

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

Year Ended June 30, 2016

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

**AUDIT REPORT
OF
RED WILLOW COUNTY, NEBRASKA
Year Ended June 30, 2016**

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**AUDIT REPORT
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RED WILLOW COUNTY, NEBRASKA
Year Ended June 30, 2016**

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INDEPENDENT AUDITOR'S REPORT

County Board of Commissioners
Red Willow County
McCook, Nebraska 69001

Report on the Financial Statements

I have audited the accompanying 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, 2016, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Adverse Opinion

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

Adverse Opinion

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion" paragraph, the financial statements referred to above do not present fairly the financial position of the reporting entity of Red Willow County, Nebraska as of June 30, 2016, or the changes in its financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for the primary government of Red Willow County, Nebraska as of June 30, 2016, and the respective changes in financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Basis of Accounting

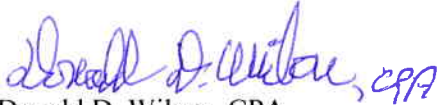
I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements for the primary government were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted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

Report on Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated January 31, 2017 on my consideration of Red Willow County, Nebraska internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit conducted in accordance with *Government Auditing Standards* in considering Red Willow County, Nebraska internal control over financial reporting and compliance.



Donald D. Wilson, CPA
McCook, Nebraska

January 31, 2017

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

June 30, 2016

	EXHIBIT A
	PRIMARY GOVERNMENT
	GOVERNMENTAL ACTIVITIES
ASSETS	
Equity in Pooled Cash and Cash Equivalents	3,709,834
Designated Investments	67,636
Total Assets	3,777,470
NET POSITION	
Restricted for:	
Jail Bond	378,298
Nursing Home Bond	115,213
Bridge/Road Projects	145,932
Visitor's Promotion	117,872
Veteran's Aid	8,775
Child Support	79,505
Register of Deeds	1,485
Unrestricted	2,930,390
TOTAL NET POSITION	3,777,470

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, 2016

Exhibit B

		Program Cash Receipts		Net (Disbursements) Receipt and Changes in Net Assets
	Cash Disbursements	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General Government	2,603,462	373,047	91,675	(2,138,740)
Public Safety	1,838,726	207,414	286,505	(1,344,807)
Public Works	1,278,989	6,015		(1,272,974)
Public Health	231,883	197,147		(34,736)
Public Assistance	156,331	15,643		(140,688)
Culture and Recreation	923,364	332,431	15,548	(575,385)
Debt Service	713,579			(713,579)
Total Governmental Activities	7,746,334	1,131,697	393,728	(6,220,909)
General Receipts:				
Taxes:				
Property taxes, levied for general purposes				3,060,154
Property taxes, levied for public health				22,776
Property taxes, levied for culture and recreation				140,050
Property taxes, levied for debt service				431,860
Motor Vehicle Tax				442,803
Intergovernmental				1,424,675
Inheritance Tax				307,528
Interest				14,165
Miscellaneous				82,244
Total General Receipts				5,926,255
Other Financing Sources				278,109
Changes in Net Position				(16,545)
Net position - Beginning of Year				3,794,015
Net position - End of Year				3,777,470

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, 2016

EXHIBIT C

	<u>General</u>	<u>Road</u>	<u>Self Insurance</u>	<u>Inheritance Tax</u>	<u>Jail Bond</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS							
Equity in Pooled Cash and Cash Equivalents	674,124	574,706	284,087	919,172	378,298	879,447	3,709,834
Designated Investments						67,636	67,636
Total Assets	<u>674,124</u>	<u>574,706</u>	<u>284,087</u>	<u>919,172</u>	<u>378,298</u>	<u>947,083</u>	<u>3,777,470</u>
FUND BALANCES:							
Restricted					378,298	468,782	847,080
Assigned		574,706	284,087	919,172		478,301	2,256,266
Unassigned	674,124						674,124
Total Fund Balances	<u>674,124</u>	<u>574,706</u>	<u>284,087</u>	<u>919,172</u>	<u>378,298</u>	<u>947,083</u>	<u>3,777,470</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, 2016

