

**ATTESTATION REPORT
OF THE
NEBRASKA DEPARTMENT OF MOTOR VEHICLES
JULY 1, 2019, THROUGH DECEMBER 31, 2020**

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Issued on July 26, 2021

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NEBRASKA DEPARTMENT OF MOTOR VEHICLES

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NEBRASKA DEPARTMENT OF MOTOR VEHICLES

BACKGROUND

The Nebraska Department of Motor Vehicles (Department) is charged with the administration and enforcement of motor vehicle regulations and education of vehicle operators. The Department ensures that licensed drivers meet eligibility requirements for operating a motor vehicle, and those vehicles are properly titled and registered. The Department generates and collects revenues that support services offered by not only the Department but also other State and local governmental entities. The Department is composed of the following seven divisions:

Administration Division – The Administration Division houses the Office of the Director and oversees the operations of the other six divisions. The Administration Division also includes the Deputy Director, Controller, Human Resource Manager, and support staff.

Legal Division – The Legal Division performs and manages legal work for the Department to support the work of the Department's other divisions. Major focuses include preparation and support of agency legislation; preparation, review, and renewal of contracts; preparation and review of various legal documents; review of Federal laws and regulations to comply with Federal mandates; and conducting administrative appeals for the Department. The Legal Division also administers the Administrative License Revocation (ALR) program to remove the driver's licenses of persons arrested for drunk driving in Nebraska.

Information Systems Division – The Information Systems Division is responsible for the development, maintenance, and support of service applications and data hosted by the Department. With the support of the Office of the Chief Information Officer and Nebraska Interactive, the Department's services are easily available online, at County Treasurers' offices, and at service locations throughout the State.

Motor Carrier Services Division – The Motor Carrier Services Division administers a variety of programs related to the trucking industry, which include regulating compliance with the International Registration Plan (IRP), the International Fuel Tax Agreement (IFTA), and the Unified Carrier Registration System (UCR). These programs collect and distribute fees and taxes between member jurisdictions.

Financial Responsibility Division – The Financial Responsibility Division identifies individuals from driving, court, and accident records who have unsafe driving histories. Driving privileges are denied via disqualification (CDL), suspension, or revocation and subsequently reinstated when qualified. The Financial Responsibility Division also facilitates the issuance of employment, medical hardship, and ignition interlock permits, as well as aiding in the collection of traffic fines and child support payments.

Driver Licensing Services Division – The Driver Licensing Services Division ensures persons who meet Nebraska's licensing requirements are issued a permit, operator license, or commercial driver license, and individuals who meet the identification requirements are issued a State ID card.

Driver and Vehicle Records Division – The Driver and Vehicle Records Division oversees multiple programs, including the statewide vehicle title and registration system (VicToRy), the associated online services, and the motor vehicle functions performed by the County Treasurers. VicToRy is used by all 93 counties for the issuance of titles and registrations and the collection of fees and taxes owed. The division is also responsible for oversight and access to the database that maintains the records of licensed drivers and State ID card holders. The division has a fraud unit that performs investigative work relating to vehicle title and registration fraud, driver license fraud, and odometer fraud. Motor Vehicle Fraud Investigators are certified Nebraska Law Enforcement Officers commissioned as Deputy State Sheriffs.

Source: Nebraska Department of Motor Vehicles' 2019 Annual report.

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

KEY OFFICIALS AND DEPARTMENT CONTACT INFORMATION

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Julie Maaske	Deputy Director

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NEBRASKA DEPARTMENT OF MOTOR VEHICLES

SUMMARY OF COMMENTS

During our examination of the Nebraska Department of Motor Vehicles (Department), we noted certain deficiencies and other operational matters that are presented here. The following comments are required to be reported in accordance with *Government Auditing Standards*: Comments #1, “Lack of Adequate Internal Controls Over Revenues,” #2, “Monitoring of County Receipts,” #3, “Lack of Segregation of Duties Over Payroll,” and #4, “Lack of Segregation of Duties Over Capital Assets,” which are considered to be significant deficiencies.

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

1. ***Lack of Adequate Internal Controls Over Revenues:*** We noted a lack of segregation of duties in three divisions and a lack of procedures to ensure record search fees received were proper. Additionally, deposits were not made within the timeframe required by State statute, inter-agency billing transactions were not completed timely, and the Open Accounts Receivable Detail report was not reviewed. Revenues totaled nearly \$96 million during the examination period tested.
2. ***Monitoring of County Receipts:*** The Department did not perform reconciliation procedures to ensure fees remitted by the counties to the State agreed to system-generated reports and the State accounting system. During the examination period tested, over \$11.5 million was received from the counties.
3. ***Lack of Segregation of Duties Over Payroll:*** The State’s accounting system did not have an established segregation of duties over payroll processing, and the Department did not implement compensating controls, such as a secondary review by an independent individual. The Department’s personal service expenditures totaled over \$18.7 million during the examination period.
4. ***Lack of Segregation of Duties Over Capital Assets:*** The Department did not have an adequate segregation of duties over capital assets. One person was able to add assets to the inventory records, surplus and dispose of assets, and perform the annual inventory. No documented secondary review of capital asset reports was performed by an independent person without capital asset access in the accounting system. The Department had over \$13 million in capital assets at December 31, 2020. Furthermore, several asset costs were not recorded properly in the accounting system.
5. ***Lack of Manufacturer Suggested Retail Price (MSRP) Documentation:*** No documentation was maintained to support the MSRP values manually entered by the Department for vehicle registration purposes. During testing, we noted that the Department undercharged customers \$198 based on unreasonable MSRP values in the system.
6. ***Financial Coding Issues:*** Multiple transactions were not recorded properly in the accounting system, including: \$250,000 transferred from a Department cash fund to a Federal fund but not repaid; \$882 due from other agencies that did not appear current; a \$12,000 misstatement in the accounting system due to inaccurate accounting transaction; \$17,667 recorded improperly to a revenue account rather than a liability account; and \$316,019 identified as a current-year obligation, rather than a prior-year obligation.
7. ***Expenditure Issues:*** During expenditure testing, we noted that the Department did not have documentation to support a \$100 payment to Walgreens; lack of support for rent expense allocations; and three payments, totaling \$103,438, which were not issued within 45 days, as required by State law.
8. ***Improper International Registration Plan (IRP) Billings:*** We tested 10 carriers’ 2020 IRP annual renewal billings and noted that one carrier was underbilled by \$134, and another carrier was overbilled by \$264. The Department lacked adequate procedures to ensure the proper weights were included in the billings.

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

SUMMARY OF COMMENTS

(Concluded)

Pursuant to AICPA Auditing Standards AU-C Section 265B.A17, we also noted other matters involving internal control and its operation that we have reported to management of the Department in a separate early communication letter, dated July 26, 2021, for the fiscal year ended June 30, 2021, Annual Comprehensive Financial Report.

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 Department.

Draft copies of this report were furnished to the Department 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. Where no response has been included, the Department declined to respond. Response that indicate corrective action has been taken were not verified at this time, but they will be verified in the next examination.

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

COMMENTS AND RECOMMENDATIONS

1. Lack of Adequate Internal Controls Over Revenues

During our testing of the Department's internal control procedures over money received, we noted numerous issues, including a lack of segregation of duties, lack of monitoring of fees received from third-party vendors, lack of timely deposits, and a lack of review of outstanding accounts receivable.

Lack of Segregation of Duties Over Revenues

The Department recorded nearly \$96 million in revenues for the period July 1, 2019, through December 31, 2020. The majority of the revenues received were for sales and charges of customers. During testing, we noted that three divisions within the Department lacked an adequate segregation of duties over the receipting process.

Driver & Vehicle Records (DVR): All staff with access to the VicToRy system could void transactions without a secondary approval required in the system. Voids were required to be initialed and a reason for void documented by staff performing the void, then given to a supervisor for review; however, supervisors did not always document their review. Furthermore, no documented review of voided transactions was performed by an individual without access to void transactions in the system. During the examination period, \$347,820 in cash and checks was deposited by these DVR division staff.

Financial Responsibility (FR): Three supervisors within the division were able to receipt money into the Driver License System and had access to void transactions in the system. The system generated a document each time a transaction was voided, which were maintained by the FR division manager (Manager). The Manager also printed a monthly void report from the system and matched each document to the report to ensure all voids were accounted for; however, the review was not documented. The division also lacked procedures for ensuring that voids processed by the Manager were reviewed by a secondary individual, as the Manager was able to void transactions in the system. During the examination period, \$262,625 in cash and checks was deposited by these FR division staff.

