# ATTESTATION REPORT
# OF THE
# NEBRASKA COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED

**JANUARY 1, 2025, THROUGH DECEMBER 31, 2025**



**Issued on July 15, 2026**

*The **Nebraska Auditor of Public Accounts Office** was created by the first territorial Legislature in 1855. The Auditor was the general accountant and revenue officer of the territory. Those duties have expanded and evolved over the decades, as modern accounting theory has been implemented. The office of the Auditor of Public Accounts is one of six offices making up the executive branch of Nebraska State Government. Mike Foley was elected in November 2006 and re-elected in November 2010 and November 2022 as the Nebraska Auditor of Public Accounts. He was sworn into office on January 5, 2023, and is Nebraska's 24th State Auditor.*

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

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

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

## Audit Staff Working On This Examination

Mark Avery, CPA – Assistant Deputy Auditor
Dennis Sugden – Audit Manager
Nick Fleming, CPA – Auditor-In-Charge
Joseph Mueller, CPA – Auditor-In-Charge
Jay Kannapareddy, CPA – Auditor II
Diogo Rocha Ferreira, Auditor

Our reports can be found electronically at: **auditors.nebraska.gov**

Additionally, you may request them by contacting us at:


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

**TABLE OF CONTENTS**

NEBRASKA COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED

## BACKGROUND

The Nebraska Commission for the Blind and Visually Impaired (Commission) was established as a separate agency on July 1, 2000. Prior to that time, a program in the Department of Health and Human Services provided services for the blind and visually impaired. The Commission was created to improve the autonomy and quality of existing services for blind and visually impaired people and to promote the development of new services when necessary.

The Commission is headquartered in Lincoln, with additional offices in North Platte and Omaha. Rehabilitation counselors and teachers provide or arrange vocational rehabilitation services for persons whose vision impairment limits their vocational abilities and independent living skills. Services include diagnostic evaluations, counseling and guidance, physical restoration, training, maintenance, job placements, tuition assistance, and business start-up expenditures. The Commission provides orientation and adjustment training necessary for independent living. The Commission contracts with Newsline, an audio news and information service operated by the National Federation of the Blind, to provide resources otherwise available only in print. The Commission partners with various organizations to support large group training and outreach events.

The Commission Board has five members appointed by the Governor. The Commission's Board members must have reasonable knowledge or experience in issues related to blindness and are appointed for four-year terms. At least three Commission Board members must be blind. One member must be a member or designee of the National Federation of the Blind of Nebraska; one member must be a member or designee of the American Council of the Blind of Nebraska; and one member may be a member of another consumer organization for the blind. Commission Board members receive a per diem of $70 for each day spent in the performance of their official duties and are reimbursed for expenses.

## MISSION STATEMENT

Empowering Blind Individuals, Promoting Opportunities and Building Belief in the Blind.

## KEY OFFICIALS AND AGENCY CONTACT INFORMATION

### Commission Board Members

| Name | Title | Term Ending |
|---|---|---|
| Brent Heyen | Chairperson | December 31, 2027 |
| Cheryl Livingston | Vice Chairperson; NFB Representative | December 31, 2029 |
| Linda Mentink | Executive Secretary | December 31, 2029 |
| Miguel Rocha | Board Member | December 31, 2027 |
| Patricia Schonlau | Board Member, ACB Representative | December 31, 2027 |

### Commission Executive Management

| Name | Title |
|---|---|
| Carlos Serván | Executive Director |
| Erin Brandyberry | Deputy Director of Services |
| Tammie Dunn | Deputy Director of Finance |

Nebraska Commission for the Blind and Visually Impaired
4600 Valley Road, Suite 100
Lincoln, NE 68510
ncbvi.nebraska.gov

## SUMMARY OF COMMENTS

During our examination of the Nebraska Commission for the Blind and Visually Impaired (Commission), we noted certain deficiencies and other operational matters that are presented here. The following comments are required to be reported in accordance with *Government Auditing Standards*: Comments #1 ("Accounting Issues"), #3 ("Purchasing Card Issues"), #4 ("Capital Assets Issues"), and #5 ("Vehicle and Other Travel Issues"), which are considered to be significant deficiencies.

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

***1.*** ***Accounting Issues:*** Multiple issues were noted regarding amounts recorded in the State's accounting system, including inadequate supporting documentation, incorrect coding, and unreasonable or unallowable expenditures.

***2.*** ***ReliaCard Program Issues:*** We noted a failure to review consumer card account balances, a lack of supporting documentation for purchases utilizing certain aid monies provided to consumers, and errors in the accounting and recording of the activity in the State's accounting system by the Commission for governmental aid provided to consumers through the ReliaCard prepaid debit card program while attending training at the Nebraska Center for the Blind.

***3.*** ***Purchasing Card Issues:*** The Commission maintained an unreasonable amount of purchasing cards during the year, including three card accounts that remained open after the cardholders had terminated employment. It was also noted that account single-purchase limits controls were circumvented.

***4.*** ***Capital Assets Issues:*** In our review of asset procedures and records, we noted a lack of segregation of duties over assets and a failure to review asset reports. Due to the failure to review the reports, adjustments to footnotes to the financial schedule were necessary.

***5.*** ***Vehicle and Other Travel Issues:*** Multiple issues were noted related to Commission travel, including vehicle travel logs that were improperly destroyed and vehicle travel logs that were not properly completed. For employee travel-related expenditures, we also noted instances of unreasonable amounts paid, lack of proper approval for out-of-state travel, and a lack of adequate supporting documentation.

***6.*** ***Consumer Equipment Forms:*** The Commission did not have signed equipment forms on file documenting the receipt of equipment by consumers for $6,347 of consumer equipment purchases made during calendar year 2025.

***7.*** ***Contract Issues:*** The Commission improperly recorded $32,750 to a contract that did not cover the period during which services were received, and several contracts and agreements were not properly posted to the State Contracts Database.

***8.*** ***Payroll Issues:*** We noted instances of an employee earning sick leave at incorrect rates, resulting in his sick leave balance being understated by approximately 195 hours. Another employee was not being paid the proper wage when hired, resulting in a $537 total underpayment of wages to her. We also noted the lack of a documented review of Commission HR-1 forms used to record changes to employee payroll information.

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 regarding any strengths of the 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.

*Commission Response: Management acknowledges the importance of maintaining adequate supporting documentation for transactions recorded in the State's accounting system. The Commission takes internal control requirements seriously and will continue strengthening procedures to ensure documentation is retained when necessary to support the allowability, reasonableness, and accuracy of expenditures and revenues. In recent years, the agency has experienced a significant leadership transition with a new Deputy Director of Finance and a new Deputy Director of Services. During the calendar year under review, agency leadership was still in a transitional state of updating guidance and processes.*

*While the report identifies several findings, it does not fully recognize the corrective actions and improvements implemented by management throughout the year, including enhanced fixed asset management procedures, new consumer documentation forms, additional travel audits, and strengthened internal review processes. Management also believes several of the items identified require additional program context. In addition, no definitive sample size or materiality threshold appears to have been established or applied in determining the findings, which may make the issues appear more abundant than the overall dollar impact or underlying risk would otherwise suggest. The Commission remains committed to continued improvement, appropriate documentation, and strong internal controls.*

**APA Response: As noted above, this report is critical in nature, containing only our comments and recommendations on the areas noted for improvement and does not include our observation regarding any strengths of the Commission. As communicated to the Commission at the beginning of the engagement, the end of the engagement fieldwork, and in the Independent Accountant's Report included herein this document, 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.**

## COMMENTS AND RECOMMENDATIONS

### 1. Accounting Issues

In calendar year 2025, the Nebraska Commission for the Blind and Visually Impaired (Commission) had total expenditures of $7,750,181 and total revenues of $7,846,172. We selected both expenditure and revenue transactions to test. During the review, we identified several issues related to documenting and recording transactions, not to mention questions regarding the underlying propriety of certain expenditures.

The following table summarizes the issues identified, which are explained in further detail below.

| Description | Amount |
|---|---|
| Inadequate Supporting Documentation | $ 24,047 |
| Incorrect Coding | $ 17,659 |
| Unreasonable or Unallowable Expenditures | $ 2,548 |
| **Total Errors** | **$ 44,254** |

*Inadequate Supporting Documentation*

During testing, we noted multiple instances of transactions being posted to the State's accounting system without adequate documentation to support the amounts of the expenditures or the revenues being recorded, as detailed in the following table:

| Error | Description | Amount |
|---|---|---|
| 1 | As discussed further in **Comment #2** ("ReliaCard Program Issues") herein, the Commission does not require consumers to submit receipts for purchases with ReliaCard prepaid debit cards when using monies provided as government aid assistance to those enrolled in training at the Nebraska Center for the Blind. In total, these consumers received $18,864 in such aid during calendar year 2025 for which the Commission required no receipts for expenditures. | $ 18,864 |
| 2 | In July 2025, the Commission entered into an agreement with NRG Media LLC for a two-month marketing campaign that occurred during August and September 2025. Included in the contract were rates for Facebook and YouTube ads based on the number of impressions received. On September 30, 2025, NRG Media LLC billed the Commission $3,338 for the Facebook and YouTube impressions during September 2025; however, the invoice did not detail the number of impressions received, and no documentation was obtained by the Commission to verify that the amount charged was correct. | $ 3,338 |
| 3 | The Commission has entered into agreements with third-party vendors to run vending machines around the State. These agreements include requirements that the third-party vendor will pay the Commission a set percentage of the machines' sales. During review of the support for two receipts from National Vending, totaling $1,289, we could not verify that the percentages used were correct and in accordance with the contract because the copy of the contract schedule for the percentages on file with the Commission was illegible. | $ 1,289 |
| 4 | In June 2025, the Commission paid $429 directly to a consumer to help her cover her monthly rent and phone bill. The Commission did not obtain actual invoices to support the amount paid, relying on a monthly budget prepared by the consumer without any additional verification to ensure that the amount was reasonable. | $ 429 |
| 5 | The Commission reimbursed O'Kane Kinney Resources LLC (O'Kane) $127 for expenses that it incurred while organizing an art tour for blind Nebraskans in Omaha and Lincoln, which occurred during March 2025. The Commission did not obtain actual receipts for these expenses, relying instead on a listing of expenses provided by O'Kane. | $ 127 |
| | **Total** | **$ 24,047** |

A proper system of internal control requires procedures to ensure that adequate supporting documentation is maintained for all transactions to allow for subsequent review and verification that amounts charged or collected are correct.

