

City of Scottsbluff, Nebraska

Monday, March 29, 2021

Regular Meeting

Item Fin Rep1

Council to receive the 2020 Annual Audit Report from Contryman and Associates.

Staff Contact: Liz Loutzenhiser, Finance Director

Agenda Statement

Item No.

For meeting of: **March 29, 2021**

AGENDA TITLE: Presentation of audit for year ended 9-30-20

SUBMITTED BY DEPARTMENT/ORGANIZATION: Finance

PRESENTATION BY: Contryman Associates, P.C.

SUMMARY EXPLANATION: Jada Thompson, CPA with Contryman Associates, P.C. will present the audit for year ended 9-30-20.

BOARD/COMMISSION RECOMMENDATION:

STAFF RECOMMENDATION:

EXHIBITS

Resolution ☐ Ordinance ☐ Contract ☐ Minutes ☐ Plan/Map ☐

Other (specify) ☒ audit report _____

NOTIFICATION LIST: Yes ☐ No ☐ Further Instructions ☐

APPROVAL FOR SUBMITTAL: _____
City Manager

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

FINANCIAL STATEMENTS
And
INDEPENDENT AUDITOR'S REPORT

September 30, 2020

CITY OF SCOTTSBLUFF

Scottsbluff, Nebraska

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CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

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Independent Auditors' Report

To the Honorable Mayor, City Council,
And City Manager
City of Scottsbluff
Scottsbluff, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Scottsbluff, Nebraska, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Scottsbluff, Nebraska as of September 30, 2020, and the respective changes in financial position, and where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, on pages 4-11 and 44-51, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Scottsbluff's basic financial statements. The Other Supplementary Information as listed in the table of contents as pages 52-58 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2021 on our consideration of City of Scottsbluff'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 the City of Scottsbluff'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 City of Scottsbluff's internal control over financial reporting and compliance.



Certified Public Accountants
Scottsbluff, Nebraska

March 24, 2021

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

September 30, 2020

The management of the City of Scottsbluff, Nebraska (the City) offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. Please consider this discussion in conjunction with the additional information provided in the transactions, events and conditions reflected in the City's financial statements (beginning on page 12).

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at September 30, 2020, by \$86,154,262 (net position). Of this amount, \$25,056,514 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of September 30, 2020, the City's governmental funds reported combined ending fund balances of \$22,022,678. This is an increase of \$283,099 in comparison with the prior year.
- As of September 30, 2020, unassigned fund balance for governmental funds was \$9,299,513, or 107.2% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the year ended September 30, 2020. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general administrative services, public safety, streets and highways, health, planning and zoning, parks and recreation, libraries, and self-insurance. The business-type activities of the City include sanitation, wastewater, water, stormwater, electric utilities, and geographic information systems.

The government-wide financial statements can be found on pages 12-14 of this report.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (CONTINUED)

September 30, 2020

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

The City maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, the Transportation fund, the Economic Development fund, the Debt Service fund, the Special Projects fund, and the Leasing Corporation fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 15-20 of this report.

Proprietary funds - The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sanitation, wastewater, water, stormwater, and electric systems. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-funding unemployment and health insurance and geographic information and central garage services. Because the self-funding services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The geographic information and central garage services are shown as a business-type function and have been included within the business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for all of the enterprise funds. Internal service funds are also combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for these funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 21-26 of this report.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (CONTINUED)

September 30, 2020

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 27-28 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-43 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget. The City adopts an annual appropriated budget for its general fund and all other governmental funds. A budgetary comparison statement has been provided for the General, Transportation, Economic Development, Debt, Special Projects, and Leasing Corporation major funds to demonstrate compliance with this budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$86,154,262 at September 30, 2020.

By far the largest portion of the City's net position (55 percent) reflects its investment in capital assets (e.g., land, buildings, improvements, utility plant, infrastructure, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Scottsbluff
Condensed Statement of Net Position
September 30, 2020 and 2019

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 35,194,136	\$ 32,465,791	\$ 12,864,410	\$ 11,029,921	\$ 48,058,546	\$ 43,495,712
Capital assets	32,101,886	31,241,182	21,572,383	21,975,954	53,674,269	53,217,136
Other noncurrent assets	-	-	620,243	539,036	620,243	539,036
Total assets	67,296,022	63,706,973	35,057,036	33,544,911	102,353,058	97,251,884
Current liabilities	2,784,257	2,839,294	1,234,620	1,188,090	4,018,877	4,027,384
Long-term liabilities outstanding	4,584,910	3,510,786	625,229	863,145	5,210,139	4,373,931
Total liabilities	7,369,167	6,350,080	1,859,849	2,051,235	9,229,016	8,401,315
Deferred inflow of resources	6,969,781	4,730,792	-	-	6,969,781	4,730,792
Net assets						
Net investment in capital assets	26,876,825	26,788,562	20,877,514	20,882,133	47,754,339	47,670,695
Restricted	6,448,438	7,985,630	620,243	539,036	7,068,681	8,524,666
Committed	6,274,727	5,551,341	-	-	6,274,727	5,551,341
Assigned	-	-	-	-	-	-
Unrestricted	13,357,085	12,300,568	11,699,430	10,072,507	25,056,515	22,373,075
Total net position	\$ 52,957,075	\$ 52,626,101	\$ 33,197,187	\$ 31,493,676	\$ 86,154,262	\$ 84,119,777

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (CONTINUED)

September 30, 2020

At September 30, 2020, the City is able to report positive balances in all three categories of net position, for the government as a whole.

City of Scottsbluff
Statement of Activities and Changes in Net Assets
September 30, 2020 and 2019

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 396,019	\$ 563,036	\$ 11,226,973	\$ 10,585,548	\$ 11,622,992	\$ 11,148,584
Operating grants and contributions	75,604	113,937	-	-	75,604	113,937
Capital grants and contributions	336,903	375,413	-	-	336,903	375,413
General revenues:						
Property taxes	1,883,185	1,726,546	-	-	1,883,185	1,726,546
Sales and use tax	6,676,350	6,085,058	-	-	6,676,350	6,085,058
Other taxes	1,361,906	1,377,291	-	-	1,361,906	1,377,291
Intergovernmental	1,880,411	1,847,024	-	-	1,880,411	1,847,024
Investment income	527,437	787,902	223,438	303,710	750,877	1,091,612
Gain (loss) from sale of assets	(1,176)	109,109	56,047	(83,324)	54,871	25,785
Miscellaneous	2,218,254	2,175,970	70,490	81,388	2,288,744	2,257,358
Total revenues	15,354,893	15,161,286	11,576,948	10,887,322	26,931,843	26,048,608
Expenses:						
General government	7,043,271	4,437,589	-	-	7,043,271	4,437,589
Public safety	5,201,910	5,182,697	-	-	5,201,910	5,182,697
Transportation	3,214,112	2,959,772	-	-	3,214,112	2,959,772
Public health	207,384	183,211	-	-	207,384	183,211
Culture and recreation	2,122,798	2,378,048	-	-	2,122,798	2,378,048
Public works	254,313	242,996	-	-	254,313	242,996
Interest on long-term debt	83,540	113,216	-	-	83,540	113,216
Environmental services	-	-	2,276,649	2,301,844	2,276,649	2,301,844
Wastewater	-	-	2,228,185	2,142,334	2,228,185	2,142,334
Water	-	-	1,757,168	1,651,392	1,757,168	1,651,392
Electric	-	-	44,362	49,182	44,362	49,182
Stormwater	-	-	149,517	117,005	149,517	117,005
Geographic information systems	-	-	59,946	77,516	59,946	77,516
Central garage	-	-	254,205	311,327	254,205	311,327
Total expenses	18,127,326	15,497,527	6,770,032	6,650,600	24,897,358	22,148,129
Increase (decrease) in net assets before transfers	(2,772,433)	(336,241)	4,806,916	4,236,722	2,034,485	3,900,479
Transfers in (out)	3,103,405	3,360,693	(3,103,405)	(3,360,693)	-	-
Increase (decrease) in net assets	330,972	3,024,452	1,703,511	876,029	2,034,485	3,900,479
Net assets, October 1	52,626,103	49,601,651	31,493,676	30,617,647	84,119,777	80,219,298
Net assets, September 30	\$ 52,957,075	\$ 52,626,103	\$ 33,197,187	\$ 31,493,676	\$ 86,154,262	\$ 84,119,777

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (CONTINUED)

September 30, 2020

GOVERNMENTAL ACTIVITIES

Governmental activities increased the City's net position by a total of \$330,974. Key elements in this increase follows:

- Reduced Economic Development expenditures during the year ended September 30, 2020.
- Reduction of General Fund expenditures due to COVID-19 related shut downs of City amenities.

BUSINESS-TYPE ACTIVITIES

Business-type activities increased the city's net position by \$1,703,511. Key elements in this increase follows:

- Water, wastewater and sanitation revenues were all over budgeted amounts. Personnel, operating and contractual expenses were below budgeted amounts for all three funds.
- Additional reduced expenses in all business type funds from delayed capital improvements due to pandemic shut down and logistical delays.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2020, the City's governmental funds reported combined ending fund balances of \$22,022,678, an increase of \$283,099 in comparison with the prior year. This increase was largely due to decreased Economic Development activity and the closure of City amenities due to the COVID pandemic.

The general fund is the chief operating fund of the City. At September 30, 2020, the unassigned fund balance of the general fund was \$9,299,513. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 107 percent of total general fund expenditures.

The fund balance of the City's general fund increased by \$1,096,899 during 2020. This increase was a result of a reduction in expenditures while revenues remained relatively flat as compared to the prior year. Personnel expense was under budget \$517,179 and \$203,404 less in actual expense than the prior year. Supplies expenditures were \$108,306 less than budgeted and contractual services were \$255,826 less than budgeted. The majority of the reduced expenses were related to the pandemic shutdown and reduction of City amenity services.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (CONTINUED)

September 30, 2020

PROPRIETARY FUNDS

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the sanitation, wastewater system, water system, electric system, and stormwater system amounted to \$2,662,929, \$3,395,726, \$3,627,184, \$1,820,813, and \$625,934 respectively, at September 30, 2020. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Variances between actual general fund revenues and expenditures and the final amended budget include:

- \$993,821 positive variance in taxes. Sales tax receipts were \$900,536 over budget and hotel occupation tax receipts were \$1,032 over budget.
- Franchise Tax was \$88,457 over budget due to the Allo Communications contract settlement.
- \$517,179 positive variance in general fund payroll and benefit expense.
- \$250,000 was budgeted in contingency to cover any unforeseen costs that may arise during the year. No contingency items were incurred.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020, was \$53,674,269 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, streets, storm sewers, electric plant, and water and sewer plant.

