



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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February 27, 2025

Kimberly Johnson, Chairperson  
Village of Brownville  
PO Box 67  
Brownville, NE 68321

Dear Chairperson Johnson:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Brownville (Village) for the fiscal year ending 2024. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Reissue 2024), 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. Extra Compensation Paid to Board Member

In examining the Village’s bank statements, the APA noted that, contrary to State statute, the Board Chairperson (Chairperson) during fiscal year 2024, was being paid extra compensation to perform additional duties. The table below lists the total amounts paid to the Board Chairperson for the additional work performed throughout that time:

Bank Account	Check Date	Check #	Name	Description	Amount
General	6/7/2024	10946	Marty Hayes	5.5 hours worked – Shredding	\$ 137.50
General	7/16/2024	10968	Marty Hayes	4 hours worked – Shredding, Mosquito Dunks	100.00
Water	7/16/2024	2941	Marty Hayes	9 hours worked – Water samples deliveries, water shut off, utility locates	225.00
<b>Total</b>					<b>\$ 462.50</b>

The description noted in the table above is based on the timesheets provided by the Village. Board members can receive compensation for performing additional work for the Village only if such work is seasonal and/or an emergency.

Neb. Rev. Stat. § 17-209.02(2)(a) (Reissue 2022) provides the following:

*The office of village trustee shall not be combined or merged with any other village office or village employment, except that a member of the village board of trustees may receive compensation to perform seasonal or emergency work upon approval by the village board of trustees.*

(Emphasis added.) Chapter 17, Article 2, of the Nebraska Revised Statutes provides no definition of “emergency” for purposes of § 17-209.02. Without such guidance, it is necessary to rely upon a long-standing rule of statutory interpretation that requires statutory language to be given its “plain and ordinary” meaning. The Nebraska Supreme Court has utilized this rule numerous times, as follows:

*In the absence of anything to the contrary, statutory language is to be given its plain and ordinary meaning; an appellate court will not resort to interpretation to ascertain the meaning of statutory words which are plain, direct, and unambiguous.*

*Nelson v. City of Omaha*, 256 Neb. 303, 311, 589 N.W.2d 522, 527 (1999). Typical of the many virtually synonymous meanings accorded to the word is that provided by Webster’s New World Dictionary and Thesaurus (1996), which defines an “emergency” as “a sudden, generally unexpected occurrence demanding immediate action.” When applied to § 17-209.02, that standard definition appears to entail a necessary and immediate short-term response to a particular exigency.

The documentation provided in response to the APA’s inquiries to support the work performed by the Chairperson did not indicate that such work was “seasonal” or “emergency” in nature, as required by § 17-209.02. Consequently, such activity appears legally suspect.

Good internal controls require procedures to ensure compliance with applicable statutory restrictions placed upon payment of extra compensation to Board members. Without such procedures, there is an increased risk for both statutory violations and the loss of Village funds.

A similar issue was identified by the APA in a prior review and was disclosed to the Village in the APA’s letter dated May 8, 2024, which can be found on the APA’s website. However, this issue does not appear to have been corrected after the APA’s notification.

We recommend the implementation of procedures to ensure extra compensation paid to Board members is for seasonal or emergency work only, as required by statute.

**2. Lack of Claim Purpose**

During our comparison of the Village’s bank account details to claims approved by the Board, the APA reviewed meeting minutes dated August 13, 2024, and noted that the claims listed therein lacked descriptions of their respective purposes. The following excerpts are from the approved claims listing provided by the Village at the August 13, 2024, Board meeting:

<p><b>General:</b>          Kim Johnson .....\$50.00          Carol Furnas .....\$50.00          Colleen Volkmer .....\$50.00          Steven Woerth .....\$50.00          Martin Hayes .....\$75.00          Apace .....\$60.00          Auburn BOPW .....\$197.40          Auburn Newspaper .....\$63.50          Falls City Mercantile Co.....\$109.59          Heather L Pemberton CPAS\$2,957.50          League of Nebraska Municipalities...          .....\$455.00          Mattson Ricketts .....\$3,119.88          Miller’s Seamless Gutters LLC .....          .....\$600.00          Sack Lumber .....\$8.00          Scholl Lawn &amp; Landscape ...\$595.00          US Treasury (Payroll Taxes)\$344.28          Windstream/Kinetic.....\$319.05</p>	<p><b>Streets:</b>          Auburn BOPW .....\$520.36          Scholl Lawn &amp; Landscape ...\$455.00  <b>Fire:</b>          Auburn BOPW .....\$46.29          Casey Agency .....\$874.80          Scholl Lawn &amp; Landscape ...\$280.00  <b>Sewer:</b>          Auburn BOPW .....\$252.83          Auburn BOPW .....\$153.75          City of Falls City.....\$237.50          Natisha Helmick-Winkelman\$610.74</p>	<p><b>Water:</b>          Auburn BOPW .....\$52.63          Auburn BOPW .....\$153.75          Davis PHE, LLC.....\$587.29          Natisha Helmick-Winkelman\$326.25          NE Public Health Environmental Lab          .....\$47.00          One Call Concepts .....\$2.40          Rural Water District #1 .....\$2,149.00          Scholl Lawn &amp; Landscape ...\$140.00          Windstream/Kinetic.....\$63.15  <b>Riverside Park:</b>          American Recycling &amp; Sanitation .....          .....\$267.72          Auburn BOPW .....\$58.20</p>
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Neb. Rev. Stat. § 84-1413(1) (Reissue 2024) of the Open Meetings Act (Act), which is set out at Neb. Rev. Stat. §§ 84-1407 to 84-1414 (Reissue 2024), requires political subdivisions and other public entities to “keep minutes of all meetings showing the time, place, members present and absent, and the substance of all matters discussed.” (Emphasis added.)

Additionally, Neb. Rev. Stat. § 19-1102 (Reissue 2022) 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 meeting minutes describe the purpose of each claim allowed. Without such procedures, there is an increased risk of not only failure to comply with statutory requirements pertaining to the keeping of proper meeting minutes and the publication of the municipality’s “official proceedings” but also a lack of transparency regarding the nature of public expenditures.

We recommend the Board implement procedures to ensure the purpose of each claim allowed is included in both the Board’s meeting minutes, and the “official proceedings” required to be published afterwards.

**3. Payment of Unapproved Claims**

During our comparison of the Village’s bank account details to claims approved by the Board, the APA identified three checks, totaling \$711.06, which were paid but not included on the claims listing to be approved by the Board. Details of the unapproved payments are included in the table below:

Check Date	Ck #	Name/Vendor	Amount
8/13/2024	2952	Martin Hayes	\$ 386.72
8/13/2024	10989	Steven Woerth	114.34
8/14/2024	10990	Blue Rivers Area Agency on Aging	210.00
<b>Total</b>			<b>\$ 711.06</b>

Neb. Rev. Stat. § 17-614(1)(a) (Cum. Supp. 2024) sets out the proper method for the appropriation or payment of money by the Village, as follows:

*All ordinances and resolutions or orders for the appropriation or payment of money shall require for their passage or adoption the concurrence of a majority of all members elected to the city council in a city of the second class or village board of trustees.*

(Emphasis added.) Good internal control requires procedures to ensure that all claims are authorized by the Board prior to payment and are adequately documented in the meeting minutes of the month in which they are approved.

Without such procedures, there is an increased risk for the loss or misuse of Village funds.

A similar issue was identified by the APA in a prior review and was disclosed to the Village in the APA’s letter dated May 8, 2024, which can be found on the APA’s website. However, this issue does not appear to have been corrected after the APA’s notification.

We recommend the Board implement procedures to ensure all claims are authorized by the Board prior to payment and are adequately documented in the meeting minutes of the month in which they are approved.

**4. Payment of Claims Prior to Board Approval**

During our comparison of the Village’s bank account details to claims approved by the Board, the APA noted that two Village payments, totaling \$407.43, were issued before the underlying claims were approved by the Board. The table below provides a summary of the premature payments:

Name/Vendor	Amount	Approval Date	Cleared Date	Days Paid Before Approval
US Treasury (Payroll Taxes)	\$ 344.28	8/13/2024	7/31/2024	13
Windstream/Kinetic	63.15	8/13/2024	8/7/2024	6
<b>Total</b>	<b>\$ 407.43</b>			

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We recommend the Board implement procedures to ensure all claims are authorized by the Board prior to payment and are adequately documented in the meeting minutes of the month in which they are approved.

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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