

**ATTESTATION REPORT
OF THE
NEBRASKA LIQUOR CONTROL COMMISSION
JANUARY 1, 2025, THROUGH DECEMBER 31, 2025**

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Issued on March 30, 2026

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NEBRASKA LIQUOR CONTROL COMMISSION

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NEBRASKA LIQUOR CONTROL COMMISSION

BACKGROUND

The Nebraska Liquor Control Commission (Commission) was created by the Legislature in 1935. The Commission has three members appointed by the Governor to six-year terms with legislative approval. No more than two members can be in the same political party. The Commission hires the executive director, with the approval of the Governor. The Commission meets at least once a month, and each member is paid \$12,500 a year and is reimbursed for actual expenses.

The Commission's duties include, but are not limited to:

- Receiving applications for and issuing, suspending, canceling and revoking liquor licenses of manufacturers, distributors, non-beverage users, retailers, railroads, airlines, and boats.
- Setting standards through rules and regulations for enforcing the Nebraska Liquor Control Act to promote public health and welfare.
- Inspecting places where liquors are manufactured, distributed, or sold.
- Conducting audits of licensees.
- Conducting hearings to carry out its duties.
- Receiving and accounting for all licenses fees and liquor excise taxes that are turned over to the State Treasurer.
- Providing law books and other printed materials to licensees.

During the calendar year 2025, the Commission's former director, Hobert Rupe, was indicted on Federal charges. The following brief timeline chronologizes significant events pertaining to the indictment and related leadership changes within the Commission during the year:

- **May 28, 2025** – A Federal search warrant was served at the Commission's office based on a joint Federal-State investigation into alleged criminal conduct by Hobert Rupe.
- **May 29, 2025** – The Commission held an emergency meeting and unanimously voted to suspend Hobert Rupe without pay.
- **June 5, 2025** – Hobert Rupe resigned from his position as Executive Director of the Commission.
- **September 25, 2025** – The FBI announced Hobert Rupe had been indicted on Federal fraud charges, including Wire Fraud, Honest Services Fraud, Conspiracy to Commit Honest Services Fraud, and Hobbs Act Extortion. Mr. Rupe pleaded not guilty.
- **September 29, 2025** – Two members of the Commission, Bruce Bailey and Kim Lowe, resigned at the request of Governor Jim Pillen.
- **October 1, 2025** – Micah Chaffee began work as the new Executive Director of the Commission.
- **November 17, 2025** – Governor Jim Pillen appointed two new Commissioners, Robert "Bud" Synhorst and James Elworth.

NEBRASKA LIQUOR CONTROL COMMISSION

KEY OFFICIALS AND AGENCY CONTACT INFORMATION

Commission Members

Name	Title	Term Ending
Jim Elworth	Commissioner District 1	May 24, 2027
Robert "Bud" Synhorst	Commissioner District 2	May 24, 2029
Judge J. Michael Coffey	Commissioner District 3	May 24, 2031

Commission Executive Management

Name	Title
Micah Chaffee, J.D.	Executive Director

Nebraska Liquor Control Commission
301 Centennial Mall South
P.O. Box 95046
Lincoln, NE 68509
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NEBRASKA LIQUOR CONTROL COMMISSION

SUMMARY OF COMMENTS

During our examination of the Nebraska Liquor Control Commission (Commission), we noted certain deficiencies and other operational matters that are presented here. The following comment is required to be reported in accordance with *Government Auditing Standards*: Comment #1 (“Tax Return Reconciliations”), which is considered to be a significant deficiency.

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

- 1. Tax Return Reconciliations:** The Commission did not perform any reconciliations during the year to verify sales amounts reported on monthly excise tax returns agreed to independent third-party records from shippers, wholesalers, and retailers. The Commission received a total of \$33,167,300 in excise tax revenue during the year.
- 2. Craft Brewery Taxes:** The Commission did not require craft breweries to submit support for taproom sales reported on their tax returns. The Commission reviewed support for these sales during its audits of craft breweries. However, the Commission completed general audits of only 2 of 67 licensed craft breweries during the year. The Auditor of Public Accounts also noted a \$140 variance between what a craft brewer reported on its tax return and what was reported by its wholesaler.
- 3. Special Designated Licenses:** The Commission did not ensure all locations that were issued more than 12 Special Designated Licenses (SDL) underwent a hearing in order to receive those additional licenses and also did not properly approve an SDL application that was submitted late, as required by State statute and the Commission’s own rules and regulations.
- 4. Travel Expenditures:** Several issues were noted related to travel expenditures, including unreasonable travel costs and noncompliance with Department of Administrative Services travel policies.
- 5. EnterpriseOne Timesheets:** The Commission utilizes EnterpriseOne timesheets to record time worked and leave used. The system does not accurately document supervisory approval of timesheets, and the Commission did not have a compensating control outside of the system to document supervisory review and approval of timesheets. Additionally, timesheets for the Commission’s Executive Director were not approved by a supervisor or commissioner, and the former Executive Director did not document that he rendered at least 40 hours of labor each week, in compliance with State statute.
- 6. Director’s Salary:** The Commission’s former Executive Director received a 10% salary increase for State fiscal year 2025. However, no documentation was on file to support the Commission approved the salary increase, as required by State statute.
- 7. Commission Accounts Receivable:** The Commission did not record June 2025 excise taxes, received in July 2025, as a receivable as of June 30, 2025, on the Statewide Annual Comprehensive Financial Report (ACFR). The Commission received a total of \$3,194,653 in June 2025 excise taxes.
- 8. Expenditure Review:** The Commission did not complete a documented review of expenditures posted to its general ledger. The Commission recorded \$1,878,376 in expenditures during the year.

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 observation of any strengths of the Commission.

NEBRASKA LIQUOR CONTROL COMMISSION

SUMMARY OF COMMENTS

(Concluded)

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

NEBRASKA LIQUOR CONTROL COMMISSION

COMMENTS AND RECOMMENDATIONS

1. Tax Return Reconciliations

During calendar year 2025, the Nebraska Liquor Control Commission (Commission) did not perform any reconciliations of monthly excise tax returns submitted by beer wholesalers, spirit and wine wholesalers, ready-to-drink cocktail wholesalers, or craft breweries to ensure amounts they reported on their tax returns agreed to independent third-party records from shippers, wholesalers, and retailers.

The Commission received a total of \$33,167,300 in excise tax revenue during the year, including \$19,675,672 for spirit and wine (alcohol) taxes, \$11,927,939 for beer taxes (which includes taxes received from craft brewers), and \$1,563,689 for ready-to-drink cocktail taxes. Beer, with the exception of craft beer, is taxed when wholesalers receive the products from beer shippers. Craft beer is taxed when it leaves the “bonded area,” which is typically the area where the beer is brewed. Spirit and wine products and ready-to-drink cocktails are taxed when wholesalers sell the products to retailers. All taxes are due from wholesalers, with the exception of craft brewery taxes, which are due from the craft brewers.

The Commission generally requires the wholesalers and craft brewers to submit internal records, such as records from their internal accounting systems or internal spreadsheets, to support amounts reported on their tax returns. However, the Commission does not require the wholesalers or craft breweries to submit supporting invoices. The Commission has documented procedures to reconcile amounts reported by the wholesalers and craft breweries to independent records from shippers, retailers, and wholesalers to verify the accuracy of amounts reported on the tax returns.

However, during calendar year 2025, the Commission did not complete any such reconciliations. During the year, the Commission paid \$55,000 to purchase an add-on module for its tax payment system that was to be used to automate the tax reconciliation process. The feature was available for the Commission to use as of July 1, 2025. However, the Commission never used this feature, due to time constraints and issues it encountered with the feature. Additionally, it did not complete any manual tax reconciliations during the year.

Sound business practices and good internal control require that reconciliations of tax returns be completed on a periodic and test basis to ensure all amounts due are received. When such reconciliations are not performed, there is increased risk the State will not receive amounts it is due.

We recommend the Commission implement procedures to ensure it reconciles amounts reported on excise tax returns to independent records obtained from shippers, retailers, and wholesalers on a test basis.

Commission Response: The Commission agrees with this finding. Reconciliations of excise tax returns to independent third-party records are a critical internal control and should have been performed. The Commission has no objection to this finding and will implement procedures to ensure periodic reconciliations are completed moving forward.

