

**AUDIT REPORT  
OF  
GARFIELD COUNTY**

**JULY 1, 2022, THROUGH JUNE 30, 2023**

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**Issued on April 3, 2024**

GARFIELD COUNTY

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GARFIELD COUNTY  
250 S. 8<sup>th</sup> Avenue  
Burwell, NE 68823

**LIST OF COUNTY OFFICIALS**  
At June 30, 2023

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Board of Commissioners	Scott Krause Diana Hurlburt Jerome Zulkoski	Jan. 2027 Jan. 2025 Jan. 2027
Assessor Planning & Zoning	Kali Bolli	Jan. 2027
Attorney	Curtis Sikyta	Jan. 2027
Clerk Election Commissioner Register of Deeds Clerk of the District Court	Keri Koenigsberg	Jan. 2027
Sheriff	Korey Johnson	Jan. 2027
Treasurer	Tamara Hitchcock	Jan. 2027
Surveyor	Steven Rasmussen	Appointed
Veterans' Service Officer	Timothy Rowse	Appointed
Weed Superintendent	Jimmy Petersen	Appointed
Highway Superintendent	Gary Kinney	Appointed
Emergency Manager	Marvin Hulinsky	Appointed



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley  
State Auditor

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GARFIELD COUNTY

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Garfield County, Nebraska

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Garfield County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

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 Garfield County as of June 30, 2023, 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 Opinions*

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

#### *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 18-30, 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 April 1, 2024, on our consideration of Garfield 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 Garfield County's internal control over financial reporting and compliance.

April 1, 2024

A handwritten signature in black ink that reads "Jeff Schreier". The signature is written in a cursive, flowing style.

Jeff Schreier, CPA  
Audit Manager  
Lincoln, Nebraska

GARFIELD COUNTY  
**STATEMENT OF NET POSITION - CASH BASIS**  
 June 30, 2023

		Governmental Activities
<b>ASSETS</b>		
Cash and Cash Equivalents (Note 1.D)	\$	510,292
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>510,292</b>
<b>NET POSITION</b>		
Restricted for:		
Visitor Promotion	\$	40,436
Drug Education / Enforcement		2,460
Preservation of Records		6,469
Federal Relief		106,921
Road/Bridge Maintenance		186,384
Library		15,267
Unrestricted		152,355
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b>510,292</b>

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

GARFIELD COUNTY  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
For the Year Ended June 30, 2023

<b>Functions:</b>	Cash Disbursements	Program Cash Receipts		Net (Disbursement) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General Government	\$ (1,293,822)	\$ 110,347	\$ -	\$ (1,183,475)
Public Safety	(245,959)	3,564	-	(242,395)
Public Works	(947,714)	577	606,102	(341,035)
Public Assistance	(114,021)	-	-	(114,021)
Culture and Recreation	(121,719)	1,185	6,958	(113,576)
Total Governmental Activities	<u>\$ (2,723,235)</u>	<u>\$ 115,673</u>	<u>\$ 613,060</u>	<u>(1,994,502)</u>

General Receipts:

Taxes:	
Property	1,312,885
Motor Vehicle	80,813
Inheritance	166,778
Other	45,524
Grants and Contributions Not Restricted to Specific Programs	
Investment Income	89,505
Miscellaneous	10,822
Miscellaneous	15,189
Total General Receipts	<u>1,721,516</u>
Change in Net Position	(272,986)
Net Position - Beginning of year	783,278
Net Position - End of year	<u>\$ 510,292</u>

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



GARFIELD COUNTY  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
June 30, 2023

	General Fund	Road Fund	Inheritance Fund	COVID American Rescue Plan Fund	Highway Bridge Buyback Fund	Highway Street Buyback Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and Cash Equivalents (Note 1.D)	\$ 7,071	\$ 32	\$ 118,912	\$ 56,204	\$ 52,679	\$ 133,705	\$ 141,689	\$ 510,292
<b>TOTAL ASSETS</b>	<b>\$ 7,071</b>	<b>\$ 32</b>	<b>\$ 118,912</b>	<b>\$ 56,204</b>	<b>\$ 52,679</b>	<b>\$ 133,705</b>	<b>\$ 141,689</b>	<b>\$ 510,292</b>
<b>FUND BALANCES</b>								
Restricted for:								
Visitor Promotion	-	-	-	-	-	-	40,436	40,436
Drug Education / Enforcement	-	-	-	-	-	-	2,460	2,460
Preservation of Records	-	-	-	-	-	-	6,469	6,469
Federal Relief	-	-	-	56,204	-	-	50,717	106,921
Road/Bridge Maintenance	-	-	-	-	52,679	133,705	-	186,384
Library	-	-	-	-	-	-	15,267	15,267
Committed to:								
Law Enforcement	-	-	-	-	-	-	6,020	6,020
Road Maintenance	-	32	-	-	-	-	-	32
Planning & Zoning	-	-	-	-	-	-	320	320
Miscellaneous Future Projects	-	-	-	-	-	-	20,000	20,000
Assigned to:								
Other Purposes	-	-	118,912	-	-	-	-	118,912
Unassigned	7,071	-	-	-	-	-	-	7,071
<b>TOTAL CASH BASIS FUND BALANCES</b>	<b>\$ 7,071</b>	<b>\$ 32</b>	<b>\$ 118,912</b>	<b>\$ 56,204</b>	<b>\$ 52,679</b>	<b>\$ 133,705</b>	<b>\$ 141,689</b>	<b>\$ 510,292</b>

