

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDIT REPORTS THEREON  
RED WILLOW COUNTY, NEBRASKA**

**Year Ended June 30, 2020**

**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 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, 2020, 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, 2020, 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 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, 2020, and the respective changes in the cash 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 16, 2020 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 16, 2020

RED WILLOW COUNTY, NEBRASKA

STATEMENT OF NET POSITION - CASH BASIS

June 30, 2020

**EXHIBIT A**

	<u>PRIMARY GOVERNMENT</u>
	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Equity in Pooled Cash and Cash Equivalents	3,989,558
Designated Investments	<u>49,173</u>
Total Assets	<u>4,038,731</u>
<b>NET POSITION</b>	
Restricted for:	
Jail Bond	414,465
Nursing Home Bond	150,217
Bridge/Road Projects	97,618
Visitor's Promotion	119,803
Veteran's Aid	8,996
Child Support	78,484
Register of Deeds	24,347
Unrestricted	<u>3,144,801</u>
<b>TOTAL NET POSITION</b>	<b><u>4,038,731</u></b>

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, 2020

**Exhibit B**

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets Governmental Activities
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	3,172,344	371,986	104,518	(2,695,840)
Public Safety	1,725,889	93,827	105,265	(1,526,797)
Public Works	1,566,284	9,618		(1,556,666)
Public Health	246,804	185,956		(60,848)
Public Assistance	160,848	24,709		(136,139)
Culture and Recreation	720,029	347,974		(372,055)
Debt Service	474,163			(474,163)
<b>Total Governmental Activities</b>	<b>8,066,361</b>	<b>1,034,070</b>	<b>209,783</b>	<b>(6,822,508)</b>
<b>General Receipts:</b>				
Taxes:				
Property taxes, levied for general purposes				3,304,468
Property taxes, levied for public health				78,277
Property taxes, levied for culture and recreation				198,792
Property taxes, levied for debt service				476,696
Motor Vehicle Tax				445,396
Intergovernmental				1,715,552
Inheritance Tax				224,781
Interest				50,614
Miscellaneous				137,334
<b>Total General Receipts</b>				<b>6,631,910</b>
<b>Changes in Net Position</b>				<b>(190,598)</b>
<b>Net position - Beginning of Year</b>				<b>4,229,329</b>
<b>Net position - End of Year</b>				<b>4,038,731</b>

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, 2020

EXHIBIT C

	General	Road	Self Insurance	Inheritance Tax	Jail Bond	Other Governmental Funds	Total
<b>ASSETS</b>							
Equity in Pooled Cash and Cash Equivalents	567,069	1,010,045	263,248	731,817	414,465	1,002,914	3,989,558
Designated Investments						49,173	49,173
Total Assets	<u>567,069</u>	<u>1,010,045</u>	<u>263,248</u>	<u>731,817</u>	<u>414,465</u>	<u>1,052,087</u>	<u>4,038,731</u>
<b>FUND BALANCES:</b>							
Restricted					414,465	479,465	893,930
Assigned		1,010,045	263,248	731,817		572,622	2,577,732
Unassigned	<u>567,069</u>						<u>567,069</u>
Total Fund Balances	<u>567,069</u>	<u>1,010,045</u>	<u>263,248</u>	<u>731,817</u>	<u>414,465</u>	<u>1,052,087</u>	<u>4,038,731</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, 2020

EXHIBIT D

	Special Revenue			Debt Service Jail Bond	NonMajor Governmental Funds	Total Governmental Total
	General	Road	Self Insurance			
<b>CASH RECEIPTS</b>						
Property Taxes	3,304,468				331,750	422,015
Motor Vehicle Tax	445,396					445,396
Federal Grants	127,176				0	127,176
Intergovernmental	119,752	1,352,219			8,302	317,886
Inheritance Tax				224,781		224,781
Charges for Services	452,244	9,618				572,208
Interest	49,576					1,038
Miscellaneous	15,064	11,168	87,434		3,896	19,772
Total Cash Receipts	4,513,676	1,373,005	87,434	224,781	343,948	1,332,919
						7,875,763
<b>CASH DISBURSEMENTS</b>						
General Government	1,870,836		1,300,618		400	490
Public Safety	1,581,189					144,700
Public Works	24,142	1,376,426				165,716
Public Health	1,899					244,905
Public Assistance	160,848					160,848
Culture and Recreation						720,029
Debt Service						720,029
Principal Retirement					230,000	110,000
Interest					99,475	34,688
Total Cash Disbursements	3,638,914	1,376,426	1,300,618	0	329,875	1,420,528
						8,066,361
Excess of Cash Receipts Over (Under) Cash Disbursements	874,762	(3,421)	(1,213,184)	224,781	14,073	(87,609)
						(190,598)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	500,000	306,490	1,075,346		71,750	1,953,586
Transfers (Out)	(1,393,586)			(500,000)		(60,000)
Total Other Financing Sources (Uses)	(893,586)	306,490	1,075,346	(500,000)	0	11,750
Net Change in Fund Balances	(18,824)	303,069	(137,838)	(275,219)	14,073	(75,859)
Fund Balances, Beginning of Year	585,893	706,976	401,086	1,007,036	400,392	1,127,946
Fund Balances, End of Year	567,069	1,010,045	263,248	731,817	414,465	1,052,087
						4,038,731

