

AUDIT REPORT
OF
SCOTTS BLUFF COUNTY, NEBRASKA

JUNE 30, 2015



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

AUDIT REPORT
OF
SCOTTS BLUFF COUNTY, NEBRASKA
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**DANA F. COLE
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of Scotts Bluff County, Nebraska, as of June 30, 2015, and the respective changes in financial position - cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Scotts Bluff County, Nebraska's basic financial statements. The supplementary information on pages 34 - 52 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards on pages 31 - 33 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2016, on our consideration of Scotts Bluff County, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of

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

Dana J Cole + Company, LLP

Scottsbluff, Nebraska
January 5, 2016

SCOTTS BLUFF COUNTY, NEBRASKA
STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2015

	Governmental Activities
ASSETS	
Cash and cash equivalents	<u>13,411,855</u>
NET POSITION	
Restricted	3,530,498
Unrestricted	<u>9,881,357</u>
TOTAL NET POSITION	<u>13,411,855</u>

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2015

		Program Revenues			Net (Disbursements) Receipts and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Governmental activities					
General government	7,851,367	1,092,541	92,406		(6,666,420)
Public safety	8,372,526	3,093,857	195,052	300,067	(4,783,550)
Public works	3,298,211	408,409	2,719,967		(169,835)
Public health and welfare	1,007,131	130,161	609,037		(267,933)
Culture and recreation	526,148	488,228			(37,920)
Capital outlay	1,767,153			13,600	(1,753,553)
Debt service					
Principal	732,952				(732,952)
Interest	322,304				(322,304)
Issue costs	48,021				(48,021)
Total governmental activities	<u>23,925,813</u>	<u>5,213,196</u>	<u>3,616,462</u>	<u>313,667</u>	<u>(14,782,488)</u>
GENERAL RECEIPTS					
Property taxes					9,841,436
Motor vehicle taxes					1,333,128
Other taxes					1,625,300
Intergovernmental revenues					1,218,052
Miscellaneous local					1,497,675
Investment earnings					73,244
Proceeds from debt issuance					2,000,000
Total general revenues					<u>17,588,835</u>
CHANGE IN NET POSITION					2,806,347
NET POSITION, beginning of year					<u>10,605,508</u>
NET POSITION, end of year					<u>13,411,855</u>

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA
 STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
 GOVERNMENTAL FUNDS
 JUNE 30, 2015

	Major Funds							
	General Fund	Road and Bridge Fund	Self- Insured Medical Insurance Fund	Detention Fund	Road and Bridge Construction Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	<u>3,129,894</u>	<u>545,190</u>	<u>402,321</u>	<u>1,630,725</u>	<u>1,953,729</u>	<u>1,359,981</u>	<u>4,390,015</u>	<u>13,411,855</u>
FUND BALANCES								
Restricted		545,190					2,985,308	3,530,498
Committed			402,321	1,630,725	1,953,729	1,359,981	1,391,918	6,738,674
Unassigned	<u>3,129,894</u>						<u>12,789</u>	<u>3,142,683</u>
TOTAL FUND BALANCES	<u>3,129,894</u>	<u>545,190</u>	<u>402,321</u>	<u>1,630,725</u>	<u>1,953,729</u>	<u>1,359,981</u>	<u>4,390,015</u>	<u>13,411,855</u>

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Major Funds							Total Governmental Funds
	General Fund	Road and Bridge Fund	Self- Insured Medical Insurance Fund	Road and Bridge Construction Fund	Detention Fund	Capital Improvement Fund	Other Nonmajor Governmental Funds	
RECEIPTS								
Property taxes	5,583,743		191,779		2,273,995	62	1,791,857	9,841,436
Motor vehicle taxes	1,137,047	196,081						1,333,128
Other taxes	350						1,624,950	1,625,300
Intergovernmental	1,285,902	2,416,949	20,453		268,674	92,406	1,063,797	5,148,181
Local fees, licenses, commissions, and miscellaneous	1,844,136	164,753	1,112,770		2,714,662		874,550	6,710,871
Investment earnings	60,323						12,921	73,244
Total receipts	<u>9,911,501</u>	<u>2,777,783</u>	<u>1,325,002</u>		<u>5,257,331</u>	<u>92,468</u>	<u>5,368,075</u>	<u>24,732,160</u>
DISBURSEMENTS								
General government	4,485,129		3,287,278				78,960	7,851,367
Public safety	2,936,046				4,414,300		1,022,180	8,372,526
Public works	180,136	2,759,913				261	357,901	3,298,211
Public health and welfare	642,436						364,695	1,007,131
Public culture and recreation							526,148	526,148
Capital outlay	366,676	719,839			163,922		516,716	1,767,153
Debt service								
Principal	8,070	54,882					670,000	732,952
Interest	14,130	1,556					306,618	322,304
Issue costs				24,871			1,750	26,621
Total disbursements	<u>8,632,623</u>	<u>3,536,190</u>	<u>3,287,278</u>	<u>24,871</u>	<u>4,578,222</u>	<u>261</u>	<u>3,844,968</u>	<u>23,904,413</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>1,278,878</u>	<u>(758,407)</u>	<u>(1,962,276)</u>	<u>(24,871)</u>	<u>679,109</u>	<u>92,207</u>	<u>1,523,107</u>	<u>827,747</u>
OTHER FINANCING SOURCES (USES)								
Proceeds from debt issuance				2,000,000				2,000,000
Bond issue discount				(21,400)				(21,400)
Operating transfers in	215,000	792,888	1,434,773			500,000	436,495	3,379,156
Operating transfers out	(1,618,168)	(186,887)			(443,897)		(1,130,204)	(3,379,156)
Total other financing sources (uses)	<u>(1,403,168)</u>	<u>606,001</u>	<u>1,434,773</u>	<u>1,978,600</u>	<u>(443,897)</u>	<u>500,000</u>	<u>(693,709)</u>	<u>1,978,600</u>
NET CHANGE IN FUND BALANCES	(124,290)	(152,406)	(527,503)	1,953,729	235,212	592,207	829,398	2,806,347
FUND BALANCES, beginning of year	<u>3,254,184</u>	<u>697,596</u>	<u>929,824</u>		<u>1,395,513</u>	<u>767,774</u>	<u>3,560,617</u>	<u>10,605,508</u>
FUND BALANCES, end of year	<u>3,129,894</u>	<u>545,190</u>	<u>402,321</u>	<u>1,953,729</u>	<u>1,630,725</u>	<u>1,359,981</u>	<u>4,390,015</u>	<u>13,411,855</u>

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA
STATEMENT OF NET POSITION - CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

ASSETS	
Cash and cash equivalents	<u>2,269,618</u>
LIABILITIES	
Held for other governments	
Road Improvement Districts	1,606
State	575,953
Schools	715,875
Educational Service Units	6,936
Community/Technical Colleges	41,949
Natural Resource Districts	24,967
Cemeteries	28,412
Fire Districts	6,544
Sanitary Improvement Districts	110,474
Drainage Districts	5,587
Irrigation Districts	15,119
Municipalities	116,114
Redevelopment Districts	1,440
Agricultural Society	3,811
Other governments	93,580
Held by county offices	
County Clerk	28,835
Register of Deeds	47,561
Clerk of the District Court	172,654
County Sheriff	34,795
County Attorney	4,461
County Corrections	143,517
Veterans Service Office	36,570
Handi-Bus	6,946
Handy Man	<u>45,912</u>
TOTAL LIABILITIES	<u>2,269,618</u>
NET POSITION	<u><u>- 0 -</u></u>

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. THE REPORTING ENTITY

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

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

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

B. BASIS OF PRESENTATION

Government-Wide Financial Statements

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

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

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

The government utilizes the following fund types:

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

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

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

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

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

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements (Continued)

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

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

The County reports the following major governmental funds:

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

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

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

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

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

Road and Bridge Construction Fund - This fund is a capital project fund used to account for receipts and disbursements for the acquisition and construction of major capital road and bridge infrastructure.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

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

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

Basis of Accounting

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

D. REVENUES

Program Revenues

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

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

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. REVENUES (Continued)

Program Revenues (Continued)

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

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

E. ASSETS, LIABILITIES, AND NET POSITION

1. Deposits and Investments

The County's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The County had no cash equivalents at June 30, 2015.

