



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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November 18, 2025

Mike Klein, Chairperson
Nemaha Township Gage County
7538 S. 96th Road
Adams, NE 68301

Dear Chairperson Klein:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Nemaha Township Gage 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. Payments Not Approved

The APA obtained a copy of the December 19, 2024, meeting minutes for the Township Board (Board). Those minutes fail to reflect the Board's approval of any Township expenditures. According to Township officials, the Board meets occasionally; however, Township expenditures are not approved by the Board prior to payment.

Nebraska law requires the Board to approve all claims against the Township. In particular, Neb. Rev. Stat. § 23-255 (Reissue 2022) states the following, in relevant part:

All claims and charges against the town, duly audited and allowed by the town board, shall be paid by order so drawn.

(Emphasis added.) Properly discharging the above statutory duties necessarily entails the Board's approval of all expenditures of Township funds prior to their actual disbursement.

As a public body, moreover, the Board is subject to the provisions of the Open Meetings Act, which is set out at Neb. Rev. Stat. §§ 84-1407 to 84-1414 (Reissue 2024; Supp. 2025). Per Neb. Rev. Stat. § 84-1413(1) (Reissue 2024) public bodies, including the Board, are required to "keep minutes of all meetings," showing, among other things, "the substance of all matters discussed."

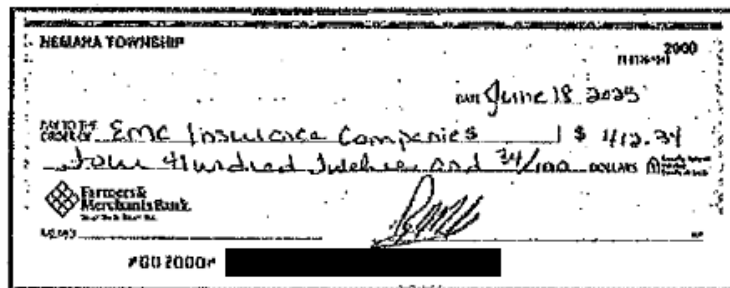
Furthermore, a good internal control plan and sound business practices require procedures to ensure that the Board approves all expenditures and business transactions of the Township prior to payment. Those same procedures should ensure also that the Board documents such approval in its meeting minutes, specifying the name of each payee, the exact amount of any disbursement, and the specific purpose of the payment.

Without such procedures, there is an increased risk for not only failure to comply with State statute but also loss or misuse of public funds.

We recommend the implementation of procedures to ensure the Board approves all expenditures of Township funds prior to payment, and such approval is documented adequately in the Board's meeting minutes.

2. Lack of Dual Signatures

The APA obtained the monthly statements for the Township's bank accounts from its fiscal year 2025 audit waiver request. From those statements, the APA noted that all Township checks written during the examination period contained only one signature. An example of such checks is shown below.



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Nebraska law requires both the Clerk and the Chairperson of the Township Board (Board) to sign all checks approved by the Board. In particular, Neb. Rev. Stat. § 23-255 (Reissue 2022) states, in relevant part, the following:

The town clerk shall draw and sign all orders upon the town treasurer for all money to be disbursed by the township, and all warrants upon the county treasurer for money raised for town purposes, or apportioned to the town by the county or state, and present the same to the chairman of the board, to be countersigned by him, and no warrant shall be paid until so countersigned.

(Emphasis added.) In addition, good internal controls and sound accounting practices require procedures to ensure that Township checks contain the statutorily required endorsements.

Without such procedures, there is an increased risk for not only failure to comply with State statute but also loss or misuse of public funds.

We recommend the Board implement procedures to require dual signatures, from both the Clerk and the Chairperson, on all Township checks, as required by law.

3. Expenditures in Excess of Budget

For the fiscal year ended June 30, 2025, actual expenditures exceeded the Township's adopted budget by \$37,491. An amendment was filed with our office for these additional expenditures; however, the amendment was not completed until September 2025, months after the end of the fiscal year.

Neb. Rev. Stat. § 13-510 (Reissue 2022) states, in relevant part, the following:

No expenditure during any fiscal year or biennial period shall be made in excess of the amounts indicated in the adopted budget statement, except as authorized in section 13-511, or by state law. Any officer or officers of any governing body who obligates funds contrary to the provisions of this section shall be guilty of a Class V misdemeanor.

Neb. Rev. Stat. § 13-511 (Reissue 2022) sets out the procedures for amending the adopted budget accordingly, which requires an amendment to be made on or before the end of the fiscal year.

When expenditures are made in excess of the amounts budgeted with no appropriation adjustments by the Township Board (Board) to address those excesses, the Township is noncompliant with State statute, further increasing the risk for loss and/or misuse of funds.

We recommend the Board implement procedures for: 1) monitoring closely its budget status on an ongoing basis to avoid expenditures that exceed the amount budgeted; and 2) amending the budget within the fiscal year as required when such excess expenditures are unavoidable.

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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 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 from the end of the name.

Mark Avery, CPA
Assistant Deputy Auditor