

**ATTESTATION REPORT
OF THE
VILLAGE OF GREENWOOD**

OCTOBER 1, 2017, THROUGH SEPTEMBER 30, 2018

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VILLAGE OF GREENWOOD

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VILLAGE OF GREENWOOD

BACKGROUND

The Village of Greenwood (Village) is located in Cass County, Nebraska. The Village Board of Trustees (Board) is the governing body that exercises financial accountability and control over activities relevant to the operations of the Village. The Village receives funding from State and local government sources and must comply with the requirements of these funding sources. Board 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 Village operations, and the primary responsibility for related fiscal matters.

In the prior year, the APA received concerns related to the Village dating back to September 2017. Due to these concerns, as well as the Village's failure to file an annual audit with the Auditor of Public Accounts (APA), the APA conducted an attestation of the Village for fiscal year 2017 and entered into an agreement to conduct a subsequent attestation for fiscal year 2018.

On July 10, 2018, the Village engaged the services of HBE LLP, its former auditor, to assist with various bookkeeping functions, including consultation on record keeping, recording of transactions, and periodic adjustments, among others. Reconciling the general ledger accounts was also agreed upon for the engagement.

In mid-February 2019, the APA was informed by HBE LLP that the Village was ready to be audited for fiscal year 2018. On March 7, 2019, the APA began planning for that attestation and requested the remaining bank statements needed. On April 9, 2019, the APA traveled to the Village to obtain additional documentation needed to complete the attestation.

During the audit period, the Village Board was comprised of the following members:

Member	Effective Dates	Board Chair Dates
Michelle Criswell	December 2014 to July 26, 2017	December 2016 to July 26, 2017
Jim Wrich	December 2012 to December 2016 and September 13, 2017, to March 28, 2018	September 13, 2017, to March 28, 2018
Don Wilken	April 2018 to current	May 30, 2018, to current
Larry Meyer	December 2014 to December 12, 2018	
Kevin Gerlach	December 2016 to current	
Megan Piehl	December 2016 to current	
Matt Starr	December 2016 to current	
George Mack	December 12, 2018, to current	

Marcia Fiala terminated her employment as the Village Clerk (Clerk) on February 23, 2018, but continued to provide temporary services to the Village through June 18, 2018.

Susan Weichel was hired as Clerk on April 25, 2018, but resigned on June 13, 2018.

Cheris Cadwell is the current Clerk, with a hire date of June 18, 2018.

The Village also paid other individuals and its auditing firm to help with the accounting functions of the Clerk's office.

VILLAGE OF GREENWOOD

SUMMARY OF COMMENTS

During our examination of the Village of Greenwood (Village), we noted certain deficiencies and other operational matters that are presented here. The following comments are required to be reported in accordance with *Government Auditing Standards*: Comments #3, “Customer Utility Account Testing,” #6, “Payroll,” and #7, “Use of TIF Funds,” which are considered to be significant deficiencies; Comments #1, “Village Accounting Processes,” #2, “Control Environment,” #4, “Lack of Documentation,” and #5, “Sale of Land,” which are considered to be material weaknesses; and Comments #2, “Control Environment,” and #4, “Lack of Documentation,” which are considered material noncompliance.

These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the following areas:

1. ***Village Accounting Processes:*** The Auditor of Public Accounts (APA) noted a number of issues related to the Village’s financial accounting processes, including a lack of documentation to support the method used to allocate expenses between various funds, incorrectly recorded revenues, bond/debt payments incorrectly recorded, issues with bank reconciliations due to the timing of accounting entries, inaccurate accounting entries, incorrect recording of motor vehicle taxes, and an inappropriate general journal entry.
2. ***Control Environment:*** The APA also identified a number of internal control issues, including a lack of segregation of duties, noncompliance with State statute due to the failure of the current Clerk to sign checks, untimely depositing of checks, and lack of a known fixed asset policy and inventory list.
3. ***Customer Utility Account Testing:*** The APA tested 10 utility customers, including two Board members, and found problems with all customers tested. The issues included amounts that were not properly billed or properly supported. In total, the APA estimates that almost \$1,700 in utility costs was not properly collected from, or was unsupported for, these customers.
4. ***Lack of Documentation:*** The APA tested 18 payments and found issues with each payment tested, including the Village’s failure to publish a list of claims in its meeting minutes, lack of adequate documentation, such as invoices, receipts, and contracts or agreements to support the expenses, and lack of sufficient information to support whether statutory bidding requirements were met.
5. ***Sale of Land:*** The Village failed to maintain proper documentation related to the sale of land, totaling \$50,000. Additionally, the ordinance confirming the sale, as required by State statute, was not passed by the Village in a timely manner.
6. ***Payroll:*** The Village failed to provide adequate documentation for certain payroll expenses, including documented approval of time cards for Marcia Fiala during her tenure as temporary Clerk, support for the method to allocate payroll costs for maintenance employees, preapproval of overtime, and the cell phone stipend provided to maintenance employees.
7. ***Use of TIF Funds:*** The Village currently has two Tax Increment Financing (TIF) projects, the Greenwood Village Project and the Norma Jean Redevelopment Project. The APA determined that the Village used the Greenwood Village TIF revenues primarily to pay off a playground loan and to make payments on the community center loan.

VILLAGE OF GREENWOOD

SUMMARY OF COMMENTS

(Concluded)

During fiscal year 2018, the Village recorded \$137,434.29 in TIF funds received from the County. In December 2017, the Village used the TIF funds to pay \$79,957.16, or the remainder of the playground loan. The Village also made community center loan payments in December 2017 and June 2018, totaling \$29,819.68. The APA questions the use of the excess ad valorem taxes to fund general municipal improvements to the Village's infrastructure and whether the use of the TIF funds to pay for loans comports with the specifics of the redevelopment contract.

More detailed information on the above items is provided hereinafter. It should be noted that this report is critical in nature, containing only our comments and recommendations on the areas noted for improvement and does not include our observations on any accounting strengths of the Village.

Draft copies of this report 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 report. Where no response has been included, the Village declined to respond. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next examination.

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS

1. Village Accounting Processes

Similar to the prior-year audit for the Village, the Auditor of Public Accounts (APA) identified a number of financial accounting issues, as described below.

Allocation of Expenses

The Village of Greenwood (Village) lacked documentation to support two adjusting entries to reclassify expenses, totaling \$34,748. The following table provides the details of the adjusting entries:

Expense Account	Total Expense	Reclassification									
		General	Street	Water	Electric	Sewer	Fire	Library	Rescue	Keno	TIF
Insurance	\$ 26,348	\$ 3,293.50	\$ 3,293.50	\$ 3,293.50	\$ 3,293.50	\$ 3,293.50	\$ 3,293.50	\$ 3,293.50	\$ 3,293.50		
Auditing	\$ 8,400	\$ 840.00	\$ 840.00	\$ 840.00	\$ 840.00	\$ 840.00	\$ 840.00	\$ 840.00	\$ 840.00	\$ 840.00	\$ 840.00
Totals	\$ 34,748	\$ 4,133.50	\$ 840.00								

Both expenses were allocated evenly across a selection of the Village’s funds. The Village lacks a documented or approved method to allocate its administrative expenses. The Village should document its method for allocating administrative expenses to the various funds or simply charge administrative expenses to the General Fund.

The APA also determined the Village lacked documentation to support the allocation of the following expenses to its funds.

Date	Name	Account	Class	Amount	Description
5/31/2018	Fiala’s Truck Repair	3270 Repair/Maintenance	Business-type Activities:03 Water	\$ 633.33	The payment to Fiala’s Truck Repair was split evenly between the Water, Electric, and Sewer funds. However, the Village lacked documentation to support the even split to each fund. According to the Clerk, the repair was for the Village’s bucket truck, which is used primarily for electric and street maintenance work. Therefore, it is unreasonable for this amount to be coded to the water and sewer funds.
5/31/2018	Fiala’s Truck Repair	3270 Repair/Maintenance	Business-type Activities:04 Electric	\$ 633.33	
5/31/2018	Fiala’s Truck Repair	3270 Repair/Maintenance	Business-type Activities:05 Sewer	\$ 633.34	
				Total	
1/3/2018	gWorks	3218 GIS Fees	Business-type Activities:03 Water	\$ 6,083.33	The payment to gWorks was split evenly between the Water, Electric, and Sewer funds. According to the Clerk, GIS payments are normally charged to more than just the sewer, water, and electric funds. The invoice showed that the work completed was related to electrical light poles, a Village-owned building, and street signs. Therefore, the allocation to the water and sewer funds is unreasonable.
1/3/2018	gWorks	3218 GIS Fees	Business-type Activities:04 Electric	\$ 6,083.33	
1/3/2018	gWorks	3218 GIS Fees	Business-type Activities:05 Sewer	\$ 6,083.34	
				Total	\$ 18,250.00
11/9/2017	Menards	3600 Capital Outlay	Governmental Funds:22 TIF Funds	\$ 2,639.21	The payment to Menards was coded to Capital Outlay in the TIF fund. However, this disbursement should have been coded instead to the supplies account. See Comment and Recommendation #7 for the APA’s concerns related to the TIF funds.

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS
(Continued)

1. **Village Accounting Processes** (Continued)

The Village should document its method for allocating expenses to the various funds and consider the purpose or use of each expense.

Bond Revenue Accounting

The Village lacked an understanding of the bond property tax receipts to ensure the amounts received from the County were appropriately recorded in the proper fund. During the fiscal year, the Village allocated the funds between the two water bonds and one street bond, as noted below:

Description	Water	Street
Bond Property Tax from Co Treasurer	\$ 23,024.77	\$ 11,510.73

However, the bond agreement for the highway allocation bonds includes the following language:

For the prompt payment of this bond, principal and interest as the same become due, the Village hereby pledges all receipts by the Village which are attributable to the Highway Allocation Fund of the State of Nebraska. In the event such receipts for the Highway Allocation Fund are insufficient to meet the payments of principal and interest, the full faith, credit and resources of said Village are hereby irrevocably pledged.

(Emphasis added.) Therefore, the Village was required to first use highway allocation funds to repay the highway allocation bond. During the fiscal year 2018, the State recorded \$73,697.58 in highway allocation funds due to the Village, and the Village paid \$32,293 in principal and interest on its highway allocation bonds. Therefore, the highway allocation funds are more than enough to cover the highway allocation bond payments.

