



NIOBRARA COUNTY, WYOMING

FINANCIAL REPORT

June 30, 2017

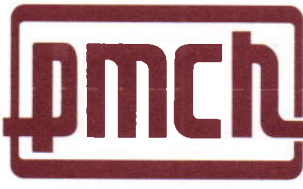
NIOBRARA COUNTY, WYOMING

FINANCIAL REPORT

JUNE 30, 2017

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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 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, 2017, and the related notes to the financial statements, which collectively comprise Niobrara County, Wyoming's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Niobrara County, Wyoming, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Supplementary Information

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

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information as listed in the table of contents 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 January 17, 2018 January 17, 2018, 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 the effectiveness of Niobrara County, Wyoming's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering Niobrara County, Wyoming's internal control over financial reporting and compliance.

Porter, Muirhead, Cornia & Howard

Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming

January 17, 2018

NIOBRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(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, 2017.

Financial Highlights

The assets of the Niobrara County exceeded its liabilities at the close of the most recent fiscal year by \$16,812,553 (*net position*). Of this amount, \$3,859,018 (*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 \$5,331,176. Of this total amount, \$3,857,962 is available for spending at the government's discretion (unassigned).

The County entered into two new 60 – month capital lease purchase options for copiers increasing the debt by \$30,340.

Overview of the Financial Statements

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

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

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

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

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

NIORRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

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

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

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

Niobrara County maintained six individual governmental funds during the year. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for all six funds. The general fund, the county road construction fund, the capital facilities fund, library, courthouse fund, the federal and state grants fund, the E-911 fund, and the jail O&M 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, 62.25% 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, 2017

(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

	2017	2016
Assets:		
Current and other assets	\$ 6,468,213	\$ 6,953,365
Capital assets	11,550,500	11,136,537
Total assets	18,018,713	18,089,902
Liabilities:		
Long-term liabilities outstanding	69,123	40,790
Other liabilities	87,137	73,461
Total liabilities	156,260	114,251
Deferred inflows of resources:		
Deferred taxes	1,041,564	1,123,096
Deferred grant revenue	8,336	60,198
Total deferred inflows of resources	1,049,900	1,183,294
Net position:		
Net investment in capital assets	11,515,184	11,124,375
Restricted for		
County road construction (W.S. 24-2-110)	363,117	704,022
Special purpose tax	939,058	1,219,261
Unrestricted	3,995,194	3,744,699
Total net position	\$ 16,812,553	\$ 16,792,357

NIOBRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

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

The government's net position increased by approximately \$20,197 during the current fiscal year.

Schedule of Activities

	2017	2016
Revenues:		
Program revenues		
Charges for services	\$ 81,913	\$ 82,324
Operating grants and contributions	187,929	306,318
Capital grants and contributions	100,360	16,724
General revenues:		
Property taxes	1,128,690	1,519,837
Other taxes	2,395,806	2,056,828
Miscellaneous revenues and reimbursements	862,208	753,225
Unrestricted investment earnings	20,567	14,266
Transfer	-	395,765
Special item	-	124,812
Total revenues	4,777,473	5,270,099
Expenses:		
General government	1,942,677	2,012,141
Public safety	1,023,014	994,852
Public works	1,474,168	1,072,414
Health, welfare, recreation	241,724	178,215
Conservation of natural resources	74,811	71,036
Interest on long-term debt	883	501
Total expenses	4,757,277	4,329,159
Increase in net position	20,196	940,940
Net position - beginning of year	16,792,357	15,851,417
Net position - end of year	\$ 16,812,553	\$ 16,792,357

Governments Change in Net Position

General government revenues decreased as a result of a lower valuation, as well no flood related revenues received, such as FEMA grants, rental fees or insurance reimbursements. Also, miscellaneous road improvement funds saw a decrease as well. However, one budgetary highlight was that Payment in Lieu of Taxes (PILT) monies came in higher than anticipated for this fiscal year.

NIOBRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

Governments Change in Net Position (Continued)

General government expenses decreased as a result of some offices not being fully staffed for part of the year. Also, there was no flood insurance reimbursement to expense out to another entity as well as publication costs being less than budgeted. Overall, elected officials and department heads remain steadfast in their commitment to closely monitor their budgets.

Financial Analysis of the Government's Funds

As of the end of the current fiscal year, Niobrara County's governmental funds reported ending fund balance of \$5,331,176, a decrease of \$365,434, 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 \$3,857,962. 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 \$264,432 during the current fiscal year.

General Fund Budgetary Highlights

Many high cost projects were completed or neared completion during this fiscal year. The Clerk's record digitization project and the 2016 Road Rehabilitation project were completed. The Lance Creek Bridge Project, which was based on a cost share between the Wyoming Department of Transportation and Niobrara County, was essentially completed. The only outstanding debt is the retainage payment and minimal administrative costs, which will be closed out in the upcoming fiscal year.

The County also completed the 2016 Road Rehabilitation Project using the County Road Fund account, which continues to provide necessary funding to upgrade and maintain Niobrara County roads and bridges.

In addition to the above projects, the County purchased two new trucks for the Sheriff's Office and two new trucks for the Road and Bridge Department to partially replace an aging fleet.

The County also received a grant from Wyoming Public Safety Communications Commission and Wyoming Department of Transportation in the amount of \$132,960 to aid in the replacement of the Gold Elite Dispatch Console with Internet Protocol (IP) based consoles which will connect to WyoLink, either directly or through a P25 Console Sub-System Interface. The total cost of the project was \$271,164. The County paid \$88,203, the Town of Lusk contributed \$40,000 and Union Pacific Railroad donated \$10,000 to make up the difference.

NIOBRARA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

Capital Asset and Debt Administration

Niobrara County's investment in capital assets for its governmental type activities as of June 30, 2017, amounts to \$11,550,500, net of depreciation. This investment in capital assets includes land, buildings, machinery and equipment, infrastructures, and roads, highways and bridges. The total increase in Niobrara County's investment in capital assets for the current year was \$413,963.

