



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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April 2, 2025

Dan Crownover, Chairperson
Village of Unadilla
PO Box 87
Unadilla, NE 68454

Dear Chairperson Crownover:

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

The APA noted that, subsequent to the end of fiscal year 2024, the Village made two payments in October 2024, totaling \$239.81, for purchases made at the Menards store in Lincoln, Nebraska. Rebates, totaling \$20.78, were earned on these purchases. As will be explained in further detail below, however, those rebates do not appear to have been used by the Village. Instead, the rebates were apparently redeemed and used personally by a Village employee. Further, per the Village Clerk, the Village has neither procedures for tracking rebates earned on municipal purchases nor a formal policy for handling such rebates.


The APA observed from information made available through the “Rebates International” website (<https://www.rebateinternational.com/RebateInternational/trackRebate.do>) that two Menards rebates of \$13.80 and \$6.98 – the same rebates mentioned above, which were earned from purchases made with municipal funds – were issued and redeemed by the Village employee. The table below lists these Menards purchases and the resulting rebates:

Purchase Made from Village General Fund Bank Account					Menards Rebate		
Transaction Date	Rebate Number	Subtotal	Tax	Total Amount	Issue Date	Amount	Redemption Date
10/1/2024	3046	\$ 160.14	\$ 11.61	\$ 171.75	11/4/2024	\$ 13.80	1/7/2025
10/8/2024	3047	63.46	4.60	68.06	11/12/2024	6.98	1/7/2025
Totals		\$ 223.60	\$ 16.21	\$ 239.81		\$ 20.78	

On February 19, 2025, the APA inquired with the Village about the \$13.80 rebate and whether any municipal procedure provided for tracking such rebates to ensure that they are used solely for the Village's benefit. The Village Clerk responded that, because rebates earned on municipal purchases are not tracked, the Village would not know if they were used or redeemed. Following further correspondence between the APA and the Village, and after stating that the Village had no record of what the rebate was used for, the Village Clerk stated on February 21, 2025, that the rebate had been redeemed to obtain items for "pond issues." The complete response from the Village Clerk is shown below:

From: Village Unadilla <unadilla@outlook.com>
Sent: Friday, February 21, 2025 8:55 AM
To: Christensen, Dakota <dakota.christensen@nebraska.gov>
Cc: Coates, Chad <Chad.Coates@nebraska.gov>
Subject: RE: Village of Unadilla FY24 Audit Waiver Review


It actually was used for the Village, for pond issues. The receipt was misplaced and I will be calling Menards to see if they can find one and email it to me, in the instance they can, then I will pass it on.

	Village of Unadilla Clerk/Treasurer Tiffany Portenier 402-828-5355 unadilla@outlook.com	770 G Street P.O. Box 87 Unadilla, NE 68454
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To substantiate this statement by the Village Clerk, the APA replied on February 21, 2025, asking her to forward a copy of the receipt once received. The APA followed up with her on February 26, 2025, as no receipt had been provided as of that date. That same day, the Village Clerk informed the APA that Menards was "unable to provide any documentation," and the Village was now going to take the \$13.80 rebate amount out of the Village employee's paycheck – despite having stated only days earlier that the rebate was used for the Village's benefit. The Village Clerk's full response is shown below:

From: Village Unadilla <unadilla@outlook.com>
Sent: Wednesday, February 26, 2025 10:38 AM
To: Christensen, Dakota <dakota.christensen@nebraska.gov>
Cc: Coates, Chad <Chad.Coates@nebraska.gov>; Kubicek, Craig <craig.kubicek@nebraska.gov>; Culver, Mason <Mason.Culver@nebraska.gov>
Subject: RE: Village of Unadilla FY24 Audit Waiver Review

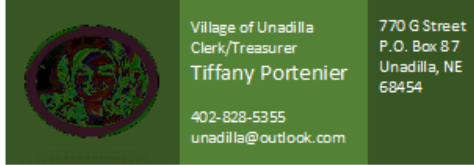
Good Morning. I received a response from Menard's and they are unable to provide any documentation. Rob is in South Carolina for a couple of weeks and to rectify the situation, we will just take the rebate total of \$13.80, and take it out of his next paycheck for the time being. Maintenance are aware of the situation and has been made known if there are rebates they have to bring them to me, and if/when they are used I need the proper documentation from this point forward.

	Village of Unadilla Clerk/Treasurer Tiffany Portenier 402-828-5355 unadilla@outlook.com	770 G Street P.O. Box 87 Unadilla, NE 68454
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Following this response, the APA asked the Village Clerk about the second Menards rebate for \$6.98 and whether she could provide any documentation to support its usage. The Village Clerk responded with the following two email messages:

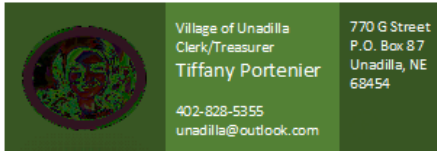
From: Village Unadilla <unadilla@outlook.com>
Sent: Wednesday, February 26, 2025 11:53 AM
To: Christensen, Dakota <dakota.christensen@nebraska.gov>
Cc: Coates, Chad <Chad.Coates@nebraska.gov>; Kubicek, Craig <craig.kubicek@nebraska.gov>; Culver, Mason <Mason.Culver@nebraska.gov>
Subject: RE: Village of Unadilla FY24 Audit Waiver Review

Anything redeemed on that date of 01/07/2025 I do not have.



