

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDIT REPORTS THEREON**

**RED WILLOW COUNTY, NEBRASKA**

**Year Ended June 30, 2018**

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

**RED WILLOW COUNTY, NEBRASKA**

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**RED WILLOW COUNTY, NEBRASKA**

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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, 2018, 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 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, 2018, 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 cash-basis 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, 2018, and the respective changes in the cash-basis 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 cash-basis of accounting, which is a 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.

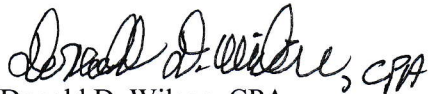
**Supplementary Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Red Willow County, Nebraska financial statements. The budgetary comparison information, combining and individual nonmajor fund financial statements and the schedule of office activity, are presented for purposes of additional analysis and are not a required part of the financial statements.

The budgetary comparison information, combining and individual nonmajor fund financial statements, and schedule of office activity, 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 on the basis of accounting described in Note 1.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated December 26, 2018 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 26, 2018

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

June 30, 2018

**EXHIBIT A**

PRIMARY  
GOVERNMENT

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GOVERNMENTAL  
ACTIVITIES

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**ASSETS**

Equity in Pooled Cash and Cash Equivalents	4,178,947
Designated Investments	60,936
	4,239,883
Total Assets	4,239,883

**NET POSITION**

Restricted for:	
Jail Bond	393,968
Nursing Home Bond	142,293
Bridge/Road Projects	158,392
Visitor's Promotion	123,944
Veteran's Aid	8,886
Child Support	60,049
Register of Deeds	9,879
Unrestricted	3,342,472
	3,342,472
TOTAL NET POSITION	4,239,883

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, 2018**

**Exhibit B**

		Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General Government	2,884,617	377,053	113,072	(2,394,492)
Public Safety	1,752,291	198,740	190,191	(1,363,360)
Public Works	1,525,191	8,327		(1,516,864)
Public Health	245,391	166,478		(78,913)
Public Assistance	171,309	20,195		(151,114)
Culture and Recreation	721,884	402,578		(319,306)
Debt Service	697,339			(697,339)
<b>Total Governmental Activities</b>	<b>7,998,022</b>	<b>1,173,371</b>	<b>303,263</b>	<b>(6,521,388)</b>
General Receipts:				
Taxes:				
Property taxes, levied for general purposes				3,136,623
Property taxes, levied for public health				48,272
Property taxes, levied for culture and recreation				215,149
Property taxes, levied for debt service				484,855
Motor Vehicle Tax				435,000
Intergovernmental				1,601,078
Inheritance Tax				479,849
Interest				49,369
Miscellaneous				172,757
<b>Total General Receipts</b>				<b>6,622,952</b>
Other Financing Sources				221,251
Changes in Net Position				322,815
Net position - Beginning of Year				3,917,068
Net position - End of Year				4,239,883

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, 2018

EXHIBIT C

	General	Road	Self Insurance	Inheritance Tax	Other Governmental Funds	Total
<b>ASSETS</b>						
Equity in Pooled Cash and Cash Equivalents	851,187	684,809	35,801	1,190,031	1,417,119	4,178,947
Designated Investments					60,936	60,936
Total Assets	<u>851,187</u>	<u>684,809</u>	<u>35,801</u>	<u>1,190,031</u>	<u>1,478,055</u>	<u>4,239,883</u>
<b>FUND BALANCES:</b>						
Restricted					897,411	897,411
Assigned		684,809	35,801	1,190,031	580,644	2,491,285
Unassigned	851,187					851,187
Total Fund Balances	<u>851,187</u>	<u>684,809</u>	<u>35,801</u>	<u>1,190,031</u>	<u>1,478,055</u>	<u>4,239,883</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, 2018

