

AUDIT REPORT
OF
SCOTTS BLUFF COUNTY, NEBRASKA
JUNE 30, 2023



**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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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audited Financial Statements

Opinions

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Scotts Bluff County, Nebraska, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Scotts Bluff County, Nebraska's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Scotts Bluff County, Nebraska, as of June 30, 2023, and the respective changes in cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Scotts Bluff County, Nebraska, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Scotts Bluff County, Nebraska's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Scotts Bluff County, Nebraska's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 31 - 45 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards on pages 28 - 30 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information on pages 31 - 45 and the schedule of expenditures of federal awards on pages 28 - 30 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 on pages 31 - 45, and schedule of expenditures of federal awards on pages 28 - 30 is 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 April 26, 2024, 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 solely 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 the effectiveness of Scotts Bluff County, Nebraska's 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
April 26, 2024

SCOTTS BLUFF COUNTY, NEBRASKA
STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash	<u>19,545,940</u>
NET POSITION	
Restricted	10,784,790
Unrestricted	<u>8,761,150</u>
TOTAL NET POSITION	<u>19,545,940</u>

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

		Program Receipts		Net (Disbursements) Receipts and Changes in Net Position
	Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS				
Governmental activities				
General government	9,492,556	1,301,464	3,509,190	(4,681,902)
Public Safety	10,121,673	4,017,729	511,615	(5,592,329)
Public Works	6,773,981	170,724	4,796,459	(1,806,798)
Public Health and Welfare	556,374	112,221	391,052	(53,101)
Culture and Recreation	732,260	511,593		(220,667)
Capital outlay	3,927,429			(3,927,429)
Debt service				
Principal	1,132,924			(1,132,924)
Interest	193,627			(193,627)
Issue costs	1,400			(1,400)
Total governmental activities	<u>32,932,224</u>	<u>6,113,731</u>	<u>9,208,316</u>	<u>(17,610,177)</u>
GENERAL RECEIPTS				
Property taxes				12,125,965
Motor vehicle taxes				1,526,935
Other taxes				1,545,100
Intergovernmental receipts				1,728,915
Miscellaneous local				2,061,344
Investment earnings				590,742
Total general receipts				<u>19,579,001</u>
CHANGE IN NET POSITION				1,968,824
NET POSITION, beginning of year				<u>17,577,116</u>
NET POSITION, end of year				<u>19,545,940</u>

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA
STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2023

		Major Funds						
		Road and Bridge Fund	COVID American Rescue Fund	Detention Center Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds	
		General Fund						
ASSETS								
	Cash	<u>3,115,601</u>	<u>1,033,774</u>	<u>5,832,923</u>	<u>518,431</u>	<u>2,494,482</u>	<u>6,550,729</u>	<u>19,545,940</u>
FUND BALANCES								
	Restricted		1,033,774	5,832,923		3,918,093	10,784,790	
	Committed			518,431	2,494,482	2,632,636	5,645,549	
	Unassigned	<u>3,115,601</u>					<u>3,115,601</u>	
TOTAL FUND BALANCES		<u>3,115,601</u>	<u>1,033,774</u>	<u>5,832,923</u>	<u>518,431</u>	<u>2,494,482</u>	<u>6,550,729</u>	<u>19,545,940</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, 2023

	Major Funds						Total Governmental Funds
	General Fund	Road and Bridge Fund	COVID American Rescue Fund	Detention Fund	Capital Improvement Fund	Nonmajor Governmental Funds	
RECEIPTS							
Property taxes	9,572,075			1,068,612		1,485,278	12,125,965
Motor vehicle taxes	1,295,917	231,018					1,526,935
Other taxes						1,545,100	1,545,100
Intergovernmental	1,758,470	3,602,579	3,459,190	21,566		2,095,426	10,937,231
Local fees, licenses, commissions, and miscellaneous	2,158,668	165,841		3,695,619		2,154,947	8,175,075
Investment earnings	589,598					1,144	590,742
Total receipts	<u>15,374,728</u>	<u>3,999,438</u>	<u>3,459,190</u>	<u>4,785,797</u>		<u>7,281,895</u>	<u>34,901,048</u>
DISBURSEMENTS							
General government	5,730,475					3,762,081	9,492,556
Public Safety	3,553,172		4,150	6,074,482		489,869	10,121,673
Public Works	442,719	3,765,499				2,565,763	6,773,981
Public Health and Welfare	124,298					432,076	556,374
Culture and Recreation						732,260	732,260
Capital outlay	309,624	1,036,118	1,006,952	85,997	511,511	977,227	3,927,429
Debt service							
Principal	11,982	85,942				1,035,000	1,132,924
Interest	10,218	3,109				180,300	193,627
Issue costs						1,400	1,400
Total disbursements	<u>10,182,488</u>	<u>4,890,668</u>	<u>1,011,102</u>	<u>6,160,479</u>	<u>511,511</u>	<u>10,175,976</u>	<u>32,932,224</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>5,192,240</u>	<u>(891,230)</u>	<u>2,448,088</u>	<u>(1,374,682)</u>	<u>(511,511)</u>	<u>(2,894,081)</u>	<u>1,968,824</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	516,860	1,470,686	65,915	1,503,421	500,000	4,779,135	8,836,017
Operating transfers out	(5,338,271)	(348,917)		(796,500)		(2,352,329)	(8,836,017)
Total other financing sources (uses)	<u>(4,821,411)</u>	<u>1,121,769</u>	<u>65,915</u>	<u>706,921</u>	<u>500,000</u>	<u>2,426,806</u>	
NET CHANGE IN FUND BALANCES	370,829	230,539	2,514,003	(667,761)	(11,511)	(467,275)	1,968,824
FUND BALANCES, beginning of year	<u>2,744,772</u>	<u>803,235</u>	<u>3,318,920</u>	<u>1,186,192</u>	<u>2,505,993</u>	<u>7,018,004</u>	<u>17,577,116</u>
FUND BALANCES, end of year	<u>3,115,601</u>	<u>1,033,774</u>	<u>5,832,923</u>	<u>518,431</u>	<u>2,494,482</u>	<u>6,550,729</u>	<u>19,545,940</u>

