

AUDIT REPORT  
OF  
SCOTTS BLUFF COUNTY, NEBRASKA  
JUNE 30, 2019



DANA F. COLE  
& COMPANY<sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS

AUDIT REPORT  
OF  
SCOTTS BLUFF COUNTY, NEBRASKA  
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**DANA F. COLE  
& COMPANY<sup>LLP</sup>**  
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 cash basis 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, 2019, 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 auditors' 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, 2019, 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 opinions are not modified with respect to this 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 33 - 49 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 30 - 32 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 February 7, 2020, 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  
February 7, 2020

SCOTTS BLUFF COUNTY, NEBRASKA  
STATEMENT OF NET POSITION - CASH BASIS  
JUNE 30, 2019

	Governmental Activities
ASSETS	
Cash	<u>8,655,737</u>
NET POSITION	
Restricted	4,065,412
Unrestricted	<u>4,590,325</u>
TOTAL NET POSITION	<u>8,655,737</u>

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA  
STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2019

		Program Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Governmental activities					
General government	8,119,951	1,249,829	1,400	4,167	(6,864,555)
Public Safety	9,557,601	1,857,995	88,021	346,460	(7,265,125)
Public Works	3,656,681	418,757	3,858,421		620,497
Public Health and Welfare	1,361,598	106,958	339,411		(915,229)
Culture and Recreation	362,334	457,143			94,809
Capital outlay	2,666,198				(2,666,198)
Debt service					
Principal	1,205,571				(1,205,571)
Interest	473,947				(473,947)
Total governmental activities	<u>27,403,881</u>	<u>4,090,682</u>	<u>4,287,253</u>	<u>350,627</u>	<u>(18,675,319)</u>
GENERAL RECEIPTS					
Property taxes					11,361,386
Motor vehicle taxes					1,398,210
Other taxes					1,277,667
Intergovernmental receipts					1,468,700
Miscellaneous local					474,768
Investment earnings					295,643
Total general receipts					<u>16,276,374</u>
CHANGE IN NET POSITION					(2,398,945)
NET POSITION, beginning of year					<u>11,054,682</u>
NET POSITION, end of year					8,655,737

See accompanying notes to financial statements.



SCOTTS BLUFF COUNTY, NEBRASKA  
STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
JUNE 30, 2019

		Major Funds							
		General Fund	Road and Bridge Fund	Self-Insured Medical Insurance Fund	Detention Fund	Inheritance Tax Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS	Cash	<u>809,921</u>	<u>418,489</u>	<u>958,281</u>	<u>158</u>	<u>897,731</u>	<u>1,151,891</u>	<u>4,419,266</u>	<u>8,655,737</u>
FUND BALANCES	Restricted		418,489					3,646,923	4,065,412
	Committed			958,281	158		1,151,891	620,478	2,730,808
	Unassigned	<u>809,921</u>				<u>897,731</u>		<u>151,865</u>	<u>1,859,517</u>
	TOTAL FUND BALANCES	<u>809,921</u>	<u>418,489</u>	<u>958,281</u>	<u>158</u>	<u>897,731</u>	<u>1,151,891</u>	<u>4,419,266</u>	<u>8,655,737</u>

See accompanying notes to financial statements.

SCOTT'S BLUFF COUNTY, NEBRASKA  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	Major Funds							
	General Fund	Road and Bridge Fund	Self- Insured Medical Insurance Fund	Detention Fund	Inheritance Tax Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
RECEIPTS								
Property taxes	6,122,337		136	3,502,246			1,736,667	11,361,386
Motor vehicle taxes	1,197,483	200,000	29	432			266	1,398,210
Other taxes					630,010		647,657	1,277,667
Intergovernmental	1,719,873	2,860,444		386,354			1,139,909	6,106,580
Local fees, licenses, commissions, and miscellaneous	1,742,707	314,737	135,328	1,603,658			769,020	4,565,450
Investment earnings	287,743				7,900			295,643
Total receipts	<u>11,070,143</u>	<u>3,375,181</u>	<u>135,493</u>	<u>5,492,690</u>	<u>637,910</u>		<u>4,293,519</u>	<u>25,004,936</u>
DISBURSEMENTS								
General Government	5,146,074		2,673,303		8,358		292,216	8,119,951
Public Safety	3,116,623			5,406,618			1,034,360	9,557,601
Public Works	282,896	3,048,271					325,514	3,656,681
Public Health and Welfare	904,058						457,540	1,361,598
Culture and Recreation							362,334	362,334
Capital outlay	275,820	884,831		30,374		155,509	1,319,664	2,666,198
Debt service								
Principal	9,834	185,737					1,010,000	1,205,571
Interest	12,366	4,246					457,335	473,947
Total disbursements	<u>9,747,671</u>	<u>4,123,085</u>	<u>2,673,303</u>	<u>5,436,992</u>	<u>8,358</u>	<u>155,509</u>	<u>5,258,963</u>	<u>27,403,881</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,322,472</u>	<u>(747,904)</u>	<u>(2,537,810)</u>	<u>55,698</u>	<u>629,552</u>	<u>(155,509)</u>	<u>(965,444)</u>	<u>(2,398,945)</u>
OTHER FINANCING SOURCES (USES)								
Operating transfers in	318,000	1,057,687	3,108,938	713,000		145,000	1,062,249	6,404,874
Operating transfers out	(2,821,229)	(387,759)		(862,189)	(200,000)	(658,000)	(1,475,697)	(6,404,874)
Total other financing sources (uses)	<u>(2,503,229)</u>	<u>669,928</u>	<u>3,108,938</u>	<u>(149,189)</u>	<u>(200,000)</u>	<u>(513,000)</u>	<u>(413,448)</u>	
NET CHANGE IN FUND BALANCES	(1,180,757)	(77,976)	571,128	(93,491)	429,552	(668,509)	(1,378,892)	(2,398,945)
FUND BALANCES, beginning of year	<u>1,990,678</u>	<u>496,465</u>	<u>387,153</u>	<u>93,649</u>	<u>468,179</u>	<u>1,820,400</u>	<u>5,798,158</u>	<u>11,054,682</u>
FUND BALANCES, end of year	<u>809,921</u>	<u>418,489</u>	<u>958,281</u>	<u>158</u>	<u>897,731</u>	<u>1,151,891</u>	<u>4,419,266</u>	<u>8,655,737</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, 2019