Driver Licensing Services (DLS): This division approves and audits driver safety schools, certifies driver training schools, certifies motorcycle providers, and certifies commercial driver's license third-party testers. For fees received by mail, one employee opened the mail and distributed it to other employees to process the certificates, etc. No initial log of money received was documented when the mail was opened. The individual responsible for getting the mail could also process the certificates, etc. Once the mail was processed, the money was taken to the accounting division to deposit. Without an initial log of all money received, completed by someone without access to process the receipts, it is unknown if all monies received were deposited appropriately. A total of \$10,170 in cash and checks was deposited by these DLS division staff during the examination period.

A similar finding was noted during the previous attestation for the calendar year ended December 31, 2010.

Lack of Monitoring of Record Search Fees

Online payments for subscription-based record search fees were processed by Nebraska Interactive LLC (NIC) and remitted to the Department at the end of each month. The Department did not perform a reconciliation of the title and lien registration and driver license record search fees to its systems to ensure the amounts remitted by NIC were accurate and complete. During the examination period, the Department received \$3,961,418 in subscription-based record search fees.

Furthermore, the Department did not obtain and review the Service Organization Control (SOC) report for NIC. Being responsible for charging fees to the subscribers, collecting the fees, and remitting those fees to the Department, NIC is considered a service organization. A SOC report provides an independent assessment of the controls at the service organization providing services to the Department. The SOC report also provides information on controls the Department should have to complement the service organization's controls. The Department should review the SOC report to ensure the service organizations controls are operating effectivity, and the Department has implemented appropriate complementary controls.

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

COMMENTS AND RECOMMENDATIONS

(Continued)

1. Lack of Adequate Internal Controls Over Revenues (Continued)

Without obtaining and reviewing the SOC report, there is an increased risk the service organization could have control weaknesses the Department would be unaware of, and necessary complementary controls may not be performed.

A similar finding was noted during the previous attestation for the calendar year ended December 31, 2010.

Untimely Deposits

During testing, we noted untimely deposits, totaling \$18,289, of money collected at the Department’s service centers. Those receipts were not deposited within three business days, as required by State law. The Department used a courier to pick up the daily deposit and transport it to the bank the following business day for deposit. During the examination period, there were three days in which the courier’s deposit was not made the following business day. The three deposits were made 5, 7, and 8 calendar days after the deposit was picked up. It appears the courier was holding deposits, as the August 2nd receipts were not deposited until August 13th, but the August 5th receipts were deposited timely on August 7th. It is unknown why deposits were not being made timely, according to the Department, these were due to bank branch closures. However, the Department did not have procedures to identify the delays in a timely manner. Furthermore, the accounting division did not require a copy of the bank deposit slip to be returned; therefore, deposits could remain idle for several days and go undetected.

Neb. Rev. Stat. § 84-710 (Reissue 2014) states the following, in relevant part:

It shall be unlawful for any executive department, state institution, board, or officer acting under or by virtue of any statute or authority of the state, including the State Racing Commission, to receive any fees, proceeds from the sale of any public property, or any money belonging to the state or due for any service rendered by virtue of state authority without paying the same 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.

Untimely Inter-Agency Billings

The Nebraska Department of Health and Human Services (DHHS) reimburses the Department for DHHS client driver’s license reinstatement fees. The Department sends an inter-agency billing statement to DHHS for payment. During testing, we noted 20 instances of the reinstatement fees not being billed to DHHS timely. The billings ranged from 131 days to 314 days late and totaled \$1,150. All the reinstatements took place in 2019 and were not billed until 2020. The billings appear to have been overlooked by staff during 2019 for unknown reasons.

Lack of Review of Open Accounts Receivable Detail Report

The Department did not review the Open Accounts Receivable Detail report from the State’s accounting system to ensure unpaid balances were followed-up on to collect amounts owed or otherwise resolve the unpaid balances. As of December 31, 2020, the Open Accounts Receivable Detail report contained 99 unpaid invoices, totaling \$11,622.

Year	# of Invoices	Amount
2008	9	\$ 1,024
2009	11	1,524
2010	1	10
2011	5	120
2012	6	161
2015	4	171
2016	2	235
2017	21	4,578
2018	7	200
2019	7	908
2020	26	2,691
Total	99	\$ 11,622

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

COMMENTS AND RECOMMENDATIONS

(Continued)

1. Lack of Adequate Internal Controls Over Revenues (Concluded)

A good internal control plan requires an adequate segregation of duties or compensating procedures to ensure that no one individual is in a position both to perpetrate and to conceal errors or irregularities when recording monies received and preparing deposits. Good internal controls also require procedures to reconcile fees received, ensure deposits are made in a timely manner, and ensure outstanding balances are all resolved timely.

A lack of segregation of duties and procedures for monitoring and reconciling monies received increases the risk of loss, misuse, or theft of funds.

We recommend the Department establish an adequate segregation of duties to ensure that no one individual can perpetrate and/or conceal errors or irregularities. We further recommend the Department implement procedures to ensure: 1) record search fees are reconciled to ensure fees are proper; 2) SOC reports are obtained and reviewed in a timely manner; 3) money received is deposited, and inter-agency billings are prepared timely; and 4) outstanding accounts receivable are followed up on.

Department Response: The DMV is reviewing internal procedures for the processing of fees received by third-party vendors to implement changes where necessary. A review will be initiated on any outstanding accounts receivable.

2. Monitoring of County Receipts

There were 91 counties across the State that were responsible for collecting motor vehicle title and registration fees and driver license fees. The county treasurers used the Department's system to record the fees, which were subsequently remitted to the Nebraska State Treasurer the month following receipt. The Department was not performing a documented reconciliation of the money remitted by the county treasurers to the Department's system to ensure all fees were remitted properly.

During the examination period, the Department used the Vehicle Title and Registration (VTR) system through October 14, 2019, and then transitioned to the new VicToRy system. We noted concerns related to the Department's procedures prior to the implementation of VicToRy and thereafter, as follows.

VTR Procedures

The county treasurers manually entered the amounts collected for the various fees into a website maintained by the Nebraska State Treasurer in order to remit monies to the State. The Nebraska State Treasurer used the website to record the deposit to the proper State funding sources in the State's accounting system and initiate the Automated Clearing House (ACH) deposit from the counties. This was an entirely manual process and highly susceptible to error, as a county treasurer could enter fees to the wrong fee type, which could cause monies to be deposited to the wrong funding source, and/or enter an improper amount altogether. However, the Department did not perform reconciliation procedures from July 1, 2019, through September 30, 2019, to ensure the money received from the counties was proper and agreed to the VTR system and the State's accounting system. A total of \$6,133,812 was received from the counties during the three months. For the period October 1, 2019, through October 14, 2019, the Department did perform detailed reconciliation procedures while transitioning from VTR to VicToRy.

VicToRy Procedures

With the implementation of the VicToRy system, the process used to remit most fees collected by the counties was automated. The counties utilized the Driver's License system for the related driver's license fees. Therefore, in order to remit the payment to the Nebraska State Treasurer, the fees were manually entered into VicToRy. The Department did not perform reconciliation procedures to ensure the amount manually entered was proper. Based on the activity recorded in VicToRy, \$5,383,628 was received from the counties from October 15, 2019, through December 31, 2020.

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

COMMENTS AND RECOMMENDATIONS

(Continued)

2. Monitoring of County Receipts (Concluded)

A similar finding was noted during the previous attestation for the calendar year ended December 31, 2010.

Good internal controls require reconciliation procedures to ensure money remitted by counties agree to system-generated reports, and the deposits within the accounting system are complete and accurate.

Without such procedures, there is an increased risk the proper amount of funds owed to the Department will not be received and recorded properly in the accounting system, and this error will remain undetected.

We recommend the Department implement procedures for reconciling the county remittances to VicToRy, the Driver's License system, and the State's accounting system.

Department Response: A process has been put in place for review and reconciliation of county remittances. Further review of remittances to the driver license system and state accounting system is underway.

3. Lack of Segregation of Duties Over Payroll

The State's accounting system does not have an established segregation of duties for payroll processing. Therefore, employees with access to process payroll are able to perform all procedures without a secondary individual being required to approve transactions. Accordingly, the Department should have compensating procedures in place, such as a documented review of the final payroll register and changes to pay rates and other payroll information, by an individual without payroll access, to ensure no one individual is able to conceal errors or irregularities.

