



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley  
State Auditor

Mike.Foley@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
auditors.nebraska.gov

April 23, 2025

Don Lighthill, Chairperson  
Village of Litchfield  
PO Box 166  
Litchfield, NE 68852

Dear Chairperson Lighthill:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Litchfield (Village) for the fiscal year ending 2024. **That request has been approved.**

However, the Village's amount of disbursements for the fiscal year ending September 30, 2024, exceeded our normal threshold (\$500,000) for granting a waiver of the audit requirement. Disbursements for the fiscal year ended 2024, totaled \$732,676, which exceeds the normal audit waiver threshold. Due to the Village's submission of supporting documentation for one-time, low risk expenditures, that accounted for a significant percentage of the current year's expenditures, we were able to consider for this year, the Village's activity to be low enough to grant the audit waiver request.

However, if the September 30, 2025, fiscal year end disbursements are similar to or greater than the fiscal year 2024's expenditures, an audit of fiscal year end September 30, 2025, may be required. This information is only for your consideration of planning for fiscal year 2025 and forward.

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Reissue 2024), the preliminary examination necessary to determine whether the audit waiver should be allowed or further audit work would be required, the APA noted certain internal control or compliance matters, or other operational issues, within the Village. The following information is intended to improve internal controls or result in other operational efficiencies.

## Comments and Recommendations

### 1. Payroll Issues

Julie Miller was hired as the Village Clerk in November 2022, and she resigned from the position on August 20, 2024. As the Village Clerk, Ms. Miller had oversight and control over the Village's financial processes, including processing payroll payments for herself and other employees of the Village. During the APA's review of the fiscal year 2024 audit waiver request for the Village, we identified questionable amounts paid to Ms. Miller while employed as the Village Clerk. The following table summarizes Ms. Miller's questionable payroll and reimbursement payments.

Description	Total Questionable Amount
Pay in Excess of Approved Pay Rate and Hours Worked	\$ 2,294.37
Lack of Documented Timesheets	10,054.00
Unsupported Mileage Reimbursements	763.38
<b>Total</b>	<b>\$ 13,111.75</b>

According to the current Village Clerk, Ms. Miller’s normal schedule was to work Tuesdays, Wednesdays, and Thursdays from 9:00 a.m. to 12:00 p.m., being on call on Fridays. Ms. Miller was to receive the following pay, as approved by the Village Board (Board):

Board Meeting Date	Board-Approved Hourly Pay Rate	Maximum Hours Approved to Work	Effective Period for Pay Rate
9/20/2023	\$20	30	9/1/2023 – 1/1/2024
12/19/2023	\$21.50	30	1/1/2024 – 8/20/2024

The APA requested Ms. Miller’s timesheets and payroll registers for the period October 1, 2023, through September 30, 2024, and noted the following issues relating to her payroll amounts.

***Pay in Excess of Approved Pay Rate and Hours Worked***

As shown in the previous table, the Board authorized Ms. Miller to work a maximum of 30 hours per week at \$20 per hour until January 1, 2024. Starting on January 1, 2024, Ms. Miller’s pay rate increased to \$21.50 per hour.

The APA noted 11 pay periods in which Ms. Miller reported, on the payroll register, having worked less than 30 hours per week but paid herself an amount that recalculated to 30 hours per week using the Board-approved pay rate that was applicable to the pay period. As a result, the rate she paid herself based on the number of actual hours she reportedly worked was greater than the Board-approved pay rate. The following table summarizes these payments:

Pay Date	Pay Period	Village Calculation			APA Calculation			Gross Pay Variance
		Total Hours	Actual Pay Rate	Gross Pay	Total Hours	Board-Approved Pay Rate	Gross Pay	
10/13/2023	10/3/23 - 10/9/23	25.00	\$ 24.00	\$ 600.00	25.00	\$ 20.00	\$ 500.00	\$ 100.00
10/27/2023	10/17/23 - 10/23/23	20.00	30.00	600.00	20.00	20.00	400.00	200.00
11/3/2023	10/24/23 - 10/30/23	22.25	26.97	600.00	22.25	20.00	445.00	155.00
11/10/2023	10/31/23 - 11/6/23	25.00	24.00	600.00	25.00	20.00	500.00	100.00
12/1/2023	11/21/23 - 11/27/23	20.00	30.00	600.00	20.00	20.00	400.00	200.00
12/8/2023	11/28/23 - 12/4/23	22.00	27.27	600.00	22.00	20.00	440.00	160.00
12/15/2023	12/5/23 - 12/11/23	22.00	27.27	600.00	22.00	20.00	440.00	160.00
12/22/2023	12/12/23 - 12/18/23	23.25	25.81	600.00	23.25	20.00	465.00	135.00
12/29/2023	12/19/23 - 12/25/23	27.00	22.22	600.00	27.00	20.00	540.00	60.00
2/2/2024	1/23/24 - 1/29/24	27.00	23.89	645.00	27.00	21.50	580.50	64.50
2/7/2024	1/30/24 - 2/5/24	27.35	23.58	645.00	27.35	21.50	588.03	56.97
<b>Totals</b>		<b>260.85</b>		<b>\$ 6,690.00</b>	<b>260.85</b>		<b>\$ 5,298.53</b>	<b>\$ 1,391.47</b>

