



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Bruce Meysenburg, Chairperson
City of David City
PO Box 191
David City, NE 68632

Dear Chairperson Meysenburg:

As you may know, the Nebraska Auditor of Public Accounts (APA) has received allegations of financial impropriety on the part of Tami Comte, the former Clerk and Treasurer for the City of David City (City). As a result, the APA began limited preliminary planning work to determine if a full financial audit or attestation would be warranted. Pursuant thereto, the APA obtained financial records and other relevant documentation from the City. Based on the outcome of this preliminary planning work, including an analysis of the information obtained, the APA has determined that a separate financial audit or attestation is unnecessary at this time, as the City is audited on an annual basis.

Nevertheless, during the course of the preliminary planning work, the APA noted certain issues that merit corrective action.

Background Information

The City is a city of the second class located in Butler County, Nebraska. The City Council (Council) is the governing body that exercises financial accountability and control over activities relevant to the operations of the City. Council members are elected by the public and have broad decision-making authority, including the power to levy taxes and to designate management, the ability to exert significant influence over all City operations, and the primary responsibility for related fiscal matters.

The following comments and recommendations, which have been discussed with the appropriate members of the City and its management, are intended to improve internal control or result in other operating efficiencies.

Comments and Recommendations

1. Alleged Fraud

On August 10, 2020, Tami Comte was promoted from a City Account Clerk to the City Clerk and Treasurer. Ms. Comte served in this position thereafter until October 27, 2025, when the City placed her on administrative leave. Subsequently, Ms. Comte submitted her resignation as the Clerk and Treasurer effective November 30, 2025. Her duties as the Clerk and Treasurer included, among other responsibilities, issuing payments for the City's expenses and processing employee payroll. Between March 9, 2022, and March 31, 2025, Ms. Comte also served as the interim City Administrator.

The APA received allegations that Ms. Comte not only used her control over the City's payroll processes to pay herself unapproved raises but also made personal purchases with the municipal credit cards. The table below summarizes Ms. Comte's suspected improprieties:

Description	Total Amount of Possible Fraud
Questionable Credit Card Transactions	\$914.63
Apparently Excessive Payroll Disbursements	\$4,983.01
Total	\$5,897.64

Questionable Credit Card Transactions

The APA obtained copies of the City's credit card statements for the period October 1, 2023, through September 30, 2025, and observed that the City utilized six credit cards to expend a total of \$132,473.45 through 927 transactions. Upon further examination, the APA identified 15 purchases made by Ms. Comte, totaling \$914.63, which appear to have been made for personal purposes. These purchases are summarized in the following table:

Transaction Date	Payee	Amount
10/18/2023	Amazon	\$42.91
10/30/2023	Amazon	\$6.45
11/3/2023	Amazon Music	\$18.26
11/3/2023	Amazon Prime Video	\$2.14
11/7/2023	Amazon	\$13.80
1/23/2024	Kindle	\$16.11
2/13/2024	Sam's Club	\$39.98
6/13/2025	Sam's Club	\$141.60
6/16/2025	Sam's Club	\$136.29
7/2/2025	Walmart	\$13.92
7/14/2025	Sam's Club	\$149.21
7/20/2025	Sam's Club	\$68.67
7/21/2025	Sam's Club	\$2.73
7/28/2025	Sam's Club	\$248.64
8/2/2025	Walmart	\$13.92
Total	\$914.63	

It should be noted that Ms. Comte reimbursed the City a total of \$900.71 for the above purchases prior to the APA's inquiry. According to City representatives, Ms. Comte did not reimburse the Sam's Club purchases made in July and August 2025 until the City questioned her about them. Ms. Comte's reimbursement payments are shown in the table below:

Check Date	Check #	Amount
11/16/2023	4724	\$69.76
1/2/2024	2055	\$13.80
2/24/2024	4809	\$16.11
3/13/2024	2056	\$39.98
8/4/2025	4822	\$240.45
8/4/2025	4823	\$220.61
8/4/2025	1082	\$300.00
Total		\$900.71

Specific examples of the apparent personal purchases at issue are discussed in further detail below.

Sam's Club Purchases

The APA noted seven purchases, totaling \$787.12, made with a City credit card using Ms. Comte's personal Sam's Club account for a variety of what appear to have been personal items.

One such \$248.64 charge was made with the City's credit card ending in 1544 – issued specifically under Ms. Comte's name – on July 28, 2025. This purchase included such items as clothing, groceries, and laundry detergent. An image of the purchase receipt is shown below:

sam's club.

