

**AGREED UPON PROCEDURES REPORT
OF THE
NEBRASKA STATE PATROL
EQUITABLE SHARING PROGRAM
JULY 1, 2010 THROUGH JUNE 30, 2015**

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Issued on December 10, 2015

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NEBRASKA STATE PATROL – EQUITABLE SHARING PROGRAM

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NEBRASKA STATE PATROL – EQUITABLE SHARING PROGRAM

BACKGROUND

The U.S. Department of Justice Equitable Sharing Program (Program) is a nationwide law enforcement initiative that removes the tools of crime from criminal organizations, deprives wrongdoers of the proceeds of their crimes, recovers property that may be used to compensate victims, and deters crime. The most important objective of the Program is law enforcement. Equitable sharing further enhances this law enforcement objective by fostering cooperation among Federal, State, and local law enforcement agencies.

The Program consists of taking property derived from a crime, involved in a crime, or that which makes a crime easier to commit or harder to detect without compensating the owner. Administrative Forfeiture is the process by which seizing agencies may declare property forfeited to the United States without judicial involvement. Seizures must be based on probable cause. Federal law authorizes the seizing agency to administratively forfeit:

Maximum Administrative Forfeiture Thresholds		
Monetary Instruments	Cash, Checks, Stocks, Bonds	Unlimited Value
Hauling Conveyances	Vehicles, vessels, and aircraft used to transport illegal drugs	Unlimited Value
Other Property	Bank accounts, jewelry	\$500,000 or less

Judicial forfeiture, both civil and criminal, is the process by which property is declared forfeited to the United States by a court. It is required for any property other than monetary instruments and hauling conveyances if:

- 1) the value of the other property exceeds \$500,000;
- 2) a valid, timely claim has been filed in an administrative forfeiture; or
- 3) the property is real estate.

The Nebraska State Patrol (Patrol) participates in the Equitable Sharing Program. When a State or local law enforcement agency seizes property, it requests one of the Federal seizing agencies to adopt the seizure and proceed with Federal forfeiture. Federal agencies may adopt such seized property for forfeiture where the conduct giving rise to the seizure is in violation of Federal law and where Federal law provides for forfeiture.

Federal law authorizes the U.S. Attorney General to share federally forfeited property with participating State and local law enforcements agencies. In situations where 100 percent of the pre-seizure activity was performed by a State or local agency, the Federal share will generally be 20 percent, leaving the state or local agency with 80 percent of the forfeited property.

The permissible uses of the Program funds are outlined in the Guide to Equitable Sharing for State and Local Law Enforcement Agencies. In general permissible uses include:

- 1) Law enforcement operations and investigations
- 2) Law enforcement training and education
- 3) Law enforcement, public safety, and detention facilities

NEBRASKA STATE PATROL – EQUITABLE SHARING PROGRAM

BACKGROUND

(Concluded)

- 4) Law enforcement equipment
- 5) Law enforcement travel and per diem
- 6) Matching funds

As part of the Program, the Patrol is required to file annual Equitable Sharing Agreement and Certification (ESAC) Reports with the appropriate Federal agencies. On these reports, the Patrol reports beginning balance, Federal funds received, interest earned, Federal sharing funds spent, and ending balance.

NEBRASKA STATE PATROL – EQUITABLE SHARING PROGRAM

EXIT CONFERENCE

An exit conference was held December 7, 2015, with the Nebraska State Patrol to discuss the results of our agreed upon procedures engagement. Those in attendance for the Nebraska State Patrol were:

NAME	TITLE
Brad Rice	Colonel
Thomas Schwarten	Lieutenant Colonel
Russ Stanczyk	Administrative Services Major
Carol Aversman	Accounting Controller



