

# NIOBRARA COUNTY



## ANNUAL FINANCIAL REPORT

JUNE 30, 2008

**NIORARA COUNTY, WYOMING**

**ANNUAL FINANCIAL REPORT**

**June 30, 2008**

***This page is intentionally left blank***

# CONTENTS

---

<b>Independent Auditor's Report</b>	1
<b>Management's Discussion and Analysis</b>	3
<b>Basic Financial Statements</b>	9
Government-wide Financial Statements	
Statement of Net Assets	10
Statement of Activities	12
Fund Financial Statements	
Balance Sheet – Governmental Funds	14
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Fiduciary Net Assets – Fiduciary Funds	19
Notes to Financial Statements	20
<b>Required Supplementary Information</b>	35
Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund	36
Schedule of Revenues, Expenditures and Changes in Fund Balance – Federal and States Grants Fund	41
Schedule of Revenues, Expenditures and Changes in Fund Balance – E-911 Fund	42
Note to Required Supplementary Information	43
<b>Other Supplementary Information</b>	44
Schedule of Revenues, Expenditures and Changes in Fund Balance – County Road Construction	45
Schedule of Revenues, Expenditures and Changes in Fund Balance – Capital Facilities – Fairgrounds, Library, and Courthouse	46
<b>Compliance Section</b>	47
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>	48
Schedule of Findings and Responses	50





INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners  
Niobrara County, Wyoming

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Niobrara County, Wyoming, as of and for the year ended June 30, 2008, which collectively comprise Niobrara County, Wyoming's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Niobrara County, Wyoming's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Niobrara County, Wyoming, as of June 30, 2008, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2009, on our consideration of Niobrara County, Wyoming's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 35 through 43 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

*Porter, Muirhead, Cornia & Howard*

Porter, Muirhead, Cornia & Howard

Certified Public Accountants

February 17, 2009

# NIORRARA COUNTY, WYOMING

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2008

---

As management of the Niobrara County Government, we offer readers of the Niobrara County Government's financial statements this narrative overview and analysis of the financial activities of the Niobrara County Government for the fiscal year ended June 30, 2008.

### ***Financial Highlights***

The assets of the Niobrara County exceeded its liabilities at the close of the most recent fiscal year by \$14,278,572 (*net assets*). Of this amount, \$2,986,396 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, the Niobrara County Government's governmental funds reported combined ending fund balances of \$3,164,895. Of this total amount, \$2,715,061 is available for spending at the government's discretion (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,522,753.

The Niobrara County Government's major debt was the Niobrara County, Wyoming General Obligation Bond, Series 2003 in the aggregate principal amount of \$605,000. The purpose of said bonds was for funding the planning, reengineering, improving, upgrading, remodeling, construction, or reconstruction, equipping, furnishing and repairs to the Niobrara County Hospital. The bonds were paid in full during the fiscal year ended June 30, 2008.

### ***Overview of the Financial Statements***

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

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

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

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

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

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

# NIORRARA COUNTY, WYOMING

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2008

---

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

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

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

The Niobrara County Government maintained six individual governmental funds during the year. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all six funds. The general fund, the debt service fund, the county road construction fund and the capital facilities-fair, library and courthouse fund and the new federal and state grants fund and the E-911 fund are considered to be major funds. The debt service fund was closed after the Series 2003 bonds were paid in full.

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

The basic governmental fund financial statement can be found on pages 14-18 of this report.

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

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

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-34 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Niobrara County Government's budgets for the general fund. This information and the notes to the required supplementary information can be found on pages 35-43 of this report.

### ***Government-wide Financial Analysis***

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Niobrara County Government's net assets, 76.5% reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding.



**NIOBRARA COUNTY, WYOMING**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2008

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

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

**NIOBRARA COUNTY GOVERNMENT'S NET ASSETS**  
**Governmental Activities**

	<u>2008</u>	<u>2007</u>
<b>Assets:</b>		
Current and other assets	\$ 4,045,645	\$ 4,292,768
Capital assets	10,969,305	10,105,349
Total assets	<u>15,014,950</u>	<u>14,398,117</u>
<b>Liabilities:</b>		
Long-term liabilities outstanding	32,821	709,690
Other liabilities	703,557	337,556
Total liabilities	<u>736,378</u>	<u>1,047,246</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt	10,936,484	10,000,659
Restricted for Road Construction	355,692	1,240,590
Unrestricted	2,986,396	2,109,622
<b>Total net assets</b>	<u><u>\$ 14,278,572</u></u>	<u><u>\$ 13,350,871</u></u>

*Remainder of page left blank intentionally*

**NIOBRARA COUNTY, WYOMING**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2008

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

The government's net assets increased by \$927,701 during the current fiscal year.

**NIOBRARA COUNTY GOVERNMENT'S CHANGES IN NET ASSETS**

	<u>2008</u>	<u>2007</u>
<b>Revenues:</b>		
Program revenues		
Charges for services	\$ 257,762	\$ 309,186
Operating grants and contributions	209,138	217,151
<b>General revenues:</b>		
Property taxes - current and delinquent	825,756	744,052
Other taxes	2,376,389	2,066,636
Miscellaneous	108,382	145,880
Unrestricted investment earnings	207,337	219,068
<b>Total Revenues</b>	<u>3,984,764</u>	<u>3,701,973</u>
<b>Expenses:</b>		
General government	1,431,102	1,279,313
Public safety	653,014	859,473
Public works	817,291	1,307,875
Health, welfare, recreation	70,498	54,362
Conservation of natural resources	42,034	51,878
Interest on long-term debt	43,124	32,826
<b>Total Expenses</b>	<u>3,057,063</u>	<u>3,585,727</u>
<b>Increase in net assets</b>	927,701	116,246
Net assets - beginning of year	<u>13,350,871</u>	<u>13,234,625</u>
Net assets - end of year	<u>\$ 14,278,572</u>	<u>\$ 13,350,871</u>

Expenses decreased in public safety, public works, and conservation of natural resources due to reduced spending of grant money and county road funds. Also, some positions were not filled until mid-budget.

# NIORRARA COUNTY, WYOMING

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2008

### *Financial Analysis of the Government's Funds*

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

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

As of the end of the current fiscal year, the Niobrara County Government's governmental funds reported ending fund balance of \$3,164,895, a decrease of \$594,877 in comparison with the prior year.

The general fund is the chief operating fund of the Niobrara County Government. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,522,753, while total fund balance reached \$1,616,895. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

The fund balance of the Niobrara County Government's general fund increased by \$512,485 during the current fiscal year.

### *General Fund Budgetary Highlights*

Niobrara County's valuation continues to increase gradually, allowing the County to slowly increase wages and purchase much needed equipment and conduct capital improvement projects. The County received more sales taxes than budgeted and spent less than the budgeted amounts in several general fund line items. FICA, deferred compensation, economic development, emergency relief, courthouse capital outlay, and litigation line items were not spent or were below the budgeted amounts.

