

**AUDIT REPORT
OF
RED WILLOW COUNTY, NEBRASKA**

Year Ended June 30, 2017

**Donald D. Wilson, Certified Public Accountant
McCook, Nebraska**

**AUDIT REPORT
OF
RED WILLOW COUNTY, NEBRASKA
Year Ended June 30, 2017**

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**AUDIT REPORT
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RED WILLOW COUNTY, NEBRASKA
Year Ended June 30, 2017**

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INDEPENDENT AUDITOR'S REPORT

County Board of Commissioners
Red Willow County
McCook, Nebraska 69001

Report on the Financial Statements

I have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Red Willow County, Nebraska as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the financial statements of the County's primary government 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 the cash basis of accounting described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Basis for Adverse Opinion

The financial statements referred to above include only the primary government of Red Willow County, Nebraska which consists of all funds, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the County's legally separate component unit. Accounting principles generally accepted in the United States of America require financial data for the County's legally separate component unit to be reported with the financial data of the County's primary government. The amount by which this departure would affect the assets, liabilities, net position, revenues, and expenses of the government-wide financial statements has not been determined.

Adverse Opinion

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion" paragraph, the financial statements referred to above do not present fairly the financial position of the reporting entity of Red Willow County, Nebraska as of June 30, 2017, or the changes in its financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for the primary government of Red Willow County, Nebraska as of June 30, 2017, and the respective changes in financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Basis of Accounting

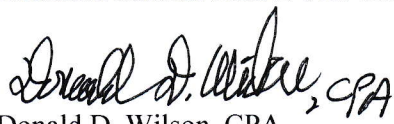
I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements for the primary government were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

Supplementary Information

My audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Red Willow County, Nebraska financial statements. The budgetary comparison information and the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The budgetary comparison information, combining and the individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 22, 2017 on my consideration of Red Willow County, Nebraska internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit conducted in accordance with *Government Auditing Standards* in considering Red Willow County, Nebraska internal control over financial reporting and compliance.



Donald D. Wilson, CPA
McCook, Nebraska

December 22, 2017

RED WILLOW COUNTY, NEBRASKA
STATEMENT OF NET POSITION - CASH BASIS

June 30, 2017

	EXHIBIT A
	PRIMARY GOVERNMENT
	GOVERNMENTAL ACTIVITIES
ASSETS	
Equity in Pooled Cash and Cash Equivalents	3,879,726
Designated Investments	37,342
Total Assets	3,917,068
NET POSITION	
Restricted for:	
Jail Bond	381,793
Nursing Home Bond	132,269
Bridge/Road Projects	54,750
Visitor's Promotion	100,182
Veteran's Aid	8,830
Child Support	60,049
Register of Deeds	2,228
Unrestricted	3,176,967
TOTAL NET POSITION	3,917,068

The Notes to the Financial Statements are an Integral Part of this Statement

RED WILLOW COUNTY, NEBRASKA
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED June 30, 2017

Exhibit B

		Program Cash Receipts		Net (Disbursements) Receipt and Changes in Net Assets
	Cash Disbursements	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General Government	2,611,432	381,115	76,033	(2,154,284)
Public Safety	1,724,106	169,871	238,161	(1,316,074)
Public Works	1,356,145	29,896		(1,326,249)
Public Health	223,350	157,714		(65,636)
Public Assistance	163,825	17,921		(145,904)
Culture and Recreation	695,968	318,397	12,695	(364,876)
Debt Service	702,971			(702,971)
Total Governmental Activities	7,477,797	1,074,914	326,889	(6,075,994)
General Receipts:				
Taxes:				
Property taxes, levied for general purposes				2,979,047
Property taxes, levied for public health				17,293
Property taxes, levied for culture and recreation				213,809
Property taxes, levied for debt service				485,711
Motor Vehicle Tax				439,899
Intergovernmental				1,471,658
Inheritance Tax				291,010
Interest				29,567
Miscellaneous				64,670
Total General Receipts				5,992,664
Other Financing Sources				222,928
Changes in Net Position				139,598
Net position - Beginning of Year				3,777,470
Net position - End of Year				3,917,068

The Notes to the Financial Statements are an Integral Part of this Statement

RED WILLOW COUNTY, NEBRASKA

BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS

June 30, 2017

EXHIBIT C

	General	Road	Self Insurance	Inheritance Tax	Other Governmental Funds	Total
ASSETS						
Equity in Pooled Cash and Cash Equivalents	468,280	757,691	277,325	1,210,182	1,166,248	3,879,726
Designated Deposits					37,342	37,342
Total Assets	<u>468,280</u>	<u>757,691</u>	<u>277,325</u>	<u>1,210,182</u>	<u>1,203,590</u>	<u>3,917,068</u>
FUND BALANCES:						
Restricted					740,101	740,101
Assigned		757,691	277,325	1,210,182	463,489	2,708,687
Unassigned	<u>468,280</u>					<u>468,280</u>
Total Fund Balances	<u>468,280</u>	<u>757,691</u>	<u>277,325</u>	<u>1,210,182</u>	<u>1,203,590</u>	<u>3,917,068</u>

The Notes to the Financial Statements are an Integral Part of this Statement

RED WILLOW COUNTY, NEBRASKA

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED June 30, 2017

EXHIBIT D

	General	Special Revenue		NonMajor Governmental Funds	Total Governmental Total
		Road	Self Insurance		
CASH RECEIPTS					
Property Taxes	2,979,047			716,813	3,695,860
Motor Vehicle Tax	439,899				439,899
Federal Grants	82,516				82,516
Intergovernmental	193,964	1,107,500		414,567	1,716,031
Inheritance Tax				291,010	291,010
Charges for Services	468,083	29,896		576,935	1,074,914
Interest	29,160			407	29,567
Miscellaneous	17,551	2,748	43,683	688	64,670
Total Cash Receipts	<u>4,210,220</u>	<u>1,140,144</u>	<u>43,683</u>	<u>1,709,410</u>	<u>7,394,467</u>
CASH DISBURSEMENTS					
General Government	1,764,483		839,181	7,768	2,611,432
Public Safety	1,504,959			219,147	1,724,106
Public Works	37,241	1,245,105		73,799	1,356,145
Public Health	3,330			220,020	223,350
Public Assistance	163,825				163,825
Culture and Recreation				695,968	695,968
Debt Service					
Principal Retirement				532,865	532,865
Interest				170,106	170,106
Total Cash Disbursements	<u>3,473,838</u>	<u>1,245,105</u>	<u>839,181</u>	<u>1,919,673</u>	<u>7,477,797</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>736,382</u>	<u>(104,961)</u>	<u>(795,498)</u>	<u>(210,263)</u>	<u>(83,330)</u>
OTHER FINANCING SOURCES (USES)					
Component Unit				222,928	222,928
Transfers In	19,456	287,946	788,736	4	1,096,142
Transfers (Out)	(961,682)	0		(134,460)	(1,096,142)
Total Other Financing Sources (Uses)	<u>(942,226)</u>	<u>287,946</u>	<u>788,736</u>	<u>88,472</u>	<u>222,928</u>
Net Change in Fund Balances	(205,844)	182,985	(6,762)	291,010	139,598
Fund Balances, Beginning of Year	<u>674,124</u>	<u>574,706</u>	<u>284,087</u>	<u>919,172</u>	<u>1,325,381</u>
Fund Balances, End of Year	<u>468,280</u>	<u>757,691</u>	<u>277,325</u>	<u>1,210,182</u>	<u>3,917,068</u>