City of Scottsbluff
Capital assets (net of depreciation)
September 30, 2020 and 2019

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 554,216	\$ 554,216	\$ 1,525,791	\$ 1,525,791	\$ 2,080,007	\$ 2,080,007
Inventory	2,629,113	2,629,113	-	-	2,629,113	2,629,113
Construction in progress	815,177	242,517	324,373	232,891	1,139,550	475,408
Buildings and improvements	6,528,036	6,815,998	2,549,414	2,660,012	9,077,451	9,476,010
Equipment and vehicles	3,222,101	3,471,763	2,228,035	2,143,685	5,450,135	5,615,448
Infrastructure	18,353,238	17,527,575	10,770,560	10,841,324	29,123,798	28,368,899
Plant in service	-	-	4,174,215	4,572,251	4,174,215	4,572,251
Total	\$ 32,101,880	\$ 31,241,182	\$ 21,572,388	\$ 21,975,954	\$ 53,674,269	\$ 53,217,136

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (CONTINUED)

September 30, 2020

Major capital asset events during 2020 included the following:

- Transportation Department - Residential Chip Seal Project \$2,318,264
- Police Department – 2 new patrol vehicles \$78,731
- Fire Department – new Fire Inspector pickup \$34,648
- Emergency Management – 2 new tornado sirens \$54,432
- Parks Department – new wide area mower \$32,158
- Sanitation Department – 2 new refuse trucks \$461,225

Additional information on the City's capital assets can be found in Note 4 of the notes to the financial statements on pages 37-38 of this report.

LONG-TERM DEBT

At September 30, 2020, the City of Scottsbluff had total bonded debt outstanding of \$4,855,000. This entire amount represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

Additional information on the City's long-term debt can be found in Note 5 of the notes to the financial statements on pages 38-39 of this report.

City of Scottsbluff
Outstanding Bonded Debt
September 30, 2020 and 2019

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 4,453,700	\$ 3,009,027	\$ 371,300	\$ 440,973	\$ 4,825,000	\$ 3,450,000
Revenue bonds	735,000	1,405,000	-	-	735,000	1,405,000
Total	<u>\$ 5,188,700</u>	<u>\$ 4,414,027</u>	<u>\$ 371,300</u>	<u>\$ 440,973</u>	<u>\$ 5,560,000</u>	<u>\$ 4,855,000</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The increase in the City's property tax base provided by real growth is estimated at .90%, with an actual increase in valuation from the prior year of approximately \$28.2 million.
- For the 2021 budget, the projection for sales tax was budgeted at a 10.0% increase to more align with actual receipts in the most recent years.
- Lodging occupation tax receipts declined significantly due to the pandemic. Budgeted amounts remained flat.
- NPPD lease revenues projections we anticipated to be approximately 4.5% higher due to increased power use and renegotiation of the City's lease agreement.

The utility rates were not increased for the 2021 budget year with the exception of the Sanitation Department. Sanitation rates were increased 3.0% as in prior years to allow for the sinking of funds for future landfill siting and operations.

All of these factors were considered in preparing the City's budget for the 2021 fiscal year.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – (CONTINUED)

September 30, 2020

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Scottsbluff, Finance Department, 2525 Circle Drive, Scottsbluff, NE 69361.

CITY OF SCOTTSBLUFF, NEBRASKA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

		Primary Government	
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Current assets:			
Equity in pooled cash	\$ 25,316,491	\$ 11,395,241	\$ 36,711,732
Funds held by county treasurer	118,739	-	118,739
Net receivables:			
Taxes	2,130,193	-	2,130,193
Accounts and unbilled	-	1,082,454	1,082,454
Special assessments	635,715	-	635,715
Notes receivable	6,603,378	-	6,603,378
Accrued interest	44,495	12,122	56,617
Governmental unit	238,882	-	238,882
Other receivables	106,243	-	106,243
Inventory	-	374,593	374,593
Total current assets	<u>35,194,136</u>	<u>12,864,410</u>	<u>48,058,546</u>
Noncurrent assets:			
Restricted investments	-	620,243	620,243
Capital assets - non-depreciable	3,998,506	1,850,164	5,848,670
Net capital assets - depreciable	28,103,380	19,722,219	47,825,599
Total noncurrent assets	<u>32,101,886</u>	<u>22,192,626</u>	<u>54,294,512</u>
Total assets	<u>\$ 67,296,022</u>	<u>\$ 35,057,036</u>	<u>\$ 102,353,058</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,194,279	\$ 433,544	\$ 1,627,823
Accrued interest payable	36,361	6,275	42,636
Other accrued expenses	295,054	244,333	539,387
Notes and warrants payable	1,258,563	268,070	1,526,633
Unearned billings	-	282,398	282,398
Total current liabilities	<u>2,784,257</u>	<u>1,234,620</u>	<u>4,018,877</u>
Noncurrent liabilities:			
Bonds and notes payable	3,930,137	420,524	4,350,661
Accrued compensated absences	654,773	204,705	859,478
Total noncurrent liabilities	<u>4,584,910</u>	<u>625,229</u>	<u>5,210,139</u>
Total liabilities	<u>7,369,167</u>	<u>1,859,849</u>	<u>9,229,016</u>
DEFERRED INFLOW OF RESOURCES			
Unavailable revenue - insurance proceeds	678,150	-	678,150
Unavailable revenue - notes receivable	6,291,631	-	6,291,631
Total deferred inflow of resources	<u>6,969,781</u>	<u>-</u>	<u>6,969,781</u>
NET POSITION			
Net investment in capital assets	26,876,825	20,877,514	47,754,339
Restricted for:			
Debt service	3,353,541	-	3,353,541
Economic development	2,452,982	-	2,452,982
New landfill	-	620,243	620,243
Other restricted	641,915	-	641,915
Committed	6,274,727	-	6,274,727
Unrestricted	13,357,084	11,699,430	25,056,514
Total net position	<u>52,957,075</u>	<u>33,197,187</u>	<u>86,154,262</u>
Total liabilities and net position	<u>\$ 67,296,022</u>	<u>\$ 35,057,036</u>	<u>\$ 102,353,058</u>

See accompanying notes to the basic financial statements.

**STATEMENT OF ACTIVITIES
CITY OF SCOTTSBLUFF, NEBRASKA
STATEMENT OF ACTIVITIES
FOR YEAR ENDED SEPTEMBER 30, 2020**

		Program Revenues		
			Operating	Capital
	Expenses	Charges for	Grants and	Grants and
		Services	Contributions	Contributions
Primary government:				
Governmental activities:				
General government	\$ 7,043,271	\$ 9,521	\$ -	\$ -
Public safety	5,201,910	261,068	73,215	-
Transportation	3,214,112	38,583	-	299,817
Public health and social services	207,384	66,600	-	-
Culture and recreation:				
Library	658,115	2,967	2,389	-
Parks and recreation	1,114,683	17,280	-	37,086
Zoo	350,000	-	-	-
Public works	254,313	-	-	-
Interest on long term debt	83,536	-	-	-
Total governmental activities	<u>18,127,324</u>	<u>396,019</u>	<u>75,604</u>	<u>336,903</u>
Business type activities:				
Environmental services	2,276,649	3,001,267	-	-
Wastewater	2,228,185	2,709,180	-	-
Water	1,757,168	2,257,139	-	-
Electric	44,362	3,011,261	-	-
Stormwater	149,517	117,424	-	-
Geographic information systems	59,946	-	-	-
Central Garage	254,205	130,702	-	-
Total business type activities	<u>6,770,032</u>	<u>11,226,973</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 24,897,356</u>	<u>\$ 11,622,992</u>	<u>\$ 75,604</u>	<u>\$ 336,903</u>

General Revenues:

Taxes:

Property taxes, levied for general purposes
Property taxes, levied for debt service
Property taxes, levied for transportation
Property taxes, levied for cemetery perpetual care
Property taxes, levied for public safety
Property taxes, levied for business improvement district
Sales tax
Other taxes
Intergovernmental
Investment income
Gain (loss) from sale of assets
Miscellaneous
Net transfers
Total general revenues and transfers
Change in net position
Net position, October 1
Net position, September 30

See accompanying notes to the basic financial statements.

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business type Activities	Total
\$ (7,033,750)	\$ -	\$ (7,033,750)
(4,867,626)	-	(4,867,626)
(2,875,712)	-	(2,875,712)
(140,784)	-	(140,784)
(652,759)	-	(652,759)
(1,060,317)	-	(1,060,317)
(350,000)	-	(350,000)
(254,313)	-	(254,313)
(83,536)	-	(83,536)
<u>(17,318,798)</u>	<u>-</u>	<u>(17,318,798)</u>
-	724,618	724,618
-	480,995	480,995
-	499,971	499,971
-	2,966,899	2,966,899
-	(32,093)	(32,093)
-	(59,946)	(59,946)
-	(123,503)	(123,503)
<u>-</u>	<u>4,456,941</u>	<u>4,456,941</u>
<u>(17,318,798)</u>	<u>4,456,941</u>	<u>(12,861,857)</u>
204,430	-	204,430
835,510	-	835,510
508,025	-	508,025
125,466	-	125,466
157,550	-	157,550
52,205	-	52,205
6,676,350	-	6,676,350
1,361,906	-	1,361,906
1,880,411	-	1,880,411
527,437	223,438	750,875
(1,176)	56,047	54,872
2,218,254	70,490	2,288,744
3,103,405	(3,103,405)	-
<u>17,649,772</u>	<u>(2,753,430)</u>	<u>14,896,342</u>
330,974	1,703,511	2,034,485
52,626,101	31,493,676	84,119,777
<u>\$ 52,957,075</u>	<u>\$ 33,197,187</u>	<u>\$ 86,154,262</u>

CITY OF SCOTTSBLUFF, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Transportation Fund	Economic Development Fund	Debt Service Fund
ASSETS				
Equity in pooled cash	\$ 8,731,575	\$ 3,943,386	\$ 3,025,597	\$ 3,293,876
Funds held by county treasurer	13,024	39,486	-	37,474
Net receivables:				
Taxes	953,314	379,003	189,684	408,058
Special assessments	-	-	-	635,715
Notes receivable	-	-	6,603,378	-
Accrued interest	8,870	4,012	3,086	22,092
Governmental unit	1,461	226,669	-	-
Other receivables	42,411	1,595	56,038	-
Total assets	<u>\$ 9,750,655</u>	<u>\$ 4,594,151</u>	<u>\$ 9,877,783</u>	<u>\$ 4,397,215</u>
LIABILITIES				
Accounts payable	\$ 106,332	\$ 30,829	\$ 817,054	\$ -
Accrued salaries	234,837	33,316	4,128	-
Other accrued expenses	14,635	1,619	241	-
Total liabilities	<u>355,804</u>	<u>65,764</u>	<u>821,423</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - property taxes	95,357	299,951	-	417,885
Unavailable revenue - insurance proceeds	-	-	-	-
Unavailable revenue - special assessments	-	-	-	625,789
Unavailable revenue - notes receivable	-	-	6,603,378	-
Total deferred inflow of resources	<u>95,357</u>	<u>299,951</u>	<u>6,603,378</u>	<u>1,043,674</u>
FUND BALANCES				
Restricted for:				
Debt service	-	-	-	3,353,541
Economic development	-	-	2,452,982	-
Other restricted	-	-	-	-
Committed	-	4,228,435	-	-
Unrestricted	9,299,513	-	-	-
Total fund balances	<u>9,299,513</u>	<u>4,228,435</u>	<u>2,452,982</u>	<u>3,353,541</u>
Total liabilities and fund balances	<u>\$ 9,750,655</u>	<u>\$ 4,594,151</u>	<u>\$ 9,877,783</u>	<u>\$ 4,397,215</u>

See accompanying notes to the basic financial statements.

