

**AUDIT REPORT  
OF  
WEBSTER COUNTY**

**JULY 1, 2021, THROUGH JUNE 30, 2022**

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the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original  
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**Issued on March 15, 2023**

## WEBSTER COUNTY

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WEBSTER COUNTY  
621 N Cedar Street  
Red Cloud, NE 68970

**LIST OF COUNTY OFFICIALS**  
At June 30, 2022

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	TJ Vance	Jan. 2023
	Tim Gilbert	Jan. 2025
	Gary Ratzlaff	Jan. 2023
	Trevor Karr	Jan. 2025
	Dan Shipman	Jan. 2023
Assessor	Sonja Krueger	Jan. 2023
Attorney	Patrick Calkins	Jan. 2023
Clerk Election Commissioner Register of Deeds Clerk of the District Court	Louise Petsch	Jan. 2023
Sheriff	Troy Schmitz	Jan. 2023
Treasurer	Janet Knehans	Jan. 2023
Surveyor	Thomas Krueger	Jan. 2023
Veterans' Service Officer	Gary Ratzlaff	Appointed
Weed Superintendent	Brian Pedersen	Appointed
Highway Superintendent	Lance Harter	Appointed
Planning & Zoning	Tami Scheuneman	Appointed
Emergency Manager	Ron Sunday	Appointed



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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## WEBSTER COUNTY

### INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Webster County, Nebraska

#### Report on the Audit of Financial Statements

##### *Adverse and Unmodified Opinions*

We have audited the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Webster County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic 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
Discretely Presented Component Unit	Adverse
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

##### *Adverse Opinion on Discretely Presented Component Unit*

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of Webster County, as of June 30, 2022, or the changes in financial position 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 our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Webster County, as of June 30, 2022, and the respective changes in cash-basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

##### *Basis for Adverse and Unmodified Opinions*

We conducted our 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse, and unmodified audit opinions.

***Matters Giving Rise to Adverse Opinion on the Discretely Presented Component Unit***

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 the financial data for that component unit to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, net position, receipts, and disbursements of the government-wide financial statements has not been determined.

***Emphasis of Matter - Basis of Accounting***

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

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are 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's report that includes our 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*, we:

- 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 the effectiveness of the County's 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statement, budgetary comparison information, schedule of office activity, and schedule of taxes certified and collected, pages 19-31, are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic 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*, we have also issued our report dated March 8, 2023, on our consideration of Webster County's internal control over financial reporting and on our 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 our 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 the 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 Webster County's internal control over financial reporting and compliance.



Zachary Wells, CPA, CISA  
Assistant Deputy Auditor  
Lincoln, Nebraska

March 8, 2023

WEBSTER COUNTY  
**STATEMENT OF NET POSITION - CASH BASIS**  
June 30, 2022

	Governmental Activities
	<hr/>
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 1.D)	\$ 8,002,106
<b>TOTAL ASSETS</b>	<hr/> <b>\$ 8,002,106</b> <hr/>
 <b>NET POSITION</b>	
Restricted for:	
Visitor Promotion	\$ 19,748
Preservation of Records	8,852
Debt Service	84,967
Self-Insured Dental Plan	77,332
Federal Relief	674,886
County Museum	80,577
Road Improvements	1,414,214
Unrestricted	5,641,530
<b>TOTAL NET POSITION</b>	<hr/> <b>\$ 8,002,106</b> <hr/>

The notes to the financial statements are an integral part of this statement.

WEBSTER COUNTY  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 2022

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (1,697,105)	\$ 197,721	\$ 23,111	\$ (1,476,273)
Public Safety	(1,022,421)	152,230	12,466	(857,725)
Public Works	(2,884,564)	93,751	1,446,745	(1,344,068)
Public Assistance	(27,537)	-	-	(27,537)
Culture and Recreation	(58,465)	3,541	-	(54,924)
Debt Payments	(546,494)	-	-	(546,494)
Total Governmental Activities	<u>\$ (6,236,586)</u>	<u>\$ 447,243</u>	<u>\$ 1,482,322</u>	<u>(4,307,021)</u>

General Receipts:

Taxes	3,999,667
Grants and Contributions Not Restricted to Specific Programs	780,389
Investment Income	11,017
Licenses and Permits	92,853
Miscellaneous	77,914
Total General Receipts	<u>4,961,840</u>

Change in Net Position	654,819
Net Position - Beginning of year	7,347,287
Net Position - End of year	<u>\$ 8,002,106</u>

The notes to the financial statements are an integral part of this statement.



WEBSTER COUNTY  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
June 30, 2022

	General Fund	Road Fund	Inheritance Fund	Capital Construction Fund	Bladen Highway North Project Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents (Note 1.D)	\$ 984,289	\$ 1,234,603	\$ 1,800,133	\$ 1,090,126	\$ 1,414,214	\$ 1,478,741	\$ 8,002,106
<b>TOTAL ASSETS</b>	<u>\$ 984,289</u>	<u>\$ 1,234,603</u>	<u>\$ 1,800,133</u>	<u>\$ 1,090,126</u>	<u>\$ 1,414,214</u>	<u>\$ 1,478,741</u>	<u>\$ 8,002,106</u>
<b>FUND BALANCES</b>							
Restricted for:							
Visitor Promotion	-	-	-	-	-	19,748	19,748
Preservation of Records	-	-	-	-	-	8,852	8,852
Debt Service	-	-	-	-	-	84,967	84,967
Self-Insured Dental Plan	-	-	-	-	-	77,332	77,332
Federal Relief	-	-	-	-	-	674,886	674,886
County Museum	-	-	-	-	-	80,577	80,577
Road Improvements	-	-	-	-	1,414,214	-	1,414,214
Committed to:							
Law Enforcement	-	-	-	-	-	9,585	9,585
Road Maintenance	-	1,234,603	-	1,090,126	-	-	2,324,729
Aid and Assistance	-	-	-	-	-	37,908	37,908
Noxious Weed Control	-	-	-	-	-	17,460	17,460
Ambulance Services	-	-	-	-	-	67,426	67,426
Capital Projects	-	-	-	-	-	400,000	400,000
Assigned to:							
Other Purposes	-	-	1,800,133	-	-	-	1,800,133
Unassigned	984,289	-	-	-	-	-	984,289
<b>TOTAL CASH BASIS FUND BALANCES</b>	<u>\$ 984,289</u>	<u>\$ 1,234,603</u>	<u>\$ 1,800,133</u>	<u>\$ 1,090,126</u>	<u>\$ 1,414,214</u>	<u>\$ 1,478,741</u>	<u>\$ 8,002,106</u>

The notes to the financial statements are an integral part of this statement.

