



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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April 9, 2026

Dave Parshall, Chairperson
Village of Dix
PO Box 23
Dix, NE 69133

Dear Chairperson Parshall:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Dix (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) meeting held on April 18, 2025. From that documentation, the APA identified a potential conflict of interest involving the actions of Board member Dave Parshall.

According to the meeting minutes, Dave Parshall appears to have failed to abstain from voting on the following claim:

Name	Description	Amount
Dave Parshall	Drinking water for residents	\$ 468

Excerpts from the April 18, 2025, meeting minutes are provided below:

April 18, 2025-Village Office

The Village of Dix Board of Trustees convened in regular and open sessions on April 18, 2025, at 6:00pm at the Village Office at 119 Myrtle St, Dix, Nebraska. Chairman Dave Parshall presided. Board members present at the meeting were John Vowers, Ted Vakoc, Stephanie Paxton, Sandra Flores was absent.

A motion was made by Vakoc and seconded by Paxton to Accept the Consent Calendar, approve the Minutes of the Regular Meeting March 21, 2025 approve claims for January and accept the Financial and Treasurer's Report. Ayes: Vowers, Parshall, and Paxton, Vakoc. Flores was absent Motion Passed

Claims: General Account: Potter State Bank \$560.00 Road Grader, Potter State Bank \$464.33 Truck payment R&R Services \$516.25 Fuel, Viero \$82.87 Cell Phone, Peetz Farmers Coop \$613.00 Propane, Federal W/H Taxes \$1,389.78, Franks Parts \$63.02 Parts for sewer Jetter, City of Sidney \$506.39 Landfill Charges Ace Hardware \$36.78 Poly tubing , compression union, ice maker kit, Menards \$49.12 sand bags, clamps, charging clips, USPS \$68.90 Postage for water samples, Highline \$150.27 Internet & Phone, Water Tank Management \$2,000.00 Put away for Yearly bill, Water Bond Account \$4,000.00 Payment towards 2025 Water Bond Payment, Car Quest \$455.22 Parts, Nebraska UC Fund \$20.76 Payroll taxes, Intuit \$22.16 Quickbooks Payroll, Nebraska Department of Revenue \$588.85 State Payroll taxes, Kimball County treasurer \$175.32 Election Costs, Pine Bluffs Gravel & Excavation \$1,186.72 Gravel for Roads, Payroll \$6,107.74 High West Energy \$2,007.71 Electricity, Dave Parshall \$468.00 Drinking water for residents, Western Nebraska Observer \$228.76 Legal Notices, One Call Concepts \$77.80 Locate Fees, Evie Miller \$140.00 Quarterly Accounting Services, Rick Brumage \$ 532.00 Contract Labor, Eakes Office Solutions \$85.83 Office Supplies, Total \$22,597.64

It should be noted that the approval of claims mentions January, which appears to have been an error because other minutes mention the month prior to the meeting date.

The apparent failure of Board member Dave Parshall to abstain from voting on the motion above 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 subsection (b) of the above statute authorizes the Nebraska Accountability and Disclosure Commission (Commission) to issue, upon request, “an opinion as to whether the person has a conflict of interest.” This is correlative to Neb. Rev. Stat. § 49-14,100 (Reissue 2021) of the Act, which provides the following:

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. Those procedures should include also seeking needed guidance from the Commission, especially regarding potential conflicts of interest.

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 also seeking needed guidance from the Commission, especially regarding potential conflicts of interest. Because the issue addressed herein constitutes a possible violation of the Act, we are forwarding this information to the Commission for further review.

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 \$388.88, 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	4/28/25	\$ 317.58	EFT
Amazon Business Internet	4/30/25	71.30	EFT
Total		\$ 388.88	

Neb. Rev. Stat. § 17-614(1)(a) (Cum. Supp. 2024) 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.) Good internal control requires procedures to ensure that all claims are authorized by the Board prior to payment and are adequately documented in the minutes of the meeting during which they are approved.

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

The APA identified a similar issue in a prior review and disclosed it to the Village in a letter dated February 11, 2025, 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 Board implement procedures to ensure all claims are authorized by the Board prior to payment and are adequately documented in the minutes of the meeting during which they are approved.

3. Payment of Claims Prior to Board Approval

During our comparison of the Village’s bank account details to claims approved by the Board, the APA noted that the following checks, totaling \$5,468.95, were issued before the underlying claims were approved by the Board.

The table below provides a summary of the premature payments:

Name/Vendor	Amount	Approval Date	Check Date	Days Paid Before Approval
Potter State Bank	\$ 464.33	4/18/25	4/4/25	14
Internal Revenue Service	1,389.78	4/18/25	4/3/25	15
United States Postal Service	34.45	4/18/25	4/8/25	10
United States Postal Service	34.45	4/18/25	4/16/25	2
Highline	150.27	4/18/25	4/16/25	2
Intuit	22.16	4/18/25	3/17/25	32
Nebraska Department of Revenue	588.85	4/18/25	4/8/25	10
Payroll 1	1,542.45	4/18/25	4/3/25	15
Payroll 2	155.13	4/18/25	4/3/25	15
Payroll 3	1,087.08	4/18/25	4/3/25	15
Total	\$ 5,468.95			

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(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 minutes of the meeting during which they are approved.

