

**ATTESTATION REPORT
OF THE
NEBRASKA LEGISLATIVE COUNCIL
JANUARY 1, 2023, THROUGH DECEMBER 31, 2023**

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the Auditor of Public Accounts.**

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Issued on June 6, 2024

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. Mike Foley was elected in November 2006 and re-elected in November 2010 and November 2022 as the Nebraska Auditor of Public Accounts. He was sworn into office on January 5, 2023, and is Nebraska's 24th 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.

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NEBRASKA LEGISLATIVE COUNCIL

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NEBRASKA LEGISLATIVE COUNCIL

BACKGROUND

The Legislative Council (Council) was created in 1937 and consists of the 49 State Senators in the Legislature. In 1967, the Legislature placed all legislative services and personnel under the Council. The Council's Executive Board represents the Council on a regular basis in the routine administration of legislative services and personnel. The Executive Board consists of a Chairman, Vice Chairman, the Speaker of the Legislature, and six members of the Legislature at large. The Chairman of the Appropriations Committee serves as a non-voting ex-officio member when the Executive Board is considering fiscal administration.

Along with staff assisting individual Senators, as well as providers of accounting and maintenance services, the Council has various support offices, including the Clerk of the Legislature, the Revisor of Statutes, the Legislative Fiscal Office, the Legislative Audit Office, and the Legislative Research Office, all of which serve the entire Legislature.

Additionally, the Office of Public Counsel (Ombudsman) is retained by the Council to investigate public concerns about State agencies.

KEY OFFICIALS AND AGENCY CONTACT INFORMATION

Executive Board of the Legislative Council

Senator Raymond Aguilar, Chairman
Senator John Lowe, Vice Chairman
Senator John Arch
Senator Beau Ballard
Senator Eliot Bostar
Senator Mike Jacobson
Senator Merv Riepe
Senator Julie Slama
Senator Tony Vargas
Senator Robert Clements, Non-Voting, Ex-Officio

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NEBRASKA LEGISLATIVE COUNCIL

INDEPENDENT ACCOUNTANT'S REPORT

Nebraska Legislative Council
Lincoln, Nebraska

We have examined the accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balances of the Nebraska Legislative Council (Council) for the calendar year ended December 31, 2023. The Council'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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balances for the calendar year ended December 31, 2023, is based on the accounting system and procedures prescribed by 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 no findings that are required to be reported under *Government Auditing Standards*.

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.

June 5, 2024



Mike Foley
Auditor of Public Accounts
Lincoln, Nebraska

NEBRASKA LEGISLATIVE COUNCIL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Calendar Year Ended December 31, 2023