WEBSTER COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2022

	General Fund	Road Fund	Inheritance Fund	Capital Construction Fund	Bladen Highway North Project Fund	Nonmajor Funds	Total Governmental Funds
<b>RECEIPTS</b>							
Taxes	\$3,292,894	\$ -	\$ 384,604	\$ -	\$ -	\$ 322,169	\$ 3,999,667
Licenses and Permits	92,853	-	-	-	-	-	92,853
Investment Income	9,323	-	-	-	1,312	382	11,017
Intergovernmental	442,940	1,284,686	-	162,065	-	373,020	2,262,711
Charges for Services	254,525	93,751	-	-	-	98,967	447,243
Miscellaneous	7,546	66,127	-	-	-	4,241	77,914
<b>TOTAL RECEIPTS</b>	<b>4,100,081</b>	<b>1,444,564</b>	<b>384,604</b>	<b>162,065</b>	<b>1,312</b>	<b>798,779</b>	<b>6,891,405</b>
<b>DISBURSEMENTS</b>							
General Government	1,660,721	-	3,044	-	-	33,340	1,697,105
Public Safety	912,113	-	-	-	-	110,308	1,022,421
Public Works	-	2,044,996	-	689,833	88,665	61,070	2,884,564
Public Assistance	19,864	-	-	-	-	7,673	27,537
Culture and Recreation	-	-	-	-	-	58,465	58,465
Debt Service:							
Principal Payments	-	-	-	-	145,000	360,000	505,000
Interest and Fiscal Charges	-	-	-	-	16,698	24,796	41,494
<b>TOTAL DISBURSEMENTS</b>	<b>2,592,698</b>	<b>2,044,996</b>	<b>3,044</b>	<b>689,833</b>	<b>250,363</b>	<b>655,652</b>	<b>6,236,586</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>1,507,383</b>	<b>(600,432)</b>	<b>381,560</b>	<b>(527,768)</b>	<b>(249,051)</b>	<b>143,127</b>	<b>654,819</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	780,000	40,000	600,000	162,198	587,249	2,169,447
Transfers out	(1,875,806)	(172,296)	(40,000)	-	-	(81,345)	(2,169,447)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,875,806)</b>	<b>607,704</b>	<b>-</b>	<b>600,000</b>	<b>162,198</b>	<b>505,904</b>	<b>-</b>
Net Change in Fund Balances	(368,423)	7,272	381,560	72,232	(86,853)	649,031	654,819
<b>CASH BASIS FUND BALANCES - BEGINNING</b>	<b>1,352,712</b>	<b>1,227,331</b>	<b>1,418,573</b>	<b>1,017,894</b>	<b>1,501,067</b>	<b>829,710</b>	<b>7,347,287</b>
<b>CASH BASIS FUND BALANCES - ENDING</b>	<b>\$ 984,289</b>	<b>\$ 1,234,603</b>	<b>\$ 1,800,133</b>	<b>\$1,090,126</b>	<b>\$ 1,414,214</b>	<b>\$ 1,478,741</b>	<b>\$ 8,002,106</b>

The notes to the financial statements are an integral part of this statement.

WEBSTER COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**FIDUCIARY FUNDS**  
For the Year Ended June 30, 2022

	Custodial Fund Balances July 1, 2021	Receipts	Disbursements	Custodial Fund Balances June 30, 2022
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 253,964	\$ 13,589,109	\$ 13,607,734	\$ 235,339
<b>LIABILITIES</b>				
Due to other governments				
State - Collected by County Treasurer	112,913	1,223,964	1,237,128	99,749
State - Collected by Other Offices	8,586	103,868	110,586	1,868
Schools	97,086	9,370,573	9,371,316	96,343
Educational Service Units	1,214	156,385	156,488	1,111
Technical College	7,442	957,682	958,325	6,799
Natural Resource Districts	6,773	702,793	707,421	2,145
Fire Districts	1,650	242,518	242,456	1,712
Municipalities	13,679	543,939	544,299	13,319
Agricultural Society	595	73,064	73,149	510
Others - Collected by County Treasurer	620	171,064	168,327	3,357
Others - Collected by Other Offices	3,406	43,259	38,239	8,426
<b>TOTAL LIABILITIES</b>	<u>253,964</u>	<u>13,589,109</u>	<u>13,607,734</u>	<u>235,339</u>
<b>TOTAL NET POSITION</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

## WEBSTER COUNTY

### NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2022

#### 1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies utilized in the accounting system of Webster County.

##### **A. Reporting Entity**

Webster 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. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include 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 financial benefits to, or impose specific financial burdens on, the County. The County is also considered financially accountable if an organization is fiscally dependent on and there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

**Component Unit.** These financial statements present the County (the primary government). The Webster County Hospital (Hospital) 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 Hospital necessary for reporting in conformity with generally accepted accounting principles (GAAP). Complete financial statements of the Hospital can be obtained from the Hospital's administrative office.

##### **Joint Organization.**

Behavioral Health Region III – The County has entered into an agreement with surrounding counties and the Nebraska Department of Health and Human Services to provide services to carry out the provisions of the Nebraska Behavioral Health Services Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region III (Region) consists of the following counties: Blaine, Loup, Garfield, Wheeler, Custer, Valley, Greeley, Sherman, Howard, Buffalo, Hall, Phelps, Kearney, Adams, Clay, Furnas, Harlan, Hamilton, Merrick, Franklin, Webster, and Nuckolls.

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$9,198 toward the operation of the Region 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 Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

## WEBSTER COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

#### 1. **Summary of Significant Accounting Policies** (Continued)

**Health Department** – The County has entered into an agreement with the South Heartland District Health Department (Department) to provide public health services. The agreement was established under authority of the Interlocal Cooperation Act for services to be provided per Neb. Rev. Stat. §§ 71-1626 to 71-1636 (Reissue 2018).

The Department's governing board is established by statute and includes representatives from the participating county boards and the health profession. Funding is provided by a combination of Federal, State, local, and private funding. The County did not contribute toward the operation of the Department 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 Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (Cum. Supp. 2022). Financial information for the Department is available in that report.

#### **B. Basis of Presentation**

**Government-Wide Financial Statements.** The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis display information about the activities of the County and are in the format of government-wide statements, as required by GASB Statement Number 34. These statements include all the financial activities of the County, except for fiduciary activities and the Hospital. Internal activities in these statements were considered immaterial and have not been eliminated. Governmental Generally Accepted Accounting Principles (GAAP) requires internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities are generally financed through taxes, intergovernmental receipts, and other nonexchange transactions. The County is reported separately from a certain legally separate component unit for which the primary government is financially accountable. The Statement of Net Position presents the County's non-fiduciary assets in two categories:

**Restricted.** This category results when constraints are externally imposed on net asset use by creditors, grantors, or contributors, or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources as they are needed.

**Unrestricted.** This category represents resources that do not meet the definition of the preceding category. Unrestricted resources often have constraints on resources that are imposed by management, but those constraints can be removed or modified.

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

**Fund Financial Statements.** The fund financial statements provide information about the County's funds, including its fiduciary funds. GAAP requires separate statements by fund category – governmental, proprietary, and fiduciary. The County uses only the governmental and fiduciary fund categories. The County Board is the highest level of decision-making authority and has the authority, by resolution, to establish, modify or rescind the commitment or assignment of a fund balance to a specific purpose. When

## WEBSTER COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

#### 1. Summary of Significant Accounting Policies (Continued)

resources for a specific purpose are available in more than one fund balance classification, the County's policy is to use resources in the following order: restricted, committed, assigned, and unassigned. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

**General Fund.** This is the County's primary operating fund. It accounts for financial resources of the general government, except those required to be accounted for in another fund.

**Road Fund.** This 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.

**Inheritance Fund.** This fund is used to account for the receipts generated from inheritance taxes and is used for various projects.

**Capital Construction Fund.** This fund is used to account for costs associated with the repair and maintenance of roads and bridges in the County. It is primarily funded by amounts received from the State of Nebraska through the Federal Funds Purchase Program and transfers from the General Fund.

**Bladen Highway North Project Fund.** This fund is used to account for costs associated with the Bladen Highway North project and is primarily funded by proceeds from the sale of bonds in the prior year and transfers from the Road Fund.

The County reports the following additional non-major governmental fund types:

**Special Revenue Funds.** These funds account for the proceeds from a specific receipt source that is restricted to disbursements for a specified purpose.

**Custodial Funds.** These funds account for assets held by the County as an agent for various local governments.

**Capital Project Funds.** The Remodeling Fund accounts for all resources received and used for the acquisition or development of major capital improvements.

**Debt Service Funds.** The Hospital Bond Fund and Bridge Bond Fund account for the resources for, and the payment of, general long-term debt principal, interest, and related costs.

The County designates fund balances as follows:

**Restricted.** The fund balance is restricted by external impositions, such as creditors, grantors, or laws or regulations of other governments.

**Committed.** The fund balance has been designated by the County Board for a specific purpose.

**Assigned.** The fund balance has not been designated by the County Board for a specific purpose, but it has been separated based on the type of revenue.

