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## **REQUIRED COMMUNICATIONS WITH THE GOVERNING BOARD**

To the Board of Commissioners  
Scotts Bluff County  
Gering, Nebraska

We have audited the financial statements of Scotts Bluff County (County) as of and for the year ended June 30, 2011, and have issued our report thereon dated January 17, 2012. Professional standards require that we provide you with the following information related to our audit.

### **Our responsibility under U.S. Generally Accepted Auditing Standards and OMB Circular A-133**

As stated in our engagement letter dated June 30, 2011, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement and are fairly presented in accordance with the cash basis of accounting. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement applicable to each of its major programs for the purpose of expressing an opinion on the County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the County's compliance with those requirements.

### **Significant Accounting Policies**

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending June 30, 2011. We noted no transactions entered into by the County during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

### **Account Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was as follows:

Management prepares budgets based on prior experiences and future expectations. Management uses the estimated revenue and expense items to measure against actual amounts and identify areas of concern in revenue production or expense overtures. Management additionally used budgets to comply with state statutes and determine property tax needs.

We evaluated the key factors and assumptions used to develop the above accounting estimate in determining that they are reasonable in relation to the financial statements taken as a whole.

### **Audit Adjustments**

For the purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the County's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by County management, either individually or in the aggregate, indicates matters that could have a significant effect on the County's financial reporting process.

### **Disagreements with Management**

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of audit.

To the Board of Commissioners  
Scotts Bluff County  
Gering, Nebraska  
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### **Consultations with other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. In a consultation involves application of an accounting principle to the governmental fund's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Issues Discussed Prior to Retention of Independent Auditors**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management and performing our audit.

### **Findings and Questioned Costs**

See findings reported in the audited financial statements in the section Schedule of Findings and Questioned Costs. In addition, also see the separate management letter dated January 17, 2012.

This report is intended solely for the information and use of management, the Board of Commissioners of Scotts Bluff County, Nebraska, and others within the County and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

FRED A. LOCKWOOD & Co. P.C.

Scottsbluff, Nebraska  
January 17, 2012

SCOTTS BLUFF COUNTY  
Gering, Nebraska

FINANCIAL REPORT

For the Year Ended June 30, 2011

**SCOTTS BLUFF COUNTY**

**Gering, Nebraska**

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**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
Scotts Bluff County  
Gering, Nebraska

We have audited the accompanying financial statements, as listed in the foregoing table of contents, of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Scotts Bluff County, Nebraska (the "County") as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 1 to the financial statements, the County prepares its financial statements of the governmental, business-type and fiduciary funds 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2011, and the respective cash receipts and disbursements arising from cash transactions and cash flows, where applicable, for the year then ended in conformity with the cash basis of accounting described in Note 1 to the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2012, on our consideration of the County'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

To the Board of Commissioners  
Scotts Bluff County  
Gering, Nebraska  
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and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The County has not presented a Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The budgetary comparison information, as listed in the foregoing table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual non-major fund financial statements and non-major fund budgetary schedules, as listed in the foregoing table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as listed in the foregoing table of contents, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is also not a required part of the basic financial statements of the County. These statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

FRED A. LOCKWOOD Co., P.C.

Scottsbluff, Nebraska  
January 17, 2012



**SCOTT BLUFF COUNTY**  
**Gering, Nebraska**

**STATEMENT OF NET ASSETS - CASH BASIS**

**June 30, 2011**

	<u>Governmental Activities</u>	<u>Business-Type Activity</u>	<u>Total Primary Government</u>
Assets			
Cash and cash equivalents	\$ 3,458,404	\$ 502,078	\$ 3,960,482
Certificates of deposit	4,200,000	-	4,200,000
Internal balances	<u>4,032</u>	<u>(4,032)</u>	<u>-</u>
Total assets	<u>\$ 7,662,436</u>	<u>\$ 498,046</u>	<u>\$ 8,160,482</u>
 Liabilities and Net Assets			
Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net assets			
Restricted	\$ 2,153,230	\$ -	\$ 2,153,230
Committed	2,726,478	498,046	3,224,524
Unassigned	<u>2,782,728</u>	<u>-</u>	<u>2,782,728</u>
Total net assets	<u>\$ 7,662,436</u>	<u>\$ 498,046</u>	<u>\$ 8,160,482</u>
Total liabilities and net assets	<u>\$ 7,662,436</u>	<u>\$ 498,046</u>	<u>\$ 8,160,482</u>

See accompanying independent auditors' report  
and notes to the financial statements.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**STATEMENT OF ACTIVITIES - CASH BASIS**

**For the Year Ended June 30, 2011**

	Program Receipts				Net (Disbursements) Receipts and Changes in Net Assets		Total Primary Government
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activity	
Primary government							
Governmental activities							
General government	\$ 5,420,973	\$ 891,255	\$ 759,702	\$ -	\$ (3,770,016)	\$ -	\$ (3,770,016)
Public safety	8,893,519	860,286	1,549,543	510,957	(5,972,733)	-	(5,972,733)
Public works	3,471,105	152,050	-	-	(3,319,055)	-	(3,319,055)
Public health	309,862	3,280	60,758	99,981	(145,843)	-	(145,843)
Public welfare and social services	746,205	-	-	-	(746,205)	-	(746,205)
Culture and recreation	226,881	-	-	-	(226,881)	-	(226,881)
Conservation of natural resources	249	-	-	-	(249)	-	(249)
Debt service							
Principal	679,368	-	-	-	(679,368)	-	(679,368)
Interest	622,375	-	-	-	(622,375)	-	(622,375)
Total governmental activities	<u>\$ 20,370,537</u>	<u>\$ 1,906,871</u>	<u>\$ 2,370,003</u>	<u>\$ 610,938</u>	<u>\$ (15,482,725)</u>	<u>\$ -</u>	<u>\$ (15,482,725)</u>
Business-type activity							
Keno enterprise fund	<u>\$ 718,517</u>	<u>\$ 1,063,198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 344,681</u>	<u>\$ 344,681</u>
Total primary government	<u><u>\$ 21,089,054</u></u>	<u><u>\$ 2,970,069</u></u>	<u><u>\$ 2,370,003</u></u>	<u><u>\$ 610,938</u></u>	<u><u>\$ (15,482,725)</u></u>	<u><u>\$ 344,681</u></u>	<u><u>\$ (15,138,044)</u></u>

See accompanying independent auditors' report  
and notes to the financial statements.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**STATEMENT OF ACTIVITIES - CASH BASIS (CONTINUED)**

**For the Year Ended June 30, 2011**

Disbursements	Program Receipts			Net (Disbursements) Receipts and Changes in Net Assets		Total Primary Government	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
				Governmental Activities	Business-Type Activity		
Total primary government	\$ <u>21,089,054</u>	\$ <u>2,970,069</u>	\$ <u>2,370,003</u>	\$ <u>610,938</u>	\$ (15,482,725)	\$ 344,681	\$ <u>(15,138,044)</u>
		General receipts					
		Property taxes		\$ 8,420,114	\$ -	\$ 8,420,114	
		Motor vehicle taxes		1,258,909	-	1,258,909	
		Other taxes		651,260	-	651,260	
		Intergovernmental		3,618,847	-	3,618,847	
		Miscellaneous local		892,346	-	892,346	
		Investment earnings		76,333	1,925	78,258	
		Transfers		380,000	(380,000)	-	
		Total general receipts		\$ <u>15,297,809</u>	\$ <u>(378,075)</u>	\$ <u>14,919,734</u>	
		Change in net assets		\$ (184,916)	\$ (33,394)	\$ (218,310)	
		Net assets, beginning of year		<u>7,847,352</u>	<u>531,440</u>	<u>8,378,792</u>	
		Net assets, end of year		\$ <u><u>7,662,436</u></u>	\$ <u><u>498,046</u></u>	\$ <u><u>8,160,482</u></u>	

See accompanying independent auditors' report  
and notes to the financial statements.

**SCOTTS BLUFF COUNTY**

**Gering, Nebraska**

**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES**  
**ARISING FROM CASH TRANSACTIONS - GOVERNMENTAL FUNDS**

**June 30, 2011**

	Major Funds						
	General Fund	Road and Bridge Fund	Juvenile Detention Fund	Capital Improvements Fund	Debt Service Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and cash equivalents	\$ 2,778,696	\$ 659,138	\$ 1,033,600	\$ 877,501	\$ 1,077,554	\$ 1,231,915	\$ 7,658,404
Internal receivables	4,032	-	-	-	-	-	4,032
<b>Total assets</b>	<b>\$ 2,782,728</b>	<b>\$ 659,138</b>	<b>\$ 1,033,600</b>	<b>\$ 877,501</b>	<b>\$ 1,077,554</b>	<b>\$ 1,231,915</b>	<b>\$ 7,662,436</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Internal payables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fund balances</b>							
Restricted	\$ -	\$ 659,138	\$ -	\$ -	\$ 1,077,554	\$ 416,538	\$ 2,153,230
Committed	-	-	1,033,600	877,501	-	815,377	2,726,478
Unassigned	2,782,728	-	-	-	-	-	2,782,728
<b>Total fund balances</b>	<b>\$ 2,782,728</b>	<b>\$ 659,138</b>	<b>\$ 1,033,600</b>	<b>\$ 877,501</b>	<b>\$ 1,077,554</b>	<b>\$ 1,231,915</b>	<b>\$ 7,662,436</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,782,728</b>	<b>\$ 659,138</b>	<b>\$ 1,033,600</b>	<b>\$ 877,501</b>	<b>\$ 1,077,554</b>	<b>\$ 1,231,915</b>	<b>\$ 7,662,436</b>

See accompanying independent auditors' report  
and notes to the financial statements.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

**For the Year Ended June 30, 2011**

	Major Funds					Other Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Road and Bridge Fund	Juvenile Detention Fund	Capital Improvements Fund	Debt Service Fund		
<b>Receipts</b>							
Property taxes	\$ 5,013,760	\$ -	\$ 1,572,323	\$ 203,051	\$ 794,905	\$ 836,075	\$ 8,420,114
Motor vehicle taxes	1,071,200	187,709	-	-	-	-	1,258,909
Other taxes	363	-	-	-	-	650,897	651,260
Intergovernmental	1,980,556	1,913,112	1,592,045	5,714	85,064	1,023,297	6,599,788
Local fees, licenses, commissions and miscellaneous	1,483,445	208,019	588,280	-	61,004	458,469	2,799,217
Investment earnings	74,348	-	-	-	-	1,985	76,333
<b>Total receipts</b>	<b>\$ 9,623,672</b>	<b>\$ 2,308,840</b>	<b>\$ 3,752,648</b>	<b>\$ 208,765</b>	<b>\$ 940,973</b>	<b>\$ 2,970,723</b>	<b>\$ 19,805,621</b>
<b>Disbursements</b>							
<b>Current</b>							
General government	\$ 5,084,274	\$ -	\$ -	\$ -	\$ -	\$ 43,794	\$ 5,128,068
Public safety	2,888,387	-	4,364,580	-	-	970,921	8,223,888
Public works	127,743	2,664,528	-	-	-	245,834	3,038,105
Public health	-	-	-	-	-	309,862	309,862
Public welfare and social services	624,907	-	-	-	-	116,210	741,117
Culture and recreation	-	-	-	-	-	226,881	226,881
Conservation of natural resources	-	-	-	-	-	249	249
Capital outlay	367,863	425,965	53,573	31,222	-	522,001	1,400,624
<b>Debt service</b>							
Principal	17,408	51,960	-	-	610,000	-	679,368
Interest	21,836	4,796	-	-	595,743	-	622,375
<b>Total disbursements</b>	<b>\$ 9,132,418</b>	<b>\$ 3,147,249</b>	<b>\$ 4,418,153</b>	<b>\$ 31,222</b>	<b>\$ 1,205,743</b>	<b>\$ 2,435,752</b>	<b>\$ 20,370,537</b>

See accompanying independent auditors' report  
and notes to the financial statements.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)**

**For the Year Ended June 30, 2011**

	Major Funds					Other Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Road and Bridge Fund	Juvenile Detention Fund	Capital Improvements Fund	Debt Service Fund		
Excess (deficiency) of receipts over (under) disbursements	\$ 491,254	\$ (838,409)	\$ (665,505)	\$ 177,543	\$ (264,770)	\$ 534,971	\$ (564,916)
Other financing sources (uses)							
Operating transfers in	\$ 730,000	\$ 1,242,539	\$ -	\$ 10,652	\$ 60,528	\$ 123,215	\$ 2,166,934
Operating transfers out	(1,351,406)	(60,528)	-	-	-	(375,000)	(1,786,934)
Total other financing sources (uses)	\$ (621,406)	\$ 1,182,011	\$ -	\$ 10,652	\$ 60,528	\$ (251,785)	\$ 380,000
Net change in fund balances	\$ (130,152)	\$ 343,602	\$ (665,505)	\$ 188,195	\$ (204,242)	\$ 283,186	\$ (184,916)
Fund balances, beginning of year	2,912,880	315,536	1,699,105	689,306	1,281,796	948,729	7,847,352
Fund balances, end of year	\$ 2,782,728	\$ 659,138	\$ 1,033,600	\$ 877,501	\$ 1,077,554	\$ 1,231,915	\$ 7,662,436

See accompanying independent auditors' report  
and notes to the financial statements.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE**  
**ARISING FROM CASH TRANSACTIONS - BUSINESS-TYPE FUND**

**June 30, 2011**

	<u>Keno Enterprise Fund</u>
Assets	
Cash and cash equivalents	\$ <u>502,078</u>
Total assets	\$ <u><u>502,078</u></u>
Liabilities and Net Assets	
Liabilities	
Due to other funds	\$ 4,032
Net Assets	
Committed	<u>498,046</u>
Total liabilities and net assets	\$ <u><u>502,078</u></u>

See accompanying independent auditors' report  
and notes to the financial statements.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND**  
**CHANGES IN FUND BALANCE - BUSINESS-TYPE FUND**

**For the Year Ended June 30, 2011**

	<u>Keno</u> <u>Enterprise Fund</u>
Operating revenues	
Keno receipts	\$ 3,954,928
Less: pay-outs to customers	<u>(2,891,730)</u>
Total operating revenues	\$ <u>1,063,198</u>
Operating expenses	
Personal services	\$ 5,958
Operating expenses	24,852
Supplies and materials	681,269
Capital outlay	<u>6,438</u>
Total operating expenses	\$ <u>718,517</u>
Operating income (loss)	\$ <u>344,681</u>
Nonoperating income (expense)	
Investment earnings	\$ <u>1,925</u>
Total nonoperating income (expense)	\$ <u>1,925</u>
Income before operating transfers	\$ <u>346,606</u>
Operating transfers in (out)	
Operating transfers in	\$ 20,000
Operating transfers out	<u>(400,000)</u>
Total operating transfers in (out)	\$ <u>(380,000)</u>
Change in net assets	\$ (33,394)
Fund balance, beginning of year	<u>531,440</u>
Fund balance, end of year	\$ <u><u>498,046</u></u>

See accompanying independent auditors' report  
and notes to the financial statements.



