



## 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 18, 2021

Brad Strobe, Chairperson  
Cleveland Township Knox County  
53856 871 Road  
Creighton, NE 68729

Dear Chairperson Strobe:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Cleveland Township Knox County (Township) for the fiscal year ending 2021. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (2021 Neb. Laws, LB 528, § 51), 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 Township.

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

### Comment and Recommendation

#### Negative Fund Balance

On page 2 of the Township's Budget Document used as an audit waiver request, the APA noted that the ending net cash balance had a deficit fund balance of \$11,307.11 as of June 30, 2021.

Good internal control and sound accounting practices require procedures to ensure that Township fund balances are sufficient to cover fully all disbursements approved by the Board. Those same procedures should ensure also that the Board is apprised regularly of the Township fund balance and, therefore, placed in a position to take any action needed to resolve deficits therein.

Without such procedures, there is an increased risk of not only insufficient Township fund balances but also the resultant inability to cover fully all disbursements approved by the Township.

We recommend the Township Board implement procedures to ensure the Board is apprised regularly of the Township fund balance and, therefore, placed in a position to take any action needed to resolve deficits therein.

\* \* \* \* \*

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 Township'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 Township.

This communication is intended solely for the information and use of the Township 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 that reads "Mark Avery". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Mark Avery, CPA  
Assistant Deputy Auditor