One individual was not only able to perform all payroll processes but also review reports. There was no secondary review by an individual without payroll access to ensure expenditures were accurate and proper, including a review of the timesheet records for individuals with payroll access to ensure time recorded was paid properly.

The Department had \$18,753,601 in personal service expenditures during the period July 1, 2019, through December 31, 2020.

During testing of payroll expenditures, we noted that 2 of 20 employees tested did not have support, such as a timesheet, for the hours worked during the pay period selected for testing. The Department used the State's accounting system for timesheet entry. Exempt employees were only required to record leave used; therefore, there was no documentation of the hours worked in addition to leave used to ensure compliance with State law.

Neb. Rev. Stat. § 84-1001(1) (Reissue 2014) states the following:

All state officers and heads of departments and their deputies, assistants, and employees, except permanent part-time employees, temporary employees, and members of any board or commission not required to render full-time service, shall render not less than forty hours of labor each week except any week in which a paid holiday may occur.

A similar finding was noted during the previous attestation for the calendar year ended December 31, 2010.

A good internal control plan requires an adequate segregation of duties to ensure no one individual is in a position both to perpetrate and to conceal errors or irregularities. This would require someone without payroll access to perform a documented review of payroll to ensure that it is proper, including a review of timesheets and leave usage. Furthermore, good internal controls require adequate policies and procedures to ensure employees' time worked is adequately documented for compliance with State law.

Without an adequate segregation of duties, there is an increased risk of overpayments, improper payments, and errors or irregularities occurring and not being detected.

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

COMMENTS AND RECOMMENDATIONS

(Continued)

3. Lack of Segregation of Duties Over Payroll (Concluded)

We recommend the Department implement policies and procedures to have an individual without payroll access perform a documented review of the payroll register, timesheets, leave usage, and changes to pay rates for accuracy and reasonableness. We also recommend the Department implement procedures for exempt employees to document time worked in compliance with State law.

Department Response: The DMV has requested a change in access authority to provide the recommended review of the reports and elements of processing the payroll. A revised procedure is being deployed to document compliance with Nebraska Revised Statute 84-1001(1).

4. Lack of Segregation of Duties Over Capital Assets

The State's accounting system does not have an established segregation of duties over capital assets within the system. Therefore, employees with system access to capital asset functions are able to perform all procedures without a secondary individual required to approve transactions. Accordingly, compensating procedures should be in place, such as a documented review of the Additions and Retirements report by an individual without access to capital asset functions in the system, to ensure no one individual is able to conceal errors or irregularities.

The Department had one individual who was able to add assets to the inventory records, to surplus and dispose of assets, and to perform the annual inventory. No documented secondary review of capital asset reports was performed by an independent person without capital asset access to ensure additions and retirements were appropriate.

As of December 31, 2020, the Department had 947 assets with an adjusted total purchase value of \$24,002,371; however, due to depreciation, the current combined book value was \$13,087,468.

Furthermore, during testing of capital assets, we noted the following issues:

- Five pistols were purchased in August 2020 for the Department's fraud unit. The assets were recorded in the accounting system with no cost until May 2021, after the Auditor of Public Accounts (APA) questioned the Department. The pistols were valued at \$414 each or \$2,070.
- Four servers were purchased in January 2020 for \$84,245. When the servers were recorded to the capital asset records, the Department assigned a cost of \$96,245. The \$12,000 difference was due to an entry error that increased the costs of each server by \$3,000. This was not identified until the APA questioned the Department.

A similar finding was noted during the previous attestation for the calendar year ended December 31, 2010.

A good internal control plan requires an adequate segregation of duties to ensure no one individual is able both to perpetrate and to conceal errors or irregularities. Good internal controls also require adequate procedures to ensure assets are recorded properly in the State's accounting system.

Without such procedures, there is an increased risk of loss, theft, or misuse of State property.

We recommend the Department establish an adequate segregation of duties to ensure that no one individual is able to perpetrate and/or conceal errors or irregularities. This would include a documented secondary review of capital asset reports by someone without accounting system access to maintain capital asset records. We also recommend the Department adjust the server asset costs in the system.

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

COMMENTS AND RECOMMENDATIONS

(Continued)

4. **Lack of Segregation of Duties Over Capital Assets** (Concluded)

Department Response: The error on the server asset costs was the result of a data entry error and has been corrected. A process for documenting a secondary review of capital asset records is underway.

5. **Lack of Manufacturer Suggested Retail Price (MSRP) Documentation**

The Department contracted with Price Digest to provide Manufacturer Suggested Retail Prices (MSRP) for vehicle registrations. The Price Digest MSRP values are loaded into the VicToRy system; however, there were instances when Price Digest did not have an MSRP available for a vehicle. In these instances, the Department researched the MSRP value and manually updated the system. When the manual adjustments were made, the Department did not maintain support, and no documented secondary reviews were performed by other staff to ensure the values were reasonable.

Documentation to support the MSRP used in the registration process is essential, as it is the basis for the motor vehicle fee and motor vehicle tax assessed on each registration. An improper MSRP could result in an improper motor vehicle fee and/or motor vehicle tax assessed to the customer.

The Department provided a report from the VicToRy system, containing 1,837 manually entered MSRP values, for the period October 15, 2019, through December 31, 2020. We selected six to test the reasonableness of the values entered. Of the six tested, three did not appear reasonable, and the APA was unable to find a value for another online. The Department had no support for the values used. Of the four, two caused differences in the motor vehicle fee/tax calculation, causing an undercharge of \$198.

Model Year	Vehicle Make	Vehicle Model	System MSRP	APA Researched MSRP	Difference
2017	Can-Am	Spyder Roadster	\$ 17	\$ 21,249	\$ 21,232
1994	Chevy	Corvette	9,999	36,185	26,186
2021	Ferrari	F8 Spider	456,013	302,500	153,513
1991	Chevy	Corvette	197,386	Unable to find	Unknown

A good internal control plan requires policies and procedures to ensure documentation is retained to support manually entered MSRP values. Without such procedures, there is an increased risk that an improper MSRP will be entered in the system, intentionally or not, resulting in the Department assessing the incorrect motor vehicle fee and/or motor vehicle tax.

We recommend the Department implement procedures to ensure documentation is retained for all manually entered MSRP values determined by Department staff.

6. **Financial Coding Issues**

During the examination, we noted several transactions that were either not recorded in the State’s accounting system properly or balances that had not been followed up on and resolved, as follows:

- The Department transferred \$100,000 from the Department of Motor Vehicles Cash Fund (Cash Fund) to the DMV Operations Federal Fund (Federal Fund) on October 10, 2019. The transfer was made to ensure the Federal Fund had an adequate cash reserve to issue necessary payments from the fund. Once the Federal reimbursement was received from the grant, the monies should have been returned to the Cash Fund. The grant reimbursement was received on October 25, 2019, but no transfer had been made as of the examination fieldwork to repay the Cash Fund. Upon further review of the activity in the funds, a total of \$250,000 had been transferred to the Federal Fund from the Cash Fund, but never returned. The transfers dated back to 2009.

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

COMMENTS AND RECOMMENDATIONS

(Continued)

6. **Financial Coding Issues** (Concluded)

- The Department had not reviewed the balance in the “Due From Other Governments” object account in the accounting system to ensure that the balance was proper and the amounts owed were received timely. We tested an employee reimbursement for \$92 related to costs incurred for a Transportation Services Bureau (TSB) vehicle expense. The vendor would not accept the TSB Voyager card; therefore, the employee had to pay the expense. Because the cost was the responsibility of TSB, the Department recorded the payment as a receivable from TSB in the accounting system. When the reimbursement was received, it should have decreased the receivable; however, no such transaction could be found. It is unknown if TSB ever reimbursed the Department or if the receivable was not adjusted properly. Upon further review of the account, there was a balance of \$882, “Due From Other Governments,” that had either not been reimbursed, or the reimbursement was not recorded properly to decrease the receivable. The activity in the account dated back to 2003.
- As noted in Comment and Recommendation Number 4 herein, four servers were purchased during the examination period and valued improperly in the accounting system. When the Department paid for the servers, it improperly recorded the payment as an operating expense for \$84,245. Since the servers were capital assets, the Department made the correction to reverse the operating expense and record the capital asset expense; however, it used the inflated value of \$96,245, causing an understatement of operating expenditures and overstatement of capital asset expenses of \$12,000 in the financial schedule.
- We tested two deposits related to sales tax collections. A portion of the related deposits were for late payment of sales tax. The interest and penalties assessed on these late filings were due to the Department of Revenue. However, the Department recorded the amounts received as a revenue instead of a liability to another fund. During the period July 1, 2019, through December 31, 2020, the Department deposited \$2,610 in penalties and \$15,057 in interest that was not recorded properly. The transactions were reversed in the subsequent month when paid to the Department of Revenue; however, due to the timing issue, the amounts on hand should be reflected as a liability until paid.
- Lastly, one transaction tested, totaling \$316,019, was identified incorrectly as a current year obligation in the accounting system, rather than a prior year obligation. The entry was for June 2020 sales tax, tire tax, penalties, and interest. Because the entry was posted in July 2020 but was related to prior fiscal year activity, it should have been identified as a prior-period obligation in the accounting system but was not.

