

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

Year Ended June 30, 2022

**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

Board Members:

Adverse, and Unmodified Opinions

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, 2022, 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.

Summary of Opinions:

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Component Unit	Adverse
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion on Component Unit:

In my opinion, because of the significance of the matter discussed in the Basis for Adverse, and Unmodified Opinions section of this report, the financial statements referred to above do not present fairly the reporting entity of Red Willow County, Nebraska as of June 30, 2022, 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 Opinions on Governmental Activities, Each Major Fund, and Aggregate Remaining Fund Information:

In my opinion, the accompanying 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, 2022, 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 for Adverse and Unmodified Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Red Willow County, Nebraska, and to meet other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse, and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on Component Unit:

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.

Emphasis of Matter – Basis of Accounting

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

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 for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on Red Willow County, Nebraska effectiveness of the internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Red Willow County, Nebraska ability to continue as a going concern for a reasonable period of time.

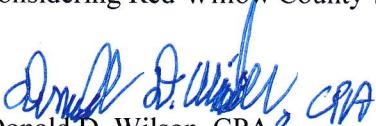
I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Supplementary Information

My audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Red Willow County's financial statements. The budgetary comparison information, combining and individual nonmajor fund financial statements, and schedule of office activity are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 27, 2022 on my consideration of Red Willow County's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Red Willow County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Red Willow County's internal control over financial reporting and compliance.


Donald D. Wilson, CPA
McCook, Nebraska

December 27, 2022

RED WILLOW COUNTY, NEBRASKA

STATEMENT OF NET POSITION - CASH BASIS

June 30, 2022

EXHIBIT A

**PRIMARY
GOVERNMENT**

**GOVERNMENTAL
ACTIVITIES**

ASSETS

Equity in Pooled Cash and Cash Equivalents	6,638,344
Designated Investments	<u>2,094,495</u>
Total Assets	<u>8,732,839</u>

NET POSITION

Restricted for:

Jail Bond	447,244
Nursing Home Bond	175,001
American Rescue Plan	2,026,235
Bridge/Road Projects	191,415
Visitor's Promotion	214,320
Veteran's Aid	9,107
Child Support	113,255
Register of Deeds	40,555
Unrestricted	<u>5,515,707</u>
TOTAL NET POSITION	<u>8,732,839</u>

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, 2022

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	
Governmental Activities:				
General Government	3,078,072	419,385	1,143,022	(1,515,665)
Public Safety	1,954,961	200,849	220,978	(1,533,134)
Public Works	1,609,222	20,109		(1,589,113)
Public Health	276,859	193,318		(83,541)
Public Assistance	152,600	24,709		(127,891)
Culture and Recreation	775,682	470,395		(305,287)
Debt Service	479,503			(479,503)
Total Governmental Activities	8,326,899	1,328,765	1,364,000	(5,634,134)
General Receipts:				
Taxes:				
Property taxes, levied for general purposes				3,649,354
Property taxes, levied for public health				109,732
Property taxes, levied for culture and recreation				206,488
Property taxes, levied for debt service				492,757
Motor Vehicle Tax				468,678
Intergovernmental				1,849,311
Inheritance Tax				614,174
Interest				20,444
Miscellaneous				132,096
Total General Receipts				7,543,034
Changes in Net Position				1,908,900
Net position - Beginning of Year				6,823,939
Net position - End of Year				8,732,839

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, 2022

EXHIBIT C

	General	Road	Self Insurance	American Rescue Plan	Inheritance Tax	Other Governmental Funds	Total
ASSETS							
Equity in Pooled Cash and Cash Equivalents	766,439	1,475,000	283,487	399	2,327,492	1,785,527	6,638,344
Designated Investments				2,025,836		68,659	2,094,495
Total Assets	<u>766,439</u>	<u>1,475,000</u>	<u>283,487</u>	<u>2,026,235</u>	<u>2,327,492</u>	<u>1,854,186</u>	<u>8,732,839</u>
FUND BALANCES:							
Restricted				2,026,235		1,190,897	3,217,132
Assigned		1,475,000	283,487		2,327,492	663,289	4,749,268
Unassigned	<u>766,439</u>						<u>766,439</u>
Total Fund Balances	<u>766,439</u>	<u>1,475,000</u>	<u>283,487</u>	<u>2,026,235</u>	<u>2,327,492</u>	<u>1,854,186</u>	<u>8,732,839</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, 2022