WEBSTER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. **Summary of Significant Accounting Policies** (Continued)

**Unassigned.** This portion of the General Fund is not restricted, committed, or assigned for a specific purpose.

**C. Measurement Focus, Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. The accounting records of the County are maintained and the government-wide financial statements were reported on the basis of cash receipts and disbursements. As such, the measurement focus includes only those assets and fund balances arising from cash transactions on the Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis. Receipts are recognized when received, and disbursements are recognized when paid. This differs from governmental GAAP, which requires the government-wide and fiduciary fund financial statements to be reported using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus and basis of accounting, receipts are recorded when earned, and disbursements are recorded when a liability is incurred, regardless of the timing of related cash flows.

The governmental fund financial statements were also reported on the cash receipt and disbursement basis of accounting. As such, the same measurement focus and basis of accounting were used, as described above. This differs from governmental GAAP, which requires governmental fund financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this measurement focus and basis of accounting, receipts are recognized as soon as they are both measurable and available. Receipts are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Disbursements are generally recorded when a liability is incurred, as under accrual accounting. However, disbursements related to compensated absences, and claims and judgments are recorded only when payment is due.

**D. Assets and Net Position**

**Cash and Cash Equivalents.** The County's cash and cash equivalents are considered to be cash on hand, certificates of deposit, and demand deposits.

**Investments.** The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. § 77-2315, § 77-2340, and § 77-2341 (Reissue 2018) and generally include U.S. Government obligations and securities, which are authorized by the Nebraska Investment Council.

**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, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), to be reported in the applicable governmental activities columns in the government-wide financial statements.

Depreciation expenses on capital assets were not recorded on the cash basis financial statements. Under GAAP, depreciation expenses would be recorded in the Statement of Activities. The cost of normal maintenance and repairs that does not add to the value of the asset or extend asset life is not capitalized.

## WEBSTER COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

#### 1. Summary of Significant Accounting Policies (Concluded)

**Compensated Absences.** Vested or accumulated vacation leave that is liquidated with expendable available financial resources is reported as a disbursement of the County funds as paid. Upon termination, employees are paid for any unused vacation. Under the receipts and disbursements basis of accounting, the liabilities for compensated absences are not reported since they do not represent liabilities arising from cash transactions. Under GAAP, the compensated absences liability would be reported in the government-wide financial statements and would be recorded in accordance with the County's policy, which is to recognize the expense and accrued liability when vacation and compensatory leave is earned.

**Restricted Net Position.** When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$2,360,576 of restricted net position which is fully restricted by enabling legislation.

**Budgetary Process.** The County adopts an annual budget in accordance with the statutory requirements of the Nebraska Budget Act and County Budget Act of 1937. The budget is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those receipts actually received by the County Treasurer. The County does not utilize an encumbrance accounting system. All appropriated spending authority lapses at the end of the fiscal year.

On or before August 1, the County budget-making authority prepares and transmits a budget for each County fund to the County Board. The budget includes the requirements, the outstanding warrants, the operating reserves to be maintained, the cash on hand at the close of the preceding fiscal year, the receipts from sources other than taxation, and the amount to be raised by taxation. The County Board must hold at least one public hearing on the proposed budget. On or before September 20, the County Board adopts the budget and appropriates the amounts specified in the budget for the departments, offices, activities, and funds of the County.

The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, if revisions are made that alter the total disbursements of any fund, an additional public hearing must be held. The legal level of budgetary control for the General Fund is at the function level, and the special revenue fund types are at the fund level. The County Board is also authorized to budget for the transfer of money between County funds.

#### 2. Deposits and Investments

The County has generally pooled the cash resources of the various funds for investment purposes. Interest earned on pooled funds is credited to the County General Fund in accordance with Neb. Rev. Stat. § 77-2315 (Reissue 2018).

At year end, the County's carrying amount of deposits was \$8,002,106 for County funds and \$235,339 for Fiduciary funds. The bank balances for all funds totaled \$8,234,929. For purposes of classifying categories of custodial risk, the bank balances of the County's deposits, as of June 30, 2022, were either entirely insured or collateralized with securities held by the County's agent in the County's name.



## WEBSTER COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

#### 3. Taxes

Property taxes are levied by the County Board on or before October 15 of each year for all political subdivisions in the County. Real estate and personal property taxes are due and attach as an enforceable lien on January 1 following the levy date, and they become delinquent in two equal installments on May 1 and September 1. 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 other than the payment of principal and interest on bonded debt. Counties may levy taxes in addition to the 50-cent limitation upon a vote of the people.

The levy set in October 2021, for the 2021 taxes, which will be materially collected in May and September 2022, was set at \$.359405/\$100 of assessed valuation. The levy set in October 2020, for the 2020 taxes, which were materially collected in May and September 2021, was set at \$.383701/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

Additionally, there is currently a statutory lid limitation, which limits taxation to the prior year's level, with provisions for growth. The lid may be increased by 1% upon the approval of a three-fourths majority of the County Board.

The tax receipts classification also contains collections from the assessment of inheritance taxes, occupation taxes, and lodging taxes.

#### 4. Retirement System

The Retirement System for Nebraska Counties (the Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2022) and may be amended through legislative action.

Participation in the Plan is required of all full-time employees. Part-time (working less than one - half of the regularly scheduled hours) employees may elect voluntary participation upon reaching age 18. Part-time elected officials may exercise the option to join.

County employees and elected officials contribute 4.5% of their total compensation. In addition, the County contributes an amount equal to 150% of the employee's contribution. The contribution rates are established by § 23-2307 and § 23-2308 and may be amended through legislative action. The employee's and employer's contributions are kept in separate accounts. The employee's account is fully vested. The employer's account is fully vested after three years of participation in the system or credit for participation in another governmental plan prior to actual contribution to the Plan. Non-vested County contributions are forfeited upon termination. Forfeitures are used to cover a portion of the pension plan's administrative expenses. Prior service benefits are paid directly by the County to the retired employee. The Plan's financial statements, including pension costs and obligations, are audited annually and can be obtained from the State of Nebraska Public Employees Retirement System.

A supplemental retirement plan was established on January 1, 2003, for the benefit of all present and future commissioned law enforcement personnel employed by the County. Employees contribute 1% of their salary, and the County contributes an amount equal to 100% of the employee's contribution. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

## WEBSTER COUNTY

### NOTES TO FINANCIAL STATEMENTS

(Continued)

#### 4. **Retirement System** (Concluded)

For the year ended June 30, 2022, 47 employees contributed \$87,698, and the County contributed \$130,037. Contributions included \$3,039 in cash contributions towards the supplemental law enforcement plan for seven law enforcement employees. Lastly, the County paid \$270 directly to two retired employees for prior service benefits.

#### 5. **Risk Management**

The County is exposed to various risks of loss related to the following: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Nebraska Intergovernmental Risk Management Association (NIRMA), a public entity risk pool currently operating as a common risk management and insurance program for 106 counties and local governments throughout Nebraska.

The County pays an annual deposit premium, as calculated by the administrator of the pool. The premium is based on the losses and exposures of each County and the entire pool. If the pool becomes insolvent or otherwise unable to discharge its legal liabilities and obligations, the County may be assessed for an additional contribution. Each county remains liable for such assessments, regardless of the county's withdrawal from participation or the termination of the agreement, as well as for liabilities of the pool incurred during the county's period of membership.

The agreement with NIRMA requires the risk pool to provide coverage for up to a maximum amount per occurrence and purchase commercial insurance for claims in excess of coverage provided. In the event of a liability exceeding the commercial insurance, the County would be responsible for funding the excess amount.

	NIRMA Coverage	Maximum Coverage
General Liability Claim	\$ 300,000	\$ 5,000,000
Workers' Compensation Claim	\$ 550,000	Statutory Limits
Property Damage Claim	\$ 250,000	Insured Value at Replacement Cost

The County has not paid any additional assessments to the pool or paid out any amounts that exceeded coverage provided by the pool in the last three fiscal years. There were no significant reductions in insurance coverage from the prior year coverage.

