

SCOTTS BLUFF COUNTY, NEBRASKA

SCOTTS BLUFF, NEBRASKA

AUDIT REPORT

JUNE 30, 2024



**DANA F. COLE  
& COMPANY** LLP  
CERTIFIED PUBLIC ACCOUNTANTS

AUDIT REPORT  
OF  
SCOTTS BLUFF COUNTY, NEBRASKA  
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**DANA F. COLE  
& COMPANY<sub>LLP</sub>**  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the County Board of Commissioners  
Scotts Bluff County, Nebraska  
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, 2024, 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, 2024, 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 32 - 41 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 29 - 31 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 32 - 41 and the schedule of expenditures of federal awards on pages 29 - 31 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 32 - 41, and schedule of expenditures of federal awards on pages 29 - 31 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 June 12, 2025, 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  
June 12, 2025

SCOTTS BLUFF COUNTY, NEBRASKA  
STATEMENT OF NET POSITION - CASH BASIS  
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash	<u>14,079,008</u>
NET POSITION	
Restricted	6,638,010
Unrestricted	<u>7,440,998</u>
TOTAL NET POSITION	<u>14,079,008</u>

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA  
STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2024

		Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	Net (Disbursements) Receipts and Changes in Net Position
<b>FUNCTIONS/PROGRAMS</b>						
	Governmental activities					
	General government	9,733,485	1,675,695			(8,057,790)
	Public Safety	13,806,022	3,165,674	2,612,603		(8,027,745)
	Public Works	8,666,126	399,578	5,266,532		(3,000,016)
	Public Health and Welfare	301,558		23,927		(277,631)
	Culture and Recreation	805,552	562,776	13,669		(229,107)
	Debt service	5,901,625	1,624,025			(4,277,600)
	Total governmental activities	<u>39,214,368</u>	<u>7,427,748</u>	<u>7,916,731</u>		<u>(23,869,889)</u>
<b>GENERAL RECEIPTS</b>						
	Property and other taxes					14,252,792
	State and federal general receipts					2,717,291
	Other receipts					1,432,874
	Total general receipts					<u>18,402,957</u>
	<b>CHANGE IN NET POSITION</b>					(5,466,932)
	<b>NET POSITION, beginning of year</b>					<u>19,545,940</u>
	<b>NET POSITION, end of year</b>					<u>14,079,008</u>

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA  
STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

	Major Funds						Total Governmental Funds
	General Fund	Road and Bridge Fund	COVID American Rescue Fund	Detention Center Fund	Capital Improvement Fund	Nonmajor Governmental Funds	
ASSETS							
Cash	<u>2,963,659</u>	<u>783,710</u>	<u>2,489,610</u>	<u>401,027</u>	<u>1,785,347</u>	<u>5,655,655</u>	<u>14,079,008</u>
FUND BALANCES							
Restricted		783,710	2,489,610			3,364,690	6,638,010
Committed				401,027	1,785,347	2,184,130	4,370,504
Assigned						106,835	106,835
Unassigned	<u>2,963,659</u>	_____	_____	_____	_____	_____	<u>2,963,659</u>
TOTAL FUND BALANCES	<u>2,963,659</u>	<u>783,710</u>	<u>2,489,610</u>	<u>401,027</u>	<u>1,785,347</u>	<u>5,655,655</u>	<u>14,079,008</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, 2024