CLUB MANAGER CORY		
4024383540		
LINCOLN, NE		
07/28/25 12:20 4102 6413 83		
0990328304	MM LEVO TAB	14.92 T
0980101047	BD SMK 400Z	11.98 O
0984222255	3PK LEGGING	9.87 T
0990418272	CHRCTR B JK	14.98 T
0000622943	AVOCADO	
2 AT 1 FOR 4.22		8.44 N
0000059846	MULTI PEPPE	6.72 N
0000723152	CS4INWHTHOG	6.98 O
0980265155	10 OZ BUTTE	6.44 O
0980199932	GRAPE SODA	6.98 N
0000831421	SLT BTR QTR	12.18 O
0000749972	STRAWBERRY	
2 AT 1 FOR 2.98		5.96 N
0000626598	SKDPROVOLON	7.58 O
0980135966	APPLEWDBACO	23.97 O
0000951129	ONION MIX	7.98 O
0990337138	KNDGRLLDCH	5.98 O
0990343242	BALYTE 12/2	17.98 O
0980100579	WYL ITA 96C	11.98 O
0990346956	BUBBLR 12PK	11.98 O
0000916191	ZPLC STRG G	16.48 T
0990287053	QN32J TISSU	22.76 T
0990360493	DOWNY LFE	13.98 T
0000752978	FREE & CLEA	20.98 T
INST SV	ONION MIX	1.50-O
INST SV	BALYTE 12/2	3.00-O
INST SV	QN32J TISSU	3.50-T
INST SV	DOWNY LFE	3.00-T
INST SV	FREE & CLEA	4.00-T
	SUBTOTAL	252.10
TAX 1	7.25 %	8.26
TAX 12	0 %	0.00
	TOTAL	260.36
VISA	CREDIT TEND	248.64
VISA	***** ***** *****	1544
	GIFTCARD TEND	11.72
	CHANGE DUE	0.00
SHOPPING CARD REDEMPTION		11.72
BEG BAL	TRAN AMT	END BAL
11.72	11.72	0.00
07/28/25 12:20		

The following are images of some of the items purchased in the above transaction:



Bacon



Leggings



Laundry Detergent



Sports Drinks



Allergy Medicine

As shown in the above receipt image, the total amount of this transaction was \$260.36. The City's credit card was used to pay \$248.64 of that amount. Ms. Comte tendered a gift card to cover the remaining \$11.72 – which was clearly insufficient to buy all of the apparently personal items listed on the receipt.

Amazon Purchases

The APA noted that Ms. Comte utilized the City's credit card to make five purchases, totaling \$83.56, through Amazon and related subscription services.

Along with paying for subscriptions to both Amazon Prime Video and Amazon Music, Ms. Comte purchased various apparently personal items, including hair spray, dietary supplements, and multivitamin gummies. One such purchase, made on October 14, 2023, was for envelopes and multivitamin gummies, as shown below:

Order Placed: October 14, 2023 Amazon.com order number: 114-1810227-7199441 Order Total: \$42.91	
Shipped on October 18, 2023	
Items Ordered	
1 of: <i>Vitafusion Womens Multivitamin Gummies, Berry Flavored Daily Vitamins for Women With Vitamins A, C, D, E, B-6 and B-12, America's Number 1 Gummy Vitamin Brand, 75 Days Supply, 150 Count</i>	Price \$9.93
Sold by: Amazon.com Services LLC Supplied by: Other	
Condition: New	
1 of: <i>500 Pack #10 Single Left Window SELF Seal Security Envelopes, Designed for QuickBooks Invoices & Business Statements, Computer Printed Checks Peel and Seal Flap, Size 4-1/8 x 9-1/2 Inches, 24 LB</i>	\$29.99
Sold by: HERKKA US (seller profile) Supplied by: HERKKA US (seller profile)	
Condition: New	
Shipping Address: Tami Comte 490 E ST DAVID CITY, NE 68632-1637 United States	
Shipping Speed: Amazon Day Delivery	
Payment information	
Payment Method: Visa ending in 7133	Item(s) Subtotal: \$39.92 Shipping & Handling: \$0.00 -----
Billing address	Total before tax: \$39.92 Estimated tax to be collected: \$2.99 -----
Tami Comte 490 E ST DAVID CITY, NE 68632-1637 United States	Grand Total: \$42.91
Credit Card transactions	Visa ending in 7133: October 18, 2023: \$42.91

Ultimately, Ms. Comte reimbursed the City for the entire cost of the above expenditure – but not until November 16, 2023, over a month after the purchase, when she made out a \$69.76 check to the City for this and other Amazon purchases made with a municipal credit card.

Walmart Plus Account Subscription

The APA observed two \$13.92 payments made using the City’s credit card ending in 1544 in July and August 2025 for a Walmart Plus subscription. City representatives explained to the APA that the payments were for Ms. Comte’s personal Walmart Plus account, but she had charged the City rather than using her own funds. Ms. Comte reimbursed the City for the July 2025 subscription payment on August 4, 2025. The second subscription charge, however, was paid by the City’s Police Department because the Department supposedly had made a purchase from this vendor using Ms. Comte’s Walmart Plus account previously in June 2025.

Despite the first monthly charge being reimbursed by Ms. Comte, the APA questions whether it was reasonable or necessary to use the City’s credit card to pay for her personal Walmart Plus account when no further Walmart purchases were made by the City in either July or August 2025. Additionally, it is unclear why the City’s Police Department should be responsible for covering the cost of Ms. Comte’s personal Walmart Plus account for August 2025 after making a single purchase on the account two months prior.

