AUDIT REPORT
OF
WEBSTER COUNTY

JULY 1, 2025, THROUGH JUNE 30, 2026

This document is an official public record of the State of Nebraska, issued by the Auditor of Public Accounts.

Modification of this document may change the accuracy of the original document and may be prohibited by law.

Issued on October 14, 2026

*The **Nebraska Auditor of Public Accounts Office** was created by the first territorial Legislature in 1855. The Auditor was the general accountant and revenue officer of the territory. Those duties have expanded and evolved over the decades, as modern accounting theory has been implemented. The office of the Auditor of Public Accounts is one of six offices making up the executive branch of Nebraska State Government. Mike Foley was elected in November 2006 and re-elected in November 2010 and November 2022 as the Nebraska Auditor of Public Accounts. He was sworn into office on January 5, 2023, and is Nebraska's 24th State Auditor.*

The mission of the Nebraska Auditor of Public Accounts' office is to provide independent, accurate, and timely audits, reviews, or investigations of the financial operations of Nebraska State and local governments.

We will provide this information, as required by statute, to all policymakers and taxpayers through written reports and our Internet-based Budget and Audit databases.

We will maintain a professionally prepared staff, utilizing up-to-date technology, and following current Government Auditing Standards.

Audit Staff Working On This Report

Jeff Schreier, CPA, CFE – Audit Manager
Nathan Tomjack – Auditor-In-Charge
Kevin Wulf – Auditor
Jack Stewart – Auditor

Our reports can be found electronically at: **auditors.nebraska.gov**

Additionally, you may request them by contacting us at:

Nebraska Auditor of Public Accounts
State Capitol, Suite 2303
P.O. Box 98917
Lincoln, Nebraska 68509
Phone: 402-471-2111

WEBSTER COUNTY

TABLE OF CONTENTS

	Page
List of County Officials	1
Financial Section	
Independent Auditor's Report	2 - 4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Cash Basis	5
Statement of Activities - Cash Basis	6
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	7
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	8
Statement of Fiduciary Net Position - Cash Basis	9
Statement of Changes in Fiduciary Net Position - Cash Basis	10
Notes to Financial Statements	11 - 20
Combining Statements and Schedules:	
Budgetary Comparison Schedule - Budget and Actual - General Fund	21 - 22
Budgetary Comparison Schedule - Budget and Actual - Major Funds	23 - 24
Budgetary Comparison Schedule - Budget and Actual - Nonmajor Funds	25 - 28
Combining Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Nonmajor Funds	29 - 31
Schedule of Office Activities	32
Schedule of Taxes Certified and Collected for All Political Subdivisions in the County	33
Government Auditing Standards Section	
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*	34 - 35

WEBSTER COUNTY
621 N Cedar Street
Red Cloud, NE 68970

LIST OF COUNTY OFFICIALS
At June 30, 2026

Title	Name	Term Expires
Board of Commissioners	Tim Gilbert	Jan. 2029
	Gary Ratzlaff	Jan. 2027
	Jeff Pohlmeier-Mans	Jan. 2027
	Dan Shipman	Jan. 2027
	Trevor Karr	Jan. 2029
Assessor Planning & Zoning	Tami Scheuneman	Jan. 2027
Attorney	Patrick Calkins	Jan. 2027
Clerk Election Commissioner Register of Deeds Clerk of the District Court	Abbey Harig	Jan. 2027
Sheriff	Troy Schmitz	Jan. 2027
Treasurer	Janet Knehans	Jan. 2027
Surveyor	Joshua Grummert	Appointed
Veterans' Service Officer	Gary Ratzlaff	Appointed
Weed Superintendent	Brian Pedersen	Appointed
Highway Superintendent	Lance Harter	Appointed
Emergency Manager	Ron Sunday	Appointed

NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

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, 2026, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
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 accompanying 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, 2026, or the changes in financial position for the year then ended in accordance with the basis of accounting described in Note 1.

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, 2026, 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 (*Government Auditing Standards*). 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 relating 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 unit. The County has not issued such reporting entity financial statements. The effects of not including the County's legally separate component unit on 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 21-33, 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 October 6, 2026, 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.

October 6, 2026

Jeff Schreier, CPA, CFE
Audit Manager
Lincoln, Nebraska

WEBSTER COUNTY
STATEMENT OF NET POSITION - CASH BASIS
June 30, 2026

		Governmental Activities
ASSETS		
Cash and Cash Equivalents (Note 1.D)	$	8,155,517
TOTAL ASSETS	$	8,155,517
NET POSITION		
Restricted for:		
Visitor Promotion	$	29,981
911 Emergency Services		77,778
Drug Education & Enforcement		18,116
Preservation of Records		10,769
Debt Service		151,627
Self-Insured Dental Plan		49,474
County Museum		428
Unrestricted		7,817,344
TOTAL NET POSITION	$	8,155,517