As a result, the Village’s practice of allocating the bond revenues collected by the County proportionately to the Water and Street Funds appears to be inappropriate.

Bond Payment Inaccurately Recorded

The Village inappropriately recorded one water bond payment, totaling \$15,000, to the Street Fund, as shown below:

Description	Water Fund	Street Fund
Per Amortization Schedules	\$ 52,516.25	\$ 32,292.50
Amounts per GL	\$ 37,516.25	\$ 47,292.50
Total	\$ 15,000.00	\$ (15,000.00)

Note: The APA did not include the water bond prepayments made during the fiscal year in this table.

The amount included in the table above was paid from the Street Bank Account. The APA also determined that the Village failed to correct a similar miscoding identified in the prior audit, during which the APA noted that the General Fund, Street Fund, and Water Fund all had errors in the recording of bond payments, in the overall amount of \$30,000.

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS
(Continued)

1. **Village Accounting Processes** (Continued)

Bank Reconciliations

The September 30, 2018, bank reconciliation provided to the APA included a book balance of \$784,992.45; however, the book balance per the accounting records provided to the APA included a book balance of \$781,847.67, a difference of \$3,144.78. That difference is explained as follows:

- In November 2018, the Clerk voided \$2,930.51 in prior fiscal year checks. The QuickBooks accounting software used by the Village processed voided checks using the original transaction date of the checks. Therefore, the checks voided in November 2018 were processed with a date during the fiscal year, which affected the ending book balance.
- The September 30, 2018, bank reconciliation also included \$214.27 for four outstanding deposits; however, these outstanding deposits were not included in the accounting records provided to the APA. The Village failed to provide an explanation for these transactions; however, the APA determined that \$33.89 appears to have been a duplicate entry.

In addition to the variances noted above, the APA also found that a \$270.38 outstanding deposit shown on the September 30, 2018, bank reconciliation was not actually outstanding. This deposit posted to the bank on July 9, 2018.

Other Inaccurate Accounting Entries

The APA compared each bank accounts' deposit and check amounts with the Village's debits and credits from its accounting system. For the Village's general bank account, the following transactions were included as reconciling items:

Description	Deposits/ Credits	Checks/ Debits	Description
The Village deleted the original 9/30/2017 deposit and dated the deposit 10/31/2017.	\$85,092.43		
For the 6/18/2018 deposit, the amount clearing the bank was higher than the book amount.	\$ (106.00)	\$ (106.00)	The 6/22/2018 deposit correction on the bank statement was not recorded in the accounting system.
For the 8/3/2018 deposit, the amount clearing the bank was higher than the book amount.	\$ (0.20)	\$ (0.20)	The 8/9/2018 deposit correction on the bank statement was incorrectly recorded in the accounting system as an outstanding check.
For the 9/24/2018 deposit, the amount clearing the bank was higher than the book amount.	\$ (0.03)	\$ (0.03)	The 9/28/2018 deposit correction on the bank statement was not recorded in the accounting system.
A Menards refund cleared the bank on 7/9/2018 but was still shown as an outstanding deposit at 9/30/2018. See above.	\$ 270.38		
		\$ 2,930.51	Checks voided in November 2018 were back dated to fiscal year 2018. See above.
		\$ (1,579.16)	Dates of prior year outstanding checks were changed to fiscal year 2018 and cleared in fiscal year 2018.
		\$ 95.58	Unknown variance
Totals	\$85,256.58	\$ 1,340.70	

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS
(Continued)

1. Village Accounting Processes (Continued)

Many of the reconciling items included in the table above were a result of the Clerk making entries after the fiscal year ended or changing entries that were made in the prior year. The APA was able to identify all variances and reconciling items on the deposits and credit side; however, the APA noted a \$95.58 unknown variance on the checks and debit side that could not be supported.

Motor Vehicle Fees and Taxes Incorrectly Recorded

The Village incorrectly recorded motor vehicle fees and taxes from the County, as noted in the table below:

Month	QB Deposit Date	Actual MV Fees	MV Taxes Recorded	Difference	Description
Sept 2017	10/31/2017	\$ 1,561.75	\$ 1,593.63	\$ 31.88	The Village incorrectly recorded \$15.94 for the motor vehicle collection fee and the \$15.94 Vehicle Title and Registration System Replacement and Maintenance (VTRSRM) fee as property taxes instead of motor vehicle taxes. Both amounts are fees that should reduce the motor vehicle tax collections for the month.
Oct 2017	12/31/2017	\$ 1,063.39	\$ 1,074.24	\$ 10.85	The Village recorded the \$10.85 VTRSRM fee as property taxes. The amount is a fee that should reduce the motor vehicle tax collections for the month.
Nov 2017	1/31/2018	\$ 969.28	\$ 979.17	\$ 9.89	The Village recorded the \$9.89 VTRSRM fee as property taxes. The amount is a fee that should reduce the motor vehicle tax collections for the month.
Dec 2017	1/31/2018	\$ 1,096.32	\$ 1,107.51	\$ 11.19	The Village recorded the \$11.19 VTRSRM fee as property taxes. The amount is a fee that should reduce the motor vehicle tax collections for the month.
Jan 2018	3/30/2018	\$ 664.73	\$ 0.00	\$ (664.73)	The January motor vehicle tax of \$664.73 was incorrectly coded to property tax.
Feb 2018	3/30/2018	\$ 589.12	\$ 595.13	\$ 6.01	The Village recorded the \$6.01 VTRSRM fee as property taxes. The amount is a fee that should reduce the motor vehicle tax collections for the month.
Mar 2018	4/30/2018	\$ 1,213.33	\$ 1,225.71	\$ 12.38	The Village recorded the \$12.38 VTRSRM fee as property taxes. The amount is a fee that should reduce the motor vehicle tax collections for the month.
Apr 2018	5/31/2018	\$ 457.13	\$ 461.79	\$ 4.66	The Village recorded the \$4.66 VTRSRM fee as property taxes. The amount is a fee that should reduce the motor vehicle tax collections for the month.
May 2018	7/9/2018	\$ 1,005.67	\$ 1,015.93	\$ 10.26	The Village recorded the \$10.26 VTRSRM fee as property taxes. The amount is a fee that should reduce the motor vehicle tax collections for the month.
June 2018	7/19/2018	\$ 1,297.14	\$ 1,310.38	\$ 13.24	The Village recorded the \$13.24 VTRSRM fee as property taxes. The amount is a fee that should reduce the motor vehicle tax collections for the month.

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS
(Continued)

1. **Village Accounting Processes** (Continued)

Month	QB Deposit Date	Actual MV Fees	MV Taxes Recorded	Difference	Description
July 2018	8/21/2018	\$ 1,875.96	\$ 1,895.10	\$ 19.14	The Village recorded the \$19.14 VTRSRM fee as property taxes. The amount is a fee that should reduce the motor vehicle tax collections for the month.
Aug 2018	9/18/2018	\$ 1,347.40	\$ 1,361.15	\$ 13.75	The Village recorded the \$13.75 VTRSRM fee as property taxes. The amount is a fee that should reduce the motor vehicle tax collections for the month.
Totals		\$ 13,141.22	\$ 12,619.74	\$ (521.48)	

The Board should set a policy directing which fund should be used to record the motor vehicle tax deposits.

Journal Entry

The Village made a journal entry dated September 30, 2018, that does not appear appropriate, as explained below.

For one employee, the Village erroneously recorded \$1,925 in additional Federal tax withholdings as miscellaneous deductions from pay, rather than additional tax withholdings. As a result of the coding error, the additional funds were not remitted to the Internal Revenue Service (IRS) in a timely manner. The Clerk apparently received conflicting information from the CPA and payroll vendor related to the proper resolution of the issue. One party instructed the Clerk to write a check to the employee to return the funds that were not properly remitted to the IRS. The following journal entry was created to move the funds from the Payroll Liabilities account to a Due to Employee account, in order to return the funds to the employee:

Account	Type	Date	Memo	Debit (Credit)
1860 Due to employee	General Journal	9/30/2018	[Employee] 11 months @ 175.00	\$ (1,925.00)
1850 Payroll Liabilities	General Journal	9/30/2018	[Employee] 11 months @ 175.00	\$ 1,925.00

However, instead of returning the funds to the employee, the Village remitted the funds to the IRS in December 2018. At that time, the Village processed an extra payroll check for the employee with a gross pay of \$1,925 and the additional tax withholdings of \$1,925, for zero net pay to the employee.

Although this extra payroll succeeded in remitting the additional tax withholdings to the IRS, it also improperly inflated the employee’s gross pay for the year. Additionally, the Village accounting records currently include a liability amount recorded that is no longer an amount due.

Good internal controls require procedures to ensure that the Village’s financial information is properly recorded. Without such procedures, there is an increased risk of loss, misuse, or theft of Village funds.

A similar finding was reported in the prior year.

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS

(Continued)

1. Village Accounting Processes (Concluded)

We recommend the Village Board implement procedures to ensure its financial information is properly recorded and accurate. In addition, the Village Board should ensure the following:

- A method to allocate expenses is documented and approved; otherwise, the Board should charge all administrative expenses to the General Fund.
- Property tax receipts for bonds are appropriately allocated in accordance with the ballot language for the bonds and the bond agreements.
- All transactions are properly recorded to the correct fund and account, and errors identified in the current and prior report related to bond payments are corrected.
- Accurate bank reconciliations are completed monthly.
- Transactions processed after the fiscal year end are appropriate and do not change the fiscal year end fund balance.
- Motor vehicle taxes are appropriately recorded into a Board-directed fund, and the motor vehicle fees reported by the County reduce the motor vehicle receipts and not the property tax receipts. All errors noted herein should be corrected.
- All journal entries should be appropriate and adequately supported.

2. Control Environment

The Village lacked several key internal control processes during the audit period, as follows:

- A lack of segregation of duties existed, as one individual, the Clerk, controlled all aspects of the financial accounting processes, and the Board lacked adequate reviews to ensure all payments were authorized and all transactions were properly recorded.
 - Payroll: The Clerk has access to the payroll system and has the ability to change hours and rates. A Board member reviews hours in the system the weekend prior to the processing of payroll. There is not a documented review by a Board member after payroll has processed to ensure hours and pay rates are not changed.
 - Claims: The Clerk prepares claims and checks. Board members review and approve each claim at the meetings. Once the Board is satisfied with the documentation and check, the check is signed. However, the Board does not review any reports from the accounting system, such as a check register, and compare those reports to bank statements to ensure the Village's accounting records agree to the bank statements.
 - Receipts: The Clerk is solely responsible for accounting for all monies received for the Village. There is no monthly review of receipt amounts by the Board to ensure they are reasonable.