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

GARFIELD COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2023

	General Fund	Road Fund	Inheritance Fund	COVID American Rescue Plan Fund	Highway Bridge Buyback Fund	Highway Street Buyback Fund	Nonmajor Funds	Total Governmental Funds
<b>RECEIPTS</b>								
Taxes:								
Property	\$1,235,899	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,986	\$ 1,312,885
Motor Vehicle	80,813	-	-	-	-	-	-	80,813
Inheritance	-	-	166,778	-	-	-	-	166,778
Other	8,408	-	-	-	-	-	37,116	45,524
Investment Income	8,226	-	-	1,879	-	-	717	10,822
Intergovernmental	38,548	432,664	114,842	-	15,344	43,252	57,915	702,565
Charges for Services	109,193	577	-	-	-	-	5,903	115,673
Miscellaneous	1,669	2,149	-	-	-	-	11,371	15,189
<b>TOTAL RECEIPTS</b>	<b>1,482,756</b>	<b>435,390</b>	<b>281,620</b>	<b>1,879</b>	<b>15,344</b>	<b>43,252</b>	<b>190,008</b>	<b>2,450,249</b>
<b>DISBURSEMENTS</b>								
General Government	1,157,495	-	5,000	111,000	-	-	20,327	1,293,822
Public Safety	245,959	-	-	-	-	-	-	245,959
Public Works	53,667	894,047	-	-	-	-	-	947,714
Public Assistance	14,021	-	-	100,000	-	-	-	114,021
Culture and Recreation	-	-	-	-	-	-	121,719	121,719
<b>TOTAL DISBURSEMENTS</b>	<b>1,471,142</b>	<b>894,047</b>	<b>5,000</b>	<b>211,000</b>	<b>-</b>	<b>-</b>	<b>142,046</b>	<b>2,723,235</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>								
	11,614	(458,657)	276,620	(209,121)	15,344	43,252	47,962	(272,986)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	482,411	458,643	7,502	-	3,600	-	39,133	991,289
Transfers out	(494,024)	-	(484,913)	-	-	(3,600)	(8,752)	(991,289)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(11,613)</b>	<b>458,643</b>	<b>(477,411)</b>	<b>-</b>	<b>3,600</b>	<b>(3,600)</b>	<b>30,381</b>	<b>-</b>
Net Change in Fund Balances	1	(14)	(200,791)	(209,121)	18,944	39,652	78,343	(272,986)
<b>CASH BASIS FUND BALANCES - BEGINNING</b>								
	7,070	46	319,703	265,325	33,735	94,053	63,346	783,278
<b>CASH BASIS FUND BALANCES - ENDING</b>								
	\$ 7,071	\$ 32	\$ 118,912	\$ 56,204	\$52,679	\$133,705	\$141,689	\$ 510,292

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

GARFIELD COUNTY  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**FIDUCIARY FUNDS**  
For the Year Ended June 30, 2023

	<u>Custodial Fund Balances July 1, 2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Custodial Fund Balances June 30, 2023</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 156,940	\$ 7,049,931	\$ 7,021,792	\$ 185,079
<b>LIABILITIES</b>				
Due to other governments				
State - Collected by County Treasurer	37,056	601,140	585,903	52,293
State - Collected by Other Offices	1,992	44,331	45,469	854
Schools	79,336	4,840,162	4,853,926	65,572
Educational Service Units	1,100	68,761	69,110	751
Technical College	6,936	429,420	431,653	4,703
Natural Resource Districts	2,271	161,196	161,619	1,848
Fire Districts	1,605	98,345	98,882	1,068
Municipalities	13,464	476,333	473,885	15,912
Agricultural Society	821	50,618	50,887	552
Airport Authority	914	34,635	34,447	1,102
Others - Collected by County Treasurer	10,514	93,130	98,044	5,600
Others - Collected by Other Offices	931	151,860	117,967	34,824
<b>TOTAL LIABILITIES</b>	<u>156,940</u>	<u>7,049,931</u>	<u>7,021,792</u>	<u>185,079</u>
 <b>TOTAL NET POSITION</b>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

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

GARFIELD COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

1. **Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

Garfield County, Nebraska, (County) is a governmental entity established under and governed by the laws of the State of Nebraska (State). The County is managed by county officials who are elected on a political ballot for four-year terms. As a political subdivision of the State, the County is exempt from State and Federal income taxes. The financial statements include all funds of the County that are not legally separate. The County has also considered all potential component units for which it is financially accountable, as well as other organizations that are either fiscally dependent on the County or maintain a significant relationship with the County, such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County is also considered financially accountable if an organization is fiscally dependent on and there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

As required by Generally Accepted Accounting Principles (GAAP), these financial statements present the County (the primary government). No component units were identified.

**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 did not contribute toward the operation of the Region during fiscal year 2023. 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.

Health Department – The County has entered into an agreement with the Loup Basin Public 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).

GARFIELD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 2023. 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) (Supp. 2023). Financial information for the Department is available in that report.

**Emergency 911 Region** – The County has entered into an agreement with surrounding counties to provide emergency 911 services. The agreement was established under the authority of the Interlocal Cooperation Act and is known as Region 26 Council (Region 26). Member entities include: City of Ord and Blaine, Loup, Garfield, Greeley, Sherman, Thomas, Valley, and Wheeler counties in central Nebraska.

The governing board of Region 26 includes representatives from the participating entity governing bodies. Each entity contributes to the financial support of Region 26 based on formulas developed by the governing board. The County contributed \$87,698 toward the operation of Region 26 during fiscal year 2023. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

**B. Basis of Presentation**

**Government-Wide Financial Statements.** The Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis display information about the activities of the County and are in the format of government-wide statements, as required by GASB Statement Number 34. These statements include all the financial activities of the County, except for fiduciary activities. Internal activities in these statements were considered immaterial and have not been eliminated. Governmental Generally Accepted Accounting Principles (GAAP) requires internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities are generally financed through taxes, intergovernmental receipts, and other nonexchange transactions. The 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.

