



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

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

November 13, 2020

Tim Nuss, Chairperson
Sutton Rural Fire District
31352 Deerfield Circle
Clay Center, NE 68933

Dear Chairperson Nuss:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Sutton Rural Fire District (District) for the fiscal year ending 2020. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (2020 Neb. Laws, LB 781, § 8), the preliminary examination necessary to determine whether further audit work would be required or the audit waiver should be allowed, the APA noted certain internal control or compliance matters, or other operational issues, within the District.

The following information is intended to improve internal controls or result in other operational efficiencies.

Comment and Recommendation

Payments Not Approved

The APA obtained a copy of the August 17, 2019, meeting minutes for the Board of Directors (Board) of the District. Those minutes fail to reflect the Board's approval of any District expenditures.

Per Neb. Rev. Stat. § 35-508(4) (Reissue 2016), Boards have the exclusive power to "manage and conduct the business affairs of the district." Accordingly, any expenditure of District funds requires express Board authorization.

Additionally, Neb. Rev. Stat. § 35-511 (Reissue 2016) provides, in relevant part, the following:

All donations, contributions, bequests, annuities, or borrowed money received by or on behalf of the district shall be deposited with the secretary-treasurer of the district and shall be drawn out only upon proper check. Such check shall be authorized by the board of directors and shall bear the signature of the secretary-treasurer and the countersignature of the president of such district.

(Emphasis added.) Properly discharging the above statutory duties necessarily entails proper financial management, which calls for the Board's approval of all expenditures prior to, or as soon thereafter as possible, the actual disbursement of District funds.

As a public body, moreover, the Board is subject to the provisions of the Open Meetings Act, which is set out at Neb. Rev. Stat. § 84-1407 (Reissue 2014) et seq. In particular, Neb. Rev. Stat. § 84-1413(1) (Cum. Supp. 2018) requires public bodies, including Boards, to "keep minutes of all meetings," showing, among other things, "the substance of all matters discussed."

Furthermore, a good internal control plan and sound business practices require procedures to ensure that the Board approves, in a timely fashion, all expenditures and business transactions of the District. Those same procedures should ensure also that the Board documents such approval in its meeting minutes, specifying the name of each payee, the exact amount of any disbursement, and the specific purpose of the payment.

Without such procedures, there is an increased risk for not only failure to comply with State statute but also loss or misuse of public funds.

We recommend the implementation of procedures to ensure the Board approves, in a timely fashion, all expenditures of District funds, and such approval is documented adequately in the Board's meeting minutes.

* * * * *

The preliminary planning work that resulted in this letter was designed primarily on a test basis and, therefore, may not bring to light all existing weaknesses in the District's policies or procedures. Nevertheless, our objective is to use the knowledge gained during the performance of that preliminary planning work to make comments and suggestions that we hope will prove useful to the District.

This communication is intended solely for the information and use of the District and its management. It is not intended to be, and should not be, used by anyone other than those specified parties. However, this letter is a matter of public record, and its distribution is not limited.

If you have any questions, please contact **Dakota Christensen** at **402-499-8702** or **dakota.christensen@nebraska.gov**.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Avery", with a long horizontal flourish extending to the right.

Mark Avery, CPA
Assistant Deputy Auditor

**2020-2021
STATE OF NEBRASKA
GENERAL BUDGET FORM**

SUTTON RURAL FIRE DISTRICT

TO THE COUNTY BOARD AND COUNTY CLERK OF
Clay County

This budget is for the Period July 1, 2020, through June 30, 2021

Upon Filing, The Entity Certifies the Information Submitted on this Form to be Correct:

The following **PERSONAL AND REAL PROPERTY TAX** is requested for the ensuing year:

\$	62,169.00	Property Taxes for Non-Bond Purposes
		Principal and Interest on Bonds
\$	62,169.00	Total Personal and Real Property Tax Required

Outstanding Bonded Indebtedness as of July 1, 2020

-	Principal
-	Interest
\$ -	Total Bonded Indebtedness

Total General Fund Certified Valuation (All Counties)

(Certification of Valuation(s) from County Assessor **MUST** be attached)

County Clerk's Use ONLY

APA Contact Information

Auditor of Public Accounts
State Capitol, Suite 2303
Lincoln, NE 68509

Telephone: (402) 471-2111 **FAX:** (402) 471-3301

Website: www.auditors.nebraska.gov

Questions - E-Mail: Deann.Haeffner@nebraska.gov

Budget Document To Be Used As Audit Waiver?