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

The APA identified a similar issue in a prior review and disclosed it to the Village in a letter dated February 11, 2025, 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 Board implement procedures to ensure all claims are authorized by the Board prior to payment and are adequately documented in the minutes of the meeting during which they are approved.

4. Expenditure in Excess of Budget

For the fiscal year ended September 30, 2025, actual Village expenditures exceeded the adopted budget by \$4,939.66. 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.

5. Negative Fund Balance

On Exhibit A of the Village’s audit waiver request form, the APA noted that the Sewer fund had a deficit balance of \$4,781.80 as of September 30, 2025. Per the Village Clerk, the Village plans to transfer funds from the General fund to resolve the deficit fund balance.

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.

The APA identified a similar issue in a prior review and disclosed it to the Village in a letter dated February 11, 2025, 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 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.

6. Improper Reconciling Items

During review of the Village’s bank account reconciliation as of September 30, 2025, we noted that the reconciliation included multiple reconciling items that do not appear reasonable.

The outstanding debits and checks listing included the following apparently unreasonable items:

Date	Transaction Type	Name	Amount
8/11/2023	General Journal	Kimball Auto Parts	\$ (238.70)
11/9/2023	Liability Check - EFT	United States Treasury	(1,329.60)
11/12/2023	Deposit	[BLANK]	(317.00)
12/13/2023	General Journal	Kimball County	(25.00)
3/15/2024	Deposit	[BLANK]	(317.00)
3/18/2024	General Journal	Menards	(259.98)
3/29/2024	General Journal	Highline	(167.54)
4/8/2024	General Journal	High West Energy	(2,019.61)
6/14/2024	Deposit	[BLANK]	(317.00)
7/22/2024	General Journal	NE Rural Water Association	(200.00)
7/26/2024	Deposit	[BLANK]	(844.00)
8/19/2024	Deposit	[BLANK]	(844.00)
9/26/2024	Deposit	[BLANK]	(4,500.00)

Date	Transaction Type	Name	Amount
10/10/2024	General Journal	21st Century Equipment	(73.65)
10/15/2024	General Journal	Robert Aue	(159.45)
10/15/2024	General Journal	Robert Aue	(30.00)
10/15/2024	General Journal	Robert Aue	(10.00)
10/15/2024	General Journal	Robert Aue	(0.55)
10/30/2024	General Journal	NE Department of Revenue	(562.39)
11/18/2024	General Journal	Highline	(155.82)
12/23/2024	General Journal	Highline	(176.21)
1/7/2025	Deposit	[BLANK]	(3,444.00)
1/7/2025	Deposit	[BLANK]	(345.00)
2/24/2025	General Journal	Big Sky Energy Equipment	(142.53)
Total			\$ (16,479.03)

The outstanding credits and deposits listing included the following apparently unreasonable items:

Date	Transaction Type	Name	Amount
9/15/2023	Check	Kimberly K Gotfrey	\$ 60.00
9/15/2023	Check	Linda L Rasmussen	105.00
9/15/2023	Check	Melissa A. Gorsuch	630.00
12/14/2023	General Journal	Kimball Auto Parts	238.70
4/9/2024	General Journal	Kimball County	25.00
4/9/2024	General Journal	High West Energy	2,019.61
4/25/2024	General Journal	Menards	259.98
5/10/2024	General Journal	Highline	167.54
7/22/2024	General Journal	NE Rural Water Association	200.00
8/31/2024	Deposit	[BLANK]	3,891.88
10/10/2024	General Journal	21st Century Equipment	73.65
10/30/2024	General Journal	NE Department of Revenue	562.39
11/18/2024	Check	Melissa A. Gorsuch	400.00
11/19/2024	General Journal	Highline	155.82
12/12/2024	General Journal	Highline	176.21
1/13/2024	General Journal	United States Postal Service	34.50
2/21/2025	General Journal	Big Sky Energy Equipment	142.53
3/18/2025	General Journal	NAPA Auto Parts	28.99
6/30/2025	Deposit	[BLANK]	126.30
8/14/2025	Deposit	[BLANK]	200.00
8/14/2025	Deposit	[BLANK]	200.00
Total			\$ 9,698.10

Good internal controls require procedures to ensure that reconciling items are appropriate and reasonable.

Without such procedures, there is an increased risk for not only the loss or misuse of funds but also inaccurate financial reporting.

We recommend the Village implement procedures to ensure that reconciling items are appropriate and reasonable.

* * * * *

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**.

Sincerely,

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

Mark Avery, CPA
Assistant Deputy Auditor