**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**STATEMENT OF CASH FLOWS - BUSINESS-TYPE FUND**

**For the Year Ended June 30, 2011**

	<u>Keno Enterprise Fund</u>
Cash flows from operating activities	
Receipts from customers	\$ 3,954,928
Payments to customers	(2,891,730)
Payments to and for the benefit of employees	(5,958)
Payments for operating expenses	<u>(706,017)</u>
Total cash provided by operating activities	<u>\$ 351,223</u>
Cash flows from noncapital financing activities	
Transfers in from other funds	\$ 20,000
Transfers out to other funds	<u>\$ (400,000)</u>
Total cash (used in) noncapital financing activities	<u>\$ (380,000)</u>
Cash flows from capital and related financing activities	
Purchase of property and equipment	<u>\$ (6,438)</u>
Total cash (used in) capital and related financing activities	<u>\$ (6,438)</u>
Cash flows from investing activities	
Investment earnings	<u>\$ 1,925</u>
Total cash provided by investing activities	<u>\$ 1,925</u>
Net increase (decrease) in cash and cash equivalents	\$ (33,290)
Cash and cash equivalents, beginning of year	<u>535,368</u>
Cash and cash equivalents, end of year	<u><u>\$ 502,078</u></u>
Reconciliation of operating income (loss) to cash flows provided by operating activities	
Operating income (loss)	\$ 344,681
Adjustment to reconcile operating income (loss) to net cash provided by operating activities	
Decrease in due from other funds	104
Capital outlay included in operating income	<u>6,438</u>
Total cash provided by operating activities	<u><u>\$ 351,223</u></u>

See accompanying independent auditors' report  
and notes to the financial statements.

**SCOTTS BLUFF COUNTY**

**Gering, Nebraska**

**STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS**

**June 30, 2011**

	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	\$ <u>2,305,321</u>
Total assets	\$ <u><u>2,305,321</u></u>
Due to other governments	
Road Improvement Districts	\$ 1,606
State	539,875
Schools	678,577
Educational Service Units	6,030
Community/Technical Colleges	40,055
Natural Resource Districts	20,810
Cemeteries	22,668
Fire Districts	4,642
Sanitary Improvement Districts	202,141
Drainage Districts	4,638
Irrigation Districts	22,103
Municipalities	119,106
Redevelopment Districts	23,634
Agricultural Society	4,619
Other Governments	<u>614,817</u>
Total liabilities	\$ <u><u>2,305,321</u></u>

See accompanying independent auditors' report  
and notes to the financial statements.

**SCOTTS BLUFF COUNTY**

**Gering, Nebraska**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in the following sections of Note 1, these financial statements are presented on the cash basis of accounting. The cash basis of account differs from accounting principles generally accepted in the United States of America (US GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Reporting Entity - Scotts Bluff County ("County") 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 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 governing 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.

Basis Presentation

Government-Wide Financial Statements - The Statement of Net Assets and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues while business type activities rely to a significant extent on fees and charges for services.

The Statement of Activities presents a comparison between direct disbursements and program receipts for each function of the County's governmental and business type activities. Direct disbursements are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program receipts include 1) charges paid by recipients of goods and services offered by the programs and 2) 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.

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis Presentation (Continued)**

**Fund Financial Statements** - Fund financial statements of the reporting entity are organized into three major categories: governmental, business type and fiduciary. An emphasis is placed on major funds within the governmental and business type categories. A fund is considered major if it is the primary operating fund of the County, or it meets the following criteria:

- a. Total assets, liabilities, receipts or disbursements of the individual governmental or business type 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 or business type funds are at least 5 percent of the corresponding total for all governmental and business type funds combined, or
- c. Management has elected to classify one or more governmental or business type funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

The funds of the County financial reporting entity are described below.

**Governmental Fund Types**

**General Fund** - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always considered to be a major fund.

**Special Revenue Funds** - Special revenue funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditures for specified purposes.

**Road and Bridge Fund** - The Road and Bridge Fund accounts for taxes levied and collected, and other resources and expenditures of such funds for the establishment, improvement, maintenance and abandonment of public roads of the County in accordance with Nebraska Statute 39-1904. This is a major fund.

**Juvenile Detention Fund** - The Juvenile Detention Fund accounts for resources and expenditures required to operate the combined County jail and juvenile detention center. This is a major fund.

**Capital Improvements Fund** - The Capital Improvements Fund accounts for resources and expenditures required to construct, repair or acquire buildings and related equipment and fixtures.

The remaining Special Revenue funds are not considered major funds: Central Communications, Drug Enforcement, Juvenile Probation, Drug Court, Noxious Weed, Flood Control, Health, Relief/Medical, Veterans Aid, Institutions, Visitors Promotion, Inheritance Tax, Scottsbluff Drain Sinking, Surveyor Sinking, Barrier Elimination, Special Projects, Homeland Security and E-911.

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Fund Types (Continued)**

**Debt Service Fund** - The debt service fund is used to account for financial resources to be used to pay interest and principal on long-term debt. This is a major fund.

**Proprietary Fund Types**

**Enterprise Fund** - to account for operations of the Keno lottery that are financed and operated in a manner similar to a business enterprise, (a) where the intent of the governing board is that costs of providing gaming services to the general public on a continuing basis be financed or recovered primarily through net proceeds of the game; or (b) where the governing board has decided that periodic determination of revenues collected and expenses disbursed is appropriate for capital maintenance, public policy management controls, accountability or other purposes. The intent of the governing board is that cash flow of the game will be used to provide taxpayer relief.

Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statements Nos. 20 and 34 provide the County the option of electing to apply FASB pronouncements issued after November 30, 1989. The County has elected not to apply those pronouncements.

For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of Keno lottery services are reported as receipts and disbursements from operations. Peripheral or incidental transactions are reported as non-operating receipts and disbursements.

**Fiduciary Fund Types** - Fiduciary funds consist of the following sub-category and are never considered to be major funds:

**Agency Funds** - Agency funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations. Agency funds are used to account for the accumulation and distribution of property tax revenues and various pass through funds.

**Measurement Focus and Basis of Accounting**

Measurement Focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus.

The County's basis of accounting is the cash basis, which is a basis of accounting other than US GAAP. Under US GAAP, transactions are recorded in the accounts when revenues are earned and liabilities are incurred. Under the cash basis, transactions are recorded when cash is received or disbursed.

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**

**Gering, Nebraska**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus and Basis of Accounting (Continued)**

Measurement Focus - In the government-wide Statement of Net Assets and Statement of Activities, governmental and proprietary activities are presented using the economic resources measurement focus, applied within the limitations of the cash basis of accounting as defined below.

In fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used, applied within the limitations of the cash basis of accounting.

Basis of Accounting - In the government-wide Statement of Net Assets and Statement of Activities and the fund financial statements, governmental and proprietary activities are presented using the cash basis of accounting. The cash basis of accounting involves the measurement of cash and changes in cash resulting from cash receipt and disbursement transactions. Under the cash basis of accounting, transactions are recorded in the accounts when cash is received or disbursed and assets and liabilities are recognized to the extent that cash has been received or disbursed.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Likewise, expenditures for fixed assets are charged as an expense when paid and are not recorded in the government-wide or the fund financial statements as an asset. Long-term debt is similarly recognized as a receipt when incurred and as an expenditure when paid and is not recorded as a liability in the government-wide or fund financial statements.

If the County applied US GAAP, the fund financial statements for governmental funds would use the modified accrual basis of accounting and the proprietary fund would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

Deposits and Certificates of Deposit - For the purpose of financial reporting, "cash and cash equivalents" include all demand and savings accounts and certificates of deposit or short-term investments with a term to maturity at date of acquisition of three months or less.

Program Revenues - Program revenues derived directly from the program itself or from parties other than the County's taxpayers or citizenry, as a whole. Program revenues are classified into three categories as follows:

- A. Charges for services - these arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Program Revenues (Continued) -**

- B. Program-specific operating grants and contributions - These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.
- C. Program-specific capital grants and contributions - These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

**Fund Balance Classification** - The governmental fund financial statements present 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:

- A. **Non-spendable** - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The County did not have any non-spendable resources as of June 30, 2011.
- B. **Restricted** - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The County has classified the fund balances of the Road and Bridge, Debt Service, Drug Enforcement, Drug Court, Visitors Promotion, Homeland Security and E-911 Funds as being restricted by law. The Hand Bud Fund balance is classified as restricted by the grantor.
- C. **Committed** - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the County. These amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The County has classified the fund balances of the following funds as committed though the budget ordinance act: Juvenile Detention, Capital Improvements, Central Communications, Juvenile Probation, Noxious Weed, Flood Control, Health, Relief/Medical, Veterans Aid, Institutions, Inheritance Tax, Scottsbluff Drain Sinking, Surveyor Sinking, Barrier Elimination, and Special Projects.
- D. **Assigned** - This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. The County did not have any assigned resources as of June 30, 2011.
- E. **Unassigned** - This classification includes the residual fund balance for the General Fund.

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Compensated Absences - Sick leave is earned by County employees at a rate of one day per month. Unused sick allowances may accumulate to a maximum of ninety working days. All but twenty-five percent of accumulated sick leave will expire upon termination of employment, provided the employee has held his or her position for three full years.

Vacation is earned by County employees at a rate of ten working days per year after twelve full months of employment. The annual provision is increased to eleven working days per year after five years of service. This provision increases one day per year thereafter, until ten years of service, after which fifteen days maximum vacation is accumulated. Upon termination of employment, an employee will be entitled to receive all accumulated vacation leave as computed on the last day of employment. An employee with the approval of the elected officials may elect to carry over a maximum of five vacation days into the subsequent calendar year.

The County's funds are presented on the cash basis of accounting as described above. Therefore, no liability has been recorded for either accrued sick or vacation leave for any of the County's fund financial statements or in the government-wide financial statements.

Revenue Recognition - Property Taxes - Property taxes are levied by October 15 based on valuations as of April 1. Real estate 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 on May 1 and September 1 following the levy date. Motor vehicle taxes are due when application is made for registration of a motor vehicle.

Application of Net Assets - It is the County's policy to first use restricted net assets, prior to the use of unrestricted net assets, when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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

Comparative Data - The prior year comparative data included in the accompanying Required Supplemental and Other Supplemental Information sections are included for additional analysis purposes only. These totals were derived from the County's June 30, 2010, audited financial statements.

**NOTE 3 - 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 Net Assets - Cash Basis and the Statement of Assets, Liabilities and Fund Balances Arising from Cash

See accompanying independent auditors' report.



**SCOTTS BLUFF COUNTY**

**Gering, Nebraska**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011**

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)**

Transactions as "Equity in Pooled Cash and Investments". Interest earned on pooled funds is credited to the County General Fund in accordance with Section 77-2315, R.R.S. 1943. Investments made specifically from and for a particular fund are summarized as "Designated Investments". Interest on these investments is credited to the fund from which the investment is made, also in accordance with the above-cited statute.

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 to the extent insured by the Federal Depository Insurance Corporation or by collateral securities pledged to the County. The bank deposit balances of \$10,340,385 as of June 30, 2011, were insured by federal depository insurance in the amount of \$1,000,000. The uninsured balances were fully collateralized by securities pledged by the financial institutions.