EXHIBIT D

	Special Revenue			Debt Service Fund Jail Bond	NonMajor Governmental Funds	Total Governmental Total
	General	Road	Self Insurance			
CASH RECEIPTS						
Property Taxes	3,060,154			321,775	272,911	3,654,840
Motor Vehicle Tax	442,803					442,803
Federal Grants	101,993				12,894	114,887
Intergovernmental	228,875	1,057,410		9,852	391,831	1,687,968
Inheritance Tax						307,528
Charges for Services	462,270	6,015			663,412	1,131,697
Interest	14,012				153	14,165
Miscellaneous	14,787	55,769	2,785		24,451	97,792
Total Cash Receipts	4,324,894	1,119,194	2,785	331,627	1,365,652	7,451,680
CASH DISBURSEMENTS						
General Government	1,757,776		833,395	400	11,891	2,603,462
Public Safety	1,600,431				238,295	1,838,726
Public Works	38,563	1,180,426			60,000	1,278,989
Public Health	3,724				228,159	231,883
Public Assistance	156,331					156,331
Culture and Recreation					923,364	923,364
Debt Service						
Principal Retirement				220,000	300,779	520,779
Interest				107,598	85,202	192,800
Total Cash Disbursements	3,556,825	1,180,426	833,395	327,998	1,847,690	7,746,334
Excess of Cash Receipts Over (Under) Cash Disbursements	768,069	(61,232)	(830,610)	3,629	(482,038)	(294,654)
OTHER FINANCING SOURCES (USES)						
Component Unit					278,109	278,109
Transfers In	0	263,242	679,190	20,146	100,000	1,062,578
Transfers (Out)	(1,042,432)	0			(20,146)	(1,062,578)
Total Other Financing Sources (Uses)	(1,042,432)	263,242	679,190	20,146	357,963	278,109
Net Change in Fund Balances	(274,363)	202,010	(151,420)	307,528	(124,075)	(16,545)
Fund Balances, Beginning of Year	948,487	372,696	435,507	611,644	1,071,158	3,794,015
Fund Balances, End of Year	674,124	574,706	284,087	919,172	947,083	3,777,470

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

RED WILLOW COUNTY, NEBRASKA

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS

AGENCY FUNDS

Year Ended June 30, 2016

EXHIBIT E

	Balance July 1, 2015	Receipts	Disbursements	Balance June 30, 2016
ASSETS				
Equity in Pooled Cash and Cash Equivalents	568,987	19,572,338	19,597,110	544,215
Designated Investments	108,260	200	48,071	60,389
Total Assets	677,247	19,572,538	19,645,181	604,604
LIABILITIES				
State	210,814	2,569,351	2,557,794	222,371
Schools	230,224	12,511,356	12,562,962	178,618
Educational Service Unit	2,294	163,600	164,099	1,795
Community College	12,992	959,449	961,707	10,734
Natural Resource District	8,024	964,459	963,711	8,772
Fire Districts	2,046	304,621	303,674	2,993
Cemetery Districts	2,101	7,550	6,585	3,066
Municipalities	50,782	1,570,171	1,585,028	35,925
Partial Payments	464	283	575	172
Historical Society	2,241	17,676	17,700	2,217
Nursing Home Operating	8,271	55	8,271	55
Unclaimed Property	263	186	51	398
Tentative Inheritance Tax Redemptions	38,471	74,433	51,329	61,575
Tax Increment Financing	0	242,417	242,417	0
Motor Vehicle Pro-Rate	0	120,351	120,351	0
Inheritance Trust Funds	0	66,380	50,856	15,524
	108,260	200	48,071	60,389
Total Liabilities	677,247	19,572,538	19,645,181	604,604
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, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

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

B. Basis of Presentation:

Government-wide Financial Statements:

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

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

Restricted Net Position – result when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The amount of restricted net position was \$847,080 as of June 30, 2016.

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, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued):

Government-wide Financial Statements (Concluded):

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contribution that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

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

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

General Fund:

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

Road Fund (Special Revenue):

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

Self-Insurance (Special Revenue):

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

Inheritance Tax (Special Revenue):

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

Jail Bond (Debt Service):

The Jail Bond Fund is used to account for the accumulation of funds necessary to pay interest and redemption of bonds issued for the purpose of construction of new jail facilities.

RED WILLOW COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

For the Year Ended June 30, 2016

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

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

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

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

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

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

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

Fiduciary Funds:

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

Reservation of Fund Balance:

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

C. Basis of Accounting:

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

RED WILLOW COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

For the Year Ended June 30, 2016

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

D. Capital Assets:

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

E. Revenue Recognition – Property Taxes:

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

Counties are permitted by the State Constitution to levy a tax of up to \$.50/\$100 of assessed valuation for general governmental services, except that \$.05 of \$100 of taxable valuation of property subject to the levy may only be levied to provide financing for the County's share of revenue required under an agreement executed pursuant to the Inter-local Cooperation act. The County may allocate up to fifteen cents of its authority to other political subdivisions including: Fire Districts, Cemetery Districts, and a Historical Society. The County may levy taxes in addition to the .50-cent limitation upon a vote of the people. The levy set in October, 2015 for 2015 taxes which will be materially collected in May and September, 2016, was set at \$.294979/\$100 of assessed valuation. Assessed valuation for Red Willow County for the 2015 tax levy was \$1,241,772,528.

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

RED WILLOW COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENT - CONTINUED

For the Year Ended June 30, 2016

NOTE 2: POOLED CASH AND CASH EQUIVALENTS:

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 the County is authorized to invest funds in are enumerated in State Statutes and generally include U.S. government obligations, certificates of deposit, time deposits and securities in which the state investment officer is authorized to invest. As defined by Governmental Accounting Standards Board Statement #3, the County had no investments as of June 30, 2016.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. State law restricts the type of collateral securities allowed. The deposits for Red Willow County as of June 30, 2016 were entirely covered by federal depository insurance or by collateral securities pledged to the County Treasurer and held by the safekeeping department of the depository's correspondent bank.

NOTE 3: INTERFUND TRANSFERS:

The detail of inter-fund transfers for the year ended June 30, 2016 is as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
Road	General	263,242
Self-Insurance	General	679,190
Hillcrest Nursing Home Bond	General	100,000
Jail Bond	Jail Building	20,146

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 Jail Building closed this fund.