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NEBRASKA STATE PATROL – EQUITABLE SHARING PROGRAM

INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

Nebraska State Patrol
Lincoln, Nebraska

We have performed the procedures enumerated below, which were agreed to by the management of the Nebraska State Patrol (Patrol), solely to assist you in evaluating the accuracy of the Patrol’s annual Equitable Sharing Agreement and Certifications Reports (ESAC) as well as reconciling those reports to the State’s accounting system for the fiscal years ended June 30, 2011, June 30, 2012, June 30, 2013, June 30, 2014, and June 30, 2015. The Patrol’s management is responsible for compliance with the Guide to Equitable Sharing for State and Local Law Enforcement Agencies (April 2009) as well as the reporting of activity on the annual ESAC reports. This agreed-upon procedures engagement 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. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Expenditures

1. Verify all expenditures recorded on the State’s accounting system during fiscal year 2011 were included on the annual ESAC report and were properly classified.

All expenditures recorded on the State’s accounting system were included on the ESAC report for the fiscal year 2011 and were properly classified.

2. Verify all expenditures recorded on the State's accounting system during fiscal year 2012 were included on the annual ESAC report and were properly classified.

All expenditures recorded on the State's accounting system were included on the ESAC report for the fiscal year 2012 and were properly classified.

3. Verify all expenditures recorded on the State's accounting system during fiscal year 2013 were included on the annual ESAC report and were properly classified.

All expenditures recorded on the State's accounting system were included on the ESAC report for the fiscal year 2013 and were properly classified.

4. Verify all expenditures recorded on the State's accounting system during fiscal year 2014 were included on the annual ESAC report and were properly classified.

All expenditures recorded on the State's accounting system were included on the ESAC report for the fiscal year 2014 and were properly classified.

5. Verify all expenditures recorded on the State's accounting system during fiscal year 2015 were included on the annual ESAC report and were properly classified.

All expenditures recorded on the State's accounting system were included on the ESAC report for the fiscal year 2015 and were properly classified.

Receipts

1. Verified all receipts per a U.S. Department of Justice (DOJ) receipt report agreed to the deposits recorded on the State's accounting system during fiscal year 2011 and that all receipts were properly entered on the annual ESAC report.

All cash receipts per a DOJ receipt report were recorded on the State's accounting system as well as the fiscal year 2011 ESAC report. However, all \$141,548 of interest earned was allocated to the DOJ funds. No interest was allocated to U.S. Treasury Department (Treasury) funds when they had a beginning balance of \$46,548.

Patrol Response: Patrol is in agreement that a portion of the interest should have been allocated to the Treasury funds. A journal entry has been posted that moves \$1,014 from the Department of Justice funds business unit to the Treasury funds business unit. Patrol has prepared an amended ESAC which will be filed with the DOJ, pending their approval, to accurately reflect the interest noted for the fiscal year 2011.

2. Verified all receipts per a DOJ receipt report agreed to the deposits recorded on the State's accounting system during fiscal year 2012 and that all receipts were properly entered on the annual ESAC report.

All cash receipts per a DOJ receipt report were recorded on the State's accounting system as well as the fiscal year 2012 ESAC report. However, all \$122,611 of interest earned was allocated to DOJ funds and none was allocated to Treasury funds. This was

caused by Patrol not recording a beginning balance of Treasury funds on the fiscal year 2012 ESAC report. Additionally, the receipt of a 2007 Dodge Caravan SE was not included as an “Other Non-Cash Asset Received” on the ESAC report.

Patrol Response: Patrol is in agreement that a portion of the interest should have been allocated to the Treasury funds. A journal entry has been posted that moves \$846 from the DOJ funds business unit to the Treasury funds business unit. Additionally, Patrol agrees that the beginning balance of Treasury funds and the receipt of a 2007 Dodge Caravan SE (“Other Non-Cash Asset Received”) were mistakenly omitted from the ESAC report. Patrol has prepared an amended ESAC which will be filed with the DOJ, pending their approval, to accurately reflect the beginning balance, and the allocation of interest to Treasury funds. Note that the current 2015 ESAC form no longer provides a mechanism for the reporting of non-cash assets received through the Equitable Sharing Program.