Apparently Excessive Payroll Disbursements

The City utilizes a “step system” pay scale for determining employee salaries across different municipal positions. This system is comprised of 15 different steps, with each one leading to an incremental pay increase until the maximum pay rate is reached. Each adjustment to a municipal employee’s “step” in the pay scale requires approval from the City Mayor and is documented subsequently in the employee’s personnel file. According to City representatives, the Council typically approves an ordinance defining the minimum, midpoint, and maximum salaries for all City employees. An excerpt highlighting the Clerk/Treasurer’s approved salary from one such ordinance, approved on January 8, 2025, is shown below:

Salaried Staff Pay Plan (Annual Rate of Pay)			
Position	Minimum	Mid-Point	Maximum
City Administrator Intern	\$49,275	\$61,800	\$72,100
Clerk/Treasurer	\$75,416	\$89,425	\$103,328
Police Chief	\$66,200	\$82,750	\$99,300

From each Council-approved pay rate ordinance, Ms. Comte was to create the 15-step pay scale, with step 1 beginning at the minimum salary and each subsequent step increasing in equal amounts until reaching the maximum salary at step 15. However, the APA noted that the amounts calculated and used by Ms. Comte for processing payroll did not agree to the ordinances, nor were they approved otherwise by the Council.

Upon recalculating the step wage amounts in the pay scales from the Council-approved ordinances, the APA determined that Ms. Comte paid herself \$4,983.01 in excessive wages during the period January 1, 2021, through October 31, 2025.

The following table provides a comparative summary of the actual wages paid to Ms. Comte and the APA’s recalculation thereof during the period examined:

Calendar Year	Gross Wages (Actual)	Gross Wages (APA Calculation)	Potential Overpayment
2021	\$67,444.16	\$67,409.81	\$34.35
2022	\$75,214.57	\$74,633.26	\$581.31
2023	\$89,960.69	\$88,257.38	\$1,703.31
2024	\$94,586.04	\$93,096.00	\$1,490.04

Calendar Year	Gross Wages (Actual)	Gross Wages (APA Calculation)	Potential Overpayment
2025 (January – October)	\$81,085.00	\$79,911.00	\$1,174.00
Totals	\$408,290.46	\$403,307.45	\$4,983.01

A detailed monthly comparison of Ms. Comte's pay has been included as **Exhibit A** herein.

In addition to her salary, Ms. Comte received multiple bonus payments over the course of the period examined, which are discussed in greater detail in **Comment and Recommendation Number 2** ("Impermissible Gratuity") herein.

According to City representatives, Ms. Comte was unable to show or explain adequately how she had been calculating her pay. Shown below are excerpts from Ms. Comte's personnel record, which list the reported changes to her pay rate between September 2017 and December 2024:

Date	Salary or Hourly Rate	Occupation	Reason for Change	Authorized By
9/24/17	\$23.91	ACCOUNT CLERK II W/CMC	1.5% INCREASE ORD. NO. 1276	MAYOR & COUNCIL
9/24/17	\$24.44	ACCOUNT CLERK II W/CMC	STEP 19	JOAN KOVAR
9/24/18	\$25.01	ACCOUNT CLERK II W/CMC	STEP 20	JOAN KOVAR
9/24/19	25.56	ACCOUNT CLERK II W/CMC	STEP 21	JOAN KOVAR
8/10/20	\$66,852.14	CITY CLERK-TREASURER	STEP 7	MAYOR & COUNCIL
8/20/21	\$68,377.50	CITY CLERK-TREASURER	STEP 8	

Date	Salary or Hourly Rate	Occupation	Reason for Change	Authorized By
5/24/22	\$ 76,893.14	CITY CLERK – TREASURER	STEP 9 – COLA INCREASE	MAYOR & COUNCIL
8/10/22	\$78,751.04	CITY CLERK – TREASURER	STEP 10	
1/24/23	\$88,201.16	CITY CLERK-TREASURER	ORDINANCE NO. 1425 1/11/23	MAYOR & COUNCIL
8/10/23	\$89,726.52	CITY CLERK – TREASURER	STEP 11	mayor & council
1/24/24	\$92,418.32	CITY CLERK-TREASURER	ORDINANCE NO. 1460	MAYOR & COUNCIL
08/10/24	\$93,943.68	CITY CLERK – TREASURER	STEP 11	gm

Date	Salary or Hourly Rate	Occupation	Reason for Change	Authorized By
12/24/24	\$96,761.99	CITY CLERK-TREASURER	ORDINANCE NO. 1503	MAYOR & COUNCIL

As shown above, the reason for the pay rate change on May 24, 2022, was "STEP 9 – COLA INCREASE." City representatives informed the APA that this change was intended only to be a cost-of-living increase, and the additional step increase was not authorized. The increase to step 9 should have occurred instead on August 10, 2022. Therefore, all subsequent step increases were set incorrectly one level higher than was authorized. It should be noted also that the pay rate changes on August 20, 2021, and August 10, 2022, do not indicate who authorized them, raising further questions regarding the legitimacy of those salary increases.

