



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

May 20, 2026

Karen Dockweiler, Chairperson
Village of Oconto
P.O. Box 128
Oconto, NE 68860

Dear Chairperson Dockweiler:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Oconto (Village) for the fiscal year ending 2025. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Supp. 2025), 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. Possible Conflict of Interest

During our review of the Village's bank account statements, the APA noted that the Village made 11 payments, totaling \$3,979.74, to Eggleston Oil Co. during the period October 1, 2024, through October 31, 2025. According to the Nebraska Secretary of State's website (<https://sos.nebraska.gov/>), Village Board member Jared Eggleston is listed as a Director of Eggleston Oil Co.

The APA also obtained copies of the Board meeting minutes for the period mentioned above and noted that Mr. Eggleston did not abstain from any of the payments made to Eggleston Oil Co. during the period. Such failure to abstain from the approval of those payments appears to be a potential conflict of interest.

As an example, excerpts from the March 10, 2025, meeting minutes are provided below:

Village of Oconto
Board Minutes
March 10, 2025

The Oconto Village Board met in regular session March 10, 2025, at the Village Office with the following present: Chairman Karen Dockweiler, Trustees Blake Feddersen, Tim Pflaster, Jared Eggleston and Mark Rempe. Also present, Lanett Conroy.

Pflaster. AMPVF. MC. Rempe made motion to approve all bills as they are listed, with added bills of LARM \$700.00 and Myers Construction \$700.00, seconded by Eggleston. AMPVF, MC.

BILLS: Village of Oconto \$1,600.00, Village of Oconto \$588.00, Village of Oconto \$138.00, Blake Feddersen \$33.75, Great Plains \$174.54, Schaben Sanitation \$1,110.46, NE Public Health Env Lab \$83.00, Karen Bomberger \$300.00, CPPD \$143.16 and \$1,233.41, Wood River Township \$150.00, Service Master \$891.40, Lanett Conroy \$541.17, Borders Law \$393.75, Trotters Propane \$1,546.40, Syndicate Publishing \$26.18, Power Solutions \$69.96, LARM \$700.00, Myers Construction \$700.00, Eggleston Oil \$711.59, Wages \$4,038.31.

The apparent failure of Board member Jared Eggleston to abstain from voting on the motion above gives rise to concerns regarding possible violations 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, Supp. 2025).

To start, Neb. Rev. Stat. § 49-14,101.01(1) (Reissue 2021) states the following:

A public official or public employee shall not use or authorize the use of his or her public office or any confidential information received through the holding of a public office to obtain financial gain, other than compensation provided by law, for himself or herself, a member of his or her immediate family, or a business with which the individual is associated.

(Emphasis added.) Neb. Rev. Stat. § 49-1408 (Reissue 2021) defines a “business with which the individual is associated” as the following, in relevant part:

Business with which the individual is associated or business association shall mean a business: (1) In which the individual is a partner, limited liability company member, director, or officer; or (2) in which the individual or a member of the individual’s immediate family is a stockholder of closed corporation stock worth one thousand dollars or more at fair market value or which represents more than a five percent equity interest or is a stockholder of publicly traded stock worth ten thousand dollars or more at fair market value or which represents more than ten percent equity interest. . . .

(Emphasis added.) The penalty for violating the above-cited conflict of interest statute is set out in Section 49-14,101.01(7) as follows:

[A]ny person violating this section shall be guilty of a Class III misdemeanor, except that no vote by any member of the Legislature shall subject such member to any criminal sanction under this section.

Furthermore, Neb. Rev. Stat. § 49-14,103.01 (Reissue 2021) provides the following, in relevant part, for claims associated with a contract:

(1) For purposes of sections 49-14,103.01 to 49-14,103.06, unless the context otherwise requires, officer means . . . (c) a member of any board or commission of any county, school district, city, or village which spends and administers its own funds, who is dealing with a contract made by such board or commission, (d) any elected county, school district, educational service unit, city, or village official. . . .

(2) Except as provided in section 49-1499.04 or 70-624.04, no officer may have an interest in any contract to which his or her governing body, or anyone for its benefit, is a party. . . .

* * * *

(4) The prohibition in this section shall apply only when the officer or his or her parent, spouse, or child (a) has a business association as defined in section 49-1408 with the business involved in the contract or (b) will receive a payment, fee, or commission as a result of the contract.

(5) The prohibition in this section does not apply if the contract is an agenda item approved at a board meeting and the interested officer:

(a) Makes a declaration on the record to the governing body responsible for approving the contract regarding the nature and extent of his or her interest prior to official consideration of the contract;

(b) Does not vote on the matters of granting the contract, making payments pursuant to the contract, or accepting performance of work under the contract, or similar matters relating to the contract, except that if the number of members of the governing body declaring an interest in the contract would prevent the body with all members present from securing a quorum on the issue, then all members may vote on the matters; and

(c) Does not act for the governing body which is party to the contract as to inspection or performance under the contract in which he or she has an interest.