EXHIBIT D

	General	Special Revenue		NonMajor Governmental Funds	Total Governmental Total
		Road	Self Insurance		
<b>CASH RECEIPTS</b>					
Property Taxes	3,136,623			748,276	3,884,899
Motor Vehicle Tax	435,000				435,000
Federal Grants	141,535				141,535
Intergovernmental	174,946	1,158,500		429,360	1,762,806
Inheritance Tax				479,849	479,849
Charges for Services	452,713	8,327		712,331	1,173,371
Interest	48,964			405	49,369
Miscellaneous	15,287	5,766	133,261	18,443	172,757
Total Cash Receipts	<u>4,405,068</u>	<u>1,172,593</u>	<u>133,261</u>	<u>1,908,815</u>	<u>8,099,586</u>
<b>CASH DISBURSEMENTS</b>					
General Government	1,745,991		1,137,826	800	2,884,617
Public Safety	1,550,758			201,533	1,752,291
Public Works	55,217	1,469,974			1,525,191
Public Health	11,346			234,045	245,391
Public Assistance	171,309				171,309
Culture and Recreation				721,884	721,884
Debt Service					
Principal Retirement				550,285	550,285
Interest				147,054	147,054
Total Cash Disbursements	<u>3,534,621</u>	<u>1,469,974</u>	<u>1,137,826</u>	<u>1,855,601</u>	<u>7,998,022</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>870,447</u>	<u>(297,381)</u>	<u>(1,004,565)</u>	<u>53,214</u>	<u>101,564</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Component Unit				221,251	221,251
Transfers In	500,000	224,499	763,041		1,487,540
Transfers (Out)	(987,540)			(500,000)	(1,487,540)
Total Other Financing Sources (Uses)	<u>(487,540)</u>	<u>224,499</u>	<u>763,041</u>	<u>221,251</u>	<u>221,251</u>
Net Change in Fund Balances	382,907	(72,882)	(241,524)	274,465	322,815
Fund Balances, Beginning of Year	<u>468,280</u>	<u>757,691</u>	<u>277,325</u>	<u>1,203,590</u>	<u>3,917,068</u>
Fund Balances, End of Year	<u>851,187</u>	<u>684,809</u>	<u>35,801</u>	<u>1,478,055</u>	<u>4,239,883</u>

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

**RED WILLOW COUNTY, NEBRASKA**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS**

**AGENCY FUNDS**

**Year Ended June 30, 2018**

**EXHIBIT E**

	Balance July 1, 2017	Receipts	Disbursements	Balance June 30, 2018
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	609,035	20,335,396	20,363,899	580,532
Designated Investments	60,729	565		61,294
Total Assets	669,764	20,335,961	20,363,899	641,826
<b>LIABILITIES</b>				
State	214,396	2,636,931	2,570,929	280,398
Schools	239,159	12,918,968	12,940,772	217,355
Educational Service Unit	2,559	191,821	192,005	2,375
Community College	13,441	979,389	980,874	11,956
Natural Resource District	7,775	971,488	970,617	8,646
Fire Districts	2,896	319,092	318,785	3,203
Cemetery Districts	989	7,839	6,732	2,096
Municipalities	50,756	1,793,267	1,800,884	43,139
Partial Payments	0	77	77	0
Historical Society	7,758	18,612	24,500	1,870
Nursing Home Operating	106	11		117
Unclaimed Property	504	556	70	990
Tentative Inheritance Tax Redemptions	68,696	7,602	67,911	8,387
Tax Increment Financing	0	333,436	333,436	0
Inheritance Trust Funds	0	156,307	156,307	0
	60,729	565		61,294
Total Liabilities	669,764	20,335,961	20,363,899	641,826
<b>NET POSITION</b>	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, 2018**

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:

Red Willow County, Nebraska, (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State). The County is managed by county officials who are elected on a political ballot for four-year terms. As a political subdivision of the State, the County is exempt from State and Federal income taxes. The financial statements include all funds of the County that are not legally separate. The County has also considered all potential component units for which it is financially accountable, as well as other organizations that are either fiscally dependent on the County or maintain a significant relationship with the County, such that exclusion would be misleading or incomplete. 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.

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 cash activities of the primary government.

The statement of net position, cash-basis, 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.

*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, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued):

Government-wide Financial Statements (Concluded):

The statement of activities, cash-basis, demonstrates the degree to which the direct expenses of a given function are offset by program receipts. Direct expenses are those that are clearly identifiable with a specific function. Program receipts 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 receipts are reported instead as general receipts.

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 County's primary operating fund. 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 costs associated with the repair and maintenance of roads and bridges and is primarily funded by State tax receipts.

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 receipts generated from inheritance taxes collected in accordance with 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, 2018**

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 receipts, and fines and forfeitures collected and distributed to other political subdivisions.

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. Receipts are taken into account only when received by the County and disbursements 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, 2018**

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

**D. Capital Assets:**

Under the cash receipts and disbursements basis of accounting capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as disbursements in governmental funds. GAAP requires capital assets, which would 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), to be reported in the applicable governmental activities columns in the government-wide financial statements.

**E. 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 receipts 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 2017 for 2017 taxes which will be materially collected in May and September 2018, was set at \$.302105/\$100 of assessed valuation. Assessed valuation for Red Willow County for the 2017 tax levy was \$1,296,905,931.

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.

**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 Investments". 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 in which 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.

**RED WILLOW COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENT - CONTINUED  
For the Year Ended June 30, 2018**

**NOTE 2: DEPOSITS AND INVESTMENTS (CONCLUDED):**

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State law restricts the type of collateral securities allowed. For the purposes of classifying categories of custodial risk, the deposits for the County as of June 30, 2018 were entirely insured or collateralized with securities held by the County's agent in the County's name.

