



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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May 18, 2026

Diane LaPointe, Chairperson
Village of Santee
425 Frazier Avenue North, Ste 2
Niobrara NE, 68760

Dear Chairperson LaPointe:

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

The Village's fiscal years ended September 30, 2024, and September 30, 2025, audit waiver requests and fiscal year 2025-2026 budget filing were not filed within the time constraints set by the APA to allow for an adequate timely review as well as the deadline set by State statute.

To be considered for an audit waiver for the fiscal year ended September 30, 2026, the Village must file its audit waiver request by December 31, 2026, and file its fiscal year 2026-2027 budget by September 30, 2026. If the audit waiver request is not filed by December 31, 2026, the APA may deny any requests thereafter, and the Village will be required to have an audit conducted for fiscal year 2026, which must be filed with the APA by March 31, 2027.

The costs of a mandatory audit for fiscal year 2026, as described above, would be the responsibility of the Village.

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. Audit Waiver and Budget Filings

The Village's audit waiver requests for the fiscal years ended September 30, 2024, and September 30, 2025, were filed delinquent with the APA. To ensure adequate time to review the Village's waiver request, in lieu of a full financial statement audit, the APA requires all villages filing an audit waiver to have those filings submitted with the APA by December 31 of each year.

Further, the Village also failed to submit its fiscal year 2025-2026 budget filing by September 30, 2025. The Village informed the APA that the 2025-2026 budget filing would be submitted by March 31, 2026. However, as of May 1, 2026, the APA has yet to receive the Village's budget.

It is also important to note that the Village failed to provide timely responses to the APA's requests for information and, therefore, failed to comply with Neb. Rev. Stat. § 84-305(2) (Reissue 2024), which requires a response to the

auditor's written requests for audit information within three business days. The improperly delayed responses not only violated State statute but also hindered the timing of the APA's approval of the fiscal year 2025 audit waiver.

Neb. Rev. Stat. § 19-2903 (Reissue 2022) states, in relevant part, the following:

The municipal authorities of each municipality shall cause an audit of the municipality's accounts to be made by a recognized independent and qualified accountant as expeditiously as possible following the close of the fiscal year for such municipality and to cover all financial transactions and affairs of the municipality for such preceding fiscal year. . . . Such audit shall be completed and the annual audit report made by such accountant shall be submitted within six months after the close of the fiscal year in any event A village may request a waiver of the audit requirement subject to the requirements of subdivision (4) of section 84-304.

(Emphasis added.) Furthermore, Neb. Rev. Stat. § 19-2905 (Reissue 2022) provides, in relevant part, the following:

At least three copies of the annual audit report shall be properly signed and attested by the accountant, two copies shall be filed with the clerk of the municipality involved, and one copy shall be filed with the Auditor of Public Accounts.

Neb. Rev. Stat. § 13-508(1) (Cum. Supp. 2024) requires a copy of the adopted budget statement to be filed with the APA by September 30 of each year, as follows:

After publication and hearing thereon and within the time prescribed by law, each governing body shall file with and certify to the levying board or boards on or before September 30 of each year . . . and file with the auditor a copy of the adopted budget statement which complies with sections 13-518 to 13-522 or 79-1023 to 79-1030, if applicable, together with the amount of the tax required to fund the adopted budget, setting out separately (a) the amount to be levied for the payment of principal or interest on bonds issued or authorized to be issued by the governing body or the legal voters of the political subdivision and (b) the amount to be levied for all other purposes. Proof of publication shall be attached to the statements. . . .

Neb. Rev. Stat. § 84-305 (Reissue 2024) states, in relevant part, the following:

(1) The Auditor of Public Accounts shall have access to any and all information and records, confidential or otherwise, of any public entity, in whatever form or mode the records may be, unless the auditor is denied such access by federal law or explicitly named and denied such access by state law. If such a law exists, the public entity shall provide the auditor with a written explanation of its inability to produce such information and records and, after reasonable accommodations are made, shall grant the auditor access to all information and records or portions thereof that can legally be reviewed.

