

AUDIT REPORT
OF
SCOTTS BLUFF COUNTY, NEBRASKA

JUNE 30, 2017



DANA F. COLE
& COMPANY^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS

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SCOTTS BLUFF COUNTY, NEBRASKA
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OF
SCOTTS BLUFF COUNTY, NEBRASKA
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**DANA F. COLE
& COMPANY LLP**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the County Board of Commissioners
Scotts Bluff County
Gering, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Scotts Bluff County, Nebraska, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County'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 the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 error or fraud.

Auditors' 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 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 evaluating 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 - cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of Scotts Bluff County, Nebraska, as of June 30, 2017, and the respective changes in financial position - cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Scotts Bluff County, Nebraska's basic financial statements. The supplementary information on pages 32 - 48 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards on pages 28 - 31 is presented for purposes of additional analysis as required by the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 supplementary information and the schedule of expenditures of federal awards are 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 10, 2018, on our consideration of Scotts Bluff County, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of

internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Scotts Bluff County, Nebraska's internal control over financial reporting and compliance.

Dana F Cole + Company, LLP

Scottsbluff, Nebraska
January 10, 2018

SCOTTS BLUFF COUNTY, NEBRASKA
STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2017

| | Governmental Activities |
|---------------------------|------------------------------|
| ASSETS | |
| Cash and cash equivalents | <u>10,924,565</u> |
| TOTAL ASSETS | <u><u>10,924,565</u></u> |
| NET POSITION | |
| Restricted | 4,360,936 |
| Unrestricted | <u>6,563,629</u> |
| TOTAL NET POSITION | <u><u>10,924,565</u></u> |

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2017

| | Cash Disbursements | Program Receipts | | | Net (Disbursements) Receipts and Changes in Net Position |
|--|-----------------------|----------------------------|---|---|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| FUNCTIONS/PROGRAMS | | | | | |
| Governmental activities | | | | | |
| General government | 9,986,807 | 1,211,448 | | 18,056 | (8,757,303) |
| Public safety | 8,829,018 | 2,141,703 | 165,209 | 421,816 | (6,100,290) |
| Public works | 3,703,036 | 242,268 | 3,035,705 | | (425,063) |
| Public health and welfare | 1,102,647 | 128,950 | 687,633 | | (286,064) |
| Culture and recreation | 598,418 | 559,981 | | | (38,437) |
| Capital outlay | 1,244,357 | | | | (1,244,357) |
| Debt service | | | | | |
| Principal | 901,483 | | | | (901,483) |
| Interest | 334,611 | | | | (334,611) |
| Total governmental activities | <u>26,700,377</u> | <u>4,284,350</u> | <u>3,888,547</u> | <u>439,872</u> | <u>(18,087,608)</u> |
| GENERAL RECEIPTS | | | | | |
| Property taxes | | | | | 10,524,770 |
| Motor vehicle taxes | | | | | 1,355,570 |
| Other taxes | | | | | 2,431,098 |
| Intergovernmental receipts | | | | | 1,357,608 |
| Miscellaneous local | | | | | 2,352,921 |
| Investment earnings | | | | | 92,150 |
| Total general receipts | | | | | <u>18,114,117</u> |
| CHANGE IN NET POSITION | | | | | 26,509 |
| NET POSITION, beginning of year | | | | | <u>10,898,056</u> |
| NET POSITION, end of year | | | | | <u>10,924,565</u> |

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA
STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2017

| | Major Funds | | | | | | | | |
|---------------------------|------------------|-------------------------------|--|-------------------|------------------|----------------------------|--------------------------------|-----------------------------------|--------------------------------|
| | General Fund | Road and Bridge Fund | Self- Insured Medical Insurance Fund | Detention Fund | Keno Fund | Inheritance Tax Fund | Capital Improvement Fund | Nonmajor Governmental Funds | Total Governmental Funds |
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | <u>2,615,888</u> | <u>395,875</u> | <u>92,194</u> | <u>202,290</u> | <u>1,158,654</u> | <u>1,420,306</u> | <u>1,400,842</u> | <u>3,638,516</u> | <u>10,924,565</u> |
| FUND BALANCES | | | | | | | | | |
| Restricted | | 395,875 | | | 1,158,654 | | | 2,806,407 | 4,360,936 |
| Committed | | | 92,194 | 202,290 | | | 1,400,842 | 811,352 | 2,506,678 |
| Unassigned | <u>2,615,888</u> | | | | | <u>1,420,306</u> | | <u>20,757</u> | <u>4,056,951</u> |
| o TOTAL FUND BALANCES | <u>2,615,888</u> | <u>395,875</u> | <u>92,194</u> | <u>202,290</u> | <u>1,158,654</u> | <u>1,420,306</u> | <u>1,400,842</u> | <u>3,638,516</u> | <u>10,924,565</u> |

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

| | Major Funds | | | | | | | | |
|---|--------------------|-------------------------------|--|-------------------|------------------|----------------------------|--------------------------------|--|--------------------------------|
| | General Fund | Road and Bridge Fund | Self- Insured Medical Insurance Fund | Detention Fund | Keno Fund | Inheritance Tax Fund | Capital Improvement Fund | Other Nonmajor Governmental Funds | Total Governmental Funds |
| RECEIPTS | | | | | | | | | |
| Property taxes | 6,015,970 | | 187,571 | 2,563,461 | | | | 1,757,768 | 10,524,770 |
| Motor vehicle taxes | 1,149,159 | 206,411 | | | | | | | 1,355,570 |
| Other taxes | | | | | | 1,820,710 | | 610,388 | 2,431,098 |
| Intergovernmental | 1,402,726 | 2,558,678 | 20,387 | 313,462 | | | | 1,390,774 | 5,686,027 |
| Local fees, licenses, commissions, and miscellaneous | 1,854,439 | 38,294 | 1,974,830 | 1,852,826 | 571,981 | | | 344,901 | 6,637,271 |
| Investment earnings | 78,764 | | | | | 13,342 | | 44 | 92,150 |
| Total receipts | <u>10,501,058</u> | <u>2,803,383</u> | <u>2,182,788</u> | <u>4,729,749</u> | <u>571,981</u> | <u>1,834,052</u> | | <u>4,103,875</u> | <u>26,726,886</u> |
| DISBURSEMENTS | | | | | | | | | |
| General government | 4,744,563 | | 4,943,683 | | | | | 298,561 | 9,986,807 |
| Public safety | 2,992,322 | | | 4,728,347 | | | | 1,108,349 | 8,829,018 |
| Public works | 259,110 | 2,730,442 | | | | | 382,437 | 331,047 | 3,703,036 |
| Public health and welfare | 621,353 | | | | | | | 481,294 | 1,102,647 |
| Public culture and recreation | | | | | 224,828 | | | 373,590 | 598,418 |
| Capital outlay | 291,203 | 563,619 | | 24,599 | | | | 364,936 | 1,244,357 |
| Debt service | | | | | | | | | |
| Principal | 8,909 | 112,574 | | | | | | 780,000 | 901,483 |
| Interest | 13,291 | 7,279 | | | | | | 314,041 | 334,611 |
| Total disbursements | <u>8,930,751</u> | <u>3,413,914</u> | <u>4,943,683</u> | <u>4,752,946</u> | <u>224,828</u> | | <u>382,437</u> | <u>4,051,818</u> | <u>26,700,377</u> |
| EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS | <u>1,570,307</u> | <u>(610,531)</u> | <u>(2,760,895)</u> | <u>(23,197)</u> | <u>347,153</u> | <u>1,834,052</u> | <u>(382,437)</u> | <u>52,057</u> | <u>26,509</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Operating transfers in | 325,000 | 552,430 | 2,600,691 | | | | | 578,192 | 4,056,313 |
| Operating transfers out | (1,791,751) | (302,339) | | (558,249) | (69,500) | (700,000) | | (634,474) | (4,056,313) |
| Total other financing sources (uses) | <u>(1,466,751)</u> | <u>250,091</u> | <u>2,600,691</u> | <u>(558,249)</u> | <u>(69,500)</u> | <u>(700,000)</u> | | <u>(56,282)</u> | |
| NET CHANGE IN FUND BALANCES | 103,556 | (360,440) | (160,204) | (581,446) | 277,653 | 1,134,052 | (382,437) | (4,225) | 26,509 |
| FUND BALANCES, beginning of year | <u>2,512,332</u> | <u>756,315</u> | <u>252,398</u> | <u>783,736</u> | <u>881,001</u> | <u>286,254</u> | <u>1,783,279</u> | <u>3,642,741</u> | <u>10,898,056</u> |
| FUND BALANCES, end of year | <u>2,615,888</u> | <u>395,875</u> | <u>92,194</u> | <u>202,290</u> | <u>1,158,654</u> | <u>1,420,306</u> | <u>1,400,842</u> | <u>3,638,516</u> | <u>10,924,565</u> |

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA
STATEMENT OF NET POSITION - CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

| | |
|--------------------------------|---------------------|
| ASSETS | |
| Cash and cash equivalents | <u>2,479,384</u> |
| LIABILITIES | |
| Held for other governments | |
| Road Improvement Districts | 1,606 |
| State | 594,122 |
| Schools | 857,124 |
| Educational Service Units | 8,412 |
| Community/Technical Colleges | 51,571 |
| Natural Resource Districts | 32,589 |
| Cemeteries | 22,406 |
| Fire Districts | 6,831 |
| Sanitary Improvement Districts | 69,990 |
| Drainage Districts | 6,086 |
| Irrigation Districts | 28,156 |
| Municipalities | 142,577 |
| Redevelopment Districts | 9,508 |
| Agricultural Society | 4,625 |
| Other governments | 25,233 |
| Held by county offices | |
| County Clerk | 34,090 |
| Register of Deeds | 39,451 |
| Clerk of the District Court | 365,214 |
| County Sheriff | 34,139 |
| County Attorney | 3,606 |
| County Corrections | 73,803 |
| Veterans Service Office | 27,978 |
| Handi-Bus | 28,242 |
| Handyman | <u>12,025</u> |
| TOTAL LIABILITIES | <u>2,479,384</u> |
| NET POSITION | <u><u>- 0 -</u></u> |

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of Scotts Bluff County, Nebraska (the County).