### *Capital Asset and Debt Administration*

The Niobrara County Government's investment in capital assets for its governmental type activities as of June 30, 2008, amounts to \$10,969,305. This investment in capital assets included 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 \$863,956. Niobrara County has been able to improve and upgrade county roads by using the county road fund. By obtaining Consensus Block Fund grants, the county was able to improve the courthouse and fairgrounds. This grant did require a 25% match from the county. Homeland Security grants continue to play an important role for Niobrara County. These funds have allowed the county to purchase radios and much needed safety equipment. The County was able to pay off the motor grader and because the specific purpose excise taxes received exceeded initial projections, the bonds were paid off early.

### NIORRARA COUNTY GOVERNMENT'S CAPITAL ASSETS

	<u>2008</u>	<u>2007</u>
Land	\$ 4,064	\$ 4,064
Construction in progress	1,131,911	-
Buildings and system	3,452,958	3,576,260
Machinery and equipment	898,602	931,809
Infrastructure	5,481,770	5,593,216
<b>Total</b>	<u>\$ 10,969,305</u>	<u>\$ 10,105,349</u>

**NIOBRARA COUNTY, WYOMING**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2008

---

Additional information on the Niobrara County Government's capital assets can be found in the Notes to Financial Statements on pages 29-32.

**Requests for Information**

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

**BASIC FINANCIAL STATEMENTS**



**NIOBRARA COUNTY, WYOMING**

**STATEMENT OF NET ASSETS**

June 30, 2008

	Primary Government	
	Governmental Activities	Total
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,784,418	\$ 3,784,418
Investments, at fair value	-	-
Receivables (net of allowance for uncollectibles)	116,062	116,062
Intergovernmental receivables	51,023	51,023
Inventory	94,142	94,142
Capital assets (net of accumulated depreciation)		
Land	4,064	4,064
Construction in progress	1,131,911	1,131,911
Buildings	3,452,958	3,452,958
Machinery and equipment	898,602	898,602
Infrastructure	5,481,770	5,481,770
Total assets	15,014,950	15,014,950
<b>LIABILITIES</b>		
Accounts payable and other current liabilities	656,154	656,154
Funds held in trust	47,403	47,403
Long-term debt due within one year	9,564	9,564
Long-term debt due in more than one year	23,257	23,257
Total liabilities	736,378	736,378
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	10,936,484	10,936,484
Restricted for Road Construction	355,692	355,692
Unrestricted	2,986,396	2,986,396
Total net assets	\$ 14,278,572	\$ 14,278,572

See accompanying notes to the financial statements

Component Units			
Weed and Pest Control	County Library	County Fair Board	Predatory Animal Control
\$ 412,036	\$ 45,021	\$ 73,899	\$ 2,930
-	36,923	-	378,831
12,792	1,743	890	3,934
-	5,093	18,029	-
57,540	-	-	-
16,906	550	11,635	-
-	-	-	-
315,026	246,402	491,277	-
64,245	166,687	8,633	-
-	-	-	-
<u>878,545</u>	<u>502,419</u>	<u>604,363</u>	<u>385,695</u>
12,385	-	5,253	31,917
-	-	-	-
-	-	-	-
-	-	-	-
<u>12,385</u>	<u>-</u>	<u>5,253</u>	<u>31,917</u>
396,177	413,639	511,545	-
-	-	-	-
469,983	88,780	87,565	353,778
<u>\$ 866,160</u>	<u>\$ 502,419</u>	<u>\$ 599,110</u>	<u>\$ 353,778</u>

**NIOBRARA COUNTY, WYOMING**

**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2008

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 1,431,102	\$ 252,575	\$ 6,886	\$ -
Public safety and transportation	653,014	-	169,748	-
Public works	817,291	-	-	-
Health, welfare, and recreation	70,498	5,187	32,504	-
Conservation of natural resources	42,034	-	-	-
Interest on long-term debt	43,124	-	-	-
Total governmental activities	<u>3,057,063</u>	<u>257,762</u>	<u>209,138</u>	<u>-</u>
Total primary government	<u>3,057,063</u>	<u>257,762</u>	<u>209,138</u>	<u>-</u>
Component units				
Weed and Pest Control	333,344	153,714	-	-
County Library	240,396	-	-	-
County Fair Board	94,347	-	-	-
Predatory Animal Control	132,992	2,182	17,338	-
Total component units	<u>\$ 801,079</u>	<u>\$ 155,896</u>	<u>\$ 17,338</u>	<u>\$ -</u>

General revenues

Property taxes

Sales taxes

Special purpose taxes

Gas and coal tax

Automobile taxes

Grants and contributions not restricted to specific programs

Miscellaneous revenues

Unrestricted investment earnings

Total general revenues

Change in net assets

Net assets - beginning of year

Net assets - ending of year

See accompanying notes to the financial statements

Net (Expense) Revenue and Changes in Net Assets

Primary Government		Component Units			
Governmental Activities	Total	Weed and Pest Control	County Library	County Fair Board	Predatory Animal Control
\$ (1,171,641)	\$ (1,171,641)	\$ -	\$ -	\$ -	\$ -
(483,266)	(483,266)	-	-	-	-
(817,291)	(817,291)	-	-	-	-
(32,807)	(32,807)	-	-	-	-
(42,034)	(42,034)	-	-	-	-
(43,124)	(43,124)	-	-	-	-
(2,590,163)	(2,590,163)	-	-	-	-
-	-	-	-	-	-
(2,590,163)	(2,590,163)	-	-	-	-
-	-	(179,630)	-	-	-
-	-	-	(240,396)	-	-
-	-	-	-	(94,347)	-
-	-	-	-	-	(113,472)
-	-	(179,630)	(240,396)	(94,347)	(113,472)
825,756	825,756	155,076	122,103	61,141	-
465,893	465,893	-	-	-	-
257,450	257,450	-	-	-	-
1,581,324	1,581,324	-	-	-	-
71,722	71,722	-	-	-	-
-	-	-	56,494	-	56,388
108,382	108,382	94,315	15,112	41,620	14,259
207,337	207,337	9,112	2,495	515	16,181
3,517,864	3,517,864	258,503	196,204	103,276	86,828
927,701	927,701	78,873	(44,192)	8,929	(26,644)
13,350,871	13,350,871	787,287	546,611	590,181	380,422
\$ 14,278,572	\$ 14,278,572	\$ 866,160	\$ 502,419	\$ 599,110	\$ 353,778