Not only were Ms. Comte's step increases recorded incorrectly in her personnel record, but also the pay rates themselves do not agree with the actual payroll payments she received. The table below provides a detailed comparison of all the actual changes made to Ms. Comte's salary and what her approved salary should have been based on the Council-approved ordinances and step increases between January 1, 2021, and October 31, 2025:

Effective Date	Approved Change	Actual Salary	Approved Salary	Variance
1/1/2021	Ms. Comte begins year at step 7.	\$66,852.12	\$66,852.12	\$0.00
8/20/2021	Step increase from step 7 to step 8.	\$68,377.56	\$68,377.56	\$0.00
3/9/2022	\$150 per month is approved for Ms. Comte to act as the interim City Administrator.	\$70,177.56	\$70,177.56	\$0.00
5/24/2022	Cost-of-living increase approved.	\$77,015.28	\$77,015.52	(\$0.24)
8/10/2022	Step increase from step 8 to step 9.	\$80,371.08	\$78,693.48	\$1,677.60
1/24/2023	Cost-of-living increase approved.	\$90,001.20	\$87,920.28	\$2,080.92
8/10/2023	Step increase from step 9 to step 10.	\$91,526.52	\$89,799.60	\$1,726.92
1/24/2024	Ordinance #1460 approved.	\$94,218.36	\$92,439.84	\$1,778.52
8/10/2024	Step increase from step 10 to step 11.	\$95,743.68	\$94,375.44	\$1,368.24
12/24/2024	Cost-of-living increase approved.	\$98,562.00	\$97,153.20	\$1,408.80
4/1/2025	Ms. Comte is no longer paid as the interim City Administrator.	\$96,762.00	\$95,353.20	\$1,408.80

As shown in the above table, Ms. Comte appears to have started consistently paying herself above her approved salary beginning with the increase to step 9 effective on August 10, 2022. The APA noted that, rather than paying herself the salary associated with step 9, Ms. Comte instead began paying herself the salary for step 10, as reflected on her personnel record shown previously. Following this incorrect step increase, Ms. Comte appears to have failed to correct the issue during subsequent increases and continued to pay herself a step above her authorized step level.

Ms. Comte's apparently unauthorized expenditure of City funds for her own benefit, as detailed above, gives rise to concerns regarding possible violations of State law.

To start, Neb. Rev. Stat. § 28-511(1) (Reissue 2016) provides the following:

A person is guilty of theft if he or she takes, or exercises control over, movable property of another with the intent to deprive him or her thereof.

Neb. Rev. Stat. § 28-512 (Reissue 2016) creates the crime of “theft by deception,” stating the following, as is relevant:

A person commits theft if he obtains property of another by deception. A person deceives if he intentionally:

* * * *

(1) Creates or reinforces a false impression, including false impressions as to law, value, intention, or other state of mind; but deception as to a person's intention to perform a promise shall not be inferred from the fact alone that he did not subsequently perform the promise; or

(2) Prevents another from acquiring information which would affect his judgment of a transaction; or

(3) Fails to correct a false impression which the deceiver previously created or reinforced, or which the deceiver knows to be influencing another to whom he stands in a fiduciary or confidential relationship

Further, Neb. Rev. Stat. § 49-14,101.01(1) (Reissue 2021), which is found in the Nebraska Political Accountability and Disclosure Act, as set out at Neb. Rev. Stat. §§ 49-1401 to 49-14,142 (Reissue 2021, Cum. Supp. 2024, Supp. 2025), provides the following:

A public official or public employee shall not use or authorize the use of his or her public office or any confidential information received through the holding of a public office to obtain financial gain, other than compensation provided by law, for himself or herself, a member of his or her immediate family, or a business with which the individual is associated.

Subsection (2) of that same statute provides:

A public official or public employee shall not use or authorize the use of personnel, resources, property, or funds under his or her official care and control other than in accordance with prescribed constitutional, statutory, and regulatory procedures or use such items, other than compensation provided by law, for personal financial gain.

Section 49-14,101.01(7) says, in relevant part, “[A]ny person violating this section shall be guilty of a Class III misdemeanor . . .”

Regarding the suspected misuse of the City’s credit card in particular, despite Ms. Comte’s subsequent reimbursement to the City for the apparent personal purchases detailed above, such use – unintentional or otherwise – is prohibited under State law. As explained by the Nebraska Attorney General, there is a “longstanding principle of constitutional law in Nebraska that public funds cannot be expended for private purposes.” Op. Att’y Gen. No. 97048 (Sept. 16, 1997). According to the Nebraska Supreme Court, this common law prohibition is core to the “the fundamental concepts of our constitutional system.” *State ex rel. Douglas v. Thone*, 204 Neb. 836, 842, 286 N.W.2d 249, 252 (1979).

Additionally, Neb. Rev. Stat. § 13-610(6) (Reissue 2022) states the following:

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.

By using the City’s credit cards to buy personal items, moreover, Ms. Comte benefited from what was essentially an interest-free loan of public funds despite her later reimbursement.

These potential statutory concerns aside, it should be noted that good internal controls and sound accounting practices require procedures to ensure that one person is not in a position both to perpetrate and to conceal financial errors or irregularities, including possible fraud, and that City funds are used only as provided by law.

Without such procedures, there is an increased risk for not only fraud or the misappropriation of public monies but also violation of State statute.

We recommend the City implement procedures to prevent one person from being in a position both to perpetrate and to conceal financial errors or irregularities, including possible fraud. We further recommend the implementation of procedures to preclude any future disbursement of City funds for personal, as opposed to public purposes, regardless of whether such expenditures are subsequently reimbursed. Furthermore, because the issues addressed herein give rise to concerns regarding possible violations of State law, we are referring this information to the Nebraska Attorney General, the Nebraska Accountability and Disclosure Commission, and the Butler County Attorney for further review.