GARFIELD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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. GAAP requires separate statements by fund category – governmental, proprietary, and fiduciary. The County uses only the governmental and fiduciary fund categories. The County Board is the highest level of decision-making authority and has the authority, by resolution, to establish, modify or rescind the commitment or assignment of a fund balance to a specific purpose. When resources for a specific purpose are available in more than one fund balance classification, the County's policy is to use resources in the following order: restricted, committed, assigned, and unassigned. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

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

**Road Fund.** This fund is used to account for costs associated with the repair and maintenance of roads and bridges and is primarily funded by State tax receipts.

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

**COVID American Rescue Plan Fund.** This fund is used to account for aid received from the Federal government through the American Rescue Plan Act and will be used as allowed by Federal regulations and approved by the County Board.

**Highway Bridge Buyback Program Fund.** This fund is used to account for costs associated with the repair and maintenance of bridges on County roads and is funded by State receipts.

**Highway Street Buyback Program Fund.** This fund is used to account for costs associated with the repair and maintenance of County roads and is funded by State receipts.

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

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

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

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.

GARFIELD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

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

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

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

D. **Assets and Net Position**

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

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

**Capital Assets.** Under the cash receipts and disbursements basis of accounting, capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as disbursements in governmental funds. GAAP requires capital assets, which would include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), to be reported in the applicable governmental activities columns in the government-wide financial statements.

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

**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.

GARFIELD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

**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 \$357,937 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).

At year end, the County's carrying amount of deposits was \$510,292 for County funds and \$185,079 for Fiduciary funds. The bank balances for all funds totaled \$590,066. For purposes of classifying categories of custodial credit risk, the bank balances of the County's deposits, as of June 30, 2023, 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.



GARFIELD COUNTY

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Taxes** (Concluded)

The levy set in October 2022, for the 2022 taxes, which will be materially collected in May and September 2023, was set at \$.280574/\$100 of assessed valuation. The levy set in October 2021, for the 2021 taxes, which were materially collected in May and September 2022, was set at \$.285841/\$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

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, Supp. 2023) and may be amended through legislative action.

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

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

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

For the year ended June 30, 2023, 26 employees contributed \$40,816, and the County contributed \$60,572. Contributions included \$1,304 in cash contributions towards the supplemental law enforcement plan for three law enforcement employees.

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 107 counties and local governments throughout Nebraska.

GARFIELD COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**5. Risk Management** (Concluded)

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

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

	NIRMA Coverage	Maximum Coverage
General Liability Claim	\$ 500,000	\$ 5,000,000
Workers' Compensation Claim	\$ 550,000	Statutory Limits
Property Damage Claim	\$ 250,000	Insured Value at Replacement Cost

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

**6. Interfund Transfers**

Interfund transfers for the year ended June 30, 2023, consisted of the following:

	Transfers from				
	General Fund	Inheritance Fund	Highway Street Buyback Fund	Nonmajor Funds	
Road Fund	\$ 458,643	\$ -	\$ -	\$ -	\$ 458,643
Inheritance Fund	-	-	-	7,502	7,502
Highway Bridge Buyback Fund	-	-	3,600	-	3,600
General Fund	-	482,411	-	-	482,411
Nonmajor Funds	35,381	2,502	-	1,250	39,133
Total	\$ 494,024	\$ 484,913	\$ 3,600	\$ 8,752	\$ 991,289

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

GARFIELD COUNTY

**NOTES TO FINANCIAL STATEMENTS**

(Concluded)

**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:

	Motor Graders
Balance July 1, 2022	\$ 375,764
Purchases	-
Payments	66,863
Balance June 30, 2023	\$ 308,901
Future Payments:	
<b>Year</b>	
2024	\$ 77,152
2025	77,152
2026	77,152
2027	50,080
2028	50,081
Total Payments	331,617
Less Interest	22,716
Present Value of Future Minimum Lease Payments	\$ 308,901
Carrying Value of the Related Fixed Asset	\$ 573,612

**8. Subsequent Event**

Pursuant to Neb. Rev. Stat. § 23-160.01 (Reissue 2022), the County signed a \$1,000,000 operating line of credit with Pathway Bank on August 29, 2023, to address cash flow issues at the County. Between August and November 2023, the County borrowed \$253,120 against this line of credit. Interest accrues at 7.75% of the amount borrowed.

As of March 2024, the County has not repaid any of the amount borrowed. The County expects to receive reimbursements from the Federal Emergency Management Agency (FEMA) which will be used to repay the amount borrowed by the end of April 2024.