The County administers a partially self-insured dental plan for County employees. Details of the coverage are available upon request from the County Clerk. The partially self-insured plan is funded through County contributions. The activity of the plan is reflected in the County's financial statements under the Self-Insured Dental Fund. No settlements exceeded coverage in any of the past three fiscal years. The County's total exposure is limited to \$4,000 per enrolled member, per calendar year.

#### 6. **Interfund Transfers**

Interfund transfers for the year ended June 30, 2022, consisted of the following:

WEBSTER COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. **Interfund Transfers** (Concluded)

<b>Transfers to</b>	<b>Transfers from</b>				<b>Total</b>
	<b>General Fund</b>	<b>Road Fund</b>	<b>Inheritance Fund</b>	<b>Nonmajor Funds</b>	
Road Fund	\$ 780,000	\$ -	\$ -	\$ -	\$ 780,000
Inheritance Fund	-	-	-	40,000	40,000
Capital Construction Fund	600,000	-	-	-	600,000
Bladen Highway North Project Fund	-	162,198	-	-	162,198
Nonmajor Funds	495,806	10,098	40,000	41,345	587,249
Total	<u>\$ 1,875,806</u>	<u>\$ 172,296</u>	<u>\$ 40,000</u>	<u>\$ 81,345</u>	<u>\$ 2,169,447</u>

Transfers are used to move unrestricted receipts collected in the General Fund and Inheritance Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

In the year ended June 30, 2022, the County made a one-time transfer of \$162,198 from the Road Fund to the Bladen Highway North Project Fund to pay the principal, interest, and related costs of the Highway Allocation Bonds. Additionally, the County made a one-time transfer of \$40,937 from the Red Cloud Ambulance Fund to the Blue Hill Ambulance Fund to pay wages, and other expenses of the Blue Hill Ambulance. The County also made a one-time transfer of \$40,000 from the Bridge Bond Fund to the Inheritance Fund to repay previous transfers.

Transfers of \$35,806, \$10,098, and \$408 were made to the Self-Insured Dental Fund from the General Fund, Road Fund, and Noxious Weed Fund, respectively, to pay the County's share of dental plan premiums.

7. **Long-Term Obligations**

**Lease-Purchase Agreements**

Changes to the commitments under a lease agreement for equipment and amounts to provide for annual rental payments are as follows:

	<b>Motorgraders</b>
Balance July 1, 2021	\$ 91,050
Purchases	227,780
Payments	156,528
Balance June 30, 2022	<u>\$ 162,302</u>
Future Payments:	
<b>Year</b>	
2023	\$ 24,373
2024	48,746
2025	48,746
2026	48,747
Total Payments	170,612
Less Interest	8,310
Present Value of Future Minimum Lease Payments	<u>\$ 162,302</u>
Carrying Value of the Related Fixed Asset	<u>\$ 1,056,580</u>

WEBSTER COUNTY

NOTES TO FINANCIAL STATEMENTS  
(Concluded)

7. **Long-Term Obligations** (Concluded)

**Bonds**

**Bridge Bonds.** The County issued bonds on April 24, 2013, in the amount of \$2,700,000 for the purpose of paying the costs of repairing, renovating, and constructing improvements to certain bridges on roads of the County, and paying certain costs of issuing the bonds. The County issued bonds on May 12, 2020, in the amount of \$1,615,000 for the purpose of paying the costs of the principal and interest on the County's General Obligation Bonds, Series 2013, dated April 24, 2013, and paying certain costs of issuing the bonds. The bond payable balance, as of June 30, 2022, was \$1,220,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future tax resources will be used to pay off the bonds.

Future Payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 205,000	\$ 19,133	\$ 224,133
2024	205,000	16,262	221,262
2025	215,000	13,290	228,290
2026	215,000	10,065	225,065
2027	215,000	6,625	221,625
2028	165,000	2,970	167,970
Total Payments	<u>\$ 1,220,000</u>	<u>\$ 68,345</u>	<u>\$ 1,288,345</u>

**Highway Allocation Bonds.** The County issued bonds on March 25, 2021, in the amount of \$1,525,000 for the purpose of paying the costs of road improvements constructed within the County, and to pay costs of the issuance of the bonds. The bond payable balance, as of June 30, 2022, was \$1,380,000. The County has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. Future highway allocation funds will be used to pay off the bonds.

Future Payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 150,000	\$ 12,113	\$ 162,113
2024	150,000	11,437	161,437
2025	150,000	10,613	160,613
2026	150,000	9,637	159,637
2027	155,000	8,512	163,512
2028-2031	625,000	18,860	643,860
Total Payments	<u>\$ 1,380,000</u>	<u>\$ 71,172</u>	<u>\$ 1,451,172</u>

**WEBSTER COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 3,586,431	\$ 3,586,431	\$ 3,292,894	\$ (293,537)
Licenses and Permits	94,500	94,500	92,853	(1,647)
Investment Income	18,600	18,600	9,323	(9,277)
Intergovernmental	138,928	138,928	442,940	304,012
Charges for Services	236,345	236,345	254,525	18,180
Miscellaneous	7,850	7,850	7,546	(304)
<b>TOTAL RECEIPTS</b>	<b>4,082,654</b>	<b>4,082,654</b>	<b>4,100,081</b>	<b>17,427</b>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	179,464	179,464	178,810	654
County Clerk	207,713	207,713	191,404	16,309
County Treasurer	262,973	262,973	252,320	10,653
County Assessor	247,078	247,078	239,771	7,307
Election Commissioner	43,208	43,208	27,791	15,417
Building and Zoning	12,896	12,896	8,166	4,730
Board of Equalization	58,180	58,180	54,697	3,483
Clerk of the District Court	59,173	59,173	58,555	618
County Court System	5,192	5,192	4,070	1,122
County Judge	800	800	12	788
Building and Grounds	410,139	410,139	316,258	93,881
Agricultural Extension Agent	106,571	106,571	97,320	9,251
Miscellaneous	402,924	402,924	231,547	171,377
Public Safety				
County Sheriff	792,204	792,204	744,693	47,511
County Attorney	114,603	114,603	106,745	7,858
County Jail	46,639	46,639	46,611	28
Emergency Management	21,060	21,060	14,064	6,996
Public Assistance				
Veterans' Service Officer	20,089	20,089	19,864	225
<b>TOTAL DISBURSEMENTS</b>	<b>2,990,906</b>	<b>2,990,906</b>	<b>2,592,698</b>	<b>398,208</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>1,091,748</b>	<b>1,091,748</b>	<b>1,507,383</b>	<b>415,635</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	30,000	30,000	-	(30,000)
Transfers out	(1,914,168)	(1,914,168)	(1,875,806)	38,362
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,884,168)</b>	<b>(1,884,168)</b>	<b>(1,875,806)</b>	<b>8,362</b>
Net Change in Fund Balance	(792,420)	(792,420)	(368,423)	423,997
<b>FUND BALANCE - BEGINNING</b>	<b>1,352,712</b>	<b>1,352,712</b>	<b>1,352,712</b>	<b>-</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 560,292</b>	<b>\$ 560,292</b>	<b>\$ 984,289</b>	<b>\$ 423,997</b>