**NOTE 3: INTERFUND TRANSFERS:**

The detail of inter-fund transfers for the year ended June 30, 2018 is as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
Road	General	224,499
Self-Insurance	General	763,041
General	Inheritance Tax	500,000

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 the Inheritance tax, moved over reserve funds as needed.

**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.

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, 2018, 2017, and 2016 were \$181,143, \$165,902, and \$162,330 respectively. Prior service benefit paid was \$108, \$108, and \$257, respectively for each of the three fiscal years.

**RED WILLOW COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENT - CONTINUED**  
**For the Year Ended June 30, 2018**

**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, 2018:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Bonds:				
Jail Bond Series 2013	4,230,000		225,000	4,005,000
Hillcrest Series 2016	1,820,000		110,000	1,710,000
<b>Total</b>	<b>6,050,000</b>	<b>0</b>	<b>335,000</b>	<b>5,715,000</b>

A summary of the annual requirements to service the bonds as of June 30, 2018, is as follows:

Year Ended	Jail Bond			Hillcrest Nursing Home Bond		
	Principal	Interest	Total	Principal	Interest	Total
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
<b>Total</b>	<b>4,005,000</b>	<b>944,327</b>	<b>4,949,327</b>	<b>1,710,000</b>	<b>329,656</b>	<b>2,039,656</b>

**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.

**RED WILLOW COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENT - CONTINUED  
For the Year Ended June 30, 2018**

**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, 2017	Additions	Retirements	Balance June 30, 2018
Hillcrest Nursing Home Loan	215,285		215,285	0
County Fair	61,000		11,379	49,621
<b>Total</b>	<b>276,285</b>		<b>226,664</b>	<b>49,621</b>

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

Year Ended	County Fair		
	Principal	Interest	Total
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
<b>Total</b>	<b>49,621</b>	<b>4,437</b>	<b>54,058</b>

**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 disbursements 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, 2018.

**NOTE 8: 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.

**RED WILLOW COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENT - CONTINUED**  
**For the Year Ended June 30, 2018**

NOTE 9: 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 \$57,356 toward the operation of Region II during fiscal year 2018. 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 from Region II.

NOTE 10: 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, 2018, 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, 2018**

**EXHIBIT F**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>CASH RECEIPTS:</b>				
Taxes	3,623,500	3,623,500	3,571,623	(51,877)
Federal	73,400	73,400	141,535	68,135
State	119,910	119,910	94,880	(25,030)
Local	504,396	504,396	597,030	92,634
<b>Total Cash Receipts</b>	<b>4,321,206</b>	<b>4,321,206</b>	<b>4,405,068</b>	<b>83,862</b>
<b>CASH DISBURSEMENTS:</b>				
General Government:				
Board of Commissioners	92,166	92,166	73,577	18,589
Clerk	184,966	184,966	174,891	10,075
Treasurer	246,742	246,742	239,595	7,147
Assessor	250,543	250,543	209,130	41,413
Election Commissioner	42,050	42,050	23,399	18,651
Planning and Zoning	8,150	8,150	7,175	975
Clerk of the District Court	109,330	109,330	96,381	12,949
County Court System	21,000	21,000	19,022	1,978
District Judge	9,250	9,250	4,323	4,927
Building and Grounds	157,361	157,361	88,733	68,628
Extension Office	131,371	131,371	127,913	3,458
Employment Security	10,000	10,000		10,000
Miscellaneous	804,400	804,400	681,852	122,548
<b>Total General Government</b>	<b>2,067,329</b>	<b>2,067,329</b>	<b>1,745,991</b>	<b>321,338</b>
Public Safety:				
Sheriff	488,783	488,783	443,815	44,968
Attorney	173,308	173,308	168,458	4,850
Jail	905,508	905,508	749,058	156,450
Probation Officer	13,342	13,342	13,342	0
Juvenile Detention	12,000	12,000		12,000
Emergency Management	68,585	68,585	50,897	17,688
Miscellaneous	177,310	177,310	125,188	52,122
<b>Total Public Safety</b>	<b>1,838,836</b>	<b>1,838,836</b>	<b>1,550,758</b>	<b>288,078</b>
Public Works:				
Surveyor	23,115	23,115	20,898	2,217
Noxious Weed Control	50,275	50,275	34,319	15,956
<b>Total Public Works</b>	<b>73,390</b>	<b>73,390</b>	<b>55,217</b>	<b>18,173</b>
Public Health:				
Miscellaneous	12,500	12,500	11,346	1,154
<b>Total Public Health</b>	<b>12,500</b>	<b>12,500</b>	<b>11,346</b>	<b>1,154</b>
Public Assistance:				
County Relief	10,150	10,150	1,752	8,398
Veteran's Service Officer	92,850	92,850	81,335	11,515
Institutions	69,356	69,356	63,773	5,583
Miscellaneous	25,100	25,100	24,449	651
<b>Total Public Assistance</b>	<b>197,456</b>	<b>197,456</b>	<b>171,309</b>	<b>26,147</b>