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

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 1,326,922	\$ 1,326,922	\$ 1,325,120	\$ (1,802)
Investment Income	2,000	2,000	8,226	6,226
Intergovernmental	39,233	39,233	38,548	(685)
Charges for Services	140,735	140,735	109,193	(31,542)
Miscellaneous	6,060	6,060	1,669	(4,391)
<b>TOTAL RECEIPTS</b>	<u>1,514,950</u>	<u>1,514,950</u>	<u>1,482,756</u>	<u>(32,194)</u>
<b>DISBURSEMENTS</b>				
General Government:				
County Board	71,836	71,836	67,685	4,151
County Clerk	124,896	124,896	117,786	7,110
County Treasurer	122,746	122,746	117,800	4,946
County Assessor	157,846	157,846	128,560	29,286
Election Commissioner	19,700	19,700	13,630	6,070
Clerk of the District Court	26,373	26,373	12,979	13,394
County Court System	13,450	13,450	3,161	10,289
Building and Grounds	102,597	102,597	45,296	57,301
Reappraisal	40,000	40,000	30,243	9,757
Agricultural Extension Agent	32,562	32,562	32,562	-
Miscellaneous	689,915	689,915	587,793	102,122
Public Safety				
County Sheriff	211,834	211,834	157,069	54,765
County Attorney	97,476	97,476	85,850	11,626
County Jail	53,300	53,300	3,040	50,260
Public Works				
Noxious Weed Control	106,110	106,110	53,667	52,443
Public Assistance				
Veterans' Service Officer	15,835	15,835	14,021	1,814
<b>TOTAL DISBURSEMENTS</b>	<u>1,886,476</u>	<u>1,886,476</u>	<u>1,471,142</u>	<u>415,334</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>				
	<u>(371,526)</u>	<u>(371,526)</u>	<u>11,614</u>	<u>383,140</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,440,850	1,440,850	482,411	(958,439)
Transfers out	(1,068,670)	(1,068,670)	(494,024)	574,646
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>372,180</u>	<u>372,180</u>	<u>(11,613)</u>	<u>(383,793)</u>
Net Change in Fund Balance	654	654	1	(653)
<b>FUND BALANCE - BEGINNING</b>	<u>7,346</u>	<u>7,346</u>	<u>7,070</u>	<u>(276)</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ 7,071</u>	<u>\$ (929)</u>

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

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ROAD FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 426,178	\$ 426,178	\$ 432,664	\$ 6,486
Charges for Services	3,250	3,250	577	(2,673)
Miscellaneous	8,000	8,000	2,149	(5,851)
<b>TOTAL RECEIPTS</b>	<u>437,428</u>	<u>437,428</u>	<u>435,390</u>	<u>(2,038)</u>
<b>DISBURSEMENTS</b>	<u>1,355,124</u>	<u>1,355,124</u>	<u>894,047</u>	<u>461,077</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>(917,696)</u>	<u>(917,696)</u>	<u>(458,657)</u>	<u>459,039</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	919,000	919,000	458,643	(460,357)
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>919,000</u>	<u>919,000</u>	<u>458,643</u>	<u>(460,357)</u>
Net Change in Fund Balance	1,304	1,304	(14)	(1,318)
FUND BALANCE - BEGINNING	46	46	46	-
FUND BALANCE - ENDING	<u>\$ 1,350</u>	<u>\$ 1,350</u>	<u>\$ 32</u>	<u>\$ (1,318)</u>
<b>INHERITANCE FUND</b>				
<b>RECEIPTS</b>				
Taxes	\$ 60,200	\$ 60,200	\$ 166,778	\$ 106,578
Intergovernmental	-	-	114,842	114,842
<b>TOTAL RECEIPTS</b>	<u>60,200</u>	<u>60,200</u>	<u>281,620</u>	<u>221,420</u>
<b>DISBURSEMENTS</b>	<u>5,142</u>	<u>5,142</u>	<u>5,000</u>	<u>142</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>55,058</u>	<u>55,058</u>	<u>276,620</u>	<u>221,562</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,115,239	1,115,239	7,502	(1,107,737)
Transfers out	(1,490,000)	(1,490,000)	(484,913)	1,005,087
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(374,761)</u>	<u>(374,761)</u>	<u>(477,411)</u>	<u>(102,650)</u>
Net Change in Fund Balance	(319,703)	(319,703)	(200,791)	118,912
FUND BALANCE - BEGINNING	319,703	319,703	319,703	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,912</u>	<u>\$ 118,912</u>

(Continued)

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

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>COVID AMERICAN RESCUE PLAN FUND</b>				
<b>RECEIPTS</b>				
Investment Income	\$ -	\$ -	\$ 1,879	\$ 1,879
Miscellaneous	969	969	-	(969)
<b>TOTAL RECEIPTS</b>	<u>969</u>	<u>969</u>	<u>1,879</u>	<u>910</u>
 DISBURSEMENTS	 <u>265,444</u>	 <u>265,444</u>	 <u>211,000</u>	 <u>54,444</u>
 EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	 <u>(264,475)</u>	 <u>(264,475)</u>	 <u>(209,121)</u>	 <u>55,354</u>
 OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(850)	(850)	-	850
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(850)</u>	<u>(850)</u>	<u>-</u>	<u>850</u>
 Net Change in Fund Balance	 (265,325)	 (265,325)	 (209,121)	 56,204
FUND BALANCE - BEGINNING	265,325	265,325	265,325	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,204</u>	<u>\$ 56,204</u>
 <b>HIGHWAY BRIDGE BUYBACK FUND</b>				
<b>RECEIPTS</b>				
Intergovernmental	\$ 15,703	\$ 15,703	\$ 15,344	\$ (359)
<b>TOTAL RECEIPTS</b>	<u>15,703</u>	<u>15,703</u>	<u>15,344</u>	<u>(359)</u>
 DISBURSEMENTS	 <u>53,038</u>	 <u>53,038</u>	 <u>-</u>	 <u>53,038</u>
 EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	 <u>(37,335)</u>	 <u>(37,335)</u>	 <u>15,344</u>	 <u>52,679</u>
 OTHER FINANCING SOURCES (USES)				
Transfers in	3,600	3,600	3,600	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>3,600</u>	<u>3,600</u>	<u>3,600</u>	<u>-</u>
 Net Change in Fund Balance	 (33,735)	 (33,735)	 18,944	 52,679
FUND BALANCE - BEGINNING	33,735	33,735	33,735	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,679</u>	<u>\$ 52,679</u>

(Continued)