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS

(Continued)

2. **Control Environment** (Continued)

- The APA determined that the current Clerk was not authorized to sign checks, as required by statute. Neb. Rev. Stat. § 17-711 (Cum. Supp. 2018) states the following:

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.) The APA also found that the Village failed to update the individuals authorized to sign checks after the previous Clerk terminated. On June 1, 2018, the Village updated each Pinnacle Bank account to remove the former Clerk from the accounts and to add Susan Weichel, who was the Village Clerk from April 25, 2018, through June 13, 2018, as an authorized signer. After that Clerk terminated, the Village failed to update the list of authorized signers.

- The Village failed to make timely deposits of checks received from the County for 7 of the 12 months during the fiscal year. The following table shows the seven late deposits.

Month	Total	Date Check Required to be Written	Deposit Date
Sept. 2017	\$ 6,544.24	10/15/2017	10/26/2017
Oct. 2017	\$ 4,052.86	11/15/2017	11/30/2017
Nov. 2017	\$ 3,513.65	12/15/2017	1/25/2018
Dec. 2017	\$ 13,626.35	1/15/2018	1/25/2018
Mar. 2018	\$ 12,394.21	4/15/2018	4/26/2018
Apr. 2018	\$ 115,856.38	5/15/2018	5/31/2018
May 2018	\$ 19,758.99	6/15/2018	7/8/2018

Per Neb. Rev. Stat. § 23-1601(4)(a) (Reissue 2012), the County treasurer is required to pay to the Village all funds collected for it by no later than the 15th day of each month.

Good internal controls require procedures to ensure all monies received are deposited at the bank on a weekly basis, if not more often. Good internal controls also require accounting entries to be made at the time the funds are received.

- While the Village Board approved a fixed asset threshold of \$300, the Board lacked a formal fixed asset policy and failed to approve any fixed asset listings of the Village’s assets. In addition, the Village lacked procedures to ensure fixed asset additions and deletions were properly accounted for.

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS

(Continued)

2. **Control Environment** (Concluded)

Good internal control requires procedures to ensure a proper segregation of duties, so no one individual is in a position both to perpetrate and to conceal errors or irregularities. Those same procedures should ensure also that other accounting and record-keeping concerns addressed in this comment are resolved appropriately. Without such procedures, there is an increased risk for the loss, misuse, or theft of Village funds.

We recommend the Village implement procedures to prevent one person from being in a position both to perpetrate and to conceal financial errors or irregularities. This would include the following:

- A Board member, or a separately designated individual, should review the monthly bank statements, obtained directly from the bank, for any discrepancies with approved claims. (This may be done via electronic access to bank statements online.)
- A review should be performed to ensure that actual amounts paid (per bank statements) agree to the claim amounts approved by the Board, and no unauthorized adjustments were made.

We also recommend the Board ensure the following: 1) authorized signers are updated in a timely manner, and the Clerk is one of the signers on all warrants, in compliance with statute; 2) all checks received are deposited within a week of their receipt, if not more often; and 3) fixed asset policy and procedures exist.

3. **Customer Utility Account Testing**

The Village lacked procedures for ensuring that amounts billed to and collected from its utility customers were accurate and in accordance with Village ordinances. The Village currently has approximately 291 customer accounts.

The Village changed utility billing systems in April 2018 and currently uses PowerManager.

The APA selected a total of 10 customers to test, 5 each from the utility receipts paid in February 2018 and June 2018 for the prior month's utility usage. The sample included six commercial customers with 11 separate accounts. Therefore, a total of 16 accounts were reviewed. The APA found the following issues for all 10 customers and 15 of the 16 accounts:

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS
(Continued)

3. Customer Utility Account Testing (Continued)

APA Customer #	Account #	Amount	Description
1	1318001	\$ 46.92	The Village charged \$46.92 as a penalty to the account during February 2018. At that time, the total outstanding balance was \$440.55. The Village resolution calls for a penalty amount of 10% of the outstanding charges for electrical service. The Village was unable to provide documentation to verify the outstanding electrical balance; therefore, the APA could not determine if the penalty amount assessed was accurate. This issue has still not been resolved in the new utility billing system.
1	1318001	unknown	This account also had unpaid balances as of the 15th day of October and December 2017, as well as January and April 2018; however, no penalty amounts were assessed. This issue has been resolved in the new utility billing system, as penalties are assessed after the payment deadline.
2	1161001	\$ 97.02	The residential electric service rates were used in error on this commercial customer. This resulted in the Village under-billing the customer by \$147.20 for the January 2018 service. In addition, the summer rate for a demand motor was erroneously used instead of the winter rate. This resulted in the Village over-billing the customer by \$50.18. The net result of these errors was that the Village under-billed this customer \$97.02. These issues have been resolved in the new utility billing system.
2	1164001	\$ 106.41	The residential electric service rates were used in error on this commercial customer. This resulted in the Village under-billing the customer by \$106.66 for the January 2018 service. In addition, the summer rate for a demand motor was erroneously used instead of the winter rate. This resulted in the Village over-billing the customer by \$0.25. The net result of these errors was that the Village under-billed this customer \$106.41. These issues have been resolved in the new utility billing system.
2	1006001	\$ 94.81	The residential electric service rates were used in error on this commercial customer. This resulted in the Village under-billing the customer by \$95.84 for the January 2018 service. In addition, the summer rate for a demand motor was erroneously used instead of the winter rate. This resulted in the Village over-billing the customer by \$1.03. The net result of these errors was that the Village under-billed this customer \$94.81. These issues have been resolved in the new utility billing system.
2	1288001	\$ 812.12	The Village failed to assess the \$10.00 monthly electric commercial customer service charge to this customer in January 2018. This issue was not resolved until October 2018, after the fiscal year end. In addition, the summer rate for a demand motor was used in error instead of the winter rate. This resulted in the Village over-billing the customer by \$822.12. The net result of these errors was that the Village over-billed this customer \$812.12. These issues have been resolved in the new utility billing system.
3	1151001	\$ 7.99	The Village charged \$23.45 as a penalty to the account during February 2018. At that time, the total outstanding balance was \$220.19. The Village resolution calls for a penalty amount of 10% of the outstanding charges for electrical service. The Village also reversed a portion of the penalty applied to this account, totaling \$15.46. No documentation was on file to support the penalty reversal. This calculation of the penalty issue has still not been resolved in the new utility billing system.

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS
(Continued)

3. Customer Utility Account Testing (Continued)

APA Customer #	Account #	Amount	Description
4	1139001	\$ 446.54	This customer was not assessed the \$10.00 monthly electric commercial customer service charge in January 2018. This issue was not resolved until October 2018, after the fiscal year end. In addition, the customer was only charged for 20,000 Kwh but used 24,040. The charge for the additional electricity usage over 20,000 should have been \$436.54. The Village did not charge any usage over 20,000 Kwh even though the ordinance requires it. The Village has still not resolved the billing issue for customers who use more than 20,000 Kwh.
4	1338001	\$ 0.23	The account was assessed the residential consumption rate of .1169 instead of the commercial consumption rate of .2312 during January 2018, resulting in an under-charge to this customer of \$.23. This account has no activity in the new utility billing system.
5	1026001	\$ 33.27	The Village charged \$33.27 as a penalty to the account during February 2018. At that time, the total outstanding balance was \$296.06. The Village resolution calls for a penalty amount of 10% of the outstanding charges for electrical service. This issue has still not been resolved in the new utility billing system.
5	1026001	unknown	This account had unpaid balances as of the 15th day of October and December 2017, as well as January, March, and April 2018; however, no penalty amounts were assessed.
6	1138001	\$ 10.00	This customer was not assessed the \$10.00 monthly electric commercial customer service charge for the May 2018 service. This issue was not resolved until October 2018, after the fiscal year end.
7	1098001	\$ 10.00	This customer was not assessed the \$10.00 monthly electric commercial customer service charge for the May 2018 service. This issue was not resolved until October 2018, after the fiscal year end.
8	1200001	\$ 5.00	This customer was not assessed the \$5.00 monthly electric residential customer service charge for the May 2018 service. This issue was not resolved until October 2018, after the fiscal year end.
9	1001001	\$ 10.00	This customer was not assessed the \$10.00 monthly electric commercial customer service charge for the May 2018 service. This issue was not resolved until October 2018, after the fiscal year end.
10	1202201	\$ 5.00	This customer was not assessed the \$5.00 monthly electric residential customer service charge for the May 2018 service. This issue was not resolved until October 2018, after the fiscal year end.
10	1327001	\$ 10.00	This customer was not assessed the \$10.00 monthly electric commercial customer service charge for the May 2018 service. This issue was not resolved until October 2018, after the fiscal year end.
Total		\$ 1,695.31	

Note: The total amount included in this table is an estimate only, as some of the amounts in question were unknown or were not calculated.

Based on the testing completed by the APA, the Village failed to bill all 10 customers tested appropriately, resulting in almost \$1,700 in unsupported, uncollected, or inadequately documented utility charges, when compared with the utility ordinances provided.

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS
(Continued)

3. **Customer Utility Account Testing** (Continued)

This issue was also noted in the prior report. When switching to a new billing system, the Village failed to ensure the accuracy of the amounts billed for each customer.

The Village's Municipal Code, Chapter 7, governs public utilities. Section 7-101 authorizes the Village Board to set rates, as follows:

The Village Board is authorized to establish by ordinance such rates for water, sewer and electrical service as may be deemed fair and reasonable.

Section 7-102(A) addresses the penalty assessed for delinquent utility payments:

Charges for water, sewer and electrical services shall be billed jointly on a monthly basis. Utility bills shall be mailed on or about the 1st day of each month, and shall be due and payable by the 15th day of each month. Bills not paid by the 15th day of each month shall be deemed to be delinquent and shall have a penalty charged added thereto in the amount of 10% of the outstanding charges for electrical service.