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

**COMMENTS AND RECOMMENDATIONS**
(Continued)

**1. Accounting Issues** (Continued)

*Incorrect Coding*

The Commission is responsible for ensuring that accurate financial information is entered into the State's accounting system to allow for proper financial statement presentation. As detailed in the table below, we identified multiple instances of the Commission failing to record financial information accurately in the State's accounting system.

| Error | Description | Dollar Error |
|---|---|---|
| **1** | In September 2025, the Commission was required to return $6,317 in Federal funds received from the U.S. Department of Education due to not meeting grant requirements. When the funds were returned, the Commission incorrectly paid the money from its General funds instead of the Federal fund to which the monies were originally receipted. | $ 6,317 |
| **2** | During calendar year 2025, the Commission incorrectly recorded receipts from six sales of surplus property, totaling $6,074, to the Federal Letter of Credit fund instead of the Commission's fund used to record and track program income by Federal grant program. Without being recorded to the proper fund, these monies may not have been utilized appropriately as required by the various Federal program requirements, because procedures for drawing down Federal funds would not have considered these receipts when calculating subsequent draw downs. | $ 6,074 |
| **3** | The Commission hosted a College Workshop and an Employment Conference at the Graduate Lincoln Hotel from June 4, 2025, to June 6, 2025. The Commission purchased $9,431 in meals for attendees, presenters, and staff over the three days, all of which was recorded as a governmental aid expenditure. This amount included $3,556 to purchase meals for Commission staff, which should have been recorded as an operating expenditure because it was not actually aid for individuals. | $ 3,556 |
| **4** | The Commission collects money from the sale of various supplies, including braille paper, calendars, magnifiers, and cane tips. The sales of these items are coded as a reduction to government aid expenditures instead of as revenue. The recording of these receipts as a reduction to expenditures results in an understatement of government aid expenditures and an understatement of revenues for the calendar year. Receipts for such sales during calendar year 2025 totaled $1,337. | $ 1,337 |
| **5** | The Commission hired O'Kane Kinney Resources LLC (O'Kane) to organize an art tour for blind Nebraskans in Omaha and Lincoln, which occurred during March 2025. As part of the contract, O'Kane was allowed to charge $20 per person for each session attended during the art tour. It was noted that eight Commission staff members attended a session of the art tour, resulting in $160 being recorded incorrectly as governmental aid instead of properly as an operating expenditure. | $ 160 |
| **6** | During April 2025, the Commission utilized its purchasing card to pay $880 in hotel costs for its consumers to attend a convention in Bellevue. It was noted that $110 of these costs were recorded incorrectly to the Vocational Rehabilitation program instead of properly to the Older Individuals Who are Blind program. | $ 110 |
| **7** | One of the Commission's main functions is assigning vending machines on State property to blind vending machine operators as part of the Nebraska Business Enterprise program. When a vending machine is assigned to such an operator, he or she is required to pay a portion of his or her revenues to the Commission, which is then deposited into the Commission's Cash Fund. One receipt, totaling $91, was deposited into the Commission's Trust Fund, rather than to its Cash Fund, in violation of State statute. | $ 91 |
| **8** | As discussed further in **Comment #2** ("ReliaCard Program Issues") herein, the Commission inappropriately recorded the initial deposits, totaling $21,408, to a US Bank ReliaCard account as an operating expenditure instead of as a governmental aid expenditure. These deposited monies are loaded on prepaid debit cards for the Commission's consumers to utilize while they complete training at the Nebraska Center for the Blind to learn the skills necessary to live independently. The Commission did record monthly journal entries to move these expenditures to the government aid accounts as part of its monthly reconciliation procedures; however, only $21,394 was moved to governmental aid, and the remaining $14 was still recorded as an operating expenditure as of December 31, 2025. | $ 14 |
| | **Total Incorrect Coding Errors** | **$ 17,659** |

**COMMENTS AND RECOMMENDATIONS**
(Continued)

**1. Accounting Issues** (Continued)

None of the errors identified required adjustments to the financial statements due to their relative insignificance both individually and in the aggregate.

Neb. Rev. Stat. § 71-8612 (Reissue 2018) states, as is relevant, the following:

> *The Commission for the Blind and Visually Impaired Cash Fund is created. The fund shall contain money received pursuant to the Commission for the Blind and Visually Impaired Act and shall include a percentage of the net proceeds derived from the operation of vending facilities. The net proceeds from the operation of vending facilities shall accrue to the blind vending facility operator, except for the percentage of the net proceeds that shall revert to the cash fund.*

(Emphasis added.) A proper system of internal control requires procedures to ensure that financial information is complete and recorded accurately in the State's accounting system for proper financial statement presentation.

Without such procedures, there is an increased risk of not only material misstatement to the financial statements but also noncompliance with State statute.

*Unreasonable or Unallowable Expenditures*

We identified several transactions, as detailed in the table below, that did not appear reasonable or were unallowable per State statute.

| Error | Description | Amount |
|---|---|---|
| 1 | The Commission hosted a College Workshop and an Employment Conference at the Graduate Lincoln Hotel from June 4, 2025, to June 6, 2025. As part of these events, the Commission purchased $9,431 in meals from the Graduate Lincoln for attendees, presenters, and staff over the three days. While it was likely necessary for the Commission to purchase meals from the Graduate Lincoln to host its event at the hotel, the Auditor of Public Accounts (APA) noted that the meals purchased were, in total, $1,793 above the General Services Administration (GSA) per diem rate for Lincoln, which appears to have been unreasonable. Additionally, the Graduate Lincoln Hotel charged a 24% administrative charge on all meals, resulting in a total of $2,223 over the applicable GSA rate being paid for meals. | $ 2,223 |
| 2 | The Commission paid $68 in Nebraska sales tax to Lincoln Electric System when paying the electric bill for the Continental Commons, which are apartments rented for consumers participating in classes at the Nebraska Center for the Blind, for the period August 23, 2025, to September 22, 2025. Additionally, during our review of purchasing card transactions, we noted four transactions that included payment of a total $67 in Nebraska sales tax that does not appear to have been credited back to the Commission. Per statute, the State is exempt from paying sales and use taxes. | $ 135 |
| 3 | The Commission hired O'Kane Kinney Resources LLC (O'Kane) to organize an art tour for blind Nebraskans in Omaha and Lincoln, which occurred during March 2025. As part of the contract, O'Kane was allowed to charge $20 per person for each session attended during the art tour. It was noted that three O'Kane volunteer coordinators attended two sessions, resulting in $120 being paid by the Commission. This does not appear to have been reasonable because O'Kane also obtained a flat fee of $4,000 for organizing the art tour. This amount should have been considered a cost necessary for O'Kane to meet its contractual obligations, making it an improper payment on top of the agreed-upon remuneration. | $ 120 |
| 4 | In December 2025, the Commission received and paid an invoice, totaling $3,262, for a low vision software accessibility tool. The amount paid was $70 higher than the price specified in the contract between the Commission and the vendor. | $ 70 |
| | **Total** | **$ 2,548** |

**COMMENTS AND RECOMMENDATIONS**
(Continued)

**1. <u>Accounting Issues</u>** (Concluded)

Per Neb. Rev. Stat. § 77-2704.15(1)(a) (Cum. Supp. 2024), "Sales and use taxes shall not be imposed on the gross receipts for 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 of the State, the Commission is exempt from these taxes. Additionally, the Department of Administrative Services (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.*

A proper system of internal control requires procedures to ensure that the expenditures of the Commission are reasonable, necessary, and agree to the terms of the applicable contract. This includes ensuring that sales taxes are not improperly paid, and they are refunded if such payment occurs.

Without such procedures, there is an increased risk of not only the loss or misuse of Federal and State funds but also noncompliance with State statute.

A similar issue was noted in our previous attestation report for the period January 1, 2015, through December 31, 2015.

> We recommend the Commission implement procedures to ensure: 1) financial information recorded in the State's accounting system is accurate, complete, and properly supported; and 2) expenditures are reasonable, necessary, and in compliance with State statute.

*Commission Response: NCBVI acknowledges the importance of accurate documentation, coding, and compliance; however, management believes the findings should be considered in context of the total sample size and overall calendar year activity. The report identifies total errors of $44,254, which represents approximately 0.57% of the Commission's total CY2025 expenditures of $7,750,181, and the $17,659 in coding items represents approximately 0.11% of the Commission's total financial activity when considering both expenditures and revenues. The audit did not provide a statistical margin of error or projected error rate. Based on the amounts identified, the known error rate is approximately 0.28% of total financial activity, or 0.57% of total expenditures. Additionally, none of the identified items required adjustments to the financial statements due to their relative insignificance, individually or in the aggregate. Management believes several items require additional program context, particularly where payments were based on individualized consumer need, counselor discretion, or program-specific requirements, and in some cases the Commission does not agree with the classification of the item as an error.*

**APA Response: The APA judgmentally selected the items for testing, which is acceptable per auditing and attestation standards. The reported results are based on those items tested. As previously stated in the comment, none of the errors identified required adjustments to the financial statements due to the relative insignificance both individually and in the aggregate.**

**2. <u>ReliaCard Program Issues</u>**

As part of the Vocational Rehabilitation (VR), Older Individuals who are Blind (OIB), and Independent Living (IL) Programs, the Commission allows consumers to enroll in classes offered at the Nebraska Center for the Blind (Center). The Center is the Commission's blindness rehabilitation center, located in Lincoln, Nebraska. People who are new to vision loss, as well as blind and low vision people (consumers) who may not have received sufficient instruction in the past, may attend the Center for six to nine months to learn the skills necessary to live independently and meet their education and employment goals. As part of this enrollment, consumers are expected to live in apartments leased by the Commission while attending the classes and being provided with opportunities to incorporate into everyday life the non-visual skills learned.

**COMMENTS AND RECOMMENDATIONS**
(Continued)

**2. <u>ReliaCard Program Issues</u>** (Continued)

While living in these apartments, consumers receive grocery aid payments (Apartment Aid) from the Commission through the US Bank ReliaCard Visa Program. This program provides the consumer with a prepaid Visa debit card account into which the Commission will deposit funds to use when shopping for groceries necessary for living in the apartment. The amount loaded on a consumer's ReliaCard account (card account) is determined by counsellors employed at the Center. Prior to the start of each month, counsellors approve the amount each consumer is given. A standard amount of $200 is normally provided to each consumer but could be less or more depending on the needs of a specific consumer. Any unspent funds for the month are left on the Consumer's card account and are carried forward to the following month.

Counsellors may also approve additional funds for consumers for the cost of groceries required for the Home Management Course (HM Aid) offered at the Center. This course helps consumers learn how to select recipes, plan and cook meals, shop for groceries, and label and organize food and household items. A standard $200 is normally given; however, unlike the Apartment Aid, any unspent HM Aid provided is then withdrawn from the consumer's card account after groceries are purchased.

At the start of each month, the Commission totals both the Apartment Aid and HM Aid amounts approved by the counsellors for each consumer and then makes a deposit into the ReliaCard Master Account. From the Master Account, the Commission then transfers the approved amounts to each specific consumer's card account. During calendar year 2025, there were 20 individual consumer card accounts that were open and active in addition to the Master Account.

The bank reconciliation shown below summarizes the aid activity in the ReliaCard Master Account for calendar year 2025:

| Reconciling Item | Amount | |
|---|---|---|
| ReliaCard Master Account Balance at 1/1/2025 | $ | 750 |
| Total Deposits made by the Commission | $ | 21,408 |
| Total Apartment Aid Transferred to Consumers | $ | (18,864) |
| Total HM Aid Transferred to Consumers | $ | (3,466) |
| Total Aid Returned due to Consumers Completing Training | $ | 1,172 |
| **ReliaCard Master Account Balance at 12/31/2025** | **$** | **1,000** |

We reviewed the procedures in place for the ReliaCard process, as well as selected related transactions to test. During testing, we noted the following:

*<u>ReliaCard Master Account</u>*

As shown in the bank reconciliation above, the Commission deposited $21,408 to its ReliaCard Master Account during the year. This account is maintained separately and not tracked within the State's accounting system because its funds are considered to be aid payments to individual consumers, which are loaded on prepaid Visa debit cards for the consumers to use while attending training at the Center.

The Commission records the payment to US Bank as an operating expense in the State's accounting system. Given that the Commission is doing this to provide assistance to individuals attending the Center for training, however, the payment should be recorded as a government aid expense.

**COMMENTS AND RECOMMENDATIONS**
(Continued)

**2. <u>ReliaCard Program Issues</u>** (Continued)

The Commission does create a journal entry in the subsequent month to move the amount spent on Apartment Aid and HM Aid from the operating expense to government aid based on the actual consumer card accounts activity, but the portion not actually spent is still included as an operating expense. Even with this procedure, the APA found various errors, such as instances of the journal entries being recorded for incorrect amounts and instances of duplicative counts of aid paid out to the consumers included in the reconciliation process. As noted in **Comment Number 1** ("Accounting Issues") herein, $14 was still shown in the State's accounting system as an operating expense at December 31, 2025.

