

**ATTESTATION REPORT  
OF THE  
NEBRASKA COMMISSION ON LAW ENFORCEMENT  
AND CRIMINAL JUSTICE**

**JANUARY 1, 2015 THROUGH DECEMBER 31, 2015**

**This document is an official public record of the State of Nebraska, issued by  
the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original  
document and may be prohibited by law.**

**Issued on June 30, 2016**

*The Nebraska Auditor of Public Accounts Office was created by the first territorial Legislature in 1855. The Auditor was the general accountant and revenue officer of the territory. Those duties have expanded and evolved over the decades, as modern accounting theory has been implemented. The office of the Auditor of Public Accounts is one of six offices making up the executive branch of Nebraska State Government. Charlie Janssen was elected in November 2014, as the Nebraska Auditor of Public Accounts. He was sworn into office on January 8, 2015, as Nebraska's 25th State Auditor.*

*The mission of the Nebraska Auditor of Public Accounts' office is to provide independent, accurate, and timely audits, reviews, or investigations of the financial operations of Nebraska State and local governments.*

*We will provide this information, as required by statute, to all policymakers and taxpayers through written reports and our Internet-based Budget and Audit databases.*

*We will maintain a professionally prepared staff, utilizing up-to-date technology, and following current Government Auditing Standards.*

### Audit Staff Working On This Examination

Pat Reding, CPA, CFE, Assistant Deputy Auditor  
Acacia Crist, CFE, CISA, ACDA, Auditor-in-Charge  
Emily Parker, Auditor II

Our reports can be found electronically at: <http://www.auditors.nebraska.gov>

Additionally, you may request them by contacting us at:

**Nebraska Auditor of Public Accounts**  
State Capitol, Suite 2303  
P.O. Box 98917  
Lincoln, Nebraska 68509  
Phone: 402-471-2111

**TABLE OF CONTENTS**

	<u>Page</u>
<b>Background Information Section</b>	
Background	1 - 2
<b>Comments Section</b>	
Exit Conference	3
Summary of Comments	4
Comments and Recommendations	5 - 16
<b>Financial Section</b>	
Independent Accountant's Report	17 - 18
Schedule of Revenues, Expenditures, and Changes in Fund Balances	19
Notes to the Schedule	20 - 24
<b>Supplementary Information</b>	25
Exhibit of Revenues, Expenditures, and Changes in Fund Balances	26
Expenditures by Fund Type	27
Expenditures by Major Account	28
Expenditures by Program	29

# NEBRASKA COMMISSION ON LAW ENFORCEMENT AND CRIMINAL JUSTICE

## BACKGROUND

The Nebraska Commission on Law Enforcement and Criminal Justice (Commission) was created in 1967 by an executive order of the Governor, and it was established as a State government agency by the Nebraska Legislature in 1969.

Per Neb. Rev. Stat. § 81-1417 (Reissue 2014), the governing body of the Commission is comprised of 19 members, most of whom are appointed by the Governor for six-year terms. Subsection (3) of that same statute requires the Governor, the Attorney General, the Superintendent of Law Enforcement and Public Safety, the Director of Correctional Services, the chairperson of the Nebraska Police Standards Advisory Council, and the Chairperson of the Nebraska Coalition for Juvenile Justice to be Commission members. The Commission meets quarterly to review the activities of its committees, take final action in awarding State and Federal grant funds, provide oversight of staff activities and conduct other business as required. The Commission's five standing committees are the Education, Research, and Planning Committee; the Grant Review Committee; the Crime Victim's Reparations Committee; the Data Processing Committee; and the Police Standards Advisory Council.

Per Neb. Rev. Stat. § 81-1416 (Supp. 2015), the Commission was established to "educate the community at large to the problems encountered by law enforcement authorities, promote respect for law and encourage community involvement in the administration of criminal justice." In doing so, the Commission serves as an umbrella agency for many criminal and juvenile justice programs mandated by State and Federal law, consisting of the following programs: Juvenile Services Act; County Juvenile Services Aid; Central Administration; Law Enforcement Training Center; Victim-Witness Assistance; Crime Victims' Reparations; Jail Standards; Office of Violence Prevention; Criminal Justice Information System; Community Corrections Division; and Byrne Grants.

The Commission administers State and Federal grant funds to juvenile justice and delinquency prevention programs throughout Nebraska and coordinates the development of juvenile justice initiatives and projects. The Commission monitors and oversees Nebraska's compliance with the Federal Juvenile Justice and Delinquency Prevention Act and provides technical assistance and training to criminal and juvenile justice practitioners. The Commission also administers the Juvenile Accountability Incentive Block Grant Program, Nebraska Juvenile Services Act, and Juvenile Services Aid to Counties.

Since 1971, the Commission has been responsible for the administration and supervision of the Nebraska Law Enforcement Training Center (Training Center) in Grand Island, Nebraska. Per Neb. Rev. Stat. § 81-1402 (Reissue 2014), the Center provides mandatory basic and specialized training for law enforcement and detention officers statewide, including continuing education and specialized training programs. Several institutions of higher learning grant college credit for completing Training Center coursework.

Since 1985, the Commission has administered Federal and State funds for crime victim assistance programs. The programs provide medical, emotional, financial, and legal assistance, as well as shelter, support, and advocacy to crime victims during a time of crisis. In particular, the Nebraska Crime Victim's Reparations Act, which is set out at Neb. Rev. Stat. §§ 81-1801 to

**BACKGROUND**

(Concluded)

81-1842 (Reissue 2014), provides compensation to innocent victims of crime for certain expenses directly related to the criminal act. Per § 81-1823 of the Act, victims may be reimbursed up to \$25,000 per incident, except that greater amounts may be awarded for “special circumstances” deemed appropriate by the Commission. The Commission also administers the Federal Stop Violence Against Women Act Formula Block Grant Program.

Per Neb. Rev. Stat. § 83-4,124 (Reissue 2014), the Nebraska Jail Standards Board (Board) was created in 1978 and placed within the Commission “for administrative and budgetary purposes” in 1981. Neb. Rev. Stat. § 83-4,126 (Reissue 2014), makes the Board responsible for developing, implementing, and enforcing minimum standards for the State’s adult jails, temporary holding facilities, and juvenile detention facilities. The Commission’s Jail Standards Division annually inspects local jails, temporary holding facilities, and juvenile detention facilities for compliance with Nebraska’s mandatory standards. The division also provides technical assistance to local jurisdictions in planning, construction and renovation projects, training, operations, management, record systems, policies and procedures, and resource development.

Per Neb. Rev. Stat. § 81-1447 (Reissue 2014) the 2009 Legislature created within the Commission the Office of Violence Prevention (Office). Under Neb. Rev. Stat. § 81-1450 (Reissue 2014), that body is responsible for “developing, fostering, promoting, and assessing violence prevention programs.” The Office aids privately funded organizations, local government, and other advocacy groups in developing prevention, intervention, diversion, and enforcement programs.

In 1971, the Commission became responsible for collecting Uniform Crime Reports for the Federal Bureau of Investigation. All law enforcement agencies in the state are required by law to submit the reports detailing the number of crimes reported or known to them and the number of arrests and citations issued on a monthly basis. The Commission also maintains several statewide databases compiled and published on a regular basis.