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN NET POSITION - CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Custodial Balance July 1, 2022	Receipts	Disbursements	Custodial Balance June 30, 2023
ASSETS				
ASSETS				
Cash and cash equivalents	<u>2,318,648</u>	<u>68,542,176</u>	<u>68,481,718</u>	<u>2,379,106</u>
LIABILITIES				
Held for other governments				
Road Improvement Districts	1,606			1,606
State	743,367	8,857,869	8,759,475	841,761
Schools	995,395	44,271,250	44,289,407	977,238
Educational Service Units	9,033	503,244	503,416	8,861
Community/Technical Colleges	59,281	3,287,267	3,288,845	57,703
Natural Resource Districts	30,093	1,678,370	1,678,925	29,538
Cemeteries	56,775	62,840	55,052	64,563
Fire Districts	6,840	657,744	655,437	9,147
Sanitary Improvement Districts	171,949	247,357	237,004	182,302
Drainage Districts	3,452	24,021	21,041	6,432
Irrigation Districts	4,375	21,337	21,083	4,629
Municipalities	163,635	5,715,876	5,726,942	152,569
Redevelopment Districts	9,806	870,844	869,250	11,400
Agricultural Society	5,529	307,529	307,625	5,433
Other governments	57,512	2,036,628	2,068,216	25,924
Total liabilities	<u>2,318,648</u>	<u>68,542,176</u>	<u>68,481,718</u>	<u>2,379,106</u>
TOTAL NET POSITION	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. THE REPORTING ENTITY

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

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The County is financially accountable if its County Commissioner 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 moneys received and disbursed directly by these offices. Only that portion of these moneys, 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 receipts, and other nonexchange receipts.

The statement of activities presents a comparison between direct expenses and program receipts for each function of the County's activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds

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)

have been reversed for the statement of activities. Program receipts include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts that are not classified as program receipts, including all taxes, are presented as general receipts.

Fund Financial Statements

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

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

The government utilizes the following fund types:

The *General Fund* is the primary operating fund of the County and is 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.

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Funds are organized into two

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)

major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets, liabilities, receipts, or disbursements of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, receipts, or disbursements of the individual governmental fund or enterprise fund are at least 5% 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 is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

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

COVID American Rescue Plan Fund - This fund is a special revenue fund used to account for necessary expenditures with respect to the COVID-19 Pandemic.

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.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

The government-wide and fund financial statements of the primary government, Scotts Bluff County, Nebraska, are reported using the current financial resources measurement focus and the cash basis of accounting. Receipts are recognized when the County Treasurer receives cash rather than when earned. Disbursements are recognized when cash is disbursed rather than when the obligation is incurred.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Measurement Focus (Continued)

Accordingly, the accompanying financial statements are not intended to present financial position and the results of operations in conformity with accounting principles generally accepted in the United States of America.

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

Basis of Accounting

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

D. RECEIPTS

Program Receipts

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

General government	Fees, permits, licenses, and commissions.
Public Safety	Fines and fees, E-911 revenue, operating grants from federal and state agencies for law enforcement, and incarceration fees.
Public Works	Township road contracts, reimbursements, and operating grants from FEMA and other federal and state agencies for road and infrastructure work.
Public Health and Public Welfare	Fees, permits, and licenses.
Culture and Recreation	Proceeds from Keno sales.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. RECEIPTS (Continued)

Program Receipts (Continued)

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

E. ASSETS, LIABILITIES, AND NET POSITION

1. Deposits and Investments

The County's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The County had no cash equivalents at June 30, 2023.

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 the county government for any reason will be paid for any unused vacation leave earned after one year of employment. Employees who leave the county government 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.

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.

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)

Government-Wide Statements (Continued)

Unrestricted net position does not meet the definition of restricted.

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

Fund Balance Classification

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

Nonspendable fund balance - Assets legally or contractually required to be maintained or are not in spendable form, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). The County currently has no amounts classified in this category.

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

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

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 Board of Commissioners or through the Board delegating this responsibility to the County's management accountant. The County currently has no amounts classified in this category.

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

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)

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 an application is made for registration of a motor vehicle.

G. INTERFUND AND INTERDEPARTMENT TRANSACTIONS AND ACTIVITY

Transactions

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

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

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

Activity

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

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)

Activity (Continued)

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

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

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

H. USE OF ESTIMATES

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

NOTE 2. CASH AND INVESTMENTS

Cash and Cash Equivalents

The County follows the practice of pooling cash and investments of certain funds except certificates of deposit purchased by individual funds. Each fund's portion of total pooled cash is summarized by fund type and displayed on the statements of net position and balance sheets as "cash and cash equivalents." Funds with negative balances include a liability called "deficit cash and cash equivalents."

Custodial Credit Risk - Deposits

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

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As of June 30, 2023, all the County's deposits with financial institutions were fully insured or collateralized by securities held in the County's name in the form of joint safekeeping receipts. State law requires all funds in depositories to be fully insured or collateralized, and the County's policy is to require depositories to provide pledged securities to cover deposits in excess of Federal Deposit Insurance Corporation (FDIC) limits.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

Custodial Credit Risk - Deposits (Continued)

The County's deposits as disclosed above were adequately insured or collateralized at June 30, 2023. All securities are held by the pledging financial institution or by its agent but not in the County's name.

Investments

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. The County had \$12,267,853 with NPAIT as of June 30, 2023.

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. Audited financial statements for the current year are available on NPAIT's website (www.npait.com) or can be obtained directly from NPAIT at 6801 South 27th Street, Lincoln, Nebraska, 68501-2529.