WEBSTER COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**MAJOR FUNDS**

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
RECEIPTS				
Intergovernmental	\$ 1,294,006	\$ 1,294,006	\$ 1,284,686	\$ (9,320)
Charges for Services	63,800	63,800	93,751	29,951
Miscellaneous	20,500	20,500	66,127	45,627
TOTAL RECEIPTS	1,378,306	1,378,306	1,444,564	66,258
DISBURSEMENTS	2,154,364	2,154,364	2,044,996	109,368
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(776,058)	(776,058)	(600,432)	175,626
OTHER FINANCING SOURCES (USES)				
Transfers in	780,000	780,000	780,000	-
Transfers out	(159,000)	(159,000)	(172,296)	(13,296)
TOTAL OTHER FINANCING SOURCES (USES)	621,000	621,000	607,704	(13,296)
Net Change in Fund Balance	(155,058)	(155,058)	7,272	162,330
FUND BALANCE - BEGINNING	1,227,331	1,227,331	1,227,331	-
FUND BALANCE - ENDING	\$ 1,072,273	\$ 1,072,273	\$ 1,234,603	\$ 162,330
<b>INHERITANCE FUND</b>				
RECEIPTS				
Taxes	\$ 316,500	\$ 316,500	\$ 384,604	\$ 68,104
TOTAL RECEIPTS	316,500	316,500	384,604	68,104
DISBURSEMENTS	-	3,044	3,044	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	316,500	313,456	381,560	68,104

(Continued)

WEBSTER COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**MAJOR FUNDS**

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers in	40,000	40,000	40,000	-
Transfers out	(90,000)	(90,000)	(40,000)	50,000
TOTAL OTHER FINANCING SOURCES (USES)	(50,000)	(50,000)	-	50,000
Net Change in Fund Balance	266,500	263,456	381,560	118,104
FUND BALANCE - BEGINNING	1,418,573	1,418,573	1,418,573	-
FUND BALANCE - ENDING	<u>\$ 1,685,073</u>	<u>\$ 1,682,029</u>	<u>\$ 1,800,133</u>	<u>\$ 118,104</u>
<b>CAPITAL CONSTRUCTION FUND</b>				
RECEIPTS				
Intergovernmental	\$ 162,000	\$ 162,000	\$ 162,065	\$ 65
TOTAL RECEIPTS	162,000	162,000	162,065	65
DISBURSEMENTS	1,065,000	1,065,000	689,833	375,167
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	(903,000)	(903,000)	(527,768)	375,232
OTHER FINANCING SOURCES (USES)				
Transfers in	600,000	600,000	600,000	-
Transfers out	(312,333)	(312,333)	-	312,333
TOTAL OTHER FINANCING SOURCES (USES)	287,667	287,667	600,000	312,333
Net Change in Fund Balance	(615,333)	(615,333)	72,232	687,565
FUND BALANCE - BEGINNING	1,017,894	1,017,894	1,017,894	-
FUND BALANCE - ENDING	<u>\$ 402,561</u>	<u>\$ 402,561</u>	<u>\$ 1,090,126</u>	<u>\$ 687,565</u>

(Continued)

WEBSTER COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**MAJOR FUNDS**

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>BLADEN HIGHWAY NORTH PROJECT FUND</b>				
RECEIPTS				
Investment Income	\$ 1,500	\$ 1,500	\$ 1,312	\$ (188)
TOTAL RECEIPTS	<u>1,500</u>	<u>1,500</u>	<u>1,312</u>	<u>(188)</u>
DISBURSEMENTS	<u>1,973,900</u>	<u>1,973,900</u>	<u>250,363</u>	<u>1,723,537</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,972,400)</u>	<u>(1,972,400)</u>	<u>(249,051)</u>	<u>1,723,349</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	471,333	471,333	162,198	(309,135)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>471,333</u>	<u>471,333</u>	<u>162,198</u>	<u>(309,135)</u>
Net Change in Fund Balance	(1,501,067)	(1,501,067)	(86,853)	1,414,214
FUND BALANCE - BEGINNING	<u>1,501,067</u>	<u>1,501,067</u>	<u>1,501,067</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,414,214</u>	<u>\$ 1,414,214</u>

(Concluded)



WEBSTER COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>SHERIFF'S DEPARTMENT</b>				
<b>FUNDRAISING FUND</b>				
Receipts	\$ 100	\$ 100	\$ 150	\$ 50
Disbursements	(7,645)	(7,645)	(986)	6,659
Net Change in Fund Balance	(7,545)	(7,545)	(836)	6,709
Fund Balance - Beginning	7,545	7,545	7,545	-
Fund Balance - Ending	\$ -	\$ -	\$ 6,709	\$ 6,709
<b>VISITORS PROMOTION FUND</b>				
Receipts	\$ 5,000	\$ 5,000	\$ 4,911	\$ (89)
Disbursements	(12,901)	(12,901)	(7,880)	5,021
Net Change in Fund Balance	(7,901)	(7,901)	(2,969)	4,932
Fund Balance - Beginning	7,901	7,901	7,901	-
Fund Balance - Ending	\$ -	\$ -	\$ 4,932	\$ 4,932
<b>VISITORS IMPROVEMENT FUND</b>				
Receipts	\$ 5,000	\$ 5,000	\$ 4,911	\$ (89)
Disbursements	(16,555)	(16,555)	(1,650)	14,905
Net Change in Fund Balance	(11,555)	(11,555)	3,261	14,816
Fund Balance - Beginning	11,555	11,555	11,555	-
Fund Balance - Ending	\$ -	\$ -	\$ 14,816	\$ 14,816
<b>PRESERVATION AND MODERNIZATION FUND</b>				
Receipts	\$ 3,500	\$ 3,500	\$ 3,885	\$ 385
Disbursements	(8,000)	(8,000)	(3,104)	4,896
Net Change in Fund Balance	(4,500)	(4,500)	781	5,281
Fund Balance - Beginning	8,071	8,071	8,071	-
Fund Balance - Ending	\$ 3,571	\$ 3,571	\$ 8,852	\$ 5,281
<b>SELF-INSURED DENTAL FUND</b>				
Receipts	\$ 45,000	\$ 45,000	\$ -	\$ (45,000)
Disbursements	(45,000)	(45,000)	(27,563)	17,437
Transfers in	-	-	46,312	46,312
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	18,749	18,749
Fund Balance - Beginning	58,583	58,583	58,583	-
Fund Balance - Ending	\$ 58,583	\$ 58,583	\$ 77,332	\$ 18,749

WEBSTER COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>COUNTY RELIEF FUND</b>				
Receipts	\$ 4	\$ 4	\$ 5	\$ 1
Disbursements	(25,500)	(25,500)	(7,673)	17,827
Net Change in Fund Balance	(25,496)	(25,496)	(7,668)	17,828
Fund Balance - Beginning	34,674	34,674	34,674	-
Fund Balance - Ending	<u>\$ 9,178</u>	<u>\$ 9,178</u>	<u>\$ 27,006</u>	<u>\$ 17,828</u>
<b>VETERANS' AID FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(3,470)	(3,470)	-	3,470
Net Change in Fund Balance	(3,470)	(3,470)	-	3,470
Fund Balance - Beginning	3,470	3,470	3,470	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,470</u>	<u>\$ 3,470</u>
<b>HANDI-BUS FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	7,432	7,432	7,432	-
Fund Balance - Ending	<u>\$ 7,432</u>	<u>\$ 7,432</u>	<u>\$ 7,432</u>	<u>\$ -</u>
<b>DIVERSION PROGRAM FUND</b>				
Receipts	\$ 1,800	\$ 1,800	\$ 1,550	\$ (250)
Disbursements	(3,500)	(3,500)	(2,900)	600
Net Change in Fund Balance	(1,700)	(1,700)	(1,350)	350
Fund Balance - Beginning	4,226	4,226	4,226	-
Fund Balance - Ending	<u>\$ 2,526</u>	<u>\$ 2,526</u>	<u>\$ 2,876</u>	<u>\$ 350</u>
<b>COVID AMERICAN RESCUE PLAN FUND</b>				
Receipts	\$ 338,654	\$ 338,654	\$ 338,904	\$ 250
Disbursements	(677,309)	(677,309)	(2,673)	674,636
Net Change in Fund Balance	(338,655)	(338,655)	336,231	674,886
Fund Balance - Beginning	338,655	338,655	338,655	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 674,886</u>	<u>\$ 674,886</u>