**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, 2018**

**EXHIBIT F  
CONCLUDED**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Total Cash Disbursements	4,189,511	4,189,511	3,534,621	654,890
Excess of Cash Receipts Over (Under) Cash Disbursements	131,695	131,695	870,447	738,752
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	710,000	710,000	500,000	(210,000)
Operating Transfers (Out)	(1,009,975)	(1,009,975)	(987,540)	22,435
Total Other Financing Sources (Uses)	(299,975)	(299,975)	(487,540)	(187,565)
Net Change in Fund Balance	(168,280)	(168,280)	382,907	551,187
Fund Balance, Beginning of Year	468,280	468,280	468,280	0
Fund Balance, End of Year	300,000	300,000	851,187	551,187

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, 2018

EXHIBIT G

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
State	1,123,591	1,123,591	1,158,500	34,909
Local	4,000	4,000	14,093	10,093
Total Cash Receipts	<u>1,127,591</u>	<u>1,127,591</u>	<u>1,172,593</u>	<u>45,002</u>
CASH DISBURSEMENTS:				
Public Works:				
Road Department	1,691,913	1,691,913	1,469,974	221,939
Total Cash Disbursements	<u>1,691,913</u>	<u>1,691,913</u>	<u>1,469,974</u>	<u>221,939</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>(564,322)</u>	<u>(564,322)</u>	<u>(297,381)</u>	<u>266,941</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	277,000	277,000	224,499	(52,501)
Operating Transfers (Out)				
Total Other Financing Sources (Uses)	<u>277,000</u>	<u>277,000</u>	<u>224,499</u>	<u>(52,501)</u>
Net Change in Fund Balance	<u>(287,322)</u>	<u>(287,322)</u>	<u>(72,882)</u>	<u>214,440</u>
Fund Balance, Beginning of Year	<u>757,691</u>	<u>757,691</u>	<u>757,691</u>	<u>0</u>
Fund Balance, End of Year	<u>470,369</u>	<u>470,369</u>	<u>684,809</u>	<u>214,440</u>

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, 2018

EXHIBIT H

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Local	70,000	70,000	133,261	63,261
Total Cash Receipts	70,000	70,000	133,261	63,261
CASH DISBURSEMENTS:				
General Government	1,080,300	1,080,300	1,137,826	(57,526)
Total Cash Disbursements	1,080,300	1,080,300	1,137,826	(57,526)
Excess of Cash Receipts Over (Under) Cash Disbursements	(1,010,300)	(1,010,300)	(1,004,565)	5,735
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	732,975	732,975	763,041	30,066
Operating Transfers (Out)				
Total Other Financing Sources (Uses)	732,975	732,975	763,041	30,066
Net Change in Fund Balance	(277,325)	(277,325)	(241,524)	35,801
Fund Balance, Beginning of Year	277,325	277,325	277,325	0
Fund Balance, End of Year	0	0	35,801	35,801

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, 2018

	Budgeted Amounts		Actual	EXHIBIT I Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Local	200,000	200,000	479,849	279,849
Total Cash Receipts	200,000	200,000	479,849	279,849
CASH DISBURSEMENTS:				
Capital Outlay				0
Total Cash Disbursements	0	0	0	0
Excess of Cash Receipts Over (Under) Cash Disbursements	200,000	200,000	479,849	279,849
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	68,696	68,696		(68,696)
Operating Transfers (Out)	(710,000)	(710,000)	(500,000)	210,000
Total Other Financing Sources (Uses)	(641,304)	(641,304)	(500,000)	141,304
Net Change in Fund Balance	(441,304)	(441,304)	(20,151)	421,153
Fund Balance, Beginning of Year	1,210,182	1,210,182	1,210,182	0
Fund Balance, End of Year	768,878	768,878	1,190,031	421,153

See Accompanying Notes to Budgetary Reporting

**RED WILLOW COUNTY, NEBRASKA**

**NOTES TO SUPPLEMENTARY INFORMATION  
BUDGETARY REPORTING**

**For the Year Ended June 30, 2018**

**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 receipts, 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 disbursements of any fund require that an additional public hearing be held. Appropriations lapse at year-end.

**NOTE 3: EXCESS OF DISBURSEMENTS OVER BUDGETED APPROPRIATIONS:**

The Self-Insurance Fund disbursements exceeded budget appropriations by \$57,526. Also, the Hillcrest Nursing Home Bond Fund disbursements exceeded budget appropriations by \$200.