Per Neb. Rev. Stat. § 81-1425 (Reissue 2014), the 2003 Legislature directed the Executive Director of the Commission to establish a Community Corrections Division to support the continued development and implementation of a statewide network of community corrections programs as a means to reduce prison overcrowding.

Since 1986, the Commission has administered and coordinated Federal Justice Assistance (Byrne) funds. The funds are awarded to State and local programs addressing drug abuse and violent crime enforcement, offender treatment programs, drug testing, training, prosecution, substance abuse assessments for adult offenders, indigent defense enhancement of the Sexual Offender Registry, and a statewide computerized law enforcement intelligence system.

NEBRASKA COMMISSION ON LAW ENFORCEMENT AND CRIMINAL JUSTICE

**EXIT CONFERENCE**

An exit conference was held June 20, 2016, with the Nebraska Commission on Law Enforcement and Criminal Justice (Commission) to discuss the results of our examination. Those in attendance for the Commission were:

<b>NAME</b>	<b>TITLE</b>
Darrell Fisher	Executive Director
Lisa Stamm	Chief, Grants Division
Jeanette Greer	Federal Aid Administrator
Chris Harris	Director of the Office of Violence Prevention
Hillary Pospisil	Personnel Officer
Mary Thomason	Business Manager
Bruce Ayers	Chief, Budget and Accounting Division

**SUMMARY OF COMMENTS**

During our examination of the Nebraska Commission on Law Enforcement and Criminal Justice (Commission), we noted certain deficiencies and other operational matters that are presented here. By using qualifying words such as “alleged” or “allegedly” in comments to describe certain incidents or activities, the APA seeks to avoid the possibility that a report comment might be mistaken as containing an imputation of criminality. However, utilization of such modifying terms is not meant to indicate a lack of supporting documentation for the report comment or any insufficiency or other shortcoming relating thereto.

These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the following areas:

1. ***Financial Monitoring of Aid Payments:*** The Commission’s financial monitoring of State and Federal aid payments was inadequate, and payments were not in accordance with Federal requirements.
2. ***Allocations not in Accordance with Federal Cost Principles:*** Three of five journal entries tested for the Commission were not adequately supported in accordance with OMB Circular A-87.
3. ***Contract Procedures:*** The Commission did not have procedures to ensure contractor hours billed were correct.
4. ***Internal Control Over Receipts:*** The Commission did not have an adequate segregation of duties over receipts.
5. ***Lack of Support for Receipts:*** The Commission lacked documentation for payments received from counties, courts, or other State agencies in accordance with statutory requirements.
6. ***Capital Assets:*** The Commission lacked segregation of duties over capital assets. In addition, asset integrity reports were not reviewed, and corrections were not made timely.
7. ***Payroll Policies:*** The Commission did not have written policies instructing employees how to complete timesheets and document actual hours worked by program.

More detailed information on the above items is provided hereinafter. It should be noted that this report is critical in nature, containing only our comments and recommendations on the areas noted for improvement and does not include our observations on any accounting strengths of the Commission.

Draft copies of this report were furnished to the Commission to provide its management with an opportunity to review and to respond to the comments and recommendations 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.

**COMMENTS AND RECOMMENDATIONS**

**1. Financial Monitoring of Aid Payments**

A good internal control plan requires procedures to ensure that funds are spent properly and in accordance with State and Federal requirements.

Financial monitoring of State and Federal aid payments was inadequate, and payments to Federal subrecipients were not in accordance with Federal cost principles. A similar finding was noted in our prior report.

We found that the following programs did not have adequate financial monitoring:

Program	Funding Source	2015 Aid*
Juvenile Services Act	State General Fund	\$409,495
Community-Based Juvenile Services Aid	State General Fund	\$4,670,405
Office of Violence Prevention	State General and Cash Fund	\$297,165
Crime Victim Assistance	Federal Grant	\$2,303,985
Violence Against Women Formula Grants	Federal Grant	\$668,121
Sexual Assault Services Formula Program	Federal Grant	\$250,767
Juvenile Accountability Block Program	Federal Grant	\$129,840
*Calendar year 2015 aid payments		

We tested 16 aid payments and noted the following:

- One of one payment tested for a Juvenile Services Act grant for \$22,500 did not have any financial monitoring to ensure the funds were used appropriately. Per the Grant Administrator, an activity monitor will be conducted every three years and, at that time, a financial review will take place. The Juvenile Services Act Program uses general funds to assist local communities with programs that provide alternatives to juvenile incarceration per Neb. Rev. Stat. Section 43-2403 (Reissue 2008).
- Both Community-Based Juvenile Services Aid payments tested, totaling \$614,798, did not have any financial monitoring to ensure the funds were used appropriately. Per the Administrator, prior to 2015, no funds were appropriated for a financial monitor; a financial monitor was hired in October 2015, and monitoring is scheduled for 2016.
- A \$2,733 payment tested for Violence Prevention did not have adequate support to ensure the funds were spent appropriately. Per the Office of Violence Prevention Director, grantees usually send invoices with the cash request; however, for some unknown reason, the invoices were not sent. The Commission was unable to provide documentation that the funds were spent appropriately. Also, the final quarterly activity report was not on file, nor was any evaluation report. We selected another grantee and requested support, including any evaluation reports. Although payments were made to the grantee in 2015, the most current evaluation on file was December 2011.

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**1. Financial Monitoring of Aid Payments (Continued)**

Neb. Rev. Stat. Section 81-1450(1) (Reissue 2014) states, in part, the following:

*The Office of Violence Prevention and its director shall be administered and supervised, respectively, by the Nebraska Commission on Law Enforcement and Criminal Justice. Among its responsibilities, the Office of Violence Prevention and its director shall be responsible for developing, fostering, promoting, and assessing violence prevention programs. To accomplish this mission, the duties of the director shall include, but not be limited to, program fundraising, program evaluation, coordination of programs, and assistance with the administration and distribution of funds to violence prevention programs.*

Subsection (2) of that same statute adds the following, in relevant part:

*If any funds are awarded to a violence prevention program, the advisory council shall continuously monitor how such funds are being used by the program, conduct periodic evaluations of such programs, assess the progress and success regarding the stated goals of each program awarded funds, and recommend to the commission any modification, continuation, or discontinuation of funding.*

- Four of nine Federal aid payments tested did not have adequate supporting documentation. Time records did not account for the total activity of the employee, and time distributions were not supported in accordance with Federal cost principles. In addition, operating expenses, such as rent and phone charges, were allocated to the grants, but there was not adequate documentation to support that the allocations were reasonable and based on the relative benefits received.

CFDA #	CFDA Title	\$ Tested for CFDA	Questioned Costs
16.017	Sexual Assault Services Formula Program	\$62,455	\$13,947
16.523	Juvenile Accountability Block Program	\$20,250	\$8,508
16.575	Crime Victim Assistance	\$47,525	\$47,525
16.588	Violence Against Women Formula Grants	\$51,007	\$51,007
Total Questioned Costs			\$120,987

28 CFR § 66.20(a) (July 1, 2014) states, as is relevant, the following:

*Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to –*

\* \* \* \*

*(2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.*

OMB Circular A-87 and OMB Circular A-122 require costs to be reasonable, necessary, and adequately documented. The circulars describe allowable and unallowable costs, as well as standard methodologies for calculating indirect costs rates. For Federal awards issued on or after December 26, 2014, the Uniform Guidance set out in 2 CFR Part 200 applies. The Uniform Guidance has similar requirements to OMB Circulars A-87 and A-122 cost principles.

