

**ATTESTATION REPORT  
OF THE  
NEBRASKA COMMISSION ON PUBLIC ADVOCACY  
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012**

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**Issued on March 27, 2013**

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### Audit Staff Working On This Examination

Mark Avery, CPA, Manager

Diane Holtorf, CPA, Auditor II

Daniela, Myers, Auditor

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#### **Nebraska Auditor of Public Accounts**

State Capitol, Suite 2303

P.O. Box 98917

Lincoln, Nebraska 68509

Phone: 402-471-2111

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NEBRASKA COMMISSION ON PUBLIC ADVOCACY

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# NEBRASKA COMMISSION ON PUBLIC ADVOCACY

## **BACKGROUND**

The Nebraska Commission on Public Advocacy (Commission) was created in 1995 to provide property tax relief to counties in their representation of indigent defendants charged with first-degree murder and serious violent or drug-related felonies, including juvenile cases at trial and on direct appeal. The Commission also provides legal assistance to public defenders and court-appointed attorneys. The system provides property tax relief because counties pay nothing for such legal services and associated costs.

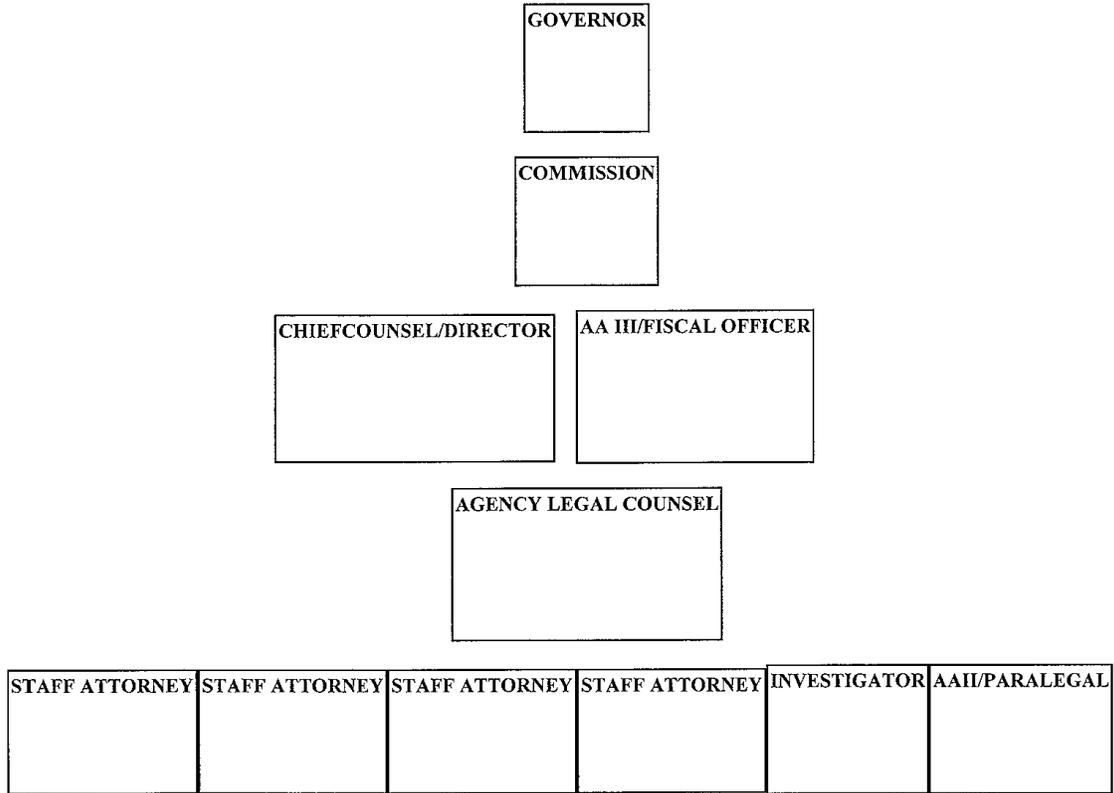
The Commission consists of nine members appointed by the Governor from a list of attorneys submitted by the Executive Council of the Nebraska State Bar Association after consultation with the Board of Directors of the Nebraska Criminal Defense Attorneys Association. A member is appointed from each of the six State Supreme Court districts, and three members are appointed at large. Members must belong to the Nebraska State Bar Association and have substantial experience in criminal defense work. They may not be prosecutors, law enforcement officials, or judges during their terms of office. Members serve six-year terms. The Governor designates the chairperson of the Commission. Members are reimbursed for expenses.