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**

**CUSTODIAL FUNDS**

**Year Ended June 30, 2020**

**EXHIBIT E**

	Balance July 1, 2019	Receipts	Disbursements	Balance June 30, 2020
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	581,042	21,238,473	21,078,070	741,445
Designated Investments	<u>61,878</u>	<u>219</u>	<u>62,097</u>	<u>0</u>
Total Assets	<u>642,920</u>	<u>21,238,692</u>	<u>21,140,167</u>	<u>741,445</u>
<b>LIABILITIES</b>				
State	214,799	2,560,622	2,424,667	350,754
Schools	242,534	13,678,363	13,663,066	257,831
Educational Service Unit	2,960	190,641	190,593	3,008
Community College	14,613	941,486	941,240	14,859
Natural Resource District	10,485	986,595	982,117	14,963
Fire Districts	3,524	411,576	410,707	4,393
Cemetery Districts	3,134	7,533	6,587	4,080
Municipalities	53,012	1,871,732	1,875,190	49,554
Historical Society	1,452	20,613	18,901	3,164
Nursing Home Operating	119	0	0	119
Partial Payments	0	3,249	3,249	0
Unclaimed Property	1,040	2,113	208	2,945
Tentative Inheritance Tax	33,370	12,990	11,444	34,916
Redemptions	0	204,179	204,179	0
Tax Increment Financing	0	346,781	345,922	859
Inheritance Trust Funds	<u>61,878</u>	<u>219</u>	<u>62,097</u>	<u>0</u>
Total Liabilities	<u>642,920</u>	<u>21,238,692</u>	<u>21,140,167</u>	<u>741,445</u>
<b>NET POSITION</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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, 2020**

#### **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, 2020

#### 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.

###### Jail Bond (Debt Service):

This fund accounts for property taxes designated for the payment of long-term debt principal and interest costs associated with bonds issued for the purpose of a new Jail Building.

**RED WILLOW COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**For the Year Ended June 30, 2020**

**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 custodial funds. The custodial 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, 2020

#### 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 2019 for 2019 taxes which will be materially collected in May and September 2020, was set at \$.320068/\$100 of assessed valuation. Assessed valuation for Red Willow County for the 2019 tax levy was \$1,267,891,114.

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, 2020

#### 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, 2020 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, 2020 is as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
Road	General	306,490
Self-Insurance	General	1,075,346
Child Support Incentive	General	11,750
General	Inheritance Tax	500,000
Visitors Promotion	Visitors Improvement	60,000

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 Inheritance Tax, and Visitors Improvement, 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, 2020, 2019, and 2018 were \$188,225, \$183,241, and \$181,143 respectively. Prior service benefit paid was \$108 for each of the three fiscal years.

**RED WILLOW COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENT - CONTINUED**  
**For the Year Ended June 30, 2020**

**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, 2020:

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020
<b>Bonds:</b>				
Jail Bond Series 2020	3,780,000	60,000	230,000	3,610,000
Hillcrest Series 2016	<u>1,605,000</u>	_____	110,000	1,495,000
<b>Total</b>	<b><u>5,385,000</u></b>	<b><u>60,000</u></b>	<b><u>340,000</u></b>	<b><u>5,105,000</u></b>

A summary of the annual requirements to service the bonds as of June 30, 2020, is as follows:

Year Ended	Jail Bond			Hillcrest Nursing Home Bond		
	Principal	Interest	Total	Principal	Interest	Total
June 30, 2021	285,000	47,049	322,049	110,000	33,560	143,560
June 30, 2022	285,000	45,794	330,794	115,000	32,236	147,236
June 30, 2023	285,000	43,015	328,015	115,000	30,684	145,684
June 30, 2024	290,000	39,995	329,995	115,000	28,930	143,930
June 30, 2025	295,000	36,630	331,630	120,000	26,990	146,990
Years 2026-2030	<u>1,525,000</u>	<u>120,788</u>	<u>1,645,788</u>	<u>645,000</u>	<u>96,506</u>	<u>741,506</u>
Years 2031-2032	<u>645,000</u>	<u>12,142</u>	<u>657,142</u>	<u>275,000</u>	<u>10,406</u>	<u>285,406</u>
<b>Total</b>	<b><u>3,610,000</u></b>	<b><u>345,413</u></b>	<b><u>3,945,413</u></b>	<b><u>1,495,000</u></b>	<b><u>259,312</u></b>	<b><u>1,754,312</u></b>