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

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>HIGHWAY STREET BUYBACK FUND</u></b>				
RECEIPTS				
Intergovernmental	\$ 38,576	\$ 38,576	\$ 43,252	\$ 4,676
TOTAL RECEIPTS	<u>38,576</u>	<u>38,576</u>	<u>43,252</u>	<u>4,676</u>
DISBURSEMENTS				
	<u>129,029</u>	<u>129,029</u>	<u>-</u>	<u>129,029</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS				
	<u>(90,453)</u>	<u>(90,453)</u>	<u>43,252</u>	<u>133,705</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>(3,600)</u>	<u>(3,600)</u>	<u>(3,600)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,600)</u>	<u>(3,600)</u>	<u>(3,600)</u>	<u>-</u>
Net Change in Fund Balance	(94,053)	(94,053)	39,652	133,705
FUND BALANCE - BEGINNING	<u>94,053</u>	<u>94,053</u>	<u>94,053</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,705</u>	<u>\$ 133,705</u>

(Concluded)

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

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>GEOGRAPHICAL INFORMATION</b>				
<b>SYSTEM FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(20,000)	(20,000)	(13,308)	6,692
Transfers in	20,000	20,000	13,308	(6,692)
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>PLANNING &amp; ZONING FUND</b>				
Receipts	\$ 1,300	\$ 1,300	\$ 2,125	\$ 825
Disbursements	(23,725)	(23,725)	(3,232)	20,493
Transfers in	22,500	22,500	1,402	(21,098)
Transfers out	-	-	-	-
Net Change in Fund Balance	75	75	295	220
Fund Balance - Beginning	25	25	25	-
Fund Balance - Ending	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 320</u>	<u>\$ 220</u>
<b>VISITOR PROMOTION FUND</b>				
Receipts	\$ 38,000	\$ 38,000	\$ 18,579	\$ (19,421)
Disbursements	(43,000)	(43,000)	(17,646)	25,354
Transfers in	1,250	1,250	-	(1,250)
Transfers out	-	-	(1,250)	(1,250)
Net Change in Fund Balance	(3,750)	(3,750)	(317)	3,433
Fund Balance - Beginning	9,313	9,313	9,313	-
Fund Balance - Ending	<u>\$ 5,563</u>	<u>\$ 5,563</u>	<u>\$ 8,996</u>	<u>\$ 3,433</u>
<b>VISITOR IMPROVEMENT FUND</b>				
Receipts	\$ 29,250	\$ 29,250	\$ 27,308	\$ (1,942)
Disbursements	(58,250)	(58,250)	(27,590)	30,660
Transfers in	-	-	1,250	1,250
Transfers out	(1,250)	(1,250)	-	1,250
Net Change in Fund Balance	(30,250)	(30,250)	968	31,218
Fund Balance - Beginning	30,472	30,472	30,472	-
Fund Balance - Ending	<u>\$ 222</u>	<u>\$ 222</u>	<u>\$ 31,440</u>	<u>\$ 31,218</u>

(Continued)



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

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>PRESERVATION &amp; MODERNIZATION FUND</b>				
Receipts	\$ 1,787	\$ 1,787	\$ 1,543	\$ (244)
Disbursements	(9,000)	(9,000)	(3,787)	5,213
Net Change in Fund Balance	(7,213)	(7,213)	(2,244)	4,969
Fund Balance - Beginning	8,713	8,713	8,713	-
Fund Balance - Ending	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 6,469</u>	<u>\$ 4,969</u>
<b>LIBRARY FUND</b>				
Receipts	\$ 80,100	\$ 80,100	\$ 78,335	\$ (1,765)
Disbursements	(79,876)	(79,876)	(67,829)	12,047
Transfers in	-	-	2,502	2,502
Transfers out	-	-	(7,502)	(7,502)
Net Change in Fund Balance	224	224	5,506	5,282
Fund Balance - Beginning	7,309	7,309	7,309	-
Fund Balance - Ending	<u>\$ 7,533</u>	<u>\$ 7,533</u>	<u>\$ 12,815</u>	<u>\$ 5,282</u>
<b>LIBRARY MEMORIAL FUND</b>				
Receipts	\$ 408	\$ 408	\$ 140	\$ (268)
Disbursements	(1,000)	(1,000)	-	1,000
Net Change in Fund Balance	(592)	(592)	140	732
Fund Balance - Beginning	592	592	592	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 732</u>	<u>\$ 732</u>
<b>LIBRARY GRANT FUND</b>				
Receipts	\$ 10,000	\$ 10,000	\$ 1,651	\$ (8,349)
Disbursements	(11,952)	(11,952)	(1,883)	10,069
Net Change in Fund Balance	(1,952)	(1,952)	(232)	1,720
Fund Balance - Beginning	1,952	1,952	1,952	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,720</u>	<u>\$ 1,720</u>
<b>OPIOID SETTLEMENT FUND</b>				
Receipts	\$ -	\$ -	\$ 2,460	\$ 2,460
Disbursements	-	-	-	-
Net Change in Fund Balance	-	-	2,460	2,460
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,460</u>	<u>\$ 2,460</u>

(Continued)