My Subdivision has elected to use this Budget Document as the Audit Waiver.
(If YES, Board Minutes **MUST** be Attached)

☒ YES ☐ NO

If YES, Column 2 **MUST** contain **ACTUAL** Numbers.

If YES, DO NOT COMPLETE/SUBMIT SEPARATE AUDIT WAIVER REQUEST.

Report of Joint Public Agency & Interlocal Agreements

Was this Subdivision involved in any Interlocal Agreements or Joint Public Agencies for the reporting period of July 1, 2019 through June 30, 2020?

☐ YES ☒ NO

If YES, Please attach Interlocal Agreement Report.

Report of Trade Names, Corporate Names & Business Names

Did the Subdivision operate under a separate Trade Name, Corporate Name, or other Business Name during the period of July 1, 2019 through June 30, 2020?

☐ YES ☒ NO

If YES, Please attach Trade Name Report.

Submission Information

Budget Due by 9-20-2020

Submit budget to:

1. Auditor of Public Accounts -Electronically on Website or Mail
2. County Board (SEC. 13-508), C/O County Clerk

SUTTON RURAL FIRE DISTRICT in Clay County

Line No.	TOTAL ALL FUNDS	Actual 2018 - 2019 (Column 1)	Actual/Estimated 2019 - 2020 (Column 2)	Adopted Budget 2020 - 2021 (Column 3)
1	Beginning Balances, Receipts, & Transfers:			
2	Beginning Net Cash Balance	\$ 52,312.71	\$ 86,518.69	\$ 139,950.27
3	Investments	\$ 263,317.30	\$ 273,292.57	\$ 276,577.30
4	County Treasurer's Balance	\$ 111.89	\$ 1,074.12	\$ 272.40
5	Subtotal of Beginning Balances (Lines 2 thru 4)	\$ 315,741.90	\$ 360,885.38	\$ 416,799.97
6	Personal and Real Property Taxes (Columns 1 and 2 - See Preparation Guidelines)	\$ 51,031.99	\$ 53,059.94	\$ 60,950.00
7	Federal Receipts	\$ -	\$ -	\$ -
8	State Receipts: Motor Vehicle Pro-Rate (To Lid Supporting Schedule, page 4)	\$ 149.77	\$ 107.32	\$ 250.00
9	State Receipts: State Aid	\$ -	\$ -	\$ -
10	State Receipts: Other	\$ 444.70	\$ 471.10	\$ -
11	State Receipts: Property Tax Credit	\$ 5,268.90	\$ 6,309.14	
12	Local Receipts: Nameplate Capacity Tax	\$ -	\$ -	\$ -
13	Local Receipts: In Lieu of Tax (To Lid Supporting Schedule, page 4)	\$ -	\$ -	\$ -
14	Local Receipts: Other	\$ 11,035.18	\$ 4,115.69	\$ -
15	Transfers In Of Surplus Fees (To Lid Supporting Schedule, page 4)	\$ -	\$ -	\$ -
16	Transfer In Other Than Surplus Fees (Should agree to Transfers Out on Line 28)	\$ -	\$ -	\$ -
17	Total Resources Available (Lines 5 thru 16)	\$ 383,672.44	\$ 424,948.57	\$ 477,999.97
18	Disbursements & Transfers:			
19	Operating Expenses	\$ 22,787.06	\$ 8,148.60	\$ 477,999.97
20	Capital Improvements (Real Property/Improvements)	\$ -	\$ -	\$ -
21	Other Capital Outlay (Equipment, Vehicles, Etc.)	\$ -	\$ -	\$ -
22	Debt Service: Bond Principal & Interest Payments	\$ -	\$ -	\$ -
23	Debt Service: Payments to Retire Interest-Free Loans (Public Airports)	\$ -	\$ -	\$ -
24	Debt Service: Payments to Bank Loans & Other Instruments (Fire Districts)	\$ -	\$ -	\$ -
25	Debt Service: Other	\$ -	\$ -	\$ -
26	Judgments	\$ -	\$ -	\$ -
27	Transfers Out of Surplus Fees	\$ -	\$ -	\$ -
28	Transfers Out Other Than Surplus Fees (Should agree to Transfers In on Line 16)	\$ -	\$ -	\$ -
29	Total Disbursements & Transfers (Lines 19 thru 28)	\$ 22,787.06	\$ 8,148.60	\$ 477,999.97
30	Balance Forward/Cash Reserve (Line 17 - Line 29)	\$ 360,885.38	\$ 416,799.97	\$ -
31	Cash Reserve Percentage			0%
PROPERTY TAX RECAP		Tax from Line 6		\$ 60,950.00
		County Treasurer's Commission at 2% of Line 6		\$ 1,219.00
		Total Property Tax Requirement		\$ 62,169.00