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, 2026

Functions:	Cash Disbursements	Program Cash Receipts: Fees, Fines, and Charges for Services	Program Cash Receipts: Operating Grants and Contributions	Net (Disbursement) Receipts and Changes in Net Position
Governmental Activities:				
General Government	$ (2,343,954)	$ 262,563	$ 21,769	$ (2,059,622)
Public Safety	(1,143,915)	231,540	11,377	(900,998)
Public Works	(2,678,572)	13,122	1,646,737	(1,018,713)
Public Assistance	(31,514)	-	-	(31,514)
Culture and Recreation	(71,053)	462	-	(70,591)
Debt Payments	(384,011)	-	-	(384,011)
Capital Projects	(452,860)	-	-	(452,860)
Total Governmental Activities	$ (7,105,879)	$ 507,687	$ 1,679,883	(4,918,309)

General Receipts:	
Taxes:	
Property	3,905,219
Motor Vehicle	176,601
Inheritance	286,233
Nameplate Capacity	323,013
Other	89,737
Grants and Contributions Not Restricted to Specific Programs	41,680
Investment Income	369,606
Miscellaneous	58,345
Total General Receipts	5,250,434
Change in Net Position	332,125
Net Position - Beginning of year	7,823,392
Net Position - End of year	$ 8,155,517

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, 2026

	General Fund	Road Fund	Inheritance Fund	Capital Construction Fund	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents (Note 1.D)	$ 3,284,953	$ 1,077,568	$ 2,733,177	$ 432,640	$ 627,179	$ 8,155,517
TOTAL ASSETS	$ 3,284,953	$ 1,077,568	$ 2,733,177	$ 432,640	$ 627,179	$ 8,155,517
FUND BALANCES						
Restricted for:						
Visitor Promotion	-	-	-	-	29,981	29,981
911 Emergency Services	-	-	-	-	77,778	77,778
Drug Education & Enforcement	-	-	-	-	18,116	18,116
Preservation of Records	-	-	-	-	10,769	10,769
Debt Service	-	-	-	-	151,627	151,627
Self-Insured Dental Plan	-	-	-	-	49,474	49,474
County Museum	-	-	-	-	428	428
Committed to:						
Law Enforcement	-	-	-	-	8,398	8,398
Road Maintenance	-	1,077,568	-	432,640	-	1,510,208
Aid and Assistance	-	-	-	-	6,717	6,717
County Buildings	-	-	-	-	100,000	100,000
Ambulance Services & Equipment	-	-	-	-	173,891	173,891
Assigned to:						
Other Purposes	-	-	2,733,177	-	-	2,733,177
Unassigned	3,284,953	-	-	-	-	3,284,953
TOTAL CASH BASIS FUND BALANCES	$ 3,284,953	$ 1,077,568	$ 2,733,177	$ 432,640	$ 627,179	$ 8,155,517

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, 2026

	General Fund	Road Fund	Inheritance Fund	Capital Construction Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS						
Taxes:						
Property	$ 3,650,886	$ -	$ -	$ -	$ 254,333	$ 3,905,219
Motor Vehicle	176,601	-	-	-	-	176,601
Inheritance	-	-	286,233	-	-	286,233
Nameplate Capacity	302,184	-	-	-	20,829	323,013
Other	24,210	6	-	-	65,521	89,737
Investment Income	362,933	-	-	-	6,673	369,606
Intergovernmental	44,195	1,430,221	-	246,669	478	1,721,563
Charges for Services	282,483	13,122	-	-	212,082	507,687
Miscellaneous	48,647	4,611	-	-	5,087	58,345
TOTAL RECEIPTS	4,892,139	1,447,960	286,233	246,669	565,003	7,438,004
DISBURSEMENTS						
General Government	2,282,073	-	9,192	-	52,689	2,343,954
Public Safety	996,306	-	-	-	147,609	1,143,915
Public Works	71,182	2,507,531	99,859	-	-	2,678,572
Public Assistance	22,510	-	-	-	9,004	31,514
Culture and Recreation	-	-	-	-	71,053	71,053
Debt Service:						
Principal Payments	-	150,000	-	-	215,000	365,000
Interest and Fiscal Charges	-	9,084	-	-	9,927	19,011
Capital Projects	-	-	-	452,860	-	452,860
TOTAL DISBURSEMENTS	3,372,071	2,666,615	109,051	452,860	505,282	7,105,879
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	1,520,068	(1,218,655)	177,182	(206,191)	59,721	332,125
OTHER FINANCING SOURCES (USES)						
Transfers in	9,806	998,335	-	152,149	150,000	1,310,290
Transfers out	(1,300,484)	-	-	-	(9,806)	(1,310,290)
TOTAL OTHER FINANCING SOURCES (USES)	(1,290,678)	998,335	-	152,149	140,194	-
Net Change in Fund Balances	229,390	(220,320)	177,182	(54,042)	199,915	332,125
CASH BASIS FUND BALANCES - BEGINNING	3,055,563	1,297,888	2,555,995	486,682	427,264	7,823,392
CASH BASIS FUND BALANCES - ENDING	$ 3,284,953	$1,077,568	$ 2,733,177	$ 432,640	$ 627,179	$ 8,155,517