Special Projects Fund	Leasing Corporation Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,111,643	\$ 7,052	\$ 2,451,082	\$ 22,564,211
-	-	28,755	118,739
-	-	200,134	2,130,193
-	-	-	635,715
-	-	-	6,603,378
1,112	7	2,494	41,673
5,478	-	5,274	238,882
-	-	6,199	106,243
<u>\$ 1,118,233</u>	<u>\$ 7,059</u>	<u>\$ 2,693,938</u>	<u>\$ 32,439,034</u>
\$ 165,113	\$ -	\$ 74,951	\$ 1,194,279
-	-	6,032	278,313
-	-	246	16,741
<u>165,113</u>	<u>-</u>	<u>81,229</u>	<u>1,489,333</u>
-	-	206,532	1,019,725
678,150	-	-	678,150
-	-	-	625,789
-	-	-	6,603,378
<u>678,150</u>	<u>-</u>	<u>206,532</u>	<u>8,927,042</u>
-	-	-	3,353,541
-	-	-	2,452,982
37,086	-	604,829	641,915
237,882	7,059	1,801,349	6,274,727
-	-	-	9,299,513
<u>274,968</u>	<u>7,059</u>	<u>2,406,178</u>	<u>22,022,678</u>
<u>\$ 1,118,233</u>	<u>\$ 7,059</u>	<u>\$ 2,693,938</u>	<u>\$ 32,439,034</u>

**CITY OF SCOTTSBLUFF, NEBRASKA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

Total Governmental Fund Balances	\$ 22,022,678
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	32,101,886
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Internal service funds are used by management to charge the costs of certain services to individual funds. These assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	2,755,082
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Deferred inflow of resources in governmental fund financials for property taxes, special assessments and notes receivable is shown as revenue for government wide financials.	1,957,262
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.

Due within one year:

Interest payable	\$ 36,361
Bonds payable	1,258,563

Due in more than one year:

Bonds payable	3,930,137
Compensated absences	654,773

(5,879,834)

Net position of governmental activities	\$ <u>52,957,075</u>
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See accompanying notes to the basic financial statements.

CITY OF SCOTTSBLUFF, NEBRASKA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Transportation Fund	Economic Development Fund	Debt Service Fund
Revenues:				
Taxes and special assessments	\$ 5,870,814	\$ 1,360,720	\$ 1,112,280	\$ 996,512
Licenses and permits	76,976	-	-	-
Intergovernmental	146,783	2,079,896	-	-
Charges for services	290,836	38,583	-	-
Investment income	162,824	72,493	66,862	99,669
Other revenue	53,622	39,465	356,190	-
Total revenues	<u>6,601,855</u>	<u>3,591,157</u>	<u>1,535,332</u>	<u>1,096,181</u>
Expenditures:				
Current operations:				
General government	627,389	-	3,571,322	694,371
Public safety	5,368,474	-	-	-
Transportation	-	1,704,745	-	-
Public health and social services	-	-	-	-
Culture and recreation:				
Library	693,765	-	-	-
Parks and recreation	953,253	-	-	-
Zoo	350,000	-	-	-
Public works	221,855	-	-	-
Capital expenditures	459,476	2,498,664	-	-
Debt service:				
Principal	-	795,322	-	-
Interest	-	55,506	-	11,311
Total expenditures	<u>8,674,212</u>	<u>5,054,237</u>	<u>3,571,322</u>	<u>705,682</u>
Excess revenues over (under) expenditures	<u>(2,072,357)</u>	<u>(1,463,080)</u>	<u>(2,035,990)</u>	<u>390,499</u>
Other financing sources (uses):				
Proceeds from debt issuance	-	2,240,000	-	-
Bond issuance costs	-	(28,300)	-	-
Proceeds from sale of assets	10,176	-	-	-
Operating transfers in	3,159,080	-	-	-
Operating transfers out	-	(55,675)	-	-
Total other financing sources (uses)	<u>3,169,256</u>	<u>2,156,025</u>	<u>-</u>	<u>-</u>
Excess revenues and other financing sources over (under) expenditures and other financing uses	<u>1,096,899</u>	<u>692,945</u>	<u>(2,035,990)</u>	<u>390,499</u>
Fund balances, October 1	<u>8,202,608</u>	<u>3,535,485</u>	<u>4,488,969</u>	<u>2,963,042</u>
Fund balances, September 30	<u>\$ 9,299,507</u>	<u>\$ 4,228,430</u>	<u>\$ 2,452,979</u>	<u>\$ 3,353,541</u>

See accompanying notes to the basic financial statements.

Special Projects Fund	Leasing Corporation Fund	Other Governmental Funds	Total Governmental Funds
\$ 97,178	\$ -	\$ 492,574	\$ 9,930,078
-	-	4,600	81,576
52,279		13,960	2,292,918
-	-	66,600	396,019
26,530	137	46,666	475,181
435,039	688,951	207,678	1,780,945
<u>611,026</u>	<u>689,088</u>	<u>832,078</u>	<u>14,956,717</u>
495,878	829	51,137	5,440,926
16,604	-	126,558	5,511,636
-	-	-	1,704,745
-	-	201,942	201,942
-	-	107	693,872
-	-	-	953,253
-	-	-	350,000
-	-	39,388	261,243
-	-	372,073	3,330,213
-	670,000	-	1,465,322
-	18,951	-	85,768
<u>512,482</u>	<u>689,780</u>	<u>791,205</u>	<u>19,998,920</u>
<u>98,544</u>	<u>(692)</u>	<u>40,873</u>	<u>(5,042,203)</u>
-	-	-	2,240,000
-	-	-	(28,300)
-	-	-	10,176
-	-	-	3,159,080
-	-	-	(55,675)
<u>-</u>	<u>-</u>	<u>-</u>	<u>5,325,281</u>
98,544	(692)	40,873	283,078
<u>176,424</u>	<u>7,750</u>	<u>2,365,299</u>	<u>21,739,577</u>
<u>\$ 274,968</u>	<u>\$ 7,058</u>	<u>\$ 2,406,172</u>	<u>\$ 22,022,657</u>

**CITY OF SCOTTSBLUFF, NEBRASKA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Net Change in Fund Balances - Total Governmental Funds	\$ 283,078
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period.	870,850
Proceeds reported from the sale of assets are reported as revenue at the fund level. However, only the difference between proceeds and the carrying value of the assets is reported as gain or loss in the Statement of Activities.	(14,664)
Proceeds from debt issues are a other financing source in the funds, but a debt issue increases long-term liabilities in the Statement of Net Position.	(2,240,000)
Payments on debt are expenditures in the funds, but a debt payment decreases long-term liabilities in the Statement of Net Position.	1,465,322
Deferred inflow of resources in governmental fund financials for property taxes, special assessments and notes receivable is shown as revenue for government wide financials.	(112,027)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	(93,087)
Accrued interest	2,233
Internal service funds are used by management to charge the costs of certain services to individual funds.	<u>169,269</u>
Change in net position of governmental activities	\$ <u><u>330,974</u></u>

See accompanying notes to the basic financial statements.

CITY OF SCOTTSBLUFF, NEBRASKA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business-type Activities			
	Environmental Services	Wastewater	Water	Electric
ASSETS				
Current assets:				
Equity in pooled cash	\$ 3,247,980	\$ 3,241,535	\$ 3,168,814	\$ 1,510,632
Net receivables:				
Accounts and unbilled	83,136	323,471	361,531	308,643
Accrued interest	3,306	3,293	3,230	1,538
Inventory	-	-	374,593	-
Total current assets	<u>3,334,422</u>	<u>3,568,299</u>	<u>3,908,168</u>	<u>1,820,813</u>
Noncurrent assets:				
Restricted investments	620,243	-	-	-
Capital assets - non-depreciable	41,008	206,831	905,934	300,000
Net capital assets - depreciable	<u>1,099,722</u>	<u>9,669,543</u>	<u>7,431,371</u>	<u>236,064</u>
Total noncurrent assets	<u>1,760,973</u>	<u>9,876,374</u>	<u>8,337,305</u>	<u>536,064</u>
Total assets	<u>\$ 5,095,395</u>	<u>\$ 13,444,673</u>	<u>\$ 12,245,473</u>	<u>\$ 2,356,877</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 280,651	\$ 50,994	\$ 85,453	\$ -
Accrued interest payable	-	2,391	-	-
Accrued salaries	40,217	34,597	27,715	-
Other accrued expenses	2,267	17,719	113,435	-
Current portion long-term debt	-	196,633	-	-
Unearned billings	<u>282,398</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>605,533</u>	<u>302,334</u>	<u>226,603</u>	<u>-</u>
Noncurrent liabilities:				
Long-term debt	-	120,661	-	-
Compensated absences	<u>65,960</u>	<u>69,263</u>	<u>54,381</u>	<u>-</u>
Total noncurrent liabilities	<u>65,960</u>	<u>189,924</u>	<u>54,381</u>	<u>-</u>
Total liabilities	<u>671,493</u>	<u>492,258</u>	<u>280,984</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	1,140,730	9,556,689	8,337,305	536,064
Restricted for new landfill	620,243	-	-	-
Unreserved	<u>2,662,929</u>	<u>3,395,726</u>	<u>3,627,184</u>	<u>1,820,813</u>
Total net position	<u>4,423,902</u>	<u>12,952,415</u>	<u>11,964,489</u>	<u>2,356,877</u>
Total liabilities and net position	<u>\$ 5,095,395</u>	<u>\$ 13,444,673</u>	<u>\$ 12,245,473</u>	<u>\$ 2,356,877</u>

See accompanying notes to the basic financial statements.

