



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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January 6, 2017

Bruce Werner, Board Chair
Village of Orleans
411 S. Orleans Avenue
Orleans, NE 68966

Dear Mr. Werner:

As requested, the Nebraska Auditor of Public Accounts (APA) began limited preliminary planning work at the Village of Orleans (Village) to determine whether a full financial audit or attestation would be warranted. Pursuant thereto, the APA visited the Village on November 7, 2016, to obtain relevant information regarding the Village's financial transactions or compliance matters.

Based upon the outcome of this preliminary planning work, the APA has determined that a separate financial audit or attestation of the Village by this office is unnecessary at present.

Our preliminary work did reveal certain internal control or compliance matters, or other operational concerns, that are presented below. The following presentation of those matters, along with the related recommendations, will provide the Village with an opportunity to improve overall financial operations.

Our consideration of internal control was for the limited purpose described above, and it was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified.

Background Information

The following individuals were Village Board (Board) members for fiscal year 2016:

Lana Dake, Chair– resigned from Board October 6, 2016
Bruce Werner, Chair – appointed Chair October 6, 2016
Mary Ann Lehmer
David Snodgrass
DaLoy Veldhouse – appointed to Board June 14, 2016
Ashley Schmidt – resigned from Board June 14, 2016

The following individuals were Village employees during fiscal year 2016:

Rhonda Hogeland – former Clerk – terminated October 4, 2016

Mary Ann Lehmer – acting Clerk as of October 4, 2016

Rachel Stanteiski – utility superintendent

Robert Keef – dump supervisor

Scotty Inman – utility helper

During the APA's site visit on November 7, 2016, copies were obtained of the Village's bank statements, accounting records, invoices, timecards, and other financial documentation.

Comments and Recommendations

1. Village Control Environment

Due to the limited number of Village staff, an adequate segregation of duties was not possible. Consequently, the former Clerk was able to process from beginning to end all accounting transactions, including receipting and depositing funds owed to the Village, reviewing and approving invoices for payment, writing checks, receiving and reconciling bank statements, preparing the claims listing for Board approval, and providing financial information to the Village's certified public accountant (CPA).

Despite the Clerk's many duties, the Board retains overall responsibility for the operations of the Village. Furthermore, the absence of an adequate segregation of duties makes it all the more imperative for the Board to perform adequate monitoring and review of the Village's financial transactions. Unfortunately, the Board failed to oversee sufficiently the financial activity of the Village to ensure the accuracy and completeness of its financial records.

A control environment conducive to fair and complete financial reporting requires an adequate segregation of duties so that no one individual can process an accounting transaction from beginning to end. When an adequate segregation of duties is not possible due to the relatively small number of municipal staff, it is imperative that the entity's governing body provide effective monitoring of its policies, procedures, and accounting functions.

Good internal control requires a control environment that is conducive to fair and complete financial reporting and includes adequate reviews and monitoring of the Villages financial activity. Without adequate review and monitoring of the financial activities of the Village, there is a significant risk for loss or misuse of funds.

We recommend the Board implement procedures to ensure it is able to provide adequate review and monitoring of policies, procedures, and accounting functions of the Village. This would include a monthly review of the bank statements, accounting records, invoices, and other supporting documentation.

2. Internal Control Issues

During review, the APA noted these specific internal control issues:

Public Swimming Pool Receipts

The Board expressed concerns about revenues from the Village's public swimming pool and whether all receipts were deposited. According to him, the Village failed to maintain adequate records of the pool receipts. However, per the APA's discussions with the former Clerk, it appears records were maintained but not shared with the Board.

