AUDIT REPORT
OF
GARFIELD COUNTY

JULY 1, 2025, THROUGH JUNE 30, 2026

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Issued on November 3, 2026

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

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

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

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

Audit Staff Working On This Report

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

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

Additionally, you may request them by contacting us at:

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GARFIELD COUNTY

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GARFIELD COUNTY
250 South 8th
Burwell, NE 68823

LIST OF COUNTY OFFICIALS
At June 30, 2026

Title	Name	Term Expires
Board of Commissioners	Diana Hurlburt	Jan. 2029
	Jerome Zulkoski	Jan. 2027
	Scott Krause	Jan. 2027
Assessor	Kali Bolli	Jan. 2027
Planning & Zoning		Appointed
Attorney	Joshua Salter	Jan. 2027
Clerk	Keri Koenigsberg	Jan. 2027
Election Commissioner		
Register of Deeds		
Clerk of the District Court		Jan. 2027
Sheriff	Paul Cox	Jan. 2027
Treasurer	Tamara Hitchcock	Jan. 2027
Surveyor	Steven Rasmussen	Appointed
Veterans' Service Officer	Timothy Rowse	Appointed
Weed Superintendent	Brendon Boyce	Appointed
Highway Superintendent	Gary Kinney	Appointed
Emergency Manager	Marvin Hulinsky	Appointed

NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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

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, 2026, and the respective changes in cash-basis financial position for the year then ended in accordance with the cash 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 20-32, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2026, 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.

October 27, 2026

Jeff Schreier, CPA, CFE
Audit Manager
Lincoln, Nebraska

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

		Governmental Activities
ASSETS		
Cash and Cash Equivalents (Note 1.D)	$	89,027
Investments (Note 1.D)		1,257,103
TOTAL ASSETS	$	1,346,130
NET POSITION		
Restricted for:		
Visitor Promotion	$	35,125
Drug Education / Enforcement		12,109
Preservation of Records		2,375
Federal Relief		114,810
Road / Bridge Maintenance		61,842
County Library Services		32,468
Unrestricted		1,087,401
TOTAL NET POSITION	$	1,346,130

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, 2026

Functions:	Cash Disbursements	Program Cash Receipts: Fees, Fines, and Charges for Services	Program Cash Receipts: Operating Grants and Contributions	Net (Disbursement) Receipts and Changes in Net Position
Governmental Activities:				
General Government	$ (1,636,382)	$ 124,569	$ 12,483	$ (1,499,330)
Public Safety	(600,521)	256,526	27,988	(316,007)
Public Works	(1,007,191)	436	628,067	(378,688)
Public Assistance	(15,573)	-	-	(15,573)
Culture and Recreation	(185,668)	452	15,201	(170,015)
Total Governmental Activities	$ (3,445,335)	$ 381,983	$ 683,739	(2,379,613)
General Receipts:				
Taxes:				
Property				2,026,616
Motor Vehicle				98,046
Inheritance				442,859
Other				54,422
Grants and Contributions Not Restricted to Specific Programs				59,699
Investment Income				55,036
Miscellaneous				142,003
Total General Receipts				2,878,681
Change in Net Position				499,068
Net Position - Beginning of year				847,062
Net Position - End of year				$ 1,346,130

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, 2026

	General Fund	Road Fund	Inheritance Fund	Local Assistance & Tribal Consistency Fund	Sinking Fund	Law Enforcement Operating Fund	Nonmajor Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents (Note 1.D)	$ 46,506	$ 4	$ -	$ -	$ -	$ 15,554	$ 26,963	$ 89,027
Investments (Note 1.D)	324,776	27	365,814	114,810	163,590	105,391	182,695	1,257,103
TOTAL ASSETS	$ 371,282	$ 31	$ 365,814	$ 114,810	$ 163,590	$ 120,945	$ 209,658	$ 1,346,130
FUND BALANCES								
Restricted for:								
Visitor Promotion	-	-	-	-	-	-	35,125	35,125
Drug Education / Enforcement	-	-	-	-	-	-	12,109	12,109
Preservation of Records	-	-	-	-	-	-	2,375	2,375
Federal Relief	-	-	-	114,810	-	-	-	114,810
Road / Bridge Maintenance	-	-	-	-	-	-	61,842	61,842
County Library Services	-	-	-	-	-	-	32,468	32,468
Committed to:								
Law Enforcement	-	-	-	-	-	120,945	3,400	124,345
Road Maintenance	-	31	-	-	-	-	-	31
Aid and Assistance	-	-	-	-	-	-	9,655	9,655
Misc. Future Projects	-	-	-	-	163,590	-	21,464	185,054
Extension Services	-	-	-	-	-	-	18,346	18,346
Community Betterment	-	-	-	-	-	-	12,874	12,874
Assigned to:								
Other Purposes	-	-	365,814	-	-	-	-	365,814
Unassigned	371,282	-	-	-	-	-	-	371,282
TOTAL CASH BASIS FUND BALANCES	$ 371,282	$ 31	$ 365,814	$ 114,810	$ 163,590	$ 120,945	$ 209,658	$ 1,346,130