**NIOBRARA COUNTY, WYOMING**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2008**

	<u>General</u>	<u>Debt Service Fund</u>	<u>County Road Construction</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,895,962	\$ -	\$ 704,291
Delinquent property taxes receivable	10,711	-	-
Accounts receivable	1,552	-	-
Taxes receivable	-	-	4,626
Due from other governments	46,397	-	-
Inventory	94,142	-	-
Total assets	<u>\$ 2,048,764</u>	<u>\$ -</u>	<u>\$ 708,917</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 35,052	\$ -	\$ 19,633
Outstanding warrants	172,221	-	231,448
Retainage payable	-	-	102,144
Funds held in trust	47,403	-	-
Deferred revenue	177,193	-	-
Total liabilities	<u>431,869</u>	<u>-</u>	<u>353,225</u>
<b>FUND BALANCES</b>			
Reserved for inventory	94,142	-	-
Reserved for road construction	-	-	355,692
Unreserved, reported in			
Capital projects funds	-	-	-
Special revenue funds	-	-	-
General fund	1,522,753	-	-
Total fund balances	<u>1,616,895</u>	<u>-</u>	<u>355,692</u>
Total liabilities and fund balances	<u>\$ 2,048,764</u>	<u>\$ -</u>	<u>\$ 708,917</u>

Amounts reported in governmental activities in the statement of net assets are different because Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

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

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

Net assets of governmental activities



<u>Capital Facilities Fair, Library, Courthouse</u>	<u>Federal and State Grants Fund</u>	<u>E-911 Fund</u>	<u>Total Governmental Funds</u>
\$ 1,095,882	\$ 43,724	\$ 44,558	\$ 3,784,417
-	-	-	10,711
20,554	-	-	22,106
-	-	-	4,626
-	77,555	5,690	129,642
-	-	-	94,142
<u>\$ 1,116,436</u>	<u>\$ 121,279</u>	<u>\$ 50,248</u>	<u>\$ 4,045,644</u>
\$ -	\$ 25,863	\$ -	\$ 80,548
-	69,568	224	473,461
-	-	-	102,144
-	-	-	47,403
-	-	-	177,193
<u>-</u>	<u>95,431</u>	<u>224</u>	<u>880,749</u>
-	-	-	94,142
-	-	-	355,692
1,116,436	-	-	1,116,436
-	25,848	50,024	75,872
-	-	-	1,522,753
<u>1,116,436</u>	<u>25,848</u>	<u>50,024</u>	<u>3,164,895</u>
<u>\$ 1,116,436</u>	<u>\$ 121,279</u>	<u>\$ 50,248</u>	
			10,969,305
			(32,821)
			177,193
			<u>\$ 14,278,572</u>

**NIOBRARA COUNTY, WYOMING**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2008**

	General	Debt Service Fund	County Road Construction
<b>Revenues</b>			
Taxes	\$ 1,365,856	\$ -	\$ -
Licenses and permits	750	-	-
Intergovernmental revenues	1,169,642	-	428,909
Charges for services	77,357	-	-
Investment earnings	84,057	2,405	54,325
Miscellaneous revenues	186,270	-	-
<b>Total revenues</b>	<u>2,883,932</u>	<u>2,405</u>	<u>483,234</u>
<b>Expenditures</b>			
<b>Current</b>			
General government	1,300,822	-	-
Public safety and transportation	651,161	-	-
Public works	351,341	-	1,268,132
Health, welfare, and recreation	29,587	-	-
Conservation of natural resources	51,124	-	-
Capital outlay	19,518	-	-
<b>Debt service</b>			
Principal	91,387	605,000	-
Interest	9,889	17,470	-
<b>Total expenditures</b>	<u>2,504,829</u>	<u>622,470</u>	<u>1,268,132</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>379,103</u>	<u>(620,065)</u>	<u>(784,898)</u>
<b>Other financing sources (uses)</b>			
Proceeds from lease/purchase obligations	19,518	-	-
Transfers in	100,000	622,470	-
Transfers out	-	(83,515)	(100,000)
<b>Total other financing sources (uses)</b>	<u>119,518</u>	<u>538,955</u>	<u>(100,000)</u>
<b>Net change in fund balance</b>	498,621	(81,110)	(884,898)
<b>Fund balances - beginning of year</b>	1,104,410	81,110	1,240,590
<b>Increase in reserve for inventory</b>	13,864	-	-
<b>Fund balances - end of year</b>	<u>\$ 1,616,895</u>	<u>\$ -</u>	<u>\$ 355,692</u>

See accompanying notes to the financial statements

Capital Facilities Fair, Library, Courthouse	Federal and State Grants Fund	E-911 Fund	Total Governmental Funds
\$ 257,450	\$ -	\$ -	\$ 1,623,306
-	-	-	750
-	228,337	25,773	1,852,661
-	-	-	77,357
64,936	-	-	205,723
-	-	-	186,270
<u>322,386</u>	<u>228,337</u>	<u>25,773</u>	<u>3,946,067</u>
657	-	-	1,301,479
-	172,586	7,899	831,646
-	-	-	1,619,473
-	68,050	-	97,637
-	-	-	51,124
-	-	-	19,518
-	-	-	696,387
-	-	-	27,359
<u>657</u>	<u>240,636</u>	<u>7,899</u>	<u>4,644,623</u>
<u>321,729</u>	<u>(12,299)</u>	<u>17,874</u>	<u>(698,556)</u>
-	-	-	19,518
83,515	38,147	32,150	876,282
(622,470)	-	-	(805,985)
<u>(538,955)</u>	<u>38,147</u>	<u>32,150</u>	<u>89,815</u>
(217,226)	25,848	50,024	(608,741)
1,333,662	-	-	3,759,772
-	-	-	13,864
<u>\$ 1,116,436</u>	<u>\$ 25,848</u>	<u>\$ 50,024</u>	<u>\$ 3,164,895</u>

**NIOBRARA COUNTY, WYOMING**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2008**

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

Net change in fund balances - total governmental funds	\$ (608,741)
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeds depreciation.	863,956
The governmental funds report the purchase of inventory using the purchase method. However, in the statement of activities the change in inventory has been accounted for using the consumption method. This is the net effect of this difference in the treatment of inventory.	13,864
The issuance of long-term debt (e.g. bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs when debt is first issued, whereas, those amounts are deferred and amortized in the statement of net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	661,103
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	<u>(2,481)</u>
Change in net assets of governmental activities	<u><u>\$ 927,701</u></u>

See accompanying notes to the financial statements

**NIORARA COUNTY, WYOMING**

**STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS**

June 30, 2008

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 543,246
Investments, at fair value	595,262
Accounts receivable	61,082
Taxes receivable	<u>65,990</u>
Total assets	<u><u>\$ 1,265,580</u></u>
<b>LIABILITIES</b>	
Due to other agencies	\$ 83,157
Due to other taxing units	<u>1,182,423</u>
Total liabilities	<u><u>\$ 1,265,580</u></u>

See accompanying notes to the financial statements



*This page is intentionally left blank*

# NIOBRARA COUNTY, WYOMING

## NOTES TO FINANCIAL STATEMENTS

June 30, 2008

---

### Note 1. Summary of Significant Accounting Policies

#### *The Reporting Entity*

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

#### *Discretely Presented Component Units*

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

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

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

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

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

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

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

***Government-Wide and Fund Financial Statements***

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

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

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

***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period.

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

The government reports the following major governmental funds:

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

The *debt service fund* accounts for the revenue and expenditures related to the repayment of the general obligation bonds of the County. This fund was closing during the year.