The Board set the following water rates in Board Resolution 13-6, dated September 24, 2013:

Commercial Customer Base Rate	\$52.77
Rural Residential Customer Base Rate	\$55.02
Residential Customer Base Rate	\$41.52
Water usage \$3.09 per thousand gallons used over the first 3500 gallons monthly.	

The Village's \$29 sewer rate was set by Board Resolution 15-13, dated October 14, 2015.

On January 13, 2016, the Board approved Village Ordinance 452, which authorizes a 4% increase in electrical rates. The electrical rates in effect at the time were set by Board Resolution 13-5, dated September 24, 2013. Key provisions from that resolution include the following:

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS
(Continued)

3. Customer Utility Account Testing (Continued)

RESIDENTIAL SERVICE	
Customer Service Charge	\$5.00/month
First 500 Kwh/month	@\$.1124
Next 500 Kwh/month	@\$.0926
Over 1,000 Kwh/month	@\$.0849

4% increase:
$$.1124 * 1.04 = $.116896$
$$.0926 * 1.04 = $.096304$
$$.0849 * 1.04 = $.088296$

COMMERCIAL SERVICE / NO DEMAND MOTOR	
Customer Service Charge	\$10.00/month
First 500 Kwh/month	@\$.2223
Next 500 Kwh/month	@\$.1233
Over 1,000 Kwh/month	@\$.1168
Over 2,000 Kwh/month	@\$.1039

4% increase:
$$.2223 * 1.04 = $.231192$
$$.1233 * 1.04 = $.128232$
$$.1168 * 1.04 = $.121472$
$$.1039 * 1.04 = $.108056$

SINGLE PHASE & THREE PHASE / DEMAND MOTOR	
Total Computation Formula "Demand" Plus Kwh consumed "Demand" KW x Rate x Potential Factor	
Summer Rate	\$2.50 June, July, August, September
Winter Rate	\$1.25 January, February, March, April, May, October, November, December

4% increase:
$$2.50 * 1.04 = 2.60
$$1.25 * 1.04 = 1.30

KWH DETERMINATION	
Customer Service Charge	\$10.00/month
First 1,000 Kwh/month	@\$.1463
Next 4,000 Kwh/month	@\$.1035
Over 5,000 Kwh/month	@\$.0995
Over 10,000 Kwh/month	@\$.0968

4% increase:
$$.1463 * 1.04 = $.152152$
$$.1035 * 1.04 = $.10764$
$$.0995 * 1.04 = $.10348$
$$.0968 * 1.04 = $.100672$

In addition, the APA determined that the Village began to review certain customer account balances as a result of issues found with the amounts billed in the prior year, particularly related to the use of meter multipliers. The Clerk began to recalculate customer bills to determine the proper amount that should have been billed for fiscal year 2017 and fiscal year 2018.

The APA reviewed the calculation for one of these customers and found the calculation to be incorrect. The APA calculated the correct amount to be \$13,231.70, which is \$700.91 more than the Clerk's calculation.

The APA understands this issue to affect several customers. The Village has allowed the customer to repay the amounts owed over a period of time. However, the Village failed to document properly the amounts owed and to create a written repayment plan with the customers.

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS
(Continued)

3. Customer Utility Account Testing (Concluded)

Good internal control requires procedures for ensuring that utility amounts are calculated and billed in accordance with the Board-approved ordinances or resolutions. Without such procedures, there is an increased risk for the loss or misuse of Village funds.

We recommend the Board make it a priority to ensure the rates entered into the billing software are accurate and in accordance with Village ordinances. Specifically, the Board should ensure the following issues are addressed:

- The system properly calculates and applies late fees in accordance with the approved ordinance, and documentation is available to support the electrical balance due.
- The correct residential or commercial rates are used for each customer, including the correct demand rate.
- Adjustments to penalty amounts comply with the applicable ordinances, and such penalty adjustments are supported by adequate documentation.
- All electrical usage, including that above 20,000 Kwh, is billed in accordance with approved ordinances.
- Adjustments to accounts with errors, including those identified above, are resolved by the Board.
- Customer repayment plans are adequately documented in a written agreement.

4. Lack of Documentation

The Village lacked adequate documentation to support a number of its expenses. The APA selected a sample of 18 payments to vendors. As noted in the prior report, none of the payments tested were included in the published statement of the meeting proceedings, as required by State statute.

Additionally, the Village failed to provide signed grant agreements for an \$80,881 Game and Parks Land and Water Conservation Fund Project grant and a \$30,000 Federal Community Development Block Grant (CDBG) Comprehensive Planning Program grant.

Details for the 18 payments tested are provided the following table:

#	Date	Type	Vendor	Amount	Description
1	6/25/2018	EFT	Amazon.com	\$ 190.64	The claim was not recorded in the published meeting proceedings.
2	8/28/2018	Check	Cornhusker Bank	\$ 19,412.50	The claim was not recorded in the published meeting proceedings.
3	2/1/2018	Check	Crouch Recreation	\$ 12,988.50	The Village failed to provide adequate documentation to support this expense, as the contract provided was not signed. The claim was not recorded in the published meeting proceedings.

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS

(Continued)

4. **Lack of Documentation** (Continued)

#	Date	Type	Vendor	Amount	Description
4	5/31/2018	Check	Fiala's Truck Repair	\$ 1,900.00	The claim was not recorded in the published meeting proceedings. Additionally, the Village failed to provide documentation to determine whether this related party contract was properly entered and declared on the record in accordance with Neb. Rev. Stat. § 49-14,101.01 (Reissue 2010).
5	1/3/2018	Check	gWorks	\$ 18,250.00	The claim was not recorded in the published meeting proceedings.
6	8/28/2018	Check	HBE Becker Meyer Love LLP	\$ 5,140.00	The Village failed to provide adequate documentation to support this expense – a written contract or agreement for the services was not provided. The claim was not recorded in the published meeting proceedings.
7	12/15/2017	Check	Marcia S Fiala	\$ 113.59	The Village failed to provide adequate documentation to support this expense. The payment appears to have been a reimbursement for expenses, but no documentation was provided to support the expenses reimbursed. The claim was not recorded in the published meeting proceedings.
8	11/9/2017	Check	Menards	\$ 2,639.21	The Village failed to provide adequate documentation to support this expense. The invoices provided did not agree to the amount paid. The APA noted \$292 more was paid than was documented on the invoices. The claim was not recorded in the published meeting proceedings.
9	5/31/2018	Check	Municipal Supply, Inc. of Omaha	\$ 5,606.41	The claim was not recorded in the published meeting proceedings.
10	8/28/2018	Check	OPPD	\$ 31,477.15	The Village failed to provide adequate documentation to support this expense. Apparently, the Village has a long-standing contractual agreement with the Omaha Public Power District (OPPD), but it could not provide the actual agreement. A number of items on the invoice, including adjustments, discounts, and rates, should be documented in a written contract. The claim was not recorded in the published meeting proceedings.
11	12/18/2017	EFT	Pinnacle Bank	\$ 79,957.16	The claim was not recorded in the published meeting proceedings.
12	6/13/2018	Check	Pinnacle Bank	\$ 14,769.84	The claim was not recorded in the published meeting proceedings.
13	8/28/2018	Check	PeopleService, Inc.	\$ 5,551.00	The claim was not recorded in the published meeting proceedings.

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS
(Continued)

4. **Lack of Documentation** (Continued)

#	Date	Type	Vendor	Amount	Description
14	5/31/2018	Check	Rembolt Ludtke LLP	\$ 4,382.88	The claim was not recorded in the published meeting proceedings. Additionally, the APA noted that the rate for services provided in the contract with Rembolt Ludtke LLP does not agree to the actual rate charged on the invoice.
15	2/8/2018	Check	Watts Electric	\$ 23,112.73	The Village failed to provide adequate documentation to support this expense, as a signed contract was not provided. Additionally, as noted in the prior year, this contract lacked documentation to ensure the proper bidding requirements were met. The Village failed to provide documentation supporting the bids received for this project. The claim was not recorded in the published meeting proceedings.
16	1/16/2018	ACH	(Bond Payment)	\$ 25,000.00	The claim was not recorded in the published meeting proceedings.
17	8/28/2018	Check	Pavers, Inc.	\$ 69,763.33	The Village failed to provide adequate documentation to support this expense, as a signed contract was not provided. In addition, the Village failed to provide documentation to support the bids received for this project. The APA could not determine if proper bidding procedures were utilized. Furthermore, the meeting minutes reflected approval of only \$52,500 for the work to be performed. An amended contract or board approval was not provided to support the amount that exceeded the approved amount. The claim was not recorded in the published meeting proceedings.
18	2/21/2018	Check	Miller Monroe Farrell	\$ 24,800.00	The Village failed to provide adequate documentation to support this expense, as the insurance policy was not provided. The claim was not recorded in the published meeting proceedings.
				\$ 320,254.94	Total

The APA also determined that none of the payroll claims were included in the Village’s meeting minutes.

Neb. Rev. Stat. § 17-714(1) (Cum. Supp. 2018) requires the following of claims paid by the Village:

All liquidated and unliquidated claims and accounts payable against a city of the second class or village shall (a) be presented in writing, (b) state the name and address of the claimant and the amount of the claim, and (c) fully and accurately identify the items or services for which payment is claimed or the time, place, nature, and circumstances giving rise to the claim.

All such information provided should be properly maintained and on file with the Village.

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS

(Continued)

4. **Lack of Documentation** (Concluded)

As noted above, the Village failed to comply with State statute because it did not include in the published meeting proceedings detailed information regarding each claim presented for payment. Neb. Rev. Stat. § 19-1102 (Cum. Supp. 2018) 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 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 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 in or 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

Public officials and employees are not allowed to use the Village office for financial gain, other than for compensation provided by law. Neb. Rev. Stat. § 49-14,101.01(1) (Reissue 2010) states 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.

Because the approved claim information was not included in the meeting minutes, the APA is unable to determine if the payments issued by Marcia Fiala, the former Village Clerk, to Fiala's Truck Repair, a business owned by her husband, were authorized by the Board and, therefore, lawful.

Certain Village contracts are bound to bidding requirements found in statutes. Neb. Rev. Stat. § 17-568.01(4) (Cum. Supp. 2018) states the following:

Advertisements for bids shall be required for any contract costing over thirty thousand dollars entered into (a) for enlargement or general improvements, such as water extensions, sewers, public heating systems, bridges, work on streets, or any other work or improvement when the cost of such enlargement or improvement is assessed to the property, or (b) for the purchase of equipment used in the construction of such enlargement or general improvements.

