

City of Scottsbluff, Nebraska

Tuesday, February 22, 2022

Regular Meeting

Item Fin Rep1

Council to receive the 2021 Annual Audit Report from Contryman and Associates.

Staff Contact: Liz Loutzenhiser, Finance Director

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

FINANCIAL STATEMENTS
And
INDEPENDENT AUDITOR'S REPORT

September 30, 2021

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, 2021, 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, 2021, 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 43-49, 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 51-56 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 February 16, 2022 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.

Contryman Associates PC
Certified Public Accountants
Scottsbluff, Nebraska

February 16, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

September 30, 2021

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, 2021. 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, 2021, by \$92,216,562 (net position). Of this amount, \$28,667,910 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of September 30, 2021, the City's governmental funds reported combined ending fund balances of \$22,522,833. This is an increase of \$500,155 in comparison with the prior year.
- As of September 30, 2021, unassigned fund balance for governmental funds was \$8,494,457, or 76% 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, 2021. 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.

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

September 30, 2021

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 two categories: governmental funds and proprietary 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, 2021

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 27-41 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 \$92,216,562 at September 30, 2021.

By far the largest portion of the City's net position (56 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, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 22,759,580	\$ 35,194,136	\$ 7,202,294	\$ 12,864,410	\$ 29,961,874	\$ 48,058,546
Capital assets	34,011,179	32,101,886	22,013,349	21,572,383	56,024,528	53,674,269
Other noncurrent assets	12,974,286	-	6,694,375	620,243	19,668,661	620,243
Total assets	69,745,045	67,296,022	35,910,018	35,057,036	105,655,063	102,353,058
Current liabilities	1,618,395	2,784,257	821,930	1,234,620	2,440,325	4,018,877
Long-term liabilities outstanding	3,477,874	4,584,910	495,748	625,229	3,973,622	5,210,139
Total liabilities	5,096,269	7,369,167	1,317,678	1,859,849	6,413,947	9,229,016
Deferred inflow of resources	7,024,554	6,969,781	-	-	7,024,554	6,969,781
Net assets						
Net investment in capital assets	30,346,004	26,876,825	21,588,219	20,877,514	51,934,223	47,754,339
Restricted	10,971,763	6,448,438	642,665	620,243	11,614,428	7,068,681
Unrestricted	16,306,455	19,631,812	12,361,456	11,699,430	28,667,911	31,331,242
Total net position	\$ 57,624,222	\$ 52,957,075	\$ 34,592,340	\$ 33,197,187	\$ 92,216,562	\$ 86,154,262

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

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

September 30, 2021

At September 30, 2021, 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, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 605,272	\$ 396,019	\$ 11,527,567	\$ 11,226,973	\$ 12,132,839	\$ 11,622,992
Operating grants and contributions	99,373	75,604	4,000	-	103,373	75,604
Capital grants and contributions	2,715,350	336,903	-	-	2,715,350	336,903
General revenues:						
Property taxes	1,925,680	1,883,185	-	-	1,925,680	1,883,185
Sales and use tax	6,928,919	6,676,350	-	-	6,928,919	6,676,350
Other taxes	1,916,917	1,361,906	-	-	1,916,917	1,361,906
Intergovernmental	2,115,449	1,880,411	-	-	2,115,449	1,880,411
Investment income (loss)	53,612	527,437	(14,718)	223,438	38,896	750,875
Gain (loss) from sale of assets	57,489	(1,176)	(12,648)	56,047	44,841	54,871
Miscellaneous	2,405,691	2,218,254	78,689	70,490	2,484,380	2,288,746
Total revenues	<u>18,823,752</u>	<u>15,354,893</u>	<u>11,582,890</u>	<u>11,576,948</u>	<u>30,406,644</u>	<u>26,931,843</u>
Expenses:						
General government	5,383,453	7,043,271	-	-	5,383,453	7,043,271
Public safety	5,504,655	5,201,910	-	-	5,504,655	5,201,910
Transportation	3,678,763	3,214,112	-	-	3,678,763	3,214,112
Public health	244,542	207,384	-	-	244,542	207,384
Culture and recreation	2,364,363	2,122,798	-	-	2,364,363	2,122,798
Public works	290,852	254,313	-	-	290,852	254,313
Interest on long-term debt	57,432	83,540	-	-	57,432	83,540
Environmental services	-	-	2,418,774	2,276,649	2,418,774	2,276,649
Wastewater	-	-	2,396,565	2,228,185	2,396,565	2,228,185
Water	-	-	1,726,302	1,757,168	1,726,302	1,757,168
Electric	-	-	33,858	44,362	33,858	44,362
Stormwater	-	-	159,090	149,517	159,090	149,517
Geographic information systems	-	-	80,199	59,946	80,199	59,946
Central garage	-	-	211,846	254,205	211,846	254,205
Total expenses	<u>17,524,058</u>	<u>18,127,326</u>	<u>7,026,634</u>	<u>6,770,032</u>	<u>24,550,692</u>	<u>24,897,360</u>
Increase (decrease) in net assets before transfers	1,299,694	(2,772,433)	4,556,256	4,806,916	5,855,952	2,034,483
Transfers in (out)	3,161,103	3,103,405	(3,161,103)	(3,103,405)	-	-
Increase (decrease) in net assets	4,460,797	330,972	1,395,153	1,703,511	5,855,952	2,034,483
Prior period adjustment (Note 13)	206,350	-	-	-	206,350	-
Net assets, October 1	52,957,075	52,626,103	33,197,187	31,493,676	86,154,260	84,119,779
Net assets, September 30	<u>\$ 57,624,222</u>	<u>\$ 52,957,075</u>	<u>\$ 34,592,340</u>	<u>\$ 33,197,187</u>	<u>\$ 92,216,562</u>	<u>\$ 86,154,262</u>

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

September 30, 2021

GOVERNMENTAL ACTIVITIES

Governmental activities increased the City's net position by a total of \$4,460,797. Key elements in this increase follows:

- Receipt of American Rescue Plan funds in the amount of \$1,288,117
- Receipt of contributed assets for the 23 Club Ballfield Project in the amount of \$760,878.
- Donated land in the amount of \$42,000 and donated equipment in the amount of \$65,950.

BUSINESS-TYPE ACTIVITIES

Business-type activities increased the city's net position by \$1,395,153. 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, 2021, the City's governmental funds reported combined ending fund balances of \$22,522,833, an increase of \$500,155 in comparison with the prior year. This increase was largely due to the receipt of American Rescue Plan funds.

The general fund is the chief operating fund of the City. At September 30, 2021, the unassigned fund balance of the general fund was \$8,494,457. 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 76 percent of total general fund expenditures.

The fund balance of the City's general fund decreased by \$797,556 during fiscal year 2021. This decrease was a result of scheduled capital expenditures including the 23 Club Ballfield renovation project and the expansion of the Monument Valley Pedestrian Pathway including a pedestrian bridge spanning Highway 26.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

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

September 30, 2021

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 \$2,887,523, \$2,943,288, \$4,461,372, \$1,814,678, and \$651,401 respectively, at September 30, 2021. 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 budget include:

- \$814,994 positive variance in taxes. Sales tax receipts were \$690,499 over budget and hotel occupation tax receipts were \$28,505 over budget.
- Franchise Tax was \$106,735 over budget due to the ALLO Communications contract settlement.
- \$405,072 positive variance in general fund payroll and benefit expense.
- \$585,329 positive variance in general fund operating 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, 2021, was \$56,024,528 (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, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 597,165	\$ 554,216	\$ 1,525,791	\$ 1,525,791	\$ 2,122,956	\$ 2,080,007
Inventory	2,629,113	2,629,113	-	-	2,629,113	2,629,113
Construction in progress	2,605,647	815,177	384,560	324,373	2,990,207	1,139,550
Buildings and improvements	8,381,220	6,528,036	3,615,908	2,549,414	11,997,128	9,077,451
Equipment and vehicles	3,281,029	3,222,101	2,293,032	2,228,035	5,574,061	5,450,135
Infrastructure	16,517,005	18,353,238	10,405,222	10,770,560	26,922,227	29,123,798
Plant in service	-	-	3,788,836	4,174,215	3,788,836	4,174,215
Total	\$ 34,011,179	\$ 32,101,880	\$ 22,013,349	\$ 21,572,388	\$ 56,024,528	\$ 53,674,269

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

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

September 30, 2021

Major capital asset events during 2021 included the following:

- General Fund - Parks Department – Monument Valley Pathway extension/bridge \$1,182,796
- General Fund – Parks Department – 23 Club Ballfield Renovation \$1,153,140
- Sanitation & Wastewater Departments – Compost Pad Cover \$1,163,097
- Transportation Department – Avenue B Mill & Overlay \$735,707, purchase new street sweeper \$269,015
- Wastewater Department – purchase sewer jet \$467,615
- Wastewater Department – booster pump rehab and blower VFD replacement \$183,189
- Water Department – water meter electronic read system upgrades \$114,897
- General Fund – Library – recarpet library building \$130,595

Additional information on the City's capital assets can be found in Note 4 of the notes to the financial statements on pages 35-36 of this report.