The Notes to the Financial Statements are an Integral Part of this Statement

RED WILLOW COUNTY, NEBRASKA

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS

AGENCY FUNDS

Year Ended June 30, 2017

EXHIBIT E

	Balance July 1, 2016	Receipts	Disbursements	Balance June 30, 2017
ASSETS				
Equity in Pooled Cash and Cash Equivalents	544,215	19,782,584	19,717,764	609,035
Designated Investments	60,389	340		60,729
Total Assets	604,604	19,782,924	19,717,764	669,764
LIABILITIES				
State	222,371	2,579,344	2,587,319	214,396
Schools	178,618	12,556,687	12,496,146	239,159
Educational Service Unit	1,795	176,473	175,709	2,559
Community College	10,734	964,125	961,418	13,441
Natural Resource District	8,772	970,949	971,946	7,775
Fire Districts	2,993	422,981	423,078	2,896
Cemetery Districts	3,066	7,738	9,815	989
Municipalities	35,925	1,665,398	1,650,567	50,756
Partial Payments	172	1,124	1,296	0
Historical Society	2,217	18,941	13,400	7,758
Nursing Home Operating	55	51		106
Unclaimed Property	398	204	98	504
Tentative Inheritance Tax	61,575	11,219	4,098	68,696
Redemptions	0	262,887	262,887	0
Tax Increment Financing	0	144,463	144,463	0
Motor Vehicle Pro-Rate	15,524		15,524	0
Inheritance Trust Funds	60,389	340		60,729
Total Liabilities	604,604	19,782,924	19,717,764	669,764
NET POSITION	0	0	0	0

The Notes to the Financial Statements are an Integral Part of this Statement

RED WILLOW COUNTY, NEBRASKA

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies and procedures adopted by Red Willow County, Nebraska:

A. Reporting Entity:

A Reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the county are not misleading. The County, for financial purposes, includes all of the funds relevant to the operation of Red Willow County. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from Red Willow County. The financial statements of the County include those of separately administered organizations that are controlled by, or dependent on, the County. Control or dependence is determined on the criteria of appointing a voting majority of an organization's governing body and (1) the ability of the county to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the county.

The Hillcrest Nursing Home is a component unit of the county because of the significance of its operational and financial relationships with the county. The financial statements do not include the data of the Hillcrest Nursing Home, necessary for reporting in conformity with generally accepted accounting principles (GAAP). Complete financial statements of the component unit can be obtained from the Nursing Home administrative office.

Other individual County offices maintain accounting records and account for monies received and disbursed directly by these offices. Only that portion of these monies which is subsequently receipted by the County Treasurer is reflected in the County's financial statements. Accountabilities of the monies for the various other offices of the county are presented on Schedule 6 of this report.

B. Basis of Presentation:

Government-wide Financial Statements:

The Statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the county's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in two categories:

Restricted Net Position – result when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The amount of restricted net position was \$740,101 as of June 30, 2017.

Unrestricted Net Position– has constraints on resources that are imposed by management, but can be removed or modified.

RED WILLOW COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued):

Government-wide Financial Statements (Concluded):

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contribution that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

During the year, the county segregates transactions related to certain county functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the county at this more detailed level. The county uses two categories of funds, governmental and fiduciary. The focus of governmental fund financial statements is on the major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

The following are Red Willow County's major governmental funds:

General Fund:

The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the county for any purpose provided it is expended or transferred according to the general laws of Nebraska.

Road Fund (Special Revenue):

The Road Fund is used to account for revenues and expenditures for necessary road and bridge construction and improvements in accordance with Nebraska State Statute.

Self-Insurance (Special Revenue):

The Self Insurance fund is used to account for the county's self-insurance proceeds and costs.

Inheritance Tax (Special Revenue):

The Inheritance Tax Fund is used to account for inheritance tax collected in accordance with Nebraska State Statute. The fund balance is available to the county for any purpose.

RED WILLOW COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

B. Basis of Presentation (Concluded):
Fund Financial Statements (Concluded):

In the fund financial statements, governmental fund balances are required to be reported according to the following classifications:

Restricted fund balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – Amounts that can only be used for specific purposes because of a formal action (resolution) by the County’s highest level of decision-making authority, the County Board.

Assigned fund balance – Amounts that are constrained by the County’s intent to be used for specific purposes, but do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the County Board, or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Fiduciary Funds:

Fiduciary fund reporting focuses on net assets and changes in net position. The County’s only fiduciary funds are agency funds. The agency funds account for assets held by the County for political subdivisions in which the county acts as a fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

Reservation of Fund Balance:

Reservations of fund balances are reported for amounts that are not available for appropriations or are legally restricted by outside parties for use for a specific purpose.

C. Basis of Accounting:

The funds of the County and the financial statements have been prepared on the cash receipts and disbursements basis of accounting. Revenues are taken into account only when received by the county and expenditures are recorded when warrants are issued. This differs from generally accepted accounting principles, which require governmental fund accounting to follow the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual and obligations are generally recognized when they are incurred.

RED WILLOW COUNTY, NEBRASKA

**NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED):

D. Capital Assets:

Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, culverts, and similar items which are immovable and of value only to the government), are not reported in the governmental activities column in the government-wide statement of net assets. The capital assets acquisitions are reflected as expenditures in governmental funds, and not capitalized.

E. Revenue Recognition – Property Taxes:

Property taxes are levied by October 15 based on valuations as of April 1. Real Estate taxes become due and attach as an enforceable lien on property as of December 31. Real Estate and Personal Property taxes are payable in two installments and become delinquent on May 1 and September 1, following the levy date. Motor Vehicle taxes are due when application is made for registration of a Motor Vehicle.