(2) Upon receipt of a written request by the Auditor of Public Accounts for access to any information or records, the public entity shall provide to the auditor as soon as is practicable and without delay, but not more than three business days after actual receipt of the request, either (a) the requested materials or (b)(i) if there is a legal basis for refusal to comply with the request, a written denial of the request together with the information specified in subsection (1) of this section or (ii) if the entire request cannot with reasonable good faith efforts be fulfilled within three business days after actual receipt of the request due to the significant difficulty or the extensiveness of the request, a written explanation, including the earliest practicable date for fulfilling the request, and an opportunity for the auditor to modify or prioritize the items within the request. No delay due to the significant difficulty or the extensiveness of any request for access to information or records shall exceed three calendar weeks after actual receipt of such request by any public entity. The three business days shall be computed by excluding the day the request is received, after which the designated period of time begins to run. Business day does not include a Saturday, a Sunday, or a day during which the offices of the custodian of the public records are closed.

Neb. Rev. Stat. § 84-305.02 (Reissue 2024) provides a criminal penalty for failure to comply with the above statutory mandate, as follows:

Any person who willfully fails to comply with section 84-305 or 84-305.01, who otherwise willfully obstructs or hinders the conduct of an audit, examination, or related activity by the Auditor of Public Accounts, or who willfully misleads or attempts to mislead any person charged with the duty of conducting such audit, examination, or related activity shall be guilty of a Class II misdemeanor.

Good internal controls require procedures to ensure: 1) forms required to be filed with the APA are submitted within the time constraints set out by State statute and the APA; 2) compliance with applicable budget law; and 3) the Village responds to the APA's information requests timely and in compliance with State statute.

Without such procedures, there is an increased risk of not only noncompliance with State statute but also the Village's audit waiver request being denied, funds being forfeited due to failure to make such filings, and the lack of transparency regarding the handling of public monies.

The APA identified a similar issue in a prior review and disclosed it to the Village in a letter dated June 16, 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 the following: 1) the forms required to be filed with the APA are submitted within the time constraints set out by State statute and the APA; 2) compliance with applicable budget law; and 3) the Village responds to the APA's information requests timely and in compliance with State statute.

2. Mandatory Continuing Education Reporting Noncompliance

During our review of the Village's audit waiver request, the APA examined the annual continuing education hours required to be completed and reported by the Village Treasurer for the calendar year 2025. The calendar year 2025 continuing education hours were to be reported to the APA by January 31, 2026, and it was noted that the Village Treasurer failed to complete the required continuing education hours for the 2025 calendar year.

On March 6, 2026, as required by Neb. Rev. Stat. § 84-304(13) (Supp. 2025), the APA notified the Attorney General, County Attorney, and Village Board of Trustees of the Village Treasurer's noncompliance with the required annual continuing education program.

Legislative Bill 781 (2020) was approved by the Governor on August 15, 2020, which required the APA to approve a continuing education program. The program established by the APA, effective January 1, 2021, requires all county, city, and village treasurers to complete eight (8) hours of APA-approved continuing education during each calendar year (January 1 through December 31), with a reduction to four (4) hours allowed for any municipality with less than \$100,000 of expenditures during the previous fiscal year. Continuing education hours for the calendar year are required to be filed no later than January 31 subsequent to the reporting calendar year.

Further, Neb. Rev. Stat. § 17-606(3) (Reissue 2022) states the following:

The city treasurer or village treasurer shall annually complete continuing education through a program approved by the Auditor of Public Accounts, and proof of completion of such program shall be submitted to the Auditor of Public Accounts.

A proper system of internal control requires procedures to ensure the Village Treasurer completes the minimum required continuing education hours for the reporting calendar year, and those hours are submitted to the APA by January 31 subsequent to the reporting calendar year. Without such procedures, there is an increased risk of statutory noncompliance and noncompliance with the required annual continuing education program.

We recommend the Village Board and Village Treasurer implement procedures to ensure the Village Treasurer completes the minimum required continuing education hours for the reporting calendar year, and those hours are submitted to the APA by January 31 subsequent to the reporting calendar year.