LONG-TERM DEBT

At September 30, 2021, the City of Scottsbluff had total bonded debt outstanding of \$3,940,000. 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 37-38 of this report.

City of Scottsbluff
Outstanding Bonded Debt
September 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2019
General obligation bonds	\$ 3,640,137	\$ 4,453,700	\$ 299,863	\$ 371,300	\$ 3,940,000	\$ 4,825,000
Revenue bonds	-	735,000	-	-	-	735,000
Total	\$ 3,640,137	\$ 5,188,700	\$ 299,863	\$ 371,300	\$ 3,940,000	\$ 5,560,000

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 .26%, with an actual increase in valuation from the prior year of approximately \$19.2 million.
- For the 2022 budget, the projection for sales tax was budgeted at a 3.0% 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.
- Franchise fees revenues were increased due to the 5 year settlement agreement with ALLO Communications.
- NPPD lease revenues projections we anticipated to be approximately 2.5% higher due to increased power use and the final 0.5% step increase on the revenue calculation per the negotiated contract.

The utility rates were increased for the 2022 budget year. The water, wastewater and sanitation rates were increased by 3% each and the stormwater flat surcharge amount was increased 14% (from \$3.50 to \$4.00). The rate increases affected both residential and industrial consumers by approximately the same percentage. These increases are necessary to fund debt service, cover the cost of inflation and cover the cost of Federal mandates.

All of these factors were considered in preparing the City's budget for the 2022 fiscal year.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

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

September 30, 2021

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, 2021

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,074,733	\$ 967,736	\$ 3,042,469
Funds held by county treasurer	209,217	-	209,217
Investments	10,349,602	4,827,456	15,177,058
Net receivables:			
Taxes	2,195,332	-	2,195,332
Accounts and unbilled	-	1,057,419	1,057,419
Special assessments	573,641	-	573,641
Notes receivable	6,972,818	-	6,972,818
Accrued interest	38,921	9,086	48,007
Governmental unit	267,255	-	267,255
Other receivables	78,061	-	78,061
Inventory	-	340,597	340,597
Total current assets	<u>22,759,580</u>	<u>7,202,294</u>	<u>29,961,874</u>
Noncurrent assets:			
Restricted cash for landfill	-	642,665	642,665
Investments	12,974,286	6,051,710	19,025,996
Capital assets - non-depreciable	5,831,925	1,910,351	7,742,276
Net capital assets - depreciable	<u>28,179,254</u>	<u>20,102,998</u>	<u>48,282,252</u>
Total noncurrent assets	<u>46,985,465</u>	<u>28,707,724</u>	<u>75,693,189</u>
Total assets	<u>\$ 69,745,045</u>	<u>\$ 35,910,018</u>	<u>\$ 105,655,063</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 699,150	\$ 212,353	\$ 911,503
Accrued interest payable	25,038	4,606	29,644
Other accrued expenses	116,526	174,870	291,396
Bonds and notes payable	777,681	136,319	914,000
Unearned billings	-	293,782	293,782
Total current liabilities	<u>1,618,395</u>	<u>821,930</u>	<u>2,440,325</u>
Noncurrent liabilities:			
Bonds and notes payable	2,862,456	284,205	3,146,661
Accrued compensated absences	615,418	211,543	826,961
Total noncurrent liabilities	<u>3,477,874</u>	<u>495,748</u>	<u>3,973,622</u>
Total liabilities	<u>5,096,269</u>	<u>1,317,678</u>	<u>6,413,947</u>
DEFERRED INFLOW OF RESOURCES			
Unavailable revenue - insurance proceeds	441,238	-	441,238
Unavailable revenue - notes receivable	<u>6,583,316</u>	<u>-</u>	<u>6,583,316</u>
Total deferred inflow of resources	<u>7,024,554</u>	<u>-</u>	<u>7,024,554</u>
NET POSITION			
Net investment in capital assets	30,346,004	21,588,219	51,934,223
Restricted for:			
Debt service	3,692,191	-	3,692,191
Community improvements	267,445	-	267,445
Economic development	2,472,074	-	2,472,074
Public safety	486,933	-	486,933
Road maintenance and improvements	2,765,003	-	2,765,003
American Rescue Plan	1,288,117	-	1,288,117
New landfill	-	642,665	642,665
Unrestricted	<u>16,306,455</u>	<u>12,361,456</u>	<u>28,667,910</u>
Total net position	<u>57,624,222</u>	<u>34,592,340</u>	<u>92,216,562</u>
Total liabilities and net position	<u>\$ 69,745,045</u>	<u>\$ 35,910,018</u>	<u>\$ 105,655,063</u>

See accompanying notes to the basic financial statements.

**STATEMENT OF ACTIVITIES
CITY OF SCOTTSDLUFF, NEBRASKA
STATEMENT OF ACTIVITIES
FOR YEAR ENDED SEPTEMBER 30, 2021**

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 5,383,453	\$ 11,240	\$ -	\$ 1,288,117
Public safety	5,504,655	304,425	93,980	65,950
Transportation	3,678,763	37,870	-	313,819
Public health and social services	244,542	84,300	-	-
Culture and recreation:				
Library	658,179	2,316	5,393	-
Parks and recreation	1,410,177	165,121	-	1,047,464
Zoo	296,007	-	-	-
Public works	290,852	-	-	-
Interest on long term debt	57,430	-	-	-
Total governmental activities	<u>17,524,058</u>	<u>605,272</u>	<u>99,373</u>	<u>2,715,350</u>
Business type activities:				
Environmental services	2,418,774	3,134,868	-	-
Wastewater	2,396,565	2,774,046	-	-
Water	1,726,302	2,275,002	-	-
Electric	33,858	3,134,659	-	-
Stormwater	159,090	122,302	4,000	-
Geographic information systems	80,199	-	-	-
Central Garage	211,846	86,690	-	-
Total business type activities	<u>7,026,634</u>	<u>11,527,567</u>	<u>4,000</u>	<u>-</u>
Total primary government	<u>\$ 24,550,692</u>	<u>\$ 12,132,839</u>	<u>\$ 103,373</u>	<u>\$ 2,715,350</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
Prior period adjustment (Note 13)
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
\$ (4,084,096)	\$ -	\$ (4,084,096)
(5,040,300)	-	(5,040,300)
(3,327,074)	-	(3,327,074)
(160,242)	-	(160,242)
(650,470)	-	(650,470)
(197,592)	-	(197,592)
(296,007)	-	(296,007)
(290,852)	-	(290,852)
(57,430)	-	(57,430)
<u>(14,104,063)</u>	<u>-</u>	<u>(14,104,063)</u>
-	716,094	716,094
-	377,481	377,481
-	548,700	548,700
-	3,100,801	3,100,801
-	(32,788)	(32,788)
-	(80,199)	(80,199)
-	(125,156)	(125,156)
-	<u>4,504,933</u>	<u>4,504,933</u>
<u>(14,104,063)</u>	<u>4,504,933</u>	<u>(9,599,129)</u>
209,631	-	209,631
885,940	-	885,940
499,239	-	499,239
119,096	-	119,096
159,613	-	159,613
52,161	-	52,161
6,928,919	-	6,928,919
1,916,917	-	1,916,917
2,115,449	-	2,115,449
53,612	(14,718)	38,894
57,489	(12,648)	44,841
2,405,691	78,689	2,484,380
3,161,103	(3,161,103)	-
<u>18,564,859</u>	<u>(3,109,780)</u>	<u>15,455,079</u>
4,460,797	1,395,153	5,855,950
52,957,075	33,197,187	86,154,262
206,350	-	206,350
<u>\$ 57,624,222</u>	<u>\$ 34,592,340</u>	<u>\$ 92,216,562</u>

CITY OF SCOTTSBLUFF, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	General Fund	Transportation Fund	Economic Development Fund	Debt Service Fund
ASSETS				
Cash and cash equivalents	\$ 645,814	\$ 306,816	\$ 170,951	\$ 296,984
Funds held by county treasurer	10,493	31,285	-	31,994
Investments	7,260,159	3,449,189	1,921,810	3,338,659
Net receivables:				
Taxes	995,340	359,345	194,084	441,049
Special assessments	-	-	-	573,641
Notes receivable	-	-	6,972,818	-
Accrued interest	5,799	2,758	1,548	22,942
Governmental unit	9,641	204,092	-	-
Other receivables	46,943	-	25,419	-
Total assets	<u>\$ 8,974,189</u>	<u>\$ 4,353,485</u>	<u>\$ 9,286,630</u>	<u>\$ 4,705,269</u>
LIABILITIES				
Accounts payable	\$ 279,824	\$ 161,716	\$ 157,023	\$ -
Accrued salaries	74,277	11,572	1,829	-
Other accrued expenses	22,704	2,701	548	-
Total liabilities	<u>376,805</u>	<u>175,989</u>	<u>159,400</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - property taxes	95,446	300,242	-	452,612
Unavailable revenue - insurance proceeds	-	-	-	-
Unavailable revenue - special assessments	-	-	-	560,466
Unavailable revenue - notes receivable	-	-	6,972,818	-
Total deferred inflow of resources	<u>95,446</u>	<u>300,242</u>	<u>6,972,818</u>	<u>1,013,078</u>
FUND BALANCES				
Restricted for:				
Debt service	-	-	-	3,692,191
Community improvements	7,500	-	-	-
Economic development	-	-	2,154,412	-
Public Safety	-	-	-	-
Road maintenance and improvements	-	2,765,003	-	-
American Rescue Plan	-	-	-	-
Committed for:				
Community improvements	-	-	-	-
Public Safety	-	-	-	-
Road maintenance and improvements	-	1,112,250	-	-
Cemetery operations and improvements	-	-	-	-
Unrestricted	8,494,457	-	-	-
Total fund balances	<u>8,501,957</u>	<u>3,877,253</u>	<u>2,154,412</u>	<u>3,692,191</u>
Total liabilities and fund balances	<u>\$ 8,974,189</u>	<u>\$ 4,353,485</u>	<u>\$ 9,286,630</u>	<u>\$ 4,705,269</u>

See accompanying notes to the basic financial statements.