NOTE 3. RETIREMENT SYSTEM

Plan Description

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

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

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. RETIREMENT SYSTEM (Continued)

Plan Description (Continued)

plan prior to actual contribution to the Plan. Nonvested County contributions are forfeited upon termination. Forfeitures are used to cover a portion of the pension plan's administrative expenses. Prior service benefits are paid directly by the County to the retired employee.

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

Contributions

For the year ended June 30, 2023, total compensation for all employees was \$12,030,600 and compensation covered in this Plan was \$11,992,570. Employee contributions were \$552,479 and the County contributed \$820,605.

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 (the Pool) currently operating as a common risk management and insurance program for 83 counties and 23 public entities 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 assessment, and the manner of

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. RISK MANAGEMENT (Continued)

calculating the same, shall be submitted 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 reserved for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the member balances are adjusted annually to reflect recent loss information. There were no significant reductions in insurance coverage from the coverage in the prior year by major categories of risk.

The County has not paid any additional assessments to the Pool in the last three fiscal years, and no assessments are anticipated for the fiscal year 2023. 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, 2023, consisted of the following:

The County is the lessee of 911 Emergency equipment under a capital lease agreement maturing in July 2031. The lease requires annual payments of \$708,935. The lease provides for interest at - 0 -% through July 1, 2023, and 2.98% thereafter on any unpaid balance. The lease is secured by the equipment.	5,689,640
The County Roads Department is the lessee of two Caterpillar motor graders under a capital lease agreement maturing in January 2026. The lease requires semi-annual payments of \$44,526 including interest at 0.95%. The lease agreement is secured by the motor graders.	<u>262,768</u>
Total capital leases payable	<u>5,952,408</u>

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT (Continued)

Notes payable at June 30, 2023, 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 each year beginning in 2006, final payment due November 2035.	<u>199,885</u>
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Bonds payable at June 30, 2023, consisted of the following:

General Obligation Bonds, dated March 18, 2020, interest rates ranging from 1.25% - 2.10%, annual principal payments due each January 15 starting in 2021, and semi-annual interest payments due July 15 and January 15, final payment is due January 15, 2031.	2,570,000
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Highway Allocation Pledge Bonds, dated April 24, 2020, interest rates ranging from 1.25% - 2.40%, annual principal payments due each November 1 starting in 2020, and semi-annual interest payments due November 1 and May 1, final payment is due November 1, 2034.	1,295,000
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Limited Tax Obligation Bonds, dated July 6, 2017, interest rate of 3.29%, annual principal and interest payments due each January 15 starting in 2018, final payment due January 15, 2037.	
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General Obligation Bonds, dated August 31, 2020, interest rates ranging from 0.65% - 1.45%, annual principal payments due each January 15 starting in 2021, and semi-annual interest payments due July 15 and January 15, final payment is due January 15, 2031.	2,820,000
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Limited Tax Obligation Bonds, dated April 21, 2022, interest rates ranging from 1.15% - 2.90%, annual principal payments due each January 15 starting in 2023, and semi-annual interest payments due July 15 and January 15, final payment is due January 15, 2037.	<u>4,245,000</u>
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Total bonds payable	<u>10,930,000</u>
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Total long-term debt	<u><u>17,082,293</u></u>
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SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT (Continued)

A schedule of changes in long-term debt, including capital leases, for the year ended June 30, 2023, is as follows:

	Beginning Balance	Additions	Payments	Ending Balance
Capital leases	6,038,350		85,942	5,952,408
Notes payable	211,867		11,982	199,885
Bonds payable	<u>16,300,000</u>		<u>5,370,000</u>	<u>10,930,000</u>
Total	<u>22,550,217</u>		<u>5,467,924</u>	<u>17,082,293</u>

The annual debt service requirements for the next five years and for each 5-year period thereafter as of June 30, 2023, are as follows:

Years Ending June 30,	<u>Capital Leases Payable</u>		<u>Notes Payable</u>	
	Principal	Interest	Principal	Interest
2024	795,694	2,291	12,589	9,611
2025	648,097	149,890	13,226	8,974
2026	665,634	132,353	13,896	8,304
2027	594,414	114,521	14,600	7,600
2028	612,127	96,807	15,339	6,861
2029 - 2033	2,636,442	199,298	89,163	21,837
2034 - 2038			<u>41,072</u>	<u>2,093</u>
Total	<u>5,952,408</u>	<u>695,160</u>	<u>199,885</u>	<u>65,280</u>

Years Ending June 30,	<u>Bonds Payable</u>		<u>Totals</u>	
	Principal	Interest	Principal	Interest
2024	1,025,000	195,223	1,833,283	207,125
2025	1,035,000	182,885	1,696,323	341,749
2026	1,035,000	169,398	1,714,530	310,055
2027	1,065,000	154,862	1,674,014	276,983
2028	1,070,000	138,686	1,697,466	242,354
2029 - 2033	4,185,000	415,500	6,910,605	636,635
2034 - 2038	<u>1,515,000</u>	<u>94,696</u>	<u>1,556,072</u>	<u>96,789</u>
Total	<u>10,930,000</u>	<u>1,351,250</u>	<u>17,082,293</u>	<u>2,111,690</u>

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT (Continued)

The County's principal and interest costs for the year ended June 30, 2023, are as follows:

	Debt Principal	Interest Expense	Total
General Fund	11,982	10,218	22,200
Road and Bridge Fund	85,942	3,109	89,051
Debt Service Fund	<u>1,035,000</u>	<u>180,300</u>	<u>1,215,300</u>
Total governmental activities	<u><u>1,132,924</u></u>	<u><u>193,627</u></u>	<u><u>1,326,551</u></u>

Direct Borrowing and Direct Placement Debt

The County has outstanding notes from direct borrowing and direct placement related to governmental activities of \$199,885. This note is secured by specific real estate.