2. Craft Brewery Taxes

The Commission did not have adequate procedures in place during calendar year 2025 to ensure that amounts craft brewers reported on their tax returns were proper. The Auditor of Public Accounts (APA) tested five craft brewery tax returns and noted the amounts the craft brewers reported as taproom sales were not supported or verified, and the amount a craft brewery reported as sales to a wholesaler did not agree to records obtained from the wholesaler. See below for additional information on these issues.

Taproom Sales

The Commission did not require craft brewers to provide supporting documentation for their taproom sales with their monthly excise tax returns. For four of the five craft brewery tax returns tested, no support was provided for beer taproom sales. While the other craft brewery tested provided support for its taproom sales with its monthly tax return, the Commission did not review the support to verify the amount reported agreed to the support provided.

NEBRASKA LIQUOR CONTROL COMMISSION

COMMENTS AND RECOMMENDATIONS

(Continued)

2. **Craft Brewery Taxes** (Continued)

A summary of the craft brewery tax returns reviewed by the APA is provided in the following table.

Craft Brewery	Month	Taproom Sales Reported (Gallons)	Taxes Due for Taproom Sales	Taproom Sales Supported?
Bolo Beer Company	August 2025	169	\$ 53	No
Infusion Brewing	November 2025	284	\$ 88	No
Kinkaider Brewing	June 2025	5,238	\$ 1,624	No
Thunderhead Brewing	January 2025	1,033	\$ 320	No
Zipline Brewing	May 2025	1,772	\$ 549	Yes – Note
Totals		8,496	\$ 2,634	

Note: Zipline Brewing provided the Commission with a spreadsheet to support its taproom sales. However, the Commission stated it did not review the support.

While support for taproom sales was not provided with the tax returns, the Commission noted that the craft breweries are required to retain such documentation and are subject to audit. However, of the State’s 67 licensed craft brewers, during calendar year 2025, the Commission performed only two general audits of craft breweries, which included review of support for taproom sales.

Sales to Wholesalers

For one of five tax returns tested, the amount a craft brewer reported as beer sales to wholesalers did not agree to records provided by the craft brewer’s wholesalers. The craft brewer reported it had invoiced a wholesaler for 451 gallons of beer, taxed at the statutory rate of \$0.31 per gallon for \$140 of excise tax. However, records provided by the wholesaler did not include this invoice.

The Commission noted that this discrepancy would have been addressed as part of a cross-check reconciliation; however, the Commission did not complete any such reconciliation during the year, as noted in **Comment Number 1** (“Tax Return Reconciliations”) herein.

Sound business practices and good internal control require that adequate support is obtained and reviewed to support amounts reported on tax returns. Without such procedures, there is increased risk the State will not receive amounts it is due. A similar finding was noted during the prior attestation review for the State fiscal year ended June 30, 2017.

We recommend the Commission ensure adequate supporting documentation is obtained and reviewed for amounts craft brewers report on their tax returns.

Commission Response: The Commission acknowledges the Auditor’s concerns and provides the following clarification and response regarding current practices and areas for improvement.

Tap Room Sales:

The Commission does not object to this finding and agrees that additional procedures related to taproom sales are necessary. Currently, craft brewery excise tax returns are reviewed upon receipt, with accounting staff verifying documentation for non-taproom sales and rejecting returns when discrepancies are identified. All sales are presumed to be taproom sales unless otherwise documented, and while documentation is required for sales that reduce tax liability, it has not been required for taproom sales. The Commission acknowledges this approach limits verification of reported taproom activity. Although licensees are required to retain supporting documentation and are subject to audit, the limited number of full audits reduced the ability to validate these sales.

NEBRASKA LIQUOR CONTROL COMMISSION

COMMENTS AND RECOMMENDATIONS

(Continued)

2. **Craft Brewery Taxes** (Concluded)

The Commission will implement procedures to strengthen oversight of taproom sales, including evaluating documentation requirements and incorporating additional verification processes.

Variance Noted by Auditor:

The identified discrepancy between a producer and wholesaler appears to be the result of a communication gap between reporting entities, rather than a failure to collect tax. Tax was remitted by the producer at the time of shipment. Nevertheless, the Commission recognizes that such discrepancies should be independently identified through reconciliation procedures.

Audit Activity:

During calendar year 2025, the Commission completed 94 “audit-related actions”. The Commission recognizes, however, that only two full audits of craft breweries were completed during the year. This highlights the need for clearer definitions and expectations regarding audit types. “Desk audits” or review-level checks are currently performed but are not equivalent to full compliance audits that include comprehensive verification of licensee records. This distinction needs to be clarified and formalized within Commission policy and reporting.

The Commission will strengthen oversight by implementing reconciliation procedures between producers and wholesalers, improving documentation and verification of taproom sales, standardizing audit definitions, and increasing audit coverage of craft breweries.

3. **Special Designated Licenses**

The APA’s testing revealed that certain locations were issued more than 12 Special Designated Licenses (SDLs) during calendar year 2025 without being required to undergo a hearing in order to receive those additional licenses. The APA also noted that the Commission did not properly approve an SDL application that was submitted fewer than seven business days prior to the licensed event. Additional information on these issues is provided below.

Special Designated License Hearings

Neb. Rev. Stat. § 53-124.11(1) (Cum. Supp. 2024) authorizes the Commission to “issue a special designated license for sale or consumption of alcoholic liquor at a designated location” Per the Commission’s own rules and regulations, a location that has already received 12 SDLs during a calendar year must go through a hearing to receive any additional such licenses. Specifically, 237 NAC 2-012.06 provides the following:

*It is the declared policy of the Commission that Special Designated Licenses should not be used to avoid the oversight and accountability imposed upon a regular retail license. Therefore, applications for Special Designated Licenses may be denied if the proposed location could otherwise be granted a regular license and if such regular license best serves the purposes of the Liquor Control Act. To help accomplish this policy **any location that has received twelve (12) Special Designated Licenses in one calendar year shall have any further applications set for hearing** to make a determination whether additional licenses are justified prior to the issuance of the requested Special Designated License.*

(Emphasis added.) According to the Nebraska Supreme Court, “Agency regulations, properly adopted and filed with the Secretary of State of Nebraska, have the effect of statutory law.” *Lariat Club, Inc. v. Nebraska Liquor Control Com’n*, 267 Neb. 179, 183, 673 N.W.2d 29, 33 (2004).

The Commission maintains a list of locations that have received approval to have more than 12 SDLs in a calendar year. To be approved to have more than 12 SDLs in a year, a location must be added to the Commission's 12+ listing by formally requesting the addition, with a letter explaining what the location is used for, what types of events they have, and why they cannot be permanently licensed. Upon receiving this request, the Commission sets a date for a hearing, where the Commissioners review the request and either approve or deny it. The Commissioners can also set a limit as to how many SDLs over 12 the location is allowed, or if there is no limitation on the location.

NEBRASKA LIQUOR CONTROL COMMISSION

COMMENTS AND RECOMMENDATIONS

(Continued)

3. **Special Designated Licenses** (Continued)

However, during testing, we noted that the six locations listed below were added to the Commission’s 12+ listing during calendar year 2025 without a formal hearing. The Commission’s former Executive Director, Hobert Rupe, informally approved each of the locations, through non-public correspondence and without a hearing of any sort, to have over 12+ SDLs in a year.

Addition Date	Building/Location	Address	City
5/1/2025	Envision Landscape	2115 Court Street	Beatrice
10/16/2025	UNL Law College	N 33 rd and Holdrege Street	Lincoln
10/16/2025	UNL East Campus Union	Arbor Drive	Lincoln
10/16/2025	Kiewit Hall	1700 Vine Street	Lincoln
10/16/2025	Morrill Hall	645 N 14 th Street	Lincoln
10/16/2025	Hawks Hall	730 14 th Street	Lincoln

The Commission received the 13th SDL application for Envision Landscape on May 1, 2025, for an event on the same day. The former Executive Director approved a “one-time exemption” for the location to exceed 12 SDLs without a Commission hearing and also approved the late application. Additionally, the APA noted that there were five locations, under the ownership of the University of Nebraska, that were given solely verbal approval by the former Executive Director during the Summer of 2024 to have over 12 SDLs during the year. Subsequently, in October 2025, Commission staff added these five locations to the 12+ listing without a formal hearing.