As shown in the above table, the APA recalculated Ms. Miller’s pay using the Board-approved pay rate and the total hours worked reported on her paystub and found that she appears to have received excess pay of \$1,391.47. It is important to note also that no timesheets were maintained to support the hours reported on the payroll register for any of these 11 payments.

Additionally, the APA noted nine pay periods in which Ms. Miller supposedly worked and received payment for more than the Board-approved maximum of 30 hours per week. Those payments are listed in the table below:

Pay Date	Pay Period	Village Calculation			APA Calculation			Gross Pay Variance
		Total Hours	Actual Pay Rate	Gross Pay	Total Hours	Board-Approved Pay Rate	Gross Pay	
10/6/2023	9/26/23 - 10/2/23	39.75	<b>Note 1</b>	\$ 892.50	30.00	\$ 20.00	\$ 600.00	\$ 292.50
4/12/2024	4/2/24 - 4/8/24	35.00	\$ 21.50	752.50	30.00	21.50	645.00	107.50
4/26/2024	4/16/24 - 4/22/24	31.50	21.50	677.25	30.00	21.50	645.00	32.25
5/3/2024	4/23/24 - 4/29/24	35.75	21.50	768.63	30.00	21.50	645.00	123.63
5/8/2024	4/30/24 - 5/6/24	30.25	21.50	650.38	30.00	21.50	645.00	5.38
6/12/2024	6/4/24 - 6/10/24	35.00	21.50	752.50	30.00	21.50	645.00	107.50
7/26/2024	7/16/24 - 7/22/24	31.50	21.50	677.25	30.00	21.50	645.00	32.25
8/9/2024	7/30/24 - 8/5/24	34.75	21.50	747.13	30.00	21.50	645.00	102.13
8/16/2024	8/6/24 - 8/12/24	34.64	21.50	744.76	30.00	21.50	645.00	99.76
<b>Totals</b>		<b>308.14</b>		<b>\$ 6,662.90</b>	<b>270.00</b>		<b>\$ 5,760.00</b>	<b>\$ 902.90</b>

**Note 1:** For this paycheck on October 6, 2023, she was paid at \$15 per hour for 20 hours and \$30 per hour for 19.75 hours.

For these nine pay periods, the APA recalculated Ms. Miller’s pay using the Board-approved pay rate and the maximum hours she was authorized to work, determining that Ms. Miller appears to have received \$902.90 in excess payroll payments. It is important to note also that there were either no or inadequately documented timesheets maintained to support the supposed hours worked, as reported on the payroll register, for two of the pay periods listed in the above table.

In total, the APA’s calculation, when compared with the actual amounts paid to Ms. Miller for her payroll, resulted in a variance of \$2,294.37. A detailed listing of all Ms. Miller’s payroll payments and the APA’s recalculation of them is included in **Exhibit A** herein.

***Lack of Documented Timesheets***

In addition to the questionable payments in excess of her Board-approved pay rate and hours worked, as discussed above, the APA noted 16 other pay periods for which the Village was unable to provide a timesheet to support adequately Ms. Miller’s hours worked. The total amount of gross pay that Ms. Miller received for these pay periods was \$10,054. Since no timesheets could be provided, the APA was unable to verify that the number of hours worked agreed to what Ms. Miller was actually paid.

***Unsupported Mileage Reimbursements***

Ms. Miller received four additional payments, totaling \$763.38, for apparent reimbursement of mileage and other expenses unrelated to her wages. However, the Village was unable to provide documentation to support any of these reimbursement payments to Ms. Miller. The four payments at issue are detailed in the table below:

Date	Check #	Payee	Total Check Amount	Amount Unsupported
10/11/2023	8826	Julie Tyrell	\$ 246.15	\$ 186.15
12/21/2023	8874	Julie Tyrell	272.71	186.02
3/6/2024	8947	Julie Miller	263.27	263.27
5/8/2024	8995	Julie Miller	127.94	127.94
<b>Total</b>			<b>\$</b>	<b>763.38</b>

If Ms. Miller can be shown to have acted intentionally, by fostering a false impression or otherwise, in order to be paid for these questionable payroll and reimbursement payments, such actions may constitute fraud.

