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DEPARTMENT OF AUDIT
PUBLIC ACCOUNTS DIVISION

NIOBRARA COUNTY, WYOMING

ANNUAL FINANCIAL REPORT

June 30, 2015

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PORTER, MUIRHEAD, CORNIA & HOWARD

(A Corporation of Certified Public Accountants)

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INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Niobrara County, Wyoming

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Niobrara County, Wyoming, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Niobrara County, Wyoming's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Niobrara County, Wyoming, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 04, 2016, on our consideration of Niobrara County, Wyoming's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering Niobrara County, Wyoming's internal control over financial reporting.

Porter, Muirhead, Cornia & Howard

Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming

February 04, 2016

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NIORRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(Unaudited)

As management of Niobrara County ("County"), we offer readers of Niobrara County's financial statements this narrative overview and analysis of the financial activities of Niobrara County for the fiscal year ended June 30, 2015.

Financial Highlights

The assets of the Niobrara County exceeded its liabilities at the close of the most recent fiscal year by \$15,851,417 (*net position*). Of this amount, \$3,284,741 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, Niobrara County's governmental funds reported combined ending fund balances of \$5,134,687. Of this total amount, \$3,166,194 is available for spending at the government's discretion (unassigned).

The County's debt, other than compensated absences, decreased by \$6,449 due to regularly scheduled payments on lease purchase obligations.

Overview of the Financial Statements

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

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

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

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

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

NIOBRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(Unaudited)

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

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

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

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

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

Fiduciary funds - Fiduciary funds (agency funds) are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of the funds are not available to support Niobrara County's own programs.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Niobrara County Government's net position, 67.80% reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that are still outstanding.

NIOBRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(Unaudited)

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

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

Governmental Activities Net Position

	<u>2015</u>	<u>2014</u>
Assets:		
Current and other assets	\$ 6,893,427	\$ 6,868,309
Capital assets	10,752,727	10,712,866
Total assets	<u>17,646,154</u>	<u>17,581,175</u>
Liabilities:		
Long-term liabilities outstanding	35,999	38,516
Other liabilities	246,406	191,217
Total liabilities	<u>282,405</u>	<u>229,733</u>
Deferred inflows of resources:		
Deferred taxes	1,512,332	1,318,002
Total deferred inflows of resources	<u>1,512,332</u>	<u>1,318,002</u>
Net position:		
Net investment in capital assets	10,746,710	10,700,400
Restricted for road construction	998,949	1,170,205
Unrestricted	4,105,758	4,162,835
Total net position	<u>\$ 15,851,417</u>	<u>\$ 16,033,440</u>

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NIOBRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(Unaudited)

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

The government's net position decreased by approximately \$182,023 during the current fiscal year.

Schedule of Activities

	<u>2015</u>	<u>2014</u>
Revenues:		
Program revenues		
Charges for services	\$ 88,542	\$ 83,482
Operating grants and contributions	154,818	65,543
Capital grants and contributions	20,070	39,487
General revenues:		
Property taxes	1,331,052	1,495,854
Other taxes	2,157,603	2,106,079
Miscellaneous revenues and reimbursements	183,427	191,209
Unrestricted investment earnings	18,196	21,585
Total revenues	<u>3,953,708</u>	<u>4,003,239</u>
Expenses:		
General government	1,734,108	1,840,495
Public safety	942,759	892,122
Public works	1,231,881	1,223,017
Health, welfare, recreation	176,387	87,351
Conservation of natural resources	49,430	50,248
Interest on long-term debt	1,166	1,917
Total expenses	<u>4,135,731</u>	<u>4,095,150</u>
(Decrease) in net position	(182,023)	(91,911)
Net position - beginning of year	16,033,440	16,035,406
Prior period adjustment	-	89,945
Net position - end of year	<u>\$ 15,851,417</u>	<u>\$ 16,033,440</u>

Governments change in net assets

General government expenses decreased as a result of less travel expenses, higher paid positions becoming vacant due to turnover, less fuel purchased and a reduction in vehicle repairs. Also, some improvement projects such as carpeting of the courthouse and minor courthouse improvements came in under budget. Although budgeted, a feasibility study on whether or not to renovate the "old jail" for office space was not performed saving approximately \$43,000. Overall, elected officials and department heads remain frugal in their spending and try to conserve at all possible chances.

Public safety expenses increased because an E911 Communications package was purchased to replace the old failing one.

NIOBRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(Unaudited)

Governments change in nets assets (continued)

Capital grants and contributions decreased due to a majority of the capital improvement projects being completed or near completion in the previous fiscal year.

Health, welfare, recreation expenses increased in the current fiscal year due to the library improvements. These improvements were funded in part by grants from the Wyoming Business Council and the WAM-WCCA Energy Lease Program.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Niobrara County's governmental funds reported ending fund balance of \$5,134,687, a decrease of \$224,402, as compared to the prior year.

The general fund is the chief operating fund of Niobrara County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,317,226. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

The fund balance of Niobrara County's general fund increased by \$177,071 during the current fiscal year.

General Fund Budgetary Highlights

During fiscal year 2015, the valuation for Niobrara County increased. This increase allowed the Board of County Commissioners to once again provide raises for the employees, fund new equipment requests and fund a majority of the budget requests as presented, excluding salaries and to place additional funds in cash and depreciation reserves.

An unforeseen expense for public works occurred in June of 2015. County roads sustained heavy damages as a result of flooding. Extensive repairs were undertaken to get the roads back to pre-flood conditions. This resulted in unanticipated expenses in purchasing gravel, culverts and manpower to restore the roads.

NIORARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(Unaudited)

Capital Asset and Debt Administration

Niobrara County's investment in capital assets for its governmental type activities as of June 30, 2015, amounts to \$10,752,727, net of depreciation. This investment in capital assets include land, buildings, machinery and equipment, infrastructures, and roads, highways and bridges. The total increase in Niobrara County's investment in capital assets for the current year was \$39,861

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

CAPITAL ASSETS (NET OF DEPRECIATION)

	<u>2015</u>	<u>2014</u>
Land	\$ 40,997	\$ 40,997
Construction in progress	437,672	127,194
Buildings and system	3,478,196	3,627,250
Vehicles, machinery and equipment	1,066,954	1,216,662
Infrastructure	5,728,908	5,700,763
Total	<u>\$ 10,752,727</u>	<u>\$ 10,712,866</u>