Good internal controls require procedures to ensure financial transactions are recorded accurately in the accounting system; transfers to funding sources are repaid in a timely manner; and follow up is performed to ensure outstanding balances are resolved timely.

Without such procedures, there is an increased risk of material misstatement of the financial schedule.

We recommend the Department implement procedures to ensure financial activity is recorded accurately in the accounting system; Cash Funds are returned; and outstanding balances are researched and resolved.

7. **Expenditure Issues**

During testing of expenditures, we noted the following issues:

- For 1 of 13 purchasing card transactions tested, the Department did not have documentation, such as an itemized receipt or invoice, to support the \$100 payment to Walgreens. It is unknown what was purchased from Walgreens, as the staff person had terminated employment and was unavailable for questioning. Neb. Rev. Stat. § 81-118.02(4) (Cum. Supp. 2020) states the following:

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

COMMENTS AND RECOMMENDATIONS

(Continued)

7. **Expenditure Issues** (Concluded)

An itemized receipt for purposes of tracking expenditures shall accompany all state purchasing card purchases. In the event that an itemized receipt does not accompany such a purchase, the Department of Administrative Services shall have the authority to temporarily or permanently suspend state purchasing card purchases in accordance with rules and regulations adopted and promulgated by the department.

- For 3 of 15 expenditures tested, the payment was not issued within the 45-day timeframe required by State statute, as detailed below. We used the invoice date because the Department had no further documentation that the items were received at a later date.

Invoice Date	Check Date	Amount	# of Days Past 45 Days
6/25/2020	8/26/2020	\$ 54,500	17
4/29/2020	7/23/2020	23,938	40
9/10/2019	11/13/2019	25,000	19

Neb. Rev. Stat. § 81-2403(1) (Reissue 2014) states the following:

Except as provided in subsection (2) of this section, each agency shall make payment in full for all goods delivered or services rendered on or before the forty-fifth calendar day after (a) the date of receipt by the agency of the goods or services or (b) the date of receipt by the agency of the bill for the goods or services, whichever is later, unless other provisions for payment are agreed to in writing by the creditor and the agency.

- The Department allocated rent expense between two funding sources but did not have supporting documentation for the square footage used in the calculation. We tested the August 2020 rent expense, of which \$4,574 was recorded to the Motor Carrier Division Cash Fund. The remaining \$86,347 was recorded to the Motor Vehicles Cash Fund.

Good internal controls and sound business practices require procedures to ensure compliance with State laws, the maintenance of supporting documentation for transactions, and adequate procedures to ensure payments are issued timely in accordance with State statute.

Without such procedures, there is an increased risk for the loss or misuse of funds, noncompliance with State statute, and fees or penalties for late payments.

We recommend the Department implement procedures to ensure purchasing card transactions are adequately supported by detailed receipts or other documentation, rent allocations are adequately documented, and payments are issued timely and in accordance with State statute.

Department Response: The DMV has implemented a new filing system in order to more easily find documentation for purchase card transactions. The rent allocations have been reviewed and documented the allocations are correct. Revised procedures have been put in place to ensure timely payments of accounts.

8. **Improper International Registration Plan (IRP) Billings**

The International Registration Plan (IRP) is a registration reciprocity agreement among states of the United States and provinces of Canada (jurisdictions) that allows for the licensing of fleet vehicles operating in two or more jurisdictions, by payment of fees to the base jurisdiction, then distribution of those fees to each member jurisdiction based on its share of the revenue.

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

COMMENTS AND RECOMMENDATIONS

(Concluded)

8. Improper International Registration Plan (IRP) Billings (Concluded)

We tested the 2020 annual renewal billing for 10 carriers. For the billings tested, we recalculated the charges for four jurisdictions and noted that 2 of the 10 carrier billings were improper, causing under/overpayments.

- For the first carrier tested, documentation provided by the Department indicated one unit should have been billed at 80,000 pounds, but it was billed incorrectly at 46,000 pounds. This caused a total underpayment of \$134 to the four jurisdictions tested.
- For the second carrier tested, the documentation provided indicated one unit should have been billed at 26,000 pounds, but it was billed incorrectly at 80,000 pounds. This caused a total overpayment of \$264 to the four jurisdictions tested.

Jurisdiction	Carrier #1 Error	Carrier #2 Error	Net Over Billed
NE	\$ (10)	\$ 49	\$ 39
IA	(21)	43	22
KS	(16)	34	18
IL	(87)	138	51
Total	\$ (134)	\$ 264	\$ 130

The Department also lacked documentation to support the weight of a third unit. After the APA requested that documentation, the Department was able to obtain support from the carrier to confirm the accuracy of the billing. However, such documentation should have been on file prior to our request.

Good internal controls require procedures to ensure IRP jurisdiction fees are charged accurately and supported by documentation prior to billing.

Without such procedures, there is an increased risk the amount charged on IRP billings will be inaccurate.

We recommend the Department implement procedures to ensure that jurisdiction fees charged are accurate, and documentation is kept on file to support the weights included on IRP billings.

Department Response: The DMV has made the corrections to the respective accounts. The agency is in the process of writing a Request for Proposal to modernize the system which processes registrations for the International Registration Plan which will reduce the manual calculations and reduce the possibility of errors.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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NEBRASKA DEPARTMENT OF MOTOR VEHICLES

INDEPENDENT ACCOUNTANT'S REPORT

Nebraska Department of Motor Vehicles
Lincoln, Nebraska

We have examined the accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balances of the Nebraska Department of Motor Vehicles (Department) for the period July 1, 2019, through December 31, 2020. The Department's management is responsible for the Schedule of Revenues, Expenditures, and Changes in Fund Balances based on the accounting system and procedures set forth in Note 1. Our responsibility is to express an opinion on the Schedule of Revenues, Expenditures, and Changes in Fund Balances 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule of Revenues, Expenditures, and Changes in Fund Balances is based on the accounting system and procedures set forth in Note 1, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule of Revenues, Expenditures, and Changes in Fund Balances. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule of Revenues, Expenditures, and Changes in Fund Balances, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balances for the period July 1, 2019, through December 31, 2020, is based on the accounting system and procedures prescribed by the State of Nebraska Director of Administrative Services, as set forth in Note 1, in all material respects.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the Schedule of Revenues, Expenditures, and Changes in Fund Balances; fraud that is material, either quantitatively or qualitatively, to the Schedule of Revenues, Expenditures, and Changes in Fund Balances; and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of management concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. 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.

The purpose of this report is to express an opinion on the Schedule of Revenues, Expenditures, and Changes in Fund Balances, as described in paragraph one above. Accordingly, this report is not suitable for any other purpose. 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.

