



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

January 14, 2026

Jack Galt, Chairperson
Crawford Rural Fire Protection District 4
P.O. Box 184
Crawford, NE 69339

Dear Chairperson Galt:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Crawford Rural Fire Protection District 4 (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. Credit Card Procedures

While reviewing the District's bank statements that were obtained as part of the audit waiver request, we noted that the District made 12 credit card payments, totaling \$15,987, during the fiscal year ending June 30, 2025. The APA requested documentation to support two of these payments, totaling \$5,203. We noted the following issues regarding the District's procedures over these credit card payments.

Lack of Adequate Supporting Documentation

The District was unable to provide adequate documentation to support three purchases, totaling \$245, made with the District's credit card. The following table details the purchases that were not properly supported:

Date	Vendor	Amount
9/26/2024	Dollar General	\$ 39
9/26/2024	Dollar General	55
10/19/2024	Swany's Union Bar – Gering, NE*	151
Total		\$ 245

*This purchase included a credit card slip; however, an itemized receipt was not provided.

Neb. Rev. Stat. § 13-610 (4) (Reissue 2022) provides the following requirement for a purchasing card program:

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.

(Emphasis added.) As noted above, State law requires an itemized receipt for all purchases made with a political subdivision’s purchasing card. Good internal controls require procedures to ensure an itemized receipt for all purchasing card expenditures is maintained by the District. Without such policy, there is an increased risk for not only loss, theft, or misuse of District funds but also noncompliance with State statute.

We recommend the District implement procedures to ensure an itemized receipt is maintained for all purchasing card expenditures, in accordance with State statute.

Purchase of Alcohol

The APA noted one credit card purchase at Hauser’s Grab N Go, totaling \$286.09, that was for the purchase of alcohol. A copy of the receipt associated with this purchase is shown below:

Michelob Ultra 18-Pack 12 FL OZ Sti	
2 @ 27.55	55.10 T
SunnyD Variety 8pk	
6 @ 23.91	143.46 T
Coors 24-Pack 12 FL OZ Can 288.00 F	26.61 T
Coors Light 24-Pack 12 FL OZ Vented	26.61 T
Budweiser 12-Pack 144.00 FL OZ	15.59 T
Subtotal	267.37
Tax	18.72
Total Sale	\$ 286.09
Credit/Debit	286.09
Change	0.00

It should be noted that the “SunnyD Variety” pack appears to be vodka seltzers.

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 the 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 rural or suburban fire protection districts, among numerous other public entities, by both subsections (2) and (3) of Neb. Rev. Stat. § 13-2202 (Cum. Supp. 2024).

The purchase of alcohol with public funds is prohibited by Neb. Rev. Stat. § 13-2203(2) (Reissue 2022), which permits the governing body of a local government subject to the Act to purchase, among other things, only nonalcoholic beverages.

Good internal controls require procedures to ensure that all District expenditures are allowable and appropriate, which necessarily precludes the purchase of alcohol with public funds. Without such procedures, there is an increased risk for not only noncompliance with State statute but also loss, misuse, or theft of District funds.

We recommend the District implement procedures to ensure all District expenditures are allowable and appropriate, which necessarily precludes the purchase of alcohol with public funds.

Payment of Sales Tax

Upon review of the supporting documentation associated with these credit card payments, the APA noted nine purchases that included payment of State and Local sales tax, totaling \$160. The following table details these purchases:

Date	Vendor	Purchase Amount	Sales Tax Paid
9/25/2024	Amazon	\$ 218	\$ 11
9/25/2024	Amazon	42	2
9/27/2024	Amazon	732	38
10/1/2024	Amazon	84	4
10/1/2024	Amazon	84	4
10/1/2024	Hauser's Grab N Go	286	19
10/17/2024	Hotel 21 – Gering, NE	339	23
10/17/2024	Hotel 21 – Gering, NE	421	28
1/15/2025	Amazon	595	31
Totals		\$ 2,801	\$ 160

Neb. Rev. Stat. § 77-2704.15(1)(a) (Cum. Supp. 2024) states that purchases made by the State or its political subdivisions are exempt from sales tax, as follows:

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 require procedures to ensure that District funds are not expended for the payment of Nebraska sales tax. Without such procedures, there is not only an increased risk of noncompliance with State statute, but also an increased risk of the loss, misuse, or theft of District funds.

We recommend the District implement procedures to ensure that District funds are not expended for the payment of Nebraska sales tax.

Purchase of Gift Cards

The APA noted one credit card purchase at The Tailgate Bar & Grill, in Crawford, NE, totaling \$618, that was for the purchase of gift cards. A copy of the receipt associated with this purchase is shown below:

THE TAILGATE BAR & GRILL	
303 2ND ST CRAWFORD, NE 69339 3086651388	
Cashier: MANDY HORN	
21-Dec-2024 5:21:21P	
Transaction 105975	
6 Gift Certificate	\$600.00
Subtotal	\$600.00
Service Charge (3.0%)	\$18.00
Total	\$618.00

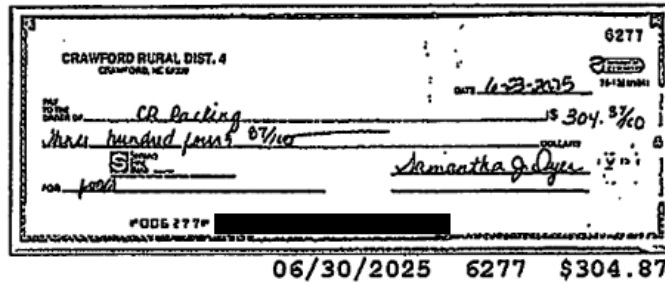
Per discussion with the Chairperson of the District, these gift cards were auctioned off at the District’s annual banquet as part of a fundraiser. He noted that the amount raised during this fundraiser exceeded the cost of the gift cards; however, the APA was unable to verify that the donations were deposited into the District’s bank account.

Good internal controls require procedures to ensure that public funds are not used for the purchase of items used for fundraisers, especially if the donated funds are deposited into a bank account outside of the District’s control. Without such procedures, there is an increased risk for the loss, misuse, or theft of public funds.

We recommend the District implement procedures to ensure that public funds are not used for the purchase of items used for fundraisers, especially if the donated funds are deposited into a bank account outside of the District's control.

2. Lack of Dual Signatures

The APA obtained the monthly statements for the District's bank accounts from its fiscal year 2025 audit waiver request. From those statements, the APA noted that 13 District checks written during the examination period contained only one signature. An example of such checks is shown below.



Nebraska law requires both the Secretary-Treasurer and the President of the District to sign all checks approved by the Board of Directors (Board). In particular, Neb. Rev. Stat. § 35-511 (Reissue 2016) states that those checks “shall bear the signature of the secretary-treasurer and the countersignature of the president of such district.”

In addition, good internal controls and sound accounting practices require procedures to ensure that District 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 Secretary-Treasurer and the President, on all District checks, as required by law.

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