The APA reviewed the Village's accounting records for the fiscal year and noted the following deposits coded as pool receipts:

Deposit Date	Amount
5/24/2016	\$910.00
5/31/2016	\$801.26
6/14/2016	\$517.33
6/30/2016	\$442.50
7/22/2016	\$145.40
8/3/2016	\$145.00
9/6/2016	\$70.93
Total	\$3,032.42

The following were noted as pool receipts on the deposit slips included in the Village bank statements reviewed by the APA, or were otherwise recorded as a swimming pool receipt in the accounting system:

Deposit Date	Amount	
11/10/2015	\$60.00	
5/24/2016	\$910.00	*
5/31/2016	\$801.26	
5/31/2016	\$775.00	
5/31/2016	\$210.00	
6/1/2016	\$30.00	
6/14/2016	\$590.50	Note
6/30/2016	\$442.50	*
7/22/2016	\$145.40	*
8/3/2016	\$145.00	
8/9/2016	\$25.00	
8/16/2016	\$56.00	
9/6/2016	\$70.93	
Total	\$4,261.59	

* Deposit slip did not indicate it was a pool receipt, but it was recorded as one in accounting records.

Note: For this transaction, there was a \$73.17 variance between the amounts shown on the Village's bank statement deposits and accounting records.

The highlighted rows in the above table do not correspond to an entry in the accounting records, creating an overall variance of \$1,229.17 between the Village's bank statement deposits and the accounting records.

Additionally, because the Village failed to provide records documenting the purchase of pool passes or collection of entry fees, the APA was unable to determine whether revenues from all pool passes sold and entry fees collected were deposited.

Good internal controls require procedures, supported by proper documentation, to ensure that all monies received by the Village from the operation of its public swimming pool are properly deposited and recorded. Without such procedures and documentation, there is an increased risk for the loss or misuse of pool funds.

We recommend the Board implement procedures to ensure documentation exists for all pool passes sold and pool entry fees collected. This should include a listing of passes purchased by family or individual, with the amount and date paid, as well as a daily listing of all entry fees collected. Such documentation should be included with each deposit of pool revenues to support the amount of pool money received and deposited.

Former Clerk's Utility Payments

During the period tested, the APA determined that the former Clerk paid her utility bill late for seven of the twelve months examined. The Village's municipal code requires a late fee to be assessed and paid if payment is not made by the 15th day of each month. No such late fees appear to have been assessed to or paid by the former Clerk.

The following table details the former Clerk's late utility payments:

Month	Year	Date Paid	Days Late	Total Due	15% Penalty	Total Due	Former Clerk Payments	Variance
September	2015	10/16/2015	1	\$105.73	\$15.86	\$121.59	\$105.73	(\$15.86)
November	2015	12/16/2015	1	\$63.11	\$9.47	\$72.58	\$63.11	(\$9.47)
December	2015	1/18/2016	3	\$59.31	\$8.90	\$68.21	\$59.31	(\$8.90)
March	2016	4/18/2016	3	\$66.74	\$10.01	\$76.75	\$66.74	(\$10.01)
May	2016	6/16/2016	1	\$76.72	\$11.51	\$88.23	\$76.72	(\$11.51)
July	2016	8/16/2016	1	\$154.94	\$23.24	\$178.18	\$154.94	(\$23.24)
August	2016	9/16/2016	1	\$121.06	\$18.16	\$139.22	\$121.06	(\$18.16)
Totals				\$647.61	\$97.15	\$744.76	\$647.61	(\$97.15)

Section 7-103(A) of the Village Municipal Code states, "Bills shall be due and payable on the 15th day of each month." Subsection (B) of that same section adds, "Bills not paid by the 15th day of each month shall be deemed delinquent and shall have added to their amount a penalty of 15% for late payment." Per these provisions, a total late fee of \$97.15 should have been assessed to the former Clerk for the seven months during which her utility payments were late.

The failure of the former Clerk to assess a late fee to her utility account for late payments gives rise to potential concerns regarding certain State statutes. To start, Neb. Rev. Stat. § 49-14,101.01 (Reissue 2010) states, in part, the following:

- (1) *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.*
- (2) *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.*

* * * *

- (7) *Except as provided in section 23-3113, any person violating this section shall be guilty of a Class III misdemeanor, except that no vote by any member of the Legislature shall subject such member to any criminal sanction under this section.*

Additionally, Neb. Rev. Stat. § 28-512 (Reissue 2008) states the following, in relevant part:

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; or*
- (4) *Uses a credit card, charge plate, or any other instrument which purports to evidence an undertaking to pay for property or services delivered or rendered to or upon the order of a designated person or bearer (a) where such instrument has been stolen, forged, revoked, or canceled, or where for any other reason its use by the actor is unauthorized, or (b) where the actor does not have the intention and ability to meet all obligations to the issuer arising out of his use of the instrument.*

Lastly, Neb. Rev. Stat. § 28-924 (Reissue 2008), provides the following:

- (1) *A public servant commits official misconduct if he knowingly violates any statute or lawfully adopted rule or regulation relating to his official duties.*
- (2) *Official misconduct is a Class II misdemeanor.*

In addition to these potential statutory concerns, good internal controls require procedures to ensure that all Village employees and Board members pay their utility bills timely or are assessed the required late fee for failure to do so. Without such procedures, there is an increased risk for the loss of Village funds.

We recommend the Board implement procedures to ensure a proper monitoring of Village employee and Board member utility accounts. We also recommend the Board verify the total late fees owed by the former Clerk and take action to collect that amount. Because of the statutory concerns noted within this comment and recommendation, the APA will also refer this matter to both the Harlan County Attorney and the Nebraska Accountability and Disclosure Commission for their review.

Utility Deposit Information

While at the Village, the APA determined that the current, acting Clerk had not entered the utility deposit information into the computerized utility software, rendering the customer account balances inaccurate.

It is our understanding that the Village is in the process of converting to a new utility software program. Prior to that conversion, the Village should ensure the payments received from each customer have been applied to their accounts, and the customer balances are accurate.

Good internal controls require procedures and records to ensure the accuracy of customer utility account balances. Without such procedures and records, there is an increased risk for the loss or misuse of Village funds.

We recommend the Board implement procedures to ensure the accuracy of customer utility billing records, especially when conversion to a new software program is pending.

Bank Reconciliations

As of our visit on November 7, 2016, the Village had yet to complete its monthly bank reconciliation for September of that year.

Good internal controls require procedures to ensure that monthly bank reconciliations are completed timely. Without such procedures, there is an increased risk for the loss or misuse of Village funds.

We recommend the Board implement procedures to ensure monthly bank reconciliations are completed timely.

Village Money Taken to Clerk's Home

The current acting Clerk took Village money home with her. During the APA's visit, the current acting Clerk questioned the APA regarding the money from the cash count conducted that morning. After the APA explained that the money from the cash count had been returned to her, the current acting clerk indicated that she must have taken the money home.

Good internal controls require procedures to ensure that all Village funds are properly safeguarded. Such procedures should include a prohibition against taking public funds out of the Village office other than for official purposes, such as bank deposits. Without such procedures, there is an increased risk for the loss or misuse of Village funds.

We recommend the Board implement procedures to safeguard Village funds, including a prohibition against employees removing public monies from the Village office other than for official purposes.

Lack of Check Endorsement

During our visit, the APA conducted a count of cash and checks on hand at the Village office. The following copy is documentation of the cash count performed. None of the three checks on hand, totaling \$208.23, were restrictively endorsed.

11/7/2016 - CASH Count		Date	Prepared By	Work Paper No.
			Reviewed By	
Bill Weaver				
		CHECKS		Aut. 260
1) 58.16	Cash Aut. 321	(✓1)	Michael Lennemann #6340	10/31/16 4.71
		(✓2)	Flag Creek Machinery #3300	11/3/16 123.55
			Aut. 054	
		(✓3)	Stacy O'Donnel #4582	11/4/16 79.97
			Aut. 132	
Marilyn Schaner				
ACTING CLERK				
		met / Not met		
		✓ / (✓)	- Check Endorsed "for deposit only"	
Craig Kubiak				

Good internal controls require procedures to ensure that all checks received by the Village are restrictively endorsed "for deposit only" upon receipt. Without such procedures, there is an increased risk for the loss, misuse, or abuse of public funds.

We recommend the Board implement procedures to ensure all checks received by the Village are restrictively endorsed.

3. Payroll Processes

The Village also lacked an adequate segregation of duties over payroll disbursements, as the Clerk is the only individual responsible for receiving employee time cards, calculating time worked, entering work time into the accounting system, printing checks, and reconciling the bank statements. A secondary review and approval of employee time worked was not performed to mitigate this increased risk over payroll functions.