	Major Funds						Total Governmental Funds
	General Fund	Road and Bridge Fund	COVID American Rescue Fund	Detention Fund	Capital Improvement Fund	Nonmajor Governmental Funds	
<b>RECEIPTS</b>							
Taxes	12,473,641			5,131		1,774,020	14,252,792
Local receipts	3,048,465	94,416	1,159	4,295,410	4,237	3,463,913	10,907,600
State receipts	1,611,914	3,847,672				1,409,699	6,869,285
Federal receipts				80,351		1,601,687	1,682,038
Other receipts	450	1,077		8,254		25,940	35,721
Total receipts	<u>17,134,470</u>	<u>3,943,165</u>	<u>1,159</u>	<u>4,389,146</u>	<u>4,237</u>	<u>8,275,259</u>	<u>33,747,436</u>
<b>DISBURSEMENTS</b>							
General government	6,336,599					3,396,886	9,733,485
Public Safety	4,032,843		444,472	6,574,669		2,754,038	13,806,022
Public Works	451,107	5,983,635			213,372	2,018,012	8,666,126
Public Health and Welfare	42,684					258,874	301,558
Culture and Recreation						805,552	805,552
Debt Service	22,200	133,577	2,900,000			2,845,848	5,901,625
Total disbursements	<u>10,885,433</u>	<u>6,117,212</u>	<u>3,344,472</u>	<u>6,574,669</u>	<u>213,372</u>	<u>12,079,210</u>	<u>39,214,368</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>6,249,037</u>	<u>(2,174,047)</u>	<u>(3,343,313)</u>	<u>(2,185,523)</u>	<u>(209,135)</u>	<u>(3,803,951)</u>	<u>(5,466,932)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in	525,258	2,317,292		2,900,000		4,620,147	10,362,697
Operating transfers out	(6,926,237)	(393,309)		(831,881)	(500,000)	(1,711,270)	(10,362,697)
Total other financing sources (uses)	<u>(6,400,979)</u>	<u>1,923,983</u>		<u>2,068,119</u>	<u>(500,000)</u>	<u>2,908,877</u>	
<b>NET CHANGE IN FUND BALANCES</b>	<u>(151,942)</u>	<u>(250,064)</u>	<u>(3,343,313)</u>	<u>(117,404)</u>	<u>(709,135)</u>	<u>(895,074)</u>	<u>(5,466,932)</u>
FUND BALANCES, beginning 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>
FUND BALANCES, end of year	<u>2,963,659</u>	<u>783,710</u>	<u>2,489,610</u>	<u>401,027</u>	<u>1,785,347</u>	<u>5,655,655</u>	<u>14,079,008</u>

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN NET POSITION - CASH BASIS  
FIDUCIARY FUNDS  
JUNE 30, 2024

	Custodial Balance July 1, 2023	Receipts	Disbursements	Custodial Balance June 30, 2024
<b>ASSETS</b>				
Cash and cash equivalents	<u>2,318,648</u>	<u>68,542,176</u>	<u>68,481,718</u>	<u>2,379,106</u>
<b>LIABILITIES</b>				
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>
<b>TOTAL NET POSITION</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

See accompanying notes to financial statements.

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. THE REPORTING ENTITY

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

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The County is financially accountable if its County 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.

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

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

The government utilizes the following fund types:

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

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements (Continued)

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

- a. Total assets, liabilities, receipts, or disbursements of that individual governmental or enterprise fund are at least 10% 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, 2024.

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 six months 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:

Postage and Copier Costs - The County incurs postage and copier 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

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2024, the District held bank deposits and also held funds in certificates of deposit with the Nebraska Public Agency Investment Trust (NPAIT).

The Nebraska Public Agency Investment Trust (NPAIT) was established in June 1996, through the Interlocal Cooperation Act. 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 currently consists of and operates one daily

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

Custodial Credit Risk - Deposits (Continued)

portfolio and a fixed-term account. NPAIT portfolio management generally follows established investment criteria designed to offer acceptable yield while maintaining liquidity and safety. NPAIT is not registered with the SEC as an investment company. The most recent audit report for NPAIT is available via the NPAIT website at <https://www.npait.com>.

Bank Deposits

As of June 30, 2024, all of the District's deposits with financial institutions were fully insured or collateralized by securities held in the District's name in the form of joint safekeeping receipts. State law requires all funds in depositories to be fully insured or collateralized, and the District's policy is to require depositories to provide pledged securities to cover deposits in excess of FDIC limits.