Additionally, as the initial payments to US Bank are considered expended when the funds are sent there, the activity that occurs within the Master Account is not recorded in the State's accounting system; therefore, any unspent funds withdrawn from consumer accounts are not returned and deposited in the State's bank accounts. Instead, they remain in the Master Account and are factored into the subsequent month's deposits made by the Commission to that account.

*<u>Lack of Support for Apartment Aid Purchases</u>*

As shown in the reconciliation above, the Commission provided consumers at the Center with $18,864 in Apartment Aid during calendar year 2025. Unlike the HM Aid provided to consumers to purchase groceries as part of their final class to complete the training program, the Commission did not require receipts for any of the Apartment Aid to consumers. Without the receipts, we were unable to verify what the consumers purchased with these funds to ensure that the expenditures complied with the Commission's requirements, which prohibit the purchase of such items as alcohol or tobacco products, medications and supplements, live animals, or nonfood items like pet foods and cleaning supplies.

The Commission attempts to mitigate the risk of Apartment Aid misuse through restricting specific Merchant Classification Categories (MCC) Codes. Without support on file, however, the APA remains unable to verify whether this control works as intended, or purchases of prohibited items did not occur inadvertently due to vendors using general MCC codes that are not restricted.

*<u>Lack of Review of Consumer Balances</u>*

When providing the aid payments to the consumers each month, the Commission disburses the authorized amount on top of any unspent funds previously received. Consequently, consumers can accumulate balances exceeding $200, which was the standard monthly amount normally provided as aid while at the Center.

During our review of consumer account activity, we noted four consumers who held balances at the end of a month greater than $200 and still received an additional $200 or more in aid the following month in their card account. This raises concerns as to whether the additional aid was actually necessary for the consumer. Specifically, we noted the following:

- One consumer had a balance of $204 as of April 30, 2025. He received additional aid over the next three months of $325, $400, and $200. While he did spend some of the monies, his balance at the end of each of those months continued to increase to a balance of $404 as of July 31, 2025, at which point he was no longer given additional aid payments. As of December 31, 2025, the balance in this account was $341.

- One consumer had a balance of $208 as of July 31, 2025. She received additional aid in the following month of $200 and, after using some of those funds, her account balance at the end of the month had increased to $217. She again received $200 in September, but her activity showed more use, and her balance began to decrease. As of December 31, 2025, the balance in this account was less than $1.

**COMMENTS AND RECOMMENDATIONS**
(Continued)

**2. <u>ReliaCard Program Issues</u>** (Continued)

- One consumer had a balance of $207 as of October 31, 2025. She received additional aid payments of $400 in both November and December 2025. While some money was used, her monthly ending account balances still increased to $258 in November and was $555 as of December 31, 2025.

- One consumer had a balance of $384 in his account at the beginning of calendar year 2025. He received aid payments of $400, $200, $325, $325, and $400 into his account between January and May 2025. While he did use some of those funds, his account balance generally continued to increase each month until it reached $691 as of May 31, 2025. This was the balance in the account until August 2025, when the Commission withdrew the full balance and returned it to the Master Account.

Furthermore, during testing, the APA found five consumers who had graduated from training at the Center yet still held an available balance on their card accounts at year end. According to Commission representatives, such unused funds are eventually withdrawn after the individual is no longer training at the Center. We observed at least six instances of such recoupment of funds by the Commission during calendar year 2025; however, five accounts of consumers no longer attending the Center, with balances ranging from $0.04 to $341.01, had no additional activity (either funds added or spent) for more than a month.

The following table details the balances, as of December 31, 2025, of the five accounts with remaining funds and no additional activity:

| Consumer Card Account | Balance 12/31/2025 | Month of Last Activity | Number of Months Unused |
|---|---|---|---|
| Consumer Account #1 | $ 341.01 | August 2025 | 4 months |
| Consumer Account #2 | $ 13.25 | November 2025 | 1 month |
| Consumer Account #3 | $ 0.80 | September 2025 | 3 months |
| Consumer Account #4 | $ 0.62 | October 2025 | 2 months |
| Consumer Account #5 | $ 0.04 | June 2025 | 6 months |

The Commission lacks formal written policies for Apartment Aid, including guidelines for the withdrawal of unused funds. Instead, such decisions appear to be left to the discretion of accounting staff.

A proper system of internal controls and sound accounting practices require procedures to ensure: 1) transactions are recorded accurately in the State's accounting system; 2) consumer card account balances are reviewed on a monthly basis, including a determination regarding the need for additional aid; and 3) supporting documentation is on file for all items purchased with the aid payments to ensure the proper use of those funds in accordance with program requirements.

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

> We recommend the Commission review and strengthen procedures to ensure: 1) transactions are recorded accurately in the State's accounting system; 2) consumer card account balances are reviewed on a regular basis, including a determination regarding the need for additional aid; and 3) supporting documentation is on file for all items purchased with aid payments to ensure the proper use of those funds in accordance with program requirements.

**COMMENTS AND RECOMMENDATIONS**
(Continued)

**2. <u>ReliaCard Program Issues</u>** (Concluded)

*Summarized Commission Response: Management acknowledges the importance of ensuring Apartment Aid is used for allowable purposes; however, the Commission respectfully disagrees with the finding that receipts should be required for all Apartment Aid purchases. Apartment Aid is provided to support consumers while they participate in training at the Nebraska Center for the Blind and is intended to help consumers practice independent living skills, including grocery shopping, budgeting, and meal planning. The ReliaCard program includes Merchant Classification Category restrictions to help prevent purchases from prohibited vendors or categories, and this is the same type of prepaid benefit distribution process used in other public benefit programs, such as SNAP, where receipts are not required for every purchase. Requiring blind consumers to retain and submit receipts for routine grocery purchases would create an additional barrier. The concern that prohibited purchases may have occurred due to general MCC coding appears speculative, as no specific evidence of misuse was identified. The Commission will continue reviewing MCC restrictions and monthly ReliaCard activity to ensure controls are working as intended, but management believes the current process provides an appropriate balance between internal control, consumer independence, and accessibility.*

*Management acknowledges the importance of reviewing ReliaCard balances and maintaining procedures to ensure Apartment Aid is properly authorized and monitored. Management agrees that additional written procedures will strengthen consistency and documentation. The Commission will implement and document a procedure requiring ReliaCard balances to be reviewed, establishing that consumer balances should not exceed $600, and requiring unused funds to be returned to the Master Account within 90 days after the consumer exits the program. The Commission will continue reviewing and strengthening procedures for the ReliaCard program, balance reviews, and recoupment activity, while ensuring any additional requirements do not create unnecessary barriers for blind consumers participating in training.*

**APA Response: Both the funds for the Apartment Aid and the funds for the Home Management Course (HM Aid) are provided to consumers attending training at the Center and are administered through the use of the ReliaCard program. The Commission does require receipts for the HM Aid for the groceries that are purchased; however, not requiring the same documentation for the Apartment Aid and saying it would create an unnecessary barrier for the consumers is contradictory in nature. A lack of documentation <u>does not</u> provide evidence that supports all purchases were appropriate and complied with program guidelines. Without such receipts or documentation of items purchased, there was no way for the APA to verify what was purchased was in accordance with the Commission's guidelines and that misuse of such funds <u>did not</u> occur. Additionally, while there are restrictions through the use of Merchant Classification Category (MCC) codes, <u>there is still the risk</u> that vendors could use general MCC codes that are not restricted for items that would not be allowable under the Commission's rules for the program to be purchased. Again, without supporting documentation for items purchased, the APA could not verify this did not occur as well.**

**3. <u>Purchasing Card Issues</u>**

The Commission had a staff of 55 employees during calendar year 2025. Thirty-eight of those employees were issued a State purchasing card. During calendar year 2025, the Commission spent $325,933 for purchases made with the employee-held purchasing cards.

According to Commission representatives, so many purchasing cards had been issued to employees because of the type of services that they provide, which often require swift responses to urgent consumer needs. Without such immediate access to funds, it was claimed, the ability of the employees to assist consumers would be hampered severely – impeding, in turn, the Commission's effectiveness.

**COMMENTS AND RECOMMENDATIONS**
(Continued)

**3. <u>Purchasing Card Issues</u>** (Continued)

We obtained a listing of all purchasing card accounts, as of February 25, 2026, that were open during calendar year 2025. A summary table of those accounts is included as **Exhibit D** herein and includes the accounts usage for the last three calendar years. We reviewed all 38 open cards, along with testing a selection of transactional activity, and identified the following issues:

*Terminated Employees With Open Accounts*

During review of current open purchasing card accounts, we noted three former employees who had terminated during calendar year 2025 or earlier and whose card accounts were still showing as open. Per our review of the activity of these card accounts, there had been no transactions subsequent to the employees' last days of employment.

| Employee | Card Open Date | Termination Date | Days Open Since Termination (as of 12/31/2025) | Date of Last Transaction |
|---|---|---|---|---|
| #1 | 6/30/2020 | 3/1/2024 | 671 | 2/15/2024 |
| #2 | 9/30/2012 | 4/30/2025 | 246 | 4/17/2025 |
| #3 | 5/26/2020 | 6/27/2025 | 188 | 5/1/2024 |

Neb. Rev. Stat. § 81-118.02(5) (Reissue 2024) states 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.*

A proper system of internal controls requires procedures to ensure that purchasing card accounts for terminated employees are closed promptly upon termination of employment.

Without such procedures, there is an increased risk that a terminated employee's purchasing card could be used inappropriately by that former worker or someone else with knowledge of or access to the card information.

*Usage of Purchasing Cards*

We analyzed the activity for the remaining 35 purchasing card accounts, not including those noted above for terminated employees. Refer to the table in **Exhibit D** herein for the overall summary of activity by employee card account for calendar years 2023 through 2025. We then calculated an average number of transactions per month for each of the cards by dividing the total number of transactions by the number of months that the card was open during the period reviewed. The following table summarizes those results:

| # of Cards | Percent of Total Active Cards | Transaction Average per Month |
|---|---|---|
| 15 | 43% | Less than 1 transaction |
| 13 | 37% | 1 to 4 transactions per month |
| 7 | 20% | More than 4 transactions per month |
| **35** | **100%** | **Total Active Cards (Not Including Terminated Employees)** |

Based on that analysis, 43% of the cards averaged less than a single transaction per month, and 80% of them had four or fewer transactions in a month. Considering the low volume of usage, a significant need for so many employees to have purchasing cards is not apparent.

**COMMENTS AND RECOMMENDATIONS**
(Continued)

**3. Purchasing Card Issues** (Continued)

A proper system of internal control and sound business practices require procedures for the Commission's periodic review of the need to maintain open employee purchasing card accounts. Such procedures should include consideration of the following: 1) the actual amount of each card's usage; 2) the proximity of other employees with purchasing cards that could be used; and 3) alternative ways of making expeditious purchases when necessary.

Without such procedures, and with the continued issuance of numerous purchasing cards, there is an increased risk for the cards to be used inappropriately or improper transactions not being detected or resolved in a timely manner.

*Other Purchasing Card Issues*

Additionally, during our testing of purchasing card activity, we noted an instance of a purchasing card being used to purchase $18,090 in assistive and rehabilitation technology devices and supplies for consumers attending the 2025 Silver Summit conference for older blind and low vision individuals. The Commission employee whose purchasing card was used made several initial attempts to complete these purchases, all of which were denied for exceeding the card account's single-purchase limit of $5,000. The employee then split the purchase into multiple separate transactions that were under the $5,000 limit, intentionally circumventing the single-purchase limit control established for cardholder accounts.

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.*

The DAS State Accounting Division's Purchasing Card Manual (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.*

The Manual identifies also 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.*

Additionally, the Manual provides examples of unacceptable uses, including: "Any item that exceeds the established per transaction limit[.]"

A proper system of internal control and sound business practice require approval to be sought from the DAS State Accounting Division for any necessary deviations from purchasing card policies and controls or, if needed, temporary increases to the transaction limits to be authorized.

