

VALLEY COUNTY
ORD, NEBRASKA

FINANCIAL STATEMENTS

June 30, 2025

VALLEY COUNTY, NEBRASKA

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**CONTRYMAN
ASSOCIATES, P.C.**

Certified Public Accountants

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Independent Auditors' Report

To the Valley County Board of Supervisors
Ord, Nebraska

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Valley County, Nebraska, (County) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

Adverse Opinion on the Discretely Presented Component Unit

In our opinion, because of the significance of the matter described in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not fairly present the financial position of the discretely presented component unit of the County as of June 30, 2025, or the changes in its financial position for the year then ended in accordance with the cash basis of accounting.

Unmodified Opinions on the Governmental Activities, Major Funds, and Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements 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 for the primary government of the County as of June 30, 2025, and the respective changes in the financial position for the year then ended in accordance with the cash basis of accounting.

Basis for Adverse and Unmodified Opinions

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

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

The financial statements do not include financial data for the County's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for that component unit to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that includes the financial data for its component unit. The County has not issued such reporting entity financial statements. The effects of not including the County's legally separate component unit on the assets, net position, receipts and disbursements of the government-wide financial statements has not been determined.

Emphasis of Matter - Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 statements, budgetary comparison schedules, and schedule of office activities (unaudited) listed as Supplementary Information on pages 25-33 of the table of contents 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, except for that portion marked "unaudited", were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information, except for that portion marked "unaudited", 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, except for that portion marked "unaudited," on which we express no opinion nor any assurance, 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 December 9, 2025, on our consideration of the 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 the County's internal control over financial reporting and compliance.

Contryman Associates PC
Certified Public Accountants
Grand Island, Nebraska

December 9, 2025

VALLEY COUNTY, NEBRASKA

STATEMENT OF NET POSITION - CASH BASIS

June 30, 2025

	Governmental Activities
ASSETS:	
Cash	2,202,262
Restricted cash	641,230
TOTAL ASSETS	<u>2,843,492</u>
NET POSITION:	
Restricted for:	
Debt service	461,208
Wozab gazebo	3,469
Visitors promotion	42,531
Visitors improvement	31,213
STOP program	6,586
Record preservation and modernization	8,503
Drug law enforcement	4,045
Opioid recovery	21,291
Highway buyback	62,384
Unrestricted	2,202,262
TOTAL NET POSITION	<u>2,843,492</u>

See accompanying notes.

VALLEY COUNTY, NEBRASKA

STATEMENT OF ACTIVITIES - CASH BASIS

Year Ended June 30, 2025

Functions/Programs	Disbursements	Program Receipts			Net
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	(Disbursements)
					Receipts and Changes in Net Position
					Governmental Activities
GOVERNMENTAL ACTIVITIES:					
General government	3,036,048	277,494	0	27,894	(2,730,660)
Public safety	1,086,695	101,754	9,520	14,889	(960,532)
Public works	3,245,912	0	0	0	(3,245,912)
Public assistance	41,879	13,095	0	0	(28,784)
Culture and recreation	52,415	0	0	0	(52,415)
Debt service	339,014	0	0	0	(339,014)
TOTAL GOVERNMENTAL ACTIVITIES	7,801,963	392,343	9,520	42,783	(7,357,317)
GENERAL RECEIPTS:					

See accompanying notes.

VALLEY COUNTY, NEBRASKA

STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS GOVERNMENTAL FUNDS

June 30, 2025

	General Fund	Road Fund	Building/Plumbing Shop Bond Fund
ASSETS:			
Cash	2,039,286	162,976	0
Restricted cash	24,760	62,384	461,208
TOTAL ASSETS	<u>2,064,046</u>	<u>225,360</u>	<u>461,208</u>
FUND BALANCES:			
Restricted for:			
Debt service	0	0	461,208
Wozab gazebo	3,469	0	0
Visitors promotion	0	0	0
Visitors improvement	0	0	0
STOP program	0	0	0
Record preservation and modernization	0	0	0
Drug law enforcement	0	0	0
Opioid recovery	21,291	0	0
Highway buyback	0	62,384	0
Committed to:			
Road maintenance	0	162,976	0
Assigned to:			
Veteran's aid	33,244	0	0
Relief	46,877	0	0
Planning & zoning	1,095	0	0
Insurance buydown	187,937	0	0
Unassigned	1,770,133	0	0
TOTAL FUND BALANCES	<u>2,064,046</u>	<u>225,360</u>	<u>461,208</u>

See accompanying notes.