ASSETS	
Cash and cash equivalents	<u>2,609,511</u>
LIABILITIES	
Held for other governments	
Road Improvement Districts	1,606
State	643,395
Schools	787,001
Educational Service Units	6,003
Community/Technical Colleges	42,327
Natural Resource Districts	21,043
Cemeteries	35,980
Fire Districts	6,707
Sanitary Improvement Districts	119,203
Drainage Districts	3,046
Irrigation Districts	9,955
Municipalities	118,281
Agricultural Society	3,855
Other governments	19,685
Held by county offices	
County Clerk	31,290
Register of Deeds	39,065
Clerk of the District Court	393,905
County Sheriff	48,164
County Attorney	7,066
County Corrections	96,705
Veterans Service Office	48,020
Handi-Bus	97,091
Handyman	<u>30,118</u>
TOTAL LIABILITIES	<u>2,609,511</u>
NET POSITION	<u>- 0 -</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 disbursements. 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 disbursements 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 disbursements 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 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.

*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.

*Inheritance Tax Fund* - This fund collects inheritance tax filed in County Court. The County Commissioners determine specific uses from these collections.

*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. Disbursements 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. Disbursements 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 receipts 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, 2019.

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). The County currently has no amounts classified in this category.

*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. The County currently has no amounts classified in this category.

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 disbursements 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 cash basis of accounting 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, 2019, were \$50,076.

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, 2019, the County's balances with financial institutions were fully insured or collateralized as follows:

	Financial Institution Balance
Insured by FDIC Insurance	5,714,445
Insured by surety bonds or irrevocable letters of credit	4,711,010
Collateralized by pledged securities held by financial institution in County's name	236,971
Collateralized by deposit in Nebraska Public Agency Investment Trust	50,076
Uninsured and uncollateralized	<u>- 0 -</u>
Total	<u><u>10,712,502</u></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 (Continued)

**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, 2019, total compensation for all employees was \$10,680,512 and compensation covered in this Plan was \$10,546,431. Employee contributions were \$484,135 and the County contributed \$720,896.

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 2019. 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, 2019, consisted of the following:

The County Roads Department is the lessee of two caterpillar motor graders under a capital lease agreement maturing in May 2021. First annual installment of \$124,000 and two payments of \$100,195 are due, including interest at 2.20%. The lease agreement is secured by the motor graders.	<u>193,967</u>
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Notes payable at June 30, 2019, 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>244,458</u>
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SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT (Continued)

Bonds payable at June 30, 2019, 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.	3,955,000
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.	3,670,000
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.	585,000
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.	1,640,000
Limited Tax Obligation Bonds, dated July 6, 2017, interest rate of 3.29%, annual principal and interest payments due each January 15 starting in 2018, final payment due January 15, 2037. Bond issuance costs of \$79,482 were incurred.	<u>4,975,000</u>
Total bonds payable	<u>14,825,000</u>
Total long-term debt	<u>15,263,425</u>



SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT (Continued)

A schedule of changes in long-term debt, including capital leases, for the year ended June 30, 2019, is as follows:

	Beginning Balance	Additions	Payments	Ending Balance
Capital leases	64,396	315,308	(185,737)	193,967
Notes payable	254,292		(9,834)	244,458
Bonds payable	15,835,000		(1,010,000)	14,825,000
Total	<u>16,153,688</u>	<u>315,308</u>	<u>(1,205,571)</u>	<u>15,263,425</u>

The annual debt service requirements for the next five years and for each 5-year period thereafter as of June 30, 2019, are as follows:

Years Ending June 30,	Capital Leases		Notes Payable	
	Principal	Interest	Principal	Interest
2020	95,929	4,268	10,332	11,868
2021	98,038	2,156	10,855	11,345
2022			11,404	10,796
2023			11,982	10,218
2024			12,589	9,611
2025 - 2029			73,177	37,823
2030 - 2034			93,678	17,322
2035 - 2039			20,441	524
Total	<u>193,967</u>	<u>6,424</u>	<u>244,458</u>	<u>109,507</u>

  

Years Ending June 30,	Bonds Payable		Totals	
	Principal	Interest	Principal	Interest
2019	1,035,000	434,284	1,141,261	450,420
2020	1,060,000	408,653	1,168,893	422,154
2021	1,080,000	380,586	1,091,404	391,382
2022	910,000	351,768	921,982	361,986
2023	940,000	326,320	952,589	335,931
2024 - 2028	5,085,000	1,206,436	5,158,177	1,244,259
2029 - 2033	3,545,000	455,408	3,638,678	472,730
2034 - 2038	1,170,000	71,536	1,190,441	72,060
Total	<u>14,825,000</u>	<u>3,634,991</u>	<u>15,263,425</u>	<u>3,750,922</u>

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT (Continued)

The County's principal interest costs for the year ended June 30, 2019, are as follows:

	Debt Principal	Interest Expense	Total
General Fund	9,834	12,366	22,200
Road and Bridge Fund	185,737	4,246	189,983
Debt Service Fund	<u>1,010,000</u>	<u>457,335</u>	<u>1,467,335</u>
Total governmental activities	<u>1,205,571</u>	<u>473,947</u>	<u>1,679,518</u>

Direct Borrowing and Direct Placement Debt

The County has outstanding notes from direct borrowing and direct placement related to governmental activities of \$244,458. This note is secured by specific real estate.