EXHIBIT D

	General	Road	Special Revenue Self Insurance	American Rescue Plan	Inheritance Tax	NonMajor Governmental Funds	Total Governmental Total
CASH RECEIPTS							
Property Taxes	3,649,354					808,977	4,458,331
Motor Vehicle Tax	468,678						468,678
Federal Grants	91,704			1,041,505		11,812	1,145,021
Intergovernmental	157,362	1,393,865				517,063	2,068,290
Inheritance Tax					614,174		614,174
Charges for Services	504,835	20,109				803,821	1,328,765
Interest	19,083			1,174		187	20,444
Miscellaneous	8,511	13,808	91,990			17,787	132,096
Total Cash Receipts	<u>4,899,527</u>	<u>1,427,782</u>	<u>91,990</u>	<u>1,042,679</u>	<u>614,174</u>	<u>2,159,647</u>	<u>10,235,799</u>
CASH DISBURSEMENTS							
General Government	1,936,326		1,096,106	44,578		1,062	3,078,072
Public Safety	1,638,797					316,164	1,954,961
Public Works	17,873	1,531,652				59,697	1,609,222
Public Health	1,161			13,372		262,326	276,859
Public Assistance	152,600						152,600
Culture and Recreation						775,682	775,682
Debt Service							
Principal Retirement						400,000	400,000
Interest						<u>79,503</u>	<u>79,503</u>
Total Cash Disbursements	<u>3,746,757</u>	<u>1,531,652</u>	<u>1,096,106</u>	<u>57,950</u>	<u>0</u>	<u>1,894,434</u>	<u>8,326,899</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>1,152,770</u>	<u>(103,870)</u>	<u>(1,004,116)</u>	<u>984,729</u>	<u>614,174</u>	<u>265,213</u>	<u>1,908,900</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	16,942	268,806	937,927			0	1,223,675
Transfers (Out)	<u>(1,206,733)</u>			0		<u>(16,942)</u>	<u>(1,223,675)</u>
Total Other Financing Sources (Uses)	<u>(1,189,791)</u>	<u>268,806</u>	<u>937,927</u>	<u>0</u>	<u>0</u>	<u>(16,942)</u>	<u>0</u>
Net Change in Fund Balances	(37,021)	164,936	(66,189)	984,729	614,174	248,271	1,908,900
Fund Balances, Beginning of Year	803,460	1,310,064	349,676	1,041,506	1,713,318	1,605,915	6,823,939
Fund Balances, End of Year	<u>766,439</u>	<u>1,475,000</u>	<u>283,487</u>	<u>2,026,235</u>	<u>2,327,492</u>	<u>1,854,186</u>	<u>8,732,839</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

CUSTODIAL FUNDS

Year Ended June 30, 2022

EXHIBIT E

	<u>Balance</u> <u>July 1, 2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2022</u>
ASSETS				
Equity in Pooled Cash and Cash Equivalents	635,631	23,198,862	23,213,154	621,339
Total Assets	635,631	23,198,862	23,213,154	621,339
LIABILITIES				
State	303,283	3,058,123	3,102,574	258,832
Schools	211,919	14,246,027	14,243,392	214,554
Educational Service Unit	1,934	201,107	201,196	1,845
Community College	9,624	1,000,640	1,001,086	9,178
Natural Resource District	4,509	1,085,594	1,084,977	5,126
Fire Districts	1,732	468,772	469,134	1,370
Cemetery Districts	136	8,195	7,069	1,262
Municipalities	47,185	2,102,514	2,100,436	49,263
Historical Society	10,830	23,259	20,008	14,081
Nursing Home Operating	119			119
Partial Payments	108	18,030	17,538	600
Unclaimed Property	2,803	90	559	2,334
Tentative Inheritance Tax	37,276	87,934	63,390	61,820
Redemptions	0	372,792	372,792	0
Tax Increment Financing	4,173	525,785	529,003	955
Total Liabilities	635,631	23,198,862	23,213,154	621,339
NET POSITION	0	0	0	0

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

RED WILLOW COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2022

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 received 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, 2022

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.

American Rescue Plan (Special Revenue):

This fund is used to account for the receipts and disbursements of a Federal Grant.

RED WILLOW COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2022

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, 2022

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 2021 for 2021 taxes which will be materially collected in May and September 2022, was set at \$.330294/\$100 of assessed valuation. Assessed valuation for Red Willow County for the 2021 tax levy was \$1,289,274,488.

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. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it.

RED WILLOW COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENT - CONTINUED
For the Year Ended June 30, 2022

NOTE 2: DEPOSITS AND INVESTMENTS (CONCLUDED):

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, 2022 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, 2022 is as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
General	K-9 Fund	3,785
General	Juvenile Services	13,157
Road	General	268,806
Self-Insurance	General	937,927

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 K-9, and Juvenile Services closed these funds.

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, 2022, 2021, and 2020 were \$185,825, \$189,083, and \$188,225 respectively. Prior service benefit paid was \$90, \$108, and \$108 respectively for each of the three fiscal years.