Counties are permitted by the State Constitution to levy a tax of up to \$.50/\$100 of assessed valuation for general governmental services, except that \$.05 of \$100 of taxable valuation of property subject to the levy may only be levied to provide financing for the County's share of revenue required under an agreement executed pursuant to the Inter-local Cooperation act. The County may allocate up to fifteen cents of its authority to other political subdivisions including: Fire Districts, Cemetery Districts, and a Historical Society. The County may levy taxes in addition to the .50-cent limitation upon a vote of the people. The levy set in October, 2016 for 2016 taxes which will be materially collected in May and September, 2017, was set at \$.296453/\$100 of assessed valuation. Assessed valuation for Red Willow County for the 2016 tax levy was \$1,260,031,821.

Additionally, there is currently a legislatively imposed lid limitation, which limits taxation to the prior year's level, with provisions for growth and the reduction of state aid. It may be increased by 2.5%, plus allowable growth, and an additional 1% by a three-fourths majority of the county board, or to any level by a vote of the people in the county.

RED WILLOW COUNTY, NEBRASKA

**NOTES TO FINANCIAL STATEMENT - CONTINUED
For the Year Ended June 30, 2017**

NOTE 2: DEPOSITS AND INVESTMENTS:

The County Treasurer has generally pooled the cash resources of the various funds for investment purposes. Cash and cash equivalents are considered to be cash on hand and demand deposits. Interest earned on pooled funds is credited to the County General Fund in accordance with Section 77-2315, R.R.S. 1943. Investments made specifically from and for a particular fund are summarized as "Designated Deposits". Interest on these investments is credited to the fund from which the investment is made, also in accordance with the above-cited statute.

The types of investments the County is authorized to invest funds in are enumerated in State Statutes and generally include U.S. government obligations, certificates of deposit, time deposits and securities in which the state investment officer is authorized to invest. As defined by Governmental Accounting Standards Board Statement #3, the County had no investments as of June 30, 2017.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. State law restricts the type of collateral securities allowed. The deposits for Red Willow County as of June 30, 2017 were entirely covered by federal depository insurance or by collateral securities pledged to the County Treasurer and held by the safekeeping department of the depository's correspondent bank.

NOTE 3: INTERFUND TRANSFERS:

The detail of inter-fund transfers for the year ended June 30, 2017 is as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
General	Child Support Incentive	19,456
Road	General	172,946
Road	Highway Buyback	115,000
Self-Insurance	General	788,736
Kiplinger Arena	Kiplinger Endowment	4

Transfers generally move resources from the General Fund, statutorily required to collect the resources, to the fund statutorily required to expend the resources. The transfer from Highway Buyback were for necessary road/bridge improvements. The Kiplinger Endowment transfer closed this fund.

NOTE 4: RETIREMENT PROGRAM:

The Retirement Program for Nebraska Counties is a multiple-employer cash balance benefit plan or a defined contribution plan administered by the Nebraska Public Employees Retirement Board (NPERB) in accordance with the provisions of the County Employees Retirement Act beginning at State Statute Section 23-2301.

RED WILLOW COUNTY, NEBRASKA

**NOTES TO FINANCIAL STATEMENT - CONTINUED
For the Year Ended June 30, 2017**

NOTE 4: RETIREMENT PROGRAM (CONCLUDED):

Each member who is employed and participating in the retirement system prior to January 1, 2003, may either elect to continue participation in the defined contribution benefit plan or elect to participate in the cash balance benefit plan. All new members as of January 1, 2003 will participate in the cash balance benefit plan. In a cash balance benefit plan, benefits depend on amounts contributed to the plan plus interest credits. In a defined contribution plan, benefits depend on amounts contributed to the plan plus investment earnings. All elected officials and full-time employees who have attained the age of twenty will begin immediate plan participation upon hire. Permanently employed part-time employees may exercise the option to begin immediate participation. Employees contribute 4.5% of their salary and the county match is 6.75% of the salary. Commissioned law enforcement personnel employed by the county contribute 5.5% of their salary and the county match is 7.75% of the salary. The employee and employer's contributions are kept in separate accounts. The employer's account is fully vested. The employee's account is vested 100% after three years participation in the plan. Prior service benefits are paid directly by the County to the retired employee. The county's contributions to NPERB for the years ended June 30, 2017, 2016, and 2015 were \$165,902, \$162,330, and \$154,325 respectively. Prior service benefit paid was \$108, \$257, and \$360, respectively for each of the three fiscal years.

NOTE 5: BONDS PAYABLE COMMITMENTS:

The following is a summary of changes in long-term commitments of the County for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017
Bonds:				
Jail Bond Series 2013	4,455,000		225,000	4,230,000
Hillcrest Series 2016	1,945,000		125,000	1,820,000
Total	6,400,000	0	350,000	6,050,000

A summary of the annual requirements to service the bonds as of June 30, 2017, is as follows:

Year Ended	Jail Bond			Hillcrest Nursing Home Bond		
	Principal	Interest	Total	Principal	Interest	Total
June 30, 2018	225,000	104,573	329,573	110,000	36,515	146,515
June 30, 2019	225,000	102,322	327,322	105,000	35,656	140,656
June 30, 2020	230,000	99,475	329,475	110,000	34,688	144,688
June 30, 2021	235,000	95,868	330,868	110,000	33,560	143,560
June 30, 2022	240,000	91,530	331,530	115,000	32,236	147,236
June 30, 2023	240,000	86,610	326,610	115,000	30,684	145,684
Years 2024-2029	1,595,000	384,840	1,979,840	745,000	139,582	884,582
Years 2030-2033	1,240,000	83,682	1,323,682	410,000	23,250	433,250
Total	4,230,000	1,048,900	5,278,900	1,820,000	366,171	2,186,171

RED WILLOW COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENT - CONTINUED
For the Year Ended June 30, 2017

NOTE 5: BONDS PAYABLE COMMITMENTS (CONCLUDED):

Jail Building Bond

Due serially in annual principal payments of \$205,000 to \$325,000, plus interest at .3% to 3.35%. Final payment is due December 15, 2032. These are Limited Tax Obligation Bonds issued June 20, 2013 in the amount of \$5,100,000 for the construction of a new jail. Bonds maturing on and after June 20, 2018, are subject to optional redemption prior to maturity, in any order of maturity, in integral multiples of \$5,000. Interest on the Bonds at the respective rates for each maturity is payable semiannually on December 15th and June 15th each year. The maximum annual debt service payable on the bonds will not exceed a levy of 5.2¢ per \$100 upon all the taxable property in the County, subject to the county's constitutional levy limitation.