Cash and Investment Balances – Ending balances consist of checking and money market accounts and certificates of deposits. A detail of balances at June 30, 2011, were as follows:

	<u>Financial Institution Balances</u>	<u>Financial Statement Carrying Amount</u>
Cash on hand	\$ -	\$ 217,405
Pooled Cash	6,140,385	6,048,398
Pooled Investments	<u>4,200,000</u>	<u>4,200,000</u>
Total	<u>\$ 10,340,385</u>	<u>\$ 10,465,803</u>
Analysis of cash reporting by activity:		
Governmental activities		\$ 7,658,404
Proprietary activity		502,078
Fiduciary activities		<u>2,305,321</u>
Total		<u>\$ 10,465,803</u>

Custodial Credit Risk - 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 limits. As of June 30, 2011, the County had balances with financial institutions of \$10,340,385, of which \$3,540,385 was exposed to custodial credit risk as follows:

See accompanying independent auditors' report.

**SCOTT BLUFF COUNTY**  
**Gering, Nebraska**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011**

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk (Continued) -**

	<u>Bank Balance</u>	<u>Custodial Credit Risk</u>
Insured by FDIC insurance	\$ 1,000,000	\$ -
Insured by surety bond or irrevocable letters of credit	5,800,000	-
Collateralized		
Held by pledging institution in the County's name	3,540,385	3,540,385
Total	\$ 10,340,385	\$ 3,540,385

The Nebraska Public Agency Investment Trust (NPAIT) is an inter-local government entity established under Nebraska Law. The Trust is only authorized to invest deposits in securities guaranteed or secured by the United States government, its agencies and instrumentalities, certificates of deposit and time deposits in compliance with applicable laws, and other types of investments permitted for public agencies under provisions of law. Funds deposited with NPAIT at June 30, 2011, were \$300,000.

**NOTE 4 - LONG-TERM DEBT**

A schedule of changes in long-term debt, including capital leases, for the year ended June 30, 2011, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>
Capital lease obligations	\$ 192,306	\$ 162,750	\$ (62,743)	\$ 292,313
Note Payable	317,635	-	(6,625)	311,010
General obligation bonds	13,975,000	-	(610,000)	13,365,000
Total	\$ 14,484,941	\$ 162,750	\$ (679,368)	\$ 13,968,323

See accompanying independent auditors' report.

**SCOTT'S BLUFF COUNTY**  
**Gering, Nebraska**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011**

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

Capital leases payable at June 30, 2011, are comprised of the following contracts:

The County is the lessee of a telephone system and telephones under a capital lease agreement maturing in February 2014, quarterly installments of \$4,641 are due including interest at 12.3%, the lease agreement is secured by equipment.

\$ 39,878

The County Court's office is the lessee of a copier under a capital lease agreement maturing in February 2012, monthly installments of \$129 are due including interest at 10.512%, the lease agreement is secured by equipment.

1,112

The County Road's Department is the lessee of a caterpillar tractor under a capital lease agreement maturing in April 2013, monthly installments of \$4,366 are due including interest at 3.75%, the lease agreement is secured by the tractor.

88,573

The County Road's Department is the lessee of a John Deere motor grader under a capital lease agreement maturing in July 2013, annual installments of \$57,868 are due including interest at 3.25%, the lease agreement is secured by the motor grader.

162,750

Total capital leases

\$ 292,313

The note payable at June 30, 2011, 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.

\$ 311,010

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011**

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

Bonds Payable at June 30, 2011, consisted of the following:

Highway Allocation Bonds, dated November 15, 2002, interest rates ranging from 1.75% - 3.7%, annual principal payments due each November 15 starting in 2003, and semi-annual interest payments due May 15 and November 15, final payment is due November 15, 2012.	\$ 125,000
General Obligation Bonds, dated July 12, 2006, interest rates ranging from 3.8% - 4.65%, annual principal payments due each January 15 starting in 2010, and semi-annual interest payments due July 15 and January 15, final payment is due January 15, 2031. Bond issuance costs of \$94,052 were incurred.	5,745,000
General Obligation Bonds, dated December 14, 2006, interest rates ranging from 3.6% - 4.45%, annual principal payments due each January 15 starting in 2010, and semi-annual interest payments due July 15 and January 15, final payment is due January 15, 2031. Bond issuance costs of \$79,140 were incurred.	3,480,000
General Obligation Bonds, dated February 1, 2007, interest rates ranging from 3.9% - 4.65%, annual principal payments due each January 15 starting in 2010, and semi-annual interest payments due July 15 and January 15, final payment is due January 15, 2031. Bond issuance costs of \$37,881 were incurred.	2,070,000

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011**

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

Bonds payable (Continued):

Limited Tax Bonds, dated May 23, 2007, interest rates ranging from 3.6% - 4.3%, annual principal payments due each January 15 starting in 2009, and semi-annual interest payments due July 15 and January 15, final payment is due January 15, 2022. Bond issuance costs of \$34,148 were incurred.

\$ 1,945,000

Total bonds payable

\$ 13,365,000

Total long-term debt

\$ 13,968,323

The annual debt service requirements for the next five years and for each five-year period thereafter as of June 30, 2011, are as follows:

Year Ending June 30,	Capital Leases		Notes Payable		Bonds Payable		Totals	
	Princial	Interest	Princial	Interest	Princial	Interest	Princial	Interest
2012	\$ 117,805	\$ 12,178	\$ 6,961	\$ 15,238	\$ 575,000	\$ 574,132	\$ 699,766	\$ 601,548
2013	109,055	6,673	7,314	14,886	600,000	552,283	716,369	573,842
2014	65,453	2,313	7,684	14,516	560,000	530,385	633,137	547,214
2015	-	-	8,074	14,126	575,000	508,377	583,074	522,503
2016	-	-	46,930	64,069	605,000	485,495	651,930	549,564
2017 - 2021	-	-	60,079	50,921	3,415,000	2,033,083	3,475,079	2,084,004
2022 - 2026	-	-	76,911	34,089	3,240,000	1,291,637	3,316,911	1,325,726
2027 - 2031	-	-	97,057	12,540	3,795,000	534,603	3,892,057	547,143
Total	\$ <u>292,313</u>	\$ <u>21,164</u>	\$ <u>311,010</u>	\$ <u>220,385</u>	\$ <u>13,365,000</u>	\$ <u>6,509,995</u>	\$ <u>13,968,323</u>	\$ <u>6,751,544</u>

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011**

**NOTE 7 - OPERATING LEASES**

**Lessor Agreements** - The County is the lessor of airport hangers and office space under operating leases expiring in various years through 2022. Lease payments received for the year ended June 30, 2011, were \$22,200.

**Lessee Agreements** - The County is the lessee of office equipment and communications towers under operating leases expiring in various years through 2019.

Minimum future rental payments under non-cancellable operating leases having remaining terms in excess of one year as of June 30, 2011, are as follows:

<u>Year Ending June 30,:</u>	
2012	\$ 24,003
2013	20,523
2014	11,706
2015	10,411
2016	780
Thereafter	<u>780</u>
Total minimum future rental payments	\$ <u><u>68,203</u></u>

**NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM**

The County Board has adopted the provisions of Sections 23-2301 through 23-2331, R.R.S. 1943, known as the County Employees Retirement Act. The Retirement System for Nebraska Counties is administered by the Public Employees Retirement Board. This Retirement Board is a cost-sharing multiple-employer defined benefit plan administered by the Nebraska Public Employees Retirement System (NPERS). NPERS issues a publicly available financial report that includes financial statements and required supplementary information for NPERS. That report may be obtained by writing NPERS, 1221 N Street, Suite 325, PO Box 94816, Lincoln, NE 68509-4816 or by calling 1-800-245-5712.

Prior to January 1, 2007, the plan covered substantially all permanent employees who have been employees for twelve continuous months and have attained the age of twenty-five. Effective January 1, 2007, LB366 provided that immediate participation is mandatory upon employment for all permanent, full-time employees who work one-half or more of the regularly scheduled hours during each pay period. For part-time employees, who have reached age 20, participation is optional. Elected officials are eligible for membership upon taking office. Employees and elected officials contribute 4.5% of their total compensation. The County contributes an amount equal to 150% of the employees' and officials' contributions. Certified law enforcement employees can contribute 5.5% with the County contributing 7.75%.

See accompanying independent auditors' report.

**SCOTT BLUFF COUNTY**  
**Gering, Nebraska**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011**

**NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**

The employees' and officials' contributions are kept in separate accounts and are fully vested. The employer's contribution is vested at 100% after five years of participation in the plan. Prior service benefits are paid directly by the County to retired employees. The County contributions to NPERS for the years ended June 30, 2009, 2010 and 2011, were \$521,372, \$535,624, and \$566,848, respectively, equal to the required contributions for each year.

**NOTE 9 - RISK MANAGEMENT**

The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA) and the Nebraska Intergovernmental Risk Management Association II (NIRMA II) which were created to provide self-insurance pools for the insurance needs of Nebraska counties. NIRMA provides a pool for property, general liability and auto liability coverage and NIRMA II provides a pool for worker's compensation coverage. The County pays an annual premium to NIRMA and NIRMA II.

Government entities joining the NIRMA Funds must remain members for a minimum of three years; a member may withdraw from the Funds after that by giving 90 days notice. Fund underwriting and rate setting policies are established after consultation with actuaries. If the Funds become insolvent or are otherwise unable to discharge their legal liabilities and other obligations, a participant may be assessed by the Governing 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 participating entity will remain liable for such assessments, regardless of such entity's withdrawal from participation, and for liabilities of the Fund incurred during such entity's period of membership, as provided by Nebraska Revised Statute Section 44-4312 (1987 Suppl.).

NIRMA retains responsibility for the payment of claims within specified self-insured retention limits prior to the application of coverage provided by the excess insurance contracts.

The per-claim retention limit is as follows:

**NIRMA**

\$ 300,000	General liability, auto liability
\$ 25,000	Property, auto physical damage, Inland Marine
\$ 50,000	Theft
\$ 100,000	Forgery, money orders, counterfeit paper and currency
\$ 300,000	Employee dishonesty and Failure to perform

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011**

**NOTE 9 - RISK MANAGEMENT (CONTINUED)**

**NIRMA II**

The per-claim retention limit is \$300,000 without an annual aggregate.

NIRMA maintains excess insurance contracts to provide coverage over the self-insured retention limits of \$300,000 (liability) and \$25,000 (property). Liability coverage provided by the excess insurance is \$5,000,000 per occurrence with no annual aggregate except for Public Officials and Employment Practices liability (\$7,000,000 aggregate), Products and Completed Operations liability and Employee Benefits liability (\$5,000,000 aggregate).

NIRMA II maintains excess insurance contracts which provide workers' compensation (Coverage A) at statutory limits. The limit provided by the excess insurance coverage for employer's liability (Coverage B) is \$2,000,000.

NIRMA and NIRMA II both have substantial surplus accounts. There have been no significant reductions in the County's insurance coverage and settlement amounts have not exceeded insurance coverage for the current or the three prior years.

**NOTE 10 - CONTINGENCIES**

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 non-capital nature when it is both probably and reasonably estimated. Although it is not possible to quantify with any degree of certainty the potential financial impact of the County's continuing 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 financial statements for such contingencies.

See accompanying independent auditors' report.



**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011**

**NOTE 11 - INTERFUND ITEMS AND TRANSFERS**

Residual balances outstanding between the governmental funds and the business-type fund are reported in the government-wide financial statements as internal payables and internal receivables. As of June 30, 2011, \$4,032 is owed to the General Fund from the Keno Fund for interest earned on pooled cash which should be attributable to the Keno Fund and wages of the management accountant that should be expensed to the Keno Fund. The following is a schedule of transfers as included in the basic financial statements of the County:

	Transfers In	Transfers Out
Governmental Funds:		
General	\$ 730,000	\$ 1,351,406
Road and Bridge	1,242,539	60,528
Health	20,000	-
Debt Service	60,528	-
Capital Improvements	10,652	-
Inheritance Tax	-	330,000
Flood Control	-	25,000
Scottsbluff Drain Sinking	25,000	-
Noxious Weed	78,215	-
Central Communications	-	20,000
Total governmental funds	\$ 2,166,934	\$ 1,786,934
Less eliminations	(1,786,934)	(1,786,934)
Net governmental funds	\$ 380,000	\$ -
Business-Type Fund:		
Keno Enterprise	\$ 20,000	\$ 400,000
Less eliminations	(20,000)	(20,000)
Net business-type funds	\$ -	\$ 380,000

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 12 - SUBSEQUENT EVENTS**

The County has evaluated subsequent events through January 17, 2012, the date which the financial statements were available to be issued.

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011**

**NOTE 12 - SUBSEQUENT EVENTS (CONTINUED)**

On July 14, 2011, the County issued \$5,840,000 Refunding Bonds Series 2011. The purpose of the new bond issuance was to refund the existing \$5,745,000 Jail Project General Obligation 2006 Series bonds resulting in a total debt service savings of \$550,581 with a present value of \$379,989. The bonds are due semi-annually on January and July 15<sup>th</sup> with interest rates ranging from 0.4% to 4.35%. The bonds mature January 15, 2031. Issuance costs incurred were \$82,760.

See accompanying independent auditors' report.

