



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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February 12, 2026

Nolan Hueftle, Chairperson
Broken Bow Rural Fire District 1
1848 South G Street
Broken Bow, NE 68825

Dear Chairperson Hueftle:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Broken Bow 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.

Comments and Recommendations

1. Excessive Lodging Expenses

While reviewing the District's bank statements, we noted a debit card payment on April 9, 2025, totaling \$2,884.44, for hotel room reservations. Per the District, this purchase was made to reserve four hotel rooms at the Candlewood Suites in Grand Island, Nebraska, for firefighters attending fire school from May 16, 2025, through May 18, 2025.

The APA obtained a copy of the booking confirmation email, which was sent from "Reservations@lodging.support." Excerpts from this email, showing both the total charge and the rate per room, are shown below:

Support:	Live Chat Request a Call	Occupancy:	2 adults, 0 children
	Reservations@lodging.support +1-800-497-2175	Room Type:	Studio 2 Queen Beds (Room Only)
Tax Recovery & Fees:	\$892.52 USD	Nightly Rate:	\$248.99 USD
		Tax Recovery & Fees:	\$111.57 USD
Total:	\$2884.44 USD (prepaid)	Room Total:	\$721.11 USD

Each of the four rooms had a nightly rate of \$248.99, totaling \$1,991.92, for the entire two-night stay. Each room also included a \$111.57 nightly "Tax Recovery & Fees" charge, for a total of \$892.56 (amount actually charged was \$892.52). The total amount charged for "Tax Recovery & Fees" was nearly 45% of the total amount charged for the nightly room rates.

Using the telephone number listed on the above confirmation email, the APA contacted the booking company, “Lodging Support,” which was able to look up the reservation. When the APA asked for a breakdown of the “Tax Recovery & Fees,” however, the company representative responded that he would need to contact a supervisor to create a service ticket because that information was not readily available. No breakdown was obtained.

Further, the APA contacted the Candlewood Suites in Grand Island, Nebraska, to inquire about this reservation, and the hotel representative noted that the reservation was made through a third-party. The hotel representative revealed also that the average nightly rate for May 16, 2025, through May 18, 2025, was only \$199.

Had the District booked the hotel rooms directly through the Candlewood Suites, the lower rate of \$199 would have resulted in a total room charge of \$1,592, a savings of nearly \$400. Booking directly through the hotel would have resulted, moreover, in no third-party booking fees. Further, the District is exempt from paying most taxes on hotels. As a result, the District likely could have avoided the entire \$892.52 charge for “Tax Recovery & Fees,” resulting in an additional estimated savings of nearly \$1,293.

Learning that the Emergency Services Director for the City of Broken Bow, Nebraska, made the reservation, the APA asked him why the “Lodging Support” booking agency was used. He chose it because, according to him, that was one of the first reservation websites that he saw through an online search.

During our own internet search of the “Lodging Support” reservation booking company, we found numerous complaints of similar issues on the Better Business Bureau’s website. This quick internet search revealed also several individuals who reported unsatisfactory experiences with the company.

Of further concern, this purchase was made with the District’s debit card. The District has a formal, written policy outlining the allowable uses of its debit card. Nevertheless, using a debit card for such transactions increases the risk of both fraud and the unrecoverable loss of funds because debit cards do not provide as much fraud protection as credit cards or other types of purchasing cards. The District also increases its risk of payments being made without approval by the Board of Directors (Board) because the debit card does not require dual signatures.

Neb. Rev. Stat. § 77-2704.15(1)(a) (Cum. Supp 2024) states the following, in relevant part:

Sales and use taxes shall not be imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of purchases by the state, including public educational institutions recognized or established under the provisions of Chapter 85, or by any county, township, city, village, rural or suburban fire protection district

(Emphasis added.) Good internal controls and sound business practices require procedures to ensure the following: 1) lodging rates incurred by the District are reasonable and appropriate; 2) adequate research of online vendors is performed to determine their legitimacy; and 3) State and local sales and use taxes are not paid on District purchases, including hotel fees. Additionally, we recommend the District consider whether utilizing a credit card or other type of purchasing card would provide better fraud protection than a debit card.

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

We recommend that the District implement procedures to ensure the following: 1) lodging rates incurred by the District are reasonable and appropriate; 2) adequate research of online vendors is performed to determine their legitimacy; and 3) State and local sales and use taxes are not paid on District purchases, including hotel fees. Additionally, we recommend the District consider whether utilizing a credit card or other type of purchasing card would provide better fraud protection than a debit card.

2. Expenditures in Excess of Budget

For the fiscal year ended June 30, 2025, actual expenditures exceeded the adopted budget by \$47,136. No amendment was filed with our office for these additional expenditures.

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.

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

A similar issue was identified by the APA in a prior review and was disclosed to the District in the APA's letter dated October 30, 2024, which can be found on the APA's website.

We recommend the Board implement procedures for: 1) monitoring closely its budget status on an ongoing basis to avoid incurring expenditures in excess of the amount budgeted; and 2) amending the budget as necessary.

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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