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

2. Capital Assets

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

3. Compensated Absences

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

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Equity Classification

Government-Wide Statements

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

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

Unrestricted net position does not meet the definition of restricted.

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

Fund Balance Classification

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

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

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

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

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Equity Classification (Continued)

Fund Financial Statements (Continued)

Fund Balance Classification (Continued)

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

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

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

F. REVENUE RECOGNITION - PROPERTY TAXES

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

G. INTERFUND AND INTERDEPARTMENT TRANSACTIONS AND ACTIVITY

Transactions

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

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

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. INTERFUND AND INTERDEPARTMENT TRANSACTIONS AND ACTIVITY (Continued)

Transactions (Continued)

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

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

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

Activity

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

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

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

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

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

H. USE OF ESTIMATES

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

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS

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

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

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

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

NPAIT's short-term investment portfolio consists of cash and short-term investments valued at amortized cost, which is determined to approximate fair value due to the short-term nature of the instruments. NPAIT maintains a net asset value of \$1.00 per unit. Funds deposited with NPAIT at June 30, 2015, were \$66,628.

Cash and Investment Balances

The ending balances consist of checking and money market account deposits and investments in certificates of deposit as follows:

	Financial Institution Balance	Financial Statement Carrying Amount
Cash on hand		468,187
Pooled cash	10,951,241	10,692,035
Unpooled trust accounts	561,893	521,251
Pooled certificates of deposit	4,000,000	4,000,000
Total	15,513,134	15,681,473

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

Cash and Investment Balances (Continued)

	Financial Institution Balance	Financial Statement Carrying Amount
Analysis of cash reporting by activity		
Governmental activities		13,411,855
Fiduciary activities		<u>2,269,618</u>
Total		<u><u>15,681,473</u></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, 2015, the County's balances with financial institutions were \$15,513,134, of which \$1,283,380 was exposed to custodial credit risk as follows:

	Financial Institution Balance
Insured by FDIC Insurance	6,055,905
Insured by surety bonds or irrevocable letters of credit	5,000,000
Collateralized by pledged securities held by financial institution in County's name	3,173,849
Uninsured and Uncollateralized	<u>1,283,380</u>
Total	<u><u>15,513,134</u></u>

NOTE 3. RETIREMENT PLAN

Plan Description

Scotts Bluff County, Nebraska contributes to the Nebraska School Employees Retirement System, a cost-sharing multiple-employer defined benefit pension plan administered by the Nebraska Public Employees Retirement System (NPERS). NPERS provides retirement and disability benefits to plan members and beneficiaries. The County Employees Retirement Act establishes benefit provisions.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 3. RETIREMENT PLAN (Continued)

Plan Description (Continued)

The Nebraska Public Employees Retirement Board (NPERS) was created in 1971 to administer the Nebraska retirement plans. In 1973, the State Legislature brought the County Employees Retirement Plan under the administration of NPERS. During the NPERS plan year ended December 31, 2014, there were 109 participating county employer entities. These were the employers that made contributions during the calendar year. All regular county employees in Nebraska are members of the plan.

A member is eligible for retirement after attaining age 55. Upon attainment of age 55, regardless of service, the retirement allowance shall be equal to the accumulated employee and employer cash balance accounts including interest credits, annuitized for payment in the normal form. Also available are additional forms of payment allowed under the plan which are actuarially equivalent to the normal form including the option of a full lump sum or partial lump sum.

The normal form of payment under the Cash Balance Benefit Fund is a single life annuity with five-year certain, payable monthly. Members have the option to convert their member cash balance account to a monthly annuity with built in cost-of-living adjustments of 2.5% annually. This monthly benefit and all other options allowed under the plan will be of actuarial equivalence to the accumulated employee and employer cash balance accounts including interest credits.

Optional forms of payment include a lump sum and the following annuities (with or without a 2.5% COLA): life annuity, modified cash refund, certain and life annuity (5, 10, or 15 years), certain only annuity (5, 10, 15, or 20 years) and joint and survivor annuity (50%, 75%, or 100%).

For the County's year ended June 30, 2015, the County's total payroll for all employees was \$9,360,846. Total covered payroll was \$9,065,634. Covered payroll refers to all compensation paid by the County to active employees covered by the Plan.

Contributions

The County's contribution is based on 150% of the members' contributions to the fund. The County contribution shall be credited to the employer cash balance account. The participating counties will also match the additional contribution made by commissioned law enforcement personnel at a rate of 100%. The County's contribution to the Plan for its year ended June 30, 2015, was \$620,334.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 3. RETIREMENT PLAN (Continued)

Pension Liabilities

At June 30, 2015, the County had a liability (asset) of \$(1,181,776) for its proportionate share of the net pension liability. (This liability is not recorded in the accompanying modified cash basis financial statements.) The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The NPERS County Plan was 105.4% funded (actuarial accrued liability less actuarial assets) as of December 31, 2014. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2014, the County's proportion was 3.378798 percent, which was a decrease of 0.053800 percent from its proportion measured as of December 31, 2013.

For the year ended December 31, 2014, the County's allocated pension expense was \$259,907.

Actuarial Assumptions

The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price Inflation	3.25 percent
Wage Inflation	4 percent
Salary increases, including wage inflation	4.3 - 8.5 percent
Long-term Rate of Return, net of investment expense, including price inflation	7.75 percent
Municipal Bond index rate	3.7 percent
Year FNP is Projected to be Depleted	N/A
Single Equivalent Int. Rate, net of investment expense, including price inflation	7.75 percent
Interest crediting rate, including dividends	6.75 percent

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 3. RETIREMENT PLAN (Continued)

Actuarial Assumptions (Continued)

The County Plan's pre-retirement mortality rates were based on the 1994 Group Annuity Mortality Table, projected to 2015 using scale AA, set back one year (sex distinct with 55 percent of male rates for males and 40 percent of female rates for females).

The County Plan's post-retirement rates were based on the 1994 Group Annuity Mortality Table, projected to 2015 using Scale AA, set back one year (sex distinct).

The actuarial assumptions used in the December 31, 2014, valuations for the County Plan are based on the results of the most recent actuarial experience study, which covered the five-year period ending June 30, 2011. The experience study report is dated August 20, 2012.

