

**GARFIELD COUNTY**  
**SINGLE AUDIT**  
**JULY 1, 2020, THROUGH JUNE 30, 2021**

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**Issued on October 19, 2023**

GARFIELD COUNTY

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Garfield County Basic Financial Statements Audit Report (Including 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 <i>Government Auditing Standards</i> . This report can be found at <a href="http://auditors.nebraska.gov">auditors.nebraska.gov</a> under Reports by Agency, or By Year Issued.)	

GARFIELD COUNTY  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
Passed through Nebraska Military Department			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	071-99071-00 *	1,439,626
Total U.S. Department of Homeland Security			<u>1,439,626</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Nebraska Department of Health and Human Services			
Child Support Enforcement	93.563	51281 Y3	7,339
Total U.S. Department of Health and Human Services			<u>7,339</u>
<b>DEPARTMENT OF THE INTERIOR</b>			
Payments in Lieu of Taxes	15.226	N/A	1,217
Total U.S. Department of the Interior			<u>1,217</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 1,448,182</u></u>

\* Represents Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

GARFIELD COUNTY

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2021

**1. Basis of Presentation**

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of Garfield County (County) under programs of the Federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Garfield County, it is not intended to, and does not, present the financial position or changes in net assets of the County. The County's reporting entity is defined in Note 1.A. to the County's financial statements (issued under separate cover). Federal awards received directly from Federal agencies, as well as those passed through other government agencies, are included in the Schedule. Unless otherwise noted on the Schedule, all programs are received directly from the respective Federal agency.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Garfield County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**3. Disaster Grants – Public Assistance (Presidentially Declared Disasters)**

After a presidentially declared disaster, the Federal Emergency Management Agency (FEMA) provides Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing 97.036) to reimburse eligible costs associated with the repair, replacement, or restoration of disaster-damaged infrastructure. The Schedule of Expenditures of Federal Awards reports expenditures of \$1,439,626 for this program, of which \$1,223,349 was incurred and paid prior to the fiscal year ended June 30, 2021.



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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GARFIELD COUNTY  
**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND  
REPORT ON THE SCHEDULE OF EXPENITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

Board of Commissioners  
Garfield County, Nebraska

**Report on Compliance for Each Major Federal Program**

We have audited Garfield County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Garfield County's major Federal programs for the year ended June 30, 2021. Garfield County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Garfield County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Garfield County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our adverse opinion on compliance for the major Federal program. However, our audit does not provide a legal determination of Garfield County's compliance.

***Basis for Adverse Opinion on Disaster Grants – Public Assistance (Presidentially Declared Disasters)***

As described in the accompanying Schedule of Findings and Questioned costs, Garfield County did not comply with requirements regarding Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing Number 97.036) as described in finding number 2021-002 for Reporting. Compliance with such requirements is necessary, in our opinion, for Garfield County to comply with the requirements applicable to that program.

***Adverse Opinion on Disaster Grants – Public Assistance (Presidentially Declared Disasters)***

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, Garfield County did not comply in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Disaster Grants – Public Assistance (Presidentially Declared Disasters) for the year ended June 30, 2021.

***Other Matters***

Garfield County’s response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Garfield County’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Garfield County is responsible for preparing a corrective action plan to address each audit finding included in our auditor’s report. Garfield County’s corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

**Report on Internal Control Over Compliance**

Management of Garfield County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Garfield County’s internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Garfield County’s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-002 that we consider to be material weaknesses.

Garfield County’s response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Garfield County’s response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

Garfield County is responsible for preparing a corrective action plan to address each audit finding included in our auditor’s report. Garfield County’s corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of the internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of Garfield County as of and for the year ended June 30, 2021, and have issued our report thereon dated September 14, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements which collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

October 18, 2023



Jeff Schreier, CPA  
Audit Manager  
Lincoln, Nebraska

GARFIELD COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with cash basis of accounting:

**Unmodified**

Internal control over financial reporting:

Material weaknesses identified?

\_\_\_ Yes X No

Significant deficiencies identified?

X Yes \_\_\_ None Reported

Noncompliance material to financial statements noted?

\_\_\_ Yes X No

**Federal Awards**

Internal control over major programs:

Material weaknesses identified?

X Yes \_\_\_ No

Significant deficiencies identified?

\_\_\_ Yes X None Reported

Type of auditor’s report issued on compliance for major programs:

**Adverse**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

X Yes \_\_\_ No

Major programs: **Disaster Grants – Public Assistance (Presidentially Declared Disasters): AL #97.036**

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_ Yes X No



GARFIELD COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

(Continued)

**Section II – Financial Statement Findings**

**Finding # 2021-001**

**Condition:** There is a lack of segregation of accounting functions among various County offices and personnel. This is a continuing item from the prior year.