**Jail Building Bond**

Due serially in annual principal payments of \$285,000 to \$325,000, plus interest at .9% to 1.9%. Final payment is due December 15, 2031. These are General Obligation Refunding Bonds issued June 25, 2020 in the amount of \$3,610,000 for the construction of a new jail. Bonds maturing on and after June 25, 2025, 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, 2020**

**NOTE 6: LOAN PAYABLE COMMITMENT:**

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

	Balance		Balance
	July 1, 2019	Additions	Retirements
	<u>37,803</u>	<u> </u>	<u>12,150</u>
County Fair			<u>25,653</u>

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

Year Ended	County Fair		
	Principal	Interest	Total
June 30, 2021	12,617	898	13,515
June 30, 2022	13,036	478	13,514
Total	<u>25,653</u>	<u>1,376</u>	<u>27,029</u>

**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, 2020.

**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 - CONCLUDED For the Year Ended June 30, 2020

#### 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 \$61,404 toward the operation of Region II during fiscal year 2020. 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, 2020, 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 Fidelity Security 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	\$ 40,000
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, 2020**

**EXHIBIT F**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
<b>CASH RECEIPTS:</b>				
Taxes	3,708,947	3,708,947	3,749,864	40,917
Federal	93,374	93,374	127,176	33,802
State	43,000	43,000	49,002	6,002
Local	534,691	534,691	587,634	52,943
<b>Total Cash Receipts</b>	<b>4,380,012</b>	<b>4,380,012</b>	<b>4,513,676</b>	<b>133,664</b>
<b>CASH DISBURSEMENTS:</b>				
General Government:				
Board of Commissioners	88,900	88,900	82,011	6,889
Clerk	206,940	206,940	186,342	20,598
Treasurer	292,178	292,178	274,857	17,321
Assessor	258,509	258,509	229,593	28,916
Election Commissioner	40,950	40,950	17,696	23,254
Planning and Zoning	18,100	18,100	8,195	9,905
Clerk of the District Court	118,183	118,183	104,261	13,922
County Court System	24,000	24,000	20,456	3,544
District Judge	9,250	9,250	3,439	5,811
Building and Grounds	191,974	191,974	167,266	24,708
Extension Office	134,971	134,971	129,621	5,350
Employment Security	7,500	7,500		7,500
Miscellaneous	983,224	983,224	647,099	336,125
<b>Total General Government</b>	<b>2,374,679</b>	<b>2,374,679</b>	<b>1,870,836</b>	<b>503,843</b>
Public Safety:				
Sheriff	515,067	515,067	471,376	43,691
Attorney	191,067	191,067	184,048	7,019
Jail	880,842	880,842	777,521	103,321
Probation Officer	14,317	14,317	14,317	0
Juvenile Detention	12,000	12,000	2,772	9,228
Emergency Management	61,435	61,435	41,816	19,619
Miscellaneous	111,500	111,500	89,339	22,161
<b>Total Public Safety</b>	<b>1,786,228</b>	<b>1,786,228</b>	<b>1,581,189</b>	<b>205,039</b>
Public Works:				
Surveyor	16,000	16,000	1,530	14,470
Noxious Weed Control	40,075	40,075	22,612	17,463
<b>Total Public Works</b>	<b>56,075</b>	<b>56,075</b>	<b>24,142</b>	<b>31,933</b>
Public Health:				
Miscellaneous	7,500	7,500	1,899	5,601
<b>Total Public Health</b>	<b>7,500</b>	<b>7,500</b>	<b>1,899</b>	<b>5,601</b>
Public Assistance:				
County Relief	5,650	5,650		5,650
Veteran's Service Officer	96,263	96,263	74,206	22,057
Institutions	71,410	71,410	68,546	2,864
Miscellaneous	26,100	26,100	18,096	8,004
<b>Total Public Assistance</b>	<b>199,423</b>	<b>199,423</b>	<b>160,848</b>	<b>38,575</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, 2020