(Continued)

WEBSTER COUNTY  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
NONMAJOR FUNDS

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HOSPITAL BOND FUND</b>				
Receipts	\$ 4,942	\$ 4,942	\$ 60,753	\$ 55,811
Disbursements	(163,524)	(163,524)	(162,340)	1,184
Transfers in	74,168	74,168	-	(74,168)
Transfers out	(30,000)	(30,000)	-	30,000
Net Change in Fund Balance	(114,414)	(114,414)	(101,587)	12,827
Fund Balance - Beginning	114,414	114,414	114,414	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,827</u>	<u>\$ 12,827</u>
<b>BRIDGE BOND FUND</b>				
Receipts	\$ 235,699	\$ 235,699	\$ 236,993	\$ 1,294
Disbursements	(222,524)	(222,524)	(222,456)	68
Transfers in	40,000	40,000	40,000	-
Transfers out	(40,000)	(40,000)	(40,000)	-
Net Change in Fund Balance	13,175	13,175	14,537	1,362
Fund Balance - Beginning	57,603	57,603	57,603	-
Fund Balance - Ending	<u>\$ 70,778</u>	<u>\$ 70,778</u>	<u>\$ 72,140</u>	<u>\$ 1,362</u>
<b>REMODELING FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	-	-	-	-
Transfers in	400,000	400,000	400,000	-
Transfers out	-	-	-	-
Net Change in Fund Balance	400,000	400,000	400,000	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ -</u>
<b>NOXIOUS WEED FUND</b>				
Receipts	\$ 50,450	\$ 50,450	\$ 363	\$ (50,087)
Disbursements	(113,795)	(113,795)	(61,070)	52,725
Transfers in	110,000	110,000	60,000	(50,000)
Transfers out	-	-	(408)	(408)
Net Change in Fund Balance	46,655	46,655	(1,115)	(47,770)
Fund Balance - Beginning	18,575	18,575	18,575	-
Fund Balance - Ending	<u>\$ 65,230</u>	<u>\$ 65,230</u>	<u>\$ 17,460</u>	<u>\$ (47,770)</u>

(Continued)

WEBSTER COUNTY  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**NONMAJOR FUNDS**

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>COUNTY MUSEUM FUND</b>				
Receipts	\$ 60,921	\$ 60,921	\$ 55,766	\$ (5,155)
Disbursements	(97,409)	(97,409)	(48,935)	48,474
Net Change in Fund Balance	(36,488)	(36,488)	6,831	43,319
Fund Balance - Beginning	74,046	74,046	73,746	(300)
Fund Balance - Ending	<u>\$ 37,558</u>	<u>\$ 37,558</u>	<u>\$ 80,577</u>	<u>\$ 43,019</u>
<b>RED CLOUD AMBULANCE FUND</b>				
Receipts	\$ 90,900	\$ 90,900	\$ 55,515	\$ (35,385)
Disbursements	(105,450)	(105,450)	(61,758)	43,692
Transfers in	-	-	-	-
Transfers out	(40,666)	(40,666)	(40,937)	(271)
Net Change in Fund Balance	(55,216)	(55,216)	(47,180)	8,036
Fund Balance - Beginning	83,260	83,260	83,260	-
Fund Balance - Ending	<u>\$ 28,044</u>	<u>\$ 28,044</u>	<u>\$ 36,080</u>	<u>\$ 8,036</u>
<b>BLUE HILL AMBULANCE FUND</b>				
Receipts	\$ 34,000	\$ 34,000	\$ 35,073	\$ 1,073
Disbursements	(74,666)	(74,666)	(44,664)	30,002
Transfers in	40,666	40,666	40,937	271
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	31,346	31,346
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,346</u>	<u>\$ 31,346</u>

(Concluded)

WEBSTER COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR FUNDS**

For the Year Ended June 30, 2022

	Sheriff's Department Fundraising Fund	Visitors Promotion Fund	Visitors Improvement Fund	Preservation and Modernization Fund	Self- Insured Dental Fund
<b>RECEIPTS</b>					
Taxes	\$ -	\$ 4,911	\$ 4,911	\$ -	\$ -
Investment Income	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	3,885	-
Miscellaneous	150	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>150</u>	<u>4,911</u>	<u>4,911</u>	<u>3,885</u>	<u>-</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	3,104	27,563
Public Safety	986	-	-	-	-
Public Works	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	7,880	1,650	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<u>986</u>	<u>7,880</u>	<u>1,650</u>	<u>3,104</u>	<u>27,563</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(836)</u>	<u>(2,969)</u>	<u>3,261</u>	<u>781</u>	<u>(27,563)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	46,312
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,312</u>
Net Change in Fund Balances	(836)	(2,969)	3,261	781	18,749
<b>FUND BALANCES - BEGINNING</b>	<u>7,545</u>	<u>7,901</u>	<u>11,555</u>	<u>8,071</u>	<u>58,583</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 6,709</u>	<u>\$ 4,932</u>	<u>\$ 14,816</u>	<u>\$ 8,852</u>	<u>\$ 77,332</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	4,932	14,816	-	-
Preservation of Records	-	-	-	8,852	-
Debt Service	-	-	-	-	-
Self-Insured Dental Plan	-	-	-	-	77,332
Federal Relief	-	-	-	-	-
County Museum	-	-	-	-	-
Committed to:					
Law Enforcement	6,709	-	-	-	-
Aid and Assistance	-	-	-	-	-
Noxious Weed Control	-	-	-	-	-
Ambulance Services	-	-	-	-	-
Capital Projects	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 6,709</u>	<u>\$ 4,932</u>	<u>\$ 14,816</u>	<u>\$ 8,852</u>	<u>\$ 77,332</u>

(Continued)

WEBSTER COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2022

	County Relief Fund	Veterans' Aid Fund	Handi- Bus Fund	Diversion Program Fund	COVID American Rescue Plan Fund	Hospital Bond Fund	Bridge Bond Fund
<b>RECEIPTS</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,178	\$ 210,605
Investment Income	-	-	-	-	249	50	83
Intergovernmental	5	-	-	-	338,655	2,525	26,305
Charges for Services	-	-	-	1,550	-	-	-
Miscellaneous	-	-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<u>5</u>	<u>-</u>	<u>-</u>	<u>1,550</u>	<u>338,904</u>	<u>60,753</u>	<u>236,993</u>
<b>DISBURSEMENTS</b>							
General Government	-	-	-	-	2,673	-	-
Public Safety	-	-	-	2,900	-	-	-
Public Works	-	-	-	-	-	-	-
Public Assistance	7,673	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Debt Service:							
Principal Payments	-	-	-	-	-	160,000	200,000
Interest and Fiscal Charges	-	-	-	-	-	2,340	22,456
<b>TOTAL DISBURSEMENTS</b>	<u>7,673</u>	<u>-</u>	<u>-</u>	<u>2,900</u>	<u>2,673</u>	<u>162,340</u>	<u>222,456</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(7,668)</u>	<u>-</u>	<u>-</u>	<u>(1,350)</u>	<u>336,231</u>	<u>(101,587)</u>	<u>14,537</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	-	40,000
Transfers out	-	-	-	-	-	-	(40,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(7,668)	-	-	(1,350)	336,231	(101,587)	14,537
<b>FUND BALANCES - BEGINNING</b>	<u>34,674</u>	<u>3,470</u>	<u>7,432</u>	<u>4,226</u>	<u>338,655</u>	<u>114,414</u>	<u>57,603</u>
<b>FUND BALANCES - ENDING</b>	<u>\$27,006</u>	<u>\$ 3,470</u>	<u>\$ 7,432</u>	<u>\$ 2,876</u>	<u>\$ 674,886</u>	<u>\$ 12,827</u>	<u>\$ 72,140</u>
<b>FUND BALANCES:</b>							
Restricted for:							
Visitor Promotion	-	-	-	-	-	-	-
Preservation of Records	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	12,827	72,140
Self-Insured Dental Plan	-	-	-	-	-	-	-
Federal Relief	-	-	-	-	674,886	-	-
County Museum	-	-	-	-	-	-	-
Committed to:							
Law Enforcement	-	-	-	2,876	-	-	-
Aid and Assistance	27,006	3,470	7,432	-	-	-	-
Noxious Weed Control	-	-	-	-	-	-	-
Ambulance Services	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$27,006</u>	<u>\$ 3,470</u>	<u>\$ 7,432</u>	<u>\$ 2,876</u>	<u>\$ 674,886</u>	<u>\$ 12,827</u>	<u>\$ 72,140</u>