COVID American Rescue Plan & LATCF Fund	Non-Major Funds	Total Governmental Funds
0	0	2,202,262
0	92,878	641,230
0	92,878	2,843,492

0	0	461,208
0	0	3,469
0	42,531	42,531
0	31,213	31,213
0	6,586	6,586
0	8,503	8,503
0	4,045	4,045
0	0	21,291
0	0	62,384
0	0	162,976
0	0	33,244
0	0	46,877
0	0	1,095
0	0	187,937
0	0	1,770,133
0	92,878	2,843,492

VALLEY COUNTY, NEBRASKA

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS GOVERNMENTAL FUNDS

Year Ended June 30, 2025

	General Fund	Road Fund	Building/Plumbing Shop Bond Fund
RECEIPTS:			
Taxes	3,651,605	0	51,314
Inheritance tax	321,115	0	0
Intergovernmental	562,059	1,264,763	4,368
Local	605,227	7,310	13,009
TOTAL RECEIPTS	<u>5,140,006</u>	<u>1,272,073</u>	<u>68,691</u>
DISBURSEMENTS:			
Current:			
General government	2,081,936	0	0
Public safety	996,981	0	0
Public works	38,103	2,455,622	0
Public assistance	41,759	0	0
Culture and recreation	0	0	0
Capital outlay	806,381	752,187	0
Debt service:			
Principal	0	154,910	120,000
Interest	0	16,583	21,316
Bond costs and fees	0	0	26,205
TOTAL DISBURSEMENTS	<u>3,965,160</u>	<u>3,379,302</u>	<u>167,521</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>1,174,846</u>	<u>(2,107,229)</u>	<u>(98,830)</u>
OTHER FINANCING SOURCES (USES):			
Sale of surplus	3,359	91,733	0
Bond proceeds	0	220,000	865,000
Lease proceeds	0	100,000	0
Transfers - in	477,897	1,675,892	20,191
Transfers - out	(1,696,103)	0	(475,236)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,214,847)</u>	<u>2,087,625</u>	<u>409,955</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u>(40,001)</u>	<u>(19,604)</u>	<u>311,125</u>
Fund balances - beginning of year, as originally stated	2,104,047	244,964	150,083
Reclassification of funds (Note 10)	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - beginning of year, as restated	<u>2,104,047</u>	<u>244,964</u>	<u>150,083</u>
FUND BALANCES - END OF YEAR	<u><u>2,064,046</u></u>	<u><u>225,360</u></u>	<u><u>461,208</u></u>

See accompanying notes.

COVID American Rescue Plan & LATCF Fund	Non-Major Funds	Total Governmental Funds
0	41,964	3,744,883
0	0	321,115
0	0	1,831,190
0	6,936	632,482
0	48,900	6,529,670
0	5,436	2,087,372
0	0	996,981
0	0	2,493,725
0	0	41,759
0	52,415	52,415
0	232,129	1,790,697
0	0	274,910
0	0	37,899
0	0	26,205
0	289,980	7,801,963
0	(241,080)	(1,272,293)
0	0	95,092
0	0	1,085,000
0	0	100,000
0	20	2,174,000
0	(2,661)	(2,174,000)
0	(2,641)	1,280,092
0	(243,721)	7,799
232,524	104,075	2,835,693
(232,524)	232,524	0
0	336,599	2,835,693
0	92,878	2,843,492

VALLEY COUNTY, NEBRASKA

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS FIDUCIARY FUNDS

June 30, 2025

	Custodial Fund Balances July 1, 2024	Receipts	Disbursements	Custodial Fund Balances June 30, 2025
ASSETS:				
Cash	403,401	17,449,332	17,392,160	460,573
LIABILITIES:				
Due to other governments				
State - collected by county treasurer	109,732	1,641,528	1,612,583	138,677
State - collected by other offices	4,849	57,194	57,357	4,686
Agricultural society	1,109	103,309	102,731	1,687
Airport	768	75,027	74,545	1,250
Schools	144,694	11,285,214	11,246,881	183,027
Educational Service Units	1,614	156,858	155,869	2,603
College	10,054	466,199	472,126	4,127
Natural Resource Districts	4,258	406,986	404,538	6,706
Fire Districts	2,744	287,178	285,451	4,471
Cities & Villages	34,676	1,550,272	1,552,596	32,352
Township	2,033	179,135	177,592	3,576
TIF	938	379,251	377,528	2,661
Others - collected by county treasurer	30,973	106,605	107,315	30,263
Others - collected by other offices	54,959	754,576	765,048	44,487
TOTAL LIABILITIES	403,401	17,449,332	17,392,160	460,573
TOTAL NET POSITION	0	0	0	0

See accompanying notes.

VALLEY COUNTY, NEBRASKA

PRIVATE PURPOSE TRUST FUND STATEMENT OF FIDUCIARY NET POSITION

June 30, 2025

	Private Purpose Trust Fund
ASSETS:	
Trust cash held by third party	27,058
Trust investment held by third party	1,347,676
TOTAL ASSETS	<u>1,374,734</u>
FIDUCIARY NET POSITION	<u>1,374,734</u>

VALLEY COUNTY, NEBRASKA

PRIVATE PURPOSE TRUST FUND STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

June 30, 2025

	Private Purpose Trust Fund
ADDITIONS:	
Net increase (decrease) in fair value of investments	105,988
DEDUCTIONS:	
Benefit payments	14,008
Fees and other	17,117
TOTAL DEDUCTIONS	<u>31,125</u>
CHANGE IN FIDUCIARY NET POSITION	74,863
Fiduciary net position, beginning of year	<u>1,299,871</u>
Fiduciary net position, end of year	<u>1,374,734</u>

See accompanying notes.