Late Special Designated License Applications

The Commission’s own rules and regulations expressly prohibit the processing of any SDL application received less than seven working days prior to the event for which it is being sought, without proper internal administrative approval. Specifically, 237 NAC 2-12.01 states, in relevant part, the following:

*[A]ll applications for a special designated license, with local governing body approval, and proper fees, must be received by the Commission at **least seven working days prior to the event.** Such notice is to appropriate state agencies. **If local governing body approval is received and proper fees are paid, the Commission may issue with internal Administrative Approval under the seven working days.***

(Emphasis added.) This seven-day requirement is reiterated in 237 NAC 2-012.04, as follows:

*Applications for Special Designated Liquor Licenses by non-licensees requesting a waiver or modification of conditions along with the reasons and justification for such waiver or modification must be received by the Liquor Control Commission at the time of application. **When no waiver or modification is required, the Commission must receive Special Designated Liquor License applications at least 7 working days prior to the licensed event.***

(Emphasis added.) Despite this clear regulatory mandate – which, as pointed out already, has the “effect of statutory law” – the Commission issued one SDL in calendar year 2025 for which the application was received less than seven working days from the respective event date without proper internal administrative approval. Specifically, on October 17, 2025, the Commission approved an SDL application for an event at Grandad’s Pumpkin Patch on October 18, 2025, with no documentation of the administrative approval granted. The Commission stated it approved the late application over the phone.

Such action appears contrary to the following language in Neb. Rev. Stat. § 53-124.11(5) (Cum. Supp. 2024):

If the applicant does not qualify for a special designated license, the application shall be denied by the commission.

When SDL applications are not properly approved, there is an increased risk of ineligible applicants being granted approval for licenses and for noncompliance with Commission rules and regulations.

NEBRASKA LIQUOR CONTROL COMMISSION

COMMENTS AND RECOMMENDATIONS

(Continued)

3. Special Designated Licenses (Concluded)

We recommend the Commission set a hearing for each SDL application after a location has already been issued 12 such licenses during a calendar year. We also recommend the Commission document administrative approval provided for SDL applications that are not submitted at least seven working days prior to the licensed event.

Commission Response: The Commission acknowledges that its practices were not fully aligned with this requirement and will take corrective action to ensure compliance moving forward, including requiring hearings for all locations exceeding twelve Special Designated Licenses in a calendar year.

4. Travel Expenditures

During testing of travel expenditures, we noted the following:

- The Commission's former Interim Executive Director elected to drive to a conference in Chicago, IL, and her mileage, valet parking, lodging, and meal costs were reimbursed by the State in the amount of \$1,086. Had the employee flown to Chicago instead, we estimate that her total travel costs would have been \$705, saving the State \$381. The employee was also reimbursed \$30 for meals that were provided by the conference. The State Accounting Manual, AM-005, Travel Policies, Section 6 ("Meals"), states, "Any meal that is provided shall be deducted from the daily Per Diem Rate."
- One Commissioner was reimbursed \$431 for vehicle rental and valet parking while attending a conference in Maui, HI, even though all conference activities were held at the same hotel where the employee stayed. The reimbursement included vehicle rental insurance and a fee to authorize an additional driver. Per the State Accounting Manual, AM-005, Travel Policies, Section 7 ("Personal Automobiles"), an employee should decline rental agency insurance coverages because the car rental is covered by the State's insurance. Additionally, the Commission had no documented business purpose to justify the car rental or the additional driver. We estimate that the Commissioner could have saved the State approximately \$286 by foregoing the vehicle rental and utilizing rideshare to travel between the hotel and the airport.
- Four employees utilized air travel to attend a conference in Rapid City, SD, resulting in a higher cost compared to renting a vehicle from the Nebraska Department of Administrative Services (DAS) – Transportation Services Bureau (TSB). The costs associated with air travel, including airfare, baggage fees, airport parking, and hotel shuttle, totaled \$1,720. Had the employees driven instead, the total estimated cost would have been approximately \$740, saving the State \$980. The State Accounting Manual, AM-005, Travel Policies, Section 1 ("Air Travel"), states that air travel shall only be authorized when it is more economical than surface transportation.

One of the employees attending the conference in Rapid City received a significantly higher lodging reimbursement rate than the others attending the same conference received. The employee was reimbursed \$805 for a four-night hotel reservation, while the other employees, who stayed at the same hotel for the same time period, were reimbursed only \$486 for lodging expenses. The Commission could not explain what accounted for the higher costs. The APA noted the following facts, which suggest the reimbursement was for not only the employee's travel costs but also a second individual:

- The employee's reservation was for a two-queen bed room.
- The folio provided for the employee's hotel stay did not include detailed itemization of costs for her stay and was in the name of her spouse.

NEBRASKA LIQUOR CONTROL COMMISSION

COMMENTS AND RECOMMENDATIONS
(Continued)

4. Travel Expenditures (Concluded)

- The employee claimed shuttle expenses at a rate that was twice the amount claimed by other employees.

A good internal control plan includes policies and procedures to ensure travel costs are reasonable and necessary, DAS travel policies are followed, and the most cost-effective form of travel is utilized. Without such policies and procedures, there is an increased risk of the Commission making improper travel expense reimbursements. A similar finding was noted during the prior attestation review for the State fiscal year ended June 30, 2017.

We recommend the Commission implement procedures to ensure the most cost-effective form of travel is utilized, and travel expenses are reasonable and necessary and comply with applicable DAS policies.

Commission Response: The Commission agrees with the Auditor’s findings and has no objections. The Commission will review and reinforce compliance with State travel policies and internal controls to ensure expenditures are reasonable, properly documented, and cost-effective.

5. EnterpriseOne Timesheets

Commission employees used the State’s accounting system, EnterpriseOne, to record time worked and leave used. During our testing of the Commission’s use of EnterpriseOne timesheets, we noted the following issues:

- EnterpriseOne did not accurately track who approved timesheets in the system. The supervisor assigned to an employee approved the timesheet. However, supervisors were allowed to set up delegates, or another employee, in the system to approve timesheets in the supervisor’s absence. Instead of recording which supervisor actually approved the timesheets, the system would record the assigned supervisor as the approver. When delegates were set up for their supervisor, the delegate was then able to alter and approve his or her own timesheet. Furthermore, there was no audit trail for delegates in the State’s accounting system. Supervisors were able to delete delegates without any record of the assignment.

The Commission lacked compensating controls to document supervisory review and approval of timesheets outside of the system. The Commission’s former Executive Director, Hobert Rupe, was reflected as the approver on timesheets for Commission employees from June 6, 2025, through September 19, 2025, even though he resigned on June 6, 2025. See below for an example of a timesheet reflecting Hobert Rupe as the supervisor approving time worked on September 19, 2025, over three months after he resigned:

Batch Number	Payroll Trans.	Work Date	Employee Number	Equipment Description	Pay Type	Rt Cd	S Shift	Uprate	Hours	Hourly Rate	Gross Pay	Flat Burden	Time Card P	Status	Supervisor	Supervisor Name
				Tax Area:												
			Acct No: 35101763.512100	SubT:												
	52458089	09/19/25	6093456 HILAND, BRENDA S		40				4.00		106.00		Approved		109043 RUPE, HOBERT B	
			Tax Area:	SubT:												
			Acct No: 35101763.512200													

The Commission did not document who was delegated the former Executive Director’s approval authority and approved timesheets in his name through September 19, 2025.

NEBRASKA LIQUOR CONTROL COMMISSION

COMMENTS AND RECOMMENDATIONS

(Continued)

5. **EnterpriseOne Timesheets** (Concluded)

- The Commission's Executive Director's timesheets were not approved by a supervisor or Commissioner.
- The Commission's former Executive Director only recorded leave used, not time worked, on his timesheet and did not otherwise document or certify total hours worked. Consequently, there was no support that he rendered at least 40 hours of labor each week, as required by Neb. Rev. Stat. § 84-1001(1) (Reissue 2024). That statute 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 good internal control plan requires procedures to ensure that the approval of timesheets is documented accurately for subsequent review. Without documentation identifying who approved the timesheets, it is not possible to verify that reported time was properly reviewed and authorized. This increases the risk that employees could approve their own hours and that State funds may be misused due to fraud or error. Furthermore, when hours worked are not adequately documented by timesheets or other supporting documentation, there is an increased risk for not only payment of fraudulent or inaccurate employee work and leave hours but also the inability to support compliance with § 84-1001(1).

The Commission's total payroll expense for calendar year 2025 was \$1,360,089.