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

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

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

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

Additionally, the government reports the following fund types:

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

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

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

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

***Assets, Liabilities, and Net Assets or Equity***

***Deposits and Investments***

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Additionally, investments in WYOSTAR are considered to be cash equivalents due to the County's ability to withdraw the investments at any time. However, the Predatory Animal Control District considers its investment in WYOSTAR to be an investment.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

*Deposits and Investments (Continued)*

State statutes authorize the County to invest in securities issued or guaranteed by the U.S. Treasury or agencies of the United States government, bank certificates of deposit, shares or savings certificates of savings and loan associations, Tennessee Valley Authority bonds and notes and export-import bank notes and guaranteed participations.

Investments for the County are reported at fair value. Fair value is determined using the latest bid price or by the closing exchange price at the statements of net assets date. A significant portion of the County's investment activity is conducted in a pooled investment account with the State of Wyoming, State Treasurer's office. The State Treasurer's Investment Pool (WYOSTAR) operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

*Receivables and Payables*

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

*Property Taxes*

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

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

The County is permitted by Wyoming Statutes to levy taxes up to 12 mills of assessed valuation for all purposes, exclusive of state revenue, except for the payment of public debt and interest thereon. The combined tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2008, was 12 mills, which means that the County has levied to the maximum amount available.

*Inventories*

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

**NIOBRARA COUNTY, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2008

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

***Capital Assets***

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

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

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

***Long-Term Obligations***

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

***Fund Equity***

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

***Accounting Estimates***

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

**NIOBRARA COUNTY, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2008

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

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The details of this \$(32,821) difference are as follows:

Lease purchase obligations	\$ (32,821)
	_____
Net adjustments to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$ (32,821)
	_____

Another element of that reconciliation states that “other assets are not available to apply to current-period expenditures and, therefore, are deferred in the funds.” The details of this \$177,193 are as follows:

Deferred revenue	
Property taxes	\$ 177,193
	_____
Net adjustments to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$ 177,193
	_____

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$863,956 difference are as follows:

Capital outlay	\$ 1,481,555
Depreciation expense	(613,472)
Disposed assets	(4,127)
	_____
Net adjustment to increase net change in <i>fund balance - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	\$ 863,956
	_____

**NIOBRARA COUNTY, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2008

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

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

Another element of that reconciliation states that “governmental funds report the purchase of inventory using the purchase method. However, in the statement of activities the change in inventory has been accounted for using the consumption method.” The details of this \$13,864 difference are as follows:

Inventory as of June 30, 2008	\$ 94,142
Inventory as of June 30, 2007	(80,278)
	(80,278)
Net adjustment to increase net change in <i>fund balance - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	\$ 13,864
	13,864

Another element of that reconciliation states that the change in long-term liabilities does not require the use of current financial resources and is not recognized in the governmental funds; however, it is recognized in the statement of activities. The details of this \$661,103 difference are as follows:

Principal paid on long-term debt obligations	\$ 696,387
Lease proceeds	(19,518)
Amortization of issuance costs	(15,766)
	(35,284)
Net adjustment to increase net change in <i>fund balance - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	\$ 661,103
	661,103

Another element of that reconciliation states revenues reported in the statement of activities do not provide current financial resources and are reported as deferred revenue in the governmental funds. The details of this \$(2,481) difference are as follows:

Deferred revenue - June 30, 2008	\$ 177,193
Deferred revenue - June 30, 2007	(179,674)
	(2,481)
Net adjustment to decrease net change in <i>fund balance - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	\$ (2,481)
	(2,481)



**NIOBRARA COUNTY, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2008

**Note 3. Stewardship, Compliance, and Accountability**

***Budgets and Budgetary Accounting***

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

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

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

The budget is adopted on the third Thursday of July.

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 and Capital Project Funds.

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

**Note 4. Detailed Notes on All Funds**

***Deposits and Investments***

As of June 30, 2008, the County had the following investments:

Investment Type	Fair Value	Interest Rate	Investment Maturity (in Years)				Investment Rating
			Less Than 1	1-5	6-10	More Than 10	
Federal Home Loan Mortgage Corp	\$ 222,651	3.75-4.00%	\$ 100,601	\$ 122,050	\$ -	\$ -	Aaa/AAA
Federal Home Loan Bank	372,611	3.75-5.00%	-	75,704	296,907	-	Aaa/AAA
WYOSTAR Investment Pool	3,700,153		3,700,153	-	-	-	N/A
	<u>\$ 4,295,415</u>		<u>\$ 3,800,754</u>	<u>\$ 197,754</u>	<u>\$ 296,907</u>	<u>\$ -</u>	

Investments of the County are reported under the following captions:

Cash and cash equivalents in the government-wide statement of net assets	\$ 3,156,907
Cash and cash equivalents in the statement of fiduciary net assets - fiduciary funds	543,246
Investments in the statement of fiduciary net assets - fiduciary funds	595,262
	<u>\$ 4,295,415</u>

**NIOBRARA COUNTY, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2008

**Note 4. Detailed Notes on All Funds (Continued)**

***Deposits and Investments (Continued)***

As of June 30, 2008, the component units of the County had the following investments:

Investment Type	Fair Value	Interest Rate	Investment Maturity (in Years)				Investment Rating
			Less Than 1	1-5	6-10	More Than 10	
Certificates of Deposit	\$ 36,923	2.75-4.75%	\$ 36,923	\$ -	\$ -	\$ -	N/A
WYOSTAR Investment Pool	378,831		378,831	-	-	-	N/A
	<u>\$415,754</u>		<u>\$415,754</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's investments are held in an external pooled investment account, and as a means of limiting its exposure to fair value losses arising from rising interest rates, the County attempts to match its investment maturities to expected cash flow needs. With this investment focus, investments are expected to reach maturity with limited gains or losses.

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

***Concentration of credit risk*** The County does not have a formal policy that allows or limits an investment in any one issuer to a specified percentage of the County's total investments. The composition of the investment portfolio of the County at June 30, 2008 is as follows:

Investment Type	Fair Value	Percent of Portfolio
Federal Loan Mortgage Corp	\$ 222,651	5.18%
Federal Home Loan Bank	372,611	8.67%
WYOSTAR Investment Pool	3,700,153	86.15%
	<u>\$ 4,295,415</u>	<u>100.00%</u>

***Custodial credit risk - deposits*** In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that the County's deposits in excess of the Federal depository insurance amount be collateralized. At June 30, 2008, the County's deposits were fully collateralized as required by statutes.

***Custodial credit risk - investments*** For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2008, the County's investments were fully collateralized as required by state statute.