Debt service requirements on long-term debt from direct borrowings and direct placement debt as of June 30, 2019, are as follows:

Years Ending June 30,	Note Payable	
	Principal	Interest
2020	10,332	11,868
2021	10,855	11,345
2022	11,404	10,796
2023	11,982	10,218
2024	12,589	9,611
2025 - 2029	73,177	37,823
2030 - 2034	93,678	17,322
2035 - 2039	<u>20,441</u>	<u>524</u>
Total	<u>244,458</u>	<u>109,507</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, 2019, were \$217,274.

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LEASES (Continued)

Lessor Agreements (Continued)

Minimum future rental payments under noncancellable operating leases having remaining terms in excess of one year as of June 30, 2019, are as follows:

Year Ending June 30,	Amount
2019	80,650
2020	57,290
2021	57,570
2022	51,860
2023	46,200
Thereafter	<u>222,000</u>
	<u>515,570</u>

NOTE 7. BUDGET COMPLIANCE

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

	Budget	Actual	Variance Favorable (Unfavorable)
General Fund	13,772,120	12,568,900	1,203,220
Road and Bridge Fund	4,513,582	4,510,844	2,738
Self-Insured Medical Insurance Fund	4,707,153	2,673,303	2,033,850
Detention Fund	6,312,889	6,299,181	13,708
Jail Construction Fund	878,179	208,358	669,821
Capital Improvement Fund	2,020,400	813,509	1,206,891
Nonmajor Funds	<u>10,752,543</u>	<u>6,734,660</u>	<u>4,017,883</u>
	<u>42,956,866</u>	<u>33,808,755</u>	<u>9,148,111</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 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, 2019, cumulative contributions and receipts in excess of claims and expenses were \$958,281, which the County has designated for payment of future claims.

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. COMMITMENTS AND CONTINGENCIES (Continued)

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.

Commitments

The County has contracted for the construction of a radio tower site in the amount of \$125,000. The County expects construction to be completed by June 30, 2020.

Contingencies

The County received franchise fees from businesses doing business in the county at specified rates. The County has been informed that overpayments of fees to the County have been made for several years amounting to approximately \$413,000. The County has received a request for return of overpaid fees.

NOTE 9. INTERFUND TRANSFERS AND LOANS

Transfers

The detail of interfund transfers for the year ended June 30, 2019, is as follows:

	Transfer In	Transfer Out	Net Transfers In (Out)
General Fund	318,000	2,821,229	(2,503,229)
Road and Bridge Fund	1,057,687	387,759	669,928
Self-Insured Medical Insurance Fund	3,108,938		3,108,938
Detention Fund	713,000	862,189	(149,189)
Inheritance Tax Fund		200,000	(200,000)
Capital Improvement Fund	145,000	658,000	(513,000)
Nonmajor Funds	1,062,249	1,475,697	(413,448)
	<u>6,404,874</u>	<u>6,404,874</u>	<u></u>

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. INTERFUND TRANSFERS AND LOANS (Continued)

Transfers (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	40,518
County Clerk	43,633
County Treasurer	188,553
Register of Deeds	33,641
County Assessor	79,572
Building and Zoning	11,353
Personnel Department	66,103
Clerk of the District Court	99,261
District Judge	73
Public Defender	150,091
Building and Grounds	94,880
Extension Agent	11,425
County Sheriff	366,708
County Attorney	218,384
Child Support Enforcement	74,064
County Surveyor	73
Veterans Service	32,180
Handi-Bus	62,042
Handyman	16,993
GIS Mapping	62,650
Total General Fund	<u>1,652,197</u>
Road and Bridge Fund	387,759
Detention Fund	862,189
Nonmajor funds	<u>206,794</u>
Total Transfers to the Self-Insured Medical Insurance Fund	<u><u>3,108,939</u></u>

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

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. INTERFUND TRANSFERS AND LOANS (Continued)

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, 2019, were as follows.

Detention Center Fund to Capital Improvement Fund	658,000
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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	418,489
Highway Bridge Buyback Fund	Bridge maintenance, improvement, and construction	753,473
Inheritance Holding Fund	Refund of inheritance tax	29,526
Visitors Promotion Fund	Promotion of area tourism	113,281
Preservation and Modernization Fund	Preservation and maintenance of records	57,493
STOP Program Fund	Program use	2,369
Drug Enforcement Education Fund	Drug enforcement efforts	12,570
Drug Enforcement Fund	Drug enforcement efforts	22,061
Drug Court Fund	Drug enforcement efforts	2,661
Drug Forfeiture Fund	Drug enforcement efforts	26,370
Juvenile Aid Fund	Program use	13,427
HIDTA Grant Fund	Program use	7,046
Homeland Security Fund	Emergency preparedness use	18,374
Keno Fund	Community betterment	743,416
E-911 Emergency Fund	911 communication system maintenance and improvement	429,662
E-911 Fund	911 communication system maintenance and improvement	9,199
Wireless Holding Fund	911 communication system maintenance and improvement	331,961
Debt Service Fund	Debt service requirements	825,418
Jail Construction Fund	Jail construction	248,619
Total restricted net position		<u>4,065,415</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	29,183
To provide mental health and substance abuse services to residents of the County	173,171
To provide services to the developmentally disabled residents of the County	<u>31,755</u>
	<u>234,109</u>

NOTE 12. TAX ABATEMENTS

GASB 77 defines a tax abatement as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or citizens of those governments.