Without such procedures, there is an increased risk of the theft or misuse of State and Federal funds.

> We recommend the Commission implement procedures for the periodic review of employee purchasing cards to determine if they are truly needed or could be closed. This would include ensuring that card accounts of former Commission employees are closed properly. We further recommend the Commission implement procedures to ensure that cardholders adhere to single-purchase limits or, if necessary, request temporary increases thereto from DAS.

**COMMENTS AND RECOMMENDATIONS**
(Continued)

**3. Purchasing Card Issues** (Concluded)

*Commission Response: The Commission serves consumers across the State of Nebraska with a small workforce of approximately 47 employees located throughout the state. Purchasing cards are issued to counselors and staff with a documented business need so they can respond timely to consumer needs and support service delivery outside of the Lincoln office. However, card access does not remove required controls. Consumer purchases require an approved authorization before purchase, and all purchasing card transactions require supervisory approval, adequate documentation, and compliance with State purchasing card requirements. NCBVI will continue reviewing cardholder access and purchasing activity to ensure cards are issued only when needed and used appropriately. The Commission will also develop a documented separation process to ensure purchasing card accounts are closed timely when staff leave the agency. NCBVI acknowledges the importance of complying with State purchasing card requirements, including single-purchase limits and the prohibition against split purchases.*

**4. Capital Assets Issues**

During review of the Commission's procedures over capital assets, which are those assets with a cost of $5,000 or more, we noted that an adequate segregation of duties was not maintained. Two individuals had access in the State's accounting system to maintain and add assets, change asset information, and initiate the disposal of assets; however, there was no documented review of the asset integrity reports or the Additions and Retirements Report to ensure that any additions or changes to assets were appropriate. Commission staff claimed to review the Unposted Fixed Asset Transaction Report and the Fixed Asset No Cost Report, but those reviews were undocumented.

We reviewed the Additions and Retirements Report, which is used to accumulate capital asset information for financial statement footnote disclosure. During review of the December 31, 2025, report, we noted 28 assets that were disposed of by the Commission but were still showing a cost and related accumulated depreciation. DAS is responsible for adjusting an asset's value in the State's accounting system to $0 and removing related accumulated depreciation after completing the disposal process for those assets. The Commission could have caught these errors by DAS had the Additions and Retirements Report been reviewed; instead, these errors resulted in the beginning and ending equipment capital asset balances being overstated by $94,454 and the accumulated depreciation being overstated by $92,947. The capital asset footnote was adjusted for these overstatements.

A proper system of internal control requires procedures to ensure an adequate segregation of duties over the Commission's assets, including procedures for Commission personnel to carry out a properly documented and timely review of asset reports.

Without such procedures, there is an increased risk of not only loss or misuse of the Commission's assets but also inaccurate capital asset records.

A similar finding was noted in our previous attestation report for the period January 1, 2015, through December 31, 2015.

> We recommend the implementation of an adequate segregation of duties over Commission assets by ensuring completion of a properly documented and timely review of asset reports.

*Commission Response: Management acknowledges the importance of maintaining proper controls and segregation of duties over capital assets. The Commission will review and update its procedures for the creation, maintenance, review, and disposal of fixed assets to ensure responsibilities are appropriately separated and that asset activity is properly documented. A formal process will be implemented requiring the Deputy Director of Finance to review applicable asset reports, including additions, changes, disposals, and related integrity reports, on a timely basis.*

**4. Capital Assets Issues** (Concluded)

*Documentation of this review will be maintained through an email verification sent to the Accountant II confirming that the review was completed and identifying any necessary follow-up or corrections. The Commission will also ensure that staff responsible for fixed asset processing understand the required procedures and that any discrepancies identified through report review are resolved timely with DAS or other appropriate parties. This process is intended to strengthen oversight, improve documentation, and reduce the risk of inaccurate capital asset records or loss or misuse of Commission assets.*

**5. Vehicle and Other Travel Issues**

The Commission spent $340,130 on travel-related expenses during calendar year 2025. We selected travel expenditure transactions to test, along with performing additional testing of the usage of vehicles leased from the DAS Transportation Services Bureau (TSB) or owned by the Commission. During our testing, multiple issues were noted regarding the Commission's travel-related expenditures and vehicle usage.

*Vehicle Usage*

During the calendar year ended December 31, 2025, the Commission leased 17 permanently assigned State vehicles through TSB and operated one vehicle owned by the Commission. Throughout the year, the Commission paid TSB $133,266 for the travel expenses related to the use of these leased State vehicles and drove them a total of 286,473 miles.

We selected five permanently assigned vehicles and the Commission-owned vehicle to test. During testing, we noted the following:

***Permanently Assigned Vehicles***
During our review, we noted that the permanently assigned vehicles utilized by the Commission had Global Positioning System (GPS) tracking devices installed, which logged all locations driven. However, the Commission did not review this GPS location information during calendar year 2025 either to ensure that the leased vehicles were being used appropriately and only for essential State business or to verify that the manual travel logs were being completed properly. It was noted that, beginning in February 2026, prior to our fieldwork, the Commission did implement a procedure for an internal review of the travel logs and GPS data; however, as previously stated, these procedures had not been implemented for the calendar year under review.

We selected five of the permanently assigned vehicles to test in further detail, including selecting some trips from the GPS data and comparing the information to the completed manual travel logs. During testing, we noted the following:

- A total of 66 trips per the GPS data were reviewed, and we noted that the manual travel logs were not completed in sufficient detail to allow for a determination regarding the nature or purpose of travel for 39 of the trips selected. For example, certain travel logs noted only that the trips were for a "Client" visit with no other detail. Some recorded only general locations or cities, and some did not provide detail for all locations found in the GPS data.

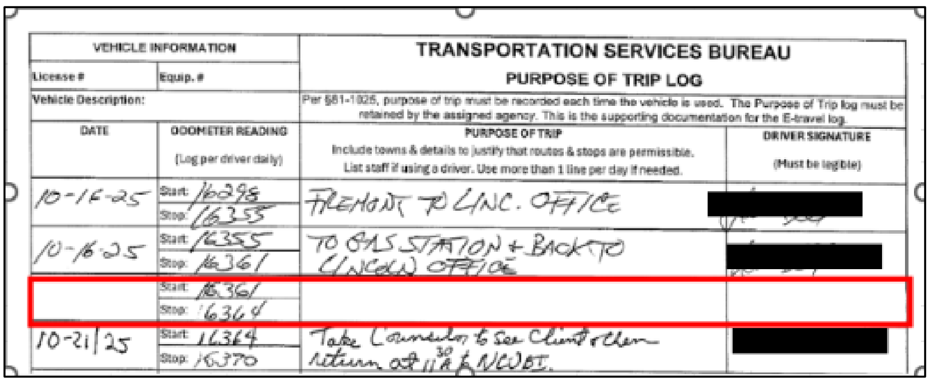
- Five trips did not appear reasonable after reviewing the GPS location information and supporting documentation. These trips included one instance of a Commission employee stopping at an unknown location for two hours without documented support for why the stop was necessary, one trip that the Commission confirmed was for the employee's personal use to go to a pharmacy, and three instances of trips to shops in Nebraska that could have been for official Commission business; however, the Commission did not have documentation on file to support why the trips were necessary.

**COMMENTS AND RECOMMENDATIONS**
(Continued)

**5. Vehicle and Other Travel Issues** (Continued)

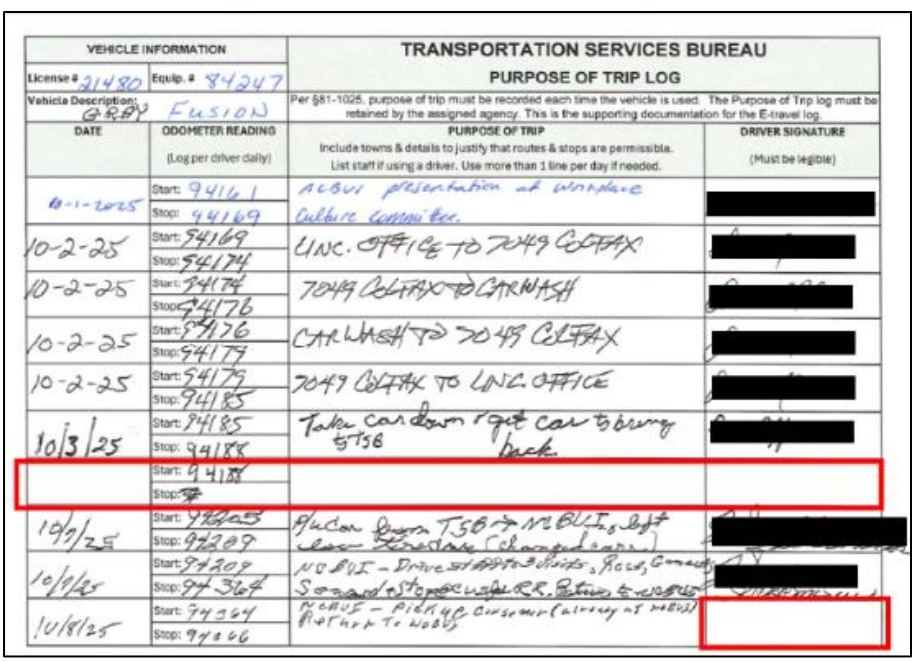
In addition, we tested one TSB billing for the month of October 2025 and traced the mileage billed by TSB to the travel logs on file with the Commission for all of the permanently assigned vehicles. During our review, we noted several vehicle logs that also lacked starting and stopping points or enough detail to allow for a determination regarding the purpose of the trip or to verify that the routes and stops were permissible. Some travel logs were also missing travel dates and odometer readings, including one instance of a gap between the ending odometer reading for one day's travel and the starting odometer reading for the next documented travel date, indicating that a trip was not logged. Additionally, some logs were missing drivers' signatures for trips. Without such detail, it would be difficult to ensure the travel was solely for State business.

The following is an image of a travel log for a vehicle assigned to the Commission, showing that the date, purpose of trip, and driver's signature were all missing for one trip:



| VEHICLE INFORMATION | | TRANSPORTATION SERVICES BUREAU PURPOSE OF TRIP LOG | |
|---|---|---|---|
| License # | Equip. # | Per §81-1025, purpose of trip must be recorded each time the vehicle is used. The Purpose of Trip log must be retained by the assigned agency. This is the supporting documentation for the E-travel log. | |
| Vehicle Description: | | | |
| DATE | ODOMETER READING (Log per driver daily) | PURPOSE OF TRIP Include towns & details to justify that routes & stops are permissible. List staff if using a driver. Use more than 1 line per day if needed. | DRIVER SIGNATURE (Must be legible) |
| 10-16-25 | Start: 16298 Stop: 16355 | FREMONT TO LINC. OFFICE | [redacted] |
| 10-16-25 | Start: 16355 Stop: 16361 | TO GAS STATION + BACK TO LINCOLN OFFICE | [redacted] |
| | Start: 16361 Stop: 16364 | | |
| 10-21-25 | Start: 16364 Stop: 16370 | Take Counselor to see Client & then return at 11:30 to NCBVI. | [redacted] |