Good internal controls require procedures to ensure the following: 1) Village employees receive compensation at the Board-approved pay rate and for the authorized work hours; 2) the Board reviews employee pay to ensure payments are accurate and reasonable; 3) payroll expenditures are adequately documented and supported by timesheets or other evidence of the actual hours worked each day; and 4) all disbursements, including reimbursements, made with Village funds are accompanied with adequate supporting documentation.

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

We recommend the Board implement procedures to ensure the following: 1) Village employees receive compensation at the Board-approved pay rate and for the authorized work hours; 2) the Board reviews employee pay to ensure payments are accurate and reasonable; 3) payroll expenditures are adequately documented and supported by timesheets or other evidence of the actual hours worked each day; and 4) all disbursements, including reimbursements, made with Village funds are accompanied with adequate supporting documentation. Due to the information presented above giving rise to concerns regarding possible fraud, we are referring the information contained herein to the Nebraska Attorney General and the Sherman County Attorney for further review.

## 2. Payroll Tax Withholding Issues

During the fiscal year ended September 30, 2024, taxes were not withheld from wages paid to Village employees and remitted to either the Internal Revenue Service (IRS) or the Nebraska Department of Revenue (Department). The Village is required to withhold Federal taxes, including income tax, Social Security tax, and Medicare tax, as well as State income tax, from compensation paid to municipal employees.

According to Village representatives, the Village is in the process of remitting taxes owed to the Department and the IRS. The requirements for withholding payroll taxes from compensation paid to public officials and employees are explained in various Federal and State publications, as described below.

For Federal income taxes, the “Tax Withholding for Government Workers” information (last updated March 24, 2025), which appears on the IRS website, states the following, as is relevant:

Internal Revenue Code section 3401(c) indicates that an “officer, employee, or elected official” of government is an employee for income tax withholding purposes.

\* \* \* \*

The courts generally define “public official” and “public officer” to mean anyone who exercises significant authority pursuant to public laws. This includes any official who administers or enforces public laws whether the public elected the individual or an office appointed them.

(Emphasis added.) Additionally, the “Frequently Asked Questions” section of IRS Publication 963 (Rev. 7-2020), “Federal-State Reference Guide,” states the following, in relevant part, about the employment status of government officials, especially with regard to not only Federal income taxes but also Social Security and Medicare tax withholdings:

For income tax purposes, elected (or elective) and most appointed officials are defined by IRC Section 3401(c) as employees of the public entity they serve (mayors, members of the legislature, county commissioners, city council members and board or commission members). In general, elected and appointed officials will meet the common-law tests to be considered employees. Regardless of the common-law tests, some positions may be defined as employment by state statute. Some fee-basis officials are by law treated as self-employed. An elected or appointed official who is an employee is subject to rules for mandatory Social Security and Medicare unless covered under a Section 218 Agreement or a qualified participant in a retirement system. All officials elected or appointed to their positions after March 31, 1986, are subject to Medicare withholding.

(Emphasis added.) Turning specifically to State income taxes, the “2024 Nebraska Circular EN,” published by the Nebraska Department of Revenue, provides the following, as is relevant:

If you have an office or conduct business in Nebraska and are considered an employer for federal purposes, you must withhold income taxes for Nebraska. This includes payments made to all employees, including nonresidents, for services performed in this state.

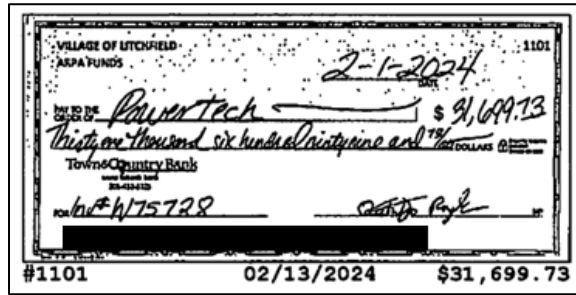
(Emphasis added.) Good internal controls require procedures to ensure both the correct classification of employees for tax purposes and the collection of all required Federal and State taxes from such personnel, as appropriate, and the proper remittance thereof. Without such procedures, there is an increased risk for not only failure to comply with State statute and Federal regulations but also the resulting liability of the Village and its employees alike.

A similar issue was identified by the APA in a prior review and was disclosed to the Village in the APA’s letter dated August 28, 2024, which can be found on the APA’s website. However, this issue does not appear to have been corrected after the APA’s notification.

We recommend the Village implement procedures to ensure both the correct classification of employees for tax purposes and the collection of all required Federal and State taxes from such personnel, as appropriate, and the proper remittance thereof.