Business-type Activities			Governmental Activities
Stormwater	Internal Service	Totals	Internal Service
\$ 626,553	\$ (400,273)	\$ 11,395,241	\$ 2,752,280
5,673	-	1,082,454	-
630	125	12,122	2,802
-	-	374,593	-
<u>632,856</u>	<u>(400,148)</u>	<u>12,864,410</u>	<u>2,755,082</u>
-	-	620,243	-
396,391	-	1,850,164	-
<u>1,275,872</u>	<u>9,647</u>	<u>19,722,219</u>	-
<u>1,672,263</u>	<u>9,647</u>	<u>22,192,626</u>	-
<u>\$ 2,305,119</u>	<u>\$ (390,501)</u>	<u>\$ 35,057,036</u>	<u>\$ 2,755,082</u>
\$ 6,221	\$ 10,225	\$ 433,544	\$ -
3,884	-	6,275	-
-	7,252	109,781	-
701	430	134,552	-
71,437	-	268,070	-
-	-	282,398	-
<u>82,243</u>	<u>17,907</u>	<u>1,234,620</u>	-
299,863	-	420,524	-
-	15,101	204,705	-
<u>299,863</u>	<u>15,101</u>	<u>625,229</u>	-
382,106	33,008	1,859,849	-
1,297,079	9,647	20,877,514	-
-	-	620,243	-
<u>625,934</u>	<u>(433,155)</u>	<u>11,699,431</u>	<u>2,755,083</u>
<u>1,923,013</u>	<u>(423,509)</u>	<u>33,197,187</u>	<u>2,755,082</u>
<u>\$ 2,305,119</u>	<u>\$ (390,501)</u>	<u>\$ 35,057,036</u>	<u>\$ 2,755,082</u>

**CITY OF SCOTTSBLUFF, NEBRASKA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Business-type Activities			
	Environmental Services	Wastewater	Water	Electric
Operating revenues:				
Charges for services	\$ 3,001,267	\$ 2,709,180	\$ 2,257,139	\$ 3,011,261
Other revenues	106	8,199	58,664	-
Total operating revenues	3,001,373	2,717,379	2,315,803	3,011,261
Operating expenses:				
Personnel services	1,089,242	856,493	746,043	-
Operating supplies	154,134	74,139	329,173	-
Contractual	555,727	93,348	105,136	-
Maintenance	112,505	119,927	35,826	-
Utilities	13,780	190,794	149,838	-
Insurance	62,543	92,623	50,876	-
Other operating expenses	19,094	20,128	15,581	-
Depreciation and amortization	269,624	771,154	324,695	44,362
Total operating expenses	2,276,649	2,218,606	1,757,168	44,362
Operating income (loss)	724,724	498,773	558,635	2,966,899
Non-operating revenues (expenses):				
Investment income	60,444	61,611	58,366	29,345
Interest expense	-	(9,579)	-	-
Net non-operating revenues (expenses)	60,444	52,032	58,366	29,345
Income (loss) before contributions & transfers	785,168	550,805	617,001	2,996,244
Other financing sources (uses):				
Gain (loss) from sale of assets	55,500	-	1,500	-
Capital assets contributed to governmental funds	-	(953)	-	-
Operating transfers in	-	-	-	-
Operating transfers (out)	(54,000)	(142,450)	(80,450)	(2,982,080)
Total other financing sources (uses)	1,500	(143,403)	(78,950)	(2,982,080)
Change in net position	786,668	407,402	538,051	14,164
Net position, October 1	3,637,234	12,545,013	11,426,438	2,342,711
Net position, September 30	\$ 4,423,902	\$ 12,952,415	\$ 11,964,489	\$ 2,356,875

See accompanying notes to the basic financial statements.

Business-type Activities			Governmental Activities
Stormwater	Internal Service	Totals	Internal Service
\$ 117,424	\$ 130,702	\$ 11,226,973	\$ -
3,521	-	70,490	2,074,105
120,945	130,702	11,297,463	2,074,105
-	190,257	2,882,035	-
5,582	36,268	599,296	-
61,006	3,749	818,966	-
13	77,216	345,487	-
432	4,618	359,462	-
374	622	207,038	-
1,739	329	56,871	1,957,092
71,885	1,092	1,482,812	-
141,031	314,151	6,751,967	1,957,092
(20,086)	(183,449)	4,545,496	117,013
11,445	2,227	223,438	52,256
(8,486)	-	(18,065)	-
2,959	2,227	205,373	52,256
(17,127)	(181,222)	4,750,869	169,269
-	-	57,000	-
-	-	(953)	-
50,000	105,575	155,575	-
-	-	(3,258,980)	-
50,000	105,575	(3,047,358)	-
32,873	(75,647)	1,703,511	169,269
1,890,143	(347,863)	31,493,676	2,585,814
\$ 1,923,016	\$ (423,510)	\$ 33,197,187	\$ 2,755,083

CITY OF SCOTTSBLUFF, NEBRASKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities			
	Environmental Services	Wastewater	Water	Electric
Cash flows from operating activities:				
Cash received from customers	\$ 3,016,339	\$ 2,742,900	\$ 2,263,730	\$ 2,982,080
Cash paid to suppliers	(723,600)	(568,851)	(583,458)	-
Cash paid to employees	(781,949)	(587,232)	(561,313)	-
Other expenses	(307,293)	(269,261)	(184,730)	-
Net cash provided by operating activities	<u>1,203,497</u>	<u>1,317,556</u>	<u>934,229</u>	<u>2,982,080</u>
Cash flows from non-capital financing activities:				
Transfers from (to) other funds	(54,000)	(142,450)	(80,450)	(2,982,080)
Net cash provided (used) by non-capital financing activities	<u>(54,000)</u>	<u>(142,450)</u>	<u>(80,450)</u>	<u>(2,982,080)</u>
Cash flows from capital and related financing activities:				
Purchases of capital assets	(469,364)	(337,267)	(209,614)	-
Principal paid on capital debt	-	(326,655)	-	-
Interest paid on capital debt	-	(11,304)	-	-
Net cash (used) by capital and related financing activities	<u>(469,364)</u>	<u>(675,226)</u>	<u>(209,614)</u>	<u>-</u>
Cash flows from investing activities:				
Investment in landfill	(81,206)	-	-	-
Interest and dividends	59,863	61,130	57,752	29,364
Net cash provided by investing activities	<u>(21,343)</u>	<u>61,130</u>	<u>57,752</u>	<u>29,364</u>
Net increase in cash and cash equivalents	658,790	561,010	701,917	29,364
Cash and cash equivalents, October 1	2,589,190	2,680,525	2,466,897	1,481,268
Cash and cash equivalents, September 30	<u>\$ 3,247,980</u>	<u>\$ 3,241,535</u>	<u>\$ 3,168,814</u>	<u>\$ 1,510,632</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 724,724	\$ 498,773	\$ 558,635	\$ 2,966,899
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization expense	269,624	771,154	324,695	44,362
Changes in assets and liabilities:				
Receivables - net of allowances	6,934	25,521	(52,072)	(29,181)
Inventory	-	-	72,921	-
Accounts and other payables	181,180	3,689	10,559	-
Accrued expenses	21,035	18,419	19,491	-
Net cash provided by operating activities	<u>\$ 1,203,497</u>	<u>\$ 1,317,556</u>	<u>\$ 934,229</u>	<u>\$ 2,982,080</u>
Non-cash activities:				
Exchange on purchase of capital asset	55,500	-	1,500	-
Contributed capital assets to government funds	-	953	-	-

See accompanying notes to the basic financial statements.

Business-type Activities			Governmental Activities
Stormwater	Internal Service	Totals	Internal Service
\$ 128,675	\$ 130,793	\$ 11,264,517	\$ 2,074,105
(109,483)	(125,957)	(2,111,349)	(1,957,092)
-	(138,964)	(2,069,458)	-
-	(51,293)	(812,577)	-
<u>19,192</u>	<u>(185,421)</u>	<u>6,271,133</u>	<u>117,013</u>
 50,000	 105,575	 (3,103,405)	 -
 50,000	 105,575	 (3,103,405)	 -
 -	 (6,950)	 (1,023,195)	 -
(69,673)	-	(396,328)	-
(9,385)	-	(20,689)	-
<u>(79,058)</u>	<u>(6,950)</u>	<u>(1,440,212)</u>	<u>-</u>
 -	 -	 (81,206)	 -
11,462	2,188	221,757	52,173
<u>11,462</u>	<u>2,188</u>	<u>140,551</u>	<u>52,173</u>
 1,596	 (84,610)	 1,868,067	 169,186
624,957	(315,663)	9,527,174	2,583,094
<u>\$ 626,553</u>	<u>\$ (400,273)</u>	<u>\$ 11,395,241</u>	<u>\$ 2,752,280</u>
 \$ (20,086)	 \$ (183,449)	 \$ 4,545,496	 \$ 117,013
 71,885	 1,092	 1,482,812	 -
11,137	-	(37,661)	-
-	-	72,921	-
(43,858)	(4,694)	146,876	-
114	1,630	60,689	-
<u>\$ 19,192</u>	<u>\$ (185,421)</u>	<u>\$ 6,271,133</u>	<u>\$ 117,013</u>
 -	 -	 57,000	 -
-	-	953	-

CITY OF SCOTTSBLUFF, NEBRASKA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020

	Agency Fund	Pension Trust Fund	Total Fiduciary Funds
ASSETS			
Equity in pooled cash	\$ 322,085	\$ -	\$ 322,085
Funds held by county treasurer	84,556	-	84,556
Investments managed by trustee	-	16,340,635	16,340,635
Net receivables:			
Accrued interest	328	-	328
Total assets	<u>\$ 406,969</u>	<u>\$ 16,340,635</u>	<u>\$ 16,747,604</u>
LIABILITIES			
Accounts and warrants payable	\$ 200,619	\$ -	\$ 200,619
Debt service	206,350	-	206,350
Total liabilities	<u>406,969</u>	<u>-</u>	<u>406,969</u>
NET POSITION			
Held in trust for pension benefits	-	16,340,635	16,340,635
Total net position	<u>-</u>	<u>16,340,635</u>	<u>16,340,635</u>
Total liabilities and net position	<u>\$ 406,969</u>	<u>\$ 16,340,635</u>	<u>\$ 16,747,604</u>

See accompanying notes to the basic financial statements.

CITY OF SCOTTSBLUFF, NEBRASKA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Pension Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 474,128
Employee	<u>429,031</u>
Total contributions	903,159
Transfers in	92,093
Investment earnings:	
Net investment earnings and appreciation in fair value of investments	<u>538,952</u>
Total additions	<u>1,534,204</u>
Deductions:	
Benefit payments	25,230
Administrative costs	<u>68,302</u>
Total deductions	<u>93,533</u>
Change in fiduciary net position	1,440,671
Net position held in trust for pension benefits, October 1	<u>14,899,964</u>
Net position held in trust for pension benefits, September 30	<u>\$ 16,340,635</u>

See accompanying notes to the basic financial statements.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity - The City of Scottsbluff (City) is a municipal government responsible for providing services to the local citizenry, which are deemed best to be provided for by the public sector. The services provided include general administration, public safety, highways and streets, cemetery, recreation, public improvements, health and social services, parks, library, keno, environmental service, electric, water and wastewater; all of which are funded by tax collections and user fees.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America (GAAP). The basic, but not the only criterion, for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the City and/or its citizens, or whether the activity is conducted within the geographical boundaries of the City and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibility.

As required by GAAP, these financial statements present the City of Scottsbluff (the primary government) and its component units. These component units are included in the City's reporting entity because of the significance of each unit's operational and financial relationship with the City.

City of Scottsbluff Leasing Corporation

The City of Scottsbluff Leasing Corporation was formed in 1981 to provide tax-exempt financing for various construction projects of the City. The governing body is appointed by the City's governing body. The services provided by the Leasing Corporation are so intertwined with the City that the Leasing Corporation is in substance the same as the City and it is reported as part of the City and blended in the City's financial statements.