(Continued)

WEBSTER COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2022

	Remodeling Fund	Noxious Weed Fund	County Museum Fund	Red Cloud Ambulance Fund	Blue Hill Ambulance Fund	Total Nonmajor Funds
<b>RECEIPTS</b>						
Taxes	\$ -	\$ -	\$ 43,564	\$ -	\$ -	\$ 322,169
Investment Income	-	-	-	-	-	382
Intergovernmental	-	-	5,530	-	-	373,020
Charges for Services	-	-	3,541	55,190	34,801	98,967
Miscellaneous	-	363	3,131	325	272	4,241
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>363</u>	<u>55,766</u>	<u>55,515</u>	<u>35,073</u>	<u>798,779</u>
<b>DISBURSEMENTS</b>						
General Government	-	-	-	-	-	33,340
Public Safety	-	-	-	61,758	44,664	110,308
Public Works	-	61,070	-	-	-	61,070
Public Assistance	-	-	-	-	-	7,673
Culture and Recreation	-	-	48,935	-	-	58,465
Debt Service:						
Principal Payments	-	-	-	-	-	360,000
Interest and Fiscal Charges	-	-	-	-	-	24,796
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>61,070</u>	<u>48,935</u>	<u>61,758</u>	<u>44,664</u>	<u>655,652</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<u>-</u>	<u>(60,707)</u>	<u>6,831</u>	<u>(6,243)</u>	<u>(9,591)</u>	<u>143,127</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	400,000	60,000	-	-	40,937	587,249
Transfers out	-	(408)	-	(40,937)	-	(81,345)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>400,000</u>	<u>59,592</u>	<u>-</u>	<u>(40,937)</u>	<u>40,937</u>	<u>505,904</u>
Net Change in Fund Balances	400,000	(1,115)	6,831	(47,180)	31,346	649,031
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>18,575</u>	<u>73,746</u>	<u>83,260</u>	<u>-</u>	<u>829,710</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 400,000</u>	<u>\$ 17,460</u>	<u>\$ 80,577</u>	<u>\$ 36,080</u>	<u>\$ 31,346</u>	<u>\$1,478,741</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Visitor Promotion	-	-	-	-	-	19,748
Preservation of Records	-	-	-	-	-	8,852
Debt Service	-	-	-	-	-	84,967
Self-Insured Dental Plan	-	-	-	-	-	77,332
Federal Relief	-	-	-	-	-	674,886
County Museum	-	-	80,577	-	-	80,577
Committed to:						
Law Enforcement	-	-	-	-	-	9,585
Aid and Assistance	-	-	-	-	-	37,908
Noxious Weed Control	-	17,460	-	-	-	17,460
Ambulance Services	-	-	-	36,080	31,346	67,426
Capital Projects	400,000	-	-	-	-	400,000
<b>TOTAL FUND BALANCES</b>	<u>\$ 400,000</u>	<u>\$ 17,460</u>	<u>\$ 80,577</u>	<u>\$ 36,080</u>	<u>\$ 31,346</u>	<u>\$1,478,741</u>

(Concluded)

**WEBSTER COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2022

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Highway Superintendent	County Museum	Total
BALANCES JULY 1, 2021	\$ 73,085	\$ 3,604	\$ 5,312	\$ -	\$ -	\$ 73,382	\$ 155,383
RECEIPTS							
Licenses and Permits	995	-	430	-	-	-	1,425
Intergovernmental	-	-	-	-	-	49,105	49,105
Charges for Services	229,787	2,222	59,022	-	85,887	3,541	380,459
Miscellaneous	1,206	-	75	-	66,128	3,130	70,539
State Fees	98,422	5,121	-	-	325	-	103,868
Other Liabilities	-	30,907	10,697	1,655	-	-	43,259
TOTAL RECEIPTS	330,410	38,250	70,224	1,655	152,340	55,776	648,655
DISBURSEMENTS							
Payments to County Treasurer	151,195	2,172	59,212	-	152,015	-	364,594
Payments to State Treasurer	105,062	5,199	-	-	325	-	110,586
Petty Cash & Other Payments	-	-	-	-	-	48,935	48,935
Other Liabilities	-	25,887	10,697	1,655	-	-	38,239
TOTAL DISBURSEMENTS	256,257	33,258	69,909	1,655	152,340	48,935	562,354
BALANCES JUNE 30, 2022	\$ 147,238	\$ 8,596	\$ 5,627	\$ -	\$ -	\$ 80,223	\$ 241,684
BALANCES CONSIST OF:							
Due to County Treasurer	\$ 145,440	\$ 100	\$ 5,077	\$ -	\$ -	\$ 79,858	\$ 230,475
Petty Cash	-	-	550	-	-	365	915
Due to State Treasurer	1,798	70	-	-	-	-	1,868
Due to Others	-	8,426	-	-	-	-	8,426
BALANCES JUNE 30, 2022	\$ 147,238	\$ 8,596	\$ 5,627	\$ -	\$ -	\$ 80,223	\$ 241,684



WEBSTER COUNTY  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED**  
**FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
June 30, 2022

Item	2017	2018	2019	2020	2021
Tax Certified by Assessor					
Real Estate	\$ 12,784,589	\$ 13,189,912	\$ 12,664,730	\$ 11,760,867	\$ 12,290,706
Personal and Specials	504,139	454,903	444,662	1,178,073	1,205,690
Total	<u>13,288,728</u>	<u>13,644,815</u>	<u>13,109,392</u>	<u>12,938,940</u>	<u>13,496,396</u>
Corrections					
Additions	6,877	1,779	790	2,553	12,332
Deductions	(14,060)	(3,247)	(9,210)	(10,492)	(7,763)
Net Additions/ (Deductions)	<u>(7,183)</u>	<u>(1,468)</u>	<u>(8,420)</u>	<u>(7,939)</u>	<u>4,569</u>
Corrected Certified Tax	<u>13,281,545</u>	<u>13,643,347</u>	<u>13,100,972</u>	<u>12,931,001</u>	<u>13,500,965</u>
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2018	8,654,464	-	-	-	-
June 30, 2019	4,617,755	8,747,931	-	-	-
June 30, 2020	9,381	4,894,965	8,566,689	-	-
June 30, 2021	(55)	351	4,530,296	8,713,199	-
June 30, 2022	-	100	2,885	4,209,923	9,280,774
Total Net Collections	<u>13,281,545</u>	<u>13,643,347</u>	<u>13,099,870</u>	<u>12,923,122</u>	<u>9,280,774</u>
Total Uncollected Tax	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,102</u>	<u>\$ 7,879</u>	<u>\$ 4,220,191</u>
Percentage Uncollected Tax	<u>0.00%</u>	<u>0.00%</u>	<u>0.01%</u>	<u>0.06%</u>	<u>31.26%</u>

Note: Tax refunds are netted against tax collections to determine Net Tax Collected.



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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### WEBSTER COUNTY

#### **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**

Board of Commissioners  
Webster County, Nebraska

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Webster County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 8, 2023. 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 Webster County Hospital, a component unit of Webster County.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we 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 County'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.