Debt service requirements on long-term debt from direct borrowings and direct placement debt as of June 30, 2023, are as follows:

Years Ending June 30,	<u>Notes Payable</u>	
	Principal	Interest
2024	12,589	9,611
2025	13,226	8,974
2026	13,896	8,304
2027	14,600	7,600
2028	15,339	6,861
2029 - 2033	89,163	21,837
2034 - 2038	<u>41,072</u>	<u>2,093</u>
Total	<u><u>199,885</u></u>	<u><u>65,280</u></u>

Advanced Refunding

On April 21, 2022, the County issued limited tax obligation bonds in the principal amount of \$4,545,000 requiring total debt service payments of \$5,423,752 for the purpose of refunding the outstanding debt of the 2017 limited tax obligation bonds or \$4,335,000 requiring total debt principal payments of \$5,561,675. The County refunded the 2017 issue on July 7, 2022.

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 2035. Lease payments received for the year ended June 30, 2023, were \$93,832.

Minimum future rental payments under noncancellable operating leases having remaining terms in excess of one year as of June 30, 2023, are as follows:

Years Ending June 30,	Amount
2024	36,444
2025	36,488
2026	36,534
2027	30,581
2028	22,200
Thereafter	<u>155,400</u>
	<u>317,647</u>

NOTE 7. BUDGET COMPLIANCE

The following is a summary of the actual and budget expenditures, including transfers by fund:

	Budget	Actual	Variance Favorable (Unfavorable)
General Fund	19,111,131	15,520,759	3,590,372
Road and Bridge Fund	5,914,621	5,239,585	675,036
COVID American Rescue Plan Fund	6,778,109	1,011,102	5,767,007
Detention Center Fund	7,043,161	6,956,979	86,182
Capital Improvement Fund	3,005,993	511,511	2,494,482
Nonmajor Funds	<u>18,927,659</u>	<u>12,528,305</u>	<u>6,399,354</u>
	<u>60,780,674</u>	<u>41,768,241</u>	<u>19,012,433</u>

NOTE 8. COMMITMENTS AND CONTINGENCIES

Self-Insurance

The County operates a self-insured medical insurance plan for dental and health insurance for its employees. The County has contracted with a third-party administrator to provide claims processing services. In addition, the County has purchased a stop-loss policy covering all claims in excess of \$60,000 per year, per claim. The County retains risk of loss for all

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. COMMITMENTS AND CONTINGENCIES (Continued)

Self-Insurance (Continued)

claims up to the stop-loss amount. As of June 30, 2023, cumulative contributions and receipts in excess of claims and expenses were \$1,296,768, 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

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

The County also makes temporary loans from unrestricted funds to other funds as need to offset temporary cash shortfalls. These temporary loans are reported as transfers in and transfers out in the year they are made or repaid.

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.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. INTERFUND TRANSFERS AND LOANS (Continued)

Transfers (Continued)

The summary of interfund transfers for the year ended June 30, 2023, is as follows:

	Transfers In	Transfers Out	Net Transfers In (Out)
General Fund	516,860	5,338,271	(4,821,411)
Road and Bridge Fund	1,470,686	348,917	1,121,769
COVID American Rescue Fund	65,915		65,915
Detention Center Fund	1,503,421	796,500	706,921
Capital Improvement Fund	500,000		500,000
Nonmajor Funds	4,779,135	2,352,329	2,426,806
	<u>8,836,017</u>	<u>8,836,017</u>	

Amounts transferred for the purpose of funding the County's Self-Insured Medical Insurance Fund are as follows:

General Fund	
County Board	57,759
County Clerk	47,248
County Treasurer	136,603
Register of Deeds	44,488
County Assessor	60,922
Election Commissioner	11,653
Building and Zoning	11,653
Personnel Department	23,305
Clerk of the District Court	46,430
District Judge	11,473
Public Defender	73,446
Building and Grounds	59,026
Extension Agent	20,317
County Sheriff	269,093
County Attorney	152,747
Child Support Enforcement	53,393
Unknown	11,653
County Surveyor	11,473
Veterans Service	34,778
GIS Mapping	34,778
Total General Fund	<u>1,172,238</u>

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. INTERFUND TRANSFERS AND LOANS (Continued)

Transfers (Continued)

Road and Bridge Fund	348,917
Detention Center Fund	796,500
Nonmajor funds	<u>226,923</u>
Total transfers to the Self-Insured Medical Insurance Fund	<u>2,544,578</u>

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	Restricted Balance
Road and Bridge Fund Costs associated with road and bridge maintenance, improvements, and construction	1,033,774
COVID American Rescue Plan Act Costs associated with Coronavirus recovery efforts	5,832,923
Nonmajor Funds Cost associated with carrying out the various functions for which revenue is dedicated and which the fund was established	<u>3,918,093</u>
Total restricted net position	<u>10,784,790</u>

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	187,469
To provide services to the developmentally disabled residents of the County	<u>32,303</u>
	<u>236,448</u>

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. INTERLOCAL AGREEMENTS (Continued)

On June 4, 2021, the County entered into a lease purchase agreement for equipment to update the 911 system of the County and other local governments within the County. In conjunction with this agreement, the County entered into agreements with other local governments to receive payment for applicable equipment to be provided to each local government. The total cost of equipment was \$5,689,640, of which the County will be reimbursed from other local governments in an amount of \$2,451,530. Reimbursement payments are scheduled in coordination with lease payment dates through July 1, 2031, plus applicable interest of 2.98%. Local governments may pay their applicable portion at any time with no penalty. Reimbursements received during the year and cumulated reimbursements through the year ended June 30, 2023, were \$20,808 and \$20,808, respectively.

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, 2023.