A. THE REPORTING ENTITY

Scotts Bluff County, Nebraska, is a governmental entity established under and governed by the laws of the State of Nebraska. As a political subdivision of the state, the County is exempt from state and federal income taxes. The County consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds over which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The County is financially accountable if its County Commission appoints a voting majority of another organization's government body and it has the ability to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on, the County (primary government). The County may also be financially accountable for another organization if that organization is fiscally dependent on the County. The County has determined it has no component units required to be reported in these financial statements.

Other individual County offices maintain accounting records and account for monies received and disbursed directly by these offices. Only that portion of these monies which is subsequently receipted by the County Treasurer is reflected in the County's financial statements.

B. BASIS OF PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statements of activities and net position) report information on all the nonfiduciary activities of the primary government and its component units. Governmental activities generally are financed through taxes, intergovernmental receipts, and other nonexchange receipts.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Government-Wide Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program receipts for each function of the County's activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program receipts include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts that are not classified as program receipts, including all taxes, are presented as general receipts.

Fund Financial Statements

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, as applicable.

Fiduciary funds report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the County's own programs. The Trust and Agency Funds are fiduciary funds.

The government utilizes the following fund types:

The *General Fund* is the primary operating fund of the County and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds account for the proceeds of specific revenue sources (other than for major capital projects) that legally restrict expenditures for specified purposes.

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities or improvements.

The *Debt Service Fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Trust and Agency Funds are used to account for assets held by the County in a trustee capacity for other governmental units. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements (Continued)

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets, liabilities, receipts, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, receipts, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The County reports the following major governmental funds:

General Fund - The General Fund is the primary operating fund of the County and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Road and Bridge Fund - This fund is a special revenue fund used to account for receipts and disbursements for attributed to maintenance and improvement of county highways and bridges and other county infrastructure.

Self-Insured Medical Fund - This fund is a special revenue fund used to account for the receipts of employer and employee contributions and disbursements attributable to employee medical insurance premiums and uninsured medical expenses.

Debt Service Fund - This fund is a debt service fund used to account for receipts from debt proceeds and disbursements for payments of principle, interest, and related costs of debt.

Detention Center Fund - This fund is a special revenue fund used to account for receipts and disbursements attributable to the operation of the County's detention facility.

Capital Improvement Fund - This fund is a capital project fund used to account for receipts and disbursements for the acquisition and construction of major capital facilities.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

The government-wide and fund financial statements of the primary government, Scotts Bluff County, Nebraska, are reported using the current financial resources measurement focus and the cash basis of accounting. Receipts are recognized when the County Treasurer receives cash rather than when earned. Expenditures are recognized when cash is disbursed rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to present financial position and the results of operations in conformity with accounting principles generally accepted in the United States of America.

Balances held by various county officers at year-end, including cash and accounts receivables, are reported as cash items in the statement of net position - cash basis - fiduciary funds. This statement includes amounts due to other governments, the County Treasurer, and various trust accounts, which are reported as liabilities on that statement. The effect of not recognizing the county portion of revenue until collected by the County Treasurer is not considered a material departure from the cash basis of accounting.

Basis of Accounting

The County's funds are maintained and the financial statements have been prepared on the cash basis of accounting. Receipts are recognized when cash is received rather than when earned. Expenditures are recognized when cash is disbursed rather than when the obligation is incurred. This differs from accounting principles generally accepted in the United States of America which require governmental funds to follow the modified accrual basis of accounting. Accordingly, the accompanying financial statements are not intended to present financial position and the results of operations in conformity with accounting principles generally accepted in the United States of America.

D. RECEIPTS

Program Receipts

In the statement of activities, cash basis receipts that are derived directly from each activity or from parties outside the County's taxpayers are reported as program receipts. The County reports the following program receipts in each function as follows:

| | |
|--------------------|---|
| General Government | Fees, permits, licenses, and commissions |
| Public Safety | Fines and fees, E-911 revenue, operating grants from federal and state agencies for law enforcement, and incarceration fees |

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. RECEIPTS (Continued)

Program Receipts (Continued)

| | |
|------------------------------------|---|
| Public Works | Township road contracts, reimbursements, operating grants from FEMA and other federal and state agencies for road and infrastructure work |
| Public Health | Fees, permits, and licenses |
| Public Welfare and Social Services | Operating grants for juvenile services |

All other governmental receipts are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

E. ASSETS, LIABILITIES, AND NET POSITION

1. Deposits and Investments

The County's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The County had no cash equivalents at June 30, 2017.

Nebraska statutes allow the County to make any investments allowed by the State Investment Officer. This includes bank certificates of deposit. Investments for the County are reported at fair value.

2. Capital Assets

Capital assets are not recorded as assets on the government-wide or fund financial statements and depreciation is not recognized. Purchases of capital assets are recorded as disbursements by function in the financial statements.

3. Compensated Absences

It is the County's policy to permit employees to accumulate a limited amount of earned but unused vacation, sick leave, and compensatory time. Employees who leave county government for any reason will be paid for any unused vacation leave earned after one (1) year of employment. Employees who leave the county employment before one full year of employment shall not be paid any vacation leave, as none has been earned by them until after one full year of employment. All sick leave shall expire on the date of separation. All unused compensatory time remaining when the employee leaves the employment of the County shall be paid at the employee's current hourly rate or at the average rate for the final three years of employment, whichever is greater.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LIABILITIES, AND NET POSITION (Continued)

4. Equity Classification

Government-Wide Statements

Equity is classified as net position and displayed in two components:

Restricted net position consists of net assets with constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or through constitutional provision or enabling legislation.

Unrestricted net position does not meet the definition of restricted.

It is the County's policy to use restricted net position first, prior to the use of unrestricted net position, when a disbursement is paid for purposes in which both restricted and unrestricted net position are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable fund balance - Assets legally or contractually required to be maintained or are not in spendable form, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).

Restricted fund balance - Amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance - Amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the County's highest level of decision-making authority).

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LIABILITIES, AND NET POSITION (Continued)

4. Equity Classification (Continued)

Fund Financial Statements (Continued)

Fund Balance Classification (Continued)

Assigned fund balance - Amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. This intent can be expressed by the County Board of Commissioners or through the Board delegating this responsibility to the County management accountant.

Unassigned - This classification includes the residual fund balance for the General Fund.

The County would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

F. REVENUE RECOGNITION - PROPERTY TAXES

Property taxes are levied by October 15 based on valuations as of January 1. Real estate and personal property taxes become due and attach as an enforceable lien on property as of January 1. Real estate and personal property taxes are payable in two installments and become delinquent May 1 and September 1. Motor vehicle taxes are due when application is made for registration of a motor vehicle.

G. INTERFUND AND INTERDEPARTMENT TRANSACTIONS AND ACTIVITY

Transactions

Numerous county departments and funds transact with other county departments and funds for various purposes. These applicable intercounty transactions result in the reporting of receipts by one fund or department and expenditures by another fund or department. These transactions have not been eliminated in the government-wide or fund financial statements. A summary description of intercounty transactions follows:

Copier Costs - The County incurs postage costs which are utilized by numerous funds and departments. Copier costs are charged to applicable funds and departments based on usage.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. INTERFUND AND INTERDEPARTMENT TRANSACTIONS AND ACTIVITY (Continued)

Transactions (Continued)

Fuel Costs - The County purchases, stores, and distributes fuel for all departments and funds requiring fuel usage. Fuel costs are charged to applicable funds and departments based on usage.

Office Supplies - The County purchases, stores, and distributes office supplies for all departments and funds utilizing office supplies. Office supply costs are charged to applicable funds and departments based on usage.

Services - The County's individual departments and funds frequently perform services to other county departments and funds. Services are charged to applicable funds and departments based on specified rates.

Activity

The County utilizes specified funds and departments for the purpose of conducting centralized service and functionality. Costs incurred are reported only in these departments and funds and are not charged to, allocated, or distributed to any other fund or department. A summary description of activities benefiting multiple departments and fund but reported in only one fund follows:

Self-Funded Insurance - The County utilizes a specified fund for the purpose of identifying and segregating "self-funded" county-wide employee medical costs.

Personnel Management - The County utilizes a specified department of the General Fund for the purpose of identifying and segregating costs associated with county-wide personnel management costs.