Special Projects Fund	Leasing Corporation Fund	Other Governmental Funds	Total Governmental Funds
\$ 163,894	\$ 574	\$ 215,403	\$ 1,800,437
-	-	135,445	209,217
1,842,480	6,452	2,421,545	20,240,293
-	-	205,514	2,195,332
-	-	-	573,641
-	-	-	6,972,818
1,460	5	1,941	36,454
46,309	-	7,213	267,255
-	-	5,699	78,061
<u>\$ 2,054,143</u>	<u>\$ 7,031</u>	<u>\$ 2,992,760</u>	<u>\$ 32,373,508</u>
\$ 59,598	\$ -	\$ 40,989	\$ 699,150
-	-	2,318	89,996
-	-	577	26,530
<u>59,598</u>	<u>-</u>	<u>43,884</u>	<u>815,676</u>
-	-	212,196	1,060,496
441,235	-	-	441,238
-	-	-	560,466
-	-	-	6,972,818
<u>441,235</u>	<u>-</u>	<u>212,196</u>	<u>9,035,018</u>
-	-	-	3,692,191
37,086	-	222,859	267,445
-	-	317,662	2,472,074
-	-	486,933	486,933
-	-	-	2,765,003
1,288,117	-	-	1,288,117
228,105	7,031	509,215	744,351
-	-	346,150	346,150
-	-	-	1,112,250
-	-	853,862	853,862
-	-	-	8,494,457
<u>1,553,308</u>	<u>7,031</u>	<u>2,736,681</u>	<u>22,522,833</u>
<u>\$ 2,054,143</u>	<u>\$ 7,031</u>	<u>\$ 2,992,760</u>	<u>\$ 32,373,508</u>

**CITY OF SCOTTSBLUFF, NEBRASKA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Total Governmental Fund Balances	\$ 22,522,833
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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.	34,011,179
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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.	3,360,360
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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.	2,010,460
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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	\$ 25,038
Bonds payable	777,681

Due in more than one year:

Bonds payable	2,862,456
Compensated absences	615,436

(4,280,611)

Net position of governmental activities	\$ <u><u>57,624,222</u></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, 2021

	General Fund	Transportation Fund	Economic Development Fund	Debt Service Fund
Revenues:				
Taxes and special assessments	\$ 6,220,175	\$ 1,277,131	\$ 1,154,358	\$ 1,055,914
Licenses and permits	89,815	-	-	-
Intergovernmental	170,708	2,291,944	-	-
Charges for services	483,102	37,870	-	-
Investment income (loss)	(19,506)	(8,846)	(12,805)	27,033
Other revenue	136,011	3,893	739,663	-
Total revenues	<u>7,080,305</u>	<u>3,601,992</u>	<u>1,881,216</u>	<u>1,082,947</u>
Expenditures:				
Current operations:				
General government	751,022	-	2,179,783	744,297
Public safety	5,646,318	-	-	-
Transportation	-	1,872,203	-	-
Public health and social services	-	-	-	-
Culture and recreation:				
Library	702,405	-	-	-
Parks and recreation	1,264,377	-	-	-
Zoo	300,000	-	-	-
Public works	273,745	-	-	-
Capital outlay	2,241,711	1,101,168	-	-
Debt service:				
Principal	-	813,563	-	-
Interest	-	61,736	-	-
Total expenditures	<u>11,179,578</u>	<u>3,848,670</u>	<u>2,179,783</u>	<u>744,297</u>
Excess revenues over (under) expenditures	<u>(4,099,273)</u>	<u>(246,678)</u>	<u>(298,567)</u>	<u>338,650</u>
Other financing sources (uses):				
Insurance proceeds	-	-	-	-
Capital Contribution	-	-	-	-
Proceeds from sale of assets	36,123	-	-	-
Operating transfers in	3,315,603	-	-	-
Operating transfers out	(50,000)	(104,500)	-	-
Total other financing sources (uses)	<u>3,301,726</u>	<u>(104,500)</u>	<u>-</u>	<u>-</u>
Excess revenues and other financing sources over (under) expenditures and other financing uses	(797,547)	(351,178)	(298,567)	338,650
Prior period adjustment (Note 13)	-	-	-	-
Fund balances, October 1	<u>9,299,507</u>	<u>4,228,430</u>	<u>2,452,979</u>	<u>3,353,541</u>
Fund balances, September 30	<u>\$ 8,501,960</u>	<u>\$ 3,877,252</u>	<u>\$ 2,154,412</u>	<u>\$ 3,692,191</u>

See accompanying notes to the basic financial statements.

Special Projects Fund	Leasing Corporation Fund	Other Governmental Funds	Total Governmental Funds
\$ 113,300	\$ -	\$ 982,670	\$ 10,803,548
-	-	6,200	96,015
1,365,242		10,950	3,838,844
-	-	84,300	605,272
610	(7)	(5,827)	(19,348)
28,669	742,017	250,645	1,900,898
<u>1,507,821</u>	<u>742,010</u>	<u>1,328,938</u>	<u>17,225,229</u>
379,872	20	400,899	4,455,893
53,579	-	233,365	5,933,262
-	-	-	1,872,203
-	-	239,390	239,390
-	-	-	702,405
-	-	-	1,264,377
-	-	-	300,000
-	-	31,377	305,122
238,256	-	299,748	3,880,883
-	735,000	-	1,548,563
-	7,017	-	68,753
<u>671,707</u>	<u>742,037</u>	<u>1,204,779</u>	<u>20,570,851</u>
<u>836,114</u>	<u>(27)</u>	<u>124,159</u>	<u>(3,345,622)</u>
242,224	-	-	242,222
200,000	-	-	200,000
-	-	-	36,123
-	-	-	3,315,603
-	-	-	(154,500)
<u>442,224</u>	<u>-</u>	<u>-</u>	<u>3,639,448</u>
1,278,338	(27)	124,159	293,826
-	-	206,350	206,350
<u>274,968</u>	<u>7,058</u>	<u>2,406,172</u>	<u>22,022,655</u>
<u>\$ 1,553,306</u>	<u>\$ 7,031</u>	<u>\$ 2,736,681</u>	<u>\$ 22,522,833</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, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$ 293,826
<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.	1,019,099
Contribution of capitalized assets that do not provide current financial resources are not reported as revenues at the fund level.	868,828
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 are reported as gain or loss in the Statement of Activities.	21,360
Payments on debt are expenditures in the funds, but a debt payment decreases long-term liabilities in the Statement of Net Position.	1,548,563
Deferred inflow of resources in governmental fund financials for property taxes, special assessments and notes receivable is shown as revenue for government wide financials.	53,200
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	39,355
Accrued interest	11,288
Internal service funds are used by management to charge the costs of certain services to individual funds.	<u>605,277</u>
Change in net position of governmental activities	\$ <u><u>4,460,797</u></u>

See accompanying notes to the basic financial statements.