The Village failed to provide documentation to support whether the contracts described above (Watts Electric and Pavers, Inc.) complied with statutory requirements, as bid documentation was not maintained or published in the meeting minutes.

Good internal control requires procedures to ensure that all expenses are supported by adequate documentation and agree to amounts paid, and grant agreement documentation is kept on file. Those same procedures should also ensure compliance with State law pertaining to the proper use of public office. Without such procedures, there is a risk for the loss or misuse of Village funds.

We recommend the Village implement procedures to ensure adequate documentation is on file and agrees to all claims paid, in accordance with statutory requirements, and the publication of the official proceedings of each Village Board meeting comply with provisions of State statute, including providing a list of all claims allowed. We also recommend the Village implement procedures to ensure statutory bidding requirements are followed, and bids exceeding the original contract amount are properly amended and approved by the Board. Finally, we recommend grant agreements be adequately maintained.

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS
(Continued)

5. Sale of Land

The Village failed to maintain proper documentation related to the sale of land, totaling \$50,000. Additionally, contrary to State statute, the ordinance confirming the sale was not passed by the Village in a timely manner.

The following is a timeline of the proceedings related to this sale:

Description	Date
Resolution Directing Sale (Res. No. 17-3) Approved	5/10/17
Publication of Resolution Directing Sale (Res. No. 17-3) - 1st Week	5/18/17
Publication of Resolution Directing Sale (Res. No. 17-3) - 2nd Week	5/25/17
Publication of Resolution Directing Sale (Res. No. 17-3) - 3rd Week	6/1/17
30-Day Remonstrance Period - Begin	6/2/17
30-Day Remonstrance Period - End	7/2/17
Bid Consideration and Approval	7/12/17
Agreement for Sale and Purchase of Real Property (Urban Commercial)	9/20/17
Approval of New Plat for Sale	10/11/17
Closing of Sale and Approval of Res. No. 17-5	10/25/17
Date of Name Change on Parcels per County Assessor	11/30/17
Money Received in GL	11/30/17
Money Received in GL	12/31/17
Approval of Ordinance 474	2/13/18

As shown in the table above, the Village finalized the sale in late October 2017; however, Ordinance 474, confirming the sale, was not approved until February 13, 2018, over three and-a-half months later.

Neb. Rev. Stat. § 17-503 (Cum. Supp. 2018) provides, in relevant part, the following:

(2) After the passage of the resolution directing the sale, notice of all proposed sales of property described in subsection (1) of this section and the terms of such sales shall be published once each week for three consecutive weeks in a legal newspaper in or of general circulation in such city or village.

* * * *

(5) Following (a) passage of the resolution directing a sale, (b) publishing of the notice of the proposed sale, and (c) passing of the thirty-day right-of-remonstrance period, the property shall then be sold. Such sale shall be confirmed by passage of an ordinance stating the name of the purchaser and terms of the sale.

(Emphasis added.) Good internal controls require procedures to ensure all bids received for the sale of land are maintained for subsequent review. Those same procedures should ensure all ordinances, including any required by law, are approved in a timely manner. Without such procedures, there is an increased risk of noncompliance with State statute.

We recommend the Village implement procedures to ensure all documentation pertaining to bids received for the sale of land is maintained. Furthermore, we recommend the Village ensure all ordinances, including any required by law, are approved in a timely manner.

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS
(Continued)

6. Payroll

The APA tested the payroll of three Village employees and noted the following:

Payment to Temporary Clerk

The Village failed to provide timesheets or other supporting documentation for seven pay periods to verify the hours paid to the temporary Clerk, Marcia Fiala, from March 2018 through July 2018.

Temporary Clerk – Marcia Fiala			
Check Date	Gross Pay	Hours Paid	Description
3/16/2018	\$ 153.00	8.50	The Village provided an unreadable time card.
3/27/2018	\$ 288.00	16.00	No time records were provided.
4/27/2018	\$ 342.00	19.00	No time records were provided.
5/11/2018	\$ 288.00	16.00	No time records were provided.
5/25/2018	\$ 126.00	7.00	No time records were provided.
6/8/2018	\$ 328.50	18.25	No time records were provided.
7/6/2018	\$ 216.00	12.00	The Village provided a text message between the Temporary Clerk and a Board member to document the hours worked. The text did not indicate the dates or times worked.
	\$ 1,741.50	Total Unsupported Pay	

For these seven pay periods, Ms. Fiala was paid a total of \$1,741.50.

Reimbursement of Expenses

The current Clerk received a \$220 miscellaneous increase to her August 17, 2018, paycheck, for an expense reimbursement. The Village failed to provide adequate documentation to support the expense.

Allocation of Payroll Costs

The Village allocated the payroll costs of two of the employees tested evenly between the street, water, electric, and sewer funds, but it lacked documentation to support the allocation method. The Village’s method to allocate these payroll costs seems to infer the employees work the same amount of time on street, water or wastewater, and electrical activities. Without documentation to support the allocation of the payroll costs, the APA could not determine if the allocation method was reasonable. Adequate documentation might include the time records in which time worked on each daily activity is recorded and tracked. If adequate documentation is not available, the Village should charge its administrative costs to the General Fund.

Overtime

The Village failed to approve overtime worked and paid in accordance with its own policies. The Clerk received payment of \$43.35 for 1.7 hours of overtime on her August 17, 2018, paycheck. Another employee received \$34.40 for 1.47 hours of overtime on the same paycheck. The Village failed to provide documentation to support the advance approval of the overtime by a supervisor. The APA noted that overtime was consistently worked and paid throughout the fiscal year.

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS

(Continued)

6. **Payroll** (Concluded)

The Village's Employee Handbook, Section 3, "Pay and Performance," subsection "Overtime," (revised February 21, 2018) states the following:

Overtime must always be authorized and documented, in advance, by an employee's direct supervisor. No overtime will be credited if an employee clocks out later than his scheduled ending time without approval from the employee's supervisor . . . If approved, overtime for exempt or non-exempt employees will be compensated on the basis of one and one-half times the regular hourly rate for each hour worked and recorded on a timecard. Overtime hours are defined as any hours worked in excess of the normal 40 hours for a given 7-day week. Hours worked that extend beyond a normal 8-hour shift do not constitute overtime pay.

Cell Phone Stipend

The Village paid an unauthorized cell phone stipend to one of the three employees tested. The employee received \$11.53 per pay period. The Village failed to provide documentation of the approval or amount of the stipend.

Good internal controls require procedures to ensure all payments are supported by adequate documentation. Those same procedures should ensure also compliance with Village policies. Without such procedures, there is an increased risk for the loss, theft, or misuse of Village funds.

We recommend the Board implement procedures to ensure the following:

- Payments to all employees are supported by adequate documentation, including a proper record of time worked each day and support for the payment of expense reimbursements.
- The method used to allocate payroll costs is adequately documented, or all payroll costs are charged instead to the General Fund.
- Preapproval of all overtime payments is documented, as required by Village policies.
- Cell phone stipends are included in the Board's policies, specifying which employees receive the stipend and the amounts provided.

7. **Use of TIF Funds**

The APA questions not only the use of excess ad valorem taxes collected under a Tax Increment Financing (TIF) plan to fund general municipal improvements to the Village's infrastructure but also whether the use of the TIF funds to pay for loans comports with the specifics of the redevelopment contract.

The Village currently has two TIF projects, the Greenwood Village Project and the Norma Jean Redevelopment Project.

According to reports filed with the Nebraska Department of Revenue, the Greenwood Village Project entails the following: 1) acquisition and clearing of property located in the redevelopment area; 2) installation of public infrastructure to prepare sites for redevelopment; and 3) additional repairs, improvements, replacements, and construction necessary to the foregoing. The redevelopment area consists of non-public properties within the corporate limits of the Village; however, the Village failed to provide the APA with a map detailing which properties are included in the redevelopment area and subject to generating the TIF revenues for the Greenwood Village TIF.

VILLAGE OF GREENWOOD

COMMENTS AND RECOMMENDATIONS

(Concluded)

7. **Use of TIF Funds** (Concluded)

The APA determined the Village used the TIF revenues generated from these non-public properties to finance a couple of general municipal projects, including paying off a public playground loan and making payments on the community center loan. During fiscal year 2018, the Village recorded \$137,434.29 in TIF funds received from the County. In December 2017, the Village used the TIF funds to pay \$79,957.16, or the remainder of the playground loan. The Village also made community center loan payments in December 2017 and June 2018, totaling \$29,819.68.

These payments do not appear to comport with either the general purpose of TIF agreements or the description of the project provided above.

Good internal control requires procedures to ensure TIF funds are used in accordance with the terms of the written agreement for the project area. Without such procedures, there is an increased risk for the loss or misuse of TIF funds.

We recommend the Board review the terms and conditions of the Greenwood Village TIF project agreement to ensure the proper use of the excess ad valorem taxes collected. We also recommend the Board consult with its attorney to ensure TIF funds can be used for the Village's general municipal infrastructure improvements.

Overall Village Response: The Village of Greenwood respectfully accepts the findings in your report. We appreciate the oversight and welcome your suggestions on ways we can improve. We have started taking corrective action and hope to have the mentioned issues resolved soon.



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VILLAGE OF GREENWOOD

INDEPENDENT ACCOUNTANT'S REPORT

Village of Greenwood
Greenwood, Nebraska

We have examined the accompanying Schedule of Bank Activity of the Village of Greenwood (Village) for the period October 1, 2017, through September 30, 2018. The Village's management is responsible for the Schedule of Bank Activity based on the accounting system and procedures set forth in Note 1. Our responsibility is to express an opinion on the Schedule of Bank Activity based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule of Bank Activity is based on the accounting system and procedures set forth in Note 1, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule of Bank Activity. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule of Bank Activity, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Schedule of Bank Activity for the period October 1, 2017, through September 30, 2018, is based on the accounting system and procedures prescribed by the Village, as set forth in Note 1, in all material respects.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the Schedule of Bank Activity; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter or an assertion about the subject matter of the examination engagement. We are also required to obtain and report the views of management concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether the Schedule of Bank Activity is presented in accordance with the criteria described

above and not for the purpose of expressing an opinion on the internal control over the Schedule of Bank Activity or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards*, and those findings, along with the views of management, are described in the Comments Section of the report.