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

WEBSTER COUNTY

STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS

June 30, 2026

		Custodial Funds
ASSETS		
Cash and Cash Equivalents	$	1,277,195
NET POSITION		
Restricted for:		
State - Collected by County Treasurer		75,470
State - Collected by Other Offices		6,700
Schools		87,625
Educational Service Units		1,320
Technical College		1,900
Natural Resource Districts		3,500
Fire Districts		2,363
Municipalities		12,904
Agricultural Society		605
Others - Collected by Other Offices		1,084,808
TOTAL NET POSITION	$	1,277,195

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

WEBSTER COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS

For the Year Ended June 30, 2026

	Custodial Funds
ADDITIONS	
Collections for Other Governments	$ 14,622,325
Miscellaneous Collections	268,396
TOTAL ADDITIONS	14,890,721
DEDUCTIONS	
Payments to Other Governments	14,625,162
Other Miscellaneous Items Paid To Individuals	261,923
TOTAL DEDUCTIONS	14,887,085
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	3,636
NET POSITION - BEGINNING OF YEAR	1,273,559
NET POSITION - END OF YEAR	$ 1,277,195

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

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 County utilizes the cash basis of accounting, but considers the criteria established by the Governmental Accounting Standards Board (GASB) when 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 Community 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 are prepared on the cash basis of accounting and 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 $8,715 toward the operation of the Region during fiscal year 2026. 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.

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; 2026 Neb. Laws, L.B. 203, §§ 1-4).

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 2026. 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) (2026 Neb. Laws, L.B. 829, § 1). 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 presented in the format of government-wide statements, as required by GASB Statement Number 34, but are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United State of America (GAAP). Accordingly, certain recognition, measurement, and presentation principles differ from those prescribed by GAAP. 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. 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 certain legally separate component units 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.

1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements. The fund financial statements provide information about the County's funds, including its fiduciary funds. The fund financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than GAAP. Accordingly, certain recognition, measurement, presentation, and fund classification principles differ from those required by GAAP. Under GAAP, separate statements are presented 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 fund balances to specific purposes. When 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. Since the financial statements are prepared on the cash basis of accounting, the major governmental funds presented are based on the County's accounting and reporting structure, which considers all funds established by the County individually when determining major funds. This differs from GAAP, which may require certain special revenue funds, as defined below, to be reported in the General Fund when the proceeds of specific revenue sources do not meet the criteria to be reported in a special revenue fund, as defined by GAAP. 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.

In addition to the General Fund, the County reports the following governmental fund types:

Special Revenue Funds. These funds account for resources maintained separately for specific County activities or purposes that are not accounted for in another governmental fund type. This differs from GAAP which requires special revenue funds to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

The County reports the following fiduciary fund types:

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

1. Summary of Significant Accounting Policies (Continued)

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.

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, Cum. Supp. 2024) and generally include U.S. Government obligations and securities, which are authorized by the Nebraska Investment Council.

1. Summary of Significant Accounting Policies (Concluded)

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.

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 $338,173 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 30, 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).

2. Deposits and Investments (Concluded)

At year end, the County's carrying amount of deposits was $8,155,517 for Governmental funds and $1,277,195 for Fiduciary funds. The bank balances for all funds totaled $9,497,842. For purposes of classifying categories of custodial credit risk, the bank balances of the County's deposits, as of June 30, 2026, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

3. Taxes

Property taxes are levied by the County Board on or before October 20 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 2025, for the 2025 taxes, which will be materially collected in May and September 2026, was set at $.287231/$100 of assessed valuation. The levy set in October 2024, for the 2024 taxes, which were materially collected in May and September 2025, was set at $.292882/$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

Additionally, the County is subject to the limitations established by the Property Tax Growth Limitation Act found in Neb. Rev. Stat. §§ 13-3401 to 13-3408 (Cum. Supp. 2024; Supp. 2025; 2026 Neb. Laws, L.B. 803, § 13), which prescribes the calculation used to determine the County's Property Tax Request Authority.

Property Tax Request Authority represents the maximum amount of property taxes that can be requested by the County each year. Generally, the annual Property Tax Request Authority is limited to the prior year's property tax request amount, adjusted for allowable growth and inflation. The County may also increase its Property Tax Request Authority by an amount approved by a majority of legal voters voting on the issue at a regularly scheduled election or a special election. If the County does not utilize its full Property Tax Request Authority in a given year, the unused authority may be carried forward for use in future years, subject to a maximum carryover equal to five percent of the County's total Property Tax Request Authority in the prior year.

The allowable annual increase for growth is based primarily on increases in property valuation resulting from new construction and improvements to existing real property, as determined by the County Assessor. The allowable annual increase for inflation is based on the percentage change in the State and Local Consumption Expenditures and Gross Investment index for the twelve-month period ending on December 31 of the prior year, as reported by March 31 of the current year by the U.S. Bureau of Economic Analysis.

Property taxes budgeted for certain items may be excluded from this limit. Exceptions include property taxes budgeted for: 1) approved bonds; 2) responding to an emergency declared in the prior year; 3) public safety services; 4) County Attorneys and Public Defenders; 5) services related to an imminent and significant threat to public safety; and 6) interlocal agreements related to public safety.

