



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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January 14, 2026

Stan Draper, Chairperson
Hickman Rural Fire Protection District
1500 Olive Creek Drive
Martell, NE 68404

Dear Chairperson Draper:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Hickman Rural Fire Protection District (District) for the fiscal year ending 2025. **That request has been approved.**

However, the District's amount of disbursements for the fiscal year ending June 30, 2025, exceeded our normal threshold (\$500,000) for granting a waiver of the audit requirement. Disbursements for the fiscal year ended 2025, totaled \$552,416, which exceeds the normal audit waiver threshold. Additionally, we noted the budgeted expenditures for fiscal year 2026 are \$2,344,474. 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, 2026, fiscal year end disbursements are similar to or greater than the fiscal year 2025's expenditures, or close to the budgeted disbursements for fiscal year 2026, an audit of fiscal year end June 30, 2026, may be required. This information is only for your consideration of planning for fiscal year 2026 and forward.

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Supp. 2025), 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. Unclaimed Property and Other Reconciling Items

During review of the District's bank account reconciliation as of June 30, 2025, we noted the reconciliation included 51 checks, totaling \$4,182, that had not cleared the bank account and have been outstanding for more than three years. These checks were issued between 2003 and 2021.

Additionally, we noted the following outstanding items: a journal entry, totaling \$45, that was made in 2003; a deposit in transit, totaling \$600, that was entered in January 2024; and a transfer, totaling \$4,200, that was entered in February 2025. While reviewing the bank statements, we noted that the deposit of \$600 cleared the bank account in January 2024 and the transfer of \$4,200 cleared the bank account in December 2024; however, they were still included in the bank reconciliations as reconciling items.

The Uniform Disposition of Unclaimed Property Act (Act) is set out at Neb. Rev. Stat. §§ 69-1301 to 69-1329 (Reissue 2018, Cum. Supp. 2024, Supp. 2025). Neb. Rev. Stat. § 69-1307.01 (Reissue 2018) of the Act states the following:

Except as otherwise provided by law, all intangible personal property held for the owner by any court, public corporation, public authority, or public officer of this state, or a political subdivision thereof, that has remained unclaimed by the owner for more than three years is presumed abandoned.

Neb. Rev. Stat. § 69-1310 (Cum. Supp. 2024) provides the following, in relevant part:

(a) Every person holding funds or other property, tangible or intangible, presumed abandoned under the Uniform Disposition of Unclaimed Property Act shall report to the State Treasurer with respect to the property as hereinafter provided.

* * * *

(d) The report shall be filed before November 1 of each year as of June 30 next preceding The property must accompany the report unless excused by the State Treasurer for good cause. The State Treasurer may postpone the reporting date upon written request by any person required to file a report. . . .

Good internal controls require procedures to ensure that unclaimed funds be properly remitted to the State Treasurer in accordance with the Act. Additionally, good internal controls require procedures to ensure that reconciling items are appropriate and reasonable.

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

We recommend the District implement procedures to ensure that unclaimed funds be properly remitted to the State Treasurer in accordance with State statute. We further recommend the District implement procedures to ensure that reconciling items are appropriate and reasonable.

2. Lack of Adequate Documentation and Untimely Titling of Boat

While reviewing the District's bank statements, we noted that on August 28, 2024, the District issued a cashier's check in the amount of \$6,000. After requesting an image of this cashier's check and documentation to support this payment, we were informed that this check was issued to purchase a boat for the use of the District. However, the bill of sale that was provided did not include the purchase price of the boat and was not signed by the District. The Secretary-Treasurer of the District informed the APA that no other documentation to support the purchase price of the boat was available.

Additionally, the APA searched the Department of Motor Vehicles' title and registration system for this boat and noted that the title of the boat was still under the name of the individual that sold the boat to the District. As of December 18, 2025, the boat had not yet been titled in the name of the District, over 15 months after the boat was purchased.

Neb. Rev. Stat. § 37-1278(5) (Cum. Supp. 2024) states the following, in relevant part:

In all cases of transfers of motorboats, the application for a certificate of title shall be filed within thirty days after the delivery of the motorboat.

(Emphasis added.) Good internal controls require procedures to ensure that adequate documentation is maintained to support all expenditures of public funds. Additionally, good internal controls require procedures to ensure boats are titled within 30 days, as required by State statute.

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

We recommend the District implement procedures to ensure that adequate documentation is maintained to support all expenditures of public funds. We further recommend the District implement procedures to ensure that all vehicles, including boats, are titled in accordance with State statute.

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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,

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