Hillcrest Nursing Home Bond, Series 2016 Refunding

Due serially in annual principal payments of \$110,000 to \$140,000, plus interest at .75% to 3.75%. Final payment is due October 1, 2031. These are General Obligation Refunding Bonds issued October 1, 2016 in the amount of \$1,820,000 for improvements at the Hillcrest Nursing Home. Bonds maturing on and after October 1, 2021, are subject to optional redemption prior to maturity, in any order of maturity, in integral multiples of \$5,000. Interest on the Bonds at the respective rates for each maturity is payable semiannually on October 1 and April 1 each year. The Nursing Home Bond is a general obligation of Red Willow County, payable, unless paid from other sources, out of the funds of the County, which may be raised among other sources, by taxes levied by valuation on all taxable property in the County.

NOTE 6: LOAN PAYABLE COMMITMENTS:

The following is a summary of the changes in the loan payable commitments during the fiscal year:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017
Hillcrest Nursing Home Loan	423,150		207,865	215,285
County Fair	24,416	61,000	24,416	61,000
Total	447,566	61,000	232,281	276,285

A summary of the commitments under loan agreements provides for annual payments as follows:

Year Ended	Hillcrest Nursing Home Loan			County Fair		
	Principal	Interest	Total	Principal	Interest	Total
June 30, 2018	215,285	7,643	222,928	11,379	2,135	13,514
June 30, 2019				11,778	1,737	13,515
June 30, 2020				12,190	1,324	13,514
June 30, 2021				12,617	898	13,515
June 30, 2022				13,036	478	13,514
Total	215,285	7,643	222,928	61,000	6,572	67,572

RED WILLOW COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENT - CONTINUED
For the Year Ended June 30, 2017

NOTE 6: LOAN PAYABLE COMMITMENTS (CONCLUDED):

Nursing Home Loan:

Due in annual principal and interest payments of \$222,928, with interest at 3.55%, payable to McCook National Bank. Final payment is due September 15, 2017. This loan was an emergency due to insolvency or near insolvency of the county nursing home.

County Fair:

Due in annual principal and interest payments of \$13,514, with interest at 3.50%, payable to First Central Bank. Final payment is due June 1, 2022. This loan was for the purchase of a New Holland Tractor.

NOTE 7: FEDERALLY ASSISTED PROGRAMS:

The County receives substantial grants from the federal and state governments, all of which are subject to audit by the respective governments. Subsequent audits may disallow expenditures financed by governmental grant programs, although past audits have resulted in no violations of grant regulations and no requests for reimbursement. It is the opinion of management that requests for reimbursement, if any, by either the federal or state governments based on subsequent audits will not be material in relation to the County's financial statements as of June 30, 2017.

NOTE 8: RELATED PARTY TRANSACTIONS:

There were no related party transactions having a material effect on the financial statements for the year ended June 30, 2017.

NOTE 9: ACCUMULATED COMPENSATED ABSENCES:

It is the County's Policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave. Upon separation from the County's service, the accumulated vacation would be paid but the sick leave would be forfeited. The cost of vacation and sick leave are recognized when payments are made to the individual.

NOTE 10: JOINT VENTURE:

Red Willow County has entered into an agreement with the other counties in Region II in conjunction with the Nebraska Department of Public Institutions to provide services to carry out the provisions of the Nebraska Comprehensive Community Mental Health Services Act and the related alcoholism and drug abuse services and the Developmental Disabilities Services Act (Acts). Region II consists of the following counties: Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Chase, Hayes, Frontier, Dawson, Gosper, Dundy, Hitchcock and Red Willow. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board. Funding is provided by a combination of federal, state, local, and private funding. Red Willow County contributed \$55,823 toward the operation of Region II during fiscal year 2017. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Region is audited annually in accordance with State Statute. Financial information for the Region is available in that audit report.

RED WILLOW COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENT - CONCLUDED

For the Year Ended June 30, 2017

NOTE 11: RISK MANAGEMENT:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended June 30, 2017, the county managed its risks as follows:

Liability Insurance

The County has purchased liability insurance for risks related to torts; theft or damage to property; and errors and omissions of public officials from a commercial insurance carrier. Settled Claims have not exceeded this commercial coverage in any of the past three fiscal years.

Employee Health Insurance

On November 1, 1992, Red Willow County began a partial self-funded employee health insurance plan. The County has contracted with Regional Care, a group insurance firm, for benefit administration and payment of claims. Red Willow County pays to Regional Care monthly actual claims paid for plan-covered employees and projected claims assessments.

In partial self-funded insurance, the County selects the amount of risk they wish to assume, and purchases "stop loss" insurance for all excess amounts. Red Willow County entered into an agreement with American National Life Insurance for aggregate and specific reinsurance. Shown here are the reinsurance coverage's:

Aggregate eligible expenses: Medical, Dental and Prescription Card Services.

Specific deductible per person	\$ 30,000
Maximum aggregate reimbursement	\$1,000,000

RED WILLOW COUNTY, NEBRASKA

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended June 30, 2017

EXHIBIT F

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Taxes	3,431,211	3,431,211	3,418,946	(12,265)
Federal	75,800	75,800	82,516	6,716
State	122,900	122,900	115,845	(7,055)
Local	489,711	489,711	592,913	103,202
Total Cash Receipts	4,119,622	4,119,622	4,210,220	90,598
CASH DISBURSEMENTS:				
General Government:				
Board of Commissioners	80,275	80,275	72,319	7,956
Clerk	186,803	186,803	176,664	10,139
Treasurer	233,325	233,325	212,440	20,885
Assessor	270,565	270,565	250,020	20,545
Election Commissioner	40,420	40,420	31,845	8,575
Planning and Zoning	8,000	8,000	6,028	1,972
Clerk of the District Court	104,913	104,913	91,908	13,005
County Court System	19,000	19,000	16,346	2,654
District Judge	9,250	9,250	3,614	5,636
Building and Grounds	122,931	122,931	89,195	33,736
Extension Office	124,891	124,891	123,855	1,036
Miscellaneous	785,425	785,425	690,249	95,176
Total General Government	1,985,798	1,985,798	1,764,483	221,315
Public Safety:				
Sheriff	497,768	497,768	437,126	60,642
Attorney	165,420	165,420	159,343	6,077
Jail	927,430	927,430	717,423	210,007
Probation Officer	12,366	12,366	12,366	0
Juvenile Detention	12,000	12,000		12,000
Emergency Management	62,835	62,835	24,978	37,857
Miscellaneous	175,000	175,000	153,723	21,277
Total Public Safety	1,852,819	1,852,819	1,504,959	347,860
Public Works:				
Surveyor	22,950	22,950	6,746	16,204
Noxious Weed Control	47,275	47,275	30,495	16,780
Total Public Works	70,225	70,225	37,241	32,984
Public Health:				
Miscellaneous	5,500	5,500	3,330	2,170
Total Public Health	5,500	5,500	3,330	2,170
Public Assistance:				
County Relief	10,400	10,400	440	9,960
Veteran's Service Officer	98,976	98,976	77,956	21,020
Institutions	70,823	70,823	60,980	9,843
Miscellaneous	25,096	25,096	24,449	647
Total Public Assistance	205,295	205,295	163,825	41,470

