



# 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

March 1, 2021

Harold Ehmke, Chairperson  
Village of Avoca  
P.O. Box 694  
Avoca, NE 68307

Dear Chairperson Ehmke:

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

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

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

## Comments and Recommendations

### 1. Lack of Claim Purpose

During our comparison of the Village's bank account details to claims approved by the Board, the APA noted that the claims listed in the Board's official proceedings lacked descriptions of their respective purposes.

The following is an example of the approved claims listing provided by the Village for September 14, 2020:

The following bills were approved for payment: General Account: Ehmke - \$135; Clark - \$90; Kirchhoff - \$90; Lehn - \$90; Moses - \$60; Kirchhoff - \$627.56; Windstream Nebraska - \$123.89; Lincoln Journal Star - \$120.34; Intuit - \$6.33; Hauschild - \$1017; Office Depot - \$387.98; US Treasury - \$1184.10; Clarke - \$1300; NE Dept of Revenue - \$162.70; NE Dept of Revenue - \$25; League of Nebraska Municipalities - \$490  
Sewer Account: Keene - \$894.97; Kirchhoff - \$89.95; Midwest Laboratories - \$11.83; Postmaster - \$55  
Water Account: Keene - \$159.64; Kirchhoff - \$89.95; Sewer Account - \$4598.98; Rural Water Dist. #3 - \$2382.50; Water Loan Repay Account - \$2200.00; NE Department of Revenue - \$690.64; NE Public Health Environmental Lab - \$15  
Street Account: Ehmke - \$210.56; Moses - \$55.41; Hauschild Construction - \$255.65; Hauschild Feeds - \$16.95; Meeske Hardware - \$36.25  
Community Improvement: Antes - \$55; Cash - \$100  
Filing Fees: Sewer - \$51.72  
Security Deposit: Water - \$55.37; Lowman - \$94.63  
Automatic Payments: Black Hills Energy - \$21.22  
OPPD - General - \$327.71; Water - \$33.65; Sewer - \$538.65; Street - \$686.52

Neb. Rev. Stat. § 19-1102 (Cum. Supp. 2020) requires publication of the Board’s official proceedings, which must include, among other things, the purpose of each claim allowed, as follows:

*It shall be the duty of each city clerk or village clerk in every city or village having a population of not more than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census to prepare and publish the official proceedings of the city council or village board of trustees within thirty days after any meeting of the city council or village board of trustees. The publication shall be in a legal newspaper in or of general circulation in the city or village, shall set forth a statement of the proceedings of the meeting, and shall also include the amount of each claim allowed, the purpose of the claim, and the name of the claimant, except that the aggregate amount of all payroll claims may be included as one item. Between July 15 and August 15 of each year, the employee job titles and the current annual, monthly, or hourly salaries corresponding to such job titles shall be published. Each job title published shall be descriptive and indicative of the duties and functions of the position. The charge for the publication shall not exceed the rates provided for in section 23-122.*

(Emphasis added.) Good internal control and sound accounting practices require procedures to ensure that the Board’s official proceedings describe the purpose of each claim allowed. Without such procedures, there is an increased risk of not only failure to comply with statutory publication requirements but also a lack of transparency regarding the nature of public expenditures.

A similar issue was identified by the APA in a prior review and was disclosed to the Village in the APA’s letter dated August 19, 2019, which can be found on the APA’s website.

We recommend the Board implement procedures to ensure the purpose of each claim allowed is included in the Board’s official proceedings and published in accordance with State statute.

### 3. Unclaimed Property

During a review of the bank statements for the Village, the APA noted 10 checks that have been outstanding for over three years and had not yet been remitted to the State Treasurer as unclaimed property. The following table summarizes the checks:

Check Date	Name/Vendor	Amount	Check #
1/14/2013	Ne Public Health Environment	\$ 14.00	3744
7/8/2013	Jesse Keene	\$ 73.88	
9/9/2013	Meeske Auto	\$ 271.34	1829
12/8/2014	Brian Brockhoff	\$ 18.00	1882
12/15/2014	First Nebraska Bank	\$ 129.94	EFT
5/11/2015	USA Blue Book	\$ 698.93	3053
5/10/2016	Kerns Excavating	\$ 275.00	40
3/14/2017	OPPD	\$ 25.60	EFT
4/18/2017	Black Hills Energy	\$ 32.21	EFT
<b>Total</b>		<b>\$ 1,538.90</b>	

Neb. Rev. Stat. § 69-1317 (Cum. Supp. 2019), which is found in the Uniform Disposition of Unclaimed Property Act, presumes intangible personal property held by a village and unclaimed for more than three years to be abandoned. Neb. Rev. Stat. § 69-1310 (Reissue 2018), requires any property presumed abandoned, as of June 30 each year, to be reported and remitted to the State Treasurer by November 1 annually.

Additionally, a good internal control plan includes procedures to ensure unclaimed property is remitted to the State Treasurer in compliance with the Unclaimed Property Act.

We recommend the Village work to remit promptly to the State Treasurer all property in its possession that is presumed abandoned, as required by State statute.

\* \* \* \* \*

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 Village'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 Village.

This communication is intended solely for the information and use of the Village 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". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mark Avery, CPA  
Assistant Deputy Auditor