NOTE 13. SUBSEQUENT EVENT

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through April 26, 2024, 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, 2023

Federal Grantor/Pass-Through Program/ Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures	Provided to Subrecipients
<u>U.S. Department of Justice</u>				
Passed through Nebraska Crime Commission				
Edward Byrne Memorial Justice Program	16.738	199-2022-DA3009	<u>92,230</u>	_____
<u>U.S. Department of Transportation</u>				
Passed through Nebraska Department of Roads				
Formula Grants for Rural Areas	20.509	RPT-C791 (222)	725,250	
Passed through Nebraska Office of Highway Safety				
State and Community Highway Safety	20.600	4021-23-12-33	16,036	
National Priority Safety Program	20.616	405D2052	<u>14,000</u>	_____
Total U.S. Department of Transportation			<u>755,286</u>	_____
<u>U.S. Department of the Treasury</u>				
Direct Awards				
Coronavirus Fiscal Recovery Fund	21.027	N/A	<u>945,186</u>	_____
<u>U.S. Department of Health and Human Services</u>				
Passed through Nebraska Department of Health and Human Services				
Epidemiology and Laboratory Capacity	93.323	Unknown	1,187	
Child Support Enforcement	93.563	2001NECSSES	<u>261,472</u>	_____
Total U.S. Department of Health and Human Services			<u>262,659</u>	_____

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Program/ Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures	Provided to Subrecipients
<u>Executive Office of the President</u>				
Passed through Nebraska State Patrol				
High Intensity Drug Trafficking Areas Program	95.001	23HD09	<u>100,582</u>	<u> </u>
<u>U.S. Department of Homeland Security</u>				
Passed through Nebraska Emergency Management Agency				
Disaster Grant - Public Assistance	97.036	157-99157	242,927	
Emergency Manager Performance Grant	97.042	22-SR-31025-01	52,025	52,025
Homeland Security Grant Program	97.067	18-DT-31025-01 19-SR-31025-03 19-SR-31013-01 20-GA-31013-02 21-GA-31013-02 22-GA-31013-01	<u>102,840</u>	<u>102,840</u>
Total U.S. Department of Homeland Security			<u>397,792</u>	<u>154,865</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>2,553,735</u>	<u>154,865</u>

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

NOTE 1. BASIS OF PRESENTATION

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

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

NOTE 2. BASIS FOR EXPENDITURES REPORTED

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

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

NOTE 3. INDIRECT COST RATE

For certain federal programs, the County may be allowed to utilize an indirect cost rate as determined by the federal program or a negotiated indirect cost rate. The County may otherwise utilize a de minimis indirect cost rate when allowed by the federal program. For these federal programs, federal expenditures included amounts determined as indirect costs.

For the Child Support Enforcement program, the County utilized an indirect cost rate of 52.71% applicable to costs incurred by the Child Support Enforcement Office and 37.88% applicable to costs incurred by the Clerk of the District Court.

The County did not use the de minimis indirect cost rate for any federal programs.

NOTE 4. CONTINGENCIES

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

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual
RECEIPTS		
Property taxes	12,091,542	9,572,075
Motor vehicle taxes	1,300,000	1,295,917
Intergovernmental	1,219,370	1,758,470
Local fees, licenses, commissions, and miscellaneous	3,070,419	2,158,668
Investment earnings	125,500	589,598
Total receipts	<u>17,806,831</u>	<u>15,374,728</u>
DISBURSEMENTS		
General government		
Personnel services	2,978,353	2,756,015
Operating expenses	4,226,283	2,812,126
Supplies/materials	163,900	138,209
Equipment rental	23,950	24,125
Total general government	<u>7,392,486</u>	<u>5,730,475</u>
Public Safety		
Personnel services	3,006,013	2,942,690
Operating expenses	356,347	323,288
Supplies/materials	187,580	283,970
Equipment rental	7,540	3,224
Total Public Safety	<u>3,557,480</u>	<u>3,553,172</u>
Public Works		
Personnel services	327,556	323,910
Operating expenses	100,989	111,859
Supplies/materials	7,000	6,950
Total Public Works	<u>435,545</u>	<u>442,719</u>
Public Welfare and Social Services		
Operating expenses	151,235	120,138
Supplies/materials		260
Equipment rental	3,900	3,900
Total Public Welfare and Social Services	<u>155,135</u>	<u>124,298</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, 2023

	Budget	Actual
DISBURSEMENTS (Continued)		
Noncurrent		
Capital outlay	426,090	309,624
Debt service		
Principal	11,982	11,982
Interest	10,218	10,218
Total noncurrent	<u>448,290</u>	<u>331,824</u>
Total disbursements	<u>11,988,936</u>	<u>10,182,488</u>
OTHER FINANCING USES		
Transfers in	1,089,708	516,860
Transfers out	<u>(7,122,195)</u>	<u>(5,338,271)</u>
Total other financing uses	<u>(6,032,487)</u>	<u>(4,821,411)</u>
NET CHANGE IN FUND BALANCE	<u>(214,592)</u>	370,829
FUND BALANCE, beginning of year		<u>2,744,772</u>
FUND BALANCE, end of year		<u>3,115,601</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, 2023