4. Retirement System

The Retirement System for Nebraska Counties (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, Cum. Supp. 2024, Supp. 2025) 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 Systems.

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 2% 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.

For the year ended June 30, 2026, 50 employees contributed $105,966, and the County contributed $155,230. Contributions included $7,442 in cash contributions towards the supplemental law enforcement plan for six law enforcement employees. Lastly, the County paid $312 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 116 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.

5. Risk Management (Concluded)

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	$ 500,000	$ 5,000,000
Workers' Compensation Claim	$ 550,000	Statutory Limits
Property Damage Claim	$ 500,000	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 self-insured dental plan for County employees. Details of the coverage are available upon request from the County Clerk. The self-insured plan is entirely funded by the County. 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, 2026, consisted of the following:

	Transfers from		
Transfers to	General Fund	Nonmajor Funds	Total
Road Fund	$ 998,335	$ -	$ 998,335
Capital Construction Fund	152,149	-	152,149
General Fund	-	9,806	9,806
Nonmajor Funds	150,000	-	150,000
Total	$ 1,300,484	$ 9,806	$ 1,310,290

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

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:

7. Long-Term Obligations (Continued)

	Motor Graders
Balance July 1, 2025	$ 822,140
Purchases	-
Payments	93,163
Balance June 30, 2026	$ 728,977
Future Payments:	
Year	
2027	$ 116,059
2028	116,059
2029	116,059
2030	116,059
2031	116,058
2032-2033	232,118
Total Payments	812,412
Less Interest	83,435
Present Value of Future Minimum Lease Payments	$ 728,977
Carrying Value of the Related Fixed Asset	$ 1,000,950

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 and 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 Series 2013 bonds and paying certain costs of issuing the bonds. The bond payable balance, as of June 30, 2026, was $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 tax resources will be used to pay off the bonds.

Future Payments:

Year	Principal	Interest	Total
2027	$ 215,000	$ 6,625	$ 221,625
2028	165,000	2,970	167,970
Total Payments	$ 380,000	$ 9,595	$ 389,595

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, 2026, was $780,000. 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. Highway Allocation funds and future tax resources, if necessary, will be used to pay off the bonds.

7. Long-Term Obligations (Concluded)

Future Payments:

Year	Principal	Interest	Total
2027	$ 155,000	$ 8,513	$ 163,513
2028	155,000	7,195	162,195
2029	155,000	5,645	160,645
2030	155,000	3,940	158,940
2031	160,000	2,080	162,080
Total Payments	$ 780,000	$ 27,373	$ 807,373

WEBSTER COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2026

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS			
Taxes	$ 4,173,036	$ 4,153,881	$ (19,155)
Investment Income	50,200	362,933	312,733
Intergovernmental	18,900	44,195	25,295
Charges for Services	254,460	282,483	28,023
Miscellaneous	200	48,647	48,447
TOTAL RECEIPTS	4,496,796	4,892,139	395,343
DISBURSEMENTS			
General Government			
County Board	139,564	138,135	1,429
County Clerk	205,585	189,412	16,173
County Treasurer	220,402	203,092	17,310
County Assessor	213,115	194,555	18,560
Election Commissioner	45,538	16,559	28,979
Building and Zoning	17,021	13,622	3,399
County Appraiser	118,265	102,862	15,403
Clerk of the District Court	12,400	7,558	4,842
County Court System	6,100	3,454	2,646
District Judge	800	-	800
Building and Grounds	282,403	201,177	81,226
Agricultural Extension Agent	117,793	116,060	1,733
Miscellaneous	1,640,533	1,095,587	544,946
Public Safety			
County Sheriff	994,246	855,630	138,616
County Attorney	123,422	95,013	28,409
County Jail	57,587	27,570	30,017
Emergency Management	28,628	18,093	10,535
Public Works			
Noxious Weed Control	100,751	71,182	29,569
Public Assistance			
Veterans' Service Officer	23,528	22,510	1,018
TOTAL DISBURSEMENTS	4,347,681	3,372,071	975,610
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	149,115	1,520,068	1,370,953

(Continued)

WEBSTER COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2026

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)			
Transfers in	9,806	9,806	-
Transfers out	(1,300,484)	(1,300,484)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,290,678)	(1,290,678)	-
Net Change in Fund Balance	(1,141,563)	229,390	1,370,953
FUND BALANCE - BEGINNING	3,055,563	3,055,563	-
FUND BALANCE - ENDING	$ 1,914,000	$ 3,284,953	$ 1,370,953

(Concluded)

WEBSTER COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS
For the Year Ended June 30, 2026