NOTE 4: RETIREMENT PROGRAM:

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

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.

RED WILLOW COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENT - CONTINUED

For the Year Ended June 30, 2016

NOTE 4: RETIREMENT PROGRAM (CONCLUDED):

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, 2016, 2015, and 2014 were \$162,330, \$154,325, and \$140,140 respectively. Prior service benefit paid was \$257, \$360, and \$360, respectively for each of the three fiscal years.

NOTE 5: BONDS PAYABLE COMMITMENTS:

The following is a summary of changes in long-term commitments of the County for the year ended June 30, 2016:

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2016</u>
Bonds:				
Jail Bond Series 2013	4,675,000		220,000	4,455,000
Hillcrest Series 2011	2,045,000		100,000	1,945,000
Total	<u>6,720,000</u>	<u>0</u>	<u>320,000</u>	<u>6,400,000</u>

A summary of the annual requirements to service the bonds as of June 30, 2016, is as follows:

Year Ended	Jail Bond			Hillcrest Nursing Home Bond		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30, 2017	225,000	106,316	331,316	100,000	62,002	162,002
June 30, 2018	225,000	104,573	329,573	100,000	60,703	160,703
June 30, 2019	225,000	102,322	327,322	100,000	59,078	159,078
June 30, 2020	230,000	99,475	329,475	105,000	57,075	162,075
June 30, 2021	235,000	95,868	330,868	105,000	54,712	159,712
June 30, 2022	240,000	91,530	331,530	110,000	52,022	162,022
Years 2023-2028	1,550,000	426,397	1,976,397	735,000	236,634	971,634
Years 2029-2033	1,525,000	128,735	1,653,735	590,000	51,815	641,815
Total	<u>4,455,000</u>	<u>1,155,216</u>	<u>5,610,216</u>	<u>1,945,000</u>	<u>634,041</u>	<u>2,579,041</u>

RED WILLOW COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENT - CONTINUED

For the Year Ended June 30, 2016

NOTE 5: BONDS PAYABLE COMMITMENTS (CONCLUDED):

Jail Building Bond

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

Hillcrest Nursing Home Bond, 2011 Series

Due serially in annual principal payments of \$100,000 to \$155,000, plus interest at .8% to 4.30%. Final payment is due October 1, 2031. These are General Obligation Refunding Bonds issued September 28, 2011 in the amount of \$2,145,000 for improvements at the Hillcrest Nursing Home. Bonds maturing on and after October 1, 2017, are subject to optional redemption prior to maturity, in any order of maturity, in integral multiples of \$5,000. Interest on the Bonds at the respective rates for each maturity is payable semiannually on October 1 and April 1 each year. The Nursing Home Bond is a general obligation of Red Willow County, payable, unless paid from other sources, out of the funds of the County, which may be raised among other sources, by taxes levied by valuation on all taxable property in the County.

NOTE 6: LOAN PAYABLE COMMITMENTS:

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

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016
Hillcrest Nursing Home Loan	623,929		200,779	423,150
County Fair	30,000		5,584	24,416
Total	653,929	0	206,363	447,566

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

Year Ended	Hillcrest Nursing Home Loan			County Fair		
	Principal	Interest	Total	Principal	Interest	Total
June 30, 2017	207,865	15,063	222,928	5,779	855	6,634
June 30, 2018	215,285	7,643	222,928	5,981	652	6,633
June 30, 2019				6,191	443	6,634
June 30, 2020				6,465	172	6,637
Total	423,150	22,706	445,856	24,416	2,122	26,538

RED WILLOW COUNTY, NEBRASKA

**NOTES TO FINANCIAL STATEMENT - CONTINUED
For the Year Ended June 30, 2016**

NOTE 6: LOAN PAYABLE COMMITMENTS (CONCLUDED):

Nursing Home Loan:

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

County Fair:

Due in annual principal and interest payments of \$6,634, with interest at 3.50%, payable to McCook National Bank. Final payment is due March 4, 2020. This loan was for the purchase of 20 horse stalls.

NOTE 7: FEDERALLY ASSISTED PROGRAMS:

The County receives substantial grants from the federal and state governments, all of which are subject to audit by the respective governments. Subsequent audits may disallow expenditures financed by governmental grant programs, although past audits have resulted in no violations of grant regulations and no requests for reimbursement. It is the opinion of management that requests for reimbursement, if any, by either the federal or state governments based on subsequent audits will not be material in relation to the County's financial statements as of June 30, 2016.

NOTE 8: RELATED PARTY TRANSACTIONS:

There were no related party transactions having a material effect on the financial statements for the year ended June 30, 2016.

NOTE 9: ACCUMULATED COMPENSATED ABSENCES:

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

NOTE 10: JOINT VENTURE:

Red Willow County has entered into an agreement with the other counties in Region II in conjunction with the Nebraska Department of Public Institutions to provide services to carry out the provisions of the Nebraska Comprehensive Community Mental Health Services Act and the related alcoholism and drug abuse services and the Developmental Disabilities Services Act (Acts). Region II consists of the following counties: Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Chase, Hayes, Frontier, Dawson, Gosper, Dundy, Hitchcock and Red Willow. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board. Funding is provided by a combination of federal, state, local, and private funding. Red Willow County contributed \$54,322 toward the operation of Region II during fiscal year 2016. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Region is audited annually in accordance with State Statute. Financial information for the Region is available in that audit report.

