



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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December 21, 2023

Thomas Meyer, Chairperson
Uehling Fire District 6
302 Main Street
Uehling, NE 68063

Dear Chairperson Meyer:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Uehling Fire District 6 (District) for the fiscal year ending 2023. **That request has been approved.**

However, the District's amount of disbursements for the fiscal year ending June 30, 2023, exceeded our normal threshold (\$500,000) for granting a waiver of the audit requirement.

Disbursements for the fiscal year ended 2023 totaled \$1,397,906, which exceeds the normal audit waiver threshold. Additionally, we noted the budgeted expenditures for fiscal year 2024 are \$2,963,226. Due to the District's submission of supporting documentation for one-time, low risk expenditures, that accounted for a significant percentage of the current year's expenditures, we were able to consider for this year, the District's activity to be low enough to grant the audit waiver request.

However, if the June 30, 2024, fiscal year end disbursements are similar to or greater than the fiscal year 2023's expenditures or near the budgeted amount of expenditures, an audit of fiscal year end June 30, 2024, may be required. This information is only for your consideration of planning for fiscal year 2024 and forward.

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Supp. 2023), 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.

Comments and Recommendations

1. Purchase of Alcohol

While reviewing the District's bank statements for fiscal year 2023, the APA noted one check, totaling \$3,859, written to the Uehling Rescue Squad (Rescue Squad) for reimbursement of annual expenses. Upon review of the supporting documentation for this reimbursement, the APA noted that the following purchases were included with the expenses reimbursed by the District.

Date	Vendor/Payee	Description	Amount
1/22/2022	Z's Bar	Christmas Party	\$ 450.00
1/15/2023	Z's Bar	Christmas Party	535.04
Total			\$ 985.04

The APA reviewed supporting documentation for the \$535.04 purchase on January 15, 2023, and noted that \$126.25 appears to have been for alcoholic beverages, as shown below on the itemized receipt. Further, the District was unable to provide documentation to support the \$450 purchase on January 22, 2022. Due to this lack of supporting documentation, the APA was unable to determine the purchases the Rescue Squad was reimbursed for.

Pd. 11-15-23
Chk # 1908

Z's Bar and Grill
436 Main St
Scribner, NE 68057
402-664-3436

Dine In #63

Server: Heather C. 01/15/2023
Table: K 07:56PM
Guests: 15 Register-2
Receipt: 196032
Customer: Gary

16 Mixed	0.00
Rail Tall	64.00
16 Bottles	52.00
- BUSCH LIGHT	
1 x Breaded Cauliflower	8.99
1 x Mozzarella Cheese Sticks	17.98
1 x Fried Pickle Spears	8.99
13 Sirloin Boz.	253.50
Medium Rare	
- Baked	
1 x FRIED CHICKEN (3)	14.99
1 x Bottles	3.25
- BUD LIGHT	
1 x Mixed	0.00
- 16 oz Glass	7.00
Service Charge	77.53
Subtotal	508.23
Tax	26.81
Balance Due	535.04

The Local Government Miscellaneous Expenditure Act (Act), which is set out at Neb. Rev. Stat. §§ 13-2201 to 13-2204 (Reissue 2022), specifies the 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 rural or suburban fire protection districts, among numerous other public entities, by both subsections (2) and (3) of Neb. Rev. Stat. § 13-2202 (Reissue 2022).

The purchase of alcohol with public funds is prohibited by Neb. Rev. Stat. § 13-2203(2) (Reissue 2022), which permits the governing body of a local government subject to the Act to purchase, among other things, only nonalcoholic beverages.

Good internal controls require procedures to ensure that all District expenditures are allowable and appropriate, which necessarily precludes the purchase of alcohol with public funds. Further, good internal controls require procedures to ensure that proper documentation is maintained for all disbursements, including itemized receipts for all reimbursements made.

Without such procedures, there is an increased risk for not only noncompliance with State statute but also loss, misuse, or abuse of District funds.

We recommend the District implement procedures to ensure all District expenditures are allowable and appropriate, which necessarily precludes the purchase of alcohol with public funds. We further recommend the District implement procedures to ensure that proper documentation is maintained for all disbursements, including receipts for all reimbursements made.

2. Expenditures in Excess of Budget

For the fiscal year ended June 30, 2023, actual expenditures exceeded the adopted budget by \$1,032,656. No amendment was filed with our office for these additional expenditures.

Neb. Rev. Stat. § 13-510 (Reissue 2022) states, in relevant part, the following:

No expenditure during any fiscal year or biennial period shall be made in excess of the amounts indicated in the adopted budget statement, except as authorized in section 13-511, or by state law. Any officer or officers of any governing body who obligates funds contrary to the provisions of this section shall be guilty of a Class V misdemeanor.

Neb. Rev. Stat. § 13-511 (Reissue 2022) sets out the procedures for amending the adopted budget accordingly.

When expenditures are made in excess of the amounts budgeted, with no appropriation adjustments by the Board to address those excesses, the District is noncompliant with State statute, further increasing the risk for loss and/or misuse of funds.

We recommend the Board implement procedures to monitor closely its budget status on an ongoing basis to avoid incurring expenditures in excess of the amount budgeted and amend the budget as necessary.

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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