Requests for Information

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

BASIC FINANCIAL STATEMENTS

NIOBRARA COUNTY, WYOMING

STATEMENT OF NET POSITION

June 30, 2015

	Primary Government	
	Governmental Activities	Total
ASSETS		
Cash and cash equivalents	\$ 5,010,598	\$ 5,010,598
Investments, at fair value	-	-
Receivables	1,774,063	1,774,063
Due from primary government	-	-
Inventory	108,766	108,766
Restricted assets		
Cash and cash equivalents	-	-
Beneficial interest in assets held by others	-	-
Capital assets not being depreciated	478,669	478,669
Capital assets net of accumulated depreciation	10,274,058	10,274,058
Total assets	17,646,154	17,646,154
DEFERRED OUTFLOWS OF RESOURCES		
Pension items	-	-
Total deferred inflows of resources	-	-
LIABILITIES		
Accounts payable	151,353	151,353
Due to fiduciary funds	1,845	1,845
Due to component units	62,591	-
Funds held in trust	30,617	30,617
Noncurrent liabilities		
Long-term debt due within one year	4,419	4,419
Long-term debt due in more than one year	31,580	31,580
Total liabilities	282,405	219,814
DEFERRED OUTFLOWS OF RESOURCES		
Deferred property tax revenue	1,512,332	1,512,332
Total deferred outflows of resources	1,512,332	1,512,332
NET POSITION		
Net investment in capital assets	10,746,710	10,746,710
Restricted for		
County road construction (W.S. 24-2-110)	998,949	998,949
Special purpose tax	821,017	821,017
Library foundation		
Expendable	-	-
Permanent endowment for the library (nonexpendable)	-	-
Unrestricted	3,284,741	3,284,741
Total net position	\$ 15,851,417	\$ 15,851,417

See accompanying notes to the financial statements

Component Units

Weed and Pest Control District	County Library Board	County Fair Board	Predator Management District
\$ 327,973	\$ 91,584	\$ 160,561	\$ 102,394
707,200	-	-	257,077
296,767	162,272	28,839	-
62,591	-	-	-
17,683	-	-	-
-	189,285	-	-
-	1,701,279	-	-
16,906	550	11,635	-
423,737	784,413	1,122,435	-
<u>1,852,857</u>	<u>2,929,383</u>	<u>1,323,470</u>	<u>359,471</u>
17,441	-	-	-
<u>17,441</u>	<u>-</u>	<u>-</u>	<u>-</u>
15,859	33,197	-	-
-	-	-	-
-	-	-	-
-	-	-	-
6,859	-	-	-
99,405	6,903	-	-
<u>122,123</u>	<u>40,100</u>	<u>-</u>	<u>-</u>
283,792	161,838	28,579	-
<u>283,792</u>	<u>161,838</u>	<u>28,579</u>	<u>-</u>
440,643	784,963	1,134,070	-
-	-	-	-
-	-	-	-
-	189,285	-	-
-	1,701,279	-	-
1,023,740	51,918	160,821	359,471
<u>\$ 1,464,383</u>	<u>\$ 2,727,445</u>	<u>\$ 1,294,891</u>	<u>\$ 359,471</u>

NIORARA COUNTY, WYOMING

STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

Function/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 1,734,108	\$ 76,353	\$ -	\$ 20,070
Public safety	942,759	11,665	136,342	-
Public works	1,231,881	-	-	-
Health, welfare, and recreation	176,387	524	18,476	-
Conservation of natural resources	49,430	-	-	-
Interest on long-term debt	1,166	-	-	-
Total governmental activities	<u>4,135,731</u>	<u>88,542</u>	<u>154,818</u>	<u>20,070</u>
Total primary government	<u>4,135,731</u>	<u>88,542</u>	<u>154,818</u>	<u>20,070</u>
Component units				
Weed and Pest Control District	520,824	227,140	90,600	-
County Library Board	485,650	-	-	-
County Fair Board	130,353	-	-	104,174
Predator Management District	192,106	-	155,000	-
Total component units	<u>\$ 1,328,933</u>	<u>\$ 227,140</u>	<u>\$ 245,600</u>	<u>\$ 104,174</u>

General revenues
 Property taxes
 Sales taxes
 Gas and coal tax
 Automobile taxes
 Grants and contributions not restricted to specific programs
 Miscellaneous revenues and reimbursements
 Insurance recovery
 Contribution to permanently restricted endowment
 Unrestricted investment earnings
 Total general revenues

Change in net position

Net position - beginning of year

Prior period adjustment

Net assets - beginning of year as restated

Net position - ending of year

See accompanying notes to the financial statements

Net (Expense) Revenue and Changes in Net Position

Primary Government		Component Units			
Governmental Activities	Total	Weed and Pest Control District	County Library Board	County Fair Board	Predator Management District
\$ (1,637,685)	\$ (1,637,685)	\$ -	\$ -	\$ -	\$ -
(794,752)	(794,752)	-	-	-	-
(1,231,881)	(1,231,881)	-	-	-	-
(157,387)	(157,387)	-	-	-	-
(49,430)	(49,430)	-	-	-	-
(1,166)	(1,166)	-	-	-	-
<u>(3,872,301)</u>	<u>(3,872,301)</u>	-	-	-	-
<u>(3,872,301)</u>	<u>(3,872,301)</u>	-	-	-	-
-	-	(203,084)	-	-	-
-	-	-	(485,650)	-	-
-	-	-	-	(26,179)	-
-	-	-	-	-	(37,106)
-	-	<u>(203,084)</u>	<u>(485,650)</u>	<u>(26,179)</u>	<u>(37,106)</u>
1,331,052	1,331,052	289,126	180,850	108,063	-
614,653	614,653	-	-	-	-
1,439,682	1,439,682	-	-	-	-
103,268	103,268	-	-	-	-
-	-	-	25,000	20,500	45,817
183,427	183,427	-	328,039	28,735	12
-	-	62,591	-	-	-
-	-	-	45,585	-	-
18,196	18,196	3,259	630	252	931
<u>3,690,278</u>	<u>3,690,278</u>	<u>354,976</u>	<u>580,104</u>	<u>157,550</u>	<u>46,760</u>
(182,023)	(182,023)	151,892	94,454	131,371	9,654
16,033,440	16,033,440	1,383,756	2,632,991	1,163,520	349,817
-	-	(71,265)	-	-	-
<u>16,033,440</u>	<u>16,033,440</u>	<u>1,312,491</u>	<u>2,632,991</u>	<u>1,163,520</u>	<u>349,817</u>
<u>\$ 15,851,417</u>	<u>\$ 15,851,417</u>	<u>\$ 1,464,383</u>	<u>\$ 2,727,445</u>	<u>\$ 1,294,891</u>	<u>\$ 359,471</u>