**NIOBRARA COUNTY, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2008

**Note 4. Detailed Notes on All Funds (Continued)**

***Receivables***

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

	General Fund	County Road Construction	Capital Facilities Fair, Library, Courthouse	Federal and State Grants Fund	E-911 Fund	Total
Receivables						
Delinquent property taxes receivable	\$ 10,711	\$ -	\$ -	\$ -	\$ -	\$ 10,711
Less allowance for uncollectible	-	-	-	-	-	-
Taxes receivable	-	4,626	-	-	-	4,626
Accounts receivable	1,552	-	20,554	-	-	22,106
	<u>\$ 12,263</u>	<u>\$ 4,626</u>	<u>\$ 20,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,443</u>

***Capital Assets***

***Primary Government***

Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Additions	Adjustments and Deletions	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 4,064	\$ -	\$ -	\$ 4,064
Construction in progress	-	1,131,911	-	1,131,911
Total capital assets, not being depreciated	<u>4,064</u>	<u>1,131,911</u>	<u>-</u>	<u>1,135,975</u>
Capital assets, being depreciated				
Buildings	4,945,978	-	-	4,945,978
Vehicles, machinery and equipment	1,911,920	140,580	20,261	2,032,239
Infrastructure	13,178,060	209,064	-	13,387,124
Total capital assets, being depreciated	<u>20,035,958</u>	<u>349,644</u>	<u>20,261</u>	<u>20,365,341</u>
Less accumulated depreciation for				
Buildings	1,369,718	123,302	-	1,493,020
Vehicles, machinery and equipment	980,111	169,660	16,134	1,133,637
Infrastructure	7,584,844	320,510	-	7,905,354
Total accumulated depreciation	<u>9,934,673</u>	<u>613,472</u>	<u>16,134</u>	<u>10,532,011</u>
Total capital assets, being depreciated, net	<u>10,101,285</u>	<u>(263,828)</u>	<u>4,127</u>	<u>9,833,330</u>
Total capital assets, net	<u>\$ 10,105,349</u>	<u>\$ 868,083</u>	<u>\$ 4,127</u>	<u>\$ 10,969,305</u>

**NIOBRARA COUNTY, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2008

**Note 4. Detailed Notes on All Funds (Continued)**

***Capital Assets (Continued)***

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

Governmental activities	
General government	\$ 145,712
Public safety	48,026
Public works	416,543
Conservation of natural resources	3,191
	<hr/>
Total depreciation expense - governmental activities	<u>\$ 613,472</u>

***Leased Equipment***

Machinery and equipment that was purchased by a lease purchase obligation is included in machinery and equipment of the governmental activities. The purchase price of that equipment was \$50,571 with accumulated depreciation of \$26,929 and current year depreciation expense of \$8,162 expensed in general government activities.

***Discretely Presented Component Units***

Activity for the Weed and Pest Control for the year ended June 30, 2008 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
	<hr/>	<hr/>	<hr/>	<hr/>
Capital assets, not being depreciated				
Land	\$ 16,906	\$ -	\$ -	\$ 16,906
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets, not being depreciated	16,906	-	-	16,906
	<hr/>	<hr/>	<hr/>	<hr/>
Capital assets, being depreciated				
Buildings	343,694	-	-	343,694
Vehicles, machinery and equipment	155,021	13,803	8,458	160,366
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets, being depreciated	498,715	13,803	8,458	504,060
	<hr/>	<hr/>	<hr/>	<hr/>
Less accumulated depreciation for				
Buildings	19,843	8,825	-	28,668
Vehicles, machinery and equipment	86,968	17,611	8,458	96,121
	<hr/>	<hr/>	<hr/>	<hr/>
Total accumulated depreciation	106,811	26,436	8,458	124,789
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets, being depreciated, net	391,904	(12,633)	-	379,271
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets, net	<u>\$ 408,810</u>	<u>\$ (12,633)</u>	<u>\$ -</u>	<u>\$ 396,177</u>

**NIOBRARA COUNTY, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2008

**Note 4. Detailed Notes on All Funds (Continued)**

***Capital Assets (Continued)***

***Discretely Presented Component Units (Continued)***

Activity for the County Library for the year ended June 30, 2008 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	334,925	-	-	334,925
Machinery and equipment	809,917	29,047	64,637	774,327
Total capital assets, being depreciated	1,144,842	29,047	64,637	1,109,252
Less accumulated depreciation for				
Buildings	80,217	8,306	-	88,523
Machinery and equipment	620,881	37,270	50,511	607,640
Total accumulated depreciation	701,098	45,576	50,511	696,163
Total capital assets, being depreciated net	443,744	(16,529)	14,126	413,089
Total capital assets, net	<u>\$ 444,294</u>	<u>\$ (16,529)</u>	<u>\$ 14,126</u>	<u>\$ 413,639</u>

Activity for the County Fair for the year ended June 30, 2008 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 11,635	\$ -	\$ -	\$ 11,635
Total capital assets, not being depreciated	11,635	-	-	11,635
Capital assets, being depreciated				
Buildings	739,546	-	-	739,546
Machinery and equipment	28,521	-	-	28,521
Total capital assets, being depreciated	768,067	-	-	768,067
Less accumulated depreciation for				
Buildings	228,901	19,368	-	248,269
Machinery and equipment	17,697	2,191	-	19,888
Total accumulated depreciation	246,598	21,559	-	268,157
Total capital assets, being depreciated net	521,469	(21,559)	-	499,910
Total capital assets, net	<u>\$ 533,104</u>	<u>\$ (21,559)</u>	<u>\$ -</u>	<u>\$ 511,545</u>

**NIOBRARA COUNTY, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2008

**Note 4. Detailed Notes on All Funds (Continued)**

***Capital Assets (Continued)***

***Discretely Presented Component Units (Continued)***

Activity for the Predatory Animal Control for the year ended June 30, 2008 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	\$ -	\$ -	\$ -	\$ -

***Long-Term Debt***

The following is a summary of debt transactions of the County for the year ended June 30, 2008:

	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008	Due Within One Year
<b>Primary Government</b>					
Lease purchase obligations	\$ 104,690	\$ 19,518	\$ 91,387	\$ 32,821	\$ 9,564
General obligation bonds	605,000	-	605,000	-	-
Total primary government	\$ 709,690	\$ 19,518	\$ 696,387	\$ 32,821	\$ 9,564

A summary of the long-term debt as of June 30, 2008 is as follows:

***Primary government***

\$9,000 copier lease/purchase agreement, dated March 5, 2004 due in monthly installments of \$236 through March 2009; collateralized by the copier; interest at 19.5%, serviced by the general fund	\$ 1,961
\$13,408 copier lease/purchase agreement, dated March 6, 2006, due in monthly installments of \$304 through March 6, 2011, with a purchase option on March 6, 2011; collateralized by the copier, interest at 12.8%; serviced by the general fund	8,414
\$8,645 copier lease/purchase agreement, dated November 8, 2006, due in monthly installments of \$185 through November 8, 2011, with a purchase option on November 8, 2011; interest at 10.3%, serviced by the general fund; collateralized by the copier; serviced by the general fund	6,370
\$11,798 copier lease/purchase agreement, dated January 23, 2007, due in monthly installments of \$265 through January 2012; imputed interest rate of 12.4%, collateralized by the copier; serviced by the general fund	9,159
\$7,720 postage machine lease, dated July 18, 2007, due in monthly installments of \$260 through October 2012; imputed interest rate of 21.8%, collateralized by the postage machine; serviced by the general fund	6,917
	<u>\$ 32,821</u>

**NIOBRARA COUNTY, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2008

**Note 4. Detailed Notes on All Funds (Continued)**

***Long-Term Debt (Continued)***

***Deposits and Investments (Continued)***

The annual requirements to amortize all debt outstanding as of June 30, 2008 are as follows:

Year Ending June 30	Lease Purchase Obligations	
	Principal	Interest
2009	\$ 9,564	\$ 4,086
2010	8,693	2,831
2011	9,036	1,580
2012	4,738	520
2013	790	36
	<u>\$ 32,821</u>	<u>\$ 9,053</u>

On October 1, 2003, the County issued \$750,000 Niobrara County, Wyoming, General Obligation Bonds, Series 2003, in order to provide funding for the planning, reengineering, improving, upgrading, remodeling, construction or reconstruction, equipping, furnishing, and repairs to the Niobrara County Hospital. The bonds were sold to Lusk State Bank, Lusk, Wyoming, and First Interstate Bank, Newcastle, Wyoming. Monies in the Interest Account of the Debt Service Fund were used for payment of interest on the Bonds. Monies in the Principal Account of the Debt Service Fund were used for the payment of principal and premium, if any, on the bonds. During the current fiscal year, the bonds were paid off in full.

***Other Information***

***Interfund Transfers***

Interfund transfers at June 30, 2008 consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 100,000	\$ -
Debt Service Fund	622,470	83,515
Capital Project Funds		
County Road Construction	-	100,000
Capital Facilities - Fair, Library, Courthouse	83,515	622,470
Special Revenue Funds		
Federal and States Grants Fund	38,147	-
E-911 Fund	32,150	-
Fiduciary Fund	-	70,297
	<u>\$ 876,282</u>	<u>\$ 876,282</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In the fiscal year ended June 30, 2008, the fiduciary fund transferred various grant monies held to the newly created special revenue funds.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

---

**Note 4. Detailed Notes on All Funds (Continued)**

***Other Information (Continued)***

***Net Assets Restricted by Legislation***

The government-wide statement of net assets reports \$355,692 of restricted net assets which are restricted for road construction by state legislation.

***Risk Management***

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the year ended June 30, 2008, the County contracted with various insurance companies for property insurance (including boiler and machinery), general liability insurance, professional insurance and vehicle insurance. The coverage under each type of insurance policy varies in amounts and deductibles. The County has not had significant settlements exceeding insurance coverage in any of the past three years. The County has had no significant reductions in insurance coverage from coverage in the prior years.

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

Currently, Niobrara County is unable to offer health insurance to its employees.

Niobrara County paid no quarterly unemployment benefits in the year ended June 30, 2008. The County is classified as a reimbursable employer; therefore a monthly fee is not paid. Payment is made when a claim is filed.

***Overspent Budget***

***Primary Government***

In violation of Wyoming State Statute §16-4-108, the following department expended in excess of its budget expenditures by the following amount:

General Fund	
Optional 1% Tax	\$ 26,935

***Remainder of this page is left blank intentionally***



*This page is intentionally left blank*

**REQUIRED SUPPLEMENTARY INFORMATION**

*This page is intentionally left blank*

**NIORARA COUNTY, WYOMING**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND  
Year Ended June 30, 2008**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>PROPERTY TAXES AND OTHER TAXES</b>				
Property taxes - current and delinquent	\$ 579,500	\$ 579,500	\$ 642,982	\$ 63,482
Vehicle fees	65,000	65,000	71,953	6,953
Payments in lieu of property taxes	180,289	180,289	177,190	(3,099)
Sales and use taxes	239,750	239,750	289,895	50,145
1% optional tax	150,000	150,000	176,935	26,935
	<u>1,214,539</u>	<u>1,214,539</u>	<u>1,358,955</u>	<u>144,416</u>
<b>LICENSES AND PERMITS</b>	<u>500</u>	<u>500</u>	<u>750</u>	<u>250</u>
<b>INTERGOVERNMENTAL REVENUES</b>				
State gasoline tax	61,000	61,000	61,419	419
Car company tax	12,000	12,000	12,019	19
Cigarette tax	24	24	22	(2)
Severance tax	949,350	949,350	971,418	22,068
Special fuel tax	107,000	107,000	109,539	2,539
Federal and state grants		-	5,187	5,187
	<u>1,129,374</u>	<u>1,129,374</u>	<u>1,159,604</u>	<u>30,230</u>
<b>CHARGES FOR SERVICES</b>				
Clerk of Court fees	5,000	5,000	7,292	2,292
Treasurer	3,300	3,300	3,735	435
Assessor	2,000	2,000	1,541	(459)
County Clerk fees	40,000	40,000	47,969	7,969
County Sheriff fees	15,000	15,000	18,604	3,604
Public health nurse	10,000	10,000	-	(10,000)
Commissions and fees	197,712	197,712	157,308	(40,404)
	<u>273,012</u>	<u>273,012</u>	<u>236,449</u>	<u>(36,563)</u>
<b>MISCELLANEOUS REVENUES</b>				
Interest earnings	35,000	35,000	76,180	41,180
Interest on delinquent taxes	750	750	1,612	862
Other income	27,500	27,500	73,625	46,125
	<u>63,250</u>	<u>63,250</u>	<u>151,417</u>	<u>88,167</u>
<b>Total revenues</b>	<u>2,680,675</u>	<u>2,680,675</u>	<u>2,907,175</u>	<u>226,500</u>

(Continued)