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND			
RECEIPTS			
Taxes	$ 6	$ 6	$ -
Intergovernmental	1,433,213	1,430,221	(2,992)
Charges for Services	8,500	13,122	4,622
Miscellaneous	-	4,611	4,611
TOTAL RECEIPTS	1,441,719	1,447,960	6,241
DISBURSEMENTS	2,712,942	2,666,615	46,327
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,271,223)	(1,218,655)	52,568
OTHER FINANCING SOURCES (USES)			
Transfers in	998,335	998,335	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	998,335	998,335	-
Net Change in Fund Balance	(272,888)	(220,320)	52,568
FUND BALANCE - BEGINNING	1,297,888	1,297,888	-
FUND BALANCE - ENDING	$ 1,025,000	$ 1,077,568	$ 52,568
INHERITANCE FUND			
RECEIPTS			
Taxes	$ 150,200	$ 286,233	$ 136,033
TOTAL RECEIPTS	150,200	286,233	136,033
DISBURSEMENTS	2,706,195	109,051	2,597,144
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,555,995)	177,182	2,733,177
OTHER FINANCING SOURCES (USES)			
Transfers in	20,000	-	(20,000)
Transfers out	(20,000)	-	20,000
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
Net Change in Fund Balance	(2,555,995)	177,182	2,733,177
FUND BALANCE - BEGINNING	2,555,995	2,555,995	-
FUND BALANCE - ENDING	$ -	$ 2,733,177	$ 2,733,177

(Continued)

WEBSTER COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
MAJOR FUNDS
For the Year Ended June 30, 2026

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
CAPITAL CONSTRUCTION FUND			
RECEIPTS			
Intergovernmental	$ 246,669	$ 246,669	$ -
TOTAL RECEIPTS	246,669	246,669	-
DISBURSEMENTS	835,500	452,860	382,640
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(588,831)	(206,191)	382,640
OTHER FINANCING SOURCES (USES)			
Transfers in	152,149	152,149	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	152,149	152,149	-
Net Change in Fund Balance	(436,682)	(54,042)	382,640
FUND BALANCE - BEGINNING	486,682	486,682	-
FUND BALANCE - ENDING	$ 50,000	$ 432,640	$ 382,640

(Concluded)

WEBSTER COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
For the Year Ended June 30, 2026

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
SHERIFF'S DEPARTMENT FUNDRAISING FUND			
Receipts	$ 1,000	$ 100	$ (900)
Disbursements	(1,522)	-	1,522
Net Change in Fund Balance	(522)	100	622
Fund Balance - Beginning	522	522	-
Fund Balance - Ending	$ -	$ 622	$ 622
VISITORS PROMOTION FUND			
Receipts	$ 6,000	$ 7,062	$ 1,062
Disbursements	(10,554)	(2,500)	8,054
Net Change in Fund Balance	(4,554)	4,562	9,116
Fund Balance - Beginning	4,554	4,554	-
Fund Balance - Ending	$ -	$ 9,116	$ 9,116
VISITORS IMPROVEMENT FUND			
Receipts	$ 6,000	$ 7,062	$ 1,062
Disbursements	(24,803)	(5,000)	19,803
Net Change in Fund Balance	(18,803)	2,062	20,865
Fund Balance - Beginning	18,803	18,803	-
Fund Balance - Ending	$ -	$ 20,865	$ 20,865
PRESERVATION & MODERNIZATION FUND			
Receipts	$ 2,000	$ 2,954	$ 954
Disbursements	(12,068)	(2,253)	9,815
Net Change in Fund Balance	(10,068)	701	10,769
Fund Balance - Beginning	10,068	10,068	-
Fund Balance - Ending	$ -	$ 10,769	$ 10,769
SELF-INSURED DENTAL FUND			
Receipts	$ 40,000	$ 37,800	$ (2,200)
Disbursements	(77,110)	(50,436)	26,674
Net Change in Fund Balance	(37,110)	(12,636)	24,474
Fund Balance - Beginning	62,110	62,110	-
Fund Balance - Ending	$ 25,000	$ 49,474	$ 24,474

(Continued)

WEBSTER COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
For the Year Ended June 30, 2026

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
COUNTY RELIEF FUND			
Receipts	$ 4	$ 4	$ -
Disbursements	(12,250)	(9,004)	3,246
Net Change in Fund Balance	(12,246)	(9,000)	3,246
Fund Balance - Beginning	12,246	12,246	-
Fund Balance - Ending	$ -	$ 3,246	$ 3,246
VETERANS' AID FUND			
Receipts	$ -	$ -	$ -
Disbursements	(3,471)	-	3,471
Net Change in Fund Balance	(3,471)	-	3,471
Fund Balance - Beginning	3,471	3,471	-
Fund Balance - Ending	$ -	$ 3,471	$ 3,471
OPIOID SETTLEMENT FUND			
Receipts	$ 3,000	$ 3,103	$ 103
Disbursements	(18,013)	-	18,013
Net Change in Fund Balance	(15,013)	3,103	18,116
Fund Balance - Beginning	15,013	15,013	-
Fund Balance - Ending	$ -	$ 18,116	$ 18,116
DIVERSION PROGRAM FUND			
Receipts	$ 1,000	$ 450	$ (550)
Disbursements	(8,326)	-	8,326
Net Change in Fund Balance	(7,326)	450	7,776
Fund Balance - Beginning	7,326	7,326	-
Fund Balance - Ending	$ -	$ 7,776	$ 7,776
911 EMERGENCY MANAGEMENT FUND			
Receipts	$ 2,000	$ 5,186	$ 3,186
Disbursements	(53,554)	(10,041)	43,513
Transfers in	50,000	50,000	-
Transfers out	-	-	-
Net Change in Fund Balance	(1,554)	45,145	46,699
Fund Balance - Beginning	1,554	1,554	-
Fund Balance - Ending	$ -	$ 46,699	$ 46,699