The Commission appoints a chief counsel to supervise the divisions of the Commission. These divisions are the capital litigation division, which helps in the defense of Nebraska capital cases; the violent crime and drug defense division, which helps in the defense of such cases; the appellate division, which prosecutes appeals to the State Court of Appeals and Supreme Court; the DNA testing division, which helps in representation in such cases and to pay for DNA testing; and the major case resource center, which helps public defenders, contracting attorneys, or court-appointed attorneys with the defense of a felony offense. The chief counsel also manages the Legal Aid and Services Fund and the Civil Legal Services Fund.

NEBRASKA COMMISSION ON PUBLIC ADVOCACY

**ORGANIZATIONAL CHART**

March 2013



NEBRASKA COMMISSION ON PUBLIC ADVOCACY

**EXIT CONFERENCE**

An exit conference was held March 25, 2013, with the Commission to discuss the results of our examination. Those in attendance for the Nebraska Commission on Public Advocacy were:

<b>NAME</b>	<b>TITLE</b>
James Mowbray	Chief Counsel
Rita Wesely	Administrative Assistant/Fiscal Officer

Draft copies of this report were furnished to the Commission to provide them an opportunity to review the report.



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley  
State Auditor

Mike.Foley@nebraska.gov  
P.O. Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
www.auditors.state.ne.us

## NEBRASKA COMMISSION ON PUBLIC ADVOCACY

### INDEPENDENT ACCOUNTANT'S REPORT

Nebraska Commission on Public Advocacy  
Lincoln, Nebraska

We have examined the accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balances of the Nebraska Commission on Public Advocacy (Commission) for the calendar year ended December 31, 2012. The Commission's management is responsible for the Schedule of Revenues, Expenditures, and Changes in Fund Balances. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Revenues, Expenditures, and Changes in Fund Balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Schedule referred to above presents, in all material respects, the revenues, expenditures, and changes in fund balances of the Nebraska Commission on Public Advocacy for the calendar year ended December 31, 2012, based on the accounting system and procedures prescribed by the State of Nebraska Director of Administrative Services, as described in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the Schedule of Revenues, Expenditures, and Changes in Fund Balances and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain the views of management on those matters. We performed our examination to express an opinion on whether the Schedule of Revenues, Expenditures, and Changes in Fund Balances is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over the Schedule of Revenues, Expenditures, and Changes in Fund Balances or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed no findings that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Commissioners, others within the Commission, and the appropriate Federal and regulatory agencies, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

SIGNED ORIGINAL ON FILE

March 21, 2013

Mike Foley  
Auditor of Public Accounts

NEBRASKA COMMISSION ON PUBLIC ADVOCACY  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

For the Calendar Year Ended December 31, 2012

	Civil Legal Services Fund 20590	Operations Cash Fund 29410	Legal Aid and Services Fund 29420	<b>Totals (Memorandum Only)</b>
<b>REVENUES:</b>				
Sales & Charges	\$ 234,856	\$ 1,136,941	\$ 2,091,597	\$ 3,463,394
Miscellaneous	271	36,485	2,056	38,812
<b>TOTAL REVENUES</b>	<b>235,127</b>	<b>1,173,426</b>	<b>2,093,653</b>	<b>3,502,206</b>
<b>EXPENDITURES:</b>				
Personal Services	-	863,845	-	863,845
Operating	-	169,013	-	169,013
Travel	-	50,269	-	50,269
Capital Outlay	-	4,856	-	4,856
Government Aid	235,200	-	2,094,609	2,329,809
<b>TOTAL EXPENDITURES</b>	<b>235,200</b>	<b>1,087,983</b>	<b>2,094,609</b>	<b>3,417,792</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(73)	85,443	(956)	84,414
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Assets	-	95	-	95
Operating Transfers Out	-	(260,000)	-	(260,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(259,905)</b>	<b>-</b>	<b>(259,905)</b>
Net Change in Fund Balances	(73)	(174,462)	(956)	(175,491)
FUND BALANCES, January 1, 2012	115	1,497,704	1,459	1,499,278
FUND BALANCES, December 31, 2012	<u>\$ 42</u>	<u>\$ 1,323,242</u>	<u>\$ 503</u>	<u>\$ 1,323,787</u>
<b>FUND BALANCES CONSIST OF:</b>				
General Cash	\$ 42	\$ 1,324,608	\$ 1,668	\$ 1,326,318
Accounts Receivable Invoiced	-	3	5	8
Due From Other Government	-	(727)	(1,170)	(1,897)
Due to Vendors	-	(642)	-	(642)
<b>TOTAL FUND BALANCES</b>	<u>\$ 42</u>	<u>\$ 1,323,242</u>	<u>\$ 503</u>	<u>\$ 1,323,787</u>