The long-term expected real rate of return on pension plan investments was based upon the expected long-term investment returns provided by a consultant of the Nebraska Investment Council, who is responsible for investing the pension plan assets. The return assumptions were developed using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014, (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Large Cap US Equity	26.10%	4.4%
Small Cap US Equity	2.90%	4.9%
Global Equity	15.00%	5.0%
International Developed Equity	11.14%	5.0%
Emerging Markets Equity	2.36%	6.2%
Fixed Income	25.00%	1.7%
Bank Loans	5.00%	2.0%
Real Estate	7.50%	4.7%
Private Equity	5.00%	6.5%
Total	100.00%	

*Geometric mean, net of investment expenses.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. RETIREMENT PLAN (Continued)

Discount Rate

The discount rate used to measure the Total Pension Liability at both December 31, 2013, and December 31, 2014, was 7.75 percent. The discount rate is reviewed as part of the actuarial experience study, which was last performed for the period July 1, 2006, through June 30, 2011. The actuarial experience study is reviewed by the NPERS Board, which must vote to change the discount rate.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and contributions from employers and nonemployers will be made at the contractually required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability. The projected future benefit payments for all current plan members were projected through 2113.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	Discount Rate	County's Proportionate Share of Net Pension Liability (Asset)
1% decrease	6.75%	\$(121,369)
Current discount rate	7.75%	\$(1,181,776)
1% increase	8.75%	\$(2,094,627)

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Nebraska Public Employees Retirement Systems Plan financial report. NPERS issues a publicly available financial report that includes financial statements and required supplementary information for NPERS. That report may be obtained by writing the NPERS, P.O. Box 94816, Lincoln, NE 68509-4816, by calling 1-800-245-5712 or via the internet at http://www.auditors.nebraska.gov/APA_Reports/2015/SA185-03112015-July_1_2013_through_June_30_2014_Audit_Report.pdf.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 77 counties throughout Nebraska. NIRMA was created as a result of the Intergovernmental Risk Management Act authorized by State Statute Section 44-4301, R.R.S. 1943 which resulted in two programs being established, NIRMA and NIRMA II. The County has the option of participating in one or both of the programs. Scotts Bluff County, Nebraska, participates in both of the programs.

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

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

If the Pool becomes insolvent or is otherwise unable to discharge its legal liabilities and other obligations, the County may be assessed by the Board for an additional contribution equal to its contribution for the current fiscal year divided by the contribution of all participants for such year, times the amount of such deficiency. Each such assessment, and the manner of calculating the same, shall be to each county in writing, and each county shall thereafter have sixty (60) days in which to pay the amount of such assessment. Each County shall remain liable for such assessments, regardless of such County's withdrawal from participation or the termination of the agreement, and for liabilities of the Pool incurred during such County's period of membership, as provided by State Statute Section 44-4312, R.R.S. 1943.

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

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

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. RISK MANAGEMENT (Continued)

The County has not paid any additional assessments to the Pool in the last three fiscal years, and no assessments are anticipated for fiscal year 2015. The County has not had to pay out any amounts that exceeded coverages provided by the Pool in the last three fiscal years.

NOTE 5. LONG-TERM DEBT

Capital leases payable at June 30, 2015, consisted of the following:

The County Roads Department is the lessee of a John Deere motor grader under a capital lease agreement maturing in July 2015. Annual installments of \$56,438 are due including interest at 3.25%, and the lease agreement is secured by the motor grader. This lease was completed during the year ended June 30, 2015.

- 0 -

Notes payable at June 30, 2015, 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.

281,040

Bonds payable at June 30, 2015, consisted of the following:

General Obligation Bonds, dated July 14, 2011, interest rates ranging from 0.4% - 4.35%, annual principal payments due each January 15 starting in 2012, and semiannual interest payments due July 15 and January 15, final payment is due January 15, 2031. Bond issuance costs of \$82,760 were incurred.

4,865,000

General Obligation Bonds, dated March 5, 2012, interest rates ranging from 0.5% - 3%, annual principal payments due each January 15 starting in 2013, and semiannual interest payments due July 15 and January 15, final payment is due January 15, 2031. Bond issuance costs of \$80,699 were incurred.

4,710,000

General Obligation Bonds, dated March 14, 2013, interest rates ranging from 0.45% - 2.50%, annual principal payments due each January 15 starting in 2014, and semiannual interest payments due July 15 and January 15, final payment is due January 15, 2022. Bond issuance costs of \$31,303 were incurred.

1,315,000

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT (Continued)

Highway Allocation Pledge Bonds, dated April 7, 2015, interest rates ranging from 0.35% - 3.125%, annual principal payments due each November 15 starting in 2015, and semiannual interest payments due November 15 and May 15, final payment is due November 15, 2034. Bond issuance costs, including issuance discount, of \$46,271 were incurred.	<u>2,000,000</u>
Total bonds payable	<u>12,890,000</u>
Total long-term debt	<u>13,171,040</u>

A schedule of changes in long-term debt, including capital leases, for the year ended June 30, 2015, is as follows:

	Beginning Balance	Additions	Payments	Ending Balance
Capital leases	54,882		(54,882)	
Notes payable	289,110		(8,070)	281,040
Bonds payable	<u>11,560,000</u>	<u>2,000,000</u>	<u>(670,000)</u>	<u>12,890,000</u>
Total	<u>11,903,992</u>	<u>2,000,000</u>	<u>(732,952)</u>	<u>13,171,040</u>

The annual debt service requirements for the next five years and for each five-year period thereafter as of June 30, 2015, are as follows:

Year Ending	Notes Payable		Bonds Payable		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	8,479	13,721	790,000	347,287	798,479	361,008
2017	8,909	13,291	775,000	338,078	783,909	351,369
2018	9,360	12,840	780,000	328,172	789,360	341,012
2019	9,834	12,366	795,000	315,793	804,834	328,159
2020	10,332	11,868	815,000	299,488	825,332	311,356
2021 - 2025	60,056	50,944	3,735,000	1,143,432	3,795,056	1,194,376
2026 - 2030	76,883	34,117	3,865,000	640,484	3,941,883	674,601
2031 - 2035	97,187	12,578	1,335,000	74,143	1,432,187	86,721
Total	<u>281,040</u>	<u>161,725</u>	<u>12,890,000</u>	<u>3,486,877</u>	<u>13,171,040</u>	<u>3,648,602</u>

The County's interest expense and debt issue costs for the year ended June 30, 2015, are as follows:

	Interest Expense	Debt Issue Costs	Total
Governmental activities	<u>322,304</u>	<u>48,021</u>	<u>370,325</u>

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LEASES

Lessor Agreements

The County is the lessor of airport hangars and office space under operating leases expiring in various years through 2022. Lease payments received for the year ended June 30, 2015, were \$212,441.

Lessee Agreements

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

Minimum future rental payments under noncancellable operating leases having remaining terms in excess of one year as of June 30, 2015, are as follows:

Year Ending June 30,	Amount
2016	23,100
2017	16,525
2018	9,650
2019	9,000
2020	9,000
Thereafter	<u>45,000</u>
	<u>112,275</u>

NOTE 7. BUDGET COMPLIANCE

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

	Budget	Actual	Variance Favorable (Unfavorable)
General Fund	11,425,808	10,250,791	1,175,017
Road and Bridge Fund	4,041,384	3,723,077	318,307
Self-Insured Medical Insurance Fund	3,155,929	3,287,278	(131,349)
Detention Fund	5,135,840	5,022,119	113,721
Road and Bridge Construction Fund	1,964,685	46,271	1,918,414
Capital Improvement Fund	1,362,774	261	1,362,513
Nonmajor Funds	<u>12,416,270</u>	<u>4,975,172</u>	<u>7,441,098</u>
	<u>39,502,690</u>	<u>27,304,969</u>	<u>12,197,721</u>

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. COMMITMENTS AND CONTINGENCIES

Self-Insurance

The County operates a self-insured medical insurance plan for dental and health insurance for its employees. The County has contracted with a third-party administrator to provide claims processing services. In addition, the County has purchased a stop-loss policy covering all claims in excess of \$40,000 per year, per claim. The County retains risk of loss for all claims up to the stop-loss amount. As of June 30, 2015, cumulative contributions and revenues in excess of claims and expenses were \$402,321, which the County has designated for payment of future claims.