SCOTTS BLUFF COUNTY

Gering, Nebraska

REQUIRED SUPPLEMENTARY INFORMATION

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**MAJOR FUND - GENERAL FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011				2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)	
	Original	Final			
<b>Receipts</b>					
Property taxes	\$ 5,967,283	\$ 5,967,283	\$ 5,013,760	\$ (953,523)	\$ 3,741,488
Motor vehicle taxes	1,042,000	1,042,000	1,071,200	29,200	1,041,457
Other taxes	250	250	363	113	250
Intergovernmental	2,023,710	2,023,710	1,980,556	(43,154)	1,798,861
Local fees, licenses, commissions and miscellaneous	1,511,290	1,511,290	1,483,445	(27,845)	1,285,931
Investment earnings	142,500	142,500	74,348	(68,152)	141,177
<b>Total receipts</b>	<b>\$ 10,687,033</b>	<b>\$ 10,687,033</b>	<b>\$ 9,623,672</b>	<b>\$ (1,063,361)</b>	<b>\$ 8,009,164</b>
Transfers in from other funds	735,000	735,000	730,000	(5,000)	831,111
<b>Total receipts and transfers in</b>	<b>\$ 11,422,033</b>	<b>\$ 11,422,033</b>	<b>\$ 10,353,672</b>	<b>\$ (1,068,361)</b>	<b>\$ 8,840,275</b>
<b>Disbursements</b>					
<b>General Government</b>					
Board of Commissioners					
Personal services	\$ 102,245	\$ 102,245	\$ 102,221	\$ 24	\$ 99,619
Operating expenses	8,785	8,785	4,150	4,635	4,013
Supplies and materials	500	500	640	(140)	151
<b>Total board of commissioners</b>	<b>\$ 111,530</b>	<b>\$ 111,530</b>	<b>\$ 107,011</b>	<b>\$ 4,519</b>	<b>\$ 103,783</b>
County Clerk					
Personal services	\$ 193,911	\$ 193,911	\$ 192,674	\$ 1,237	\$ 183,349
Operating expenses	6,900	6,900	2,234	4,666	2,181
Supplies and materials	3,475	3,475	3,763	(288)	3,169
Capital outlay	2,300	2,300	996	1,304	1,186
<b>Total county clerk</b>	<b>\$ 206,586</b>	<b>\$ 206,586</b>	<b>\$ 199,667</b>	<b>\$ 6,919</b>	<b>\$ 189,885</b>
County Treasurer					
Personal services	\$ 486,720	\$ 486,720	\$ 438,471	\$ 48,249	\$ 402,310
Operating expenses	18,200	18,200	17,502	698	18,712
Supplies and materials	7,000	7,000	9,120	(2,120)	6,227
Equipment rental	2,100	2,100	-	2,100	900
Capital outlay	4,000	4,000	2,793	1,207	4,075
<b>Total county treasurer</b>	<b>\$ 518,020</b>	<b>\$ 518,020</b>	<b>\$ 467,886</b>	<b>\$ 50,134</b>	<b>\$ 432,224</b>
Register of Deeds					
Personal services	\$ 165,175	\$ 165,175	\$ 160,123	\$ 5,052	\$ 153,495
Operating expenses	6,095	6,095	3,767	2,328	4,737
Supplies and materials	9,000	9,000	7,276	1,724	7,914
Equipment rental	-	-	2,675	(2,675)	-
Capital outlay	1,500	1,500	2,188	(688)	636
<b>Total register of deeds</b>	<b>\$ 181,770</b>	<b>\$ 181,770</b>	<b>\$ 176,029</b>	<b>\$ 5,741</b>	<b>\$ 166,782</b>

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**MAJOR FUND - GENERAL FUND (CONTINUED)**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011			Variance Favorable (Unfavorable)	2010 Actual
	Budget		Actual		
	Original	Final			
<b>Disbursements</b>					
<b>General Government (Continued)</b>					
County Assessor					
Personal services	\$ 374,252	\$ 374,252	\$ 369,780	\$ 4,472	\$ 340,288
Operating expenses	44,450	44,450	34,188	10,262	28,659
Supplies and materials	16,500	16,500	12,562	3,938	15,063
Equipment rental	4,000	4,000	5,807	(1,807)	2,191
Capital outlay	8,000	8,000	13,751	(5,751)	8,589
Total county assessor	\$ 447,202	\$ 447,202	\$ 436,088	\$ 11,114	\$ 394,790
Election Commissioner					
Personal services	\$ 40,215	\$ 40,215	\$ 35,360	\$ 4,855	\$ 38,211
Operating expenses	21,750	21,750	13,487	8,263	11,235
Supplies and materials	33,650	33,650	29,008	4,642	24,484
Capital outlay	1,000	1,000	2,982	(1,982)	2,595
Total election commissioner	\$ 96,615	\$ 96,615	\$ 80,837	\$ 15,778	\$ 76,525
Building and Zoning					
Personal services	\$ 54,627	\$ 54,627	\$ 53,401	\$ 1,226	\$ 51,940
Operating expenses	34,317	34,317	22,854	11,463	28,808
Supplies and materials	5,800	5,800	4,534	1,266	3,596
Capital outlay	1,000	1,000	-	1,000	170
Total building and zoning	\$ 95,744	\$ 95,744	\$ 80,789	\$ 14,955	\$ 84,514
Clerk of the District Court					
Personal services	\$ 243,054	\$ 243,054	\$ 227,585	\$ 15,469	\$ 227,061
Operating expenses	90,825	90,825	85,908	4,917	78,083
Supplies and materials	5,000	5,000	6,307	(1,307)	6,031
Equipment rental	100	100	-	100	-
Capital outlay	580	580	540	40	-
Total clerk of the district court	\$ 339,559	\$ 339,559	\$ 320,340	\$ 19,219	\$ 311,175
County Court System					
Personal services	\$ 2,700	\$ 2,700	\$ 458	\$ 2,242	\$ 2,753
Operating expenses	318,600	368,600	372,641	(4,041)	284,788
Supplies and materials	18,000	18,000	18,703	(703)	18,449
Equipment rental	1,548	1,548	-	1,548	-
Capital outlay	8,000	8,000	4,913	3,087	868
Debt service - principal	-	-	1,137	(1,137)	1,337
Debt service - interest	-	-	282	(282)	340
Total county court system	\$ 348,848	\$ 398,848	\$ 398,134	\$ 714	\$ 308,535

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**MAJOR FUND - GENERAL FUND (CONTINUED)**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011		Actual	Variance Favorable (Unfavorable)	2010 Actual
	Budget				
	Original	Final			
<b>Disbursements</b>					
<b>General Government (Continued)</b>					
District Judge					
Personal services	\$ 46,811	\$ 46,811	\$ 37,280	\$ 9,531	\$ 36,768
Operating expenses	55,650	55,650	66,240	(10,590)	52,643
Supplies and materials	3,450	3,450	3,263	187	3,132
Capital outlay	2,500	2,500	826	1,674	366
Total district judge	\$ 108,411	\$ 108,411	\$ 107,609	\$ 802	\$ 92,909
Public Defender					
Personal services	\$ 427,898	\$ 427,898	\$ 423,382	\$ 4,516	\$ 407,968
Operating expenses	49,431	49,431	52,515	(3,084)	51,093
Supplies and materials	3,750	3,750	4,297	(547)	4,456
Capital outlay	3,000	3,000	207	2,793	1,892
Total public defender	\$ 484,079	\$ 484,079	\$ 480,401	\$ 3,678	\$ 465,409
Building and Grounds					
Personal services	\$ 208,350	\$ 208,350	\$ 202,284	\$ 6,066	\$ 153,836
Operating expenses	269,380	269,380	274,369	(4,989)	209,180
Supplies and materials	46,100	46,100	57,654	(11,554)	42,653
Equipment rental	1,400	1,400	908	492	1,168
Capital outlay	123,688	123,688	69,564	54,124	159,906
Total building and grounds	\$ 648,918	\$ 648,918	\$ 604,779	\$ 44,139	\$ 566,743
Agricultural Extension Agent					
Personal services	\$ 123,167	\$ 123,167	\$ 120,919	\$ 2,248	\$ 110,701
Operating expenses	19,550	19,550	16,252	3,298	15,503
Supplies and materials	6,500	6,500	5,643	857	5,668
Capital outlay	2,000	2,000	1,948	52	4,432
Total agricultural extension agent	\$ 151,217	\$ 151,217	\$ 144,762	\$ 6,455	\$ 136,304
Purchasing Agent					
Supplies and materials	\$ 45,000	\$ 45,000	\$ 44,986	\$ 14	\$ 43,875
Total purchasing agent	\$ 45,000	\$ 45,000	\$ 44,986	\$ 14	\$ 43,875
Information Systems					
Personal services	\$ 163,273	\$ 163,273	\$ 143,332	\$ 19,941	\$ 108,442
Operating expenses	1,595	1,595	14,815	(13,220)	-
Supplies and materials	200	200	33	167	-
Capital outlay	2,800	2,800	1,563	1,237	-
Total information systems	\$ 167,868	\$ 167,868	\$ 159,743	\$ 8,125	\$ 108,442

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**MAJOR FUND - GENERAL FUND (CONTINUED)**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011		Actual	Variance Favorable (Unfavorable)	2010 Actual
	Budget				
	Original	Final			
Disbursements					
General Government (Continued)					
Personnel Department					
Personal services	\$ 113,463	\$ 113,463	\$ 106,598	\$ 6,865	\$ 84,730
Operating expenses	20,830	20,830	15,600	5,230	21,015
Supplies and materials	1,200	1,200	1,757	(557)	828
Capital outlay	1,000	1,000	168	832	210
Total personnel department	\$ 136,493	\$ 136,493	\$ 124,123	\$ 12,370	\$ 106,783
Administration General					
Personal services	\$ 169,113	\$ 169,113	\$ 192,240	\$ (23,127)	\$ 141,896
Operating expenses	1,597,851	1,547,851	1,047,983	499,868	1,115,557
Supplies and materials	600	600	193	407	455
Equipment rental	20,000	20,000	14,532	5,468	13,087
Capital outlay	169,000	169,000	148,952	20,048	180,366
Debt service - principal	22,200	22,200	16,271	5,929	18,762
Debt service - interest	-	-	21,554	(21,554)	27,262
Transfers out	1,356,406	1,356,406	1,351,406	5,000	726,507
Total administration general	\$ 3,335,170	\$ 3,285,170	\$ 2,793,131	\$ 492,039	\$ 2,223,892
Public Safety					
County Sheriff					
Personal services	\$ 1,517,940	\$ 1,517,940	\$ 1,534,569	\$ (16,629)	\$ 1,472,555
Operating expenses	120,926	120,926	109,201	11,725	105,571
Supplies and materials	117,100	117,100	103,714	13,386	99,155
Capital outlay	81,260	81,260	78,771	2,489	100,530
Total county sheriff	\$ 1,837,226	\$ 1,837,226	\$ 1,826,255	\$ 10,971	\$ 1,777,811

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**MAJOR FUND - GENERAL FUND (CONTINUED)**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011				2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)	
	Original	Final			
Disbursements					
Public Safety (Continued)					
County Attorney					
Personal services	\$ 799,368	\$ 799,368	\$ 760,515	\$ 38,853	\$ 660,019
Operating expenses	92,390	92,390	61,039	31,351	74,518
Supplies and materials	9,000	9,000	18,206	(9,206)	10,891
Capital outlay	3,500	3,500	9,278	(5,778)	5,195
Total county attorney	\$ 904,258	\$ 904,258	\$ 849,038	\$ 55,220	\$ 750,623
Child Support					
Personal services	\$ 280,282	\$ 280,282	\$ 233,707	\$ 46,575	\$ 270,555
Operating expenses	20,350	20,350	16,409	3,941	13,933
Supplies and materials	2,500	2,500	1,549	951	1,674
Capital outlay	13,500	13,500	11,853	1,647	80
Total child support	\$ 316,632	\$ 316,632	\$ 263,518	\$ 53,114	\$ 286,242
District No. 10 Probation					
Operating expenses	\$ 21,250	\$ 21,250	\$ 20,942	\$ 308	\$ 18,823
Supplies and materials	16,635	16,635	15,349	1,286	21,130
Equipment rental	3,000	3,000	3,885	(885)	1,520
Capital outlay	10,240	10,240	10,947	(707)	9,646
Total district No. 10 probation	\$ 51,125	\$ 51,125	\$ 51,123	\$ 2	\$ 51,119
Emergency Management					
Operating expenses	\$ 17,000	\$ 17,000	\$ 9,302	\$ 7,698	\$ 15,000
Total emergency management	\$ 17,000	\$ 17,000	\$ 9,302	\$ 7,698	\$ 15,000

See accompanying independent auditors' report.