RED WILLOW COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENT - CONCLUDED

For the Year Ended June 30, 2016

NOTE 11: RISK MANAGEMENT:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended June 30, 2016, the county managed its risks as follows:

Liability Insurance

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

Employee Health Insurance

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

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

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

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

RED WILLOW COUNTY, NEBRASKA

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

For the Year Ended June 30, 2016

EXHIBIT F

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Taxes	3,387,682	3,387,682	3,502,957	115,275
Federal	62,800	62,800	101,993	39,193
State	145,500	145,500	146,861	1,361
Local	453,880	453,880	573,083	119,203
Total Cash Receipts	4,049,862	4,049,862	4,324,894	275,032
CASH DISBURSEMENTS:				
General Government:				
Board of Commissioners	80,225	80,225	72,854	7,371
Clerk	177,244	177,244	167,167	10,077
Treasurer	231,682	231,682	225,963	5,719
Assessor	267,090	267,090	256,095	10,995
Election Commissioner	28,030	28,030	20,763	7,267
Planning and Zoning	8,000	8,000	4,583	3,417
Unemployment Security	10,000	10,000		10,000
Clerk of the District Court	103,969	103,969	91,435	12,534
County Court System	18,800	18,800	17,554	1,246
District Judge	10,050	10,050	7,895	2,155
Building and Grounds	122,131	122,131	102,144	19,987
Extension Office	119,259	119,259	109,698	9,561
Miscellaneous	762,969	762,969	681,625	81,344
Total General Government	1,939,449	1,939,449	1,757,776	181,673
Public Safety:				
Sheriff	438,169	438,169	398,086	40,083
Attorney	161,823	161,823	153,983	7,840
Jail	906,300	906,300	786,296	120,004
Probation Officer	11,341	11,341	11,341	0
Juvenile Detention	12,000	12,000	440	11,560
Emergency Management	60,835	60,835	50,141	10,694
Miscellaneous	205,000	205,000	200,144	4,856
Total Public Safety	1,795,468	1,795,468	1,600,431	195,037
Public Works:				
Surveyor	22,900	22,900	12,830	10,070
Noxious Weed Control	45,245	45,245	25,733	19,512
Total Public Works	68,145	68,145	38,563	29,582
Public Health:				
Miscellaneous	7,000	7,000	3,724	3,276
Total Public Health	7,000	7,000	3,724	3,276
Public Assistance:				
County Relief	10,400	10,400	675	9,725
Veteran's Service Officer	76,936	76,936	72,756	4,180
Institutions	69,322	69,322	58,951	10,371
Miscellaneous	24,596	24,596	23,949	647
Total Public Assistance	181,254	181,254	156,331	24,923

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, 2016

EXHIBIT F
CONCLUDED

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Total Cash Disbursements	3,991,316	3,991,316	3,556,825	434,491
Excess of Cash Receipts Over (Under) Cash Disbursements	58,546	58,546	768,069	709,523
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	375,146	375,146		(375,146)
Operating Transfers (Out)	(1,082,179)	(1,082,179)	(1,042,432)	39,747
Total Other Financing Sources (Uses)	(707,033)	(707,033)	(1,042,432)	(335,399)
Net Change in Fund Balance	(648,487)	(648,487)	(274,363)	374,124
Fund Balance, Beginning of Year	948,487	948,487	948,487	0
Fund Balance, End of Year	300,000	300,000	674,124	374,124

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, 2016

EXHIBIT G

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
State	1,030,266	1,030,266	1,057,115	26,849
Local	7,750	7,750	62,079	54,329
Total Cash Receipts	<u>1,038,016</u>	<u>1,038,016</u>	<u>1,119,194</u>	<u>81,178</u>
CASH DISBURSEMENTS:				
Public Works:				
Road Department	1,440,869	1,440,869	1,180,426	260,443
Total Cash Disbursements	<u>1,440,869</u>	<u>1,440,869</u>	<u>1,180,426</u>	<u>260,443</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>(402,853)</u>	<u>(402,853)</u>	<u>(61,232)</u>	<u>341,621</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	280,157	280,157	263,242	(16,915)
Operating Transfers (Out)				
Total Other Financing Sources (Uses)	<u>280,157</u>	<u>280,157</u>	<u>263,242</u>	<u>(16,915)</u>
Net Change in Fund Balance	(122,696)	(122,696)	202,010	324,706
Fund Balance, Beginning of Year	<u>372,696</u>	<u>372,696</u>	<u>372,696</u>	<u>0</u>
Fund Balance, End of Year	<u>250,000</u>	<u>250,000</u>	<u>574,706</u>	<u>324,706</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, 2016