July 19, 2021

Charlie Janssen
Auditor of Public Accounts
Lincoln, Nebraska

NEBRASKA DEPARTMENT OF MOTOR VEHICLES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Period July 1, 2019, through December 31, 2020

	State General Fund 10000	Records Management Cash Fund 20931	Department of Revenue Property Assessment Division Cash Fund 21550	Organ and Tissue Donor Awareness and Education Cash Fund 22010	Nebraska Emergency Medical System Operations Cash Fund 22030	Motor Carrier Division Cash Fund 22430
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Sales & Charges	8,141,066	8,636	420,611	-	1,537	406,713
Miscellaneous	-	-	-	48,276	-	15,489
TOTAL REVENUES	8,141,066	8,636	420,611	48,276	1,537	422,202
EXPENDITURES:						
Personal Services	-	-	-	-	-	1,681,804
Operating	-	-	-	-	-	588,062
Travel	-	-	-	-	-	3,920
Capital Outlay	-	-	-	-	-	-
Government Aid	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	2,273,786
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,141,066	8,636	420,611	48,276	1,537	(1,851,584)
OTHER FINANCING SOURCES (USES):						
Sales of Assets	-	-	-	-	-	-
Deposit to General Fund	(8,141,066)	-	-	-	-	-
Deposit to Common Fund (Note 8)	-	(8,636)	(420,611)	(48,276)	(1,537)	-
Operating Transfers In (Note 7)	-	-	-	-	-	2,175,000
TOTAL OTHER FINANCING SOURCES (USES)	(8,141,066)	(8,636)	(420,611)	(48,276)	(1,537)	2,175,000
Net Change in Fund Balances	-	-	-	-	-	323,416
FUND BALANCES, JULY 1, 2019	2,703	-	-	-	-	152,205
FUND BALANCES, DECEMBER 31, 2020	<u>\$ 2,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 475,621</u>
FUND BALANCES CONSIST OF:						
General Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 713,219
Petty Cash	-	-	-	-	-	300
NSF Items	-	-	-	-	-	-
Deposits with Vendors	14,145	-	-	-	-	5,554
Accounts Receivable Invoiced	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Government	-	-	-	-	-	-
Due to Vendors	(10,922)	-	-	-	-	-
Deposits	-	-	-	-	-	-
Due to Fund	(520)	-	-	-	-	(243,452)
Due to Government	-	-	-	-	-	-
TOTAL FUND BALANCES	\$ 2,703	\$ -	\$ -	\$ -	\$ -	\$ 475,621

The accompanying notes are an integral part of the schedule.

(Continued)

NEBRASKA DEPARTMENT OF MOTOR VEHICLES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Period July 1, 2019, through December 31, 2020

	License Plate Cash Fund 22440	Department of Motor Vehicles Cash Fund 22450	Department of Motor Vehicles Ignition Interlock Cash Fund 22460	Vehicle Title and Registration System Replacement and Maintenance Cash Fund 22470	Highway Cash Fund 22710	State Recreation Road Cash Fund 26720
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Sales & Charges	-	30,653,755	213,840	4,476,253	994,345	4,613
Miscellaneous	34,253	315,891	2,762	185,348	-	-
TOTAL REVENUES	34,253	30,969,646	216,602	4,661,601	994,345	4,613
EXPENDITURES:						
Personal Services	-	16,329,610	-	734,795	-	-
Operating	4,294,065	13,348,131	-	516,662	-	-
Travel	-	385,294	-	52,610	-	-
Capital Outlay	-	179,790	-	7,240,000	-	-
Government Aid	-	-	48,907	-	-	-
TOTAL EXPENDITURES	4,294,065	30,242,825	48,907	8,544,067	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,259,812)	726,821	167,695	(3,882,466)	994,345	4,613
OTHER FINANCING SOURCES (USES):						
Sales of Assets	-	13,854	-	-	-	-
Deposit to General Fund	-	-	-	-	-	-
Deposit to Common Fund (Note 8)	-	-	-	-	(994,345)	(4,613)
Operating Transfers In (Note 7)	3,600,000	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	3,600,000	13,854	-	-	(994,345)	(4,613)
Net Change in Fund Balances	(659,812)	740,675	167,695	(3,882,466)	-	-
FUND BALANCES, JULY 1, 2019	1,499,371	7,124,761	18,891	9,723,127	-	-
FUND BALANCES, DECEMBER 31, 2020	\$ 839,559	\$ 7,865,436	\$ 186,586	\$ 5,840,661	\$ -	\$ -
FUND BALANCES CONSIST OF:						
General Cash	\$ 839,559	\$ 8,041,303	\$ 186,586	\$ 5,840,661	\$ -	\$ -
Petty Cash	-	10,700	-	-	-	-
NSF Items	-	10,577	-	-	-	-
Deposits with Vendors	-	17,640	-	-	-	-
Accounts Receivable Invoiced	-	33,102	-	-	-	-
Due From Other Funds	-	250,000	-	-	-	-
Due From Other Government	-	882	-	-	-	-
Due to Vendors	-	(498,768)	-	-	-	-
Deposits	-	-	-	-	-	-
Due to Fund	-	-	-	-	-	-
Due to Government	-	-	-	-	-	-
TOTAL FUND BALANCES	\$ 839,559	\$ 7,865,436	\$ 186,586	\$ 5,840,661	\$ -	\$ -

The accompanying notes are an integral part of the schedule.

(Continued)

NEBRASKA DEPARTMENT OF MOTOR VEHICLES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Period July 1, 2019, through December 31, 2020

	DMV Operations Federal Fund 42410	Highway Trust Fund 61240	Highway Tax Trust Fund 61250	Financial Responsibility Trust Fund 62410	Motor Carrier Services Division Distributive Fund 72410	Totals (Memorandum Only)
REVENUES:						
Taxes	\$ -	\$ 1,813,468	\$ -	\$ -	\$ -	\$ 1,813,468
Intergovernmental	400,086	-	-	-	-	400,086
Sales & Charges	-	33,266,669	13,599,752	-	-	92,187,790
Miscellaneous	-	946,732	-	-	-	1,548,751
TOTAL REVENUES	400,086	36,026,869	13,599,752	-	-	95,950,095
EXPENDITURES:						
Personal Services	7,392	-	-	-	-	18,753,601
Operating	318,696	-	-	-	-	19,065,616
Travel	67,960	-	-	-	-	509,784
Capital Outlay	-	-	-	-	-	7,419,790
Government Aid	-	-	-	-	-	48,907
TOTAL EXPENDITURES	394,048	-	-	-	-	45,797,698
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,038	36,026,869	13,599,752	-	-	50,152,397
OTHER FINANCING SOURCES (USES):						
Sales of Assets	-	-	-	-	-	13,854
Deposit to General Fund	-	-	-	-	-	(8,141,066)
Deposit to Common Fund (Note 8)	-	(36,026,869)	(13,599,752)	-	-	(51,104,639)
Operating Transfers In (Note 7)	-	-	-	-	-	5,775,000
TOTAL OTHER FINANCING SOURCES (USES)	-	(36,026,869)	(13,599,752)	-	-	(53,456,851)
Net Change in Fund Balances	6,038	-	-	-	-	(3,304,454)
FUND BALANCES, JULY 1, 2019	(20,795)	-	-	46,612	-	18,546,875
FUND BALANCES, DECEMBER 31, 2020	\$ (14,757)	\$ -	\$ -	\$ 46,612	\$ -	\$ 15,242,421
FUND BALANCES CONSIST OF:						
General Cash	\$ 235,243	\$ -	\$ -	\$ 106,781	\$ 28,812,327	\$ 44,775,679
Petty Cash	-	-	-	-	-	11,000
NSF Items	-	-	-	-	-	10,577
Deposits with Vendors	-	-	-	-	-	37,339
Accounts Receivable Invoiced	-	-	-	-	-	33,102
Due From Other Funds	-	-	-	-	-	250,000
Due From Other Government	-	-	-	-	-	882
Due to Vendors	-	-	-	(9,000)	-	(518,690)
Deposits	-	-	-	(51,169)	-	(51,169)
Due to Fund	(250,000)	-	-	-	(8,626,565)	(9,120,537)
Due to Government	-	-	-	-	(20,185,762)	(20,185,762)
TOTAL FUND BALANCES	\$ (14,757)	\$ -	\$ -	\$ 46,612	\$ -	\$ 15,242,421

The accompanying notes are an integral part of the schedule.

(Concluded)

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

NOTES TO THE SCHEDULE

For the Period July 1, 2019, through December 31, 2020

1. Criteria

The accounting policies of the Nebraska Department of Motor Vehicles (Department) are on the basis of accounting, as prescribed by the State of Nebraska's Director of the Department of Administrative Services (DAS).

Per Neb. Rev. Stat. § 81-1107(2) (Reissue 2014), the duties of the State of Nebraska's Director of 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 Department to record all accounts receivable and related revenues in EnterpriseOne; as such, the Department'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, 2020, and not yet paid as of that date. The amount recorded as expenditures on the schedule, as of December 31, 2020, **does not** include amounts for goods and services received before December 31, 2020, which had not been posted to the general ledger as of December 31, 2020.