NPAIT Deposits

State law required collateralization of deposits with Federal depository insurance or with U.S. Treasury and U.S. Agency securities having an aggregate value at least equal to the balance of deposits. As of June 30, 2024, all of NPAIT's deposits were insured and collateralized by securities held by the pledging financial institution in other than the NPAIT's name.

Investments

NPAIT's short-term investment portfolio consists of cash and short-term investments valued at amortized cost, which approximates fair value due to the short-term nature of the instruments. This involves valuing a portfolio security at its original cost on the date of purchase and thereafter amortizing any premium or discount on the straight-line basis to maturity. The amount of premium or discount amortized to income under the straight-line method does not differ materially from the amount that would be amortized to income under the interest method. Procedures are followed to maintain a constant net position value of \$1.00 per unit in NPAIT.

At June 30, 2024 the District has \$8,114,154 in NPAIT investment. These investments consisted of government agency securities and repurchase agreements that were collateralized by U.S. government securities.

The District is exposed to risks noted below in relation to its investments in NPAIT. The District does not have a policy for these risks. The following NPAIT risk policies below were taken from footnotes in the NPAIT audit report.

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments (Continued)

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, all of NPAIT's investments have maturities of less than two years.

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. According to the latest audit report of NPAIT, as of June 30, 2024, NPAIT limits the investments to certain fixed income instruments which Nebraska governmental entities are permitted to invest in under Nebraska law. As of June 30, 2024, the investment portfolio was comprised of investments that were, in aggregate, rated by Standard and Poor's (S&P) as shown in the table below. The rates include the ratings of collateral underlying repurchase agreements in effect at June 30, 2024.

<u>Security Type</u>	<u>S&amp;P Rating</u>	<u>Percent of Portfolio</u>
Bank notes	A1+	1.34%
Certificates of deposit	A1/A1+	28.22%
FDIC insured certificates of deposit	Not rated	20.50%
Commercial paper	A1/A1+	22.86%
Corporate note	A1	0.84%
Funding agreement	A1	0.88%
Money market accounts	AAAm	0.25%
Demand deposits	A1/A1+	3.77%
U.S. Government agency obligations	AA+	0.15%
Repurchase agreements	AA+	21.19%

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, NPAIT will not be able to recover the value of its investment or collateral securities that are in the possession of the outside party. NPAIT has no specific policy as to credit risk. All of the underlying securities for the NPAIT's investments in repurchase agreements at June 30, 2024 are held by the counterparties in NPAIT's name.

Concentration of Credit Risk

NPAIT places no limit on the amount that may be invested in any one issuer. As of June 30, 2024, the Trust held no investments that were more than 5% in any one issuer.

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

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 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, 2024, total compensation for all employees was \$13,338,528 and compensation covered in this Plan was \$13,305,461. Employee contributions were \$625,756 and the County contributed \$923,111.

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.

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. RISK MANAGEMENT (Continued)

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 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. The County has not had to pay out any amounts that exceeded coverages provided by the Pool in the last three fiscal years.

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT

Capital leases payable at June 30, 2024, 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. 652,301

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. 132,224

Total capital leases payable 784,525

Notes payable at June 30, 2024, 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. 187,296

Bonds payable at June 30, 2024, 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. 2,270,000

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. 1,195,000

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT (Continued)

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.	2,470,000
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>3,970,000</u>
Total bonds payable	<u>9,905,000</u>
Total long-term debt	<u><u>10,876,821</u></u>

A schedule of changes in long-term debt, including capital leases, for the year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Payments	Ending Balance
Capital leases	5,243,473	149,011	4,607,959	784,525
Notes payable	199,885		12,589	187,296
Bonds payable	<u>10,930,000</u>		<u>1,025,000</u>	<u>9,905,000</u>
Total	<u><u>16,373,358</u></u>	<u><u>149,011</u></u>	<u><u>5,645,548</u></u>	<u><u>10,876,821</u></u>

On June 24, 2023, the County made an initial payment on the capital lease for 911 equipment of \$708,935. This payment was reported as capital outlay in the prior year financial statements and was not reflected in the ending debt balance. As such, the beginning balance has been adjusted to reflect the prior year payment.