CITY OF SCOTTSBLUFF, NEBRASKA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-type Activities			
	Environmental Services	Wastewater	Water	Electric
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 265,822	\$ 226,246	\$ 329,213	\$ 123,254
Investments	1,326,029	1,128,603	1,642,248	614,844
Net receivables:				
Accounts and unbilled	79,504	322,568	346,683	304,699
Accrued interest	2,396	1,920	3,105	1,112
Inventory	-	-	340,597	-
Total current assets	<u>1,673,751</u>	<u>1,679,337</u>	<u>2,661,846</u>	<u>1,043,909</u>
Noncurrent assets:				
Investments	1,662,313	1,414,819	2,058,726	770,769
Restricted cash for landfill	642,665	-	-	-
Capital assets - non-depreciable	34,008	351,019	828,933	300,000
Net capital assets - depreciable	<u>1,463,165</u>	<u>10,007,477</u>	<u>7,218,652</u>	<u>202,205</u>
Total noncurrent assets	<u>3,802,151</u>	<u>11,773,315</u>	<u>10,106,311</u>	<u>1,272,974</u>
Total assets	<u>\$ 5,475,902</u>	<u>\$ 13,452,652</u>	<u>\$ 12,768,157</u>	<u>\$ 2,316,883</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 71,593	\$ 45,542	\$ 75,756	\$ -
Accrued interest payable	-	1,140	-	-
Accrued salaries	13,883	11,949	9,891	-
Other accrued expenses	4,035	19,087	114,560	-
Current portion long-term debt	-	64,000	-	-
Unearned billings	<u>293,782</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>383,293</u>	<u>141,718</u>	<u>200,207</u>	<u>-</u>
Noncurrent liabilities:				
Long-term debt	-	56,661	-	-
Compensated absences	<u>65,248</u>	<u>74,290</u>	<u>58,993</u>	<u>-</u>
Total noncurrent liabilities	<u>65,248</u>	<u>130,951</u>	<u>58,993</u>	<u>-</u>
Total liabilities	<u>448,541</u>	<u>272,669</u>	<u>259,200</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	1,497,173	10,236,695	8,047,585	502,205
Restricted for new landfill	642,665	-	-	-
Unreserved	<u>2,887,523</u>	<u>2,943,288</u>	<u>4,461,372</u>	<u>1,814,678</u>
Total net position	<u>5,027,361</u>	<u>13,179,983</u>	<u>12,508,957</u>	<u>2,316,883</u>
Total liabilities and net position	<u>\$ 5,475,902</u>	<u>\$ 13,452,652</u>	<u>\$ 12,768,157</u>	<u>\$ 2,316,883</u>

See accompanying notes to the basic financial statements.

Business-type Activities			Governmental Activities
Stormwater	Internal Service	Totals	Internal Service
\$ 54,472	\$ (31,271)	\$ 967,736	\$ 274,296
271,725	(155,993)	4,827,456	1,368,296
3,965	-	1,057,419	-
487	66	9,086	2,469
-	-	340,597	-
<u>330,649</u>	<u>(187,197)</u>	<u>7,202,294</u>	<u>1,645,061</u>
340,635	(195,553)	6,051,710	1,715,299
-	-	642,665	-
396,391	-	1,910,351	-
1,203,988	7,511	20,102,998	-
<u>1,941,014</u>	<u>(188,042)</u>	<u>28,707,724</u>	<u>1,715,299</u>
<u>\$ 2,271,663</u>	<u>\$ (375,239)</u>	<u>\$ 35,910,018</u>	<u>\$ 3,360,360</u>
\$ 19,179	\$ 283	\$ 212,353	\$ -
3,466	-	4,606	-
-	601	36,324	-
704	160	138,546	-
72,319	-	136,319	-
-	-	293,782	-
<u>95,668</u>	<u>1,044</u>	<u>821,930</u>	<u>-</u>
227,544	-	284,205	-
-	13,012	211,543	-
<u>227,544</u>	<u>13,012</u>	<u>495,748</u>	<u>-</u>
<u>323,212</u>	<u>14,056</u>	<u>1,317,678</u>	<u>-</u>
1,297,050	7,511	21,588,219	-
-	-	642,665	-
651,401	(396,805)	12,361,457	3,360,360
<u>1,948,451</u>	<u>(389,295)</u>	<u>34,592,340</u>	<u>3,360,360</u>
<u>\$ 2,271,663</u>	<u>\$ (375,239)</u>	<u>\$ 35,910,018</u>	<u>\$ 3,360,360</u>

CITY OF SCOTTSBLUFF, NEBRASKA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities			
	Environmental Services	Wastewater	Water	Electric
Operating revenues:				
Charges for services	\$ 3,134,868	\$ 2,774,046	\$ 2,275,002	\$ 3,134,659
Other revenues	341	3,838	65,392	-
Total operating revenues	3,135,209	2,777,884	2,340,394	3,134,659
Operating expenses:				
Personnel services	1,157,916	982,828	815,076	-
Operating supplies	208,910	85,733	240,955	-
Contractual	604,685	93,924	112,687	-
Maintenance	123,841	120,356	11,993	-
Utilities	13,953	178,096	134,796	-
Insurance	72,775	92,199	51,212	-
Other operating expenses	11,588	19,182	11,367	-
Depreciation and amortization	225,106	819,580	348,216	33,858
Total operating expenses	2,418,774	2,391,898	1,726,302	33,858
Operating income (loss)	716,435	385,986	614,092	3,100,801
Non-operating revenues (expenses):				
Investment income	(3,974)	(8,348)	1,123	(2,192)
Interest expense	-	(4,667)	-	-
Net non-operating revenues (expenses)	(3,974)	(13,015)	1,123	(2,192)
Income (loss) before contributions & transfers	712,461	372,971	615,215	3,098,609
Other financing sources (uses):				
Gain (loss) from sale of assets	-	(12,648)	-	-
Operating transfers in	-	-	-	-
Operating transfers (out)	(109,000)	(132,750)	(70,750)	(3,138,603)
Total other financing sources (uses)	(109,000)	(145,398)	(70,750)	(3,138,603)
Change in net position	603,461	227,573	544,465	(39,994)
Net position, October 1	4,423,902	12,952,415	11,964,489	2,356,875
Net position, September 30	\$ 5,027,363	\$ 13,179,988	\$ 12,508,954	\$ 2,316,881

See accompanying notes to the basic financial statements.

Business-type Activities			Governmental Activities
Stormwater	Internal Service	Totals	Internal Service
\$ 122,302	\$ 86,690	\$ 11,527,567	\$ -
13,118	-	82,689	2,239,406
135,420	86,690	11,610,256	2,239,406
-	194,318	3,150,138	-
16,657	24,175	576,430	-
59,085	5,405	875,786	-
1,528	60,392	318,110	-
440	4,567	331,852	-
389	-	216,575	-
1,569	1,053	44,759	1,634,211
71,885	2,135	1,500,780	-
151,553	292,045	7,014,430	1,634,211
(16,133)	(205,355)	4,595,826	605,195
(898)	(429)	(14,718)	82
(7,537)	-	(12,204)	-
(8,435)	(429)	(26,922)	82
(24,568)	(205,784)	4,568,904	605,277
-	-	(12,648)	-
50,000	240,000	290,000	-
-	-	(3,451,103)	-
50,000	240,000	(3,173,751)	-
25,432	34,216	1,395,153	605,277
1,923,016	(423,510)	33,197,187	2,755,083
\$ 1,948,448	\$ (389,294)	\$ 34,592,340	\$ 3,360,360

CITY OF SCOTTSBLUFF, NEBRASKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities			
	Environmental Services	Wastewater	Water	Electric
Cash flows from operating activities:				
Cash received from customers	\$ 3,150,225	\$ 2,778,782	\$ 2,355,242	\$ 3,138,603
Cash paid to suppliers	(1,270,088)	(611,195)	(550,798)	-
Cash paid to employees	(817,477)	(715,907)	(506,549)	-
Other expenses	(340,439)	(266,921)	(308,527)	-
Net cash provided by operating activities	<u>722,221</u>	<u>1,184,759</u>	<u>989,368</u>	<u>3,138,603</u>
Cash flows from non-capital financing activities:				
Transfers from (to) other funds	(109,000)	(132,750)	(70,750)	(3,138,603)
Net cash provided (used) by non-capital financing activities	<u>(109,000)</u>	<u>(132,750)</u>	<u>(70,750)</u>	<u>(3,138,603)</u>
Cash flows from capital and related financing activities:				
Purchases of capital assets	(581,549)	(1,314,351)	(58,496)	-
Principal paid on capital debt	-	(196,633)	-	-
Interest paid on capital debt	-	(5,917)	-	-
Net cash (used) by capital and related financing activities	<u>(581,549)</u>	<u>(1,516,901)</u>	<u>(58,496)</u>	<u>-</u>
Cash flows from investing activities:				
Investment in landfill	(22,424)	-	-	-
Change in allocation of pooled investments	(26,665)	412,378	(811,484)	(8,140)
Interest and dividends	(3,064)	(6,975)	1,251	(1,765)
Net cash provided by investing activities	<u>(52,153)</u>	<u>405,403</u>	<u>(810,233)</u>	<u>(9,905)</u>
Net increase in cash and cash equivalents	(20,481)	(59,489)	49,889	(9,905)
Cash and cash equivalents, October 1	286,303	285,735	279,324	133,159
Cash and cash equivalents, September 30	<u>\$ 265,822</u>	<u>\$ 226,246</u>	<u>\$ 329,213</u>	<u>\$ 123,254</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 716,435	\$ 385,986	\$ 614,092	\$ 3,100,801
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization expense	225,106	819,580	348,216	33,858
Changes in assets and liabilities:				
Receivables - net of allowances	3,632	903	14,848	3,944
Inventory	-	-	33,996	-
Accounts and other payables	(197,674)	(5,457)	(9,697)	-
Accrued expenses	(25,278)	(16,253)	(12,087)	-
Net cash provided by operating activities	<u>\$ 722,221</u>	<u>\$ 1,184,759</u>	<u>\$ 989,368</u>	<u>\$ 3,138,603</u>
Non-cash activities:				
Exchange on purchase of capital asset	-	12,648	-	-

See accompanying notes to the basic financial statements.