VALLEY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies utilized in the accounting system of Valley County, Nebraska.

As discussed further in the Basis of Accounting note below, these financial statements are presented 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) established by the Governmental Accounting Standards Board (GASB). These cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the cash basis of accounting.

Reporting Entity

Government

Valley County, Nebraska (County), the primary government, is governed by a seven-member Board of Supervisors (Board). Members of the Board are elected by the general public and have financial accountability and control over all activities related to the County. The County also acts as an agent in collecting taxes and intergovernmental revenue on behalf of other government entities located in the County. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Component Unit

These cash basis financial statements report only on the primary government of the County, and do not include the financial statements of Valley County Health System, which is a component unit of the County because of the significance of its operational and financial relationships with the County. Financial statements of this component unit can be obtained from Valley County Health System, 2707 L Street, Ord, Nebraska 68862.

Joint Organizations

Region 3 Behavioral Health Services – 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).

VALLEY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Joint Organizations (Continued)

Region 3 Behavioral Health Services (continued) – Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region 3 (Region) consists of the following counties: Adams, Blaine, Buffalo, Clay, Custer, Franklin, Furnas, Garfield, Greeley, Hall, Hamilton, Harlan, Howard, Kearney, Loup, Merrick, Nuckolls, Phelps, Sherman, Valley, Webster, and Wheeler. The governing board for the Region includes representatives from the participating county boards. Each county contributes to the financial support of the Region's activities based on formulas developed by the Region's governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$10,569 toward the operation of the Region during the fiscal year 2025. 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.

Region 26 Council – The County has entered into an agreement with surrounding counties to provide services to carry out the provisions of the Nebraska Emergency Management Act (Act). Agreements were established under the authority of the Interlocal Cooperation Act for services to be provided under the Act. Region 26 (Region) consists of the following counties and municipalities: Blaine, Garfield, Greeley, Loup, Sherman, Thomas, Valley, Wheeler, and the City of Ord. The governing board for the Region includes representatives from the participating county and municipality boards. Each county or municipality contributes to the financial support of the Region's activities based on formulas developed by the Region's governing board and as required by the Act. Funding is provided by a combination of Federal, State, local, and private funding. The County contributed \$116,314 toward the operation of the Region during the fiscal year 2025. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement.

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.

(Continued on next page)

VALLEY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting (Continued)

As such, the measurement focus includes only those assets and fund balances arising from cash transactions in the Statement of Net Position and the Statement of Activities. 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 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 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.

The private-purpose trust fiduciary fund is held in trust at the Nebraska Community Foundation and is presented on the accrual basis to account for investment activity.

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting primary government as a whole and are in the format of government-wide statements, as required by GASB. These statements include all the financial activities of the County, except for fiduciary activities. The County reports governmental activities only.

(Continued on next page)

VALLEY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Financial Statements (Continued)

The Statement of Net Position, cash basis, presents the County's non-fiduciary assets in two categories:

Restricted net position – Consists of net position when constraints are externally imposed on net asset use by (a) external groups such as creditors, grantors, contributors, or laws or regulations, of other governments; or (b) laws 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, but reserve the right to selectively spend unrestricted net resources first to defer the use of these other classified funds.

Unrestricted net position – All other net positions 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 disbursements of a given function are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program receipts are reported as general receipts.

Other individual County offices maintain accounting records and account for monies received and disbursed directly by these offices. Only that portion of these monies which is subsequently receipted by the County Treasurer is reflected in the County's financial statements.

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 and fiduciary. 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.

(Continued on next page)

VALLEY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

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 County reserves the right, however, to selectively spend unassigned fund balances first to defer the use of these other classified funds.

The County reports the following governmental fund types:

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

Special Revenue Funds: These funds are used to account for specific receipts that are restricted or committed to disbursements for a specified purpose, other than debt service or capital projects.

Capital Project Funds: These funds are used to account for the financial resources that are restricted, committed, or assigned to disbursement for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Debt Service Funds: These funds are used to account for and report financial resources and the payment of general long term debt principal, interest, and related costs.

The County used fiduciary funds to report assets held in a trust or custodial capacity for individuals, private organizations, other governments, and/or other funds. Custodial funds are used to report fiduciary activities that are not reported in pension trust funds, investment trust funds, or private purpose trust funds. The County's fiduciary funds consist of custodial funds and are presented on the Fiduciary Statement of Cash Receipts, Disbursements, and Changes in Fund Balances.

The County also reports a private purpose trust fiduciary fund and its activity is presented on the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

The emphasis in fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as non-major funds. GASB prescribes the minimum criteria for the determination of major funds.