Information Systems - The County utilizes a specified department of the General Fund for the purpose of identifying and segregating costs associated with county-wide information technology costs.

Buildings and Grounds - The County utilizes a specified department of the General Fund for the purpose of identifying and segregating costs associated with county-wide general building and grounds maintenance costs.

H. USE OF ESTIMATES

The preparation of financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the County requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS

The County Treasurer has generally pooled the cash resources of the various funds for investment purposes. Each fund's portion of total cash and investments is summarized by fund type on the statement of cash basis assets and fund balances as "cash and cash equivalents." Interest earned on pooled funds is credited to the County General Fund in accordance with Section 77-2315, R.R.S. 1943.

The types of investments the County is authorized to invest funds in are enumerated in state statutes and generally include U.S. government obligations, certificates of deposit, time deposits, and securities in which the State Investment Officer is authorized to invest.

For the following disclosures required by Governmental Accounting Standards Board Statement No. 40, deposits include checking accounts, savings accounts, money market accounts, and certificates of deposit.

The Nebraska Public Agency Investment Trust (NPAIT) was established in June 1996 through the Interlocal Cooperation Act and commenced operations July 25, 1996. NPAIT was established to assist public bodies throughout the State of Nebraska with the investment of their available cash reserves. Participation in the investment trust is voluntary for its members. The objective of NPAIT is to provide its owner-members with a conservative and effective investment alternative tailored to the needs of its members. NPAIT portfolio management generally follows established investment criteria developed by the Securities and Exchange Commission (SEC) for money market funds designed to offer acceptable yield while maintaining liquidity. NPAIT is not registered with the SEC as an investment company.

NPAIT's short-term investment portfolio consists of cash and short-term investments valued at amortized cost, which is determined to approximate fair value due to the short-term nature of the instruments. NPAIT maintains a net asset value of \$1.00 per unit. Funds deposited with NPAIT at June 30, 2017, were \$52,152.

Custodial Credit Risk

All funds of the County are deposited in board-designated official depositories and are required to be collateralized in accordance with Nebraska statutes. Official depositories may be established with any bank whose principal office is located in Nebraska. Also, the County may establish time deposit accounts, money market accounts, and certificates of deposit.

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it, or returned at the discretion of others. The County's internal policies require financial institutions to provide collateral for balances in excess of FDIC

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

Custodial Credit Risk (Continued)

limits. As of June 30, 2017, the County's balances with financial institutions were \$13,122,124, of which none was exposed to custodial credit risk as follows:

| | Financial Institution Balance |
|--|-------------------------------------|
| Insured by FDIC Insurance | 5,665,998 |
| Insured by surety bonds or irrevocable letters of credit | 3,898,478 |
| Collateralized by pledged securities held by financial institution in County's name | 3,505,496 |
| Collateralized by deposit in Nebraska Public Agency Investment Trust | 52,152 |
| Uninsured and uncollateralized | - 0 - |
| Total | <u>13,122,124</u> |

NOTE 3. RETIREMENT SYSTEM

Plan Description

The Retirement System for Nebraska Counties (the Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 2014, Supp. 2015) and may be amended through legislative action.

Participation in the Plan is required of all full-time employees. Part-time (working less than one-half of the regularly scheduled hours) employees may elect voluntary participation upon reaching age 18. Part-time elected officials may exercise the option to join. County employees and elected officials contribute 4.5% of their total compensation. In addition, the County contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by § 23-2307 and § 23-2308 and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. Nonvested County contributions are forfeited upon termination. Forfeitures are used to cover a portion of the pension plan's administrative expenses. Prior service benefits are paid directly by the County to the retired employee.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. RETIREMENT SYSTEM

Plan Description (Continued)

A supplemental retirement plan was established on January 1, 2003, for the benefit of all present and future commissioned law enforcement personnel employed by the County. Employees contribute 1% of their salary, and the County contributes an amount equal to 100% of the employee's contribution. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

Contributions

For the year ended June 30, 2017, total compensation for all employees was \$9,492,276 and compensation covered in this Plan was \$9,240,652. Employee contributions were \$424,714 and the County contributed \$632,066.

NOTE 4. 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. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 77 counties throughout Nebraska. NIRMA was created as a result of the Intergovernmental Risk Management Act authorized by State Statute Section 44-4301, R.R.S. 1943 which resulted in two programs being established, NIRMA and NIRMA II. The County has the option of participating in one or both of the programs. Scotts Bluff County, Nebraska, participates in both of the programs.

The County pays an annual deposit premium as calculated by the administrator of the pool. Following the close of the fiscal year and at appropriate intervals thereafter, the Pool may calculate each county's retrospective premium or premium credit for the year. The Board prior to the beginning of the fiscal year shall adopt the retrospective formula. The formula shall consider the losses and exposures of each county and the entire Pool.

The deposit premium paid for the fiscal year shall be applied as a credit against the retrospective premium. If it is determined that the deposit premium paid is in excess of the retrospective premiums calculated, such excess shall be applied as a credit toward the next annual deposit premium. Retrospective premium adjustments for each fiscal year shall continue until all claims are closed or until the Board determines that sufficient facts are known to make a final adjustment for the year.

If the Pool becomes insolvent or is otherwise unable to discharge its legal liabilities and other obligations, the County may be assessed by the Board for an additional contribution equal to its contribution for the current fiscal year divided by the contribution of all participants for such year, times the amount of such deficiency. Each such assessment, and the

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. RISK MANAGEMENT (Continued)

manner of calculating the same, shall be to each county in writing, and each county shall thereafter have sixty (60) days in which to pay the amount of such assessment. Each County shall remain liable for such assessments, regardless of such County's withdrawal from participation or the termination of the agreement, and for liabilities of the Pool incurred during such County's period of membership, as provided by State Statute Section 44-4312, R.R.S. 1943.

In the event of a liability loss exceeding \$5,000,000 per occurrence, the County would be responsible for funding the excess amount. In the event of a workers' compensation loss exceeding the statutory excess limit or an employer's liability loss exceeding the \$2,000,000 excess limit, the County would be responsible for funding the excess amount.

Since the majority of NIRMA's and NIRMA II's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the member balances are adjusted annually to reflect recent loss information. There were no significant reductions in insurance coverage from the coverage in the prior year by major categories of risk.

The County has not paid any additional assessments to the Pool in the last three fiscal years, and no assessments are anticipated for fiscal year 2016. The County has not had to pay out any amounts that exceeded coverages provided by the Pool in the last three fiscal years.

NOTE 5. LONG-TERM DEBT

Capital leases payable at June 30, 2017, consisted of the following:

| | |
|---|----------------|
| The County Roads Department is the lessee of two caterpillar motor graders under a capital lease agreement maturing in April 2019. Three annual installments of \$119,853 and one payment of \$66,000 are due including interest at 2.49%. The lease agreement is secured by the motor graders. | <u>179,773</u> |
|---|----------------|

Notes payable at June 30, 2017, consisted of the following:

| | |
|--|----------------|
| Note payable to Platte Valley National Bank, amended December 5, 2006, annual payments of \$22,200 including interest at 4.95% due in November beginning in 2006, final payment due November 2035. | <u>263,652</u> |
|--|----------------|

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT (Continued)

Bonds payable at June 30, 2017, consisted of the following:

| | |
|--|--------------------------|
| General Obligation Bonds, dated August 10, 2015, interest rate of 2.965%, annual principal payments due each January 15 starting in 2016, and semiannual interest payments due July 15 and January 15, final payment is due January 15, 2031. Bond issuance costs of \$50,294 were incurred. | 4,495,000 |
| General Obligation Bonds, dated March 5, 2012, interest rates ranging from 0.5% - 3%, annual principal payments due each January 15 starting in 2013, and semiannual interest payments due July 15 and January 15, final payment is due January 15, 2031. Bond issuance costs of \$80,699 were incurred. | 4,195,000 |
| General Obligation Bonds, dated March 14, 2013, interest rates ranging from 0.45% - 2.50%, annual principal payments due each January 15 starting in 2014, and semiannual interest payments due July 15 and January 15, final payment is due January 15, 2022. Bond issuance costs of \$31,303 were incurred. | 950,000 |
| Highway Allocation Pledge Bonds, dated April 7, 2015, interest rates ranging from 0.35% - 3.125%, annual principal payments due each November 15 starting in 2015, and semiannual interest payments due November 15 and May 15, final payment is due November 15, 2034. Bond issuance costs, including issuance discount, of \$46,271 were incurred. | <u>1,810,000</u> |
| Total bonds payable | <u>11,450,000</u> |
| Total long-term debt | <u><u>11,893,425</u></u> |

A schedule of changes in long-term debt, including capital leases, for the year ended June 30, 2017, is as follows:

| | Beginning Balance | Additions | Payments | Ending Balance |
|----------------|--------------------------|-----------|-------------------------|--------------------------|
| Capital leases | 292,347 | | (112,574) | 179,773 |
| Notes payable | 272,561 | | (8,909) | 263,652 |
| Bonds payable | <u>12,230,000</u> | | <u>(780,000)</u> | <u>11,450,000</u> |
| Total | <u><u>12,794,908</u></u> | | <u><u>(901,483)</u></u> | <u><u>11,893,425</u></u> |