SUTTON RURAL FIRE DISTRICT in Clay County

To Assist the County For Levy Setting Purposes

The Cover Page identifies the Property Tax Request between Principal & Interest on Bonds and All Other Purposes. If your political subdivision needs more of a breakdown for levy setting purposes, complete the section below.

Property Tax Request by Fund:

	Property Tax Request
General Fund	\$ 62,169.00
Sinking Fund	
Bond Fund	\$ -
_____ Fund	
Total Tax Request	** \$ 62,169.00

** This Amount should agree to the Total Personal and Real Property Tax Required on the Cover Page (Page 1).

Documentation of Transfers:

(Only complete if there are transfers noted on Page 2, Column 2)

Please explain what fund the monies were transferred from, what fund they were transferred to, and the reason for the transfer.

Transfer From: _____	Transfer To: _____
Amount: _____	
Reason: _____	

Transfer From: _____	Transfer To: _____
Amount: _____	
Reason: _____	

Township Property Taxes

If this is a Township Subdivision budget form, the amount of property taxes shown above and on the front cover may not represent the amount the Township will receive. Statute 39-1522 outlines that one-half of all money collected from the township levy on property within the corporate limits of a city or village shall be paid to the treasurer of the city or village to be used for the maintenance and repairs of the streets.

Township should take this into consideration when determining property tax amount to be budgeted.

Township Total Valuation	_____ 0
City/Village Valuation included in Township Valuation	_____
General Fund Tax Rate	#DIV/0!
Township Taxes within City/Village	#DIV/0!
50% of Township Taxes within City/Village	#DIV/0!
Projected Township Taxes to be collected	#DIV/0!

Cash Reserve Fund

Statute 13-503 says cash reserve means funds required for the period before revenue would become available for expenditure but shall not include funds held in any special reserve fund. If the cash reserve on Page 2 exceeds 50%, you can list below amounts being held in a special reserve fund.

Special Reserve Fund Name	Amount
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total Special Reserve Funds	-
Total Cash Reserve	\$ -
Remaining Cash Reserve	\$ -
Remaining Cash Reserve %	0%

CORRESPONDENCE INFORMATION

ENTITY OFFICIAL ADDRESS

If no official address, please provide address where correspondence should be sent

NAME	Cindy Johnson
ADDRESS	31352 Deerfield Circle
CITY & ZIP CODE	Clay Center, NE 68933
TELEPHONE	402-984-4370
WEBSITE	cinderjohnson@hotmail.com

	BOARD CHAIRPERSON	CLERK/TREASURER/SUPERINTENDENT/OTHER	PREPARER
NAME	Tim Nuss	Daniel Baumert	Cindy Johnson
TITLE /FIRM NAME	Chairperson		
TELEPHONE	402-410-0116	402-773-5695	402-984-4370
EMAIL ADDRESS			cinderjohnson@hotmail.com

For Questions on this form, who should we contact (please ☒ one): Contact will be via email if supplied.