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

CAPITAL ASSETS (NET OF DEPRECIATION)

	<u>2017</u>	<u>2016</u>
Land	\$ 40,997	\$ 40,997
Construction in progress	974,392	369,025
Buildings and system	3,195,437	3,370,715
Vehicles, machinery and equipment	1,138,924	953,056
Infrastructure	6,200,750	6,402,744
Total	<u>\$ 11,550,500</u>	<u>\$ 11,136,537</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, 2017

	Primary Government	
	Governmental Activities	Total
ASSETS		
Cash and cash equivalents	\$ 5,099,081	\$ 5,099,081
Investments, at fair value	-	-
Receivables	1,239,157	1,239,157
Inventory	129,975	129,975
Restricted assets		
Cash and cash equivalents	-	-
Beneficial interest in assets held by others	-	-
Capital assets, not being depreciated	1,015,389	1,015,389
Capital assets, net of accumulated depreciation	10,535,111	10,535,111
Total assets	18,018,713	18,018,713
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan items	-	-
Total deferred outflows of resources	-	-
LIABILITIES		
Accounts payable	51,301	51,301
Funds held in trust	35,836	35,836
Noncurrent liabilities		
Long-term debt due within one year	7,700	7,700
Long-term debt due in more than one year	61,423	61,423
Total liabilities	156,260	156,260
DEFERRED INFLOWS OF RESOURCES		
Deferred property tax revenue	1,041,564	1,041,564
Deferred grant revenue	8,336	8,336
Pension plan items	-	-
Total deferred inflows of resources	1,049,900	1,049,900
NET POSITION		
Net investment in capital assets	11,515,184	11,515,184
Restricted for		
County road construction (W.S. 24-2-110)	363,117	363,117
Special purpose tax	939,058	939,058
Library foundation		
Expendable	-	-
Permanent endowment for the library (nonexpendable)	-	-
Unrestricted	3,995,194	3,995,194
Total net position	\$ 16,812,553	\$ 16,812,553

See accompanying notes to the financial statements

Component Units

Weed and Pest Control District	County Library Board	County Fair Board	Predator Management District
\$ 487,057	\$ 98,016	\$ 93,224	\$ 57,017
828,235	-	-	259,539
278,835	144,152	5,391	-
52,793	-	-	-
-	223,966	-	-
-	1,868,548	-	-
16,906	550	11,635	-
376,441	729,332	1,196,649	-
<u>2,040,267</u>	<u>3,064,564</u>	<u>1,306,899</u>	<u>316,556</u>
25,964	-	-	-
<u>25,964</u>	<u>-</u>	<u>-</u>	<u>-</u>
25,206	-	-	-
-	-	-	-
-	-	-	-
117,672	7,393	-	-
<u>142,878</u>	<u>7,393</u>	<u>-</u>	<u>-</u>
198,432	143,694	5,292	-
-	-	-	-
14,403	-	-	-
<u>212,835</u>	<u>143,694</u>	<u>5,292</u>	<u>-</u>
393,347	729,882	1,208,284	-
-	-	-	-
-	-	-	-
-	223,966	-	-
-	1,868,548	-	-
1,317,171	91,081	93,323	316,556
<u>\$ 1,710,518</u>	<u>\$ 2,913,477</u>	<u>\$ 1,301,607</u>	<u>\$ 316,556</u>

NIOBRARA COUNTY, WYOMING

STATEMENT OF ACTIVITIES
Year Ended June 30, 2017

Function/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 1,942,677	\$ 59,784	\$ -	\$ -
Public safety	1,023,014	12,257	178,297	40,162
Public works	1,474,168	-	-	60,198
Health, welfare and recreation	241,724	9,872	9,632	-
Conservation of natural resources	74,811	-	-	-
Interest on long-term debt	883	-	-	-
Total governmental activities	<u>4,757,277</u>	<u>81,913</u>	<u>187,929</u>	<u>100,360</u>
Total primary government	<u>4,757,277</u>	<u>81,913</u>	<u>187,929</u>	<u>100,360</u>
Component units				
Weed and Pest Control District	479,866	263,116	71,760	-
County Library Board	405,354	-	25,000	-
County Fair Board	142,493	-	-	148,405
Predator Management District	215,122	58,238	107,423	-
Total component units	<u>\$ 1,242,835</u>	<u>\$ 321,354</u>	<u>\$ 204,183</u>	<u>\$ 148,405</u>

General revenues
 Property taxes
 Sales taxes
 Gas and coal tax
 Automobile taxes
 Miscellaneous revenues and reimbursements
 Contribution to permanently restricted endowment
 Unrestricted investment earnings (loss)
 Total general revenues

Change in net position

Net position - beginning of year

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
\$ (1,882,893)	\$ (1,882,893)	\$ -	\$ -	\$ -	\$ -
(792,298)	(792,298)	-	-	-	-
(1,413,970)	(1,413,970)	-	-	-	-
(222,220)	(222,220)	-	-	-	-
(74,811)	(74,811)	-	-	-	-
(883)	(883)	-	-	-	-
(4,387,075)	(4,387,075)	-	-	-	-
(4,387,075)	(4,387,075)	-	-	-	-
-	-	(144,990)	-	-	-
-	-	-	(380,354)	-	-
-	-	-	-	5,912	-
-	-	-	-	-	(49,461)
-	-	(144,990)	(380,354)	5,912	(49,461)
1,128,690	1,128,690	241,863	176,636	24,644	-
455,801	455,801	-	-	-	-
1,830,882	1,830,882	-	-	-	-
109,123	109,123	-	-	-	-
862,208	862,208	116	117,934	26,719	102
-	-	-	65,921	-	-
20,567	20,567	3,772	228,324	289	1,717
4,407,271	4,407,271	245,751	588,815	51,652	1,819
20,196	20,196	100,761	208,461	57,564	(47,642)
16,792,357	16,792,357	1,609,757	2,705,016	1,244,043	364,198
\$ 16,812,553	\$ 16,812,553	\$ 1,710,518	\$ 2,913,477	\$ 1,301,607	\$ 316,556

NIOBRARA COUNTY, WYOMING

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017**

	General Fund	County Road Construction Fund
ASSETS		
Cash and cash equivalents	\$ 3,789,695	\$ 279,986
Property taxes receivable	1,044,778	-
Accounts receivable	21,304	-
Due from other governments	130,522	31,785
Inventory	129,975	-
	<u>\$ 5,116,274</u>	<u>\$ 311,771</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities		
Checks in excess of bank	\$ -	\$ -
Accounts payable	50,937	-
Funds held in trust	35,836	-
Total liabilities	<u>86,773</u>	<u>-</u>
Deferred inflows of resources		
Deferred property tax revenues	1,041,564	-
Deferred grant revenue	-	-
Total deferred inflows of resources	<u>1,041,564</u>	<u>-</u>
Fund balances		
Non-spendable	129,975	-
Restricted - state legislation	-	311,771
Restricted - special purpose tax	-	-
Committed for 1% projects	-	-
Unassigned	3,857,962	-
Total fund balances	<u>3,987,937</u>	<u>311,771</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,116,274</u>	<u>\$ 311,771</u>