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT (Continued)

The annual debt service requirements for the next five years and for each five-year period thereafter as of June 30, 2017, are as follows:

| Years Ending June 30, | Capital Leases | | Notes Payable | |
|--------------------------|----------------|--------------|----------------|----------------|
| | Principal | Interest | Principal | Interest |
| 2018 | 115,377 | 4,476 | 9,360 | 12,840 |
| 2019 | 64,396 | 1,604 | 9,834 | 12,366 |
| 2020 | | | 10,332 | 11,868 |
| 2021 | | | 10,855 | 11,345 |
| 2022 | | | 11,404 | 10,796 |
| 2023 - 2027 | | | 66,293 | 44,707 |
| 2028 - 2032 | | | 84,866 | 26,134 |
| 2033 - 2037 | | | 60,708 | 4,657 |
| Total | <u>179,773</u> | <u>6,080</u> | <u>263,652</u> | <u>134,713</u> |

| Years Ending June 30, | Bonds Payable | | Totals | |
|--------------------------|-------------------|------------------|-------------------|------------------|
| | Principal | Interest | Principal | Interest |
| 2018 | 790,000 | 302,900 | 914,737 | 320,216 |
| 2019 | 810,000 | 288,418 | 884,230 | 302,388 |
| 2020 | 830,000 | 270,606 | 840,332 | 282,474 |
| 2021 | 845,000 | 251,720 | 855,855 | 263,065 |
| 2022 | 860,000 | 230,726 | 871,404 | 241,522 |
| 2023 - 2027 | 3,600,000 | 856,547 | 3,666,293 | 901,254 |
| 2028 - 2032 | 3,350,000 | 311,056 | 3,434,866 | 337,190 |
| 2033 - 2037 | 365,000 | 17,190 | 425,708 | 21,847 |
| Total | <u>11,450,000</u> | <u>2,529,163</u> | <u>11,893,425</u> | <u>2,669,956</u> |

The County's interest expense and debt issue costs for the year ended June 30, 2017, are as follows:

| | |
|-------------------------|---------------------|
| | Interest Expense |
| Governmental activities | <u>334,611</u> |

NOTE 6. LEASES

Lessor Agreements

The County is the lessor of airport hangars and office space under operating leases expiring in various years through 2022. Lease payments received for the year ended June 30, 2017, were \$203,245.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LEASES (Continued)

Lessee Agreements

The County is the lessee of office equipment and communications towers under operating leases expiring in various years through 2017.

Minimum future rental payments under noncancellable operating leases having remaining terms in excess of one year as of June 30, 2017, are as follows:

| Year Ending June 30, | Amount |
|-------------------------|---------------|
| 2018 | 9,650 |
| 2019 | 9,000 |
| 2020 | 9,000 |
| 2021 | 9,000 |
| 2022 | 9,000 |
| Thereafter | <u>27,000</u> |
| | <u>72,650</u> |

NOTE 7. BUDGET COMPLIANCE

Following is a summary of the actual and budget amounts by fund:

| | Budget | Actual | Variance Favorable (Unfavorable) |
|-------------------------------------|-------------------|-------------------|--|
| General Fund | 11,910,950 | 10,722,502 | 1,188,448 |
| Road and Bridge Fund | 3,879,733 | 3,716,253 | 163,480 |
| Self-Insured Medical Insurance Fund | 5,028,000 | 4,943,683 | 84,317 |
| Detention Fund | 5,565,395 | 5,311,195 | 254,200 |
| Inheritance Tax Fund | 701,000 | 700,000 | 1,000 |
| Keno Fund | 1,466,539 | 294,328 | 1,172,211 |
| Capital Improvement Fund | 1,783,279 | 382,437 | 1,400,842 |
| Nonmajor Funds | <u>7,343,509</u> | <u>4,686,292</u> | <u>2,657,217</u> |
| | <u>37,678,405</u> | <u>30,756,690</u> | <u>6,921,715</u> |

NOTE 8. COMMITMENTS AND CONTINGENCIES

Self-Insurance

The County operates a self-insured medical insurance plan for dental and health insurance for its employees. The County has contracted with a third-party administrator to provide claims processing services. In addition, the County has purchased a stop-loss

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. COMMITMENTS AND CONTINGENCIES (Continued)

Self-Insurance (Continued)

policy covering all claims in excess of \$60,000 per year, per claim. The County retains risk of loss for all claims up to the stop-loss amount. As of June 30, 2017, cumulative contributions and receipts in excess of claims and expenses were \$92,194, which the County has designated for payment of future claims.

General

The County is subject to laws and regulations relating to the protection of the environment. The County's policy would be to disclose environmental and cleanup-related costs of a noncapital nature when it is both probable and reasonably estimated. Although it is not possible to quantify with any degree of certainty the potential financial impact of the County's continuing compliance efforts, management believes any possible future remediation or other compliance-related costs will not have a material adverse effect on the financial condition or reported results of operations of the County.

The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the County, there are no significant contingent liabilities relating to compliance, with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

NOTE 9. INTERFUND TRANSFERS AND LOANS

Transfers

The detail of interfund transfers for the year ended June 30, 2017, is as follows:

| | Transfer In | Transfer Out | Net Transfers In (Out) |
|-------------------------------------|------------------|------------------|------------------------------|
| General Fund | 325,000 | 1,791,751 | (1,466,751) |
| Road and Bridge Fund | 552,430 | 302,339 | 250,091 |
| Self-Insured Medical Insurance Fund | 2,600,691 | | 2,600,691 |
| Inheritance Tax Fund | | 700,000 | (700,000) |
| Keno Fund | | 69,500 | (69,500) |
| Detention Fund | | 558,249 | (558,249) |
| Capital Improvement Fund | | | |
| Nonmajor Funds | 578,192 | 634,474 | (56,282) |
| | <u>4,056,313</u> | <u>4,056,313</u> | <u> </u> |

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. INTERFUND TRANSFERS AND LOANS (Continued)

Transfers generally move resources from the funds statutorily required to collect the resources, to funds statutorily required to expend the resources. Transfers from the Inheritance Tax Fund provide resources, through transfers, to other funds as needed. These transfers are not required to be paid back.

Additionally, the County maintains a Self-Insured Medical Insurance Fund which is funded by the County through transfers to this fund from other funds and departments within the General Fund at a specified rate per covered employee. Amounts transferred from other funds to this fund for this purpose follows:

| | |
|---|-----------|
| General Fund | |
| County Board | 32,289 |
| County Clerk | 39,063 |
| County Treasurer | 136,186 |
| Register of Deeds | 44,180 |
| County Assessor | 72,990 |
| Building and Zoning | 8,254 |
| Information Systems | 23,947 |
| Personnel Department | 33,229 |
| Clerk of the District Court | 68,263 |
| District Judge | 73 |
| Public Defender | 88,600 |
| Building and Grounds | 54,360 |
| Extension Agent | 8,431 |
| County Sheriff | 279,911 |
| County Attorney | 126,547 |
| Child Support Enforcement | 58,336 |
| County Surveyor | 9,746 |
| Veterans Service | 17,669 |
| Handy Bus | 13,882 |
| Handyman | 13,548 |
| GIS Mapping | 33,932 |
| Administration | 10 |
| Total General Fund | 1,163,446 |
| Road and Bridge Fund | 302,339 |
| Detention Fund | 558,249 |
| Nonmajor funds | 176,657 |
| Total Transfers to the Self-Insured Medical Insurance Fund | 2,200,691 |

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. INTERFUND TRANSFERS AND LOANS (Continued)

Loans

The County on occasion makes short-term interfund loans from one county fund to another to assist in temporary cash shortfalls. These loans are unsecured and do not bear interest and will be repaid as cash becomes available at the discretion of the County Board. Interfund loans have been reported in the financial statements as transfers to and from respective funds. Amounts due to and from funds as of June 30, 2017, were \$-0-.

NOTE 10. RESTRICTED FUND BALANCES

The County's funds for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation are as follows:

| Fund | Restriction | Restricted Balance |
|-------------------------------------|---|-------------------------|
| Road and Bridge Fund | Road and bridge maintenance, improvements, and construction | 395,875 |
| Highway Bridge Buyback Fund | Bridge maintenance, improvement, and construction | 650,095 |
| Inheritance Holding Fund | Refund of inheritance tax | 25,232 |
| Visitors Promotion Fund | Promotion of area tourism | 117,156 |
| Preservation and Modernization Fund | Preservation and maintenance of records | 29,259 |
| STOP Program Fund | Program use | 2,380 |
| Drug Enforcement Education Fund | Drug enforcement efforts | 4,899 |
| Drug Enforcement Fund | Drug enforcement efforts | 22,061 |
| Drug Court Fund | Drug enforcement efforts | 3,094 |
| Drug Forfeiture Fund | Drug enforcement efforts | 20,225 |
| Juvenile Aid Fund | Program use | 11,718 |
| HIDTA Grant Fund | Program use | 2,606 |
| Homeland Security Fund | Emergency preparedness use | 59,365 |
| Keno Fund | Community betterment | 1,158,654 |
| E-911 Emergency Fund | 911 communication system maintenance and improvement | 716,307 |
| E-911 Fund | 911 communication system maintenance and improvement | 26,394 |
| Wireless Holding Fund | 911 communication system maintenance and improvement | 226,461 |
| Debt Service Fund | Debt service requirements | <u>889,155</u> |
| Total restricted net position: | | <u><u>4,360,936</u></u> |

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. INTERLOCAL AGREEMENTS

Scotts Bluff County, Nebraska, has entered into agreements with the other entities established under the authority of the Interlocal Cooperation Act for various services required to be provided to county residents. Scotts Bluff County, Nebraska, contributed amounts for these purposes as follows:

| Purpose | Amount |
|--|----------------|
| To provide services to elderly residents of the County | 16,676 |
| To provide mental health and substance abuse services to residents of the County | 172,789 |
| To provide services to the developmentally disabled residents of the County | <u>30,660</u> |
| | <u>220,125</u> |

NOTE 12. FEDERALLY ASSISTED PROGRAMS

The County receives substantial grants from the federal and state governments, all of which are subject to audit by the respective governments. Subsequent audits may disallow expenditures financed by governmental grant programs, although past audits have resulted in no violations of grant regulations and no requests for reimbursement. It is the opinion of management that requests for reimbursement, if any, by either the federal or state governments based on subsequent audits will not be material in relation to the County's financial statements as of June 30, 2017.

