



# 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

April 15, 2026

Patrick Anderson, Chairperson  
Village of Meadow Grove  
PO Box 258  
Meadow Grove, NE 68752

Dear Chairperson Anderson:

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

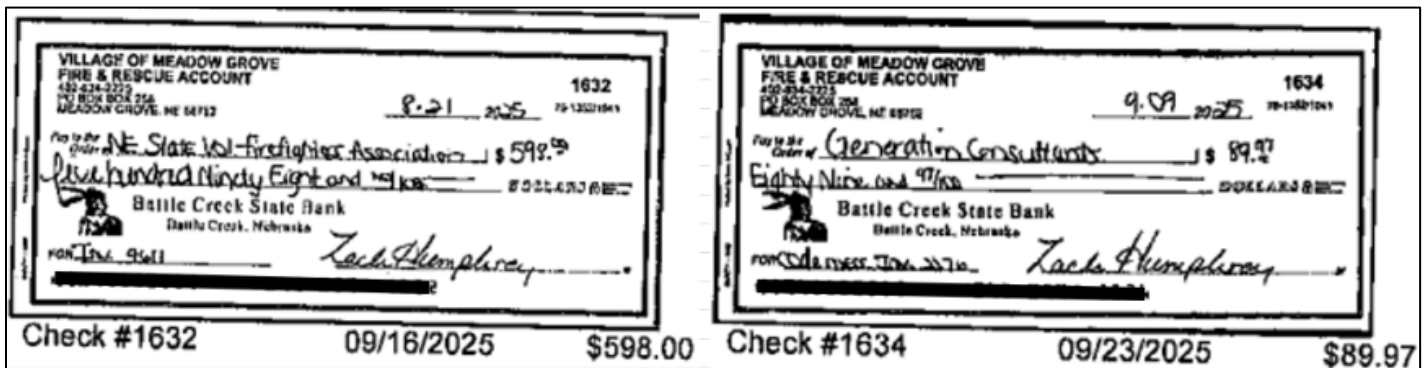
While performing, pursuant to Neb. Rev. Stat. § 84-304 (Supp. 2025), the preliminary examination necessary to determine whether the audit waiver should be allowed or further audit work would be required, the APA noted certain internal control or compliance matters, or other operational issues, within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

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

### Comments and Recommendations

#### 1. Lack of Dual Signatures

The APA obtained the bank statements for the Village's accounts from its fiscal year 2025 audit waiver request. From these statements, the APA noted that two of the Village checks written during the examination period contained only one signature, which are shown below.



State statute requires Village checks to be signed by both the Chairperson of the Board of Trustees (Board) and the Village Clerk. Specifically, Neb. Rev. Stat. § 17-711 (Reissue 2022) provides the following:

*All warrants drawn upon the city treasurer of a city of the second class or village treasurer must be signed by the mayor or chairperson of the village board of trustees and countersigned by the city clerk or village clerk, stating the particular fund to which the same is chargeable, the person to whom payable, and for what particular object. No money shall be otherwise paid than upon such warrants so drawn. Each warrant shall specify the amount included in the adopted budget statement for such fund upon which it is drawn and the amount already expended of such fund.*

(Emphasis added.) Good internal control and sound accounting practices require procedures to ensure that Village 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 and/or misuse of Village funds.

The APA identified a similar issue in a prior review and disclosed it to the Village in a letter dated March 18, 2025, which can be found on the APA’s website. However, this issue does not appear to have been corrected after the APA’s notification.

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

**2. Payment of Unapproved Claims**

During our comparison of the Village’s bank account details to claims approved by the Board, the APA identified the following checks, totaling \$6,238.90, which were paid but not included on the claims listing to be approved by the Board.

Details of the unapproved payments are included in the table below:

<b>Name/Vendor</b>	<b>Check Date</b>	<b>Amount</b>	<b>Check #</b>
NE Dept of Revenue	4/16/25	\$ 247.00	EFT
Rick Smutny	4/11/25	36.49	1626
Hoskins Rescue	4/17/25	5,500.00	1628
United States Postal Service	4/3/25	9.37	EFT
United States Postal Service	4/4/25	8.66	EFT
NE Dept of Revenue	4/30/25	437.38	EFT
<b>Total</b>		<b>\$ 6,238.90</b>	

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.

The APA identified a similar issue in a prior review and disclosed it to the Village in a letter dated March 18, 2025, which can be found on the APA’s website. However, this issue does not appear to have been corrected after the APA’s notification.

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.

**3. Negative Fund Balance**

On Exhibit A of the Village’s audit waiver request form, the APA noted that the Library and Sanitation funds had deficit balances of \$65,621.27 and \$46,860.20, respectively, as of September 30, 2025. As of early March 2026, the Village Board has not determined a plan of action to resolve these deficit fund balances.

Good internal control and sound accounting practices require procedures to ensure that Village fund balances are sufficient to cover fully all disbursements and transfers approved by the Board. Those same procedures should ensure also that the Board is apprised regularly of each Village fund balance and, therefore, placed in a position to take necessary action to resolve any deficits therein.

Without such procedures, there is an increased risk of not only insufficient Village fund balances but also the resultant inability to cover fully all disbursements and transfers approved by the Board.

The APA identified a similar issue in a prior review and disclosed it to the Village in a letter dated March 18, 2025, which can be found on the APA’s website. However, this issue does not appear to have been corrected after the APA’s notification.

We recommend the Village Board implement procedures to ensure the Board is apprised regularly of each Village fund balance and, therefore, placed in a position to take necessary action to resolve any deficits therein.