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, 2026

	General Fund	Road Fund	Inheritance Fund	Local Assistance & Tribal Consistency Fund	Sinking Fund	*Formerly Nonmajor Fund* Law Enforcement Operating Fund	Nonmajor Funds	Total Governmental Funds
RECEIPTS								
Taxes:								
Property	$1,942,044	$ -	$ -	$ -	$ -	$ -	$ 84,572	$ 2,026,616
Motor Vehicle	98,046	-	-	-	-	-	-	98,046
Inheritance	-	-	442,859	-	-	-	-	442,859
Other	11,570	-	-	-	-	-	42,852	54,422
Investment Income	50,302	4	-	4,377	-	-	353	55,036
Intergovernmental	64,676	574,877	-	-	-	27,988	75,897	743,438
Charges for Services	127,395	436	-	-	-	250,000	4,152	381,983
Miscellaneous	3,640	1,414	-	-	-	19,000	117,949	142,003
TOTAL RECEIPTS	2,297,673	576,731	442,859	4,377	-	296,988	325,775	3,944,403
DISBURSEMENTS								
General Government	1,548,219	-	-	-	-	-	88,163	1,636,382
Public Safety	112,112	-	-	-	-	477,984	10,425	600,521
Public Works	27,533	979,658	-	-	-	-	-	1,007,191
Public Assistance	15,573	-	-	-	-	-	-	15,573
Culture and Recreation	-	-	-	-	-	-	185,668	185,668
TOTAL DISBURSEMENTS	1,703,437	979,658	-	-	-	477,984	284,256	3,445,335
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	594,236	(402,927)	442,859	4,377	-	(180,996)	41,519	499,068
OTHER FINANCING SOURCES (USES)								
Transfers in	202,531	402,915	-	-	47,041	220,566	9,386	882,439
Transfers out	(432,678)	-	(444,867)	-	-	-	(4,894)	(882,439)
TOTAL OTHER FINANCING SOURCES (USES)	(230,147)	402,915	(444,867)	-	47,041	220,566	4,492	-
Net Change in Fund Balances	364,089	(12)	(2,008)	4,377	47,041	39,570	46,011	499,068
CASH BASIS FUND BALANCES - - BEGINNING, as previously presented	7,193	43	367,822	110,433	116,549	-	245,022	847,062
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	-	81,375	(81,375)	-
CASH BASIS FUND BALANCES - - BEGINNING, as adjusted	7,193	43	367,822	110,433	116,549	81,375	163,647	847,062
CASH BASIS FUND BALANCES - ENDING	$ 371,282	$ 31	$ 365,814	$ 114,810	$163,590	$ 120,945	$ 209,658	$ 1,346,130

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

GARFIELD COUNTY

STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS

June 30, 2026

		Custodial Funds
ASSETS		
Cash and Cash Equivalents (Note 1.D)	$	68,196
Investments (Note 1.D)		123,180
TOTAL ASSETS	$	191,376
NET POSITION		
Restricted for:		
State - Collected by County Treasurer		51,998
State - Collected by Other Offices		1,952
Schools		60,170
Educational Service Units		721
Technical College		1,211
Natural Resource Districts		1,504
Fire Districts		1,007
Municipalities		17,723
Agricultural Society		890
Airport Authority		806
Others - Collected by County Treasurer		5,330
Others - Collected by Other Offices		48,064
TOTAL NET POSITION	$	191,376

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

GARFIELD COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS

For the Year Ended June 30, 2026

	Custodial Funds
ADDITIONS	
Collections for Other Governments	$ 7,346,492
Miscellaneous Collections	126,708
TOTAL ADDITIONS	7,473,200
DEDUCTIONS	
Payments to Other Governments	7,356,615
Other Miscellaneous Items Paid To Individuals	126,429
TOTAL DEDUCTIONS	7,483,044
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(9,844)
NET POSITION - BEGINNING OF YEAR	201,220
NET POSITION - END OF YEAR	$ 191,376

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

1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies utilized in the accounting system of 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 County utilizes the cash basis of accounting, but considers the criteria established by the Governmental Accounting Standards Board (GASB) when determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County is also considered financially accountable if an organization is fiscally dependent on and there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

These financial statements present the County (the primary government). No component units were identified based on the criteria established by the GASB.

Joint Organization.

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

The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed $4,473 toward the operation of the Region during fiscal year 2026. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Health and Human Services requires the Region to be audited annually in accordance with State statute. Financial information for the Region is available in those audit reports.

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; 2026 Neb. Laws, L.B. 203, §§ 1-4).

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 2026. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Department is audited in accordance with Neb. Rev. Stat. § 84-304(4) (2026 Neb. Laws, L.B. 829, § 1). Financial information for the Department is available in that report.

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 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 $116,926 toward the operation of Region 26 during the fiscal year 2026. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

B. Basis of Presentation

Government-Wide Financial Statements. The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis display information about the activities of the County and are presented in the format of government-wide statements, as required by GASB Statement Number 34, but are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Accordingly, certain recognition, measurement, and presentation principles differ from those prescribed by GAAP. These statements include all the financial activities of the County, except for fiduciary activities. Internal activities in these statements were considered immaterial and have not been eliminated. GAAP requires internal activity to be eliminated to minimize double counting. The County reports governmental activities only. Governmental activities are generally financed through taxes, intergovernmental receipts, and other nonexchange transactions. The Statement of Net Position presents the County's non-fiduciary assets in two categories:

> **Restricted.** This category results when constraints are externally imposed on net asset use by creditors, grantors, or contributors, or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources as they are needed.
>
> **Unrestricted.** This category represents resources that do not meet the definition of the preceding category. Unrestricted resources often have constraints on resources that are imposed by management, but those constraints can be removed or modified.