Municipalities within the County have entered into agreements for the development of blighted areas. Those agreements limit the taxation of increased valuations for blighted area development. During the year ended June 30, 2019, excess valuations under tax incremental financing agreements excluded from taxation was 36,316,442. As a result, the County's property tax revenues were limited by \$153,444 at the County's 2018 tax levy rate.

NOTE 13. 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, 2019.

NOTE 14. SUBSEQUENT EVENTS

In August 2019, the County sustained damages to properties in an estimated amount of \$3,000,000 of which, all is covered by insurance.

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14. SUBSEQUENT EVENTS (Continued)

In September 2019, the County settled a pending lawsuit in the amount of \$150,000 of which the County uninsured amount was \$60,000.

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through February 7, 2020, 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, 2019

Federal Grantor/Pass-Through Program/ Program Title	Federal CFDA No.	Pass-Through Entity Identifying Number	Expendi- tures	Provided to Subrecipients
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U.S. Department of Transportation

Passed through Nebraska Office of  
Highway Safety

Highway Safety Cluster  
State and Community Highway  
Safety

20.600

402-18-27-61  
402-18-12-1-71  
402-18-12-1-77

9,939

National Priority Safety Programs

20.616

405d-19-05-1-44  
405b-19-14-34

4,727

Total Highway Safety Cluster

14,666

Passed through Nebraska Department  
of Roads

Formula Grants for Rural Areas

20.509

RPT-C791 (22)

378,882

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Total U.S. Department of  
Transportation

393,548

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U.S. Department of Health and Human Services

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

68,181

SCOTTS BLUFF COUNTY, NEBRASKA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

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 (Continued)</u>				
Passed through Nebraska Department of Health and Human Services				
Preventive Health and Health Services Block Grant	93.991	NB010T009200-01-00	13,000	
Child Support Enforcement	93.563	1804NECSES 1904NECSES	<u>279,300</u>	<u>          </u>
Total U.S. Department of Health and Human Services			<u>360,481</u>	<u>          </u>
<u>U.S. Department of Homeland Security</u>				
Passed through Nebraska Emergency Management Agency				
Homeland Security Grant Program	97.067	15-SR-31025-02 15-GA-31013-02 16-SR-31025-01 16-SR-31013-01 17-SR-31025-02 17-SR-31013-01 18-SR-31025-01 18-SR-31013-01	190,564	190,564
<u>Executive Office of the President</u>				
Passed through Nebraska State Patrol				
High Intensity Drug Trafficking Areas Program	95.001	17HD09 18HD09	<u>46,486</u>	<u>          </u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>991,079</u>	<u>190,564</u>

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2019

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, disbursements 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.

NOTE 3. INDIRECT COST RATE

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.

For the Child Support Enforcement program, the County utilized an indirect cost rate of 47.51% applicable to costs incurred by the Child Support Enforcement Office and 39.15% applicable to costs incurred by the Clerk of the District Court.

NOTE 4. 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  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -  
CASH BASIS - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual
RECEIPTS		
Property taxes	7,116,611	6,122,337
Motor vehicle taxes	1,150,000	1,197,483
Intergovernmental	2,080,393	1,719,873
Local fees, licenses, commissions, and miscellaneous	2,268,259	1,742,707
Investment earnings	127,200	287,743
Total receipts	<u>12,742,463</u>	<u>11,070,143</u>
DISBURSEMENTS		
General Government		
Personnel services	2,734,680	2,660,219
Operating expenses	3,100,923	2,319,870
Supplies/materials	172,200	141,372
Equipment rental	22,400	24,613
Total General Government	<u>6,030,203</u>	<u>5,146,074</u>
Public Safety		
Personnel services	2,744,444	2,696,594
Operating expenses	299,000	251,236
Supplies/materials	144,169	161,301
Equipment rental	7,790	7,492
Total Public Safety	<u>3,195,403</u>	<u>3,116,623</u>
Public Works		
Personnel services	166,629	159,303
Operating expenses	124,101	120,488
Supplies/materials	2,500	3,105
Total Public Works	<u>293,230</u>	<u>282,896</u>
Public Welfare and Social Services		
Personnel services	558,201	565,008
Operating expenses	291,143	243,105
Supplies/materials	124,850	93,260
Equipment rental	1,300	2,685
Total Public Welfare and Social Services	<u>975,494</u>	<u>904,058</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, 2019

	Budget	Actual
DISBURSEMENTS (Continued)		
Noncurrent		
Capital outlay	375,638	275,820
Debt service		
Principal	22,200	9,834
Interest		12,366
Total noncurrent	<u>397,838</u>	<u>298,020</u>
Total disbursements	<u>10,892,168</u>	<u>9,747,671</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	1,663,980	318,000
Transfers out	<u>(2,879,952)</u>	<u>(2,821,229)</u>
Total other financing sources (uses)	<u>(1,215,972)</u>	<u>(2,503,229)</u>
NET CHANGE IN FUND BALANCE	<u>634,323</u>	(1,180,757)
FUND BALANCE, beginning of year		<u>1,990,678</u>
FUND BALANCE, end of year		<u>809,921</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, 2019