The purpose of this report is to express an opinion on the Schedule of Bank Activity, as described in paragraph one above. Accordingly, this report is not suitable for any other purpose. This report is a matter of public record, and its distribution is not limited.

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

June 7, 2019

Charlie Janssen
Auditor of Public Accounts
Lincoln, Nebraska

VILLAGE OF GREENWOOD
SCHEDULE OF BANK ACTIVITY
For the Year Ended September 30, 2018

Financial Institution	Account Owner per Bank	Account Type per Bank	Beginning Balance at 10/1/2017	Interest Earned	Deposits	Withdrawals	Ending Balance at 9/30/2018
Pinnacle Bank	Village of Greenwood NE General Account	Interest Account	\$ 591,268.30	\$ 4,234.49	\$ 1,446,347.84	\$ 1,215,923.78	\$ 825,926.85
Pinnacle Bank	Village of Greenwood NE Debt Account	MM Account	\$ 136,022.08	\$ 769.07	\$ 75,674.50	\$ 89,928.25	\$ 122,537.40
Pinnacle Bank	Village of Greenwood NE Street Account	Interest Account	\$ 98,577.02	\$ 105.29	\$ 85,028.57	\$ 47,352.50	\$ 136,358.38
Farmers & Merchants Bank	Village of Greenwood Rescue Squad Account	Mkt Rt - Other Account	\$ 58,429.90	\$ 55.20	\$ 20,452.79	\$ 24,456.72	\$ 54,481.17
Horizon Bank	Village of Greenwood Keno Account	Business Interest Chk Account	\$ 38,748.81	\$ 41.48	\$ 7,997.60	\$ 2,501.00	\$ 44,286.89
Horizon Bank	Village of Greenwood Keno Reserve Account	Business Interest Chk Account	\$ 16,774.88	\$ 16.23	\$ 4,348.22	\$ 5,338.24	\$ 15,801.09
Horizon Bank	Village of Greenwood Utility Deposits	Business Interest Chk Account	\$ 57,790.76	\$ 97.14	\$ 4,250.00	\$ 1,630.75	\$ 60,507.15
Great Western Bank	Village of Greenwood	High Yield Savings Account	\$ 63,418.81	\$ 62.75	\$ -	\$ -	\$ 63,481.56
Totals			\$ 1,061,030.56	\$ 5,381.65	\$ 1,644,099.52	\$ 1,387,131.24	\$ 1,323,380.49

The accompanying notes are an integral part of the Schedule.

VILLAGE OF GREENWOOD

NOTES TO THE SCHEDULE

For the Period October 1, 2017, through September 30, 2018

1. Criteria

The financial information used to prepare the Schedule of Bank Activity (Schedule) for the Village of Greenwood (Village), Nebraska, was obtained from the Village bank statements. Interest and deposits are shown as additions while deductions are shown as withdrawals on the Schedule.

2. Reporting Entity

The Village is a governmental entity established under and governed by the laws of the State of Nebraska (State) located in Cass County, Nebraska. The Village is managed by a Board of Trustees that exercises control over activities that are relevant to the operations of the Village. Board members are elected by the public and have broad decision-making authority, including the power to levy taxes and to designate management, and primary responsibility for related fiscal matters.

As a political subdivision of the State, the Village is exempt from State and Federal income taxes. The Schedule includes all bank activity of the Village. The Schedule does not include those transactions that did not post to the bank that may have been dated within the period tested. The APA was provided the Village bank accounts from the banks listed in the Schedule.

3. Funding and Deposits

The Village receives funding from State and local government sources and must comply with the requirements of these funding sources. In addition to these funding sources, the Village also receives resident utility fees on a regular basis. Other occasional funding is received from donations and rental of Village facilities.

The Village has invested monies on deposit in certain Demand and Savings accounts. The interest earned on these funds is recorded in the bank activity of the Village.

All of the deposits were covered by the Federal Deposit Insurance Corporation (FDIC) insurance, or additional pledged securities.

4. Outstanding Village Loans

The Village had the following loans outstanding as of September 30, 2018, per the amortization schedules:

Debt	Balance 2017	Additions	Reductions	Balance 2018	Due Within One Year
(a) Series 2015 Highway Allocation bonds	\$ 365,000.00	\$ 0.00	\$ 25,000.00	\$ 340,000.00	\$ 25,000.00
(b) Promissory note, bank	\$ 161,957.00	\$ 0.00	\$ 22,492.00	\$ 139,465.00	\$ 23,515.00
(c) Series 2014 Revenue bonds	\$ 245,000.00	\$ 0.00	\$ 30,000.00	\$ 215,000.00	\$ 30,000.00
(d) Series 2015 Revenue bonds	\$ 125,000.00	\$ 0.00	\$ 15,000.00	\$ 110,000.00	\$ 15,000.00
(e) Municipal loan	\$ 79,720.00	\$ 0.00	\$ 79,720.00	\$ 0.00	\$ 0.00
Totals	\$ 976,677.00	\$ 0.00	\$ 172,212.00	\$ 804,465.00	\$ 93,515.00

VILLAGE OF GREENWOOD

NOTES TO THE SCHEDULE

(Continued)

4. Outstanding Village Loans (Concluded)

- (a) On March 3, 2015, the Village issued \$420,000 of Highway Allocation bonds to redeem the 2010 Highway Allocation bonds. The bonds call for annual principal payments each January 15, beginning January 15, 2016. Semi-annual interest payments are due each July 15 and January 15. Interest varies from 0.45% to 2.8%. Final payment of the bonds is due January 15, 2029. The bonds are payable solely from highway allocation funds. The refunding resulted in an economic gain of \$61,233.
- (b) A promissory note, dated July 11, 2014, was issued to fund the Community Center improvements. The maximum loan amount is \$210,000, with a maturity period of nine years. Monthly interest-only payments are due until November 2015, at which time the note will convert to semi-annual principal and interest payments due on December 15th and June 15th of each year for the remaining life of the loan. Interest is fixed at 4.5% for the first 60 months and will adjust to national prime plus 1.25% for the remaining term of the loan. The loan will be funded through tax increment financing revenues. During the fiscal year, the Village paid \$290 more than the schedule payments per the amortization schedule.
- (c) On April 4, 2014, the Village issued \$335,000 of General Obligation Refunding bonds to redeem the Series 2009 General Obligation Water bonds. The bonds call for annual principal payments each October 1, beginning October 1, 2014. Semi-annual interest payments are due each April 1 and October 1. Interest varies from .4% to 3%. Final payment of the bonds is due October 1, 2023. The Village has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. The refunding resulted in an economic gain of \$28,438. In September 2018, the Village made an advance payment for the principal and interest due on October 1, 2018.
- (d) On July 1, 2015, the Village issued \$155,000 of General Obligation Refunding bonds to redeem the Series 2010 General Obligation Water bonds. The bonds call for annual principal payments each October 1, beginning October 1, 2015. Semi-annual interest payments are due each April 1 and October 1. Interest varies from .4% to 2.75%. Final payment of the bonds is due October 1, 2024. The Village has the ability to levy taxes as necessary to cover the annual required principal and interest payments over the term of these bonds. The refunding resulted in an economic gain of \$9,564. In September 2018, the Village made an advance payment for the principal and interest due on October 1, 2018.
- (e) On December 2, 2016, the Village obtained a \$135,000 loan from Pinnacle Bank. The interest rate was 4.5%. The purpose was for construction of the playground. One payment of \$135,000 was due on April 2, 2017. On March 27, 2017, the terms of the agreement changed to a current principal balance of \$80,000 due on August 2, 2017. The loan was paid off in December 2017.

5. Capital and Operating Leases

The Village had an operating lease for a copier and did not have any capital leases.

VILLAGE OF GREENWOOD

NOTES TO THE SCHEDULE

(Concluded)

6. Retirement

On January 1, 2013, the Village implemented a retirement plan in the form of a Simple IRA to all eligible, full-time employees. The Village makes a matching contribution to each employee account up to 3% of the employee's annual compensation. None of the Village's employees contributed to the retirement account during the fiscal year.

7. Subsequent Events

Subsequent events have been evaluated through the audit report date, the date that the financial statements were available to be issued.

VILLAGE OF GREENWOOD

SUPPLEMENTARY INFORMATION

Our examination was conducted for the purpose of forming an opinion on the Schedule of Bank Activity. Supplementary information is presented for purposes of additional analysis. Such information has not been subjected to the procedures applied in the examination of the Schedule of Bank Activity; accordingly, we express no opinion on it.