RED WILLOW COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENT - CONTINUED
For the Year Ended June 30, 2022

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, 2022:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
Bonds:				
Jail Bond Series 2020	3,325,000		285,000	3,040,000
Hillcrest Series 2022	<u>1,385,000</u>	25,000	115,000	<u>1,295,000</u>
Total	4,710,000	25,000	400,000	4,335,000

A summary of the annual requirements to service the bonds as of June 30, 2022, is as follows:

Year Ended	Jail Bond			Hillcrest Nursing Home Bond		
	Principal	Interest	Total	Principal	Interest	Total
June 30, 2023	285,000	43,015	328,015	135,000	10,191	145,191
June 30, 2024	290,000	39,995	329,995	130,000	9,728	139,728
June 30, 2025	295,000	36,630	331,630	135,000	9,129	144,129
June 30, 2026	295,000	32,942	327,942	140,000	8,372	148,372
June 30, 2027	300,000	28,925	328,925	140,000	7,427	147,427
Years 2028-2032	<u>1,575,000</u>	<u>71,063</u>	<u>1,646,063</u>	<u>615,000</u>	<u>16,439</u>	<u>631,439</u>
Total	<u>3,040,000</u>	<u>252,570</u>	<u>3,292,570</u>	<u>1,295,000</u>	<u>61,286</u>	<u>1,356,286</u>

Jail Building Bond , Series 2020 Refunding:

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 2022 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 August 4, 2021 in the amount of \$1,295,000 for improvements at the Hillcrest Nursing Home. Bonds maturing on and after August 4, 2026, 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, 2022

NOTE 6: LOAN PAYABLE COMMITMENTS:

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

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
Road Equipment	0	223,566	46,500	177,066
County Fair	<u>12,979</u>	0	12,979	0
Total	<u>12,979</u>	<u>223,566</u>	<u>59,479</u>	<u>177,066</u>

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

Year Ended	Commitments		
	Principal	Interest	Total
June 30, 2023	37,696	5,274	42,970
June 30, 2024	38,857	4,114	42,971
June 30, 2025	40,057	2,915	42,972
June 30, 2026	41,246	1,725	42,971
June 30, 2027	<u>19,210</u>	398	<u>19,608</u>
Total	<u>177,066</u>	<u>14,426</u>	<u>191,492</u>

Tractor:

Due in annual principal and interest payments of \$19,608, with interest at 2.05%. Final payment is due March 15, 2026. This loan was for the purchase of a John Deere Tractor.

Tractor:

Due in annual principal and interest payments of \$23,362, with interest at 3.99%. Final payment is due January 2, 2027. 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, 2022.

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, 2022

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 \$64,448 toward the operation of Region II during fiscal year 2022. 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, 2022, 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 Benchmark Insurance for aggregate and specific reinsurance. Shown here are the reinsurance coverage's:

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

Per Covered person	\$40,000
Aggregate Specific	\$20,000
Specific Reimbursement Limit per covered person	unlimited
Specific Lifetime Reimbursement per covered person	unlimited

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, 2022

EXHIBIT F

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
CASH RECEIPTS:				
Taxes	3,879,215	3,879,215	4,118,032	238,817
Federal	33,900	33,900	91,704	57,804
State	60,000	60,000	78,384	18,384
Local	491,200	491,200	611,407	120,207
Total Cash Receipts	4,464,315	4,464,315	4,899,527	435,212
CASH DISBURSEMENTS:				
General Government:				
Board of Commissioners	90,650	90,650	83,410	7,240
Clerk	210,154	210,154	193,023	17,131
Treasurer	278,282	278,282	271,033	7,249
Assessor	321,788	321,788	305,572	16,216
Election Commissioner	52,300	52,300	28,475	23,825
Planning and Zoning	10,950	10,950	6,525	4,425
Data Processing	5,000	5,000		5,000
Clerk of the District Court	124,314	124,314	110,205	14,109
County Court System	23,500	23,500	21,699	1,801
District Judge	7,140	7,140	4,228	2,912
Building and Grounds	126,281	126,281	97,698	28,583
Extension Office	136,479	136,479	128,832	7,647
Employment Security			912	(912)
Miscellaneous	729,100	729,100	684,714	44,386
Total General Government	2,115,938	2,115,938	1,936,326	179,612
Public Safety:				
Sheriff	472,333	472,333	325,551	146,782
Attorney	197,720	197,720	187,192	10,528
Jail	958,800	958,800	993,331	(34,531)
Probation Officer	16,384	16,384	16,384	0
Juvenile Detention	12,000	12,000	0	12,000
Emergency Management	26,635	26,635	15,098	11,537
Miscellaneous	112,100	112,100	101,241	10,859
Total Public Safety	1,795,972	1,795,972	1,638,797	157,175
Public Works:				
Surveyor	10,000	10,000	488	9,512
Noxious Weed Control	53,825	53,825	17,385	36,440
Total Public Works	63,825	63,825	17,873	45,952
Public Health:				
Miscellaneous	4,000	4,000	1,161	2,839
Total Public Health	4,000	4,000	1,161	2,839
Public Assistance:				
County Relief	5,650	5,650	0	5,650
Veteran's Service Officer	83,189	83,189	67,949	15,240
Institutions	74,460	74,460	65,450	9,010
Miscellaneous	27,101	27,101	19,201	7,900
Total Public Assistance	190,400	190,400	152,600	37,800