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

1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements. The fund financial statements provide information about the County's funds, including its fiduciary funds. The fund financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than GAAP. Accordingly, certain recognition, measurement, presentation, and fund classification principles differ from those required by GAAP. Under GAAP, separate statements are presented by fund category – governmental, proprietary, and fiduciary. The County uses only the governmental and fiduciary fund categories. The County Board is the highest level of decision-making authority and has the authority, by resolution, to establish, modify, or rescind the commitment or assignment of fund balances to specific purposes. When resources for a specific purpose are available in more than one fund balance classification, the County's policy is to use resources in the following order: restricted, committed, assigned, and unassigned. The emphasis of fund financial statements is on major governmental funds. Since the financial statements are prepared on the cash basis of accounting, the major governmental funds presented are based on the County's accounting and reporting structure, which considers all funds established by the County individually when determining major funds. This differs from GAAP, which may require certain special revenue funds, as defined below, to be reported in the General Fund when the proceeds of specific revenue sources do not meet the criteria to be reported in a special revenue fund, as defined by GAAP. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

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

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

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

Local Assistance & Tribal Consistency Fund. This fund is used to account for receipts from the Federal government through the Local Assistance & Tribal Consistency program and will be used on projects as determined by the County Board.

Sinking Fund. This fund is used to set aside funds for future projects and needs of the County, as determined by the County Board, and is primarily funded by transfers from the General Fund.

Law Enforcement Operating Fund. This fund is used to account for resources received and expended for the County Sheriff's office and is primarily funded by transfers from the General Fund and payments received from the City of Burwell for providing law enforcement services within city limits.

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

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

1. Summary of Significant Accounting Policies (Continued)

The County reports the following fiduciary fund types:

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

The County designates fund balances as follows:

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

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

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

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

C. Measurement Focus, Basis of Accounting

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

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

D. Assets and Net Position

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

Investments. The types of investments in which the County is authorized to invest funds are enumerated in Neb. Rev. Stat. § 77-2315, § 77-2340, and § 77-2341 (Reissue 2018, Cum. Supp. 2024) and generally include U.S. Government obligations and securities, which are authorized by the Nebraska Investment Council.

1. Summary of Significant Accounting Policies (Concluded)

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

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

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

Restricted Net Position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then the unrestricted resources, as they are needed. Net position is reported as restricted when constraints placed on its use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports $258,729 of restricted net position, which is fully restricted by enabling legislation.

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

On or before August 1, the County budget-making authority prepares and transmits a budget for each County fund to the County Board. The budget includes the requirements, the outstanding warrants, the operating reserves to be maintained, the cash on hand at the close of the preceding fiscal year, the receipts from sources other than taxation, and the amount to be raised by taxation. The County Board must hold at least one public hearing on the proposed budget. On or before September 30, the County Board adopts the budget and appropriates the amounts specified in the budget for the departments, offices, activities, and funds of the County.

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

2. Deposits and Investments

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

2. Deposits and Investments (Concluded)

At year end, the County's carrying amount of deposits was $89,027 for Governmental funds and $68,196 for Fiduciary funds. The bank balances for all funds totaled $94,791. For purposes of classifying categories of custodial credit risk, the bank balances of the County's deposits, as of June 30, 2026, were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County's carrying value of investments is stated at cost, which approximates market. Investments consisted of $1,380,283 deposited in the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a public entity investment pool operated under the direction of a nine-member Board of Trustees. All net income of the trust is determined as of the close of business on each banking day and is credited thereafter pro rata to each participant's account. Net income that has accrued to each participant is converted as of the close of business of each calendar month into additional units, which thereafter are held in each participant's trust account. Since net income of the fund is allocated among participants each time net income is determined, the net asset value remains at $1.00 per unit. Securities held by NPAIT are not held in the County's name.

3. Taxes

Property taxes are levied by the County Board on or before October 20 of each year for all political subdivisions in the County. Real estate and personal property taxes are due and attach as an enforceable lien on January 1 following the levy date, and they become delinquent in two equal installments on May 1 and September 1. Motor vehicle taxes are due when application is made for registration of a motor vehicle.

Counties are permitted by the State Constitution to levy a tax of up to $.50/$100 of assessed valuation for general governmental services other than the payment of principal and interest on bonded debt. Counties may levy taxes in addition to the 50-cent limitation upon a vote of the people.

The levy set in October 2025, for the 2025 taxes, which will be materially collected in May and September 2026, was set at $.325879/$100 of assessed valuation. The levy set in October 2024, for the 2024 taxes, which were materially collected in May and September 2025, was set at $.283000/$100 of assessed valuation. The amount collected for the motor vehicle tax is outlined in State statute.

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

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

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

3. Taxes (Concluded)

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

4. Retirement System

The Retirement System for Nebraska Counties (Plan) is a multiple-employer plan administered by the Public Employees Retirement Board in accordance with the provisions of the County Employees Retirement Act. The Plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. The Plan provisions are established under Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2022, Cum. Supp. 2024, Supp. 2025) and may be amended through legislative action.

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

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

A supplemental retirement plan was established on January 1, 2003, for the benefit of all present and future commissioned law enforcement personnel employed by the County. Employees contribute 2% of their salary, and the County contributes an amount equal to 100% of the employee's contribution. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

For the year ended June 30, 2026, 30 employees contributed $59,092, and the County contributed $86,417. Contributions included $9,281 in cash contributions towards the supplemental law enforcement plan for four 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 116 counties and local governments throughout Nebraska.