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT (Continued)

The annual debt service requirements for the next five years and for each 5-year period thereafter as of June 30, 2024, are as follows:

Years Ending June 30,	Capital Leases Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2025	43,803	733	13,226	8,974
2026	173,603	20,069	13,896	8,304
2027	87,720	16,900	14,600	7,600
2028	90,334	14,286	15,339	6,861
2029	93,026	11,594	16,116	6,084
2030 - 2034	296,039	17,816	93,678	17,322
2035 - 2039			20,441	524
<b>Total</b>	<b>784,525</b>	<b>81,398</b>	<b>187,296</b>	<b>55,669</b>

  

Years Ending June 30,	Bonds Payable		Totals	
	Principal	Interest	Principal	Interest
2025	1,035,000	182,885	1,092,029	192,592
2026	1,035,000	169,398	1,222,499	197,771
2027	1,065,000	154,862	1,167,320	179,362
2028	1,070,000	138,686	1,175,673	159,833
2029	1,080,000	120,964	1,189,142	138,642
2030 - 2034	3,470,000	334,262	3,859,717	369,400
2035 - 2039	1,150,000	54,970	1,170,441	55,494
<b>Total</b>	<b>9,905,000</b>	<b>1,156,027</b>	<b>10,876,821</b>	<b>1,293,094</b>

The County's principal and interest costs for the year ended June 30, 2024, are as follows:

	Debt Principal	Interest Expense	Total
General Fund	12,589	9,611	22,200
Road and Bridge Fund	130,544	3,033	133,577
COVID American Rescue Fund	2,900,000		2,900,000
Debt Service Fund	1,025,000	196,823	1,221,823
911 Emergency Management Fund	1,577,415	46,610	1,624,025
<b>Total governmental activities</b>	<b>5,645,548</b>	<b>256,077</b>	<b>5,901,625</b>

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT (Continued)

Direct Borrowing and Direct Placement Debt

The County has outstanding notes from direct borrowing and direct placement related to governmental activities of \$187,296. 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, 2024, are as follows:

Years Ending June 30,	Notes Payable	
	Principal	Interest
2025	13,226	8,974
2026	13,896	8,304
2027	14,600	7,600
2028	15,339	6,861
2029	16,116	6,084
2030 - 2034	93,678	17,322
2035 - 2039	<u>20,441</u>	<u>524</u>
Total	<u>187,296</u>	<u>55,669</u>

NOTE 6. LEASES

Lessor Agreements

The County is the lessor of airport hangars and office space under operating leases expiring in various years through 2035.

Minimum future rental payments under noncancellable operating leases having remaining terms in excess of one year as of June 30, 2024, are as follows:

Years Ending June 30,	Amount
2025	34,200
2026	34,200
2027	28,200
2028	22,200
2029	22,200
Thereafter	<u>133,200</u>
	<u>274,200</u>

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

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	19,509,312	17,811,670	1,697,642
Road and Bridge Fund	7,720,046	6,510,521	1,209,525
COVID American Rescue Plan Fund	5,832,923	3,344,472	2,488,451
Detention Center Fund	7,720,308	7,406,550	313,758
Capital Improvement Fund	2,594,482	713,372	1,881,110
Nonmajor Funds	<u>19,419,791</u>	<u>13,790,480</u>	<u>5,629,311</u>
	<u>62,796,862</u>	<u>49,577,065</u>	<u>13,219,797</u>

NOTE 8. COMMITMENTS AND CONTINGENCIES

Self-Insurance

The County operates a self-insured medical insurance plan for dental and health insurance for its employees. The County has contracted with a third-party administrator to provide claims processing services. In addition, the County has purchased a stop-loss policy covering all claims in excess of \$60,000 per year, per claim. The County retains risk of loss for all claims up to the stop-loss amount. As of June 30, 2024, cumulative contributions and receipts in excess of claims and expenses were \$1,047,475, which the County has designated for payment of future claims.