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, 2022

EXHIBIT F
CONCLUDED

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
Total Cash Disbursements	4,170,135	4,170,135	3,746,757	423,378
Excess of Cash Receipts Over (Under) Cash Disbursements	294,180	294,180	1,152,770	858,590
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	303,785	303,785	16,942	(286,843)
Operating Transfers (Out)	(1,101,425)	(1,101,425)	(1,206,733)	(105,308)
Total Other Financing Sources (Uses)	(797,640)	(797,640)	(1,189,791)	(392,151)
Net Change in Fund Balance	(503,460)	(503,460)	(37,021)	466,439
Fund Balance, Beginning of Year	803,460	803,460	803,460	0
Fund Balance, End of Year	300,000	300,000	766,439	466,439

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, 2022

EXHIBIT G

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
State	1,341,695	1,341,695	1,393,570	51,875
Local	<u>15,295</u>	<u>15,295</u>	<u>34,212</u>	<u>18,917</u>
Total Cash Receipts	<u>1,356,990</u>	<u>1,356,990</u>	<u>1,427,782</u>	<u>70,792</u>
CASH DISBURSEMENTS:				
Public Works:				
Road Department	1,867,110	1,867,110	1,531,652	335,458
Total Cash Disbursements	<u>1,867,110</u>	<u>1,867,110</u>	<u>1,531,652</u>	<u>335,458</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>(510,120)</u>	<u>(510,120)</u>	<u>(103,870)</u>	<u>406,250</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	311,425	311,425	268,806	(42,619)
Operating Transfers (Out)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources (Uses)	<u>311,425</u>	<u>311,425</u>	<u>268,806</u>	<u>(42,619)</u>
Net Change in Fund Balance	(198,695)	(198,695)	164,936	363,631
Fund Balance, Beginning of Year	<u>1,310,064</u>	<u>1,310,064</u>	<u>1,310,064</u>	<u> </u>
Fund Balance, End of Year	<u>1,111,369</u>	<u>1,111,369</u>	<u>1,475,000</u>	<u>363,631</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, 2022

EXHIBIT H

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
CASH RECEIPTS:				
Local	80,000	80,000	91,990	11,990
Total Cash Receipts	80,000	80,000	91,990	11,990
CASH DISBURSEMENTS:				
General Government	1,215,325	1,215,325	1,096,106	119,219
Total Cash Disbursements	1,215,325	1,215,325	1,096,106	119,219
Excess of Cash Receipts Over (Under) Cash Disbursements	(1,135,325)	(1,135,325)	(1,004,116)	131,209
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	790,000	790,000	937,927	147,927
Operating Transfers (Out)				
Total Other Financing Sources (Uses)	790,000	790,000	937,927	147,927
Net Change in Fund Balance	(345,325)	(345,325)	(66,189)	279,136
Fund Balance, Beginning of Year	349,676	349,676	349,676	0
Fund Balance, End of Year	4,351	4,351	283,487	279,136

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
AMERICAN RESCUE PLAN**

For the Year Ended June 30, 2022

EXHIBIT I

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
CASH RECEIPTS:				
Federal			1,041,505	1,041,505
Local			1,174	1,174
Total Cash Receipts	0	0	1,042,679	1,042,679
CASH DISBURSEMENTS:				
General Government	1,041,506	1,041,506	44,578	996,928
Public Health			13,372	(13,372)
Total Cash Disbursements	1,041,506	1,041,506	57,950	983,556
Net Change in Fund Balance	(1,041,506)	(1,041,506)	984,729	2,026,235
Fund Balance, Beginning of Year	1,041,506	1,041,506	1,041,506	0
Fund Balance, End of Year	0	0	2,026,235	2,026,235

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, 2022

EXHIBIT J

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
CASH RECEIPTS:				
Local	<u>200,000</u>	<u>200,000</u>	<u>614,174</u>	<u>414,174</u>
Total Cash Receipts	<u>200,000</u>	<u>200,000</u>	<u>614,174</u>	<u>414,174</u>
CASH DISBURSEMENTS:				
Capital Outlay	<u> </u>	<u> </u>	<u> </u>	<u>0</u>
Total Cash Disbursements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>200,000</u>	<u>200,000</u>	<u>614,174</u>	<u>414,174</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	<u>37,276</u>	<u>37,276</u>	<u> </u>	<u>(37,276)</u>
Operating Transfers (Out)	<u>(300,000)</u>	<u>(300,000)</u>	<u> </u>	<u>300,000</u>
Total Other Financing Sources (Uses)	<u>(262,724)</u>	<u>(262,724)</u>	<u>0</u>	<u>262,724</u>
Net Change in Fund Balance	<u>(62,724)</u>	<u>(62,724)</u>	<u>614,174</u>	<u>676,898</u>
Fund Balance, Beginning of Year	<u>1,713,318</u>	<u>1,713,318</u>	<u>1,713,318</u>	<u>0</u>
Fund Balance, End of Year	<u>1,650,594</u>	<u>1,650,594</u>	<u>2,327,492</u>	<u>676,898</u>

See Accompanying Notes to Budgetary Reporting

RED WILLOW COUNTY, NEBRASKA

**NOTES TO SUPPLEMENTARY INFORMATION
BUDGETARY REPORTING**

For the Year Ended June 30, 2022

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 Jail, and Employment Security functions, within the General Fund, disbursements exceeded budget appropriations by \$34,531, and \$912 respectively.