(Continued on next page)

VALLEY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

The County reports the following major governmental funds:

General Fund as previously described.

Road Fund is a special revenue fund that accounts for receipts and disbursements for the maintenance, construction, and improvements of the roads of the County.

Building/Plumbing Shop Bond Fund is a debt service fund that accounts for the resources and payment of debt principal, interest, and related costs.

The County designates fund balances as follows:

Restricted fund balance – amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

Committed fund balance – amounts that can be spent only for specific purposes determined by a formal action of the Board, which is the highest level of authority for the County. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned fund balance – amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. Assigned fund balances may be established only by the Board.

Unassigned fund balance – the portion of the general fund not restricted, committed, or assigned for a specific purpose.

Cash and Cash Equivalents

The County has defined cash and cash equivalents to include cash on hand, cash in banks or deposits in other accounts or cash management pools having the general characteristics of demand deposit accounts, and certificates of deposit.

(Continued on next page)

VALLEY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

County funds are pooled and invested as authorized and enumerated in State statute and generally include U.S Government obligations and securities, which are authorized by the Nebraska Investment Council.

Capital Assets

Under the cash 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 to be reported in the applicable governmental activities columns in the government-wide financial statements. Depreciation expense on capital assets is not recorded in the cash basis financial statements. Under GAAP, depreciation expense would be recorded in the Statement of Activities.

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 cash basis 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.

Disbursements

Disbursements are classified by function for government-wide activities. In the governmental funds, disbursements are classified by character (current, capital outlay, and debt service).

Interfund Activity

Interfund activities are reported as either loans or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers.

(Continued on next page)

VALLEY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Process

The County adopts an annual budget in accordance with statutory requirements of the Nebraska Budget Act and County Act of 1937. The budget is prepared on the cash basis of accounting. The budget contains only those receipts actually received by the County Treasurer. All appropriated spending authority lapses at the end of the fiscal year. 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 and on or before September 30, adopt the budget and appropriate the amounts specified in the budget for the departments, offices, activities, and funds of the County.

NOTE 2: DEPOSITS

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 State statute. The bank balances for all funds totaled \$2,518,480. For purposes of classifying categories of custodial credit risk, the bank balances of the County's deposits, as of June 30, 2025 were either entirely insured or collateralized with securities held by the County's agent in the County's name.

The County Treasurer has \$1,203,026 invested with Nebraska Public Agency Investment Trust (NPAIT), a public entity investment pool. The carrying value of this is stated at cost, which approximates market. 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. Since net income of the fund is allocated amongst 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.

NOTE 3: RESTRICTED ASSETS

Cash and cash equivalents have been restricted in amounts agreeing to restricted net position and fund balances as displayed on the face of the Statement of Net Position and Statement of Assets and Fund Balances.

(Continued on next page)

VALLEY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE 4: INTERFUND BALANCES AND ACTIVITY

Transfers are used to move receipts between the funds and are routine in nature. Transfers within fund types are netted on the Governmental Fund Statements. Amounts reported as interfund transfers in the fund financial statements are eliminated in the Government-wide Statement of Activities.

	Transfer In				
	General	Road	Building/ Plumbing Shop Bond	Non-Major	Total
Transfer Out					
General	0	1,675,892	20,191	20	1,696,103
Building/Plumbing Shop					
Bond	475,236	0	0	0	475,236
Non-Major	2,661	0	0	0	2,661
Total	<u>477,897</u>	<u>1,675,892</u>	<u>20,191</u>	<u>20</u>	<u>2,174,000</u>

NOTE 5: PROPERTY TAXES

Property taxes are levied by the County Board on or before October 20 of each year for all political subdivisions of 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 of 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 limitation upon a vote of the people.

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

The levy set in October, 2024, for the 2024 taxes which are materially collected in May and September, 2025, was set at \$0.31000 per \$100 of assessed valuation. The levy set in October, 2023, for the 2023 taxes which were materially collected in May and September, 2024, was set at \$0.35000 per \$100 of assessed valuation.

(Continued on next page)

VALLEY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE 6: RETIREMENT SYSTEM

The Retirement System for Nebraska Counties (the Plan) is a multiple-employer plan administered by the Public Employees Retirement System. 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 State statute and may be amended through legislative action.

Participation in the plan is required for all full-time employees. Part-time (working less than one-half the regularly scheduled hours) employees may elect voluntary participation upon reaching the age of 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 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.

The County's total payroll for all employees was \$2,122,492 for the year ended June 30, 2025. Total covered payroll was \$2,020,851. Covered payroll refers to all compensation as defined by Neb. Rev. Stat. §23-2301(5)(a) paid by the County to active employees covered by the Plan. For the year ended June 30, 2025, 66 employees contributed \$97,277 and the County contributed and disbursed \$142,746.

(Continued on next page)

VALLEY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE 7: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft, damage, 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.

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 is otherwise unable to discharge its legal liabilities and other obligations, the County may be assessed by the pool for additional contributions. 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.