- ☐ Board Chairperson
- ☐ Clerk / Treasurer / Superintendent / Other
- ☒ Preparer

NOTE: If Budget Document is used as an Audit Waiver, approval of the Audit Waiver will be sent to the Board Chairperson via email. If no email address is supplied for the Board Chairperson, notification will be mailed via post office to address listed above.

SUTTON RURAL FIRE DISTRICT in Clay County
2020-2021 LID SUPPORTING SCHEDULE

Calculation of Restricted Funds

Total Personal and Real Property Tax Requirements	(1)	\$	62,169.00
Motor Vehicle Pro-Rate	(2)	\$	250.00
In-Lieu of Tax Payments	(3)	\$	-
Transfers of Surplus Fees	(4)	\$	-
Prior Year Budgeted Capital Improvements that were excluded from Restricted Funds.			
Prior Year Capital Improvements Excluded from Restricted Funds (From 2019-2020 Lid Exceptions, Line (10))		\$	- (5)
LESS: Amount Spent During 2019-2020		\$	- (6)
LESS: Amount Expected to be Spent in Future Budget Years		\$	- (7)
Amount to be included as Restricted Funds <u>(Cannot be a Negative Number)</u>	(8)	\$	-
Nameplate Capacity Tax	(8a)	\$	-

TOTAL RESTRICTED FUNDS (A)	(9)	\$	62,419.00
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Lid Exceptions

Capital Improvements Budgeted (Purchase of Real Property and Improvements on Real Property)	\$	-	(10)
LESS: Amount of prior year capital improvements that were excluded from previous lid calculations but were not spent and now budgeted this fiscal year <i>(cannot exclude same capital improvements from more than one lid calculation.)</i>			
Agrees to Line (7).	\$	-	(11)
Allowable Capital Improvements	(12)	\$	-
Bonded Indebtedness	(13)		
Public Facilities Construction Projects (Statute 72-2301 to 72-2308) (Fire Districts & Hospital Districts Only)	(14)		
Interlocal Agreements/Joint Public Agency Agreements	(15)	\$	-
Public Safety Communication Project - Statute 86-416 (Fire Districts Only)	(16)		
Payments to Retire Interest-Free Loans from the Department of Aeronautics (Public Airports Only)	(17)		
Judgments	(18)		
Refund of Property Taxes to Taxpayers	(19)		
Repairs to Infrastructure Damaged by a Natural Disaster	(20)		

TOTAL LID EXCEPTIONS (B)	(21)	\$	-
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TOTAL RESTRICTED FUNDS For Lid Computation (To Line 9 of the Lid Computation Form) <i>To Calculate: Total Restricted Funds (A)-Line 9 MINUS Total Lid Exceptions (B)-Line 21</i>	\$ 62,419.00
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Total Restricted Funds for Lid Computation cannot be less than zero. See Instruction Manual on completing the Lid Supporting Schedule.

SUTTON RURAL FIRE DISTRICT

in
Clay County

LID COMPUTATION FORM FOR FISCAL YEAR 2020-2021

PRIOR YEAR RESTRICTED FUNDS AUTHORITY OPTION 1 OR OPTION 2

OPTION 1

2019-2020 Restricted Funds Authority = Line (8) from last year's Lid Computation Form 61,103.15
Option 1 - (1)

OPTION 2

Only use if a vote was taken at a townhall meeting last year to exceed Lid for one year

Line (1) of Prior Year Lid Computation Form Option 2 - (A)

Allowable Percent Increase **Less** Vote Taken (Prior Year Lid Computation Form Line (6) - Line (5)) %
Option 2 - (B)

Dollar Amount of Allowable Increase Excluding the vote taken (Line (A) times Line (B)) -
Option 2 - (C)

Calculated 2019-2020 Restricted Funds Authority (Line (A) Plus Line (C)) = -
Option 2 - (1)

CURRENT YEAR ALLOWABLE INCREASES

1 BASE LIMITATION PERCENT INCREASE (2.5%) 2.50 %
(2)

2 ALLOWABLE GROWTH PER THE ASSESSOR MINUS 2.5% - %
(3)

$\frac{\text{2020 Growth per Assessor}}{\text{2019 Valuation}} = \frac{\text{Multiply times 100 To get \%}}{\text{100 To get \%}}$

3 ADDITIONAL ONE PERCENT BOARD APPROVED INCREASE 1.00 %
(4)

$\frac{\text{5}}{\text{5}} = \frac{\text{100.00 \%}}{\text{100.00 \%}}$

of Board Members voting "Yes" for Increase / Total # of Members in Governing Body at Meeting = Must be at least .75 (75%) of the Governing Body

ATTACH A COPY OF THE BOARD MINUTES APPROVING THE INCREASE.