NOTE 13. SUBSEQUENT EVENTS

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through January 10, 2018, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SCOTTS BLUFF COUNTY, NEBRASKA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2017

| Federal Grantor/Pass-Through Program/ Program Title | Federal CFDA No. | Pass-Through Entity Identifying Number | Expendi- tures | Provided to Subrecipients |
|--|---------------------|--|-------------------|------------------------------|
| <u>U.S. Department of Justice</u> | | | | |
| Passed through Nebraska Crime Commission | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 14DA329 15DA306 | <u>59,676</u> | _____ |
| <u>U.S. Department of Transportation</u> | | | | |
| Passed through Nebraska Office of Highway Safety | | | | |
| National Priority Safety Programs | 20.616 | 405b-16-14-53 405d-16-05-49 405d-17-05-03 402-17-12-40 402-16-12-35 405b-17-14-35 | 20,215 | |
| Passed through Nebraska Department of Roads | | | | |
| Formula Grants for Rural Areas | 20.509 | RPT-C791 (2017) | <u>171,215</u> | _____ |
| Total U.S. Department of Transportation | | | <u>191,430</u> | _____ |
| <u>U.S. Department of Health and Human Services</u> | | | | |
| Passed through Aging Office of Western Nebraska | | | | |
| Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers | 93.044 | Not Available | 71,958 | |

SCOTTS BLUFF COUNTY, NEBRASKA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2017

| Federal Grantor/Pass-Through Program/ Program Title | Federal CFDA No. | Pass-Through Entity Identifying Number | Expendi- tures | Provided to Subrecipients |
|---|---------------------|--|-----------------------|------------------------------|
| <u>U.S. Department of Health and Human Services</u> (Continued) | | | | |
| Passed through Nebraska Department of Health and Human Services | | | | |
| Public Health Emergency Preparedness | 93.069 | U90TP000533 | 16,528 | |
| Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | 93.323 | 3U50CK000418-02S1 | 4,381 | |
| Child Support Enforcement | 93.563 | 1604NECSES 1704NECSES | 294,802 | |
| Preventative Health and Health Services Block Grant Funded solely with Prevention and Public Health Funds | 93.758 | B0110T09067 B0110T09036 | <u>5,399</u> | |
| Total U.S. Department of Health and Human Services | | | <u>393,068</u> | |
| <u>U.S. Department of Homeland Security</u> | | | | |
| Passed through Nebraska Emergency Management Agency | | | | |
| Homeland Security Grant Program | 97.067 | 14-SR-31013-01 15-GA-31013-02 15-SR-31025-02 16-SR-31013-01 16-SR-31025-01 | <u>243,915</u> | <u>243,915</u> |
| <u>Executive Office of the President</u> | | | | |
| Passed through Nebraska State Patrol | | | | |
| High Intensity Drug Trafficking Areas Program | 95.001 | 15HD09 14HD09 | <u>79,328</u> | |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>967,417</u> | <u>243,915</u> |

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

NOTE 1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards is prepared on the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, expenditures are recognized when cash is disbursed. This basis of accounting is consistent with the method utilized for the basic financial statements of the County.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2. BASIS FOR EXPENDITURES REPORTED

Cash Disbursements - For certain federal programs, the County makes cash disbursements under the federal program specifically identified as federal program costs. For these federal programs, the County reports federal expenditures in the amount of cash disbursed and indirect costs claimed under the federal program.

Cash Receipts - For certain federal programs, the County receives payment at specified rates per unit of service rendered or product distributed. For these federal programs, the County reports federal expenditures in the amount of cash received under the federal program.

Value of Goods - For certain federal programs, the County receives goods for use. For these federal programs, the County reports expenditures at the value of goods received. The County received no goods under federal programs.

Indirect Costs - For certain federal programs, the County may be allowed to utilize an indirect cost rate as determined by the federal program or a negotiated indirect cost rate. The County may otherwise utilize a de minimis indirect cost rate when allowed by the federal program. For these federal programs, federal expenditures included amount determined as indirect costs. The County did not utilize any indirect cost rate to determine indirect costs. As such, federal expenditures reported do not include any indirect costs.

NOTE 3. CONTINGENCIES

The County receives funds under various federal grant programs and such assistance is to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of noncompliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

NOTE 4. SUBRECIPIENTS

Of the federal expenditures presented in the schedule of expenditures of federal awards, the County provided federal awards to a subrecipient as follows:

| Program | Subrecipient | Federal CFDA Number | Amount Provided |
|---------------------------------|-----------------------------------|---------------------------|--------------------|
| Homeland Security Grant Program | Region 22 Emergency Management | 97.067 | <u>243,915</u> |

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

| | Budget | Actual |
|---|-------------------|-------------------|
| RECEIPTS | | |
| Property taxes | 6,259,440 | 6,015,970 |
| Motor vehicle taxes | 1,160,000 | 1,149,159 |
| Intergovernmental | 1,776,457 | 1,402,726 |
| Local fees, licenses, commissions, and miscellaneous | 2,041,171 | 1,854,439 |
| Investment earnings | 76,100 | 78,764 |
| Total receipts | <u>11,313,168</u> | <u>10,501,058</u> |
| DISBURSEMENTS | | |
| General Government | | |
| Personnel services | 2,584,873 | 2,509,914 |
| Operating expenses | 2,968,511 | 2,021,636 |
| Supplies/materials | 214,850 | 191,250 |
| Equipment rental | 22,500 | 21,763 |
| Total General Government | <u>5,790,734</u> | <u>4,744,563</u> |
| Public Safety | | |
| Personnel services | 2,618,302 | 2,548,137 |
| Operating expenses | 295,272 | 265,288 |
| Supplies/materials | 164,580 | 171,652 |
| Equipment rental | 7,840 | 7,245 |
| Total Public Safety | <u>3,085,994</u> | <u>2,992,322</u> |
| Public Works | | |
| Personnel services | 144,985 | 133,393 |
| Operating expenses | 139,666 | 123,165 |
| Supplies/materials | 2,600 | 2,552 |
| Total Public Works | <u>287,251</u> | <u>259,110</u> |
| Public Welfare and Social Services | | |
| Personnel services | 395,190 | 369,514 |
| Operating expenses | 237,559 | 203,003 |
| Supplies/materials | 53,925 | 47,806 |
| Equipment rental | 1,150 | 1,030 |
| Total Public Welfare and Social Services | <u>687,824</u> | <u>621,353</u> |

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

| | Budget | Actual |
|--------------------------------------|--------------------|--------------------|
| DISBURSEMENTS (Continued) | | |
| Noncurrent | | |
| Capital outlay | 301,693 | 291,203 |
| Debt service | | |
| Principal | 22,200 | 8,909 |
| Interest | | <u>13,291</u> |
| Total noncurrent | <u>323,893</u> | <u>313,403</u> |
| Total disbursements | <u>10,175,696</u> | <u>8,930,751</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | 1,085,000 | 325,000 |
| Transfers out | <u>(1,735,254)</u> | <u>(1,791,751)</u> |
| Total other financing sources (uses) | <u>(650,254)</u> | <u>(1,466,751)</u> |
| NET CHANGE IN FUND BALANCE | <u>487,218</u> | 103,556 |
| FUND BALANCE, beginning of year | | <u>2,512,332</u> |
| FUND BALANCE, end of year | | <u>2,615,888</u> |

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED JUNE 30, 2017

| | Budget | Actual |
|---|------------------|-----------------------|
| RECEIPTS | | |
| Motor vehicle taxes | 200,000 | 206,411 |
| Intergovernmental | 2,520,488 | 2,558,678 |
| Local fees, licenses, commissions, and miscellaneous | <u>50,500</u> | <u>38,294</u> |
| Total receipts | <u>2,770,988</u> | <u>2,803,383</u> |
| DISBURSEMENTS | | |
| Public works | | |
| Personnel services | 1,700,370 | 1,584,055 |
| Operating expenses | 423,874 | 526,366 |
| Supplies/materials | 970,900 | 619,155 |
| Equipment rental | 5,000 | 866 |
| Capital outlay | 397,200 | 563,619 |
| Debt service | | |
| Principal | 120,000 | 112,574 |
| Interest | | <u>7,279</u> |
| Total disbursements | <u>3,617,344</u> | <u>3,413,914</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | 552,430 | 552,430 |
| Transfers out | <u>(262,389)</u> | <u>(302,339)</u> |
| Total other financing sources (uses) | <u>290,041</u> | <u>250,091</u> |
| NET CHANGE IN FUND BALANCE | <u>(556,315)</u> | (360,440) |
| FUND BALANCE, beginning of year | | <u>756,315</u> |
| FUND BALANCE, end of year | | <u><u>395,875</u></u> |