NOTE 4: AMENDED BUDGET:

The Hillcrest Nursing Home Bond budget was properly amended per state statute by the amount of \$6,105.

RED WILLOW COUNTY, NEBRASKA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2022

SCHEDULE 1

	Special Revenue Funds (Schedule 3)	Debt Service Funds		Total Nonmajor Governmental Funds (Exhibit C)
		Jail Bond	Nursing Home Bond	
ASSETS				
Equity in Pooled Cash and Cash Equivalents	1,163,282	447,244	175,001	1,785,527
Designated Investments	<u>68,659</u>			<u>68,659</u>
Total Assets	<u><u>1,231,941</u></u>	<u><u>447,244</u></u>	<u><u>175,001</u></u>	<u><u>1,854,186</u></u>
FUND BALANCES:				
Restricted	568,652	447,244	175,001	1,190,897
Assigned	<u>663,289</u>			<u>663,289</u>
Total Fund Balances	<u><u>1,231,941</u></u>	<u><u>447,244</u></u>	<u><u>175,001</u></u>	<u><u>1,854,186</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, 2022

SCHEDULE 2

	Special Revenue Funds (Schedule 4)	Debt Service Funds	Nursing Home Bond	Total Nonmajor Governmental Funds (Exhibit D)
CASH RECEIPTS				
Property Taxes	316,219	344,000	148,758	808,977
Federal Grants	11,812			11,812
Intergovernmental	504,268	8,934	3,861	517,063
Charges for Services	803,821			803,821
Interest	187			187
Miscellaneous	1,981		15,806	17,787
Total Cash Receipts	<u>1,638,288</u>	<u>352,934</u>	<u>168,425</u>	<u>2,159,647</u>
CASH DISBURSEMENTS				
General Government	262	400	400	1,062
Public Safety	316,164			316,164
Public Works	59,697			59,697
Public Health	262,326			262,326
Culture and Recreation	775,682			775,682
Debt Service:				
Principal Retirement		285,000	115,000	400,000
Interest		45,794	33,709	79,503
Total Cash Disbursements	<u>1,414,131</u>	<u>331,194</u>	<u>149,109</u>	<u>1,894,434</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>224,157</u>	<u>21,740</u>	<u>19,316</u>	<u>265,213</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	0			0
Transfers (Out)	<u>(16,942)</u>			<u>(16,942)</u>
Total Other Financing Sources (Uses)	<u>(16,942)</u>	<u>0</u>	<u>0</u>	<u>(16,942)</u>
Net Change in Fund Balances	207,215	21,740	19,316	248,271
Fund Balances, Beginning of Year	1,024,726	425,504	155,685	1,605,915
Fund Balances, End of Year	<u>1,231,941</u>	<u>447,244</u>	<u>175,001</u>	<u>1,854,186</u>

RED WILLOW COUNTY, NEBRASKA

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2022

SCHEDULE 3

	Highway Buyback	Child Support Incentive	Visitor's Promotion	Visitor's Improvement	Fair
ASSETS					
Equity in Pooled Cash and Cash Equivalents	191,415	113,255	77,859	136,461	38,737
Designated Investments	_____	_____	_____	_____	_____
Total Assets	<u>191,415</u>	<u>113,255</u>	<u>77,859</u>	<u>136,461</u>	<u>38,737</u>
FUND BALANCES:					
Restricted	191,415	113,255	77,859	136,461	38,737
Assigned	_____	_____	_____	_____	_____
Total Fund Balances	<u>191,415</u>	<u>113,255</u>	<u>77,859</u>	<u>136,461</u>	<u>38,737</u>
	Fair Sinking	Register of Deeds P&M	Horse Arena	Veteran's Aid	STOP Diversion
ASSETS					
Equity in Pooled Cash and Cash Equivalents	31,328	40,555	68,659	9,107	39,213
Designated Investments	_____	_____	68,659	_____	_____
Total Assets	<u>31,328</u>	<u>40,555</u>	<u>68,659</u>	<u>9,107</u>	<u>39,213</u>
FUND BALANCES:					
Restricted	31,328	40,555	68,659	9,107	39,213
Assigned	_____	_____	68,659	_____	_____
Total Fund Balances	<u>31,328</u>	<u>40,555</u>	<u>68,659</u>	<u>9,107</u>	<u>39,213</u>
	Drug Law Enforcement	Health Department	Waste Disposal	Total Nonmajor Special Revenue Funds (Schedule 1)	
ASSETS					
Equity in Pooled Cash and Cash Equivalents	1,053	96,524	387,775	1,163,282	
Designated Investments	_____	_____	_____	68,659	
Total Assets	<u>1,053</u>	<u>96,524</u>	<u>387,775</u>	<u>1,231,941</u>	
FUND BALANCES:					
Restricted	1,053	96,524	387,775	568,652	
Assigned	_____	_____	_____	663,289	
Total Fund Balances	<u>1,053</u>	<u>96,524</u>	<u>387,775</u>	<u>1,231,941</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, 2022