RED WILLOW COUNTY, NEBRASKA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2018

SCHEDULE 1

	Special Revenue Funds (Schedule 3)	Debt Service Funds		Total Nonmajor Governmental Funds (Exhibit C)
		Jail Bond	Nursing Home Bond	
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	880,858	393,968	142,293	1,417,119
Designated Investments	60,936			60,936
Total Assets	<u>941,794</u>	<u>393,968</u>	<u>142,293</u>	<u>1,478,055</u>
<b>FUND BALANCES:</b>				
Restricted	361,150	393,968	142,293	897,411
Assigned	580,644			580,644
Total Fund Balances	<u>941,794</u>	<u>393,968</u>	<u>142,293</u>	<u>1,478,055</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, 2018**

**SCHEDULE 2**

	Special Revenue Funds (Schedule 4)	<u>Debt Service Funds</u> Jail Bond                  Nursing Home Bond		Total Nonmajor Governmental Funds (Exhibit D)
<b>CASH RECEIPTS</b>				
Property Taxes	263,421	332,312	152,543	748,276
Intergovernmental	415,128	9,836	4,396	429,360
Charges for Services	712,331			712,331
Interest	405			405
Miscellaneous	18,443			18,443
<b>Total Cash Receipts</b>	<u>1,409,728</u>	<u>342,148</u>	<u>156,939</u>	<u>1,908,815</u>
<b>CASH DISBURSEMENTS</b>				
General Government		400	400	800
Public Safety	201,533			201,533
Public Health	234,045			234,045
Culture and Recreation	721,884			721,884
Debt Service:				
Principal Retirement	215,285	225,000	110,000	550,285
Interest	5,966	104,573	36,515	147,054
<b>Total Cash Disbursements</b>	<u>1,378,713</u>	<u>329,973</u>	<u>146,915</u>	<u>1,855,601</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>31,015</u>	<u>12,175</u>	<u>10,024</u>	<u>53,214</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Component Unit	221,251			221,251
Transfers In	0			0
Transfers (Out)	0			0
<b>Total Other Financing Sources (Uses)</b>	<u>221,251</u>	<u>0</u>	<u>0</u>	<u>221,251</u>
<b>Net Change in Fund Balances</b>	252,266	12,175	10,024	274,465
Fund Balances, Beginning of Year	<u>689,528</u>	<u>381,793</u>	<u>132,269</u>	<u>1,203,590</u>
Fund Balances, End of Year	<u>941,794</u>	<u>393,968</u>	<u>142,293</u>	<u>1,478,055</u>

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

June 30, 2018

**SCHEDULE 3**

	Highway Buyback	Child Support Incentive	Visitor's Promotion	Visitor's Improvement	Fair	Fair Sinking
<b>ASSETS</b>						
Equity in Pooled Cash and Cash Equivalents Designated Investments	158,392	60,049	34,546	89,398	70,822	9,606
<b>Total Assets</b>	<b>158,392</b>	<b>60,049</b>	<b>34,546</b>	<b>89,398</b>	<b>70,822</b>	<b>9,606</b>
<b>FUND BALANCES:</b>						
Restricted Assigned	158,392	60,049	34,546	89,398	70,822	9,606
<b>Total Fund Balances</b>	<b>158,392</b>	<b>60,049</b>	<b>34,546</b>	<b>89,398</b>	<b>70,822</b>	<b>9,606</b>
	Fair Memorial	Register of Deeds P&M	Kiplinger Arena	Veteran's Aid	STOP Diversion	Drug Law Enforcement
<b>ASSETS</b>						
Equity in Pooled Cash and Cash Equivalents Designated Investments		9,879		8,886	34,478	1,053
	2,201		58,735			
<b>Total Assets</b>	<b>2,201</b>	<b>9,879</b>	<b>58,735</b>	<b>8,886</b>	<b>34,478</b>	<b>1,053</b>
<b>FUND BALANCES:</b>						
Restricted Assigned	2,201	9,879	58,735	8,886	34,478	1,053
<b>Total Fund Balances</b>	<b>2,201</b>	<b>9,879</b>	<b>58,735</b>	<b>8,886</b>	<b>34,478</b>	<b>1,053</b>
	Juvenile Services	Health Department	Waste Disposal	Total Nonmajor Special Revenue Funds (Schedule 1)		
<b>ASSETS</b>						
Equity in Pooled Cash and Cash Equivalents Designated Investments	13,157	44,452	346,140			880,858
						60,936
<b>Total Assets</b>	<b>13,157</b>	<b>44,452</b>	<b>346,140</b>			<b>941,794</b>
<b>FUND BALANCES:</b>						
Restricted Assigned	13,157	44,452	346,140			361,150
						580,644
<b>Total Fund Balances</b>	<b>13,157</b>	<b>44,452</b>	<b>346,140</b>			<b>941,794</b>

