



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

November 18, 2025

Ronald Dozler, Chairperson
Albion Rural Fire District 1
2600 260th Street
Albion, NE 68620

Dear Chairperson Dozler:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Albion Rural Fire District 1 (District) for the fiscal year ending 2025. **That request has been approved.**

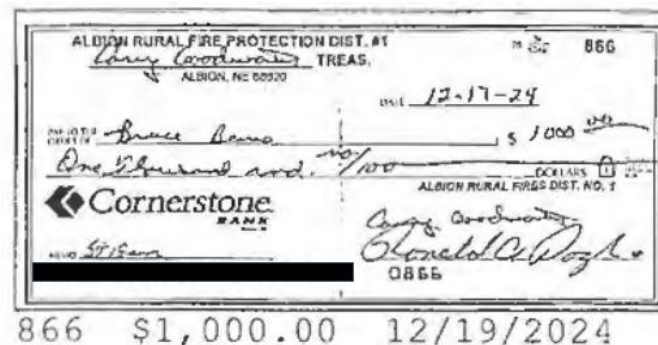
While performing, pursuant to Neb. Rev. Stat. § 84-304 (Supp. 2025), the preliminary examination necessary to determine whether further audit work would be required or the audit waiver should be allowed, the APA noted certain internal control or compliance matters, or other operational issues, within the District.

The following information is intended to improve internal controls or result in other operational efficiencies.

Comment and Recommendation

Lack of Adequate Documentation

During our review of the District's bank statements for the fiscal year ending June 30, 2025, we noted that the Fire Chief of the Volunteer Fire Department was paid \$1,000 on December 17, 2024. A copy of the cleared check image is below.



This check was similar to the check noted in the APA's letters to the District dated December 21, 2022, October 25, 2023, and October 29, 2024. Per the District, the Fire Chief receives an annual stipend. However, the District was unable to provide a contract or agreement to support this stipend payment, nor could the District provide documentation to show that this payment was for actual work performed.

Article III, § 19, of the Nebraska Constitution contains the following prohibition against gratuitous payments to public employees:

The Legislature shall never grant any extra compensation to any public officer, agent, or servant after the services have been rendered nor to any contractor after the contract has been entered into, except that retirement benefits of retired public officers and employees may be adjusted to reflect changes in the cost of living and wage levels that have occurred subsequent to the date of retirement.

The Nebraska Attorney General has summarized this constitutional provision by explaining, “Nebraska law generally requires work be performed in order for payment to be received.” Op. Att’y Gen. 95071 (Sept. 13, 1995).

According to the Nebraska Supreme Court, this constitutional prohibition is applicable to both the State and its many political subdivisions. *Retired City Civilian Employees Club of City of Omaha v. City of Omaha Employees’ Retirement System et al.*, 199 Neb. 507, 512, 260 N.W.2d 472, 475 (1977). Consequently, the District is subject to the injunction against gratuities.

Good internal controls require procedures to ensure adequate documentation is maintained to support that the District is in compliance with Article III, § 19 and State statutes. Without such procedures, there is an increased risk for not only noncompliance with applicable statutory requirements but also misuse of District funds.

We recommend the Board implement procedures to ensure all District expenditures are allowable under State statute and that proper documentation is maintained for all disbursements. Compensation payments should be adequately supported by a contract or agreement and be tied to actual work performed.

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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