3. Verified all receipts per a DOJ receipt report agreed to the deposits recorded on the State’s accounting system during fiscal year 2013 and that all receipts were properly entered on the annual ESAC report.

All cash receipts per a DOJ receipt report were recorded on the State’s accounting system as well as the fiscal year 2013 ESAC report. However, all \$112,109 of interest earned was allocated to the DOJ funds. No interest was allocated to Treasury funds even though they had a beginning balance of \$39,995 on the ESAC report. In addition, the Patrol recorded Treasury “Other Income” of \$29,121, which was an attempt to correct the fiscal year 2012 ESAC report that did not include a beginning balance of Treasury funds.

Patrol Response: Patrol is in agreement that a portion of the interest should have been allocated to the Treasury funds. A journal entry has been posted to move \$1,770 from the DOJ funds business unit to the Treasury funds business unit. Additionally, Patrol agrees that \$29,121 was recorded as “Other Income” to correct the omission of the beginning balance for the fiscal year 2012 ESAC, as well as to correct a variance in order to balance to the State of Nebraska’s reported fund balance. By amending the 2012 ESAC, this will also require that the 2013 ESAC also be amended to remove the “Other Income” amount from the certificate. Patrol will also accurately reflect the interest noted above as Treasury funds on the amended ESAC which will be filed with the DOJ, pending their approval, for fiscal year 2013.

4. Verified all receipts per a DOJ receipt report agreed to the deposits recorded on the State’s accounting system during fiscal year 2014 and that all receipts were properly entered on the annual ESAC report.

All cash receipts per a DOJ receipt report were recorded on the State’s accounting system as well as the fiscal year 2014 ESAC report.

5. Verified all receipts per a DOJ receipt report agreed to the deposits recorded on the State's accounting system during fiscal year 2015 and that all receipts were properly entered on the annual ESAC report.

Verified all receipts per a DOJ receipt report were recorded on the State's accounting system as well as the fiscal year 2015 ESAC report.

Cash Balances

1. Verified the beginning balance on the fiscal year 2011 ESAC report agreed to the cash balance on the State's accounting system.

The \$4,452,253 beginning balance on the fiscal year 2011 ESAC report exceeded the cash balance of \$4,434,826 on the State's accounting system by \$17,427.

Patrol Response: Patrol is in agreement that the beginning balance on the fiscal year 2011 ESAC report does not match the balance reported on the State's accounting system, with a variance of \$17,427. Patrol has prepared an amended ESAC for fiscal year 2011 which will be filed with the DOJ, pending their approval, to accurately reflect the beginning fund balance.

2. Verified the ending balance on the fiscal year 2011 ESAC report agreed to the cash balance on the State's accounting system.

The \$4,870,044 ending balance on the fiscal year 2011 ESAC report exceeded the cash balance of \$4,750,583 on the State's accounting system by \$119,461. Included in this variance was \$101,638 from the DOJ that was recorded as a receipt on the ESAC report, which had not cleared the State's bank account until after June 30, 2011. The variance also includes the \$17,427 variance identified in the beginning balance and \$396 recorded as a DOJ "Other Income" on the ESAC report that was entered on the State's accounting system on June 2011 and then reversed in August 2011. This \$396 was not on the DOJ receipt report and when it was entered in the State's accounting system, the description was "Military Dept, NEMA". Patrol receipts that had similar descriptions were recorded to the State Patrol Federal Cash Fund and not the Equitable Sharing Program Fund.