The accompanying notes are an integral part of the schedule.

# NEBRASKA COMMISSION ON PUBLIC ADVOCACY

## NOTES TO THE SCHEDULE

For the Calendar Year Ended December 31, 2012

### 1. Criteria

The accounting policies of the Nebraska Commission on Public Advocacy (Commission) are on the basis of accounting, as prescribed by the State of Nebraska Department of Administrative Services (DAS).

Per Neb. Rev. Stat. § 81-1107(2) (Reissue 2008), the duties of the State of Nebraska's Director of the Department of Administrative Services (DAS) include:

*“The keeping of general accounts and the adoption and promulgation of appropriate rules, regulations, and administrative orders designed to assure a uniform and effective system of accounts and accounting, the approval of all vouchers, and the preparation and issuance of warrants for all purposes[.]”*

In accordance with Neb. Rev. Stat. § 81-1111(1) (Reissue 2008), the State Accounting Administrator has prescribed the system of accounts and accounting to be maintained by the State and its departments and agencies and has developed necessary accounting policies and procedures. The prescribed accounting system currently utilizes EnterpriseOne, an accounting resource software, to maintain the general ledger and all detailed accounting records. Policies and procedures are detailed in the Nebraska State Accounting Manual published by DAS State Accounting Division (State Accounting) and are available to the public. The financial information used to prepare the Schedule of Revenues, Expenditures, and Changes in Fund Balances (Schedule) was obtained directly from the general ledger and fund balance information maintained on EnterpriseOne. As transactions occur, the agencies record the accounts receivable and accounts payable in the general ledger. As such, certain revenues are recorded when earned, and expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows. The expenditures and related accounts payable recorded in the general ledger, as of December 31, 2012, include only those payables posted in the general ledger before December 31, 2012, and not yet paid as of that date. The amount recorded as expenditures, as of December 31, 2012, **does not** include amounts for goods and services received before December 31, 2012, which had not been posted to the general ledger as of December 31, 2012.

The Commission had no other accounts receivable not included in the Schedule. Liabilities for accrued payroll and compensated absences are not recorded in the general ledger.

The fund types established by the State that are used by the Commission are:

**20000 – Cash Funds** – account for revenues generated by specific activities from sources outside of State government and the expenditures directly related to the generation of the revenues. Cash funds are established by State statutes and must be used in accordance with those statutes.

NEBRASKA COMMISSION ON PUBLIC ADVOCACY

**NOTES TO THE SCHEDULE**

(Continued)

**1. Criteria** (Continued)

The major revenue account classifications established by State Accounting and used by the Commission are:

**Sales & Charges** – Income derived from sales of merchandise and commodities, compensation for services rendered, and charges for various licenses, permits, and fees.

**Miscellaneous** – Revenue from sources not covered by other major categories, such as investment income.

The major expenditure account classifications established by State Accounting and used by the Commission are:

**Personal Services** – Salaries, wages, and related employee benefits provided for all persons employed by the Commission.

**Operating** – Expenditures directly related to a program's primary service activities.

**Travel** – All travel expenses for any state officer, employee, or member of any commission, council, committee, or board of the State.

**Capital Outlay** – Expenditures that result in the acquisition of or an addition to capital assets. Capital assets are resources of a long-term character, owned or held by the government.

**Government Aid** – Payment of Federal and/or State money to governmental subdivisions, State agencies, local health and welfare offices, individuals, etc., in furtherance of local activities and accomplishment of State programs.

Other significant accounting classifications and procedures established by State Accounting and used by the Commission include:

**Assets** – Resources owned or held by a government that have monetary value. Assets include cash accounts and receivable accounts. Accounts receivable are recorded as an increase to revenues resulting in an increase to fund balance on the Schedule. Cash accounts are also included in fund balance and are reported as recorded in the general ledger.