RED WILLOW COUNTY, NEBRASKA

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended June 30, 2017

**EXHIBIT F
CONCLUDED**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Total Cash Disbursements	4,119,637	4,119,637	3,473,838	645,799
Excess of Cash Receipts Over (Under) Cash Disbursements	(15)	(15)	736,382	736,397
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	600,000	600,000	19,456	(580,544)
Operating Transfers (Out)	(964,109)	(964,109)	(961,682)	2,427
Total Other Financing Sources (Uses)	(364,109)	(364,109)	(942,226)	(578,117)
Net Change in Fund Balance	(364,124)	(364,124)	(205,844)	158,280
Fund Balance, Beginning of Year	674,124	674,124	674,124	0
Fund Balance, End of Year	310,000	310,000	468,280	158,280

See Accompanying Notes to Budgetary Reporting

RED WILLOW COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL
ROAD FUND

For the Year Ended June 30, 2017

EXHIBIT G

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Federal	28,000	28,000		(28,000)
State	1,097,049	1,097,049	1,107,206	10,157
Local	7,749	7,749	32,938	25,189
Total Cash Receipts	1,132,798	1,132,798	1,140,144	7,346
CASH DISBURSEMENTS:				
Public Works:				
Road Department	1,696,307	1,696,307	1,245,105	451,202
Total Cash Disbursements	1,696,307	1,696,307	1,245,105	451,202
Excess of Cash Receipts Over (Under) Cash Disbursements	(563,509)	(563,509)	(104,961)	458,548
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	238,803	238,803	287,946	49,143
Operating Transfers (Out)				
Total Other Financing Sources (Uses)	238,803	238,803	287,946	49,143
Net Change in Fund Balance	(324,706)	(324,706)	182,985	507,691
Fund Balance, Beginning of Year	574,706	574,706	574,706	0
Fund Balance, End of Year	250,000	250,000	757,691	507,691

See Accompanying Notes to Budgetary Reporting

RED WILLOW COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL
SELF INSURANCE

For the Year Ended June 30, 2017

EXHIBIT H

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Local			43,683	43,683
Total Cash Receipts	0	0	43,683	43,683
CASH DISBURSEMENTS:				
General Government	1,114,393	1,114,393	839,181	275,212
Total Cash Disbursements	1,114,393	1,114,393	839,181	275,212
Excess of Cash Receipts Over (Under) Cash Disbursements	(1,114,393)	(1,114,393)	(795,498)	318,895
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	840,306	840,306	788,736	(51,570)
Operating Transfers (Out)				
Total Other Financing Sources (Uses)	840,306	840,306	788,736	(51,570)
Net Change in Fund Balance	(274,087)	(274,087)	(6,762)	267,325
Fund Balance, Beginning of Year	284,087	284,087	284,087	0
Fund Balance, End of Year	10,000	10,000	277,325	267,325

See Accompanying Notes to Budgetary Reporting

RED WILLOW COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL
INHERITANCE TAX

For the Year Ended June 30, 2017

EXHIBIT I

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Local	321,575	321,575	291,010	(30,565)
Total Cash Receipts	321,575	321,575	291,010	(30,565)
CASH DISBURSEMENTS:				
Capital Outlay				0
Total Cash Disbursements	0	0	0	0
Excess of Cash Receipts Over (Under) Cash Disbursements	321,575	321,575	291,010	(30,565)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In				
Operating Transfers (Out)	(600,000)	(600,000)		600,000
Total Other Financing Sources (Uses)	(600,000)	(600,000)	0	600,000
Net Change in Fund Balance	(278,425)	(278,425)	291,010	569,435
Fund Balance, Beginning of Year	919,172	919,172	919,172	0
Fund Balance, End of Year	640,747	640,747	1,210,182	569,435

See Accompanying Notes to Budgetary Reporting

RED WILLOW COUNTY, NEBRASKA

**NOTES TO SUPPLEMENTARY INFORMATION
BUDGETARY REPORTING**

For the Year Ended June 30, 2017

NOTE 1: GAAP REQUIREMENTS:

Generally Accepted Accounting Principles (GAAP) requires budgetary comparison schedules for the General Fund, and for each major special revenue funds that have a legally adopted annual budget. GAAP further requires the budgetary comparison schedules to include the original budget and final budget amounts. The original budget is the first complete appropriated budget adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year as approved by the County Board.

NOTE 2: BUDGET POLICY:

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

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

The County Board must hold at least one public hearing. Prior to September 20, after the action of the State Board of Equalization and Assessment has been certified to the County Clerk, the budget, as revised, is adopted and the amounts provided therein are appropriated.

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

RED WILLOW COUNTY, NEBRASKA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2017

SCHEDULE 1

	Special Revenue Funds (Schedule 3)	<u>Debt Service Funds</u> Jail Bond	Nursing Home Bond	Total Nonmajor Governmental Funds (Exhibit C)
ASSETS				
Equity in Pooled Cash and Cash Equivalents	652,186	381,793	132,269	1,166,248
Designated Deposits	<u>37,342</u>	<u> </u>	<u> </u>	<u>37,342</u>
Total Assets	<u><u>689,528</u></u>	<u><u>381,793</u></u>	<u><u>132,269</u></u>	<u><u>1,203,590</u></u>
FUND BALANCES:				
Restricted	226,039	381,793	132,269	740,101
Assigned	<u>463,489</u>	<u> </u>	<u> </u>	<u>463,489</u>
Total Fund Balances	<u><u>689,528</u></u>	<u><u>381,793</u></u>	<u><u>132,269</u></u>	<u><u>1,203,590</u></u>