Patrol Response: Patrol is in agreement that the ending balance on the fiscal year 2011 ESAC report does not match the balance reported on the State's accounting system, with a variance of \$119,461. The variance of \$17,427 will be addressed through the correction of the beginning balance for fiscal year 2011, as discussed in the finding titled "Cash Balances #1" above. Patrol has prepared an amended 2011 ESAC that will also exclude the "Other Income" of \$396, as that did not relate to the Equitable Sharing Program and was removed after the fiscal year end. Lastly, the variance comprised of receipts totaling \$101,638 was a result of timing differences. These were reported as having been disbursed by DOJ on the DOJ receipt report. However, they were not received or recorded on the State's accounting system until after June 30, 2011. Patrol has prepared amended ESACs that reflect the timing

that actually occurred on the State's accounting system. These receipts have been removed from the amended 2011 ESAC, and are reflected as having been received on the 2012 amended ESAC. Patrol intends to file the amended 2011 ESAC with the DOJ, pending their review and approval.

3. Verified the ending balance on the fiscal year 2012 ESAC report agreed to the cash balance on the State's accounting system.

The \$4,633,133 ending balance on the fiscal year 2012 ESAC report was \$29,121 less than the \$4,662,254 cash balance on the State's accounting system. The cause of this was the Treasury fiscal year 2011 ending balance of \$46,548 was not carried forward to the beginning balance on the fiscal year 2012 ESAC report. The understatement of \$46,548 and the overstatement of the fiscal year 2011 beginning balance of \$17,427 are the causes of the variance.

***Patrol Response:** Patrol is in agreement that the ending balance on the fiscal year 2012 ESAC report does not match the balance reported on the State's accounting system, with a variance of \$29,121. Patrol has prepared an amended 2012 ESAC that includes the adjusted beginning Treasury fund balance that was inadvertently omitted from the report. Additionally, with the correction noted in the finding titled "Cash Balances #1", the remaining variance of \$17,427 will also be corrected. Patrol intends to file the amended 2012 ESAC with the DOJ, pending their review and approval.*

4. Verified the ending balance on the fiscal year 2013 ESAC report agreed to the cash balance on the State's accounting system.

The ending balance of the fiscal year 2013 ESAC report agreed to the cash balance on the State's accounting system.

5. Verified the beginning balance on the fiscal year 2014 ESAC report agreed to the cash balance on the State's accounting system.

The \$4,690,107 ending balance on the fiscal year 2014 ESAC report was \$20,270 less than the \$4,710,377 cash balance on hand per the State's accounting system. The cause of this was \$17,230 was erroneously recorded to the Equitable Sharing Program Fund (Fund 26460) instead of the Drug Control and Education Cash Fund (Fund 26410) on the State's accounting system. These funds were not on the receipt report received from the DOJ. There was also an expenditure entered into the State's accounting system for \$3,040 that was listed as a liability because it had not yet cleared the bank and reduced the cash balance. This was correctly recorded on the ESAC report as an expenditure.

***Patrol Response:** Patrol is in agreement that the ending balance on the fiscal year 2014 ESAC report does not match the balance reported on the State's accounting system, with a variance of \$20,270. The amount of \$17,230 was correctly omitted from the ESAC as it was erroneously deposited in the Equitable Sharing Program Fund and should not have been.*

Additionally, the amount of \$3,040 was correctly reflected as an expenditure, as the payment to the vendor had been processed but had not yet cleared the bank. While a correction to the ESAC is not needed for this finding, Patrol has prepared an amended ESAC for 2014 in order to correctly reflect the other balances (such as interest that should be allocated to Treasury funds) that carry over from previous fiscal years. Patrol intends to file the amended 2014 ESAC with the DOJ, pending their review and approval.

6. Verified the ending balance on the fiscal year 2015 ESAC report agreed to the cash balance on the State's accounting system.

The \$4,445,513 ending balance of the fiscal year 2015 ESAC report was \$34,251 less than the \$4,479,764 cash balance on the State's accounting system. The cause of this was the \$17,230, which was erroneously made in the prior fiscal year. Additionally, Patrol attempted to correct this on the State's accounting system but instead moved an additional \$17,021 to the Equitable Sharing Program Fund from the Drug Control and Education Cash Fund. These funds were transferred back to the Drug Control and Education Cash Fund on October 28, 2015.