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	$ 500,000	Insured Value at Replacement Cost

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

6. Interfund Transfers

Interfund transfers for the year ended June 30, 2026, consisted of the following:

	Transfers from			
Transfers to	General Fund	Inheritance Fund	Nonmajor Funds	Total
Road Fund	$ 214,804	$ 188,111	$ -	$ 402,915
General Fund	-	197,637	4,894	202,531
Law Enforcement Operating Fund	161,447	59,119	-	220,566
Sinking Fund	47,041	-	-	47,041
Nonmajor Funds	9,386	-	-	9,386
Total	$ 432,678	$ 444,867	$ 4,894	$ 882,439

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.

7. Long-Term Obligations

Lease-Purchase Agreements

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

7. Long-Term Obligations (Concluded)

	Motor Graders
Balance July 1, 2025	$ 169,323
Purchases	-
Payments	72,837
Balance June 30, 2026	$ 96,486
Future Payments:	
Year	
2027	$ 50,080
2028	50,081
Total Payments	100,161
Less Interest	3,675
Present Value of Future Minimum Lease Payments	$ 96,486
Carrying Value of the Related Fixed Asset	$ 346,612

8. Subsequent Event

The County Board passed Resolution 2026-12 on July 14, 2026, authorizing and approving lease-purchase financing and the issuance of certificates of participation in the lease payments to be made related to the lease-purchase financing. The certificates of participation were issued on October 15, 2026, in the amount of $1,010,000 to provide funds for the acquisition of various pieces of equipment for the County Road Department and to pay certain costs of issuance. The first debt service payment is due October 15, 2027.

GARFIELD COUNTY

BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2026

	Original Budget	Final Budget	Variance with Original Budget Positive (Negative)	Actual	Variance with Final Budget Positive (Negative)
RECEIPTS					
Taxes	$ 2,205,580	$ 2,205,580	$ -	$ 2,051,660	$ (153,920)
Investment Income	89,000	89,000	-	50,302	(38,698)
Intergovernmental	84,400	84,400	-	64,676	(19,724)
Charges for Services	137,814	137,814	-	127,395	(10,419)
Miscellaneous	1,006,200	1,006,200	-	3,640	(1,002,560)
TOTAL RECEIPTS	3,522,994	3,522,994	-	2,297,673	(1,225,321)
DISBURSEMENTS					
General Government					
County Board	80,750	82,574	(1,824)	82,574	-
County Clerk	147,850	147,850	-	142,980	4,870
County Treasurer	141,650	141,650	-	137,025	4,625
County Assessor	155,425	155,425	-	150,813	4,612
Election Commissioner	19,900	19,900	-	10,884	9,016
Building and Zoning	15,750	15,750	-	2,570	13,180
GIS	20,000	20,000	-	14,434	5,566
Clerk of the District Court	22,600	22,600	-	14,618	7,982
County Court System	9,275	9,275	-	3,745	5,530
Building and Grounds	90,750	90,750	-	63,833	26,917
Reappraisal	27,500	27,500	-	24,746	2,754
Agricultural Extension Agent	35,463	35,463	-	32,508	2,955
Miscellaneous	1,907,670	1,905,846	1,824	867,489	1,038,357
Public Safety					
County Attorney	109,700	109,700	-	105,514	4,186
County Jail	25,000	25,000	-	6,598	18,402
Public Works					
Noxious Weed Control	103,875	103,875	-	27,533	76,342
Public Assistance					
Veterans' Service Officer	17,125	17,125	-	15,573	1,552
TOTAL DISBURSEMENTS	2,930,283	2,930,283	-	1,703,437	1,226,846
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	592,711	592,711	-	594,236	1,525
OTHER FINANCING SOURCES (USES)					
Transfers in	171,500	171,500	-	202,531	31,031
Transfers out	(686,482)	(686,482)	-	(432,678)	253,804
TOTAL OTHER FINANCING SOURCES (USES)	(514,982)	(514,982)	-	(230,147)	284,835
Net Change in Fund Balance	77,729	77,729	-	364,089	286,360
FUND BALANCE - BEGINNING	7,839	7,839	-	7,193	(646)
FUND BALANCE - ENDING	$ 85,568	$ 85,568	$ -	$ 371,282	$ 285,714

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

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
ROAD FUND			
RECEIPTS			
Investment Income	$ 2,000	$ 4	$ (1,996)
Intergovernmental	578,847	574,877	(3,970)
Charges for Services	500	436	(64)
Miscellaneous	402,800	1,414	(401,386)
TOTAL RECEIPTS	984,147	576,731	(407,416)
DISBURSEMENTS	1,685,358	979,658	705,700
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(701,211)	(402,927)	298,284
OTHER FINANCING SOURCES (USES)			
Transfers in	702,168	402,915	(299,253)
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	702,168	402,915	(299,253)
Net Change in Fund Balance	957	(12)	(969)
FUND BALANCE - BEGINNING	43	43	-
FUND BALANCE - ENDING	$ 1,000	$ 31	$ (969)
INHERITANCE FUND			
RECEIPTS			
Taxes	$ 152,178	$ 442,859	$ 290,681
TOTAL RECEIPTS	152,178	442,859	290,681
DISBURSEMENTS	-	-	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	152,178	442,859	290,681
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(520,000)	(444,867)	75,133
TOTAL OTHER FINANCING SOURCES (USES)	(520,000)	(444,867)	75,133
Net Change in Fund Balance	(367,822)	(2,008)	365,814
FUND BALANCE - BEGINNING	367,822	367,822	-
FUND BALANCE - ENDING	$ -	$ 365,814	$ 365,814