Business-type Activities			Governmental Activities
Stormwater	Internal Service	Totals	Internal Service
\$ 124,013	\$ 86,420	\$ 11,633,285	\$ 2,239,406
(53,592)	(114,274)	(2,599,947)	(1,634,211)
-	(138,667)	(2,178,601)	-
-	(55,651)	(971,537)	-
<u>70,421</u>	<u>(222,172)</u>	<u>5,883,200</u>	<u>605,195</u>
 50,000	 240,000	 (3,161,103)	 -
 50,000	 240,000	 (3,161,103)	 -
 -	 -	 (1,954,396)	 -
(71,437)	-	(268,070)	-
<u>(7,955)</u>	<u>-</u>	<u>(13,872)</u>	<u>-</u>
 (79,392)	 -	 (2,236,338)	 -
 -	 -	 (22,424)	 -
(41,036)	(13,444)	(488,391)	(573,922)
<u>(750)</u>	<u>(369)</u>	<u>(11,674)</u>	<u>416</u>
<u>(41,786)</u>	<u>(13,813)</u>	<u>(522,489)</u>	<u>(573,506)</u>
 (757)	 4,013	 (36,730)	 31,689
<u>55,229</u>	<u>(35,284)</u>	<u>1,004,466</u>	<u>242,607</u>
<u>\$ 54,472</u>	<u>\$ (31,271)</u>	<u>\$ 967,736</u>	<u>\$ 274,296</u>
 \$ (16,133)	 \$ (205,355)	 \$ 4,595,826	 \$ 605,195
 71,885	 2,135	 1,500,780	 -
 1,708	 -	 25,035	 -
 -	 -	 33,996	 -
12,958	(9,942)	(209,812)	-
<u>3</u>	<u>(9,010)</u>	<u>(62,625)</u>	<u>-</u>
<u>\$ 70,421</u>	<u>\$ (222,172)</u>	<u>\$ 5,883,200</u>	<u>\$ 605,195</u>
 -	 -	 12,648	 -

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2021

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. The funding source for the Authority is Tax Increment Financing tax revenue that is remitted to the City and passed on to TIF developers and bondholders.

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. The funding source for the Authority is Tax Increment Financing tax revenue that is remitted to the City and passed on to TIF developers and bondholders.

The City has determined the Community Development Agency and Community Redevelopment Authority to be blended component units. The City Council appoints the majority of the governing board of these organizations and these organizations almost exclusively exist to benefit the City. Blended component units, although legally separate entities, are, in substance, part of the government's operations and thus are presented as such and included in governmental funds of the City.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

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 about the reporting government as a whole. 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 and proprietary funds. 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 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 judgements, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

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 fund to other departments or funds of the City, or to other governmental units on a cost-reimbursement basis.

Assets, Liabilities, and Net Position or Equity -

Cash 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 cash and cash equivalents and investments through the statements. 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. Nonnegotiable certificates of deposit are carried at cost, which approximates fair value. All other investments are recorded at fair value based on quoted market prices.

Investment income includes dividend and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is allocated to each fund based on its proportionate share in the pool.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Receivables – Consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include special assessments and property taxes. Business-type activities reporting utility billings as their major receivables.

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. Inventories consist of expendable supplies and repair parts and are recorded on the government-wide financial statements and the proprietary fund statements. In the governmental funds, inventory is recorded as an expenditure when purchased.

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, 2021

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 four 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, insurance proceeds 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 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, 2021

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”.

Recent Issued Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the Statement of Net Position for all leases with terms longer than 12 months. Leases will be classified as either financing or operating, with classification affecting the pattern of expense recognition in the Statements of Activities. The new standard is effective for the City for the year ended September 30, 2022. Early application of the statement is permitted. The City is currently evaluating the impact of the adoption of this standard on its financial statements.

Change in Accounting Principle

During the year ended September 30, 2021, the City adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in moving a formerly identified agency fund to be a blended fund within the general government. See prior period adjustment at Note 13.

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).

Cash is stated and at cost, which approximates fair value. The City’s cash deposits, including certificates of deposits, are with institutions insured by the Federal Deposit Insurance Corporation (FDIC) and other collateral. At September 30, 2021, the City’s deposits and investments were fully insured by FDIC insurance or collateralized by pledged securities.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

The City's cash and cash equivalents include units of participation in the short-term investment pool of the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a special purpose government established under Nebraska statute. The investment pool or trust is not registered and is not rated for credit risk. The City limits its interest rate risk by investing only in the short-term pool, which consists primarily of government agency or government securitized investments with maturities of less than one year.

Cash and Equity in Pooled Cash Management Account - At September 30, 2021, the City's cash and pooled investments, recorded at fair market value consisted of the following:

Cash and cash equivalents:

Bank accounts	\$	2,936,260
Cash on hand		1,431
NPAIT		<u>104,779</u>
Total cash and cash equivalents		3,042,469

Cash held with Scotts Bluff County Treasurer 209,217

Restricted cash consists of deposits in bank account for the landfill in the name of City of Gering pursuant to an agreement with the City of Gering in the amount of \$642,665.

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 securities collateralized by U.S. Government obligations.

Investments:

Money market funds	\$	11,499,441
Nonnegotiable certificates of deposit		1,427,602
Government agencies securities		4,985,500
Negotiable certificates of deposit		<u>16,316,140</u>
Total investments		34,203,053

Custodial Credit Risk – custodial credit risk is the risk that, in the event of the failure a bank or other counterparty, the City would not be able to recover the value of its investments or collateral securities in the possession of a third party. As noted above, State Statutes 15-847 R.R.S, 1943 covers this risk.

Credit Risk – credit risk is the risk that a bank or other counterparty defaults on its principal and/or interest payments owed to the City.

Interest Rate Risk – interest rate risk is the risk that the value of deposits and investments will decrease as a result of a rise in interest rates.

Investments Managed by Trustee - The City's Pension Trust Funds are administered by trustees. At September 30, 2021 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>4,609,622</u>	\$ <u>5,399,732</u>	\$ <u>8,060,291</u>	\$ <u>18,069,645</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurement - The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure fair value of the assets.

Assets and liabilities are classified into one of the following categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. All of the City's certificate of deposits and investments, as shown above as of September 30, 2021 are categorized as level 2 investments and generally include United States Treasury securities, United States agencies, obligations, and negotiable certificates of deposits. Investments in negotiable certificates of deposits are carried at fair value, which is based on quoted market prices. The City's deposits in the Nebraska Public Agency Investment Trust is measured at the net asset value per share provided by the pool which approximates fair value, as the pool is considered a 2a-7-like pool in accordance with Securities and Exchange Commission regulations.

NOTE 3 - RECEIVABLES

Receivables at September 30, 2021, consist of the following:

<u>Fund</u>	<u>Taxes</u>	<u>Accounts and Other</u>	<u>Accrued Interest</u>	<u>Special Assessments</u>
General	\$ 1,000,213	\$ 56,584	\$ 5,802	\$ -
Special Revenue	757,244	288,732	7,506	-
Debt Service	464,262	-	22,940	603,841
Capital Projects	27,843	-	62	-
Enterprise	-	1,105,743	9,009	-
Internal Service	-	-	2,538	-
Fiduciary	-	-	152	-
Gross Receivables	\$ 2,249,562	\$ 1,451,059	\$ 48,009	\$ 603,841
Allowance for Uncollectibles	(54,230)	(48,321)	-	(30,200)
Net Receivables	\$ <u>2,195,332</u>	\$ <u>1,402,738</u>	\$ <u>48,009</u>	\$ <u>573,641</u>

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 3 – RECEIVABLES (CONTINUED)

LB 840 Economic Development Program notes receivable at September 30, 2021, 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	\$ 4,999,841	\$ -	\$ 251,400	\$ 507,265	\$ 4,241,176
Not eligible for job credits	311,747	-	-	105,895	205,852
Grants:					
Eligible for job credits	\$ <u>1,291,790</u>	<u>1,813,833</u>	<u>518,733</u>	<u>61,100</u>	<u>2,525,790</u>
Total LB 840 Receivables	\$ <u>6,603,378</u>	\$ <u>1,813,833</u>	\$ <u>770,133</u>	\$ <u>674,260</u>	\$ <u>6,972,818</u>