3. Job and Wage Publication

The APA noted that the Village failed to publish its annual job and wage information between July 15, 2025, and August 15, 2025, as required by State statute. No publication was made by the Village.

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.) 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 – which is not satisfied by simply posting the information at locations in the Village – should include every Village position, such as Clerk, Treasurer, and Board member, 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 June 16, 2026, which can be found on the APA’s website. However, this issue does not appear to have been corrected after the APA’s notification.

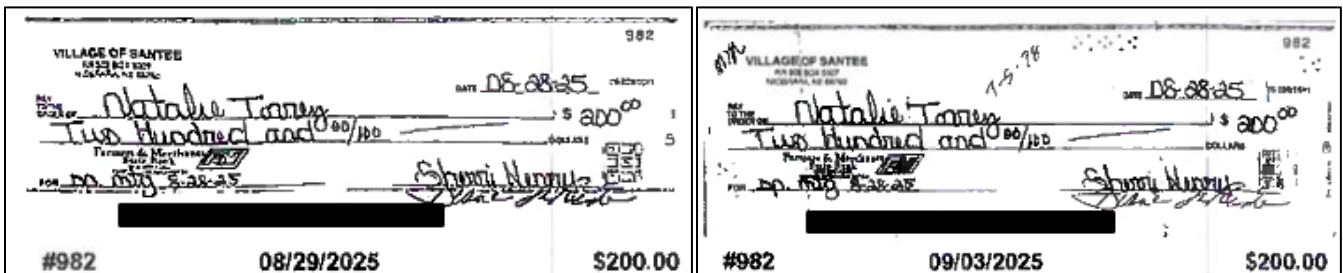
We recommend the Board implement procedures to ensure the Village’s annual job and wage information is published between July 15 and August 15 annually, as required by law, and such newspaper publication includes every Village position, such as Clerk, Treasurer, and Board member, even if that position receives no compensation.

4. Claims Issues

During the examination of the bank account statements submitted with the Village’s fiscal year 2025 audit waiver request, the APA identified several issues regarding the payments made during the fiscal year. These issues are discussed in further detail below.

Duplicate Payment

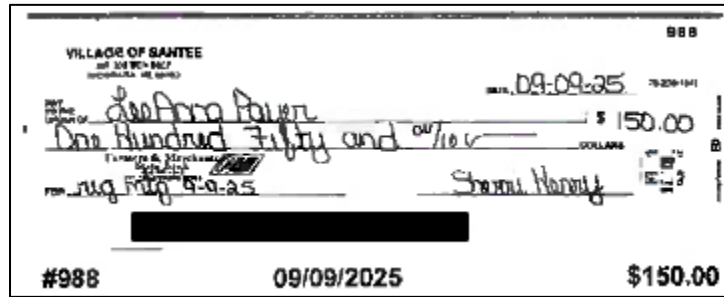
The APA noted that check #982, which was written to a Board member, Natalie Torrez, for the August 28, 2025, special Board meeting, cleared the bank twice, resulting in a duplicate payment. The duplicate cleared check images are provided below:



According to Village representatives, this was an oversight issue because the bank showed this check as uncleared, so when Ms. Torrez cashed the check for a second time, she did not realize it had already cleared the bank. She supposedly gave the Village a money order for the excess \$200 that she received. However, the Village did not provide any documentation to support that repayment to the Village.

Lack of Dual Signatures

The APA noted that one of the Village checks written during the examination period contained only one signature, as shown below:



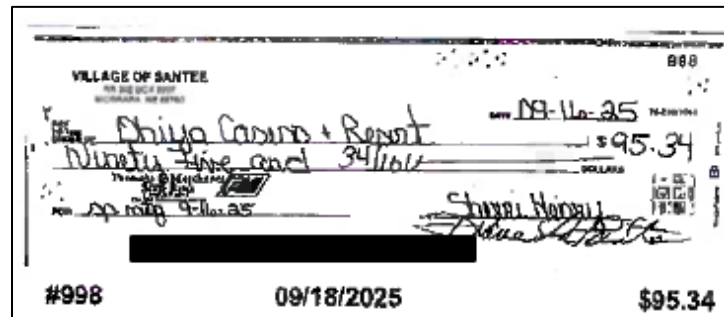
Neb. Rev. Stat. § 17-711 (Reissue 2022) requires Village checks to be signed by both the Chairperson of the Board of Trustees (Board) and the Village Clerk, as follows:

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.)

