



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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October 29, 2025

Steve Hassler, Chairperson
Emerson Township Dixon County
85947 590 Avenue
Emerson, NE 68733

Dear Chairperson Hassler:

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

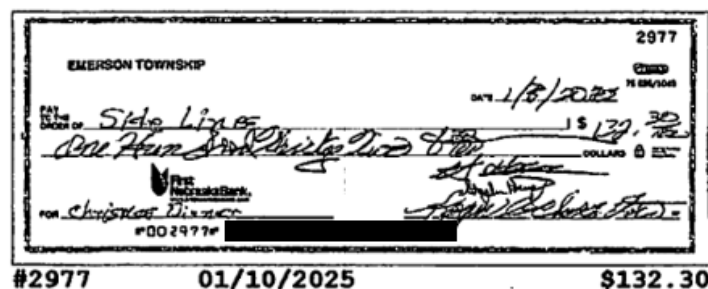
While performing, pursuant to Neb. Rev. Stat. § 84-304 (Supp. 2025), the preliminary examination necessary to determine whether further audit work would be required or the audit waiver should be allowed, the APA noted certain internal control or compliance matters, or other operational issues, within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

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

Comments and Recommendations

1. Lack of Adequate Supporting Documentation

While reviewing the Township's bank statements, the APA noted that the Township issued check #2977, dated January 8, 2025, to Side Lines, a bar and grill located in Wakefield, Nebraska, in the amount of \$132.30. An image of this check is shown below:



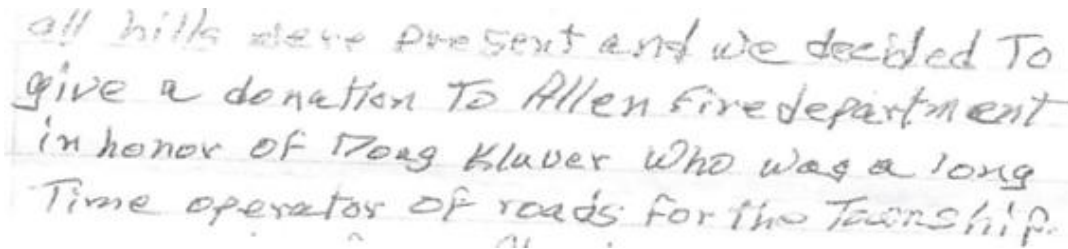
The APA requested a copy of the receipt or other supporting documentation associated with this payment; however, the Clerk of the Township informed us that the Township did not have documentation on file to show what was purchased.

Good internal controls require procedures to ensure that an itemized receipt is maintained for all expenditures of Township funds to support how the funds were used. Without such procedures, there is an increased risk for the loss, theft, or misuse of Township funds.

We recommend the Township implement procedures to ensure an itemized receipt or other supporting documentation is maintained for all Township expenditures to support how the funds were used.

2. Potentially Disallowed Purchase

Our review of the bank statements obtained from the Township's audit waiver request revealed a \$50 payment made to the Allen Fire Department on February 1, 2025. This payment was made as a memorial for a former Township employee. The following excerpt from the Township Board's (Board) meeting minutes dated February 1, 2025, shows the Board's approval of this payment:



all bills were present and we decided to give a donation to Allen Fire department in honor of Doug Klaver who was a long time operator of roads for the Township.

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 Townships, 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. Memorials and purchases of flowers – whether for funerals, memorials, or other personal occasions – are not found among that select statutory list of permissible expenditures. As a result, unless expressly authorized elsewhere in statute, such disbursements must be considered disallowed by law.

On September 17, 1993, the Nebraska Accountability and Disclosure Commission adopted a document entitled “A Guideline to the Use of Public Funds by Cities and Villages – Revised” (Guideline). The Guideline addresses a number of different scenarios involving the expenditure of public funds. Though issued over three decades ago, the Guideline remains relevant to various Nebraska public entities, including townships.

Regarding the issue of flower and memorial purchases, the Guideline provides the following:

Question #6 – May municipal funds be expended for flowers and memorials for deceased elected officials, employees or their families?

Response – No.

Good internal control requires procedures to ensure compliance with the provisions of the Act. Without such procedures, there is an increased risk for not only noncompliance with applicable statutory requirements but also loss or misuse of Township funds.

We recommend the Board implement procedures to ensure all Township expenditures are allowable under State statute, including the provisions of the Act.

* * * * *

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 Township'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 Township.

This communication is intended solely for the information and use of the Township 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, sweeping horizontal line extending to the right.

Mark Avery, CPA
Assistant Deputy Auditor