**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, 2018

**SCHEDULE 4**

	Highway Buyback	Child Support Incentive	Visitor's Promotion	Visitor's Improvement	Fair	Fair Sinking
<b>CASH RECEIPTS</b>						
Property Taxes					215,149	
Intergovernmental	103,642		70,865	70,864	6,088	
Charges for Services					225,134	3,269
Interest						
Miscellaneous			3,720	11,000		
Total Cash Receipts	<u>103,642</u>	<u>0</u>	<u>74,585</u>	<u>81,864</u>	<u>446,371</u>	<u>3,269</u>
<b>CASH DISBURSEMENTS</b>						
Public Safety						
Public Health						
Culture and Recreation			55,062	77,625	436,011	
Debt Service						
Principal Retirement						
Interest						
Total Cash Disbursements	<u>0</u>	<u>0</u>	<u>55,062</u>	<u>77,625</u>	<u>436,011</u>	<u>0</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>103,642</u>	<u>0</u>	<u>19,523</u>	<u>4,239</u>	<u>10,360</u>	<u>3,269</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Component Unit						
Transfers In						
Transfers (Out)						
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	103,642	0	19,523	4,239	10,360	3,269
Fund Balances, Beginning of Year	<u>54,750</u>	<u>60,049</u>	<u>15,023</u>	<u>85,159</u>	<u>60,462</u>	<u>6,337</u>
Fund Balances, End of Year	<u><u>158,392</u></u>	<u><u>60,049</u></u>	<u><u>34,546</u></u>	<u><u>89,398</u></u>	<u><u>70,822</u></u>	<u><u>9,606</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, 2018

**SCHEDULE 4**  
**CONTINUED**

	Fair Memorial	Register of Deeds P&M	Kipling Arena	Veteran's Aid	STOP Diversion	Drug Law Enforcement
<b>CASH RECEIPTS</b>						
Property Taxes						
Intergovernmental				56		
Charges for Services		7,651	174,175		3,480	
Interest	1		404			
Miscellaneous	2,200					
<b>Total Cash Receipts</b>	<u>2,201</u>	<u>7,651</u>	<u>174,579</u>	<u>56</u>	<u>3,480</u>	<u>0</u>
<b>CASH DISBURSEMENTS</b>						
Public Safety					333	
Public Health						
Culture and Recreation			153,186			
Debt Service						
Principal Retirement						
Interest						
<b>Total Cash Disbursements</b>	<u>0</u>	<u>0</u>	<u>153,186</u>	<u>0</u>	<u>333</u>	<u>0</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>2,201</u>	<u>7,651</u>	<u>21,393</u>	<u>56</u>	<u>3,147</u>	<u>0</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Component Unit						
Transfers In						
Transfers (Out)						
<b>Total Other Financing Sources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	<u>2,201</u>	<u>7,651</u>	<u>21,393</u>	<u>56</u>	<u>3,147</u>	<u>0</u>
Fund Balances, Beginning of Year	<u>0</u>	<u>2,228</u>	<u>37,342</u>	<u>8,830</u>	<u>31,331</u>	<u>1,053</u>
<b>Fund Balances, End of Year</b>	<u><u>2,201</u></u>	<u><u>9,879</u></u>	<u><u>58,735</u></u>	<u><u>8,886</u></u>	<u><u>34,478</u></u>	<u><u>1,053</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, 2018

	Juvenile Services	Health Department	Hillcrest Nursing Home Loan	Waste Disposal	<b>SCHEDULE 4 CONCLUDED</b>  Total Nonmajor Special Revenue Funds (Schedule 2)
<b>CASH RECEIPTS</b>					
Property Taxes		48,272			263,421
Intergovernmental		1,884		161,729	415,128
Charges for Services		166,478		132,144	712,331
Interest					405
Miscellaneous				1,523	18,443
Total Cash Receipts	0	216,634	0	295,396	1,409,728
<b>CASH DISBURSEMENTS</b>					
Public Safety				201,200	201,533
Public Health		234,045			234,045
Culture and Recreation					721,884
Debt Service					
Principal Retirement			215,285		215,285
Interest			5,966		5,966
Total Cash Disbursements	0	234,045	221,251	201,200	1,378,713
Excess of Cash Receipts Over (Under) Cash Disbursements	0	(17,411)	(221,251)	94,196	31,015
<b>OTHER FINANCING SOURCES (USES):</b>					
Component Unit			221,251		221,251
Transfers In					0
Transfers (Out)					0
Total Other Financing Sources	0	0	221,251	0	221,251
Net Change in Fund Balances	0	(17,411)	0	94,196	252,266
Fund Balances, Beginning of Year	13,157	61,863	0	251,944	689,528
Fund Balances, End of Year	13,157	44,452	0	346,140	941,794