SCHEDULE 4

	Highway Buyback	Child Support Incentive	Visitor's Promotion	Visitor's Improvement	Fair	Fair Sinking
CASH RECEIPTS						
Property Taxes					206,488	
Federal Grants		11,812				
Intergovernmental	117,942		78,827	78,827	6,190	
Charges for Services					239,225	6,652
Interest						
Miscellaneous		485				
Total Cash Receipts	117,942	11,812	79,312	78,827	451,903	6,652
CASH DISBURSEMENTS						
General Government						
Public Safety						
Public Works	59,697					
Public Health						
Culture and Recreation			93,079	16,750	444,436	
Total Cash Disbursements	59,697	0	93,079	16,750	444,436	0
Excess of Cash Receipts Over (Under) Cash Disbursements	58,245	11,812	(13,767)	62,077	7,467	6,652
OTHER FINANCING SOURCES (USES):						
Transfers In						
Transfers (Out)						
Total Other Financing Sources	0	0	0	0	0	0
Net Change in Fund Balances	58,245	11,812	(13,767)	62,077	7,467	6,652
Fund Balances, Beginning of Year	133,170	101,443	91,626	74,384	31,270	24,676
Fund Balances, End of Year	191,415	113,255	77,859	136,461	38,737	31,328

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, 2022

SCHEDULE 4
CONTINUED

	Register of Deeds P&M	Horse Arena	Veteran's Aid	STOP Diversion	Drug Law Enforcement	K-9 Fund
CASH RECEIPTS						
Property Taxes						
Federal Grants						
Intergovernmental			56			
Charges for Services	9,095	224,519		2,280		
Interest		187				
Miscellaneous		1,030				
Total Cash Receipts	9,095	225,736	56	2,280	0	0
CASH DISBURSEMENTS						
General Government		262				
Public Safety						
Public Works						
Public Health						
Culture and Recreation		221,417				
Total Cash Disbursements	262	221,417	0	0	0	0
Excess of Cash Receipts Over (Under) Cash Disbursements	8,833	4,319	56	2,280	0	0
OTHER FINANCING SOURCES (USES):						
Transfers In						
Transfers (Out)					(3,785)	
Total Other Financing Sources	0	0	0	0	0	(3,785)
Net Change in Fund Balances	8,833	4,319	56	2,280	0	(3,785)
Fund Balances, Beginning of Year	31,722	64,340	9,051	36,933	1,053	3,785
Fund Balances, End of Year	40,555	68,659	9,107	39,213	1,053	0

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, 2022

**SCHEDULE 4
CONCLUDED**

	<u>Juvenile Services</u>	<u>Health Department</u>	<u>Waste Disposal</u>	Total Nonmajor Special Revenue Funds (Schedule 2)
CASH RECEIPTS				
Property Taxes		109,731		316,219
Federal Grants				11,812
Intergovernmental		3,448	218,978	504,268
Charges for Services		193,318	128,732	803,821
Interest				187
Miscellaneous			466	1,981
Total Cash Receipts	<u>0</u>	<u>306,497</u>	<u>348,176</u>	<u>1,638,288</u>
CASH DISBURSEMENTS				
General Government				262
Public Safety			316,164	316,164
Public Works				59,697
Public Health		262,326		262,326
Culture and Recreation				775,682
Total Cash Disbursements	<u>0</u>	<u>262,326</u>	<u>316,164</u>	<u>1,414,131</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>0</u>	<u>44,171</u>	<u>32,012</u>	<u>224,157</u>
OTHER FINANCING SOURCES (USES):				
Transfers In				0
Transfers (Out)	<u>(13,157)</u>			<u>(16,942)</u>
Total Other Financing Sources	<u>(13,157)</u>	<u>0</u>	<u>0</u>	<u>(16,942)</u>
Net Change in Fund Balances	<u>(13,157)</u>	<u>44,171</u>	<u>32,012</u>	<u>207,215</u>
Fund Balances, Beginning of Year	<u>13,157</u>	<u>52,353</u>	<u>355,763</u>	<u>1,024,726</u>
Fund Balances, End of Year	<u>0</u>	<u>96,524</u>	<u>387,775</u>	<u>1,231,941</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, 2022