See accompanying notes to the financial statements

Capital Facilities Fair, Library, Courthouse Fund	Federal and State Grants Fund	E-911 Fund	Jail O&M Fund	1% Fund	Total Governmental Funds
\$ 627,328	\$ 8,336	\$ 42,986	\$ 311,730	\$ 40,008	\$ 5,100,069
-	-	-	-	-	1,044,778
-	-	-	-	-	21,304
-	2,408	8,360	-	-	173,075
-	-	-	-	-	129,975
<u>\$ 627,328</u>	<u>\$ 10,744</u>	<u>\$ 51,346</u>	<u>\$ 311,730</u>	<u>\$ 40,008</u>	<u>\$ 6,469,201</u>
\$ -	\$ 989	\$ -	\$ -	\$ -	\$ 989
-	364	-	-	-	51,301
-	-	-	-	-	35,836
-	1,353	-	-	-	88,126
-	-	-	-	-	1,041,564
-	8,336	-	-	-	8,336
-	8,336	-	-	-	1,049,900
-	-	-	-	-	129,975
-	-	51,346	-	-	363,117
627,328	-	-	311,730	-	939,058
-	-	-	-	40,008	40,008
-	1,056	-	-	-	3,859,018
<u>627,328</u>	<u>1,056</u>	<u>51,346</u>	<u>311,730</u>	<u>40,008</u>	<u>5,331,176</u>
<u>\$ 627,328</u>	<u>\$ 10,745</u>	<u>\$ 51,346</u>	<u>\$ 311,730</u>	<u>\$ 40,008</u>	<u>\$ 6,469,202</u>

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NIOBRARA COUNTY, WYOMING

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

June 30, 2017

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

Total fund balances - governmental funds	\$ 5,331,176
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,550,500
Long-term liabilities, including compensated absences and lease purchase obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(69,123)
Net position of governmental activities	<u>\$ 16,812,553</u>

See accompanying notes to the financial statements

NIOBRARA COUNTY, WYOMING

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2017

	General Fund	County Road Construction Fund
Revenues		
Taxes	\$ 1,693,617	\$ -
Intergovernmental revenues	1,396,285	434,597
Charges for services	81,913	-
Investment earnings	14,541	2,478
Miscellaneous revenues and reimbursements	149,894	-
Total revenues	<u>3,336,250</u>	<u>437,075</u>
Expenditures		
Current		
General government	1,824,186	-
Public safety	984,119	-
Public works	473,049	783,045
Health, welfare and recreation	16,135	-
Conservation of natural resources	73,959	-
Debt service		
Principal	7,187	-
Interest	883	-
Total expenditures	<u>3,379,518</u>	<u>783,045</u>
Excess (deficiency) of revenues over expenditures	<u>(43,268)</u>	<u>(345,970)</u>
Other financing sources (uses)		
Transfers in	278,296	-
Transfers out	(936)	(20,000)
Proceeds from lease purchase obligations	30,340	-
Total other financing sources (uses)	<u>307,700</u>	<u>(20,000)</u>
Net change in fund balance	264,432	(365,970)
Fund balances - beginning of year	<u>3,723,505</u>	<u>677,741</u>
Fund balances - end of year	<u>\$ 3,987,937</u>	<u>\$ 311,771</u>

See accompanying notes to the financial statements

Capital Facilities Fair, Library, Courthouse Fund	Federal and State Grants Fund	E-911 Fund	Jail O&M Fund	1% Fund	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,693,617
-	253,013	35,278	-	-	2,119,173
-	-	-	-	-	81,913
2,228	-	-	1,134	186	20,567
-	-	-	-	-	149,894
<u>2,228</u>	<u>253,013</u>	<u>35,278</u>	<u>1,134</u>	<u>186</u>	<u>4,065,164</u>
-	-	-	-	-	1,824,186
-	195,959	10,213	-	-	1,190,291
-	22,019	-	-	-	1,278,113
-	70,184	-	-	-	86,319
-	-	-	-	-	73,959
-	-	-	-	-	7,187
-	-	-	-	-	883
-	<u>288,162</u>	<u>10,213</u>	<u>-</u>	<u>-</u>	<u>4,460,938</u>
<u>2,228</u>	<u>(35,149)</u>	<u>25,065</u>	<u>1,134</u>	<u>186</u>	<u>(395,774)</u>
-	58,365	-	-	-	336,661
(197,565)	(32,160)	-	(86,000)	-	(336,661)
-	-	-	-	-	30,340
<u>(197,565)</u>	<u>26,205</u>	<u>-</u>	<u>(86,000)</u>	<u>-</u>	<u>30,340</u>
(195,337)	(8,944)	25,065	(84,866)	186	(365,434)
<u>822,665</u>	<u>10,000</u>	<u>26,281</u>	<u>396,596</u>	<u>39,822</u>	<u>5,696,610</u>
<u>\$ 627,328</u>	<u>\$ 1,056</u>	<u>\$ 51,346</u>	<u>\$ 311,730</u>	<u>\$ 40,008</u>	<u>\$ 5,331,176</u>

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, 2017

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

Net change in fund balances - total governmental funds	\$ (365,434)
--	--------------

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	\$ 1,519,725	
Loss on disposition of assets	(4)	
Depreciation expense	<u>(1,105,758)</u>	413,963

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

Principal paid on long-term debt obligations	7,186	
Proceeds from lease purchase obligations	(30,340)	
Increase in compensated absences	<u>(5,179)</u>	<u>(28,333)</u>

Change in net position of governmental activities	<u>\$ 20,196</u>
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NIOBRARA COUNTY, WYOMING

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

June 30, 2017

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 1,379,843
Investments, at fair value	1,000
Accounts receivable	<u>172,285</u>
Total assets	<u><u>\$ 1,553,128</u></u>
LIABILITIES	
Due to other governments	<u>\$ 1,553,128</u>
Total liabilities	<u><u>\$ 1,553,128</u></u>

See accompanying notes to the financial statements

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 1. Nature of Operations and Significant Accounting Policies

The Reporting Entity

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

Discretely Presented Component Units

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

The *Weed and Pest Control District* was established for the purpose of implementing and pursuing an effective program for the control of weeds and pests within the County. 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 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.