RED WILLOW COUNTY, NEBRASKA

COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED June 30, 2017

SCHEDULE 2

	Special Revenue Funds (Schedule 4)	Debt Service Funds		Total Nonmajor Governmental Funds (Exhibit D)
		Jail Bond	Nursing Home Bond	
CASH RECEIPTS				
Property Taxes	231,102	324,981	160,730	716,813
Intergovernmental	399,313	10,230	5,024	414,567
Charges for Services	576,935			576,935
Interest	407			407
Miscellaneous	459		229	688
Total Cash Receipts	1,208,216	335,211	165,983	1,709,410
CASH DISBURSEMENTS				
General Government	7,168	400	200	7,768
Public Safety	219,147			219,147
Public Works	73,799			73,799
Public Health	220,020			220,020
Culture and Recreation	695,968			695,968
Debt Service:				
Principal Retirement	207,865	225,000	100,000	532,865
Interest	15,063	106,316	48,727	170,106
Total Cash Disbursements	1,439,030	331,716	148,927	1,919,673
Excess of Cash Receipts Over (Under) Cash Disbursements	(230,814)	3,495	17,056	(210,263)
OTHER FINANCING SOURCES (USES):				
Component Unit	222,928			222,928
Transfers In	4			4
Transfers (Out)	(134,460)			(134,460)
Total Other Financing Sources (Uses)	88,472	0	0	88,472
Net Change in Fund Balances	(142,342)	3,495	17,056	(121,791)
Fund Balances, Beginning of Year	831,870	378,298	115,213	1,325,381
Fund Balances, End of Year	689,528	381,793	132,269	1,203,590

RED WILLOW COUNTY, NEBRASKA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2017

SCHEDULE 3

	Highway Buyback	Child Support Incentive	Visitor's Promotion	Visitor's Improvement	Fair
ASSETS					
Equity in Pooled Cash and Cash Equivalents Designated Deposits	54,750	60,049	15,023	85,159	60,462
Total Assets	<u>54,750</u>	<u>60,049</u>	<u>15,023</u>	<u>85,159</u>	<u>60,462</u>
FUND BALANCES:					
Restricted Assigned	54,750	60,049	15,023	85,159	60,462
Total Fund Balances	<u>54,750</u>	<u>60,049</u>	<u>15,023</u>	<u>85,159</u>	<u>60,462</u>
	Fair Sinking	Register of Deeds P&M	Kiplinger Arena	Veteran's Aid	STOP Diversion
ASSETS					
Equity in Pooled Cash and Cash Equivalents Designated Deposits	6,337	2,228		8,830	31,331
Total Assets	<u>6,337</u>	<u>2,228</u>	<u>37,342</u>	<u>8,830</u>	<u>31,331</u>
FUND BALANCES:					
Restricted Assigned	6,337	2,228	37,342	8,830	31,331
Total Fund Balances	<u>6,337</u>	<u>2,228</u>	<u>37,342</u>	<u>8,830</u>	<u>31,331</u>
	Drug Law Enforcement	Juvenile Services	Health Department	Waste Disposal	Total Nonmajor Special Revenue Funds (Schedule 1)
ASSETS					
Equity in Pooled Cash and Cash Equivalents Designated Investments	1,053	13,157	61,863	251,944	652,186
Total Assets	<u>1,053</u>	<u>13,157</u>	<u>61,863</u>	<u>251,944</u>	<u>37,342</u> <u>689,528</u>
FUND BALANCES:					
Restricted Assigned	1,053	13,157	61,863	251,944	226,039 463,489
Total Fund Balances	<u>1,053</u>	<u>13,157</u>	<u>61,863</u>	<u>251,944</u>	<u>689,528</u>

RED WILLOW COUNTY NEBRASKA
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

For The Year Ended June 30, 2017

SCHEDULE 4

	Highway Buyback	Child Support Incentive	Visitor's Promotion	Visitor's Improvement	Fair	Fair Sinking
CASH RECEIPTS						
Property Taxes					213,809	
Intergovernmental	97,617		61,456	74,152	7,381	
Charges for Services					170,441	3,103
Interest						
Miscellaneous			375			
Total Cash Receipts	<u>97,617</u>	<u>0</u>	<u>61,831</u>	<u>74,152</u>	<u>391,631</u>	<u>3,103</u>
CASH DISBURSEMENTS						
General Government						
Public Safety						
Public Works	73,799					
Public Health						
Culture and Recreation			73,015	80,658	354,837	11,900
Debt Service						
Principal Retirement						
Interest						
Total Cash Disbursements	<u>73,799</u>	<u>0</u>	<u>73,015</u>	<u>80,658</u>	<u>354,837</u>	<u>11,900</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>23,818</u>	<u>0</u>	<u>(11,184)</u>	<u>(6,506)</u>	<u>36,794</u>	<u>(8,797)</u>
OTHER FINANCING SOURCES (USES):						
Component Unit						
Transfers In						
Transfers (Out)	(115,000)	(19,456)				
Total Other Financing Sources	<u>(115,000)</u>	<u>(19,456)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(91,182)	(19,456)	(11,184)	(6,506)	36,794	(8,797)
Fund Balances, Beginning of Year	145,932	79,505	26,207	91,665	23,668	15,134
Fund Balances, End of Year	<u><u>54,750</u></u>	<u><u>60,049</u></u>	<u><u>15,023</u></u>	<u><u>85,159</u></u>	<u><u>60,462</u></u>	<u><u>6,337</u></u>

RED WILLOW COUNTY NEBRASKA
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

For The Year Ended June 30, 2017

SCHEDULE 4
CONTINUED

	Register of Deeds P&M	Kiplinger Arena	Kiplinger Endowment	Veteran's Aid	STOP Diversion	Drug Law Enforcement
CASH RECEIPTS						
Property Taxes						
Intergovernmental				55		
Charges for Services	7,911	144,853			4,260	
Interest		407				
Miscellaneous						
Total Cash Receipts	<u>7,911</u>	<u>145,260</u>	<u>0</u>	<u>55</u>	<u>4,260</u>	<u>0</u>
CASH DISBURSEMENTS						
General Government	7,168					
Public Safety					3,235	
Public Works						
Public Health						
Culture and Recreation		175,558				
Debt Service						
Principal Retirement						
Interest						
Total Cash Disbursements	<u>7,168</u>	<u>175,558</u>	<u>0</u>	<u>0</u>	<u>3,235</u>	<u>0</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>743</u>	<u>(30,298)</u>	<u>0</u>	<u>55</u>	<u>1,025</u>	<u>0</u>
OTHER FINANCING SOURCES (USES):						
Component Unit						
Transfers In		4				
Transfers (Out)			(4)			
Total Other Financing Sources	<u>0</u>	<u>4</u>	<u>(4)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	743	(30,294)	(4)	55	1,025	0
Fund Balances, Beginning of Year	1,485	67,636	4	8,775	30,306	1,053
Fund Balances, End of Year	<u>2,228</u>	<u>37,342</u>	<u>0</u>	<u>8,830</u>	<u>31,331</u>	<u>1,053</u>

RED WILLOW COUNTY NEBRASKA

COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BASIS FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