(Continued)

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

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
LOCAL ASSISTANCE & TRIBAL CONSISTENCY FUND			
RECEIPTS			
Investment Income	$ 4,567	$ 4,377	$ (190)
TOTAL RECEIPTS	4,567	4,377	(190)
DISBURSEMENTS	115,000	-	115,000
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(110,433)	4,377	114,810
Net Change in Fund Balance	(110,433)	4,377	114,810
FUND BALANCE - BEGINNING	110,433	110,433	-
FUND BALANCE - ENDING	$ -	$ 114,810	$ 114,810
SINKING FUND			
RECEIPTS	$ -	$ -	$ -
DISBURSEMENTS	185,000	-	185,000
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(185,000)	-	185,000
OTHER FINANCING SOURCES (USES)			
Transfers in	68,451	47,041	(21,410)
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	68,451	47,041	(21,410)
Net Change in Fund Balance	(116,549)	47,041	163,590
FUND BALANCE - BEGINNING	116,549	116,549	-
FUND BALANCE - ENDING	$ -	$ 163,590	$ 163,590

(Continued)

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

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
LAW ENFORCEMENT OPERATING FUND			
RECEIPTS			
Intergovernmental	$ 48,890	$ 27,988	$ (20,902)
Charges for Services	150,000	250,000	100,000
Miscellaneous	-	19,000	19,000
TOTAL RECEIPTS	198,890	296,988	98,098
DISBURSEMENTS	484,753	477,984	6,769
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(285,863)	(180,996)	104,867
OTHER FINANCING SOURCES (USES)			
Transfers in	285,863	220,566	(65,297)
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	285,863	220,566	(65,297)
Net Change in Fund Balance	-	39,570	39,570
FUND BALANCE - BEGINNING	81,375	81,375	-
FUND BALANCE - ENDING	$ 81,375	$ 120,945	$ 39,570

(Concluded)

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

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
HIGHWAY STREET BUYBACK FUND			
Receipts	$ 41,159	$ 41,160	$ 1
Disbursements	(45,742)	-	45,742
Net Change in Fund Balance	(4,583)	41,160	45,743
Fund Balance - Beginning	4,583	4,583	-
Fund Balance - Ending	$ -	$ 45,743	$ 45,743
HIGHWAY BRIDGE BUYBACK FUND			
Receipts	$ 12,030	$ 12,030	$ -
Disbursements	(16,099)	-	16,099
Net Change in Fund Balance	(4,069)	12,030	16,099
Fund Balance - Beginning	4,069	4,069	-
Fund Balance - Ending	$ -	$ 16,099	$ 16,099
OTHER SPECIAL REVENUE / PILT FUND			
Receipts	$ 7,390	$ 7,354	$ (36)
Disbursements	-	-	-
Transfers in	-	-	-
Transfers out	(21,500)	-	21,500
Net Change in Fund Balance	(14,110)	7,354	21,464
Fund Balance - Beginning	14,110	14,110	-
Fund Balance - Ending	$ -	$ 21,464	$ 21,464
VISITOR PROMOTION FUND			
Receipts	$ 33,782	$ 22,304	$ (11,478)
Disbursements	(59,500)	(45,558)	13,942
Net Change in Fund Balance	(25,718)	(23,254)	2,464
Fund Balance - Beginning	37,783	37,783	-
Fund Balance - Ending	$ 12,065	$ 14,529	$ 2,464
VISITOR IMPROVEMENT FUND			
Receipts	$ 19,996	$ 35,211	$ 15,215
Disbursements	(42,000)	(39,519)	2,481
Net Change in Fund Balance	(22,004)	(4,308)	17,696
Fund Balance - Beginning	24,904	24,904	-
Fund Balance - Ending	$ 2,900	$ 20,596	$ 17,696

(Continued)

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

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
GLW EXTENSION FUND			
Receipts	$ 104,436	$ 98,243	$ (6,193)
Disbursements	(84,436)	(79,897)	4,539
Net Change in Fund Balance	20,000	18,346	(1,654)
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ 20,000	$ 18,346	$ (1,654)
PRESERVATION & MODERNIZATION FUND			
Receipts	$ 1,109	$ 1,750	$ 641
Disbursements	(10,000)	(8,266)	1,734
Net Change in Fund Balance	(8,891)	(6,516)	2,375
Fund Balance - Beginning	8,891	8,891	-
Fund Balance - Ending	$ -	$ 2,375	$ 2,375
VETERANS' SERVICE FUND			
Receipts	$ -	$ 269	$ 269
Disbursements	-	-	-
Transfers in	-	9,386	9,386
Transfers out	-	-	-
Net Change in Fund Balance	-	9,655	9,655
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ -	$ 9,655	$ 9,655
LIBRARY FUND			
Receipts	$ 86,608	$ 86,170	$ (438)
Disbursements	(95,474)	(91,591)	3,883
Net Change in Fund Balance	(8,866)	(5,421)	3,445
Fund Balance - Beginning	20,616	20,616	-
Fund Balance - Ending	$ 11,750	$ 15,195	$ 3,445
LIBRARY MEMORIAL FUND			
Receipts	$ 1,455	$ 11,089	$ 9,634
Disbursements	(4,000)	(500)	3,500
Net Change in Fund Balance	(2,545)	10,589	13,134
Fund Balance - Beginning	2,545	2,545	-
Fund Balance - Ending	$ -	$ 13,134	$ 13,134