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, 2018

SCHEDULE 5

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>HIGHWAY BUYBACK</b>				
CASH RECEIPTS	94,000	94,000	103,642	9,642
CASH DISBURSEMENTS	62,072	62,072	0	62,072
Net Change in Fund Balance	31,928	31,928	103,642	71,714
Fund Balance, Beginning of Year	54,750	54,750	54,750	
Fund Balance, End of Year	86,678	86,678	158,392	71,714
<b>CHILD SUPPORT INCENTIVE</b>				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	60,049	60,049	0	60,049
Net Change in Fund Balance	(60,049)	(60,049)	0	60,049
Fund Balance, Beginning of Year	60,049	60,049	60,049	
Fund Balance, End of Year	0	0	60,049	60,049
<b>VISITOR'S PROMOTION</b>				
CASH RECEIPTS	64,977	64,977	74,585	9,608
CASH DISBURSEMENTS	80,000	80,000	55,062	24,938
Net Change in Fund Balance	(15,023)	(15,023)	19,523	34,546
Fund Balance, Beginning of Year	15,023	15,023	15,023	
Fund Balance, End of Year	0	0	34,546	34,546
<b>VISITOR'S IMPROVEMENT</b>				
CASH RECEIPTS	74,841	74,841	81,864	7,023
CASH DISBURSEMENTS	160,000	160,000	77,625	82,375
Net Change in Fund Balance	(85,159)	(85,159)	4,239	89,398
Fund Balance, Beginning of Year	85,159	85,159	85,159	
Fund Balance, End of Year	0	0	89,398	89,398
<b>FAIR</b>				
CASH RECEIPTS	626,370	626,370	446,371	(179,999)
CASH DISBURSEMENTS	686,832	686,832	436,011	250,821
Net Change in Fund Balance	(60,462)	(60,462)	10,360	70,822
Fund Balance, Beginning of Year	60,462	60,462	60,462	
Fund Balance, End of Year	0	0	70,822	70,822

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, 2018

SCHEDULE 5  
CONTINUED

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>FAIR SINKING</b>				
CASH RECEIPTS	3,000	3,000	3,269	269
CASH DISBURSEMENTS	9,000	9,000	0	9,000
Net Change in Fund Balance	(6,000)	(6,000)	3,269	9,269
Fund Balance, Beginning of Year	6,337	6,337	6,337	
Fund Balance, End of Year	337	337	9,606	9,269
<b>FAIR MEMORIAL</b>				
CASH RECEIPTS			2,201	2,201
CASH DISBURSEMENTS			0	0
Net Change in Fund Balance	0	0	2,201	2,201
Fund Balance, Beginning of Year				
Fund Balance, End of Year	0	0	2,201	2,201
<b>REGISTER OF DEEDS P&amp;M</b>				
CASH RECEIPTS	7,000	7,000	7,651	651
CASH DISBURSEMENTS	5,000	5,000	0	5,000
Net Change in Fund Balance	2,000	2,000	7,651	5,651
Fund Balance, Beginning of Year	2,228	2,228	2,228	
Fund Balance, End of Year	4,228	4,228	9,879	5,651
<b>KIPLINGER ARENA</b>				
CASH RECEIPTS	612,655	612,655	174,579	(438,076)
CASH DISBURSEMENTS	649,997	649,997	153,186	496,811
Net Change in Fund Balance	(37,342)	(37,342)	21,393	58,735
Fund Balance, Beginning of Year	37,342	37,342	37,342	
Fund Balance, End of Year	0	0	58,735	58,735
<b>VETERAN'S AID</b>				
CASH RECEIPTS	0	0	56	56
CASH DISBURSEMENTS	8,600	8,600	0	8,600
Net Change in Fund Balance	(8,600)	(8,600)	56	8,656
Fund Balance, Beginning of Year	8,830	8,830	8,830	
Fund Balance, End of Year	230	230	8,886	8,656

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, 2018

SCHEDULE 5  
CONTINUED

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>STOP DIVERSION</b>				
CASH RECEIPTS	4,000	4,000	3,480	(520)
CASH DISBURSEMENTS	31,330	31,330	333	30,997
Net Change in Fund Balance	(27,330)	(27,330)	3,147	30,477
Fund Balance, Beginning of Year	31,331	31,331	31,331	
Fund Balance, End of Year	4,001	4,001	34,478	30,477
<b>DRUG LAW ENFORCEMENT</b>				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	1,000	1,000	0	1,000
Net Change in Fund Balance	(1,000)	(1,000)	0	1,000
Fund Balance, Beginning of Year	1,053	1,053	1,053	
Fund Balance, End of Year	53	53	1,053	1,000
<b>JUVENILE SERVICES</b>				
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
<b>HEALTH DEPARTMENT</b>				
CASH RECEIPTS	222,343	222,343	216,634	(5,709)
CASH DISBURSEMENTS	284,206	284,206	234,045	50,161
Net Change in Fund Balance	(61,863)	(61,863)	(17,411)	44,452
Fund Balance, Beginning of Year	61,863	61,863	61,863	
Fund Balance, End of Year	0	0	44,452	44,452
<b>HILLCREST NURSING HOME LOAN</b>				
CASH RECEIPTS	221,251	221,251	221,251	0
CASH DISBURSEMENTS	221,251	221,251	221,251	0
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, 2018