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

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>STOP PROGRAM FUND</b>				
Receipts	\$ 780	\$ 780	\$ 1,050	\$ 270
Disbursements	(5,750)	(5,750)	-	5,750
Net Change in Fund Balance	(4,970)	(4,970)	1,050	6,020
Fund Balance - Beginning	4,970	4,970	4,970	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,020</u>	<u>\$ 6,020</u>
<b>LOCAL ASSISTANCE &amp; TRIBAL CONSISTENCY FUND</b>				
Receipts	\$ -	\$ -	\$ 50,717	\$ 50,717
Disbursements	-	-	-	-
Net Change in Fund Balance	-	-	50,717	50,717
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,717</u>	<u>\$ 50,717</u>
<b>MISC FEDERAL &amp; STATE GRANTS FUND</b>				
Receipts	\$ 534,830	\$ 534,830	\$ 6,100	\$ (528,730)
Disbursements	(592,000)	(592,000)	(6,771)	585,229
Transfers in	57,170	57,170	671	(56,499)
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>SINKING FUND</b>				
Receipts	\$ -	\$ -	\$ -	\$ -
Disbursements	(100,000)	(100,000)	-	100,000
Transfers in	100,000	100,000	20,000	(80,000)
Transfers out	-	-	-	-
Net Change in Fund Balance	-	-	20,000	20,000
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>
<b>DRUG LAW ENFORCEMENT &amp; EDUCATION FUND</b>				
Receipts	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Disbursements	(1,000)	(1,000)	-	1,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

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

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>LAW ENFORCEMENT GRANT FUND</b>				
Receipts	\$ 5,500	\$ 5,500	\$ -	\$ (5,500)
Disbursements	(5,500)	(5,500)	-	5,500
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>DISASTER FUND</b>				
Receipts	\$ 1,115,239	\$ 1,115,239	\$ -	\$ (1,115,239)
Disbursements	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(1,115,239)	(1,115,239)	-	1,115,239
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Concluded)

GARFIELD COUNTY  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR FUNDS**  
For the Year Ended June 30, 2023

	Geographical Information System Fund	Planning & Zoning Fund	Visitor Promotion Fund	Visitor Improvement Fund
<b>RECEIPTS</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Other	-	-	18,558	18,558
Investment Income	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	2,125	-	-
Miscellaneous	-	-	21	8,750
<b>TOTAL RECEIPTS</b>	<u>-</u>	<u>2,125</u>	<u>18,579</u>	<u>27,308</u>
<b>DISBURSEMENTS</b>				
General Government	13,308	3,232	-	-
Culture and Recreation	-	-	17,646	27,590
<b>TOTAL DISBURSEMENTS</b>	<u>13,308</u>	<u>3,232</u>	<u>17,646</u>	<u>27,590</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(13,308)</u>	<u>(1,107)</u>	<u>933</u>	<u>(282)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	13,308	1,402	-	1,250
Transfers out	-	-	(1,250)	-
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<u>13,308</u>	<u>1,402</u>	<u>(1,250)</u>	<u>1,250</u>
Net Change in Fund Balances	-	295	(317)	968
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>25</u>	<u>9,313</u>	<u>30,472</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ 320</u>	<u>\$ 8,996</u>	<u>\$ 31,440</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Visitor Promotion	-	-	8,996	31,440
Drug Education / Enforcement	-	-	-	-
Preservation of Records	-	-	-	-
Federal Relief	-	-	-	-
Library	-	-	-	-
Committed to:				
Law Enforcement	-	-	-	-
Planning & Zoning	-	320	-	-
Miscellaneous Future Projects	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ -</u>	<u>\$ 320</u>	<u>\$ 8,996</u>	<u>\$ 31,440</u>

(Continued)

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

For the Year Ended June 30, 2023

	Preservation & Modernization Fund	Library Fund	Library Memorial Fund	Library Grant Fund	Opioid Settlement Fund
<b>RECEIPTS</b>					
Taxes:					
Property	\$ -	\$ 76,986	\$ -	\$ -	\$ -
Other	-	-	-	-	-
Investment Income	-	-	-	-	-
Intergovernmental	-	164	-	1,651	-
Charges for Services	1,543	1,185	-	-	-
Miscellaneous	-	-	140	-	2,460
<b>TOTAL RECEIPTS</b>	<u>1,543</u>	<u>78,335</u>	<u>140</u>	<u>1,651</u>	<u>2,460</u>
<b>DISBURSEMENTS</b>					
General Government	3,787	-	-	-	-
Culture and Recreation	-	67,829	-	1,883	-
<b>TOTAL DISBURSEMENTS</b>	<u>3,787</u>	<u>67,829</u>	<u>-</u>	<u>1,883</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(2,244)</u>	<u>10,506</u>	<u>140</u>	<u>(232)</u>	<u>2,460</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	2,502	-	-	-
Transfers out	-	(7,502)	-	-	-
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(2,244)	5,506	140	(232)	2,460
<b>FUND BALANCES - BEGINNING</b>	<u>8,713</u>	<u>7,309</u>	<u>592</u>	<u>1,952</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 6,469</u>	<u>\$ 12,815</u>	<u>\$ 732</u>	<u>\$ 1,720</u>	<u>\$ 2,460</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	-
Drug Education / Enforcement	-	-	-	-	2,460
Preservation of Records	6,469	-	-	-	-
Federal Relief	-	-	-	-	-
Library	-	12,815	732	1,720	-
Committed to:					
Law Enforcement	-	-	-	-	-
Planning & Zoning	-	-	-	-	-
Miscellaneous Future Projects	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>\$ 6,469</u>	<u>\$ 12,815</u>	<u>\$ 732</u>	<u>\$ 1,720</u>	<u>\$ 2,460</u>

(Continued)