	Budget	Actual
RECEIPTS		
Motor vehicle taxes	225,000	231,018
Intergovernmental	3,340,201	3,602,579
Local fees, licenses, commissions, and miscellaneous	<u>75,500</u>	<u>165,841</u>
Total receipts	<u>3,640,701</u>	<u>3,999,438</u>
DISBURSEMENTS		
Public Works		
Personnel services	1,928,929	1,640,249
Operating expenses	585,223	720,985
Supplies/materials	1,395,860	1,367,971
Equipment rental	15,000	36,294
Capital outlay	1,542,600	1,036,118
Debt service		
Principal	89,100	85,942
Interest		3,109
Total disbursements	<u>5,556,712</u>	<u>4,890,668</u>
OTHER FINANCING SOURCES		
Transfers in	1,670,685	1,470,686
Transfers out	<u>(357,909)</u>	<u>(348,917)</u>
Total other financing sources	<u>1,312,776</u>	<u>1,121,769</u>
NET CHANGE IN FUND BALANCE	<u>(603,235)</u>	230,539
FUND BALANCE, beginning of year		<u>803,235</u>
FUND BALANCE, end of year		<u>1,033,774</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
COVID AMERICAN RESCUE PLAN FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual
RECEIPTS		
Intergovernmental	<u> </u>	<u>3,459,190</u>
DISBURSEMENTS		
Public Safety		
Operating expenses	161,670	4,150
Capital outlay	<u>6,616,439</u>	<u>1,006,952</u>
Total disbursements	<u>6,778,109</u>	<u>1,011,102</u>
OTHER FINANCING USES		
Transfers in	<u>3,459,189</u>	<u>65,915</u>
NET CHANGE IN FUND BALANCE	<u>(3,318,920)</u>	2,514,003
FUND BALANCE, beginning of year		<u>3,318,920</u>
FUND BALANCE, end of year		<u>5,832,923</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, 2023

	Budget	Actual
RECEIPTS		
Property taxes		1,068,612
Intergovernmental	85,000	21,566
Local fees, licenses, commissions, and miscellaneous	<u>3,708,125</u>	<u>3,695,619</u>
Total receipts	<u>3,793,125</u>	<u>4,785,797</u>
DISBURSEMENTS		
Public Safety		
Personnel services	4,082,267	4,143,706
Operating expenses	1,872,999	1,709,772
Supplies and materials	152,200	209,319
Equipment rental	15,600	11,685
Capital outlay	<u>111,591</u>	<u>85,997</u>
Total disbursements	<u>6,234,657</u>	<u>6,160,479</u>
OTHER FINANCING SOURCES		
Transfers in	2,838,844	1,503,421
Transfers out	<u>(808,504)</u>	<u>(796,500)</u>
Total other financing sources	<u>2,030,340</u>	<u>706,921</u>
NET CHANGE IN FUND BALANCE	<u>(411,192)</u>	(667,761)
FUND BALANCE, beginning of year		<u>1,186,192</u>
FUND BALANCE, end of year		<u>518,431</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, 2023

	Budget	Actual
RECEIPTS	<u>- 0 -</u>	<u>- 0 -</u>
DISBURSEMENTS		
Public Works		
Capital outlay	<u>3,005,993</u>	<u>511,511</u>
OTHER FINANCING SOURCES		
Transfers in	<u>500,000</u>	<u>500,000</u>
NET CHANGE IN FUND BALANCE	<u>(2,505,993)</u>	(11,511)
FUND BALANCE, beginning of year		<u>2,505,993</u>
FUND BALANCE, end of year		<u><u>2,494,482</u></u>

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
CASH BASIS - BUDGET AND ACTUAL
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual
RECEIPTS		
Property taxes	1,096,483	1,485,278
Motor vehicle taxes	250	
Other taxes	1,355,984	1,545,100
Intergovernmental	3,054,903	2,095,426
Local fees, licenses, commissions, and miscellaneous	1,991,019	2,154,947
Investment earnings	10,000	1,144
Total receipts	7,508,639	7,281,895
DISBURSEMENTS		
General government		
Personnel services	3,705,419	2,822,396
Operating expenses	986,307	911,785
Supplies/materials	78,259	27,900
Total general government	4,769,985	3,762,081
Public Safety		
Personnel services	109,269	97,325
Operating expenses	948,888	373,608
Supplies/materials	9,278	
Equipment rental	10,000	18,936
Total Public Safety	1,077,435	489,869
Public Works		
Personnel services	2,229,184	1,917,543
Operating expenses	805,817	281,114
Supplies/materials	772,819	346,003
Equipment rental	19,500	21,103
Total Public Works	3,827,320	2,565,763
Public Health and Welfare		
Personnel services	128,569	109,799
Operating expenses	370,648	317,883
Supplies/materials	10,693	4,394
Total Public Health and Welfare	509,910	432,076

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, 2023

	Budget	Actual
DISBURSEMENTS (Continued)		
Culture and Recreation		
Personnel services	66,016	68,511
Operating expenses	1,354,529	663,278
Supplies/materials	3,500	471
Equipment rental	6,000	
Total Culture and Recreation	<u>1,430,045</u>	<u>732,260</u>
Noncurrent		
Capital outlay	3,386,084	977,227
Debt service		
Principal	1,215,299	1,035,000
Interest		180,300
Issue costs	1,000	1,400
Total noncurrent	<u>4,602,383</u>	<u>2,193,927</u>
Total disbursements	<u>16,217,078</u>	<u>10,175,976</u>
OTHER FINANCING SOURCES		
Transfers in	5,072,343	4,779,135
Transfers out	(2,710,581)	(2,352,329)
Total other financing sources	<u>2,361,762</u>	<u>2,426,806</u>
NET CHANGE IN FUND BALANCE	<u>(6,346,677)</u>	(467,275)
FUND BALANCE, beginning of year		<u>7,018,004</u>
FUND BALANCE, end of year		<u><u>6,550,729</u></u>

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA
NOTES TO BUDGETARY SCHEDULES
YEAR ENDED JUNE 30, 2023

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

Basis of Accounting

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

Budgets

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

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

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

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

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

Budget Law

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

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF DISBURSEMENTS - CASH BASIS
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual
GENERAL GOVERNMENT		
Board of Commissioners		
Personnel services	146,436	147,325
Operating expenses	9,850	2,576
Supplies/materials	150	400
Total Board of Commissioners	156,436	150,301
County Clerk		
Personnel services	232,708	237,039
Operating expenses	6,825	2,629
Supplies/materials	2,200	2,502
Capital outlay	5,000	
Total County Clerk	246,733	242,170
County Treasurer		
Personnel services	539,671	525,252
Operating expenses	18,920	24,294
Supplies/materials	13,500	11,988
Equipment rental	2,400	2,127
Capital outlay	4,000	5,590
Total County Treasurer	578,491	569,251
Register of Deeds		
Personnel services	212,295	201,864
Operating expenses	8,465	5,400
Supplies/materials	9,000	8,147
Equipment rental	1,000	361
Capital outlay	2,500	
Total Register of Deeds	233,260	215,772
County Assessor		
Personnel services	317,687	251,752
Operating expenses	142,662	41,005
Supplies/materials	10,000	10,865
Equipment rental	3,000	2,740
Capital outlay	4,000	4,594
Total County Assessor	477,349	310,956