***Patrol Response:** Patrol is in agreement that the ending balance on the fiscal year 2015 ESAC report does not match the balance on the State's accounting system. The amount of \$34,251 was caused by the erroneous deposit of funds in the Equitable Sharing Program Fund in the amount of \$17,230, as well as the incorrect journal entry that was done in an attempt to correct this in the amount of \$17,021 (done in the wrong direction). Both of these amounts were correctly omitted from the 2015 ESAC, as these were errors. While a correction to the ESAC is not needed for this finding, Patrol has prepared an amended ESAC for 2015 in order to correctly reflect the other balances (such as interest that should be allocated to Treasury funds) that carry over from previous fiscal years. Patrol intends to file the amended 2015 ESAC with the DOJ, pending their review and approval.*

June 30, 2015 Balance

1. The Department of Justice fund balance on the fiscal year 2015 ESAC report is correct based upon the activity in the State's accounting system.

Based upon the procedures performed and the responses obtained from the Patrol, the correct ending balance for the DOJ funds at June 30, 2015, should have been \$4,312,641, instead of the \$4,319,003 reported on the June 30, 2015, ESAC report.

***Patrol Response:** Patrol is in agreement that the correct ending balance for the DOJ funds at June 30, 2015 should have been \$4,312,641 reported on the June 30, 2015 ESAC report. The variance of \$6,362 has been corrected on the amended ESAC certificates that have been prepared by Patrol. Patrol intends to file the amended ESACs with the DOJ, pending their review and approval.*

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Schedule of Nebraska State Patrol Annual Equitable Sharing Agreement and Certification (ESAC) Reports and the Reconciliation between the Annual Equitable Sharing Agreement and Certification (ESAC) Reports and the State's Accounting System. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Draft copies of this report were furnished to the Patrol to provide its management with an opportunity to review and to respond to the comments contained herein. All formal responses received have been incorporated into this report. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next examination.

The Report is intended solely for the information and use of the Nebraska State Patrol Management 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.

A handwritten signature in black ink, appearing to read "C. J. Janssen", with a long horizontal flourish extending to the right.

Charlie Janssen
Auditor of Public Accounts

December 10, 2015

NEBRASKA STATE PATROL – EQUITABLE SHARING PROGRAM
SCHEDULE OF NEBRASKA STATE PATROL ANNUAL EQUITABLE SHARING
AGREEMENT AND CERTIFICATION (ESAC) REPORTS