(Continued)

WEBSTER COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
NONMAJOR FUNDS
For the Year Ended June 30, 2026

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
911 WIRELESS SERVICE FUND			
Receipts	$ 45,696	$ 45,696	$ -
Disbursements	(45,696)	(14,617)	31,079
Net Change in Fund Balance	-	31,079	31,079
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ -	$ 31,079	$ 31,079
BRIDGE BOND FUND			
Receipts	$ 212,376	$ 219,640	$ 7,264
Disbursements	(229,290)	(224,927)	4,363
Transfers in	20,000	-	(20,000)
Transfers out	(20,000)	-	20,000
Net Change in Fund Balance	(16,914)	(5,287)	11,627
Fund Balance - Beginning	156,914	156,914	-
Fund Balance - Ending	$ 140,000	$ 151,627	$ 11,627
REMODELING FUND			
Receipts	$ -	$ -	$ -
Disbursements	(100,000)	-	100,000
Transfers in	100,000	100,000	-
Transfers out	-	-	-
Net Change in Fund Balance	-	100,000	100,000
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ -	$ 100,000	$ 100,000
NOXIOUS WEED FUND			
Receipts	$ -	$ -	$ -
Disbursements	-	-	-
Transfers in	-	-	-
Transfers out	(9,806)	(9,806)	-
Net Change in Fund Balance	(9,806)	(9,806)	-
Fund Balance - Beginning	9,806	9,806	-
Fund Balance - Ending	$ -	$ -	$ -

(Continued)

WEBSTER COUNTY

BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL

NONMAJOR FUNDS

For the Year Ended June 30, 2026

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
COUNTY MUSEUM FUND			
Receipts	$ 66,515	$ 63,646	$ (2,869)
Disbursements	(66,850)	(63,553)	3,297
Net Change in Fund Balance	(335)	93	428
Fund Balance - Beginning	335	335	-
Fund Balance - Ending	$ -	$ 428	$ 428
RED CLOUD AMBULANCE FUND			
Receipts	$ 75,100	$ 86,522	$ 11,422
Disbursements	(154,600)	(73,318)	81,282
Net Change in Fund Balance	(79,500)	13,204	92,704
Fund Balance - Beginning	79,500	79,500	-
Fund Balance - Ending	$ -	$ 92,704	$ 92,704
BLUE HILL AMBULANCE FUND			
Receipts	$ 56,200	$ 85,778	$ 29,578
Disbursements	(101,242)	(49,633)	51,609
Net Change in Fund Balance	(45,042)	36,145	81,187
Fund Balance - Beginning	45,042	45,042	-
Fund Balance - Ending	$ -	$ 81,187	$ 81,187

(Concluded)

WEBSTER COUNTY

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES

NONMAJOR FUNDS

For the Year Ended June 30, 2026

	Sheriff's Department Fundraising Fund	Visitors Promotion Fund	Visitors Improvement Fund	Preservation & Modernization Fund	Self-Insured Dental Fund
RECEIPTS					
Taxes:					
Property	$ -	$ -	$ -	$ -	$ -
Nameplate Capacity	-	-	-	-	-
Other	-	7,062	7,062	-	-
Investment Income	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	2,954	37,756
Miscellaneous	100	-	-	-	44
TOTAL RECEIPTS	100	7,062	7,062	2,954	37,800
DISBURSEMENTS					
General Government	-	-	-	2,253	50,436
Public Safety	-	-	-	-	-
Public Assistance	-	-	-	-	-
Culture and Recreation	-	2,500	5,000	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL DISBURSEMENTS	-	2,500	5,000	2,253	50,436
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	100	4,562	2,062	701	(12,636)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
Net Change in Fund Balances	100	4,562	2,062	701	(12,636)
FUND BALANCES - BEGINNING	522	4,554	18,803	10,068	62,110
FUND BALANCES - ENDING	$ 622	$ 9,116	$ 20,865	$ 10,769	$ 49,474
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	9,116	20,865	-	-
911 Emergency Services	-	-	-	-	-
Drug Education & Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	10,769	-
Debt Service	-	-	-	-	-
Self-Insured Dental Plan	-	-	-	-	49,474
County Museum	-	-	-	-	-
Committed to:					
Law Enforcement	622	-	-	-	-
Aid and Assistance	-	-	-	-	-
County Buildings	-	-	-	-	-
Ambulance Services & Equipment	-	-	-	-	-
TOTAL FUND BALANCES	$ 622	$ 9,116	$ 20,865	$ 10,769	$ 49,474

(Continued)