Special assessment receivables - The City holds special assessment receivables in the amount of \$603,841. 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.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021, 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	\$ 42,950	\$ -	\$ 597,165
Inventory	2,629,113	-	-	2,629,113
Construction in progress	815,177	2,012,975	222,506	2,605,647
Total capital assets, not being depreciated	<u>3,998,505</u>	<u>2,055,925</u>	<u>222,506</u>	<u>5,831,925</u>
Capital assets, being depreciated:				
Buildings and improvements	11,514,101	2,162,356	838	13,675,619
Equipment and vehicles	8,717,504	809,107	287,783	9,238,827
Infrastructure	40,218,474	-	-	40,218,474
Total capital assets, being depreciated	<u>60,450,079</u>	<u>2,971,463</u>	<u>288,621</u>	<u>63,132,921</u>
Less accumulated depreciation for:				
Buildings and improvements	4,986,065	309,165	832	5,294,399
Equipment and vehicles	5,495,398	716,383	253,979	5,957,798
Infrastructure	21,865,235	1,836,235	-	23,701,470
Total accumulated depreciation	<u>32,346,698</u>	<u>2,861,783</u>	<u>254,811</u>	<u>34,953,667</u>
Net capital assets being depreciated	<u>28,103,381</u>	<u>109,680</u>	<u>33,810</u>	<u>28,179,254</u>
Net governmental activities capital assets	\$ <u>32,101,886</u>	\$ <u>2,165,605</u>	\$ <u>256,316</u>	\$ <u>34,011,179</u>

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Business-type Activities:

Capital assets not being depreciated:

Land	\$ 1,525,791	\$ -	\$ -	\$ 1,525,791
Construction in progress	<u>324,373</u>	<u>189,084</u>	<u>128,897</u>	<u>384,560</u>
Total capital assets, not being depreciated	<u>1,850,164</u>	<u>189,084</u>	<u>128,897</u>	<u>1,910,351</u>

Capital assets, being depreciated:

Buildings and improvements	7,093,525	1,177,097	-	8,270,622
Equipment and vehicles	6,601,330	659,377	191,744	7,068,963
Plant in service	21,602,953	-	-	21,602,953
Infrastructure	<u>15,643,898</u>	<u>77,743</u>	<u>-</u>	<u>15,721,641</u>
Total capital assets, being depreciated	<u>50,941,706</u>	<u>1,914,217</u>	<u>191,744</u>	<u>52,664,179</u>

Less accumulated depreciation for:

Buildings and improvements	4,544,116	110,598	-	4,654,714
Equipment and vehicles	4,373,290	561,727	159,103	4,775,932
Plant in service	17,428,743	385,374	-	17,814,117
Infrastructure	<u>4,873,338</u>	<u>443,081</u>	<u>-</u>	<u>5,316,419</u>
Total accumulated depreciation	<u>31,219,487</u>	<u>1,500,780</u>	<u>159,103</u>	<u>32,561,182</u>

Net capital assets being depreciated 19,722,219 413,438 32,641 20,102,998

Net business-type activities capital assets \$ 21,572,383 \$ 602,522 \$ 161,538 \$ 22,013,349

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government	\$ 60,301
Public safety	367,582
Transportation	1,997,872
Public health and social services	34,480
Culture and recreation	378,158
Public works	<u>23,390</u>
Total depreciation expense - governmental	\$ <u>2,861,783</u>

Business-type activities:

Environmental services	\$ 225,106
Wastewater	819,580
Water	348,216
Electric	33,858
Stormwater	71,885
Internal service	<u>2,135</u>
Total depreciation expense - business-type	\$ <u>1,500,780</u>

During the year ended September 30, 2021, the City received \$868,829 of contributed capital assets with \$760,879 of the assets donated being for the 23 Club Ballfield Improvement Project, \$42,000 land donation to the Parks Department and the donation of a Chemical Identifier to the Fire Department.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 5 - LONG-TERM DEBT

General Obligation Bonds, Revenue Bonds and Direct Borrowings outstanding and related interest requirements as of September 30, 2021, are as follows:

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Annual Installment</u>	<u>Principal Amount Outstanding</u>
Governmental activities:				
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%	337,681 to 362,386	1,400,137
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>3,640,137</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%	72,319 to 77,614	299,863
Wastewater treatment project loan - State of Nebraska, issued 2003, due annually through 2023	1,004,334	3.00%	24,417 to 34,486	<u>120,661</u>
Total business-type activities				\$ <u>420,524</u>
Total long-term debt				\$ <u>4,060,661</u>

All of the wastewater treatment project loans are secured by monthly user fees and is collateralized by the City's wastewater treatment plant.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

NOTE 5 - LONG-TERM DEBT (CONTINUED)

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
2022	\$ 777,681	\$ 49,501	-	-	-	-
2023	790,917	37,765	-	-	-	-
2024	804,153	25,222	-	-	-	-
2025	812,386	11,875	-	-	-	-
2026	455,000	2,502	-	-	-	-
2027-2031	-	-	-	-	-	-
	<u>\$ 3,640,137</u>	<u>\$ 126,865</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Fiscal Year Ended September 30	Business-Type Activities					
	General Obligation Bonds		NDEQ Loans – Direct Borrowing		Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
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	989	-	-	-	-
2026	-	-	-	-	-	-
2027-2031	-	-	-	-	-	-
	<u>\$ 299,863</u>	<u>\$ 14,997</u>	<u>\$ 120,661</u>	<u>\$ 4,352</u>	<u>\$ -</u>	<u>\$ -</u>

Long-term liability activity for the year ended September 30, 2021 was as follows:

	10/1/20 Beginning Balance	Additions	Reductions	9/30/21 Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Revenue bonds	\$ 735,000	\$ -	\$ 735,000	\$ -	\$ -
GO bonds	4,453,700	-	813,563	3,640,137	777,681
Compensated absences	654,773	454,944	494,299	615,418	-
Governmental activities	<u>\$ 5,843,473</u>	<u>\$ 454,944</u>	<u>\$ 2,042,862</u>	<u>\$ 4,255,555</u>	<u>\$ 777,681</u>
Business-type activities:					
Bonds payable:					
GO bonds	\$ 371,300	\$ -	\$ 71,437	\$ 299,863	\$ 72,319
Loans payable – direct borrowing	\$ 317,294	\$ -	\$ 196,633	\$ 120,661	\$ 64,000
Compensated absences	204,705	176,551	169,714	211,542	-
Business-type activities	<u>\$ 893,299</u>	<u>\$ 176,551</u>	<u>\$ 437,784</u>	<u>\$ 632,066</u>	<u>\$ 136,319</u>

There are various bonds issued for tax increment financing projects within the City. These bonds are limited obligations 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 nonmajor funds of the City's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

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, 2019. This agreement continues until December 31, 2043, unless terminated upon five years prior written notice given by either party to the other, with termination notice date of no earlier than January 1, 2039.

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 13.5% 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. The City received \$3,134,659 in lease revenues for the year ended September 30, 2021 as presented in the Electric Fund in the Proprietary Fund Statements. The City estimates lease income for the next 5 years to be \$3,000,000 per year.

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 \$207,693 and \$216,694 by the City and plan participants, respectively. There are 87 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 \$141,293 and \$75,101 by the City and plan participants, respectively. There are 20 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 \$158,718 and \$170,223 by the City and plan participants, respectively. There are 38 participants in the plan.

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

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 \$300,000 annually to Riverside Discovery Center (RDC) for its operation of a zoo. The City entered into a contract with RDC on December 16, 2019. Payments are due for five years from the effective date of October 1, 2020.

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.

Construction – The City is party to a contract for milling and overlay of Avenue B from West Overland to 31st Street. The City will use cash equity of the Transportation Fund to fund the construction project.

	<u>Contract Amount</u>	<u>Paid Through 09/30/2021</u>	<u>Obligation Pending</u>	<u>Expected Completion</u>
Transportation Fund	\$ <u>2,015,460</u>	\$ <u>592,098</u>	\$ <u>1,423,362</u>	December 2021
Total Construction Commitment	\$ <u>2,015,460</u>	\$ <u>592,098</u>	\$ <u>1,423,362</u>	

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 \$50,000 per person and \$1,460,024 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.

	<u>Transfers In</u>			
	<u>General Fund</u>	<u>Stormwater Fund</u>	<u>Internal Service Fund</u>	<u>Total Transfers Out</u>
<u>Transfers Out</u>				
General Fund	\$ -	\$ -	\$ 50,000	\$ 50,000
Trans. Fund	\$ 27,000	\$ -	\$ 77,500	\$ 104,500
Env. Services Fund	54,000	-	55,000	109,000
Wastewater Fund	54,000	50,000	28,750	132,750
Water Fund	42,000	-	28,750	70,750
Electric Fund	3,138,603	-	-	3,138,603
	<u>\$ 3,315,603</u>	<u>\$ 50,000</u>	<u>\$ 240,000</u>	<u>\$ 3,605,603</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2021

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 2020-2021 are recorded as revenue when expected to be collected within 60 days after September 30, 2021. 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 2020 tax levy, for the 2020-2021 fiscal year, was \$2,031,008 with a tax rate per \$100 valuation of 0.216 for general and \$54,100 with a tax rate per \$100 valuation of .1692 for the business improvement district. The assessed value upon which the 2020 levy was based was \$940,281,636 for general and \$31,974,908 for the business improvement district.

