

**ATTESTATION REPORT  
OF THE  
NEBRASKA CORN DEVELOPMENT,  
UTILIZATION, AND MARKETING BOARD**

**JANUARY 1, 2024, THROUGH DECEMBER 31, 2024**

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**Issued on July 29, 2025**

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## **Audit Staff Working On This Examination**

Dennis Sugden – Audit Manager

Kyle Hanna – Auditor II

Leavitt Reno – Auditor

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**Nebraska Auditor of Public Accounts**

State Capitol, Suite 2303

P.O. Box 98917

Lincoln, Nebraska 68509

Phone: 402-471-2111

# NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

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# NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

## BACKGROUND

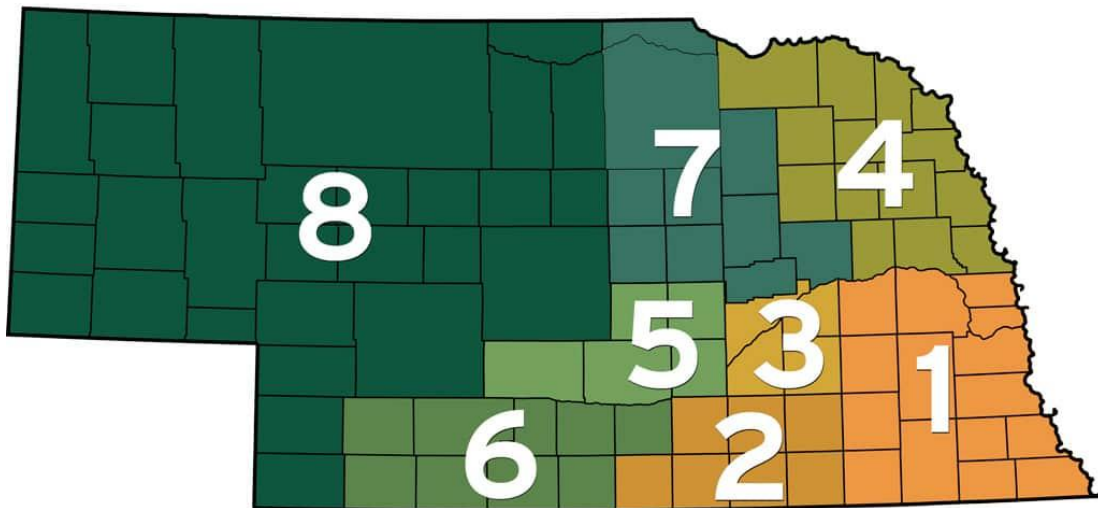
The Corn Development, Utilization, and Marketing Board (Board) was created by the Corn Resources Act of 1978. The Board is funded by a fee assessed on all corn sold through commercial channels in Nebraska or delivered in Nebraska. This check-off fee is paid by the corn producer and collected by the first purchaser. The assessment rate was one-half of one cent per bushel until September 30, 2024, and then increased to the current rate of one cent per bushel. The Board invests this money for market development, research, promotion, and education.

To provide an international and domestic market development program for corn producers, the Board partners with several entities such as the U.S. Grains Council, the U.S. Meat Export Federation, and the National Corn Growers Association. The Board publishes an annual report and/or continuous educational materials to tell producers how program money is being invested.

The University of Nebraska's Institute of Agriculture and Natural Resources conducts research projects on production, environment, and development of new industrial uses for corn with the support of check-off funds.

A nine-member board was created to administer, supervise, and operate the program. Eight board members are appointed by the governor, with one each coming from the State's eight corn districts. The governor selects each appointee from candidates who have filed petitions with the Board. Petitions must be signed by 50 growers from their district. Board members must be at least 21 years old and Nebraska citizens who have grown corn in the State for at least five years before their appointment. Members must derive a substantial portion of their income from growing corn to be qualified. The Board chooses an at-large ninth member. Members serve three-year terms. Ex officio Board members include the director of the Nebraska Department of Agriculture, the vice chancellor of the Institute of Agriculture and Natural Resources, and the Nebraska Corn Growers Association president. The Board meets at least four times a year. Members receive \$50 a day when working on Board business and are reimbursed for expenses.

## DISTRICT MAP



NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

**KEY OFFICIALS AND AGENCY CONTACT INFORMATION**

**Nebraska Corn Development, Utilization, and Marketing Board Members**

<b>Name</b>	<b>Title</b>	<b>Term Ending</b>
Dan Nerud, Dorchester	District 1	June 30, 2025
Matt Sullivan, Superior	District 2	June 30, 2026
Brandon Hunnicutt, Giltner	Chairperson – District 3	June 30, 2026
Deborah Borg, Allen	District 4	June 30, 2025
Adam Grabenstein, Farnam	District 5	June 30, 2025
Ted Schrock, Elm Creek	District 6	June 30, 2027
John Krohn, Albion	District 7	June 30, 2027
Andrew Groskopf, Scottsbluff	District 8	June 30, 2027
Jay Reiners, Juniata	At Large	June 30, 2026
Mike Boehm	University of Nebraska Institute of Agriculture and Natural Resources	Ex-Officio
Sherry Vinton	Director of Agriculture	Ex-Officio
Michael Dibbern	Nebraska Corn Growers Association	Ex-Officio

**Nebraska Corn Development, Utilization, and Marketing Board  
Executive Management**

<b>Name</b>	<b>Title</b>
Kelly Brunkhorst	Executive Director

Nebraska Corn Development, Utilization, and Marketing Board  
245 Fallbrook Blvd., Suite 204  
Lincoln, NE 68521  
nebraskacorn.gov

# NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

## SUMMARY OF COMMENTS

During our examination of the Nebraska Corn Development, Utilization, and Marketing Board (Board), we noted a certain deficiency and other operational matters that are presented here. The following comment is required to be reported in accordance with *Government Auditing Standards*: Comment #1 (“Insufficient Fund Balance and Untimely Payment”), which is considered to be a material weakness.

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

1. ***Insufficient Fund Balance and Untimely Payment:*** The Board recorded an expenditure in November 2024 that exceeded its available cash resources, and actual payment was not made within 45 days as required by State statute.
2. ***Meal Expenditures:*** We noted issues related to the payment of meal expenditures including: 1) meals paid for official functions that appear excessive compared to per diem rates; 2) meals paid through the State’s purchasing card instead of reimbursed through an expense reimbursement document; 3) a missing purchasing card receipt for a meal; and 4) lack of procedures to monitor one-day meal usage for potential tax implications.
3. ***Other Purchasing Card and Travel Expenditure Issues:*** The Board has open purchasing cards that have not been activated or accounts that are not being used, purchasing card limits that were circumvented, and expenditures that do not appear reasonable and necessary.
4. ***Contracts:*** The Board did not have documented approval of sole-source deviations from competitive bidding requirements, and several contracts and agreements were not properly posted to the State Contract Database.
5. ***Other Compliance Issues:*** Required Statements of Financial Interests were not filed timely by Board members and staff, and the Board did not prepare an annual report as required by State statute.
6. ***Permanently Assigned Vehicles:*** The Board did not have a current agreement on file for the Nebraska Future Farmers of America to use the Board’s permanently assigned vehicles.

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 Board.

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

# NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

## COMMENTS AND RECOMMENDATIONS

### 1. Insufficient Fund Balance and Untimely Payment

The Board received an invoice from a vendor on November 1, 2024, for a total amount due of \$1,936,000. This invoice was processed for payment in EnterpriseOne, the State's accounting system, on the same day. However, the Board's Cash fund did not have a sufficient balance available for payment. The transaction was recorded to the "Due to Vendor" liability account and resulted in a negative fund balance as of December 31, 2024, of \$1,903,003. Due to the lack of sufficient resources, moreover, actual payment to the vendor was not made until February 3, 2025, more than 45 calendar days after the invoice was received, which is not in compliance with State statute.