2. Impermissible Gratuity

As mentioned previously herein, the APA noted several bonus payments being made to Ms. Comte during the period January 1, 2021, through October 31, 2025. Upon inquiry with City representatives, the APA was informed that the City has historically paid municipal employees two different kinds of bonus payments – retention incentives and special performance bonuses. The retention incentives are paid to employees who reach certain longevity milestones based on their years of service. The City’s Personnel Manual provides the following regarding special performance bonus payments:

4.05 Bonuses and Rewards

The City Council, by resolution duly adopted, may make a lump sum bonus payment to any employee, who has, in the Council’s opinion, rendered exceptional service to the City and the community. The purpose is to recognize and reward only unusually meritorious work of the employee.

Department heads and supervisors have a duty to identify, recognize, and reward outstanding performance by employees, including productivity in the quality or quantity of work, quantities of leadership, special courtesy and good service to the public.

Despite what this policy states, City representatives informed the APA that it had simply been awarding \$20 to all full-time municipal employees and \$10 to all part-time municipal employees every November annually. The table below provides a summary of these special performance bonus payments to all municipal employees between 2021 and 2024:

Year	Amount
2021	\$750.00
2022	\$720.00
2023	\$910.00
2024	\$850.00
Total	\$3,230.00

Due to the lack of clearly defined eligibility criteria – in both the City’s Personnel Manual and practice – all of these special performance bonus payments appear to be impermissibly gratuitous in nature.

Article III, § 19, of the Nebraska Constitution contains the following prohibition against gratuitous payments to public employees:

The Legislature shall never grant any extra compensation to any public officer, agent, or servant after the services have been rendered nor to any contractor after the contract has been entered into, except that retirement benefits of retired public officers and employees may be adjusted to reflect changes in the cost of living and wage levels that have occurred subsequent to the date of retirement.

The Nebraska Attorney General has summarized this constitutional provision by explaining, “Nebraska law generally requires work be performed in order for payment to be received.” Op. Att’y Gen. 95071 (Aug. 10, 1995).

According to the Nebraska Supreme Court (Court), this constitutional prohibition is applicable to both the State and its many political subdivisions. *Retired City Civilian Employees Club of City of Omaha v. City of Omaha Employees’ Retirement System et al.*, 199 Neb. 507, 512, 260 N.W.2d 472, 475 (1977). Consequently, the City is subject to the injunction against gratuities.

Discussing the terminology found in Article III, § 19, the Court has explained, “A payment of compensation to a public servant constitutes extra compensation whenever there is no legal obligation to pay such compensation.” *Myers v. Nebraska Equal Opportunity Com’n*, 255 Neb. 156, 163, 582 N.W.2d 362, 367 (1998) (quoting *Matter of Mullane v. McKenzie*, 269 N.Y. 369, 377, 199 N.E. 624, 627 (1936)).

The Attorney General has shed additional light on the prohibition in Article III, § 19, as follows:

As we stated in Op. Att’y Gen. No. 94064 (August 22, 1994), the purpose of state constitutional provisions such as Art. III, § 19 which prohibit extra compensation to public employees after services are rendered is to prevent payments in the nature of gratuities for past services.

Op. Att’y Gen. No. 95063 (August 9, 1995). Given both the lack of eligibility criteria and the fact that, according to the language in the City’s Personnel Manual (“The City Council . . . may make a lump sum bonus payment to any employee, who has . . . rendered exceptional service . . .”), municipal employees are being rewarded for past performance, the bonus payments at issue appear to constitute gratuities in violation of Article III, § 19.

Good internal control requires procedures to ensure that any payments, including bonuses, to City employees are made in strict accordance with the Nebraska Constitution and any applicable State laws.

Without such procedures, there is an increased risk for not only loss or misuse of public funds but also violation of the Nebraska Constitution.

We recommend the City implement procedures to ensure all payments are constitutionally permissible.

3. Other Issues

The APA identified the following other issues regarding the City's procedures:

Improper Use of City Amazon Account and Credit Card

While examining the City's credit card purchases, the APA identified several transactions made under the municipal Amazon account that appear not to have been for any legitimate public purpose. Upon further discussion with City representatives, the APA learned that external non-profit organizations had been allowed to make occasional purchases on the City's Amazon account. From October 1, 2023, through September 30, 2025, these organizations were responsible for 20 such transactions, totaling \$2,515.03.

Furthermore, the APA noted three credit card charges, totaling \$145.33, made by one non-profit organization – the Christmas on the Bricks Organization – which lists Tami Comte as its Treasurer and Director. Although the City ultimately received reimbursement for these purchases, such organizations should not have been allowed access to municipal funds and vendor accounts. The City has since informed these non-profit organizations that they are prohibited from using the municipal Amazon accounts and funds going forward.