We recommend that, until EnterpriseOne records approval of timesheets accurately, the Commission should implement procedures for documenting the supervisory review and approval of timesheets outside of the system. Additionally, the Commission should implement procedures to ensure the Executive Director's time worked is adequately documented and properly approved to provide evidence of compliance with State statute and to support accrued sick and vacation leave was actually earned.

Commission Response: The Commission agrees with the Auditor's findings and notes this issue relates to prior leadership. Moving forward, the Commission will ensure continued compliance by incorporating documented supervisory approval within EnterpriseOne for Executive Director timesheet submissions and strengthening overall timesheet approval controls.

6. **Director's Salary**

The Commission's former Executive Director, Hobert Rupe, received a 10% salary increase on July 1, 2024, from \$118,724 to \$130,597. However, no documentation was on file to support the Commission approved the salary increase, as required by State statute.

Neb. Rev. Stat. § 53-112 (Reissue 2021) provides, in relevant part, the following:

The salary of the executive director of the commission shall be fixed by the commission, payable monthly.

In addition, good internal controls require procedures to ensure that there is written documentation supporting pay increases. Without such procedures, there is increased risk of not only errors or financial misstatements occurring but also noncompliance with State statute.

NEBRASKA LIQUOR CONTROL COMMISSION

COMMENTS AND RECOMMENDATIONS

(Continued)

6. **Director's Salary** (Concluded)

We recommend the Commission maintain documentation to support the Commission has fixed the salary of its Executive Director, as required by State statute.

Commission Response: The Commission agrees with the Auditor's findings and has no objections. The Commission will ensure that all compensation adjustments are properly documented and formally approved in accordance with State statute.

7. **Commission Accounts Receivable**

The Commission assesses excise taxes on sales of beer, spirits and wine, and ready-to-drink cocktail products. In the Statewide Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025, the Commission did not recognize \$3,194,653 in receivables for the June 2025 monthly excise taxes that the Commission received in July 2025.

Neb. Rev. Stat. § 53-160(1) (Reissue 2021) imposes a \$0.31 per gallon tax on the manufacture and wholesale of all beer, \$0.95 per gallon for wine not produced and released from bond in farm wineries (which is imposed a tax of \$0.06 per gallon), and \$3.75 per gallon on alcohol and spirits. Neb. Rev. Stat. § 53-160.04(1) (Reissue 2021) additionally imposes a tax on the manufacture and wholesale of \$0.95 per gallon on ready-to-drink cocktails.

GASB Codification N50 paragraph 104a states:

Derived tax revenues result from assessments imposed by governments on exchange transactions. Examples include taxes on personal income, corporate income, and retail sales of goods and services. The principal characteristics of these transactions are (1) the assessing government imposes the provision of resources on the provider (the entity that acquires the income, goods, or services) and (2) the government's assessment is on an exchange transaction, such as the exchange of an employee's services for a wage or salary or the exchange of motor fuel for the market price of the fuel. Enabling legislation sometimes requires a particular source of derived tax revenues to be used for a specific purpose or purposes.

Paragraph 113 of that same GASB section states, in relevant part, "Governments should recognize assets from derived tax revenue transactions in the period when the exchange transaction on which the tax is imposed occurs or when the resources are received, whichever occurs first." As the underlying exchange transactions, on which the June 2025 excise taxes were imposed, occurred in June 2025, it appears the Commission should have recognized the excise taxes as State fiscal year 2025 revenues and as receivables as of June 30, 2025, on the Statewide ACFR.

We recommend the Commission work with DAS to ensure that June's monthly excise tax revenues, received in July, are reported properly on the ACFR.

Commission Response: The Commission agrees with the Auditor's findings and has no objections. The Commission will implement procedures to ensure receivables are properly recorded and reported in accordance with applicable financial reporting standards.

8. **Expenditure Review**

During calendar year 2025, the Commission did not have procedures in place to review the General Ledger Detail Report from the State's accounting system to ensure that expenditures during the year were entered accurately into the system.

NEBRASKA LIQUOR CONTROL COMMISSION

COMMENTS AND RECOMMENDATIONS

(Concluded)

8. Expenditure Review (Concluded)

The Commission had \$1,878,376 in total expenditures during calendar year 2025.

Good internal controls and sound accounting practices require procedures to ensure the general ledger report is reviewed to ensure all expenditures recorded are reasonable and appropriate.

When there is not a proper documented review of expenditures, there is an increased risk of improper expenditures.

We recommend the Commission implement a review of the expenditures on the General Ledger Detail Report by an individual separate from the preparation, approval, and posting process of expenditures and include a procedure to document the review performed.

Commission Response: The Commission agrees with the Auditor's findings and has no objections. The Commission will establish and document procedures for regular review of expenditures to ensure accuracy, appropriateness, and compliance with internal control standards.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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NEBRASKA LIQUOR CONTROL COMMISSION

INDEPENDENT ACCOUNTANT'S REPORT

Nebraska Liquor Control Commission
Lincoln, Nebraska

We have examined the accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balances of the Nebraska Liquor Control Commission (Commission) for the calendar year ended December 31, 2025. The Commission'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, 2025, is based on the accounting system and procedures prescribed by the State of Nebraska's Director of the Department 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 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 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.

Government Auditing Standards also require us to perform limited procedures on the Commission's response to the findings identified in the Comments and Recommendations section of the report. The Commission's responses were not subjected to the other procedures applied in the attestation of the Schedule of Revenues, Expenditures, and Changes in Fund Balances and, accordingly, we express no opinion on the responses.

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.



Matt Schochenmaier, CPA, CFE, CISA
Audit Manager
Lincoln, Nebraska



Mike Foley
Auditor of Public Accounts

March 27, 2026

NEBRASKA LIQUOR CONTROL COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Calendar Year Ended December 31, 2025

	General Fund 10000	Winery & Grape Producers Promotional Fund 21970	Nebraska Beer Industry Promotional Fund 21980	Rule & Regulation Cash Fund 23500	Common School Fund 61270	Totals (Memorandum Only)
REVENUES:						
Appropriations	\$ 1,863,227	\$ -	\$ -	\$ -	\$ -	\$ 1,863,227
Taxes	33,153,795	13,505	-	-	-	33,167,300
Sales & Charges	992,510	399,000	117,000	457,908	74,945	2,041,363
Miscellaneous	17,935	-	-	33,439	267,200	318,574
TOTAL REVENUES	36,027,467	412,505	117,000	491,347	342,145	37,390,464
EXPENDITURES:						
Personal Services	1,360,089	-	-	-	-	1,360,089
Operating	479,685	-	-	15,149	-	494,834
Travel	23,453	-	-	-	-	23,453
TOTAL EXPENDITURES	1,863,227	-	-	15,149	-	1,878,376
Excess of Revenues Over Expenditures	34,164,240	412,505	117,000	476,198	342,145	35,512,088
OTHER FINANCING USES:						
Deposit to General Fund	(34,164,240)	-	-	-	-	(34,164,240)
Deposit to Common Fund	-	(412,505)	(117,000)	-	(342,145)	(871,650)
TOTAL OTHER FINANCING USES	(34,164,240)	(412,505)	(117,000)	-	(342,145)	(35,035,890)
Net Change in Fund Balances	-	-	-	476,198	-	476,198
FUND BALANCES, JANUARY 1, 2025	-	-	-	888,507	-	888,507
FUND BALANCES, DECEMBER 31, 2025	\$ -	\$ -	\$ -	\$ 1,364,705	\$ -	\$ 1,364,705
FUND BALANCES CONSIST OF:						
General Cash	\$ -	\$ -	\$ -	\$ 1,364,348	\$ -	\$ 1,364,348
NSF Items	-	-	-	1,325	-	1,325
Due to Fund	-	-	-	(968)	-	(968)
TOTAL FUND BALANCES	\$ -	\$ -	\$ -	\$ 1,364,705	\$ -	\$ 1,364,705

The accompanying notes are an integral part of the schedule.

NEBRASKA LIQUOR CONTROL COMMISSION

NOTES TO THE SCHEDULE

For the Calendar Year Ended December 31, 2025

1. Criteria

The accounting policies of the Nebraska Liquor Control Commission (Commission) 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 Balances (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 Commission to record all accounts receivable and related revenues in EnterpriseOne; as such, the Commission's Schedule does not include all accounts receivable and related revenues. In a like manner, expenditures and related accounts payable are recorded in the general ledger as transactions occur. As such, the Schedule includes those expenditures and related accounts payable posted in the general ledger as of December 31, 2025, and not yet paid as of that date. The amount recorded as expenditures on the Schedule, as of December 31, 2025, **does not** include amounts for goods and services received before December 31, 2025, which had not been posted to the general ledger as of December 31, 2025.

