



# 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 9, 2026

Dan Sheets, Chairperson  
Village of Dunning  
PO Box 8  
Dunning, NE 68833

Dear Chairperson Sheets:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Dunning (Village) for the fiscal year ending 2025. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Supp. 2025), 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. Possible Conflict of Interest

The APA received the minutes, along with the accompanying claims listing, for the Village Board's (Board) meetings held on November 6, 2024, and July 1, 2025. From that documentation, the APA identified potential conflicts of interest involving the actions of Board members Jill Cadwallader and Roland Cadwallader.

According to those meeting minutes and discussion with the Village Clerk, Jill Cadwallader and Roland Cadwallader appear to have failed to abstain from voting on the following claims paid to themselves as reimbursements and to a claim paid to Charles Cadwallader, who is the spouse to Jill Cadwallader and father of Roland Cadwallader:

Name/Vendor	Claim Description	Check Date	Amount	Check #
Charles Cadwallader	Supplies & Repairing Ball Field Building	11/6/24	\$ 1,994.44	8660
Jill Cadwallader	2 Tension Rods & 2 BLKOUT Curtains	7/1/25	53.81	8762
Roland Cadwallader	Training & Mileage to Mosquito Training	7/1/25	178.50	8763
<b>Total</b>			<b>\$ 2,226.75</b>	

Excerpts from the November 6, 2024, and July 1, 2025, meeting minutes are provided below, respectively:

November 6, 2024:

**VILLAGE OF DUNNING**  
**Minutes**  
**November 6, 2024**

Meeting was called to order by Vice-Chairman Gary Payne at 7:00 p.m. at the Sandhills High School Library. Members present were Trustees: Jill Cadwallader, Chet Wales, & Roland Cadwallader, Vice Chairman Gary Payne, and Clerk, Alice Springer. Absent: Chairman Dan Sheets. Visitors: Reed Miller, Deb Mostek, and Marcia Wales. The Open Meeting Act Poster is

**The following Claims were presented and signed:** Pay Roll: \$720; Ampstun Corporation: Annual Support: \$1910; Charles Cadwallader: \$1994.44, Supplies & Repairing Ball Field Building; Consolidated Telephone: \$112.76, phone & internet; Custer County Chief: \$7.41, Publishing 1 & 6 Hearing; Custer Public Power: \$1241.12, electricity; Ben McCaslin: \$200, Water Operator; Myers Iron Salvage & Roll-Offs: \$878.80, Fall Clean Up, 2024; NE Dept of Environment & Energy: \$100, Application Fee for Exempt Status for Non-discharging Lagoon Systems; NPHEL: \$22.90, Coliform by Colilert, Kit Cost & Postage Cost; One Call Concepts, Inc: \$1.18, Locate Fee; Quill: \$161.98, Toner & Paper; Village of Thedford: \$1,160, dumpsters; EMC: \$1805.21, liability insurance; Western Nebraska Bank: \$258.84, tractor payment.

July 1, 2025:

**VILLAGE OF DUNNING**  
**Minutes**  
**July 1, 2025**

Meeting was called to order by Chairman Jill Cadwallader at 7:00 p.m. at the Sandhills High School Library. Members present were Trustees: Gary Payne, Roland Cadwallader, Chairman Jill Cadwallader, and Clerk, Alice Springer. Absent: Trustee Marcia Wales & Pastor Steve Whitten. Visitors: Rae Anne Lehmann & Chet Wales. It was moved by Trustee Cadwallader and

**The following Claims were presented and signed:** Pay Roll: \$781; Jill Cadwallader: \$53.81, 2 Tension Rods & 2 BLKOUT Curtains; Roland Cadwallader: \$178.50, Training & Mileage to Mosquito Training; Consolidated Telephone: \$112.83, phone & internet; Custer Public Power: \$1,105.63, electricity; Ben McCaslin: \$200, Water Operator; NPHEL: \$333.33, Coliform by Colilert & EPA 505; Alice Springer: \$219, Stamps; Village of Thedford: \$1,344.15, 9 dumpsters; Nebraska Dept of Revenue: \$619.39, Sales Tax.

It should be noted that the above minutes fail to document both the Board's approval of claims and how the members voted thereon. Per discussion with the Village Clerk, the Board would have reviewed and approved the claims at both meetings, but none of the Board members would have abstained from voting on claims for either themselves or their immediate family members. As noted above, both Board members Jill Cadwallader and Roland Cadwallader were present for these meetings.

The apparent failure of Board members Jill Cadwallader and Roland Cadwallader to abstain from voting on the claims at issue gives rise to concerns regarding possible violations of the Nebraska Political Accountability and Disclosure Act (Act), which is set out at Neb. Rev. Stat. §§ 49-1401 to 49-14,142 (Reissue 2021, Cum. Supp. 2024, Supp. 2025).