Neb. Rev. Stat. § 81-2403(1) (Reissue 2024) states, in relevant part, the following:

*[E]ach 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.*

A proper system of internal controls and sound accounting practices require adequate procedures to be in place to ensure that the Board's fund balance and available resources are sufficient to cover fully all expenditures by the Board.

Without such procedures, there is an increased risk of not only insufficient fund balances but also the resultant inability of the Board to cover fully all expenditures and financial obligations of the Board.

We recommend the Board implement procedures to ensure that sufficient resources have been collected and are on hand prior to approving the disbursement of Board funds. These procedures should also include ensuring that actual payments will be made timely and in compliance with State statute.

*Board Response: We acknowledge and are aware of the statutory requirements of timely payments once received into our office. Upon notification of the insufficient balance, we confirmed delayed payment with the payee, who understood the situation. To prevent similar instances, a review of fund balances will be incorporated into future procedures.*

### 2. Meal Expenditures

The Board's purchasing cards were used to pay for meals costing \$20,175 in calendar year 2024 at merchants utilizing the Eating and Drinking merchant category code. This comprised almost 75% of the \$27,246 in total expenditures for meals recorded for the calendar year. The Auditor of Public Accounts (APA) selected a sample of transactions both direct-billed and paid using the purchasing cards to test, which included expenditures for meals.

While traveling for conferences and attending other official functions, such as hosting trade teams, the Board utilized purchasing cards to pay for group meals. These were all considered part of official functions as defined in Board policies. Specifically, the Board's policies define official functions for purposes of per diem and reimbursement to include meetings, travel and attendance at functions where Board members or staff are acting in an official capacity. The policies allow for group meals to be part of official functions, including those in which guests who would be covered include "staff and board member(s) of organizations, associations and/or commodities that the Nebraska Corn Board has a contractual, MOU or MOA association with, has a high level of collaboration with or are guests as part of a trade team."

However, the APA's review of these expenditures revealed the following for meals purchased during out-of-state travel:

# NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

## COMMENTS AND RECOMMENDATIONS

(Continued)

### 2. Meal Expenditures (Continued)

- While traveling for the Sustainability Agriculture Summit in Minneapolis, Minnesota, a Board purchasing card was used to pay for a dinner at Ruth's Chris Steak House for two Board members and one staff member who were attending the conference. As these individuals were all State employees, utilization of the purchasing card bypassed having the staff and Board members request reimbursement through the State's expense reimbursement process. Had the expense reimbursement process been followed, the authorized Department of Administrative Services (DAS) per diem rate per person for employee reimbursement would have been \$26.60 for the dinner. The total cost of the meal was \$316.62, which is unreasonable as the cost per person was \$105.54, or 396.77% above the DAS authorized per diem rate for dinner in Minneapolis. This caused the Board to pay \$236.82 more than the amount that would have been reimbursed. Additionally, the supporting documentation for this expenditure included a note from the Executive Director stating that he had visited with the Board about the cost of the meal and utilizing the per diem rates as a guide, as shown below:

Note regarding Ruth Chris expense – I have visited with the chairman of the board on the above per diem cost of the meal and additionally, we have visited with the board as a whole on utilizing per diem rates as a guide. An additional step we are taking also, is prior to meetings, Renee is sending all staff / board traveling an email with meal per diem rates for the location should they not be included as part of the meeting agenda.

- While traveling for the Corn Congress conference in Washington, D.C., a Board purchasing card was used to pay for a group dinner at Carmine's for four Board members and three Board staff, as well as 22 other guests. These guests included 10 leadership group delegates sponsored by the Board to attend the conference, eight Nebraska Corn Growers Association (NeCGA) members, three National Corn Growers Association (NCGA) members, and one U.S. Grains Council member. The total cost for the group dinner was \$1,845.50, or a cost per person of \$63.64, which was 176.77% above the General Services Administration (GSA) per diem rate for dinner of \$36 for Washington, D.C. In total, the meal cost \$801.50 more than the GSA per diem.

Additionally, as part of this same trip, a Board purchasing card was used to pay for a group lunch at Harris Crab House in Grasonville, Maryland, for two Board staff and the 10 leadership group delegates sponsored by the Board. The total cost for the lunch was \$442.92. The cost per person was \$36.91, or 230.69% of the GSA per diem for lunch of \$16 for Grasonville. In total, the meal cost \$250.92 more than the GSA per diem.

- While traveling for the Commodity Classic conference in Houston, Texas, a Board purchasing card was used to pay for a group dinner at McCormick & Schmick's for two Board members, one Board staff member, and two NeCGA members. The total cost for the meal was \$439.68. The cost per person was \$87.94, or 283.66% of the GSA per diem rate for dinner of \$31 in Houston. In total, the meal cost \$284.68 more than the GSA per diem.

We also tested some expenditures for meals that were part of various meetings and other official Board functions within Lincoln, Nebraska. Per review of these expenditures, we noted the following:

- The Board hosted a Cooperator and Award Dinner at Lazlo's Brewery and Grill (Lazlo's) in March 2024. The total cost of the dinner, including tip, was \$1,155.01. This included 33 buffet dinners at \$28.49 each and two non-buffet dinners for a total of 35 meals, as shown in the receipt copied below. Per review of the attendance list, however, only 33 individuals attended the meal, which included nine Board members, one ex officio Board member, four Board staff members, 10 members from the NeCGA, five award recipients and guests, as well as one member from each the NCGA, the Alliance for the Future of Agriculture in Nebraska (AFAN), the U.S. Grains Council (USGC), and the U.S. Meat Export Federation (USMEF).



# NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

## COMMENTS AND RECOMMENDATIONS

(Continued)

### 2. Meal Expenditures (Continued)

LAZLO'S BREWERY & GRILL 210 N 7th St. Lincoln, NE 68508 (402) 434-5636 lazlobreweryandgrill.com HICKORY		LAZLO'S BREWERY & GRILL 210 N 7th St. Lincoln, NE 68508 (402) 434-5636 lazlobreweryandgrill.com 3/12/2024 8:38 PM	
IK 15682	TBL 2/	check: CHK 15682	
	GST 3:	able: 2/2	
3/12/2024 5:49 PM		server: 86 HICKORY	
Lazlo Burger 12.29 \$HWEET FRIES 1.99 \$ Honey Mustard 0.99 No \$ Gluten Free Bun 2.50 Mayo		card Type: [REDACTED]	
Lazlo Burger 12.29 baked Potato 4.29 Add Salad 4.49 2 Entree Buffet @ 28.49 940.17 Salmon 0.00 Sirloin 0.00 House Salad - 30 0.00 MC Chocolate Excess 0.00 MC Carrot Cake 0.00 Green Beans - 30 0.00 Hashed Potatoes- 30 0.00		cc: Num: [REDACTED]	
Subtotal \$979.01 Tax \$0.00 35 PM Total Due \$979.01		Auth Code: 017866	
Scan to tell us about your visit		Amount: \$979.01	
		Tip: 176	
		Total: 1155.01	
		Signature [REDACTED]	
		I agree to pay above total according to my card issuer agreement.	
		*** PLEASE LEAVE ONE SIGNED COPY FOR YOUR SERVER ***	

The additional two meals paid by the Board were for buffet dinners for two NeCGA members who were identified as "NO SHOW" on the attendance list. Per discussions with the Board, this was due to Lazlo's requiring a count of meals about 10 days prior, so the restaurant could order the food and schedule staff. Therefore, even if the attendee count changed at the last minute, the Board remained obligated to pay for, at least, the number of meals originally confirmed.

Based on the actual attendance, the average cost per person was \$35, which was 134.62% of the GSA per diem rate of \$26 for the dinner. In total, the Board paid \$297.01 more than the GSA per diem.