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 *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.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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

Discretely Presented Component Units (Continued)

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, 2017

Note 1. Nature of Operations and 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 Jail O&M fund is a *capital project fund* and is used to account for operations and maintenance of the jail.

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

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

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

Additionally, the government reports the following fund types:

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

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

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

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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

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

Deposits and Investments

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

Wyoming Statutes authorize the types of investments in which counties may invest. Among these authorized investments are certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, and repurchase agreements involving U.S. Government securities. The County's investments consist of certificates of deposit, 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 and Interfund Balances

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

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, 2017, was 12 mills, which means that the County has levied to the maximum amount available.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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

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

Inventories

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the County as all tangible assets, 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 and Deferred Inflows of Resources

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

Unavailable Revenue – Unavailable revenue is reported in the governmental funds balance sheet. The governmental fund reports unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount become available. In the government-wide statement of net position, property tax revenue is reported as a deferred inflow of resources in the year the taxes are levied.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

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

Compensated Absences

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

Long-Term Obligations

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

Pensions

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

Fund Equity

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

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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

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

Fund Equity (Continued)

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

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

Accounting Estimates

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

Budgets and Budgetary Accounting

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

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

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

The budget is adopted on the third Thursday of July.

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).

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 2. Deposits and Investments

Primary Government

Deposits held in the County's bank accounts are insured by federal depository insurance or are collateralized with securities held by the pledging institution's trust department or agent, in joint custody of the bank and the County. As of June 30, 2017, the County had balances in the bank of \$5,309,837, which were fully collateralized or insured.

As of June 30, 2017, the County had the following deposits and investments:

Type	Total	Interest Rate	Investment Maturity (in Years)				Investment Rating
			Less Than 1	1-5	6-10	More Than 10	
Deposits							
Cash in banks	\$5,028,366	N/A	\$5,028,366	\$ -	\$ -	\$ -	N/A
WGIF	304,312	N/A	304,312	-	-	-	AAAm
WYOSTAR Investment Pool	1,146,245	N/A	1,146,245	-	-	-	N/A
Total deposits	6,478,923		6,478,923	-	-	-	
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	\$6,479,923		\$6,478,923	\$ 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	\$ 5,099,081
Cash and cash equivalents in the statement of fiduciary net position - fiduciary funds	1,379,843
Total deposits	6,478,924
Investments in the statement of fiduciary net position - fiduciary funds	1,000
Total deposits and investments	\$ 6,479,924

Component Units

As of June 30, 2017, the County's component units had balances on deposit with financial institutions of \$1,865,391 which were insured by federal depository insurance or are collateralized with securities held by the pledging institution's trust department or agent, in joint custody of the bank and the County's component units. These balances included bank deposit accounts of \$1,037,156 and certificates of deposits of \$828,235. Certificates of deposit are reported as investments.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 2. Deposits and Investments (Continued)

As of June 30, 2017, the component units of the County had the following deposits and investments:

Type	Total	Interest Rate	Investment Maturity (in Years)				Investment Rating
			Less Than 1	1-5	6-10	More Than 10	
Deposits							
Cash in banks	\$ 959,280	N/A	\$ 959,280	\$ -	\$ -	\$ -	N/A
Total deposits	<u>959,280</u>		<u>959,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Investments							
Certificates of deposit (term greater than 3 months)	828,235	0.30-1.05%	828,235	-	-	-	N/A
WYO-STAR Investment Pool	259,539		259,539	-	-	-	N/A
Total investments	<u>1,087,774</u>		<u>1,087,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total deposits and investments	<u><u>\$2,047,054</u></u>		<u><u>\$2,047,054</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	

N/A - not available, investment is unrated

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

Cash and cash equivalents in the government-wide statement of net position -

Weed and Pest Control District	\$ 487,057
County Library Board	98,016
County Library Board (Restricted)	223,966
County Fair Board	93,224
Predator Management District	57,017
Total deposits	<u>959,280</u>

Investments in the government-wide statement of net position -

Weed and Pest Control District	828,235
Predator Management District	259,539
Total investments	<u>1,087,774</u>
Total deposits and investments	<u><u>\$ 2,047,054</u></u>

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 component unit's investments are held in an external pooled investment account, which is managed as a money market type fund at a stated interest rate yield.

Credit Risk Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Under investment agreements with WYOSTAR, the component units have 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 and its component units do not have a formal policy that allows or limits an investment in any one issuer to a specified percentage of the total investments.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 2. Deposits and Investments (Continued)

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, 2017, the County's deposits were fully collateralized as required by statutes.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the County would 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.

Fair Value Measurements

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

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2017:

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

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 2. Deposits and Investments (Continued)

Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the County's investment at fair value as of June 30, 2017:

Primary government investments

	Assets at Fair Value as of June 30, 2017			
	Level 1	Level 2	Level 3	Total
Investments by fair value level				
WGIF	\$ -	\$ 304,312	\$ -	\$ 304,312
WYO-STAR investment pool	-	1,146,245	-	1,146,245
U.S. government agency mortgage backed securities	-	140	-	140
Total investments at fair value	\$ -	\$ -	\$ -	1,450,697
Other investments				
Certificates of deposit				1,000
Money market				9,357
Total other investments				10,357
Less: amounts reported as cash equivalents				(1,460,054)
Total primary government investments				\$ 1,000

Component unit investments

	Assets at Fair Value as of June 30, 2017			
	Level 1	Level 2	Level 3	Total
Investments by fair value level				
WYO-STAR investment pool	\$ -	\$ 259,539	\$ -	\$ 259,539
Total investments at fair value	\$ -	\$ -	\$ -	259,539
Other investments				
Certificates of deposit				828,235
Total other investments				828,235
Total component unit investments				\$ 1,087,774

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 3. Receivables

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

	General Fund	County Road Construction Fund	Federal and State Grants Fund	E-911 Fund	Total
Property tax receivable	\$ 1,044,778	\$ -	\$ -	\$ -	\$ 1,044,778
Accounts receivable	21,304	-	-	-	21,304
Due from other governments	130,522	31,785	2,408	8,360	173,075
	<u>\$ 1,196,604</u>	<u>\$ 31,785</u>	<u>\$ 2,408</u>	<u>\$ 8,360</u>	<u>\$ 1,239,157</u>