NOTE 12 – TAX ABATEMENTS

As of September 30, 2021, 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, 2034. For the year ended September 30, 2021, the City abated \$49,238 in property tax revenue under the tax increment financing program.

NOTE 13 – PRIOR PERIOD ADJUSTMENT

Upon implementation of GASB 84 a formerly identified agency fund has been reclassified for presentation as a blended fund within the general government's nonmajor funds. This resulted in the beginning balance for government funds and the government-wide financial statements being adjusted by \$206,350.

NOTE 14 – RISKS AND UNCERTAINTIES

A National Emergency for the COVID-19 outbreak was declared in the United States of America beginning March 1, 2020. The City's operations could be adversely affected as a result of this pandemic; however, since the situation surrounding the pandemic remains fluid, the long-term duration, nature and extent of the impact on the City, if any, cannot be reasonably estimated at this time.

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 5,366,660	\$ 5,366,660	6,181,654	\$ 814,994
Intergovernmental	128,967	128,967	162,528	33,561
Local	3,487,900	3,487,900	4,120,908	633,007
Total revenues	<u>8,983,527</u>	<u>8,983,527</u>	<u>10,465,090</u>	<u>1,481,563</u>
Expenditures:				
General government	1,547,808	1,547,808	756,565	791,243
Public safety - Police and Fire	6,035,124	6,035,124	5,795,465	239,659
Public works - Other	295,996	295,996	278,287	17,709
Culture and recreation	4,750,609	4,750,609	4,559,499	191,110
Total expenditures	<u>12,629,537</u>	<u>12,629,537</u>	<u>11,389,817</u>	<u>1,239,720</u>
Excess revenues over (under) expenditures	\$ <u>(3,646,010)</u>	\$ <u>(3,646,010)</u>	(924,727)	\$ <u>2,721,283</u>
Fund balances, October 1			<u>8,533,068</u>	
Fund balances, September 30			<u>\$ 7,608,341</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,128,493	\$ 1,128,493	\$ 1,307,953	\$ 179,460
Intergovernmental	1,937,111	1,937,111	2,311,848	374,737
Local	485,000	485,000	68,640	(416,360)
Total revenues	<u>3,550,604</u>	<u>3,550,604</u>	<u>3,688,441</u>	<u>137,837</u>
Expenditures:				
Public works - Streets	5,970,926	5,970,926	3,974,911	1,996,015
Total expenditures	<u>5,970,926</u>	<u>5,970,926</u>	<u>3,974,911</u>	<u>1,996,015</u>
Excess revenues over (under) expenditures	\$ <u>(2,420,322)</u>	\$ <u>(2,420,322)</u>	(286,470)	\$ <u>2,133,853</u>
Fund balances, October 1			<u>4,128,969</u>	
Fund balances, September 30			\$ <u>3,842,499</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 982,940	\$ 982,940	\$ 1,149,958	\$ 167,018
Local	447,386	447,386	755,753	308,367
Total revenues	<u>1,430,326</u>	<u>1,430,326</u>	<u>1,905,711</u>	<u>475,385</u>
Expenditures:				
Community development	3,822,380	3,822,380	2,182,084	1,640,296
Total expenditures	<u>3,822,380</u>	<u>3,822,380</u>	<u>2,182,084</u>	<u>1,640,296</u>
Excess revenues over (under) expenditures	\$ <u>(2,392,054)</u>	\$ <u>(2,392,054)</u>	(276,373)	\$ <u>2,115,681</u>
Fund balances, October 1			<u>2,478,568</u>	
Fund balances, September 30			\$ <u>2,202,195</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,007,615	\$ 1,007,615	\$ 990,333	\$ (17,282)
Local	1,120,024	1,120,024	124,047	(995,977)
Total revenues	<u>2,127,639</u>	<u>2,127,639</u>	<u>1,114,379</u>	<u>(1,013,260)</u>
Expenditures:				
General government	4,708,548	4,708,548	744,298	3,964,250
Total expenditures	<u>4,708,548</u>	<u>4,708,548</u>	<u>744,298</u>	<u>3,964,250</u>
Excess revenues over (under) expenditures	\$ <u>(2,580,909)</u>	\$ <u>(2,580,909)</u>	370,081	\$ <u>2,950,990</u>
Fund balances, October 1			<u>4,018,614</u>	
Fund balances, September 30			\$ <u>4,388,695</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 50,000	\$ 50,000	\$ 113,300	\$ 63,300
Intergovernmental	-	-	1,326,910	1,326,910
Local	502,000	502,000	240,297	(261,703)
Total revenues	<u>552,000</u>	<u>552,000</u>	<u>1,680,507</u>	<u>1,128,507</u>
Expenditures:				
General government	851,672	851,672	671,706	179,966
Total expenditures	<u>851,672</u>	<u>851,672</u>	<u>671,706</u>	<u>179,966</u>
Excess revenues over (under) expenditures	\$ <u>(299,672)</u>	\$ <u>(299,672)</u>	1,008,801	\$ <u>1,308,472</u>
Fund balances, October 1			<u>1,249,438</u>	
Fund balances, September 30			\$ <u>2,258,239</u>	

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Local	751,318	751,318	742,073	(9,245)
Total revenues	<u>751,318</u>	<u>751,318</u>	<u>742,073</u>	<u>(9,245)</u>
Expenditures:				
General government	751,468	751,468	742,039	9,429
Total expenditures	<u>751,468</u>	<u>751,468</u>	<u>742,039</u>	<u>9,429</u>
Excess revenues over (under) expenditures	\$ <u>(150)</u>	\$ <u>(150)</u>	35	\$ <u>184</u>
Fund balances, October 1			<u>26,969</u>	
Fund balances, September 30			\$ <u>27,004</u>	

See accompanying notes.

NOTES TO THE BUDGETARY COMPARISON SCHEDULES

September 30, 2021

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.

By law, the City of Scottsbluff adopts a unified budget for all funds. However, in deriving the total unified numbers, the City establishes individual fund budget numbers which have been used in the major fund presentations on page 43-48.

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, 2021, 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	\$ (797,531)	\$ (351,178)	\$ (298,567)	\$ 338,650	\$ 1,278,338	\$ (27)
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	(127,196)	64,709	22,193	31,431	(269,537)	62
Balance on a budget basis	\$ <u>(924,727)</u>	\$ <u>(286,469)</u>	\$ <u>(276,374)</u>	\$ <u>370,081</u>	\$ <u>1,008,801</u>	\$ <u>35</u>

CITY OF SCOTTSBLUFF
Scottsbluff, Nebraska

OTHER SUPPLEMENTARY INFORMATION

**CITY OF SCOTTSBLUFF, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Regional Library	Cemetery & Cemetery Perpetual Care	Business Improvement District	Public Safety Equipment	Industrial Site
ASSETS					
Cash and cash equivalents	\$ 4,809	\$ 70,574	\$ 24,122	\$ 28,597	\$ 5,810
Funds held by county treasurer	-	1,989	2,135	10,002	-
Investments	54,067	793,386	271,181	321,478	65,318
Net receivables:					
Taxes	-	71,418	14,537	93,108	-
Accrued interest	42	637	217	260	50
Governmental unit	-	-	-	7,213	-
Other receivables	-	650	-	-	-
Total assets	<u>\$ 58,918</u>	<u>\$ 938,654</u>	<u>\$ 312,192</u>	<u>\$ 460,658</u>	<u>\$ 71,178</u>
LIABILITIES					
Accounts payable	\$ -	\$ 8,267	\$ 4,225	\$ 18,516	\$ -
Accrued salaries	-	2,318	-	-	-
Other accrued expenses	-	577	-	-	-
Total liabilities	<u>-</u>	<u>11,162</u>	<u>4,225</u>	<u>18,516</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable revenue - property taxes	-	73,630	15,302	95,992	-
Total deferred inflow of resources	<u>-</u>	<u>73,630</u>	<u>15,302</u>	<u>95,992</u>	<u>-</u>
FUND BALANCES					
Restricted for:					
Community improvements	5,816	-	-	-	-
Economic development	-	-	-	-	-
Public safety	-	-	-	-	-
Committed for:					
Community improvements	53,102	-	292,665	-	71,178
Public safety	-	-	-	346,150	-
Cemetery operations and improvements	-	853,862	-	-	-
Total fund balances	<u>58,918</u>	<u>853,862</u>	<u>292,665</u>	<u>346,150</u>	<u>71,178</u>
Total liabilities and fund balances	<u>\$ 58,918</u>	<u>\$ 938,654</u>	<u>\$ 312,192</u>	<u>\$ 460,658</u>	<u>\$ 71,178</u>