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**1. Financial Monitoring of Aid Payments (Concluded)**

Without adequate monitoring procedures, there is an increased risk for misuse of State and Federal funds.

We recommend the Commission implement procedures to ensure grant recipients spend State and Federal funds appropriately and in accordance with State and Federal requirements.

*Commission Response: The Crime Commission has strict procedures on the monitoring of federal funds and it is included below for your review. All sub recipients have an annual financial monitor or desk review and a programmatic monitor once every three years. In addition all new subgrantees are monitored in the first twelve months of receiving federal grant funds. The Commission has worked diligently on improving frequency of monitors since 2012 and implemented a procedure to ensure an annual financial monitor on 02 May 2014. Since that time all federal grants have either had an onsite monitor or a desk review annually.*

*In addition the Crime Commission went to a strictly reimbursement payment method for all federal grants on January 1, 2015. There are six levels of review for each federal grant cash report received. Four of these levels are conducted by management positions, the Federal Aid Administrator II, Business Manager and the Chief of Budget and Accounting.*

*The Crime Commission has hired three federal aid administrators to pre-audit all requests for funds before payment is made. Most of the questioned costs deal with allocation of cost concerns and the Commission is working with subrecipients to ensure that the basis of allocation is stated, is reasonable, and based on the relative benefit to the grant received. The Crime Commission requires all subrecipients to provide supporting documentation for all federal grants for all expenses but will ensure in future approvals of allocations that a basis of allocation is provided.*

*Regarding our State grants, the Community-Based Juvenile Services Aid program hired a financial monitor in October, 2015, and began monitoring of these state funds beginning in 2016. Prior to this time, no funds were appropriated for a financial monitor of these state grants. The financial monitor ensures that the sub recipient spends funds in accordance with Nebraska law and what was approved in the grant application, including, but not limited to: looking at personnel expenses and time sheets; ensuring signed contracts and procurement policies are implemented and in place; that all invoices, receipts, and time sheets are provided with accuracy; that travel policy and procedures align with the state of Nebraska; that all expenses incurred are allowable under Nebraska law; and that cash reports and ledgers are utilized. Although this is a newly created position, the schedule is to monitor all of these state grants on an annual basis. We will endeavor to apply this same monitoring system with our Office of Violence Prevention grants in the future.*

**APA Response: As noted above, the monitoring of Federal funds was not adequate as payments to subrecipients were not in compliance with Federal requirements.**

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**2. Allocations not in Accordance with Federal Cost Principles**

Three of five journal entries tested were not adequately supported. The transactions allocated costs between State and Federal programs, but the bases for the allocations were not adequately supported in accordance with OMB Circular A-87.

We noted the following:

- Rent was allocated to various State and Federal programs based to some extent on the number of employees charged to each program. However, the Commission increased the allocation to the Victim Assistance program. Per the Budget Officer:

*Program 198 Central Administration and VA [Victim Assistance] Federal Funds have almost the same number of FTE. However, the VA funds process grant awards and grant payments and make heavy use of the conference room and I.T. equipment while Central Administration doesn't use nearly as many common resources.*

However, the use of equipment should not affect the rent allocation, and the Commission did not have any documentation to support the use of the conference room. Total rent allocated was \$55,207, of which 15% was charged to Victim Assistance. Based on employee hours, Victim Assistance should have been charged only 11%, resulting in \$2,208 questioned costs. A similar comment was noted in our prior report.

- The Commission allocated \$53,515 to various programs for furniture related to the reconfiguration of employee workstations. According to staff, the reconfiguration was needed to accommodate five new Federal Aid Administrators. The Commission did not have adequate documentation to support that the allocation was equitable and in accordance with benefits received. Based on a review of the new employees' time, it appears the Victim Assistance Grant was undercharged, and the Violence Against Women Grant and the Justice Assistance Grant were each overcharged \$2,141.
- We tested a \$15,000 payment related to an internal grant management system to track funds awarded to subgrantees. The Commission did not have adequate documentation to support that the allocation was equitable and in accordance with benefits received. Based on the number of subawards, it appears the Victim Assistance Grant was undercharged approximately \$3,700, and the Violence Against Women Grant and the Justice Assistance Grant were each overcharged.

OMB Circular A-87, Attachment A, § C(3)(a), provides the following:

*A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.*

OMB Circular A-87, Attachment A, § F(1), states, as is relevant, the following:

*Indirect costs are those: (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. . . .*

*Indirect cost pools should be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.*

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**2. Allocations not in Accordance with Federal Cost Principles (Concluded)**

2 CFR § 200.405 (January 1, 2015), which is effective for Federal grants awarded on or after December 26, 2014, has similar requirements.

Without adequate documentation to support the allocation of charges, there is an increased risk for misuse of funds.

We recommend the Commission follow Federal regulations and allocate charges to benefitting programs on an equitable basis. We further recommend those bases be adequately documented and supported.

*Commission Response:*

*Allocation of Rent: We consider the number of FTE charged to a program when dividing up the rent charges and we also consider the use of existing space. For example, staff paid with VOCA funds process grant awards and make heavy use of the conference room and information technology resources. This is why VOCA was charged 15% of the total rent charges. We will create a written formula for rent which identifies the factors that we use to determine the division of rent charges among our various funds.*

*Reconfiguration of employee workstations: The sole reason for the reconfiguration of our office space was to accommodate five new employees added by the Grants Division and paid with VOCA, VAWA, and JAG funds. We conceivably could have charged the entire cost of the reconfiguration to federal funds because, without these new federal positions, no configuration would have been necessary. Instead, because there was some benefit to the entire agency we divided the cost among seven business units, four of which were general funds and three were federal funds. Federal funds only paid 57% of the cost of the reconfiguration.*

*Internal Grant Management System: We contracted with Survey Monkey to create an internal grant management system to track the awards, expenditures, and grant periods for funds we awarded to our state and federal subgrantees. We divided the annual costs in November 2015 among the five grant programs that were to be included in this grant system. While the software was being developed it made sense to divide the costs almost equally because it was one system that would be used by five grant programs. Once the system was operational we planned to change the percentages and charge a higher percentage to the VOCA funds based on the amount of grants awarded and the amount of funding.*

**APA Response: As noted, the Commission did not have any documentation to support the use of the conference room. Regarding the reconfiguration, even after consideration that both General and Federal funds paid for the costs, the Violence Against Women Grant (VAWA) and Justice Assistance Grant (JAG) were overcharged. VAWA and JAG were each charged 20% of the costs but based on review of employee's time only 16% was reasonable. The Commission indicates the cost for the Internal Grant Management System was divided "almost equally." However, the costs were not divided equally, nor were the costs divided based on number of subawards or another reasonable documented allocation.**

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**3. Contract Procedures**

A good internal control plan and sound accounting practice require adequate documentation to ensure that all transactions are supported and appropriate. In particular, contracts should be monitored to ensure that all payments made pursuant thereto are proper.

During calendar year 2015, the Commission paid Analysts International Corporation \$336,870 for information technology services related to the Nebraska Criminal Justice Information System. The contractor billed the Commission \$120 per hour for services; however, the Commission did not have procedures to ensure the hours billed were correct.