Note 4. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 40,997	\$ -	\$ -	\$ 40,997
Construction in progress	369,025	760,772	155,405	974,392
Total capital assets, not being depreciated	<u>410,022</u>	<u>760,772</u>	<u>155,405</u>	<u>1,015,389</u>
Capital assets, being depreciated				
Buildings	6,108,845	-	-	6,108,845
Vehicles, machinery and equipment	4,697,062	482,082	211,451	4,967,693
Infrastructure	18,291,945	432,276	-	18,724,221
Total capital assets, being depreciated	<u>29,097,852</u>	<u>914,358</u>	<u>211,451</u>	<u>29,800,759</u>
Less accumulated depreciation for				
Buildings	2,738,130	175,278	-	2,913,408
Vehicles, machinery and equipment	3,744,006	296,210	211,447	3,828,769
Infrastructure	11,889,201	634,270	-	12,523,471
Total accumulated depreciation	<u>18,371,337</u>	<u>1,105,758</u>	<u>211,447</u>	<u>19,265,648</u>
Total capital assets, being depreciated, net	<u>10,726,515</u>	<u>(191,400)</u>	<u>4</u>	<u>10,535,111</u>
Total capital assets, net	<u>\$ 11,136,537</u>	<u>\$ 569,372</u>	<u>\$ 155,409</u>	<u>\$ 11,550,500</u>

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 4. Capital Assets (Continued)

Primary Government (Continued)

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

Governmental activities	
General government	\$ 197,410
Public safety	169,532
Public works	737,964
Conservation of natural resources	852
Total depreciation expense - governmental activities	\$ 1,105,758

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 \$50,105 with accumulated depreciation of \$14,195 and current year depreciation expense of \$7,298 is reported in general government activities.

Discretely Presented Component Units

Activity for the Weed and Pest Control District for the year ended June 30, 2017 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	236,829	-	688	236,141
Total capital assets, being depreciated	712,274	-	688	711,586
Less accumulated depreciation for				
Buildings	123,143	12,188	-	135,331
Vehicles, machinery and equipment	184,423	16,079	688	199,814
Total accumulated depreciation	307,566	28,267	688	335,145
Total capital assets, being depreciated, net	404,708	(28,267)	-	376,441
Total capital assets, net	\$ 421,614	\$ (28,267)	\$ -	\$ 393,347

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 4. Capital Assets (Continued)

Discretely Presented Component Units (Continued)

Activity for the County Library Board for the year ended June 30, 2017 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 550	\$ -	\$ -	\$ 550
Total capital assets, not being depreciated	550	-	-	550
Capital assets, being depreciated				
Buildings	709,133	-	-	709,133
Machinery and equipment	988,833	117,660	33,476	1,073,017
Total capital assets, being depreciated	1,697,966	117,660	33,476	1,782,150
Less accumulated depreciation for				
Buildings	231,080	26,399	-	257,479
Machinery and equipment	735,261	83,805	23,727	795,339
Total accumulated depreciation	966,341	110,204	23,727	1,052,818
Total capital assets, being depreciated net	731,625	7,456	9,749	729,332
Total capital assets, net	<u>\$ 732,175</u>	<u>\$ 7,456</u>	<u>\$ 9,749</u>	<u>\$ 729,882</u>

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 4. Capital Assets (Continued)

Discretely Presented Component Units (Continued)

Activity for the County Fair Board for the year ended June 30, 2017 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	1,660,640	183,988	-	1,844,628
Machinery and equipment	41,940	-	-	41,940
Total capital assets, being depreciated	1,702,580	183,988	-	1,886,568
Less accumulated depreciation for				
Buildings	577,974	72,903	-	650,877
Machinery and equipment	37,584	1,458	-	39,042
Total accumulated depreciation	615,558	74,361	-	689,919
Total capital assets, being depreciated net	1,087,022	109,627	-	1,196,649
Total capital assets, net	\$ 1,098,657	\$ 109,627	\$ -	\$ 1,208,284

Activity for the Predator Management District for the year ended June 30, 2017 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, 2017

Note 5. Long-Term Debt

The following is a summary of changes in long-term debt of the County for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Primary Government					
Lease purchase obligations	\$ 12,162	\$ 30,340	\$ 7,186	\$ 35,316	\$ 7,700
Compensated absences	28,628	5,179	-	33,807	-
Total primary government	<u>\$ 40,790</u>	<u>\$ 35,519</u>	<u>\$ 7,186</u>	<u>\$ 69,123</u>	<u>\$ 7,700</u>
Discretely Presented Component Units					
Weed and Pest Control District					
Compensated absences	\$ 7,093	\$ 1,306	\$ -	\$ 8,399	\$ -
Pension liability	116,423	-	7,150	109,273	-
Total Weed and Pest Control District	<u>\$ 123,516</u>	<u>\$ 1,306</u>	<u>\$ -</u>	<u>\$ 117,672</u>	<u>\$ -</u>
County Library Board					
Compensated absences	\$ 8,281	\$ -	\$ 888	\$ 7,393	\$ -
Total County Library Board	<u>\$ 8,281</u>	<u>\$ -</u>	<u>\$ 888</u>	<u>\$ 7,393</u>	<u>\$ -</u>

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

A summary of the long-term debt as of June 30, 2017 is as follows:

Lease Purchase Obligations

Lease purchase obligations of the County collateralized by the assets noted as of June 30, 2017 are as follows:

Lease purchase obligation on a postage meter, due in monthly installments of \$399, including interest of 2.64%, through October 2016, serviced by the general fund.	\$ 20,646
Lease purchase obligation on a copier, due in monthly installments of \$127, including interest of 3.49%, through October 2021, serviced by the general fund.	6,136
Lease purchase obligation on a copier, due in monthly installments of \$185, including interest of 1.96%, through June 2021, serviced by the general fund.	8,534
	<u>35,316</u>
Less current maturities of lease purchase obligations	<u>7,700</u>
	<u>\$ 27,616</u>

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 5. Long Term Debt (Continued)

Future minimum lease payments under lease purchase obligations together with the present value of net minimum lease payments as of June 30, 2017 are as follows:

Year ending June 30,

2018	\$	8,536
2019		8,536
2020		8,536
2021		8,536
2022-2025		3,302
Total minimum lease payments		37,446
Less: amount representing interest		2,130
Net present value of minimum lease payments	\$	35,316

Note 6. Interfund Transfers

Interfund transfers at June 30, 2017 consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 278,296	\$ 936
Capital Project Funds		
County road construction	-	20,000
Capital facilities - Fair, Library, Courthouse	-	197,565
Jail O&M	-	86,000
Special Revenue Funds		
Federal and states grants fund	58,365	32,160
	\$ 336,661	\$ 336,661

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, 2017, the County Road Construction fund transferred money to the General Fund.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 7. Related Organizations

The County provided revenues to the Fair component unit during the fiscal year ended June 30, 2017. Following are the amounts provided to the component unit at June 30, 2017;

	Revenues Provided
County Fair Board	\$ 148,405

Note 8. Net Position Restricted by Legislation

The government-wide statement of net position reports \$363,117 of restricted net position which is restricted for road construction by State legislation.

Note 9. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the year ended June 30, 2017, 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, 2017 or 2016. The County is classified as a reimbursable employer; therefore, a monthly fee is not paid. Payment is made when a claim is filed.

Note 10. Beneficial Interest in Assets Held by Others

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 \$62,970 occurred during the year ended June 30, 2017. In accordance with generally accepted accounting standards, the Foundation recorded its beneficial interest in the endowment fund and recorded permanently restricted net assets related to the Foundation. The Foundation's beneficial interest in WCF was \$1,868,548 as of June 30, 2017.

NIOBRARA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 11. Construction Commitments

The County had one outstanding construction project as of June 30, 2017. 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	\$ 974,392	\$ 300,508
Total construction commitments	<u>\$ 1,274,900</u>	<u>\$ 974,392</u>	<u>\$ 300,508</u>

Note 12. Issued Standards Not Yet Implemented

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement is effective for reporting periods beginning after December 15, 2016, and should be applied retroactively. Management has not concluded its assessment of the effect of implementing this guidance.

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

GASB Statement No. 85, *Omnibus 2017*, establishes accounting and financial reporting requirements for blending component units, goodwill, classifying real estate held by insurance entities, measuring certain money market investments and participating interest-earning contracts at amortized cost, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of the Statement are effective for reporting periods beginning after June 15, 2017. Management has not completed its assessment of the effects of implementing this standard.

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

Note 13. Subsequent Events

Subsequent to June 30, 2017, the County did not have any subsequent events through January 17, 2018, the date at which the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended.

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REQUIRED SUPPLEMENTARY INFORMATION

NIOBRARA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) -
 GENERAL FUND
 Year Ended June 30, 2017
 (Unaudited)

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
PROPERTY TAXES AND OTHER TAXES				
Property taxes - current and delinquent	\$ 1,107,318	\$ 1,107,318	\$ 1,125,670	\$ 18,352
Vehicle fees	105,000	105,000	109,123	4,123
Payments in lieu of property taxes	190,632	190,632	331,171	140,539
Sales and use taxes	247,000	247,000	274,081	27,081
1% optional tax	170,000	170,000	170,166	-
	<u>1,819,950</u>	<u>1,819,950</u>	<u>2,010,211</u>	<u>190,261</u>
INTERGOVERNMENTAL REVENUES				
State gasoline tax	131,641	131,641	124,666	(6,975)
Car company tax	10,000	10,000	11,314	1,314
Severance tax	726,814	726,814	734,622	7,808
Special fuel tax	209,070	209,070	186,307	(22,763)
	<u>1,077,525</u>	<u>1,077,525</u>	<u>1,056,909</u>	<u>(20,616)</u>
CHARGES FOR SERVICES				
Clerk of Court fees	5,500	5,500	5,041	(459)
Treasurer	5,000	5,000	6,256	1,256
Assessor	2,000	2,000	2,068	68
County Clerk fees	55,000	55,000	54,064	(936)
County Sheriff fees	5,000	5,000	5,864	864
Liquor permits	750	750	500	(250)
Public health nurse	500	500	272	(228)
County health officer	9,600	9,600	-	(9,600)
Civil fees	6,000	6,000	6,735	735
	<u>89,350</u>	<u>89,350</u>	<u>80,800</u>	<u>(8,550)</u>
MISCELLANEOUS REVENUES				
Interest earnings	6,000	6,000	7,206	1,206
Interest on delinquent taxes	3,000	3,000	7,105	4,105
Other income	156,618	156,618	156,291	(327)
	<u>165,618</u>	<u>165,618</u>	<u>170,602</u>	<u>4,984</u>
 Total revenues	 <u>3,152,443</u>	 <u>3,152,443</u>	 <u>3,318,522</u>	 <u>166,079</u> (Continued)

See accompanying notes to required supplementary information

NIOBRARA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) -
 GENERAL FUND (CONTINUED)
 Year Ended June 30, 2017
 (Unaudited)

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
County Commissioners				
Salaries	\$ 50,533	\$ 50,533	\$ 50,533	\$ -
Other expenditures	10,487	10,487	10,563	(76)
Capital outlay	250	250	-	250
	<u>61,270</u>	<u>61,270</u>	<u>61,096</u>	<u>174</u>
County Clerk				
Salaries	111,271	111,271	103,842	7,429
Other expenditures	63,360	63,360	57,601	5,759
Capital outlay	2,000	2,000	1,919	81
	<u>176,631</u>	<u>176,631</u>	<u>163,362</u>	<u>13,269</u>
County Treasurer				
Salaries	104,673	104,673	91,388	13,285
Other expenditures	10,000	10,000	5,171	4,829
Capital outlay	2,000	2,000	1,198	802
	<u>116,673</u>	<u>116,673</u>	<u>97,757</u>	<u>18,916</u>
County Assessor				
Salaries	106,864	106,864	104,410	2,454
Other expenditures	26,455	26,455	24,918	1,537
Capital outlay	500	500	-	500
	<u>133,819</u>	<u>133,819</u>	<u>129,328</u>	<u>4,491</u>
County Attorney				
Salaries	147,845	147,845	145,091	2,754
Other expenditures	15,400	15,400	15,987	(587)
	<u>163,245</u>	<u>163,245</u>	<u>161,078</u>	<u>2,167</u>
Clerk of District Court - Administration				
Salaries	95,389	95,389	95,081	308
Other expenditures	27,550	27,550	17,293	10,257
Capital outlay	2,000	2,000	412	1,588
	<u>124,939</u>	<u>124,939</u>	<u>112,786</u>	<u>12,153</u>