Review of Hours Worked and Paid

Because the Board failed to review its employees' timecards, the APA reviewed the former Clerk's paychecks for the period examined to ensure the hours paid agreed to those recorded on her time cards.

Good internal controls require procedures and records to ensure that time worked by Village employees is properly recorded. Having chosen to utilize a time clock to record employee hours worked, the Board should implement procedures to ensure that all employees, including the Clerk, use the time clock as intended. Without such procedures, there is an increased risk for the loss or misuse of Village funds.

Overtime Pay

The APA noted that the former Clerk received occasional overtime pay during the summer when she was paid both to perform her clerical duties and to manage the Village's public swimming pool. Because the Board failed to do so, the APA reviewed the overtime paid to the former Clerk. The former Clerk was paid a total of 205.15 hours of overtime, totaling \$4,265.07.

The APA identified several overtime payment calculation errors, as noted below. The following information was taken directly from the former Clerk's pay stub and represents her actual payments:

Check Information		Information per Pay Stubs						
Check #	Pay Date	Pay Rate	Regular	Holiday	Leave	Overtime	Total Hours	Gross Amount
10596	6/6/2016	\$13.85	80.00	-	-	23.29	103.29	\$1,592.20
10645	6/20/2016	\$13.85	66.00	-	14.00	51.31	131.31	\$2,174.73
10702	7/18/2016	\$13.85	80.00	-	-	35.22	115.22	\$1,840.22
Totals			226.00	-	14.00	109.82	349.82	\$5,607.15

The APA recalculated the overtime payments to the former Clerk based upon her timecards. Village policy requires employees to work in excess of 40 hours each pay period in order to receive overtime. This policy does not seem to allow holiday or leave hours to be used when calculating the hours worked per week for overtime purposes. As a result, the APA recalculated the overtime hours paid in the following three instances:

Check Information		APA Calculated per Time Cards						
Check #	Pay Date	Pay Rate	Regular	Holiday	Leave	Overtime	Total Hours	Gross Amount
10596	6/6/2016	\$13.85	80.00	3.50	-	19.99	103.49	\$1,571.77
10645	6/20/2016	\$13.85	80.00	-	14.00	33.77	127.77	\$2,003.47
10702	7/18/2016	\$13.85	80.00	3.50	-	31.75	115.25	\$1,816.08
Totals			240.00	7.00	14.00	85.51	346.51	\$5,391.32

It should be noted that there were some variances between the total amounts calculated from the time cards and those reflected on the pay stubs. This explains the variances between the total hours worked columns in the two tables shown above. The overall variances are summarized in the following table:

Check Information		Pay Stubs	APA/ Time Cards	Variance
Check #	Pay Date			
10596	6/6/2016	\$1,592.20	\$1,571.77	\$20.43
10645	6/20/2016	\$2,174.73	\$2,003.47	\$171.26
10702	7/18/2016	\$1,840.22	\$1,816.08	\$24.14
Totals		\$5,607.15	\$5,391.32	\$215.83

Based on the above calculations, it appears the former Clerk was overpaid \$193.33 for overtime and \$22.50 for other time card errors.

Page 7 of the Employee Handbook states the following:

[E]mployees receive overtime premiums at 1.5 times their regular hourly rate for all hours worked in excess of 40. Employees must accurately record all hours worked and must have worked all hours recorded. Employees may not work "off the clock," and employees may not work overtime without the permission of their supervisor except in cases of emergency.

(Emphasis added.)

Good internal controls require adequate procedures to ensure all payroll expenses are in compliance with the Employee Handbook and are adequately reviewed by the Board prior to payment, especially when overtime hours are involved.

Leave Records

Village employees receive both sick and vacation leave in accordance with the provisions of the Employee Handbook.

