

# Town of Landis

May 6, 2019

Established in 1901

Mike Mahaley, Mayor

Tommy Garver, Mayor Pro Tem  
Seth Moore, Alderman  
Bobby Brown, Alderman  
Tony Corriher, Alderman

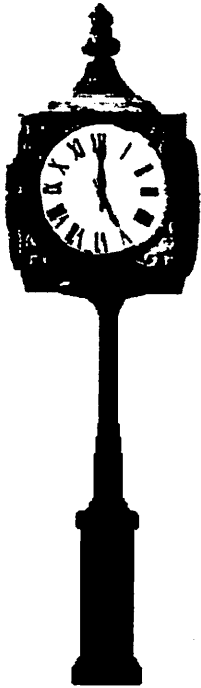
Ms. Sharon Edmundson, Director  
Local Government Commission  
NC Department of State Treasurer  
*Via email: [UnitLetter@NCTreasurer.com](mailto:UnitLetter@NCTreasurer.com)*

Dear Director Edmundson:

The Town of Landis would like to thank you and your staff for your time, attention, and assistance over the past several months. The LGC has proven itself to be an invaluable resource upon which we have been able to rely as we continue to work towards resolving the issues which you outlined in your letter dated March 25<sup>th</sup>, 2019.

The Town acknowledges the serious problems posed by the low fund balances and unapproved disbursements. As we develop our FY19-20 budget, the Town is committed to making the necessary and proper changes to increase our operating fund balances. Regarding the unapproved disbursements, the Town has initiated a claim on the surety bond.

We appreciate your concerns regarding our staff members who happen to be related to the former finance officer and acknowledge that there is a risk that some members of the community may object to their continued employment, despite no allegations or evidence of wrongdoing on their parts. Regardless, we have no alternative positions in other departments to which they could be assigned. As you are aware, the investigation is still on-going, however it has progressed significantly over the past several months. Given the progress of the investigation and current state of affairs, the Town is confident the continued service of these employees does not pose any appreciable risk to the investigation or the Town's ongoing financial operations. The work performed by these employees is essential to maintaining our basic operations. It would be costly & inefficient for the town, and unfair to the employees, to place them on paid leave. Doing so would force the Town to incur the additional expenses associated with hiring temporary workers, who would be unfamiliar with Town operations.



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The interim manager and finance officer are continuing to support the investigation while maintaining town operations. In the coming months, we hope to be in a position to make permanent appointments. In addition to those routine services provided under our existing relationship with the accounting firm, the Town recently retained the services of a consultant with an extensive professional background in finance. This consultant is aiding with budget preparation and assisting the interim finance officer on other matters, as necessary.

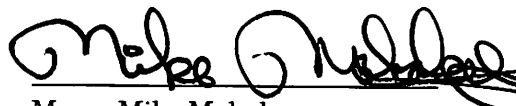
We trust that you received the budget and actual statements for February and March which were previously submitted. We appreciate and welcome your assistance in identifying any budget amendments which may be necessary.

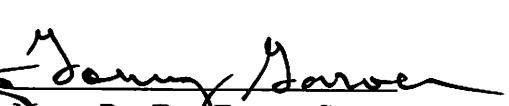
At our regular meeting this evening, the Board executed a contract for the 2019 audit. A copy will be submitted to your office.

Several changes regarding financial controls have been, or are in the process of being, implemented which will provide the Board with unprecedented insight into the Town's finances. Once the planned changes are complete, each member of the Board will have unfettered online access to review the Town's financial records – including payroll, banking, and purchase card transactions.

We have confidence that, with the LGC's continued assistance, the Town of Landis can leverage this opportunity to implement processes and systems which will make us a model municipality regarding transparency, accountability, and proper controls.

Respectfully,

  
Mayor Mike Mahaley

  
Mayor Pro-Tem Tommy Garver

  
Alderman Seth Moore

  
Alderman Bobby Brown

  
Alderman Tony Corriher