



# 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

January 26, 2024

Terry Gurciullo Jr., Chairperson  
Village of Maxwell  
P.O. Box 58  
Maxwell, NE 69151

Dear Chairperson Gurciullo, Jr.:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Maxwell (Village) for the fiscal year ending 2023. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Supp. 2023), 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. Negative Fund Balance**

On Exhibit A of the Village's audit waiver request form, the APA noted that the General and Enterprise funds had deficit balances of \$9,935.94 and \$36,916.68, respectively, as of September 30, 2023.

Good internal control and sound accounting practices require procedures to ensure that Village fund balances are sufficient to cover fully all disbursements and transfers approved by the Board. Those same procedures should ensure also that the Board is apprised regularly of each Village fund balance and, therefore, placed in a position to take necessary action to resolve any deficits therein.

Without such procedures, there is an increased risk of not only insufficient Village fund balances but also the resultant inability to cover fully all disbursements and transfers approved by the Board.

We recommend the Village Board implement procedures to ensure the Board is apprised regularly of each Village fund balance and, therefore, placed in a position to take necessary action to resolve any deficits therein.

### **2. Payment of Unapproved Claims**

During our comparison of the Village's bank account details to claims approved by the Board, the APA identified the following checks, totaling \$3,079.72, which were paid but not included on the claims listing to be approved by the Board.

Details of the unapproved payments are included in the table below:

Name/Vendor	Check Date	Amount	Check #
Intuit	4/12/23	\$ 2.81	ACH
NE Dept of Environment & Energy	4/13/23	115.00	8077
Intuit	4/14/23	28.93	ACH
Adams Bank & Trust	4/17/23	356.89	ACH
Intuit	4/17/23	6.56	ACH
Intuit Payment Solutions	4/18/23	10.00	ACH
Intuit Payment Solutions	4/18/23	71.65	ACH
Provider Enrollment Fee	4/19/23	688.00	ACH
IRS	4/20/23	1,090.37	ACH
Unemployment Tax	4/21/23	21.08	ACH
NE Dept of Revenue	4/24/23	130.73	ACH
Intuit	4/25/23	15.93	ACH
Intuit	4/26/23	2.81	ACH
USPS	5/01/23	63.00	Debit
Intuit	5/02/23	9.36	ACH
NE Dept of Revenue	5/04/23	192.21	ACH
NE Dept of Revenue	5/04/23	192.21	ACH
USPS	5/10/23	28.95	Debit
Intuit	5/10/23	3.98	ACH
Intuit	5/11/23	49.25	ACH
<b>Total</b>		<b>\$ 3,079.72</b>	

Neb. Rev. Stat. § 17-614(1)(a) (Supp. 2023) sets out the proper method for the appropriation or payment of money by the Village, as follows:

*All ordinances and resolutions or orders for the appropriation or payment of money shall require for their passage or adoption the concurrence of a majority of all members elected to the city council in a city of the second class or village board of trustees.*

(Emphasis added.) Good internal control requires procedures to ensure that all claims are authorized by the Board prior to payment and are adequately documented in the meeting minutes of the month in which they are approved.

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

A similar issue was identified by the APA in a prior review and was disclosed to the Village in the APA’s letter dated February 23, 2023, which can be found on the APA’s website. However, it does not appear this issue was corrected after the APA’s notification.

We recommend the Board implement procedures to ensure all claims are authorized by the Board prior to payment and are adequately documented in the meeting minutes of the month in which they are approved.

\* \* \* \* \*

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](mailto:dakota.christensen@nebraska.gov)**.

Sincerely,

A handwritten signature in black ink that reads "Mark Avery". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Mark Avery, CPA  
Assistant Deputy Auditor