Lack of Adequate Documentation

The City was unable to provide adequate supporting documentation for three purchases examined by the APA. These purchases, which totaled \$186.60, are summarized in the table below:

Transaction Date	Payee	Amount	City Explanation
4/6/2024	Sam's Club	\$107.49	This transaction was to purchase a computer chair for City staff, but Ms. Comte did not turn in a receipt.
11/26/2024	Kindle	\$16.11	This transaction was made by the City Library.
5/13/2025	Breakout Edu	\$63.00	This transaction was made by the City Library.
Total			\$186.60

Purchases in Excess of Approved Policy

The APA noted five credit card charges, totaling \$1,769.15, which included the purchase of pairs of boots for City employees in amounts that exceeded the City's approved uniform policy allowance. These purchases are detailed in the following table:

Transaction Date	Payee	Description	Amount
10/14/2023	Danner-Lacrosse	One pair of Danner Men's Cedar River boots (\$230.00)	\$255.85
4/27/2024	Galls	Included one pair of Danner Reckoning boots (\$289.95)	\$535.50
6/4/2024	The Fort	Included one pair of Ariat Workhog XT boots (\$245.99)	\$471.85
6/7/2024	Danner-Lacrosse	One pair of Danner Men's Vicious boots (\$240.00)	\$258.00
8/12/2025	Galls	One pair of Danner Reckoning boots (\$239.96)	\$247.95
Total			\$1,769.15

The City's Personnel Manual (Manual) contains the following provision for a clothing allowance:

City Employee Clothing Reimbursement Allowance

All eligible City employees shall be entitled to a reimbursement for a certain amount of expenses incurred in obtaining clothing suitable for the work environment as set forth herein.

Clothing Reimbursement

The reimbursement shall not exceed \$350.00 per year per City employee. Purchased items eligible for reimbursement include any clothing items necessary for the performance of the employee's work duties, and, at maximum, two (2) pairs of boots per employee per year. The \$350 per year per employee maximum reimbursement allowance for clothing shall be in addition to the two (2) pairs of boots not to exceed \$200.00 per pair of boots.

Although the above policy allows for the purchase of boots, the expenditures noted above exceeded the \$200 per pair limit. As a result, such purchases appear to have violated the City's policy.

Payment of Sales Tax

From the supporting documentation for purchases made with the City's credit cards, the APA noted a total payment of \$1,440.38 in Nebraska sales tax. A summary of those expenditures is provided in the following table:

# of Transactions	Sales Tax Paid
135	\$1,440.38

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

Late Fees

The APA noted also that the City paid \$1,148.84 in late fees and interest to the credit card company, as shown in the table below:

Date	Type	Amount
11/6/2023	Interest	\$56.40
12/5/2023	Interest	\$39.40
1/4/2024	Interest	\$23.16
1/4/2024	Late Fee	\$39.00
2/5/2024	Interest	\$76.38
2/7/2024	Interest	\$19.09
3/8/2024	Interest	\$49.21
11/8/2024	Interest	\$74.06
12/9/2024	Interest	\$41.47
1/3/2025	Late Fee	\$39.00
1/9/2025	Interest	\$54.32
2/6/2025	Interest	\$20.58
3/3/2025	Late Fee	\$36.00
3/9/2025	Interest	\$54.59
4/8/2025	Interest	\$47.38
5/3/2025	Late Fee	\$39.00
5/9/2025	Interest	\$60.59
6/3/2025	Late Fee	\$39.00
6/8/2025	Interest	\$55.48
7/9/2025	Interest	\$42.40
8/5/2025	Interest	\$59.86
8/5/2025	Late Fee	\$39.00
9/3/2025	Late Fee	\$35.00
9/5/2025	Interest	\$22.62
9/8/2025	Interest	\$85.85
Total		\$1,148.84

Good internal control requires procedures to ensure the following: 1) City funds are used only for appropriate municipal purposes and not made accessible to private organizations; 2) adequate documentation is maintained for all expenditures of City funds; 3) any expenditure of City funds is not only constitutionally and statutorily permissible but also compliant with administrative guidelines; 4) City funds are not expended for the payment of Nebraska sales tax; and 5) all disbursements of City funds are reasonable and necessary.

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

We recommend the Board implement procedures to ensure the following: 1) City funds are used only for appropriate municipal purposes and not made accessible to private organizations; 2) adequate documentation is maintained for all expenditures of City funds; 3) any expenditure of City funds is not only constitutionally and statutorily permissible but also compliant with administrative guidelines; 4) City funds are not expended for the payment of Nebraska sales tax; and 5) all disbursements of City funds are reasonable and necessary.

City Overall Response:

Thank you for providing David City the opportunity to review your office's draft letter. We have done so, and we agree with the amounts that your office calculated. David City also generally does not dispute the letter's findings.

Please note that prior to your office contacting the City, David City staff were looking into a salary discrepancy, potential favorable treatment of family members and friends, and purchasing practices involving Ms. Comte. The City had previously directed all office staff to refrain from being involved in any City business involving family members.

Charges from October 14, 2023 to August 12, 2025 are purchases made on the FNBO credit card under Ms. Comte's name for clothing and boots for the Police Department. Items were directly charged to the credit card. David City will specify in its personnel manual the clothing allowance and what departments may be exempt. For example, the Electric Department needs to have specific fire-rated clothing. The City will specify allowances for other departments as it updates its personnel manual (see below).

In light of these incidents and in response to your office's draft letter, David City has made a number of changes in its procedures to safeguard against something like this happening in the future.