EXHIBIT H

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Local			2,785	2,785
Total Cash Receipts	0	0	2,785	2,785
CASH DISBURSEMENTS:				
General Government	1,127,529	1,127,529	833,395	294,134
Total Cash Disbursements	1,127,529	1,127,529	833,395	294,134
Excess of Cash Receipts Over (Under) Cash Disbursements	(1,127,529)	(1,127,529)	(830,610)	296,919
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	702,022	702,022	679,190	(22,832)
Operating Transfers (Out)				
Total Other Financing Sources (Uses)	702,022	702,022	679,190	(22,832)
Net Change in Fund Balance	(425,507)	(425,507)	(151,420)	274,087
Fund Balance, Beginning of Year	435,507	435,507	435,507	0
Fund Balance, End of Year	10,000	10,000	284,087	274,087

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, 2016

EXHIBIT I

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Local	250,000	250,000	307,528	57,528
Total Cash Receipts	250,000	250,000	307,528	57,528
CASH DISBURSEMENTS:				
Capital Outlay	207,533	207,533		207,533
Total Cash Disbursements	207,533	207,533	0	207,533
Excess of Cash Receipts Over (Under) Cash Disbursements	42,467	42,467	307,528	265,061
OTHER FINANCING SOURCES (USES)				
Operating Transfers In				
Operating Transfers (Out)	(355,000)	(355,000)		355,000
Total Other Financing Sources (Uses)	(355,000)	(355,000)	0	355,000
Net Change in Fund Balance	(312,533)	(312,533)	307,528	620,061
Fund Balance, Beginning of Year	611,644	611,644	611,644	0
Fund Balance, End of Year	299,111	299,111	919,172	620,061

See Accompanying Notes to Budgetary Reporting

RED WILLOW COUNTY, NEBRASKA

**NOTES TO SUPPLEMENTARY INFORMATION
BUDGETARY REPORTING**

For the Year Ended June 30, 2016

NOTE 1: GAAP REQUIREMENTS:

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

NOTE 2: BUDGET POLICY:

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

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

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

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

RED WILLOW COUNTY, NEBRASKA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2016

SCHEDULE 1

	Special Revenue Funds (Schedule 3)	Debt Service Service Fund Hillcrest Nursing Home Bond	Total Nonmajor Governmental Funds (Exhibit C)
ASSETS			
Equity in Pooled Cash and Cash Equivalents	764,234	115,213	879,447
Designated Investments	67,636		67,636
Total Assets	831,870	115,213	947,083
FUND BALANCES:			
Restricted	353,569	115,213	468,782
Assigned	478,301		478,301
Total Fund Balances	831,870	115,213	947,083

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, 2016

SCHEDULE 2

	Special Revenue Funds (Schedule 4)	Debt Service Fund Hillcrest Nursing Home Bond	Capital Project Fund Jail Building	Total Nonmajor Governmental Funds (Exhibit D)
CASH RECEIPTS				
Property Taxes	162,826	110,085		272,911
Federal Grants	12,894			12,894
Intergovernmental	387,102	4,729		391,831
Charges for Services	663,412			663,412
Interest	150		3	153
Miscellaneous	16,180	8,271		24,451
Total Cash Receipts	<u>1,242,564</u>	<u>123,085</u>	<u>3</u>	<u>1,365,652</u>
CASH DISBURSEMENTS				
General Government	11,891			11,891
Public Safety	238,295			238,295
Public Works	60,000			60,000
Public Health	228,159			228,159
Culture and Recreation	923,364			923,364
Debt Service:				
Principal Retirement	200,779	100,000		300,779
Interest	22,149	63,053		85,202
Total Cash Disbursements	<u>1,684,637</u>	<u>163,053</u>	<u>0</u>	<u>1,847,690</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>(442,073)</u>	<u>(39,968)</u>	<u>3</u>	<u>(482,038)</u>
OTHER FINANCING SOURCES (USES):				
Component Unit	222,928	55,181		278,109
Transfers In		100,000		100,000
Transfers (Out)			(20,146)	(20,146)
Total Other Financing Sources (Uses)	<u>222,928</u>	<u>155,181</u>	<u>(20,146)</u>	<u>357,963</u>
Net Change in Fund Balances	(219,145)	115,213	(20,143)	(124,075)
Fund Balances, Beginning of Year	1,051,015	0	20,143	1,071,158
Fund Balances, End of Year	<u>831,870</u>	<u>115,213</u>	<u>0</u>	<u>947,083</u>

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

June 30, 2016

SCHEDULE 3

	Highway Buyback	Child Support Incentive	Visitor's Promotion	Visitor's Improvement	Fair	Fair Sinking
ASSETS						
Equity in Pooled Cash and Cash Equivalents Designated Investments	145,932	79,505	26,207	91,665	23,668	15,134
Total Assets	<u>145,932</u>	<u>79,505</u>	<u>26,207</u>	<u>91,665</u>	<u>23,668</u>	<u>15,134</u>
FUND BALANCES:						
Restricted Assigned	145,932	79,505	26,207	91,665	23,668	15,134
Total Fund Balances	<u>145,932</u>	<u>79,505</u>	<u>26,207</u>	<u>91,665</u>	<u>23,668</u>	<u>15,134</u>