Per the Chief of the Information Services Division:

*We do not have a way to monitor hours or verify the invoice. Plus, the work is done offsite and we do not have ongoing supervision ability. We can gauge that topic areas have been worked on (by completion or resolution of issues, for example).*

We also noted that the value of the contract is listed in the State's accounting system as \$3,891,320, but it should be \$3,039,840. Neb. Rev. Stat. § 73-503(1) (Supp. 2014) states, "All state agencies shall process and document all contracts for services through the state accounting system. . . . All state agencies shall enter the information on new contracts for services and amendments to existing contracts for services." Furthermore, a good internal control plan requires information entered into the accounting system to be accurate and complete.

Without adequate contract monitoring procedures, there is an increased risk for improper charges to be paid. If contracts are not properly entered in the accounting system, there is also an increased risk for overpayments to occur.

We recommend the Commission improve procedures to ensure contract payments are proper. We further recommend the Commission ensure the value of contracts is properly stated on the accounting system.

*Commission Response: We have worked with the contractor mentioned in this audit point and we now receive more detailed information on the invoices and backup documentation to support the invoices. The information on the amount of this contract is negotiated and entered into the accounting system by DAS Materiel and not by our agency.*

**4. Internal Control Over Receipts**

A good internal control plan requires adequate policies and procedures to ensure that no one individual is in a position both to perpetrate and to conceal errors and irregularities.

Neb. Rev. Stat. § 84-710 (Reissue 2014) requires all fees and money belonging to the State to be deposited "into the state treasury within three business days of the receipt thereof when the aggregate amount is five hundred dollars or more and within seven days of the receipt thereof when the aggregate amount is less than five hundred dollars."

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**4. Internal Control Over Receipts (Continued)**

The Commission has two offices, one located in Lincoln and the Law Enforcement Training Center (Training Center) located in Grand Island. During testing of receipting procedures for both locations, we noted the following:

Lincoln Office

- The individuals opening the mail did not prepare an initial listing of monies received.
- Monies received were not consistently recorded in the receipt books on the same day that the funds were received.

Training Center

- One individual was able to create and void invoices, followed up on outstanding accounts receivable, had access to the locked cabinet where monies received were kept prior to deposit, had access to the excel spreadsheet listing monies received, and recorded monies received in the accounting system.
- The Training Center generally made weekly deposits, regardless of the dollar amount of receipts received. We noted 20 receipts, totaling \$5,323, were not deposited timely in accordance with § 84-710. The deposits were one to five days late.
- During a cash count, we noted a deposit, totaling \$2,137, which contained \$500 received on April 8, 2016, was not deposited until April 14, 2016, four business days later.

The Lincoln office has final approval of all entries for both itself and the Training Center location. We noted that no one at the Lincoln office was performing a reconciliation of the general ledger report to the cash receipts to ensure deposits were intact and proper.

A similar finding was noted in our prior report.

Without adequate controls to ensure that all monies received are properly deposited, there is an increased risk of misappropriation of Commission funds.

We recommend the Commission establish policies and procedures for an appropriate segregation of duties. We further recommend the Commission implement procedures to ensure a log is completed upon opening the mail, cash receipts are recorded in the receipt book immediately upon receipt, and receipts are deposited in compliance with § 84-710. Additionally, we recommend the Commission perform a monthly documented reconciliation of the general ledger report to the cash receipts to ensure deposits are intact and proper.

**COMMENTS AND RECOMMENDATIONS**  
(Continued)

**4. Internal Control Over Receipts** (Concluded)

*Commission Response: The Commission concurs with the finding and recommendation of the APA. A meeting has been scheduled for early July to determine the procedure for the segregation of duties, opening the mail, recording of cash receipts, the issuing of receipts and depositing of checks in accordance with State law. The written policy will be completed after the procedure is determined. In addition, a monthly documented reconciliation of the general ledger report to the cash receipts will occur to ensure deposits are intact and proper. The process and policy will be completed before 01 August 2016.*

**5. Lack of Support for Receipts**

A good internal control plan and sound accounting practice require procedures to ensure that all receipts are properly remitted and recorded.

We noted a lack of documentation for payments received from counties, courts, or other State agencies in accordance with statutory requirements. The Commission did not obtain supporting documentation to ensure the amounts received were proper and complete. The counties, courts, and other State agencies are instructed to remit payments to the State Treasurer, who in turn applies the monies to the proper funds. The Commission relies on the State Treasurer to ensure the monies applied to the various Commission funds are accurate and complete. No additional review of these receipts is performed by the Commission.

We noted the following receipts did not have adequate support to ensure that all monies received were properly recorded:

Description of Receipt	State Statute	Amount Tested	Total Receipts for CY2015
5% of inmate wages remitted by the Department of Corrections.	§ 83-184(2) § 33-157(2) § 81-1827(3)	\$31,329	\$174,514
\$2 Law Enforcement Improvement Fund fee assessed for each criminal proceeding filed in all courts of the State for violation of State law or city or village ordinances; payment remitted by courts.	§ 81-1429	\$48,777	\$428,443
\$1 uniform data analysis fee assessed for each case filed in county, juvenile, and district court; payment remitted by the courts.	§ 47-633	\$17,537	\$369,472
Crime Victim Restitution/Donation payments remitted by county/district courts.	§ 29-2281	\$2,353	\$2,972
\$1 fee assessed and remitted by the county or district courts for each misdemeanor or felony conviction of a person.	§ 33-157(1)	\$948	\$33,433
\$1 fee per STOP class attendee in Lancaster County, voluntarily remitted by the County.	NA	\$530	\$1,573
	Total	\$101,474	\$1,010,407

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**5. Lack of Support for Receipts (Concluded)**

A similar finding was noted in our prior report.

Without adequate supporting documentation, there is an increased risk transactions performed by the Commission will not be proper.

We recommend the Commission implement procedures to ensure amounts received are accurate and complete. We recommend the Commission work with the Department of Corrections and the Nebraska Supreme Court to obtain supporting documentation.

*Commission Response: With the exception of funds we receive from DCS Correctional Industries and the STOP program, all amounts listed in this recommendation are sent directly to the State Treasurer for deposit. We monitor the general ledger each month and check the amounts we receive for any significant variations. We will attempt to obtain documentation for these amounts from the Department of Corrections and the Supreme Court.*

**6. Capital Assets**

A good internal control plan requires policies and procedures to ensure no one individual is in a position both to perpetrate and to conceal errors and irregularities. A good internal control plan also requires an adequate review of system reports to ensure transactions and assets are properly accounted for.

During our review of capital assets, we noted there was a lack of segregation of duties. The same person who was responsible for the addition and deletion of capital assets in the system also performed the physical inventory. This individual was also responsible for reviewing asset reports from the accounting system. There was not a review of system reports by a separate individual to ensure that transactions and assets were properly accounted for.

We also noted the following:

- A video scaler purchased for \$1,590 was added to the asset listing as costing \$3,300.
- Two of two transactions noted on the Unposted Fixed Asset Transactions Report were not added timely to the asset listing, as follows:

Item	Cost	Purchased	Added to Asset List
Computer	\$1,810	July 2015	April 2016
2 Projectors	\$3,484 each	August 2015	April 2016

- Two of two transactions tested on the Passed Transaction Report had been incorrectly recorded as capital assets instead of as operating expenses. The purchases were in August and November 2015, but a correcting entry had not been made as of April 2016.