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 prior year coverage.

The County participates in a health reimbursement arrangement and has contracted with Point C to act as the claims administrator for the arrangement. Details of the arrangement are available upon request from the County Clerk. The health reimbursement arrangement is funded solely through County contributions. The activity of the plan is reflected in the County's financial statements under the General Fund. The County's risk is limited by the insurance deductibles for employees covered by the plan.

NOTE 8: CONTINGENCIES

Federal and State Award Programs

The County receives funds under various federal and state grant programs and such assistance is to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of noncompliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.

(Continued on next page)

VALLEY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE 8: CONTINGENCIES (CONTINUED)

Contingent Liabilities

The County is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its operations. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material effect on the financial condition or results of operations of the County.

NOTE 9: COMMITMENTS

The County entered into an agreement in July, 2021, to refund the Building Bond Series 2016 to Building Bond Series 2021 payable of \$270,000 at interest ranging from 0.35% to 0.60%, maturing December 15, 2026. The County pays semi-annual interest starting May 15, 2022, and annual principal payments starting December 15, 2022. The balance at the end of June 30, 2025 was \$110,000.

The County had Highway Allocation Bond Series 2019 payable of \$305,000 at interest ranging from 1.7% to 2.0%, maturing December 15, 2025. The County paid semi-annual interest and annual principal payments starting December 15, 2019. The bond was paid in full as of June 30, 2025.

The County entered into an agreement in November, 2024, for the 2024 Series Lease Purchase Bond payable of \$220,000 at an interest rate of 4.00%, maturing November, 2029 and a balance of \$200,000 as of June 30, 2025.

The County entered into an agreement in March, 2025, for the 2024 Series Limited Tax Building Bond payable of \$865,000 at interest ranging from 0.35% to 0.60%, maturing December 15, 2026. The County pays semi-annual interest starting May 15, 2025, and annual principal payments starting November 15, 2032. The balance at the end of June 30, 2025 was \$865,000.

NOTE 10: RECLASSIFICATION OF FUNDS

The County classified the COVID American Rescue Plan & LATCF Fund as major in the prior year. For the current year, that fund qualified as a Non-Major fund. The reclassification of this fund from major to non-major is shown in the Statement of Receipts, Disbursements, and Changes in Fund Balances of the Governmental Funds.

(Continued on next page)

VALLEY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE 11: LEASES

The County entered into a lease agreement on April 20, 2022, for the purchase of a motor grader for \$237,425. The interest rate is 2.50%, and the balance was \$98,489 as of June 30, 2025.

The County entered into a lease agreement on November 23, 2021, for the purchase of a dump truck for \$161,225. The interest rate is 1.1%, and the balance was \$65,297 as of June 30, 2025.

The County entered into a lease agreement on January 12, 2023, for the purchase of an excavator for \$190,296. The interest rate is 4.0%, and the balance was \$99,887 as of June 30, 2025.

The County entered into a lease purchase agreement on April 4, 2025, for the purchase of a motor grader for \$100,000. The interest rate is 5.49%, and the balance was \$100,000 as of June 30, 2025.

Minimum capital lease payments are as follows:

June 30, 2026	213,039
June 30, 2027	126,365
June 30, 2028	42,383
Amount representing interest	<u>(18,114)</u>
	<u>363,673</u>

The County has two land leases to be used for agricultural purposes. The leases were entered into on March 1, 2024, and end on February 28, 2027. The annual lease income from these leases is \$18,650. The County records the income in the General Fund as local receipts and in miscellaneous receipts in the Statement of Activities.

NOTE 12: NEBRASKA COMMUNITY FOUNDATION

The Valley County Board of Supervisors, acting as the Valley County Foundation Fund Advisory Committee, entered into a Designated Fund Agreement with Nebraska Community Foundation on April 27, 1999 to establish a Valley County Foundation Fund. The money invested into this fund was from a memorial fund that was created the last wishes of an estate. This fund is included in the County's private purpose trust fiduciary fund that is presented on the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

(Continued on next page)

VALLEY COUNTY, NEBRASKA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

NOTE 12: NEBRASKA COMMUNITY FOUNDATION (CONTINUED)

Effective April 30, 2007, an amendment to the above agreement was signed to change the name of the fund. This amendment also clarifies that the County Board or "Advisory Committee" for the fund is responsible for only the account established by gifts from the donor.

This Fund was established to acquire gifts for the endowed fund and/or support for non-permanent program funds, to assure prudent investment and management of gifted assets, and to establish a procedure for the disbursement of endowment income and other gifted assets in accordance with organization objectives for the fund and within the required regulations.

The Fund was established to assist with providing ongoing reliable support for certain entities in the Valley County region. The Advisory Committee shall select appropriate projects to receive support from the Fund and will submit in writing all requests for withdrawals from the Fund.