	Budget	Actual
RECEIPTS		
Motor vehicle taxes	212,924	200,000
Intergovernmental	2,678,148	2,860,444
Local fees, licenses, commissions, and miscellaneous	<u>268,359</u>	<u>314,737</u>
Total receipts	<u>3,159,431</u>	<u>3,375,181</u>
DISBURSEMENTS		
Public works		
Personnel services	1,710,294	1,656,142
Operating expenses	490,322	473,612
Supplies/materials	928,575	914,475
Equipment rental	15,000	4,042
Capital outlay	829,762	884,831
Debt service		
Principal	190,000	185,737
Interest		<u>4,246</u>
Total disbursements	<u>4,163,953</u>	<u>4,123,085</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	1,057,687	1,057,687
Transfers out	<u>(349,629)</u>	<u>(387,759)</u>
Total other financing sources (uses)	<u>708,058</u>	<u>669,928</u>
NET CHANGE IN FUND BALANCE	<u>(296,464)</u>	(77,976)
FUND BALANCE, beginning of year		<u>496,465</u>
FUND BALANCE, end of year		<u>418,489</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, 2019

	Budget	Actual
RECEIPTS		
Property taxes		136
Motor vehicle taxes		29
Local fees, licenses, commissions, and miscellaneous	<u>700,000</u>	<u>135,328</u>
Total receipts	<u>700,000</u>	<u>135,493</u>
DISBURSEMENTS		
General Government		
Personnel services	3,875,000	1,874,123
Operating expenses	<u>832,153</u>	<u>799,180</u>
Total disbursements	<u>4,707,153</u>	<u>2,673,303</u>
OTHER FINANCING SOURCES		
Transfers in	<u>3,620,000</u>	<u>3,108,938</u>
NET CHANGE IN FUND BALANCE	<u>(387,153)</u>	571,128
FUND BALANCE, beginning of year		<u>387,153</u>
FUND BALANCE, end of year		<u>958,281</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, 2019

	Original Budget	Final Budget	Actual
<b>RECEIPTS</b>			
Property taxes			3,502,246
Motor vehicle taxes			432
Intergovernmental	88,000	88,000	386,354
Local fees, licenses, commissions, and miscellaneous	<u>3,220,000</u>	<u>3,275,000</u>	<u>1,603,658</u>
Total receipts	<u>3,308,000</u>	<u>3,363,000</u>	<u>5,492,690</u>
<b>DISBURSEMENTS</b>			
Public Safety			
Personnel services	3,481,134	3,536,134	3,710,439
Operating expenses	1,730,903	1,730,903	1,548,492
Supplies and materials	138,000	138,000	129,298
Equipment rental	17,500	17,500	18,389
Capital outlay	83,500	83,500	30,374
Total disbursements	<u>5,451,037</u>	<u>5,506,037</u>	<u>5,436,992</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in			713,000
Transfers out	<u>(861,852)</u>	<u>(861,852)</u>	<u>(862,189)</u>
Total other sources (uses)	<u>(861,852)</u>	<u>(861,852)</u>	<u>(149,189)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(3,004,889)</u>	<u>(3,004,889)</u>	(93,491)
<b>FUND BALANCE, beginning of year</b>			<u>93,649</u>
<b>FUND BALANCE, end of year</b>			<u>158</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, 2019

	Budget	Actual
RECEIPTS		
Other taxes	400,000	630,010
Investment earnings	<u>10,000</u>	<u>7,900</u>
Total receipts	<u>410,000</u>	<u>637,910</u>
DISBURSEMENTS		
General Government	<u>78,179</u>	<u>8,358</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	<u>331,821</u>	<u>629,552</u>
OTHER FINANCING USES		
Operating transfers out	<u>(800,000)</u>	<u>(200,000)</u>
NET CHANGE IN FUND BALANCES	<u>331,821</u>	429,552
FUND BALANCES, beginning of year		<u>468,179</u>
FUND BALANCES, end of year		<u>897,731</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, 2019

	Budget	Actual
RECEIPTS	<u>- 0 -</u>	<u>- 0 -</u>
DISBURSEMENTS		
Public works		
Operating expenses	125,000	
Capital outlay	<u>1,895,400</u>	<u>155,509</u>
Total disbursements	<u>2,020,400</u>	<u>155,509</u>
OTHER FINANCING SOURCES (USES)		
Transfers in		145,000
Transfers out		<u>(658,000)</u>
Total other sources (uses)		<u>(513,000)</u>
NET CHANGE IN FUND BALANCE	<u>(2,020,400)</u>	(668,509)
FUND BALANCE, beginning of year		<u>1,820,400</u>
FUND BALANCE, end of year		<u><u>1,151,891</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  
NONMAJOR FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual
RECEIPTS		
Property taxes	721,597	1,736,667
Motor vehicle taxes		266
Other taxes	741,657	647,657
Intergovernmental	1,506,866	1,139,909
Local fees, licenses, commissions, and miscellaneous	927,861	769,020
Total receipts	<u>3,897,981</u>	<u>4,293,519</u>
DISBURSEMENTS		
General Government		
Operating expenses	766,284	281,568
Supplies/materials	66,435	10,648
Total General Government	<u>832,719</u>	<u>292,216</u>
Public Safety		
Personnel services	739,913	769,332
Operating expenses	966,519	233,419
Supplies/materials	22,800	9,989
Equipment rental	30,500	21,620
Total Public Safety	<u>1,759,732</u>	<u>1,034,360</u>
Public Works		
Personnel services	268,189	133,718
Operating expenses	493,887	92,205
Supplies/materials	319,339	99,591
Total Public Works	<u>1,081,415</u>	<u>325,514</u>
Public Health and Welfare		
Personnel services	109,982	112,172
Operating expenses	383,359	326,467
Supplies/materials	5,500	18,901
Total Public Health and Welfare	<u>498,841</u>	<u>457,540</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, 2019