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**6. Capital Assets (Concluded)**

- The asset integrity reports had not been reviewed and errors noted in the reports corrected since the individual responsible for capital assets retired in March 2015. The employee who is now responsible for capital assets is working on reviewing the reports and making corrections needed.

A similar finding was noted in our prior report.

The Commission had capital assets totaling \$658,318 at December 31, 2015.

Without a proper segregation of duties and separate review of capital asset reports, there is an increased risk of loss or misuse of Commission assets. Furthermore, there is an increased risk of asset records being incomplete and inaccurate in the accounting system.

We recommend the Commission establish procedures to ensure an adequate segregation of duties exists for capital assets. This would include a documented review of the asset reports by someone other than the individual maintaining the asset records. We further recommend the Commission follow up on items noted on the reports and make any corrections needed in a timely manner.

*Commission Response: The asset reports are now reviewed by someone other than the individual who maintains the asset records. The deletion of capital assets in the system is done by DAS Surplus Property and not our agency. We have corrected all the capital asset transactions listed in this recommendation.*

**7. Payroll Policies**

The Commission did not have written policies or procedures instructing employees how to complete timesheets and document actual hours worked on Federal and non-Federal programs in the timekeeping system.

Each bi-weekly pay period, employees enter their total hours worked for the period into the Commission's timekeeping system. The system then calculates a breakout of hours for each program the employee works on, based on the allocated labor distribution percentages pre-determined by the Commission. The employees then enter those hours as the actual time worked on each program. The employees could make changes, but our review noted that only very small deviations were made, if any. No other documentation was maintained by employees to support actual hours spent on each Federal and non-Federal program.

OMB Circular A-87, Attachment B, Section 8(h)(4), effective for grants awarded prior to December 26, 2014, requires, "Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) . . . ."

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**7. Payroll Policies** (Continued)

OMB Circular A-87, Attachment B, Section 8(h)(5)(a) requires personnel activity reports to “reflect an after the fact distribution of the actual activity of each employee[.]” Additionally, Section 8(h)(5)(e) says, in relevant part, the following:

*Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:*

\* \* \* \*

*(ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made.*

Furthermore, 2 CFR § 200.430(h)(8)(i) (January 1, 2015), effective for grants awarded on or after December 26, 2014, states the following:

*Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:*

*(i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated[.]*

A good internal control plan requires written policies to ensure hours worked by State employees are charged correctly and adequately documented. A good internal control plan also requires procedures to be in place to ensure payroll charged to a Federal program agrees to actual time worked on the program.

Without such written policies and procedures, there is an increased risk that payroll costs will not be accurate or properly allocated.

We recommend the Commission establish written policies instructing employees how to complete timesheets and enter actual hours worked for each program into the timekeeping system.

*Commission Response: The Crime Commission has struggled to find a suitable system for use by our employees to record and report time. We have our current time report system known as the “Portal” to allow employees to report their time. However, since we have been in discussion for over a year now with our Federal partners on grants and they have expressed concerns as well, we have looked at other options for time and record keeping systems.*

*As a code agency, the Commission is responsible to the Office of the Chief Information Officer (OCIO) to utilize software programs and systems which are approved and purchased by the state to be utilized on the state computer system. The OCIO is aware of our issues and our desire to fully comply with all APA and US DOJ recommendations and accounting practices. The State of Nebraska recently made us aware of a time reporting system which could be imported into our*

**COMMENTS AND RECOMMENDATIONS**

(Concluded)

**7. Payroll Policies** (Concluded)

*accounting system known as "Query". We had a demonstration of this system Wednesday, 25 May 2016, however this system will not work for the Crime Commission. In addition, we have been in contact with both the OCIO and the vendor on the software program known as "KRONOS", however we have been advised by the OCIO and the vendor that KRONOS is not a system for a small agency such as the Crime Commission. In addition, the cost estimates for KRONOS are prohibitive for our agency.*

*We have contracted with the person who built our Portal to fix some of the current issues with that system. Upon completion of that contract, which is anticipated by 01 August 2016, we will initiate a second contract which upon completion we will be able to capture time and import to the state accounting system, and enhance the system to enable the Commission to run reports and allocate time. It is hoped to have the second contract completed by 01 November 2016. In addition, we will continue to work with the Nebraska Department of Administrative Services and the Office of the Chief Information Officer to examine other options (software programs) which could better allow the Commission to report and allocate time.*

*The Commission desperately wants to accomplish this as we realize this has been a recommendation for some time. We will continue to be vigilant and diligent in examining options which best meet our needs and operating budget. We appreciate the patience shown by the APA and the U.S. Department of Justice, and we want you to know that we will either find a solution to this situation, or we will make one.*



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

---

Charlie Janssen  
State Auditor

Charlie.Janssen@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
www.auditors.nebraska.gov

### NEBRASKA COMMISSION ON LAW ENFORCEMENT AND CRIMINAL JUSTICE

#### INDEPENDENT ACCOUNTANT'S REPORT

Nebraska Commission on Law Enforcement and Criminal Justice  
Lincoln, Nebraska

We have examined the accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balances of the Nebraska Commission on Law Enforcement and Criminal Justice (Commission) for the calendar year ended December 31, 2015. 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, revenues, expenditures, and changes in fund balances of the Commission for the calendar year ended December 31, 2015, 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 certain findings that are required to be reported under *Government Auditing Standards*, and those findings, along with the views of management, are described in the Comments Section of the report.

This report is intended solely for the information and use of management, the Commission, others within the Commission, and the appropriate Federal and regulatory agencies, and it 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

June 22, 2016

**NEBRASKA COMMISSION ON LAW ENFORCEMENT AND CRIMINAL JUSTICE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
For the Calendar Year Ended December 31, 2015