Below is another example of a travel log lacking the date, purpose of trip, and driver's signatures. On this document, moreover, there was a gap in the odometer readings between the trips on October 3, 2025, and October 7, 2025, indicating that a trip had not been logged:



| VEHICLE INFORMATION | | TRANSPORTATION SERVICES BUREAU PURPOSE OF TRIP LOG | |
|---|---|---|---|
| License # 21480 | Equip. # 84247 | Per §81-1025, purpose of trip must be recorded each time the vehicle is used. The Purpose of Trip log must be retained by the assigned agency. This is the supporting documentation for the E-travel log. | |
| Vehicle Description: GRAY FUSION | | | |
| DATE | ODOMETER READING (Log per driver daily) | PURPOSE OF TRIP Include towns & details to justify that routes & stops are permissible. List staff if using a driver. Use more than 1 line per day if needed. | DRIVER SIGNATURE (Must be legible) |
| 10-1-2025 | Start: 94161 Stop: 94169 | ACBVI presentation at Workplace Culture committee. | [redacted] |
| 10-2-25 | Start: 94169 Stop: 94174 | LINC. OFFICE TO 7049 COLFAX | [redacted] |
| 10-2-25 | Start: 94174 Stop: 94176 | 7049 COLFAX TO CARWASH | [redacted] |
| 10-2-25 | Start: 94176 Stop: 94179 | CARWASH TO 7049 COLFAX | [redacted] |
| 10-2-25 | Start: 94179 Stop: 94185 | 7049 COLFAX TO LINC. OFFICE | [redacted] |
| 10/3/25 | Start: 94185 Stop: 94188 | Take car down to TSB & get car to bring back. | [redacted] |
| | Start: 94188 Stop: [illegible] | | |
| 10/7/25 | Start: [illegible] Stop: 94209 | P/u car from TSB → NCBVI, left [illegible] (changed cars.) | [redacted] |
| 10/7/25 | Start: 94209 Stop: 94364 | NCBVI - Drive [illegible] [illegible] RR. Return to NCBVI | [redacted] |
| 10/8/25 | Start: 94364 Stop: 94366 | NCBVI - Pick up consumer (already at NCBVI) Return to NCBVI | |

**COMMENTS AND RECOMMENDATIONS**
(Continued)

**5. <u>Vehicle and Other Travel Issues</u>** (Continued)

***Commission-Owned Vehicle***
As mentioned already, the Commission also owned and operated one vehicle, a 2024 Chrysler Pacifica. We requested copies of all travel logs for this vehicle for calendar year 2025; however, due to an employee having destroyed the documentation, the Commission was unable to provide copies of any logs for the period of January 1, 2025, through June 30, 2025. This vehicle also did not have a GPS tracking device installed until April 2026; therefore, no documentation existed for the vehicle's use during the first six months of calendar year 2025.

For the six-month period that the Commission did have logs on file, the vehicle was driven approximately 10,177 miles. Our review of those travel logs revealed issues similar to those noted for the permanently assigned vehicles, including not only the purpose of the trips lacking sufficient detail but also inadequate or missing starting and stopping points – all of which contributed to hindering a determination as to whether the travel was reasonable, appropriate, and for State business only.

Neb. Rev. Stat. § 81-1025(2)(a) (Reissue 2024) provides, in relevant part, the following:

> *Each operator of a special-use vehicle as prescribed in section 81-1011 or a motor vehicle in which a state agency other than the bureau holds the title shall follow the policy and use the travel report form which shall be established by the director or designated head of the state agency owning such vehicle. <u>The form shall include, but not be limited to, the name of the operator, the license number of the vehicle, the total daily mileage or total hours of daily operation,</u> and any other information the director or designated head deems relevant.*

(Emphasis added.) A proper system of internal control and sound business practices require procedures to ensure that State vehicles are used only for work-related travel, and the purpose of travel for each employee's trips with a State vehicle is properly documented. This includes recording sufficient detail for start and stop locations, odometer readings, and is signed by the driver.

Without such procedures, there is an increased risk for the misuse of State vehicles.

*<u>Employee Travel Expenditures</u>*

During calendar year 2025, the Commission reimbursed $51,776 for employee-related travel expenditures, such as mileage, meals, and lodging, while also having other travel expenses, totaling $155,088, as shown in the table below.

| Type | Amount |
|---|---|
| Employee Reimbursement | $ 51,776 |
| Other Travel Expenses | $ 155,088 |
| **Total** | **$ 206,864** |

During testing of nine of these expenditures, the APA noted the following issues:

**COMMENTS AND RECOMMENDATIONS**
(Continued)

## 5. <u>Vehicle and Other Travel Issues</u> (Continued)

| Error | Description | Amount |
|---|---|---|
| **1** | Per Neb. Rev. Stat. § 71-8610.02(3)(b) (Reissue 2018), one of the requirements to become a certified vocational rehabilitation counselor for the blind is to obtain 600 hours of “intensive training under sleep shades at the commission’s orientation training center” in Lincoln. To help new employees meet this requirement and expedite the process, the Commission pays for hotel rooms in Lincoln for employees who would need otherwise to commute each day for the training.<br><br>During review of one such hotel expenditure, it was noted that the Commission paid $13,640 for one employee from Omaha to stay in Lincoln between January 5, 2025, and May 8, 2025, or 124 days straight. However, another employee from Broken Bow was staying in Lincoln for only five days a week and returned home for the other two days. Therefore, we question whether it was cost effective to pay for this employee to remain in the hotel for 124 consecutive days instead of paying him overtime and mileage to return to Omaha for holidays and weekends. We calculated that the Commission could have saved potentially $1,330 by requiring the employee to return home rather than remaining in the hotel through the weekends.<br><br>Finally, it was noted also that the Commission paid $220 for the same employee to stay in a separate hotel in Lexington for two nights to attend a staff training conference. These two nights overlapped with the dates the Commission was paying for the hotel in Lincoln. | $ 1,550 |
| **2** | The Commission hosted two State staff meetings during calendar year 2025, one in Lexington and the other in Grand Island. In each case, the meeting lasted three days; therefore, the Commission paid for its employees to stay in the hotels where the conference was held. It was noted that the Commission incorrectly paid for hotel rooms, totaling $660, for three staff members who were ineligible for lodging because their workplace was less than 60 miles from where the staff meetings were held, and the supporting documentation failed to state adequately the need to provide such lodging for these employees. | $ 660 |
| **3** | The Commission reimbursed the Executive Director $673 for expenditures incurred during his travel to Dallas, Texas, from July 3, 2025, to July 6, 2025, and then to New Orleans, Louisiana, from July 8, 2025, to July 14, 2025.<br><br>Per the Commission’s May 3, 2025, meeting minutes:<br><br>*[The] Nebraska Commission for the Blind and Visually Impaired Board of Commissioners approve all . . . out-of-state business travel within 60 miles of the border of Nebraska in any adjoining state . . . All other out-of-state business travel is approved if granted approval by the Executive Director of the agency. This motion is in effect until the next meeting of the Board of Commissioners after April 1, 2026.*<br><br>The Commission’s Board passed a “blanket approval” of the out-of-state travel when such travel was approved by the Executive Director. However, this does not appear reasonable or proper given that the Executive Director was able to approve his own travel without secondary approval from someone else within the Commission or its Board. | $ 673 |
| **4** | A Commission employee was reimbursed $168 for a one-night stay in a Denver, Colorado, hotel and $90 for her related baggage fees, as documented on the expense reimbursement form submitted. The Commission provided copies of the employee’s credit card receipts, which lacked sufficient detail to permit verification that the expenses were actually for hotel lodging and baggage fees only and would be allowable for reimbursement under State travel policies. | $ 258 |
| | **Total** | **$ 3,141** |

**COMMENTS AND RECOMMENDATIONS**
(Continued)

**5. <u>Vehicle and Other Travel Issues</u>** (Continued)

The Nebraska State Accounting Manual, AM-005, Travel Expense Policies, Section 4, "Lodging" (02/2025), establishes requirements for lodging expenses, stating, in relevant part, the following:

> *It is State Accounting policy that a person generally be more than 60 miles from his or her workplace in order to be eligible for lodging. We realize there may be a need for lodging for distances less than 60 miles. Such reasons include, but are not limited to work requirements, medical conditions or weather; in those instances the reason must be clearly stated on supporting documentation.*

The Nebraska State Accounting Manual, AM-005, Travel Expense Policies, Section 5, "Substantiation of Expenses" (01/2021), outlines requirements for substantiating expenses, providing, in relevant part the following:

> *Under the State's accountable plan, the Internal Revenue Service requires employees to substantiate the cost for travel, lodging, meals, and other expenses. To be reimbursed, the expense must be a necessary expense, incurred in the line of duty, reason/purpose of the expense must be clearly stated, all start/stop dates and times must be recorded, and the amount of the expense must be substantiated.*

The Nebraska State Accounting Manual, AM-005, Travel Expense Policies, Section 8, "Receipts" (01/2021), establishes requirements for receipts to support expenses claimed, stating, in relevant part, the following:

> *Detailed receipts are required as support for all expenditures except per diem meals and immaterial items identified by the Director of Administrative Services. Common expenses requiring detailed receipts include, but are not limited to, lodging, car rental, commercial travel, and registration fees. Detailed receipt is defined as a receipt that identifies the date, time, city, state, <u>itemization of item(s) claimed</u>, and the cost. Immaterial items are anything less than $10.00. . . . In the absence of detailed receipts supporting an employee's claim, State Accounting requires a signed written explanation including one of the following: Copy of a cancelled check with purchase details; Charge card slip with purchase details; or Subsequently acquired receipt with purchase details. If one of the above options cannot be provided, or where a receipt was not provided, the employee must create and provide a signed affidavit.*

(Emphasis added.) A proper system of internal control requires procedures to ensure that employee travel and travel expenditures are reasonable, necessary, properly approved, and sufficiently documented.

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

> We recommend the Commission establish adequate procedures for reviewing the TSB travel logs and GPS tracking data for the State vehicles under its care. Such procedures should include ensuring those vehicles are used only for work-related travel, and the purpose of travel for each is properly documented. We further recommend the Commission establish procedures to ensure that employee travel expenditures are properly documented, reasonable, and necessary. Finally, we recommend the implementation of procedures to ensure the Executive Director's out-of-state travel is approved by someone else within the Commission.

*Summarized Commission Response: The Commission was able to locate the vehicle logs that were initially reported as destroyed; however, the logs had been misplaced and the status of the records was misrepresented by the individual responsible for maintaining them. The Commission also notes that a TSB audit had recently been completed at the agency, and the auditors were aware of concerns related to vehicle log documentation because the same calendar year was selected for review.*

**5. <u>Vehicle and Other Travel Issues</u>** (Concluded)

*NCBVI acknowledges the importance of ensuring State vehicles are used only for work-related travel and that the purpose of each trip is properly documented. The Commission has implemented a monthly review process beginning in February 2026, to compare TSB GPS data to vehicle purpose-of-trip logs, including review of mileage, trip dates, destinations, and documented business purpose. This process was not yet in place during the calendar year 2025 audit period; however, it has since been implemented to strengthen oversight and ensure vehicle use is properly supported. The Commission will also continue to strengthen procedures for employee travel expenditures to ensure travel is properly approved, documented, reasonable, and necessary. Staff will be reminded of documentation requirements, including the need to provide sufficient business purpose, receipts, approvals, and justification when applicable. In addition, the Commission will update procedures to ensure the Executive Director's out-of-state travel is reviewed and approved by an appropriate individual within the Commission, such as the Board Chair or another designated approving authority, to provide proper segregation of duties and independent review.*

**APA Response: The missing travel logs for the agency owned vehicle were confirmed by the Commission multiple times during fieldwork. At the conclusion of the engagement, the Commission informed us the logs were located and not destroyed as had been communicated to previously. The logs were provided to the APA, and a limited review of those logs noted the same issues as already included in the report. Additionally, as we had noted at the beginning of our comment, the new review procedure was not implemented until February 2026, after the end of the engagement period under review.**

**6. <u>Consumer Equipment Forms</u>**

As part of its responsibility to address the needs of blind and visually impaired consumers, the Commission will purchase equipment for adaptive and rehabilitative purposes to assist the consumer in obtaining the necessary skills and tools to live independently and achieve educational and employment goals.

In June 2025, the Commission implemented a policy that required a form to be completed to document that the consumer received the equipment purchased for him or her by the Commission, if valued over $300.