**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**MAJOR FUND - GENERAL FUND (CONTINUED)**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011				2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)	
	Original	Final			
Disbursements					
Public Works					
County Surveyor					
Personal services	\$ 119,587	\$ 119,587	\$ 114,566	\$ 5,021	\$ 77,480
Operating expenses	10,001	10,001	11,378	(1,377)	9,932
Supplies and materials	1,100	1,100	1,799	(699)	2,564
Capital outlay	400	400	535	(135)	1,574
Total county surveyor	\$ 131,088	\$ 131,088	\$ 128,278	\$ 2,810	\$ 91,550
Public Welfare and Social Services					
Veterans Service Officer					
Personal services	\$ 122,559	\$ 122,559	\$ 121,191	\$ 1,368	\$ 115,547
Operating expenses	8,270	8,270	5,845	2,425	6,132
Supplies and materials	2,400	2,400	3,556	(1,156)	2,458
Capital outlay	3,200	3,200	2,814	386	6,238
Total veterans service officer	\$ 136,429	\$ 136,429	\$ 133,406	\$ 3,023	\$ 130,375
Assistance Administration					
Operating expenses	\$ 96,400	\$ 96,400	\$ 96,585	\$ (185)	\$ 89,332
Supplies and materials	100	100	134	(34)	38
Capital outlay	7,000	7,000	794	6,206	3,615
Total assistance administration	\$ 103,500	\$ 103,500	\$ 97,513	\$ 5,987	\$ 92,985
Handy Bus					
Personal services	\$ 221,800	\$ 221,800	\$ 198,827	\$ 22,973	\$ 193,078
Operating expenses	38,800	38,800	47,906	(9,106)	32,279
Supplies and materials	37,000	37,000	40,852	(3,852)	29,739
Equipment rental	2,046	2,046	1,945	101	1,912
Capital outlay	2,000	2,000	1,480	520	2,793
Total handy bus	\$ 301,646	\$ 301,646	\$ 291,010	\$ 10,636	\$ 259,801
Handyman					
Personal services	\$ 52,603	\$ 52,603	\$ 50,871	\$ 1,732	\$ 48,569
Operating expenses	55,401	55,401	56,225	(824)	51,853
Supplies and materials	550	550	483	67	434
Equipment rental	500	500	487	13	490
Total handyman	\$ 109,054	\$ 109,054	\$ 108,066	\$ 988	\$ 101,346

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**MAJOR FUND - GENERAL FUND (CONTINUED)**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011				2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)	
	Original	Final			
Summary of Disbursements by Function					
General Government	\$ 7,423,030	\$ 7,423,030	\$ 6,726,315	\$ 696,715	\$ 5,812,570
Public Safety	3,126,241	3,126,241	2,999,236	127,005	2,880,795
Public Works	131,088	131,088	128,278	2,810	91,550
Public Welfare and Social Services	650,629	650,629	629,995	20,634	584,507
Total disbursements	<u>\$ 11,330,988</u>	<u>\$ 11,330,988</u>	<u>\$ 10,483,824</u>	<u>\$ 847,164</u>	<u>\$ 9,369,422</u>
Excess (deficiency) of receipts and transfers in over (under) disbursements and transfers out	<u>\$ 91,045</u>	<u>\$ 91,045</u>	<u>\$ (130,152)</u>	<u>\$ (221,197)</u>	<u>\$ (529,147)</u>
Fund balance, beginning of year			<u>2,912,880</u>		<u>3,442,027</u>
Fund balance, end of year			<u>\$ 2,782,728</u>		<u>\$ 2,912,880</u>

See accompanying independent auditors' report.

**SCOTT'S BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**MAJOR FUND - ROAD AND BRIDGE FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011			Variance Favorable (Unfavorable)	2010 Actual
	Budget		Actual		
	Original	Final			
<b>Receipts</b>					
Motor vehicle taxes	\$ 175,000	\$ 175,000	\$ 187,709	\$ 12,709	\$ -
Intergovernmental	1,817,581	1,817,581	1,913,112	95,531	2,079,387
Local fees, licenses, commissions and miscellaneous	<u>210,050</u>	<u>210,050</u>	<u>208,019</u>	<u>(2,031)</u>	<u>228,890</u>
Total receipts	\$ 2,202,631	\$ 2,202,631	\$ 2,308,840	\$ 106,209	\$ 2,308,277
Transfers in from other funds	<u>1,242,539</u>	<u>1,242,539</u>	<u>1,242,539</u>	<u>-</u>	<u>650,802</u>
Total receipts and transfers in	\$ <u>3,445,170</u>	\$ <u>3,445,170</u>	\$ <u>3,551,379</u>	\$ <u>106,209</u>	\$ <u>2,959,079</u>
<b>Disbursements</b>					
Personal services	\$ 1,530,916	\$ 1,530,916	\$ 1,517,332	\$ 13,584	\$ 1,464,946
Operating expenses	397,338	397,338	349,004	48,334	466,285
Supplies and materials	894,800	894,800	797,676	97,124	620,429
Equipment rental	10,000	10,000	516	9,484	9,503
Capital outlay	559,734	559,734	425,965	133,769	378,067
Debt service					
Principal	107,391	107,391	51,960	55,431	46,108
Interest	<u>-</u>	<u>-</u>	<u>4,796</u>	<u>(4,796)</u>	<u>6,283</u>
Total disbursements	\$ 3,500,179	\$ 3,500,179	\$ 3,147,249	\$ 352,930	\$ 2,991,621
Transfers out to other funds	<u>60,528</u>	<u>60,528</u>	<u>60,528</u>	<u>-</u>	<u>67,880</u>
Total disbursements and transfers out	\$ <u>3,560,707</u>	\$ <u>3,560,707</u>	\$ <u>3,207,777</u>	\$ <u>352,930</u>	\$ <u>3,059,501</u>
Excess (deficiency) of receipts and transfers in over (under) disbursements and transfers out	\$ <u>(115,537)</u>	\$ <u>(115,537)</u>	\$ 343,602	\$ <u>459,139</u>	\$ (100,422)
Fund balance, beginning of year			<u>315,536</u>		<u>415,958</u>
Fund balance, end of year			\$ <u>659,138</u>		\$ <u>315,536</u>

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**MAJOR FUND - JUVENILE DETENTION FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011					2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)		
	Original	Final				
Receipts						
Property taxes	\$ 1,379,305	\$ 1,379,305	\$ 1,572,323	\$ 193,018	\$ 2,370,433	\$ 2,370,433
Intergovernmental	1,415,000	1,415,000	1,592,045	177,045	1,735,293	1,735,293
Local fees, licenses, commissions and miscellaneous	<u>505,000</u>	<u>505,000</u>	<u>588,280</u>	<u>83,280</u>	<u>695,399</u>	<u>695,399</u>
Total receipts	\$ <u>3,299,305</u>	\$ <u>3,299,305</u>	\$ <u>3,752,648</u>	\$ <u>453,343</u>	\$ <u>4,801,125</u>	\$ <u>4,801,125</u>
Disbursements						
Personal services	\$ 3,285,361	\$ 3,285,361	\$ 3,186,351	\$ 99,010	\$ 3,080,353	\$ 3,080,353
Operating expenses	1,214,049	1,214,049	1,040,354	173,695	1,109,160	1,109,160
Supplies and materials	139,500	139,500	120,236	19,264	133,352	133,352
Equipment rental	18,000	18,000	17,639	361	15,013	15,013
Capital outlay	<u>66,500</u>	<u>66,500</u>	<u>53,573</u>	<u>12,927</u>	<u>34,577</u>	<u>34,577</u>
Total disbursements	\$ <u>4,723,410</u>	\$ <u>4,723,410</u>	\$ <u>4,418,153</u>	\$ <u>305,257</u>	\$ <u>4,372,455</u>	\$ <u>4,372,455</u>
Excess (deficiency) of receipts over (under) disbursements	\$ <u>(1,424,105)</u>	\$ <u>(1,424,105)</u>	\$ (665,505)	\$ <u>758,600</u>	\$ 428,670	\$ 428,670
Fund balance, beginning of year			<u>1,699,105</u>		<u>1,270,435</u>	<u>1,270,435</u>
Fund balance, end of year			\$ <u>1,033,600</u>		\$ <u>1,699,105</u>	\$ <u>1,699,105</u>

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**MAJOR FUND - CAPITAL IMPROVEMENTS FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011					2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)		
	Original	Final				
Receipts						
Property taxes	\$ -	\$ -	\$ 203,051	\$ 203,051	\$ 266,494	
Intergovernmental	-	-	5,714	5,714	50,826	
Local fees, licenses, commissions and miscellaneous	-	-	-	-	123,042	
Total receipts	\$ -	\$ -	\$ 208,765	\$ 208,765	\$ 440,362	
Transfers in from other funds	10,652	10,652	10,652	-	-	
Total receipts and transfers in	\$ 10,652	\$ 10,652	\$ 219,417	\$ 208,765	\$ 440,362	
Disbursements						
Capital outlay	\$ 699,958	\$ 699,958	\$ 31,222	\$ 668,736	\$ -	
Total disbursements	\$ 699,958	\$ 699,958	\$ 31,222	\$ 668,736	\$ -	
Excess (deficiency) of receipts and transfers in over (under) disbursements	\$ (689,306)	\$ (689,306)	\$ 188,195	\$ 877,501	\$ 440,362	
Fund balance, beginning of year			689,306		248,944	
Fund balance, end of year			\$ 877,501		\$ 689,306	

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**MAJOR FUND - DEBT SERVICE FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011				2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)	
	Original	Final			
Receipts					
Property taxes	\$ 721,608	\$ 721,608	\$ 794,905	\$ 73,297	\$ 990,982
Intergovernmental	-	-	85,064	85,064	114,316
Local fees, licenses, commissions and miscellaneous	<u>61,005</u>	<u>61,005</u>	<u>61,004</u>	<u>(1)</u>	<u>57,863</u>
Total receipts	\$ 782,613	\$ 782,613	\$ 940,973	\$ 158,360	\$ 1,163,161
Transfers in from other funds	<u>60,528</u>	<u>60,528</u>	<u>60,528</u>	<u>-</u>	<u>67,880</u>
Total receipts and transfers in	\$ <u>843,141</u>	\$ <u>843,141</u>	\$ <u>1,001,501</u>	\$ <u>158,360</u>	\$ <u>1,231,041</u>
Disbursements					
Operating expenses	\$ -	\$ -	\$ -	\$ -	\$ 10,565
Debt service					
Principal	1,622,936	1,622,936	610,000	1,012,936	590,000
Interest	<u>2,000</u>	<u>2,000</u>	<u>595,743</u>	<u>(593,743)</u>	<u>617,874</u>
Total disbursements	\$ <u>1,624,936</u>	\$ <u>1,624,936</u>	\$ <u>1,205,743</u>	\$ <u>419,193</u>	\$ <u>1,218,439</u>
Excess (deficiency) of receipts and transfers in over (under) disbursements and transfers out	\$ <u>(781,795)</u>	\$ <u>(781,795)</u>	\$ (204,242)	\$ <u>577,553</u>	\$ 12,602
Fund balance, beginning of year			<u>1,281,796</u>		<u>1,269,194</u>
Fund balance, end of year			\$ <u>1,077,554</u>		\$ <u>1,281,796</u>

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2011**

**NOTE 1 - BUDGET PROCESS**

The County follows the provisions of the Nebraska Budget Act in establishing the budgetary data reflected in the accompanying financial statements:

1. On or before September 1, the County Board prepares and transmits a budget for each County fund showing the requirements, 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.
2. At least one public hearing must be held by the County Board to obtain taxpayer comments.
3. At a meeting of the County Board prior to September 20, after the action of the State Board of Equalization and Assessment has been certified to the County Clerk, the budget, as revised, is adopted and the amounts provided therein are appropriated.
4. The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, revisions that alter the total expenditures of any fund require that an additional public hearing be held followed by approval of the Board.
5. Budgets are prepared on the cash basis of accounting, the same basis of accounting used in the financial statements.
6. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.
7. All unexpended appropriations lapse at year end.
8. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds recorded in order to reserve that portion of the applicable appropriation, is not employed by the County because it is, at present, not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.
9. The budget was not exceeded in the Keno Fund as the County has contracted for the fund to be operated by a private entity and only budgets for their projected commitment. Keno activity is grossed up to properly reflect actual keno operations.

**NOTE 2 - OTHER COMPREHENSIVE BASIS OF ACCOUNTING CASH BASIS/BUDGETARY ACCOUNTING BASIS DIFFERENCES**

The financial statements prepared in conformity with the other comprehensive basis of accounting cash basis present capital outlay expenditure information in a separate category of expenditures. Under the budgetary basis of accounting, capital outlay expenditures are reported within the function to which they relate.

See accompanying independent auditors' report.