For The Year Ended June 30, 2017

	Juvenile Services	Health Department	Hillcrest Nursing Home Loan	Waste Disposal	SCHEDULE 4 CONCLUDED Total Nonmajor Special Revenue Funds (Schedule 2)
CASH RECEIPTS					
Property Taxes		17,293			231,102
Intergovernmental Charges for Services		344		158,308	399,313
Interest		157,714		88,653	576,935
Miscellaneous		84			407
					459
Total Cash Receipts	0	175,435	0	246,961	1,208,216
CASH DISBURSEMENTS					
General Government					7,168
Public Safety				215,912	219,147
Public Works					73,799
Public Health		220,020			220,020
Culture and Recreation					695,968
Debt Service					
Principal Retirement			207,865		207,865
Interest			15,063		15,063
Total Cash Disbursements	0	220,020	222,928	215,912	1,439,030
Excess of Cash Receipts Over (Under) Cash Disbursements	0	(44,585)	(222,928)	31,049	(230,814)
OTHER FINANCING SOURCES (USES):					
Component Unit			222,928		222,928
Transfers In					4
Transfers (Out)					(134,460)
Total Other Financing Sources	0	0	222,928	0	88,472
Net Change in Fund Balances	0	(44,585)	0	31,049	(142,342)
Fund Balances, Beginning of Year	13,157	106,448	0	220,895	831,870
Fund Balances, End of Year	13,157	61,863	0	251,944	689,528

RED WILLOW COUNTY, NEBRASKA

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR FUNDS**

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
HIGHWAY BUYBACK				
CASH RECEIPTS	97,618	97,618	97,617	(1)
CASH DISBURSEMENTS	205,550	205,550	73,799	131,751
OTHER FINANCING (USES):				
Operating Transfers (Out)			(115,000)	(115,000)
Net Change in Fund Balance	(107,932)	(107,932)	(91,182)	16,750
Fund Balance, Beginning of Year	145,932	145,932	145,932	
Fund Balance, End of Year	38,000	38,000	54,750	16,750
CHILD SUPPORT INCENTIVE				
CASH RECEIPTS	12,000	12,000		(12,000)
CASH DISBURSEMENTS	66,610	66,610	19,456	47,154
Net Change in Fund Balance	(54,610)	(54,610)	(19,456)	35,154
Fund Balance, Beginning of Year	79,505	79,505	79,505	
Fund Balance, End of Year	24,895	24,895	60,049	35,154
VISITOR'S PROMOTION				
CASH RECEIPTS	63,793	63,793	61,831	(1,962)
CASH DISBURSEMENTS	90,000	90,000	73,015	16,985
Net Change in Fund Balance	(26,207)	(26,207)	(11,184)	15,023
Fund Balance, Beginning of Year	26,207	26,207	26,207	
Fund Balance, End of Year	0	0	15,023	15,023
VISITOR'S IMPROVEMENT				
CASH RECEIPTS	68,335	68,335	74,152	5,817
CASH DISBURSEMENTS	160,000	160,000	80,658	79,342
Net Change in Fund Balance	(91,665)	(91,665)	(6,506)	85,159
Fund Balance, Beginning of Year	91,665	91,665	91,665	
Fund Balance, End of Year	0	0	85,159	85,159
FAIR				
CASH RECEIPTS	661,560	661,560	391,631	(269,929)
CASH DISBURSEMENTS	685,228	685,228	354,837	330,391
Net Change in Fund Balance	(23,668)	(23,668)	36,794	60,462
Fund Balance, Beginning of Year	23,668	23,668	23,668	
Fund Balance, End of Year	0	0	60,462	60,462

RED WILLOW COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2017

SCHEDULE 5
CONTINUED

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
FAIR SINKING				
CASH RECEIPTS	821	821	3,103	2,282
CASH DISBURSEMENTS	15,955	15,955	11,900	4,055
Net Change in Fund Balance	(15,134)	(15,134)	(8,797)	6,337
Fund Balance, Beginning of Year	15,134	15,134	15,134	
Fund Balance, End of Year	0	0	6,337	6,337
REGISTER OF DEEDS P&M				
CASH RECEIPTS	7,000	7,000	7,911	911
CASH DISBURSEMENTS	8,400	8,400	7,168	1,232
Net Change in Fund Balance	(1,400)	(1,400)	743	2,143
Fund Balance, Beginning of Year	1,485	1,485	1,485	
Fund Balance, End of Year	85	85	2,228	2,143
KIPLINGER ARENA				
CASH RECEIPTS	569,607	569,607	145,264	(424,343)
CASH DISBURSEMENTS	616,688	616,688	175,558	441,130
Net Change in Fund Balance	(47,081)	(47,081)	(30,294)	16,787
Fund Balance, Beginning of Year	67,636	67,636	67,636	
Fund Balance, End of Year	20,555	20,555	37,342	16,787
KIPLINGER ENDOWMENT				
CASH RECEIPTS				0
CASH DISBURSEMENTS	4	4	4	0
Net Change in Fund Balance	(4)	(4)	(4)	0
Fund Balance, Beginning of Year	4	4	4	
Fund Balance, End of Year	0	0	0	0
VETERAN'S AID				
CASH RECEIPTS	55	55	55	0
CASH DISBURSEMENTS	8,600	8,600	0	8,600
Net Change in Fund Balance	(8,545)	(8,545)	55	8,600
Fund Balance, Beginning of Year	8,775	8,775	8,775	
Fund Balance, End of Year	230	230	8,830	8,600

RED WILLOW COUNTY, NEBRASKA

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR FUNDS**

For the Year Ended June 30, 2017

**SCHEDULE 5
CONTINUED**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
STOP DIVERSION				
CASH RECEIPTS	3,000	3,000	4,260	1,260
CASH DISBURSEMENTS	25,000	25,000	3,235	21,765
Net Change in Fund Balance	(22,000)	(22,000)	1,025	23,025
Fund Balance, Beginning of Year	30,306	30,306	30,306	
Fund Balance, End of Year	8,306	8,306	31,331	23,025
DRUG LAW ENFORCEMENT				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	1,053	1,053	0	1,053
Net Change in Fund Balance	(1,053)	(1,053)	0	1,053
Fund Balance, Beginning of Year	1,053	1,053	1,053	
Fund Balance, End of Year	0	0	1,053	1,053
JUVENILE SERVICES				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	13,157	13,157	0	13,157
Net Change in Fund Balance	(13,157)	(13,157)	0	13,157
Fund Balance, Beginning of Year	13,157	13,157	13,157	
Fund Balance, End of Year	0	0	13,157	13,157
HEALTH DEPARTMENT				
CASH RECEIPTS	169,598	169,598	175,435	5,837
CASH DISBURSEMENTS	276,046	276,046	220,020	56,026
Net Change in Fund Balance	(106,448)	(106,448)	(44,585)	61,863
Fund Balance, Beginning of Year	106,448	106,448	106,448	
Fund Balance, End of Year	0	0	61,863	61,863
HILLCREST NURSING HOME LOAN				
CASH RECEIPTS	222,928	222,928		(222,928)
CASH DISBURSEMENTS	222,928	222,928		222,928
Net Change in Fund Balance	0	0	0	0
Fund Balance, Beginning of Year	0	0	0	
Fund Balance, End of Year	0	0	0	0