- The Board hosted a joint working dinner with the NeCGA and the Nebraska Soybean Board at Lazlo's in November 2024. A total of 56 meals were purchased, which included meals for nine Board members, one ex officio Board member, four Board staff, 22 individuals for the NeCGA, and 20 individuals representing the Nebraska Soybean Board. The total cost of the meal paid by the Board was \$1,895.43. The cost per person was \$33.85, which was 120.88% of the GSA per diem of \$28 for the dinner. In total, the Board paid \$327.43 more than the GSA per diem.
- A regular meeting of the Board held in March 2024 at the Embassy Suites included lunch for nine Board members, three ex officio Board members, four Board staff members, and 10 guests. These guests included members of the NeCGA, the NCGA, the Alliance for the Future of Agriculture in Nebraska (AFAN), the U.S. Grains Council, the U.S. Meat Export Federation, the University of Nebraska LEAD program, and the Nebraska Department of Agriculture. In some cases, these guests were attending to present to the Board on their organization's activities and to request funding support from the Board. The total cost of the lunches, beverages, and snacks for this meeting was \$1,367.50. When averaged over the number of individuals who had lunch, the cost per person was \$52.60. This was 263.00% of the GSA per diem of \$20 for lunch and snacks. In total, this was \$847.50 more than the GSA per diem.


# NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

## COMMENTS AND RECOMMENDATIONS

(Continued)

### 2. Meal Expenditures (Continued)

- The Board had a joint meeting with the NeCGA in November 2024 at the Cornhusker Marriott, which included lunch for eight Board members, one ex officio member of the Board, five Board staff members, 14 individuals from the NeCGA, and one guest from both the USMEF and the Nebraska Department of Agriculture. The total cost of the lunch, beverage service, and snacks paid for by the Board was \$2,405.52. When averaged over the number of individuals who had lunch, the cost per person was \$80.18. This was 276.48% of the GSA per diem of \$29 for the lunch and two days of beverages and snacks. In total, this was \$1,535.52 more than the GSA per diem.
- A group dinner for an international trade team and other representatives was purchased at the Venue Restaurant & Lounge in September 2024 for a total of \$1,046.56. In total, 18 people attended the dinner – 10 members of the trade team including translators, two Board members and two Board staff, two representatives from USGC, the Nebraska Secretary of State, and one representative from the Farm Bureau – for a cost of \$58.14 per person. This was 223.62% of the GSA per diem rate of \$26 for dinner for Lincoln. In total, the meal cost \$578.56 more than the GSA rate.
- A Board purchasing card was used to purchase lunch at Toast in Lincoln in January 2024 for a total of \$39.46. This meal was purchased for a Board member and a NeCGA member to meet with a Nebraska congressman. The average cost per person was \$19.73, which was 131.53% of the GSA per diem of \$15 for lunch in Lincoln. In total, the meal cost \$9.46 more than the GSA rate. Additionally, there was no detailed receipt to support this purchase. In an email message to the Board's Business Manager, which is copied below, the Board member explained that he could not locate the receipt but described what was purchased:

 I forgot to do it that day, then thought about it at the meeting and forgot and here we are.

And I can't find it. I swore I took a picture of it. It was [REDACTED] and I before the [REDACTED] meeting. I had the Dublin Pub Melt at \$11.99. [REDACTED] had the school house Club at \$12.99. We both had Ice Teas and I left a 20% tip.

I will keep looking bc I try to take photos as soon as I get the receipt. It had 2 receipts stapled together.

Regardless, without a detailed receipt, there is a risk that the purchase could have included unallowable items, such as alcoholic beverages.

Finally, during our review, we noted that meals purchased for Board staff who were not traveling were being recorded properly to the Meals-Taxable account in the State's accounting system. The Nebraska State Accounting Manual, Policies – AM-005, Travel Policies, 6. *Meals* (11/2023), states the following:

*The IRS has taken the position that reimbursement for meal expenses incurred on one-day travel is taxable income to the employee unless such reimbursements are deemed "occasional". In order to monitor this provision, all such reimbursements for one-day travel shall be coded to account 571600 (Meals – Taxable). Meals in the city or town in which the residence or primary work location of such employee is located for official functions, conferences or hearings shall also be coded to 571600. When total one-day travel meal reimbursements are \$200 or more for an employee in any one year (December 1 through November 30), the entire amount of such reimbursements will be considered taxable income. . . . The reimbursements will be added to the employee's gross wages and payroll taxes will be withheld accordingly.*

(Emphasis added.) However, despite properly recording meals, the Board lacked procedures for tracking the amounts by employee to monitor if an employee exceeded the \$200 limit. For the meal expenditures tested, we noted at least two employees who had exceeded the \$200 limit but were not added to the employee's gross wages for the year, as required.

NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

COMMENTS AND RECOMMENDATIONS

(Continued)

2. **Meal Expenditures** (Continued)

Neb. Rev. Stat. § 81-1110.01 (Reissue 2024) requires the DAS State Accounting Division to “establish and enforce accounting policies and procedures for all state agencies, boards, and commissions[.]” For overnight travel, the Nebraska State Accounting Manual, Policies – AM-005, Travel Policies, 6. *Meals* (11/2023), states the following:

*Meal expenses incurred during travel shall be reimbursed (Breakfast, Lunch, Dinner) on a per diem basis pursuant to Neb. Rev. Stat. § 81-1174, based on the destination of travel. The State per diem rates shall be 70% of the relevant federal rates (General Services Administration for travel within the contiguous United States). . . . Actual expenses for group meals incurred by an agency on a purchasing card are allowable for official functions, conferences, or hearings; not to include normal day-to-day operations of the agency, commission, committee, or board.*

Neb. Rev. Stat. § 81-118.02(1) (Reissue 2024) states, in relevant part, the following:

*The state purchasing card program shall be administered by the Department of Administrative Services. The department may adopt and promulgate rules and regulations as needed for the implementation of the state purchasing card program.*

Subsection (4) of that same statute adds the following:

*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.*

Subsection (6) concludes as follows:

*No officer or employee of the state shall use a state purchasing card for any unauthorized use as determined by the department by rule and regulation.*

The DAS State Accounting Division’s Purchasing Card Manual (Revised June 13, 2023) offers examples of acceptable and unacceptable uses for purchasing cards. Under unacceptable uses, the manual includes: “Meals while traveling on State business. Meals are reimbursed through an Expense Reimbursement Document.”

During the attestation, the Board provided the APA with copies of both its Commodity Board Meal Per Diem FAQ document and Board policies (including “Travel Criteria/Guidelines”) – the latter of which contains the following instructions for purchasing card use and travel:

*Official functions of the Nebraska Corn Board for purposes of per diem and reimbursement, include meetings, travel and attendance at functions where the board member(s) or staff are in an official capacity and that have been 1) approved by the board of directors and included in minutes; 2) approved by the chairman of the board; and/or 3) approved by the executive director. This would include functions within Nebraska, domestically and internationally and could include a travel day before and day following as part of the official function. Group meals may be part of official functions, in which guests that would be covered include staff and board member(s) of organizations, associations and/or commodities that the Nebraska Corn Board has a contractual, MOU or MOA association with, has a high level of collaboration with or are guests as part of a trade team.*

A proper system of internal control and sound accounting practices require procedures to ensure that expenditures for group meals are reasonable and adhere to State requirements. This includes maintaining detailed receipts for expenditures and monitoring taxable meal costs for individual employees to ensure that such expenditures are properly included in gross wages when required.

Without such procedures, there is an increased risk for loss or misuse of State funds.

A similar finding was noted in the prior attestation report.

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**2. Meal Expenditures (Concluded)**

We recommend the Board implement procedures to ensure: 1) meals incurred during meetings and other official functions are within GSA rate limits or have adequate documentation for the necessity to exceed such limits; 2) meals incurred by employees and Board members during overnight travel are reimbursed at the per diem rate through the expense reimbursement document; 3) detailed receipts for meal expenditures are obtained and maintained on file for subsequent inspection; and 4) taxable meals are tracked by employee for proper reporting as gross wages when required.