Specifically, David City is:

- *Changing processes on payroll to now have three people involved in the process of payroll, each of whom must sign off on the totals and all documents.*
- *Having at least three people sign off on any payroll adjustments/increases of wages/step increases, before anything takes effect.*
- *Canceling the \$20.00/\$10.00 annual recognition amount.*
- *Reviewing its Personnel Manual and making updates, which the Council will adopt in open session when ready.*
- *Ceasing ordering from Sam's Club or having a membership there. Instead, any supply orders will be handled through Amazon, Staples, and Quill, with price comparisons.*
- *Ceasing allowing Friends of the Library to purchase items from the Amazon account.*

- *Amazon purchases will be for City purchases only, and all purchases will include a receipt/invoice. Amazon has offered the City a Net 30 account, which will allow the City to pay invoices at Council Meetings under its normal, public monthly claims procedure.*
- *Limiting who has access to the City credit cards. And receipts will be placed in with the statement.*

* * * * *

Our audit procedures are designed primarily on a test basis and, therefore, may not bring to light all weaknesses in policies or procedures that may exist. Our objective is, however, to use the knowledge gained during our work to make comments and recommendations that we hope will be useful to the City.

Draft copies of this letter were furnished to the City to provide its management with an opportunity to review and to respond to the comments and recommendations contained herein. Any formal response received has been incorporated into this letter. Such response has been objectively evaluated and recognized, as appropriate, in the letter. A response that indicates corrective action has been taken was not verified at this time.

This communication is intended solely for the information and use of the City and its management. It is not intended to be, and should not be, used by anyone other than these specified parties. However, this communication is a matter of public record, and its distribution is not limited.

If you have any questions regarding the above information, please contact our office.

Audit Staff Working on this Examination:

Craig Kubicek, CPA, CFE – Deputy Auditor
Mason Culver – Auditor-In-Charge
Destini Morales – Auditor II
Caden Janak – Examiner

Sincerely,



Craig Kubicek, CPA, CFE
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Auditor of Public Accounts
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cc. Nebraska Attorney General
 Nebraska Accountability and Disclosure Commission
 Butler County Attorney

CITY OF DAVID CITY
Tami Comte Gross Wage Comparison
January 2021 through October 2025