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

The Commission had no accounts receivable at December 31, 2025. 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 Commission:

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.

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.

NEBRASKA LIQUOR CONTROL COMMISSION

NOTES TO THE SCHEDULE

(Continued)

1. **Criteria** (Concluded)

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

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.

Taxes – Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. Taxes recorded as revenue for the Commission consist of spirit and wine (alcohol), beer, and ready-to-drink cocktail taxes.

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

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

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

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

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

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

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

Assets – Resources owned or held by a government that have monetary value. Assets include cash accounts. Cash accounts are also included in fund balance and are reported as recorded in the general ledger.

Liabilities – Legal obligations arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date. Accounts payable transactions are recorded as expenditures, resulting in a decrease to fund balance. Other liabilities recorded in the general ledger for the Commission's funds at December 31, 2025, included amounts recorded in Due to Fund. The activity of these accounts are not recorded through revenue and expenditure accounts on the Schedule of Revenues, Expenditures, and Changes in Fund Balances.

Other Financing Sources – Deposits to the General and Common Funds.

2. **Reporting Entity**

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

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

NEBRASKA LIQUOR CONTROL COMMISSION

NOTES TO THE SCHEDULE

(Continued)

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.

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 Commission takes an annual inventory, recording in the State’s accounting system all equipment that has a cost of \$5,000 or more at the date of acquisition, and all computers.

For the ACFR, the State requires the Commission to value all capital assets at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Generally, equipment that has a cost of \$5,000 or more at the date of acquisition and has an expected useful life of more than 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 3-10 years.

Capital asset activity of the Commission recorded in the State’s accounting system for the calendar year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets				
Equipment	\$ 286,529	\$ -	\$ -	\$ 286,529
Less accumulated depreciation for:				
Equipment				170,222
Total capital assets, net of depreciation				\$ 116,307

NEBRASKA LIQUOR CONTROL COMMISSION

NOTES TO THE SCHEDULE

(Continued)

6. Deposits to Common Funds

Neb. Rev. Stat. § 53-1,104(5) (Reissue 2021) refers to violations by licensees and the penalties imposed by the Commission related to the violations. Amounts collected under this section are required to be remitted “to the State Treasurer for distribution in accordance with Article VII, section 5, of the Constitution of Nebraska.”

Additionally, Neb. Rev. Stat. § 53-138.01 (Reissue 2021) states, in relevant part:

[T]he State Treasurer shall distribute license fees received by the commission for licenses issued pertaining to alcoholic liquor, including beer, in accordance with Article VII, Section 5, of the Constitution of Nebraska.

Article VII, Section 5, of the Constitution of Nebraska states, as is relevant:

[A]ll fines, penalties, and license money arising under the general laws of the state . . . shall belong and be paid over to the counties respectively where the same may be levied or imposed, and all fines, penalties, and license money arising under the rules, bylaws, or ordinances of cities, villages, precincts, or other municipal subdivision less than a county shall belong and be paid over to the same respectively. All such fines, penalties, and license money shall be appropriated exclusively to the use and support of the common schools in the respective subdivisions

License fees collected in accordance with State statute are to be deposited into the Common School fund in accordance with the Nebraska Constitution.

Neb. Rev. Stat. § 53-123.15(2) (Supp. 2025) states:

The commission may issue a shipping license to a manufacturer. Such license shall allow the licensee to ship alcoholic liquor only to a licensed wholesaler. A person who receives a license pursuant to this subsection shall pay the fee required in sections 53-124 and 53-124.01 for a manufacturer’s shipping license. Such fee shall be collected by the commission and be remitted to the State Treasurer for credit to the General Fund, except that the fee received for a shipping license issued to a beer manufacturer pursuant to this subsection shall be credited to the Nebraska Beer Industry Promotional Fund.

The Commission deposited fees received for shipping licenses issued to beer manufacturers to the Nebraska Beer Industry Promotional Fund in accordance with State statute.

Subsections (5) and (6) of § 53-123.15 (Supp. 2025) state:

(5) The commission may issue a shipping license to any manufacturer who sells and ships alcoholic liquor from another state directly to a consumer in this state if the manufacturer satisfies the requirements of subsections (8) through (10) of this section. A manufacturer who receives a license pursuant to this subsection shall pay the fee required in sections 53-124 and 53-124.01 for a manufacture direct sales shipping license. Such fee shall be collected by the commission and remitted to the State Treasurer for credit to the Winery and Grape Producers Promotional Fund.

(6) The commission may issue a shipping license to any retailer who is licensed within or outside Nebraska, who is authorized to sell alcoholic liquor at retail in the state of domicile of the retailer, and who is not a manufacturer if such retailer satisfies the requirements of subsections (8) through (10) of this section to ship alcoholic liquor from another state directly to a consumer in this state. A retailer who receives a license pursuant to this subsection shall pay the fee required in sections 53-124 and 53-124.01 for a retail direct sales shipping license. Such fee shall be collected by the commission and remitted to the State Treasurer for credit to the Winery and Grape Producers Promotional Fund.

NEBRASKA LIQUOR CONTROL COMMISSION

NOTES TO THE SCHEDULE

(Concluded)

6. Deposits to Common Funds (Concluded)

Neb. Rev. Stat. § 53-304 (Supp. 2025) provides, in relevant part, the following:

Each Nebraska winery shall pay to the Nebraska Liquor Control Commission twenty dollars for every one hundred sixty gallons of juice produced or received by its facility. Gifts, grants, or bequests may be received for the support of the Nebraska Grape and Winery Board. Funds paid pursuant to the charge imposed by this section and funds received pursuant to subsection (5) or (6) of section 53-123.15 and from gifts, grants, or bequests shall be remitted to the State Treasurer for credit to the Winery and Grape Producers Promotional Fund which is hereby created.

The Commission deposited taxes received from wineries and fees received for direct sales shipping licenses into the Winery and Grape Producers Promotional Fund in accordance with the above State statutes.