	Budgeted Amounts		Actual	SCHEDULE 5 CONCLUDED  Variance With Final Budget Over (Under)
	Original	Final		
	<b>WASTE DISPOSAL</b>			
CASH RECEIPTS	429,545	429,545	295,396	(134,149)
CASH DISBURSEMENTS	356,182	356,182	201,200	154,982
Net Change in Fund Balance	73,363	73,363	94,196	20,833
Fund Balance, Beginning of Year	251,944	251,944	251,944	
Fund Balance, End of Year	325,307	325,307	346,140	20,833
<b>JAIL BOND</b>				
CASH RECEIPTS	339,550	339,550	342,148	2,598
CASH DISBURSEMENTS	329,973	329,973	329,973	0
Net Change in Fund Balance	9,577	9,577	12,175	2,598
Fund Balance, Beginning of Year	381,793	381,793	381,793	
Fund Balance, End of Year	391,370	391,370	393,968	2,598
<b>HILLCREST NURSING HOME BOND</b>				
CASH RECEIPTS	151,315	151,315	156,939	5,624
CASH DISBURSEMENTS	146,715	146,715	146,915	(200)
Net Change in Fund Balance	4,600	4,600	10,024	5,424
Fund Balance, Beginning of Year	132,040	132,040	132,269	229
Fund Balance, End of Year	136,640	136,640	142,293	5,653

**RED WILLOW COUNTY, NEBRASKA**

**SCHEDULE OF OFFICE ACTIVITIES**

**For The Year Ended June 30, 2018**

**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, 2017	24,805	104,259	9,351	360	3,762	7,680	62,078	45,824	258,119
Receipts									
Licenses and Permits	3,099	4,525	10,455						18,079
Charges for Services	83,232	17,604	46,273	4,110		170,563		96,679	418,461
Miscellaneous	69	47			2				118
State Fees	90,486	18,402							108,888
Other Liabilities	13,650	190,840	75,363			10	462,901		742,764
Total Receipts	190,536	231,418	132,091	4,110	2	170,573	462,901	96,679	1,288,310
Disbursements									
Payments to County Treasurer	88,805	19,940	52,922	4,120		166,477		132,144	464,408
Payments to State Treasurer	93,923	18,515							112,438
Other Liabilities	12,960	201,903	73,333		133	4	447,677		736,010
Total Disbursements	195,688	240,358	126,255	4,120	133	166,481	447,677	132,144	1,312,856
Balance June 30, 2018	19,653	95,319	15,187	350	3,631	11,772	77,302	10,359	233,573
BALANCE CONSISTS OF:									
Due to County Treasurer	11,581	3,366	9,979	350		11,522	32,302	10,359	79,459
Due to State Treasurer	5,793	1,185							6,978
Petty Cash	150	150	1,500		3,631	250	45,000		50,681
Due to Others	2,129	90,618	3,708						96,455
Balance June 30, 2018	19,653	95,319	15,187	350	3,631	11,772	77,302	10,359	233,573

**DONALD D. WILSON**  
**Certified Public Accountant**

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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, 2018, 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 26, 2018. 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**

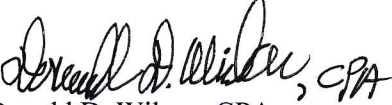
As part of obtaining reasonable assurance about whether Red Willow County, Nebraska financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of finding as item 2018-001.

**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 response was received for the finding identified in the accompanying schedule of finding.

**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 26, 2018

**RED WILLOW COUNTY, NEBRASKA**

**SCHEDULE OF FINDING**

**YEAR ENDED JUNE 30, 2018**

**COUNTY BOARD:**

2018-001      Over-Expended Budgets:

State Statute §23-916 states in part, that after the adoption of the county budget, no officer or department shall expend any funds which involves the expenditure of money not provided for in the budget.

During the June 30, 2018 fiscal year, the Self Insurance Fund disbursements exceeded the budget by \$57,526. Also, the Hillcrest Nursing Home Bond disbursements exceeded the budget by \$200.

When disbursements are made in excess of amounts budgeted, the County is not in compliance with the State Statute quoted above.

I recommend the County Board monitor closely its budget status to avoid funds from incurring disbursements in excess of amounts budgeted.