Keno	Mutual Fire	TIF Fund	CDBG Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 15,481	\$ 39,746	\$ 16,723	2,638	\$ 6,903	\$ 215,403
-	-	112,794	-	8,525	135,445
174,042	446,828	187,994	29,653	77,598	2,421,545
-	-	-	-	26,451	205,514
137	359	152	24	63	1,941
-	-	-	-	-	7,213
5,049	-	-	-	-	5,699
<u>\$ 194,709</u>	<u>\$ 486,933</u>	<u>\$ 317,663</u>	<u>32,315</u>	<u>\$ 119,540</u>	<u>\$ 2,992,760</u>
\$ 9,981	\$ -	\$ -	-	\$ -	\$ 40,989
-	-	-	-	-	2,318
-	-	-	-	-	577
<u>9,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,884</u>
-	-	-	-	27,270	212,195
-	-	-	-	<u>27,270</u>	<u>212,195</u>
184,728	-	-	32,315	-	222,859
-	-	317,662	-	-	317,662
-	486,933	-	-	-	486,933
-	-	-	-	92,270	509,215
-	-	-	-	-	346,150
-	-	-	-	-	853,862
<u>184,728</u>	<u>486,933</u>	<u>317,662</u>	<u>32,315</u>	<u>92,270</u>	<u>2,736,681</u>
<u>\$ 194,709</u>	<u>\$ 486,933</u>	<u>\$ 317,662</u>	<u>32,315</u>	<u>\$ 119,540</u>	<u>\$ 2,992,760</u>

CITY OF SCOTTSBLUFF, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Regional Library	Cemetery & Cemetery Perpetual Care	Business Improvement District	Public Safety Equipment	Industrial Site
Revenues:					
Taxes and special assessments	\$ -	\$ 158,914	\$ 51,617	\$ 214,586	\$ -
Licenses and permits	-	6,200	-	-	-
Intergovernmental	2,345	-	-	8,605	-
Charges for services	-	84,300	-	-	-
Investment income (loss)	(69)	(1,581)	(296)	(1,435)	(107)
Other revenue	191	62,861	-	7,878	-
Total revenues	<u>2,467</u>	<u>310,694</u>	<u>51,321</u>	<u>229,634</u>	<u>(107)</u>
Expenditures:					
Current operations:					
General government	-	-	-	-	297
Public safety	-	-	-	179,304	-
Public health and social services	-	239,390	-	-	-
Public works	-	-	31,377	-	-
Capital expenditures	-	108,907	-	114,207	-
Total expenditures	<u>-</u>	<u>348,297</u>	<u>31,377</u>	<u>293,511</u>	<u>297</u>
Excess revenues over (under) expenditures	<u>2,467</u>	<u>(37,603)</u>	<u>19,944</u>	<u>(63,877)</u>	<u>(404)</u>
Other financing sources (uses):					
Proceeds from debt issuance	-	-	-	-	-
Warrant and bond expense	-	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-	-
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues and other financing sources over (under) expenditures and other uses	<u>2,467</u>	<u>(37,603)</u>	<u>19,944</u>	<u>(63,877)</u>	<u>(404)</u>
Prior period adjustment (Note 13)	-	-	-	-	-
Fund balances, October 1	<u>56,451</u>	<u>891,465</u>	<u>272,721</u>	<u>410,027</u>	<u>71,582</u>
Fund balances, September 30	<u>\$ 58,918</u>	<u>\$ 853,862</u>	<u>\$ 292,665</u>	<u>\$ 346,150</u>	<u>\$ 71,178</u>

Keno	Mutual Fire	TIF	CDBG	Capital Projects	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 491,022	\$ -	\$ 66,531	\$ 982,670
-	-	-	-	-	6,200
-	-	-	-	-	10,950
-	-	-	-	-	84,300
(334)	(279)	(1,483)	(47)	(196)	(5,827)
74,019	105,696	-	-	-	250,645
<u>73,685</u>	<u>105,417</u>	<u>489,539</u>	<u>(47)</u>	<u>66,335</u>	<u>1,328,938</u>
22,296	-	378,227	79	-	400,899
-	54,061	-	-	-	233,365
-	-	-	-	-	239,390
-	-	-	-	-	31,377
-	-	-	-	76,634	299,748
<u>22,296</u>	<u>54,061</u>	<u>378,227</u>	<u>79</u>	<u>76,634</u>	<u>1,204,779</u>
51,389	51,356	111,312	(126)	(10,299)	124,159
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
51,389	51,356	111,312	(126)	(10,299)	124,159
-	-	206,350	-	-	206,350
<u>133,339</u>	<u>435,577</u>	<u>-</u>	<u>32,441</u>	<u>102,569</u>	<u>2,406,172</u>
<u>\$ 184,728</u>	<u>\$ 486,933</u>	<u>\$ 317,662</u>	<u>\$ 32,315</u>	<u>\$ 92,270</u>	<u>\$ 2,736,681</u>

CITY OF SCOTTSBLUFF, NEBRASKA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2021

	Health Insurance	Unemployment Compensation	Geographic Information System	Central Garage	Totals
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 268,602	\$ 5,694	\$ 7,649	\$ (38,920)	\$ 243,023
Investments	1,339,893	28,403	38,156	(194,148)	1,212,304
Net receivables:					
Accounts and unbilled	-	-	-	-	-
Accrued interest	2,417	52	68	-	2,537
Due from other funds	-	-	-	-	-
Inventory	-	-	-	-	-
Total current assets	<u>1,610,912</u>	<u>34,148</u>	<u>45,873</u>	<u>(233,068)</u>	<u>1,457,863</u>
Noncurrent assets					
Investments	1,679,694	35,606	47,832	(243,385)	1,519,747
Net capital assets	-	-	5,213	2,298	7,511
Total noncurrent assets	<u>1,679,694</u>	<u>35,606</u>	<u>53,045</u>	<u>(241,087)</u>	<u>1,527,258</u>
Total assets	<u>\$ 3,290,606</u>	<u>\$ 69,754</u>	<u>\$ 98,918</u>	<u>\$ (474,155)</u>	<u>\$ 2,985,121</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ -	\$ -	\$ 217	\$ 66	\$ 283
Accrued salaries	-	-	601	-	601
Other accrued expenses	-	-	160	-	160
Total current liabilities	<u>-</u>	<u>-</u>	<u>978</u>	<u>66</u>	<u>1,044</u>
Noncurrent liabilities:					
Compensated absences	-	-	2,608	10,404	13,012
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>2,608</u>	<u>10,404</u>	<u>13,012</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>3,586</u>	<u>10,470</u>	<u>14,056</u>
NET POSITION					
Invested in capital assets, net of related debt	-	-	5,213	2,298	7,511
Unreserved	<u>3,290,607</u>	<u>69,754</u>	<u>90,118</u>	<u>(486,923)</u>	<u>2,963,556</u>
Total net position	<u>3,290,606</u>	<u>69,754</u>	<u>95,331</u>	<u>(484,626)</u>	<u>2,971,065</u>
Total liabilities and net position	<u>\$ 3,290,606</u>	<u>\$ 69,754</u>	<u>\$ 98,917</u>	<u>\$ (474,156)</u>	<u>\$ 2,985,121</u>

CITY OF SCOTTSBLUFF, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Health Insurance	Unemployment Compensation	Geographic Information System	Central Garage	Total
Operating revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ 86,690	\$ 86,690
Other revenues	<u>2,239,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,239,406</u>
Total operating revenues	<u>2,239,406</u>	<u>-</u>	<u>-</u>	<u>86,690</u>	<u>2,326,096</u>
Operating expenses:					
Personnel services	-	-	53,730	140,588	194,318
Operating supplies	-	-	4,055	20,120	24,175
Contractual	-	-	5,344	61	5,405
Maintenance	-	-	15,000	45,392	60,392
Utilities	-	-	541	4,026	4,567
Other operating expenses	1,634,211	-	139	914	1,635,264
Depreciation and amortization	<u>-</u>	<u>-</u>	<u>1,390</u>	<u>745</u>	<u>2,135</u>
Total operating expenses	<u>1,634,211</u>	<u>-</u>	<u>80,199</u>	<u>211,846</u>	<u>1,926,256</u>
Operating income (loss)	<u>605,195</u>	<u>-</u>	<u>(80,199)</u>	<u>(125,156)</u>	<u>399,840</u>
Non-operating revenues (expenses):					
Investment income	182	(101)	(429)	-	(348)
Net non-operating revenues (expenses)	<u>182</u>	<u>(101)</u>	<u>(429)</u>	<u>-</u>	<u>(348)</u>
Income before transfers	<u>605,377</u>	<u>(101)</u>	<u>(80,628)</u>	<u>(125,156)</u>	<u>399,492</u>
Transfers from (to) other funds:					
Operating transfers in	-	-	50,000	190,000	240,000
Net transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>190,000</u>	<u>240,000</u>
Change in net position	605,377	(101)	(30,628)	64,844	639,492
Net position, October 1	<u>2,685,228</u>	<u>69,855</u>	<u>125,957</u>	<u>(549,467)</u>	<u>2,331,573</u>
Net position, September 30	<u>\$ 3,290,605</u>	<u>\$ 69,754</u>	<u>\$ 95,329</u>	<u>\$ (484,623)</u>	<u>\$ 2,971,065</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, 2021, 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 February 16, 2022.

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.

Contnyman Associates PC
Certified Public Accountants
Scottsbluff, Nebraska

February 16, 2022