4 SPECIAL ELECTION/TOWNHALL MEETING - VOTER APPROVED % INCREASE %
(5)

Please Attach Ballot Sample and Election Results OR Record of Action From Townhall Meeting

TOTAL ALLOWABLE PERCENT INCREASE = Line (2) + Line (3) + Line (4) + Line (5) 3.50 %
(6)

Allowable Dollar Amount of Increase to Restricted Funds = Line (1) x Line (6) 2,138.61
(7)

Total Restricted Funds Authority = Line (1) + Line (7) 63,241.76
(8)

Less: Restricted Funds from Lid Supporting Schedule 62,419.00
(9)

Total Unused Restricted Funds Authority = Line (8) - Line (9) 822.76
(10)

LINE (10) MUST BE GREATER THAN OR EQUAL TO ZERO OR YOU ARE IN VIOLATION OF THE LID LAW.

The amount of Unused Restricted Funds Authority on Line (10) must be published in the Notice of Budget Hearing.

NOTICE OF BUDGET HEARING AND BUDGET SUMMARY

SUTTON RURAL FIRE DISTRICT
IN
Clay County, Nebraska

PUBLIC NOTICE is hereby given, in compliance with the provisions of State Statute Sections 13-501 to 13-513, that the governing body will meet on the 4th day of August 2020, at 7:00 o'clock p.m. at Sutton Fire Hall for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to the following proposed budget. The budget detail is available at the office of the Clerk during regular business hours.

/s/ Daniel Baumert

Clerk/Secretary

2018-2019 Actual Disbursements & Transfers	\$ 22,787.06
2019-2020 Actual/Estimated Disbursements & Transfers	\$ 8,148.60
2020-2021 Proposed Budget of Disbursements & Transfers	\$ 477,999.97
2020-2021 Necessary Cash Reserve	\$ -
2020-2021 Total Resources Available	\$ 477,999.97
Total 2020-2021 Personal & Real Property Tax Requirement	\$ 62,169.00
Unused Budget Authority Created For Next Year	\$ 822.76

Breakdown of Property Tax:

Personal and Real Property Tax Required for Non-Bond Purposes	\$ 62,169.00
Personal and Real Property Tax Required for Bonds	\$ -

Cut Off Here Before Sending To Printer

**NOTICE OF BUDGET HEARING
AND BUDGET SUMMARY**

**SUTTON RURAL FIRE DISTRICT
IN
Clay County, Nebraska**

PUBLIC NOTICE is hereby given, in compliance with the provisions of State Statute Sections 13-601 to 13-613, that the governing body will meet on the 4th day of August 2020, at 7:00 o'clock p.m. at Sutton Fire Hall for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to the following proposed budget. The budget detail is available at the office of the Clerk during regular business hours.

/s/ Daniel Baumer

Clerk/Secretary

2018-2019 Actual Disbursements & Transfers	\$	22,787.06
2019-2020 Actual/Estimated Disbursements & Transfers	\$	8,148.60
2020-2021 Proposed Budget of Disbursements & Transfers	\$	477,999.97
2020-2021 Necessary Cash Reserve	\$	-
2020-2021 Total Resources Available	\$	477,999.97
Total 2020-2021 Personal & Real Property Tax Requirement	\$	62,169.00
Unused Budget Authority Created For Next Year	\$	822.76
Breakdown of Property Tax:		
Personal and Real Property Tax Required for Non-Bond Purposes	\$	62,169.00
Personal and Real Property Tax Required for Bonds	\$	-