General

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

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

NOTE 9. INTERFUND TRANSFERS AND LOANS

Transfers

The detail of interfund transfers for the year ended June 30, 2015, is as follows:

	Transfer In	Transfer Out	Net Transfers In (Out)
General Fund	215,000	1,618,168	(1,403,168)
Road and Bridge Fund	792,888	186,887	606,001
Self-Insured Medical Insurance Fund	1,434,773		1,434,773
Detention Fund		443,897	(443,897)
Road and Bridge Construction Fund			
Capital Improvement Fund	500,000		500,000
Nonmajor Funds	436,495	1,130,204	(693,709)
	<u>3,379,156</u>	<u>3,379,156</u>	<u> </u>

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. INTERFUND TRANSFERS AND LOANS (Continued)

Transfers (Continued)

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

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

General Fund	
County Board	25,570
County Clerk	28,264
County Treasurer	75,540
Register of Deeds	10,679
County Assessor	28,884
Building and Zoning	7,077
Information Systems	23,333
Personnel Department	16,256
Clerk of the District Court	32,143
District Judge	73
Public Defender	45,408
Building and Grounds	37,542
Extension Agent	7,149
County Sheriff	182,154
County Attorney	84,341
Child Support Enforcement	25,124
County Surveyor	202
Veterans Service	13,613
Handy Bus	20,904
Handyman	4,634
GIS Mapping	16,270
Administration	1,706
Total General Fund	<u>686,866</u>
Road and Bridge Fund	186,887
Detention Center Fund	443,162
Nonmajor funds	<u>117,025</u>
Total Transfers to the Self-Funded	
Medical Insurance Fund	<u><u>1,433,940</u></u>

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. INTERFUND TRANSFERS AND LOANS (Continued)

Loans

The County on occasion makes short-term interfund loans from a county fund to another county fund to assist in temporary cash shortfalls. These loans are unsecured and do not bear interest and will be repaid as cash becomes available at the discretion of the County Board. Interfund loans have been reported in the financial statements as transfers to and from respective funds. Amounts due to and from funds as of June 30, 2015, were \$- 0 -.

NOTE 10. RESTRICTED FUND BALANCES

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

Fund	Restriction	Restricted Balance
Road and Bridge Fund	Road and bridge maintenance, improvements, and construction	545,190
Highway Bridge Buyback Fund	Bridge maintenance, improvement, and construction	288,909
Visitors Promotion Fund	Promotion of area tourism	186,256
Inheritance Holding Fund	Refund of inheritance tax	371,739
Preservation and Modernization Fund	Preservation and maintenance of records	19,615
STOP Program Fund	Program use	9,255
Drug Enforcement Fund	Drug enforcement efforts	181
Drug Court Fund	Drug enforcement efforts	3,094
Drug Forfeiture Fund	Drug enforcement efforts	13,913
Juvenile Aid Fund	Program use	3,906
HIDTA Grant Fund	Program use	1,716
Homeland Security Fund	Emergency preparedness use	25,587
Keno Fund	Community betterment	565,779
E-911 Emergency Fund	911 communication system maintenance and improvement	234,832
E-911 Fund	911 communication system maintenance and improvement	35,737
Wireless Holding Fund	911 communication system maintenance and improvement	221,354
Debt Service Fund	Debt service requirements	<u>1,003,435</u>
Total restricted net position		<u><u>3,530,498</u></u>

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. INTERLOCAL AGREEMENTS

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

Purpose	Amount
To provide services to elderly residents of the County	16,676
To provide mental health and substance abuse services to residents of the County	148,006
To provide services to the developmentally disabled residents of the County	<u>34,493</u>
	<u>199,175</u>

NOTE 12. FEDERALLY ASSISTED PROGRAMS

The County receives substantial grants from the federal and state governments, all of which are subject to audit by the respective governments. Subsequent audits may disallow expenditures financed by governmental grant programs, although past audits have resulted in no violations of grant regulations and no requests for reimbursement. It is the opinion of management that requests for reimbursement, if any, by either the federal or state governments based on subsequent audits will not be material in relation to the County's financial statements as of June 30, 2015.

NOTE 13. SUBSEQUENT EVENTS

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through January 5, 2016, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SCOTTS BLUFF COUNTY, NEBRASKA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Program/ Program Title	Federal CFDA No.	Pass-Through Entity Identifying Number	Expendi- tures
<u>U.S. Department of Justice</u>			
Passed through Nebraska Crime Commission			
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.738	13-DA-305	<u>90,000</u>
<u>U.S. Department of Transportation</u>			
Passed through Nebraska Office of Highway Safety			
Highway Planning and Construction	20.205	HSIP-15-41, HSIP-17-49	38,053
Passed through Nebraska Department of Roads			
Formula Grants for Other Than Urbanized Areas	20.509	RPT-C791 (214)	<u>213,178</u>
Total U.S. Department of Transportation			<u>251,231</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through Aging Office of Western Nebraska			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	Not Available	63,911

SCOTTS BLUFF COUNTY, NEBRASKA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Program/ Program Title	Federal CFDA No.	Pass-Through Entity Identifying Number	Expendi- tures
<u>U.S. Department of Health and Human Services</u>			
(Continued)			
Passed through Nebraska Department of Health and Human Services			
Public Health Emergency Preparedness	93.069	1U90TP00533-01	43,623
Immunization Grants	93.268	5H23IP00075602	12,115
The Affordable Care Act: Building Epidemi- ology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	93.521	3U50CI0092402S5	5,431
Child Support Enforcement	93.563	OG1404NE4005	<u>243,556</u>
Total U.S. Department of Health and Human Services			<u>368,636</u>
<u>U.S. Department of Homeland Security</u>			
Passed through Nebraska Emergency Management Agency			
Homeland Security Grant Program	97.067	2014 HSGP, 2013 HSGP	<u>113,871</u>
<u>Executive Office of the President</u>			
Passed through Nebraska Crime Commission			
High Intensity Drug Trafficking Areas Program	95.001	14HD09	<u>23,699</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>847,437</u></u>

SCOTTS BLUFF COUNTY, NEBRASKA
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2015

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 financial statements.