From: Village Unadilla <unadilla@outlook.com>
Sent: Wednesday, February 26, 2025 11:59 AM
To: Christensen, Dakota <dakota.christensen@nebraska.gov>
Cc: Coates, Chad <Chad.Coates@nebraska.gov>; Kubicek, Craig <craig.kubicek@nebraska.gov>; Culver, Mason <Mason.Culver@nebraska.gov>
Subject: RE: Village of Unadilla FY24 Audit Waiver Review

I do not have anything after December.



Due to this lack of supporting documentation, the APA obtained a detailed receipt directly from Menards for the transaction occurring on January 7, 2025, in which both of the aforementioned rebates, totaling \$20.78, were used. The following table summarizes the items purchased for this transaction:

Item #	Description	APA Description	Quantity	Total
2722527	BARRELCH-LAFAYETTEFLORAL 237112042430MD	Chair Cushion	2	\$ 71.60
2538579	CCO 22.5 OZ SGE LK BF DG 7910072099	Dog Treats	1	4.76
2534778	JW HOL-EE BONE LG ASST 31327	Dog Toy	1	5.38
5741171	OM CHEDDAR BROCCOLI MIX 9.6OZ	Soup Mix	1	3.14
3537804	60W A19 5K GU24 11KHR 78107	Light Bulb	1	6.07
5739518	KLEMENTS ORIGINAL S/SAUSG2# 766	Sausage	1	8.75
6470032	LEMISHINE BOOSTER 20OZ 010220006	Dishwasher Detergent Booster	1	7.98
2200061	SUPER MAGNETIC CATCH 2C WPXM4-SB	Cabinet Catch	1	1.32
5744110	TOMATO PASTE 12 OZ	Tomato Paste	1	0.85
5744110	TOMATO PASTE 12 OZ	Tomato Paste	1	0.85
5741391	CANNED CHICKEN 12.5OZ	Canned Chicken	1	2.36
5741793	ALL PURPOSE FLOUR 5LB	Flour	1	2.02
3530300	60W A19 35K LED 11KR -4 P_A80083510K_4	Light Bulb	1	3.47
5741391	CANNED CHICKEN 12.5OZ	Canned Chicken	1	2.36
5973117	ES PREM CRNCH - 7IN DEER RCH-DEER-7INWR	Dog Treat	1	1.56
5973117	ES PREM CRNCH - 7IN DEER RCH-DEER-7INWR	Dog Treat	1	1.56
2200061	SUPER MAGNETIC CATCH 2C WPXM4-SB	Cabinet Catch	1	1.32
2200061	SUPER MAGNETIC CATCH 2C WPXM4-SB	Cabinet Catch	1	1.32
2200061	SUPER MAGNETIC CATCH 2C WPXM4-SB	Cabinet Catch	1	1.33
5973117	ES PREM CRNCH - 7IN DEER RCH-DEER-7INWR	Dog Treat	1	1.56
Total (Including Tax) Before Applied Rebates				\$ 129.56

The following are images of some of the items purchased on January 7, 2025, when the two rebates at issue were redeemed, as detailed in the above table:



Chair cushion



Dog treats



Soup mix



Dog treat



Dog toy

It is unclear how many of these items, if any, were purchased for Village use. Further, the Village's original explanation that the rebates were used for purchases related to "pond issues" appears false, as none of these items appear suitable for that purpose. Such items such as dog toys, dog treats, and groceries are particularly questionable, serving no apparent municipal use.

Consequently, the Village employee appears to have received the direct benefit of rebates earned from the expenditure of municipal funds. These rebates belonged to the Village, constituting municipal property, and should not have been issued to the Village employee in the first place. Having been made with Village funds, the purchases on which the rebates were earned are assumed to have been for strictly Village purposes; therefore, the Village employee was not entitled to claim the resulting rebates for his own personal gain.

It should be noted that, as of February 28, 2025, the Village had taken both rebate amounts out of the Village employee's paycheck.

Neb. Rev. Stat. § 28-511(1) (Reissue 2016) states the following:

A person is guilty of theft if he or she takes, or exercises control over, movable property of another with the intent to deprive him or her thereof.

In addition, Neb. Rev. Stat. § 49-14,101.01(2) (Reissue 2021) of the Nebraska Political Accountability and Disclosure Act (Act), which is set out at Neb. Rev. Stat. §§ 49-1401 to 49-14,142 (Reissue 2021, Cum. Supp. 2024), places the following restriction upon the use of property under the “official care and control” of a public official or public employee:

A public official or public employee shall not use or authorize the use of personnel, resources, property, or funds under his or her official care and control other than in accordance with prescribed constitutional, statutory, and regulatory procedures or use such items, other than compensation provided by law, for personal financial gain.