Exhibit A

Period	Gross Wages (Actual)			Gross Wages (APA Calculation)			Variance
	Salary	Bonus Payments	Gross Earnings	Salary	Bonus Payments	Gross Earnings	
January 2021	\$5,571.01	\$0.00	\$5,571.01	\$5,571.01	\$0.00	\$5,571.01	\$0.00
February 2021	\$5,571.01	\$0.00	\$5,571.01	\$5,571.01	\$0.00	\$5,571.01	\$0.00
March 2021	\$5,571.01	\$0.00	\$5,571.01	\$5,571.01	\$0.00	\$5,571.01	\$0.00
April 2021	\$5,571.01	\$0.00	\$5,571.01	\$5,571.01	\$0.00	\$5,571.01	\$0.00
May 2021	\$5,571.01	\$0.00	\$5,571.01	\$5,571.01	\$0.00	\$5,571.01	\$0.00
June 2021	\$5,571.01	\$0.00	\$5,571.01	\$5,571.01	\$0.00	\$5,571.01	\$0.00
July 2021	\$5,571.01	\$0.00	\$5,571.01	\$5,571.01	\$0.00	\$5,571.01	\$0.00
August 2021	\$5,634.57	\$0.00	\$5,634.57	\$5,620.22	\$0.00	\$5,620.22	\$14.35
September 2021	\$5,698.13	\$0.00	\$5,698.13	\$5,698.13	\$0.00	\$5,698.13	\$0.00
October 2021	\$5,698.13	\$0.00	\$5,698.13	\$5,698.13	\$0.00	\$5,698.13	\$0.00
November 2021	\$5,698.13	\$20.00	\$5,718.13	\$5,698.13	\$0.00	\$5,698.13	\$20.00
December 2021	\$5,698.13	\$0.00	\$5,698.13	\$5,698.13	\$0.00	\$5,698.13	\$0.00
January 2022	\$5,698.13	\$0.00	\$5,698.13	\$5,698.13	\$0.00	\$5,698.13	\$0.00
February 2022	\$5,698.13	\$0.00	\$5,698.13	\$5,698.13	\$0.00	\$5,698.13	\$0.00
March 2022	\$5,848.13	\$0.00	\$5,848.13	\$5,809.42	\$0.00	\$5,809.42	\$38.71
April 2022	\$5,848.13	\$0.00	\$5,848.13	\$5,848.13	\$0.00	\$5,848.13	\$0.00
May 2022	\$5,848.13	\$0.00	\$5,848.13	\$5,995.18	\$0.00	\$5,995.18	(\$147.05)
June 2022	\$6,417.94	\$0.00	\$6,417.94	\$6,417.96	\$0.00	\$6,417.96	(\$0.02)
July 2022	\$6,417.94	\$0.00	\$6,417.94	\$6,417.96	\$0.00	\$6,417.96	(\$0.02)
August 2022	\$6,627.68	\$0.00	\$6,627.68	\$6,517.19	\$0.00	\$6,517.19	\$110.49
September 2022	\$6,697.59	\$0.00	\$6,697.59	\$6,557.79	\$0.00	\$6,557.79	\$139.80
October 2022	\$6,697.59	\$0.00	\$6,697.59	\$6,557.79	\$0.00	\$6,557.79	\$139.80
November 2022	\$6,697.59	\$20.00	\$6,717.59	\$6,557.79	\$0.00	\$6,557.79	\$159.80
December 2022	\$6,697.59	\$0.00	\$6,697.59	\$6,557.79	\$0.00	\$6,557.79	\$139.80
January 2023	\$6,697.59	\$0.00	\$6,697.59	\$6,756.21	\$0.00	\$6,756.21	(\$58.62)
February 2023	\$7,500.10	\$0.00	\$7,500.10	\$7,326.69	\$0.00	\$7,326.69	\$173.41
March 2023	\$7,500.10	\$0.00	\$7,500.10	\$7,326.69	\$0.00	\$7,326.69	\$173.41
April 2023	\$7,500.10	\$0.00	\$7,500.10	\$7,326.69	\$0.00	\$7,326.69	\$173.41
May 2023	\$7,500.10	\$0.00	\$7,500.10	\$7,326.69	\$0.00	\$7,326.69	\$173.41
June 2023	\$7,500.10	\$0.00	\$7,500.10	\$7,326.69	\$0.00	\$7,326.69	\$173.41
July 2023	\$7,500.10	\$0.00	\$7,500.10	\$7,326.69	\$0.00	\$7,326.69	\$173.41
August 2023	\$7,563.66	\$0.00	\$7,563.66	\$7,437.83	\$0.00	\$7,437.83	\$125.83
September 2023	\$7,627.21	\$170.00	\$7,797.21	\$7,483.30	\$170.00	\$7,653.30	\$143.91
October 2023	\$7,627.21	\$0.00	\$7,627.21	\$7,483.30	\$0.00	\$7,483.30	\$143.91
November 2023	\$7,627.21	\$20.00	\$7,647.21	\$7,483.30	\$0.00	\$7,483.30	\$163.91
December 2023	\$7,627.21	\$0.00	\$7,627.21	\$7,483.30	\$0.00	\$7,483.30	\$143.91
January 2024	\$7,627.21	\$0.00	\$7,627.21	\$7,540.08	\$0.00	\$7,540.08	\$87.13
February 2024	\$7,851.53	\$0.00	\$7,851.53	\$7,703.32	\$0.00	\$7,703.32	\$148.21
March 2024	\$7,851.53	\$0.00	\$7,851.53	\$7,703.32	\$0.00	\$7,703.32	\$148.21
April 2024	\$7,851.53	\$0.00	\$7,851.53	\$7,703.32	\$0.00	\$7,703.32	\$148.21
May 2024	\$7,851.53	\$0.00	\$7,851.53	\$7,703.32	\$0.00	\$7,703.32	\$148.21
June 2024	\$7,851.53	\$0.00	\$7,851.53	\$7,703.32	\$0.00	\$7,703.32	\$148.21
July 2024	\$7,851.53	\$0.00	\$7,851.53	\$7,703.32	\$0.00	\$7,703.32	\$148.21
August 2024	\$7,915.09	\$0.00	\$7,915.09	\$7,817.79	\$0.00	\$7,817.79	\$97.30
September 2024	\$7,978.64	\$0.00	\$7,978.64	\$7,864.62	\$0.00	\$7,864.62	\$114.02
October 2024	\$7,978.64	\$0.00	\$7,978.64	\$7,864.62	\$0.00	\$7,864.62	\$114.02
November 2024	\$7,978.64	\$20.00	\$7,998.64	\$7,864.62	\$0.00	\$7,864.62	\$134.02
December 2024	\$7,978.64	\$0.00	\$7,978.64	\$7,924.35	\$0.00	\$7,924.35	\$54.29
January 2025	\$8,213.50	\$0.00	\$8,213.50	\$8,096.10	\$0.00	\$8,096.10	\$117.40
February 2025	\$8,213.50	\$0.00	\$8,213.50	\$8,096.10	\$0.00	\$8,096.10	\$117.40
March 2025	\$8,213.50	\$0.00	\$8,213.50	\$8,096.10	\$0.00	\$8,096.10	\$117.40

CITY OF DAVID CITY
Tami Comte Gross Wage Comparison
January 2021 through October 2025

Exhibit A

Period	Gross Wages (Actual)			Gross Wages (APA Calculation)			Variance
	Salary	Bonus Payments	Gross Earnings	Salary	Bonus Payments	Gross Earnings	
April 2025	\$8,063.50	\$0.00	\$8,063.50	\$7,946.10	\$0.00	\$7,946.10	\$117.40
May 2025	\$8,063.50	\$0.00	\$8,063.50	\$7,946.10	\$0.00	\$7,946.10	\$117.40
June 2025	\$8,063.50	\$0.00	\$8,063.50	\$7,946.10	\$0.00	\$7,946.10	\$117.40
July 2025	\$8,063.50	\$0.00	\$8,063.50	\$7,946.10	\$0.00	\$7,946.10	\$117.40
August 2025	\$8,063.50	\$0.00	\$8,063.50	\$7,946.10	\$0.00	\$7,946.10	\$117.40
September 2025	\$8,063.50	\$0.00	\$8,063.50	\$7,946.10	\$0.00	\$7,946.10	\$117.40
October 2025	\$8,063.50	\$0.00	\$8,063.50	\$7,946.10	\$0.00	\$7,946.10	\$117.40
Totals	\$408,040.46	\$250.00	\$408,290.46	\$403,137.45	\$170.00	\$403,307.45	\$4,983.01