To start, Neb. Rev. Stat. § 49-14,101.01(1) (Reissue 2021) 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.*

The penalty for violating the above-cited conflict of interest statute is set out in subsection (7) thereof, as follows:

*[A]ny person violating this section shall be guilty of a Class III misdemeanor, except that no vote by any member of the Legislature shall subject such member to any criminal sanction under this section.*

Furthermore, Neb. Rev. Stat. § 49-1499.03(2) (Cum. Supp. 2024) provides the following for claims not associated with a contract:

*(a) Any public official of any political subdivision not designated in section 49-1493 who would be required to take any action or make any decision in the discharge of his or her official duties that may cause financial benefit or detriment to him or her, a member of his or her immediate family, or a business with which he or she is associated, which is distinguishable from the effects of such action on the public generally or a broad segment of the public, shall take the following actions as soon as he or she is aware of such potential conflict or should reasonably be aware of such potential conflict, whichever is sooner:*

*(i) Prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict;*

*(ii) Deliver a copy of the statement to the person in charge of keeping records for the political subdivision who shall enter the statement onto the public records of the political subdivision; and*

*(iii) Except as otherwise provided in subsection (3) of this section, abstain from participating or voting on the matter in which the public official has a conflict of interest.*

*(b) The public official may apply to the commission for an opinion as to whether the person has a conflict of interest.*

(Emphasis added.) It should be noted also that Neb. Rev. Stat. § 49-14,100 (Reissue 2021) authorizes the Nebraska Accountability and Disclosure Commission (Commission) to issue advisory opinions upon request, as follows:

*Any person who is in doubt as to the propriety of action proposed to be taken by him may apply to the commission for an advisory opinion relating thereto, and the commission shall have authority to render such opinions. When an advisory opinion is issued pursuant to a complete and accurate request, such opinion shall be a complete defense to any charge of violation of sections 49-1493 to 49-14,104 as to any action taken strictly subject to the terms of such opinion.*

Good internal control requires procedures to ensure compliance with applicable provisions of the Act. Such procedures should include seeking needed guidance from the Commission.

Without such procedures, there is an increased risk for both statutory violations and the loss of Village funds.

We recommend the Board implement procedures to ensure compliance with applicable provisions of the Act. Such procedures should include seeking needed guidance from the Commission. Because the issue addressed herein constitutes a possible violation of the Act, we are forwarding this information to the Commission for further review.

## **2. Claims Approval Not Adequately Documented**

As noted in **Comment and Recommendation Number 1** (“Possible Conflict of Interest”) herein, the Board appears to have approved certain claims. This was done pursuant to Neb. Rev. Stat. § 17-614(1)(a) (Cum. Supp. 2024), which 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 elected members of the city council in a city of the second class or village board of trustees.*

(Emphasis added.) However, neither the Board’s formal approval of the claims nor how the members in attendance voted thereon is reflected in the applicable meeting minutes.

As a public body, the Board is subject to the provisions of the Open Meetings Act, which is set out at Neb. Rev. Stat. §§ 84-1407 to 84-1414 (Reissue 2024, Supp. 2025). In particular, Neb. Rev. Stat. § 84-1413(1) (Reissue 2024) requires public bodies, including the Board, to “keep minutes of all meetings,” showing, among other things, “the substance of all matters discussed.” Additionally, subsection (2) of that same section of statute requires, as shown below, the meeting minutes to reflect both any “action taken on any question or motion duly moved” and how the Board members voted on it:

*Any action taken on any question or motion duly moved and seconded shall be by roll call vote of the public body in open session, and the record shall state how each member voted or if the member was absent or not voting. The requirements of a roll call or viva voce vote shall be satisfied by a public body which utilizes an electronic voting device which allows the yeas and nays of each member of such public body to be readily seen by the public.*

(Emphasis added.) Finally, a good internal control plan and sound business practices require procedures to ensure that all Board meeting minutes document adequately both its actions, including the specific questions or motions being addressed, and the votes of the members thereon.

Without such procedures, there is an increased risk for not only failure to comply with State statute but also loss or misuse of public funds.

We recommend the implementation of procedures to ensure all Board meeting minutes document adequately both its actions, including the specific questions or motions being addressed, and the votes of the members thereon.

### **3. Negative Fund Balance**

On Exhibit A of the Village’s audit waiver request form, the APA noted that the Street fund had a deficit balance of \$31,674.17 as of September 30, 2025.

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.

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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 offer 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, appearing to read "Mark Avery". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mark Avery, CPA  
Assistant Deputy Auditor