*Board Response: As noted in the attestation, all meal expenditures were considered a part of official functions per the Board's policies, which were originally developed in consultation with DAS. As further noted, we have already taken internal steps with verbal and/or written reminders of the GSA rate for the destination to meeting attendees from our business manager. Annually, we will review policies surrounding p-card usage with board and staff members and update policies as necessary. Additionally, we will adequately document, as needed, single-day meal usage as required by the IRS.*

**3. Other Purchasing Card and Travel Expenditure Issues**

The APA performed a review of the current purchasing cards assigned to the Board. In addition to meals, the Board's purchasing cards were used to pay for lodging and other travel-related expenses as well as goods and services. For testing purposes, the APA selected samples of not only these transactions but also travel expenses not paid on the purchasing card.

Board members and employees have been issued State purchasing cards. Most of these cards were issued with the intent of being used when the holders were traveling for State business. During review of current open card accounts, however, we noted that three Board members have never activated the cards issued to them, and an additional card for a fourth Board member was activated but had not been used since July 2022. The APA also noted one account for a former Board employee whose employment terminated in June 2022. While the individual was no longer an employee, the card account was still showing as an open card account; however, our review noted that there has not been any activity on this card since prior to the employee's last day of employment.

In addition to the card account status item noted above, our testing noted the following issues related to purchasing card expenses:

- A Board purchasing card was used to make a \$7,203 purchase of promotional t-shirts for Husker Harvest Days. The DAS State Accounting Division's Purchasing Card Manual (Revised June 13, 2023) states the following:

*The single-purchase restricts the amount of any single purchase made by a cardholder. It can be comprised of a single or multiple items purchased at one time at a single supplier. The general single-purchase limit is \$5,000.*

The initial purchase attempt was denied because it exceeded the single-purchase limit, and the payment was then split evenly into two separate transactions with the vendor, intentionally circumventing the single-purchase limit.

- Nebraska sales and/or lodging taxes were paid on four in-state purchases, as detailed in the following table:

# NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

## COMMENTS AND RECOMMENDATIONS

(Continued)

### 3. Other Purchasing Card and Travel Expenditure Issues (Continued)

Merchant	Location	Nebraska Taxes Paid
Hilton Hotels	Omaha	\$ 79.54
Enterprise Rent-A-Car	Grand Island	\$ 45.45
Toast	Lincoln	\$ 2.82
Target	Lincoln	\$ 1.45
<b>Total</b>		<b>\$ 129.26</b>

Per Neb. Rev. Stat. § 77-2704.15(1)(a) (Cum. Supp. 2024), “Sales and use taxes shall not be imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of purchases by the state . . . .” Being part of the primary government, the Board is exempt from these State taxes. Additionally, the DAS State Accounting Division’s Purchasing Card Manual states, in relevant part, the following:

*Since the State of Nebraska is exempt from paying Nebraska sales tax, no sales tax should be charged on purchases made in Nebraska, provided a Nebraska Resale or Exempt Sale Certificate, Form 13, is on file with the vendor. . . . Therefore, tell the vendor, before the purchase is processed, that the purchase is exempt from Nebraska sales tax.*

As of completion of the APA’s attestation work in May 2025, the Board had received no refund or credit for those improper tax payments.

- While attending the National Corn Growers Association State & National Staff Meeting, a Board employee used a purchasing card to pay for two nights of lodging at a Hilton Hotel in Omaha, Nebraska. Per the agenda for this event, meetings and other activities were held until 9:00 p.m. both nights. The hotel stay was charged at a rate of \$219 per night, which exceeded the GSA rate for lodging in Omaha of \$115. Additionally, the charges included payment of Nebraska sales and lodging taxes, which are included in the table above. Had this stay been arranged and direct billed, the Board could have been charged the GSA rate and avoided paying the State taxes.
- The Board purchasing card was used to buy promotional apparel for not only Board members and employees but also NeCGA members and staff to wear while attending events. The NeCGA reimbursed the Board up to \$100 of the cost for its members and staff who ordered the apparel, with the remaining to be paid by those individuals. However, we noted that a NeCGA staff member was inadvertently included on the list of Board employees. This resulted in the Board not receiving an additional \$100 from the NeCGA, which should have been reimbursed as well.

The APA also selected other travel expenditures to test. Our review of those expenditures revealed the following:

- The Board has a Memorandum of Agreement (MOA) with a former Board member who currently serves on the executive board for the USMEF. Under this agreement, the Board will cover any travel expenditures incurred by him that are not paid by the USMEF. For travel to Houston, Texas, to attend the Commodity Classic conference, this individual submitted a reimbursement request to the Board, along with supporting documentation, for a total of \$1,688. According to discussions with the Board, this individual was attending the conference primarily for the USMEF. Additionally, there was no documentation that the Board verified the expenses were not covered by the USMEF. Because the individual was attending the conference primarily for the USMEF, and the Board provides funding to USMEF to support its operations, it was unreasonable for the Board also to reimburse the individual for the travel expenses incurred. The following is a summary of the costs claimed for reimbursement:

NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

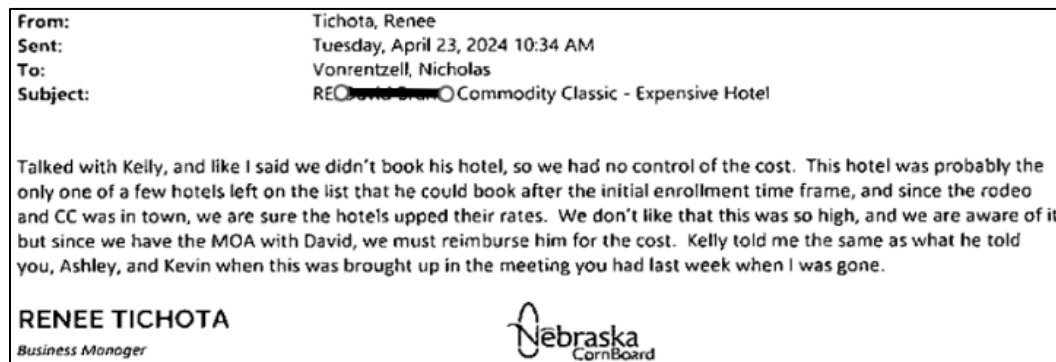
COMMENTS AND RECOMMENDATIONS

(Continued)

3. Other Purchasing Card and Travel Expenditure Issues (Continued)

Description	Amount
Hotel Lodging	\$ 1,074
Commercial Transportation Services	\$ 453
Airport Parking	\$ 90
Meals	\$ 39
Personal Mileage to/from Airport	\$ 32
<b>Total</b>	<b>\$ 1,688</b>

Additionally, it was noted that the cost per night for the hotel was \$459, which exceeded the GSA rate for Houston of \$122. We reviewed email correspondence between the Board and the Nebraska Department of Agriculture regarding the propriety of this cost when compared to those of other attendees at the conference, which the Board also paid for, because an explanation was needed to support the USMEF-related expense. The Board's response is shown below:



- The APA found that lodging expenses were paid for individuals who were neither Board members nor employees but were representatives of organizations seeking financial support. The following table shows the lodging expenses – which were the GSA rate for lodging in Lincoln, NE – paid by the Board for those attendees:

Date	Name	Purpose	# of Individuals	Lodging Total	Cost Per Night
March 2024	Embassy Suites – Lincoln, NE	Board meeting	1 USMEF 2 NCGA 2 NeCGA	\$ 535	\$ 107
November 2024	Cornhusker Marriott – Lincoln, NE	Joint Board & NeCGA meeting	7 NeCGA*	\$ 990	\$ 110

\*Two of the individuals stayed for two nights, both of which were paid for by the Board.