NIOBRARA COUNTY, WYOMING

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015**

	<u>General Fund</u>	<u>County Road Construction Fund</u>
ASSETS		
Cash and cash equivalents	\$ 3,209,790	\$ 977,129
Property taxes receivable	1,515,802	-
Accounts receivable	90,175	-
Taxes receivable	-	26,313
Due from other governments	135,209	-
Due from other funds	1,845	-
Inventory	108,766	-
Total assets	<u>\$ 5,061,587</u>	<u>\$ 1,003,442</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 30,055	\$ 5,116
Due to other funds	-	1,845
Due to component units	62,591	-
Funds held in trust	30,617	-
Total liabilities	<u>123,263</u>	<u>6,961</u>
Deferred inflows of resources		
Deferred property tax revenues	1,512,332	-
Total deferred inflows of resources	<u>1,512,332</u>	<u>-</u>
Fund balances		
Non-spendable	108,766	-
Restricted - state legislation	-	996,481
Restricted - special purpose tax	-	-
Committed for 1% projects	-	-
Unassigned	3,317,226	-
Total fund balances (deficits)	<u>3,425,992</u>	<u>996,481</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 5,061,587</u>	<u>\$ 1,003,442</u>

See accompanying notes to the financial statements

Capital Facilities Fair, Library, Courthouse Fund	Federal and State Grants Fund	E-911 Fund	1% Fund	Total Governmental Funds
\$ 821,017	\$ (95,666)	\$ 58,566	\$ 39,761	\$ 5,010,597
-	-	-	-	1,515,802
-	-	-	-	90,175
-	1,637	3,081	-	26,313
-	-	-	-	139,927
-	-	-	-	1,845
-	-	-	-	108,766
<u>\$ 821,017</u>	<u>\$ (94,029)</u>	<u>\$ 61,647</u>	<u>\$ 39,761</u>	<u>\$ 6,893,425</u>
\$ -	\$ 57,003	\$ 59,179	\$ -	\$ 151,353
-	-	-	-	1,845
-	-	-	-	62,591
-	-	-	-	30,617
<u>-</u>	<u>57,003</u>	<u>59,179</u>	<u>-</u>	<u>246,406</u>
-	-	-	-	1,512,332
-	-	-	-	1,512,332
-	-	-	-	108,766
-	-	2,468	-	998,949
821,017	-	-	-	821,017
-	-	-	39,761	39,761
-	(151,032)	-	-	3,166,194
<u>821,017</u>	<u>(151,032)</u>	<u>2,468</u>	<u>39,761</u>	<u>5,134,687</u>
<u>\$ 821,017</u>	<u>\$ (94,029)</u>	<u>\$ 61,647</u>	<u>\$ 39,761</u>	<u>\$ 6,893,425</u>

NIOBRARA COUNTY, WYOMING

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

June 30, 2015

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

Total fund balances - governmental funds	\$ 5,134,687
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	10,752,727
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.	(35,999)
Rounding	2
Net position of governmental activities	<u>\$ 15,851,417</u>

See accompanying notes to the financial statements

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NIOBRARA COUNTY, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2015**

	<u>General Fund</u>	<u>County Road Construction Fund</u>
Revenues		
Taxes	\$ 2,048,973	\$ -
Intergovernmental revenues	1,028,784	410,900
Charges for services	88,542	-
Investment earnings	9,774	3,076
Miscellaneous revenues and reimbursements	183,427	-
Total revenues	<u>3,359,500</u>	<u>413,976</u>
Expenditures		
Current		
General government	1,927,103	-
Public safety	763,419	-
Public works	490,462	537,700
Health, welfare, and recreation	27,912	-
Conservation of natural resources	45,992	-
Debt service		
Principal	6,449	-
Interest	1,166	-
Total expenditures	<u>3,262,503</u>	<u>537,700</u>
Excess (deficiency) of revenues over expenditures	<u>96,997</u>	<u>(123,724)</u>
Other financing sources (uses)		
Transfers in	50,000	-
Transfers out	-	(50,000)
Total other financing sources (uses)	<u>50,000</u>	<u>(50,000)</u>
Net change in fund balance	146,997	(173,724)
Fund balances - beginning of year	2,926,252	1,170,205
Prior period adjustment	<u>322,669</u>	<u>-</u>
Fund balances - beginning of year, as restated	3,248,921	1,170,205
Increase in reserve for inventory	<u>30,074</u>	<u>-</u>
Fund balances (deficit) - end of year	<u>\$ 3,425,992</u>	<u>\$ 996,481</u>

See accompanying notes to the financial statements

Capital Facilities Fair, Library, Courthouse Fund	Federal and State Grants Fund	E-911 Fund	1% Fund	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 2,048,973
-	153,091	21,796	-	1,614,571
-	-	-	-	88,542
5,332	-	-	15	18,197
-	-	-	-	183,427
<u>5,332</u>	<u>153,091</u>	<u>21,796</u>	<u>15</u>	<u>3,953,710</u>
-	-	-	-	1,927,103
-	75,799	95,543	-	934,761
-	88,166	-	-	1,116,328
-	148,475	-	-	176,387
-	-	-	-	45,992
-	-	-	-	6,449
-	-	-	-	1,166
-	<u>312,440</u>	<u>95,543</u>	-	<u>4,208,186</u>
<u>5,332</u>	<u>(159,349)</u>	<u>(73,747)</u>	<u>15</u>	<u>(254,476)</u>
-	-	-	-	50,000
-	-	-	-	(50,000)
-	-	-	-	-
<u>5,332</u>	<u>(159,349)</u>	<u>(73,747)</u>	<u>15</u>	<u>(254,476)</u>
815,685	8,317	76,215	39,746	5,036,420
-	-	-	-	322,669
<u>815,685</u>	<u>8,317</u>	<u>76,215</u>	<u>39,746</u>	<u>5,359,089</u>
-	-	-	-	30,074
<u>\$ 821,017</u>	<u>\$ (151,032)</u>	<u>\$ 2,468</u>	<u>\$ 39,761</u>	<u>\$ 5,134,687</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, 2015**

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

Net change in fund balances - total governmental funds		\$ (254,476)
--	--	--------------

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

Additions to capital assets	\$ 1,097,728	
Cost of capital assets sold or disposed	(11,390)	
Accumulated depreciation on assets sold or disposed	11,390	
Depreciation expense	<u>(1,057,867)</u>	39,861

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.

Inventory as of June 30, 2015	108,766	
Inventory as of June 30, 2014	<u>(78,692)</u>	30,074

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

Principal paid on long-term debt obligations	6,449	
Increase in compensated absences	<u>(3,932)</u>	<u>2,517</u>

Change in net position of governmental activities		<u>\$ (182,023)</u>
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See accompanying notes to the financial statements

NIOBRARA COUNTY, WYOMING

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

June 30, 2015

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 1,768,754
Investments, at fair value	1,000
Accounts receivable	<u>178,284</u>
 Total assets	 <u>\$ 1,948,038</u>
LIABILITIES	
Due to other governments	<u>\$ 1,948,038</u>
 Total liabilities	 <u><u>\$ 1,948,038</u></u>

See accompanying notes to the financial statements

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NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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

Discretely Presented Component Units

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

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

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

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

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

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

The government reports the following major governmental funds:

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

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

The Capital Facilities Fair, Library, Courthouse fund is a *capital project fund* and is used to account for acquisition and construction of major capital facilities.