VILLAGE OF GREENWOOD
PROFIT & LOSS BY CLASS
 October 2017 through September 2018

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 Cash Basis

	03 Water (Business-type Activities)	04 Electric (Business-type Activities)	05 Sewer (Business-type Activities)	Total Business-type Activities	01 General (Governmental Funds)	02 Street (Governmental Funds)	06 Fire (Governmental Funds)	08 Rescue (Governmental Funds)
Beginning Fund Balances	\$ 278,583.20	\$ 269,511.23	\$ 128,900.37	\$ 676,994.80	\$ (227,890.42)	\$ 148,562.50	\$ 96,487.03	\$ 76,067.19
Bank Accounts:								
Rescue Account								58,525.71
Keno Account					(150.00)			
Street Account						98,577.02		
Utility Deposits		57,790.76		57,790.76				
Money Market	43,546.33	1,020.11		44,566.44	18,852.37			
General Account	99,014.79	210,700.36	128,900.37	438,615.52	(249,321.38)	49,677.47	95,596.89	17,295.07
Funds on Deposit with Co				-	2,653.59	308.01	890.14	246.41
Petty Cash				-	75.00			
Debt	136,022.08			136,022.08				
Keno Reserve								
Ordinary Income/Expense								
Income								
2010 - Property Tax	\$ 23,024.77	\$ -	\$ -	\$ 23,024.77	\$ 63,892.38	\$ 21,496.05	\$ 28,837.75	\$ 7,985.62
2016 - TIF Property Tax	-	-	-	-	-	-	-	-
2110 - Highway Allocation	-	-	-	-	-	43,874.14	-	-
2115 - Keno Revenue	-	-	-	-	-	-	-	-
2120 - Motor Vehicle Fee	-	-	-	-	-	2,863.57	-	-
2127 - City Sales Tax	-	-	-	-	-	85,028.57	-	-
2130 - Incentive - Streets	-	-	-	-	-	1,000.00	-	-
2195 - Municipal Equalization	-	-	-	-	7,570.58	-	-	-
2210 - Franchise Tax	-	-	-	-	4,874.39	-	-	-
2215 - Norma Jean TIF	-	-	-	-	-	-	-	-
2220 - Donations	-	-	-	-	100.00	-	-	-
2222 - Hall Rental Fee	-	-	-	-	40.00	-	1,425.00	-
2230 - Fees, Permits, Licenses	-	-	-	-	8,852.65	-	-	-
2232 - Building Permits	-	-	-	-	620.00	-	-	-
2240 - Repair Reimbursement	-	-	-	-	262.50	(69,763.33)	-	-
2291 - Investment Interest	618.15	50.93	-	669.08	4,314.08	105.29	-	48.80
2320 - Rural Board	-	-	-	-	550.00	-	6,050.00	-
2350 - Motor Vehicle Tax	-	-	-	-	3,948.51	8,671.23	-	-
2370 - Late Charges	1,123.60	2,799.06	585.78	4,508.44	-	-	-	-
2400 - Parks & Recreation Income	-	-	-	-	2,727.90	-	-	-
2470 - Metered Electric Sales	-	430,628.69	-	430,628.69	-	-	-	-
2475 - New Electric Installation	-	3,000.00	-	3,000.00	-	-	-	-
2550 - Water Sales	146,209.63	-	47.54	146,257.17	-	-	-	-
2555 - Bulk Water Sales	175.00	-	-	175.00	-	-	-	-
2570 - Miscellaneous	-	(540.00)	-	(540.00)	73,975.99	-	-	-
2580 - Rescue Department Revenue	-	-	-	-	-	-	2,354.69	17,291.52
2640 - Sewer Fees	-	638.00	86,213.02	86,851.02	-	-	-	-
2721 - Grant Proceeds Park Playground	-	-	-	-	80,881.00	-	-	-
2722 - Grant Proceeds CDBG Comp Plan	-	-	-	-	10,446.39	-	-	-
2910 - Utility Sales Tax	3,990.15	11,272.80	2,367.83	17,630.78	-	-	-	-
2986 - Proceeds from Sale (Com. Center)	-	-	-	-	679.31	-	-	-
2995 - Proceeds of DEQ Grant	-	-	-	-	7,888.00	-	-	-
2996 - Proceeds from Library Comm.	-	-	-	-	-	-	-	-
2997 - Proceeds from Recycling	-	-	-	-	242.46	-	-	-
2998 - Proceeds from Sale of Land	-	-	-	-	50,000.00	-	-	-
Total Income	\$ 175,141.30	\$ 447,849.48	\$ 89,214.17	\$ 712,204.95	\$ 321,866.14	\$ 93,275.52	\$ 38,667.44	\$ 25,325.94
Gross Profit	\$ 175,141.30	\$ 447,849.48	\$ 89,214.17	\$ 712,204.95	\$ 321,866.14	\$ 93,275.52	\$ 38,667.44	\$ 25,325.94

(Continued)

VILLAGE OF GREENWOOD
PROFIT & LOSS BY CLASS
 October 2017 through September 2018

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 Cash Basis

	03 Water (Business-type Activities)	04 Electric (Business-type Activities)	05 Sewer (Business-type Activities)	Total Business-type Activities	01 General (Governmental Funds)	02 Street (Governmental Funds)	06 Fire (Governmental Funds)	08 Rescue (Governmental Funds)
Expense								
3110 - Wages	\$ 19,740.42	\$ 29,349.82	\$ 19,686.61	\$ 68,776.85	\$ 43,642.25	\$ 19,740.42	\$ -	\$ -
3115 - Keno Expense	-	-	-	-	-	-	-	-
3120 - Trustees Wages	-	-	-	-	360.00	-	-	-
3130 - Insurance	3,293.50	3,293.50	3,293.50	9,880.50	4,130.10	3,293.50	6,148.00	3,293.50
3135 - Keno Community Betterment Exp	19.75	19.75	19.75	59.25	-	19.75	-	-
3145 - ADP Fees	-	-	-	-	510.82	-	-	-
3150 - Payroll Taxes	1,429.46	2,227.45	1,430.12	5,087.03	4,589.04	1,494.91	-	-
3190 - Miscellaneous Expense	-	-	-	-	358.51	-	-	-
3210 - Professional & Schooling	-	-	-	-	-	-	251.20	792.00
3211 - EMS Billing	-	-	-	-	-	-	971.83	1,881.07
3212 - Professional Fees	-	-	-	-	26,213.47	-	401.72	1,222.77
3213 - Engineering	-	-	-	-	1,200.00	-	-	-
3214 - Auditing	1,009.41	1,009.41	1,009.41	3,028.23	13,459.41	840.00	840.00	840.00
3216 - Garbage Service	-	-	12.75	12.75	1,342.82	16.99	144.49	140.25
3217 - Law Enforcement	-	-	-	-	9,600.00	-	-	-
3218 - GIS Fees	6,083.33	11,333.33	6,083.34	23,500.00	-	-	-	-
3230 - Mileage	-	-	-	-	137.67	-	-	-
3240 - Printing/Publishing	-	-	-	-	2,916.52	-	-	-
3260 - Utilities	-	-	-	-	6,588.17	217.24	1,278.11	1,531.27
3261 - OPPD Electric Bill	-	354,018.60	-	354,018.60	855.81	-	-	-
3265 - Telephone	-	-	-	-	1,207.78	126.63	2,054.67	1,887.23
3267 - Interest Expense	-	-	-	-	91.94	-	-	-
3270 - Repair/Maintenance	1,326.90	6,541.67	1,294.52	9,163.09	1,380.10	5,905.93	2,362.37	191.13
3271 - Rock/Gravel	-	-	-	-	-	2,568.65	-	-
3272 - Maintenance Contract	62,398.69	-	19,428.50	81,827.19	614.51	-	-	-
3279 - Returned Check Fee	-	-	-	-	3.00	-	-	-
3292 - Dues/Fees	1,299.01	4,061.72	1,243.92	6,604.65	2,094.08	-	612.93	627.75
3295 - Bank Charges & Fees	102.00	-	-	102.00	2,498.86	60.00	-	-
3300 - Utilities Sales Tax Exp.	8,498.18	25,690.49	8,498	42,686.88	41.47	-	-	-
3305 - Postage	-	-	-	-	2,174.71	-	-	-
3310 - Supplies	6,090.43	18,455.10	5,890.02	30,435.55	4,233.25	2,211.47	3,327.99	4,277.57
3320 - Operating Expenses	40.00	664.49	25.00	729.49	4,790.34	699.81	1,037.62	1,009.78
3321 - Coop Fuel/Repairs/Supplies	141.56	141.56	141.57	424.69	3,212.10	84.42	1,612.48	2,041.43
3340 - Fundraising/Summer Reading	-	-	-	-	-	-	-	-
3350 - ALS Intercept Fees	-	-	-	-	-	-	-	888.00
3400 - Parks & Recreation Expense	-	-	-	-	4,352.26	-	-	-
3540 - Machinery & Equipment/leases	1,273.12	1,873.12	1,273.14	4,419.38	350.00	1,428.12	406.50	-
3550 - Contract Labor	423.33	423.33	423.34	1,270.00	5,578.35	-	-	740.00
3600 - Capital Outlay	-	25,212.73	-	25,212.73	29,183.00	-	-	-
3610 - Government Debt Service	-	-	-	-	-	-	-	-
3611 - Street Bond Debt Service	-	-	-	-	-	32,292.50	-	-
3612 - Water Bonds interest payments	11,163.75	-	-	11,163.75	-	-	-	-
3650 - Cornhusker Bank TIF Payment	-	-	-	-	-	-	-	-
66900 - Reconciliation Discrepancies	-	(405.30)	-	(405.30)	(1,479.62)	-	-	-
Total Expense	\$ 124,332.84	\$ 483,910.77	\$ 69,753.70	\$ 677,997.31	\$ 176,230.72	\$ 71,000.34	\$ 21,449.91	\$ 21,363.75
Net Ordinary Income	50,808.46	(36,061.29)	19,460.47	34,207.64	145,635.42	22,275.18	17,217.53	3,962.19
Net Income	\$ 50,808.46	\$ (36,061.29)	\$ 19,460.47	\$ 34,207.64	\$ 145,635.42	\$ 22,275.18	\$ 17,217.53	\$ 3,962.19
APA Adjustment	(75,000.00)	2,580.00	-	(72,420.00)	(15,000.00)	(15,000.00)	-	(10,879.30)
Ending Fund Balances	\$ 254,391.66	\$ 236,029.94	\$ 148,360.84	\$ 638,782.44	\$ (82,255.00)	\$ 155,837.68	\$ 113,704.56	\$ 69,150.18
Bank Accounts:								
Rescue Account	-	-	-	-	(173.59)	-	418.35	54,163.55
Keno Account	-	-	-	-	(150.00)	-	-	-
Street Account	-	-	-	-	-	136,358.38	-	-
Utility Deposits	-	60,421.69	-	60,421.69	(164.54)	-	-	-
Money Market	43,546.33	1,020.11	-	44,566.44	18,915.12	-	-	-
General Account	88,485.85	174,588.14	148,360.84	411,434.83	(102,464.34)	19,171.29	112,396.07	14,740.22
Funds on Deposit with Co	-	-	-	-	1,529.43	308.01	890.14	246.41
Petty Cash	-	-	-	-	75.00	-	-	-
Debt	122,359.48	-	-	122,359.48	177.92	-	-	-
Keno Reserve	-	-	-	-	-	-	-	-

(Continued)