Community Development Agency

The Community Development Agency was created by the Mayor and City Council to provide for redevelopment of various areas within the City. Although it is legally separate from the City, the sole purpose of this Agency is to provide for City redevelopment and it is presented in the City's Agency Fund.

Community Redevelopment Authority

The Community Redevelopment Authority was created by the Mayor and City Council to provide for redevelopment of various areas within the City. Although it is legally separate from the City, the sole purpose of this Authority is to provide for City redevelopment. There currently is no funding source for the Authority and currently acts in an advisory capacity only.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements - The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Fiduciary activities, whose resources are not available to finance the City's programs, are excluded from the government-wide statements. The material effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - The government-wide financial statements are reported using the *total economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including interest on long-term debt, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, highway user fees, interdepartmental charges, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual. Special assessments are recorded as revenues in the year the assessments are paid. Installments not yet paid are reflected as special assessments receivable and deferred revenues. Other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued) -

The City reports the following special revenue funds:

Transportation Fund - This fund accounts for the resources accumulated and payments made for the maintenance, construction, and improvement of the streets in the City.

Economic Development Fund - This fund accounts for the resources and payments made for the Local Option Municipal Economic Development Act for the City. This Act sunsets in October, 2025.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term principal, interest and related costs.

Leasing Corporation Fund - Leasing Corporation Fund is used to account for leasing of acquisition or construction of major capital facilities (other than those financed by proprietary fund types).

Special Projects Fund - Special projects fund is used to account for miscellaneous grants such as highway safety or revenue sources for specific items such as K-9 donations.

The government reports the following major enterprise funds:

Environmental Services Fund - This fund accounts for the activities of the government's sanitation utility.

Wastewater Fund - This fund accounts for the activities of the government's wastewater utility.

Water Fund - This fund accounts for the activities of the government's water distribution operations.

Electric Fund - This fund accounts for the activities of the government's electric system utility.

Stormwater Fund - This fund accounts for the activities of the stormwater utility.

Additionally, the government reports the following fund types:

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units on a cost-reimbursement basis.

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature and do not involve the measurement of results of operations.

Assets, Liabilities, and Net Position or Equity -

Deposits and Investments - The City maintains a cash and investments pool for all funds. This pool is managed by the Finance Director and interest income is allocated to each fund based on its proportionate share in the pool. Each fund type's portion of this pool is displayed as "Equity in pooled cash". This pool consists of cash on hand, certificates of deposits, and investments. The City's cash and cash equivalents are considered to be cash on hand, cash held by County Treasurer, and short-term investments with original maturities of three months or less from date of acquisition. All investments are recorded at fair value based on quoted market prices.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity (Continued) -

Unbilled Water and Sewer Revenue - Billings for water and sewer revenues are rendered on a semi-monthly basis. Unbilled water and sewer revenues, representing estimated consumer usage for the period between the last billing and the end of the year, have been recorded and are included in accounts receivable.

Inventories - Inventories are valued at the lower of cost or market, using the first-in, first-out method.

Restricted Assets - When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources as needed.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, drainage systems, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 or \$50,000 for infrastructure and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Property, plant and equipment of the government is depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10 - 50 years
Vehicles	5 - 20 years
Equipment	3 - 25 years
Infrastructure	20 - 60 years

Compensated Absences - City employees generally earn vacation days at a variable rate based on years of service. In the event of termination, an employee is reimbursed for accumulated vacation time up to a maximum allowed accumulation of 366 hours. Employees earn sick leave at the rate of one day per month with total accumulation limits established by the employees' bargaining unit. With 15 years of service, the maximum allowed is four workweeks.

Vacation and sick leave are accrued when incurred in the government-wide, proprietary, and internal service fund financial statements. Such accruals are based on current salary rates.

Long-Term Obligations - In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental and business-type activities in the statement of net position.

In the fund financial statements, governmental fund types recognize bond proceeds as other financing sources and bond payments are expensed. Issuance costs are reported as current expenditures.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity (Continued) -

Eliminations – Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Deferred Inflows of Resources – In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category and are reported in the governmental fund balance sheet. The unavailable revenues are from property taxes, special assessments and notes receivable that are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City also has a an item that qualifies for unavailable revenues and is reported in the Statement of Net Position. The unavailable revenue is economic development grants and loans that are earned over a period of time and are recognized as revenue and/or expense as the revenue is received and as credits are earned.

Fund balance-Governmental Funds – The fund balances for the City’s governmental funds are displayed in five components:

Nonspendable fund balance – amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

Restricted fund balance – amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher level of government), or imposed by constitutional provisions or enabling legislation.

Committed fund balance – amounts that can be spent only for specific purposes determined by a formal action of the government’s highest level of decision-making authority. Commitments may be established, modified, or rescinded only through ordinances approved by the City Council.

Assigned fund balance – amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The City Manager may assign amounts.

Unassigned fund balance – amounts that are available for any purpose; these amounts can be reported only in the City’s General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

The City 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 deter the use of these other classified funds.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity (Continued) -

Equity – Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) laws through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

NOTE 2 - DEPOSITS AND INVESTMENTS

State Statute 14-563 R.R.S., 1943 authorizes funds of the City to be invested in “securities of the United States, the State of Nebraska, metropolitan city, county in which such metropolitan city is located or school district of such city, in the securities of municipally owned and operated public utility property and plants of such city, or in the same manner as funds of the State of Nebraska are invested, except that the city treasurer may purchase certificates of deposit from and make time deposits in banks selected as depositories of City funds”. Additionally, State Statute 15-847 R.R.S., 1943 requires banks either to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the city treasurer in the amount of the City’s deposits. The Statutes allow pledged securities to be reduced by the amount of the deposit, which is insured by the Federal Deposit Insurance Corporation (FDIC).

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As noted above, State Statutes 15-847 R.R.S., 1943 covers this risk. As of September 30, 2020 equity in pooled cash was fully insured by FDIC insurance or collateralized by pledged securities.

The City has invested funds in the Invesco Government Money Market Fund and the Royal Bank of Canada Government Money Market Fund. These funds invest exclusively in high-quality, short-term, U.S. dollar-denominated money market instruments that consist of U.S. Government obligations and repurchase agreements collateralized by U.S. Government obligations. As of September 30, 2020 the City had \$11,207,604 and \$8,797,310 respectively invested in Government Money Market Funds.

The City has entered into an investment pooling agreement with the Nebraska Public Agency Investment Trust (the Trust). The Trust was organized to allow various local governmental entities to pool their funds and invest in all instruments as allowed under state law. The trust investment consists primarily of U.S. Government securities, U.S. Government Agency securities, collateralized repurchase agreements and certificates of deposit, which are short-term in nature and not subject to significant market adjustments. The City had \$104,750 invested in the Trust at September 30, 2020.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Cash and Equity in Pooled Cash Management Account - At September 30, 2020, the City's cash and pooled investments, recorded at fair market value and includes \$322,085 in the Agency (TIF) fund, consisted of the following:

Cash	\$	2,127,643
Investments:		
U.S. Agencies and Instrumentality's Bonds and Notes		22,371,259
Money Market – Pledged Securities		1,032,053
Nebraska Public Agency Investment Trust		104,755
Certificates of deposit		<u>11,398,107</u>
	\$	<u>37,033,817</u>
Shown on balance sheet as:		
Equity in pooled cash and investments	\$	<u>37,033,817</u>

Restricted Investments - The following details the restricted investment at September 30, 2020:

	<u>Enterprise Funds</u>
Pursuant to agreement with City of Gering:	
Investment	\$ <u>620,243</u>
Total	\$ <u>620,243</u>

Restricted investments consists of equity in checking account for the landfill in the name of City of Gering.

Investments Managed by Trustee - The City's Pension Trust Funds are administered by trustees. At September 30, 2020 Pension Trust Funds managed by a trustee consisted of the following:

	<u>Fire</u>	<u>Police</u>	<u>City</u>	<u>Total</u>
Mutual Funds	\$ <u>3,942,205</u>	\$ <u>5,003,891</u>	\$ <u>7,394,539</u>	\$ <u>16,340,635</u>

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE 3 - RECEIVABLES

Receivables at September 30, 2020, consist of the following:

<u>Fund</u>	<u>Taxes</u>	<u>Accounts and Other</u>	<u>Accrued Interest</u>	<u>Special Assessments</u>
General	\$ 958,182	\$ 43,872	\$ 8,870	\$ -
Special Revenue	769,215	301,253	10,621	-
Debt Service	429,535	-	22,092	669,165
Capital Projects	25,453	-	106	-
Enterprise	-	1,128,699	12,001	-
Internal Service	-	-	2,927	-
Fiduciary	-	-	328	-
Gross Receivables	\$ 2,182,385	\$ 1,473,824	\$ 56,945	\$ 669,165
Allowance for Uncollectibles	<u>(52,192)</u>	<u>(46,246)</u>	<u>-</u>	<u>(33,450)</u>
Net Receivables	<u>\$ 2,130,193</u>	<u>\$ 1,427,578</u>	<u>\$ 56,945</u>	<u>\$ 635,715</u>

LB 840 Economic Development Program notes receivable at September 30, 2020, consist of the following:

	<u>Beginning Balance</u>	<u>Additions (Awards)</u>	<u>Credits & Refinancing</u>	<u>Principal Payments</u>	<u>Ending Balance</u>
Notes Receivable:					
Eligible for job credits	\$ 3,016,811	\$ 2,388,277	\$ 223,650	\$ 181,597	\$ 4,999,841
Not eligible for job credits	416,768	150,000	194,808	60,213	311,747
Grants:					
Eligible for job credits	\$ 638,620	900,323	192,453	54,700	1,291,790
Total LB 840 Receivables	<u>\$ 4,072,199</u>	<u>\$ 3,438,600</u>	<u>\$ 610,911</u>	<u>\$ 296,510</u>	<u>\$ 6,603,378</u>