(Emphasis added.) Good internal control requires procedures to ensure compliance with applicable provisions of the Act. Those procedures should include also seeking needed guidance from the Nebraska Accountability and Disclosure Commission (Commission), especially regarding potential conflicts of interest.

Without such procedures, there is an increased risk for both statutory violations and the loss of Village funds.

We recommend the Board implement procedures to ensure compliance with applicable provisions of the Act. Such procedures should include also seeking needed guidance from the Commission, especially regarding potential conflicts of interest. Because the issue addressed herein constitutes a possible violation of the Act, we are forwarding this information to the Commission for further review.

Village Response: Jared Eggleston will abstain from any payments to Eggleston Oil from now on.

2. Water Maintenance Compensation Paid to Board Member

In examining the Village’s bank statements, the APA noted that, contrary to State statute, Board member Blake Feddersen was paid compensation, in addition to his Board pay, for work performed as the water maintenance employee.

The table below lists the payments made to Mr. Feddersen for water maintenance work:

Account	Check Date	Cleared Date	Check #	Payee	Memo	Amount
Water	10/14/2024	10/22/2024	5025	Blake Feddersen	Wages Sept 2024	\$ 915.09
Water	11/11/2024	11/13/2024	5033	Blake Feddersen	Oct 2024 Payroll	915.09
Water	12/9/2024	12/13/2024	5042	Blake Feddersen	Wages Nov 24	915.09
Water	1/13/2025	1/16/2025	5047	Blake Feddersen	Payroll 12/24	915.09
Water	2/10/2025	2/18/2025	5054	Blake Feddersen	Jan 25 Payroll	915.09
Water	3/10/2025	3/14/2025	5062	Blake Feddersen	2/2025 Payroll	915.09
Water	4/14/2025	4/18/2025	5067	Blake Feddersen	March 25 Payroll	915.09
General	5/12/2025	5/14/2025	1982	Blake Feddersen	Payroll April 25	915.09
General	6/9/2025	6/11/2025	1994	Blake Feddersen	May 2025 Payroll	915.09
Water	7/14/2025	7/21/2025	5094	Blake Feddersen	Payroll 6 2025	915.09
Water	8/11/2025	8/13/2025	5102	Blake Feddersen	July 2025 Payroll	915.09
Water	9/8/2025	9/10/2025	5110	Blake Feddersen	Aug 2025 Payroll	915.09
Water	10/13/2025	10/15/2025	5117	Blake Feddersen	9/25 Payroll	915.09
Total						\$ 11,896.17

Board members can receive compensation, in addition to their Board pay, for performing additional work for the Village only if such work is seasonal or an emergency. However, according to municipal representatives, the Village was not aware of this restriction, and this work was not considered “seasonal or emergency work.”

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 supporting documentation provided in response to the APA’s inquiries regarding the work performed by the Board member does not indicate that such work was “seasonal” or “emergency” in nature, as required by § 17-209.02. Consequently, such paid 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.

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

Village Response: Blake Feddersen has resigned as a board member and will continue as our Water Maintenance representative.

3. Potentially Disallowed Payment

During review of the Village’s fiscal year 2025 audit waiver request, the APA received confirmation from the Village’s bank that two bank accounts with the name “Oconto Senior Center Inc” (Senior Center) were held under the Village’s Federal tax identification number (FTIN). The APA obtained the monthly statements for these two bank accounts and noted that both were closed subsequent to the Village’s fiscal year ended 2025. The Senior Center’s checking account was closed on January 12, 2026, and its disaster fund account was closed on March 18, 2026.

The following table summarizes the distribution of the monies held in both accounts when the accounts were closed:

Account	Date	Cleared Date	Description	Payee	Memo	Amount
Checking	11/20/2025	12/2/2025	Check # 1000	Custer County Foundation	Oconto American Legion	\$ 1,182.95
Disaster	3/18/2026	3/18/2026	Closing Withdrawal	Unknown - Note		63.83
Total						\$ 1,246.78

Note: According to Village representatives, this money was not remitted to the Village; however, they were unsure as to whom exactly the funds were distributed.

According to Village representatives, no documentation was maintained to verify that these funds were non-public monies, even though they were held in accounts under the Village’s FTIN. Therefore, such funds would be considered public funds and should have been remitted to the Village upon closure of the Senior Center’s accounts.

The Local Government Miscellaneous Expenditure Act (Act), which is set out at Neb. Rev. Stat. §§ 13-2201 to 13-2204 (Reissue 2022, Cum. Supp. 2024), 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 (Cum. Supp. 2024).

Neb. Rev. Stat. § 13-2203 (Reissue 2022) of the Act enumerates the miscellaneous expenditures permitted by governing bodies of local governments. Donations of Village funds – such as, in this case, to the Oconto American Legion – are not found among that select statutory list of permissible expenditures. Unless authorized elsewhere in State statute, therefore, such disbursements must be considered disallowed by law.

Additionally, the APA’s examination of other statutes applicable to the Village failed to identify any specific legislative grant of authority for making the type of payments addressed herein.