Construction Projects

In June 2024, the County entered into contract for the repair and construction of a bridge. Under the contract, the County estimates total construction costs to be \$2.1 million and anticipates the project will be completed by June 30, 2025.

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.

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. COMMITMENTS AND CONTINGENCIES (Continued)

General (Continued)

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.

The summary of interfund transfers for the year ended June 30, 2024, is as follows:

	Transfers In	Transfers Out
General Fund	525,258	6,926,237
Road and Bridge Fund	2,317,292	393,309
Detention Center Fund	2,900,000	831,881
Capital Improvement Fund		500,000
Nonmajor Funds	4,620,147	1,711,270
	10,362,697	10,362,697

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. INTERFUND TRANSFERS AND LOANS (Continued)

Transfers (Continued)

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

General Fund	1,209,004
Road and Bridge Fund	393,309
Detention Center Fund	831,881
Nonmajor Funds	<u>408,807</u>
 Total transfers to the Self-Insured Medical Insurance Fund	 <u><u>2,843,001</u></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	783,710
COVID American Rescue Plan Act	
Costs associated with Coronavirus recovery efforts	2,489,610
Nonmajor Funds	
Cost associated with carrying out the various functions for which revenue is dedicated and which the fund was established	<u>3,364,690</u>
 Total restricted net position	 <u><u>6,638,010</u></u>

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. INTERLOCAL AGREEMENTS

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

Purpose	Amount
To provide services to elderly residents of the County	18,724
To provide mental health and substance abuse services to residents of the County	183,711
To provide services to the developmentally disabled residents of the County	33,398
	<u>235,833</u>

On June 4, 2021 and amended on August 29, 2023, 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 \$5,838,651, of which the County will be reimbursed from other local governments in an amount of \$2,600,541. 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. As of June 30, 2024, the amount due to the County from other local governments was \$652,301.

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, 2024.

NOTE 13. SUBSEQUENT EVENT

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through June 12, 2025, 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, 2024

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	112,261	_____
<u>U.S. Department of Transportation</u>				
Passed through Nebraska Department of Roads				
Formula Grants for Rural Areas	20.509	RPT-C791 (222,225)	829,933	
Passed through Nebraska Office of Highway Safety				
Highway Safety Cluster				
State and Community Highway Safety	20.600	4021-23-12-33	6,834	
National Priority Safety Program	20.616	405D2052	21,083	_____
Total Highway Safety Cluster			27,917	_____
Total U.S. Department of Transportation			857,850	_____
<u>U.S. Department of the Treasury</u>				
Direct Awards				
Coronavirus Fiscal Recovery Fund - COVID 19	21.027	N/A	3,343,313	
Passed through Nebraska Emergency Management Agency				
Coronavirus Relief Fund	21.019	DR-4521	80,351	
Total U.S. Department of the Treasury			3,423,664	_____
<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	1,684	
Child Support Enforcement	93.563	2001NECSSES	286,158	_____
Total U.S. Department of Health and Human Services			287,842	_____

SCOTTS BLUFF COUNTY, NEBRASKA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR END JUNE 30, 2024

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>72,801</u>	<u>          </u>
<u>U.S. Department of Homeland Security</u>				
Passed through Nebraska Emergency Management Agency				
Emergency Manager Performance Grant	97.042	22-SR-31025-01	49,308	49,308
Homeland Security Grant Program	97.067	19-SR-31013-01 20-GA-31013-02 21-GA-31013-02 22-GA-31013-01 23-GA-31013-01	<u>581,337</u>	<u>581,337</u>
Total U.S. Department of Homeland Security			<u>630,645</u>	<u>630,645</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>5,385,063</u>	<u>630,645</u>