For the period July 1, 2010, through June 30, 2015

	U.S. Department of Justice	U.S. Treasury Department	Total
Beginning Balance per fiscal year 2011 ESAC Report	\$ 4,405,705	\$ 46,548	\$ 4,452,253
ESAC fiscal year 2011 Federal Sharing Funds Received	\$ 1,730,077	\$ -	\$ 1,730,077
ESAC fiscal year 2011 Other Income	\$ 19,240	\$ -	\$ 19,240
ESAC fiscal year 2011 Interest Income	\$ 141,548	\$ -	\$ 141,548
ESAC fiscal year 2011 Expenditures	\$ (1,473,074)	\$ -	\$ (1,473,074)
ESAC fiscal year 2011 Ending Balance	\$ 4,823,496	\$ 46,548	\$ 4,870,044
Beginning Balance per fiscal year 2012 ESAC Report	\$ 4,823,496	\$ -	\$ 4,823,496
ESAC fiscal year 2012 Federal Sharing Funds Received	\$ 812,296	\$ 39,995	\$ 852,291
ESAC fiscal year 2012 Other Income	\$ 26,604	\$ -	\$ 26,604
ESAC fiscal year 2012 Interest Income	\$ 122,611	\$ -	\$ 122,611
ESAC fiscal year 2012 Expenditures	\$ (1,191,869)	\$ -	\$ (1,191,869)
ESAC fiscal year 2012 Ending Balance	\$ 4,593,138	\$ 39,995	\$ 4,633,133
Beginning Balance per fiscal year 2013 ESAC Report	\$ 4,593,138	\$ 39,995	\$ 4,633,133
ESAC fiscal year 2013 Federal Sharing Funds Received	\$ 899,882	\$ 30,201	\$ 930,083
ESAC fiscal year 2013 Other Income	\$ 44,000	\$ 29,121	\$ 73,121
ESAC fiscal year 2013 Interest Income	\$ 112,109	\$ -	\$ 112,109
ESAC fiscal year 2013 Expenditures	\$ (477,706)	\$ -	\$ (477,706)
ESAC fiscal year 2013 Ending Balance	\$ 5,171,423	\$ 99,317	\$ 5,270,740
Beginning Balance per fiscal year 2014 ESAC Report	\$ 5,171,423	\$ 99,317	\$ 5,270,740
ESAC fiscal year 2014 Federal Sharing Funds Received	\$ 852,531	\$ -	\$ 852,531
ESAC fiscal year 2014 Other Income	\$ -	\$ -	\$ -
ESAC fiscal year 2014 Interest Income	\$ 85,358	\$ 1,639	\$ 86,997
ESAC fiscal year 2014 Expenditures	\$ (1,520,161)	\$ -	\$ (1,520,161)
ESAC fiscal year 2014 Ending Balance	\$ 4,589,151	\$ 100,956	\$ 4,690,107
Beginning Balance per fiscal year 2015 ESAC Report	\$ 4,589,151	\$ 100,956	\$ 4,690,107
ESAC fiscal year 2015 Federal Sharing Funds Received	\$ 452,985	\$ 23,536	\$ 476,521
ESAC fiscal year 2015 Income	\$ 36,733	\$ -	\$ 36,733
ESAC fiscal year 2015 Interest Income	\$ 85,910	\$ 2,018	\$ 87,928
ESAC fiscal year 2015 Expenditures	\$ (845,776)	\$ -	\$ (845,776)
ESAC fiscal year 2015 Ending Balance	\$ 4,319,003	\$ 126,510	\$ 4,445,513

The information above is taken directly from the Nebraska State Patrol's Equitable Sharing Agreement and Certification (ESAC) reports as provided by the Nebraska State Patrol.

NEBRASKA STATE PATROL – EQUITABLE SHARING PROGRAM
RECONCILIATION BETWEEN THE ANNUAL EQUITABLE SHARING AGREEMENT
AND CERTIFICATION (ESAC) REPORTS AND THE STATE'S ACCOUNTING SYSTEM
For the period July 1, 2010, through June 30, 2015