SCHEDULE 5

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
HIGHWAY BUYBACK				
CASH RECEIPTS	118,057	118,057	117,942	(115)
CASH DISBURSEMENTS	110,000	110,000	59,697	50,303
Net Change in Fund Balance	8,057	8,057	58,245	50,188
Fund Balance, Beginning of Year	133,170	133,170	133,170	
Fund Balance, End of Year	141,227	141,227	191,415	50,188
CHILD SUPPORT INCENTIVE				
CASH RECEIPTS	0	0	11,812	11,812
CASH DISBURSEMENTS	78,484	78,484	0	78,484
Net Change in Fund Balance	(78,484)	(78,484)	11,812	90,296
Fund Balance, Beginning of Year	101,443	101,443	101,443	
Fund Balance, End of Year	22,959	22,959	113,255	90,296
VISITOR'S PROMOTION				
CASH RECEIPTS	70,374	70,374	79,312	8,938
CASH DISBURSEMENTS	162,000	162,000	93,079	68,921
Net Change in Fund Balance	(91,626)	(91,626)	(13,767)	77,859
Fund Balance, Beginning of Year	91,626	91,626	91,626	0
Fund Balance, End of Year	0	0	77,859	77,859
VISITOR'S IMPROVEMENT				
CASH RECEIPTS	61,616	61,616	78,827	17,211
CASH DISBURSEMENTS	136,000	136,000	16,750	119,250
Net Change in Fund Balance	(74,384)	(74,384)	62,077	136,461
Fund Balance, Beginning of Year	74,384	74,384	74,384	0
Fund Balance, End of Year	0	0	136,461	136,461
FAIR				
CASH RECEIPTS	686,730	686,730	451,903	(234,827)
CASH DISBURSEMENTS	718,000	718,000	444,436	273,564
Net Change in Fund Balance	(31,270)	(31,270)	7,467	38,737
Fund Balance, Beginning of Year	31,270	31,270	31,270	
Fund Balance, End of Year	0	0	38,737	38,737

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, 2022

**SCHEDULE 5
CONTINUED**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
FAIR SINKING				
CASH RECEIPTS	30,000	30,000	6,652	(23,348)
CASH DISBURSEMENTS	30,000	30,000	0	30,000
Net Change in Fund Balance Fund Balance, Beginning of Year	0 24,676	0 24,676	6,652 24,676	6,652
Fund Balance, End of Year	24,676	24,676	31,328	6,652
REGISTER OF DEEDS P&M				
CASH RECEIPTS	8,000	8,000	9,095	1,095
CASH DISBURSEMENTS	3,500	3,500	262	3,238
Net Change in Fund Balance Fund Balance, Beginning of Year	4,500 31,722	4,500 31,722	8,833 31,722	4,333
Fund Balance, End of Year	36,222	36,222	40,555	4,333
HORSE ARENA				
CASH RECEIPTS	627,960	627,960	225,736	(402,224)
CASH DISBURSEMENTS	692,300	692,300	221,417	470,883
Net Change in Fund Balance Fund Balance, Beginning of Year	(64,340) 64,340	(64,340) 64,340	4,319 64,340	68,659
Fund Balance, End of Year	0	0	68,659	68,659
VETERAN'S AID				
CASH RECEIPTS	55	55	56	1
CASH DISBURSEMENTS	8,600	8,600	0	8,600
Net Change in Fund Balance Fund Balance, Beginning of Year	(8,545) 9,051	(8,545) 9,051	56 9,051	8,601
Fund Balance, End of Year	506	506	9,107	8,601
STOP DIVERSION				
CASH RECEIPTS	2,000	2,000	2,280	280
CASH DISBURSEMENTS	35,903	35,903	0	35,903
Net Change in Fund Balance Fund Balance, Beginning of Year	(33,903) 36,933	(33,903) 36,933	2,280 36,933	36,183
Fund Balance, End of Year	3,030	3,030	39,213	36,183

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, 2022

**SCHEDULE 5
CONTINUED**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
DRUG LAW ENFORCEMENT				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	1,053	1,053	0	1,053
Net Change in Fund Balance Fund Balance, Beginning of Year	(1,053) 1,053	(1,053) 1,053	0 1,053	1,053
Fund Balance, End of Year	0	0	1,053	1,053
K-9 FUND				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	3,785	3,785	3,785	0
Net Change in Fund Balance Fund Balance, Beginning of Year	(3,785) 3,785	(3,785) 3,785	(3,785) 3,785	0
Fund Balance, End of Year	0	0	0	0
JUVENILE SERVICES				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	13,157	13,157	13,157	0
Net Change in Fund Balance Fund Balance, Beginning of Year	(13,157) 13,157	(13,157) 13,157	(13,157) 13,157	0
Fund Balance, End of Year	0	0	0	0
HEALTH DEPARTMENT				
CASH RECEIPTS	297,457	297,457	306,497	9,040
CASH DISBURSEMENTS	339,810	339,810	262,326	77,484
Net Change in Fund Balance Fund Balance, Beginning of Year	(42,353) 52,353	(42,353) 52,353	44,171 52,353	86,524
Fund Balance, End of Year	10,000	10,000	96,524	86,524
WASTE DISPOSAL				
CASH RECEIPTS	575,000	575,000	348,176	(226,824)
CASH DISBURSEMENTS	711,640	711,640	316,164	395,476
Net Change in Fund Balance Fund Balance, Beginning of Year	(136,640) 355,763	(136,640) 355,763	32,012 355,763	168,652
Fund Balance, End of Year	219,123	219,123	387,775	168,652