**EXHIBIT F  
CONCLUDED**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
Total Cash Disbursements	4,423,905	4,423,905	3,638,914	784,991
Excess of Cash Receipts Over (Under) Cash Disbursements	(43,893)	(43,893)	874,762	918,655
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	500,000	500,000	500,000	0
Operating Transfers (Out)	(742,000)	(742,000)	(1,393,586)	(651,586)
Total Other Financing Sources (Uses)	(242,000)	(242,000)	(893,586)	(651,586)
Net Change in Fund Balance	(285,893)	(285,893)	(18,824)	267,069
Fund Balance, Beginning of Year	585,893	585,893	585,893	0
Fund Balance, End of Year	<u>300,000</u>	<u>300,000</u>	<u>567,069</u>	<u>267,069</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  
ROAD FUND**

**For the Year Ended June 30, 2020**

**EXHIBIT G**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
<b>CASH RECEIPTS:</b>				
State	1,298,903	1,298,903	1,351,924	53,021
Local	15,895	15,895	21,081	5,186
Total Cash Receipts	<u>1,314,798</u>	<u>1,314,798</u>	<u>1,373,005</u>	<u>58,207</u>
<b>CASH DISBURSEMENTS:</b>				
Public Works:				
Road Department	<u>1,649,550</u>	<u>1,649,550</u>	<u>1,376,426</u>	<u>273,124</u>
Total Cash Disbursements	<u>1,649,550</u>	<u>1,649,550</u>	<u>1,376,426</u>	<u>273,124</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>(334,752)</u>	<u>(334,752)</u>	<u>(3,421)</u>	<u>331,331</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	325,000	325,000	306,490	(18,510)
Operating Transfers (Out)				
Total Other Financing Sources (Uses)	<u>325,000</u>	<u>325,000</u>	<u>306,490</u>	<u>(18,510)</u>
Net Change in Fund Balance	(9,752)	(9,752)	303,069	312,821
Fund Balance, Beginning of Year	<u>682,232</u>	<u>682,232</u>	<u>706,976</u>	<u>24,744</u>
Fund Balance, End of Year	<u>672,480</u>	<u>672,480</u>	<u>1,010,045</u>	<u>337,565</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, 2020**

**EXHIBIT H**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
<b>CASH RECEIPTS:</b>				
Local	75,000	75,000	87,434	12,434
Total Cash Receipts	75,000	75,000	87,434	<u>12,434</u>
<b>CASH DISBURSEMENTS:</b>				
General Government	1,134,310	1,134,310	1,300,618	(166,308)
Total Cash Disbursements	1,134,310	1,134,310	1,300,618	<u>(166,308)</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	(1,059,310)	(1,059,310)	(1,213,184)	(153,874)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	658,224	658,224	1,075,346	417,122
Operating Transfers (Out)				
Total Other Financing Sources (Uses)	658,224	658,224	1,075,346	417,122
Net Change in Fund Balance	(401,086)	(401,086)	(137,838)	263,248
Fund Balance, Beginning of Year	401,086	401,086	401,086	0
Fund Balance, End of Year	<u>0</u>	<u>0</u>	<u>263,248</u>	<u>263,248</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  
INHERITANCE TAX**

**For the Year Ended June 30, 2020**

**EXHIBIT I**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
<b>CASH RECEIPTS:</b>				
Local	200,000	200,000	224,781	24,781
Total Cash Receipts	200,000	200,000	224,781	24,781
<b>CASH DISBURSEMENTS:</b>				
Capital Outlay				0
Total Cash Disbursements	0	0	0	0
Excess of Cash Receipts Over (Under) Cash Disbursements	200,000	200,000	224,781	24,781
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	33,370	33,370		(33,370)
Operating Transfers (Out)	(500,000)	(500,000)	(500,000)	0
Total Other Financing Sources (Uses)	(466,630)	(466,630)	(500,000)	(33,370)
Net Change in Fund Balance	(266,630)	(266,630)	(275,219)	(8,589)
Fund Balance, Beginning of Year	1,007,036	1,007,036	1,007,036	0
Fund Balance, End of Year	<u>740,406</u>	<u>740,406</u>	<u>731,817</u>	<u>(8,589)</u>

See Accompanying Notes to Budgetary Reporting

**RED WILLOW COUNTY, NEBRASKA**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**BUDGETARY REPORTING**

**For the Year Ended June 30, 2020**

**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 \$166,308.

RED WILLOW COUNTY, NEBRASKA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2020

**SCHEDULE 1**

	Special Revenue Funds (Schedule 3)	Nursing Home Bond	Total Nonmajor Governmental Funds (Exhibit C)
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	852,697	150,217	1,002,914
Designated Investments	<u>49,173</u>	<u>        </u>	<u>49,173</u>
Total Assets	<u><u>901,870</u></u>	<u><u>150,217</u></u>	<u><u>1,052,087</u></u>
<b>FUND BALANCES:</b>			
Restricted	329,248	150,217	479,465
Assigned	<u>572,622</u>	<u>        </u>	<u>572,622</u>
Total Fund Balances	<u><u>901,870</u></u>	<u><u>150,217</u></u>	<u><u>1,052,087</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, 2020**