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

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

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

Additionally, the government reports the following fund types:

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

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

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

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

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

Deposits and Investments

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

Wyoming Statutes authorize the types of investments in which counties may invest. Among these authorized investments are certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, and repurchase agreements involving U.S. Government securities. The County's investments consist of certificates of deposit, U.S. Agencies' obligations, all of which are carried at fair value, and participation in two governmental investment pools. A portion of the County's investment activity is conducted in a pooled investment account with the State of Wyoming, State Treasurer's office. WYOSTAR operates in accordance with appropriate state laws and regulations. The County also invests in the WGIF. WGIF is a comprehensive cash management program available to Wyoming public entities. WGIF provides a full range of programs to meet participants' needs. The investments purchased by the WGIF are comprised of governmental securities meeting state statutory requirements. The reported value of WYOSTAR and WGIF is the same as the fair value of the pool shares. Investments for the County are reported at fair value. Fair value is determined using the latest bid price or by the closing exchange price at the statements of net position date. The Library Foundation is not subject to the state statutes which restrict investments.

Receivables and Payables

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

Property Taxes

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

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

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, 2015, was 12 mills, which means that the County has levied to the maximum amount available.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

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

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.

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

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the pension plan items reported in the government-wide statement of net position. The pension plan items are the result of differences between projected and actual earning on pension plan items, as well as, the County's contributions subsequent to the measurement date used by the Wyoming Retirement System for the pension plan liability.

Compensated Absences

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

NIOBRARA COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

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

Deferred Inflows of Resources

In addition to the liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item that qualifies for reporting in this category. Unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide statement of net position, only property taxes are reported as a deferred inflow of resources. Property taxes are recognized as an inflow of resources in the year they are levied.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, governmental fund types recognize proceeds from 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

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

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

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

As of June 30, 2015 the grants fund reported a deficit fund balance of (\$151,032). This was due to money spent to repair infrastructure in the wake of the flood at the beginning of June. At year end the County had a verbal agreement with FEMA for funding to help with flood repairs, including amounts that had already been spent by the County. Subsequent to June 30, 2015 the County has received grant award agreement from FEMA.

NIOBRARA COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

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

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.

Note 2. 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 Funds and the County Road Construction Fund. The Capital Facilities Fair, Library, Courthouse Fund does not set an annual budget as this fund is used to account for the Special Purpose Tax of 2008 which can only be used for the voter approved projects.

Budgets for the 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).

As of June 30, 2015 there were multiple funds that had over expended their budget; the general fund general government budget was over expended by \$450, the grant fund budget was over expended by \$65,663 and the E-911 fund budget was over expended by \$770.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 3. Detailed Notes on All Funds

Deposits and Investments

As of June 30, 2015, the County had the following deposits and investments:

Type	Fair Value	Interest Rate	Investment Maturity (in Years)				Investment Rating
			Less Than 1	1-5	6-10	More Than 10	
Deposits							
Cash in banks	\$4,647,049	N/A	\$4,647,049	\$ -	\$ -	\$ -	N/A
WGIF	212,409	N/A	212,409	-	-	-	AAAm
WYOSTAR Investment Pool	1,919,894	N/A	1,919,894	-	-	-	N/A
Total deposits	6,779,352		6,779,352	-	-	-	
Investments							
Certificates of deposit (term greater than 3 months)	1,000	2.35%	-	1,000	-	-	N/A
Total investments	1,000		-	1,000	-	-	
Total deposits and investments	\$6,780,352		\$6,779,352	\$ 1,000	\$ -	\$ -	

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

Cash and cash equivalents in the government-wide statement of net position	\$ 5,010,598
Cash and cash equivalents in the statement of fiduciary net position - fiduciary funds	1,768,754
Total deposits	6,779,352
Investments in the statement of fiduciary net position - fiduciary funds	1,000
Total deposits and investments	\$ 6,780,352

As of June 30, 2015, the component units of the County had the following deposits and investments:

Type	Fair Value	Interest Rate	Investment Maturity (in Years)				Investment Rating
			Less Than 1	1-5	6-10	More Than 10	
Deposits							
Cash in banks	\$ 871,797	N/A	\$ 871,797	\$ -	\$ -	\$ -	N/A
Total deposits	871,797		871,797	-	-	-	
Investments							
Certificates of deposit (term greater than 3 months)	707,200	0.30-1.05%	707,200	-	-	-	N/A
WYOSTAR Investment Pool	257,077		257,077	-	-	-	N/A
Total investments	964,277		964,277	-	-	-	
Total deposits and investments	\$1,836,074		\$1,836,074	\$ -	\$ -	\$ -	

N/A - not available, investment is unrated

NIOBRARA COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

Note 3. Detailed Notes on All Funds (Continued)

Deposits and Investments (Continued)

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

Cash and cash equivalents in the government-wide statement of net position -	
Weed and Pest Control District	\$ 327,973
County Library Board	91,584
County Library Board (Restricted)	189,285
County Fair Board	160,561
Predator Management District	102,394
Total deposits	871,797
Investments in the government-wide statement of net position -	
Weed and Pest Control District	707,200
Predator Management District	257,077
Total investments	964,277
Total deposits and investments	\$ 1,836,074

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

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

Concentration of credit risk The County does not have a formal policy that allows or limits an investment in any one issuer to a specified percentage of the County's total investments. The composition of the investment portfolio of the County at June 30, 2015 is as follows:

Deposit and Investment Types	Fair Value	Percent of Portfolio
WGIF	212,409	9.96%
WYOSTAR Investment Pool	1,919,894	90.05%
	\$ 2,132,303	100%

Custodial credit risk - deposits In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that the County's deposits in excess of the Federal depository insurance amount be collateralized. At June 30, 2015, the County's deposits were fully collateralized as required by statutes. The deposits of the Weed and Pest Control District were under collateralized as of June 30, 2015 by \$51,129.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 3. Detailed Notes on All Funds (Continued)

Deposits and Investments (Continued)

Custodial credit risk - investments For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes limit the type of investments the County can use. Statutes limit investments primarily to securities issued or guaranteed by the U.S. Treasury or agencies of the United States government, therefore, reducing the County's exposure to custodial credit risk for its investments.

Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 40,997	\$ -	\$ -	\$ 40,997
Construction in progress	127,194	310,478	-	437,672
Total capital assets, not being depreciated	168,191	310,478	-	478,669
Capital assets, being depreciated				
Buildings	6,018,400	23,499	-	6,041,899
Vehicles, machinery and equipment	4,259,540	245,225	(11,390)	4,493,375
Infrastructure	16,487,240	518,526	-	17,005,766
Total capital assets, being depreciated	26,765,180	787,250	(11,390)	27,541,040
Less accumulated depreciation for				
Buildings	2,391,150	172,553	-	2,563,703
Vehicles, machinery and equipment	3,042,878	394,933	(11,390)	3,426,421
Infrastructure	10,786,477	490,381	-	11,276,858
Total accumulated depreciation	16,220,505	1,057,867	(11,390)	17,266,982
Total capital assets, being depreciated, net	10,544,675	(270,617)	-	10,274,058
Total capital assets, net	\$ 10,712,866	\$ 39,861	\$ -	\$ 10,752,727

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

Governmental activities	
General government	\$ 199,652
Public safety	193,931
Public works	660,881
Conservation of natural resources	3,403
Total depreciation expense - governmental activities	\$ 1,057,867

NIOBRARA COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 3. Detailed Notes on All Funds (Continued)

Capital Assets (Continued)

Capital Lease Equipment

Machinery and equipment that was purchased by a lease purchase obligation is included in vehicles, machinery and equipment of the governmental activities. The purchase price of that equipment was \$28,625 with accumulated depreciation of \$18,147 and current year depreciation expense of \$5,725 expensed in general government activities.

Discretely Presented Component Units

Activity for the Weed and Pest Control District for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 16,906	\$ -	\$ -	\$ 16,906
Total capital assets, not being depreciated	16,906	-	-	16,906
Capital assets, being depreciated				
Buildings	475,445	-	-	475,445
Vehicles, machinery and equipment	201,223	22,427	1,300	222,350
Total capital assets, being depreciated	676,668	22,427	1,300	697,795
Less accumulated depreciation for				
Buildings	98,767	12,188	-	110,955
Vehicles, machinery and equipment	144,234	20,169	1,300	163,103
Total accumulated depreciation	243,001	32,357	1,300	274,058
Total capital assets, being depreciated, net	433,667	(9,930)	-	423,737
Total capital assets, net	\$ 450,573	\$ (9,930)	\$ -	\$ 440,643

NIOBRARA COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

Note 3. Detailed Notes on All Funds (Continued)

Capital Assets (Continued)

Discretely Presented Component Units (Continued)

Activity for the County Library Board for the year ended June 30, 2015 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	562,732	146,401	-	709,133
Machinery and equipment	941,291	116,781	81,119	976,953
Total capital assets, being depreciated	1,504,023	263,182	81,119	1,686,086
Less accumulated depreciation for				
Buildings	180,092	24,136	-	204,228
Machinery and equipment	685,826	77,696	66,077	697,445
Total accumulated depreciation	865,918	101,832	66,077	901,673
Total capital assets, being depreciated net	638,105	161,350	15,042	784,413
Total capital assets, net	<u>\$ 638,655</u>	<u>\$ 161,350</u>	<u>\$ 15,042</u>	<u>\$ 784,963</u>

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NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 3. Detailed Notes on All Funds (Continued)

Capital Assets (Continued)

Discretely Presented Component Units (Continued)

Activity for the County Fair Board for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 11,635	\$ -	\$ -	\$ 11,635
Total capital assets, not being depreciated	11,635	-	-	11,635
Capital assets, being depreciated				
Buildings	1,527,366	104,174	-	1,631,540
Machinery and equipment	41,940	-	-	41,940
Total capital assets, being depreciated	1,569,306	104,174	-	1,673,480
Less accumulated depreciation for				
Buildings	456,929	58,931	-	515,860
Machinery and equipment	32,168	3,017	-	35,185
Total accumulated depreciation	489,097	61,948	-	551,045
Total capital assets, being depreciated net	1,080,209	42,226	-	1,122,435
Total capital assets, net	\$ 1,091,844	\$ 42,226	\$ -	\$ 1,134,070

Activity for the Predator Management District for the year ended June 30, 2015 was as follows:

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

NIOBRARA COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 3. Detailed Notes on All Funds (Continued)

Long-Term Debt

The following is a summary of changes in long-term debt of the County for the year ended June 30, 2015:

	Restated Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Primary Government					
Lease purchase obligations	\$ 12,466	\$ -	\$ 6,449	\$ 6,017	\$ 4,419
Compensated absences	26,050	3,932	-	29,982	-
Total primary government	<u>\$ 38,516</u>	<u>\$ 3,932</u>	<u>\$ 6,449</u>	<u>\$ 35,999</u>	<u>\$ 4,419</u>
Discretely Presented Component Units					
Weed and Pest Control District					
Compensated absences	\$ 5,097	\$ 1,762	\$ -	\$ 6,859	\$ 6,859
Pension liability, as restated July 1, 2014	78,692	20,713	-	99,405	-
Total Weed and Pest Control District	<u>\$ 5,097</u>	<u>\$ 1,762</u>	<u>\$ -</u>	<u>\$ 106,264</u>	<u>\$ 6,859</u>
County Library Board					
Compensated absences	\$ 6,493	\$ 410	\$ -	\$ 6,903	\$ -
Total County Library Board	<u>\$ 6,493</u>	<u>\$ 410</u>	<u>\$ -</u>	<u>\$ 6,903</u>	<u>\$ -</u>

A summary of the long-term debt as of June 30, 2015 is as follows:

Primary government

Capital Leases Payable

Capital lease obligations collateralized by the assets noted as of June 30, 2015 are as follows:

Lease purchase obligation on a copier, due in monthly installments of \$225, including interest of 16.26%, through October 2016, serviced by the general fund.	\$ 3,217
Lease purchase obligation on a copier, due in monthly installments of \$185, including interest of 7.93%, through October 2016, serviced by the general fund.	2,800
	<u>6,017</u>
Less current maturities of capital lease obligations	<u>4,419</u>
	<u>\$ 1,598</u>

NIOBRARA COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

Note 3. Detailed Notes on All Funds (Continued)

Long-Term Debt (Continued)

Future minimum lease payments under capital leases together with the present value of net minimum lease payments as of June 30, 2015 are as follows:

Year ending June 30,

2016	\$ 5,077
2017	1,640
Total minimum lease payments	6,717
Less: amount representing interest	700
Present value of minimum lease payments	\$ 6,017

Other Information

Interfund Transfers

Interfund transfers at June 30, 2014 consisted of the following:

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

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In the fiscal year ended June 30, 2015, the County Road Construction fund transferred money to the General Fund.

Interfund Balances

Interfund transfers at June 30, 2015 to component units:

	Receivable	Payable
General Fund	\$ -	\$ 62,591
Component Units	62,591	-
	\$ 62,591	\$ 62,591

The County received insurance proceeds for damages due to the flood in the amount of \$73,591. Of this approximately \$62,000 was for damages to the weed and pest buildings and \$11,000 was for a county vehicle.

