

**ATTESTATION REPORT  
OF THE  
NEBRASKA TOURISM COMMISSION**

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

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**Issued on May 19, 2026**

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### Audit Staff Working On This Examination

Matt Schochenmaier, CPA, CISA, CFE – Audit Manager

Cassandra Dobbs, CPA, CFE – Auditor-In-Charge

Kyle Hanna – Auditor II

Jerad Alexander – Auditor I

Madison West – Auditor I

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#### **Nebraska Auditor of Public Accounts**

State Capitol, Suite 2303

P.O. Box 98917

Lincoln, Nebraska 68509

Phone: 402-471-2111

NEBRASKA TOURISM COMMISSION

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## NEBRASKA TOURISM COMMISSION

### BACKGROUND

The Nebraska Tourism Commission (Commission) (dba Visit Nebraska) was created as a separate State agency in July 2012, by the passage of LB 1053. Prior to that time, Travel and Tourism had been a division within the Nebraska Department of Economic Development, a separate State agency.

The Commission's purpose is to administer tourism promotional activities in order to attract visitors and to increase the use of travel and tourism facilities in Nebraska. This includes developing a statewide strategic plan and providing Community Impact Grants and Marketing Grants to certain tourism promotion groups for marketing and promotional activities. The Commission has also implemented a series of other tourism-related activities to promote Nebraska, including hosting the annual Nebraska Tourism Conference and the Agri/Eco Tourism workshops, and participating in other promotional and marketing programs.

The Commission implements seasonal campaigns in key drive and fly markets, focusing on high-return regions. Campaigns highlight summer travel, outdoor recreation, small towns, and shoulder-season experiences like the sandhill crane migration. Efforts include digital advertising, social media, video, website content, and traditional media. The office maintains VisitNebraska.com with trip planning tools, itineraries, and partner listings, and produces and distributes the Nebraska Travel Guide.

Members of the Commission serve four-year terms and consist of the Director of Economic Development and 12 residents of the State of Nebraska appointed by the Governor, to include one member representing a State chamber of commerce organized under the Nebraska Nonprofit Corporation Act, and one member appointed from each of the 11 districts described in Neb. Rev. Stat. § 81-3710(2) (Reissue 2024).

The main funding source for the Commission comes from a one percent lodging tax in Nebraska. Neb. Rev. Stat. § 81-3715 (Reissue 2024) provides the following:

*There is hereby imposed an additional sales tax of one percent upon the total consideration charged for occupancy of any space furnished by any hotel in this state. The proceeds from such tax shall be paid to the State Visitors Promotion Cash Fund.*

Tourism generated \$4.6 billion in direct visitor spending in 2024, supporting communities across Nebraska. The industry supports more than 41,000 jobs and generates over \$320 million in State and local tax revenue annually, helping reduce the tax burden on Nebraska households. The Commission executes a multi-million-dollar marketing program each year to increase visitation, extend length of stay, and drive year-round travel.

### MISSION STATEMENT

The Commission's webpage (<https://visitnebraska.com/mission-vision-values-goals>) contains the following mission statement:

*The mission of the Nebraska Tourism Commission is to expand Nebraska's dynamic and diverse travel industry making it more viable by creating awareness, attracting increased visitors which results in greater tourism revenue and economic gain throughout the state.*

NEBRASKA TOURISM COMMISSION

KEY OFFICIALS AND AGENCY CONTACT INFORMATION

Commission Members

<u>Name</u>	<u>Title</u>	<u>Term Ending</u>
Robert Sabin	Commissioner District 1	April 1, 2027
John Chapo	Commissioner District 2	See Note
Rachel Kreikemeier	Commissioner District 3	April 1, 2027
Roger Kuhn	Commissioner District 4	April 1, 2027
Darrin Barner	Commissioner District 5	See Note
Vacant (since July 2025)	Commissioner District 6	N/A
Ashley Olson	Commissioner District 7	See Note
Paul Younes	Commissioner District 8	April 1, 2027
David Fudge	Commissioner District 9	April 1, 2027
Barry McFarland	Commissioner District 10	See Note
David Wolf	Commissioner District 11	April 1, 2027
Maureen Larsen	Department of Economic Development Representative	Ongoing
Courtney Dentlinger	Nebraska Chamber of Commerce Representative	April 1, 2029

*Note: The term of these commissioners expired on April 1, 2025. They are currently serving until gubernatorial appointment.*

Commission Executive Management

<u>Name</u>	<u>Title</u>
Jenn Gjerde	Executive Director
Heather Hogue	Deputy Director

Nebraska Tourism Commission  
301 Centennial Mall South  
P.O. Box 98907  
Lincoln, NE 68509  
visitnebraska.com

## NEBRASKA TOURISM COMMISSION

### SUMMARY OF COMMENTS

During our examination of the Nebraska Tourism Commission (Commission), we noted certain deficiencies and other operational matters that are presented here.