**SCHEDULE 2**

	Special Revenue Funds (Schedule 4)	Debt Service Fund Nursing Home Bond	Total Nonmajor Governmental Funds (Exhibit D)
<b>CASH RECEIPTS</b>			
Property Taxes	277,069	144,946	422,015
Federal Grants	0	0	0
Intergovernmental	314,238	3,648	317,886
Charges for Services	572,208		572,208
Interest	1,038		1,038
Miscellaneous	<u>19,772</u>		<u>19,772</u>
Total Cash Receipts	<u>1,184,325</u>	<u>148,594</u>	<u>1,332,919</u>
<b>CASH DISBURSEMENTS</b>			
General Government	90	400	490
Public Safety	144,700		144,700
Public Works	165,716		165,716
Public Health	244,905		244,905
Culture and Recreation	720,029		720,029
Debt Service:			
Principal Retirement		110,000	110,000
Interest		<u>34,688</u>	<u>34,688</u>
Total Cash Disbursements	<u>1,275,440</u>	<u>145,088</u>	<u>1,420,528</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>(91,115)</u>	<u>3,506</u>	<u>(87,609)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	71,750		71,750
Transfers (Out)	<u>(60,000)</u>		<u>(60,000)</u>
Total Other Financing Sources (Uses)	<u>11,750</u>	<u>0</u>	<u>11,750</u>
Net Change in Fund Balances	(79,365)	3,506	(75,859)
Fund Balances, Beginning of Year	981,235	146,711	1,127,946
Fund Balances, End of Year	<u>901,870</u>	<u>150,217</u>	<u>1,052,087</u>

RED WILLOW COUNTY, NEBRASKA

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2020

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	97,618	78,484	47,296	72,507	33,278	19,477
Designated Investments						
Total Assets	<u>97,618</u>	<u>78,484</u>	<u>47,296</u>	<u>72,507</u>	<u>33,278</u>	<u>19,477</u>
<b>FUND BALANCES:</b>						
Restricted Assigned	97,618	78,484	47,296	72,507	33,278	19,477
Total Fund Balances	<u>97,618</u>	<u>78,484</u>	<u>47,296</u>	<u>72,507</u>	<u>33,278</u>	<u>19,477</u>
	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		24,347		8,996	37,181	1,053
Designated Investments	<u>3,414</u>		<u>45,759</u>			
Total Assets	<u>3,414</u>	<u>24,347</u>	<u>45,759</u>	<u>8,996</u>	<u>37,181</u>	<u>1,053</u>
<b>FUND BALANCES:</b>						
Restricted Assigned	<u>3,414</u>	<u>24,347</u>	<u>45,759</u>	<u>8,996</u>	<u>37,181</u>	<u>1,053</u>
Total Fund Balances	<u>3,414</u>	<u>24,347</u>	<u>45,759</u>	<u>8,996</u>	<u>37,181</u>	<u>1,053</u>
	K-9 Fund	Juvenile Services	Health Department	Waste Disposal	Total Nonmajor Special Revenue Funds (Schedule 1)	
<b>ASSETS</b>						
Equity in Pooled Cash and Cash Equivalents	3,542	13,157	94,643	321,118		852,697
Designated Investments						<u>49,173</u>
Total Assets	<u>3,542</u>	<u>13,157</u>	<u>94,643</u>	<u>321,118</u>		<u>901,870</u>
<b>FUND BALANCES:</b>						
Restricted Assigned	<u>3,542</u>	<u>13,157</u>	<u>94,643</u>	<u>321,118</u>		329,248 572,622
Total Fund Balances	<u>3,542</u>	<u>13,157</u>	<u>94,643</u>	<u>321,118</u>		<u>901,870</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, 2020

SCHEDULE 4

	Highway Buyback	Child Support Incentive	Visitor's Promotion	Visitor's Improvement	Fair	Fair Sinking
<b>CASH RECEIPTS</b>						
Property Taxes					198,792	
Federal Grants						
Intergovernmental	104,881		59,872	59,871	5,072	
Charges for Services					191,654	6,076
Interest						
Miscellaneous			7,390	10,500		
Total Cash Receipts	104,881	0	67,262	70,371	395,518	6,076
<b>CASH DISBURSEMENTS</b>						
General Government						
Public Safety						
Public Works	165,716					
Public Health						
Culture and Recreation			112,030	15,410	417,929	
Total Cash Disbursements	165,716	0	112,030	15,410	417,929	0
Excess of Cash Receipts Over (Under) Cash Disbursements	(60,835)	0	(44,768)	54,961	(22,411)	6,076
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In		11,750	60,000			
Transfers (Out)				(60,000)		
Total Other Financing Sources	0	11,750	60,000	(60,000)	0	0
Net Change in Fund Balances	(60,835)	11,750	15,232	(5,039)	(22,411)	6,076
Fund Balances, Beginning of Year	158,453	66,734	32,064	77,546	55,689	13,401
Fund Balances, End of Year	97,618	78,484	47,296	72,507	33,278	19,477