Our 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the following deficiency in the County's internal control to be a significant deficiency:

- The County offices lacked a segregation of duties, as 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. Inadequate segregation of duties

could lead to the misappropriation of assets or improper reporting. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Webster County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Additional Items**

We also noted certain matters that we reported to the management of Webster County in a separate letter dated March 8, 2023.

### **Webster County's Response to Findings**

Webster County declined to respond to the finding described above.

### **Purpose of this Report**

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



Zachary Wells, CPA, CISA  
Assistant Deputy Auditor  
Lincoln, Nebraska

March 8, 2023



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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### Management Letter

March 8, 2023

Board of Commissioners  
Webster County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Webster County (County) for the fiscal year ended June 30, 2022, and have issued our report thereon dated March 8, 2023. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

During our audit, we noted certain matters involving internal control over financial reporting and other operational matters that are presented here. These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the following areas:

### COUNTY CLERK

#### Balancing and Recordkeeping Procedures

We noted the following regarding the County Clerk's financial recordkeeping and balancing procedures:

- The ending accounts receivable balances noted by the County Clerk for ambulance billings were not accurate. We calculated the accounts receivable balance as of June 30, 2022, as \$132,733; however, the balance noted in the County Clerk's records was \$130,594, a variance of \$2,139. It appears this variance is due to accounts receivable balances that were written off during the year but not recorded in the County Clerk's ambulance records.
- For the County Clerk's fee account, we noted that no asset-to-liability reconciliation was performed during the fiscal year. As a result, we noted a shortage of \$59 at June 30, 2022, in the account. The fee account balance was \$4,081 at June 30, 2022; however, the reconciled bank balance of \$3,661, cash on hand of \$194, uncleared credit card transactions of \$54, and accounts receivable balance of \$113, totaled only \$4,022. Part of this short is due to an unknown \$50 variance between the bank deposits and the fee book receipts.
- We noted the County Clerk was not completing an accurate monthly bank reconciliation for the Vendor Imprest Account. As of June 30, 2022, there was an unknown variance of \$7 between the bank and book balance for the account. The County Clerk was unable to identify the cause of this variance.

- We noted the County Clerk collected \$615 in marriage license fees and certified copies of marriage licenses and \$321 of other copy fees; however, the certified copy fees and other copy fees were incorrectly recorded in the County's financial records as marriage licenses fees instead of as miscellaneous copy fees.

Good internal control and sound business practice require procedures to ensure office assets agree with office liabilities at all times, and any variances are identified and resolved in a timely manner. Such procedures should also ensure accounts receivable records are accurate, and all financial activity of the County is recorded properly in the accounting records.

Without such procedures, the County is susceptible to intentional and/or unintentional errors or irregularities not being identified and corrected in a timely manner, increasing the risk of loss, theft, or misuse of County funds. Further, there is an increased risk that the financial statements will be materially misstated, and that misstatement will remain undetected.

A similar finding was also noted in prior audits.

We recommend the County Clerk implement procedures for timely, complete, and accurate bank reconciliations, performed at least monthly, to ensure office assets agree with office liabilities at all times, and any variances noted are resolved in a timely manner. We further recommend procedures are implemented to ensure accounts receivable activity and balances are recorded properly, and marriage license fees are properly recorded in the County's financial records.

## **COUNTY MUSEUM**

### **Petty Cash Disbursements**

We noted that the County Museum disbursed \$261 during fiscal year 2022 from two of the County Museum's three cash bags. Being cash transactions, these expenditures were not approved by the County Museum Board President or County Museum Board Secretary, as required by Neb. Rev. Stat. § 51-507 (Reissue 2021), which provides the following:

*All funds donated or in any other way acquired from private sources, including paid memberships in a local museum association, for the erection, maintenance, or support of any museum shall be kept for the use of the museum, separate and apart from all other funds of the city, village, county or township. They shall be drawn upon and paid out by the treasurer of such museum board upon vouchers signed by the president of the museum board and authenticated by the secretary of such board, and shall not be used or disbursed for any other purpose or in any other manner.*

(Emphasis added.) Good internal controls and sound business practice require procedures to ensure that all County Museum expenses are properly approved in accordance with State statute prior to disbursement.

Without such procedures, there is an increased risk of loss, theft, or misuse of funds.

We recommend the County Museum implement procedures to ensure that disbursements, including cash disbursements, are approved in accordance with § 51-507.

## **COUNTY BOARD**

### **Claims Documentation**

During testing, concerns arose regarding two claims that provided funding requests to other entities in the County to support their operations. Specifically, it was noted that the County lacked follow-up procedures to ensure that the funds were spent appropriately.

The table below details the two claims at issue:

Claim #	Claim Date	Payee	Amount
22050007	5/3/2022	CASA of South Central Nebraska	\$ 3,000
10210114	10/19/2021	Revive Ministries/Horizon Recovery	\$ 2,000
<b>Total</b>			<b>\$ 5,000</b>

CASA (Court Appointed Special Advocates) of South Central Nebraska provided a report from its payroll system in June 2021 documenting the amount budgeted to be spent on payroll expenses for one employee; however, the County did not obtain any subsequent documentation showing the amount actually spent during fiscal year 2022.

Similarly, Revive Ministries/Horizon Recovery submitted only an invoice to the County listing the grant amount requested for the year but provided no subsequent documentation showing how the funds were spent.

Additionally, we noted that the County paid \$2,550 on Claim 22030102 on March 15, 2022, to Krueger Land Surveying, for surveying services provided by the County Board-appointed County Surveyor. However, there was no contract or agreement on file to support the amount paid for the surveying services.

Good internal controls and sound business practice require procedures to ensure that all County payments and funding requests are supported by adequate documentation, including a contract or agreement and support showing how those funds were spent by the receiving entity.

Without such procedures, there is an increased risk of loss, theft, or misuse of funds.

A similar finding was noted in prior audits.

We recommend the County Board implement procedures to ensure that payments and funding requests are supported by adequate documentation, including a contract or agreement and support showing how those funds were spent by the receiving entity.

### **Payroll Procedures**

During our testing of payroll, we noted the following issues:

- The County Board is not receiving and reviewing sick and vacation leave usage and balances for all employees to ensure that applicable County policies are being followed. We noted that the Veterans' Service Officer does not report his leave usage and balances to the County Board.
- The County paid State and Federal payroll taxes for salaried employees in advance of payday and the full month worked. The County's procedures were to pay payroll taxes after the County Board's approval in the middle of each month; however, the payroll approved by the County Board was the monthly salary not fully earned or paid until the end of the month.

Good internal controls require procedures to ensure: 1) leave accruals, usage, and balances are presented to the County Board to ensure the amounts are in accordance with County policies; and 2) State and Federal tax withholdings are paid after the payroll expenses have been incurred.

Without such procedures, there is an increased risk that employees' payroll will not be in accordance with either County policies or Internal Revenue Service (IRS) regulations, giving rise to the possibility of loss or misuse of funds.

A similar finding was noted in prior audits.

We recommend the implementation of procedures to ensure: 1) leave accruals, usage, and balances are presented to the County Board to ensure the amounts are in accordance with County policies; and 2) State and Federal tax withholdings are paid after the payroll expenses have been incurred.

## **COUNTY OVERALL**

### **Segregation of Duties**

We noted that the offices of the County each lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. A lack of segregation of duties increases the risk of possible errors or irregularities; however, due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. A system of internal control should include a proper segregation of duties, so no one individual is capable of handling all phases of a transaction from beginning to end.

This was also noted in prior audits.

We recommend the County review this situation. As always, the County must weigh the cost of hiring additional personnel versus the benefit of a proper segregation of duties.

\* \* \* \* \*

It should be noted this report is critical in nature, as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any strong features of the County.

Draft copies of this report were furnished to the County to provide management with an opportunity to review the report and to respond to the comments and recommendations included herein. All formal responses received have been incorporated into this report. Where no response has been included, the County declined to respond. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next audit.

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

Sincerely,



Zachary Wells, CPA, CISA  
Assistant Deputy Auditor