Again, because of the lack of proper Board review, the APA recalculated the vacation and sick leave earned and used by the former Clerk, comparing the amounts recorded on her timecards to those shown on the pay stubs. The APA identified certain vacation balances inaccuracies, as follows:

Vacation Leave								
Month	Year	Actual			APA Calculated			Variance
		Earned	Used	Balance	Earned	Used	Balance	
Beginning Balance				-			(4.00)	4.00
October	2015	35.00	-	35.00	35.00	3.50	27.50	7.50
November	2015	-	-	35.00	-	-	27.50	7.50
December	2015	-	3.50	31.50	-	3.50	24.00	7.50
January	2016	-	-	31.50	-	-	24.00	7.50
February	2016	-	3.50	28.00	-	3.50	20.50	7.50
March	2016	-	3.50	24.50	-	3.50	17.00	7.50
April	2016	-	7.00	17.50	-	7.00	10.00	7.50
May	2016	-	-	17.50	-	-	10.00	7.50
June	2016	-	14.00	3.50	-	14.00	(4.00)	7.50
July	2016	-	-	3.50	-	-	(4.00)	7.50
August	2016	-	-	3.50	-	-	(4.00)	7.50
September	2016	-	3.50	-	-	3.50	(7.50)	7.50
Totals		35.00	35.00		35.00	38.50		

The Employee Handbook sets out the Village's policies for employee vacation and sick pay. Page 8 states that, after two years of employment, an employee will receive 10 days of vacation per year. According to the Board Chairman, the former Clerk had been working at the Village for four years and, therefore, received 10 days, or 35 hours, of vacation during the period tested.

The Village appears to have failed to account, however, for a negative vacation leave balance from the end of the previous fiscal year. Additionally, the APA identified 3.5 hours of vacation used in October 2015 that were not properly recorded, for a total vacation balance difference of 7.5 hours.

The APA also noted discrepancies in the sick leave balance for the former Clerk, as follows:

Sick Leave								
Month	Year	Actual			APA Calculated			Variance
		Earned	Used	Balance	Earned	Used	Balance	
Beginning Balance				85.87			85.87	-
October	2015	5.25	-	91.12	3.50	-	89.37	1.75
November	2015	5.25	-	96.37	3.50	-	92.87	3.50
December	2015	5.25	0.50	101.12	3.50	0.50	95.87	5.25
January	2016	5.25	-	106.37	3.50	-	99.37	7.00
February	2016	3.50	2.50	107.37	3.50	2.50	100.37	7.00
March	2016	3.50	-	110.87	3.50	-	103.87	7.00
April	2016	3.50	-	114.37	3.50	0.50	106.87	7.50
May	2016	3.50	-	117.87	3.50	-	110.37	7.50
June	2016	5.25	-	123.12	3.50	-	113.87	9.25
July	2016	7.00	-	130.12	3.50	-	117.37	12.75
August	2016	1.75	-	131.87	3.50	-	120.87	11.00
September	2016	7.00	-	138.87	3.50	0.50	123.87	15.00
Totals		56.00	3.00		42.00	4.00		

Page 8 of Employee Handbook also states that the “Village Clerk shall accrue 3.5 hours of sick leave per month.” That equates to a total of 42 hours of sick leave earned per year. The APA determined that the former clerk recorded a total of 56 hours of earned sick leave, a difference of 14 hours.

The additional 14 hours are summarized as follows:

- The former clerk recorded 1.75 sick leave hours earned per biweekly paycheck, even though there were 27 biweekly paychecks. Therefore, she earned an additional 1.75 hours on three extra paychecks for a total of 5.25 extra hours of sick leave earned.
- Additionally, the former Clerk also received an extra paycheck each month for an agreed-upon health insurance payment. The former clerk recorded 1.75 hours of leave on five of the eleven insurance payments she received, for an additional 8.75 hours of sick leave earned.

Finally, the APA determined that one hour of sick leave was taken during the year but not recorded.

As a result of these variances, the former Clerk’s vacation leave balance was overstated by 7.5 hours, and her sick leave balance was overstated by 15 hours.

Good internal controls require procedures and records to ensure the accuracy of Village employee vacation and sick leave earning. Without such procedures, there is an increased risk for the loss or misuse of Village funds as a result of paying out leave amounts that are not due.

Health Insurance Payments

The former Clerk, along with two other employees, received a payment of \$250 for health insurance each month. The Board was unable to provide documentation that supported its approval of this payment.