NIOBRARA COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 3. Detailed Notes on All Funds (Continued)

Long-Term Debt (Continued)

Related Organizations

The County provided revenues to the Library component unit during the fiscal year ended June 30, 2015. Following are the amounts provided to the component unity at June 30, 2015;

	<u>Revenues Provided</u>
County Library Board	\$ 263,182

Net Position Restricted by Legislation

The government-wide statement of net position reports \$996,481 of restricted net position which is 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, 2015, the County contracted with various insurance companies for property insurance (including boiler and machinery), general liability insurance, professional insurance and vehicle insurance. The coverage under each type of insurance policy varies in amounts and deductibles. The County has not had significant settlements exceeding insurance coverage in any of the past three years. The County has had no significant reductions in insurance coverage from coverage in the prior years.

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

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

Niobrara County paid no quarterly unemployment benefits in the year ended June 30, 2015. The County is classified as a reimbursable employer; therefore, a monthly fee is not paid. Payment is made when a claim is filed.

Beneficial Interest

The Library Foundation ("Foundation") transferred investments to the Wyoming Community Foundation specifying itself as the beneficiary. The Wyoming Community Foundation ("WCF") is a Wyoming not-for-profit organization. The WCF receives contributions that are specifically designated for the benefit of the Foundation. The WCF established an endowment fund to account for these permanently restricted contributions. Distributions of interest and dividend income to the Foundation for unrestricted use are to be made not less than annually, and distributions of \$52,699 occurred during the year ended June 30, 2015. In accordance with generally accepted accounting standards, the Foundation recorded its beneficial interest in the endowment fund and recorded as permanently restricted those contributions received by the WCF for the benefit of the Foundation. The Foundation's beneficial interest in WCF was \$1,701,279 as of June 30, 2015.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 4. Construction Commitments

The County had two outstanding construction projects as of June 30, 2015. At year end the County's construction commitments are as follows:

Project Name	Original Contract Amount	Expended To Date	Remaining Commitment
Lance Creek Bridge	\$ 1,274,900	\$ 163,318	\$ 1,111,582
Road Rehab Project	843,990	274,354	569,636

Note 5. Prior Period Adjustment

Change in Accounting Estimate

Governmental funds recognize revenue when funds are received or available and measureable. In the past, funds received at the end of the fiscal year that the County Commissioners would be carrying over to allocate in the future years were not always recognized as revenue in the year received. This however does not follow generally accepted accounting principles in the United States of America.

A prior period adjustment to recognize these revenues in the year received was posted as follows:

General Fund - increase in beginning fund balance	\$ 322,669
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Note 6. Implementation of Governmental Accounting Standards Board Statements 68 and 71

During the current year the County implemented the following standards;

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions— an amendment of GASB Statement No. 27*, was issued to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Governmental Accounting Standards Board Statement No. 71, *Pensions Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement No. 68)*, amends Statement No. 68 related to transition provisions for certain pension contributions made to defined benefit pension plans prior to implementation of Statement No. 68 by employers and non-employer contributing entities.

These standards impacted the Weed and Pest Control District. Implementation resulted in a prior period adjustment of a \$71,265 decrease in equity by recognizing a liability for the pension obligation as of June 30, 2014. The pension liability as of June 30, 2015 reported in the Weed and Pest Control District was \$99,405.

NIOBRARA COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 7. Accounting Standards Issued, But Not Yet Implemented

As of June 30, 2015, the Governmental Accounting Standards Board had issued the following standards which Niobrara County will implement in its next fiscal year.

GASB Statement No. 72, Fair Value Measurement and Application, defines fair value and describes how fair values should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements.

Management has not concluded its assessment of the effect of implementing this guidance.

Note 8. Subsequent Events

Subsequent to June 30, 2015, the County received a grant award for FEMA money to help repair damages from the flood. The total project cost for the flood repairs is approximately \$427,000, with the County portion being approximately \$16,040, the federal share being approximately \$320,000, and the State share being approximately \$90,000. These agreements were finalized between December 11, 2015 and January 25, 2016. A contract with Spiegelberg Lumber and Construction was approved to upgrade the court security for approximately \$43,000 in October. In November of 2015 a contract was approved for the grinding of the floor at the fairgrounds auditorium for approximately \$24,000 with Midwest Grinding, Inc.