(Continued)

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

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
LIBRARY GRANT FUND			
Receipts	$ 4,190	$ 829	$ (3,361)
Disbursements	(10,000)	(2,500)	7,500
Net Change in Fund Balance	(5,810)	(1,671)	4,139
Fund Balance - Beginning	5,810	5,810	-
Fund Balance - Ending	$ -	$ 4,139	$ 4,139
OPIOID SETTLEMENT FUND			
Receipts	$ 1,965	$ 2,074	$ 109
Disbursements	(12,000)	-	12,000
Net Change in Fund Balance	(10,035)	2,074	12,109
Fund Balance - Beginning	10,035	10,035	-
Fund Balance - Ending	$ -	$ 12,109	$ 12,109
STOP PROGRAM FUND			
Receipts	$ 3,242	$ 1,950	$ (1,292)
Disbursements	(8,000)	(3,308)	4,692
Net Change in Fund Balance	(4,758)	(1,358)	3,400
Fund Balance - Beginning	4,758	4,758	-
Fund Balance - Ending	$ -	$ 3,400	$ 3,400
COVID AMERICAN RESCUE PLAN FUND			
Receipts	$ 1,073	$ 84	$ (989)
Disbursements	(13,000)	(7,117)	5,883
Transfers in	-	-	-
Transfers out	-	(4,894)	(4,894)
Net Change in Fund Balance	(11,927)	(11,927)	-
Fund Balance - Beginning	11,927	11,927	-
Fund Balance - Ending	$ -	$ -	$ -
KENO LOTTERY FUND			
Receipts	$ 6,384	$ 5,258	$ (1,126)
Disbursements	(20,000)	(6,000)	14,000
Net Change in Fund Balance	(13,616)	(742)	12,874
Fund Balance - Beginning	13,616	13,616	-
Fund Balance - Ending	$ -	$ 12,874	$ 12,874

(Continued)

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

	Original / Final Budget	Actual	Variance with Final Budget Positive (Negative)
DRUG LAW ENFORCEMENT & EDUCATION FUND			
Receipts	$ 1,000	$ -	$ (1,000)
Disbursements	(1,000)	-	1,000
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ -	$ -	$ -
LAW ENFORCEMENT FUND			
Receipts	$ 5,500	$ -	$ (5,500)
Disbursements	(5,500)	-	5,500
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ -	$ -	$ -
MISC GRANTS FUND			
Receipts	$ 100,000	$ -	$ (100,000)
Disbursements	(100,000)	-	100,000
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ -	$ -	$ -

(Concluded)

GARFIELD COUNTY

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

NONMAJOR FUNDS

For the Year Ended June 30, 2026

	Highway Street Buyback Fund	Highway Bridge Buyback Fund	Other Special Revenue / PILT Fund	Visitor Promotion Fund	Visitor Improvement Fund
RECEIPTS					
Taxes:					
Property	$ -	$ -	$ -	$ -	$ -
Other	-	-	-	21,426	21,426
Investment Income	-	-	-	-	-
Intergovernmental	41,160	12,030	7,354	-	13,785
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	878	-
TOTAL RECEIPTS	41,160	12,030	7,354	22,304	35,211
DISBURSEMENTS					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Culture and Recreation	-	-	-	45,558	39,519
TOTAL DISBURSEMENTS	-	-	-	45,558	39,519
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	41,160	12,030	7,354	(23,254)	(4,308)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
Net Change in Fund Balances	41,160	12,030	7,354	(23,254)	(4,308)
FUND BALANCES - BEGINNING, as previously presented	4,583	4,069	14,110	37,783	24,904
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	-
FUND BALANCES - BEGINNING, as adjusted	4,583	4,069	14,110	37,783	24,904
FUND BALANCES - ENDING	$ 45,743	$ 16,099	$ 21,464	$ 14,529	$ 20,596
FUND BALANCES:					
Restricted for:					
Visitor Promotion	-	-	-	14,529	20,596
Drug Education / Enforcement	-	-	-	-	-
Preservation of Records	-	-	-	-	-
Road / Bridge Maintenance	45,743	16,099	-	-	-
County Library Services	-	-	-	-	-
Committed to:					
Law Enforcement	-	-	-	-	-
Aid and Assistance	-	-	-	-	-
Misc. Future Projects	-	-	21,464	-	-
Extension Services	-	-	-	-	-
Community Betterment	-	-	-	-	-
TOTAL FUND BALANCES	$ 45,743	$ 16,099	$ 21,464	$ 14,529	$ 20,596

(Continued)