RED WILLOW COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR FUNDS

For the Year Ended June 30, 2017

SCHEDULE 5
CONCLUDED

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
WASTE DISPOSAL				
CASH RECEIPTS	281,822	281,822	246,961	(34,861)
CASH DISBURSEMENTS	266,645	266,645	215,912	50,733
Net Change in Fund Balance	15,177	15,177	31,049	15,872
Fund Balance, Beginning of Year	220,895	220,895	220,895	
Fund Balance, End of Year	236,072	236,072	251,944	15,872
JAIL BOND				
CASH RECEIPTS	340,500	340,500	335,211	(5,289)
CASH DISBURSEMENTS	331,716	331,716	331,716	0
Net Change in Fund Balance	8,784	8,784	3,495	(5,289)
Fund Balance, Beginning of Year	378,298	378,298	378,298	
Fund Balance, End of Year	387,082	387,082	381,793	(5,289)
HILLCREST NURSING HOME BOND				
CASH RECEIPTS	166,100	166,100	165,983	(117)
CASH DISBURSEMENTS	162,002	162,002	148,927	13,075
Net Change in Fund Balance	4,098	4,098	17,056	12,958
Fund Balance, Beginning of Year	115,213	115,213	115,213	
Fund Balance, End of Year	119,311	119,311	132,269	12,958

RED WILLOW COUNTY, NEBRASKA

SCHEDULE OF OFFICE ACTIVITIES

For The Year Ended June 30, 2017

SCHEDULE 6

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Veteran's Service Officer	Health Department	County Fair	Hazardous Waste	Total
Balance July 1, 2016	35,818	48,840	9,834	510	3,782	373	75,144	15,704	190,005
Receipts									
Licenses and Permits	3,383	4,725	10,030						18,138
Charges for Services	87,814	14,209	55,644			165,027		116,051	438,745
Miscellaneous	77	48		4,940	1				5,066
State Fees	88,330	17,853							106,183
Other Liabilities	16,470	889,216	70,263			46	310,635		1,286,630
Total Receipts	196,074	926,051	135,937	4,940	1	165,073	310,635	116,051	1,854,762
Disbursements									
Payments to County Treasurer	103,164	19,439	66,452	5,090		157,714	253,166	85,931	690,956
Payments to State Treasurer	87,854	18,008							105,862
Other Liabilities	16,069	833,185	69,968		21	52	70,535		989,830
Total Disbursements	207,087	870,632	136,420	5,090	21	157,766	323,701	85,931	1,786,648
Balance June 30, 2017	24,805	104,259	9,351	360	3,762	7,680	62,078	45,824	258,119
BALANCE CONSISTS OF:									
Due to County Treasurer	13,987	1,130	5,349	360		7,436	17,078	45,824	91,164
Due to State Treasurer	9,230	1,298							10,528
Petty Cash	150	150	1,500		3,762	244	45,000		50,806
Due to Others	1,438	101,681	2,502						105,621
Balance June 30, 2017	24,805	104,259	9,351	360	3,762	7,680	62,078	45,824	258,119

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

County Board of Commissioners
Red Willow County
McCook, Nebraska 69001

Board Members:

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Red Willow County, Nebraska, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Red Willow County, Nebraska financial statements, and have issued my report thereon dated December 22, 2017. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Hillcrest Nursing Home, a component unit of Red Willow County, Nebraska.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Red Willow County, Nebraska internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Red Willow County, Nebraska internal control. Accordingly, I do not express an opinion on the effectiveness of Red Willow County, Nebraska internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, I identified a certain deficiency in internal control that I consider to be material weakness.

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. I consider the following deficiency to be a material weakness:

Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
In Accordance With *Government Auditing Standards*

Page 2

The County offices, which collect and remit money to the County Treasurer, had a lack of segregation of duties since one person could handle all aspects of processing a transaction from beginning to end. Good Internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records.

Management Response: Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

Compliance and Other Matters

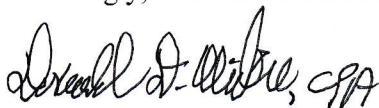
As part of obtaining reasonable assurance about whether Red Willow County, Nebraska financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2017-001, and 2017-002.

Response to Findings

Red Willow County, Nebraska management response to the finding identified in my audit is described above. Red Willow County, Nebraska response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly I express no opinion on it. No responses were received for the findings identified in the accompanying schedule of findings.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Donald D. Wilson, CPA
McCook, Nebraska

December 22, 2017

RED WILLOW COUNTY, NEBRASKA

SCHEDULE OF FINDINGS

YEAR ENDED JUNE 30, 2017

COUNTY BOARD:

2017-001 Bidding Requirements Not Followed:

State Statute §23-3108 and §23-3111 requires sealed bids, for the purchase of personal property of \$20,000 or more, shall be solicited by public notice in the legal newspaper of the county at least once a week for two consecutive weeks before the final date of submitting bids. Also, State Statute §23-3111 states “All bids shall remain sealed until opened on the published date and time by the county board or its designated agent.”

During the audit I noted two purchases that were not in compliance with the State Statutes quoted above:

- The County Fair Board approved the purchase of a tractor for \$71,000. Sealed Bids were not solicited by public notice in the legal newspaper of the county.
- The County Sheriff received and opened sealed bids for the purchase of two vehicles. In accordance with the above cited State Statute the County Board should be receiving and opening the sealed bids.

I recommend the County Board comply with the competitive bidding procedures on all future purchases.

2017-002 Canine Funds Were Not Approved by Board:

State Statute §23-109 states “The county board shall have power to examine and settle accounts against the county and all accounts concerning the receipts and expenditures of the county.” Also, State Statute §23-1601 states “It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived ...”

During the audit, I noted the County Sheriff had canine funds. During the fiscal year donations were received totaling \$1,877, and checks were written against the account for \$187. These funds were not remitted to the county treasurer, and the county board was not approving the claims in accordance with the State Statutes quoted above.

I recommend the County Sheriff remit all canine funds to the County Treasurer, and all claims be approved through the county budget.