Good internal controls require procedures to ensure that rebates received from vendors through municipal purchases are tracked properly, treated as Village property, and used only for appropriate public purposes.

Without such procedures, there is an increased risk of rebates belonging to the Village being used for improper personal gain.

We recommend the Board implement procedures – possibly through the adoption of a formal policy – to ensure that rebates received from vendors through municipal purchases are tracked properly, treated as Village property, and used only for appropriate public purposes. Because the issue addressed herein constitutes a possible violation of the Act, we are forwarding this information to the Nebraska Accountability and Disclosure Commission for further review.

Village Response: A memorandum will be created and distributed to all Village Board Representatives and Employees of the Village that details a procedure for submitting all original receipts to the Clerk as soon as possible after a purchase has been made for the Village. The memorandum will be documented and filed for future reference and discussion when appropriate.

2. Payment of Unapproved Claims

During our comparison of the Village’s bank account details to claims approved by the Board, the APA identified six payments, totaling \$1,437.98, 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:

Name/Vendor	Check Date	Amount	Check #
USPS	4/2/2024	\$ 136.00	9516
Formswift.com	4/2/2024	37.00	EFT
Microsoft	4/2/2024	106.99	EFT
Employee 1	4/23/2024	713.49	9528
Menards	4/29/2024	102.81	EFT
Sams Club	4/29/2024	341.69	EFT
Total		\$ 1,437.98	

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 elected members of 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 minutes of the meeting during which they are approved.

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

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

Village Response: Notification and review will be conducted with the Village Clerk to ensure understanding regarding the importance of properly tracking the expenditures of taxpayer dollars that are appropriated for Village use, as defined in Neb. Rev. Stat. 17-614(1)(a) (Cum. Supp. 2024).

3. 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 six Village payments, totaling \$7,190.40, 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	Check Date	Days Paid Before Approval
Holiday Inn - Kearney	\$ 699.75	4/10/2024	3/25/2024	16
Employee 3	2,505.20	4/10/2024	4/1/2024	9
Employee 4	1,764.33	4/10/2024	4/3/2024	7
Employee 2	47.10	4/10/2024	4/4/2024	6
NE Child Support Center	793.00	4/10/2024	4/5/2024	5
Internal Revenue Service	1,381.02	4/10/2024	4/9/2024	1
Total	\$ 7,190.40			

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 elected members of 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 minutes of the meeting during which they are approved.

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

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

Village Response: A review will be conducted with the Board to determine new best practices surrounding appropriate dates for payments, along with consideration as to when the Board meets. A change in the date for monthly Board meetings could help to decrease the risk of this issue continuing.

4. Payment of Sales Tax

While reviewing documentation to support purchases made with the Village’s credit cards, we noted that the Village paid \$46.91 in sales tax. The purchases that included payment of sales tax are shown below:

Cleared Date	Vendor	Amount of Sales Tax Paid
4/29/2024	Sam's Club	\$ 22.35
7/8/2024	Amazon Marketplace	8.35
10/1/2024	Menards	11.61
10/8/2024	Menards	4.60
Total		\$ 46.91

Neb. Rev. Stat. § 77-2704.15(1)(a) (Cum. Supp. 2024) states that purchases made by the State or its political subdivisions are exempt from sales tax, as follows:

Sales and use taxes shall not be imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of purchases by the state, including public educational institutions recognized or established under the provisions of Chapter 85, or by any county, township, city, village

(Emphasis added.) Good internal controls require procedures to ensure that Village funds are not expended for the payment of Nebraska sales tax.

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

We recommend the Village implement procedures to ensure that Village funds are not expended for the payment of Nebraska sales tax.

Village Response: This issue for the 3 vendors listed has been corrected. A review will be completed with the Board and Staff to determine if any additional vendors need to be considered, as well as a description of process for future potential occurrences.

5. Job and Wage Publication

The APA noted that the Village failed to publish its annual job and wage publication between July 15, 2024, and August 15, 2024, as required by State statute. No newspaper publication was made by the Village.

Neb. Rev. Stat. § 19-1102 (Reissue 2022) states, in relevant part, the following:

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.

Further, Neb. Rev. Stat. § 19-1103 (Reissue 2022) provides the following, as is relevant:

Publication under sections 19-1101 and 19-1102 shall be made in one legal newspaper in or of general circulation in such city or village. If no legal newspaper in or of general circulation is published in the city or village, then such publication shall be made in one legal newspaper published in or of general circulation within the county in which such city or village is located. . . .

Good internal control requires procedures to ensure that the Village's annual job and wage publication is published between July 15 and August 15 annually, as required by law. Without such procedures, there is an increased risk of not only statutory noncompliance but also lack of transparency and loss or misuse of funds.

We recommend the Board implement procedures to ensure the Village's annual job and wage publication is published between July 15 and August 15 annually, as required by law.

Village Response: An annual calendar reminder has been created to eliminate this risk.

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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,

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

cc. Nebraska Accountability and Disclosure Commission