Special assessment receivables - The City holds special assessment receivables in the amount of \$669,165. The special assessment debt is payable entirely by special assessment collections from the assessed property owners. In the case where the assessed property owners default on those payments, the City would be ultimately liable for that debt.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 554,215	\$ -	\$ -	\$ 554,215
Inventory	2,629,113	-	-	2,629,113
Construction in progress	242,518	606,759	34,100	815,177
Total capital assets, not being depreciated	<u>3,425,846</u>	<u>606,759</u>	<u>34,100</u>	<u>3,998,505</u>
Capital assets, being depreciated:				
Buildings and improvements	11,503,219	15,426	4,544	11,514,101
Equipment and vehicles	8,405,738	450,506	138,741	8,717,504
Infrastructure	37,903,208	2,318,266	3,000	40,218,474
Total capital assets, being depreciated	<u>57,812,165</u>	<u>2,784,198</u>	<u>146,285</u>	<u>60,450,079</u>
Less accumulated depreciation for:				
Buildings and improvements	4,687,221	303,387	4,543	4,986,065
Equipment and vehicles	4,933,975	684,875	123,452	5,495,398
Infrastructure	20,375,634	1,492,601	3,000	21,865,235
Total accumulated depreciation	<u>29,996,830</u>	<u>2,480,863</u>	<u>130,995</u>	<u>32,346,698</u>
Net capital assets being depreciated	<u>27,815,335</u>	<u>303,335</u>	<u>15,290</u>	<u>28,103,381</u>
Net governmental activities capital assets	<u>\$ 31,241,181</u>	<u>\$ 910,094</u>	<u>\$ 49,390</u>	<u>\$ 32,101,886</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,525,791	\$ -	\$ -	\$ 1,525,791
Construction in progress	232,890	91,483	-	324,373
Total capital assets, not being depreciated	<u>1,758,681</u>	<u>91,483</u>	<u>-</u>	<u>1,850,164</u>
Capital assets, being depreciated:				
Buildings and improvements	7,103,478	-	9,953	7,093,525
Equipment and vehicles	6,223,208	621,613	243,491	6,601,330
Plant in service	21,611,535	-	8,583	21,602,953
Infrastructure	15,276,298	367,600	-	15,643,898
Total capital assets, being depreciated	<u>50,214,519</u>	<u>989,213</u>	<u>262,027</u>	<u>50,941,706</u>
Less accumulated depreciation for:				
Buildings and improvements	4,443,466	110,603	9,953	4,544,116
Equipment and vehicles	4,079,523	535,804	242,037	4,373,290
Plant in service	17,039,285	398,041	8,583	17,428,743
Infrastructure	4,434,974	438,364	-	4,873,338
Total accumulated depreciation	<u>29,997,248</u>	<u>1,482,812</u>	<u>260,573</u>	<u>31,219,487</u>
Net capital assets being depreciated	<u>20,217,271</u>	<u>(493,599)</u>	<u>1,454</u>	<u>19,722,219</u>
Net business-type activities capital assets	<u>\$ 21,975,952</u>	<u>\$ (402,116)</u>	<u>\$ 1,454</u>	<u>\$ 21,572,383</u>

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 61,434
Public safety	357,282
Transportation	1,626,082
Public health and social services	29,377
Culture and recreation	364,584
Public works	23,398
Total depreciation expense - governmental	<u>\$ 2,462,157</u>
Business-type activities:	
Environmental services	\$ 269,624
Wastewater	771,154
Water	324,695
Electric	44,362
Stormwater	71,885
Internal service	1,092
Total depreciation expense - business-type	<u>\$ 1,482,812</u>

NOTE 5 - LONG-TERM DEBT

General Obligation Bonds, Revenue Bonds and Direct Borrowings outstanding and related interest requirements as of September 30, 2020, are as follows:

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Annual Installment</u>	<u>Principal Amount Outstanding</u>
Governmental activities:				
2015 Lease Rental and Refunding Bonds, dated June 23, 2015, due annually through 2021; secured by library building	\$ 1,205,000	.4% to 2.15%	46,200 to 150,000	\$ 245,700
2015 Lease Rental and Refunding Bonds, dated June 23, 2015, due annually through 2023; secured by public safety building and pool	2,080,000	.4% to 2.15%	78,400 to 250,000	412,400
2015 Lease Rental Revenue Bonds, dated June 23, 2015, due annually through 2021; secured by downtown buildings	440,000	.4% to 1.8%	15,400 to 45,000	76,900
2015 General Obligation Hwy Allocation Bonds, dated June 18, 2015, due annually through 2021; secured by assets of the City	2,330,000	.65% to 1.7%	480,000	480,000
2018 General Obligation Hwy Allocation Bonds, dated June 1, 2018, due annually through 2025; secured by assets of the City	2,404,944	1.85% to 2.55%	333,563 to 362,386	1,733,700

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE 5 - LONG-TERM DEBT (CONTINUED)

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Annual Installment</u>	<u>Principal Amount Outstanding</u>
Governmental activities:				
2020 General Obligation Hwy Allocation Bonds, dated June 18, 2020, due annually through 2026; secured by assets of the City	2,240,000	.85% to 1.1%	440,000 to 455,000	<u>2,240,000</u>
Total governmental activities				<u>\$ 5,188,700</u>
	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Annual Installment</u>	<u>Principal Amount Outstanding</u>
Business-type activities:				
2018 General Obligation Hwy Allocation Bonds, dated June 1, 2018, due annually through 2025; secured by assets of the City	515,056	1.85% to 2.55%	71,437 to 77,614	371,300
Wastewater treatment project loan - State of Nebraska, issued 2003, due annually through 2023	1,004,334	3.00%	56,660 to 64,000	182,783
Wastewater treatment project loan - State of Nebraska, issued 2011, due annually through 2020	1,685,000	2.00%	134,511	<u>134,511</u>
Total business-type activities				<u>\$ 688,594</u>
Total long-term debt				<u>\$ 5,877,294</u>

All of the wastewater treatment project loans are secured by monthly user fees.

All of the 2015 Leasing Corp Rental and Refunding bonds are secured by the library building, public safety building, Westmoor pool and downtown plaza buildings.

Annual requirements to pay principal and interest to maturity on outstanding debt follows:

Fiscal Year Ended September 30	Governmental Activities					
	General Obligation Bonds		Revenue Bonds		Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 813,563	\$ 61,736	\$ 445,000	\$ 10,030	\$ -	\$ -
2022	777,681	49,501	140,000	4,625	-	-
2023	790,917	37,765	150,000	1,613	-	-
2024	804,153	25,222	-	-	-	-
2025	812,386	11,875	-	-	-	-
2026-2030	455,000	2,503	-	-	-	-
	<u>\$ 4,453,700</u>	<u>\$ 188,602</u>	<u>\$ 735,000</u>	<u>\$ 16,268</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Fiscal Year Ended September 30	Business-Type Activities					
	General Obligation Bonds		NDEQ Loans – Direct Borrowing		Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 71,437	\$ 7,955	\$ 196,633	\$ 5,918	\$ -	\$ -
2022	72,319	6,392	64,001	3,143	-	-
2023	74,083	4,708	56,660	1,209	-	-
2024	75,847	2,908	-	-	-	-
2025	77,614	991	-	-	-	-
2026-2030	-	-	-	-	-	-
	<u>\$ 371,300</u>	<u>\$ 22,954</u>	<u>\$ 317,294</u>	<u>\$ 10,270</u>	<u>\$ -</u>	<u>\$ -</u>

Long-term liability activity for the year ended September 30, 2020 was as follows:

	10/1/19 Beginning Balance	Additions	Reductions	9/30/20 Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Revenue bonds	\$ 1,405,000	\$ -	\$ 670,000	\$ 735,000	\$ 445,000
GO bonds	3,009,027	2,240,000	795,327	4,453,700	813,563
Compensated absences	562,086	414,748	322,061	654,773	-
Governmental activities	<u>\$ 4,976,113</u>	<u>\$ 2,654,748</u>	<u>\$ 1,787,388</u>	<u>\$ 5,843,473</u>	<u>\$ 1,258,563</u>
Business-type activities:					
Bonds payable:					
GO bonds	\$ 440,973	\$ -	\$ 69,673	\$ 371,300	\$ 71,437
Loans payable – direct borrowing	\$ 643,949	\$ -	\$ 326,655	\$ 317,294	\$ 196,633
Compensated absences	174,551	139,096	108,942	204,705	-
Business-type activities	<u>\$ 1,259,473</u>	<u>\$ 139,096</u>	<u>\$ 505,270</u>	<u>\$ 893,299</u>	<u>\$ 268,070</u>

There are various bonds issued for tax increment financing projects within the City. These bonds are limited obligations of the agency payable exclusively from taxes levied against certain property in specified areas. These bonds are not general obligations of the CDA, CRA or the City, and are not included in the City's financial statements. The accumulation of resources to pay these bonds is accounted for in the agency funds for CDA and CRA.

NOTE 6 - LEASE AGREEMENT - ELECTRICAL DISTRIBUTION SYSTEM

The City leases the operation of their electrical distribution system to the Nebraska Public Power District, pursuant to an agreement which became effective January 1, 1990. This agreement continues until January 1, 2015, and thereafter from year to year, unless terminated on the anniversary of January 1, 2015, with at least five years prior written notice given by either party to the other, on or after February 1, 2009.

The Nebraska Public Power District shall maintain the distribution system and shall construct any additions necessary for service to the extent such additions are within the established extension policies of the Nebraska Public Power District.

Under the lease with the Nebraska Public Power District, the City will receive 13.0% of the gross retail electric revenues, adjusted for bad debt charge-offs, revenues from tax-supported agencies receiving a discount, and revenues associated with application of production cost adjustment billings and billings of other cost adjustments not included in the base rates.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE 7 - RETIREMENT PLANS

City employees are covered by one of three retirement plans in effect, covering general city employees, fire fighters and police officers, respectively.

General

The City sponsors a defined contribution plan which covers substantially all general city employees. Under the terms of the plan, an employee must be age 21 or older and have completed one year of continuous service and have not attained the age of 64. Participating employees are required to contribute 3% of their earnings. The City then makes a matching contribution to the plan on their behalf. An additional voluntary contribution can be made by employees to the plan to the extent allowed under the Internal Revenue Code, currently an additional 10%. The City will contribute an amount equal to an employee's voluntary contribution, not to exceed 3% of the employee's compensation. Employees are 100% vested in the plan after completing 7 years of service, reaching normal retirement age (65), meeting the requirements for early retirement date, becoming totally disabled, or deceased, whichever occurs first. Contributions to the general city employee retirement plan were \$194,060 and \$200,755 by the City and plan participants, respectively. There are 86 participants in the plan.

Fire Fighters

Fire fighters are covered by a defined contribution plan sponsored by the City. Eligible employees are required to contribute 6.5% of their salary to the plan, which the City then matches at the rate of 13% of the participant's salary. Employees are fully vested after 7 whole years of service. A participant's normal retirement age is the date he attains age 55 and completes 21 years of service. Nebraska State statutes govern the coverage afforded to participants under this plan. Contributions to the fire fighters employee retirement plan were \$132,412 and \$70,496 by the City and plan participants, respectively. There are 22 participants in the plan.

Police

Police officers are covered by a defined contribution plan sponsored by the City. Participants in the plan are required to contribute 7.0% of their salary to the plan, which is matched by a 7.0% contribution from the City. Employees are fully vested after 7 whole years of service. Contributions to the police retirement plan were \$147,656 and \$157,780 by the City and plan participants, respectively. There are 41 participants in the plan.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

The Environmental Protection Agency (EPA) requires any entity with a landfill site to bring its site into compliance with 40 CFR Part 257 and 258 (Subtitle D) or close the site by October, 1993. In prior years, the City closed its landfill. In the 2008 fiscal year, the City entered into an agreement with the City of Gering for use of their landfill site and a portion of the fee paid is going towards a future landfill site or equipment to extend the life of the current landfill.

The City is committed to \$350,000 annually to Riverside Discovery Center (RDC) for its operation of a zoo. The City entered into a contract with RDC on September 13, 2010 and payments to RDC were effective with transfer that occurred on October 1, 2010. Payments are due for ten years from effective date.