**3. Lack of Dual Signatures**

The APA obtained the bank statements for the Village’s accounts from its fiscal year 2024 audit waiver request. From these statements, the APA noted that one Village check written during the examination period contained only one signature, as shown below.



State statute requires Village checks to be signed by both the Chairperson of the Board and the Village Clerk. Specifically, Neb. Rev. Stat. § 17-711 (Reissue 2022) provides 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.) Good internal control and sound accounting practices require procedures to ensure that Village checks contain the statutorily required endorsements. Without such procedures, there is an increased risk for not only failure to comply with State statute but also loss and/or misuse of Village funds.

We recommend the Board implement procedures to require dual signatures, from the Board Chairperson and the Village Clerk, on all Village checks, as required by law.

**4. Lack of Adequate Documentation**

The APA requested supporting documentation for purchases made using the Village’s credit cards. However, the Village was unable to provide any documentation to support four purchases, totaling \$150.12. The Village was able to provide documentation for two purchases, totaling \$57.04; nevertheless, that documentation appeared to be inadequate, as the statutorily required itemized receipts were not provided. The table below lists these purchases:

Account #	Date	Description	Amount	APA Notes
2476	12/13/2023	OASIS LITCHFIELD NE	\$ 33.00	No documentation on file.
2476	3/18/2024	TST* MARIA'S COLUMBUS NE	59.39	No documentation on file.
2476	3/19/2024	SUPER BUFFET COLUMBUS NE	32.36	Inadequate support.
2476	3/21/2024	STACK N STEAK COLUMBUS NE	24.68	Inadequate support.
2476	3/23/2024	A&W LONG JOHN SILVER'S COLUMBUS NE	31.08	No documentation on file.
2476	4/29/2024	DOLLAR GENERAL 15403 LOUP CITY NE	26.65	No documentation on file.
<b>Total</b>			<b>\$ 207.16</b>	

Neb. Rev. Stat. § 13-610(4) (Reissue 2022) requires all purchases with a political subdivision’s purchasing card to be supported by an itemized receipt, as follows:

*An itemized receipt for purposes of tracking expenditures shall accompany all purchasing card purchases. In the event that a receipt does not accompany such a purchase, purchasing card privileges shall be temporarily or permanently suspended in accordance with rules and regulations adopted and promulgated by the political subdivision.*

(Emphasis added.) In addition to the documentation provided for the Village’s credit card purchases, the APA requested documentation for three large payments made from that the Village’s General Fund bank account. However, the Village was unable to provide adequate documentation to support the payments listed in the following table:

Date Cleared	Check #	Payee	Amount
11/17/2023	8848	Trotter Service-Arcadia	\$ 48,422.72
6/21/2024	9031	Tri-State Paving	41,500.00
7/23/2024	9047	Trotter Inc	49,814.41
<b>Total</b>			<b>\$ 139,737.13</b>

The Tri-State Paving payment of \$41,500 was for armor coating of 15 streets in the Village. The Village was able to provide only a handwritten invoice that did not include sufficient detail about the work performed. For the two Trotter payments, totaling \$98,237.13, the Village explained to the APA that they were made in relation to its Tax Increment Financing (TIF) project.

TIF is a popular funding tool used by local governments to promote economic development and redevelopment through the Community Development Law, which is set out at Neb. Rev. Stat. §§ 18-2101 through 18-2157 (Reissue 2022, Cum. Supp. 2024), and certain supplemental statutes. The excess ad valorem taxes that are collected by the Sherman County (County) Treasurer and distributed to the Village are required under State statute and the official rules and regulations of the Nebraska Department of Revenue to be used solely for relieving the debt incurred by the TIF project until that debt is paid in full or after 15 years (or 20 years for “extremely blighted” areas), whichever comes first.

According to the 2024 Community Redevelopment Tax Increment Financial Projects Report that is provided to the Nebraska Department of Revenue, the Village began its “TIF TROTTER DRY TERMINAL INC” project in 2015. For this TIF project, the indebtedness was incurred by Trotter, Inc. Therefore, the Village has been remitting the TIF taxes received from the County to this company. However, the Village did not have any documentation on file to ensure that the indebtedness has not yet been paid in full.

Good internal control requires procedures to ensure that proper documentation – including itemized receipts, sufficiently detailed invoices, and amortization schedules for the Village’s TIF project(s) – is maintained for all Village transactions.

We recommend the Board implement procedures to ensure proper documentation – including itemized receipts, sufficiently detailed invoices, and amortization schedules for the Village’s TIF project(s) – is maintained for all Village transactions.

**5. Expenditure in Excess of Budget**

For the fiscal year ended September 30, 2024, actual Village expenditures exceeded the adopted budget by \$197,841.46. No amended budget was filed with our office for these additional expenditures.