REQUIRED SUPPLEMENTARY INFORMATION

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NIORARA COUNTY, WYOMING

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
Year Ended June 30, 2015**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
PROPERTY TAXES AND OTHER TAXES				
Property taxes - current and delinquent	\$ 1,326,013	\$ 1,326,013	\$ 1,331,867	\$ 5,854
Vehicle fees	93,000	93,000	103,268	10,268
Payments in lieu of property taxes	316,184	316,184	292,769	(23,415)
Sales and use taxes	267,000	267,000	394,695	127,695
1% optional tax	145,000	145,000	257,310	-
	<u>2,147,197</u>	<u>2,147,197</u>	<u>2,379,909</u>	<u>232,712</u>
INTERGOVERNMENTAL REVENUES				
State gasoline tax	121,952	121,952	118,877	(3,075)
Car company tax	12,000	12,000	10,734	(1,266)
Severance tax	406,989	406,989	403,725	(3,264)
Special fuel tax	208,520	208,520	200,848	(7,672)
	<u>749,461</u>	<u>749,461</u>	<u>734,184</u>	<u>(15,277)</u>
CHARGES FOR SERVICES				
Clerk of Court fees	6,000	6,000	9,526	3,526
Treasurer	5,000	5,000	4,562	(438)
Assessor	1,400	1,400	2,930	1,530
County Clerk fees	55,000	55,000	55,121	121
County Sheriff fees	4,000	4,000	5,670	1,670
Liquor permits	750	750	810	60
Public health nurse	1,500	1,500	524	(976)
Civil fees	9,000	9,000	5,835	-
	<u>82,650</u>	<u>82,650</u>	<u>84,978</u>	<u>2,328</u>
MISCELLANEOUS REVENUES				
Interest earnings	15,000	15,000	6,522	(8,478)
Interest on delinquent taxes	2,500	2,500	3,252	752
Other income	149,918	149,918	165,543	15,625
	<u>167,418</u>	<u>167,418</u>	<u>175,317</u>	<u>7,899</u>
 Total revenues	 <u>3,146,726</u>	 <u>3,146,726</u>	 <u>3,374,388</u>	 <u>227,662</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, 2015**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
County Commissioners				
Salaries	\$ 48,570	\$ 48,570	\$ 48,570	\$ -
Other expenditures	9,100	9,100	9,477	(377)
Capital outlay	3,500	3,500	7,920	(4,420)
	<u>61,170</u>	<u>61,170</u>	<u>65,967</u>	<u>(4,797)</u>
County Clerk				
Salaries	111,272	111,272	99,581	11,691
Other expenditures	12,425	12,425	7,048	5,377
Capital outlay	2,500	2,500	2,767	(267)
	<u>126,197</u>	<u>126,197</u>	<u>109,396</u>	<u>16,801</u>
County Treasurer				
Salaries	107,419	107,419	99,276	8,143
Other expenditures	9,995	9,995	6,080	3,915
Capital outlay	2,000	2,000	626	1,374
	<u>119,414</u>	<u>119,414</u>	<u>105,982</u>	<u>13,432</u>
County Assessor				
Salaries	120,069	120,069	104,524	15,545
Other expenditures	25,300	25,300	25,899	(599)
Capital outlay	500	500	874	(374)
	<u>145,869</u>	<u>145,869</u>	<u>131,297</u>	<u>14,572</u>
County Attorney				
Salaries	136,616	136,616	137,893	(1,277)
Other expenditures	20,700	20,700	17,103	3,597
	<u>157,316</u>	<u>157,316</u>	<u>154,996</u>	<u>2,320</u>
Clerk of District Court - Administration				
Salaries	87,611	87,611	80,898	6,713
Other expenditures	30,500	30,500	16,800	13,700
Capital outlay	6,000	6,000	2,991	3,009
	<u>124,111</u>	<u>124,111</u>	<u>100,689</u>	<u>23,422</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, 2015**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT (Continued)				
Justice Court				
Other expenditures	\$ 12,000	\$ 12,000	\$ 12,000	\$ -
	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Elections				
Other expenditures	33,850	33,850	28,512	5,338
Capital outlay	3,000	3,000	825	2,175
	<u>36,850</u>	<u>36,850</u>	<u>29,337</u>	<u>7,513</u>
Facilities				
Other expenditures	273,550	273,550	239,191	34,359
Capital outlay	110,000	110,000	140,624	(30,624)
	<u>383,550</u>	<u>383,550</u>	<u>379,815</u>	<u>3,735</u>
Other general accounts				
Community and economic development	1,500	1,500	1,500	-
Unemployment and FICA	144,000	144,000	125,782	18,218
Retirement match	160,000	160,000	149,730	10,270
Health coalition/mental health	1,500	1,500	1,500	-
Financial administration	20,000	20,000	19,411	589
Printing and publishing	15,000	15,000	11,940	3,060
Insurance	105,000	105,000	99,152	5,848
Litigation	5,000	5,000	-	5,000
Other miscellaneous	186,900	186,900	194,878	(7,978)
Information technology	5,000	5,000	5,146	(146)
	<u>643,900</u>	<u>643,900</u>	<u>609,039</u>	<u>34,861</u>
Optional 1% Tax				
Intergovernmental expenditures	145,000	145,000	257,310	(112,310)
	<u>1,955,377</u>	<u>1,955,377</u>	<u>1,955,828</u>	<u>(451)</u>
Total general government				(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, 2015**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
PUBLIC SAFETY				
County Sheriff				
Salaries	\$ 208,410	\$ 208,410	\$ 207,634	\$ 776
Other expenditures	90,850	90,850	58,048	32,802
Capital outlay	3,500	3,500	932	2,568
	<u>302,760</u>	<u>302,760</u>	<u>266,614</u>	<u>36,146</u>
County Coroner				
Salaries	9,883	9,883	9,884	(1)
Other expenditures	10,100	10,100	3,093	7,007
Capital outlay	1,000	1,000	8,007	(7,007)
	<u>20,983</u>	<u>20,983</u>	<u>20,984</u>	<u>(1)</u>
Detention				
Salaries	236,409	236,409	208,503	27,906
Other expenditures	65,000	65,000	41,258	23,742
Capital outlay	4,000	4,000	2,827	1,173
	<u>305,409</u>	<u>305,409</u>	<u>252,588</u>	<u>52,821</u>
Emergency Management				
Salaries	3,894	3,894	3,894	-
Other expenditures	1,600	1,600	13,567	(11,967)
Capital outlay	400	400	235	165
	<u>5,894</u>	<u>5,894</u>	<u>17,696</u>	<u>(11,802)</u>
911 Dispatch				
Salaries	170,086	170,086	178,397	(8,311)
Other expenditures	144,350	144,350	13,431	130,919
Capital outlay	3,500	3,500	2,154	1,346
	<u>317,936</u>	<u>317,936</u>	<u>193,982</u>	<u>123,954</u>
Total public safety	<u>952,982</u>	<u>952,982</u>	<u>751,864</u>	<u>201,118</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, 2015**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
PUBLIC WORKS				
Road and Bridge				
Salaries	\$ 230,073	\$ 230,073	\$ 205,746	\$ 24,327
Other expenditures	316,400	316,400	265,192	51,208
Capital outlay	50,000	50,000	19,525	30,475
Total public works	<u>596,473</u>	<u>596,473</u>	<u>490,463</u>	<u>106,010</u>
HEALTH, WELFARE AND RECREATION				
Health Officer				
Salaries	13,063	13,063	4,663	8,400
	<u>13,063</u>	<u>13,063</u>	<u>4,663</u>	<u>8,400</u>
Public Health Nurse				
Contractual services	30,209	30,209	18,303	11,906
	<u>30,209</u>	<u>30,209</u>	<u>18,303</u>	<u>11,906</u>
Total health, welfare and recreation	<u>43,272</u>	<u>43,272</u>	<u>22,966</u>	<u>20,306</u>
CONSERVATION OF NATURAL RESOURCES				
Agriculture department				
Salaries	28,214	28,214	26,780	1,434
Other expenditures	26,080	26,080	19,446	6,634
Capital outlay	2,000	2,000	133	1,867
Total conservation of natural resources	<u>56,294</u>	<u>56,294</u>	<u>46,359</u>	<u>9,935</u>
Total expenditures	<u>3,604,398</u>	<u>3,604,398</u>	<u>3,267,480</u>	<u>336,918</u>
Excess (deficiency) of revenues over expenditures	<u>(457,672)</u>	<u>(457,672)</u>	<u>106,908</u>	<u>564,580</u>
Other financing sources				
Transfers in	50,000	50,000	50,000	-
Total other financing sources	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	<u>(407,672)</u>	<u>(407,672)</u>	<u>156,908</u>	<u>564,580</u>
Fund balance - beginning of year	<u>2,699,596</u>	<u>2,699,596</u>	<u>3,024,104</u>	<u>324,508</u>
Fund balance - end of year	<u>\$ 2,291,924</u>	<u>\$ 2,291,924</u>	<u>\$ 3,181,012</u>	<u>\$ 889,088</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, 2015**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 190,886	\$ 190,886	\$ 162,658	\$ (28,228)
Total revenues	190,886	190,886	162,658	(28,228)
Expenditures				
Public safety	48,910	48,910	39,107	9,803
Public works	2,000	2,000	67,855	(65,855)
Health, welfare, and recreation	151,921	151,921	161,532	(9,611)
Total expenditures	202,831	202,831	268,494	(65,663)
Excess (deficiency) of revenues over expenditures	(11,945)	(11,945)	(105,836)	(117,781)
Fund balance - beginning of year	10,170	10,170	10,170	-
Fund balance (deficit) - end of year	\$ (1,775)	\$ (1,775)	\$ (95,666)	\$ (117,781)