**Criteria:** Authorization or approval of transactions, recording of transactions, and custody of assets should normally be segregated from each other.

**Context:** Various County offices collect money; most of those offices employ one or two individuals. The offices remit the money to the County Treasurer.

**Effect:** This lack of segregation of duties results in an inadequate overall internal control structure design.

**Cause:** The County does not employ sufficient office personnel to segregate properly accounting functions.

**Recommendation:** The County should be aware of the inherent risks associated with improper segregation of accounting functions. The County should also develop mitigating controls to reduce the risk of errors or fraud associated with the improper segregation of accounting functions.

**View of Officials:** The County has discussed the finding but has determined it is not an efficient use of tax money to implement a complete segregation of duties.

**Section III – Federal Award Findings and Questioned Costs**

**Finding # 2021-002**

**Program:** Various, including AL 97.036 – Disaster Grants - Public Assistance (Presidentially Declared Disasters) – Reporting

**Grant Number & Year:** Various

**Federal Grantor Agency:** Various, including U.S. Department of Homeland Security

**Pass-Through Entity:** Various, including Nebraska Military Department

**Criteria:** Title 2 of the U.S. Code of Federal Regulations (CFR) § 200.512(a)(1) (January 1, 2021) states the following:

*The audit must be completed and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section must be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. If the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day.*

Title 2 CFR § 200.508 (January 1, 2021) states, in part, the following:

*The auditee must: (a) Procure or otherwise arrange for the audit required by this part in accordance with §200.509, and ensure it is properly performed and submitted when due in accordance with §200.512.*

GARFIELD COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
(Concluded)

Title 2 CFR § 200.303 (January 1, 2021) states the following, in relevant part:

*The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).*

A good internal control plan requires adequate procedures to ensure the audit is completed and submitted to the Federal Audit Clearinghouse within the time frame required by Title 2 CFR § 200.512.

**Condition:** Garfield County did not have adequate procedures in place to monitor Federal expenditures and ensure a Single Audit was completed and submitted to the Federal Audit Clearinghouse in accordance with Title 2 CFR § 200.512. Consequently, the County had a basic financial statement audit completed for the fiscal year ending June 30, 2021, which was issued on September 15, 2021, but that audit did not include the additional information necessary to meet Uniform Guidance and Single Audit Act requirements.

When the audit for the fiscal year ending June 30, 2022 was completed, the Auditor of Public Accounts identified that the County should have had a Single Audit completed for the fiscal year ending June 30, 2021.

**Repeat Finding:** No

**Questioned Costs:** None

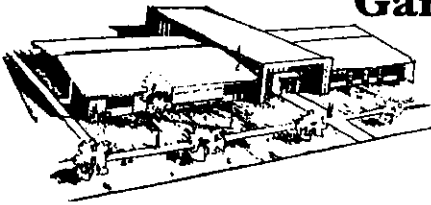
**Statistical Sample:** No

**Cause:** Overall lack of knowledge and experience by County personnel related to Federal reporting and compliance requirements; misunderstanding of when expenditures for AL # 97.036 were required to be reported on the Schedule of Expenditures of Federal Awards.

**Effect:** Noncompliance with Federal regulations, which could lead to Federal sanctions, and Single Audits not being completed when required.

**Recommendation:** We recommend the County obtain necessary training related to Federal reporting requirements, establish written procedures for closely monitoring Federal expenditures, and ensure a Single audit is completed and submitted to the Federal Audit Clearinghouse within the time frame required by Title 2 CFR § 200.512.

**View of Officials:** The County plans to make sure and have proper education and obtain training to ensure County personnel are aware of Federal reporting requirements and understanding of the schedule of expenditures of Federal awards.



# Garfield County Commissioners

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## CORRECTIVE ACTION PLAN

Year Ended June 30, 2021

The corrective action plan for the findings included in the Schedule of Findings and Questioned Costs are summarized as follows:

### I. Findings Related to the Financial Statements:

#### Finding 2021-001: Segregation of Duties

##### Corrective Action Planned:

The County has discussed the finding but has determined it is not an efficient use of tax money to implement a complete segregation of duties.

##### Anticipated Completion Date:

Immediate

##### Responsible Party:

Garfield County Board

### II. Findings Related to Federal Awards:

#### Finding 2021-002

##### Program:

Various, including AL 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters) – Reporting

##### Corrective Action Planned:

To make sure and have proper education and obtain training to ensure County personnel are aware of the Federal reporting requirements and understanding of the schedule of expenditures of Federal awards.

##### Anticipated Completion Date:

Fiscal Year End 2023-2024

##### Responsible Party:

Garfield County Board

Scott L. Krause  
Garfield County Board Chairman