NOTE 2. SUBRECIPIENTS

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

Program	Subrecipient	Federal CFDA Number	Amount Provided
Homeland Security Grant Program	Region 22 Emergency Management	97.067	113,871

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual
RECEIPTS		
Property taxes	5,968,896	5,583,743
Motor vehicle taxes	1,120,000	1,137,047
Other taxes	300	350
Intergovernmental	1,703,860	1,285,902
Local fees, licenses, commissions, and miscellaneous	1,817,068	1,844,136
Investment earnings	56,500	60,323
Total receipts	<u>10,666,624</u>	<u>9,911,501</u>
DISBURSEMENTS		
General Government		
Personnel services	2,558,754	2,449,553
Operating expenses	2,791,930	1,823,796
Supplies/materials	208,400	194,772
Equipment rental	18,300	17,008
Total General Government	<u>5,577,384</u>	<u>4,485,129</u>
Public Safety		
Personnel services	2,533,208	2,468,740
Operating expenses	272,530	264,539
Supplies/materials	156,580	195,664
Equipment rental	8,940	7,103
Total Public Safety	<u>2,971,258</u>	<u>2,936,046</u>
Public Works		
Personnel services	130,564	116,092
Operating expenses	48,647	60,625
Supplies/materials	2,750	3,419
Total Public Works	<u>181,961</u>	<u>180,136</u>
Public Welfare and Social Services		
Personnel services	359,263	367,827
Operating expenses	256,193	210,083
Supplies/materials	63,095	63,460
Equipment rental	1,150	1,066
Total Public Welfare and Social Services	<u>679,701</u>	<u>642,436</u>

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual
DISBURSEMENTS (Continued)		
Noncurrent		
Capital outlay	358,408	366,676
Debt service		
Principal	22,200	8,070
Interest		14,130
Total noncurrent	<u>380,608</u>	<u>388,876</u>
Total disbursements	<u>9,790,912</u>	<u>8,632,623</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	505,000	215,000
Transfers out	<u>(1,634,896)</u>	<u>(1,618,168)</u>
Total other financing sources (uses)	<u>(1,129,896)</u>	<u>(1,403,168)</u>
NET CHANGE IN FUND BALANCE	<u>(254,184)</u>	<u>(124,290)</u>
FUND BALANCE, beginning of year		<u>3,254,184</u>
FUND BALANCE, end of year		<u>3,129,894</u>

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual
RECEIPTS		
Motor vehicle taxes	180,000	196,081
Intergovernmental	2,325,600	2,416,949
Local fees, licenses, commissions, and miscellaneous	<u>245,300</u>	<u>164,753</u>
Total receipts	<u>2,750,900</u>	<u>2,777,783</u>
 DISBURSEMENTS		
Public works		
Personnel services	1,595,344	1,439,746
Operating expenses	423,142	434,430
Supplies/materials	969,600	883,662
Equipment rental	5,000	2,075
Capital outlay	774,000	719,839
Debt service		
Principal	56,438	54,882
Interest		<u>1,556</u>
Total disbursements	<u>3,823,524</u>	<u>3,536,190</u>
 OTHER FINANCING SOURCES (USES)		
Transfers in	792,888	792,888
Transfers out	<u>(217,860)</u>	<u>(186,887)</u>
Total other financing sources (uses)	<u>575,028</u>	<u>606,001</u>
 NET CHANGE IN FUND BALANCE	<u>(497,596)</u>	(152,406)
 FUND BALANCE, beginning of year		<u>697,596</u>
 FUND BALANCE, end of year		<u><u>545,190</u></u>

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
SELF-INSURED MEDICAL INSURANCE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual
RECEIPTS		
Property taxes	200,000	191,779
Intergovernmental		20,453
Local fees, licenses, commissions, and miscellaneous	<u>89,027</u>	<u>1,112,770</u>
Total receipts	<u>289,027</u>	<u>1,325,002</u>
 DISBURSEMENTS		
General Government		
Personnel services	2,613,929	2,727,894
Operating expenses	<u>542,000</u>	<u>559,384</u>
Total disbursements	<u>3,155,929</u>	<u>3,287,278</u>
 OTHER FINANCING SOURCES		
Transfers in	<u>1,937,078</u>	<u>1,434,773</u>
 NET CHANGE IN FUND BALANCE	<u>(929,824)</u>	(527,503)
 FUND BALANCE, beginning of year		<u>929,824</u>
 FUND BALANCE, end of year		<u><u>402,321</u></u>

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
 CASH BASIS - BUDGET AND ACTUAL
 ROAD AND BRIDGE CONSTRUCTION FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual
RECEIPTS		
Proceeds from debt issuance	<u>1,964,685</u>	<u>2,000,000</u>
DISBURSEMENTS		
Public Works		
Capital outlay	1,952,685	
Debt service		
Issue costs	<u>12,000</u>	<u>46,271</u>
Total disbursements	<u>1,964,685</u>	<u>46,271</u>
NET CHANGE IN FUND BALANCE	<u> </u>	1,953,729
FUND BALANCE, beginning of year		<u>- 0 -</u>
FUND BALANCE, end of year		<u>1,953,729</u>

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
DETENTION FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual
RECEIPTS		
Property taxes	2,272,827	2,273,995
Intergovernmental	227,500	268,674
Local fees, licenses, commissions, and miscellaneous	<u>2,015,000</u>	<u>2,714,662</u>
Total receipts	<u>4,515,327</u>	<u>5,257,331</u>
 DISBURSEMENTS		
Public Safety		
Personnel services	3,073,406	3,102,508
Operating expenses	1,247,140	1,170,746
Supplies and materials	134,500	125,232
Equipment rental	17,000	15,814
Capital outlay	<u>199,780</u>	<u>163,922</u>
Total disbursements	<u>4,671,826</u>	<u>4,578,222</u>
 OTHER FINANCING USES		
Transfers out	<u>(464,014)</u>	<u>(443,897)</u>
 NET CHANGE IN FUND BALANCE	<u>(620,513)</u>	235,212
 FUND BALANCE, beginning of year		<u>1,395,513</u>
 FUND BALANCE, end of year		<u><u>1,630,725</u></u>

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
 CASH BASIS - BUDGET AND ACTUAL
 CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual
RECEIPTS		
Property taxes		62
Intergovernmental		92,406
Total receipts		92,468
DISBURSEMENTS		
Public works		
Operating expenses		261
Capital outlay	1,362,774	
Total disbursements	1,362,774	261
OTHER FINANCING SOURCES		
Transfers in	595,000	500,000
NET CHANGE IN FUND BALANCE	(767,774)	592,207
FUND BALANCE, beginning of year		767,774
FUND BALANCE, end of year		1,359,981

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual
RECEIPTS		
Property taxes	1,831,507	1,791,857
Motor vehicle taxes		
Other taxes	1,156,600	1,624,950
Intergovernmental	1,460,847	1,063,797
Local fees, licenses, commissions, and miscellaneous	4,602,303	874,550
Investment earnings	5,000	12,921
Total receipts	<u>9,056,257</u>	<u>5,368,075</u>
DISBURSEMENTS		
General Government		
Operating expenses	416,919	47,974
Supplies/materials	42,524	30,986
Total General Government	<u>459,443</u>	<u>78,960</u>
Public Safety		
Personnel services	631,263	698,972
Operating expenses	544,129	299,038
Supplies/materials	7,100	9,066
Equipment rental	9,000	15,104
Total Public Safety	<u>1,191,492</u>	<u>1,022,180</u>
Public Works		
Personnel services	202,066	156,074
Operating expenses	401,528	72,202
Supplies/materials	255,897	129,625
Total Public Works	<u>859,491</u>	<u>357,901</u>
Public Health and Welfare		
Personnel services	98,680	99,016
Operating expenses	354,797	263,930
Supplies/materials	2,200	1,749
Total Public Health and Welfare	<u>455,677</u>	<u>364,695</u>

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
CASH BASIS - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual
DISBURSEMENTS (Continued)		
Public Culture and Recreation		
Personnel services	50,382	51,571
Operating expenses	4,755,538	468,324
Supplies/materials	1,100	753
Equipment rental	6,000	5,500
Total Public Culture and Recreation	<u>4,813,020</u>	<u>526,148</u>
Noncurrent		
Capital outlay	1,384,977	516,716
Debt service		
Principal	1,529,965	670,000
Interest		306,618
Issue costs	4,000	1,750
Total noncurrent	<u>2,918,942</u>	<u>1,495,084</u>
Total disbursements	<u>10,698,065</u>	<u>3,844,968</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	682,898	436,495
Transfers out	<u>(1,718,205)</u>	<u>(1,130,204)</u>
Total other financing sources (uses)	<u>(1,035,307)</u>	<u>(693,709)</u>
NET CHANGE IN FUND BALANCE	<u>(2,677,115)</u>	829,398
FUND BALANCE, beginning of year		<u>3,560,617</u>
FUND BALANCE, end of year		<u>4,390,015</u>

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO BUDGETARY SCHEDULES
YEAR ENDED JUNE 30, 2015

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

Basis of Accounting

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

Budgets

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

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

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

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

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

Budget Law

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

Budget Compliance

The actual expenditures in the Self-Insurance Medical Insurance Fund for the fiscal year exceeded the budget amount by \$131,349.