Good internal control requires procedures to ensure that the Village acts strictly within the parameters of the statutory authority granted to it, avoiding an action in contravention of such authority.

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

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

Village Response: These accounts are currently closed and will not be an issue in the future. We had no control over these accounts.

4. Mandatory Continuing Education Reporting Noncompliance

During our review of the Village’s audit waiver request, the APA examined the annual continuing education hours completed and reported by the Village Treasurer for the calendar year 2025. The calendar year 2025 continuing education hours were required to be reported to the APA by January 31, 2026; however, it was noted that the Village Treasurer failed to complete those mandatory continuing education hours.

On March 6, 2026, as required by Neb. Rev. Stat. § 84-304(13) (Supp. 2025), the APA notified the Attorney General, County Attorney, and Village Board of Trustees of the Village Treasurer’s noncompliance with the required annual continuing education program.

Legislative Bill 781 (2020), which was approved by the Governor on August 15, 2020, required the APA to approve a continuing education program for county and municipal treasurers. The program established by the APA, effective January 1, 2021, requires all county, city, and village treasurers to complete eight (8) hours of APA-approved continuing education during each calendar year (January 1 through December 31), with a reduction to four (4) hours allowed for any municipality with less than \$100,000 of expenditures during the previous fiscal year. Continuing education hours for the calendar year are required to be filed no later than January 31 subsequent to the reporting calendar year.

Further, Neb. Rev. Stat. § 17-606(3) (Reissue 2022) states the following:

The city treasurer or village treasurer shall annually complete continuing education through a program approved by the Auditor of Public Accounts, and proof of completion of such program shall be submitted to the Auditor of Public Accounts.

A proper system of internal control requires procedures to ensure the Village Treasurer completes the minimum required continuing education hours for the reporting calendar year, and those hours are submitted to the APA by January 31 subsequent to the reporting calendar year.

Without such procedures, there is an increased risk of noncompliance with both State statute and the annual continuing education program required thereunder.

We recommend the Village Board and Village Treasurer implement procedures to ensure the Village Treasurer completes the minimum required continuing education hours for the reporting calendar year, and those hours are submitted to the APA by January 31 subsequent to the reporting calendar year.

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, Supp. 2025), 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.

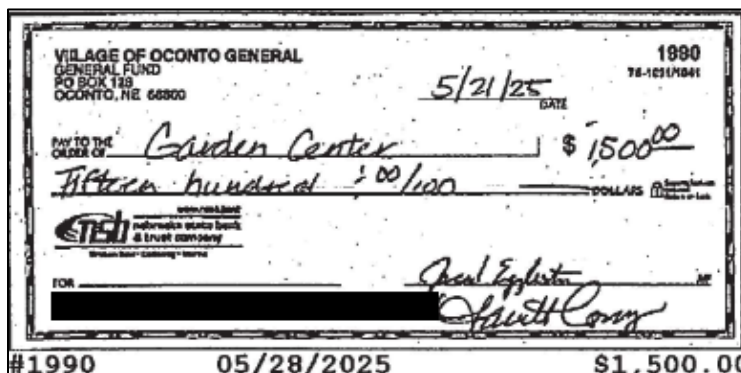
We recommend the Board implement procedures to ensure the purpose of each claim allowed is included in both the Board’s meeting minutes and the “official proceedings” required to be published afterwards.

Village Response: The Clerk will list the purpose of each claim in the future in the minutes and on each agenda.

7. Payment of Unapproved Claims

During our comparison of the Village’s bank account details to claims approved by the Board, the APA identified one check, totaling \$1,500, which was paid but not included on the claims listing to be approved by the Board.

The following is an image of the check at issue:



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: This check was written after the meeting and was accidentally left off the claim list for the next meeting. Clerk has come up with a system to have this not happen again. A claim sheet will be started directly after the board meeting so checks such as this can be added and not forgotten until the next monthly meeting.

8. Negative Bank Balance

During a review of the bank statements obtained from the Village’s audit waiver request, the APA noted that, as detailed in the following table, certain Village accounts had a negative balance:

Bank Account	Date	Largest Negative Balance	Overdraft Fees
Special	10/22/2024	\$ (441.01)	\$ 25.00
Special	10/23/2024	(466.01)	
Special	1/27/2025	(554.76)	25.00
General	5/14/2025	(131.52)	25.00
General	6/11/2025	(1,778.47)	25.00
General	6/12/2025	(1,828.47)	25.00
Total			\$ 125.00

As a result of those negative balances, the Village paid \$125 in overdraft charges.

Good internal controls and sound business practices require procedures to ensure that the Village’s bank accounts contain sufficient funds to pay claims.

Without such procedures, there is an increased risk for not only loss, misuse, or theft of Village funds but also accumulation of overdraft fees.

We recommend the Village implement procedures to ensure the Village’s bank accounts contain sufficient funds to pay claims.

Village Response: The Clerk will check the bank accounts each day to catch any mistakes that may have been made (such as an ACH payment coming out of the wrong account).

* * * * *

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 offer 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

cc. Nebraska Accountability and Disclosure Commission