	Register of Deeds P&M	Kiplinger Arena	Kiplinger Endowment	Veteran's Aid	STOP Diversion	Drug Law Enforcement
ASSETS						
Equity in Pooled Cash and Cash Equivalents Designated Investments	1,485		4	8,775	30,306	1,053
Total Assets	<u>1,485</u>	<u>67,636</u>	<u>4</u>	<u>8,775</u>	<u>30,306</u>	<u>1,053</u>
FUND BALANCES:						
Restricted Assigned	1,485	67,636	4	8,775	30,306	1,053
Total Fund Balances	<u>1,485</u>	<u>67,636</u>	<u>4</u>	<u>8,775</u>	<u>30,306</u>	<u>1,053</u>

	Juvenile Services	Health Department	Waste Disposal	Total Nonmajor Special Revenue Funds (Schedule 1)
ASSETS				
Equity in Pooled Cash and Cash Equivalents Designated Investments	13,157	106,448	220,895	764,234
Total Assets	<u>13,157</u>	<u>106,448</u>	<u>220,895</u>	<u>831,870</u>
FUND BALANCES:				
Restricted Assigned	13,157	106,448	220,895	353,569 478,301
Total Fund Balances	<u>13,157</u>	<u>106,448</u>	<u>220,895</u>	<u>831,870</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, 2016

SCHEDULE 4

	Highway Buyback	Child Support Incentive	Visitor's Promotion	Visitor's Improvement	Fair	Fair Sinking
CASH RECEIPTS						
Property Taxes					140,048	
Federal Grants		12,894				
Intergovernmental Charges for Services	93,255		65,033	65,034	4,868	3,179
Interest					191,187	
Miscellaneous			632	15,548		
Total Cash Receipts	<u>93,255</u>	<u>12,894</u>	<u>65,665</u>	<u>80,582</u>	<u>336,103</u>	<u>3,179</u>
CASH DISBURSEMENTS						
General Government						
Public Safety						
Public Works	60,000					
Public Health						
Culture and Recreation			64,471	51,002	377,040	
Debt Service						
Principal Retirement						
Interest						
Total Cash Disbursements	<u>60,000</u>	<u>0</u>	<u>64,471</u>	<u>51,002</u>	<u>377,040</u>	<u>0</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>33,255</u>	<u>12,894</u>	<u>1,194</u>	<u>29,580</u>	<u>(40,937)</u>	<u>3,179</u>
OTHER FINANCING SOURCES (USES):						
Component Unit Transfers (Out)						
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>33,255</u>	<u>12,894</u>	<u>1,194</u>	<u>29,580</u>	<u>(40,937)</u>	<u>3,179</u>
Fund Balances, Beginning of Year	<u>112,677</u>	<u>66,611</u>	<u>25,013</u>	<u>62,085</u>	<u>64,605</u>	<u>11,955</u>
Fund Balances, End of Year	<u><u>145,932</u></u>	<u><u>79,505</u></u>	<u><u>26,207</u></u>	<u><u>91,665</u></u>	<u><u>23,668</u></u>	<u><u>15,134</u></u>

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

For The Year Ended June 30, 2016

SCHEDULE 4
CONTINUED

	Register of Deeds P&M	Kiplinger Arena	Kiplinger Endowment	Veteran's Aid	STOP Diversion	Drug Law Enforcement
CASH RECEIPTS						
Property Taxes		1				
Federal Grants						
Intergovernmental				55		
Charges for Services	7,637	138,065			4,800	
Interest		146	4			
Miscellaneous						
Total Cash Receipts	<u>7,637</u>	<u>138,212</u>	<u>4</u>	<u>55</u>	<u>4,800</u>	<u>0</u>
CASH DISBURSEMENTS						
General Government	11,891					
Public Safety						
Public Works						
Public Health						
Culture and Recreation		120,380	310,471			
Debt Service						
Principal Retirement						
Interest						
Total Cash Disbursements	<u>11,891</u>	<u>120,380</u>	<u>310,471</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>(4,254)</u>	<u>17,832</u>	<u>(310,467)</u>	<u>55</u>	<u>4,800</u>	<u>0</u>
OTHER FINANCING SOURCES (USES):						
Component Unit Transfers (Out)						
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(4,254)	17,832	(310,467)	55	4,800	0
Fund Balances, Beginning of Year	5,739	49,804	310,471	8,720	25,506	1,053
Fund Balances, End of Year	<u>1,485</u>	<u>67,636</u>	<u>4</u>	<u>8,775</u>	<u>30,306</u>	<u>1,053</u>