	General Fund 10000	NE Leg. Shared Information System Cash Fund 20300	Nebraska Statutes Cash Fund 20310	Clerk of the Legislature Cash Fund 20330	Biotechnology Development Cash Fund 20350	Nebraska Health Care Cash Fund 22640	Totals (Memorandum Only)
REVENUES:							
Appropriations	\$ 24,437,409	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,437,409
Sales & Charges	849	7,024	62,490	56,265	-	-	126,628
Miscellaneous	527	2,557	6,027	(15,189)	38	-	(6,040)
TOTAL REVENUES	<u>24,438,785</u>	<u>9,581</u>	<u>68,517</u>	<u>41,076</u>	<u>38</u>	<u>-</u>	<u>24,557,997</u>
EXPENDITURES:							
Personal Services	19,696,046	-	-	53,258	-	-	19,749,304
Operating	3,698,696	7,166	158,488	2,773	-	-	3,867,123
Travel	878,020	-	-	-	-	-	878,020
Capital Outlay	164,647	-	-	-	-	-	164,647
TOTAL EXPENDITURES	<u>24,437,409</u>	<u>7,166</u>	<u>158,488</u>	<u>56,031</u>	<u>-</u>	<u>-</u>	<u>24,659,094</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,376</u>	<u>2,415</u>	<u>(89,971)</u>	<u>(14,955)</u>	<u>38</u>	<u>-</u>	<u>(101,097)</u>
OTHER FINANCING SOURCES (USES):							
Sales of Assets	4,341	-	-	-	-	-	4,341
Deposit to General Fund	(5,717)	-	-	-	-	-	(5,717)
Deposit to/from Common Fund	-	-	-	-	-	(150,000)	(150,000)
Operating Transfers In	-	-	-	-	-	75,000	75,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,376)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,000)</u>	<u>(76,376)</u>
Net Change in Fund Balances	-	2,415	(89,971)	(14,955)	38	(75,000)	(177,473)
FUND BALANCES, JANUARY 1, 2023	<u>-</u>	<u>89,425</u>	<u>245,472</u>	<u>90,159</u>	<u>1,474</u>	<u>150,000</u>	<u>576,530</u>
FUND BALANCES, DECEMBER 31, 2023	<u>\$ -</u>	<u>\$ 91,840</u>	<u>\$ 155,501</u>	<u>\$ 75,204</u>	<u>\$ 1,512</u>	<u>\$ 75,000</u>	<u>\$ 399,057</u>
FUND BALANCES CONSIST OF:							
General Cash	\$ -	\$ 106,163	\$ 155,501	\$ 75,204	\$ 1,512	\$ -	\$ 338,380
Cash in Common Fund	-	-	-	-	-	75,000	75,000
Deposits with Vendors	-	9	-	-	-	-	9
Received - Not Vouchered	-	(14,332)	-	-	-	-	(14,332)
TOTAL FUND BALANCES	<u>\$ -</u>	<u>\$ 91,840</u>	<u>\$ 155,501</u>	<u>\$ 75,204</u>	<u>\$ 1,512</u>	<u>\$ 75,000</u>	<u>\$ 399,057</u>

The accompanying notes are an integral part of the schedule.

NEBRASKA LEGISLATIVE COUNCIL

NOTES TO THE SCHEDULE

For the Calendar Year Ended December 31, 2023

1. Criteria

The accounting policies of the Nebraska Legislative Council (Council) are on the basis of accounting, as prescribed by the State of Nebraska Director of the Department of Administrative Services (DAS).

Per Neb. Rev. Stat. § 81-1107(2) (Reissue 2014), the duties of the 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 the 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 Council to record all accounts receivable and related revenues in EnterpriseOne; as such, the Council'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, 2023, and not yet paid as of that date. The amount recorded as expenditures on the Schedule, as of December 31, 2023, **does not** include amounts for goods and services received before December 31, 2023, which had not been posted to the general ledger as of December 31, 2023.

The Council had no accounts receivable at December 31, 2023. 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 Council:

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.

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

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.

NEBRASKA LEGISLATIVE COUNCIL

NOTES TO THE SCHEDULE

(Continued)

1. **Criteria** (Concluded)

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

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

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

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

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.

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

Assets – Resources owned or held by a government that have monetary value. Assets include cash accounts, and deposits with vendors. 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 Council’s funds at December 31, 2023, included amounts recorded in Received – Not Vouchered. The activity of these accounts is not recorded through revenue and expenditure accounts on the Schedule of Revenues, Expenditures, and Changes in Fund Balances.

Other Financing Sources – Operating transfers, proceeds of fixed asset dispositions, and deposits to other funds.

2. **Reporting Entity**

The Council is a State agency established under and governed by the laws of the State of Nebraska. As such, the Council is exempt from State and Federal income taxes. The Schedule of Revenues, Expenditures, and Changes in Fund Balances includes all funds of the Council included in the general ledger.

The Council 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.

NEBRASKA LEGISLATIVE COUNCIL

NOTES TO THE SCHEDULE

(Concluded)

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 Annual Comprehensive Financial Report (ACFR). In addition, the Council takes an annual inventory, recording in the State Accounting System all equipment that has a cost of \$2,000 or more at the date of acquisition, and all computers.

For the ACFR, the State requires the Council 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 two years 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 to 10 years.

Capital asset activity of the Council recorded in the State Accounting System for the calendar year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets				
Equipment	\$ 2,950,346	\$ 65,446	\$ 154,899	\$ 2,860,893
Less accumulated depreciation for:				
Equipment				<u>2,307,389</u>
Total capital assets, net of depreciation				<u>\$ 553,504</u>