SUPPLEMENTARY INFORMATION

VALLEY COUNTY, NEBRASKA

COMBINING STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS GENERAL FUND

June 30, 2025

	<u>General Fund</u>	<u>Inheritance Tax Fund</u>	<u>Veteran's Aid Fund</u>	<u>Relief Fund</u>
ASSETS:				
Cash	460,786	1,309,347	33,244	46,877
Restricted cash	24,760	0	0	0
TOTAL ASSETS	<u>485,546</u>	<u>1,309,347</u>	<u>33,244</u>	<u>46,877</u>
FUND BALANCES:				
Restricted	24,760	0	0	0
Assigned	0	0	33,244	46,877
Unassigned	460,786	1,309,347	0	0
TOTAL FUND BALANCES	<u>485,546</u>	<u>1,309,347</u>	<u>33,244</u>	<u>46,877</u>

Planning & Zoning Fund	Health Insurance Buydown	Total General Fund
1,095	187,937	2,039,286
0	0	24,760
<u>1,095</u>	<u>187,937</u>	<u>2,064,046</u>
0	0	24,760
1,095	187,937	269,153
0	0	1,770,133
<u>1,095</u>	<u>187,937</u>	<u>2,064,046</u>

VALLEY COUNTY, NEBRASKA

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

Year Ended June 30, 2025

	General Fund	Inheritance Tax Fund	Veteran's Aid Fund	Relief Fund
RECEIPTS:				
Taxes	3,642,483	0	0	9,122
Inheritance tax	0	321,115	0	0
Intergovernmental	560,793	0	0	1,266
Local	602,751	0	612	0
TOTAL RECEIPTS	<u>4,806,027</u>	<u>321,115</u>	<u>612</u>	<u>10,388</u>
DISBURSEMENTS:				
Current:				
General government	1,890,695	115,618	0	0
Public safety	996,981	0	0	0
Public works	38,103	0	0	0
Public assistance	30,954	0	0	10,805
Capital outlay	806,381	0	0	0
TOTAL DISBURSEMENTS	<u>3,763,114</u>	<u>115,618</u>	<u>0</u>	<u>10,805</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>1,042,913</u>	<u>205,497</u>	<u>612</u>	<u>(417)</u>
OTHER FINANCING SOURCES (USES):				
Sale of surplus	3,359	0	0	0
Transfers - in	526,200	0	0	0
Transfers - out	(1,735,703)	(47,243)	0	0
TOTAL OTHER FINANCING SOURCES	<u>(1,206,144)</u>	<u>(47,243)</u>	<u>0</u>	<u>0</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u>(163,231)</u>	<u>158,254</u>	<u>612</u>	<u>(417)</u>
Fund balances - beginning of year	<u>648,777</u>	<u>1,151,093</u>	<u>32,632</u>	<u>47,294</u>
FUND BALANCES - END OF YEAR	<u><u>485,546</u></u>	<u><u>1,309,347</u></u>	<u><u>33,244</u></u>	<u><u>46,877</u></u>

Planning & Zoning Fund	Health Insurance Buydown	Total General Fund
0	0	3,651,605
0	0	321,115
0	0	562,059
1,095	769	605,227
<u>1,095</u>	<u>769</u>	<u>5,140,006</u>
0	75,623	2,081,936
0	0	996,981
0	0	38,103
0	0	41,759
0	0	806,381
<u>0</u>	<u>75,623</u>	<u>3,965,160</u>
<u>1,095</u>	<u>(74,854)</u>	<u>1,174,846</u>
0	0	3,359
0	39,600	565,800
(1,060)	0	(1,784,006)
<u>(1,060)</u>	<u>39,600</u>	<u>(1,214,847)</u>
35	(35,254)	(40,001)
<u>1,060</u>	<u>223,191</u>	<u>2,104,047</u>
<u>1,095</u>	<u>187,937</u>	<u>2,064,046</u>

VALLEY COUNTY, NEBRASKA

COMBINING STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2025

	Special Revenue				Capital Project	
	Visitor Promotion Fund	Preservation & Modernization Fund	Drug Law Enforcement Fund	STOP Program Fund	Visitor Improvement Fund	Total Non-Major Funds
ASSETS:						
Restricted cash	42,531	8,503	4,045	6,586	31,213	92,878
TOTAL ASSETS	<u>42,531</u>	<u>8,503</u>	<u>4,045</u>	<u>6,586</u>	<u>31,213</u>	<u>92,878</u>
FUND BALANCES:						
Restricted	42,531	8,503	4,045	6,586	31,213	92,878
TOTAL FUND BALANCES	<u>42,531</u>	<u>8,503</u>	<u>4,045</u>	<u>6,586</u>	<u>31,213</u>	<u>92,878</u>

VALLEY COUNTY, NEBRASKA

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS NON-MAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2025