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
SELF-INSURED MEDICAL INSURANCE FUND
FOR THE YEAR ENDED JUNE 30, 2017

| | Budget | Actual |
|---|------------------|----------------------|
| RECEIPTS | | |
| Property taxes | 200,000 | 187,571 |
| Intergovernmental | | 20,387 |
| Local fees, licenses, commissions, and miscellaneous | <u>1,635,602</u> | <u>1,974,830</u> |
| Total receipts | <u>1,835,602</u> | <u>2,182,788</u> |
| DISBURSEMENTS | | |
| General Government | | |
| Personnel services | 4,145,000 | 4,154,527 |
| Operating expenses | <u>883,000</u> | <u>789,156</u> |
| Total disbursements | <u>5,028,000</u> | <u>4,943,683</u> |
| OTHER FINANCING SOURCES | | |
| Transfers in | <u>2,940,000</u> | <u>2,600,691</u> |
| NET CHANGE IN FUND BALANCE | <u>(252,398)</u> | (160,204) |
| FUND BALANCE, beginning of year | | <u>252,398</u> |
| FUND BALANCE, end of year | | <u><u>92,194</u></u> |

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
DETENTION FUND
FOR THE YEAR ENDED JUNE 30, 2017

| | Budget | Actual |
|---|------------------|------------------|
| RECEIPTS | | |
| Property taxes | 3,016,659 | 2,563,461 |
| Intergovernmental | 259,000 | 313,462 |
| Local fees, licenses, commissions, and miscellaneous | <u>2,281,000</u> | <u>1,852,826</u> |
| Total receipts | <u>5,556,659</u> | <u>4,729,749</u> |
| DISBURSEMENTS | | |
| Public Safety | | |
| Personnel services | 3,155,800 | 2,963,970 |
| Operating expenses | 1,617,096 | 1,607,047 |
| Supplies and materials | 130,000 | 124,801 |
| Equipment rental | 17,000 | 32,529 |
| Capital outlay | <u>56,200</u> | <u>24,599</u> |
| Total disbursements | <u>4,976,096</u> | <u>4,752,946</u> |
| OTHER FINANCING USES | | |
| Transfers out | <u>(589,299)</u> | <u>(558,249)</u> |
| NET CHANGE IN FUND BALANCE | <u>(8,736)</u> | (581,446) |
| FUND BALANCE, beginning of year | | <u>783,736</u> |
| FUND BALANCE, end of year | | <u>202,290</u> |

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
KENO FUND
FOR THE YEAR ENDED JUNE 30, 2017

| | Budget | Actual |
|---|------------------|-------------------------|
| RECEIPTS | | |
| Local fees, licenses, commissions, and miscellaneous | <u>642,000</u> | <u>571,981</u> |
| DISBURSEMENTS | | |
| Public culture and recreation Operating expenses | <u>1,037,039</u> | <u>224,828</u> |
| OTHER FINANCING SOURCES | | |
| Transfers out | <u>(429,500)</u> | <u>(69,500)</u> |
| NET CHANGE IN FUND BALANCE | <u>(824,539)</u> | 277,653 |
| FUND BALANCE, beginning of year | | <u>881,001</u> |
| FUND BALANCE, end of year | | <u><u>1,158,654</u></u> |

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
 CASH BASIS - BUDGET AND ACTUAL
 CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED JUNE 30, 2017

| | Budget | Actual |
|---------------------------------|-----------------------------|-----------------------------|
| RECEIPTS | <u> </u> | <u> </u> |
| DISBURSEMENTS | | |
| Public works | | |
| Operating expenses | 10,000 | 382,437 |
| Capital outlay | <u>1,773,279</u> | <u> </u> |
| Total disbursements | <u>1,783,279</u> | <u>382,437</u> |
| NET CHANGE IN FUND BALANCE | <u>(1,783,279)</u> | (382,437) |
| FUND BALANCE, beginning of year | | <u>1,783,279</u> |
| FUND BALANCE, end of year | | <u><u>1,400,842</u></u> |

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
INHERITANCE TAX FUND
FOR THE YEAR ENDED JUNE 30, 2017

| | Budget | Actual |
|---------------------------------|------------------|-------------------|
| RECEIPTS | | |
| Other taxes | 607,746 | 1,820,710 |
| Investment earnings | 7,000 | 13,342 |
| Total receipts | <u>614,746</u> | <u>1,834,052</u> |
| DISBURSEMENTS | | |
| General Government | | |
| Operating expenses | <u>1,000</u> | <u> </u> |
| OTHER FINANCING USES | | |
| Transfers out | <u>(700,000)</u> | <u>(700,000)</u> |
| NET CHANGE IN FUND BALANCE | <u>(86,254)</u> | 1,134,052 |
| FUND BALANCE, beginning of year | | <u>286,254</u> |
| FUND BALANCE, end of year | | <u>1,420,306</u> |

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

| | Budget | Actual |
|---|------------------|------------------|
| RECEIPTS | | |
| Property taxes | 1,864,112 | 1,757,768 |
| Other taxes | 606,827 | 610,388 |
| Intergovernmental | 1,378,212 | 1,390,774 |
| Local fees, licenses, commissions, and miscellaneous | 392,483 | 344,901 |
| Investment earnings | | 44 |
| Total receipts | <u>4,241,634</u> | <u>4,103,875</u> |
| DISBURSEMENTS | | |
| General Government | | |
| Operating expenses | 287,940 | 271,764 |
| Supplies/materials | 49,342 | 26,797 |
| Total General Government | <u>337,282</u> | <u>298,561</u> |
| Public Safety | | |
| Personnel services | 703,110 | 710,504 |
| Operating expenses | 535,126 | 357,077 |
| Supplies/materials | 13,476 | 12,028 |
| Equipment rental | 27,000 | 28,740 |
| Total Public Safety | <u>1,278,712</u> | <u>1,108,349</u> |
| Public Works | | |
| Personnel services | 206,038 | 148,317 |
| Operating expenses | 82,733 | 71,848 |
| Supplies/materials | 112,600 | 110,882 |
| Total Public Works | <u>401,371</u> | <u>331,047</u> |
| Public Health and Welfare | | |
| Personnel services | 105,410 | 105,364 |
| Operating expenses | 403,147 | 360,579 |
| Supplies/materials | 15,721 | 15,351 |
| Total Public Health and Welfare | <u>524,278</u> | <u>481,294</u> |

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

| | Budget | Actual |
|---|--------------------|------------------|
| DISBURSEMENTS (Continued) | | |
| Public Culture and Recreation | | |
| Personnel services | 54,776 | 54,694 |
| Operating expenses | 394,000 | 311,866 |
| Supplies/materials | 1,100 | 1,030 |
| Equipment rental | 6,000 | 6,000 |
| Total Public Culture and Recreation | <u>455,876</u> | <u>373,590</u> |
| Noncurrent | | |
| Capital outlay | 2,185,830 | 364,936 |
| Debt service | | |
| Principal | 1,536,065 | 780,000 |
| Interest | | 314,041 |
| Issue costs | 4,000 | |
| Total noncurrent | <u>3,725,895</u> | <u>1,458,977</u> |
| Total disbursements | <u>6,723,414</u> | <u>4,051,818</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | 555,978 | 578,192 |
| Transfers out | <u>(620,095)</u> | <u>(634,474)</u> |
| Total other financing sources (uses) | <u>(64,117)</u> | <u>(56,282)</u> |
| NET CHANGE IN FUND BALANCE | <u>(2,545,897)</u> | (4,225) |
| FUND BALANCE, beginning of year | | <u>3,642,741</u> |
| FUND BALANCE, end of year | | <u>3,638,516</u> |

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO BUDGETARY SCHEDULES
YEAR ENDED JUNE 30, 2017

NOTE 1. SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS

Basis of Accounting

The budget is prepared on the same cash basis of accounting as applied to the governmental funds in the basic financial statements. Receipts and disbursements are reported when they result from cash transactions.

Budgets

The County follows these procedures in establishing the budgetary data reflected in the schedules in accordance with the requirements of the Nebraska Budget Act.

On or before August 1, the finance committee or other designated budget-making authority prepares and transmits a budget for each county fund showing the requirements, the outstanding warrants, the operating reserve to be maintained, the cash on hand at the close of the preceding fiscal year, the revenue from sources other than taxation, and the amount to be raised by taxation. The budget, like the County financial statements, is prepared on the cash receipts and disbursements basis of accounting.

At least one public hearing must be held by the County Board.

Prior to September 20, after the action of the Tax Equalization and Review Commission has been certified to the County Clerk, the budget, as revised, is adopted and the amounts provided therein are appropriated.