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, 2020

**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						
Federal Grants						
Intergovernmental						
Charges for Services					55	
Interest	24	7,670	150,244			2,100
Miscellaneous	1,500		1,014			
			23			
Total Cash Receipts	1,524	7,670	151,281	55	2,100	0
<b>CASH DISBURSEMENTS</b>						
General Government			90			
Public Safety						1,437
Public Works						
Public Health						
Culture and Recreation	1,757		172,903			
Total Cash Disbursements	1,757	90	172,903	0	1,437	0
Excess of Cash Receipts Over (Under) Cash Disbursements	(233)	7,580	(21,622)	55	663	0
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In						
Transfers (Out)						
Total Other Financing Sources	0	0	0	0	0	0
Net Change in Fund Balances	(233)	7,580	(21,622)	55	663	0
Fund Balances, Beginning of Year	3,647	16,767	67,381	8,941	36,518	1,053
Fund Balances, End of Year	3,414	24,347	45,759	8,996	37,181	1,053

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, 2020

**SCHEDULE 4  
CONCLUDED**

	K-9 Fund	Juvenile Services	Health Department	Waste Disposal	Total Nonmajor Special Revenue Funds (Schedule 2)
<b>CASH RECEIPTS</b>					
Property Taxes			78,277		277,069
Federal Grants					0
Intergovernmental			1,880	82,607	314,238
Charges for Services			185,956	28,508	572,208
Interest					1,038
Miscellaneous	359				19,772
Total Cash Receipts	359	0	266,113	111,115	1,184,325
<b>CASH DISBURSEMENTS</b>					
General Government					90
Public Safety	328			142,935	144,700
Public Works					165,716
Public Health			244,905		244,905
Culture and Recreation					720,029
Total Cash Disbursements	328	0	244,905	142,935	1,275,440
Excess of Cash Receipts Over (Under) Cash Disbursements	31	0	21,208	(31,820)	(91,115)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In					71,750
Transfers (Out)					(60,000)
Total Other Financing Sources	0	0	0	0	11,750
Net Change in Fund Balances	31	0	21,208	(31,820)	(79,365)
Fund Balances, Beginning of Year	3,511	13,157	73,435	352,938	981,235
Fund Balances, End of Year	<u>3,542</u>	<u>13,157</u>	<u>94,643</u>	<u>321,118</u>	<u>901,870</u>

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, 2020

**SCHEDULE 5**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
<b>HIGHWAY BUYBACK</b>				
CASH RECEIPTS	104,882	104,882	104,881	(1)
CASH DISBURSEMENTS	180,000	180,000	165,716	14,284
Net Change in Fund Balance Fund Balance, Beginning of Year	(75,118) 183,197	(75,118) 183,197	(60,835) 158,453	14,283 (24,744)
Fund Balance, End of Year	108,079	108,079	97,618	(10,461)
<b>CHILD SUPPORT INCENTIVE</b>				
CASH RECEIPTS	0	0	11,750	11,750
CASH DISBURSEMENTS	66,734	66,734	0	66,734
Net Change in Fund Balance Fund Balance, Beginning of Year	(66,734) 66,734	(66,734) 66,734	11,750 66,734	78,484
Fund Balance, End of Year	0	0	78,484	78,484
<b>VISITOR'S PROMOTION</b>				
CASH RECEIPTS	62,936	62,936	67,262	4,326
CASH DISBURSEMENTS	155,000	155,000	112,030	42,970
OTHER FINANCING SOURCES:				
Operating Transfers In	60,000	60,000	60,000	0
Net Change in Fund Balance Fund Balance, Beginning of Year	(32,064) 32,064	(32,064) 32,064	15,232 32,064	47,296 0
Fund Balance, End of Year	0	0	47,296	47,296
<b>VISITOR'S IMPROVEMENT</b>				
CASH RECEIPTS	73,454	73,454	70,371	(3,083)
CASH DISBURSEMENTS	91,000	91,000	15,410	75,590
OTHER FINANCING (USES):				
Operating Transfers (Out)	(60,000)	(60,000)	(60,000)	0
Net Change in Fund Balance Fund Balance, Beginning of Year	(77,546) 77,546	(77,546) 77,546	(5,039) 77,546	72,507 0
Fund Balance, End of Year	0	0	72,507	72,507
<b>FAIR</b>				
CASH RECEIPTS	655,156	655,156	395,518	(259,638)
CASH DISBURSEMENTS	710,059	710,059	417,929	292,130
Net Change in Fund Balance Fund Balance, Beginning of Year	(54,903) 55,689	(54,903) 55,689	(22,411) 55,689	32,492
Fund Balance, End of Year	786	786	33,278	32,492