**Liabilities** – Legal obligations arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date. Accounts payable transactions are recorded as expenditures, resulting in a decrease to fund balance. Other liabilities recorded in the general ledger for the Commission's funds at December 31, 2012, included amounts recorded in Due to Vendors. The activity of these accounts are not recorded through revenue and expenditure accounts on the Schedule.

NEBRASKA COMMISSION ON PUBLIC ADVOCACY

**NOTES TO THE SCHEDULE**

(Continued)

**1. Criteria** (Concluded)

**Other Financing Sources** – Operating transfers and proceeds of fixed asset dispositions.

**2. Reporting Entity**

The Nebraska Commission on Public Advocacy is a State agency established under and governed by the laws of the State of Nebraska. As such, the Commission is exempt from State and Federal income taxes. The Schedule includes all funds of the Commission included in the general ledger.

The Nebraska Commission on Public Advocacy is part of the primary government for the State of Nebraska.

**3. Totals**

The Totals “Memorandum Only” column represents an aggregation of individual account balances. The column is presented for overview informational purposes and does not present consolidated financial information because interfund balances and transactions have not been eliminated.

**4. General Cash**

General cash accounts are under the control of the State Treasurer or other administrative bodies, as determined by law. All cash deposited with the State Treasurer is initially maintained in a pooled cash account. On a daily basis, the State Treasurer invests cash not needed for current operations with the State’s Investment Council, which maintains an operating investment pool for such investments. Interest earned on those investments is allocated to funds based on their percentage of the investment pool.

**5. Capital Assets**

Capital assets include land, buildings, equipment, improvements to buildings, construction in progress and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). Under State Accounting policies, expenditures for such capital assets are not capitalized as an asset in the funds used to acquire or construct them. Rather, costs of obtaining the capital assets are reflected as expenditures in the general ledger and are reported as such on the Schedule.

However, State Accounting does adjust such expenditures and reports the capital assets as assets for the State of Nebraska in the Comprehensive Annual Financial Report (CAFR). In addition, the Commission takes an annual inventory, recording in the State Accounting System all equipment that has a cost of \$1,500 or more at the date of acquisition and all computers in the State Accounting System.

NEBRASKA COMMISSION ON PUBLIC ADVOCACY

**NOTES TO THE SCHEDULE**

(Continued)

**5. Capital Assets** (Concluded)

For the CAFR, the State requires the Commission to value all capital assets at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Generally, equipment that has a cost of \$5,000 or more at the date of acquisition and has an expected useful life of more than one year is capitalized. Depreciation expenses are reported in the CAFR in the funds used to acquire or construct them for the State of Nebraska. The cost of normal maintenance and repairs that does not add to the value of the asset or extend the asset's life is not capitalized.

Equipment is depreciated in the CAFR using the straight-line method with estimated useful lives of three to ten years.

Capital asset activity of the Commission recorded in the State Accounting System for the calendar year ended December 31, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets				
Equipment	\$ 47,006	\$ 4,231	\$ 286	\$ 50,951
Less accumulated depreciation* for:				
Equipment				<u>38,726</u>
Total capital assets, net of depreciation				<u>\$ 12,225</u>

*\*Note: The accumulated depreciation noted in the table above was calculated in the accounting system through June 30, 2012. Depreciation for July through December 2012 was not run in the accounting system until the beginning of calendar year 2013.*

**6. Transfers**

Pursuant to 2011 Neb. Laws LB 463, § 3(3)(b), the Nebraska Legislature gave the State Treasurer the authority to transfer \$200,000 from the Commission's Operations Cash Fund to the Court Appointed Special Advocate Fund on July 1, 2012.

Pursuant to 2012 Neb. Laws LB 969, § 5(4), the Nebraska Legislature gave the State Treasurer the authority to transfer \$60,000 from the Commission's Operations Cash Fund to the Nebraska State Patrol Cash Fund on July 1, 2012.

NEBRASKA COMMISSION ON PUBLIC ADVOCACY

**NOTES TO THE SCHEDULE**

(Continued)

**6. Transfers** (Concluded)

The table below shows the Commission's transfers during calendar year 2012.