During testing of three expenditures during the year, it was noted that the Commission purchased 28 pieces of equipment, each costing $300 or more, for consumers. For 14 of those items, however, no signed documentation was on file to verify each consumer's receipt of the equipment.

| Equipment | Equipment Purchased | Explanation Provided by the Commission | Amount |
|---|---|---|---|
| 1 - 10 | iPads, Laptop | Purchased prior to implementation of the Commission's policy. | $ 4,174 |
| 11 - 13 | Video Magnifier | Counselor forgot to have form completed. | $ 1,681 |
| 14 | Video Magnifier | Consumer served by Omaha District, which failed to implement the policy until December 2025. | $ 492 |
| | | **Total** | **$ 6,347** |

A proper system of internal control requires procedures to ensure that equipment purchased for a consumer was received by that individual.

Without such procedures, there is noncompliance with Commission policy and an increased risk of the misappropriation of assets and misuse of State and Federal funds.

**6. Consumer Equipment Forms** (Concluded)

We recommend the Commission implement procedures to ensure that documentation is on file to support that equipment purchases for a consumer was received by that individual.

*Commission Response: Management acknowledges the importance of documenting consumer receipt of equipment purchased with State or Federal funds. The Commission implemented a consumer equipment receipt process in June 2025 for items valued over $300, and this process is already in place. The items noted were either purchased before implementation or occurred during the transition period as staff and districts began applying the new requirement. The Commission has strengthened oversight through quarterly case management reviews completed by the Administrative Programs Specialist II and the Deputy Director of Services to verify required documentation is maintained. The Commission will continue reinforcing this process with staff to ensure receipt forms are completed and retained consistently.*

**7. Contract Issues**

The Commission has contracted with JB&K Services, a Colorado-based company, to hire consumers as part of the On-the-Job Training (OJT) and Work-Based Learning Experiences (WBLE) programs. In return, the Commission covers the consumers' payroll expenses and pays an additional 25% fee for administrative expenses.

In October 2025, the Commission paid $32,750 for the time worked by nine consumers between November 4, 2024, and June 29, 2025. When recording this payment in the State's accounting system, however, the Commission applied it to a contract that did not have dates corresponding to the period worked by the consumers. This contract covered only the period October 7, 2025, through October 31, 2025. According to Commission representatives, the expenditure was applied to this incorrect contract because the original JB&K agreement, which covered the period January 1, 2024, through December 31, 2025, did not have an available balance large enough in the State's accounting system, and an overexpenditure would have occurred.

Additionally, we noted that the following three contracts tested were not properly included on the State Contracts Database, as statutorily required:

| Contract # | Vendor | Missing Document Type | Document Amount | Total Contract Amount |
|---|---|---|---|---|
| 99899 | Alliance Enterprises Inc | Renewal Contract | $ 400,000 | $ 400,000 |
| 106906 | 3D PhotoWorks LLC | Amendment | $ 49,380 | $ 463,330 |
| 110240 | Big Step Construction LLC | Change Order | $ 1,201 | $ 50,779 |
| | | **Total** | **$ 450,581** | **$ 914,109** |

Neb. Rev. Stat. § 84-602.04(4)(a) (Supp. 2025) provides, in part, the following:

> *The website described in this section shall include a link to the website of the Department of Administrative Services. The department's website shall contain:*
>
> > *(i) 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. For purposes of this subdivision, amendment means an agreement to modify a contract which has been reduced to writing and signed by each party to the contract. The database shall be accessible by the public and searchable by vendor, by state entity, and by dollar amount.*

**COMMENTS AND RECOMMENDATIONS**
(Continued)

**7. Contract Issues** (Concluded)

A proper system of internal control requires procedures to ensure that: 1) payments made by the Commission agree to the terms of the underlying contract and do not exceed any applicable amount specified therein; and 2) all Commission contracts, as well as any amendments thereto, are properly entered into the State Contracts Database, as required by statute.

Without such procedures, there is an increased risk of not only loss or misuse of State and Federal funds but also noncompliance with State statute.

> We recommend the Commission implement procedures to ensure that payments made pursuant to a contractual obligation are in accordance with the terms of that agreement. We also recommend the Commission implement procedures to ensure that all contracts, as well as any amendments thereto, are entered into the State Contracts Database, as required by State statute.

*Commission Response: Management acknowledges the importance of ensuring contract payments are applied to the correct agreement and that all contracts, renewals, amendments, and change orders are properly entered into the State Contracts Database. In this instance, the wrong contract was used when processing the JB&K Services payment, and the Commission will make improvements to ensure payments are matched to the appropriate contract period, terms, and available balance before posting. As a small agency, the Commission has relied on automated E1 reports to identify contracts or related documents that may be missing from the State Contracts Database. In this case, the Commission was not aware that these older contract documents remained outstanding and had not been properly posted. The Commission will strengthen its contract review process by maintaining an internal tracking process for contracts, renewals, amendments, change orders, contract dates, balances, and database posting requirements. The Business Office will also review contract payments more closely to ensure expenditures are charged to the correct agreement and that required documents are entered into the State Contracts Database in accordance with State statute.*

**8. Payroll Issues**

The Commission's internal form HR-1 is a standard employment status document maintained for each employee. It is used to record several key pieces of employee information, such as job title, pay rate, status/pay changes, etc. According to Commission representatives, the HR Specialist/Generalist completes these forms, and the Deputy Director of Finance reviews them afterwards. During testing, however, it was noted that this review is not documented.

In addition to the Commission's failure to document the reviews of the HR-1 forms, the APA noted the following issues:

*Incorrect Sick Leave Accrual Rate*

During testing of one Commission employee who terminated employment in 2025, we noted that the proper amount of sick leave had not been accrued in accordance with State law. Being in his 12th year of service with the State, the employee should have accrued 7.1 hours of sick leave per biweekly pay period; however, only 4.3 hours were accrued, a variance of 2.8 hours. The Commission was unaware of this error until we identified it.

According to Commission representatives, this issue stemmed from a change in the employee's job classification, which occurred in April 2022. Prior to that time, the employee was covered under the collective bargaining agreement for the Nebraska Association of Public Employees, Local 61 of the American Federation of State, County and Municipal Employees (NAPE/AFSCME); afterward, when the job classification change occurred, he would have been governed by the classified system rules and regulations. Once the change was made, however, the rate

**8. Payroll Issues** (Continued)

for sick leave accrual was not updated properly in the system, and the employee continued to earn sick leave at the rate set in the NAPE/AFSCME collective bargaining agreement. We determined that the employee's total sick leave balance of 663.5 hours at the time of termination was understated by 194.8 hours; therefore, were he to decide to resume State employment within five years of leaving the Commission, a total balance of 858.3 hours should be available to him.

Neb. Rev. Stat. § 81-1320 (Reissue 2024) specifies the rate that sick leave is earned for State employees not covered under a collective bargaining agreement, granting 184 hours of sick leave during the 12th year of continuous employment.

Title 273 Nebraska Administrative Code (NAC) 9-007 (effective date 6/14/2023) contains sick leave use requirements for State employees subject to the rules and regulations promulgated by the Department of Administrative Services.

Title 273 NAC 9-007.05 states, in relevant part, the following:

> *An employee who has left state service for other than disciplinary reasons and returns within five years will have reinstated to the sick leave account all earned sick leave not used at time of departure. Any employee who has retired or voluntarily separated in lieu of retirement will not have any sick leave reinstated.*

*Incorrect Pay Rate*

The Commission hired an employee in July 2025, with a starting pay rate of $17.561 per hour. This employee was covered by the State's NAPE/AFSCME collective bargaining agreement. Per this agreement, the employee's starting pay rate should have been $17.956 per hour, a difference of $0.395 per hour. Due to this error, the employee was underpaid between July 14, 2025, and March 8, 2026, by a total of $537.

The Commission was unaware of this issue until we identified it. Afterwards, in March 2026, the Commission issued a one-time payment to the employee to correct the error.

Section 11.4 (Pay Plan) of the Nebraska Association of Public Employees (NAPE/AFSCME) labor contract for the period July 1, 2025, through June 30, 2027, states, in relevant part, "The minimum rate and maximum rate of pay for each classification in each bargaining unit will be established per the pay range assignments found in Appendix A." Per Appendix A, the minimum rate effective July 1, 2025, for the employee's position was $17.956.

A proper system of internal control requires procedures to ensure that both the leave accrual rate and the pay rate for each Commission employee, as reflected in the State's accounting system, are accurate and in accordance with the applicable State statute or collective bargaining agreement. A proper system of internal control also requires procedures to ensure that HR-1 forms, which are used to document employee information and any changes thereto, are completed properly and subject to a documented secondary review to verify the accuracy of their information.

Without such procedures, there is an increased risk of not only payroll processing errors but also noncompliance with State statue and collective bargaining agreement provisions.

> We recommend the Commission implement procedures to ensure the following: 1) all steps of the payroll process, including a secondary review of HR-1 forms, are documented properly; 2) leave accruals are calculated accurately in accordance with the applicable statute or collective bargaining agreement; 3) pay rates are proper and in accordance with the pay rates set in the applicable collective bargaining agreement; and 4) the identified employee's inaccurate sick leave balance is corrected in the State's accounting system.

**COMMENTS AND RECOMMENDATIONS**
(Concluded)

**8. Payroll Issues** (Concluded)

*Commission Response: Management acknowledges the importance of maintaining accurate payroll and human resources records, documenting review of HR-1 forms, and ensuring pay rates and leave accruals are correct in accordance with applicable State statute, personnel rules, and collective bargaining agreements. During the calendar year under review, the Commission transitioned from relying primarily on DAS Shared Services for human resources support to establishing an internal Human Resources Representative. This transition was not fully completed until the beginning of SFY 2026, and the Commission has since strengthened internal review processes and documentation expectations. The Commission has updated hiring and payroll checklists to document receipt and review of HR-1 forms, verify pay rates between the offer and start date, and reduce the risk of payroll processing errors. The Commission has also begun a self-audit of E1 to ensure DBA codes align with current classifications and applicable contracts, and any discrepancies identified between E1 and Workday will be corrected. These steps are intended to strengthen internal controls, improve documentation, and ensure payroll and HR records are reviewed consistently going forward.*

NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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 COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED

**INDEPENDENT ACCOUNTANT'S REPORT**

Nebraska Commission for the Blind and Visually Impaired
Lincoln, Nebraska

We have examined the accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balances of the Nebraska Commission for the Blind and Visually Impaired (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 Director of Administrative Services, as set forth in Note 1, in all material respects.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the Schedule of Revenues, Expenditures, and Changes in Fund Balances; fraud that is material, either quantitatively or qualitatively, to the Schedule of Revenues, Expenditures, and Changes in Fund Balances; and any other instances that warrant the attention of those charged with governance. We performed our examination to express an opinion on whether the Schedule of Revenues, Expenditures, and Changes in Fund Balances is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over the Schedule of Revenues, Expenditures, and Changes in Fund Balances or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards*, and those findings, along with the views of management, are described in the Comments Section of the report.

*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.