The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, revisions that alter the total expenditures of any fund require that an additional public hearing be held. Appropriations lapse at year-end.

Budget Law

The County is required by state law to hold public hearings and adopt annual budgets for all funds on the cash basis of accounting. Total disbursements for each fund may not exceed the total budgeted disbursements. Any revisions to the adopted budget of total disbursements to any fund require a public hearing.

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF DISBURSEMENTS - CASH BASIS -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

| | Budget | Actual |
|------------------------------|----------------|----------------|
| GENERAL GOVERNMENT | | |
| Board of Commissioners | | |
| Personnel services | 101,717 | 100,672 |
| Operating expenses | 4,450 | 5,174 |
| Supplies/materials | 250 | 112 |
| Total Board of Commissioners | <u>106,417</u> | <u>105,958</u> |
| | | |
| County Clerk | | |
| Personnel services | 203,279 | 203,496 |
| Operating expenses | 3,400 | 681 |
| Supplies/materials | 3,400 | 2,367 |
| Capital outlay | 1,000 | |
| Total County Clerk | <u>211,079</u> | <u>206,544</u> |
| | | |
| County Treasurer | | |
| Personnel services | 480,657 | 470,059 |
| Operating expenses | 16,020 | 13,323 |
| Supplies/materials | 15,000 | 12,768 |
| Equipment rental | 900 | 2,639 |
| Capital outlay | | 1,625 |
| Total County Treasurer | <u>512,577</u> | <u>500,414</u> |
| | | |
| Register of Deeds | | |
| Personnel services | 183,716 | 176,841 |
| Operating expenses | 7,300 | 6,694 |
| Supplies/materials | 8,000 | 7,537 |
| Total Register of Deeds | <u>199,016</u> | <u>191,072</u> |
| | | |
| County Assessor | | |
| Personnel services | 278,259 | 274,348 |
| Operating expenses | 130,434 | 126,876 |
| Supplies/materials | 10,000 | 5,687 |
| Equipment rental | 3,000 | 3,106 |
| Capital outlay | | 1,037 |
| Total County Assessor | <u>421,693</u> | <u>411,054</u> |

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF DISBURSEMENTS - CASH BASIS -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

| | Budget | Actual |
|-----------------------------------|----------------|----------------|
| GENERAL GOVERNMENT (Continued) | | |
| Election Commissioner | | |
| Personnel services | 22,174 | 23,284 |
| Operating expenses | 55,750 | 46,682 |
| Supplies/materials | 33,600 | 25,951 |
| Total Election Commissioner | <u>111,524</u> | <u>95,917</u> |
| Building and Zoning | | |
| Personnel services | 55,984 | 56,128 |
| Operating expenses | 27,064 | 26,756 |
| Supplies/materials | 5,000 | 3,580 |
| Total Building and Zoning | <u>88,048</u> | <u>86,464</u> |
| Clerk of the District Court | | |
| Personnel services | 217,478 | 204,732 |
| Operating expenses | 131,825 | 99,299 |
| Supplies/materials | 6,000 | 8,623 |
| Capital outlay | 200 | |
| Total Clerk of the District Court | <u>355,503</u> | <u>312,654</u> |
| County Court System | | |
| Operating expenses | 370,700 | 292,373 |
| Supplies/materials | 17,500 | 18,426 |
| Equipment rental | | 1,148 |
| Capital outlay | | 6,100 |
| Total County Court System | <u>388,200</u> | <u>318,047</u> |
| District Judge | | |
| Personnel services | 48,077 | 48,191 |
| Operating expenses | 169,950 | 149,621 |
| Supplies/materials | 3,550 | 3,198 |
| Capital outlay | | 225 |
| Total District Judge | <u>221,577</u> | <u>201,235</u> |
| Public Defender | | |
| Personnel services | 436,796 | 400,830 |
| Operating expenses | 55,921 | 51,675 |
| Supplies/materials | 3,500 | 7,805 |
| Capital outlay | | 13,860 |
| Total Public Defender | <u>496,217</u> | <u>474,170</u> |

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF DISBURSEMENTS - CASH BASIS -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

| | Budget | Actual |
|--|------------------|----------------|
| GENERAL GOVERNMENT (Continued) | | |
| Buildings and Grounds | | |
| Personnel services | 214,101 | 198,871 |
| Operating expenses | 259,977 | 253,165 |
| Supplies/materials | 64,600 | 57,831 |
| Equipment rental | 600 | 530 |
| Capital outlay | <u>3,100</u> | <u>7,162</u> |
| Total Buildings and Grounds | <u>542,378</u> | <u>517,559</u> |
| Agriculture Extension Agent | | |
| Personnel services | 70,531 | 70,947 |
| Operating expenses | 77,860 | 73,210 |
| Supplies/materials | 5,500 | 5,758 |
| Capital outlay | | <u>1,893</u> |
| Total Agriculture Extension Agent | <u>153,891</u> | <u>151,808</u> |
| Purchasing Agent | | |
| Supplies/materials | <u>37,000</u> | <u>29,327</u> |
| Information Systems | | |
| Personnel services | 122,085 | 131,732 |
| Operating expenses | 1,100 | 10,113 |
| Supplies/materials | 250 | 12 |
| Capital outlay | <u>150,000</u> | <u>122,634</u> |
| Total Information Systems | <u>273,435</u> | <u>264,491</u> |
| Management Accountant and Personnel Department | | |
| Personnel services | 124,420 | 123,611 |
| Operating expenses | 18,475 | 16,636 |
| Supplies/materials | <u>1,300</u> | <u>1,577</u> |
| Total Management Account and Personnel Department | <u>144,195</u> | <u>141,824</u> |
| Administration General | | |
| Personnel services | 25,599 | 26,172 |
| Operating expenses | 1,638,285 | 849,358 |
| Supplies/materials | 400 | 691 |
| Equipment rental | 18,000 | 14,340 |
| Debt service - principal | 22,200 | 8,909 |
| Debt service - interest | | <u>13,291</u> |
| Total Administration General | <u>1,704,484</u> | <u>912,761</u> |

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF DISBURSEMENTS - CASH BASIS -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

| | Budget | Actual |
|---------------------------------|------------------|------------------|
| PUBLIC SAFETY | | |
| County Sheriff | | |
| Personnel services | 1,604,081 | 1,592,520 |
| Operating expenses | 126,872 | 129,939 |
| Supplies/materials | 120,500 | 137,823 |
| Capital outlay | 79,260 | 87,830 |
| Total County Sheriff | <u>1,930,713</u> | <u>1,948,112</u> |
| County Attorney | | |
| Personnel services | 752,040 | 699,585 |
| Operating expenses | 97,145 | 88,511 |
| Supplies/materials | 14,000 | 11,744 |
| Equipment rental | 1,900 | 1,762 |
| Capital outlay | 9,000 | 6,315 |
| Total County Attorney | <u>874,085</u> | <u>807,917</u> |
| Child Support | | |
| Personnel services | 262,181 | 256,032 |
| Operating expenses | 33,930 | 15,799 |
| Supplies/materials | 12,500 | 2,108 |
| Equipment rental | 2,000 | 1,762 |
| Capital outlay | 10,000 | 3,031 |
| Total Child Support | <u>320,611</u> | <u>278,732</u> |
| District No. 10 Probation | | |
| Operating expenses | 26,325 | 20,041 |
| Supplies/materials | 17,580 | 19,977 |
| Equipment rental | 3,940 | 3,721 |
| Capital outlay | 13,640 | 17,745 |
| Total District No. 10 Probation | <u>61,485</u> | <u>61,484</u> |
| Emergency Management | | |
| Operating expenses | <u>11,000</u> | <u>10,998</u> |
| PUBLIC WORKS | | |
| County Surveyor | | |
| Personnel services | 3,950 | 2,675 |
| Operating expenses | 35,300 | 33,533 |
| Supplies/materials | 500 | 695 |
| Total County Surveyor | <u>39,750</u> | <u>36,903</u> |

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF DISBURSEMENTS - CASH BASIS -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

| | Budget | Actual |
|------------------------------------|-------------------|------------------|
| PUBLIC WORKS (Continued) | | |
| GIS Mapping | | |
| Personnel services | 141,035 | 130,718 |
| Operating expenses | 104,366 | 89,632 |
| Supplies/materials | 2,100 | 1,857 |
| Capital outlay | | 9,896 |
| Total GIS Mapping | <u>247,501</u> | <u>232,103</u> |
| Veterans Service Officer | | |
| Personnel services | 116,230 | 111,721 |
| Operating expenses | 9,372 | 5,856 |
| Supplies/materials | 3,650 | 3,365 |
| Capital outlay | 2,000 | 2,000 |
| Total Veterans Service Officer | <u>131,252</u> | <u>122,942</u> |
| PUBLIC WELFARE AND SOCIAL SERVICES | | |
| Handi-bus | | |
| Personnel services | 234,900 | 211,703 |
| Operating expenses | 53,248 | 61,142 |
| Supplies/materials | 49,350 | 43,670 |
| Equipment rental | 550 | 515 |
| Capital outlay | 27,293 | |
| Total Handi-bus | <u>365,341</u> | <u>317,030</u> |
| Handyman | | |
| Personnel services | 44,060 | 46,090 |
| Operating expenses | 45,698 | 36,901 |
| Supplies/materials | 325 | 194 |
| Equipment rental | 600 | 515 |
| Total Handyman | <u>90,683</u> | <u>83,700</u> |
| Administration | | |
| Operating expenses | 129,241 | 99,104 |
| Supplies/materials | 600 | 577 |
| Capital outlay | 6,200 | 9,850 |
| Total Administration | <u>136,041</u> | <u>109,531</u> |
| TOTAL DISBURSEMENTS | <u>10,175,696</u> | <u>8,930,751</u> |

