects	-	-
Unassigned	(564)	-
Total fund balances	<u>(564)</u>	<u>14,758</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,191</u>	<u>\$ 14,869</u>

Jail O&M Fund	1% Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 8,553
70,694	42,011	112,705
-	-	16,507
<u>\$ 70,694</u>	<u>\$ 42,011</u>	<u>\$ 137,765</u>
\$ -	\$ -	\$ 10,755
-	-	10,755
-	-	111
-	-	111
-	-	14,758
70,694	-	70,694
-	42,011	42,011
-	-	(564)
<u>70,694</u>	<u>42,011</u>	<u>126,899</u>
<u>\$ 70,694</u>	<u>\$ 42,011</u>	<u>\$ 137,765</u>

Niobrara County, Wyoming

Year Ended June 30, 2021

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

	Federal and State Grants Fund	E-911 Fund
Revenues		
Intergovernmental revenues	\$ 479,850	\$ -
Charges for services	-	37,478
Investment earnings	-	-
Total revenues	<u>479,850</u>	<u>37,478</u>
Expenditures		
Current		
Public safety	113,900	9,339
Health, welfare and recreation	50,166	-
Capital outlay	305,300	-
Total expenditures	<u>469,366</u>	<u>9,339</u>
Excess (deficiency) of revenues over expenditures	<u>10,484</u>	<u>28,139</u>
Other financing sources (uses)		
Transfers out	<u>(10,678)</u>	<u>-</u>
Total other financing sources (uses)	<u>(10,678)</u>	<u>-</u>
Net change in fund balance	(194)	28,139
Fund balances - beginning of year	<u>(370)</u>	<u>(13,381)</u>
Fund balances - end of year	<u>\$ (564)</u>	<u>\$ 14,758</u>

Jail O&M Fund	1% Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 479,850
-	-	37,478
456	29	485
<u>456</u>	<u>29</u>	<u>517,813</u>
-	-	123,239
-	-	50,166
-	-	305,300
<u>-</u>	<u>-</u>	<u>478,705</u>
456	29	39,108
-	-	(10,678)
<u>-</u>	<u>-</u>	<u>(10,678)</u>
456	29	28,430
70,238	41,982	98,469
<u>\$ 70,694</u>	<u>\$ 42,011</u>	<u>\$ 126,899</u>

This page is intentionally left blank



**COMPLIANCE
SECTION**

This page is intentionally left blank

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Niobrara County, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Niobrara County, Wyoming, as of and for the year ended June 30, 2021, 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 March 1, 2022.

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) as a basis for designing 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.



MAIL: PO Box 2750
Casper, WY 82602-2750



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



LOCATION: 600 East 1st Street
Casper, WY 82601 61

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2021-001 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters we have reported to management of Niobrara County in a separate letter dated March 1, 2022.

County's Response to Findings

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

Purpose of this Report

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



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming

March 1, 2022

Significant Deficiencies in Internal Control over Financial Reporting

2021-001

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 or Potential Effect

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

Significant Deficiencies in Internal Control over Financial Reporting (Continued)

2021-001 (Continued)

Financial Reporting (Continued)

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.

Views of Responsible Officials and Planned Corrective Actions

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

**NIOBRARA COUNTY
424 SOUTH ELM STREET
LUSK, WY 82225**

Niobrara County, Wyoming

Year Ended June 30, 2020

Summary Schedule of Prior Year Audit Findings

Significant Deficiencies in Internal Control over Financial Reporting

2020-001: Financial Reporting

Name of Contact Person: Becky Freeman, Clerk and Keri Thompson, Treasurer

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.