WEBSTER COUNTY

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES

NONMAJOR FUNDS

For the Year Ended June 30, 2026

	County Relief Fund	Veterans' Aid Fund	Opioid Settlement Fund	Diversion Program Fund	911 Emergency Management Fund	911 Wireless Service Fund	Bridge Bond Fund
RECEIPTS							
Taxes:							
Property	$ -	$ -	$ -	$ -	$ -	$ -	$ 196,431
Nameplate Capacity	-	-	-	-	-	-	15,776
Other	4	-	-	-	5,186	45,696	396
Investment Income	-	-	-	-	-	-	6,673
Intergovernmental	-	-	-	-	-	-	364
Charges for Services	-	-	-	450	-	-	-
Miscellaneous	-	-	3,103	-	-	-	-
TOTAL RECEIPTS	4	-	3,103	450	5,186	45,696	219,640
DISBURSEMENTS							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	10,041	14,617	-
Public Assistance	9,004	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Debt Service:							
Principal Payments	-	-	-	-	-	-	215,000
Interest and Fiscal Charges	-	-	-	-	-	-	9,927
TOTAL DISBURSEMENTS	9,004	-	-	-	10,041	14,617	224,927
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,000)	-	3,103	450	(4,855)	31,079	(5,287)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	50,000	-	-
Transfers out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	50,000	-	-
Net Change in Fund Balances	(9,000)	-	3,103	450	45,145	31,079	(5,287)
FUND BALANCES - BEGINNING	12,246	3,471	15,013	7,326	1,554	-	156,914
FUND BALANCES - ENDING	$ 3,246	$ 3,471	$ 18,116	$ 7,776	$ 46,699	$31,079	$ 151,627
FUND BALANCES:							
Restricted for:							
Visitor Promotion	-	-	-	-	-	-	-
911 Emergency Services	-	-	-	-	46,699	31,079	-
Drug Education & Enforcement	-	-	18,116	-	-	-	-
Preservation of Records	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	151,627
Self-Insured Dental Plan	-	-	-	-	-	-	-
County Museum	-	-	-	-	-	-	-
Committed to:							
Law Enforcement	-	-	-	7,776	-	-	-
Aid and Assistance	3,246	3,471	-	-	-	-	-
County Buildings	-	-	-	-	-	-	-
Ambulance Services & Equipment	-	-	-	-	-	-	-
TOTAL FUND BALANCES	$ 3,246	$ 3,471	$ 18,116	$ 7,776	$ 46,699	$31,079	$ 151,627

(Continued)

WEBSTER COUNTY

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES

NONMAJOR FUNDS

For the Year Ended June 30, 2026

	Remodeling Fund	Noxious Weed Fund	County Museum Fund	Red Cloud Ambulance Fund	Blue Hill Ambulance Fund	Total Nonmajor Funds
RECEIPTS						
Taxes:						
Property	$ -	$ -	$ 57,902	$ -	$ -	$ 254,333
Nameplate Capacity	-	-	5,053	-	-	20,829
Other	-	-	115	-	-	65,521
Investment Income	-	-	-	-	-	6,673
Intergovernmental	-	-	114	-	-	478
Charges for Services	-	-	462	86,522	83,938	212,082
Miscellaneous	-	-	-	-	1,840	5,087
TOTAL RECEIPTS	-	-	63,646	86,522	85,778	565,003
DISBURSEMENTS						
General Government	-	-	-	-	-	52,689
Public Safety	-	-	-	73,318	49,633	147,609
Public Assistance	-	-	-	-	-	9,004
Culture and Recreation	-	-	63,553	-	-	71,053
Debt Service:						
Principal Payments	-	-	-	-	-	215,000
Interest and Fiscal Charges	-	-	-	-	-	9,927
TOTAL DISBURSEMENTS	-	-	63,553	73,318	49,633	505,282
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	93	13,204	36,145	59,721
OTHER FINANCING SOURCES (USES)						
Transfers in	100,000	-	-	-	-	150,000
Transfers out	-	(9,806)	-	-	-	(9,806)
TOTAL OTHER FINANCING SOURCES (USES)	100,000	(9,806)	-	-	-	140,194
Net Change in Fund Balances	100,000	(9,806)	93	13,204	36,145	199,915
FUND BALANCES - BEGINNING	-	9,806	335	79,500	45,042	427,264
FUND BALANCES - ENDING	$ 100,000	$ -	$ 428	$ 92,704	$ 81,187	$ 627,179
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	29,981
911 Emergency Services	-	-	-	-	-	77,778
Drug Education & Enforcement	-	-	-	-	-	18,116
Preservation of Records	-	-	-	-	-	10,769
Debt Service	-	-	-	-	-	151,627
Self-Insured Dental Plan	-	-	-	-	-	49,474
County Museum	-	-	428	-	-	428
Committed to:						
Law Enforcement	-	-	-	-	-	8,398
Aid and Assistance	-	-	-	-	-	6,717
County Buildings	100,000	-	-	-	-	100,000
Ambulance Services & Equipment	-	-	-	92,704	81,187	173,891
TOTAL FUND BALANCES	$ 100,000	$ -	$ 428	$ 92,704	$ 81,187	$ 627,179

(Concluded)