Good internal controls require procedures and records to ensure that all payments to Village employees are formally approved by the Board. Without such procedures, there is an increased risk for the loss or misuse of Village funds.

Publishing of Minutes and Employee Salaries

The Village failed to provide documentation indicating whether the former Clerk had published annually the salaries of Village employees. Such publication is required by Neb. Rev. Stat. § 19-1102 (Reissue 2012), which states, in relevant part, the following:

It shall be the duty of each village or city clerk in every village or city having a population of not more than one hundred thousand to prepare and publish the official proceedings of the village or city board, council, or commission within thirty days after any meeting of the board, council, or commission. The publication shall be in a newspaper of general circulation in the village or city, 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 APA did not verify whether all required meeting minutes were published as required.

By failing to publish employee salaries, the former Clerk failed to comply with § 19-1102. Neb. Rev. Stat. § 19-1104 (Reissue 2012) provides a criminal penalty for such lack of compliance, as follows:

Any village or city clerk, or treasurer, failing or neglecting to comply with the provisions of sections 19-1101 to 19-1103 shall be deemed guilty of a misdemeanor and shall, upon conviction, be fined, not to exceed twenty-five dollars, and be liable, in addition to removal from office for such failure or neglect.

The Clerk bears the sole legal responsibility of publishing both Village employee salaries and Board proceedings in compliance with § 19-1102, as well as the culpability for failing to do so. Nevertheless, the Board was clearly remiss for not overseeing its employee to ensure that her duties were being performed appropriately. This is particularly true with regard to statutory publication requirements, such as those in § 19-1102, which are easily verifiable.

The failure of the former Clerk – abetted by the negligence of the Board – to make the publication required by § 19-1102 not only constitutes a violation of the law but also gives rise to a lack of governmental accountability and transparency, which is detrimental to the interests of local taxpayers.

To compensate for the Village's lack of segregation of duties over the payroll process, we recommend that the Board implement procedures to ensure to following:

- At least one Board member reviews and approves employee time cards and pay stubs prior to payment, especially when overtime hours are contemplated.
- The Village time clock is used by all employees.
- Employee leave earned and used is monitored and recorded.
- The Board gives formal approval annually to the payment of any employee health insurance amounts.
- The Clerk complies with statutory requirements for the publication of employee salaries and board proceedings.

4. Petty Cash Procedures

The Village maintains a small petty cash fund; however, there was no documentation to support how much money the Board had authorized to be in that account. The current acting Clerk thought that the approved amount was either \$100 or \$200.

Because petty cash funds are especially susceptible to misuse or abuse, the Board should approve the official amount of the Village's petty cash fund and implement procedures to ensure that adequate documentation is maintained of its use. The Board should also perform periodic counts of the petty cash fund.

Good internal controls require procedures to ensure that all Village funds, including the petty cash fund, are properly approved and safeguarded. Without such procedures, there is an increased risk for the loss, theft, or misuse of public monies.

We recommend the Village approve an official amount for its petty cash fund and implement formal procedures, including adequate documentation of its use and a period review of its contents, to ensure that the account is properly safeguarded.

Village's Response: The Village acknowledges that there have been procedural and control problems in the past. The Village Board is in the process of attempting to find and appoint a new village clerk and will be revising Village procedures to address the concerns in the Auditor of Public Accounts report.

Further, the actions of the prior clerk, as noted in the report, will be referred to law enforcement for investigation.

* * * * *

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 make comments and suggestions that we hope will prove useful to the Village.

Draft copies of this letter were furnished to the Village to provide its management with an opportunity to review and to respond to the comments and recommendations contained herein. All formal responses received have been incorporated into this letter. Those responses have been objectively evaluated and recognized, as appropriate, in the letter. Responses indicating that corrective action has been taken were not verified at this time.

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 regarding the above information, please contact our office.

Sincerely,

A handwritten signature in cursive script that reads "Mary Avery".

Mary Avery
Special Audits and Finance Manager
Phone 402-471-3686
mary.avery@nebraska.gov

.cc: Accountability and Disclosure
Harlan County Attorney