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

For the Year Ended June 30, 2023

	STOP Program Fund	Local Assistance & Tribal Consistency Fund	Misc Federal & State Grants Fund	Sinking Fund	Total Nonmajor Funds
<b>RECEIPTS</b>					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ 76,986
Other	-	-	-	-	37,116
Investment Income	-	717	-	-	717
Intergovernmental	-	50,000	6,100	-	57,915
Charges for Services	1,050	-	-	-	5,903
Miscellaneous	-	-	-	-	11,371
<b>TOTAL RECEIPTS</b>	<u>1,050</u>	<u>50,717</u>	<u>6,100</u>	<u>-</u>	<u>190,008</u>
<b>DISBURSEMENTS</b>					
General Government	-	-	-	-	20,327
Culture and Recreation	-	-	6,771	-	121,719
<b>TOTAL DISBURSEMENTS</b>	<u>-</u>	<u>-</u>	<u>6,771</u>	<u>-</u>	<u>142,046</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u>1,050</u>	<u>50,717</u>	<u>(671)</u>	<u>-</u>	<u>47,962</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	671	20,000	39,133
Transfers out	-	-	-	-	(8,752)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>671</u>	<u>20,000</u>	<u>30,381</u>
Net Change in Fund Balances	1,050	50,717	-	20,000	78,343
<b>FUND BALANCES - BEGINNING</b>	<u>4,970</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,346</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 6,020</u>	<u>\$ 50,717</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 141,689</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Visitor Promotion	-	-	-	-	40,436
Drug Education / Enforcement	-	-	-	-	2,460
Preservation of Records	-	-	-	-	6,469
Federal Relief	-	50,717	-	-	50,717
Library	-	-	-	-	15,267
Committed to:					
Law Enforcement	6,020	-	-	-	6,020
Planning & Zoning	-	-	-	-	320
Miscellaneous Future Projects	-	-	-	20,000	20,000
<b>TOTAL FUND BALANCES</b>	<u>\$ 6,020</u>	<u>\$ 50,717</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 141,689</u>

(Concluded)

**GARFIELD COUNTY**  
**SCHEDULE OF OFFICE ACTIVITIES**  
For the Year Ended June 30, 2023

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	County Library	Veterans' Service Officer	County Assessor	County Treasurer	Total
BALANCES JULY 1, 2022	\$ 3,535	\$ 1,092	\$ 340	\$ -	\$ 111	\$ 2,552	\$ 50	\$ 50	\$ 7,730
<b>RECEIPTS</b>									
Intergovernmental	-	-	-	-	1,651	-	-	-	1,651
Charges for Services	22,633	560	2,562	70	1,154	-	-	-	26,979
Miscellaneous	118	-	-	-	140	-	19	29	306
State Fees	42,852	1,479	-	-	-	-	-	-	44,331
Other Liabilities	313	141,331	9,259	957	-	-	-	-	151,860
<b>TOTAL RECEIPTS</b>	<b>65,916</b>	<b>143,370</b>	<b>11,821</b>	<b>1,027</b>	<b>2,945</b>	<b>-</b>	<b>19</b>	<b>29</b>	<b>225,127</b>
<b>DISBURSEMENTS</b>									
Payments to County Treasurer	23,522	510	2,225	70	2,977	-	-	-	29,304
Payments to State Treasurer	43,930	1,539	-	-	-	-	-	-	45,469
Petty Cash & Other Payments	116	-	-	-	-	1,220	19	29	1,384
Other Liabilities	313	107,438	9,259	957	-	-	-	-	117,967
<b>TOTAL DISBURSEMENTS</b>	<b>67,881</b>	<b>109,487</b>	<b>11,484</b>	<b>1,027</b>	<b>2,977</b>	<b>1,220</b>	<b>19</b>	<b>29</b>	<b>194,124</b>
BALANCES JUNE 30, 2023	<u>\$ 1,570</u>	<u>\$ 34,975</u>	<u>\$ 677</u>	<u>\$ -</u>	<u>\$ 79</u>	<u>\$ 1,332</u>	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ 38,733</u>
<b>BALANCES CONSIST OF:</b>									
Due to County Treasurer	\$ 717	\$ 100	\$ 677	\$ -	\$ 29	\$ 1,332	\$ -	\$ -	\$ 2,855
Petty Cash	50	-	-	-	50	-	50	50	200
Due to State Treasurer	803	51	-	-	-	-	-	-	854
Due to Others	-	34,824	-	-	-	-	-	-	34,824
BALANCES JUNE 30, 2023	<u>\$ 1,570</u>	<u>\$ 34,975</u>	<u>\$ 677</u>	<u>\$ -</u>	<u>\$ 79</u>	<u>\$ 1,332</u>	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ 38,733</u>

**GARFIELD COUNTY**  
**SCHEDULE OF TAXES CERTIFIED AND COLLECTED**  
**FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY**  
June 30, 2023

Item	2018	2019	2020	2021	2022
<b>Tax Certified by Assessor</b>					
Real Estate	\$ 5,624,787	\$ 5,780,271	\$ 6,021,321	\$ 6,086,213	\$ 6,360,748
Personal and Specials	212,629	204,688	234,878	262,419	312,658
<b>Total</b>	<b>5,837,416</b>	<b>5,984,959</b>	<b>6,256,199</b>	<b>6,348,632</b>	<b>6,673,406</b>
<b>Corrections</b>					
Additions	645	1,889	1,528	306	1,257
Deductions	(1,005)	(16,793)	(3,467)	(7,933)	(2,172)
Net Additions/ (Deductions)	(360)	(14,904)	(1,939)	(7,627)	(915)
<b>Corrected Certified Tax</b>	<b>5,837,056</b>	<b>5,970,055</b>	<b>6,254,260</b>	<b>6,341,005</b>	<b>6,672,491</b>
<b>Net Tax Collected by County Treasurer during Fiscal Year Ending:</b>					
June 30, 2019	3,592,865	-	-	-	-
June 30, 2020	2,239,140	3,688,969	-	-	-
June 30, 2021	3,029	2,278,427	4,171,245	-	-
June 30, 2022	1,692	2,434	2,081,594	4,138,686	-
June 30, 2023	210	95	920	2,202,163	4,411,620
<b>Total Net Collections</b>	<b>5,836,936</b>	<b>5,969,925</b>	<b>6,253,759</b>	<b>6,340,849</b>	<b>4,411,620</b>
<b>Total Uncollected Tax</b>	<b>\$ 120</b>	<b>\$ 130</b>	<b>\$ 501</b>	<b>\$ 156</b>	<b>\$ 2,260,871</b>
<b>Percentage Uncollected Tax</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.01%</b>	<b>0.00%</b>	<b>33.88%</b>