PUBLISHER'S AFFIDAVIT

(Proof of Legal Publication as Required by Law)

STATE OF NEBRASKA)
)ss.
CLAY COUNTY)

Tory Duncan, being first duly sworn, on oath deposes and says that

The Clay County News, published weekly at Sutton, Nebraska, and having a general circulation in said county. That to the personal knowledge of affiant, a true copy of the attached notice was published in the regular and entire issue of said newspaper and not in a supplement, on

July 22, 2020

That said newspaper is printed in the English language, and has a bona fide paid in advance circulation, of more than three hundred copies weekly and has been published within said county or more than fifty-two successive weeks, prior to the publication of said notice and is printed wholly, or in part, in an office maintained at the place of publication, and is a legal newspaper under the laws of the State of Nebraska.

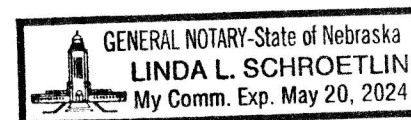
Tory Duncan

Subscribed in my presence and sworn to before me this 23rd day
of July, 2020

Linda L. Schroetlin

Notary Public

Publisher's Fee \$ 68.50



July 14, 2020
Sutton Rural Fire Board Budget Meeting

A Sutton Rural Fire Board Budget meeting was held July 14, 2020 at 7:00 p.m.

Members present were Dan Baumert, Tim Nuss, Todd Hoffman, and Jerry Overturf.

There was a discussion on budget figures for the annual budget.

A motion was made by Tim Nuss that the governing board of the above mentioned subdivision hereby requests that the auditor of public accounts waive the 2020/21 audit requirements established by Title 42 of the rules and regulations issued by the Auditor of Public Accounts.

A second was made by Jerry Overturf, with all members present voting aye in favor of the motion, giving an 80% quorum.

Jerry Overturf made a motion to approve the preliminary budget as presented with the 2.5% allowable base limitation increase with an additional 1% increase for a total of 3.5% increase in the budget

A second was made by Todd Hoffman

All members present voting aye, giving an 80% quorum.

Public hearing will be held August 4, at 7:00 p.m. at the Fire Hall.

With no further business, Tim Nuss made a motion to adjourn. It was seconded by Jerry Overturf

All present voting aye. The meeting was adjourned.

Secretary/Treasurer



Daniel J. Baumert

August 4, 2020
7:00 p.m.
Sutton Rural Fire Board Meeting

The meeting was called to order.

A motion was made by Jerry Overturf to approve the 2020/2021 budget for the Sutton Rural Fire Board. Todd Hoffman seconded. The motion was passed.

Notice of meeting was published in the Clay County News on July 22, 2020.

There being no further business, the meeting was adjourned.

Secretary/Treasurer


Daniel J. Baumert

**CERTIFICATION OF TAXABLE VALUE
And VALUE ATTRIBUTABLE TO GROWTH**

*{format for all political subdivisions other than
a) sanitary improvement districts in existence five years or less, and
b) community colleges, and c) school districts}*

TAX YEAR 2020

{certification required on or before August 20th, of each year}

**TO: SUTTON RURAL FIRE DISTRICT
%CINDY JOHNSON
31352 DEERFIELD CIRCLE
CLAY CENTER, NE 68933**

TAXABLE VALUE LOCATED IN THE COUNTY OF: CLAY

Name of Political Subdivision	Subdivision Type (e.g. city, fire, NRD)	Value attributable to Growth	Total Taxable Value
SUTTON FIRE	Fire-District	316,235	344,352,536

**Value attributable to growth is determined pursuant to section 13-518 which includes real and personal property and annexation, if applicable.*

I BRENDA HANSEN, CLAY County Assessor hereby certify that the valuation listed herein is, to the best of my knowledge and belief, the true and accurate taxable valuation for the current year, pursuant to Neb. Rev. Stat. §13-509 and §13-518.

Brenda Hansen
(signature of county assessor)

8/12/2020
(date)

CC: County Clerk, CLAY County
CC: County Clerk where district is headquarter, if different county, _____ County

Note to political subdivision: A copy of the Certification of Value must be attached to the budget document.