



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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January 14, 2022

Dick Burford, Chairperson
Sheep Creek and Farmers Rural Fire District
80419 County Road B
Morrill, NE 69358

Dear Chairperson Burford:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Sheep Creek and Farmers Rural Fire District (District) 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 District.

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

Comment and Recommendation

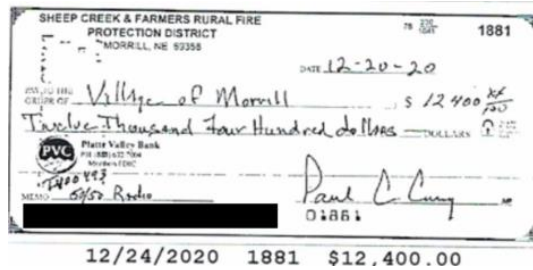
Payment Approved

The APA obtained a copy of the March 22, 2021, meeting minutes for the Board of Directors (Board) of the District. Those minutes documented the Board's approval of expenditures; however, one payment, totaling \$12,400, did not agree to the Board approved amount of \$124.

The March 22, 2021, meeting minutes document the Board's approval to pay the Village of Morrill \$124, as shown below.

Checks: Fyr-Tek \$274.96, The Voice News \$5.47, Village of Morrill \$205.79, Village of Morrill \$7665, Village of Morrill \$4071.00, Fyr-Tek \$575.75, Village of Morrill \$124.00, Village of Morrill \$288.00, Nebr. Machinery \$297.32, Village of Morrill \$4349.50, Fyr-Tek \$58059.60, Village of Morrill \$2580.05
Fuss made the motion, Curry 2nd, to approve the treasury report and district expenditures, all ayes, motion carried.

However, per the cleared check image, as shown below, the District paid the Village \$12,400.



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, and the amount paid agrees to the Board approved amount. Without such procedures, there is an increased risk loss or misuse of public funds.

We recommend the implementation of procedures to ensure that the Board approves, in a timely fashion, all expenditures and business transactions of the District, and the amount paid agrees to the Board approved amount.

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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,

Mark Avery, CPA
Assistant Deputy Auditor