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





# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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## GARFIELD 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  
Garfield County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Garfield County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 1, 2024. The report notes the financial statements were prepared on the basis of cash receipts and disbursements.

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

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the following deficiency in the County's internal control to be a significant deficiency:

- The County offices lacked a segregation of duties, as one person could handle all aspects of processing a transaction from beginning to end. Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting. Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Garfield 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 Garfield County in a separate letter dated April 1, 2024.

**Garfield County’s Response to Findings**

Garfield 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.



Jeff Schreier, CPA  
Audit Manager  
Lincoln, Nebraska

April 1, 2024



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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April 1, 2024

Board of Commissioners  
Garfield County, Nebraska

Dear Commissioners:

We have audited the basic financial statements of Garfield County (County) for the fiscal year ended June 30, 2023, and have issued our report thereon dated April 1, 2024. 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 BOARD**

#### **Interest Penalty**

In January 2022, the County made a payment of \$154 to the State of Nebraska (State) for unemployment insurance; however, the amount owed was \$754, resulting in an underpayment of \$600. The error was not caught until the County received a delinquency statement from the State, explaining that \$128 in interest was owed for the past-due payment.

Good internal controls and sound business practices require procedures to ensure that the amount paid on any claim agrees to the amount owed to avoid paying unnecessary interest penalties.

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

We recommend the County Board implement procedures for ensuring the amount paid on any claim agrees to the total invoice amount to avoid paying unnecessary interest penalties.

#### **Amazon.com Purchases**

During testing, we noted that two claims paid to Amazon.com included sales tax, totaling \$56. Furthermore, the two claims included multiple invoices that were not filed with the County Clerk within 90 days from the date the expenses were incurred.

The following table details the number of days between when the expenses at issue were incurred and the dates when the invoices were filed with the County Clerk:

Claim #	Date Filed	Invoice Date	Days
22101067	10/20/2022	5/23/2022	150
22101067	10/20/2022	7/6/2022	106
22101067	10/20/2022	7/7/2022	105
22101067	10/20/2022	7/9/2022	103
22101067	10/20/2022	7/20/2022	92
22090092	9/27/2022	5/31/2022	119

These purchases were all made by the County Library.

Neb. Rev. Stat. § 23-135(1) (Reissue 2022) states, in relevant part, the following:

*All claims against a county shall be filed with the county clerk within ninety days from the time when any materials or labor, which form the basis of the claims, have been furnished or performed . . . .*

Neb. Rev. Stat. § 77-2704.15(1)(a) (Supp. 2023) states, in relevant part, the following:

*Sales and use taxes shall not be imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of purchases by the state, including public educational institutions recognized or established under the provisions of Chapter 85, or by any county . . . .*

Good internal controls and sound business practices require procedures to ensure that claims against the County are submitted timely, and the payment of sales taxes thereon is avoided.

Without such procedures, there is an increased risk for not only loss or misuse of County funds but also noncompliance with State statute.

We recommend the County Board implement procedures to ensure claims against the County are submitted timely, and the payment of sales taxes thereon is avoided.

### **Gravel & Hauling Bids**

The County received bids in June 2022 from local gravel and rock companies, which set the gravel, rock, and hauling rates for County purchases from these companies during the fiscal year ending June 30, 2023. The County awarded contracts to all the companies that submitted bids; however, we noted that multiple gravel and hauling rates charged to the County during the fiscal year differed from those specified in the awarded contracts.

Specifically, we noted the following, for two claims tested:

- The County was charged \$43,798 for gravel, but the rates charged did not agree to those in the awarded contracts – or, for some types of gravel, the amount charged to the County was not specified in the awarded contracts at all.
- We noted that the hauling prices listed in awarded contracts were based on a per-hour rate; however, the County was charged at a per-mile rate, with a \$60 minimum hauling charge. The combined hauling costs for both claims tested totaled \$2,034.

Good internal controls require procedures to ensure that all rates charged to the County agree with those specified in the awarded contracts.

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

We recommend the County Board implement procedures to ensure that all rates charged to the County agree with those specified in the awarded contracts.

**COUNTY CLERK OF THE DISTRICT COURT**

**Monthly Case Balance Report**

During testing of three balances on the Monthly Case Balance Report, we noted that the Court failed to take adequate action to ensure the proper and timely resolution of all three of those balances, totaling \$224. The Court did not pay the balance held to the appropriate party after the conclusion of the case.

Good internal controls and sound business practice require an ongoing, timely review of the Monthly Case Balance Report to determine the appropriate follow-up action necessary for resolving the balances listed therein.

Without such procedures, there is an increased risk that funds received by the District Court will not be paid to the appropriate recipients in a timely manner.

We recommend the District Court implement procedures to ensure the Monthly Case Balance Report is reviewed in a timely manner to ensure appropriate follow-up action is taken to resolve the balances listed therein.

**COUNTY OVERALL**

**Segregation of Duties**

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

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

This was also noted in prior audits.

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

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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  
Audit Manager