

To the Honorable Chairman and Village Board
Village of Duncan
Duncan, Nebraska

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Duncan as of and for the year ended September 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Village's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the Village of Duncan's internal control to be a significant deficiency:

The size of the Village's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This lack of segregation of duties creates an opportunity for employees to commit fraud that may go undetected. This situation suggests that the Village Board remain involved in the financial affairs of the Village to provide oversight and independent review functions.

This communication is intended solely for the information and use of management, the Village Board, and others within the Village, and is not intended to be and should not be used by anyone other than these specified parties.

Grand Island, Nebraska
February 6, 2025

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