Neb. Rev. Stat. § 13-510 (Reissue 2022) states, in relevant part, the following:

*No expenditure during any fiscal year or biennial period shall be made in excess of the amounts indicated in the adopted budget statement, except as authorized in section 13-511, or by state law. Any officer or officers of any governing body who obligates funds contrary to the provisions of this section shall be guilty of a Class V misdemeanor.*

Neb. Rev. Stat. § 13-511 (Reissue 2022) sets out the procedures for amending the adopted budget accordingly.

When expenditures are made in excess of the amounts budgeted, with no appropriate budget amendment by the Board to address those excesses, the Village is noncompliant with State statute, further increasing the risk for loss and/or misuse of funds.

We recommend the Board implement procedures for monitoring closely its budget status on an ongoing basis to avoid incurring expenditures in excess of the amount budgeted, amending the budget as necessary to accommodate any unforeseen expenses.

**6. Job and Wage Publication**

The APA noted that the Village approved Ordinance No. 2024-O-2, which established the salaries and compensation of Village employees. However, the Village appears to have failed to publish its annual job and wage publication between July 15, 2024, and August 15, 2024, as required by State statute.

Neb. Rev. Stat. § 19-1102 (Reissue 2022) states, in relevant part, the following:

*Between July 15 and August 15 of each year, the employee job titles and the current annual, monthly, or hourly salaries corresponding to such job titles shall be published. Each job title published shall be descriptive and indicative of the duties and functions of the position.*

Good internal control requires procedures to ensure that the Village’s annual job and wage publication is published between July 15 and August 15 annually, as required by law.

Without such procedures, there is an increased risk of not only statutory noncompliance but also lack of transparency and loss or misuse of funds.

We recommend the Board implement procedures to ensure the Village’s annual job and wage publication is published between July 15 and August 15 annually, as required by law.

*Overall Village Response: See **Attachment A**.*

\* \* \* \* \*

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.

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

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

Audit Staff Working on this Examination  
Craig Kubicek, CPA, CFE – Deputy Auditor  
Dakota Christensen, CPA, CISA, CFE – Audit Manager  
Mason Culver – Auditor-In-Charge  
Destini Morales – Auditor II