WEBSTER COUNTY

SCHEDULE OF OFFICE ACTIVITIES

For the Year Ended June 30, 2026

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Highway Superintendent	County Museum	Total
BALANCES - BEGINNING OF YEAR	$ 83,015	$1,061,662	$ 5,302	$ -	$ -	$127,442	$1,277,421
RECEIPTS							
Taxes	-	-	-	-	-	63,553	63,553
Intergovernmental	-	-	-	-	30,153	-	30,153
Charges for Services	191,439	3,160	59,913	30	8,333	1,556	264,431
Miscellaneous	707	-	-	-	4,611	11,329	16,647
State Fees	66,210	4,223	-	-	-	-	70,433
Other Liabilities	-	221,004	15,755	421	-	-	237,180
TOTAL RECEIPTS	258,356	228,387	75,668	451	43,097	76,438	682,397
DISBURSEMENTS							
Payments to County Treasurer	202,644	2,996	59,750	30	43,097	-	308,517
Payments to State Treasurer	66,016	4,263	-	-	-	-	70,279
Petty Cash & Other Payments	-	-	-	-	-	72,358	72,358
Other Liabilities	-	197,127	15,755	421	-	-	213,303
TOTAL DISBURSEMENTS	268,660	204,386	75,505	451	43,097	72,358	664,457
BALANCES - END OF YEAR	$ 72,711	$ 1,085,663	$ 5,465	$ -	$ -	$ 131,522	$1,295,361
BALANCES CONSIST OF:							
Due to County Treasurer	$ 66,485	$ 381	$ 4,915	$ -	$ -	$ 131,522	$ 203,303
Petty Cash	-	-	550	-	-	-	550
Due to State Treasurer	6,226	474	-	-	-	-	6,700
Due to Others	-	1,084,808	-	-	-	-	1,084,808
BALANCES - END OF YEAR	$ 72,711	$ 1,085,663	$ 5,465	$ -	$ -	$ 131,522	$1,295,361

WEBSTER COUNTY

SCHEDULE OF TAXES CERTIFIED AND COLLECTED

FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY

June 30, 2026

Item	2021	2022	2023	2024	2025
Tax Certified by Assessor					
Real Estate	$ 12,290,706	$ 13,057,325	$ 13,321,359	$ 10,224,170	$ 10,604,386
Personal and Specials	1,205,690	1,280,706	1,237,853	1,008,352	1,013,242
Total	13,496,396	14,338,031	14,559,212	11,232,522	11,617,628
Corrections					
Additions	12,332	7,433	83	4,817	2,804
Deductions	(10,052)	(12,841)	(86,849)	(69,830)	(948)
Net Additions/ (Deductions)	2,280	(5,408)	(86,766)	(65,013)	1,856
Corrected Certified Tax	13,498,676	14,332,623	14,472,446	11,167,509	11,619,484
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2022	9,280,775	-	-	-	-
June 30, 2023	4,211,023	9,883,568	-	-	-
June 30, 2024	2,501	4,445,431	9,771,194	-	-
June 30, 2025	1,966	4,282	4,694,348	7,460,690	-
June 30, 2026	500	(1,776)	4,944	3,698,407	7,585,304
Total Net Collections	13,496,765	14,331,505	14,470,486	11,159,097	7,585,304
Total Uncollected Tax	$ 1,911	$ 1,118	$ 1,960	$ 8,412	$ 4,034,180
Percentage Uncollected Tax	0.01%	0.01%	0.01%	0.08%	34.72%

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

NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

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 (*Government Auditing Standards*), 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, 2026, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 6, 2026. 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. We identified a certain deficiency in internal control, described below, that we consider to be a material weakness:

- The County offices lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. A proper system of 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 October 6, 2026.

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.

October 6, 2026

Jeff Schreier, CPA, CFE
Audit Manager
Lincoln, Nebraska

NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

October 6, 2026

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, 2026, and have issued our report thereon dated October 6, 2026. 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

Accounting Procedures

During the audit, we noted the following issues with the County Clerk's accounting procedures:

- For the ambulance account maintained by the County Clerk, an unknown variance of $3,275 was noted between the accounts receivable balance reported by the County's third-party vendor used to manage the ambulance billings and the expected balance calculated by the Auditor of Public Accounts based on the County Clerk's records and deposits to the bank account. The accounts receivable balance reported was higher than expected.

  The County Clerk was unable to identify and explain the cause of the variance.

- The County Clerk attempted to perform a monthly asset-to-liability reconciliation for the fee account; nevertheless, we noted that it had a shortage of $58 at June 30, 2026. This is an increase from the $14 shortage noted during the prior audit.

Good internal controls require procedures to ensure that ambulance accounts receivable records maintained by both the County Clerk and the third-party vendor are accurate. Such procedures should ensure also that office assets agree with office liabilities at all times, and any variances are identified and resolved in a timely manner.

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.

This issue has been noted in prior audits.

We recommend the County Clerk implement procedures to ensure: 1) ambulance accounts receivable records maintained by both the County Clerk and the third-party vendor are accurate; and 2) office assets agree with office liabilities at all times, and any variances are identified and resolved in a timely manner.

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.

A proper system of 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 in this report. The County declined to respond.

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,

Jeff Schreier, CPA, CFE
Audit Manager