(Continued)

See accompanying notes to required supplementary information

NIOBRARA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) -
 GENERAL FUND (CONTINUED)
 Year Ended June 30, 2017
 (Unaudited)

	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	32,950	32,950	28,932	4,018
Capital outlay	500	500	46	454
	<u>33,450</u>	<u>33,450</u>	<u>28,978</u>	<u>4,472</u>
Facilities				
Other expenditures	226,950	226,950	234,965	(8,015)
Capital outlay	13,000	13,000	22,332	(9,332)
	<u>239,950</u>	<u>239,950</u>	<u>257,297</u>	<u>(17,347)</u>
Other general accounts				
Community and economic development	2,000	2,000	-	2,000
Unemployment and FICA	163,000	163,000	146,861	16,139
Retirement match	152,000	152,000	171,270	(19,270)
Health coalition/mental health	1,500	1,500	1,500	-
Financial administration	25,000	25,000	24,346	654
Printing and publishing	17,500	17,500	14,732	2,768
Insurance	100,000	100,000	93,922	6,078
Litigation	-	-	-	-
Other miscellaneous	148,400	148,400	126,694	21,706
Information technology	3,000	3,000	10,793	(7,793)
	<u>612,400</u>	<u>612,400</u>	<u>590,118</u>	<u>22,282</u>
Optional 1% Tax				
Intergovernmental expenditures	170,000	170,000	170,165	(165)
	<u>1,844,377</u>	<u>1,844,377</u>	<u>1,783,965</u>	<u>60,412</u>
Total general government				(Continued)

See accompanying notes to required supplementary information

NIOBRARA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) -
 GENERAL FUND (CONTINUED)
 Year Ended June 30, 2017
 (Unaudited)

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
PUBLIC SAFETY				
County Sheriff				
Salaries	\$ 221,010	\$ 221,010	\$ 225,925	\$ (4,915)
Other expenditures	70,300	70,300	73,691	(3,391)
Capital outlay	65,500	65,500	74,934	(9,434)
	<u>356,810</u>	<u>356,810</u>	<u>374,550</u>	<u>(17,740)</u>
County Coroner				
Salaries	12,362	12,362	12,071	291
Other expenditures	11,400	11,400	9,574	1,826
Capital outlay	1,000	1,000	455	545
	<u>24,762</u>	<u>24,762</u>	<u>22,100</u>	<u>2,662</u>
Detention				
Salaries	249,261	249,261	206,146	43,115
Other expenditures	53,400	53,400	64,434	(11,034)
Capital outlay	3,000	3,000	1,947	1,053
	<u>305,661</u>	<u>305,661</u>	<u>272,527</u>	<u>33,134</u>
Emergency Management				
Salaries	5,100	5,100	5,100	-
Other expenditures	2,750	2,750	1,462	1,288
Capital outlay	1,000	1,000	79	921
	<u>8,850</u>	<u>8,850</u>	<u>6,641</u>	<u>2,209</u>
911 Dispatch				
Salaries	189,675	189,675	191,315	(1,640)
Other expenditures	23,100	23,100	14,672	8,428
Capital outlay	90,000	90,000	89,628	372
	<u>302,775</u>	<u>302,775</u>	<u>295,615</u>	<u>7,160</u>
Total public safety	<u>998,858</u>	<u>998,858</u>	<u>971,433</u>	<u>27,425</u>

(Continued)

NIOBRARA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) -
 GENERAL FUND (CONTINUED)
 Year Ended June 30, 2017
 (Unaudited)

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
PUBLIC WORKS				
Road and Bridge				
Salaries	\$ 241,075	\$ 241,075	\$ 209,353	\$ 31,722
Other expenditures	279,250	279,250	192,540	86,710
Capital outlay	90,000	90,000	86,536	3,464
Total public works	<u>610,325</u>	<u>610,325</u>	<u>488,429</u>	<u>121,896</u>
HEALTH, WELFARE AND RECREATION				
Health Officer				
Salaries	23,055	23,055	9,600	13,455
	<u>23,055</u>	<u>23,055</u>	<u>9,600</u>	<u>13,455</u>
Public Health Nurse				
Contractual services	15,350	15,350	6,513	8,837
	<u>15,350</u>	<u>15,350</u>	<u>6,513</u>	<u>8,837</u>
Total health, welfare and recreation	<u>38,405</u>	<u>38,405</u>	<u>16,113</u>	<u>22,292</u>
CONSERVATION OF NATURAL RESOURCES				
Agriculture department				
Salaries	29,800	29,800	26,790	3,010
Other expenditures	49,165	49,165	45,781	3,384
Capital outlay	1,500	1,500	776	724
Total conservation of natural resources	<u>80,465</u>	<u>80,465</u>	<u>73,347</u>	<u>7,118</u>
Total expenditures	<u>3,572,430</u>	<u>3,572,430</u>	<u>3,333,287</u>	<u>239,143</u>
Excess (deficiency) of revenues over expenditures	<u>(419,987)</u>	<u>(419,987)</u>	<u>(14,765)</u>	<u>405,222</u>
Other financing sources				
Transfers in	274,600	274,600	276,786	2,186
Total other financing sources	<u>274,600</u>	<u>274,600</u>	<u>276,786</u>	<u>2,186</u>
Net change in fund balance	(145,387)	(145,387)	262,021	407,408
Fund balance - beginning of year	<u>3,508,529</u>	<u>3,508,529</u>	<u>3,508,529</u>	<u>-</u>
Fund balance - end of year	<u>\$ 3,363,142</u>	<u>\$ 3,363,142</u>	<u>\$ 3,770,550</u>	<u>\$ 407,408</u>

See accompanying notes to required supplementary information

NIOBRARA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) -
 FEDERAL AND STATE GRANTS FUND
 Year Ended June 30, 2017
 (Unaudited)