Mark Avery
Mark Avery, CPA
Assistant Deputy Auditor
Lincoln, Nebraska

Mike Foley
Mike Foley
Auditor of Public Accounts

July 1, 2026

NEBRASKA COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

For the Calendar Year Ended December 31, 2025

| | State General Fund 10000 | CBVI Cash Fund 28110 | CBVI Enhancement Fund 28140 | State Federal Fund 40000 | CBVI Federal Fund 48140 | CBVI Trust Fund 68400 | **Totals (Memorandum Only)** |
|---|---|---|---|---|---|---|---|
| REVENUES: | | | | | | | |
| Appropriations | $ 2,812,452 | $ - | $ - | $ - | $ - | $ - | $ 2,812,452 |
| Intergovernmental | (6,317) | - | - | 4,757,566 | 168,122 | - | 4,919,371 |
| Sales & Charges | - | 69,676 | - | - | 50 | - | 69,726 |
| Miscellaneous | 2,161 | 11,102 | 15,974 | - | - | 15,386 | 44,623 |
| TOTAL REVENUES | 2,808,296 | 80,778 | 15,974 | 4,757,566 | 168,172 | 15,386 | 7,846,172 |
| EXPENDITURES: | | | | | | | |
| Personal Services | 2,128,909 | - | - | 1,339,276 | 25,168 | - | 3,493,353 |
| Operating | 173,805 | 14,537 | - | 1,197,167 | 51,446 | 2,096 | 1,439,051 |
| Travel | 56,299 | - | - | 272,556 | 11,275 | - | 340,130 |
| Capital Outlay | 67,375 | - | - | 398,744 | - | - | 466,119 |
| Government Aid | 386,064 | - | 29,365 | 1,555,897 | 24,975 | 15,227 | 2,011,528 |
| TOTAL EXPENDITURES | 2,812,452 | 14,537 | 29,365 | 4,763,640 | 112,864 | 17,323 | 7,750,181 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (4,156) | 66,241 | (13,391) | (6,074) | 55,308 | (1,937) | 95,991 |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| Sales of Assets | - | - | - | 6,074 | 18 | - | 6,092 |
| Deposit to General Fund | 4,156 | - | - | - | - | - | 4,156 |
| TOTAL OTHER FINANCING SOURCES (USES) | 4,156 | - | - | 6,074 | 18 | - | 10,248 |
| Net Change in Fund Balances | - | 66,241 | (13,391) | - | 55,326 | (1,937) | 106,239 |
| FUND BALANCES, JANUARY 1, 2025 | 147 | 347,699 | 108,101 | - | 157,408 | 74,637 | 687,992 |
| FUND BALANCES, DECEMBER 31, 2025 | $ 147 | $ 413,940 | $ 94,710 | $ - | $ 212,734 | $ 72,700 | $ 794,231 |
| FUND BALANCES CONSIST OF: | | | | | | | |
| General Cash | $ - | $ 418,145 | $ 97,007 | $ - | $ 212,738 | $ 72,700 | $ 800,590 |
| NSF Items | - | 2,292 | - | - | - | - | 2,292 |
| Deposits with Vendors | 124 | - | - | - | - | - | 124 |
| Due From Other Government | 23 | 13 | - | - | - | - | 36 |
| Due to Vendors | - | (4,637) | - | - | (4) | - | (4,641) |
| Deposits | - | (984) | (2,297) | - | - | - | (3,281) |
| Due to Government | - | (889) | - | - | - | - | (889) |
| TOTAL FUND BALANCES | $ 147 | $ 413,940 | $ 94,710 | $ - | $ 212,734 | $ 72,700 | $ 794,231 |

The accompanying notes are an integral part of the schedule.

## NOTES TO THE SCHEDULE

For the Calendar Year Ended December 31, 2025

### 1. Criteria

The accounting policies of the Nebraska Commission for the Blind and Visually Impaired (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 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 accounts entitled Deposits and Due to Government 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, not recorded on the Schedule. 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.

**NOTES TO THE SCHEDULE**
(Continued)

**1. Criteria** (Continued)

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

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

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.

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

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

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

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.

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

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

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

**Assets –** Resources owned or held by a government that have monetary value. Assets include cash accounts, deposits with vendors, and receivable accounts. Accounts receivable are recorded as an increase to revenues, resulting in an increase to fund balance on the Schedule. Cash accounts and deposits with vendors are also included in fund balance and are reported as recorded in the general ledger.

**NOTES TO THE SCHEDULE**
(Continued)

**1. Criteria** (Concluded)

**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 Vendors, Deposits, and Due to Government. The activity of these accounts are not recorded through revenue and expenditure accounts on the Schedule of Revenues, Expenditures, and Changes in Fund Balances.

**Other Financing Sources –** Proceeds of fixed asset dispositions, and deposits to the General fund.

**2. Reporting Entity**

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

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

**3. Totals**

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

**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.

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.

**NOTES TO THE SCHEDULE**
(Concluded)

**5. Capital Assets** (Concluded)

Equipment is depreciated in the ACFR using the straight-line method with estimated useful lives of 5 to 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 | $ 2,817,944 | $ 466,119 | $ 25,703 | $ 3,258,360 |
| Less accumulated depreciation for: | | | | |
| Equipment | | | | 1,479,170 |
| Total capital assets, net of depreciation | | | | $ 1,779,190 |

## SUPPLEMENTARY INFORMATION

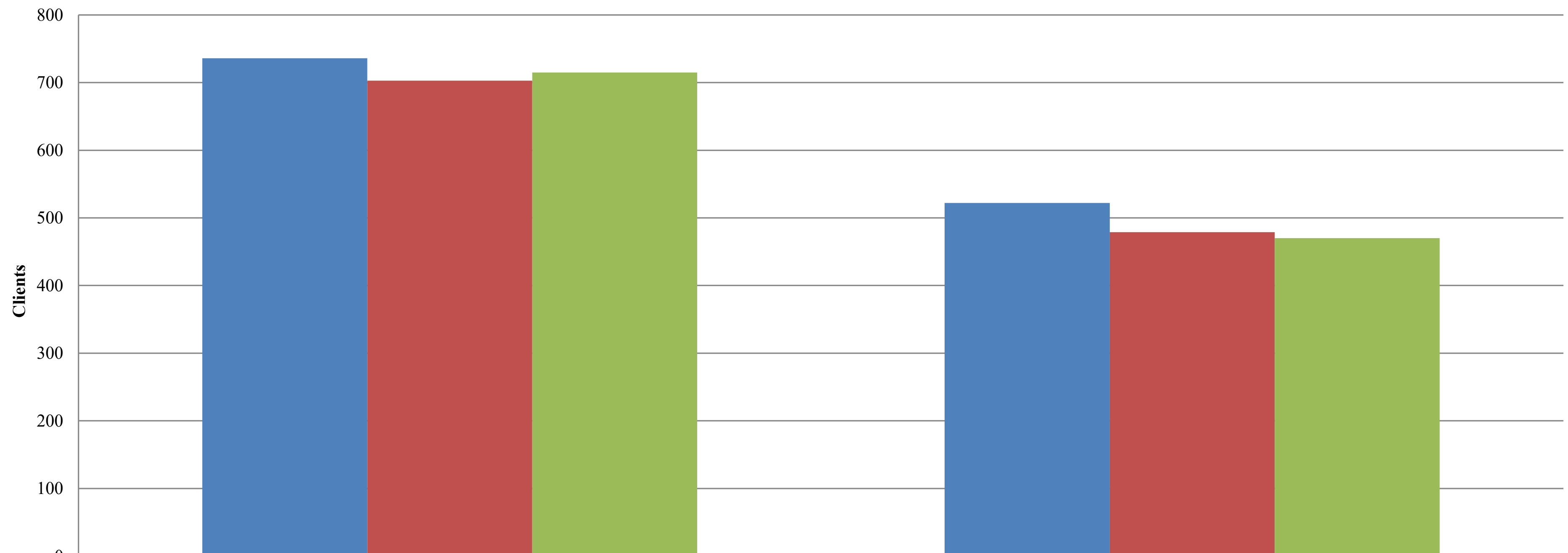
Our examination was conducted for the purpose of forming an opinion on the Schedule of Revenues, Expenditures, and Changes in Fund Balances. Supplementary information is presented for purposes of additional analysis. Such information has not been subjected to the procedures applied in the examination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

NEBRASKA COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED

**Exhibit A**

## REFERRALS

Referrals to the Nebraska Commission for the Blind and Visually Impaired (Commission) represent the initial point of contact for individuals who are blind or visually impaired seeking services. Referrals may originate from a variety of sources, including the individual, family members, medical providers, educational institutions, or community partners. Upon receipt of a referral, the Commission determines eligibility and assesses service needs. Individuals are then considered for participation in either Independent Living or Vocational Rehabilitation programs based on their goals and circumstances.




| | New Referrals | Applied for Services |
|---|---|---|
| 2023 | 736 | 522 |
| 2024 | 703 | 479 |
| 2025 | 715 | 470 |

Note: Data presented above is on a Federal fiscal year which runs from October 1st to September 30th.

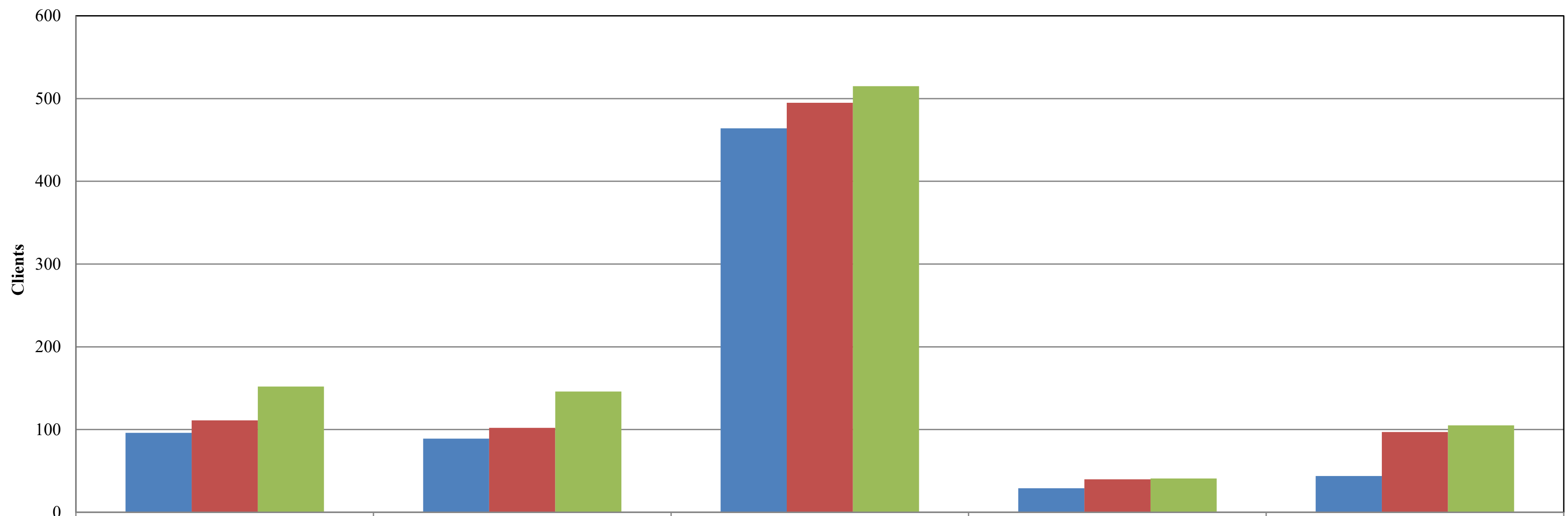
Exhibit B

NEBRASKA COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED

# VOCATIONAL REHABILITATION

Exhibit B

The Nebraska Commission for the Blind and Visually Impaired (Commission) vocational rehabilitation program's goal is to enable blind persons to successfully achieve competitive employment. To become employed, clients need to have training and opportunities. The Commission first provides training in the alternative skills of blindness, including cane travel, technology, Braille, independent living skills, and self-advocacy. The Commission's vocational rehabilitation program then works with clients to set and achieve an employment goal. Along with providing training for work skills, the Commission's program will also assist with schooling, placement services, and post-placement services. Successful completion of the vocational rehabilitation program occurs when the client has achieved their work goal and has been working for over 90 days.




| | Application for Services | New Clients Accepted | Active Clients During the Year | Successful Program Completion | Unsuccessful Program Completion |
|---|---|---|---|---|---|
| 2023 | 96 | 89 | 464 | 29 | 44 |
| 2024 | 111 | 102 | 495 | 40 | 97 |
| 2025 | 152 | 146 | 515 | 41 | 105 |

