

DANA F. COLE & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

1510 Broadway
Scottsbluff, NE
69361
308/632-4400

Telecopier-FAX
308/632-6513

December 4, 2013

To the Board of Commissioners
Scotts Bluff County, Nebraska
1825 10th Street
Gering, NE 69341

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Scotts Bluff County, Nebraska, for the year ended June 30, 2013, and have issued our report thereon dated December 4, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 1, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Scotts Bluff County, Nebraska, are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2013. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management prepares budgets based on prior experiences and future expectations. Management uses these estimated revenue and expense items to measure against actual amounts and identify areas of concern in revenue production or expense overtures. Management additionally uses budgets to comply with state statutes and determine property tax needs. We evaluated the key factors and assumptions used to develop the above in determining that it is reasonable in relation to the financial statements taken as a whole.

Nebraska

Kansas

Michigan

Minnesota

Missouri

Wyoming

www.danacole.com

Principal Office:
1248 O Street, Suite 500
Lincoln, NE 68508
402/479-9300
Fax 402/479-9315

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The County presents its financial statements on the cash basis of accounting. As such, outstanding debt required to be repaid in future periods is not presented in the financial statements. Note 5 to the financial statements discloses total outstanding debt of the County as well as future debt service requirements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 4, 2013.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

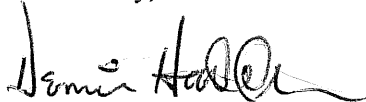
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Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the cash basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Commissioners and management of Scotts Bluff County, Nebraska, and is not intended to be, and should not be, used by anyone other than these specified parties.

Yours truly,

A handwritten signature in black ink, appearing to read "Dennis Hadden", with a stylized flourish at the end.

DENNIS HADDEN
For the Firm

e-mail: hadden@danacofe.com

DH:laf