- Four Board and employee expense reimbursements included parking in a garage at Eppley Airfield in Omaha, Nebraska, at rates of \$24 per day. The following chart details the total of these parking expenses, which were reimbursed by the Board:

Individual – Month of Travel	# of Days	Total Cost
Employee #1 – April 2024	6	\$ 144
Employee #2 – June 2024	2	\$ 48
Employee #3 – July 2024	5	\$ 120
Board Member – July 2024	5	\$ 120
<b>Total</b>	<b>18</b>	<b>\$ 432</b>

NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

COMMENTS AND RECOMMENDATIONS

(Continued)

3. **Other Purchasing Card and Travel Expenditure Issues** (Continued)

According to an archived version of the Omaha Airport Authority's parking information website from May 19, 2024, parking at the Eppley Airfield was available at the following rates:

Location	Rate
Premier Parking	\$32/day
Garage	\$24/day
Garage Rooftop	\$15/day
South Canopy	\$10/day
North Economy	\$9/day
South Economy	\$6/day

Source: <https://web.archive.org/web/20240519101747/https://www.flyoma.com/passenger-services/airport-maps-parkoma/>

Because parking was available in the economy lots, the total of \$432 for parking in the garage appears unreasonable. Had these individuals used the economy lots or the south canopy lot, the total costs could have ranged from \$108 to \$180.

Neb. Rev. Stat. § 81-1110.01 (Reissue 2024) directs the DAS State Accounting Division to “establish and enforce accounting policies and procedures for all state agencies, boards, and commissions . . . .” Additionally, Neb. Rev. Stat. § 81-118.02(1) (Reissue 2024) states, in relevant part, the following:

*The state purchasing card program shall be administered by the Department of Administrative Services. The department may adopt and promulgate rules and regulations as needed for the implementation of the state purchasing card program.*

Subsection (5) of that same statute adds the following:

*Upon the termination or suspension of employment of an individual using a state purchasing card, such individual's state purchasing card account shall be immediately closed and he or she shall return the state purchasing card to the department or agency from which it was obtained.*

The DAS State Accounting Division's Purchasing Card Manual provides the following, as is relevant:

*The program is not intended to avoid or bypass policies that are in the EnterpriseOne (E1) Manual or in place at the agencies. Rather, the purchasing card is to be used within the guidelines of existing policies as an alternative method of payment. Expenditures that would not normally be incurred should not be made using a purchasing card.*

Further, the DAS State Accounting Division's Purchasing Card Manual identifies certain accounting controls, such as cardholder single-purchase limits, providing the following explanation:

*The single-purchase restricts the amount of any single purchase made by a cardholder. It can be comprised of a single or multiple items purchased at one time at a single supplier. The general single-purchase limit is \$5,000.*

A proper system of internal control and sound business practices require procedures to periodically review open Board purchasing card accounts to verify the need for maintaining those accounts. Additionally, there should be procedures to ensure that expenditures are reasonable and necessary and adhere to State requirements. Furthermore, approval should be sought from the DAS State Accounting Division for any necessary deviations from purchasing card policies and controls or, if necessary, to receive temporary increases to transaction limits. Finally, there should be procedures to ensure in-state hotels are direct billed to ensure the Board receives the GSA rate and mitigates the risk of improperly paying Nebraska sales and lodging taxes.

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**3. Other Purchasing Card and Travel Expenditure Issues (Concluded)**

Without such procedures, there is an increased risk for loss or misuse of funds.

We recommend the Board implement procedures for the periodic review of purchasing cards issued to determine if the cards are needed or can be closed. This would include reviewing to ensure the card accounts for individuals who are no longer employees or Board members are properly closed.

We further recommend the Board implement procedures to ensure: 1) the Board adheres to single-purchase limits or requests temporary increases from DAS if necessary; 2) expenses are reasonable and necessary for the Board, and explanations for costs that appear excessive are adequately documented; 3) in-state hotel stays are direct billed to ensure the Board is receiving the GSA rate; and 4) Nebraska sales and lodging taxes are not inappropriately paid for purchases, including those made using purchase cards.

*Board Response: We will review our policies as it relates to other p-card comments, in addition to reviewing p-card usage and terminating any cards that are not being utilized or activated.*

**4. Contracts**

The Board has entered into agreements with several entities to promote and increase marketing of corn and corn-based products, both domestically and internationally. See **Exhibit A** herein for a listing of those entities with which the Board has entered into agreements promising payments of \$100,000 or more.

While some of these agreements may not fall within the statutory definition of “service contract” for purposes of the State Procurement Act (Act), as set out at Neb. Rev. Stat. §§ 73-801 to 73-819 (Cum. Supp. 2024), the Board currently treats them as such. We selected some agreements to review and noted the following:

- Seven of 13 agreements reviewed exceeded \$50,000; however, there was no documentation that the Board followed competitive bidding requirements or obtained an approval for exclusion from such requirements due to the sole-source nature of the agreements. The total for the agreements subject to these requirements was \$6,184,317.
- Ten of 13 agreements reviewed, totaling \$6,912,067, were not properly included on the State’s Contract Database, as required by State statute.

Neb. Rev. Stat. § 73-803 (Cum. Supp. 2024) defines a contract, a cooperative agreement, and a grant agreement separately for purposes of the Act. Neb. Rev. Stat. § 73-807(2) (Cum. Supp. 2024) then sets thresholds for competitive bidding requirements for contracts specifically, and Neb. Rev. Stat. § 73-813 (Cum. Supp. 2024) provides exceptions to those requirements for, among others, sole source contracts – which, per Neb. Rev. Stat. § 73-815 (Cum. Supp. 2024), must be preapproved by DAS.

Neb. Rev. Stat. § 84-602.04(4)(a)(i) (Reissue 2024) requires the DAS website to contain the following:

*A database that includes a copy of each active contract that is a basis for an expenditure of state funds, including any amendment to such contract and any document incorporated by reference in such contract. . . . All state entities shall provide to the Department of Administrative Services, in electronic form, copies of such contracts for inclusion in the database beginning with contracts that are active on and after January 1, 2014[.]*



# NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

## COMMENTS AND RECOMMENDATIONS

(Continued)

### 4. Contracts (Concluded)

A good internal control plan and sound business practices require procedures for reviewing the Board's agreements to determine if: 1) they constitute contracts for purposes of the Act; 2) are subject to statutory competitive bidding requirements or qualify for exceptions thereto; and 3) must be posted to the State Contracts Database.

Without such procedures, there is an increased risk for not only noncompliance with State statutes but also the withholding of important contractual information from the Legislature and the public alike.

We recommend the Board work with DAS and the Attorney General to determine whether the agreements at issue are subject to the requirements of the Act. Additionally, the Board should implement procedures to ensure that actual contracts are handled accordingly, being competitively bid or receiving from DAS authorization for the sole source exception to statutory bidding requirements. Finally, we recommend the Board work with DAS to ensure all contracts are posted properly to the State Contracts Database.

*Board Response: The Board takes contract reviews and procedures seriously. Notably, the Board has requested AND received sole source deviations in the past for all the contracts noted in the attestation, with the exception of the year mentioned, due to staffing turnover. It should also be noted that portions of the agreements/contracts were on the state's database as required. Following being made aware that other portions needed to be included, we added the additional information and have noted the necessary materials for future reference. We have also initiated a conversation with DAS as it relates to the determination of how the contracts should be categorized, which may inform future procedures.*

### 5. Other Compliance Issues

Neb. Rev. Stat. § 49-1493 (Reissue 2021) requires Statements of Financial Interests to be filed by March 1 annually with the Nebraska Accountability and Disclosure Commission (NADC). That requirement applies to public officials and employees specifically designated in either State statute or the NADC's administrative rules and regulations. The statements disclose information about an individual's personal finances, including sources of income, business associations, and financial holdings; however, they do not require the disclosure of dollar amounts of income or dollar value of holdings. Similar to annual tax returns, each statement covers the prior calendar year.

Title 4 NAC 002 ("Designation") of the NADC's administrative rules and regulations states, in relevant part, the following:

*Under subdivisions (7), (8) and (13) of section 49-1493, Statements of Financial Interests are required to be filed by individuals holding or appointed to the following offices or positions:*

\* \* \* \*

*002.03 Pursuant to section 49-1493(13), the officials or employees of the state holding the positions hereafter designated:*

\* \* \* \*

*13. Corn Development, Utilization, and Marketing Board: administrator, board members.*

During our review, we noted that the Board's annual filings for 2024, due by March 1, 2025, were filed late. As of fieldwork on April 1, 2025, we noted that five Board members and the Executive Director had filed these one month late. The APA inquired with the Board on April 7, 2025, about the remaining four Board members, who subsequently completed their filings by April 15.

# NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

## COMMENTS AND RECOMMENDATIONS

(Continued)

### 5. Other Compliance Issues (Concluded)

Moreover, during our review of State statutes applicable to the Board, we noted that Neb. Rev. Stat. § 2-3632 (Cum. Supp. 2024) states, in relevant part, the following:

*(1) The board shall prepare and make available an annual report on or before January 1 of each year, which report shall set forth in detail the income received from the corn assessment for the previous year . . . [.]*

\* \* \* \*

*(2) Such report and a copy of all contracts requiring expenditure of funds by the board shall be available to the public in an electronic form upon request.*

Upon inquiry, we found that the Board did not actually prepare the annual report mandated by the above statutory language; rather, it maintained the relevant data in electronic files that could be compiled into such a report if a request from the public were to be received.

A good internal control plan and sound business practices require procedures to ensure: 1) Board members and the Executive Director file their annual Statements of Financial Interests timely with the NADC; and 2) the reports required by § 2-3632 are actually prepared annually.

We recommend the Board implement procedures to ensure Board members and the Executive Director file their annual Statements of Financial Interests timely with the NADC. Those same procedures should ensure also that the reports required by § 2-3632 are actually prepared annually.

*Board Response: An annual reminder regarding statements of financial interest has been implemented, and relevant deadlines will be communicated to board members and staff required to complete the forms. Additionally, we will consolidate all electronic files for an annual report into one location, versus being in separate locations.*

### 6. Permanently Assigned Vehicles

The Board has been assigned two State-owned vehicles by the DAS Transportation Services Bureau (TSB). During our testing, we noted that the vehicles were being utilized by not only the Board's employees but also members of the Nebraska Future Farmers of America (Nebraska FFA) to promote the use of ethanol fuel. However, the last formal agreement that the Board had with the Nebraska FFA to allow usage of these vehicles was for the period of July 1, 2010, through June 30, 2011. Pursuant thereto, the Board paid up to \$6,000 for the vehicle leases and mileage, with costs in excess of that amount to be reimbursed by the Nebraska FFA.

Per the TSB Policies and Procedures manual, Section 2: General Information, "Agency directors may authorize persons performing services for the State of Nebraska to drive state-owned vehicles in accordance with the provisions of the governing contract or agreement." Due to its lack of a formal contract or agreement with the Nebraska FFA, the Board has not been compliant with this TSB policy.

We reviewed the vehicle travel logs and related TSB billings for calendar year 2024 and noted that the two vehicles leased by the Board were driven a total of 20,223 miles. Based on the travel logs, 11,379 miles – or 56.27% of the total mileage – were driven by Nebraska FFA members. Per review of the TSB billings, a total of \$10,741 was billed to and paid by the Board for these vehicles, including both monthly lease rates and mileage charges.

Between the mileage and the lease, we calculated the share of costs attributable to use by the Nebraska FFA to be \$6,044.

NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

COMMENTS AND RECOMMENDATIONS

(Concluded)

6. **Permanently Assigned Vehicles** (Concluded)

Total Costs Based on TSB Billings	\$ 10,741
Percentage of Use by Nebraska FFA	56.27%
<b>Nebraska FFA Share of TSB Costs (APA Calculated)</b>	<b>\$ 6,044</b>

A good internal control plan and sound business practices require current agreements be obtained and maintained on file for the use of State-owned assets by non-State parties. Such agreements are necessary to ensure that non-State parties are aware of their responsibilities and would be covered under the State's insurance and risk management policies.

Without a current agreement with the Nebraska FFA, the Board is not in compliance with TSB policies. Likewise, there is an increased risk for not only the misuse of State-owned assets but also the failure of the State's insurance policies to cover any potential liability claims arising in relation thereto.

We recommend the creation of a formal, up-to-date agreement authorizing the Nebraska FFA's use of the State-owned vehicles leased by the Board. Among other things, that agreement should specify the duties and responsibilities of the Nebraska FFA member when driving the Board's leased vehicles.

*Board Response: Upon notification that an updated contract had not been completed, we have initiated conversations about a contract or options.*

\* \* \* \* \*

*Overall Board Response: In closing, our response reaffirms our board's fiduciary responsibilities to Nebraska corn farmers who invest in the corn checkoff program. Through annual reviews of policies, procedures and our partnership with the Nebraska Department of Agriculture, we will continue to uphold this responsibility and make updates as necessary.*



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Mike Foley  
State Auditor

Mike.Foley@nebraska.gov

PO Box 98917

State Capitol, Suite 2303

Lincoln, Nebraska 68509

402-471-2111, FAX 402-471-3301

auditors.nebraska.gov

### NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

#### INDEPENDENT ACCOUNTANT'S REPORT

Nebraska Corn Development, Utilization, and Marketing Board  
Lincoln, Nebraska

We have examined the accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balance of the Nebraska Corn Development, Utilization, and Marketing Board (Board) for the period January 1, 2024, through December 31, 2024. The Board's management is responsible for the Schedule of Revenues, Expenditures, and Changes in Fund Balance 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 Balance 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 Balance 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 Balance. 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 Balance, 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.

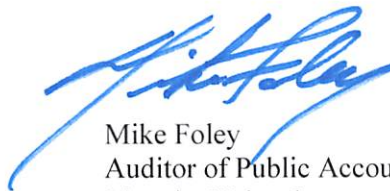
In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance for the period January 1, 2024, through December 31, 2024, is based on the accounting system and procedures prescribed by the State of Nebraska Director of Administrative Services, as set forth in Note 1, in all material 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 Balance; fraud that is material, either quantitatively or qualitatively, to the Schedule of Revenues, Expenditures, and Changes in Fund Balance; 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 Balance 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 Balance or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed a certain finding that is required to be reported under *Government Auditing Standards*, and the finding, along with the views of management, is 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 Balance, 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.

July 21, 2025



Mike Foley  
Auditor of Public Accounts  
Lincoln, Nebraska

**NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
For the Period January 1, 2024, through December 31, 2024

	Corn Development Fund 21890
REVENUES:	
Taxes	\$ 7,783,117
Miscellaneous	96,122
TOTAL REVENUES	<u>7,879,239</u>
EXPENDITURES:	
Personal Services	580,599
Operating	10,154,500
Travel	186,210
TOTAL EXPENDITURES	<u>10,921,309</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,042,070)</u>
OTHER FINANCING SOURCES (USES):	
Sales of Assets	368
TOTAL OTHER FINANCING SOURCES (USES)	<u>368</u>
Net Change in Fund Balances	(3,041,702)
FUND BALANCE, January 1, 2024	<u>1,138,699</u>
FUND BALANCE, December 31, 2024	<u><u>\$ (1,903,003)</u></u>
FUND BALANCE CONSISTS OF:	
General Cash	\$ 207,256
Deposits with Vendors	2,512
Accounts Receivable Invoiced	9
Due From Other Government	819
Due to Vendors	(2,113,599)
TOTAL FUND BALANCE	<u><u>\$ (1,903,003)</u></u>

The accompanying notes are an integral part of the schedule.

# NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

## NOTES TO THE SCHEDULE

For the Period January 1, 2024, through December 31, 2024

### 1. Criteria

The accounting policies of the Nebraska Corn Development, Utilization, and Marketing Board (Board) 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 2024), 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 2024), 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 Balance (Schedule) 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 Board to record all accounts receivable and related revenues in EnterpriseOne; as such, the Board'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, 2024, and not yet paid as of that date. The amount recorded as expenditures on the Schedule, as of December 31, 2024, **does not** include amounts for goods and services received before December 31, 2024, which had not been posted to the general ledger as of December 31, 2024.

The Board had no accounts receivable at December 31, 2024, that were not included in the Schedule. Liabilities for accrued payroll and compensated absences are not recorded in the general ledger.