Lack of Supporting Documentation

The APA noted one check, totaling \$95.34, written to the Ohiya Casino & Resort on September 16, 2025. An image of that check is provided below:



As shown on the memo line above, the Village reported this check as pertaining to the Board’s special meeting on September 16, 2025. However, upon inquiring with the Village regarding this payment, the APA was informed that this payment was for a luncheon meeting held with a CPA who works at this casino. Because the CPA was unable to get away from work, Village representatives met with him and had lunch there.

However, the Village was unable to provide any documentation, including an itemized receipt, to support this payment. Therefore, the APA was unable to verify what was purchased and if such payment was an allowable use of Village funds.

Lack of Claim Purpose

During our comparison of the Village’s bank account details to claims approved by the Board, the APA reviewed meeting minutes dated August 12, 2025, and noted that the claims listed therein lacked descriptions of their respective purposes.

The following is an excerpt of the approved claims listing provided by the Village at its August 12, 2025, Board meeting:

Financial:

Financials for the month of August 2025

North Central Public Power: \$1045.90

Board Fee's: \$750.00

Motion: Natalie

Second: LeeAnn

Neb. Rev. Stat. § 84-1413(1) (Reissue 2024) of the Open Meetings Act (Act), which is set out at Neb. Rev. Stat. §§ 84-1407 to 84-1414 (Reissue 2024, Supp. 2025), requires political subdivisions and other public entities to “keep minutes of all meetings showing the time, place, members present and absent, and the substance of all matters discussed.” (Emphasis added.)

Additionally, Neb. Rev. Stat. § 19-1102 (Reissue 2022) requires publication of the Board’s official proceedings, which must include, among other things, the purpose of each claim allowed, as follows:

It shall be the duty of each city clerk or village clerk in every city or village having a population of not more than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census to prepare and publish the official proceedings of the city council or village board of trustees within thirty days after any meeting of the city council or village board of trustees. The publication shall be in a legal newspaper in or of general circulation in the city or village, shall set forth a statement of the proceedings of the meeting, and shall also include the amount of each claim allowed, the purpose of the claim, and the name of the claimant, except that the aggregate amount of all payroll claims may be included as one item. 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. The charge for the publication shall not exceed the rates provided for in section 23-122.

(Emphasis added.)

Payment of Unapproved Claims

During our comparison of the Village’s bank account details to claims approved by the Board, the APA identified two checks, totaling \$600, 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:

Payee	Check Date	Amount	Check #
Sherri Henry	7/21/25	\$ 300.00	972
Sherri Henry	8/27/25	300.00	979
Total		\$ 600.00	

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 the following: 1) duplicate payments are prevented and, if they occur, are recouped promptly; 2) dual signatures, from the Board Chairperson and Village Clerk, are included on all checks, as required by State statute; 3) each disbursement of Village funds is accompanied by adequate supporting documentation, including an itemized receipt; 4) the purpose of each claim allowed is included in both the Board's meeting minutes and the "official proceedings" required to be published afterwards; and 5) 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 not only failure to comply with State statute and lack of transparency regarding the nature of public expenditures but also loss or misuse of Village funds.

We recommend the Village implement procedures to ensure the following: 1) duplicate payments are prevented and, if they occur, are recouped promptly; 2) dual signatures, from the Board Chairperson and Village Clerk, are included on all checks, as required by State statute; 3) each disbursements of Village funds is accompanied by adequate supporting documentation, including an itemized receipt; 4) the purpose of each claim allowed is included in both the Board's meeting minutes and the "official proceedings" required to be published afterwards; and 5) 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.

* * * * *

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**.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Avery", with a long horizontal flourish extending to the right.

Mark Avery, CPA
Assistant Deputy Auditor