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, 2020

**SCHEDULE 5  
CONTINUED**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
<b>FAIR SINKING</b>				
CASH RECEIPTS	3,099	3,099	6,076	<u>2,977</u>
CASH DISBURSEMENTS	16,500	16,500	0	<u>16,500</u>
Net Change in Fund Balance Fund Balance, Beginning of Year	(13,401) 13,401	(13,401) 13,401	6,076 13,401	<u>19,477</u>
Fund Balance, End of Year	0	0	<u>19,477</u>	<u>19,477</u>
<b>FAIR MEMORIAL</b>				
CASH RECEIPTS	96,353	96,353	1,524	<u>(94,829)</u>
CASH DISBURSEMENTS	100,000	100,000	1,757	<u>98,243</u>
Net Change in Fund Balance Fund Balance, Beginning of Year	(3,647) 3,647	(3,647) 3,647	(233) 3,647	<u>3,414</u>
Fund Balance, End of Year	0	0	<u>3,414</u>	<u>3,414</u>
<b>REGISTER OF DEEDS P&amp;M</b>				
CASH RECEIPTS	6,500	6,500	7,670	<u>1,170</u>
CASH DISBURSEMENTS	5,000	5,000	90	<u>4,910</u>
Net Change in Fund Balance Fund Balance, Beginning of Year	1,500 16,767	1,500 16,767	7,580 16,767	<u>6,080</u>
Fund Balance, End of Year	<u>18,267</u>	<u>18,267</u>	<u>24,347</u>	<u>6,080</u>
<b>KIPLINGER ARENA</b>				
CASH RECEIPTS	621,720	621,720	151,281	<u>(470,439)</u>
CASH DISBURSEMENTS	689,101	689,101	172,903	<u>516,198</u>
Net Change in Fund Balance Fund Balance, Beginning of Year	(67,381) 67,381	(67,381) 67,381	(21,622) 67,381	<u>45,759</u>
Fund Balance, End of Year	0	0	<u>45,759</u>	<u>45,759</u>
<b>VETERAN'S AID</b>				
CASH RECEIPTS	55	55	55	0
CASH DISBURSEMENTS	8,600	8,600	0	<u>8,600</u>
Net Change in Fund Balance Fund Balance, Beginning of Year	(8,545) 8,941	(8,545) 8,941	55 8,941	<u>8,600</u>
Fund Balance, End of Year	<u>396</u>	<u>396</u>	<u>8,996</u>	<u>8,600</u>

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, 2020

**SCHEDULE 5  
CONTINUED**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>STOP DIVERSION</b>				
CASH RECEIPTS	2,000	2,000	2,100	100
CASH DISBURSEMENTS	36,518	36,518	1,437	35,081
Net Change in Fund Balance Fund Balance, Beginning of Year	(34,518) 36,518	(34,518) 36,518	663 36,518	35,181
Fund Balance, End of Year	2,000	2,000	37,181	35,181
<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 Fund Balance, Beginning of Year	(1,000) 1,053	(1,000) 1,053	0 1,053	1,000
Fund Balance, End of Year	53	53	1,053	1,000
<b>K-9 FUND</b>				
CASH RECEIPTS	1,000	1,000	359	(641)
CASH DISBURSEMENTS	3,510	3,510	328	3,182
Net Change in Fund Balance Fund Balance, Beginning of Year	(2,510) 3,511	(2,510) 3,511	31 3,511	2,541
Fund Balance, End of Year	1,001	1,001	3,542	2,541
<b>JUVENILE SERVICES</b>				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	13,157	13,157	0	13,157
Net Change in Fund Balance Fund Balance, Beginning of Year	(13,157) 13,157	(13,157) 13,157	0 13,157	13,157
Fund Balance, End of Year	0	0	13,157	13,157
<b>HEALTH DEPARTMENT</b>				
CASH RECEIPTS	231,332	231,332	266,113	34,781
CASH DISBURSEMENTS	304,767	304,767	244,905	59,862
Net Change in Fund Balance Fund Balance, Beginning of Year	(73,435) 73,435	(73,435) 73,435	21,208 73,435	94,643
Fund Balance, End of Year	0	0	94,643	94,643