GARFIELD COUNTY

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

NONMAJOR FUNDS

For the Year Ended June 30, 2026

	GLW Extension Fund	Preservation & Modernization Fund	Veterans' Service Fund	Library Fund	Library Memorial Fund	Library Grant Fund
RECEIPTS						
Taxes:						
Property	$ -	$ -	$ -	$ 84,572	$ -	$ -
Other	-	-	-	-	-	-
Investment Income	-	-	269	-	-	-
Intergovernmental	-	-	-	739	-	829
Charges for Services	-	1,750	-	452	-	-
Miscellaneous	98,243	-	-	407	11,089	-
TOTAL RECEIPTS	98,243	1,750	269	86,170	11,089	829
DISBURSEMENTS						
General Government	79,897	8,266	-	-	-	-
Public Safety	-	-	-	-	-	-
Culture and Recreation	-	-	-	91,591	500	2,500
TOTAL DISBURSEMENTS	79,897	8,266	-	91,591	500	2,500
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	18,346	(6,516)	269	(5,421)	10,589	(1,671)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	9,386	-	-	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	9,386	-	-	-
Net Change in Fund Balances	18,346	(6,516)	9,655	(5,421)	10,589	(1,671)
FUND BALANCES - BEGINNING, as previously presented	-	8,891	-	20,616	2,545	5,810
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	-	-
FUND BALANCES - BEGINNING, as adjusted	-	8,891	-	20,616	2,545	5,810
FUND BALANCES - ENDING	$ 18,346	$ 2,375	$ 9,655	$ 15,195	$ 13,134	$ 4,139
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-	-	-
Drug Education / Enforcement	-	-	-	-	-	-
Preservation of Records	-	2,375	-	-	-	-
Road / Bridge Maintenance	-	-	-	-	-	-
County Library Services	-	-	-	15,195	13,134	4,139
Committed to:						
Law Enforcement	-	-	-	-	-	-
Aid and Assistance	-	-	9,655	-	-	-
Misc. Future Projects	-	-	-	-	-	-
Extension Services	18,346	-	-	-	-	-
Community Betterment	-	-	-	-	-	-
TOTAL FUND BALANCES	$ 18,346	$ 2,375	$ 9,655	$ 15,195	$ 13,134	$ 4,139

(Continued)

GARFIELD COUNTY

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

NONMAJOR FUNDS

For the Year Ended June 30, 2026

	Opioid Settlement Fund	STOP Program Fund	COVID American Rescue Plan Fund	Keno Lottery Fund	*Formerly Nonmajor Fund* Law Enforcement Operating Fund	Total Nonmajor Funds
RECEIPTS						
Taxes:						
Property	$ -	$ -	$ -	$ -		$ 84,572
Other	-	-	-	-		42,852
Investment Income	-	-	84	-		353
Intergovernmental	-	-	-	-		75,897
Charges for Services	-	1,950	-	-		4,152
Miscellaneous	2,074	-	-	5,258		117,949
TOTAL RECEIPTS	2,074	1,950	84	5,258		325,775
DISBURSEMENTS						
General Government	-	-	-	-		88,163
Public Safety	-	3,308	7,117	-		10,425
Culture and Recreation	-	-	-	6,000		185,668
TOTAL DISBURSEMENTS	-	3,308	7,117	6,000		284,256
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	2,074	(1,358)	(7,033)	(742)		41,519
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-		9,386
Transfers out	-	-	(4,894)	-		(4,894)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(4,894)	-		4,492
Net Change in Fund Balances	2,074	(1,358)	(11,927)	(742)		46,011
FUND BALANCES - BEGINNING, as previously presented	10,035	4,758	11,927	13,616	81,375	245,022
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	(81,375)	(81,375)
FUND BALANCES - BEGINNING, as adjusted	10,035	4,758	11,927	13,616	-	163,647
FUND BALANCES - ENDING	$ 12,109	$ 3,400	$ -	$ 12,874	$ -	$ 209,658
FUND BALANCES:						
Restricted for:						
Visitor Promotion	-	-	-	-		35,125
Drug Education / Enforcement	12,109	-	-	-		12,109
Preservation of Records	-	-	-	-		2,375
Road / Bridge Maintenance	-	-	-	-		61,842
County Library Services	-	-	-	-		32,468
Committed to:						
Law Enforcement	-	3,400	-	-		3,400
Aid and Assistance	-	-	-	-		9,655
Misc. Future Projects	-	-	-	-		21,464
Extension Services	-	-	-	-		18,346
Community Betterment	-	-	-	12,874		12,874
TOTAL FUND BALANCES	$ 12,109	$ 3,400	$ -	$ 12,874		$ 209,658

(Concluded)

GARFIELD COUNTY

SCHEDULE OF OFFICE ACTIVITIES

For the Year Ended June 30, 2026

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	County Library	Veterans' Service Officer	County Assessor	County Treasurer	Total
BALANCES - BEGINNING OF YEAR	$ 2,618	$ 49,511	$ 721	$ -	$ 100	$ 932	$ 50	$ 50	$ 53,982
RECEIPTS									
Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,416	-	-	-	1,416
Charges for Services	32,339	611	3,472	100	467	-	-	-	36,989
Miscellaneous	104	-	-	-	11,496	-	2	-	11,602
State Fees	49,949	1,223	-	-	-	-	-	-	51,172
Other Liabilities	-	44,297	3,686	2,933	-	-	-	-	50,916
TOTAL RECEIPTS	82,392	46,131	7,158	3,033	13,379	-	2	-	152,095
DISBURSEMENTS									
Payments to County Treasurer	32,304	541	3,143	100	13,364	-	-	-	49,452
Payments to State Treasurer	49,349	1,184	-	-	-	-	-	-	50,533
Petty Cash & Other Payments	97	-	-	-	-	-	2	-	99
Other Liabilities	-	48,722	705	2,933	-	-	-	-	52,360
TOTAL DISBURSEMENTS	81,750	50,447	3,848	3,033	13,364	-	2	-	152,444
BALANCES - END OF YEAR	$ 3,260	$ 45,195	$ 4,031	$ -	$ 115	$ 932	$ 50	$ 50	$ 53,633
BALANCES CONSIST OF:									
Due to County Treasurer	$ 1,297	$ 73	$ 1,050	$ -	$ 65	$ 932	$ -	$ -	$ 3,417
Petty Cash	50	-	-	-	50	-	50	50	200
Due to State Treasurer	1,913	39	-	-	-	-	-	-	1,952
Due to Others	-	45,083	2,981	-	-	-	-	-	48,064
BALANCES - END OF YEAR	$ 3,260	$ 45,195	$ 4,031	$ -	$ 115	$ 932	$ 50	$ 50	$ 53,633