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF DISBURSEMENTS - CASH BASIS -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual
General Government		
Board of Commissioners		
Personnel services	97,767	97,044
Operating expenses	4,250	3,357
Supplies/materials	250	147
Total General Government	<u>102,267</u>	<u>100,548</u>
County Clerk		
Personnel services	190,783	192,083
Operating expenses	3,300	1,339
Supplies/materials	3,400	2,113
Capital outlay	1,000	484
Total County Clerk	<u>198,483</u>	<u>196,019</u>
County Treasurer		
Personnel services	448,181	435,807
Operating expenses	9,185	3,809
Supplies/materials	9,500	14,138
Equipment rental	900	900
Capital outlay	3,000	3,617
Total County Treasurer	<u>470,766</u>	<u>458,271</u>
Register of Deeds		
Personnel services	173,230	151,710
Operating expenses	5,020	4,615
Supplies/materials	8,000	8,039
Equipment rental	500	
Capital outlay	500	995
Total Register of Deeds	<u>187,250</u>	<u>165,359</u>
County Assessor		
Personnel services	265,370	256,113
Operating expenses	101,970	98,375
Supplies/materials	12,500	16,045
Equipment rental	3,500	2,795
Capital outlay	4,000	7,554
Total County Assessor	<u>387,340</u>	<u>380,882</u>

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF DISBURSEMENTS - CASH BASIS -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual
General Government (Continued)		
Election Commissioner		
Personnel services	44,226	15,607
Operating expenses	17,100	35,158
Supplies/materials	32,550	27,258
Capital outlay	600	
Total Election Commissioner	<u>94,476</u>	<u>78,023</u>
Building and Zoning		
Personnel services	52,771	52,933
Operating expenses	26,358	23,790
Supplies/materials	5,500	4,259
Capital outlay	1,500	1,500
Total Building and Zoning	<u>86,129</u>	<u>82,482</u>
Clerk of the District Court		
Personnel services	203,314	196,414
Operating expenses	130,255	134,346
Supplies/materials	6,000	5,043
Capital outlay	200	
Total Clerk of the District Court	<u>339,769</u>	<u>335,803</u>
County Court System		
Operating expenses	301,750	268,240
Supplies/materials	13,000	11,154
Total County Court System	<u>314,750</u>	<u>279,394</u>
District Judge		
Personnel services	46,103	44,765
Operating expenses	84,250	69,563
Supplies/materials	3,550	2,683
Capital outlay	2,000	437
Total District Judge	<u>135,903</u>	<u>117,448</u>

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF DISBURSEMENTS - CASH BASIS -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual
General Government (Continued)		
Public Defender		
Personnel services	432,027	418,168
Operating expenses	55,748	54,701
Supplies/materials	3,500	4,726
Capital outlay	3,000	12,992
Total Public Defender	<u>494,275</u>	<u>490,587</u>
Buildings and Grounds		
Personnel services	205,436	205,801
Operating expenses	259,188	246,892
Supplies/materials	57,450	63,960
Equipment rental	1,100	573
Capital outlay	34,000	21,248
Total Building and Grounds	<u>557,174</u>	<u>538,474</u>
Agriculture Extension Agent		
Personnel services	77,497	74,621
Operating expenses	74,380	65,651
Supplies/materials	6,700	4,318
Capital outlay	2,000	1,597
Total Agriculture Extension Agent	<u>160,577</u>	<u>146,187</u>
Purchasing Agent		
Supplies/materials	45,000	28,435
Information Systems		
Personnel services	161,843	162,569
Operating expenses	3,600	55
Supplies/materials	100	247
Capital outlay	149,600	148,245
Total Information Systems	<u>315,143</u>	<u>311,116</u>
Management Accountant and Personnel Department		
Personnel services	114,787	114,819
Operating expenses	15,535	15,071
Supplies/materials	1,000	1,125
Total Management Account and Personnel Department	<u>131,322</u>	<u>131,015</u>

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF DISBURSEMENTS - CASH BASIS -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual
General Government (Continued)		
Administration General		
Personnel services	45,419	31,099
Operating expenses	1,700,041	798,834
Supplies/materials	400	1,082
Equipment rental	12,300	12,740
Capital outlay	1,000	3,861
Debt service - principal	22,200	8,070
Debt service - interest		14,130
Total Administration General	<u>1,781,360</u>	<u>869,816</u>
Public Safety		
County Sheriff		
Personnel services	1,510,473	1,477,652
Operating expenses	118,410	125,141
Supplies/materials	120,500	153,433
Capital outlay	79,260	96,562
Total County Sheriff	<u>1,828,643</u>	<u>1,852,788</u>
County Attorney		
Personnel services	758,178	732,529
Operating expenses	86,815	90,329
Supplies/materials	11,000	18,708
Equipment rental	1,900	1,836
Capital outlay	6,765	3,961
Total County Attorney	<u>864,658</u>	<u>847,363</u>
Child Support		
Personnel services	264,557	258,559
Operating expenses	25,980	18,147
Supplies/materials	7,500	3,973
Equipment rental	3,100	1,836
Capital outlay	950	361
Total Child Support	<u>302,087</u>	<u>282,876</u>

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF DISBURSEMENTS - CASH BASIS -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual
Public Safety (Continued)		
District No. 10 Probation		
Operating expenses	26,325	20,792
Supplies/materials	17,580	19,550
Equipment rental	3,940	3,431
Capital outlay	13,640	17,712
Total District No. 10 Probation	<u>61,485</u>	<u>61,485</u>
Emergency Management		
Operating expenses	<u>15,000</u>	<u>10,130</u>
Public Works		
County Surveyor		
Personnel services	2,643	2,618
Operating expenses	1,432	1,244
Supplies/materials	1,000	12
Capital outlay	200	
Total County Surveyor	<u>5,275</u>	<u>3,874</u>
GIS Mapping		
Personnel services	127,921	113,474
Operating expenses	47,215	59,381
Supplies/materials	1,750	3,407
Capital outlay	500	3,208
Total GIS Mapping	<u>177,386</u>	<u>179,470</u>
Public Welfare and Social Services		
Veterans Service Officer		
Personnel services	120,519	113,500
Operating expenses	8,417	7,641
Supplies/materials	2,700	2,641
Capital outlay	2,000	2,000
Total Veterans Service Officer	<u>133,636</u>	<u>125,782</u>