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2024

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 73.98% applicable to costs incurred by the Child Support Enforcement Office and 29.02% 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, 2024

	Budget	Actual
<b>RECEIPTS</b>		
Taxes	13,853,816	12,473,641
Local receipts	3,986,394	3,048,465
State receipts	225,000	1,611,914
Other receipts		450
Total receipts	18,065,210	17,134,470
<b>DISBURSEMENTS</b>		
General government		
Personnel services	3,200,263	3,085,980
Operating expenses	4,154,356	2,781,062
Supplies/materials	176,200	150,143
Equipment rental	26,715	24,056
Capital outlay	306,130	295,358
Debt service	22,200	22,200
Total general government	7,885,864	6,358,799
Public Safety		
Personnel services	3,450,841	3,312,037
Operating expenses	353,902	313,366
Supplies/materials	208,530	207,384
Equipment rental	3,600	4,709
Capital outlay	145,566	195,347
Total Public Safety	4,162,439	4,032,843
Public Works		
Personnel services	448,141	354,768
Operating expenses	124,377	74,927
Supplies/materials	7,500	7,123
Capital outlay	2,000	14,289
Total Public Works	583,018	451,107
Public Health and Welfare		
Operating expenses	43,009	31,803
Capital outlay	10,000	10,881
Total Public Health and Welfare	53,009	42,684
Total disbursements	12,684,330	10,885,433

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, 2024

	Budget	Actual
OTHER FINANCING USES		
Transfers in	1,188,501	525,258
Transfers out	<u>(6,824,982)</u>	<u>(6,926,237)</u>
Total other financing uses	<u>(5,636,481)</u>	<u>(6,400,979)</u>
NET CHANGE IN FUND BALANCE	<u>(255,601)</u>	(151,942)
FUND BALANCE, beginning of year		<u>3,115,601</u>
FUND BALANCE, end of year		<u><u>2,963,659</u></u>

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE  
CASH BASIS - BUDGET AND ACTUAL  
ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual
<b>RECEIPTS</b>		
Local receipts		94,416
State receipts	4,320,594	3,847,672
Other receipts		1,077
Total receipts	4,320,594	3,943,165
<b>DISBURSEMENTS</b>		
Public Works		
Personnel services	2,419,019	1,794,353
Operating expenses	858,927	720,608
Supplies/materials	1,479,500	1,316,989
Equipment rental	50,000	47,165
Capital outlay	2,712,600	2,104,520
Debt service	200,000	133,577
Total disbursements	7,720,046	6,117,212
<b>OTHER FINANCING SOURCES</b>		
Transfers in	2,365,678	2,317,292
Transfers out		(393,309)
Total other financing sources	2,365,678	1,923,983
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,033,774)</b>	<b>(250,064)</b>
<b>FUND BALANCE, beginning of year</b>		<b>1,033,774</b>
<b>FUND BALANCE, end of year</b>		<b>783,710</b>

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, 2024

	Budget	Actual
RECEIPTS		
Local receipts		1,159
DISBURSEMENTS		
Public Safety		
Operating expenses	157,520	4,714
Capital outlay	5,675,403	439,758
Debt service		2,900,000
Total disbursements	5,832,923	3,344,472
NET CHANGE IN FUND BALANCE		(3,343,313)
FUND BALANCE, beginning of year		5,832,923
FUND BALANCE, end of year		2,489,610