SCOTTS BLUFF COUNTY

Gering, Nebraska

OTHER SUPPLEMENTARY INFORMATION



**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**BUSINESS-TYPE FUND - KENO ENTERPRISE FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011					2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)		
	Original	Final				
<b>Receipts</b>						
Local fees, licenses, commissions and miscellaneous	\$ 608,625	\$ 608,625	\$ 3,954,928	\$ 3,346,303	\$ 3,440,463	
Less: payouts to customers	-	-	(2,891,730)	(2,891,730)	(2,509,062)	
Investment earnings	-	-	1,925	1,925	2,008	
<b>Total receipts</b>	\$ 608,625	\$ 608,625	\$ 1,065,123	\$ 456,498	\$ 933,409	
Transfers in from other funds	20,000	20,000	20,000	-	-	
<b>Total receipts and transfers in</b>	\$ 628,625	\$ 628,625	\$ 1,085,123	\$ 456,498	\$ 933,409	
<b>Disbursements</b>						
Personal services	\$ 4,000	\$ 4,000	\$ 5,958	\$ (1,958)	\$ 9,324	
Operating expenses	166,889	166,889	24,852	142,037	28,464	
Supplies and materials	55,000	55,000	681,269	(626,269)	609,578	
Capital outlay	477,896	477,896	6,438	471,458	-	
<b>Total disbursements</b>	\$ 703,785	\$ 703,785	\$ 718,517	\$ (14,732)	\$ 647,366	
Transfers out to other funds	400,000	400,000	400,000	-	235,000	
<b>Total disbursements and transfers out</b>	\$ 1,103,785	\$ 1,103,785	\$ 1,118,517	\$ (14,732)	\$ 882,366	
<b>Excess (deficiency) of receipts and transfers in over (under) disbursements and transfers out</b>	\$ (475,160)	\$ (475,160)	\$ (33,394)	\$ 441,766	\$ 51,043	
Net assets, beginning of year			531,440		480,397	
Net assets, end of year			\$ 498,046		\$ 531,440	

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**COMBINING STATEMENT OF ASSETS, LIABILITIES AND**  
**FUND BALANCES ARISING FROM CASH TRANSACTIONS -**  
**NONMAJOR GOVERNMENTAL FUNDS**

**For the Year Ended June 30, 2011**

	Special Revenue Funds						
	Central Communications	Drug Enforcement	Juvenile Probation	Drug Court	Noxious Weed	Flood Control	Health
Assets							
Cash and cash equivalents	\$ 62,105	\$ 81,796	\$ 6,701	\$ 4,168	\$ 23,080	\$ 74,524	\$ 125,608
Total assets	<u>\$ 62,105</u>	<u>\$ 81,796</u>	<u>\$ 6,701</u>	<u>\$ 4,168</u>	<u>\$ 23,080</u>	<u>\$ 74,524</u>	<u>\$ 125,608</u>
Liabilities and fund balances							
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances							
Restricted	-	81,796	-	4,168	-	-	-
Committed	<u>62,105</u>	<u>-</u>	<u>6,701</u>	<u>-</u>	<u>23,080</u>	<u>74,524</u>	<u>125,608</u>
Total liabilities and fund balances	<u>\$ 62,105</u>	<u>\$ 81,796</u>	<u>\$ 6,701</u>	<u>\$ 4,168</u>	<u>\$ 23,080</u>	<u>\$ 74,524</u>	<u>\$ 125,608</u>

See accompanying independent auditors' report.

SCOTTS BLUFF COUNTY  
Gering, Nebraska

COMBINING STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES ARISING FROM CASH TRANSACTIONS -  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

For the Year Ended June 30, 2011

	Special Revenue Funds						
	Relief/ Medical	Veterans Aid	Institutions	Visitors Promotion	Inheritance Tax	Scottsbluff Drain Sinking	Surveyor Sinking
Assets							
Cash and cash equivalents	\$ 17,477	\$ 3,073	\$ 10,634	\$ 266,946	\$ 253,822	\$ 197,960	\$ 9,038
Total assets	<u>\$ 17,477</u>	<u>\$ 3,073</u>	<u>\$ 10,634</u>	<u>\$ 266,946</u>	<u>\$ 253,822</u>	<u>\$ 197,960</u>	<u>\$ 9,038</u>
Liabilities and fund balances							
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances							
Restricted	-	-	-	266,946	-	-	-
Committed	<u>17,477</u>	<u>3,073</u>	<u>10,634</u>	<u>-</u>	<u>253,822</u>	<u>197,960</u>	<u>9,038</u>
Total liabilities and fund balances	<u>\$ 17,477</u>	<u>\$ 3,073</u>	<u>\$ 10,634</u>	<u>\$ 266,946</u>	<u>\$ 253,822</u>	<u>\$ 197,960</u>	<u>\$ 9,038</u>

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**

**Gering, Nebraska**

**COMBINING STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES ARISING FROM CASH TRANSACTIONS -  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

**For the Year Ended June 30, 2011**

	Special Revenue				Total Nonmajor Governmental Funds
	Barrier Elimination	Special Projects	Homeland Security	E-911	
Assets					
Cash and cash equivalents	\$ 2,948	\$ 28,407	\$ 14,458	\$ 49,170	\$ 1,231,915
Total assets	\$ 2,948	\$ 28,407	\$ 14,458	\$ 49,170	\$ 1,231,915
Liabilities and fund balances					
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances					
Restricted	-	-	14,458	49,170	416,538
Committed	2,948	28,407	-	-	815,377
Total liabilities and fund balances	\$ 2,948	\$ 28,407	\$ 14,458	\$ 49,170	\$ 1,231,915

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS**  
**AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS**

**For the Year Ended June 30, 2011**

	Special Revenue Funds						
	Central Communications	Drug Enforcement	Juvenile Probation	Drug Court	Noxious Weed	Flood Control	Health
<b>Receipts</b>							
Property taxes	\$ 526,476	\$ -	\$ -	\$ -	\$ -	\$ 41,525	\$ 164,886
Other taxes	-	-	-	-	-	-	-
Intergovernmental	70,633	170,828	32,196	-	-	5,008	181,119
Local fees, licenses, commissions and miscellaneous	236,594	-	-	55	132,817	18,130	3,597
Investment earnings	-	-	-	-	-	-	-
Total receipts	<u>\$ 833,703</u>	<u>\$ 170,828</u>	<u>\$ 32,196</u>	<u>\$ 55</u>	<u>\$ 132,817</u>	<u>\$ 64,663</u>	<u>\$ 349,602</u>
<b>Disbursements</b>							
Current							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	747,535	185,015	31,100	4,393	-	-	-
Public works	-	-	-	-	201,534	44,300	-
Public health	-	-	-	-	-	-	309,862
Public welfare and social services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Conservation of natural resources	-	-	-	-	-	-	-
Capital outlay	4,935	-	-	-	6,500	-	-
Total disbursements	<u>\$ 752,470</u>	<u>\$ 185,015</u>	<u>\$ 31,100</u>	<u>\$ 4,393</u>	<u>\$ 208,034</u>	<u>\$ 44,300</u>	<u>\$ 309,862</u>
<b>Other financing sources (uses)</b>							
Transfers in from other funds	\$ -	\$ -	\$ -	\$ -	\$ 78,215	\$ -	\$ 20,000
Transfers out to other funds	(20,000)	-	-	-	-	(25,000)	-
Total other financing sources (uses)	<u>\$ (20,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,215</u>	<u>\$ (25,000)</u>	<u>\$ 20,000</u>
<b>Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses</b>	<u>\$ 61,233</u>	<u>\$ (14,187)</u>	<u>\$ 1,096</u>	<u>\$ (4,338)</u>	<u>\$ 2,998</u>	<u>\$ (4,637)</u>	<u>\$ 59,740</u>
<b>Fund balances, beginning of year</b>	<u>872</u>	<u>95,983</u>	<u>5,605</u>	<u>8,506</u>	<u>20,082</u>	<u>79,161</u>	<u>65,868</u>
<b>Fund balances, end of year</b>	<u><u>\$ 62,105</u></u>	<u><u>\$ 81,796</u></u>	<u><u>\$ 6,701</u></u>	<u><u>\$ 4,168</u></u>	<u><u>\$ 23,080</u></u>	<u><u>\$ 74,524</u></u>	<u><u>\$ 125,608</u></u>

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS**  
**AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

**For the Year Ended June 30, 2011**

	Special Revenue Funds						Surveyor Sinking
	Relief/ Medical	Veterans Aid	Institutions	Visitors Promotion	Inheritance Tax	Scottsbluff Drain Sinking	
<b>Receipts</b>							
Property taxes	\$ 81,317	\$ 4,939	\$ 16,932	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	318,138	332,759	-	-
Intergovernmental	10,681	668	2,388	-	-	-	-
Local fees, licenses, commissions and miscellaneous	3,600	-	-	1,789	-	-	-
Investment earnings	-	-	-	-	1,985	-	-
<b>Total receipts</b>	<b>\$ 95,598</b>	<b>\$ 5,607</b>	<b>\$ 19,320</b>	<b>\$ 319,927</b>	<b>\$ 334,744</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Disbursements</b>							
<b>Current</b>							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-
Public welfare and social services	99,185	4,041	12,984	-	-	-	-
Culture and recreation	-	-	-	226,881	-	-	-
Conservation of natural resources	-	-	-	-	249	-	-
Capital outlay	-	-	-	-	-	-	292
<b>Total disbursements</b>	<b>\$ 99,185</b>	<b>\$ 4,041</b>	<b>\$ 12,984</b>	<b>\$ 226,881</b>	<b>\$ 249</b>	<b>\$ -</b>	<b>\$ 292</b>
<b>Other financing sources (uses)</b>							
Transfers in from other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -
Transfers out to other funds	-	-	-	-	(330,000)	-	-
<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (330,000)</b>	<b>\$ 25,000</b>	<b>\$ -</b>
<b>Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses</b>	<b>\$ (3,587)</b>	<b>\$ 1,566</b>	<b>\$ 6,336</b>	<b>\$ 93,046</b>	<b>\$ 4,495</b>	<b>\$ 25,000</b>	<b>\$ (292)</b>
<b>Fund balances, beginning of year</b>	<b>21,064</b>	<b>1,507</b>	<b>4,298</b>	<b>173,900</b>	<b>249,327</b>	<b>172,960</b>	<b>9,330</b>
<b>Fund balances, end of year</b>	<b>\$ 17,477</b>	<b>\$ 3,073</b>	<b>\$ 10,634</b>	<b>\$ 266,946</b>	<b>\$ 253,822</b>	<b>\$ 197,960</b>	<b>\$ 9,038</b>

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**

**Gering, Nebraska**

**COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

**For the Year Ended June 30, 2011**

	Special Revenue				Total Nonmajor Governmental Funds
	Barrier Elimination	Special Projects	Homeland Security	E-911	
Receipts					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 836,075
Other taxes	-	-	-	-	650,897
Intergovernmental	-	38,819	510,957	-	1,023,297
Local fees, licenses, commissions and miscellaneous	-	11,660	1,057	49,170	458,469
Investment earnings	-	-	-	-	1,985
<b>Total receipts</b>	<b>\$ -</b>	<b>\$ 50,479</b>	<b>\$ 512,014</b>	<b>\$ 49,170</b>	<b>\$ 2,970,723</b>
Disbursements					
Current					
General government	\$ -	\$ 43,794	\$ -	\$ -	\$ 43,794
Public safety	-	-	2,878	-	970,921
Public works	-	-	-	-	245,834
Public health	-	-	-	-	309,862
Public welfare and social services	-	-	-	-	116,210
Culture and recreation	-	-	-	-	226,881
Conservation of natural resources	-	-	-	-	249
Capital outlay	10,000	-	500,274	-	522,001
<b>Total disbursements</b>	<b>\$ 10,000</b>	<b>\$ 43,794</b>	<b>\$ 503,152</b>	<b>\$ -</b>	<b>\$ 2,435,752</b>
Other financing sources (uses)					
Transfers in from other funds	\$ -	\$ -	\$ -	\$ -	\$ 123,215
Transfers out to other funds	-	-	-	-	(375,000)
<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (251,785)</b>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	\$ (10,000)	\$ 6,685	\$ 8,862	\$ 49,170	\$ 283,186
Fund balances, beginning of year	12,948	21,722	5,596	-	948,729
<b>Fund balances, end of year</b>	<b>\$ 2,948</b>	<b>\$ 28,407</b>	<b>\$ 14,458</b>	<b>\$ 49,170</b>	<b>\$ 1,231,915</b>

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR FUND - CENTRAL COMMUNICATIONS FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011					2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)		
	Original	Final				
Receipts						
Property taxes	\$ 641,990	\$ 641,990	\$ 526,476	\$ (115,514)	\$ 382,072	
Intergovernmental	25,000	25,000	70,633	45,633	50,803	
Local fees, licenses, commissions and miscellaneous	<u>255,600</u>	<u>255,600</u>	<u>236,594</u>	<u>(19,006)</u>	<u>236,181</u>	
Total receipts	\$ 922,590	\$ 922,590	\$ 833,703	\$ (88,887)	\$ 669,056	
Transfers in from other funds	-	-	-	-	20,000	
Total receipts and transfers in	<u>\$ 922,590</u>	<u>\$ 922,590</u>	<u>\$ 833,703</u>	<u>\$ (88,887)</u>	<u>\$ 689,056</u>	
Disbursements						
Personal services	\$ 611,062	\$ 611,062	\$ 645,815	\$ (34,753)	\$ 592,201	
Operating expenses	100,100	100,100	89,730	10,370	81,080	
Supplies and materials	5,000	5,000	3,542	1,458	2,396	
Equipment rental	8,100	8,100	8,448	(348)	16,228	
Capital outlay	<u>129,200</u>	<u>129,200</u>	<u>4,935</u>	<u>124,265</u>	<u>26,731</u>	
Total disbursements	\$ 853,462	\$ 853,462	\$ 752,470	\$ 100,992	\$ 718,636	
Transfers out to other funds	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	
Total disbursements and transfers out	<u>\$ 873,462</u>	<u>\$ 873,462</u>	<u>\$ 772,470</u>	<u>\$ 100,992</u>	<u>\$ 718,636</u>	
Excess (deficiency) of receipts and transfers in over (under) disbursements and transfers out	<u>\$ 49,128</u>	<u>\$ 49,128</u>	<u>\$ 61,233</u>	<u>\$ 12,105</u>	<u>\$ (29,580)</u>	
Fund balance, beginning of year			872		30,452	
Fund balance, end of year			<u>\$ 62,105</u>		<u>\$ 872</u>	

See accompanying independent auditors' report.