	Note 9				
	Other	U.S. Department of Justice	U.S. Treasury Department	Total	
Beginning Balance per fiscal year 2011 ESAC Report	\$	-	\$ 4,405,705	\$ 46,548	\$ 4,452,253
Note 1	\$	-	\$ (2,642)	\$ -	\$ (2,642)
Note 2	\$	-	\$ -	\$ (14,785)	\$ (14,785)
Reconciled ESAC fiscal year 2011 Beginning Balance and State's Cash Balance	\$	-	\$ 4,403,063	\$ 31,763	\$ 4,434,826
ESAC fiscal year 2011 Income	\$	-	\$ 1,749,317	\$ -	\$ 1,749,317
ESAC fiscal year 2011 Interest Income (Note 10)	\$	-	\$ 140,534	\$ 1,014	\$ 141,548
ESAC fiscal year 2011 Expenditures	\$	-	\$ (1,473,074)	\$ -	\$ (1,473,074)
Note 3	\$	-	\$ (396)	\$ -	\$ (396)
Note 4	\$	-	\$ (101,638)	\$ -	\$ (101,638)
Reconciled ESAC fiscal year 2011 Ending Balance and State's Cash Balance	\$	-	\$ 4,717,806	\$ 32,777	\$ 4,750,583
ESAC fiscal year 2012 Income	\$	-	\$ 838,900	\$ 39,995	\$ 878,895
ESAC fiscal year 2012 Interest Income (Note 10)	\$	-	\$ 121,765	\$ 846	\$ 122,611
ESAC fiscal year 2012 Expenditures	\$	-	\$ (1,191,869)	\$ -	\$ (1,191,869)
Note 3	\$	-	\$ 396	\$ -	\$ 396
Note 4	\$	-	\$ 101,638	\$ -	\$ 101,638
Reconciled ESAC fiscal year 2012 Ending Balance and State's Cash Balance	\$	-	\$ 4,588,636	\$ 73,618	\$ 4,662,254
ESAC fiscal year 2013 Income	\$	-	\$ 943,882	\$ 30,201	\$ 974,083
ESAC fiscal year 2013 Interest Income (Note 10)	\$	-	\$ 110,339	\$ 1,770	\$ 112,109
ESAC fiscal year 2013 Expenditures	\$	-	\$ (477,706)	\$ -	\$ (477,706)
Reconciled ESAC fiscal year 2013 Ending Balance and State's Cash Balance	\$	-	\$ 5,165,151	\$ 105,589	\$ 5,270,740
ESAC fiscal year 2014 Income	\$	-	\$ 852,531	\$ -	\$ 852,531
ESAC fiscal year 2014 Interest Income	\$	-	\$ 85,254	\$ 1,743	\$ 86,997
ESAC fiscal year 2014 Expenditures	\$	-	\$ (1,520,161)	\$ -	\$ (1,520,161)
Note 5	\$	17,230	\$ -	\$ -	\$ 17,230
Note 6	\$	-	\$ 3,040	\$ -	\$ 3,040
Reconciled ESAC fiscal year 2014 Ending Balance and State's Cash Balance	\$	17,230	\$ 4,585,815	\$ 107,332	\$ 4,710,377
ESAC fiscal year 2015 Income	\$	-	\$ 489,718	\$ 23,536	\$ 513,254
ESAC fiscal year 2015 Interest Income	\$	-	\$ 85,924	\$ 2,004	\$ 87,928
ESAC fiscal year 2015 Expenditures	\$	-	\$ (845,776)	\$ -	\$ (845,776)
Note 7	\$	17,021	\$ -	\$ -	\$ 17,021
Note 6	\$	-	\$ (3,040)	\$ -	\$ (3,040)
Reconciled ESAC fiscal year 2015 Ending Balance and State's Cash Balance	\$	34,251	\$ 4,312,641	\$ 132,872	\$ 4,479,764
Note 8	\$	(17,021)	\$ -	\$ -	\$ (17,021)
Note 8	\$	(209)	\$ -	\$ -	\$ (209)
Note 8	\$	(17,021)	\$ -	\$ -	\$ (17,021)
Adjusted fiscal year 2015 Ending Balance and State's Cash Balance	\$	-	\$ 4,312,641	\$ 132,872	\$ 4,445,513
Fiscal year 2015 ESAC Ending Balance	\$	-	\$ 4,319,003	\$ 126,510	\$ 4,445,513
Variance	\$	-	\$ (6,362)	\$ 6,362	\$ -

The information above is taken from the Equitable Sharing Agreement and Certifications (ESAC) reports provided by the Nebraska State Patrol. The Notes relate to adjustments necessary to arrive at the Cash Balance recorded on the State of Nebraska's accounting system.