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, 2024

	Budget	Actual
<b>RECEIPTS</b>		
Taxes		5,131
Local receipts	4,298,500	4,295,410
Federal receipts		80,351
Other receipts		8,254
Total receipts	4,298,500	4,389,146
<b>DISBURSEMENTS</b>		
Public Safety		
Personnel services	5,410,132	4,411,520
Operating expenses	1,970,922	1,822,862
Supplies and materials	167,000	158,070
Equipment rental	12,000	9,133
Capital outlay	160,254	173,084
Total disbursements	7,720,308	6,574,669
<b>OTHER FINANCING SOURCES</b>		
Transfers in	2,903,377	2,900,000
Transfers out		(831,881)
Total other financing sources	2,903,377	2,068,119
<b>NET CHANGE IN FUND BALANCE</b>	<b>(518,431)</b>	<b>(117,404)</b>
FUND BALANCE, beginning of year		518,431
FUND BALANCE, end of year		401,027

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, 2024

	Budget	Actual
RECEIPTS		
Local receipts	<u>100,000</u>	<u>4,237</u>
DISBURSEMENTS		
Public Works		
Capital outlay	<u>2,094,482</u>	<u>213,372</u>
OTHER FINANCING SOURCES		
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>
NET CHANGE IN FUND BALANCE	<u><u>(2,494,482)</u></u>	<u>(709,135)</u>
FUND BALANCE, beginning of year		<u>2,494,482</u>
FUND BALANCE, end of year		<u><u>1,785,347</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, 2024

	Budget	Actual
<b>RECEIPTS</b>		
Taxes	3,275,303	1,774,020
Local receipts	2,836,367	3,463,913
State receipts	1,132,891	1,409,699
Federal receipts	2,975,074	1,601,687
Other receipts		25,940
Total receipts	10,219,635	8,275,259
<b>DISBURSEMENTS</b>		
General government		
Operating expenses	4,350,009	3,379,656
Supplies/materials	110,790	17,230
Debt service	1,221,723	1,221,822
Total general government	5,682,522	4,618,708
Public Safety		
Personnel services	1,726,457	1,525,230
Operating expenses	3,180,766	880,091
Supplies/materials	77,900	52,025
Equipment rental	36,208	30,114
Capital outlay	791,239	266,578
Debt service		1,624,026
Total Public Safety	5,812,570	4,378,064
Public Works		
Personnel services	1,296,575	878,861
Operating expenses	260,866	204,659
Supplies/materials	581,990	387,447
Equipment rental	4,000	9,520
Capital outlay	1,460,164	537,525
Total Public Works	3,603,595	2,018,012
Public Health and Welfare		
Personnel services	161,510	84,476
Operating expenses	192,734	169,800
Supplies/materials	7,318	4,598
Capital outlay	100,000	
Total Public Health and Welfare	461,562	258,874

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, 2024

	Budget	Actual
DISBURSEMENTS (Continued)		
Culture and Recreation		
Personnel services	84,068	72,446
Operating expenses	1,353,011	713,346
Supplies/materials	3,500	142
Equipment rental	6,000	12,000
Capital outlay	<u>157,765</u>	<u>7,618</u>
Total Culture and Recreation	<u>1,604,344</u>	<u>805,552</u>
Total disbursements	<u>17,164,593</u>	<u>12,079,210</u>
OTHER FINANCING SOURCES		
Transfers in	3,129,563	4,620,147
Transfers out	<u>(2,255,198)</u>	<u>(1,711,270)</u>
Total other financing sources	<u>874,365</u>	<u>2,908,877</u>
NET CHANGE IN FUND BALANCE	<u>(6,070,593)</u>	(895,074)
FUND BALANCE, beginning of year		<u>6,550,729</u>
FUND BALANCE, end of year		<u>5,655,655</u>

See accompanying notes to budgetary schedules.