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF DISBURSEMENTS - CASH BASIS -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual
Public Welfare and Social Services (Continued)		
Handy Bus		
Personnel services	196,200	212,339
Operating expenses	62,062	49,582
Supplies/materials	59,220	58,534
Equipment rental	550	556
Capital outlay	<u>36,900</u>	<u>22,191</u>
Total Handy Bus	<u>354,932</u>	<u>343,202</u>
Handyman		
Personnel services	42,544	41,988
Operating expenses	55,600	35,971
Supplies/materials	325	1,173
Equipment rental	<u>600</u>	<u>510</u>
Total Handyman	<u>99,069</u>	<u>79,642</u>
Administration		
Operating expenses	130,114	116,889
Supplies/materials	850	1,112
Capital outlay	<u>15,793</u>	<u>18,151</u>
Total Administration	<u>146,757</u>	<u>136,152</u>
 TOTAL DISBURSEMENTS	 <u>9,613,526</u>	 <u>8,632,623</u>

SCOTTS BLUFF COUNTY, NEBRASKA
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Highway Bridge Buyback Fund	Motor Bank Fund	Inheritance Holding Fund	Visitors Promotion Fund	Preservation and Modernization Fund	Relief and Medical Fund	Institutions Fund	Veteran Aid Fund	Bus Barn Project Fund	STOP Program Fund
RECEIPTS										
Property taxes						25,805	11,889	2,188		
Other taxes			283,965	348,641						
Intergovernmental	298,174			6,000		2,722	1,906	266	13,600	
Local fees, licenses, commissions, and miscellaneous		40,571		847	23,077	(8)		(1)		8,580
Investment earnings										
Total receipts	<u>298,174</u>	<u>40,571</u>	<u>283,965</u>	<u>355,488</u>	<u>23,077</u>	<u>28,519</u>	<u>13,795</u>	<u>2,453</u>	<u>13,600</u>	<u>8,580</u>
DISBURSEMENTS										
Personal services				51,571		20,574				
Operating expenses		25,231	2,959	291,589		14,836	16,095	2,350		9,515
Supplies and materials				753	30,986	150				
Equipment rental				5,500						
Capital outlay	267,765								17,000	
Debt Service										
Principal										
Interest										
Issue costs										
Total disbursements	<u>267,765</u>	<u>25,231</u>	<u>2,959</u>	<u>349,413</u>	<u>30,986</u>	<u>35,560</u>	<u>16,095</u>	<u>2,350</u>	<u>17,000</u>	<u>9,515</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>30,409</u>	<u>15,340</u>	<u>281,006</u>	<u>6,075</u>	<u>(7,909)</u>	<u>(7,041)</u>	<u>(2,300)</u>	<u>103</u>	<u>(3,400)</u>	<u>(935)</u>
OTHER FINANCING SOURCES (USES)										
Operating transfers in									3,098	
Operating transfers out		(15,000)		(7,077)		(4,634)				
Total other financing sources (uses)		<u>(15,000)</u>		<u>(7,077)</u>		<u>(4,634)</u>			<u>3,098</u>	
NET CHANGE IN FUND BALANCES	30,409	340	281,006	(1,002)	(7,909)	(11,675)	(2,300)	103	(302)	(935)
FUND BALANCES, beginning of year	<u>258,500</u>	<u>12,449</u>	<u>90,733</u>	<u>187,258</u>	<u>27,524</u>	<u>38,348</u>	<u>6,772</u>	<u>4,959</u>	<u>302</u>	<u>10,190</u>
FUND BALANCES, end of year	<u>288,909</u>	<u>12,789</u>	<u>371,739</u>	<u>186,256</u>	<u>19,615</u>	<u>26,673</u>	<u>4,472</u>	<u>5,062</u>		<u>9,255</u>

SCOTTS BLUFF COUNTY, NEBRASKA
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Drug Enforcement Fund	Drug Court Fund	Drug Forfeiture Fund	Special Projects Fund	Juvenile Aid Fund	HIDTA Grant Fund	Homeland Security Fund	Juvenile Probation Fund	Inheritance Tax Fund	Keno Fund	Public Health Fund
RECEIPTS											
Property taxes											174,179
Other taxes									801,674		
Intergovernmental	90,000		12,136	38,053	5,811	23,699	124,566				102,470
Local fees, licenses, commissions, and miscellaneous			1,050	9,754		103				500,228	3,610
Investment earnings									12,921		
Total receipts	<u>90,000</u>	<u></u>	<u>13,186</u>	<u>47,807</u>	<u>5,811</u>	<u>23,802</u>	<u>124,566</u>	<u></u>	<u>814,595</u>	<u>500,228</u>	<u>280,259</u>
DISBURSEMENTS											
Personal services				30,634							78,442
Operating expenses	120,193	708		3,825	1,905	43,482	27,682	553	19,784	176,735	228,744
Supplies and materials	4,750			23,461		48					1,599
Equipment rental						3,072					
Capital outlay			1,716			299	86,189	2,304			
Debt Service											
Principal											
Interest											
Issue costs											
Total disbursements	<u>124,943</u>	<u>708</u>	<u>1,716</u>	<u>57,920</u>	<u>1,905</u>	<u>46,901</u>	<u>113,871</u>	<u>2,857</u>	<u>19,784</u>	<u>176,735</u>	<u>308,785</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(34,943)</u>	<u>(708)</u>	<u>11,470</u>	<u>(10,113)</u>	<u>3,906</u>	<u>(23,099)</u>	<u>10,695</u>	<u>(2,857)</u>	<u>794,811</u>	<u>323,493</u>	<u>(28,526)</u>
OTHER FINANCING SOURCES (USES)											
Operating transfers in	20,000					24,070					20,000
Operating transfers out									(743,098)	(93,570)	(11,636)
Total other financing sources (uses)	<u>20,000</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>24,070</u>	<u></u>	<u></u>	<u>(743,098)</u>	<u>(93,570)</u>	<u>8,364</u>
NET CHANGE IN FUND BALANCES	<u>(14,943)</u>	<u>(708)</u>	<u>11,470</u>	<u>(10,113)</u>	<u>3,906</u>	<u>971</u>	<u>10,695</u>	<u>(2,857)</u>	<u>51,713</u>	<u>229,923</u>	<u>(20,162)</u>
FUND BALANCES, beginning of year	<u>15,124</u>	<u>3,802</u>	<u>2,443</u>	<u>35,036</u>	<u></u>	<u>745</u>	<u>14,892</u>	<u>10,582</u>	<u>686,737</u>	<u>335,856</u>	<u>88,681</u>
FUND BALANCES, end of year	<u>181</u>	<u>3,094</u>	<u>13,913</u>	<u>24,923</u>	<u>3,906</u>	<u>1,716</u>	<u>25,587</u>	<u>7,725</u>	<u>738,450</u>	<u>565,779</u>	<u>68,519</u>