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 500,158	\$ 500,158	\$ 277,649	\$ (222,509)
Total revenues	500,158	500,158	277,649	(222,509)
Expenditures				
Public safety	356,303	356,303	195,959	160,344
Public works	53,605	53,605	22,019	31,586
Health, welfare, and recreation	16,755	16,755	11,926	4,829
Total expenditures	426,663	426,663	229,904	196,759
Excess (deficiency) of revenues over expenditures	73,495	73,495	47,745	(25,750)
Other financing (uses)				
Transfer in	-	-	58,365	58,365
Transfer out	-	-	(32,159)	(32,159)
Total other financing (uses)	-	-	26,206	26,206
Net change in fund balance	73,495	73,495	73,951	456
Fund balance (deficit) - beginning of year	(66,603)	(66,603)	(66,603)	-
Fund balance - end of year	\$ 6,892	\$ 6,892	\$ 7,348	\$ 456

See accompanying notes to required supplementary information

NIOBRARA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) -
 E-911 FUND
 Year Ended June 30, 2017
 (Unaudited)

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 21,500	\$ 21,500	\$ 30,772	\$ 9,272
Total revenues	21,500	21,500	30,772	9,272
Expenditures				
Public safety	47,746	47,746	10,213	37,533
Total expenditures	47,746	47,746	10,213	37,533
Excess (deficiency) of revenues over expenditures	(26,246)	(26,246)	20,559	46,805
Fund balance (deficit) - beginning of year	22,426	22,426	22,426	-
Fund balance (deficit) - end of year	\$ (3,820)	\$ (3,820)	\$ 42,985	\$ 46,805

See accompanying notes to required supplementary information

NIOBRARA COUNTY, WYOMING

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

1% FUND

Year Ended June 30, 2017

(Unaudited)

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ 187	\$ 187
Total revenues	-	-	187	187
Expenditures				
Public safety	39,822	39,822	-	39,822
Total expenditures	39,822	39,822	-	39,822
Excess (deficiency) of revenues over expenditures	(39,822)	(39,822)	187	40,009
Fund balance - beginning of year	39,822	39,822	39,822	-
Fund balance - end of year	\$ -	\$ -	\$ 40,009	\$ 40,009

See accompanying notes to required supplementary information

NIOBRARA COUNTY, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

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	\$ 3,318,522	\$ 277,649	\$ 30,772	\$ 187
Differences - Budget Basis to GAAP				
Accrual of future property taxes receivable	(80,312)	-	-	-
Accrual of accounts receivable	(3,246)	(82,530)	4,506	-
Accrual of gas and sales tax receivable	21,603	-	-	-
Deferral of future property tax revenue	81,533	-	-	-
Accrual of due to component units	(1,845)	-	-	-
Miscellaneous reconciling items	(5)	-	-	(1)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 3,336,250</u>	<u>\$ 195,119</u>	<u>\$ 35,278</u>	<u>\$ 186</u>
Expenditures				
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 3,333,287	\$ 229,904	\$ 10,213	\$ -
Differences - Budget Basis to GAAP				
Accrual of accounts payable	33,113	364	-	-
Accrual of wages payable	(154)	-	-	-
Accrual of inventory	(17,646)	-	-	-
Purchases made through capital lease	30,340	-	-	-
Miscellaneous reconciling items	578	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 3,379,518</u>	<u>\$ 230,268</u>	<u>\$ 10,213</u>	<u>\$ -</u>

NIOBRARA COUNTY, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2017

Note 2. Budget Deficit

The following departments over expended their budget in violation of Wyoming Statutes.

General Fund

General government

Facilities

\$ (17,347)

1% Optional Tax

(165)

Public Safety

County sheriff

(17,740)

Total

\$ (35,252)

OTHER SUPPLEMENTARY INFORMATION

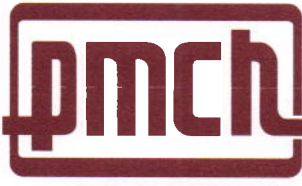
NIOBRARA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) -
 COUNTY ROAD CONSTRUCTION FUND
 Year Ended June 30, 2017

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 377,151	\$ 377,151	\$ 421,518	\$ 44,367
Total revenues	377,151	377,151	421,518	44,367
Expenditures				
Public works	1,055,821	1,055,821	822,735	233,086
Total expenditures	1,055,821	1,055,821	822,735	233,086
Excess (deficiency) of revenues over expenditures	(678,670)	(678,670)	(401,217)	277,453
Other financing (uses)				
Transfer out	(50,000)	(50,000)	(20,000)	30,000
Total other financing (uses)	(50,000)	(50,000)	(20,000)	30,000
Net change in fund balance	(728,670)	(728,670)	(421,217)	(307,453)
Fund balance - beginning of year	698,725	698,725	698,725	-
Fund balance (deficit) - end of year	\$ (29,945)	\$ (29,945)	\$ 277,508	\$ 307,453

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, 2017, 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 January 17, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, as items 2017-001 and 2017-002 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2017-001.

We noted certain matters we have reported to management of Niobrara County in a separate letter dated January 17, 2018 **January 17, 2018**.

County's Response to Findings

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

Purpose of this Report

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

Porter, Muirhead, Cornia & Howard

Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming

January 17, 2018

NIOBRARA COUNTY, WYOMING
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2017

Significant Deficiencies in Internal Control over Financial Reporting

2017-001

Noncompliance with State Budgetary Requirements

Criteria:

Wyoming Statutes § 16-4-108, Limitation on expenditures or encumbrances; documentation of expenditures, states (a) No officer or employee of a municipality shall make any expenditure or encumbrance in excess of the total appropriation for any department. The budget officer shall report to the governing body any expenditure or encumbrance made in violation of this subsection.

Condition:

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

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

Cause:

The County did not have adequate internal controls over budgetary compliance to identify the need to amend its budget in a timely fashion in order to ensure compliance.

Effect:

The County failed to comply with its statutory requirements.

Recommendation:

The County Budget Officer should review budgetary compliance on an ongoing basis and initiate budget hearings as required when unanticipated revenue is identified in order to change the budget appropriation for a specific department. This will ensure budgetary compliance

Response:

The County concurs with this finding and will implement procedures to ensure compliance.

NIOBRARA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
Year Ended June 30, 2017

Significant Deficiencies in Internal Control over Financial Reporting (Continued)

2017-002

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.

NIOBRARA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

Year Ended June 30, 2017

Noncompliance with Certain Provisions of Laws, Regulations, Contracts and Grant Agreements

Item 2017-001 is also a finding of noncompliance.

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