	Budget	Actual
DISBURSEMENTS (Continued)		
Public Culture and Recreation		
Personnel services	58,430	59,768
Operating expenses	484,982	291,473
Supplies/materials	5,000	3,093
Equipment rental	8,000	8,000
Total Public Culture and Recreation	<u>556,412</u>	<u>362,334</u>
Noncurrent		
Capital outlay	2,829,861	1,319,664
Debt service		
Principal	1,488,435	1,010,000
Interest		457,335
Issue costs	4,000	
Total noncurrent	<u>4,322,296</u>	<u>2,786,999</u>
Total disbursements	<u>9,051,415</u>	<u>5,258,963</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	542,203	1,062,249
Transfers out	<u>(1,701,128)</u>	<u>(1,475,697)</u>
Total other financing sources (uses)	<u>(1,158,925)</u>	<u>(413,448)</u>
NET CHANGE IN FUND BALANCE	<u>(6,312,359)</u>	(1,378,892)
FUND BALANCE, beginning of year		<u>5,798,158</u>
FUND BALANCE, end of year		<u>4,419,266</u>

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO BUDGETARY SCHEDULES  
YEAR ENDED JUNE 30, 2019

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 disbursements 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, 2019

	Budget	Actual
GENERAL GOVERNMENT		
Board of Commissioners		
Personnel services	126,807	126,026
Operating expenses	8,700	8,173
Supplies/materials	200	200
Total Board of Commissioners	<u>135,707</u>	<u>134,399</u>
County Clerk		
Personnel services	217,328	197,863
Operating expenses	1,610	3,112
Supplies/materials	2,700	3,590
Capital outlay		2,218
Total County Clerk	<u>221,638</u>	<u>206,783</u>
County Treasurer		
Personnel services	505,135	498,214
Operating expenses	9,670	9,049
Supplies/materials	12,000	10,404
Equipment rental	2,900	2,526
Capital outlay	500	360
Total County Treasurer	<u>530,205</u>	<u>520,553</u>
Register of Deeds		
Personnel services	195,902	186,854
Operating expenses	7,670	6,409
Supplies/materials	8,000	7,956
Equipment rental	1,000	
Capital outlay		2,461
Total Register of Deeds	<u>212,572</u>	<u>203,680</u>
County Assessor		
Personnel services	305,913	285,248
Operating expenses	130,076	135,442
Supplies/materials	9,250	8,823
Equipment rental	3,500	2,527
Capital outlay		2,329
Total County Assessor	<u>448,739</u>	<u>434,369</u>

SCOTTS BLUFF COUNTY, NEBRASKA  
SCHEDULE OF DISBURSEMENTS - CASH BASIS -  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual
GENERAL GOVERNMENT (Continued)		
Election Commissioner		
Personnel services	17,589	17,790
Operating expenses	33,470	40,126
Supplies/materials	25,800	18,813
Capital outlay		81
Total Election Commissioner	<u>76,859</u>	<u>76,810</u>
Building and Zoning		
Personnel services	59,417	61,283
Operating expenses	24,237	20,373
Supplies/materials	5,000	3,371
Total Building and Zoning	<u>88,654</u>	<u>85,027</u>
Clerk of the District Court		
Personnel services	207,826	204,626
Operating expenses	103,100	96,249
Supplies/materials	9,000	7,025
Capital outlay		867
Total Clerk of the District Court	<u>319,926</u>	<u>308,767</u>
County Court System		
Operating expenses	377,250	361,075
Supplies/materials	12,500	19,873
Equipment rental		1,345
Total County Court System	<u>389,750</u>	<u>382,293</u>
District Judge		
Personnel services	50,510	52,354
Operating expenses	202,500	157,583
Supplies/materials	3,700	1,935
Total District Judge	<u>256,710</u>	<u>211,872</u>
Public Defender		
Personnel services	508,150	487,982
Operating expenses	37,213	44,782
Supplies/materials	2,000	4,556
Capital outlay	500	2,056
Total Public Defender	<u>547,863</u>	<u>539,376</u>



SCOTTS BLUFF COUNTY, NEBRASKA  
SCHEDULE OF DISBURSEMENTS - CASH BASIS -  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual
GENERAL GOVERNMENT (Continued)		
Buildings and Grounds		
Personnel services	269,162	274,071
Operating expenses	274,676	265,865
Supplies/materials	64,150	39,198
Equipment rental		111
Capital outlay	4,000	
Total Buildings and Grounds	<u>611,988</u>	<u>579,245</u>
Agriculture Extension Agent		
Personnel services	76,893	76,924
Operating expenses	81,582	80,002
Supplies/materials	4,000	5,307
Total Agriculture Extension Agent	<u>162,475</u>	<u>162,233</u>
Purchasing Agent		
Supplies/materials	<u>12,000</u>	<u>8,640</u>
Information Systems		
Operating expenses	227,025	246,996
Capital outlay	150,000	105,470
Total Information Systems	<u>377,025</u>	<u>352,466</u>
Management Accountant and Personnel Department		
Personnel services	172,151	169,262
Operating expenses	20,085	14,308
Supplies/materials	1,500	745
Capital outlay		200
Total Management Account and Personnel Department	<u>193,736</u>	<u>184,515</u>
Administration General		
Personnel services	21,897	21,722
Operating expenses	1,562,059	830,326
Supplies/materials	400	936