	General Fund 10000	Victim's Compensation Fund 27800	Law Enforcement Improvement Fund (LEIF) 27810	Nebraska Law Enforcement Training Center Fund 27820	Comm Corr Uniform Data Analysis Fund 27850	Violence Prevention Cash Fund 27870	Crime Commission Federal Fund 47810	Juvenile Accountability Fund 47820	Totals (Memorandum Only)
<b>REVENUES:</b>									
Appropriations	\$ 9,452,533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,452,533
Intergovernmental	-	-	-	3,200	-	-	5,976,674	(4,652)	5,975,222
Sales & Charges	(50)	-	5,645	143,795	-	-	-	-	149,390
Miscellaneous	740	221,336	436,002	50,762	389,019	1,613	-	2,568	1,102,040
<b>TOTAL REVENUES</b>	<b>9,453,223</b>	<b>221,336</b>	<b>441,647</b>	<b>197,757</b>	<b>389,019</b>	<b>1,613</b>	<b>5,976,674</b>	<b>(2,084)</b>	<b>16,679,185</b>
<b>EXPENDITURES:</b>									
Personal Services	1,903,261	-	345,207	136,930	44,967	-	697,625	15,475	3,143,465
Operating	2,003,867	-	131,172	-	418,568	-	742,125	1,398	3,297,130
Travel	72,174	-	1,411	-	1,349	-	36,392	-	111,326
Capital Outlay	15,170	-	19,457	-	1,203	-	5,334	-	41,164
Government Aid	5,458,061	310,048	-	-	-	2,733	4,445,916	129,840	10,346,598
<b>TOTAL EXPENDITURES</b>	<b>9,452,533</b>	<b>310,048</b>	<b>497,247</b>	<b>136,930</b>	<b>466,087</b>	<b>2,733</b>	<b>5,927,392</b>	<b>146,713</b>	<b>16,939,683</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	690	(88,712)	(55,600)	60,827	(77,068)	(1,120)	49,282	(148,797)	(260,498)
<b>OTHER FINANCING SOURCES (USES):</b>									
Sales of Assets	219	-	-	-	-	-	-	-	219
Deposit to General Fund	(926)	-	-	-	-	-	-	-	(926)
Operating Transfers In	-	50,000	-	-	-	-	-	-	50,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(707)</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,293</b>
Net Change in Fund Balances	(17)	(38,712)	(55,600)	60,827	(77,068)	(1,120)	49,282	(148,797)	(211,205)
<b>FUND BALANCES, JANUARY 1, 2015</b>	<b>1,851</b>	<b>363,883</b>	<b>283,256</b>	<b>156,819</b>	<b>960,260</b>	<b>79,711</b>	<b>86,557</b>	<b>175,742</b>	<b>2,108,079</b>
<b>FUND BALANCES, DECEMBER 31, 2015</b>	<b>\$ 1,834</b>	<b>\$ 325,171</b>	<b>\$ 227,656</b>	<b>\$ 217,646</b>	<b>\$ 883,192</b>	<b>\$ 78,591</b>	<b>\$ 135,839</b>	<b>\$ 26,945</b>	<b>\$ 1,896,874</b>
<b>FUND BALANCES CONSIST OF:</b>									
General Cash	\$ -	\$ 325,171	\$ 227,165	\$ 217,171	\$ 883,368	\$ 78,591	\$ 135,839	\$ 26,945	\$ 1,894,250
Petty Cash	-	-	275	-	-	-	-	-	275
NSF Items	-	-	100	-	-	-	-	-	100
Deposits with Vendors	1,974	-	100	-	-	-	-	-	2,074
Accounts Receivable Invoiced	-	-	16	624	1	-	-	-	641
Due to Fund	(140)	-	-	(149)	(177)	-	-	-	(466)
<b>TOTAL FUND BALANCES</b>	<b>\$ 1,834</b>	<b>\$ 325,171</b>	<b>\$ 227,656</b>	<b>\$ 217,646</b>	<b>\$ 883,192</b>	<b>\$ 78,591</b>	<b>\$ 135,839</b>	<b>\$ 26,945</b>	<b>\$ 1,896,874</b>

The accompanying notes are an integral part of the schedule.

NEBRASKA COMMISSION ON LAW ENFORCEMENT AND CRIMINAL JUSTICE

**NOTES TO THE SCHEDULE**

For the Calendar Year Ended December 31, 2015

**1. Criteria**

The accounting policies of the Nebraska Commission on Law Enforcement and Criminal Justice (Commission) are on the basis of accounting, as prescribed by the State of Nebraska Director of Administrative Services.

Per Neb. Rev. Stat. § 81-1107(2) (Reissue 2014), 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 2014), 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 was obtained directly from the general ledger and fund balance information maintained on EnterpriseOne. EnterpriseOne is not an accrual accounting system; instead, accounts are maintained on a modified cash basis. As revenue transactions occur, the agencies record the accounts receivable and related revenues in the general ledger. As such, certain revenues are recorded when earned, regardless of the timing of related cash flows. State Accounting does not require the Commission to record all accounts receivable and related revenues in EnterpriseOne; as such, the Commission's schedule does not include all accounts receivable and related revenues. In a like manner, expenditures and related accounts payable are recorded in the general ledger as transactions occur. As such, the schedule includes those expenditures and related accounts payable posted in the general ledger as of December 31, 2015, and not yet paid as of that date. The amount recorded as expenditures on the schedule, as of December 31, 2015, **does not** include amounts for goods and services received before December 31, 2015, which had not been posted to the general ledger as of December 31, 2015.

Other liabilities are recorded in accounts entitled Due to Fund for the Commission. The assets in these funds are being held by the State as an agent and will be used to pay those liabilities to other funds. The recording of those liabilities reduces the fund balance/equity.

Liabilities for accrued payroll and compensated absences are not recorded in the general ledger.

**NOTES TO THE SCHEDULE**  
(Continued)

**1. Criteria** (Continued)

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

**10000 – General Fund** – accounts for activities funded by general tax dollars and related expenditures and transfers.

**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.

**40000 – Federal Funds** – account for the financial activities related to the receipt and disbursement of funds generated from the Federal government as a result of grants and contracts. Expenditures must be made in accordance with applicable Federal requirements.

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

**Appropriations** – Appropriations are granted by the Legislature to make expenditures and to incur obligations. The amount of appropriations reported as revenue is the amount of expenditures.

**Intergovernmental** – Revenue from other governments in the form of grants, entitlements, shared revenues, payments in lieu of taxes, or reimbursements.

**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 and fines.

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.

**NOTES TO THE SCHEDULE**

(Continued)

**1. Criteria** (Concluded)

**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, deposits with vendors, and receivable accounts. Accounts receivable are recorded as an increase to revenues resulting in an increase to fund balance on the schedule. Cash accounts and deposits with vendors 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, 2015, included amounts recorded in Due to Fund. The activity of these accounts are not recorded through revenue and expenditure accounts on the Schedule of Revenues, Expenditures, and Changes in Fund Balances.

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

**2. Reporting Entity**

The Commission 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 Commission 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.

**NOTES TO THE SCHEDULE**  
(Continued)

**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.

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, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets				
Equipment	\$ 656,412	\$ 16,695	\$ 14,789	\$ 658,318
Less accumulated depreciation for:				
Equipment				<u>584,723</u>
Total capital assets, net of depreciation				<u>\$ 73,595</u>

**NOTES TO THE SCHEDULE**  
(Concluded)

**6. Transfers**

Per 2015 Neb. Laws LB 657 § 271, the State Treasurer transferred \$50,000 from the General Fund to the Victim's Compensation Fund.