The City participates in a number of federally assisted grant programs, which are subject to financial and compliance audits. The amount of expenditures, if any, which may be disallowed by the granting agencies, is not determinable at this time; however, City officials do not believe that such amounts, if any, would be significant.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE 9 - RISK MANAGEMENT

The City provides employee health insurance through a self-funded program and has contracted for administrative services and claims processing.

Due to the Affordable Care Act, the coverage lifetime maximum is unlimited. Re-insurance is covered by a policy which provided insurance above the City's participation of \$45,000 per person and \$1,445,542 in the aggregate.

The City continues to carry commercial insurance for all other risks of loss including worker's compensation, general liability and law enforcement liability. Settled claims have not exceeded coverage in any of the past three fiscal years.

NOTE 10 - INDIVIDUAL INTERFUND RECEIVABLE, PAYABLE BALANCES, AND TRANSFERS

Transfers are used to move revenues between funds. The transfers below are routine in nature.

	Transfers In			Total Transfers Out
	General Fund	Stormwater Fund	GIS Fund	
<u>Transfers Out</u>				
Trans. Fund	\$ 27,000	\$ -	\$ 28,675	\$ 55,675
Env. Services Fund	54,000	-	-	54,000
Wastewater Fund	54,000	50,000	38,450	142,450
Water Fund	42,000	-	38,450	80,450
Electric Fund	2,982,080	-	-	2,982,080
	<u>\$ 3,159,080</u>	<u>\$ 50,000</u>	<u>\$ 105,575</u>	<u>\$ 3,314,655</u>

NOTE 11 - PROPERTY TAXES

The tax levies are certified by the County Board on or before October 15th. Real estate taxes are due on December 31st and attach as an enforceable lien on property on January 1st following the levy date and become delinquent in two equal installments on May 1st and September 1st. Personal property taxes are due December 31st and become delinquent on May 1st and September 1st following the levy date.

Property taxes levied for 2019-2020 are recorded as revenue when expected to be collected within 60 days after September 30, 2020. Prior-year levies were recorded using these same principles, and remaining receivables are re-evaluated annually. Property taxes expected to be collected after 60 days are recorded as deferred revenue on the fund balance sheets.

The 2019 tax levy, for the 2019-2020 fiscal year, was \$1,970,134 with a tax rate per \$100 valuation of 0.216 for general and \$54,100 with a tax rate per \$100 valuation of .1766 for the business improvement district. The assessed value upon which the 2019 levy was based was \$912,099,308 for general and \$30,636,522 for the business improvement district.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020

NOTE 12 – TAX ABATEMENTS

As of September 30, 2020, the City provided tax abatements through the Tax Increment Financing (TIF) program. The Tax Increment Financing Law allows for the increased property taxes generated by the improvement of blighted property to be used to pay for the financing of community redevelopment/TIF projects. The statutes for community redevelopment/TIF are found in Neb. Rev. Stat. SS 18-2101 through 18-2150. The City must declare the area as substandard, blighted, and in need of redevelopment. The City is required to prepare a development plan. TIF bonds may be issued for the acquisition of property, site preparation, and public improvements. An agreement is entered into between the City and the Developer and a base valuation is established. The base property valuation remains assessable to all taxing entities. Any increase in value and resulting taxes are used to pay off the debt incurred for the redevelopment project. The project must not exceed a 15-year period. Currently, the City has Developer TIF bonds that extend through December 31, 2031. For the year ended September 30, 2020, the City abated \$43,765 in property tax revenue under the tax increment financing program.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SCOTTSBLUFF, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 4,875,642	\$ 4,875,642	5,869,463	\$ 993,821
Intergovernmental	100,474	100,474	159,512	59,038
Local	3,430,735	3,430,735	3,743,931	313,196
Total revenues	<u>8,406,851</u>	<u>8,406,851</u>	<u>9,772,906</u>	<u>1,366,055</u>
Expenditures:				
General government	955,119	955,119	629,876	325,243
Public safety - Police and Fire	5,683,201	5,683,201	5,333,256	349,945
Public works - Other	255,057	255,057	220,052	35,005
Culture and recreation	4,401,020	4,401,020	2,444,380	1,956,640
Total expenditures	<u>11,294,397</u>	<u>11,294,397</u>	<u>8,627,564</u>	<u>2,666,833</u>
Excess revenues over (under) expenditures	\$ <u>(2,887,546)</u>	\$ <u>(2,887,546)</u>	1,145,342	\$ <u>4,032,888</u>
Fund balances, October 1			<u>7,387,726</u>	
Fund balances, September 30			\$ <u>8,533,068</u>	

See accompanying notes.

CITY OF SCOTTSBLUFF, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
TRANSPORTATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 1,109,910	\$ 1,109,910	\$ 1,366,578	\$ 256,668
Intergovernmental	2,101,426	2,101,426	2,054,429	(46,997)
Local	1,710,000	1,710,000	2,382,744	672,744
Total revenues	<u>4,921,336</u>	<u>4,921,336</u>	<u>5,803,751</u>	<u>882,415</u>
Expenditures:				
Public works - Streets	<u>5,883,868</u>	<u>5,883,868</u>	<u>5,129,472</u>	<u>754,396</u>
Total expenditures	<u>5,883,868</u>	<u>5,883,868</u>	<u>5,129,472</u>	<u>754,396</u>
Excess revenues over (under) expenditures	\$ <u>(962,532)</u>	\$ <u>(962,532)</u>	674,279	\$ <u>1,636,811</u>
Fund balances, October 1			<u>3,454,690</u>	
Fund balances, September 30			<u>\$ 4,128,969</u>	

See accompanying notes.

CITY OF SCOTTSBLUFF, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 849,991	\$ 849,991	\$ 1,115,340	\$ 265,349
Local	354,253	354,253	412,806	58,553
Total revenues	<u>1,204,244</u>	<u>1,204,244</u>	<u>1,528,146</u>	<u>323,902</u>
Expenditures:				
Community development	<u>2,663,035</u>	<u>3,163,035</u>	<u>3,570,453</u>	<u>(407,418)</u>
Total expenditures	<u>2,663,035</u>	<u>3,163,035</u>	<u>3,570,453</u>	<u>(407,418)</u>
Excess revenues over (under) expenditures	\$ <u>(1,458,791)</u>	\$ <u>(1,958,791)</u>	(2,042,307)	\$ <u>(83,516)</u>
Fund balances, October 1			<u>4,520,875</u>	
Fund balances, September 30			\$ <u>2,478,568</u>	

See accompanying notes.

CITY OF SCOTTSBLUFF, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 946,741	\$ 946,741	\$ 936,587	\$ (10,154)
Local	<u>1,123,409</u>	<u>1,123,409</u>	<u>148,722</u>	<u>(974,687)</u>
Total revenues	<u>2,070,150</u>	<u>2,070,150</u>	<u>1,085,309</u>	<u>(984,841)</u>
Expenditures:				
General government	<u>4,198,175</u>	<u>4,198,175</u>	<u>1,433,439</u>	<u>2,764,736</u>
Total expenditures	<u>4,198,175</u>	<u>4,198,175</u>	<u>1,433,439</u>	<u>2,764,736</u>
Excess revenues over (under) expenditures	\$ <u>(2,128,025)</u>	\$ <u>(2,128,025)</u>	(348,130)	\$ <u>1,779,895</u>
Fund balances, October 1			<u>4,366,744</u>	
Fund balances, September 30			\$ <u>4,018,614</u>	

See accompanying notes.

CITY OF SCOTTSBLUFF, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
SPECIAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ -	\$ -	\$ 97,178	\$ 97,178
Intergovernmental	-	-	52,803	52,803
Local	501,000	501,000	1,128,781	627,781
Total revenues	501,000	501,000	1,278,762	777,762
Expenditures:				
General government	500,000	500,000	512,482	(12,482)
Total expenditures	500,000	500,000	512,482	(12,482)
Excess revenues over (under) expenditures	\$ 1,000	\$ 1,000	766,280	\$ 765,280
Fund balances, October 1			483,158	
Fund balances, September 30			\$ 1,249,438	

See accompanying notes.

CITY OF SCOTTSBLUFF, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
LEASING CORPORATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Local	<u>689,445</u>	<u>689,445</u>	<u>689,046</u>	<u>(399)</u>
Total revenues	<u>689,445</u>	<u>689,445</u>	<u>689,046</u>	<u>(399)</u>
Expenditures:				
General government	<u>689,595</u>	<u>689,595</u>	<u>689,780</u>	<u>(185)</u>
Total expenditures	<u>689,595</u>	<u>689,595</u>	<u>689,780</u>	<u>(185)</u>
Excess revenues over (under) expenditures	\$ <u>(150)</u>	\$ <u>(150)</u>	(734)	\$ <u>(584)</u>
Fund balances, October 1			<u>27,703</u>	
Fund balances, September 30			\$ <u>26,969</u>	

See accompanying notes.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE BUDGETARY COMPARISON SCHEDULES

September 30, 2020

NOTE 1 – BUDGET AND BUDGETARY ACCOUNTING

The City follows the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

1. Prior to September 1, the City Clerk submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to September 20, the budget is legally enacted through passage of an ordinance.
4. Formal budgetary integration is employed as a management control device for the General, Special Revenue, Capital Projects, Debt Service and Proprietary Funds.
5. Budgets are prepared using the cash basis of accounting which is a basis not consistent with accounting principles generally accepted in the United States of America.
6. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revision that alters total expenditures of any fund requires approval of council and a public hearing.
7. All appropriations lapse at year end.