<b>Transfer Date</b>	<b>Amount</b>
7/1/2012	\$ 200,000
7/1/2012	60,000
<b>Total Transferred</b>	<b>\$ 260,000</b>

NEBRASKA COMMISSION ON PUBLIC ADVOCACY

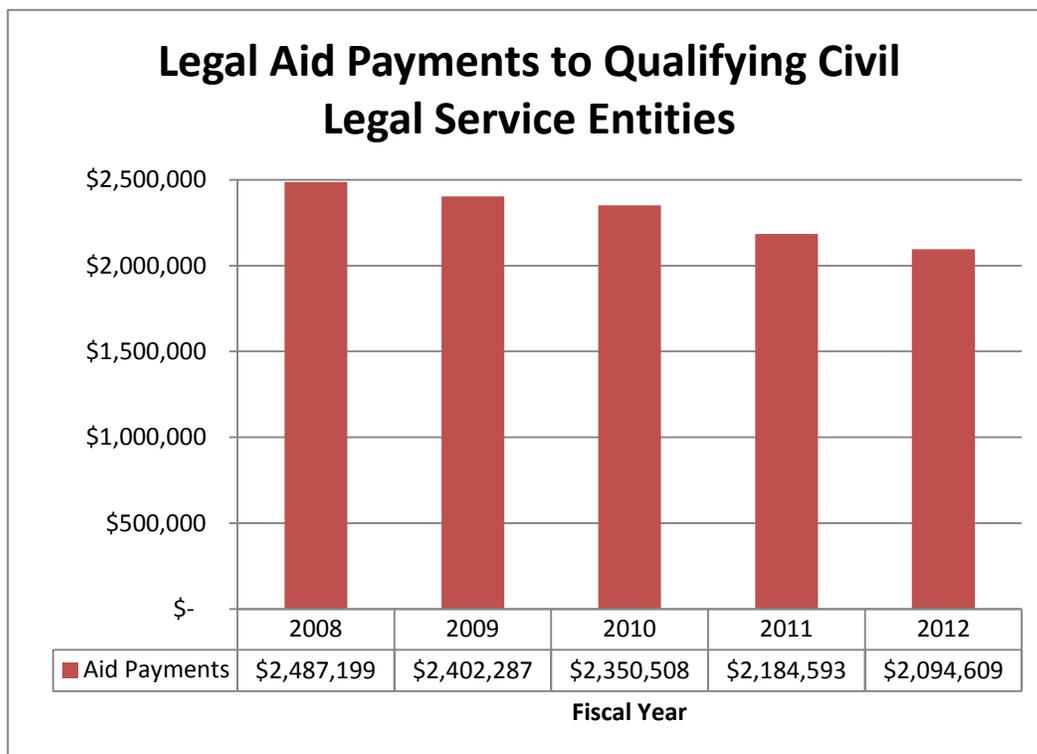
**SUPPLEMENTARY INFORMATION**

Our examination was conducted for the purpose of forming an opinion on the Schedule of Revenues, Expenditures, and Changes in Fund Balances. Supplementary information is presented for purposes of additional analysis. Such information has not been subjected to the procedures applied in the examination of the Schedule of Revenues, Expenditures, and Changes in Fund Balances, and, accordingly, we express no opinion on it.