See accompanying note to required supplementary information

**NIOBRARA COUNTY, WYOMING**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (CONTINUED)  
Year Ended June 30, 2008**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
County Commissioners				
Salaries	\$ 43,252	\$ 43,252	\$ 39,626	\$ 3,626
Other expenditures	5,450	5,450	6,654	(1,204)
Capital outlay	1,500	1,500	2,834	(1,334)
	<u>50,202</u>	<u>50,202</u>	<u>49,114</u>	<u>1,088</u>
County Clerk				
Salaries	94,820	94,820	91,659	3,161
Other expenditures	28,463	28,463	26,672	1,791
Capital outlay	5,000	5,000	8,223	(3,223)
	<u>128,283</u>	<u>128,283</u>	<u>126,554</u>	<u>1,729</u>
County Treasurer				
Salaries	77,479	77,479	72,595	4,884
Other expenditures	11,900	11,900	12,349	(449)
Capital outlay	6,920	6,920	7,261	(341)
	<u>96,299</u>	<u>96,299</u>	<u>92,205</u>	<u>4,094</u>
County Assessor				
Salaries	92,240	85,132	83,116	2,016
Other expenditures	16,400	23,508	6,737	16,771
Capital outlay	1,000	1,000	516	484
	<u>109,640</u>	<u>109,640</u>	<u>90,369</u>	<u>19,271</u>
County Attorney				
Salaries	78,200	78,200	74,600	3,600
Other expenditures	12,000	12,000	12,141	(141)
	<u>90,200</u>	<u>90,200</u>	<u>86,741</u>	<u>3,459</u>
Clerk of District Court - Administration				
Salaries	57,815	57,815	55,527	2,288
Other expenditures	29,600	29,600	22,890	6,710
Capital outlay	5,500	5,500	11,163	(5,663)
	<u>92,915</u>	<u>92,915</u>	<u>89,580</u>	<u>3,335</u>

(Continued)

See accompanying note to required supplementary information

**NIORARA COUNTY, WYOMING**

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

Year Ended June 30, 2008

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>GENERAL GOVERNMENT (Continued)</b>				
Justice Court				
Other expenditures	\$ 7,200	\$ 7,200	\$ 7,200	\$ -
	<u>7,200</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>
Elections				
Other expenditures	5,000	5,000	3,426	1,574
Capital outlay	1,800	1,800	3,374	(1,574)
	<u>6,800</u>	<u>6,800</u>	<u>6,800</u>	<u>-</u>
Courthouse				
Other expenditures	189,334	189,334	174,002	15,332
Capital outlay	376,577	376,577	149,745	226,832
	<u>565,911</u>	<u>565,911</u>	<u>323,747</u>	<u>242,164</u>
Other general accounts				
Community and economic development	6,950	6,950	-	6,950
Unemployment and FICA	109,500	109,500	101,184	8,316
Retirement match	186,300	186,300	138,000	48,300
Health Coalition/Mental Health	3,500	3,500	3,000	500
Financial administration	36,625	36,625	31,083	5,542
Printing and publishing	12,500	12,500	12,797	(297)
Insurance	25,000	25,000	20,320	4,680
Litigation	5,000	5,000	-	5,000
Emergency relief	613,220	610,318	-	610,318
Other miscellaneous	63,490	63,489	52,981	10,508
Information technology	4,500	4,500	2,657	1,843
	<u>1,066,585</u>	<u>1,063,682</u>	<u>362,022</u>	<u>701,660</u>
Optional 1% Tax				
Intergovernmental expenditures	150,000	150,000	176,935	(26,935)
	<u>2,364,035</u>	<u>2,361,132</u>	<u>1,411,267</u>	<u>949,865</u>

(Continued)

See accompanying note to required supplementary information

**NIOBRARA COUNTY, WYOMING**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (CONTINUED)  
Year Ended June 30, 2008**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>PUBLIC SAFETY</b>				
County Sheriff				
Salaries	\$ 141,947	\$ 133,304	\$ 132,659	\$ 645
Other expenditures	68,301	68,301	68,601	(300)
Capital outlay	3,400	3,400	3,745	(345)
	<u>213,648</u>	<u>205,005</u>	<u>205,005</u>	<u>-</u>
County Coroner				
Salaries	5,434	5,434	5,434	-
Other expenditures	11,400	11,400	4,555	6,845
	<u>16,834</u>	<u>16,834</u>	<u>9,989</u>	<u>6,845</u>
Detention				
Salaries	202,937	202,937	210,296	(7,359)
Other expenditures	74,897	74,897	53,937	20,960
Capital outlay	9,500	9,500	22,126	(12,626)
	<u>287,334</u>	<u>287,334</u>	<u>286,359</u>	<u>975</u>
Emergency Management				
Salaries	3,000	3,000	3,000	-
Other expenditures	1,450	1,450	1,194	256
Capital outlay	600	627	883	(256)
	<u>5,050</u>	<u>5,077</u>	<u>5,077</u>	<u>-</u>
911 Dispatch				
Salaries	121,641	133,160	132,428	732
Other expenditures	19,020	19,020	17,136	1,884
Capital outlay	4,200	4,200	6,816	(2,616)
	<u>144,861</u>	<u>156,380</u>	<u>156,380</u>	<u>-</u>
Total public safety	<u>667,727</u>	<u>670,630</u>	<u>662,810</u>	<u>7,820</u>

(Continued)

See accompanying note to required supplementary information

**NIOBRARA COUNTY, WYOMING**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND  
Year Ended June 30, 2008

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>PUBLIC WORKS</b>				
Road and Bridge				
Salaries	\$ 169,982	\$ 169,982	\$ 140,878	\$ 29,104
Other expenditures	174,700	174,700	201,327	(26,627)
Capital outlay	100,000	100,000	95,251	4,749
Total public works	<u>444,682</u>	<u>444,682</u>	<u>437,456</u>	<u>7,226</u>
<b>HEALTH, WELFARE AND RECREATION</b>				
Public Health Nurse				
Contractual services	<u>31,972</u>	<u>31,972</u>	<u>29,587</u>	<u>2,385</u>
Total health, welfare and recreation	<u>31,972</u>	<u>31,972</u>	<u>29,587</u>	<u>2,385</u>
<b>CONSERVATION OF NATURAL RESOURCES</b>				
Agriculture department				
Salaries	25,692	29,092	27,930	1,162
Other expenditures	25,250	21,850	23,058	(1,208)
Capital outlay	500	500	136	364
Total conservation of natural resources	<u>51,442</u>	<u>51,442</u>	<u>51,124</u>	<u>318</u>
Total expenditures	<u>3,559,858</u>	<u>3,559,858</u>	<u>2,592,244</u>	<u>967,614</u>
Excess (deficiency) of revenues over expenditures	<u>(879,183)</u>	<u>(879,183)</u>	<u>314,931</u>	<u>1,194,114</u>
Other financing sources				
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances	(779,183)	(779,183)	414,931	1,194,114
Fund balance - beginning of year	<u>1,247,174</u>	<u>1,247,174</u>	<u>1,247,174</u>	<u>-</u>
Fund balance - end of year	<u>\$ 467,991</u>	<u>\$ 467,991</u>	<u>\$ 1,662,105</u>	<u>\$ 1,194,114</u>

See accompanying note to required supplementary information



**NIOBRARA COUNTY, WYOMING**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 FEDERAL AND STATE GRANTS FUND  
 Year Ended June 30, 2008