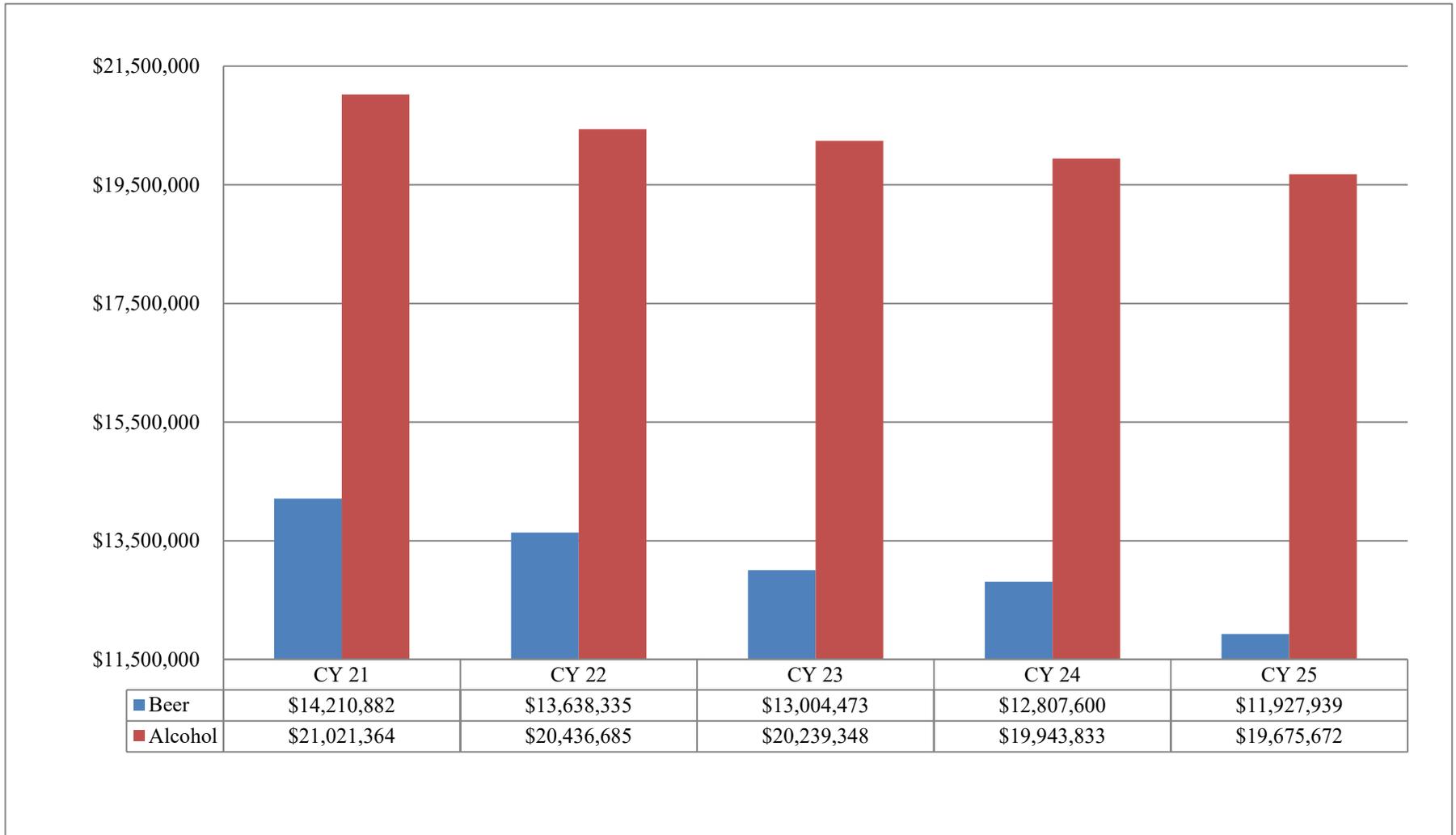
NEBRASKA LIQUOR CONTROL COMMISSION

SUPPLEMENTARY INFORMATION

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

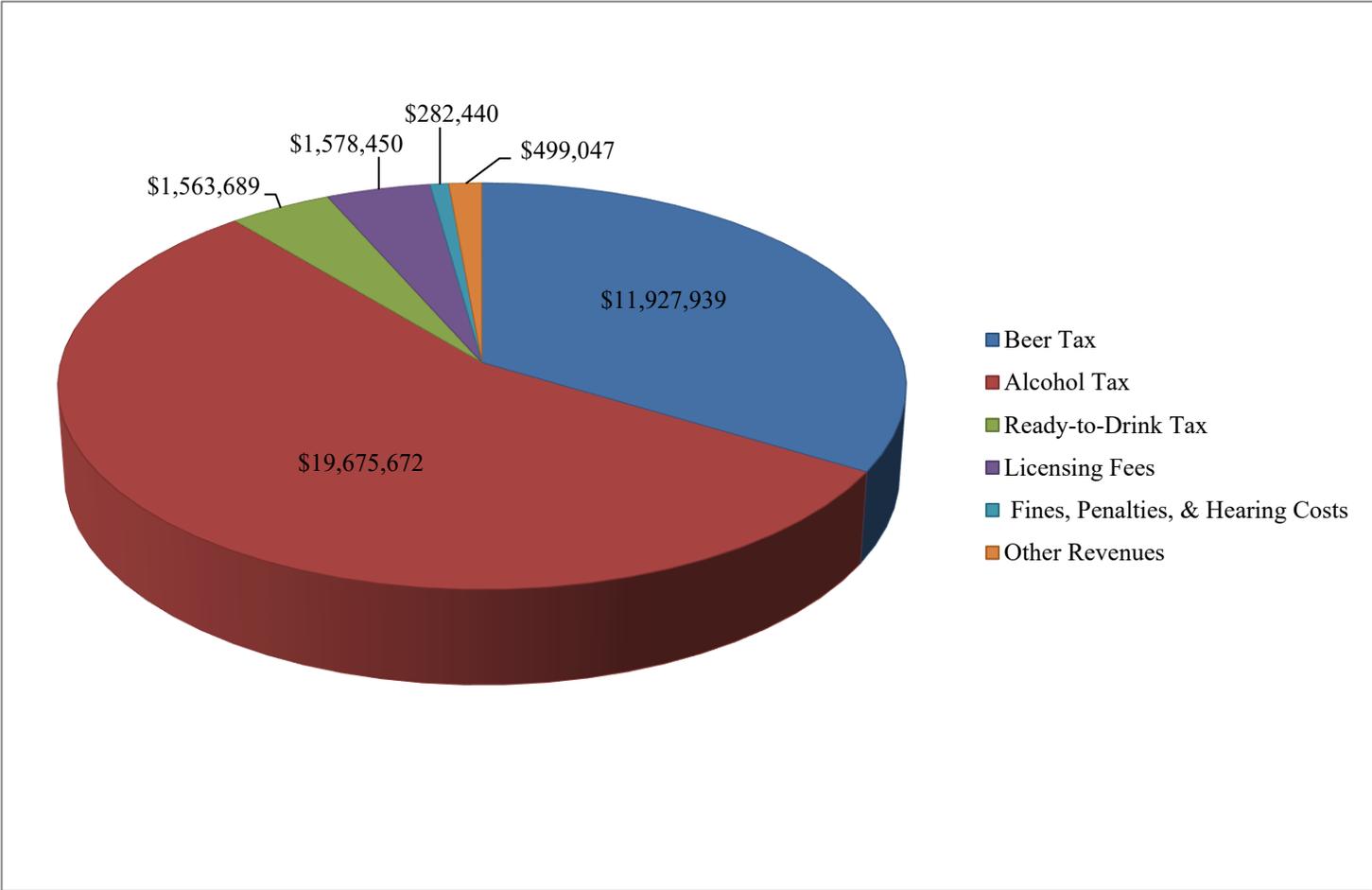
NEBRASKA LIQUOR CONTROL COMMISSION
BEER AND ALCOHOL TAX REVENUE
 For the Calendar Years Ended December 31, 2021, through 2025

Exhibit A



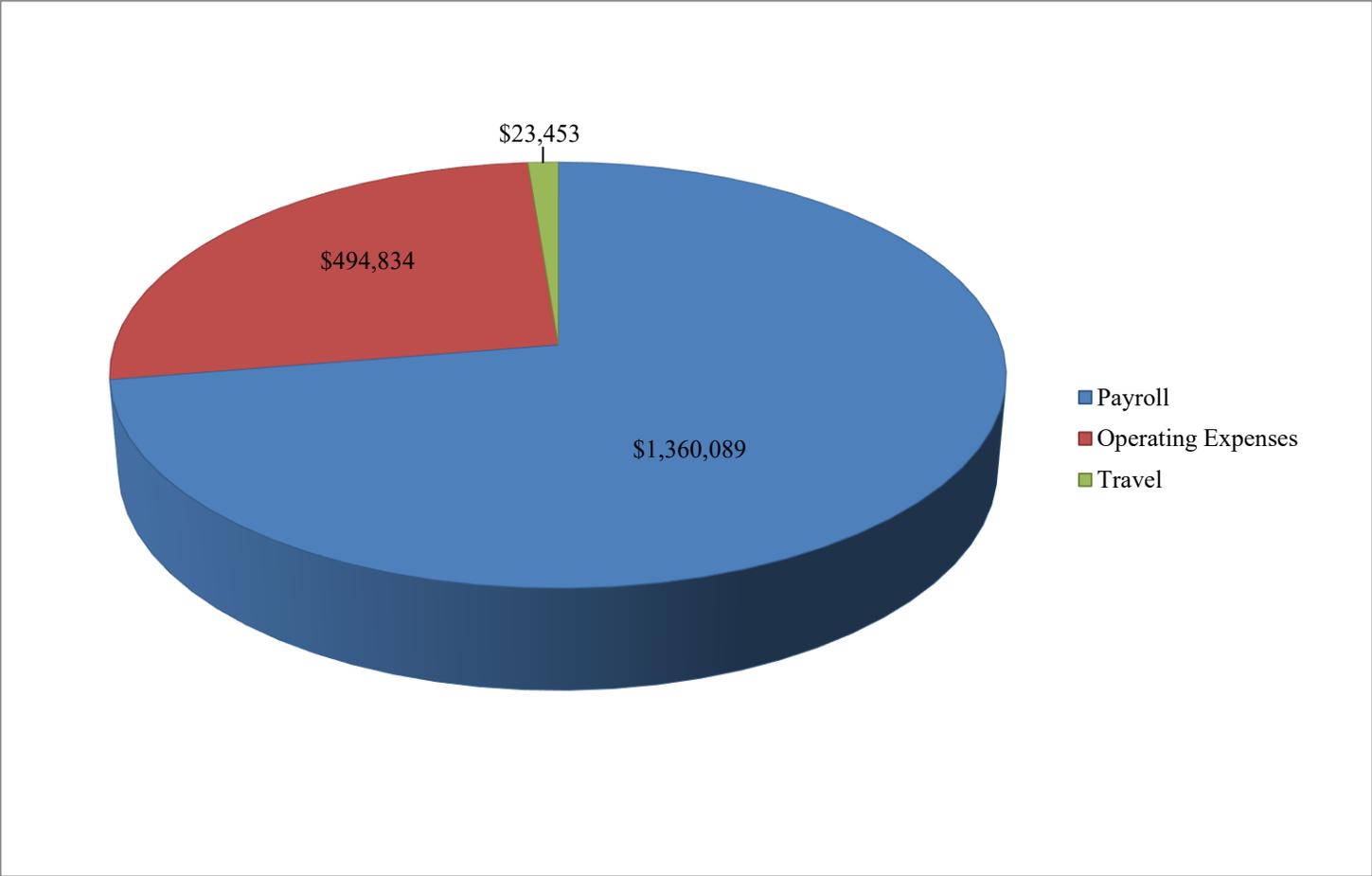
NEBRASKA LIQUOR CONTROL COMMISSION
REVENUES BY CATEGORY
For the Calendar Year Ended December 31, 2025