SCOTTS BLUFF COUNTY, NEBRASKA  
SCHEDULE OF DISBURSEMENTS - CASH BASIS -  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual
GENERAL GOVERNMENT (Continued)		
Administration General (Continued)		
Equipment rental	15,000	18,104
Capital outlay		2,470
Debt service - principal	22,200	9,834
Debt service - interest		12,366
Total Administration General	<u>1,621,556</u>	<u>895,758</u>
PUBLIC SAFETY		
County Sheriff		
Personnel services	1,680,531	1,624,042
Operating expenses	131,975	119,576
Supplies/materials	107,589	125,481
Capital outlay	5,000	62,544
Total County Sheriff	<u>1,925,095</u>	<u>1,931,643</u>
County Attorney		
Personnel services	797,690	813,576
Operating expenses	108,070	78,624
Supplies/materials	13,000	13,487
Equipment rental	1,850	1,821
Capital outlay	6,500	8,175
Total County Attorney	<u>927,110</u>	<u>915,683</u>
Child Support		
Personnel services	266,223	258,976
Operating expenses	21,130	19,146
Supplies/materials	4,000	2,917
Equipment rental	2,000	1,821
Capital outlay		634
Total Child Support	<u>293,353</u>	<u>283,494</u>
District No. 10 Probation		
Personnel services		
Operating expenses	23,825	22,311
Supplies/materials	19,580	19,416
Equipment rental	3,940	3,850
Capital outlay	14,140	15,898
Total District No. 10 Probation	<u>61,485</u>	<u>61,475</u>

SCOTTS BLUFF COUNTY, NEBRASKA  
SCHEDULE OF DISBURSEMENTS - CASH BASIS -  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual
PUBLIC SAFETY (Continued)		
Emergency Management		
Operating expenses	<u>14,000</u>	<u>11,579</u>
PUBLIC WORKS		
County Surveyor		
Personnel services	2,828	2,804
Operating expenses	35,300	35,090
Supplies/materials	<u>500</u>	<u>405</u>
Total County Surveyor	<u>38,628</u>	<u>38,299</u>
GIS Mapping		
Personnel services	163,801	156,499
Operating expenses	88,801	85,398
Supplies/materials	2,000	2,700
Capital outlay		<u>315</u>
Total GIS Mapping	<u>254,602</u>	<u>244,912</u>
Veterans Service Officer		
Personnel services	126,429	125,544
Operating expenses	7,612	4,786
Supplies/materials	3,150	2,583
Capital outlay	<u>2,000</u>	<u>2,000</u>
Total Veterans Service Officer	<u>139,191</u>	<u>134,913</u>
PUBLIC WELFARE AND SOCIAL SERVICES		
Handi-bus		
Personnel services	388,331	393,976
Operating expenses	125,055	109,407
Supplies/materials	120,000	90,602
Equipment rental	700	1,233
Capital outlay	<u>192,998</u>	<u>67,742</u>
Total Handi-bus	<u>827,084</u>	<u>662,960</u>
Handyman		
Personnel services	43,441	45,488
Operating expenses	46,119	34,386

SCOTTS BLUFF COUNTY, NEBRASKA  
SCHEDULE OF DISBURSEMENTS - CASH BASIS -  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual
PUBLIC WELFARE AND SOCIAL SERVICES (Continued)		
Handyman (Continued)		
Supplies/materials	1,200	75
Equipment rental	600	1,452
Total Handyman	<u>91,360</u>	<u>81,401</u>
Administration		
Operating expenses	112,357	94,526
Supplies/materials	500	
Total Administration	<u>112,857</u>	<u>94,526</u>
TOTAL DISBURSEMENTS	<u>10,892,168</u>	<u>9,747,671</u>

SCOTTS BLUFF COUNTY, NEBRASKA  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	Keno Fund	Debt Service Fund	Central Comm. Fund	Other Nonmajor Funds	Total Nonmajor Funds
RECEIPTS					
Property taxes		1,037,313	674,389	24,965	1,736,667
Motor vehicle taxes		114	106	46	266
Other taxes			108,932	538,725	647,657
Intergovernmental		123,381	75,177	941,351	1,139,909
Local fees, licenses, commissions, and miscellaneous	471,442	(946)	73,238	225,286	769,020
Total receipts	<u>471,442</u>	<u>1,159,862</u>	<u>931,842</u>	<u>1,730,373</u>	<u>4,293,519</u>
DISBURSEMENTS					
Personnel services			769,332	305,658	1,074,990
Operating expenses	235,607		65,373	924,152	1,225,132
Supplies and materials			9,989	132,233	142,222
Equipment rental			14,592	15,028	29,620
Capital outlay			6,266	1,313,398	1,319,664
Debt Service					
Principal		1,010,000			1,010,000
Interest		457,335			457,335
Total disbursements	<u>235,607</u>	<u>1,467,335</u>	<u>865,552</u>	<u>2,690,469</u>	<u>5,258,963</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>235,835</u>	<u>(307,473)</u>	<u>66,290</u>	<u>(960,096)</u>	<u>(965,444)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	155,000	451,893		455,356	1,062,249
Operating transfers out	(744,008)		(163,690)	(567,999)	(1,475,697)
Total other financing sources (uses)	<u>(589,008)</u>	<u>451,893</u>	<u>(163,690)</u>	<u>(112,643)</u>	<u>(413,448)</u>
NET CHANGE IN FUND BALANCES	(353,173)	144,420	(97,400)	(1,072,739)	(1,378,892)
FUND BALANCES, beginning of year	<u>1,096,589</u>	<u>680,998</u>	<u>135,426</u>	<u>3,885,145</u>	<u>5,798,158</u>
FUND BALANCES, end of year	<u>743,416</u>	<u>825,418</u>	<u>38,026</u>	<u>2,812,406</u>	<u>4,419,266</u>



**DANA F. COLE  
& COMPANY<sup>LLP</sup>**  
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, 2019, 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 February 7, 2020.