Other liabilities (primarily in the Distributive Fund Type) are recorded in accounts entitled Deposits, Due to Fund, and Due to Government for the Department. The assets in these funds are being held by the State as an agent and will be used to pay those liabilities to individuals, private organizations, other governments, and/or other funds. The recording of those liabilities reduces the fund balance/equity. For further information of the activity recorded in the Distributive Fund to those accounts for the period July 1, 2019, through December 31, 2020, see Note 6.

The Department had accounts receivable not included in the Schedule of \$1,876,744, as of June 30, 2020. State Accounting did not require the Department to record its receivables on the general ledger, and these amounts are not reflected in revenues or fund balances on the Schedule. As State Accounting did not require the Department to record its receivables on the general ledger, the Department determines the receivable balance as of June 30 annually for Annual Comprehensive Financial Report (ACFR). The most recent available balance at the time of the examination was June 30, 2020.

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

The following fund types are established by the State and used by the Department are:

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

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

NOTES TO THE SCHEDULE

(Continued)

1. **Criteria** (Continued)

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.

60000 – Trust Funds – account for assets held by the State in a trustee capacity. Expenditures are made in accordance with the terms of the trust.

70000 – Distributive Funds – account for assets held by the State as an agent for individuals, private organizations, other governments, and/or other funds.

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

Taxes – Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. Taxes recorded as revenue for the Department consist primarily of motor fuel tax.

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, consisting primarily of investment income.

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

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

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

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

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

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

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

NOTES TO THE SCHEDULE

(Continued)

1. Criteria (Concluded)

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

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 Department's funds at December 31, 2020, included amounts recorded in Deposits, Due to Fund, and Due to Government. The activity of these accounts are not recorded through revenue and expenditure accounts on the Schedule of Revenues, Expenditures, and Changes in Fund Balances. The activity processed on the general ledger through these accounts for the Distributive Fund is summarized in Note 6.

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

2. Reporting Entity

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

The Department is part of the primary government for the State of Nebraska.

3. Totals

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

4. General Cash

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

5. Capital Assets

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

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

NOTES TO THE SCHEDULE

(Continued)

5. **Capital Assets** (Concluded)

However, State Accounting does adjust such expenditures and reports the capital assets as assets for the State of Nebraska in the Annual Comprehensive Financial Report (ACFR). In addition, the Department takes an annual inventory, recording in the State Accounting System all equipment that has a cost of \$5,000 or more at the date of acquisition, including computers and firearms.

For the ACFR, the State requires the Department 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 ACFR 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 ACFR using the straight-line method with estimated useful lives of 3-10 years.

Capital asset activity of the Department recorded in the State Accounting System for the period July 1, 2019, through December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets				
Equipment	\$ 2,004,197	\$ 22,071,403	\$ 73,229	\$ 24,002,371
Less accumulated depreciation for:				
Equipment				<u>\$ 10,914,903</u>
Total capital assets, net of depreciation				<u>\$ 13,087,468</u>

Note: The significant increase in assets and depreciation was caused by the Department's acquisition of the VicToRy system, costing \$21.9 million in October 2019, but not added to the accounting system until January 2020. The system calculates depreciation from the date acquired, catching up on past months not yet depreciated.

6. **Motor Carrier Services Division Distributive Fund**

Activity in the Motor Carrier Services Division Distributive Fund consists of monies collected for the International Registration Plan (IRP) and International Fuel Tax Agreement (IFTA). This money is received from motor carriers and paid out to other jurisdictions participating in the IFTA and IRP programs, transferred to other funds, or refunded to motor carriers.

Neb. Rev. Stat. § 60-3,202 (Cum. Supp. 2020) requires any IRP registration fees credited to the Motor Carrier Division Distributive Fund pursuant to section 60-3,198 and remaining in the fund at the close of each calendar month to be remitted to other funds as follows: 0.9% to the Department of Revenue Property Assessment Division Cash Fund; 29.1% to the Motor Vehicle Tax Fund; and 70% to the Highway Trust Fund.

Neb. Rev. Stat. § 66-1414 (Reissue 2018) requires any fuel tax collected pursuant to the IFTA agreement to be deposited to the Motor Carrier Services Distributive Fund. Neb. Rev. Stat. § 66-489.02 (Cum. Supp. 2020) requires fuel taxes collected to be deposited to the Highway Trust Fund. Therefore, the Department transfers fuel tax collected for Nebraska to the Highway Trust Fund.

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

NOTES TO THE SCHEDULE

(Continued)

6. Motor Carrier Services Division Distributive Fund (Concluded)

IFTA is a fuel tax compact between member jurisdictions, including all contiguous states and all Canadian provinces, to ensure an equitable distribution of fuel taxes among member jurisdictions. Motor carriers complete a quarterly fuel tax return containing mileage and gallon information for each member jurisdiction, which is submitted to only the base jurisdiction. The fuel tax return information is then submitted to the IFTA Clearinghouse, which is responsible for allocating the fuel tax to the proper jurisdictions. Depending on this allocation, Nebraska may owe, or receive money from the Clearinghouse.

Similarly, IRP is a licensing compact between member jurisdictions, including all contiguous states, District of Columbia, and Canadian provinces. IRP is an optional method of registration that provides for licensing a fleet of vehicles operating in two or more jurisdictions, by payment of registration fees to only the base jurisdiction based on the miles traveled in each jurisdiction and their respective registration fees. The base jurisdiction transmits the fleet registration fees to the IRP Clearinghouse, which is responsible for allocating the fees to the proper jurisdiction.

7. Transfers

2019 Neb. Laws LB 294, § 261, authorized transfers from the Highway Trust Fund to the Motor Carrier Division Cash Fund of up to \$1,400,000 for the fiscal years ending June 30, 2020, and June 30, 2021, to be made as required to operate the Division of Motor Carrier Services. Actual transfers during the period July 1, 2019, through December 31, 2020, were \$2,175,000.

2019 Neb. Laws LB 294 § 261, also authorized transfers from the Highway Trust Fund to the License Plate Cash Fund of up to \$2,400,000 for the fiscal years ending June 30, 2020, and June 30, 2021, to meet the expenditures of plate and sticker production. Actual transfers during the period July 1, 2019, through December 31, 2020, were \$3,600,000.

8. Deposits to Common Funds

Deposits to other agencies include the collection of fees for vehicle title, registrations, licenses, plates, and driver records that are credited to the Records Management Cash Fund, Department of Revenue Property Assessment Division Cash Fund, Organ and Tissue Donor Awareness and Education Cash Fund, Nebraska Emergency Medical System Operations Cash Fund, Highway Cash Fund, State Recreation Road Cash Fund, Highway Trust Fund, and Highway Tax Trust Fund, per State statutes 60-3,202; 60-3,156; 60-3,203; 60-483; and 60-495.

9. Fees for On-line Services

The Nebraska State Records Board has contracted with Nebraska Interactive LLC (NIC) to provide web hosting for Nebraska government sites, including the State's portal (Nebraska.gov). Individuals may use these government sites to pay for on-line services such as registration renewals, driver license reinstatements, driver record searches, driver license renewals, IFTA tax, and IRP renewals. NIC charges a fee to individuals who pay on-line to cover the cost of providing these services. NIC retains a percentage of this fee and remits the remainder back to the State agencies in accordance with the State's agreement with NIC. The fee amount retained by NIC is not recorded in the State's accounting system and, therefore, is not reflected in the Schedule of Revenues, Expenditures, and Changes in Fund Balances. The contract with NIC allows the Nebraska State Records Board (NSRB) to retain 20% of the NIC share of fees. Additionally, the following fees were included in the contract with NIC:

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

NOTES TO THE SCHEDULE

(Concluded)

9. Fees for On-line Services (Concluded)

Service	Fee
Motor Vehicle Registration Renewal – Electronic Check	\$3 per transaction
Motor Vehicle Registration Renewal – Credit Card	3% with a \$2.00 minimum per transaction
Driver’s License Record	\$1.00 per record
Driver’s License Record Monitoring	33 1/3% per record, per month
Certified Driver Record Transcript	\$1.00 per record
Title Registration and Lien Search (Interactive)	\$0.60 per record
Title, Lien, & Registration Special Requests (Initial Set-up/programming)	\$55-500 fee
Title, Lien, & Registration Special Requests (Up to 2,000 records)	\$16.00 per run
Title, Lien, & Registration Special Requests (Over 2,000 records)	\$8 per 1,000 records
Specialty/Organizational Vehicle License Plate Order	\$3.00 per transaction

For the period July 1, 2019, through December 31, 2020, NIC provided a report of fees collected related to Department services. NIC collected nearly \$6.9 million in fees for on-line services of which \$1.4 million was retained by the NSRB and \$5.5 million by NIC.