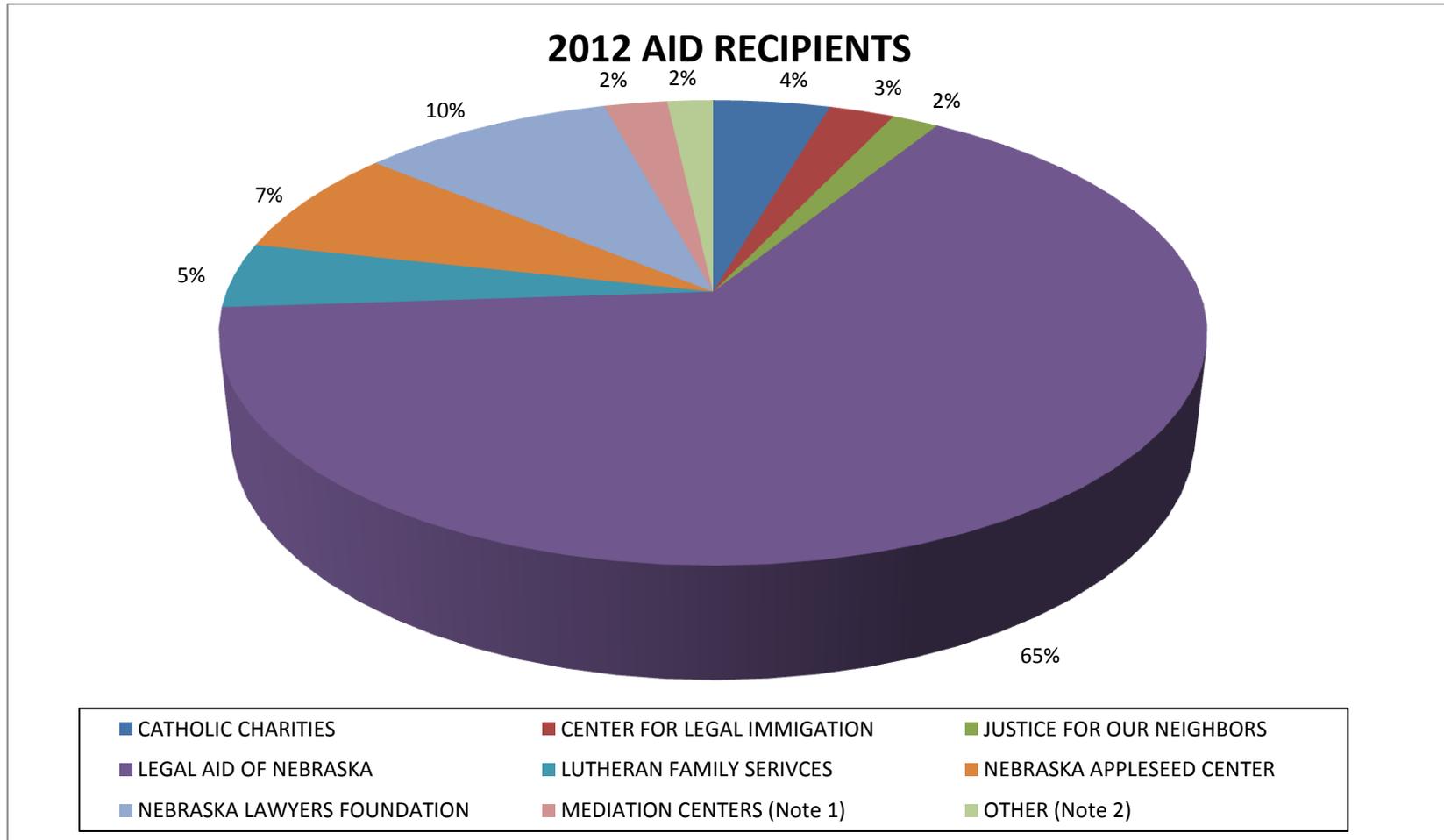
**NEBRASKA COMMISSION ON PUBLIC ADVOCACY**  
**LEGAL AID PAYMENTS TO QUALIFYING CIVIL LEGAL SERVICE ENTITIES**

For the Calendar Years ended December 31, 2008 Through 2012

In accordance with Neb. Rev. Stat. §§ 25-3001 through 25-3004 (Reissue 2008) and Neb. Rev. Stat. §§ 33-107.01 and 33-107.02 (Reissue 2008), the Legal Aid and Services Fund receives court costs and docket fees for juvenile, county, and district court cases, appeals to the Court of Appeals and Supreme Court and action to modify decrees of dissolution, annulment, child support, and custody and visitation cases deposited throughout counties in the State. The Commission, on a yearly basis, publishes the availability of such legal aid service funds, receives applications, and awards funds to qualifying civil legal service entities serving the indigent. Legal aid service funds are disbursed to qualified civil legal service entities on a monthly basis.



NEBRASKA COMMISSION ON PUBLIC ADVOCACY  
**LEGAL SERVICE AID RECIPIENTS**  
 For the Calendar Year Ended December 31, 2012



**NOTE 1:** The Mediation Centers category includes payments made to the Central Mediation Center, the Concord Mediation Center, the Mediation Center, Mediation West, the Nebraska Justice Center, the Nebraska Mediation Center, and the Resolution Center.

**NOTE 2:** Other category includes payments made to Creighton University, Disability Rights, Nebraska Advocacy Services, and the University of Nebraska-Lincoln.