VILLAGE OF GREENWOOD PROFIT & LOSS BY CLASS October 2017 through September 2018

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Cash Basis

	10 Library (Governmental Funds)	20 Keno (Governmental Funds)	22 TIF Funds (Governmental Funds)	24 Norma Jean TIF (Governmental Funds)	Governmental Funds - Other (Governmental Funds)	Total Governmental Funds	Unclassified	TOTAL
Beginning Fund Balances	\$ 13,653.86	\$ 54,032.28	\$ 299,623.62	\$ -	\$ -	\$ 460,536.06	\$ -	\$ 1,137,530.86
Bank Accounts:								
Rescue Account								58,525.71
Keno Account		38,898.81						38,748.81
Street Account								98,577.02
Utility Deposits								57,790.76
Money Market								63,418.81
General Account	13,019.37	3,117.00	297,787.00					665,786.94
Funds on Deposit with Co	609.49		1,836.62					6,544.26
Petty Cash	25.00							100.00
Debt								136,022.08
Keno Reserve		16,288.59						16,288.59
		(4,272.12)						(4,272.12)
Ordinary Income/Expense								
Income								
2010 · Property Tax	\$ 19,733.89	\$ -	\$ 4,005.88	\$ 27,557.76	\$ -	\$ 173,509.33	\$ -	\$ 196,534.10
2016 · TIF Property Tax	-	-	133,428.41	-	-	133,428.41	-	133,428.41
2110 · Highway Allocation	-	-	-	-	-	43,874.14	-	43,874.14
2115 · Keno Revenue	-	8,001.19	-	-	-	8,001.19	-	8,001.19
2120 · Motor Vehicle Fee	-	-	-	-	-	2,863.57	-	2,863.57
2127 · City Sales Tax	-	-	-	-	-	85,028.57	-	85,028.57
2130 · Incentive - Streets	-	-	-	-	-	1,000.00	-	1,000.00
2195 · Municipal Equalization	-	-	-	-	-	7,570.58	-	7,570.58
2210 · Franchise Tax	-	-	-	-	-	4,874.39	-	4,874.39
2215 · Norma Jean TIF	-	-	-	5,072.15	-	5,072.15	-	5,072.15
2220 · Donations	252.42	-	-	-	-	352.42	-	352.42
2222 · Hall Rental Fee	-	-	-	-	-	1,465.00	-	1,465.00
2230 · Fees, Permits, Licenses	-	-	-	-	-	8,852.65	-	8,852.65
2232 · Building Permits	-	-	-	-	-	620.00	-	620.00
2240 · Repair Reimbursement	-	-	-	-	-	(69,500.83)	-	(69,500.83)
2291 · Investment Interest	-	34.48	3.41	-	-	4,506.06	-	5,175.14
2320 · Rural Board	-	-	-	-	-	6,600.00	-	6,600.00
2350 · Motor Vehicle Tax	-	-	-	-	-	12,619.74	-	12,619.74
2370 · Late Charges	-	-	-	-	-	-	-	4,508.44
2400 · Parks & Recreation Income	-	-	-	-	-	2,727.90	-	2,727.90
2470 · Metered Electric Sales	-	-	-	-	-	-	-	430,628.69
2475 · New Electric Installation	-	-	-	-	-	-	-	3,000.00
2550 · Water Sales	-	-	-	-	-	-	-	146,257.17
2555 · Bulk Water Sales	-	-	-	-	-	-	-	175.00
2570 · Miscellaneous	-	-	-	-	-	73,975.99	-	73,435.99
2580 · Rescue Department Revenue	-	-	-	-	-	19,646.21	-	19,646.21
2640 · Sewer Fees	-	-	-	-	-	-	-	86,851.02
2721 · Grant Proceeds Park Playground	-	-	-	-	-	80,881.00	-	80,881.00
2722 · Grant Proceeds CDBG Comp Plan	-	-	-	-	-	10,446.39	-	10,446.39
2910 · Utility Sales Tax	-	-	-	-	-	-	-	17,630.78
2986 · Proceeds from Sale (Com. Center)	-	-	-	-	-	679.31	-	679.31
2995 · Proceeds of DEQ Grant	-	-	-	-	-	7,888.00	-	7,888.00
2996 · Proceeds from Library Comm.	807.00	-	-	-	-	807.00	-	807.00
2997 · Proceeds from Recycling	-	-	-	-	-	242.46	-	242.46
2998 · Proceeds from Sale of Land	-	-	-	-	-	50,000.00	-	50,000.00
Total Income	\$ 20,793.31	\$ 8,035.67	\$ 137,437.70	\$ 32,629.91	\$ -	\$ 678,031.63	\$ -	\$ 1,390,236.58
Gross Profit	\$ 20,793.31	\$ 8,035.67	\$ 137,437.70	\$ 32,629.91	\$ -	\$ 678,031.63	\$ -	\$ 1,390,236.58

(Continued)

VILLAGE OF GREENWOOD
PROFIT & LOSS BY CLASS
 October 2017 through September 2018

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 Cash Basis

	10 Library (Governmental Funds)	20 Keno (Governmental Funds)	22 TIF Funds (Governmental Funds)	24 Norma Jean TIF (Governmental Funds)	Governmental Funds - Other (Governmental Funds)	Total Governmental Funds	Unclassified	TOTAL
Expense								
3110 · Wages	\$ 11,854.06	\$ -	\$ -	\$ -	\$ -	75,236.73	\$ -	\$ 144,013.58
3115 · Keno Expense	-	2,264.00	-	-	-	2,264.00	-	2,264.00
3120 · Trustees Wages	-	-	-	-	-	360.00	-	360.00
3130 · Insurance	3,293.50	-	-	-	-	20,158.60	-	30,039.10
3135 · Keno Community Betterment Exp	-	790.00	79.00	-	-	888.75	-	948.00
3145 · ADP Fees	-	-	-	-	-	510.82	-	510.82
3150 · Payroll Taxes	1,010.24	-	-	-	-	7,094.19	-	12,181.22
3190 · Miscellaneous Expense	-	-	-	-	-	358.51	-	358.51
3210 · Professional & Schooling	-	-	-	-	-	1,043.20	-	1,043.20
3211 · EMS Billing	-	-	-	-	-	2,852.90	-	2,852.90
3212 · Professional Fees	-	-	-	-	-	27,837.96	-	27,837.96
3213 · Engineering	-	-	-	-	-	1,200.00	-	1,200.00
3214 · Auditing	840.00	840.00	840.00	-	-	18,499.41	-	21,527.64
3216 · Garbage Service	148.76	-	-	-	-	1,793.31	-	1,806.06
3217 · Law Enforcement	-	-	-	-	-	9,600.00	-	9,600.00
3218 · GIS Fees	-	-	-	-	-	-	-	23,500.00
3230 · Mileage	262.18	-	-	-	-	399.85	-	399.85
3240 · Printing/Publishing	82.65	-	-	-	-	2,999.17	-	2,999.17
3260 · Utilities	1,638.35	-	-	-	-	11,253.14	-	11,253.14
3261 · OPPD Electric Bill	-	-	-	-	-	855.81	-	354,874.41
3265 · Telephone	1,354.62	-	-	-	-	6,630.93	-	6,630.93
3267 · Interest Expense	-	-	1,166.88	-	-	1,258.82	-	1,258.82
3270 · Repair/Maintenance	453.49	-	-	-	-	10,293.02	-	19,456.11
3271 · Rock/Gravel	-	-	-	-	-	2,568.65	-	2,568.65
3272 · Maintenance Contract	-	-	-	-	-	614.51	-	82,441.70
3279 · Returned Check Fee	-	-	-	-	-	3.00	-	3.00
3292 · Dues/Fees	950.00	-	-	-	-	4,284.76	-	10,889.41
3295 · Bank Charges & Fees	-	-	-	-	-	2,558.86	-	2,660.86
3300 · Utilities Sales Tax Exp.	-	-	-	-	-	41.47	-	42,728.35
3305 · Postage	-	-	-	-	-	2,174.71	-	2,174.71
3310 · Supplies	1,884.95	-	376.18	-	-	16,311.41	-	46,746.96
3320 · Operating Expenses	3,297.83	-	-	-	152.63	10,988.01	-	11,717.50
3321 · Coop Fuel/Repairs/Supplies	-	-	-	-	-	6,950.43	-	7,375.12
3340 · Fundraising/Summer Reading	163.90	-	-	-	-	163.90	-	163.90
3350 · ALS Intercept Fees	-	-	-	-	-	888.00	-	888.00
3400 · Parks & Recreation Expense	-	-	-	-	-	4,352.26	-	4,352.26
3540 · Machinery & Equipment/leases	-	-	-	-	-	2,184.62	-	6,604.00
3550 · Contract Labor	2,206.10	-	-	-	-	8,524.45	-	9,794.45
3600 · Capital Outlay	-	-	2,639.21	-	-	31,822.21	-	57,034.94
3610 · Government Debt Service	-	-	109,776.84	-	-	109,776.84	-	109,776.84
3611 · Street Bond Debt Service	-	-	-	-	-	32,292.50	-	32,292.50
3612 · Water Bonds interest payments	-	-	-	-	-	-	-	11,163.75
3650 · Cornhusker Bank TIF Payment	-	-	-	19,412.50	-	19,412.50	-	19,412.50
66900 · Reconciliation Discrepancies	-	-	-	-	-	(1,479.62)	-	(1,884.92)
Total Expense	\$ 29,440.63	\$ 3,894.00	\$ 114,878.11	\$ 19,412.50	\$ 152.63	\$ 457,822.59	\$ -	\$ 1,135,819.90
Net Ordinary Income	(8,647.32)	4,141.67	22,559.59	13,217.41	(152.63)	220,209.04	-	254,416.68
Net Income	\$ (8,647.32)	\$ 4,141.67	\$ 22,559.59	\$ 13,217.41	\$ (152.63)	\$ 220,209.04	\$ -	\$ 254,416.68
APA Adjustment						(25,879.20)		(98,299.20)
Ending Fund Balances	\$ 5,006.54	\$ 58,173.95	\$ 322,183.21	\$ 13,217.41	\$ (152.63)	\$ 680,745.10	\$	\$ 1,293,648.34
Bank Accounts:								
Rescue Account						54,408.31		54,408.31
Keno Account		44,433.48	3.41			44,286.89		44,286.89
Street Account						136,358.38		136,358.38
Utility Deposits						(164.54)		60,257.15
Money Market						18,915.12		63,481.56
General Account	4,372.05	1,724.00	320,343.18	13,217.41	(152.63)	383,347.25		794,782.08
Funds on Deposit with Co	609.49		1,836.62			5,420.10		5,420.10
Petty Cash	25.00					100.00		100.00
Debt						177.92		122,537.40
Keno Reserve		15,801.09				15,801.09		15,801.09

(Concluded)