	Special Revenue					Capital Project	
	Visitor Promotion Fund	Preservation & Modernization Fund	Drug Law Enforcement Fund	COVID American Rescue Plan & LATCF Fund	STOP Program Fund	Visitor Improvement Fund	Total Non-Major Funds
RECEIPTS:							
Taxes	20,982	0	0	0	0	20,982	41,964
Local	0	2,715	0	2,266	1,955	0	6,936
TOTAL RECEIPTS	20,982	2,715	0	2,266	1,955	20,982	48,900
DISBURSEMENTS:							
Current:							
General government	0	5,436	0	0	0	0	5,436
Culture and recreation	17,498	0	0	0	0	34,917	52,415
Capital outlay	0	0	0	232,129	0	0	232,129
TOTAL DISBURSEMENTS	17,498	5,436	0	232,129	0	34,917	289,980
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,484	(2,721)	0	(229,863)	1,955	(13,935)	(241,080)
OTHER FINANCING SOURCES (USES):							
Transfers - in	0	20	0	0	0	0	20
Transfers - out	0	0	0	(2,661)	0	0	(2,661)
TOTAL OTHER FINANCING SOURCES (USES)	0	20	0	(2,661)	0	0	(2,641)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	3,484	(2,701)	0	(232,524)	1,955	(13,935)	(243,721)
Fund balances - beginning of year, as originally stated	39,047	11,204	4,045	0	4,631	45,148	104,075
Reclassification of funds (Note 10)	0	0	0	232,524	0	0	232,524
Fund balances - beginning of year, as restated	39,047	11,204	4,045	232,524	4,631	45,148	336,599
FUND BALANCE - END OF YEAR	42,531	8,503	4,045	0	6,586	31,213	92,878

VALLEY COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - CASH BASIS GENERAL FUND

Year Ended June 30, 2025

	Original/Final Budget	Actual
RECEIPTS:		
Taxes	3,982,994	3,642,483
Intergovernmental	68,525	560,793
Local	451,255	606,110
TOTAL RECEIPTS	<u>4,502,774</u>	<u>4,809,386</u>
DISBURSEMENTS:		
General Government:		
County Board	59,145	59,962
County Clerk	141,117	131,833
County Treasurer	144,393	142,425
County Assessor	198,179	188,019
Elections	18,950	19,615
Planning and Zoning	58,425	54,532
Court Services	228,900	143,074
Building and Grounds	1,272,570	660,766
Extension Agent	85,459	70,028
Miscellaneous	2,354,955	1,138,278
Public Safety:		
County Sheriff	636,875	628,941
County Attorney	162,950	112,158
County Attorney/Child Support	22,960	12,758
County Jail	273,850	321,674
Civil Defense	13,123	9,874
Public Works:		
County Surveyor	14,000	4,728
Noxious Weed	33,359	33,375
Public Assistance:		
Veterans Service	33,449	31,074
TOTAL DISBURSEMENTS	<u>5,752,659</u>	<u>3,763,114</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(1,249,885)</u>	<u>1,046,272</u>
OTHER FINANCING SOURCES (USES):		
Bond proceeds	1,160,000	0
Transfers - in	1,384,675	526,200
Transfers - out	(1,725,000)	(1,735,703)
TOTAL OTHER FINANCING SOURCES (USES)	<u>819,675</u>	<u>(1,209,503)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u>(430,210)</u>	(163,231)
Fund balance - beginning of year		<u>648,777</u>
FUND BALANCE - END OF YEAR		<u>485,546</u>

See accompanying notes to Budgetary Comparison Schedules.

VALLEY COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - CASH BASIS ROAD FUND

Year Ended June 30, 2025

	Original/Final Budget	Actual
RECEIPTS:		
Intergovernmental	1,302,394	1,264,763
Local	33,000	99,043
TOTAL RECEIPTS	<u>1,335,394</u>	<u>1,363,806</u>
DISBURSEMENTS:	<u>3,149,610</u>	<u>3,379,302</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(1,814,216)</u>	<u>(2,015,496)</u>
OTHER FINANCING SOURCES (USES):		
Bond proceeds	0	220,000
Lease proceeds	0	100,000
Transfers - in	1,725,000	1,675,892
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,725,000</u>	<u>1,995,892</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u><u>(89,216)</u></u>	<u>(19,604)</u>
Fund balance - beginning of year		<u>244,964</u>
FUND BALANCE - END OF YEAR		<u><u>225,360</u></u>

See accompanying notes to Budgetary Comparison Schedules.

VALLEY COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - CASH BASIS BUILDING/PLUMBING SHOP BOND FUND

Year Ended June 30, 2025

	Original/Final Budget	Actual
RECEIPTS:		
Taxes	33,000	51,314
Intergovernmental	825	4,368
Local	2,500	13,009
TOTAL RECEIPTS	<u>36,325</u>	<u>68,691</u>
DISBURSEMENTS:		
Debt service:		
Principal and interest	<u>123,000</u>	<u>167,521</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(86,675)</u>	<u>(98,830)</u>
OTHER FINANCING SOURCES (USES):		
Bond Proceeds	0	865,000
Transfers - in	0	20,191
Transfers - out	0	(475,236)
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>409,955</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u><u>(86,675)</u></u>	311,125
Fund balance - beginning of year		<u>150,083</u>
FUND BALANCE - END OF YEAR		<u><u>461,208</u></u>

See accompanying notes to Budgetary Comparison Schedules.