**SUPPLEMENTARY INFORMATION**

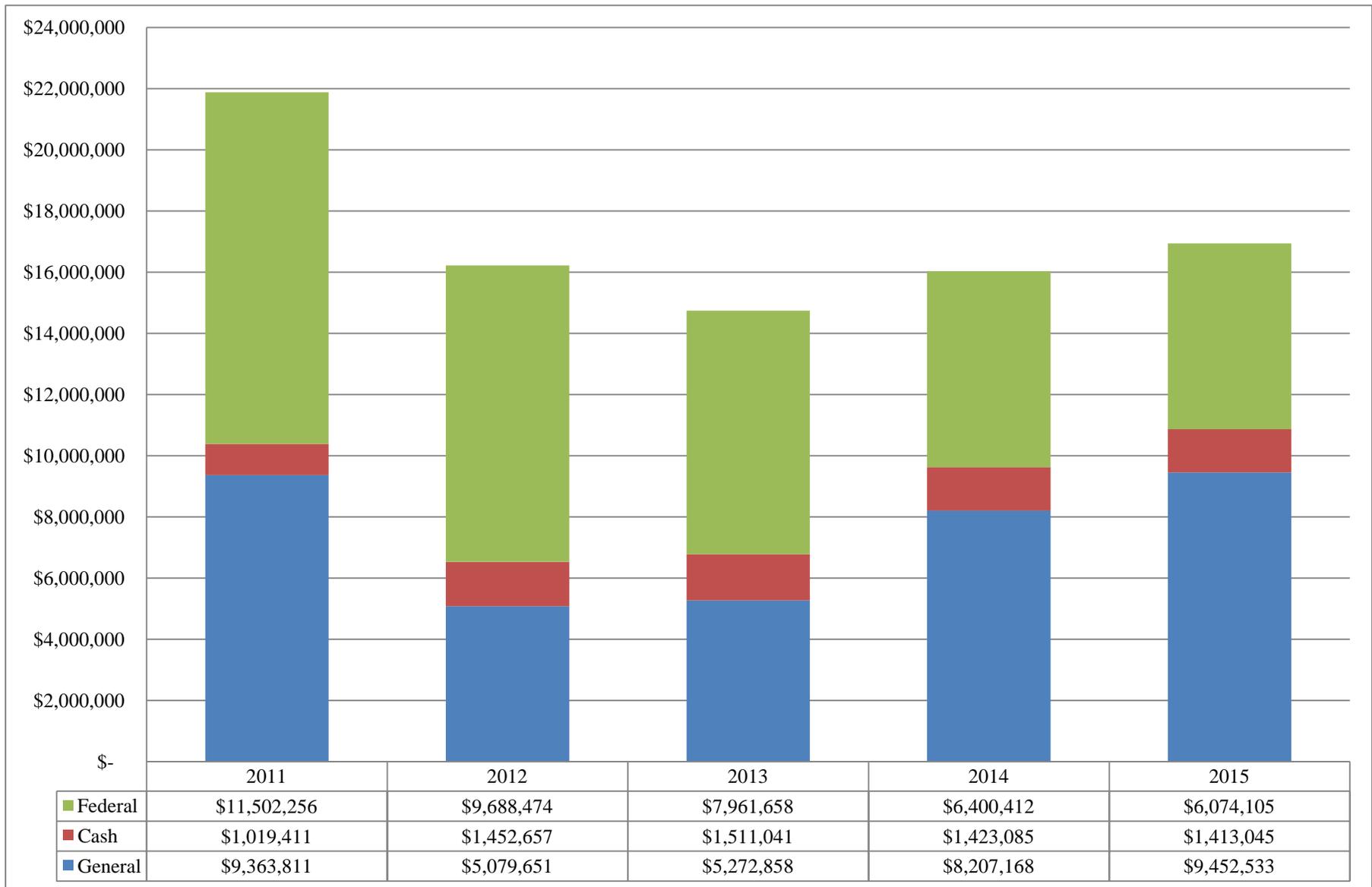
Our examination was conducted for the purpose of forming an opinion on the Schedule of Revenues, Expenditures, and Changes in Fund Balances. Supplementary information is presented for purposes of additional analysis. Such information has not been subjected to the procedures applied in the examination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

**NEBRASKA COMMISSION ON LAW ENFORCEMENT AND CRIMINAL JUSTICE**  
**EXHIBIT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
For the Fiscal Year Ended June 30, 2015 and Calendar Year Ended December 31, 2015

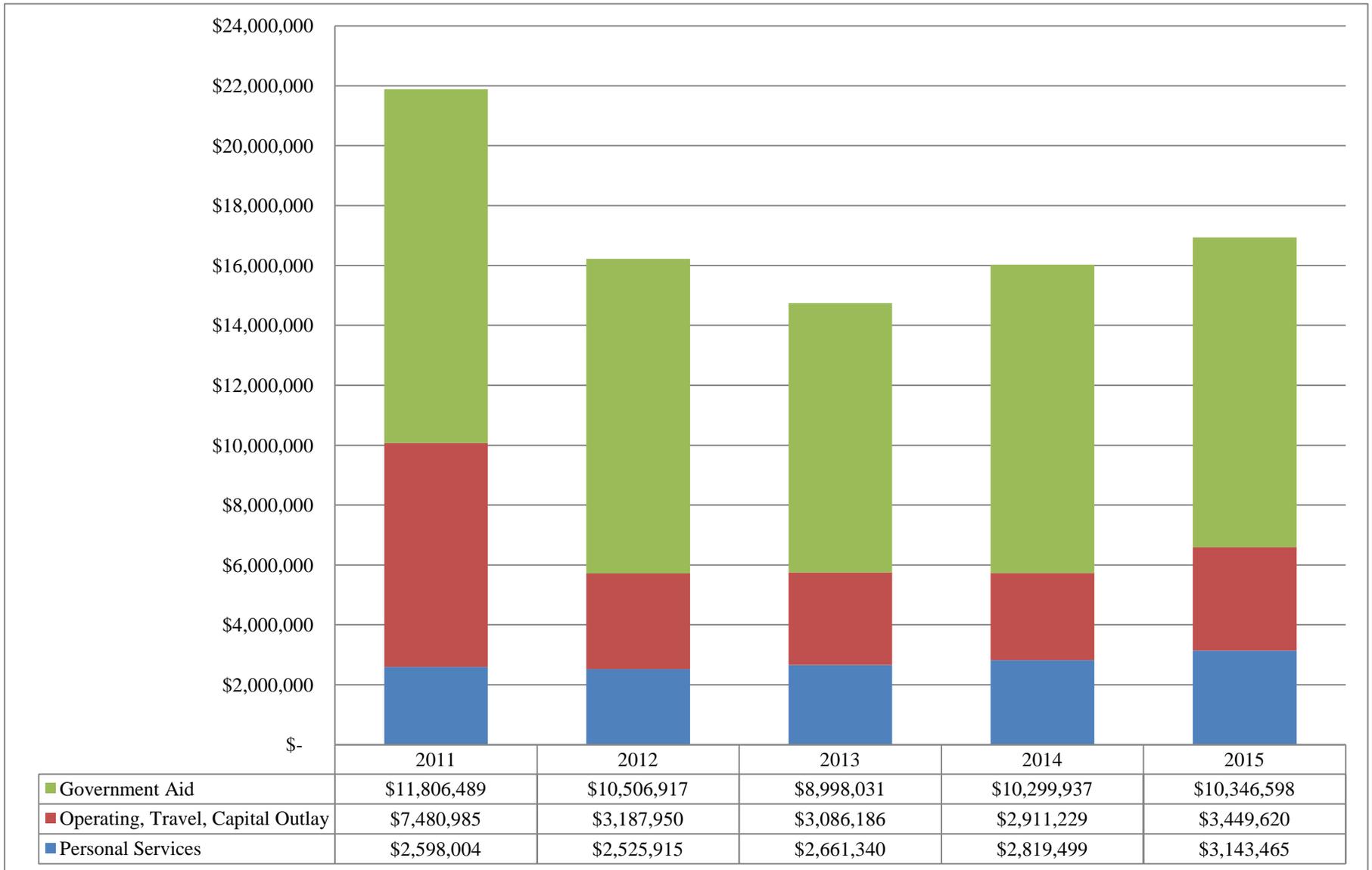
	July 1, 2014 through December 31, 2014	January 1, 2015 through June 30, 2015	Total Fiscal Year Ended June 30, 2015	July 1, 2015 through December 31, 2015	Total Calendar Year Ended December 31, 2015
<b>REVENUES:</b>					
Appropriations	\$ 4,519,684	\$ 4,404,990	\$ 8,924,674	\$ 5,047,543	\$ 9,452,533
Intergovernmental	3,189,392	2,712,424	5,901,816	3,262,798	5,975,222
Sales & Charges	39,955	63,231	103,186	86,159	149,390
Miscellaneous	562,509	538,750	1,101,259	563,290	1,102,040
<b>TOTAL REVENUES</b>	<b>8,311,540</b>	<b>7,719,395</b>	<b>16,030,935</b>	<b>8,959,790</b>	<b>16,679,185</b>
<b>EXPENDITURES:</b>					
Personal Services	1,433,834	1,514,062	2,947,896	1,629,403	3,143,465
Operating	1,432,690	1,672,435	3,105,125	1,624,695	3,297,130
Travel	46,049	50,638	96,687	60,688	111,326
Capital Outlay	4,587	10,769	15,356	30,395	41,164
Government Aid	5,646,463	4,578,214	10,224,677	5,768,384	10,346,598
<b>TOTAL EXPENDITURES</b>	<b>8,563,623</b>	<b>7,826,118</b>	<b>16,389,741</b>	<b>9,113,565</b>	<b>16,939,683</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(252,083)	(106,723)	(358,806)	(153,775)	(260,498)
<b>OTHER FINANCING SOURCES (USES):</b>					
Sales of Assets	-	211	211	8	219
Deposit to General Fund	(203)	(208)	(411)	(718)	(926)
Operating Transfers In	-	-	-	50,000	50,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(203)</b>	<b>3</b>	<b>(200)</b>	<b>49,290</b>	<b>49,293</b>
Net Change in Fund Balances	(252,286)	(106,720)	(359,006)	(104,485)	(211,205)
<b>BEGINNING FUND BALANCES</b>	<b>2,360,365</b>	<b>2,108,079</b>	<b>2,360,365</b>	<b>2,001,359</b>	<b>2,108,079</b>
<b>ENDING FUND BALANCES</b>	<b>\$ 2,108,079</b>	<b>\$ 2,001,359</b>	<b>\$ 2,001,359</b>	<b>\$ 1,896,874</b>	<b>\$ 1,896,874</b>
<b>FUND BALANCES CONSIST OF:</b>					
General Cash	\$ 2,196,706	\$ 1,983,231	1,983,231	\$ 1,894,250	1,894,250
Petty Cash	275	275	275	275	275
NSF Items	100	100	100	100	100
Deposits with Vendors	2,073	2,073	2,073	2,074	2,074
Accounts Receivable Invoiced	12,666	16,098	16,098	641	641
Due to Vendors	(103,327)	-	-	-	-
Due to Fund	(272)	(253)	(253)	(466)	(466)
Due to Government	(142)	(165)	(165)	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 2,108,079</b>	<b>\$ 2,001,359</b>	<b>\$ 2,001,359</b>	<b>\$ 1,896,874</b>	<b>\$ 1,896,874</b>