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

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; accordingly, we express no opinion on it.

NEBRASKA DEPARTMENT OF MOTOR VEHICLES
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Exhibit A

For the Period July 1, 2019, through June 30, 2020

	State General Fund 10000	Records Management Cash Fund 20931	Department of Revenue Property Assessment Division Cash Fund 21550	Organ and Tissue Donor Awareness and Education Cash Fund 22010	Nebraska Emergency Medical System Operations Cash Fund 22030	Motor Carrier Division Cash Fund 22430
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Sales & Charges	5,519,320	4,899	307,204	-	939	245,328
Miscellaneous	-	-	-	28,484	-	10,376
TOTAL REVENUES	<u>5,519,320</u>	<u>4,899</u>	<u>307,204</u>	<u>28,484</u>	<u>939</u>	<u>255,704</u>
EXPENDITURES:						
Personal Services	-	-	-	-	-	1,101,007
Operating	-	-	-	-	-	387,878
Travel	-	-	-	-	-	1,656
Capital Outlay	-	-	-	-	-	-
Government Aid	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,490,541</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,519,320</u>	<u>4,899</u>	<u>307,204</u>	<u>28,484</u>	<u>939</u>	<u>(1,234,837)</u>
OTHER FINANCING SOURCES (USES):						
Sales of Assets	-	-	-	-	-	-
Deposit to General Fund	(5,519,320)	-	-	-	-	-
Deposit to Common Fund	-	(4,899)	(307,204)	(28,484)	(939)	-
Operating Transfers In	-	-	-	-	-	1,400,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,519,320)</u>	<u>(4,899)</u>	<u>(307,204)</u>	<u>(28,484)</u>	<u>(939)</u>	<u>1,400,000</u>
Net Change in Fund Balances	-	-	-	-	-	165,163
FUND BALANCES, JULY 1, 2019	<u>2,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,205</u>
FUND BALANCES, JUNE 30, 2020	<u>\$ 2,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317,368</u>
FUND BALANCES CONSIST OF:						
General Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 627,994
Petty Cash	-	-	-	-	-	300
NSF Items	-	-	-	-	-	-
Deposits with Vendors	14,145	-	-	-	-	5,554
Accounts Receivable Invoiced	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Government	-	-	-	-	-	-
Due to Vendors	(10,922)	-	-	-	-	-
Due to Fund	(520)	-	-	-	-	(316,480)
TOTAL FUND BALANCES	<u>\$ 2,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317,368</u>

(Continued)

NEBRASKA DEPARTMENT OF MOTOR VEHICLES
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Period July 1, 2019, through June 30, 2020

Exhibit A

	License Plate Cash Fund 22440	Department of Motor Vehicles Cash Fund 22450	Department of Motor Vehicles Ignition Interlock Cash Fund 22460	Vehicle Title and Registration System Replacement and Maintenance Cash Fund 22470	Highway Cash Fund 22710	State Recreation Road Cash Fund 26720
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Sales & Charges	-	19,700,454	143,800	2,841,506	612,803	2,819
Miscellaneous	24,256	190,434	1,611	147,740	-	-
TOTAL REVENUES	<u>24,256</u>	<u>19,890,888</u>	<u>145,411</u>	<u>2,989,246</u>	<u>612,803</u>	<u>2,819</u>
EXPENDITURES:						
Personal Services	-	10,480,393	-	521,470	-	-
Operating	2,587,007	8,420,111	-	421,571	-	-
Travel	-	234,825	-	52,210	-	-
Capital Outlay	-	161,887	-	7,240,000	-	-
Government Aid	-	-	32,030	-	-	-
TOTAL EXPENDITURES	<u>2,587,007</u>	<u>19,297,216</u>	<u>32,030</u>	<u>8,235,251</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,562,751)</u>	<u>593,672</u>	<u>113,381</u>	<u>(5,246,005)</u>	<u>612,803</u>	<u>2,819</u>
OTHER FINANCING SOURCES (USES):						
Sales of Assets	-	7,809	-	-	-	-
Deposit to General Fund	-	-	-	-	-	-
Deposit to Common Fund	-	-	-	-	(612,803)	(2,819)
Operating Transfers In	2,400,000	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,400,000</u>	<u>7,809</u>	<u>-</u>	<u>-</u>	<u>(612,803)</u>	<u>(2,819)</u>
Net Change in Fund Balances	(162,751)	601,481	113,381	(5,246,005)	-	-
FUND BALANCES, JULY 1, 2019	<u>1,499,371</u>	<u>7,124,761</u>	<u>18,891</u>	<u>9,723,127</u>	<u>-</u>	<u>-</u>
FUND BALANCES, JUNE 30, 2020	<u>\$ 1,336,620</u>	<u>\$ 7,726,242</u>	<u>\$ 132,272</u>	<u>\$ 4,477,122</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCES CONSIST OF:						
General Cash	\$ 1,336,620	\$ 7,534,356	\$ 134,664	\$ 4,478,037	\$ -	\$ -
Petty Cash	-	10,000	-	-	-	-
NSF Items	-	10,498	-	-	-	-
Deposits with Vendors	-	17,640	-	-	-	-
Accounts Receivable Invoiced	-	41,178	-	-	-	-
Due From Other Funds	-	250,000	-	-	-	-
Due From Other Government	-	765	-	-	-	-
Due to Vendors	-	-	-	-	-	-
Due to Fund	-	(138,195)	(2,392)	(915)	-	-
TOTAL FUND BALANCES	<u>\$ 1,336,620</u>	<u>\$ 7,726,242</u>	<u>\$ 132,272</u>	<u>\$ 4,477,122</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

NEBRASKA DEPARTMENT OF MOTOR VEHICLES
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Exhibit A

For the Period July 1, 2019, through June 30, 2020

	DMV Operations Federal Fund 42410	Highway Trust Fund 61240	Highway Tax Trust Fund 61250	Financial Responsibility Trust Fund 62410	Motor Carrier Services Division Distributive Fund 72410	Totals (Memorandum Only)
REVENUES:						
Taxes	\$ -	\$ 1,235,397	\$ -	\$ -	\$ -	\$ 1,235,397
Intergovernmental	293,838	-	-	-	-	293,838
Sales & Charges	-	24,239,564	9,932,928	-	-	63,551,564
Miscellaneous	-	720,868	-	-	-	1,123,769
TOTAL REVENUES	293,838	26,195,829	9,932,928	-	-	66,204,568
EXPENDITURES:						
Personal Services	7,392	-	-	-	-	12,110,262
Operating	256,779	-	-	-	-	12,073,346
Travel	57,437	-	-	-	-	346,128
Capital Outlay	-	-	-	-	-	7,401,887
Government Aid	-	-	-	-	-	32,030
TOTAL EXPENDITURES	321,608	-	-	-	-	31,963,653
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,770)	26,195,829	9,932,928	-	-	34,240,915
OTHER FINANCING SOURCES (USES):						
Sales of Assets	-	-	-	-	-	7,809
Deposit to General Fund	-	-	-	-	-	(5,519,320)
Deposit to Common Fund	-	(26,195,829)	(9,932,928)	-	-	(37,085,905)
Operating Transfers In	-	-	-	-	-	3,800,000
TOTAL OTHER FINANCING SOURCES (USES)	-	(26,195,829)	(9,932,928)	-	-	(38,797,416)
Net Change in Fund Balances	(27,770)	-	-	-	-	(4,556,501)
FUND BALANCES, JULY 1, 2019	(20,795)	-	-	46,612	-	18,546,875
FUND BALANCES, JUNE 30, 2020	\$ (48,565)	\$ -	\$ -	\$ 46,612	\$ -	\$ 13,990,374
FUND BALANCES CONSIST OF:						
General Cash	\$ 201,435	\$ -	\$ -	\$ 94,013	\$ 2,215,679	\$ 16,622,798
Petty Cash	-	-	-	-	-	10,300
NSF Items	-	-	-	-	-	10,498
Deposits with Vendors	-	-	-	-	-	37,339
Accounts Receivable Invoiced	-	-	-	-	-	41,178
Due From Other Funds	-	-	-	-	-	250,000
Due From Other Government	-	-	-	-	-	765
Due to Vendors	-	-	-	-	-	(10,922)
Due to Fund	(250,000)	-	-	(47,401)	(2,215,679)	(2,971,582)
TOTAL FUND BALANCES	\$ (48,565)	\$ -	\$ -	\$ 46,612	\$ -	\$ 13,990,374