SCOTTS BLUFF COUNTY, NEBRASKA  
NOTES TO BUDGETARY SCHEDULES  
YEAR ENDED JUNE 30, 2024

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  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

	Balance July 1 2023	Receipts	Disbursements	Transfers In	Transfers Out	Balance June 30 2024
Highway/Bridge Buy-Back Fund	1,123,957	349,519	(589,341)		(124,160)	759,975
Highway Construction Fund	6,387					6,387
Visitor Promotion Fund	205,715	291,550	(295,722)		(12,253)	189,290
Visitor Improvement Fund	496,688	276,529	(232,421)			540,796
Preservation & Maintenance Fund	90,790	19,132	(17,230)			92,692
Self Insurance Fund	1,296,768	278,162	(3,370,456)	2,843,001		1,047,475
Relief & Medical Fund	48,487	676	(81,055)	82,300	(10,204)	40,204
Institutions Fund	9,888	520	(9,138)	5,700		6,970
Veterans Aid Fund	1,519	9	(3,801)	4,000		1,727
Handy Bus Fund	74,064	1,184,997	(1,189,729)	155,276	(197,380)	27,228
Bus Capital Improvement Fund		116,041	(32,228)	23,022		106,835
Opiod Recovery Fund	41,039	75,686				116,725
Stop Program Fund	5,859	2,640				8,499
WING Fund	35,854	119,516	(120,186)			35,184
Adult Drug Court Fund	988		(649)			339
Federal Drug Forfeiture Fund	17,118		(4,568)			12,550
Special Projects Fund	83,104	89,127	(66,850)			105,381
Juvenile Aid Fund	12,693	70,709	(67,470)		(9,139)	6,793
HIDTA Grant Fund	3,757	72,801	(71,012)			5,546
Homeland Security Fund	6,172	585,733	(585,842)			6,063
VOCA Grant Fund	336	16,298	(16,634)			
Local Assistance & Tribal Fund	50,000	50,000				100,000
Inheritance Tax Fund	333,243	792,592	(62)		(800,000)	325,773
Keno Fund	496,701	659,086	(277,209)		(305,023)	573,555
Health Fund	103,281	23,954	(106,548)		(1,461)	19,226
911 Emergency Management Fund	445,066	1,550,129	(1,837,696)	75,023		232,522
Emergency 911 Fund	11,102	82,993	(94,037)			58
Emergency 911 Holding Fund	196,539		(70,098)			126,441
Debt Service Fund	598,771	1,029,325	(1,221,822)	124,160		530,434
Jail Bond Fund	4,884		(4,884)			
Flood Fund	27,410	35,958	(56,369)	50,000		56,999
Scottsbluff Drain Sinking Fund	437,710				(25,000)	412,710
Noxious Weed Fund	9,027	50,964	(150,295)	101,000	(10,696)	
Central Communications Fund	266,862	390,689	(1,505,608)	1,156,665	(215,954)	92,654
Inheritance Holding Fund	8,950	59,674				68,624
	<u>6,550,729</u>	<u>8,275,009</u>	<u>(12,078,960)</u>	<u>4,620,147</u>	<u>(1,711,270)</u>	<u>5,655,655</u>



**DANA F. COLE  
& COMPANY<sup>LLP</sup>**  
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, 2024, 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 June 12, 2025.

**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) as a basis for designing 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 2024-001, 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  
June 12, 2025



**DANA F. COLE  
& COMPANY<sup>LLP</sup>**  
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, 2024. 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, 2024.

***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.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

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  
June 12, 2025

SCOTTS BLUFF COUNTY, NEBRASKA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED JUNE 30, 2024

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, 2024

SECTION II. FINANCIAL STATEMENT FINDINGS

2024-001 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, 2024

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2024-001 SEGREGATION OF ACCOUNTING FUNCTIONS

Internal control reportable condition described in Section II, 2024-001.

SCOTTS BLUFF COUNTY, NEBRASKA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2024

2023-001 SEGREGATION OF ACCOUNTING FUNCTIONS

Condition: As described in Section II - 2024-001.

Status: Ongoing.



**Scotts Bluff County Management Accountant**

1825 10<sup>th</sup> St.

Gering, Nebraska 69341

(308) 436-6726

**CORRECTIVE ACTION PLAN**

June 12, 2025

Scotts Bluff County respectfully submits the following corrective action plan for the year ended June 30, 2024, 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**

2024-001      **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