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, 2022

**SCHEDULE 5
CONCLUDED**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
JAIL BOND				
CASH RECEIPTS	331,700	331,700	352,934	21,234
CASH DISBURSEMENTS	331,194	331,194	331,194	0
Net Change in Fund Balance	506	506	21,740	21,234
Fund Balance, Beginning of Year	425,504	425,504	425,504	
Fund Balance, End of Year	426,010	426,010	447,244	21,234
HILLCREST NURSING HOME BOND				
CASH RECEIPTS	143,600	143,600	168,425	24,825
CASH DISBURSEMENTS	143,895	150,000	149,109	891
Net Change in Fund Balance	(295)	(6,400)	19,316	25,716
Fund Balance, Beginning of Year	155,685	155,685	155,685	
Fund Balance, End of Year	155,390	149,285	175,001	25,716

RED WILLOW COUNTY, NEBRASKA

SCHEDULE OF OFFICE ACTIVITIES

For The Year Ended June 30, 2022

SCHEDULE 6

	<u>County Clerk</u>	<u>Clerk of the District Court</u>	<u>County Sheriff</u>	<u>County Attorney</u>	<u>Veteran's Service Officer</u>	<u>Health Department</u>	<u>County Fair</u>	<u>Hazardous Waste</u>	<u>Total</u>
Balance July 1, 2021	29,608	938,905	14,096	300	3,162	3,148	107,412	33,815	1,130,446
Receipts									
Licenses and Permits	3,012	7,490	8,260						18,762
Charges for Services	106,325	14,576	44,440	2,360		193,019	417,671	94,917	873,308
Miscellaneous	828	319			1				1,148
State Fees	132,517	17,593							150,110
Other Liabilities	11,170	434,973	117,131		250		125,320		688,844
Total Receipts	253,852	474,951	169,831	2,360	251	193,019	542,991	94,917	1,732,172
Disbursements									
Payments to County Treasurer	112,537	22,704	57,150	2,360		193,317	387,076	128,732	903,876
Payments to State Treasurer	136,305	17,101							153,406
Other Liabilities	13,085	1,315,816	118,152				139,570		1,586,623
Total Disbursements	261,927	1,355,621	175,302	2,360	0	193,317	526,646	128,732	2,643,905
Balance June 30, 2022	21,533	58,235	8,625	300	3,413	2,850	123,757	0	218,713
BALANCE CONSISTS OF:									
Due to County Treasurer	12,074	1,304	5,286	300		2,600	78,857		100,421
Due to State Treasurer	7,459	2,671							10,130
Petty Cash	150	150	1,500		3,413	250	44,900		50,363
Due to Others	1,850	54,110	1,839						57,799
Balance June 30, 2022	21,533	58,235	8,625	300	3,413	2,850	123,757	0	218,713

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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, 2022, 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 27, 2022. 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. 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.

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.

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 instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2022-001, and 2022-002.

Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on 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 27, 2022

RED WILLOW COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND RESPONSES

COUNTY BOARD

2022-001 Claims Questioned:

Neb. Rev. Statute §23-3108 requires the competitive sealed bidding process if the value of a purchase is \$50,000 or more. Three informal bids if practicable, would be required if the estimated value of the purchase is equal to or exceeds \$10,000 but is less than \$50,000. Also, this statute authorizes an appointed agent or elected official can make a purchase of less than \$10,000.

During my review of the claims, I questioned the following purchases:

- A 2021 Ram 2500 selling price of \$62,989 less trade for a total purchase price of \$42,489. Claim dated 9-20-2021 to Baxter from the Waste Disposal Fund. The board minutes contained no documentation where formal bids were obtained, nor did the minutes indicate if the bidding requirements were waived by entering into a special purchase.
- A computer server was purchased for \$15,000 from Honorbound IT on 12-13-2021, from the Jail Budget within the General Fund. The board minutes contained no documentation where informal bids were obtained, nor did the minutes indicate approval for the County Sheriff to make this purchase.

These purchases may not meet the State Statute quoted above.

I recommend the County Board review the bidding requirements to ensure future purchases are in compliance with State Statute.

Officials Response:

A motion was made to distribute purchasing and bidding regulations to old and new officials and appointees.

2022-002 Contractor or Employee Classification:

The Internal Revenue Service has guidelines regarding the classification of an independent contractor or an employee.

During my review of the claims, I noted that the administrative clerk for the Veteran's Service Officer was classified as an independent contractor rather than an employee. This position was created in December of 2021. Claims contained time sheets indicating the dates and hours worked for each month. The total amount paid for the calendar year of 2022 was \$9,363. The classification of this position may not meet the Internal Revenue Service guidelines.

I recommend that this position be added to payroll as an employee.

Officials Response:

This issue has been corrected by hiring the clerk as a regular employee beginning January 1, 2023.