**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR FUND - DRUG ENFORCEMENT FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011					2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)		
	Original	Final				
Receipts						
Intergovernmental	\$ 463,428	\$ 463,428	\$ 170,828	\$ (292,600)		\$ 106,213
Local fees, licenses, commissions and miscellaneous	-	-	-	-		457
Total receipts	\$ 463,428	\$ 463,428	\$ 170,828	\$ (292,600)		\$ 106,670
Disbursements						
Personal services	\$ 424,172	\$ 424,172	\$ 164,777	\$ 259,395		\$ 25,803
Operating expenses	104,044	104,044	15,063	88,981		4,656
Supplies and materials	16,564	16,564	5,175	11,389		4,556
Total disbursements	\$ 544,780	\$ 544,780	\$ 185,015	\$ 359,765		\$ 35,015
Excess (deficiency) of receipts over (under) disbursements	\$ (81,352)	\$ (81,352)	\$ (14,187)	\$ 67,165		\$ 71,655
Fund balance, beginning of year			95,983			24,328
Fund balance, end of year			\$ 81,796			\$ 95,983

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR FUND - JUVENILE PROBATION FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011				2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)	
	Original	Final			
Receipts					
Intergovernmental	\$ 32,196	\$ 32,196	\$ 32,196	\$ -	\$ 32,196
Total receipts	\$ 32,196	\$ 32,196	\$ 32,196	\$ -	\$ 32,196
Disbursements					
Personal services	\$ 27,554	\$ 27,554	\$ 24,678	\$ 2,876	\$ 27,188
Operating expenses	9,027	9,027	5,848	3,179	8,363
Supplies and materials	1,220	1,220	574	646	590
Total disbursements	\$ 37,801	\$ 37,801	\$ 31,100	\$ 6,701	\$ 36,141
Excess (deficiency) of receipts over (under) disbursements	\$ (5,605)	\$ (5,605)	\$ 1,096	\$ 6,701	\$ (3,945)
Fund balance, beginning of year			5,605		9,550
Fund balance, end of year			\$ 6,701		\$ 5,605

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR FUND - DRUG COURT FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011				2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)	
	Original	Final			
Receipts					
Local fees, licenses, commissions and miscellaneous	\$ 900	\$ 900	\$ 55	\$ (845)	\$ 220
Total receipts	\$ 900	\$ 900	\$ 55	\$ (845)	\$ 220
Disbursements					
Operating expenses	\$ 9,406	\$ 9,406	\$ 4,393	\$ 5,013	\$ 1,133
Total disbursements	\$ 9,406	\$ 9,406	\$ 4,393	\$ 5,013	\$ 1,133
Excess (deficiency) of receipts over (under) disbursements	\$ (8,506)	\$ (8,506)	\$ (4,338)	\$ 4,168	\$ (913)
Fund balance, beginning of year			8,506		9,419
Fund balance, end of year			\$ 4,168		\$ 8,506

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR FUND - NOXIOUS WEED FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011					2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)		
	Original	Final				
Receipts						
Local fees, licenses, commissions and miscellaneous	\$ 170,000	\$ 170,000	\$ 132,817	\$ (37,183)		\$ 146,120
Total receipts	\$ 170,000	\$ 170,000	\$ 132,817	\$ (37,183)		\$ 146,120
Transfers in from other funds	78,215	78,215	78,215	-		65,705
Total receipts and transfers in	\$ 248,215	\$ 248,215	\$ 211,032	\$ (37,183)		\$ 211,825
Disbursements						
Personal services	\$ 123,547	\$ 123,547	\$ 121,273	\$ 2,274		\$ 121,763
Operating expenses	18,101	18,101	13,430	4,671		14,800
Supplies and materials	104,650	104,650	66,831	37,819		73,413
Capital outlay	7,000	7,000	6,500	500		1,109
Total disbursements	\$ 253,298	\$ 253,298	\$ 208,034	\$ 45,264		\$ 211,085
Excess (deficiency) of receipts and transfers in over (under) disbursements	\$ (5,083)	\$ (5,083)	\$ 2,998	\$ 8,081		\$ 740
Fund balance, beginning of year			20,082			19,342
Fund balance, end of year			\$ 23,080			\$ 20,082

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR FUND - FLOOD CONTROL FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011					2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)		
	Original	Final				
Receipts						
Property taxes	\$ 44,140	\$ 44,140	\$ 41,525	\$ (2,615)	\$ 49,235	
Intergovernmental	1,000	1,000	5,008	4,008	5,161	
Local fees, licenses, commissions and miscellaneous	15,000	15,000	18,130	3,130	23,645	
Total receipts	\$ 60,140	\$ 60,140	\$ 64,663	\$ 4,523	\$ 78,041	
Disbursements						
Operating expenses	\$ 104,301	\$ 104,301	\$ 44,300	\$ 60,001	\$ 34,939	
Total disbursements	\$ 104,301	\$ 104,301	\$ 44,300	\$ 60,001	\$ 34,939	
Transfers out to other funds	25,000	25,000	25,000	-	25,000	
Total disbursements and transfers out	\$ 129,301	\$ 129,301	\$ 69,300	\$ 60,001	\$ 59,939	
Excess (deficiency) of receipts over (under) disbursements and transfers out	\$ (69,161)	\$ (69,161)	\$ (4,637)	\$ 64,524	\$ 18,102	
Fund balance, beginning of year			79,161		61,059	
Fund balance, end of year			\$ 74,524		\$ 79,161	

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR FUND - HEALTH FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011					2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)		
	Original	Final				
Receipts						
Property taxes	\$ 180,724	\$ 180,724	\$ 164,886	\$ (15,838)	\$ 147,906	
Intergovernmental	193,565	193,565	181,119	(12,446)	224,101	
Local fees, licenses, commissions and miscellaneous	<u>2,720</u>	<u>2,720</u>	<u>3,597</u>	<u>877</u>	<u>3,698</u>	
Total receipts	\$ 377,009	\$ 377,009	\$ 349,602	\$ (27,407)	\$ 375,705	
Transfers in from other funds	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>	
Total receipts and transfers in	\$ <u>397,009</u>	\$ <u>397,009</u>	\$ <u>369,602</u>	\$ <u>(27,407)</u>	\$ <u>395,705</u>	
Disbursements						
Personal services	\$ 83,512	\$ 83,512	\$ 82,608	\$ 904	\$ 80,013	
Operating expenses	346,215	346,215	225,191	121,024	318,061	
Supplies and materials	2,950	2,950	2,063	887	2,852	
Capital outlay	<u>200</u>	<u>200</u>	<u>-</u>	<u>200</u>	<u>90</u>	
Total disbursements	\$ <u>432,877</u>	\$ <u>432,877</u>	\$ <u>309,862</u>	\$ <u>123,015</u>	\$ <u>401,016</u>	
Excess (deficiency) of receipts and transfers in over (under) disbursements	\$ <u><u>(35,868)</u></u>	\$ <u><u>(35,868)</u></u>	\$ 59,740	\$ <u><u>95,608</u></u>	\$ (5,311)	
Fund balance, beginning of year			<u>65,868</u>		<u>71,179</u>	
Fund balance, end of year			\$ <u><u>125,608</u></u>		\$ <u><u>65,868</u></u>	

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR FUND - RELIEF/MEDICAL FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011				2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)	
	Original	Final			
Receipts					
Property taxes	\$ 88,894	\$ 88,894	\$ 81,317	\$ (7,577)	\$ 77,708
Intergovernmental	3,226	3,226	10,681	7,455	10,020
Local fees, licenses, commissions and miscellaneous	800	800	3,600	2,800	600
Total receipts	<u>\$ 92,920</u>	<u>\$ 92,920</u>	<u>\$ 95,598</u>	<u>\$ 2,678</u>	<u>\$ 88,328</u>
Disbursements					
Personal services	\$ 78,294	\$ 78,294	\$ 77,552	\$ 742	\$ 74,077
Operating expenses	25,390	25,390	21,368	4,022	13,996
Supplies and materials	200	200	265	(65)	216
Capital outlay	100	100	-	100	90
Total disbursements	<u>\$ 103,984</u>	<u>\$ 103,984</u>	<u>\$ 99,185</u>	<u>\$ 4,799</u>	<u>\$ 88,379</u>
Excess (deficiency) of receipts over (under) disbursements	<u>\$ (11,064)</u>	<u>\$ (11,064)</u>	<u>\$ (3,587)</u>	<u>\$ 7,477</u>	<u>\$ (51)</u>
Fund balance, beginning of year			<u>21,064</u>		<u>21,115</u>
Fund balance, end of year			<u>\$ 17,477</u>		<u>\$ 21,064</u>

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR FUND - VETERANS AID FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011					2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)		
	Original	Final				
Receipts						
Property taxes	\$ 5,872	\$ 5,872	\$ 4,939	\$ (933)	\$ 3,625	
Intergovernmental	121	121	668	547	481	
Total receipts	\$ 5,993	\$ 5,993	\$ 5,607	\$ (386)	\$ 4,106	
Disbursements						
Operating expenses	\$ 6,500	\$ 6,500	\$ 4,041	\$ 2,459	\$ 5,673	
Total disbursements	\$ 6,500	\$ 6,500	\$ 4,041	\$ 2,459	\$ 5,673	
Excess (deficiency) of receipts over (under) disbursements	\$ (507)	\$ (507)	\$ 1,566	\$ 2,073	\$ (1,567)	
Fund balance, beginning of year			1,507		3,074	
Fund balance, end of year			\$ 3,073		\$ 1,507	

See accompanying independent auditors' report.



**SCOTT'S BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR FUND - INSTITUTIONS FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011				2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)	
	Original	Final			
Receipts					
Property taxes	\$ 15,902	\$ 15,902	\$ 16,932	\$ 1,030	\$ 16,993
Intergovernmental	2,300	2,300	2,388	88	2,777
Total receipts	\$ 18,202	\$ 18,202	\$ 19,320	\$ 1,118	\$ 19,770
Disbursements					
Operating expenses	\$ 17,500	\$ 17,500	\$ 12,984	\$ 4,516	\$ 15,965
Total disbursements	\$ 17,500	\$ 17,500	\$ 12,984	\$ 4,516	\$ 15,965
Excess (deficiency) of receipts over (under) disbursements	\$ 702	\$ 702	\$ 6,336	\$ 5,634	\$ 3,805
Fund balance, beginning of year			4,298		493
Fund balance, end of year			\$ 10,634		\$ 4,298

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR FUND - VISITORS PROMOTION FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011				2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)	
	Original	Final			
Receipts					
Other taxes	\$ 260,000	\$ 260,000	\$ 318,138	\$ 58,138	\$ 259,856
Intergovernmental	-	-	-	-	50,000
Local fees, licenses, commissions and miscellaneous	-	-	1,789	1,789	-
Total receipts	<u>\$ 260,000</u>	<u>\$ 260,000</u>	<u>\$ 319,927</u>	<u>\$ 59,927</u>	<u>\$ 309,856</u>
Disbursements					
Operating expenses	\$ 433,900	\$ 433,900	\$ 226,881	\$ 207,019	\$ 256,908
Total disbursements	<u>\$ 433,900</u>	<u>\$ 433,900</u>	<u>\$ 226,881</u>	<u>\$ 207,019</u>	<u>\$ 256,908</u>
Excess (deficiency) of receipts over (under) disbursements	<u>\$ (173,900)</u>	<u>\$ (173,900)</u>	\$ 93,046	<u>\$ 266,946</u>	\$ 52,948
Fund balance, beginning of year			<u>173,900</u>		<u>120,952</u>
Fund balance, end of year			<u>\$ 266,946</u>		<u>\$ 173,900</u>

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR FUND - INHERITANCE TAX FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011			Variance Favorable (Unfavorable)	2010 Actual
	Budget		Actual		
	Original	Final			
Receipts					
Other taxes	\$ 300,000	\$ 300,000	\$ 332,759	\$ 32,759	\$ 300,346
Investment earnings	3,000	3,000	1,985	(1,015)	8,776
Total receipts	\$ 303,000	\$ 303,000	\$ 334,744	\$ 31,744	\$ 309,122
Disbursements					
Operating expenses	\$ 22,327	\$ 22,327	\$ 249	\$ 22,078	\$ 525
Total disbursements	\$ 22,327	\$ 22,327	\$ 249	\$ 22,078	\$ 525
Transfers out to other funds	330,000	330,000	330,000	-	530,000
Total disbursements and transfers out	\$ 352,327	\$ 352,327	\$ 330,249	\$ 22,078	\$ 530,525
Excess (deficiency) of receipts over (under) disbursements and transfers out	\$ (49,327)	\$ (49,327)	\$ 4,495	\$ 53,822	\$ (221,403)
Fund balance, beginning of year			249,327		470,730
Fund balance, end of year			\$ 253,822		\$ 249,327