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, 2020

**SCHEDULE 5  
CONCLUDED**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>WASTE DISPOSAL</b>				
CASH RECEIPTS	412,000	412,000	111,115	(300,885)
CASH DISBURSEMENTS	379,085	379,085	142,935	236,150
Net Change in Fund Balance	32,915	32,915	(31,820)	(64,735)
Fund Balance, Beginning of Year	352,938	352,938	352,938	
Fund Balance, End of Year	385,853	385,853	321,118	(64,735)
<b>HILLCREST NURSING HOME BOND</b>				
CASH RECEIPTS	149,341	149,341	148,594	(747)
CASH DISBURSEMENTS	145,088	145,088	145,088	0
Net Change in Fund Balance	4,253	4,253	3,506	(747)
Fund Balance, Beginning of Year	146,711	146,711	146,711	
Fund Balance, End of Year	150,964	150,964	150,217	(747)

**RED WILLOW COUNTY, NEBRASKA**

**SCHEDULE OF OFFICE ACTIVITIES**

**For The Year Ended June 30, 2020**

**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, 2019	17,607	173,716	6,089	370	3,673	15,403	89,049	7,521	313,428
<b>Receipts</b>									
Licenses and Permits	2,391	7,455	9,895						19,741
Charges for Services	84,468	12,281	42,759	2,650		174,679	277,158	53,312	647,307
Miscellaneous	70	95			2				167
State Fees	91,561	17,759							109,320
Other Liabilities	12,297	1,237,168	112,813		200		97,922		1,460,400
Total Receipts	190,787	1,274,758	165,467	2,650	202	174,679	375,080	53,312	2,236,935
<b>Disbursements</b>									
Payments to County Treasurer	84,114	22,631	52,980	2,720		185,956	298,229	28,348	674,978
Payments to State Treasurer	89,995	17,492					96,722		107,487
Other Liabilities	11,852	386,469	113,936		15				608,994
Total Disbursements	185,961	426,592	166,916	2,720	15	185,956	394,951	28,348	1,391,459
Balance June 30, 2020	22,433	1,021,882	4,640	300	3,860	4,126	69,178	32,485	1,158,904
<b>BALANCE CONSISTS OF:</b>									
Due to County Treasurer	13,655	1,708	4,169	300		3,876	24,438	32,485	80,631
Due to State Treasurer	6,657	2,205							8,862
Petty Cash	150	150	1,500		3,860	250	43,800		49,710
Due to Others	1,971	1,017,819	(1,029)				940		1,019,701
Balance June 30, 2020	22,433	1,021,882	4,640	300	3,860	4,126	69,178	32,485	1,158,904

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

*Member American Institute Certified Public Accountants*

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INDEPENDENT AUDITOR 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, 2020, 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 16, 2020. 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 of the financial statements, I considered Red Willow County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Red Willow County's internal control. Accordingly, I do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

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

Independent Auditor 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.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider deficiency 2020-002, as described in the accompanying schedule of findings and responses, to be a significant deficiency.

**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 financial statements. 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 findings and responses as item 2020-001.

**Response to Findings**

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

**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 16, 2020

## RED WILLOW COUNTY, NEBRASKA

### SCHEDULE OF FINDINGS AND RESPONSES

#### COUNTY BOARD:

2020-001      Over Expended Budget:

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 fiscal year, the Self Insurance Fund exceeded budgeted expenditures by \$166,308. The budget adopted amount was \$1,134,310, but the actual disbursements were \$1,300,618. The budget was not amended.

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

I recommend the County Board closely monitor funds within the budget to prevent an over-expended budget.

Official's Response:

*The overages in the Self-Insurance Fund 1250 caught us by surprise at the end of the fiscal year, and we realized to late the steps we should have taken to comply with statute. We will take steps to prevent the situation from occurring in the future.*

#### COUNTY TREASURER:

2020-002      In Lieu of Tax Not Correctly Distributed:

The County Treasurer on March 19, 2020 received a 5% gross revenue in lieu of tax payment from the McCook Public Power District in the amount of \$540,268. This amount is distributed to the McCook Public Schools, City of McCook, and Red Willow County.

During this distribution, the county treasurer used an incorrect levy for the McCook School Special Building Fund. This resulted in this fund receiving \$72,198 more than it should have. To correct this, the following corrections are necessary:

- McCook Special Building (\$72,198)
- McCook School General \$41,805
- McCook School Bond \$2,917
- City of McCook \$14,333
- Red Willow County \$13,143

I recommend the County Treasurer correct this distribution.

Official's Response:

*The McCook Schools were notified in December of the error and that the funds would be corrected. The distribution was corrected in December 2020 to credit the funds the amounts that they were underpaid, and to debit the fund the amount that was overpaid.*