GARFIELD COUNTY

SCHEDULE OF TAXES CERTIFIED AND COLLECTED

FOR ALL POLITICAL SUBDIVISIONS IN THE COUNTY

June 30, 2026

Item	2021	2022	2023	2024	2025
Tax Certified by Assessor					
Real Estate	$ 6,086,213	$ 6,360,748	$ 6,757,848	$ 5,287,262	$ 5,889,427
Personal and Specials	262,419	312,658	344,041	359,863	351,625
Total	6,348,632	6,673,406	7,101,889	5,647,125	6,241,052
Corrections					
Additions	4,394	2,632	147	-	-
Deductions	(7,934)	(2,521)	(6,406)	(115)	(1,464)
Net Additions/ (Deductions)	(3,540)	111	(6,259)	(115)	(1,464)
Corrected Certified Tax	6,345,092	6,673,517	7,095,630	5,647,010	6,239,588
Net Tax Collected by County Treasurer during Fiscal Year Ending:					
June 30, 2022	4,138,686	-	-	-	-
June 30, 2023	2,202,163	4,411,620	-	-	-
June 30, 2024	156	2,260,522	4,710,619	-	-
June 30, 2025	4,087	-	2,385,011	3,670,317	-
June 30, 2026	-	1,375	-	1,976,681	4,119,000
Total Net Collections	6,345,092	6,673,517	7,095,630	5,646,998	4,119,000
Total Uncollected Tax	$ -	$ -	$ -	$ 12	$ 2,120,588
Percentage Uncollected Tax	0.00%	0.00%	0.00%	0.00%	33.99%

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 (*Government Auditing Standards*), 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, 2026, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 27, 2026. 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. We identified a certain deficiency in internal control, described below, that we consider to be a material weakness:

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

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether 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 October 27, 2026.

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.

October 27, 2026

Jeff Schreier, CPA, CFE
Audit Manager
Lincoln, Nebraska

NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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October 27, 2026

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, 2026, and have issued our report thereon dated October 27, 2026. In planning and performing our audit of the basic financial statements of the County, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We also performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants.

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

COUNTY OVERALL

2025 County Officials Salary Increase

Pursuant to Neb. Rev. Stat. § 23-1114 (Cum. Supp. 2024), the County Board adopted resolution 2023-27 on December 26, 2023, setting the salaries for all elected officials for the upcoming term of office. That resolution set the base salaries for calendar year 2024, and included the following language for cost-of-living adjustments (COLA) for subsequent years:

> *The best [sic] for each elected office is established for the calendar year 2024. Each calendar year thereafter during the term of office, a cost-of-living increase shall be added to the previous year's adjusted base salary, based on the Consumer Price Index (CPI) as established by the Bureau of Labor Statistics, U.S. Department of Labor, but not less than 2.5%.*

The Consumer Price Index for December 2024 was 2.9%. Therefore, based on the clear language of resolution 2023-27, the elected officials should have received a 2.9% COLA. However, the actual COLA provided for 2025 salaries was 3.75%.

Official	2024 Base Salary	2025 Salary – Improper 3.75% COLA	2025 Salary – Proper 2.9% COLA	Variance
County Commissioners	$ 26,020	$ 26,996	$ 26,775	$ 221
County Clerk	$ 64,365	$ 66,779	$ 66,232	$ 547
County Treasurer	$ 64,365	$ 66,779	$ 66,232	$ 547
County Assessor	$ 64,365	$ 66,779	$ 66,232	$ 547
County Sheriff	$ 74,042	$ 76,819	$ 76,189	$ 630
County Attorney	$ 64,365	$ 66,779	$ 66,232	$ 547

Section 23-1114(1) provides the following:

> *Except as otherwise provided in subsection (4) of this section, the salaries of all elected officers of the county shall be fixed by the county board prior to January 15 of the year in which a general election will be held for the respective offices.*

The Auditor of Public Accounts is unaware of any provision in State law allowing the County Board to modify the fixed compensation determined in accordance with § 23-1114.

A proper system of internal controls includes procedures to ensure that compensation provided to County officials is in accordance with not only all applicable statutory requirements but also the salary resolution passed by the County Board.

Without such procedures, there is an increased risk of the County failing to comply with State law.

> We recommend the County Board implement procedures to ensure that compensation provided to County officials is in accordance with not only all applicable statutory requirements but also the salary resolution passed by the County Board.

County Response: Garfield County will review its procedures for implementing salary adjustments and will establish additional internal controls to ensure that future adjustments are calculated and applied in accordance with the adopted salary resolution and applicable statutory requirements. The County Board and appropriate county personnel will work together to ensure that future salary adjustments are reviewed and verified before implementation.

Segregation of Duties

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

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

This was also noted in prior audits.

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

* * * * *

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

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

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

Jeff Schreier, CPA, CFE
Audit Manager