NOTE 2 - RECONCILIATION OF BUDGET BASIS REVENUE AND EXPENDITURES TO GAAP

Revenues and expenditures presented on a non-GAAP budget basis of accounting differ from the revenues and expenditures presented in accordance with GAAP because of the different treatment of accruals. A reconciliation for the year ended September 30, 2020, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis, is presented below:

	General Fund	Transp. Fund	Econ. Dev. Fund	Debt Service Fund	Special Projects Fund	Leasing Corp. Fund
Net change in fund balances:						
Balance on a GAAP basis	\$ 1,096,899	\$ 692,945	\$ (2,035,990)	\$ 390,499	\$ 98,544	\$ (692)
Basis differences (accruals occur because the cash basis of accounting use for budgeting differs from the modified accrual basis of accounting prescribed for governmental fund	48,443	(18,666)	(6,317)	(738,629)	667,737	(43)
Balance on a budget basis	\$ <u>1,145,342</u>	\$ <u>674,279</u>	\$ <u>(2,042,307)</u>	\$ <u>(348,130)</u>	\$ <u>766,281</u>	\$ <u>(735)</u>

NOTE 3 – BUDGET AMENDMENT

The City amended their September 30, 2020 budget to increase expenditures for the Economic Development Fund of \$500,000 to allow for additional loans and grants to be made to borrowers.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

OTHER SUPPLEMENTARY INFORMATION

**CITY OF SCOTTSBLUFF, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Regional Library	Cemetery & Cemetery Perpetual Care	Business Improvement District	Public Safety Equipment	Industrial Site
ASSETS					
Equity in pooled cash	\$ 56,395	\$ 899,923	\$ 272,955	\$ 402,842	\$ 71,511
Funds held by county treasurer	-	9,683	2,862	12,624	-
Net receivables:					
Taxes	-	71,349	11,585	93,020	-
Notes receivable	-	-	-	-	-
Accrued interest	57	915	278	410	73
Governmental unit	-	-	-	5,274	-
Other receivables	-	450	-	-	-
Total assets	<u>\$ 56,452</u>	<u>\$ 982,320</u>	<u>\$ 287,680</u>	<u>\$ 514,170</u>	<u>\$ 71,584</u>
LIABILITIES					
Accounts payable	\$ -	\$ 11,021	\$ 2,764	\$ 8,245	\$ -
Accrued salaries	-	6,032	-	-	-
Other accrued expenses	-	246	-	-	-
Total liabilities	<u>-</u>	<u>17,299</u>	<u>2,764</u>	<u>8,245</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable revenue - property taxes	-	73,556	12,195	95,898	-
Total deferred inflow of resources	<u>-</u>	<u>73,556</u>	<u>12,195</u>	<u>95,898</u>	<u>-</u>
FUND BALANCES					
Restricted for:					
Other restricted	3,471	-	-	-	-
Committed	<u>52,982</u>	<u>891,465</u>	<u>272,721</u>	<u>410,027</u>	<u>71,584</u>
Total fund balances	<u>56,452</u>	<u>891,465</u>	<u>272,721</u>	<u>410,027</u>	<u>71,584</u>
Total liabilities and fund balances	<u>\$ 56,452</u>	<u>\$ 982,320</u>	<u>\$ 287,680</u>	<u>\$ 514,170</u>	<u>\$ 71,584</u>

<u>Keno</u>	<u>Mutual Fire</u>	<u>CDBG Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 175,364	\$ 435,134	\$ 32,408	\$ 104,550	\$ 2,451,082
-	-	-	3,586	28,755
-	-	-	24,180	200,134
-	-	-	-	-
179	443	33	106	2,494
-	-	-	-	5,274
<u>5,749</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,199</u>
<u>\$ 181,292</u>	<u>\$ 435,577</u>	<u>\$ 32,441</u>	<u>\$ 132,422</u>	<u>\$ 2,693,938</u>
\$ 47,950	\$ -	\$ -	\$ 4,971	\$ 74,951
-	-	-	-	6,032
-	-	-	-	246
<u>47,950</u>	<u>-</u>	<u>-</u>	<u>4,971</u>	<u>81,229</u>
-	-	-	24,883	206,532
-	-	-	<u>24,883</u>	<u>206,532</u>
133,341	435,576	32,441	-	604,829
-	-	-	102,570	1,801,349
<u>133,342</u>	<u>435,577</u>	<u>32,441</u>	<u>102,568</u>	<u>2,406,177</u>
<u>\$ 181,292</u>	<u>\$ 435,577</u>	<u>\$ 32,441</u>	<u>\$ 132,422</u>	<u>\$ 2,693,938</u>

**CITY OF SCOTTSBLUFF, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Regional Library	Cemetery & Cemetery Perpetual Care	Business Improvement District	Public Safety Equipment	Industrial Site
Revenues:					
Taxes and special assessments	\$ -	\$ 165,359	\$ 50,152	\$ 215,885	\$ -
Licenses and permits	-	4,600	-	-	-
Intergovernmental	2,363	-	-	11,597	-
Charges for services	-	66,600	-	-	-
Investment income	1,084	16,921	5,107	7,789	1,392
Other revenue	577	39,750	-	-	-
Total revenues	<u>4,024</u>	<u>293,230</u>	<u>55,259</u>	<u>235,271</u>	<u>1,392</u>
Expenditures:					
Current operations:					
General government	-	-	-	-	351
Public safety	-	-	-	113,410	-
Public health and social services	-	201,942	-	-	-
Culture and recreation:					
Library	107	-	-	-	-
Public works	-	-	39,388	-	-
Capital expenditures	-	-	-	274,641	-
Total expenditures	<u>107</u>	<u>201,942</u>	<u>39,388</u>	<u>388,051</u>	<u>351</u>
Excess revenues over (under) expenditures	<u>3,917</u>	<u>91,288</u>	<u>15,871</u>	<u>(152,780)</u>	<u>1,041</u>
Excess revenues and other financing sources over (under) expenditures and other uses	3,917	91,288	15,871	(152,780)	1,041
Fund balances, October 1	<u>52,534</u>	<u>800,177</u>	<u>256,850</u>	<u>562,807</u>	<u>70,541</u>
Fund balances, September 30	<u>\$ 56,451</u>	<u>\$ 891,465</u>	<u>\$ 272,721</u>	<u>\$ 410,027</u>	<u>\$ 71,582</u>

<u>Keno</u>	<u>Mutual Fire</u>	<u>CDBG</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 61,178	\$ 492,574
-	-	-	-	4,600
-	-	-	-	13,960
-	-	-	-	66,600
3,312	8,435	630	1,996	46,666
<u>58,510</u>	<u>108,841</u>	<u>-</u>	<u>-</u>	<u>207,678</u>
<u>61,822</u>	<u>117,276</u>	<u>630</u>	<u>63,174</u>	<u>832,078</u>
50,786	-	-	-	51,137
-	13,148	-	-	126,558
-	-	-	-	201,942
-	-	-	-	107
-	-	-	-	39,388
<u>41,476</u>	<u>5,365</u>	<u>-</u>	<u>50,591</u>	<u>372,073</u>
<u>92,262</u>	<u>18,513</u>	<u>-</u>	<u>50,591</u>	<u>791,205</u>
<u>(30,440)</u>	<u>98,763</u>	<u>630</u>	<u>12,583</u>	<u>40,873</u>
(30,440)	98,763	630	12,583	40,873
<u>163,779</u>	<u>336,814</u>	<u>31,811</u>	<u>89,986</u>	<u>2,365,299</u>
<u>\$ 133,339</u>	<u>\$ 435,577</u>	<u>\$ 32,441</u>	<u>\$ 102,569</u>	<u>\$ 2,406,172</u>

CITY OF SCOTTSBLUFF, NEBRASKA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2020

	Health Insurance	Unemployment Compensation	Geographic Information System	Central Garage	Totals
ASSETS					
Current assets:					
Equity in pooled cash	\$ 2,682,496	\$ 69,784	\$ 123,410	\$ (523,683)	\$ 2,352,007
Net receivables:					
Accrued interest	2,731	71	125	-	2,927
Total current assets	<u>2,685,227</u>	<u>69,855</u>	<u>123,535</u>	<u>(523,683)</u>	<u>2,354,934</u>
Noncurrent assets					
Net capital assets	-	-	6,603	3,044	9,647
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>6,603</u>	<u>3,044</u>	<u>9,647</u>
Total assets	<u>\$ 2,685,227</u>	<u>\$ 69,855</u>	<u>\$ 130,138</u>	<u>\$ (520,639)</u>	<u>\$ 2,364,581</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ -	\$ -	\$ 1,387	\$ 8,838	\$ 10,225
Accrued salaries	-	-	1,797	5,455	7,252
Other accrued expenses	-	-	94	336	430
Total current liabilities	<u>-</u>	<u>-</u>	<u>3,278</u>	<u>14,629</u>	<u>17,907</u>
Noncurrent liabilities:					
Compensated absences	-	-	901	14,200	15,101
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>901</u>	<u>14,200</u>	<u>15,101</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>4,179</u>	<u>28,829</u>	<u>33,008</u>
NET POSITION					
Invested in capital assets, net of related debt	-	-	6,603	3,044	9,647
Unreserved	2,685,228	69,855	119,356	(552,511)	2,321,928
Total net position	<u>2,685,227</u>	<u>69,855</u>	<u>125,959</u>	<u>(549,468)</u>	<u>2,331,573</u>
Total liabilities and net position	<u>\$ 2,685,227</u>	<u>\$ 69,855</u>	<u>\$ 130,138</u>	<u>\$ (520,639)</u>	<u>\$ 2,364,581</u>

**CITY OF SCOTTSBLUFF, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Health Insurance	Unemployment Compensation	Geographic Information System	Central Garage	Total
Operating revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ 130,702	\$ 130,702
Other revenues	<u>2,074,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,074,105</u>
Total operating revenues	<u>2,074,105</u>	<u>-</u>	<u>-</u>	<u>130,702</u>	<u>2,204,807</u>
Operating expenses:					
Personnel services	-	-	42,096	148,161	190,257
Operating supplies	-	-	3,235	33,033	36,268
Contractual	-	-	3,744	5	3,749
Maintenance	-	-	10,044	67,172	77,216
Utilities	-	-	426	4,192	4,618
Insurance	-	-	-	622	622
Other operating expenses	1,956,347	745	54	275	1,957,421
Depreciation and amortization	<u>-</u>	<u>-</u>	<u>347</u>	<u>745</u>	<u>1,092</u>
Total operating expenses	<u>1,956,347</u>	<u>745</u>	<u>59,946</u>	<u>254,205</u>	<u>2,271,243</u>
Operating income (loss)	<u>117,758</u>	<u>(745)</u>	<u>(59,946)</u>	<u>(123,503)</u>	<u>(66,436)</u>
Non-operating revenues (expenses):					
Investment income	<u>50,895</u>	<u>1,361</u>	<u>2,227</u>	<u>-</u>	<u>54,483</u>
Net non-operating revenues (expenses)	<u>50,895</u>	<u>1,361</u>	<u>2,227</u>	<u>-</u>	<u>54,483</u>
Income before transfers	<u>168,653</u>	<u>616</u>	<u>(57,719)</u>	<u>(123,503)</u>	<u>(11,953)</u>
Transfers from (to) other funds:					
Operating transfers in	<u>-</u>	<u>-</u>	<u>105,575</u>	<u>-</u>	<u>105,575</u>
Net transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>105,575</u>	<u>-</u>	<u>105,575</u>
Change in net position	168,653	616	47,856	(123,503)	93,622
Net position, October 1	<u>2,516,575</u>	<u>69,239</u>	<u>78,101</u>	<u>(425,964)</u>	<u>2,237,951</u>
Net position, September 30	<u>\$ 2,685,228</u>	<u>\$ 69,855</u>	<u>\$ 125,957</u>	<u>\$ (549,467)</u>	<u>\$ 2,331,573</u>



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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*

Independent Auditors' Report

To the Honorable Mayor, City Council
And City Manager
City of Scottsbluff, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Scottsbluff, Nebraska, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Scottsbluff's basic financial statements, and have issued our report thereon dated March 24, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Scottsbluff's internal control over financial reporting (internal control) as a basis of 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 the City of Scottsbluff's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Scottsbluff'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 the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Scottsbluff, Nebraska's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on financial reports. 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*.

Purpose of this Report

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

Contryman Associates PC
Certified Public Accountants
Scottsbluff, Nebraska

March 24, 2021