SCOTTS BLUFF COUNTY, NEBRASKA
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	E-911 Emergency Management Fund	E-911 Fund	Wireless Holding Fund	Debt Service Fund	Barrier Elimination Fund	Probation Building Fund	Surveyor Sinking Fund	Flood Control Fund	Drain Sinking Fund	Noxious Weed Fund	Central Comm. Fund	Total Nonmajor Funds
RECEIPTS												
Property taxes				905,023	7	33,401		15,525			623,840	1,791,857
Other taxes		81,816									108,854	1,624,950
Intergovernmental	175,501			95,733	388	5,422		2,607			64,743	1,063,797
Local fees, licenses, commissions, and miscellaneous				(358)				8,735		181,966	96,396	874,550
Investment earnings												12,921
Total receipts	175,501	81,816		1,000,398	395	38,823		26,867		181,966	893,833	5,368,075
DISBURSEMENTS												
Personal services										125,440	698,972	1,005,633
Operating expenses	16,578		5,991			50,136	450	31,006		36,921	24,200	1,151,468
Supplies and materials							110			106,054	4,268	172,179
Equipment rental											12,032	20,604
Capital outlay	34,269						9,937			25,013	72,224	516,716
Debt Service												
Principal				670,000								670,000
Interest				306,618								306,618
Issue costs				1,750								1,750
Total disbursements	50,847		5,991	978,368		50,136	10,497	31,006		293,428	811,696	3,844,968
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	124,654	81,816	(5,991)	22,030	395	(11,313)	(10,497)	(4,139)		(111,462)	82,137	1,523,107
OTHER FINANCING SOURCES (USES)												
Operating transfers in	110,178		75,000			20,000			25,000	139,149		436,495
Operating transfers out		(75,000)			(833)			(25,000)		(14,139)	(140,217)	(1,130,204)
Total other financing sources (uses)	110,178	(75,000)	75,000		(833)	20,000		(25,000)	25,000	125,010	(140,217)	(693,709)
NET CHANGE IN FUND BALANCES	234,832	6,816	69,009	22,030	(438)	8,687	(10,497)	(29,139)	25,000	13,548	(58,080)	829,398
FUND BALANCES, beginning of year		28,921	152,345	981,405	14,107	1,594	10,497	40,476	272,960	25,696	201,683	3,560,617
FUND BALANCES, end of year	234,832	35,737	221,354	1,003,435	13,669	10,281		11,337	297,960	39,244	143,603	4,390,015



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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Scotts Bluff County, Nebraska, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Scotts Bluff County, Nebraska's basic financial statements and have issued our report thereon dated January 5, 2016.

Internal Control Over Financial Reporting

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

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

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. We consider the deficiency as described in the accompanying schedule of findings and questioned costs as item 2015-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Scotts Bluff County, Nebraska's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2015-002 and 2015-003.

Management's Response to Findings

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

Purpose of this Report

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

Dana J Cole + Company, LLP

Scottsbluff, Nebraska
January 5, 2016



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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited Scotts Bluff County, Nebraska's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Scotts Bluff County, Nebraska's major federal programs for the year ended June 30, 2015. Scotts Bluff County, Nebraska's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Scotts Bluff County, Nebraska's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 Scotts Bluff County, Nebraska's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Scotts Bluff County, Nebraska, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2015-004. Our opinion on each major federal program is not modified with respect to these matters.

Report on Internal Control Over Compliance

Management of Scotts Bluff County, Nebraska, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Scotts Bluff County, Nebraska's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Scotts Bluff County, Nebraska's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2015-001 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2015-004 to be a significant deficiency.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Dana J Cole + Company, LLP

Scottsbluff, Nebraska
January 5, 2016

SCOTTS BLUFF COUNTY, NEBRASKA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2015

SECTION I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness identified: Yes No

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

Noncompliance matter to the financial statements disclosed: Yes No

Federal Awards

Internal control over major programs:

Material weakness identified: Yes No

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

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133: Yes No

Identification of major programs:

Homeland Security Grant Program	97.067
Formula Grants for Rural Areas	20.509
Child Support Enforcement	93.563

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

Auditee qualified as a low-risk auditee: Yes No

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

SECTION II. FINANCIAL STATEMENT FINDINGS

FINDING 2015-001 SEGREGATION OF ACCOUNTING FUNCTIONS

Criteria

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

Condition and Context

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

Cause of the Condition

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

Effect of the Condition

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

Recommendation

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

Views of Responsible Officials and Planned Corrective Action

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

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

SECTION II. FINANCIAL STATEMENT FINDINGS (Continued)

FINDING 2015-002 EXCESS DISBURSEMENTS OVER BUDGET

Criteria

Nebraska statutes require the County to adopt a budget each year and limit actual expenditures to budgeted amounts.

Condition and Context

The Self-Insured Insurance Fund expenditures exceeded budgeted expenditures in the amount of \$131,349.

Cause of the Condition

Although the County periodically compares actual expenditures to budgeted expenditures, the County did not consider the effects of disbursements from a separately maintained impressed checking on expenditures.

Effect of the Condition

Actual expenditures exceeded budgeted expenditures. As such, the County has violated Nebraska statutes governing expenditures.

Recommendation

The County should periodically review expenditures disbursed, including any amounts expended from the impressed checking, for compliance with budget restrictions and, when necessary, prepare amended budgets.

Views of Responsible Officials and Planned Corrective Action

We understand the requirement of limiting expenditures to approved budget amounts. We have noted this finding and plan to make modifications to our review process and, when necessary, make amendments to the budget.

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

SECTION II. FINANCIAL STATEMENT FINDINGS (Continued)

FINDING 2015-003 COLLATERALIZATION OF DEPOSITS WITH FINANCIAL INSTITUTIONS

Criteria

Nebraska statutes require the County's deposits with financial institutions be fully insured by FDIC insurance or collateralized by the financial institution with pledged securities, letters of credit, or the means.

Condition and Context

Deposits with financial institutions were not insured or collateralized in the amount of \$1,283,380.

Cause of the Condition

The County periodically compares and reviews deposits with financial institutions for compliance with collateralization requirements. During this process, the County incorrectly identified certain certificates of deposit as fully insured by financial institutions.

Effect of the Condition

Deposits with financial institutions were not insured or collateralized in the amount of \$1,283,380. As such, the County has violated Nebraska statutes governing collateralization of deposits with financial institutions.

Recommendation

The District should review FDIC insurance coverage limitations and modify the identification process of determining uninsured deposits with financial institutions.

Views of Responsible Officials and Planned Corrective Action

We understand the requirement of insuring and collateralizing deposits with financial institutions. We have reviewed FDIC insurance limitations and made necessary modifications to properly identify uninsured amounts.

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING 2015-001 SEGREGATION OF ACCOUNTING FUNCTIONS

97.067 Homeland Security Grant Program
20.509 Formula Grants for Rural Areas
93.563 Child Support Enforcement

Internal control reportable condition described in Section II, Finding 2015-001.

FINDING 2015-004 REPORTING PROGRAM INCOME

Criteria

Program income is required to reported in determining federal expenditures for the County Handi-bus program.

Condition and Context

Program income had been determined and limited to amounts remitted to the County Treasurer and excluded amounts accumulated in a separate checking utilized for Handi-bus operations.

Cause of the Condition

Program income had been determined and limited to amounts remitted to the County Treasurer and excluded amounts accumulated in a separate checking utilized for Handi-bus operations.

Effect of the Condition

Reports of expenditures were not properly reduced by all program income. As such, claims of expenditures and subsequent reimbursement were in excess of actual in the amount of \$13,073.

Recommendation

Responsible officials should annually review reporting procedures for proper reporting procedures. Additionally, the County may implement independent reviews of federal reports on a regularly recurring basis.

Views of Responsible Officials and Planned Corrective Action

We have notified the Nebraska Department of Roads, the pass-through entity which the County makes reports and claims for payment of Handi-bus program, for further direction in correcting the reports and payments of Handi-bus program expenditures.

SCOTTS BLUFF COUNTY, NEBRASKA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015

FINDING 2014-001 SEGREGATION OF ACCOUNTING FUNCTIONS

Condition

As described in Section II - Finding 2015-001.

Status

Ongoing.