Source: Information obtained from the State accounting system, EnterpriseOne.

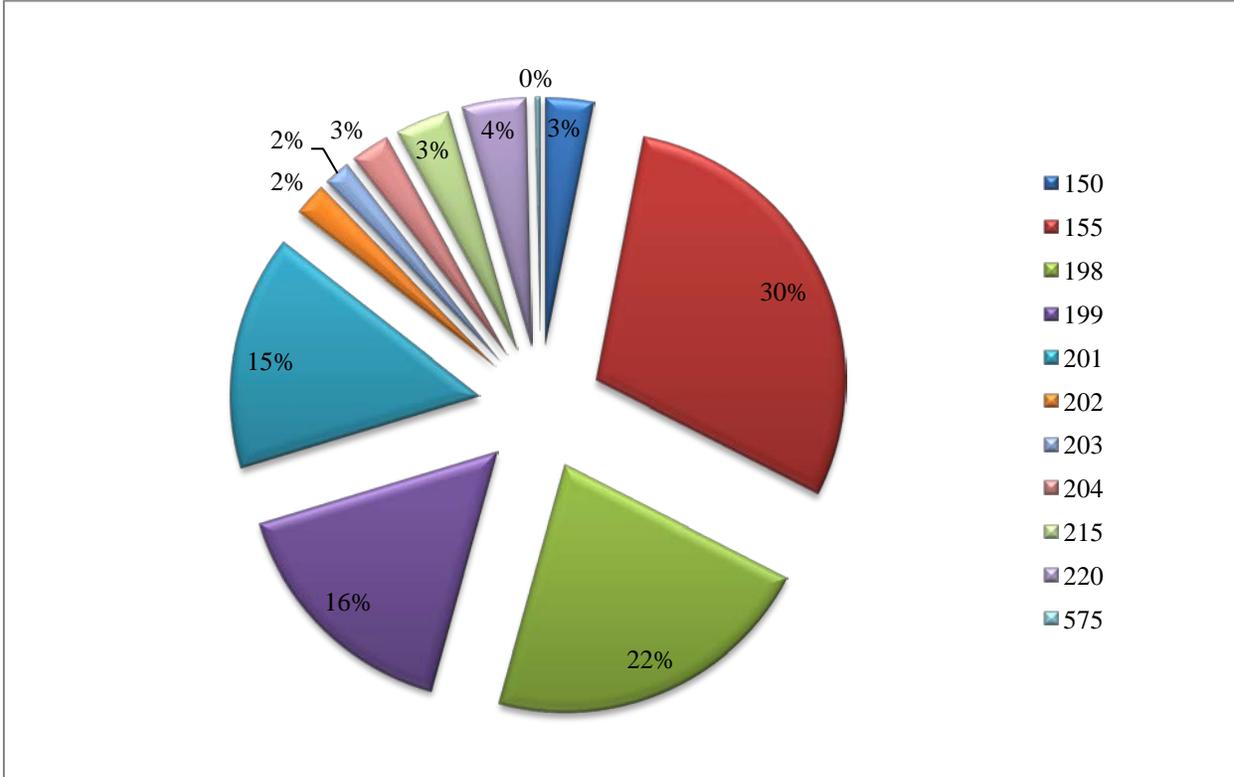
**NEBRASKA COMMISSION ON LAW ENFORCEMENT AND CRIMINAL JUSTICE**  
**EXPENDITURES BY FUND TYPE**  
For the Calendar Years Ended December 31, 2011 through 2015



**NEBRASKA COMMISSION ON LAW ENFORCEMENT AND CRIMINAL JUSTICE**  
**EXPENDITURES BY MAJOR ACCOUNT**  
 For the Calendar Years Ended December 31, 2011 through 2015



NEBRASKA COMMISSION ON LAW ENFORCEMENT AND CRIMINAL JUSTICE  
**EXPENDITURES BY PROGRAM**  
 Calendar Year 2015



Program	Expenditures
150 - Juvenile Services Act	\$ 516,380
155 - County Juvenile Services Aid	4,999,945
198 - Central Administration	3,678,440
199 - Law Enforcement Training Center	2,715,317
201 - Victim/Witness Assistance	2,593,379
202 - Crime Victim's Reparations	363,821
203 - Jail Standards Board	293,586
204 - Office of Violence Prevention	428,815
215 - Criminal Justice Info System	594,551
220 - Community Corrections Division	698,771
575 - Byrne Grants	56,678
	\$ 16,939,683