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR FUND - SCOTTSBLUFF DRAIN SINKING FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011				
	Budget		Actual	Variance Favorable (Unfavorable)	2010 Actual
	Original	Final			
Receipts					
Local fees, licenses, commissions and miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -
Total receipts	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in from other funds	-	-	25,000	25,000	25,000
Total receipts and transfers in	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000
Disbursements					
Operating expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total disbursements	\$ -	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of receipts and transfers in over (under) disbursements	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000
Fund balance, beginning of year			172,960		147,960
Fund balance, end of year			\$ 197,960		\$ 172,960

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR FUND - SURVEYOR SINKING FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011				2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)	
	Original	Final			
Receipts					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 12,000
Total receipts	\$ -	\$ -	\$ -	\$ -	\$ 12,000
Disbursements					
Operating expenses	\$ -	\$ -	\$ -	\$ -	\$ 4,988
Supplies and materials	-	-	-	-	144
Capital outlay	9,330	9,330	292	9,038	2,580
Total disbursements	\$ 9,330	\$ 9,330	\$ 292	\$ 9,038	\$ 7,712
Excess (deficiency) of receipts over (under) disbursements	\$ (9,330)	\$ (9,330)	\$ (292)	\$ 9,038	\$ 4,288
Fund balance, beginning of year			9,330		5,042
Fund balance, end of year			\$ 9,038		\$ 9,330

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR FUND - BARRIER ELIMINATION FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011				2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)	
	Original	Final			
Receipts					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 2
Total receipts	\$ -	\$ -	\$ -	\$ -	\$ 2
Disbursements					
Capital outlay	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -
Total disbursements	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -
Excess (deficiency) of receipts over (under) disbursements	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ -	\$ 2
Fund balance, beginning of year			12,948		12,946
Fund balance, end of year			\$ 2,948		\$ 12,948

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR FUND - SPECIAL PROJECTS FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011					2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)		
	Original	Final				
Receipts						
Intergovernmental	\$ 92,373	\$ 92,373	\$ 38,819	\$ (53,554)	\$ 48,159	
Local fees, licenses, commissions and miscellaneous	-	-	11,660	11,660	2,599	
Total receipts	\$ 92,373	\$ 92,373	\$ 50,479	\$ (41,894)	\$ 50,758	
Disbursements						
Personal services	\$ 88,859	\$ 88,859	\$ 31,356	\$ 57,503	\$ 28,804	
Operating expenses	-	-	294	(294)	254	
Supplies and materials	25,236	25,236	12,144	13,092	22,352	
Capital outlay	-	-	-	-	605	
Total disbursements	\$ 114,095	\$ 114,095	\$ 43,794	\$ 70,301	\$ 52,015	
Total disbursements	\$ 114,095	\$ 114,095	\$ 43,794	\$ 70,301	\$ 52,015	
Excess (deficiency) of receipts over (under) disbursements	\$ (21,722)	\$ (21,722)	\$ 6,685	\$ 28,407	\$ (1,257)	
Fund balance, beginning of year			21,722		22,979	
Fund balance, end of year			\$ 28,407		\$ 21,722	

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR FUND - HOMELAND SECURITY FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011					2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)		
	Original	Final				
Receipts						
Intergovernmental	\$ 474,556	\$ 699,556	\$ 510,957	\$ (188,599)	\$ 356,021	
Local fees, licenses, commissions and miscellaneous	-	-	1,057	1,057	-	
Total receipts	\$ 474,556	\$ 699,556	\$ 512,014	\$ (187,542)	\$ 356,021	
Disbursements						
Operating expenses	\$ 68,778	\$ 93,778	\$ 2,878	\$ 90,900	\$ 1,790	
Capital outlay	411,374	611,374	500,274	111,100	258,120	
Total disbursements	\$ 480,152	\$ 705,152	\$ 503,152	\$ 202,000	\$ 259,910	
Transfers out to other funds	-	-	-	-	96,111	
Total disbursements and transfers out	\$ 480,152	\$ 705,152	\$ 503,152	\$ 202,000	\$ 356,021	
Excess (deficiency) of receipts and transfers in over (under) disbursements and transfers outs	\$ (5,596)	\$ (5,596)	\$ 8,862	\$ 14,458	\$ -	
Fund balance, beginning of year			5,596		5,596	
Fund balance, end of year			\$ 14,458		\$ 5,596	

See accompanying independent auditors' report.



**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR FUND - E-911 FUND**

**For the Year Ended June 30, 2011**  
**With Comparative Figures for the Year Ended June 30, 2010**

	2011				2010 Actual
	Budget		Actual	Variance Favorable (Unfavorable)	
	Original	Final			
Receipts					
Intergovernmental	\$ 350,000	\$ 350,000	\$ -	\$ (350,000)	\$ -
Local fees, licenses, commissions and miscellaneous	<u>-</u>	<u>-</u>	<u>49,170</u>	<u>49,170</u>	<u>-</u>
Total receipts	<u>\$ 350,000</u>	<u>\$ 350,000</u>	<u>\$ 49,170</u>	<u>\$ (300,830)</u>	<u>\$ -</u>
Disbursements					
Capital outlay	<u>\$ 350,000</u>	<u>\$ 350,000</u>	<u>\$ -</u>	<u>\$ 350,000</u>	<u>\$ -</u>
Total disbursements	<u>\$ 350,000</u>	<u>\$ 350,000</u>	<u>\$ -</u>	<u>\$ 350,000</u>	<u>\$ -</u>
Excess (deficiency) of receipts over (under) disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,170</u>	<u>\$ 49,170</u>	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>		<u>-</u>
Fund balance, end of year			<u>\$ 49,170</u>		<u>\$ -</u>

See accompanying independent auditors' report.

SCOTTS BLUFF COUNTY  
Gering, Nebraska

SINGLE AUDIT REPORTS AND SCHEDULES



**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 Board of Commissioners  
Scotts Bluff County  
Gering, Nebraska

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Scotts Bluff County, Nebraska (the "County") as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 17, 2012. Our report disclosed that, as described in Note 1 to the financial statements, the County prepares its financial statements of the governmental, business-type and fiduciary funds on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

*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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as items 2011-1

To the Board of Commissioners  
Scotts Bluff County  
Gering, Nebraska  
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Internal Control Over Financial Reporting (Continued)

and 2011-2 that we consider to be significant deficiencies in internal control over financial reporting. 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.

Compliance and Other Matters

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

We also noted certain other matters that we reported to management of Scotts Bluff County in a separate letter dated January 17, 2012.

The County's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Commissioners of Scotts Bluff County, Nebraska, others within the County and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

FRED A. LOCKWOOD & Co. P.C.

Scottsbluff, Nebraska  
January 17, 2012



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Commissioners  
Scotts Bluff County  
Gering, Nebraska

Compliance

We have audited the compliance of Scotts Bluff County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 the County'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. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, Scotts Bluff County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2011.

To the Board of Commissioners  
Scotts Bluff County  
Gering, Nebraska  
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Internal Control Over Compliance

The management of Scotts Bluff County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 the County'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, non-compliance 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 non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1, 2011-2 and 2011-2. 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.

The County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Commissioners of Scotts Bluff County, Nebraska, others within the County and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

FRED A. LOCKWOOD & Co. P.C.

Scottsbluff, Nebraska  
January 17, 2012

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended June 30, 2011**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>United States Department of Health and Human Services</u>			
Passed through Nebraska Department of Health and Human Services:			
Maternal and Child Health Services Block Grant to the States Centers for Disease Control and Prevention Investigation and Technical Assistance	93.994	47-6006506	\$ 32,905
Public Health Emergency Preparedness	93.283	3U50C1723775-0582	7,460
Nebraska Colon Cancer Program	93.069	5U90TP716975-09	73,220
Pool Cool Mini-Grant	NA	NA	3,304
Child Support Enforcement	NA	NA	410
Child Support Enforcement	93.563	04NE4004	290,103
Passed through Panhandle Public Health District			
Preventive Health and Health Services Block Grant	93.991	2B01DP009036-09	13,000
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	NA	65,924
Total United States Department of Health and Human Services			\$ 486,326
<u>United States Department of Transportation</u>			
Passed through Nebraska Department of Roads:			
Formula Grants for Other Than Urbanized Areas	20.509	RPT-C791(211)	\$ 128,805
Highway Planning and Construction	20.205	NA	12,062
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	NA	19,448
Total United States Department of Transportation			\$ 160,315
<u>United States Department of Justice</u>			
Passed through Nebraska Crime Commission:			
Juvenile Accountability Incentive Block Grants	16.523	10-CA-527	\$ 31,100
Crime Victim Assistance	16.575	10-VA-202	28,714
Byrne Discretionary Program	16.738	10-DA-0304	185,014
Passed through Nebraska Department of Justice			
Bulletproof Vest Partnership Program	16.607	OMB #1121-0235	1,100
Total United States Department of Justice			\$ 245,928
<u>United States Department of Homeland Security</u>			
Passed through Nebraska Emergency Management Agency:			
Homeland Security Grant Program	97.067	2009-SHSP	\$ 502,339
Total United States Department of Homeland Security			\$ 502,339
<u>United States Department of Energy</u>			
Energy Efficiency and Conservation Block Grant	81.128 ARRA	09RW000306	\$ 10,652
Total Expenditures of Federal Awards			\$ 1,405,560

See accompanying independent auditors' report  
and notes to the schedule of expenditures of federal awards.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended June 30, 2011**

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Scotts Bluff County, Nebraska and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 2 - SUB-RECIPIENTS

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County provided federal awards to a sub-recipient as follows:

Program/Federal CFDA #/Amount Provided

Homeland Security Grant Program	97.067	\$502,339
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See accompanying independent auditors' report.



**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2011**

**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes  X  no

Significant deficiencies identified that are not considered to be material weaknesses?  X  yes \_\_\_\_\_ none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes  X  no

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes  X  no

Significant deficiencies identified that are not considered to be material weaknesses?  X  yes \_\_\_\_\_ none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?  X  yes \_\_\_\_\_ no

Identification of major programs:

CFDA Number	Name of Federal Program
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between type A and type B programs: \$  300,000

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**For the Year Ended June 30, 2011**

**Section II - Financial Statement Findings**

**Current Year Findings**

**2011-1 FINDING: Segregation of Accounting Functions:**

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

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

**Effect of the Condition** - This lack of segregation of duties results in an inadequate overall internal control structure design.

**Cause of the Condition** - The County does not employ sufficient office personnel to properly segregate 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.

**Auditee Response** - The County has assessed the benefits and costs associated with the proper segregation of duties for all County departments and offices and has determined the costs 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 by various department officials to ensure transactions are recorded, and potential errors and irregularities are identified on a timely basis.

**2011-2 FINDING: Preparation of Financial Statements:**

**Condition** - The County does not have an internal control system designed to provide for the preparation of the financial statements being audited. As auditors, we were requested to draft the financial statements and accompanying notes. This situation is not unusual in an organization the size of Scotts Bluff County.

**Criteria** - Government auditing standards indicate that the inability to produce financial statements is an internal control deficiency.

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**For the Year Ended June 30, 2011**

**Section II - Financial Statement Findings (Continued)**

**Current Year Findings (Continued)**

**2011-2 FINDING: Preparation of Financial Statements (Continued):**

**Effect of the Condition** - The auditor is requested to prepare the financial statements.

**Cause of the Condition** - The County does not find it cost effective to incur the cost to provide for the preparation of the financial statements.

**Recommendation** - The County should provide appropriate oversight of the preparation of the financial statements prepared by the auditor.

**Management Response** - Management accepts this risk because of the cost of implementing an internal control system which would provide for the preparation of the financial statements being audited.

**Prior Year Findings**

**2010-1 FINDING: Segregation of Accounting Functions:**

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

**Current Status** - This finding is repeated in the current year as finding 2011-1.

**2010-2 FINDING: Preparation of Financial Statements:**

**Condition** - The County does not have an internal control system designed to provide for the preparation of the financial statements being audited. As auditors, we were requested to draft the financial statements and accompanying notes. This situation is not unusual in an organization the size of Scotts Bluff County. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

**Current Status** - This finding is repeated in the current year as finding 2011-2.

See accompanying independent auditors' report.

**SCOTTS BLUFF COUNTY**  
**Gering, Nebraska**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**For the Year Ended June 30, 2011**

**Section III - Federal Award Findings and Questioned Costs**

**Current Year Findings and Questioned Costs**

See current year finding 2011-1 in Section II.

See current year finding 2011-2 in Section II

**2011-3 FINDING: SEFA preparation:**

**Condition** - The County prepared a Schedule of Expenditures of Federal Awards (SEFA) which listed the federal programs the County participated in, however, material modifications were required to adjust the expenditures reported on the SEFA prepared by the County.

**Criteria** - The County is required to track Federal awards in sufficient detail to identify the Federal awards and the funds expended under each program.

**Effect of the Condition** - The auditor made material changes to the SEFA.

**Cause of the Condition** - The County relies on the various County offices to report the program activity. Many of the Federal programs have fiscal year ends that differ from the County's fiscal year. This results in confusion as to what figures to report for the SEFA preparation.

**Recommendation** - The County should provide detailed instructions to the various County offices regarding how to accumulate the information needed for the preparation of the SEFA.

**Prior Year Findings and Questioned Costs**

See prior year finding 2010-1 in Section II.

See accompanying independent auditors' report.