**4. Payments in Excess of Approved Amount**

During our comparison of the Village’s bank account details to claims approved by the Board, the APA identified two checks in excess of the authorized amounts. The following table summarizes these overpayments:

<b>Name</b>	<b>Claim Date</b>	<b>Approved Amount</b>	<b>Amount Paid</b>	<b>Overpayment</b>
NE Dept of Revenue	4/8/25	\$ 290.48	\$ 365.71	\$ 75.23
United States Treasury	4/8/25	1,256.12	1,397.13	141.01
<b>Total</b>		<b>\$ 1,546.60</b>	<b>\$ 1,762.84</b>	<b>\$ 216.24</b>

Good internal control requires procedures to ensure that all claims are made in the amounts approved by the Board.

Without such procedures, there is an increased risk for the loss or misuse of Village funds.

The APA identified a similar issue in a prior review and disclosed it to the Village in a letter dated March 18, 2025, which can be found on the APA’s website. However, this issue does not appear to have been corrected after the APA’s notification.

We recommend the Village implement procedures to ensure payments are made in the amounts approved by the Board.

**5. Job and Wage Publication**

The APA noted that the Village published its annual job and wage publication on August 6, 2025, as required by State statute, however, the Village’s Emergency Management Assistant position was not listed on the job and wage publication.

Neb. Rev. Stat. § 19-1102 (Reissue 2022) states, in relevant part, the following:

*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.*

(Emphasis added.) The Internal Revenue Service (IRS) guidance “Tax Withholding for Government Workers” (last updated October 2, 2025), which appears on the IRS website, states the following, as is relevant:

*Internal Revenue Code section 3401(c) indicates that an “officer, employee, or elected official” of government is an employee for income tax withholding purposes.*

\* \* \* \*

*The courts generally define “public official” and “public officer” to mean anyone who exercises significant authority pursuant to public laws. This includes any official who administers or enforces public laws whether the public elected the individual or an office appointed them.*

(Emphasis added.) Good internal control requires procedures to ensure that the Village’s annual job and wage publication is completed between July 15 and August 15 annually, as required by law. Such newspaper publication, not posting, should include all Village positions, such as Clerk, Treasurer, Board, and Emergency Management positions even if that position receives no compensation.

Without such procedures, there is an increased risk of not only statutory noncompliance but also lack of transparency and loss or misuse of funds.

The APA identified a similar issue in a prior review and disclosed it to the Village in a letter dated March 18, 2025, which can be found on the APA’s website. However, this issue does not appear to have been corrected after the APA’s notification.

We recommend the Board implement procedures to ensure the Village’s annual job and wage publication is published between July 15 and August 15 annually, as required by law, and such newspaper publication, not posting, should include all Village positions, such as Clerk, Treasurer, Board, and Emergency Management positions even if that position receives no compensation.

## **6. Lack of Purchasing Card Policy**

While examining the Village’s bank account statements, the APA noted that municipal debit cards were used to make purchases, totaling \$14,087.97, during the period October 1, 2024, to September 30, 2025. Upon inquiry by the APA, Village representatives were unable to provide a formal, written purchasing card policy that not only specified allowable purchases and authorized users but also outlined procedures for safeguarding Village assets when using a municipal debit card.

Furthermore, with the use of a debit card, the Village increases its risk of unrecoverable loss of funds due to fraud because such cards do not provide as much fraud protection as a credit card or other types of purchasing cards. The Village also increases its risk of payments being made without proper Board authorization because expenditures with the debit card do not require dual signatures for approval.

Neb. Rev. Stat. § 13-610 (Reissue 2022) provides, in relevant part, the following requirements for a political subdivision’s purchasing card program:

*(1) A political subdivision, through its governing body, may create its own purchasing card program. The governing body shall determine the type of purchasing card or cards utilized in the purchasing card program and shall approve or disapprove those persons who will be assigned a purchasing card. Under the direction of its governing body, any political subdivision may contract with one or more financial institutions, card-issuing banks, credit card companies, charge card companies, debit card companies, or third-party merchant banks capable of operating the purchasing card program on behalf of the political subdivision. Expenses associated with the political subdivision’s purchasing card program shall be considered, for purposes of this section, as an administrative or operational expense.*

\* \* \* \*

*(4) An itemized receipt for purposes of tracking expenditures shall accompany all purchasing card purchases. In the event that a receipt does not accompany such a purchase, purchasing card privileges shall be temporarily or permanently suspended in accordance with rules and regulations adopted and promulgated by the political subdivision.*

\* \* \* \*

*(6) No officer or employee of a political subdivision shall use a political subdivision purchasing card for any unauthorized use as determined by the governing body.*

(Emphasis added.) Ensuring that Village purchasing cards are used only for authorized purposes, or the privilege of their use is properly suspended, as required by law, is difficult, if not impossible, without formal municipal guidelines or, as referenced in statute, “rules and regulations adopted and promulgated by the political subdivision,” to establish the parameters for such legitimate use.

Good internal control requires written guidelines for the proper use of the Village’s purchasing cards, including formal designation of both the authorized users and the allowable uses thereof. Without such procedures, there is an increased risk for not only loss or misuse of Village funds but also noncompliance with State statute.

We recommend the Board implement a formal, written policy regarding the Village’s purchasing card, specifying the appropriate use of the municipal purchasing card and its authorized users.

\* \* \* \* \*

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](mailto:dakota.christensen@nebraska.gov).**

Sincerely,



Mark Avery, CPA  
Assistant Deputy Auditor