**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 2019-001 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 instances 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  
February 7, 2020



**DANA F. COLE  
& COMPANY<sup>LLP</sup>**  
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, 2019. 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, 2019.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2019-002. Our opinion on each major federal program is not modified with respect to these matters.

### **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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2019-001 to be a material weakness, and item 2019-002 to be a significant deficiency.

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

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  
February 7, 2020

SCOTTS BLUFF COUNTY, NEBRASKA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019

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 accord-  
ance with 2 CFR Section 200.516(a): ☒ Yes ☐ No

Identification of major programs:

Formula Grants for Rural Areas	20.509
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, 2019

SECTION II. FINANCIAL STATEMENT FINDINGS

FINDING 2019-001 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 and Context

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

Questioned Costs

None.

Cause

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

Potential Effect

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, 2019

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING 2019-001 SEGREGATION OF ACCOUNTING FUNCTIONS

20.509 Formula Grants for Rural Areas  
93.563 Child Support Enforcement

Internal control reportable condition described in Section II,  
Finding 2019-001.

FINDING 2019-002 REPORTING PROGRAM INCOME AND COSTS

20.509 Formula Grants for Rural Areas

Criteria

The program requires the reduction of applicable operating expense by all fees earned.

Condition and Context

Our review of reports submitted for reimbursement identified fees earned in an amount of \$25,849 and costs in an amount of \$7,229 were under reported for the year ending June 30, 2019.

Questioned Costs

Questioned cost are estimated to be \$13,706, which is the federal portion of the under reported program fees and costs.

Cause

The County's transit director received incorrect direction on reimbursement completion procedures at the time of initial employment. Additionally, reported expenses are obtained from a separate accounting of expenses from the County's established accounting and reporting system.

Potential Effect

The County may be requested to return overpaid amounts.

Recommendation

We recommend the County contact the Nebraska Department of Roads to communicate the errors noted and determine a proper correction. We further recommend that amounts reported for fares and expenses be reconciled to County reports of fare income and departmental expenses.

SCOTTS BLUFF COUNTY, NEBRASKA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING 2019-002 REPORTING PROGRAM INCOME AND COSTS (Continued)  
20.509 Formula Grants for Rural Areas

Views of Responsible Officials and Planned Corrective Action

The County recognizes fares reported as program revenue were under reported. Additionally, the County recognizes expenses were not properly reconciled to total disbursements reported by the county's central reporting office for the bus transit department, causing under-reported expenses. The County plans to communicate the reporting errors to the Nebraska Department of Roads, the pass-through agency for program, and determine the necessary action to correct. Additionally, the County will review the current system utilized to identify accurate reporting information and determine a system to reconcile amounts reported as program costs and revenues to amounts reported by the county's central reporting system.

SCOTTS BLUFF COUNTY, NEBRASKA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2019

FINDING 2018-001 SEGREGATION OF ACCOUNTING FUNCTIONS

Condition: As described in Section II - Finding 2019-001.

Status: Ongoing.



## Scotts Bluff County

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### CORRECTIVE ACTION PLAN

February 7, 2020

Scotts Bluff County respectfully submits the following corrective action plan for the year ended June 30, 2019, for the finding identified by Dana F. Cole & Company, LLP, Scottsbluff, Nebraska.

The findings from the Schedule of Findings and Questioned Costs are discussed below and are numbered consistently with the numbers assigned in that schedule.

#### FINANCIAL STATEMENT FINDINGS

##### 2019-001 SEGREGATION OF ACCOUNTING FUNCTIONS

**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.

**Action Taken:** 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. Action has been taken to ensure timely deposits to the General Fund from the accounts held by individual departments, and County Management has communicated the need to be transparent regarding the transactions handled within these accounts. 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. The County will continue to review accounting procedures and processes to further mitigate this internal control deficiency whenever possible and feasible.

#### FEDERAL AWARD FINDINGS

##### 2019-001 SEGREGATION OF ACCOUNTING FUNCTIONS

Recommendation and Action Taken as described under financial statement findings, item 2019-001

##### 2019-002 REPORTING PROGRAM INCOME AND COSTS

**Recommendation:** We recommend the County contact the Nebraska Department of Roads to communicate the errors noted and determine a proper correction. We further recommend that amounts reported for tax income and expenses be reconciled to County reports of tax income and departmental expenses.

**Action Taken:** The County recognizes fares were under-reported when calculating program revenue. Additionally, the County recognizes expenses were not properly reconciled to total disbursements reported by the county's central reporting office for





## Scotts Bluff County

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CORRECTIVE ACTION PLAN (cont.)  
February 7, 2020

the bus transit department, causing under-reported expenses. The County plans to communicate the reporting errors to the Nebraska Department of Roads, the pass-through agency for the program, and determine the necessary action to correct. Additionally, the County will review the current system utilized to identify accurate reporting information and determine a system to reconcile amounts reported as program costs and revenues to amounts reported by the county's central reporting system

If federal or pass-through awarding agency has questions regarding this plan, please call Lisa Rien at 308.436.6726.

Sincerely yours,

Lisa Rien  
Management Accountant