**NEBRASKA STATE PATROL – EQUITABLE SHARING PROGRAM
NOTES TO THE RECONCILIATION BETWEEN THE ANNUAL EQUITABLE
SHARING AGREEMENT AND CERTIFICATIONS (ESAC)
AND THE STATE'S ACCOUNTING SYSTEM**

Note	Explanation
Note 1	This was related to an entry made on February 14, 2007, in the State's accounting system but the cash was never received. This was recorded in a prior year ESAC report and thus was in the beginning balance on the fiscal year 2011 ESAC report. A correcting entry was made on February 13, 2015, to remove this as a receivable on the State's accounting system.
Note 2	This is a variance between the ESAC report beginning balance and what the State's accounting system showed as cash on hand. Per the Patrol, this variance related to U.S. Treasury Department (Treasury) funds; however, the Patrol did not have any documentation to support this.
Note 3	This was included as an "Other Income" for the U.S. Department of Justice (DOJ) on the fiscal year 2011 ESAC report; however, it was not received and it was reversed on August 3, 2011. This was not included in the receipt report obtained from the DOJ.
Note 4	This amount was recorded on the receipt report from the DOJ and was included as a receipt on the fiscal year 2011 ESAC report; however, it did not get recorded on the State's accounting system until after June 30, 2011. These receipts were dated on the DOJ receipt report from June 20, 2011 to June 29, 2011 and were posted on the State's accounting system on July 5, 2011. This is a timing difference.
Note 5	The Patrol deposited \$17,230 (\$17,021 and \$209) to the Equitable Sharing Program Fund (Fund 26460) in the State's accounting system. This amount should have been deposited to the Drug Control and Education Cash Fund (Fund 26410). These funds were not included on the DOJ receipt report. These were properly not included on the fiscal year 2014 ESAC report.
Note 6	This amount relates to an expenditure entered by the Patrol on the State's accounting system that had not cleared as of June 30, 2014. The amount was still a liability on the State's accounting system as of June 30, 2014. The entry to reduce the liability and reduce cash occurred on July 14, 2014. This was properly recorded as an expense on the fiscal year 2014 ESAC report. This is a timing difference.
Note 7	This relates to an entry made to correct the entry identified in Note 5 . However, the corrective entry mistakenly transferred \$17,021 from the Drug Control and Education Cash Fund (Fund 26410) to the Equitable Sharing Program Fund (Fund 26460) on the State's accounting system instead of the other way around. This amount was not included in the fiscal year 2015 ESAC report since it was not an equitable sharing program receipt. It was meant to be a correcting entry.
Note 8	These entries were made on October 28, 2015 to correct the entries identified on Note 5 and Note 7 .
Note 9	This column shows other activity in the Equitable Sharing Program Fund that does not relate to the DOJ or Treasury activities. These entries were made in error and then subsequently reversed. They are included in order to reconcile the balances reported on the ESAC to the State accounting system cash balance.
Note 10	Interest on the ESAC was not split between the DOJ and Treasury funds. Since both Treasury and DOJ had funds that earned interest the Auditor of Public Accounts split the interest based on a percentage of beginning balance.

NEBRASKA STATE PATROL – EQUITABLE SHARING PROGRAM

NOTES TO THE SCHEDULE AND RECONCILIATION

For the Period July 1, 2010, through June 30, 2015

The Nebraska State Patrol (Patrol) participates in the U.S. Department of Justice (DOJ) Equitable Sharing Program. It also participates in the U.S. Treasury Department (Treasury) Equitable Sharing Program. The Patrol is required to file an annual Equitable Sharing Agreement and Certification (ESAC) report with the Federal government. The annual ESAC report includes the beginning equitable sharing fund balance for DOJ and Treasury funds, Federal sharing funds received, other income, Federal sharing funds spent, and the ending Equitable Sharing fund balances.

The information included on the Schedule of Nebraska State Patrol Annual Equitable Sharing Agreement and Certifications (ESAC) Report was obtained directly from the annual ESAC reports filed with the Federal government and obtained from the Patrol.

The information included on the Reconciliation between the Annual Equitable Sharing Agreement and Certifications (ESAC) Report and the State's Accounting System was taken from the annual ESAC reports obtained from the Patrol and reports generated from the State's accounting system, EnterpriseOne.

This report only includes the Patrol's activity related to its Equitable Sharing Program and does not include all the activity of the Patrol.