RED WILLOW COUNTY NEBRASKA

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

For The Year Ended June 30, 2016

	Juvenile Services	Health Department	Hillcrest Nursing Home Loan	Waste Disposal	SCHEDULE 4 CONCLUDED Total Nonmajor Special Revenue Funds (Schedule 2)
CASH RECEIPTS					
Property Taxes		22,777			162,826
Federal Grants					12,894
Intergovernmental		973		157,884	387,102
Charges for Services		197,147		121,397	663,412
Interest					150
Miscellaneous					16,180
Total Cash Receipts	0	220,897	0	279,281	1,242,564
CASH DISBURSEMENTS					
General Government					11,891
Public Safety				238,295	238,295
Public Works					60,000
Public Health		228,159			228,159
Culture and Recreation					923,364
Debt Service					
Principal Retirement			200,779		200,779
Interest			22,149		22,149
Total Cash Disbursements	0	228,159	222,928	238,295	1,684,637
Excess of Cash Receipts Over (Under) Cash Disbursements	0	(7,262)	(222,928)	40,986	(442,073)
OTHER FINANCING SOURCES (USES):					
Component Unit			222,928		222,928
Transfers (Out)					
Total Other Financing Sources	0	0	222,928	0	222,928
Net Change in Fund Balances	0	(7,262)	0	40,986	(219,145)
Fund Balances, Beginning of Year	13,157	113,710	0	179,909	1,051,015
Fund Balances, End of Year	13,157	106,448	0	220,895	831,870

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, 2016

SCHEDULE 5

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
HIGHWAY BUYBACK				
CASH RECEIPTS	85,653	85,653	93,255	7,602
CASH DISBURSEMENTS	75,000	75,000	60,000	15,000
Net Change in Fund Balance	10,653	10,653	33,255	22,602
Fund Balance, Beginning of Year	112,677	112,677	112,677	
Fund Balance, End of Year	123,330	123,330	145,932	22,602
CHILD SUPPORT INCENTIVE				
CASH RECEIPTS	0	0	12,894	12,894
CASH DISBURSEMENTS	66,611	66,611	0	66,611
Net Change in Fund Balance	(66,611)	(66,611)	12,894	79,505
Fund Balance, Beginning of Year	66,611	66,611	66,611	
Fund Balance, End of Year	0	0	79,505	79,505
VISITOR'S PROMOTION				
CASH RECEIPTS	64,987	64,987	65,665	678
CASH DISBURSEMENTS	90,000	90,000	64,471	25,529
Net Change in Fund Balance	(25,013)	(25,013)	1,194	26,207
Fund Balance, Beginning of Year	25,013	25,013	25,013	
Fund Balance, End of Year	0	0	26,207	26,207
VISITOR'S IMPROVEMENT				
CASH RECEIPTS	68,915	68,915	80,582	11,667
CASH DISBURSEMENTS	131,000	131,000	51,002	79,998
Net Change in Fund Balance	(62,085)	(62,085)	29,580	91,665
Fund Balance, Beginning of Year	62,085	62,085	62,085	
Fund Balance, End of Year	0	0	91,665	91,665
FAIR				
CASH RECEIPTS	581,468	581,468	336,103	(245,365)
CASH DISBURSEMENTS	646,073	646,073	377,040	269,033
Net Change in Fund Balance	(64,605)	(64,605)	(40,937)	23,668
Fund Balance, Beginning of Year	64,605	64,605	64,605	
Fund Balance, End of Year	0	0	23,668	23,668

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, 2016

**SCHEDULE 5
CONTINUED**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
FAIR SINKING				
CASH RECEIPTS	2,000	2,000	3,179	1,179
CASH DISBURSEMENTS	13,955	13,955		13,955
Net Change in Fund Balance	(11,955)	(11,955)	3,179	15,134
Fund Balance, Beginning of Year	11,955	11,955	11,955	
Fund Balance, End of Year	0	0	15,134	15,134
REGISTER OF DEEDS P&M				
CASH RECEIPTS	7,000	7,000	7,637	637
CASH DISBURSEMENTS	12,000	12,000	11,891	109
Net Change in Fund Balance	(5,000)	(5,000)	(4,254)	746
Fund Balance, Beginning of Year	5,739	5,739	5,739	
Fund Balance, End of Year	739	739	1,485	746
KIPLINGER ARENA				
CASH RECEIPTS	555,983	555,983	138,212	(417,771)
CASH DISBURSEMENTS	605,787	605,787	120,380	485,407
Net Change in Fund Balance	(49,804)	(49,804)	17,832	67,636
Fund Balance, Beginning of Year	49,804	49,804	49,804	
Fund Balance, End of Year	0	0	67,636	67,636
KIPLINGER ENDOWMENT				
CASH RECEIPTS			4	4
CASH DISBURSEMENTS	310,471	310,471	310,471	0
Net Change in Fund Balance	(310,471)	(310,471)	(310,467)	4
Fund Balance, Beginning of Year	310,471	310,471	310,471	
Fund Balance, End of Year	0	0	4	4
VETERAN'S AID				
CASH RECEIPTS	55	55	55	0
CASH DISBURSEMENTS	8,600	8,600	0	8,600
Net Change in Fund Balance	(8,545)	(8,545)	55	8,600
Fund Balance, Beginning of Year	8,720	8,720	8,720	
Fund Balance, End of Year	175	175	8,775	8,600

