



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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March 2, 2021

Gary Rohde, Chairperson  
Village of Eddyville  
P.O. Box 64  
Eddyville, NE 68834

Dear Chairperson Rohde:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Eddyville (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.

## Comment and Recommendation

### Potentially Disallowed Purchases

During our review of the bank statements accompanying the Village's audit waiver request, the APA noted that the Village made one payment, totaling \$45.73, to Plum Creek Market in November 2019, as shown below. This purchase was made from one of the Village's checking accounts, which contains transfers of property tax revenues. Per the Village, this payment was for the purchase of funeral flowers.

EDDYVILLE COMMUNITY CENTER  
203 SYCAMORE ST  
EDDYVILLE, NE 68834

1154  
20-1071319

Nov 29, 2019  
DATE

PAY TO THE ORDER OF Plum Creek Market \$ 45.73

Forty five and 73/100 DOLLARS

FIVE POINTS BANK

FOR: Funeral Supplies

Gary Rohde  
Chairman

DDA Debits - 12/3/2019 - \$45.73 - 1154 -

The Local Government Miscellaneous Expenditure Act (Act), which is set out at Neb. Rev. Stat. § 13-2201 (Reissue 2012) et seq., specifies various expenditures, aside from those otherwise authorized by law, that constitute allowable uses of public funds by designated political subdivisions. The provisions of the Act are made applicable to Villages, among numerous other public entities, by both subsections (2) and (3) of Neb. Rev. Stat. § 13-2202 (Supp. 2019).

Neb. Rev. Stat. § 13-2203 (Supp. 2019) of the Act enumerates the miscellaneous expenditures permitted by governing bodies of local governments. Purchases of flowers – whether for funerals, memorials, or other personal occasions – are not found among that select statutory list of permissible expenditures. As a result, such disbursements must be considered disallowed by law.

On September 17, 1993, the Nebraska Accountability and Disclosure Commission adopted a document entitled “A Guideline to the Use of Public Funds by Cities and Villages – Revised” (Guideline). The Guideline addresses a number of different scenarios involving the expenditure of public funds. Though issued almost three decades ago, the Guideline remains relevant to various Nebraska public entities, including Villages.

Regarding the issue of flower and memorial purchases, the Guideline provides the following:

*Question #6 – May municipal funds be expended for flowers and memorials for deceased elected officials, employees or their families?*

*Response – No.*

Good internal control requires procedures to ensure compliance with the provisions of the Act. Without such procedures, there is an increased risk for not only noncompliance with applicable statutory requirements but also loss or misuse of Village funds.

We recommend the Board implement procedures to ensure all Village purchases are allowable under State statute, including the provisions of the Act.

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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 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,



Mark Avery, CPA  
Assistant Deputy Auditor