(Concluded)

NEBRASKA DEPARTMENT OF MOTOR VEHICLES
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Exhibit B

For the Period July 1, 2020, through December 31, 2020

	State General Fund 10000	Records Management Cash Fund 20931	Department of Revenue Property Assessment Division Cash Fund 21550	Organ and Tissue Donor Awareness and Education Cash Fund 22010	Nebraska Emergency Medical System Operations Cash Fund 22030	Motor Carrier Division Cash Fund 22430
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Sales & Charges	2,621,746	3,737	113,407	-	598	161,385
Miscellaneous	-	-	-	19,792	-	5,113
TOTAL REVENUES	<u>2,621,746</u>	<u>3,737</u>	<u>113,407</u>	<u>19,792</u>	<u>598</u>	<u>166,498</u>
EXPENDITURES:						
Personal Services	-	-	-	-	-	580,797
Operating	-	-	-	-	-	200,184
Travel	-	-	-	-	-	2,264
Capital Outlay	-	-	-	-	-	-
Government Aid	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>783,245</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,621,746</u>	<u>3,737</u>	<u>113,407</u>	<u>19,792</u>	<u>598</u>	<u>(616,747)</u>
OTHER FINANCING SOURCES (USES):						
Sales of Assets	-	-	-	-	-	-
Deposit to General Fund	(2,621,746)	-	-	-	-	-
Deposit to Common Fund	-	(3,737)	(113,407)	(19,792)	(598)	-
Operating Transfers In	-	-	-	-	-	775,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,621,746)</u>	<u>(3,737)</u>	<u>(113,407)</u>	<u>(19,792)</u>	<u>(598)</u>	<u>775,000</u>
Net Change in Fund Balances	-	-	-	-	-	158,253
FUND BALANCES, JULY 1, 2020	<u>2,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>317,368</u>
FUND BALANCES, DECEMBER 31, 2020	<u>\$ 2,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 475,621</u>
FUND BALANCES CONSIST OF:						
General Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 713,219
Petty Cash	-	-	-	-	-	300
NSF Items	-	-	-	-	-	-
Deposits with Vendors	14,145	-	-	-	-	5,554
Accounts Receivable Invoiced	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Government	-	-	-	-	-	-
Due to Vendors	(10,922)	-	-	-	-	-
Deposits	-	-	-	-	-	-
Due to Fund	(520)	-	-	-	-	(243,452)
Due to Government	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 2,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 475,621</u>

NEBRASKA DEPARTMENT OF MOTOR VEHICLES
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Exhibit B

For the Period July 1, 2020, through December 31, 2020

	License Plate Cash Fund 22440	Department of Motor Vehicles Cash Fund 22450	Department of Motor Vehicles Ignition Interlock Cash Fund 22460	Vehicle Title and Registration System Replacement and Maintenance Cash Fund 22470	Highway Cash Fund 22710	State Recreation Road Cash Fund 26720
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Sales & Charges	-	10,953,301	70,040	1,634,747	381,542	1,794
Miscellaneous	9,997	125,457	1,151	37,608	-	-
TOTAL REVENUES	9,997	11,078,758	71,191	1,672,355	381,542	1,794
EXPENDITURES:						
Personal Services	-	5,849,217	-	213,325	-	-
Operating	1,707,058	4,928,020	-	95,091	-	-
Travel	-	150,469	-	400	-	-
Capital Outlay	-	17,903	-	-	-	-
Government Aid	-	-	16,877	-	-	-
TOTAL EXPENDITURES	1,707,058	10,945,609	16,877	308,816	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,697,061)	133,149	54,314	1,363,539	381,542	1,794
OTHER FINANCING SOURCES (USES):						
Sales of Assets	-	6,045	-	-	-	-
Deposit to General Fund	-	-	-	-	-	-
Deposit to Common Fund	-	-	-	-	(381,542)	(1,794)
Operating Transfers In	1,200,000	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,200,000	6,045	-	-	(381,542)	(1,794)
Net Change in Fund Balances	(497,061)	139,194	54,314	1,363,539	-	-
FUND BALANCES, JULY 1, 2020	1,336,620	7,726,242	132,272	4,477,122	-	-
FUND BALANCES, DECEMBER 31, 2020	\$ 839,559	\$ 7,865,436	\$ 186,586	\$ 5,840,661	\$ -	\$ -
FUND BALANCES CONSIST OF:						
General Cash	\$ 839,559	\$ 8,041,303	\$ 186,586	\$ 5,840,661	\$ -	\$ -
Petty Cash	-	10,700	-	-	-	-
NSF Items	-	10,577	-	-	-	-
Deposits with Vendors	-	17,640	-	-	-	-
Accounts Receivable Invoiced	-	33,102	-	-	-	-
Due From Other Funds	-	250,000	-	-	-	-
Due From Other Government	-	882	-	-	-	-
Due to Vendors	-	(498,768)	-	-	-	-
Deposits	-	-	-	-	-	-
Due to Fund	-	-	-	-	-	-
Due to Government	-	-	-	-	-	-
TOTAL FUND BALANCES	\$ 839,559	\$ 7,865,436	\$ 186,586	\$ 5,840,661	\$ -	\$ -

NEBRASKA DEPARTMENT OF MOTOR VEHICLES
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Exhibit B

For the Period July 1, 2020, through December 31, 2020

	DMV Operations Federal Fund 42410	Highway Trust Fund 61240	Highway Tax Trust Fund 61250	Financial Responsibility Trust Fund 62410	Motor Carrier Services Division Distributive Fund 72410	Totals (Memorandum Only)
REVENUES:						
Taxes	\$ -	\$ 578,071	\$ -	\$ -	\$ -	\$ 578,071
Intergovernmental	106,248	-	-	-	-	106,248
Sales & Charges	-	9,027,105	3,666,824	-	-	28,636,226
Miscellaneous	-	225,864	-	-	-	424,982
TOTAL REVENUES	106,248	9,831,040	3,666,824	-	-	29,745,527
EXPENDITURES:						
Personal Services	-	-	-	-	-	6,643,339
Operating	61,917	-	-	-	-	6,992,270
Travel	10,523	-	-	-	-	163,656
Capital Outlay	-	-	-	-	-	17,903
Government Aid	-	-	-	-	-	16,877
TOTAL EXPENDITURES	72,440	-	-	-	-	13,834,045
Excess (Deficiency) of Revenues Over (Under) Expenditures	33,808	9,831,040	3,666,824	-	-	15,911,482
OTHER FINANCING SOURCES (USES):						
Sales of Assets	-	-	-	-	-	6,045
Deposit to General Fund	-	-	-	-	-	(2,621,746)
Deposit to Common Fund	-	(9,831,040)	(3,666,824)	-	-	(14,018,734)
Operating Transfers In	-	-	-	-	-	1,975,000
TOTAL OTHER FINANCING SOURCES (USES)	-	(9,831,040)	(3,666,824)	-	-	(14,659,435)
Net Change in Fund Balances	33,808	-	-	-	-	1,252,047
FUND BALANCES, JULY 1, 2020	(48,565)	-	-	46,612	-	13,990,374
FUND BALANCES, DECEMBER 31, 2020	\$ (14,757)	\$ -	\$ -	\$ 46,612	\$ -	\$ 15,242,421
FUND BALANCES CONSIST OF:						
General Cash	\$ 235,243	\$ -	\$ -	\$ 106,781	\$ 28,812,327	\$ 44,775,679
Petty Cash	-	-	-	-	-	11,000
NSF Items	-	-	-	-	-	10,577
Deposits with Vendors	-	-	-	-	-	37,339
Accounts Receivable Invoiced	-	-	-	-	-	33,102
Due From Other Funds	-	-	-	-	-	250,000
Due From Other Government	-	-	-	-	-	882
Due to Vendors	-	-	-	(9,000)	-	(518,690)
Deposits	-	-	-	(51,169)	-	(51,169)
Due to Fund	(250,000)	-	-	-	(8,626,565)	(9,120,537)
Due to Government	-	-	-	-	(20,185,762)	(20,185,762)
TOTAL FUND BALANCES	\$ (14,757)	\$ -	\$ -	\$ 46,612	\$ -	\$ 15,242,421