



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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January 29, 2024

Michael Stubbs, Chairperson  
Village of Pleasanton  
PO Box 121  
Pleasanton, NE 68866

Dear Chairperson Stubbs:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Pleasanton (Village) for the fiscal year ending 2023. **That request has been approved.**

However, the Village's amount of disbursements for the fiscal year ending September 30, 2023, exceeded our normal threshold (\$500,000) for granting a waiver of the audit requirement. Disbursements for the fiscal year ended 2023, totaled \$820,477, which exceeds the normal audit waiver threshold. Additionally, we noted the budgeted expenditures for fiscal year 2024 are \$2,838,751. Due to the Village's submission of supporting documentation for one-time, low risk expenditures, that accounted for a percentage of the current year's expenditures, we were able to consider for this year, the Village's activity to be low enough to grant the audit waiver request.

However, if the September 30, 2024, fiscal year end disbursements are similar to or greater than the fiscal year 2023's expenditures or near the budgeted amount of expenditures, an audit of fiscal year end September 30, 2024, may be required. This information is only for your consideration of planning for fiscal year 2024 and forward.

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Supp. 2023), 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.

### Comment and Recommendation

#### Improper Payment of Sales Tax

The APA noted that the Village made improper payments of Nebraska sales taxes, totaling \$3,708, on municipal purchases. Nebraska sales taxes were paid on a payment to Sargent Drilling Co, as shown below.

<b>Subtotal</b>	\$77,098.39
<b>Sales Tax (6.5%)</b>	\$3,708.15
<b>Total</b>	\$80,806.54
<b>Balance Due</b>	\$80,806.54

Per Neb. Rev. Stat. § 77-2704.15(1)(a) (Reissue 2018), 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 . . . .*

Good internal controls require procedures to ensure sales taxes are not paid on municipal purchases. Without such procedures, there is an increased risk for the loss of public funds.

We recommend the Village implement procedures to ensure sales taxes are not paid on municipal purchases.

\* \* \* \* \*

If you have any questions, please contact **Dakota Christensen at 402-499-8702 or [dakota.christensen@nebraska.gov](mailto: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

cc: Janet Rowling, CPA