RED WILLOW COUNTY, NEBRASKA

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

For the Year Ended June 30, 2016

**SCHEDULE 5
CONTINUED**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
STOP DIVERSION				
CASH RECEIPTS	3,000	3,000	4,800	1,800
CASH DISBURSEMENTS	25,506	25,506	0	25,506
Net Change in Fund Balance	(22,506)	(22,506)	4,800	27,306
Fund Balance, Beginning of Year	25,506	25,506	25,506	
Fund Balance, End of Year	3,000	3,000	30,306	27,306
DRUG LAW ENFORCEMENT				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	1,051	1,051	0	1,051
Net Change in Fund Balance	(1,051)	(1,051)	0	1,051
Fund Balance, Beginning of Year	1,051	1,051	1,053	2
Fund Balance, End of Year	0	0	1,053	1,053
JUVENILE SERVICES				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	13,157	13,157	0	13,157
Net Change in Fund Balance	(13,157)	(13,157)	0	13,157
Fund Balance, Beginning of Year	13,157	13,157	13,157	
Fund Balance, End of Year	0	0	13,157	13,157
HEALTH DEPARTMENT				
CASH RECEIPTS	158,403	158,403	220,897	62,494
CASH DISBURSEMENTS	272,113	272,113	228,159	43,954
Net Change in Fund Balance	(113,710)	(113,710)	(7,262)	106,448
Fund Balance, Beginning of Year	113,710	113,710	113,710	
Fund Balance, End of Year	0	0	106,448	106,448
HILLCREST NURSING HOME LOAN				
CASH RECEIPTS	222,928	222,928	222,928	0
CASH DISBURSEMENTS	222,928	222,928	222,928	0
Net Change in Fund Balance	0	0	0	0
Fund Balance, Beginning of Year	0	0	0	
Fund Balance, End of Year	0	0	0	0

RED WILLOW COUNTY, NEBRASKA

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	SCHEDULE 5 CONCLUDED Variance With Final Budget Over (Under)
	Original	Final		
WASTE DISPOSAL				
CASH RECEIPTS	278,500	278,500	279,281	781
CASH DISBURSEMENTS	270,405	270,405	238,295	32,110
Net Change in Fund Balance	8,095	8,095	40,986	32,891
Fund Balance, Beginning of Year	179,909	179,909	179,909	
Fund Balance, End of Year	188,004	188,004	220,895	32,891
JAIL BUILDING				
CASH RECEIPTS	3	3	3	0
CASH DISBURSEMENTS	20,146	20,146	20,146	0
Net Change in Fund Balance	(20,143)	(20,143)	(20,143)	0
Fund Balance, Beginning of Year	20,143	20,143	20,143	
Fund Balance, End of Year	0	0	0	0
HILLCREST NURSING HOME BOND				
CASH RECEIPTS	225,053	225,053	123,085	(101,968)
CASH DISBURSEMENTS	163,503	163,503	163,053	450
OTHER FINANCING SOURCES				
Operating Transfers In	100,000	100,000	155,181	55,181
Net Change in Fund Balance	161,550	161,550	115,213	(46,337)
Fund Balance, Beginning of Year	0	0	0	
Fund Balance, End of Year	161,550	161,550	115,213	(46,337)

RED WILLOW COUNTY, NEBRASKA

SCHEDULE OF OFFICE ACTIVITIES

For The Year Ended June 30, 2016

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, 2015	16,937	82,621	9,634	320	3,717	304	69,816	26,113	209,462
Receipts									
Licenses and Permits	2,753	4,825	10,805						18,383
Charges for Services	99,023	14,084	61,973	5,950		197,216		110,988	489,234
Miscellaneous	67	44			80				191
State Fees	88,967	19,950							108,917
Other Liabilities	19,660	596,850	53,536			453	359,726		1,030,225
Total Receipts	210,470	635,753	126,314	5,950	80	197,669	359,726	110,988	1,646,950
Disbursements									
Payments to County Treasurer	88,083	18,700	73,748	5,760		197,147		121,397	504,835
Payments to State Treasurer	85,066	20,139							105,205
Other Liabilities	18,440	630,695	52,366		15	453	354,398		1,056,367
Total Disbursements	191,589	669,534	126,114	5,760	15	197,600	354,398	121,397	1,666,407
Balance June 30, 2016	35,818	48,840	9,834	510	3,782	373	75,144	15,704	190,005
BALANCE CONSISTS OF:									
Due to County Treasurer	25,978	1,587	6,642	210		123	30,144	15,704	80,388
Due to State Treasurer	8,754	1,453							10,207
Petty Cash	150	150	1,500		3,782	250	45,000		50,832
Due to Others	936	45,650	1,692	300					48,578
Balance June 30, 2016	35,818	48,840	9,834	510	3,782	373	75,144	15,704	190,005

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

County Board of Commissioners
Red Willow County
McCook, Nebraska 69001

Board Members:

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Red Willow County, Nebraska, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Red Willow County, Nebraska financial statements, and have issued my report thereon dated January 31, 2017. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Hillcrest Nursing Home, a component unit of Red Willow County, Nebraska.

Internal Control Over Financial Reporting

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

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

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

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

Page 2

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

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

Compliance and Other Matters

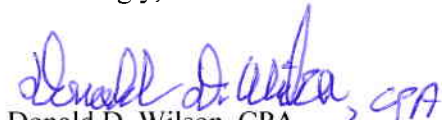
As part of obtaining reasonable assurance about whether Red Willow County, Nebraska financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matter that is required to be reported under *Government Auditing Standards*.

Response to Finding

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

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

January 31, 2017