



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

January 12, 2022

David Christensen, Chairperson
Davenport Rural Fire District 9
2325 Road 5300
Davenport, NE 68335

Dear Chairperson Christensen:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Davenport Rural Fire District 9 (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

Negative Bank Balance

While examining the District bank statements, the APA noted that the District's checking account had a negative balance two times during the year. The following table shows the periods that the bank balance was negative and the largest negative balance during each period. During the fiscal year, the District incurred no overdraft fees.

Period	Largest Negative Balance
12/17/2020 - 12/18/2020	\$ 57,265.25
2/10/2021 - 2/11/2021	\$ 1,029.60

Good internal control and sound business practices require procedures to ensure sufficient funds are available in the District's bank accounts to pay claims.

Without such procedures, there is an increased risk for not only the loss, misuse, or theft of District funds but also the accumulation of overdraft fees.

We recommend the District implement procedures to ensure sufficient funds are available in the District's bank accounts to pay claims.

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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,

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