The following fund type established by the State and used by the Board is:

**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 Board:

**Taxes** – Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. Taxes recorded as revenue for the Board consist of a fee, set by State statute, assessed on a per bushel basis on all corn sold through commercial channels in the State of Nebraska.

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

NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

NOTES TO THE SCHEDULE

(Continued)

1. **Criteria** (Concluded)

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

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

**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.

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

**Assets** – Resources owned or held by a government that have monetary value. Assets include cash accounts, deposits with vendors, receivable accounts, and due from other government. 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 Board’s funds at December 31, 2024, included amounts recorded in Due to Vendors. The activity of these accounts are not recorded through revenue and expenditure accounts on the Schedule of Revenues, Expenditures, and Changes in Fund Balance.

**Other Financing Sources** – Proceeds of fixed asset dispositions.

2. **Reporting Entity**

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

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

3. **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.



# NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

## NOTES TO THE SCHEDULE

(Concluded)

### 4. 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 Board 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.

For the ACFR, the State requires the Board 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 Board recorded in the State Accounting System for the period January 1, 2024, through December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets				
Equipment	\$ 15,310	\$ 0	\$ 5,924	\$ 9,386
Less accumulated depreciation for:				
Equipment				<u>8,308</u>
Total capital assets, net of depreciation				<u>\$ 1,078</u>

### 5. Negative Fund Balance

There was a negative fund balance at December 31, 2024, due to timing of collections of the statutory fee assessed on the corn sold through commercial channels in the State. On the accounting system, an expenditure was posted in November 2024 with a credit to Due to Vendor. The credit to cash was recorded in February 2025 when the expenditure was paid.

### 6. Related Party

Under Neb. Rev. Stat. § 2-3611 (Cum. Supp. 2024), the president of the Nebraska Corn Growers Association (NeCGA) is an ex officio member of the Board. Additionally, a Board member serves as an ex officio member of the NeCGA Board of Directors.

The Board and the NeCGA have also entered into a cooperative agreement whereby the Executive Director of the Board is also the Director of the NeCGA. For the period January 1, 2024, through December 31, 2024, the Board paid \$328,244 to the NeCGA. In addition, the NeCGA paid \$38,980 to the Board per the cooperative agreement for administrative services and other agreements.

NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

**SUPPLEMENTARY INFORMATION**

Our examination was conducted for the purpose of forming an opinion on the Schedule of Revenues, Expenditures, and Changes in Fund Balance. 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 Balance, and, accordingly, we express no opinion on it.

## NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD

Exhibit A

## OPERATING EXPENDITURES BY PAYEE

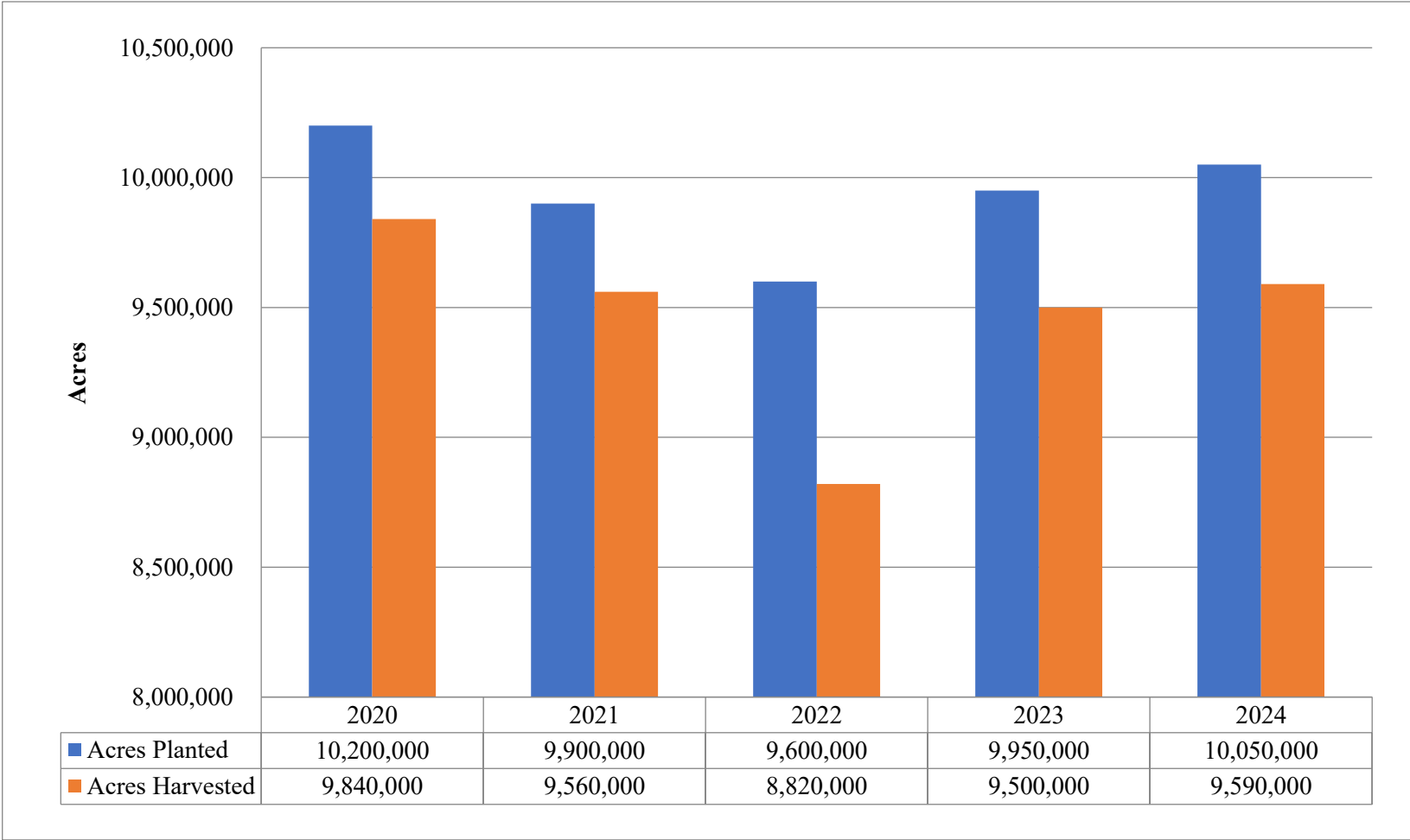
January 1, 2024, through December 31, 2024

Payee	Amount	General Purpose of Expenditures
National Corn Growers Association	\$ 3,364,000	Operational funding to support corn promotion and market development.
U.S. Grains Council	1,233,467	Operational funding to support corn promotion and market development.
Kansas Corn Commission	1,146,000	Support of grant program to install E85 ethanol fuel pumps in California.
Strategic America, Inc	873,203	Creation and production of multi-media advertisements to support corn promotion.
U.S. Meat Export Federation	850,000	Operational funding to support corn promotion and market development.
University Of Nebraska - Lincoln	747,125	Research funding for corn production and utilization projects.
BTN - Big Ten Network	628,100	Promotion/advertising of Unleaded 88 ethanol fuel.
Nebraska Corn Growers Association	285,661	Operational funding to support corn promotion and market development.
Alliance For The Future Of Agriculture	109,806	Operational funding for supporting development of agriculture in Nebraska.
Iowa Corn Growers Association	100,000	Research funding for projects to increase corn utilization.
<b>Subtotal Payees \$100,00 and Over</b>	<b>\$ 9,337,362</b>	
Payees Less Than \$100,000	817,138	
<b>Total Operating Expenditures</b>	<b>\$ 10,154,500</b>	

Source: APA Created

NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD  
**NEBRASKA CORN PLANTED AND HARVESTED**  
Harvest Years 2020 through 2024