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 287,208	\$ 287,208	\$ 150,783	\$ (136,425)
Total revenues	287,208	287,208	150,783	(136,425)
Expenditures				
Public safety and transportation	242,137	242,137	146,723	95,414
Health, welfare, and recreation	113,775	113,775	68,050	45,725
Total expenditures	355,912	355,912	214,773	141,139
Excess (deficiency) of revenues over expenditures	(68,704)	(68,704)	(63,990)	4,714
Other financing sources				
Transfer in from agency fund			38,147	38,147
Total other financing sources	-	-	38,147	38,147
Net change in fund balance	(68,704)	(68,704)	(25,843)	42,861
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ (68,704)	\$ (68,704)	\$ (25,843)	\$ 42,861

See accompanying note to required supplementary information

**NIOBRARA COUNTY, WYOMING**

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

**E-911 FUND**

**Year Ended June 30, 2008**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 8,800	\$ 8,800	\$ 20,083	\$ 11,283
Total revenues	8,800	8,800	20,083	11,283
<b>Expenditures</b>				
Public safety and transportation	8,800	8,800	7,899	901
Total expenditures	8,800	8,800	7,899	901
Excess of revenues over expenditures	-	-	12,184	12,184
<b>Other financing sources</b>				
Transfer in from agency fund			32,150	32,150
Total other financing sources	-	-	32,150	32,150
<b>Net change in fund balance</b>	-	-	44,334	44,334
<b>Fund balance - beginning of year</b>	-	-	-	-
<b>Fund balance - end of year</b>	\$ -	\$ -	\$ 44,334	\$ 44,334

See accompanying note to required supplementary information

**NIOBRARA COUNTY, WYOMING**

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2008

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

	General Fund	Federal and State Grants Fund	E-911 Fund
<b>Revenues</b>			
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 2,907,175	\$ 150,783	\$ 20,083
<b>Differences - Budget Basis to GAAP</b>			
Accrual of property taxes receivable	5,354	-	-
Accrual of accounts receivable	(31,987)	77,554	5,690
Accrual of deferred revenue	(2,484)	-	-
Miscellaneous reconciling items	5,874	-	-
	<u>\$ 2,883,932</u>	<u>\$ 228,337</u>	<u>\$ 25,773</u>
<b>Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds</b>			
	<u>\$ 2,883,932</u>	<u>\$ 228,337</u>	<u>\$ 25,773</u>
<b>Expenditures</b>			
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 2,592,244	\$ 214,773	\$ 7,899
<b>Differences - Budget Basis to GAAP</b>			
Accrual of accounts payable	(82,885)	25,863	-
Miscellaneous reconciling items	(4,530)	-	-
	<u>(87,415)</u>	<u>25,863</u>	<u>-</u>
<b>Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds</b>			
	<u>\$ 2,504,829</u>	<u>\$ 240,636</u>	<u>\$ 7,899</u>

**OTHER SUPPLEMENTARY INFORMATION**

*This page is intentionally left blank*

**NIOBRARA COUNTY, WYOMING**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 COUNTY ROAD CONSTRUCTION  
 Year Ended June 30, 2008

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 424,283	\$ 424,283
Investment earnings	-	-	53,482	53,482
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>477,765</b>	<b>477,765</b>
<b>Expenditures</b>				
<b>Current</b>				
Public works	1,635,830	1,635,830	1,146,356	489,474
<b>Total expenditures</b>	<b>1,635,830</b>	<b>1,635,830</b>	<b>1,146,356</b>	<b>489,474</b>
<b>Excess (deficiency) of revenues     over expenditures</b>	<b>(1,635,830)</b>	<b>(1,635,830)</b>	<b>(668,591)</b>	<b>967,239</b>
<b>Other financing (uses)</b>				
Operating transfer out	(100,000)	(100,000)	(100,000)	-
<b>Total other financing (uses)</b>	<b>(100,000)</b>	<b>(100,000)</b>	<b>(100,000)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(1,735,830)</b>	<b>(1,735,830)</b>	<b>(768,591)</b>	<b>967,239</b>
<b>Fund balance - beginning of year</b>	<b>1,626,956</b>	<b>1,626,956</b>	<b>1,626,956</b>	<b>-</b>
<b>Fund balance (deficit) - end of year</b>	<b>\$ (108,874)</b>	<b>\$ (108,874)</b>	<b>\$ 858,365</b>	<b>\$ 967,239</b>

**NIOBRARA COUNTY, WYOMING**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 CAPITAL FACILITIES - FAIRGROUNDS, LIBRARY, AND COURTHOUSE  
 Year Ended June 30, 2008

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Taxes	\$ -	\$ 258,207	\$ 258,207
Miscellaneous	-	49,854	49,854
<b>Total revenues</b>	<u>-</u>	<u>308,061</u>	<u>308,061</u>
<b>Expenditures</b>			
General government	-	657	(657)
<b>Total expenditures</b>	<u>-</u>	<u>657</u>	<u>(657)</u>
<b>Excess of revenues over expenditures</b>	<u>-</u>	<u>307,404</u>	<u>307,404</u>
<b>Other financing sources (uses)</b>			
Transfers in		83,515	(83,515)
Transfers out	-	(622,470)	622,470
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(538,955)</u>	<u>538,955</u>
<b>Net change in fund balance</b>	-	(231,551)	846,359
<b>Fund balance - beginning of year</b>	<u>1,333,662</u>	<u>1,333,662</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u><u>\$ 1,333,662</u></u>	<u><u>\$ 1,102,111</u></u>	<u><u>\$ 846,359</u></u>

**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

Honorable Board of County Commissioners  
Niobrara County, Wyoming

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Niobrara County, Wyoming, as of and for the year ended June 30, 2008, and have issued our report thereon dated February 17, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control Over Financial Reporting***

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and responses as item IC 2008-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered material weaknesses. We believe that the significant deficiency described above is a material weakness.

***Compliance and Other Matters***

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

We noted certain matters that we reported to the management of Niobrara County, Wyoming in a separate letter dated February 17, 2009.

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

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

*Porter, Muirhead, Cornia & Howard*

Porter, Muirhead, Cornia & Howard

Certified Public Accountants

February 17, 2009

# NIOBRARA COUNTY, WYOMING

## SCHEDULE OF FINDINGS AND RESPONSES

Year Ended June 30, 2008

---

### IC 2008-1.

#### *Financial Reporting*

##### *Criteria*

The Auditing Standards Board (ASB) recently 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. 112 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 detect and correct a material misstatement, if present.

##### *Recommendation*

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

##### *Response*

While the County understands the recently issued guidelines under SAS No. 112, the County does not see a significant value from the technical compliance with this new statement. The County feels that there is no justifiable benefit to employ a certified public accountant for the sole purpose of converting the County's budgetary basis reporting to the GAAP based annual financial statement. The County's accounting personnel have the skills and understand the County's finances to find and correct material misstatements on the budgetary basis. The lack of familiarity with all required disclosures for formal financial reporting in accordance with GAAP reflects more on the esoteric nature of many required disclosures than the management/oversight capabilities of the County's personnel.

***This page is intentionally left blank***