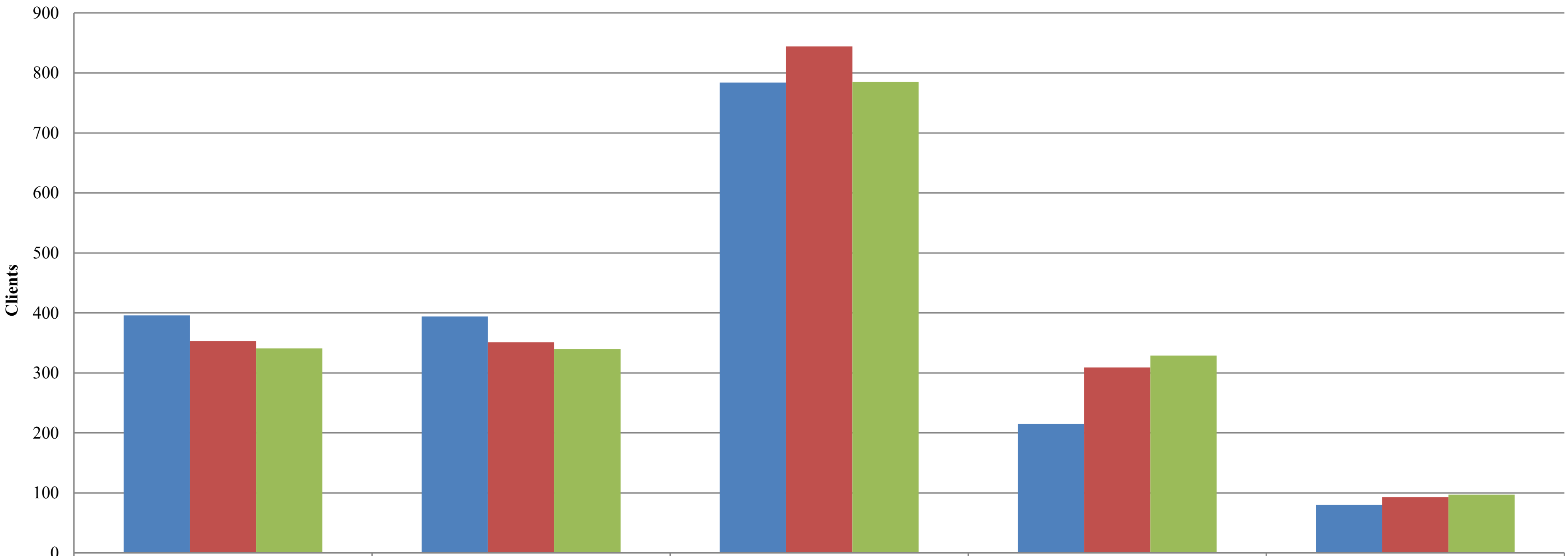
Note: Data presented above is on a Federal fiscal year which runs from October 1st to September 30th.

NEBRASKA COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED

**INDEPENDENT LIVING**

**Exhibit C**

The Nebraska Commission for the Blind and Visually Impaired Independent Living (IL) program's goal is to teach independent living skills to blind and visually impaired clients who do not have a vocational goal. Training includes, but is not limited to, managing medicine, cane travel, shopping, cooking, cleaning, etc. Successful completion of the program occurs when the client has achieved their independent living goal.




| | Application for Services | New Clients Accepted | Active Clients During the Year | Successful Program Completion | Unsuccessful Program Completion |
|---|---|---|---|---|---|
| 2023 | 396 | 394 | 784 | 215 | 80 |
| 2024 | 353 | 351 | 844 | 309 | 93 |
| 2025 | 341 | 340 | 785 | 329 | 97 |

Note: Data presented above is on a Federal fiscal year which runs from October 1st to September 30th.

NEBRASKA COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED **Exhibit D**

**PURCHASING CARD ACCOUNT UTILIZATION**

For Calendar Years 2023-2025

| Cardholder | Account Open Date | 2023 | | 2024 | | 2025 | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | $ Amount | Transactions | $ Amount | Transactions | $ Amount | Transactions | $ Amount | Transactions | Average Transactions Per Month |
| **Card Accounts Opened in 2025** | | | | | | | | | | |
| Employee #1 | 5/1/2025 | [redacted] | [redacted] | [redacted] | [redacted] | $ - | 0 | $ - | 0 | 0.00 |
| Employee #2 | 10/2/2025 | [redacted] | [redacted] | [redacted] | [redacted] | $ - | 0 | $ - | 0 | 0.00 |
| Employee #3 | 10/21/2025 | [redacted] | [redacted] | [redacted] | [redacted] | $ 9.44 | 1 | $ 9.44 | 1 | 0.42 |
| Employee #4 | 12/2/2025 | [redacted] | [redacted] | [redacted] | [redacted] | $ 202.52 | 3 | $ 202.52 | 3 | 3.04 |
| Employee #5 | 1/13/2025 | [redacted] | [redacted] | [redacted] | [redacted] | $ 987.77 | 48 | $ 987.77 | 48 | 4.14 |
| Employee #6 | 7/22/2025 | [redacted] | [redacted] | [redacted] | [redacted] | $ 36,730.65 | 217 | $ 36,730.65 | 217 | 40.49 |
| **Card Accounts Opened in 2024** | | | | | | | | | | |
| Employee #7 | 4/4/2024 | [redacted] | [redacted] | $ 1,945.74 | 4 | $ 542.02 | 3 | $ 2,487.76 | 7 | 0.33 |
| Employee #8 | 7/23/2024 | [redacted] | [redacted] | $ - | 0 | $ 599.76 | 7 | $ 599.76 | 7 | 0.40 |
| Employee #9 | 6/13/2024 | [redacted] | [redacted] | $ - | 0 | $ 140.41 | 10 | $ 140.41 | 10 | 0.54 |
| Employee #10 | 11/4/2024 | [redacted] | [redacted] | $ 14.97 | 1 | $ 219.30 | 9 | $ 234.27 | 10 | 0.72 |
| Employee #11 | 10/18/2024 | [redacted] | [redacted] | $ 206.15 | 1 | $ 1,706.23 | 11 | $ 1,912.38 | 12 | 0.83 |
| Employee #12 | 4/22/2024 | [redacted] | [redacted] | $ 597.40 | 17 | $ 639.87 | 8 | $ 1,237.27 | 25 | 1.23 |
| Employee #13 | 10/17/2024 | [redacted] | [redacted] | $ 431.31 | 16 | $ 629.66 | 19 | $ 1,060.97 | 35 | 2.41 |
| Employee #14 | 4/5/2024 | [redacted] | [redacted] | $ 3,991.73 | 17 | $ 5,196.18 | 39 | $ 9,187.91 | 56 | 2.68 |
| Employee #15 | 8/30/2024 | [redacted] | [redacted] | $ 963.77 | 8 | $ 4,321.55 | 42 | $ 5,285.32 | 50 | 3.11 |
| Employee #16 | 10/17/2024 | [redacted] | [redacted] | $ 666.11 | 5 | $ 3,647.50 | 49 | $ 4,313.61 | 54 | 3.72 |
| Employee #17 | 8/14/2024 | [redacted] | [redacted] | $ 3,134.36 | 57 | $ 7,953.12 | 71 | $ 11,087.48 | 128 | 7.71 |
| **Card Accounts Opened in 2023 or Prior** | | | | | | | | | | |
| Employee #18 | 3/27/2018 | $ 248.35 | 4 | $ 160.58 | 3 | $ 709.27 | 3 | $ 1,118.20 | 10 | 0.11 |
| Employee #19 | 10/12/2023 | $ 469.00 | 2 | $ 329.41 | 2 | $ - | 0 | $ 798.41 | 4 | 0.15 |
| Employee #20 * | 6/30/2020 | $ 922.80 | 12 | $ 46.39 | 1 | $ - | 0 | $ 969.19 | 13 | 0.20 |
| Employee #21 | 11/20/2017 | $ 369.48 | 9 | $ 458.50 | 8 | $ 732.37 | 6 | $ 1,560.35 | 23 | 0.24 |
| Employee #22 | 10/6/2022 | $ 347.24 | 6 | $ 115.48 | 4 | $ - | 0 | $ 462.72 | 10 | 0.26 |
| Employee #23 | 8/4/2016 | $ 33,565.70 | 25 | $ 2,950.85 | 13 | $ 1,334.17 | 8 | $ 37,850.72 | 46 | 0.41 |
| Employee #24 | 2/6/2023 | $ 2,795.29 | 6 | $ 1,722.26 | 6 | $ 123.15 | 5 | $ 4,640.70 | 17 | 0.49 |
| Employee #25 | 4/7/2023 | $ 1,087.55 | 7 | $ 632.93 | 9 | $ 14.60 | 1 | $ 1,735.08 | 17 | 0.52 |
| Employee #26 * | 5/26/2020 | $ 5,226.14 | 16 | $ 5,742.05 | 21 | $ - | 0 | $ 10,968.19 | 37 | 0.55 |
| Employee #27 * | 9/30/2012 | $ 4,536.01 | 53 | $ 1,413.47 | 34 | $ 31.51 | 3 | $ 5,980.99 | 90 | 0.57 |
| Employee #28 | 3/17/2023 | $ 4,243.01 | 17 | $ 2,502.08 | 15 | $ 944.12 | 3 | $ 7,689.21 | 35 | 1.04 |
| Employee #29 | 8/23/2021 | $ 3,157.13 | 29 | $ 4,333.17 | 36 | $ 232.17 | 4 | $ 7,722.47 | 69 | 1.32 |
| Employee #30 | 11/7/2023 | $ 46.10 | 2 | $ 2,384.37 | 27 | $ 2,191.57 | 12 | $ 4,622.04 | 41 | 1.59 |
| Employee #31 | 2/9/2023 | $ 1,471.03 | 18 | $ 1,920.78 | 15 | $ 1,969.22 | 26 | $ 5,361.03 | 59 | 1.70 |
| Employee #32 | 12/21/2023 | $ - | 0 | $ 1,151.07 | 31 | $ 981.92 | 20 | $ 2,132.99 | 51 | 2.09 |

(Continued)

NEBRASKA COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED

**PURCHASING CARD ACCOUNT UTILIZATION**

For Calendar Years 2023-2025

**Exhibit D**

| Cardholder | Account Open Date | 2023 | | 2024 | | 2025 | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | $ Amount | Transactions | $ Amount | Transactions | $ Amount | Transactions | $ Amount | Transactions | Average Transactions Per Month |
| Employee #33 | 10/11/2023 | $ - | 0 | $ 8,579.69 | 28 | $ 7,194.58 | 36 | $ 15,774.27 | 64 | 2.39 |
| Employee #34 | 9/11/2023 | $ 1,216.53 | 16 | $ 4,228.83 | 47 | $ 842.73 | 7 | $ 6,288.09 | 70 | 2.53 |
| Employee #35 | 3/9/2012 | $ 88,718.44 | 335 | $ 135,765.65 | 327 | $ 138,451.27 | 261 | $ 362,935.36 | 923 | 5.56 |
| Employee #36 | 10/2/2023 | $ 921.76 | 2 | $ 1,861.54 | 95 | $ 3,876.50 | 170 | $ 6,659.80 | 267 | 9.88 |
| Employee #37 | 10/16/2023 | $ 77.49 | 6 | $ 3,206.96 | 108 | $ 3,699.96 | 171 | $ 6,984.41 | 285 | 10.73 |
| Employee #38 | 8/23/2021 | $ 50,101.97 | 352 | $ 48,294.56 | 387 | $ 114,884.98 | 451 | $ 213,281.51 | 1190 | 22.74 |

* Employee terminated in 2025 or prior, but account status is still open.

(Concluded)