SCOTT'S BLUFF COUNTY, NEBRASKA
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

| | Highway Bridge Buyback Fund | Road and Bridge Construction Fund | Visitor Promotion Fund | Homeland Security Fund | County Health Fund | E-911 Emergency Management Fund | Debt Service Fund | Drain Sinking Fund | Central Comm. Fund | Other Nonmajor Funds | Total Nonmajor Funds |
|---|--------------------------------------|---|------------------------------|------------------------------|--------------------------|--|-------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| RECEIPTS | | | | | | | | | | | |
| Property taxes | | | | | 183,577 | | 786,262 | | 653,119 | 134,810 | 1,757,768 |
| Other taxes | | | 376,216 | | | | | 119,617 | 114,555 | 610,388 | |
| Intergovernmental | 333,591 | | 18,028 | 243,915 | 121,304 | 177,901 | 85,062 | 77,498 | 333,475 | 1,390,774 | |
| Local fees, licenses, commissions, and miscellaneous | | | 17,100 | | (117) | | (485) | 154,239 | 87,790 | 86,374 | 344,901 |
| Investment earnings | | | | | | | 44 | | | 44 | |
| Total receipts | <u>333,591</u> | | <u>411,344</u> | <u>243,915</u> | <u>304,764</u> | <u>177,901</u> | <u>870,883</u> | <u>154,239</u> | <u>938,024</u> | <u>669,214</u> | <u>4,103,875</u> |
| DISBURSEMENTS | | | | | | | | | | | |
| Personnel services | | | 54,694 | | 14,909 | | | 122,733 | 710,504 | 116,039 | 1,018,879 |
| Operating expenses | | 11,883 | 311,866 | 60,708 | 269,268 | 11,960 | | 24,073 | 129,969 | 553,407 | 1,373,134 |
| Supplies and materials | | 46,957 | 1,030 | | 1,418 | | | 62,344 | 9,362 | 44,977 | 166,088 |
| Equipment rental | | | 6,000 | | | | | | 14,592 | 14,148 | 34,740 |
| Capital outlay | 12,674 | 180,753 | | 144,710 | | | | 5,127 | 21,672 | 364,936 | |
| Debt Service | | | | | | | | | | | |
| Principal | | | | | | | 780,000 | | | | 780,000 |
| Interest | | | | | | | 314,041 | | | | 314,041 |
| Total disbursements | <u>12,674</u> | <u>239,593</u> | <u>373,590</u> | <u>205,418</u> | <u>285,595</u> | <u>11,960</u> | <u>1,094,041</u> | <u>209,150</u> | <u>869,554</u> | <u>750,243</u> | <u>4,051,818</u> |
| EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS | <u>320,917</u> | <u>(239,593)</u> | <u>37,754</u> | <u>38,497</u> | <u>19,169</u> | <u>165,941</u> | <u>(223,158)</u> | <u>(54,911)</u> | <u>68,470</u> | <u>(81,029)</u> | <u>52,057</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | |
| Operating transfers in | | | (180) | | 20,000 | 110,178 | 130,453 | 75,875 | 155,812 | 86,054 | 578,192 |
| Operating transfers out | (130,453) | | (8,179) | | (4,143) | | | (15,302) | (188,612) | (287,785) | (634,474) |
| Total other financing sources (uses) | <u>(130,453)</u> | | <u>(8,359)</u> | | <u>15,857</u> | <u>110,178</u> | <u>130,453</u> | <u>60,573</u> | <u>(32,800)</u> | <u>(201,731)</u> | <u>(56,282)</u> |
| NET CHANGE IN FUND BALANCES | <u>190,464</u> | <u>(239,593)</u> | <u>29,395</u> | <u>38,497</u> | <u>35,026</u> | <u>276,119</u> | <u>(92,705)</u> | <u>5,662</u> | <u>35,670</u> | <u>(282,760)</u> | <u>(4,225)</u> |
| FUND BALANCES, beginning of year | <u>459,631</u> | <u>308,097</u> | <u>87,761</u> | <u>20,868</u> | <u>44,278</u> | <u>440,188</u> | <u>981,860</u> | <u>25,660</u> | <u>120,784</u> | <u>1,153,614</u> | <u>3,642,741</u> |
| FUND BALANCES, end of year | <u>650,095</u> | <u>68,504</u> | <u>117,156</u> | <u>59,365</u> | <u>79,304</u> | <u>716,307</u> | <u>889,155</u> | <u>31,322</u> | <u>156,454</u> | <u>870,854</u> | <u>3,638,516</u> |



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' 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

To the County Board of Commissioners
Scotts Bluff County, Nebraska
Gering, Nebraska

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, each major fund, and the aggregate remaining fund information of Scotts Bluff County, Nebraska, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Scotts Bluff County, Nebraska's basic financial statements and have issued our report thereon dated January 10, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Scotts Bluff County, Nebraska'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 Scotts Bluff County, Nebraska's internal control. Accordingly, we do not express an opinion on the effectiveness of Scotts Bluff County, Nebraska'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. We identified a certain deficiency in internal control that we consider to be a material weakness. We did identify a deficiency in internal control as described in the accompanying schedule of findings and questioned costs as item 2017-001 to be a material weakness.

Compliance and Other Matters

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

Management's Response to Findings

Scotts Bluff County, Nebraska's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Scotts Bluff County, Nebraska's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

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

Dana F Cole + Company, LLP

Scottsbluff, Nebraska
January 10, 2018



**DANA F. COLE
& COMPANY_{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the County Board of Commissioners
Scotts Bluff County, Nebraska
Gering, Nebraska

Report on Compliance for Each Major Federal Program

We have audited Scotts Bluff County, Nebraska's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Scotts Bluff County, Nebraska's major federal programs for the year ended June 30, 2017. Scotts Bluff County, Nebraska's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Scotts Bluff County, Nebraska's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Scotts Bluff County, Nebraska's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Scotts Bluff County, Nebraska's compliance.

Opinion on Each Major Federal Program

In our opinion, Scotts Bluff County, Nebraska, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Scotts Bluff County, Nebraska, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Scotts Bluff County, Nebraska's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Scotts Bluff County, Nebraska's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2017-001 to be a material weakness.

Scotts Bluff County, Nebraska's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Scotts Bluff County, Nebraska's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Dana F Cole + Company, LLP

Scottsbluff, Nebraska
January 10, 2018

SCOTTS BLUFF COUNTY, NEBRASKA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2017

SECTION I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness identified: Yes No

Significant deficiencies identified that are not considered to be material weaknesses: Yes None reported

Noncompliance matter to the financial statements disclosed: Yes No

Federal Awards

Internal control over major programs:

Material weakness identified: Yes No

Significant deficiencies identified that are not considered to be material weaknesses: Yes None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a): Yes No

Identification of major programs:

| | |
|---------------------------------|--------|
| Homeland Security Grant Program | 97.067 |
| Child Support Enforcement | 93.563 |

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee: Yes No

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

SECTION II. FINANCIAL STATEMENT FINDINGS

FINDING 2017-001 SEGREGATION OF ACCOUNTING FUNCTIONS

Criteria

Authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated from each other.

Condition

There is a lack of segregation of accounting functions among various County offices and personnel. This is a continuing item from the prior year.

Cause of the Condition

The County does not employ sufficient office personnel to properly segregate accounting functions.

Effect of the Condition

This lack of segregation of duties results in an inadequate overall internal control structure design.

Recommendation

The County should be aware of the inherent risks associated with improper segregation of accounting functions. The County should also develop mitigating controls to reduce the risk of errors or fraud associated with improper segregation of accounting functions.

Views of Responsible Officials and Planned Corrective Action

The County has assessed the benefits and costs associated with proper segregation of duties for all County departments and offices and has determined that cost would outweigh any benefits received. The County understands the inherent risks associated with improper segregation of accounting functions. The County requires monthly reporting to the Board of Commissioners for various department officials to ensure transactions are recorded, and potential errors and irregularities are identified on a timely basis.

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING 2017-001 SEGREGATION OF ACCOUNTING FUNCTIONS

97.067 Homeland Security Grant Program

93.563 Child Support Enforcement

Internal control reportable condition described in Section II,
Finding 2017-001.

SCOTTS BLUFF COUNTY, NEBRASKA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2017

FINDING 2016-001 SEGREGATION OF ACCOUNTING FUNCTIONS

Condition: As described in Section II - Finding 2017-001.

Status: Ongoing.

FINDING 2016-002 EXCESS DISBURSEMENTS OVER BUDGET

Condition: The Debt Service Fund expenditures exceeded budgeted expenditures in the amount of \$4,568,920.

Status: Corrected.