Sincerely,



Mark Avery, CPA  
Assistant Deputy Auditor

cc. Nebraska Attorney General  
Sherman County Attorney

**VILLAGE OF LITCHFIELD**  
**Julie Miller's Payroll Payments**  
October 1, 2023, through August 20, 2024

**Exhibit A**

Per Village Payroll Registers									APA Calculations			APA Notes
Pay Period	Check Date	Regular Hrs	Hrly Rate	OT Hrs	OT Amt	OT Rate	Total Hrs	Gross Pay	APA Hrs	APA Recalc	Variance	
9/26/23 - 10/2/23	10/6/2023	20.00	\$15.00	19.75	\$592.50	\$30.00	39.75	\$892.50	30.00	\$600.00	\$292.50	Excessive pay/hours worked. No timesheet.
10/3/23 - 10/9/23	10/13/2023	25.00	\$24.00	0.00	\$0.00	\$0.00	25.00	\$600.00	25.00	\$500.00	\$100.00	Excessive pay/hours worked. No timesheet.
10/10/23 - 10/16/23	10/20/2023	30.00	\$20.00	0.00	\$0.00	\$0.00	30.00	\$600.00	30.00	\$600.00	\$0.00	No timesheet.
10/17/23 - 10/23/23	10/27/2023	20.00	\$30.00	0.00	\$0.00	\$0.00	20.00	\$600.00	20.00	\$400.00	\$200.00	Excessive pay/hours worked. No timesheet.
10/24/23 - 10/30/23	11/3/2023	22.25	\$26.97	0.00	\$0.00	\$0.00	22.25	\$600.00	22.25	\$445.00	\$155.00	Excessive pay/hours worked. No timesheet.
10/31/23 - 11/6/23	11/10/2023	25.00	\$24.00	0.00	\$0.00	\$0.00	25.00	\$600.00	25.00	\$500.00	\$100.00	Excessive pay/hours worked. No timesheet.
11/7/23 - 11/13/23	11/17/2023	30.00	\$20.00	0.00	\$0.00	\$0.00	30.00	\$600.00	30.00	\$600.00	\$0.00	No timesheet.
11/14/23 - 11/20/23	11/22/2023	32.75	\$18.32	0.00	\$0.00	\$0.00	32.75	\$600.00	30.00	\$600.00	\$0.00	No timesheet.
11/21/23 - 11/27/23	12/1/2023	20.00	\$30.00	0.00	\$0.00	\$0.00	20.00	\$600.00	20.00	\$400.00	\$200.00	Excessive pay/hours worked. No timesheet.
11/28/23 - 12/4/23	12/8/2023	22.00	\$27.27	0.00	\$0.00	\$0.00	22.00	\$600.00	22.00	\$440.00	\$160.00	Excessive pay/hours worked. No timesheet.
12/5/23 - 12/11/23	12/15/2023	22.00	\$27.27	0.00	\$0.00	\$0.00	22.00	\$600.00	22.00	\$440.00	\$160.00	Excessive pay/hours worked. No timesheet.
12/12/23 - 12/18/23	12/22/2023	23.25	\$25.81	0.00	\$0.00	\$0.00	23.25	\$600.00	23.25	\$465.00	\$135.00	Excessive pay/hours worked. No timesheet.
12/19/23 - 12/25/23	12/29/2023	27.00	\$22.22	0.00	\$0.00	\$0.00	27.00	\$600.00	27.00	\$540.00	\$60.00	Excessive pay/hours worked. No timesheet.
12/26/23 - 1/1/24	1/5/2024	35.00	\$17.14	0.00	\$0.00	\$0.00	35.00	\$600.00	30.00	\$600.00	\$0.00	No timesheet.
1/2/24 - 1/8/24	1/12/2024	32.00	\$20.16	0.00	\$0.00	\$0.00	32.00	\$645.00	30.00	\$645.00	\$0.00	No timesheet.
1/9/24 - 1/15/24	1/17/2024	33.00	\$19.55	0.00	\$0.00	\$0.00	33.00	\$645.00	30.00	\$645.00	\$0.00	No timesheet.
1/16/24 - 1/22/24	1/26/2024	32.00	\$20.16	0.00	\$0.00	\$0.00	32.00	\$645.00	30.00	\$645.00	\$0.00	No timesheet.
1/23/24 - 1/29/24	2/2/2024	27.00	\$23.89	0.00	\$0.00	\$0.00	27.00	\$645.00	27.00	\$580.50	\$64.50	Excessive pay/hours worked. No timesheet.
1/30/24 - 2/5/24	2/7/2024	27.35	\$23.58	0.00	\$0.00	\$0.00	27.35	\$645.00	27.35	\$588.03	\$56.97	Excessive pay/hours worked. No timesheet.
2/6/24 - 2/12/24	2/16/2024	31.25	\$20.64	0.00	\$0.00	\$0.00	31.25	\$645.00	30.00	\$645.00	\$0.00	No timesheet.
2/13/24 - 2/19/24	2/23/2024	33.00	\$19.55	0.00	\$0.00	\$0.00	33.00	\$645.00	30.00	\$645.00	\$0.00	No timesheet.
2/20/24 - 2/26/24	3/1/2024	31.25	\$20.64	0.00	\$0.00	\$0.00	31.25	\$645.00	30.00	\$645.00	\$0.00	No timesheet.
2/27/24 - 3/4/24	3/6/2024	33.75	\$19.11	0.00	\$0.00	\$0.00	33.75	\$645.00	30.00	\$645.00	\$0.00	No timesheet.
3/5/24 - 3/11/24	3/15/2024	35.25	\$18.30	0.00	\$0.00	\$0.00	35.25	\$645.00	30.00	\$645.00	\$0.00	No timesheet.
3/12/24 - 3/18/24	3/22/2024	33.75	\$19.11	0.00	\$0.00	\$0.00	33.75	\$645.00	30.00	\$645.00	\$0.00	No timesheet.
3/19/24 - 3/25/24	3/29/2024	40.00	\$16.13	0.00	\$0.00	\$0.00	40.00	\$645.00	30.00	\$645.00	\$0.00	No timesheet.
3/26/24 - 4/1/24	4/5/2024	32.50	\$19.85	0.00	\$0.00	\$0.00	32.50	\$645.00	30.00	\$645.00	\$0.00	No timesheet.
4/2/24 - 4/8/24	4/12/2024	35.00	\$21.50	0.00	\$0.00	\$0.00	35.00	\$752.50	30.00	\$645.00	\$107.50	Excessive pay/hours worked..
4/9/24 - 4/15/24	4/19/2024	29.50	\$21.50	0.00	\$0.00	\$0.00	29.50	\$634.25	29.50	\$634.25	\$0.00	
4/16/24 - 4/22/24	4/26/2024	31.50	\$21.50	0.00	\$0.00	\$0.00	31.50	\$677.25	30.00	\$645.00	\$32.25	Excessive pay/hours worked.
4/23/24 - 4/29/24	5/3/2024	35.75	\$21.50	0.00	\$0.00	\$0.00	35.75	\$768.63	30.00	\$645.00	\$123.63	Excessive pay/hours worked.
4/30/24 - 5/6/24	5/8/2024	30.25	\$21.50	0.00	\$0.00	\$0.00	30.25	\$650.38	30.00	\$645.00	\$5.38	Excessive pay/hours worked.
5/7/24 - 5/13/24	5/17/2024	26.00	\$21.50	0.00	\$0.00	\$0.00	26.00	\$559.00	26.00	\$559.00	\$0.00	No timesheet.
5/14/24 - 5/20/24	5/24/2024	20.50	\$21.50	0.00	\$0.00	\$0.00	20.50	\$440.75	20.50	\$440.75	\$0.00	
5/21/24 - 5/27/24	5/31/2024	28.25	\$21.50	0.00	\$0.00	\$0.00	28.25	\$607.38	28.25	\$607.38	\$0.00	
5/28/24 - 6/3/24	6/5/2024	29.50	\$21.50	0.00	\$0.00	\$0.00	29.50	\$634.25	29.50	\$634.25	\$0.00	
6/4/24 - 6/10/24	6/12/2024	35.00	\$21.50	0.00	\$0.00	\$0.00	35.00	\$752.50	30.00	\$645.00	\$107.50	Excessive pay/hours worked.
6/11/24 - 6/17/24	6/21/2024	26.75	\$21.50	0.00	\$0.00	\$0.00	26.75	\$575.13	26.75	\$575.13	\$0.00	
6/18/24 - 6/24/24	6/26/2024	27.50	\$21.50	0.00	\$0.00	\$0.00	27.50	\$591.25	27.50	\$591.25	\$0.00	
6/25/24 - 7/1/24	7/3/2024	27.75	\$21.50	0.00	\$0.00	\$0.00	27.75	\$596.63	27.75	\$596.63	\$0.00	
7/2/24 - 7/8/24	7/12/2024	29.00	\$21.50	0.00	\$0.00	\$0.00	29.00	\$623.50	29.00	\$623.50	\$0.00	
7/9/24 - 7/15/24	7/17/2024	27.50	\$21.50	0.00	\$0.00	\$0.00	27.50	\$591.25	27.50	\$591.25	\$0.00	