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF DISBURSEMENTS - CASH BASIS
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual
GENERAL GOVERNMENT (Continued)		
Election Commissioner		
Personnel services	37,616	38,990
Operating expenses	68,300	39,739
Supplies/materials	31,000	24,706
Total Election Commissioner	136,916	103,435
 Building and Zoning		
Personnel services	69,317	69,171
Operating expenses	16,673	15,962
Supplies/materials	5,600	2,704
Total Building and Zoning	91,590	87,837
 Clerk of the District Court		
Personnel services	244,485	242,510
Operating expenses	100,450	69,775
Supplies/materials	10,000	6,749
Equipment rental	1,750	3,427
Capital outlay	10,800	8,445
Total Clerk of the District Court	367,485	330,906
 County Court System		
Operating expenses	506,700	608,842
Supplies/materials	13,500	13,675
Equipment rental	800	510
Total County Court System	521,000	623,027
 District Judge		
Personnel services	65,093	57,187
Operating expenses	196,138	135,260
Supplies/materials	4,600	1,407
Capital outlay	12,500	
Total District Judge	278,331	193,854
 Public Defender		
Personnel services	536,392	462,543
Operating expenses	101,400	67,334
Supplies/materials	7,000	4,366
Equipment rental		495
Capital outlay	9,200	2,615
Total Public Defender	653,992	537,353

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF DISBURSEMENTS - CASH BASIS
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual
GENERAL GOVERNMENT (Continued)		
Buildings and Grounds		
Personnel services	310,595	264,815
Operating expenses	281,957	221,794
Supplies/materials	48,950	40,192
Capital outlay	58,400	12,663
Total Buildings and Grounds	699,902	539,464
Agriculture Extension Agent		
Personnel services	84,612	77,415
Operating expenses	61,329	62,529
Supplies/materials	7,000	6,823
Capital outlay	2,000	838
Total Agriculture Extension Agent	154,941	147,605
Information Systems		
Operating expenses	469,000	471,444
Capital outlay	75,000	57,020
Total Information Systems	544,000	528,464
Management Account and Personnel Department		
Personnel services	159,581	158,010
Operating expenses	14,720	5,603
Supplies/materials	1,000	1,390
Capital outlay	500	
Total Management Account and Personnel Department	175,801	165,003
Administration and General		
Personnel services	21,865	22,142
Operating expenses	2,222,894	1,037,940
Supplies/materials	400	2,295
Equipment rental	15,000	14,465
Capital outlay		282
Debt service - principal	11,982	11,982
Debt service - interest	10,218	10,218
Total Administration and General	2,282,359	1,099,324

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF DISBURSEMENTS - CASH BASIS
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual
PUBLIC SAFETY		
County Sheriff		
Personnel services	1,883,034	1,786,074
Operating expenses	167,572	153,638
Supplies/materials	144,000	238,711
Capital outlay	166,700	193,625
Total County Sheriff	2,361,306	2,372,048
 County Attorney		
Personnel services	765,724	810,565
Operating expenses	142,180	131,474
Supplies/materials	13,500	11,123
Equipment rental	1,800	1,612
Capital outlay	5,100	5,068
Total County Attorney	928,304	959,842
 Child Support		
Personnel services	254,123	245,134
Operating expenses	13,670	9,319
Supplies/materials	2,500	1,033
Equipment rental	1,800	1,612
Capital outlay	1,150	
Total Child Support	273,243	257,098
 District No. 10 Probation		
Operating expenses	25,825	22,133
Supplies/materials	19,580	27,465
Equipment rental	3,940	
Capital outlay	17,140	16,884
Total District No. 10 Probation	66,485	66,482
 Emergency Management		
Personnel services	103,132	100,917
Operating expenses	7,100	6,724
Supplies/materials	8,000	5,638
Capital outlay	10,500	
Total Emergency Management	128,732	113,279

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF DISBURSEMENTS - CASH BASIS
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual
PUBLIC WORKS		
County Surveyor		
Personnel services	3,226	3,188
Operating expenses	32,500	28,618
Supplies/materials	1,000	1,304
Total County Surveyor	36,726	33,110
GIS Mapping		
Personnel services	183,329	181,737
Operating expenses	60,727	77,778
Supplies/materials	2,500	1,294
Capital outlay	29,600	
Total GIS Mapping	276,156	260,809
Veterans Service Officer		
Personnel services	141,001	138,985
Operating expenses	7,762	5,463
Supplies/materials	3,500	4,352
Equipment rental	3,900	3,900
Capital outlay	2,000	2,000
Total Veterans Service Officer	158,163	154,700
PUBLIC WELFARE AND SOCIAL SERVICES		
HHS Administration		
Operating expenses	116,817	88,946
Supplies/materials		260
Total HHS Administration	116,817	89,206
Probation		
Operating expenses	34,418	31,192
Capital outlay	10,000	
Total Probation	44,418	31,192
TOTAL DISBURSEMENTS	11,988,936	10,182,488