VALLEY COUNTY, NEBRASKA

NOTES TO BUDGETARY COMPARISON SCHEDULES

June 30, 2025

NOTE 1: BUDGET AND BUDGETARY ACCOUNTING

The appropriated budget adopted by the County is prepared on a cash basis. The actual results used in the Budgetary Comparison Schedule – Cash Basis General Fund differ from that used in the Statement of Receipts, Disbursements, and Changes in Fund Balances – Cash Basis General Fund due to *GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions*. Such respective differences and their effect on the respective fund are summarized as follows:

Receipts over (under) disbursements and other financing sources (uses) per Budgetary Comparison Schedule – Cash Basis General Fund	(163,231)
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Adjustments increase (decrease) for:

Inheritance Tax Fund Receipts	321,115
Inheritance Tax Fund Disbursements and Transfers Out	(162,861)
Veteran's Aid Fund Receipts	612
Relief Fund Receipts	10,388
Relief Fund Disbursements	(10,805)
Planning & Zoning Receipts and Transfers In	1,095
Planning & Zoning Transfers Out	(1,060)
Health Insurance Buydown Receipts and Transfers In	40,369
Health Insurance Buydown Disbursements	<u>(75,623)</u>

Receipts over (under) disbursements and other financing sources (uses) per Statement of Receipts, Disbursements, and Changes in Fund Balances – Cash Basis	<u>(40,001)</u>
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VALLEY COUNTY, NEBRASKA

SCHEDULE OF OFFICE ACTIVITIES (UNAUDITED)

June 30, 2025

	County Clerk	Clerk of the District Court	County Sheriff	County Jail	County Attorney	Total
RECEIPTS:						
Licenses and permits	400	0	105	0	0	505
Charges for services	16,855	5,937	111,812	7,180	0	141,784
Miscellaneous	23,820	0	0	0	0	23,820
State fees	49,171	8,023	0	0	0	57,194
Receipts collected for others	0	99,021	12,677	642,323	0	754,021
TOTAL RECEIPTS	90,246	112,981	124,594	649,503	0	977,324
DISBURSEMENTS:						
Payments to county treasurer	40,016	5,606	121,445	7,060	0	174,127
Payments to state treasurer	48,265	9,091	0	0	0	57,356
Other liabilities	0	111,170	12,971	640,907	0	765,048
TOTAL DISBURSEMENTS	88,281	125,867	134,416	647,967	0	996,531
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,965	(12,886)	(9,822)	1,536	0	(19,207)
Balances - beginning of year	5,826	50,720	18,377	2,104	2,023	79,050
BALANCES - END OF YEAR	7,791	37,834	8,555	3,640	2,023	59,843

ADDITIONAL INFORMATION



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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*

Independent Auditors' Report

To the Valley County Board of Supervisors
Ord, 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 primary government financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Valley County, Nebraska (County) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's primary government basic financial statements and have issued our report thereon dated December 9, 2025. Our report includes an adverse opinion on the discretely presented component unit because the financial data of the County's legally separate component unit is not included in the basic financial statements. These financial statements were prepared using a special purpose framework of reporting identified as the cash basis of accounting.

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 have not been identified. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying Schedule of Finding and Response as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters


As part of obtaining reasonable assurance about whether the County's financial statements are free from 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*.

Valley County, Nebraska's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying Schedule of Finding and Response. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.


Cortyman Associates PC
Certified Public Accountants
Grand Island, Nebraska

December 9, 2025

VALLEY COUNTY, NEBRASKA

SCHEDULE OF FINDING AND RESPONSE

June 30, 2025

2025-001 Segregation of Duties

Criteria

Internal controls should be in place to ensure proper segregation of duties.

Condition

Presently, in both the treasurer's office and clerk's office, one individual is able to handle all parts of a transaction from initiation to recordkeeping to reconciliation. In addition, only limited oversight is provided in the conduct of daily functions.

Cause

Due to its size, the County does not have adequate office personnel to perform appropriate supervision and review functions. The limited number of employees results in an inadequate overall internal control structure design.

Effect or Potential Effect

Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting.

Repeat Finding

The finding is a repeat finding.

Recommendation

We recommend the County continue to monitor and evaluate its internal controls with the use of limited personnel and to provide as much segregation of duties as determined to be feasible within its operations. We also recommend the County establish written procedures within each office for the performance of key functions and conduct cross-training to provide adequate back up support in the event of employee absence.

Response

The County recognizes it does not have adequate in-house personnel to perform appropriate supervision and review functions because of the cost effectiveness of such actions. The Board of Supervisors is aware of this deficiency, and will continue to monitor the situation. The elected officers and staff have implemented some oversight measures to limit exposure where possible.