VILLAGE OF LITCHFIELD  
**Julie Miller's Payroll Payments**  
 October 1, 2023, through August 20, 2024

**Exhibit A**

Per Village Payroll Registers									APA Calculations			APA Notes
Pay Period	Check Date	Regular Hrs	Hrly Rate	OT Hrs	OT Amt	OT Rate	Total Hrs	Gross Pay	APA Hrs	APA Recalc	Variance	
7/16/24 - 7/22/24	7/26/2024	31.50	\$21.50	0.00	\$0.00	\$0.00	31.50	\$677.25	30.00	\$645.00	\$32.25	Excessive pay/hours worked.
7/23/24 - 7/29/24	8/2/2024	23.75	\$21.50	0.00	\$0.00	\$0.00	23.75	\$510.63	23.75	\$510.63	\$0.00	
7/30/24 - 8/5/24	8/9/2024	34.75	\$21.50	0.00	\$0.00	\$0.00	34.75	\$747.13	30.00	\$645.00	\$102.13	Excessive pay/hours worked.
8/6/24 - 8/12/24	8/16/2024	34.64	\$21.50	0.00	\$0.00	\$0.00	34.64	\$744.76	30.00	\$645.00	\$99.76	Excessive pay/hours worked. Inadequate timesheet.
<b>Totals</b>		<b>1,340.74</b>		<b>19.75</b>	<b>\$592.50</b>	<b>\$30.00</b>	<b>1,360.49</b>	<b>\$29,211.92</b>	<b>1,276.85</b>	<b>\$26,917.53</b>	<b>\$2,294.37</b>	

## Village of Litchfield, Nebraska

P.O. Box 166  
Litchfield, Ne 68852  
Office: 308-446-2285  
vol@nctc.net

April 22, 2025

Nebraska Auditor of Public Accounts  
Attn: Dakota Christensen, Deputy Auditor  
P.O. Box 98917  
Lincoln, NE 68509

Sent via Electronic Mail to [dakota.christensen@nebraska.gov](mailto:dakota.christensen@nebraska.gov)

RE: Village of Litchfield Response

Dear Mr. Christensen:

The Village Board is in receipt of the letter draft issued by your office to the Village of Litchfield identifying concerns expressed regarding Village administration and the Village Clerk. The letter has been discussed by the Village Board. The Village Board, before addressing the recommendations in the draft letter, wants to reiterate to your office that Julie Miller has resigned and is no longer the Village Clerk for the Village of Litchfield. Further, the Village Board wants to remind you that they engaged Dana F. Cole & Company as the accounting firm for the Village and scheduled Dana Cole to conduct an audit for the Village during 2025. The Board was informed due to the staffing limitations within Dana Cole; they are unable to complete the audit for 2025. The Village Board is planning to move forward with contacting alternative firms to complete a 2025 Audit. Beyond this general information, the Village Board would offer the following responses to the recommendations as follows:

1. Regarding the recommendations set forth in section one, the Village Board has implemented the policies and procedures below to address payroll concerns:
  - A. The Board has implemented a time clock, as of September 4, 2024, to better keep track of accurate hours worked each day by employees.
  - B. The Chairperson has taken on the task and is reviewing each payroll of all employees' time prior to payroll, to ensure time is accurate, of August 2024 along with the time clock starting September 4, 2024, payroll week.
  - C. The Chairperson and Village Clerk contacted the IRS in March 2025, spoke with Ms. Bell regarding suggestions and implementation of payroll procedures to comply with State and Federal Reporting Guidelines. The Village Clerk has completed, faxed and filed past to present day of all taxes as of April 10, 2025, a formal letter from the IRS regarding closing the compliance check as of April 10, 2025, was received. Since August of 2024, the Village Board has reviewed each individual employee's payroll compensation as part of claims monthly. This has created multiple levels of review and redundancy to ensure payments are accurate and at the correct rate.

- 1A. Regarding the recommendations set forth in section two the Village Board is proposing to implement the policies and procedures below to address questionable expenditure concerns:
  - A. The Village Board has implemented a written personnel policy as of January 7, 2025, that has set out procedures regarding charging or receiving reimbursement for expenses on behalf of the Village. This includes the submission of all documentation and reviewed at the Chairperson and Village Board level.
  - B. The Village has limited the number of Village purchasing cards to two cards which requires a check out process to purchase items for the Village of Litchfield. Further, any charges with the Village purchasing card will require compliance with the written personal policy procedures as indicated in section 1A(A).
  - C. The Village Board reviews the monthly credit card billing statement to ensure that the municipal card is paid timely and all documentation for each transaction is accounted for.
2. Regarding the recommendations set forth in section two the Village Board is proposing to implement the policies and procedures below to address Payroll Taxes Withholding.
  - A. The Village Clerk has implemented a procedure to ensure both the correct classification of employees for tax purposes and the collection of all required Federal and State taxes with the Village's software, Power Manager, employee Mitch Dahl and Mitch Mullins have corrected the classifications of all employees' taxes.
3. Regarding the recommendations set forth in section three the Village Board is proposing to implement the policies below and procedures to address lack of dual Signatures:
  - A. The Village Board and Village Clerk discussed this one-time oversight and have identified the human error that led to such oversight by previous Village Clerk Julie Miller. Moving forward all checks will be rechecked by the Village Clerk and the Chairman after the signing of claims. The Village Clerk will follow by reviewing each claim check before completing the mailing process.
4. Regarding the recommendations set forth in section four the Village Board is proposing to implement the policies and procedures below to address lack of documentation:
  - A. Regarding appropriate documentation for all transactions, please see response in Paragraph 1A(A) regarding the implementation of a written policy and procedures that were adopted as of January 7, 2025.
  - B. The Village Clerk has also implemented an itemized receipt procedure which is filed for all purposes of tracking expenditures and shall accompany all purchasing card purchases.
  - C. The Village Board has opened an account for TIF projects only and Sherman County confirmed the payment schedule of the one TIF project to ensure that overpayment did not occur.

5. Regarding the recommendations set forth in section five the Village Board is proposing to implement the policies and procedures below to address expenditures more than the Villages Budget:
  - A. The Village Board, Village Clerk, and Village Accounting firm Dana Cole have been closely monitored, updated with state when necessary.
  
6. Regarding the recommendations set forth in section five the Village Board is proposing implement the policies and procedures below for Job and Wage Publication:
  - A. The Village Chairman and Village Clerk have implemented an annual calendar policy that is checked daily to ensure publications, deadlines and/or claims are completed. This will ensure that the Village's annual job and wage publication is published between July 15 and August 15<sup>th</sup> annually, as required by law. The Board members will then be Cc'd in the e-mail that submits the publication to the newspaper to ensure timely submission and appropriate content.

After your review, if you require clarification on any of the Village Board's responses, have any questions, or wish to discuss any of the responses in further detail, please do not hesitate to contact me, the Village office at 308-446-2285, or our Village Attorney, at 308-745-0720.

Sincerely,

Don Lighthill,  
Board Chairperson  
Village of Litchfield, Nebraska