Exhibit B



NEBRASKA LIQUOR CONTROL COMMISSION
EXPENDITURES BY CATEGORY
Calendar Year Ended December 31, 2025

Exhibit C



NEBRASKA LIQUOR CONTROL COMMISSION
BEER AND ALCOHOL TAX REVENUE FEES
Calendar Year Ended December 31, 2025

Exhibit D

Beer Wholesalers Tax Rate	\$ 0.31 per gallon
Spirits Wholesalers Tax Rate	\$ 3.75 per gallon
Wine Wholesalers Tax Rate	\$ 0.95 per gallon
Farm Wineries Tax Rate	\$ 0.06 per gallon
Craft Breweries Tax Rate	\$ 0.31 per gallon
Ready-to-Drink/Cocktails Tax Rate	\$ 0.95 per gallon
Direct Shippers:	
Beer Tax Rate	\$ 0.31 per gallon
Spirits Tax Rate	\$ 3.75 per gallon
Wine Tax Rate	\$ 0.95 per gallon

Note: Tax rates noted above are per Neb. Rev. Stat. § 53-160 (Reissue 2021) and Neb. Rev. Stat. § 53-160.04 (Reissue 2021).

NEBRASKA LIQUOR CONTROL COMMISSION
CRAFT BREWERY BEER GALLONS
For the Calendar Year Ended December 31, 2025

Exhibit E

Craft Breweries	January	February	March	April	May	June	July	August	September	October	November	December	Total Gallons	Total Barrels
Apeship Brewing	264	323	226	319	216	308	302	248	257	289	159	361	3,272	106
Ashland Brewing Company	-	-	-	-	-	881	1,522	1,095	989	736	760	577	6,560	212
B5 Brewing Company	378	331	383	243	364	284	202	212	336	140	155	510	3,538	114
Backswing Brewing Company	423	394	329	489	737	530	530	698	465	165	367	243	5,370	173
Barley Boys Brewery	-	-	-	-	-	-	-	-	5	-	15	33	53	2
Bearded Brewer Artisan Ales	419	816	534	1,036	1,389	987	734	698	450	975	839	309	9,186	296
Benson Brewery	284	522	261	31	291	605	1,027	283	516	26	31	536	4,413	142
Big Johnson Brewery	-	-	-	-	-	-	-	260	87	110	92	216	765	25
Boiler Brewing Company	544	849	519	759	665	553	1,112	905	1,244	830	746	546	9,272	299
Bolo Beer Co	416	196	349	317	555	437	207	283	589	367	371	371	4,458	144
Boss City Brewing Co	734	333	608	1,129	500	1,053	770	675	1,000	1,163	1,109	880	9,954	321
Bottle Rocket Brewing	894	548	447	712	1,071	803	1,161	2,204	723	840	148	173	9,724	314
Brewery 719	316	224	313	405	325	317	203	272	241	222	126	248	3,212	104
Brickway Brewing & Distilling (Omaha, NE)	1,704	1,310	1,820	2,938	2,133	3,096	1,462	2,489	1,735	2,816	2,368	1,760	25,631	827
Brickway Brewing & Distilling (La Vista, NE)	1,246	1,065	1,674	2,317	1,715	2,127	1,522	1,533	1,323	1,537	1,183	1,100	18,342	592
Code Beer Company	1,477	913	1,197	919	2,058	1,039	1,739	1,773	817	1,765	1,033	1,596	16,326	527
Corn Coast Brewing	1,364	1,772	2,099	3,026	1,359	1,821	2,270	2,544	1,384	2,684	1,220	1,953	23,496	758
Divots Brewery	1,498	1,637	1,687	1,611	2,160	1,060	1,365	1,928	1,341	1,972	1,750	1,514	19,523	630
First Street Brewing Company	371	405	747	564	791	995	847	594	758	532	559	817	7,980	257
Five.0.Five Brewing Company	533	376	251	480	573	419	394	724	478	368	480	465	5,541	179
Flyover Brewing Company	2,243	391	1,921	3,178	1,636	2,687	1,920	2,516	1,380	2,307	1,294	1,317	22,790	735
Frontier Frau	324	487	163	341	-	193	295	517	173	-	163	178	2,834	91
Glacial Till Vineyard & Winery	11,126	8,624	7,032	9,961	16,626	11,816	16,306	17,819	12,643	16,233	9,145	9,020	146,351	4,721
Gotthberg Brew Pub Dusters Restaurant	398	321	538	595	140	202	295	522	222	290	248	186	3,957	128
Granite City Food & Brewery	1,461	175	-	540	865	1,142	548	774	702	565	-	1,174	7,946	256
Hanging Horseshoe Brewing Company	-	-	16	16	-	36	-	-	-	3	5	16	92	3
Hard Patch Brewing Company	294	118	133	206	60	93	241	179	115	137	69	158	1,803	58
Heavy Brewing	465	500	1,398	922	677	700	787	367	1,102	465	807	828	9,018	291
Hwy 14 Brewing Co	491	501	557	672	583	553	532	661	506	532	511	620	6,719	217
Infusion Brewing Company	2,951	2,324	2,524	3,582	5,749	2,950	2,733	4,340	2,230	3,938	1,987	2,504	37,812	1,220
Johnnie Byrd Brewing Company	191	233	171	398	274	150	274	150	78	599	62	279	2,859	92
Jukes Ale Works	1,333	2,223	310	1,510	558	839	545	1,753	610	1,020	876	806	12,383	399
Junto Wine	-	-	10	21	31	-	16	16	31	16	-	16	157	5
Kinkaider Brewing Co	10,485	10,272	13,341	12,641	12,453	11,897	10,249	13,506	22,284	12,994	13,677	13,560	157,359	5,076
Kros Strain Brewing	16,434	14,759	12,565	19,557	22,507	16,250	19,756	15,899	19,610	28,103	13,734	18,436	217,610	7,020
Lazlo's Brewery & Grill Haymarket	8,156	6,633	9,557	9,434	10,234	11,135	7,749	12,577	9,173	6,636	2,482	2,451	96,217	3,104
Lazy Horse Brewing	429	289	633	603	709	494	421	103	-	-	-	62	3,743	121
Lost Way Brewery	434	352	481	543	408	443	460	465	583	382	408	357	5,316	171
Lovely Brew Co	-	-	-	-	-	-	-	-	-	-	266	540	806	26
Lumen Beer Company	322	610	715	513	672	685	610	923	519	730	869	850	8,018	259
Mac's Creek Winery & Brewery	39	100	49	98	93	93	166	115	96	149	76	91	1,165	38
Monolithic Brewing Company	791	813	721	1,074	1,052	1,050	1,098	993	1,123	599	600	982	10,896	351
Nebraska Brewing Company	6,343	4,097	4,400	3,817	2,275	5,814	4,864	1,076	-	-	-	-	32,686	1,055
Pals Brewing Company	1,414	1,109	2,025	1,576	2,249	1,938	2,080	2,022	1,559	1,553	1,224	1,174	19,923	643
Patriot Brewery & Homebrew Supplies	39	18	66	23	57	10	76	15	60	43	25	67	499	16
Peg Leg Brewing	675	589	798	645	1,027	1,005	793	1,064	976	594	1,069	447	9,682	312
Pint Nine Brewing Company	4,475	2,910	3,546	3,687	5,804	3,232	3,194	2,345	3,047	2,326	2,690	2,782	40,038	1,293
Prairie Pride Brewing Company	403	30	45	217	155	465	341	78	264	140	232	62	2,432	78
Roc Hopper Brewing Company	263	258	320	450	377	258	155	357	-	-	-	-	2,438	79