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, 2015**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 21,575	\$ 21,575	\$ 21,732	\$ 157
Total revenues	21,575	21,575	21,732	157
Expenditures				
Public safety	94,773	94,773	95,543	(770)
Total expenditures	94,773	94,773	95,543	(770)
Excess (deficiency) of revenues over expenditures	(73,198)	(73,198)	(73,811)	(613)
Fund balance - beginning of year	73,198	73,198	73,198	-
Fund balance (deficit) - end of year	\$ -	\$ -	\$ (613)	\$ (613)

See accompanying note to required supplementary information

NIOBRARA COUNTY, WYOMING

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

1% FUND

Year Ended June 30, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ 15	\$ 15
Total revenues	<u>-</u>	<u>-</u>	<u>15</u>	<u>15</u>
Expenditures				
Public safety	30,524	30,524	-	30,524
Total expenditures	<u>30,524</u>	<u>30,524</u>	<u>-</u>	<u>30,524</u>
Excess (deficiency) of revenues over expenditures	<u>(30,524)</u>	<u>(30,524)</u>	<u>15</u>	<u>30,539</u>
Fund balance - beginning of year	<u>39,745</u>	<u>39,745</u>	<u>39,745</u>	<u>-</u>
Fund balance - end of year	<u>\$ 9,221</u>	<u>\$ 9,221</u>	<u>\$ 39,760</u>	<u>\$ 30,539</u>

See accompanying note to required supplementary information

NIOBRARA COUNTY, WYOMING

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015

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

	<u>General Fund</u>	<u>Federal and State Grants Fund</u>	<u>E-911 Fund</u>	<u>1% Fund</u>
Revenues				
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 3,374,388	\$ 162,658	\$ 21,732	\$ 15
Differences - Budget Basis to GAAP				
Accrual of future property taxes receivable	1,515,802	-	-	-
Accrual of accounts receivable	(90,175)	(9,567)	64	-
Accrual of gas and sales tax receivable	135,209	-	-	-
Deferral of future property tax revenue	(1,512,332)	-	-	-
Accrual of due to component units	(62,591)	-	-	-
Miscellaneous reconciling items	(801)	-	-	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 3,359,500</u>	<u>\$ 153,091</u>	<u>\$ 21,796</u>	<u>\$ 15</u>
Expenditures				
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 3,267,480	\$ 268,494	\$ 95,543	\$ -
Differences - Budget Basis to GAAP				
Accrual of accounts payable	25,178	43,946	-	-
Accrual of wages payable	-	-	-	-
Accrual of funds held in trust	(30,617)	-	-	-
Miscellaneous reconciling items	462	-	-	-
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 3,262,503</u>	<u>\$ 312,440</u>	<u>\$ 95,543</u>	<u>\$ -</u>

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OTHER SUPPLEMENTARY INFORMATION

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NIOBRARA COUNTY, WYOMING

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS) -
COUNTY ROAD CONSTRUCTION FUND
Year Ended June 30, 2015**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 381,384	\$ 381,384	\$ 410,930	\$ 29,546
Investment earnings	-	-	3,076	3,076
Total revenues	381,384	381,384	414,006	32,622
Expenditures				
Current				
Public works	1,470,908	1,470,908	528,245	942,663
Total expenditures	1,470,908	1,470,908	528,245	942,663
Excess (deficiency) of revenues over expenditures	(1,089,524)	(1,089,524)	(114,239)	975,285
Other financing (uses)				
Transfer out	(50,000)	(50,000)	(50,000)	-
Total other financing (uses)	(50,000)	(50,000)	(50,000)	-
Net change in fund balance	(1,139,524)	(1,139,524)	(164,239)	975,285
Fund balance - beginning of year	1,139,524	1,139,524	1,139,524	-
Fund balance - end of year	\$ -	\$ -	\$ 975,285	\$ 975,285

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COMPLIANCE SECTION

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PORTER, MUIRHEAD, CORNIA & HOWARD

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

INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Niobrara County, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Niobrara County, Wyoming, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Niobrara County, Wyoming's basic financial statement, and have issued our report thereon dated February 04, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, as items 2015-001 and 2015-002 that we consider to be significant deficiencies.

Compliance and Other Matters

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

County's Response to Findings

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

Purpose of this Report

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

Porter, Muirhead, Cornia & Howard

Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming

February 04, 2016

NIOBRARA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

Significant Deficiencies in Internal Control over Financial Reporting

2015-001

Reconciliation of Bank Accounts

Criteria

Bank reconciliations throughout the County are not given adequate importance by County leadership. They are not always prepared and if prepared, may be months late. Cash is the most liquid of assets and has the highest risk for theft, embezzlement and misappropriation. In addition the Uniform Commercial Code provides specific rights of redress to consumers for mistakes made by financial institutions and banks. These rights of redress are lost if they are not asserted within 45 days from the date of the bank statement. If an error had been made but not identified within that time frame, the County would not be entitled to remuneration by the bank. Due to the high risk for fraud and embezzlement associated with cash balances, and the potential to lose the right of redress, all County bank accounts should be reconciled each month, in a timely manner.

Condition

During the audit, we noted that the bank reconciliation done by the County Clerk is performed on an excel spreadsheet, this document lacked indication of review, preparation date and had a variance when compared to the bank statement that could not be explained.

Recommendation

Most of the risks within the area of cash can be avoided if a proper system of checks and balances is incorporated into the County's procedures. We recommend that all of the bank accounts be reconciled monthly to the general ledger and that all suspicious reconciling items be promptly investigated and adjusted with adequate explanations. Each department should make a commitment to excellence that includes reconciling all bank accounts for which they are responsible in a timely manner.

Response

The Niobrara County Clerk will implement the suggestions cited above for the bank reconciliations to ensure timely and accurate preparations and checks and balances.

NIORARA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended June 30, 2015

Significant Deficiencies of Internal Control over Financial Reporting (Continued)

2015-002

Financial Reporting

Criteria

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

Condition

The County has controls in place and operating over the preparation of budget-basis financial reports, including in-depth review by management and the Commissioners and a high level of awareness of all transactions being reported. However, budgetary basis financial reporting (non-GAAP) differs significantly from GAAP financial reporting. In our judgment, the County's accounting personnel and those charged with governance, in the course of their assigned duties, lack the skills to prepare the external financial statements and related footnotes in accordance with GAAP and to prevent, detect and correct a material misstatement, if present, without additional training or additional tools.

Recommendation

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

Response

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