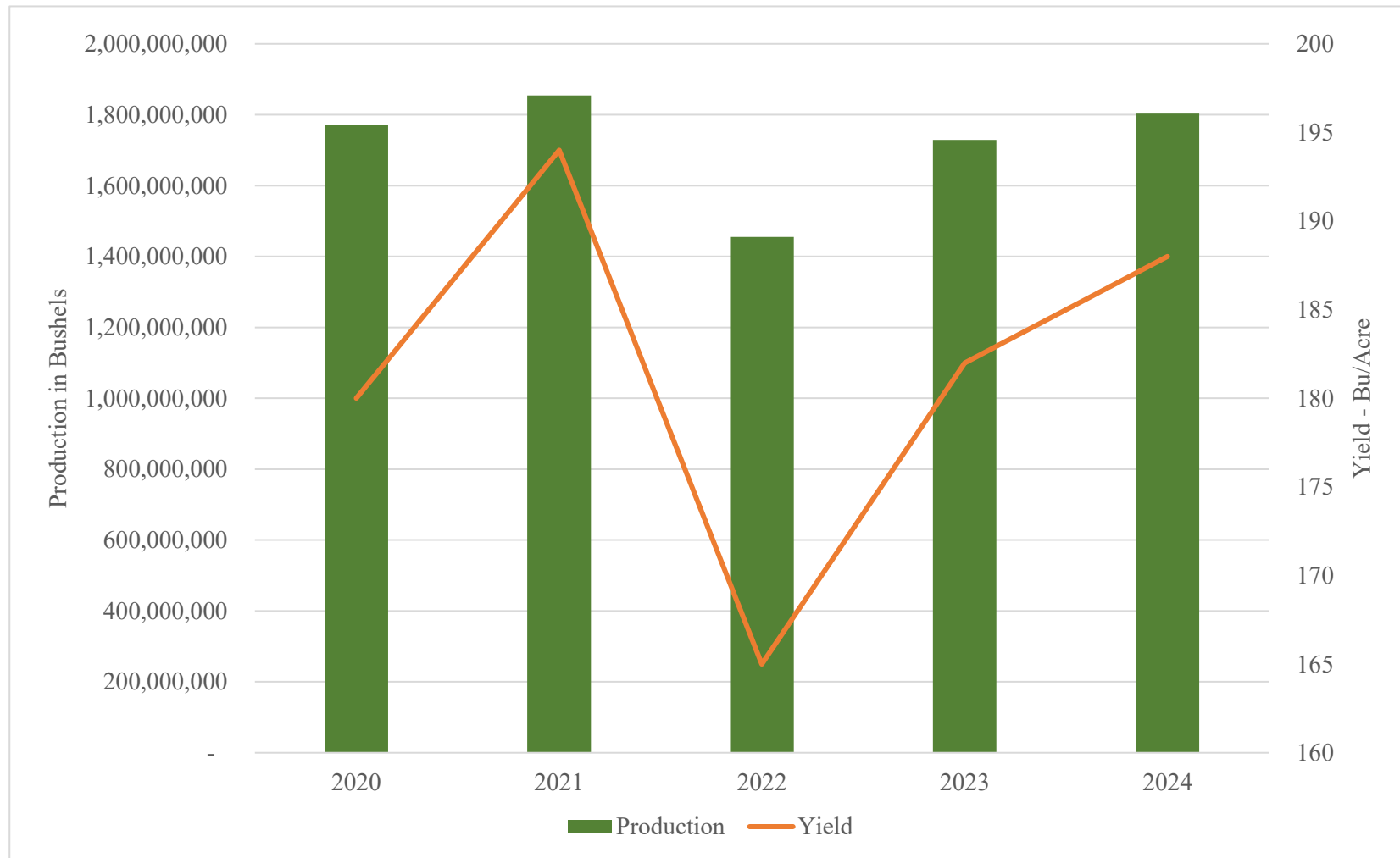
Exhibit B



Source: USDA Quick Stats

NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD  
**NEBRASKA CORN PRODUCTION AND YIELD**  
Harvest Years 2020 through 2024

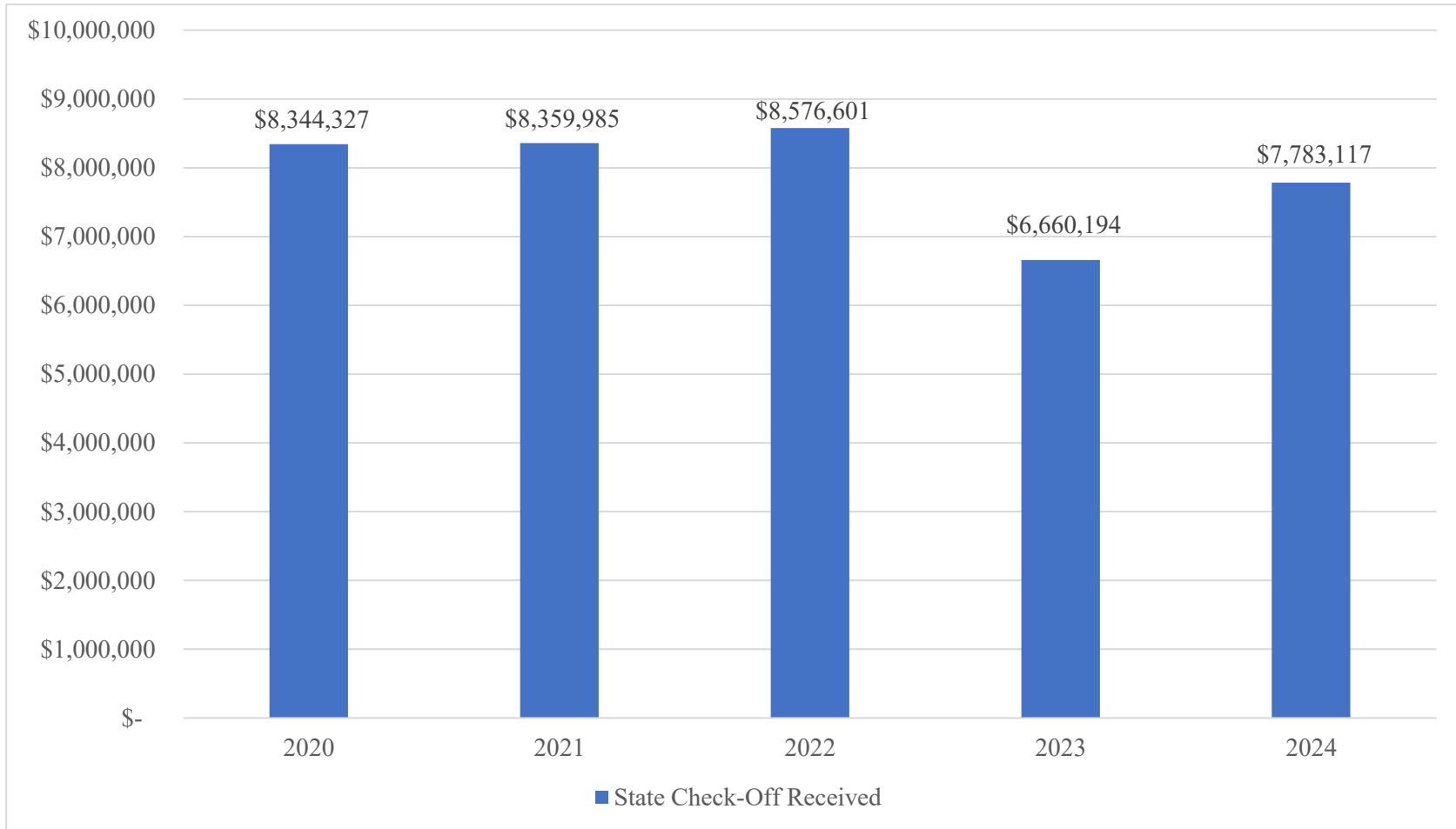
**Exhibit C**



Source: USDA Quick Stats

NEBRASKA CORN DEVELOPMENT, UTILIZATION, AND MARKETING BOARD  
**CHECK OFF FEES RECEIVED**  
Calendar Years 2020 through 2024

**Exhibit D**



Source: APA Created