NEBRASKA LIQUOR CONTROL COMMISSION
CRAFT BREWERY BEER GALLONS
For the Calendar Year Ended December 31, 2025

Exhibit E

Craft Breweries	January	February	March	April	May	June	July	August	September	October	November	December	Total Gallons	Total Barrels
Salt Mine City Brewing Co	299	558	377	456	418	320	911	417	873	964	295	305	6,193	200
Saro Cider	828	252	960	851	1,178	1,393	935	2,180	1,600	1,173	1,012	192	12,554	405
Scott Free Brewing Company	99	136	96	137	132	170	96	93	146	88	152	91	1,436	46
Scratchtown Brewing Company	421	524	558	610	563	760	607	558	977	530	514	452	7,074	228
Scriptown Brewing Company FS Brewing Inc	930	662	1,137	1,142	1,142	878	1,431	863	997	935	491	1,008	11,616	375
Second Chapter Brewing	289	346	446	440	670	629	702	590	604	412	406	412	5,946	192
Site 1 Brewing	642	693	836	1,060	1,189	1,205	1,214	1,121	927	1,126	783	1,088	11,884	383
Soaring Wings Vineyard	-	-	9	4	-	3	3	3	3	-	-	-	25	1
Steeple Brewing	171	120	181	160	140	186	186	114	181	98	114	120	1,771	57
Stone Hollow Brewing Company	1,308	897	1,164	1,202	1,367	1,734	1,076	1,284	1,053	1,521	988	1,230	14,824	478
The Jaipur	186	124	186	186	186	248	-	372	186	124	186	186	2,170	70
Thunderhead Brewing	2,017	2,254	2,242	2,781	2,469	3,482	2,887	2,790	2,337	2,197	1,902	2,069	29,427	949
Upper Room Brewery	121	179	237	178	236	300	104	181	303	246	182	185	2,452	79
Upstream Brewing Company	2,720	430	1,350	980	1,824	1,324	2,396	851	1,991	1,404	1,158	47	16,475	531
Vis Major Brewing Vis Major Brewing Holding Co	367	326	408	708	568	542	336	248	465	610	398	630	5,606	181
White Elm Brewing Company	1,694	2,562	1,668	2,397	2,316	1,917	3,049	1,566	1,535	1,938	988	742	22,372	722
Yard & Loop Brewing Co Taproom	233	245	108	94	79	56	-	41	-	-	-	-	856	28
Zipline Brewing Co	16,580	15,561	16,360	19,758	19,357	21,879	22,184	21,866	25,275	18,190	19,960	17,264	234,234	7,556
Totals	113,749	96,619	105,802	127,259	138,007	130,471	131,990	135,708	133,277	129,447	95,559	99,192	1,437,080	46,361

Tax Rate	\$ 0.31
Subtotal	\$ 445,495
Less 1% Discount Total	\$ (4,455)
Net Paid (est.)	\$ 441,040

Note 1: Amounts are for the prior month's gallons.

Note 2: The APA assumed all entities qualified for the 1% discount rate per Neb. Rev. Stat. § 53-164.01(3) (Reissue 2021).

(Concluded)

NEBRASKA LIQUOR CONTROL COMMISSION
WHOLESALE BEER GALLONS
For the Calendar Year Ended December 31, 2025

Exhibit F

Wholesalers	January	February	March	April	May	June	July	August	September	October	November	December	Total
Arrowhead Distributing	35,673	16,284	23,552	29,702	28,253	61,400	45,782	19,894	12,745	37,188	20,760	31,858	363,091
Chieftain Distribution	-	-	41	106	-	-	197	149	-	-	134	333	960
Coors Distrib Co of North Platte	48,913	59,719	63,032	58,180	102,787	94,629	80,106	80,511	54,730	53,792	57,292	64,427	818,118
Dietrich Distributing Company	21,362	35,651	24,871	-	-	-	163,184	33,927	33,762	27,955	23,640	35,159	399,511
Eagle Distributing (Fremont, NE)	278,586	362,746	267,725	315,657	374,774	376,249	321,471	469,830	261,971	324,134	252,603	259,820	3,865,566
Eagle Distributing of Grand Island	318,767	357,708	327,452	420,237	332,074	393,757	361,777	486,715	360,073	349,209	253,782	325,906	4,287,457
Global Distributing Inc	2,924	1,943	2,237	2,596	2,845	2,854	3,096	3,057	2,588	2,205	2,289	1,986	30,620
Good Life Provisions	3,751	4,046	2,465	2,594	5,720	2,518	2,259	5,405	3,713	4,639	3,322	1,881	42,313
Handcrafted Wine & Spirits	-	-	-	1,386	-	-	-	234	-	-	-	-	1,620
Heartland Beverage	66,712	89,942	98,938	100,634	145,066	136,252	89,804	106,085	91,481	72,247	87,849	80,774	1,165,784
High Plains Beverages	120,030	90,768	63,252	85,989	116,685	116,795	101,197	118,265	56,854	-	-	-	869,835
House of Beers Wholesale	1,850	2,467	4,490	2,778	3,273	3,182	4,268	4,617	2,503	2,960	3,113	2,208	37,709
Johnson Brothers of Nebraska	30,022	29,380	38,271	16,237	51,841	30,375	36,922	37,920	27,098	34,949	23,612	26,941	383,568
K & Z Distributing Co	117,560	148,485	141,474	143,889	200,584	218,517	197,575	179,064	122,802	142,075	136,253	168,860	1,917,138
Nebraskaland Distributors	114,528	196,606	186,728	153,988	232,128	286,186	223,186	170,984	144,472	165,478	181,645	181,148	2,237,077
Premier-Midwest Beer & Beverage LLC	355,557	362,609	278,093	538,103	652,801	522,027	496,624	326,513	342,268	405,381	389,630	398,076	5,067,682
Quail Distributing	-	1,845	1,958	2,780	454	1,082	1,416	826	300	2,601	643	2,534	16,439
Quality Brands of Lincoln	328,925	414,312	406,205	404,644	424,336	438,317	414,292	649,888	428,665	403,262	301,504	261,402	4,875,752
Quality Brands of North Platte	73,879	125,450	120,141	133,282	139,683	162,215	139,628	162,015	194,491	127,922	187,589	160,033	1,726,328
Quality Brands of Omaha (Centech Rd.)	603,670	522,442	622,283	737,338	781,753	840,442	644,262	870,466	634,222	706,181	479,009	434,437	7,876,505
Quality Brands of Omaha (Industrial Rd.)	-	-	17,037	3,087	-	-	-	-	-	-	-	-	20,124
Quench Fine Wines of Nebraska	26	95	61	81	263	377	-	51	40	238	44	67	1,343
Republic National Distributing Co	2,732	-	89	71	265	-	106	232	30,172	169	2,247	2,356	38,439
State Distributing Company	73,422	78,954	94,569	118,578	111,601	89,457	105,761	104,932	87,690	91,921	60,283	103,917	1,121,085
Totals	2,598,889	2,901,452	2,784,964	3,271,937	3,707,186	3,776,631	3,432,913	3,831,580	2,892,640	2,954,506	2,467,243	2,544,123	37,164,064

Tax Rate	\$ 0.31
Subtotal	\$ 11,520,860
Less 1% Discount Total	\$ (115,209)
Net Paid (est.)	\$ 11,405,651

Note 1: Amounts are for the prior month's gallons.

Note 2: The APA assumed all entities qualified for the 1% discount rate per Neb. Rev. Stat. § 53-164.01(3) (Reissue 2021).