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, 2023

	Highway/ Bridge Buyback Fund	Self Insurance Fund	Inheritance Tax Fund	Keno Fund	Debt Service Fund	Central Comm. Fund	Other Nonmajor Funds	Total Nonmajor Funds
RECEIPTS								
Property taxes					1,093,663	377,572	14,043	1,485,278
Other taxes			856,640			92,118	596,342	1,545,100
Intergovernmental	356,652			98,498	125,599	27,813	1,486,864	2,095,426
Local fees, licenses, commissions, and miscellaneous		702,038		523,672	4,530	148,169	776,538	2,154,947
Investment earnings			1,144					1,144
Total receipts	<u>356,652</u>	<u>702,038</u>	<u>857,784</u>	<u>622,170</u>	<u>1,223,792</u>	<u>645,672</u>	<u>2,873,787</u>	<u>7,281,895</u>
DISBURSEMENTS								
Personnel services		2,789,300				1,128,152	1,098,122	5,015,574
Operating expenses		868,400	1,825	241,658		96,310	1,339,475	2,547,668
Supplies and materials	66,755					22,656	289,357	378,768
Equipment rental						16,351	23,688	40,039
Capital outlay	61,997			14,883		143,340	757,007	977,227
Debt service								
Principal					1,035,000			1,035,000
Interest					180,300			180,300
Issue costs					1,400			1,400
Total disbursements	<u>128,752</u>	<u>3,657,700</u>	<u>1,825</u>	<u>256,541</u>	<u>1,216,700</u>	<u>1,406,809</u>	<u>3,507,649</u>	<u>10,175,976</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>227,900</u>	<u>(2,955,662)</u>	<u>855,959</u>	<u>365,629</u>	<u>7,092</u>	<u>(761,137)</u>	<u>(633,862)</u>	<u>(2,894,081)</u>
OTHER FINANCING SOURCES (USES)								
Operating transfers in		2,688,672			120,429	988,322	981,712	4,779,135
Operating transfers out	(120,429)		(1,200,000)	(538,107)		(182,115)	(311,678)	(2,352,329)
Total other financing sources (uses)	<u>(120,429)</u>	<u>2,688,672</u>	<u>(1,200,000)</u>	<u>(538,107)</u>	<u>120,429</u>	<u>806,207</u>	<u>670,034</u>	<u>2,426,806</u>
NET CHANGE IN FUND BALANCES	107,471	(266,990)	(344,041)	(172,478)	127,521	45,070	36,172	(467,275)
FUND BALANCES, beginning of year	<u>1,016,486</u>	<u>1,563,758</u>	<u>677,284</u>	<u>669,179</u>	<u>471,250</u>	<u>221,792</u>	<u>2,398,255</u>	<u>7,018,004</u>
FUND BALANCES, end of year	<u>1,123,957</u>	<u>1,296,768</u>	<u>333,243</u>	<u>496,701</u>	<u>598,771</u>	<u>266,862</u>	<u>2,434,427</u>	<u>6,550,729</u>



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

INDEPENDENT AUDITOR'S 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, 2023, 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 April 26, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control that we consider to be a material weakness, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a material weakness.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Scotts Bluff County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Scotts Bluff County, Nebraska's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Scotts Bluff County, Nebraska's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Scotts Bluff County, Nebraska's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Scotts Bluff County, Nebraska's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dana J Cole + Company, LLP

Scottsbluff, Nebraska
April 26, 2024



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

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Scotts Bluff County, Nebraska's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Scotts Bluff County, Nebraska's major federal programs for the year ended June 30, 2023. Scotts Bluff County, Nebraska's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Scotts Bluff County, Nebraska, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Scotts Bluff County, Nebraska's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Scotts Bluff County, Nebraska's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Scotts Bluff County, Nebraska's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Scotts Bluff County, Nebraska's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Scotts Bluff County, Nebraska's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Scotts Bluff County, Nebraska's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Scotts Bluff County, Nebraska's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 a 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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Dana J Cole + Company, LLP

Scottsbluff, Nebraska
April 26, 2024

SCOTTS BLUFF COUNTY, NEBRASKA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2023

SECTION I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Noncompliance matter to the financial statements disclosed:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:	
Material weakness identified:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Identification of major programs:	
Formula Grants for Rural Areas	20.509
Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as a low-risk auditee:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

SECTION II. FINANCIAL STATEMENT FINDINGS

2023-001 SEGREGATION OF ACCOUNTING FUNCTIONS

Criteria

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

Condition and Context

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

Questioned Costs

None.

Cause

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

Potential Effect

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

Recommendation

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

Views of Responsible Officials and Planned Corrective Action

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

SCOTTS BLUFF COUNTY, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2023-001 SEGREGATION OF ACCOUNTING FUNCTIONS

Internal control reportable condition described in Section II, 2023-001.

SCOTTS BLUFF COUNTY, NEBRASKA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023

2022-001 SEGREGATION OF ACCOUNTING FUNCTIONS

Condition: As described in Section II - 2023-001.

Status: Ongoing.



Scotts Bluff County

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(308) 436-6718

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(308) 436-7163

CORRECTIVE ACTION PLAN

April 26, 2024

Scotts Bluff County respectfully submits the following corrective action plan for the year ended June 30, 2023, for the finding identified by Dana F. Cole & Company, LLP, Scottsbluff, Nebraska.

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

FINANCIAL STATEMENT FINDINGS

2023-001 SEGREGATION OF ACCOUNTING FUNCTIONS

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

Action Taken: The County has assessed the benefits and costs associated with proper segregation of duties for all County departments and offices and has determined that cost would outweigh any benefits received. The County understands the inherent risks associated with improper segregation of accounting functions. Action has been taken to ensure timely deposits to the General Fund from the accounts held by individual departments, and County Management has communicated the need to be transparent regarding the transactions handled within these accounts. The County requires monthly reporting to the Board of Commissioners for various department officials to ensure transactions are recorded, and potential errors and irregularities are identified on a timely basis. The County will continue to review accounting procedures and processes to further mitigate this internal control deficiency whenever possible and feasible.

If federal or pass-through awarding agency has questions regarding this plan, please contact me.

Sincerely yours,

Lisa Rien
Management Accountant
(308) 436-6726