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

1. ***Incorrect Fiscal Year for Expenditures:*** The Commission did not record \$367,576 in expenditures tested in the proper fiscal year. This includes \$225,364 in advertising expenses, \$141,500 in grant expenses, and \$712 in travel expenses.
2. ***Revenue Issues:*** The Commission did not create an initial listing of all money it received during the year and did not sequentially number receipts. As a result, we were unable to verify the Commission deposited all money it received and did so timely in accordance with State statute. Additionally, the Commission did not restrictively endorse checks immediately upon receipt.
3. ***EnterpriseOne Timesheets:*** The Commission utilizes EnterpriseOne timesheets to record time worked and leave used. The system does not accurately document supervisory approval of timesheets, and the Commission did not have a compensating control outside of the system to document supervisory review and approval of timesheets. Additionally, timesheets for two Commission employees were not approved by a supervisor or commissioner, and these employees did not document that they rendered at least 40 hours of labor each week, in compliance with State statute.
4. ***Other Payroll Issues:*** The Commission utilizes Department of Administrative Services (DAS) – HR Shared Services (Shared Services) for payroll functions. During testing, we noted the Commission did not adequately review payroll functions Shared Services completed. This contributed to multiple payroll errors, including making a \$575 overpayment to an employee, improperly lapsing 12 hours of an employee’s sick leave, and miscoding \$1,136 in payroll expenses in the State’s accounting system.
5. ***Contract Issues:*** The Commission did not upload two of its contracts to the State’s accounting system and the State Contracts Database, as required by State statute.
6. ***Hotel Rewards:*** The Commission did not have a process in place to track personal hotel rewards points employees earned while traveling to ensure they were used for public purposes. During testing, we noted that a Commission employee earned personal reward points for two hotel stays, including one where the lodging rate exceeded the General Services Administration (GSA) per diem rate by \$60 per day.
7. ***Tourism Strategic Plan:*** The Commission’s Strategic Plan did not include all items required by State statute.
8. ***Incorrect Receipt Coding:*** The Commission recorded \$16,178 in receipts to the wrong account, \$480 in receipts to the wrong fund, and \$1,798 in fees as negative revenues instead of as expenses.

More detailed information on the above items is provided hereinafter. It should be noted that this report is critical in nature, containing only our comments and recommendations on the areas noted for improvement and does not include our observation of any strengths of the Commission.

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

## NEBRASKA TOURISM COMMISSION

### COMMENTS AND RECOMMENDATIONS

#### 1. Incorrect Fiscal Year for Expenditures

The Nebraska Tourism Commission (Commission) failed to record \$367,576 in expenditures tested in the proper fiscal year. We tested six large expenditures, seven grant expenditures, and two travel expenditures to determine whether the expenditures were recorded in the proper fiscal year and noted the following:

- One of the six large expenditures tested was for advertising expenses for the Commission's summer and spring 2025 media plan. The Commission paid its advertising vendor a total of \$3,242,740 under this plan, of which it recorded \$2,400,000 as State fiscal year 2025 expenses and the remaining \$842,740 as State fiscal year 2026 expenses. However, only \$2,174,636 of the expenses were for media placements during State fiscal year 2025, and the remaining amount was for media placements during State fiscal year 2026. Thus, the Commission over-recorded State fiscal year 2025 expenses by \$225,364 and under-recorded State fiscal year 2026 expenses by the same amount.
- Five of the seven grant expenditures tested were improperly recorded as prior-year obligations. One of the expenses was recorded as a State fiscal year 2024 expense even though the grantee did not meet eligibility requirements to receive the grant funds until State fiscal year 2025. The other four grant expenses were recorded as State fiscal year 2025 expenses even though the grantees did not meet eligibility requirements to receive grant funds until State fiscal year 2026. The total amount awarded for the five grants was \$141,500. The Commission considered grant funds to be obligated in the year it awarded the funds. However, in order to be eligible to receive the funds, the grantee needed to complete the project for which it was awarded funds and submit a completed reimbursement request form, along with copies of vendors invoices and proof of payment and a final project report. Under Government Accounting Standards Board (GASB) requirements, the grants should not be recognized as expenses until recipients have met all eligibility requirements. The Commission had a total of \$663,194 in grant expenses during the year.
- The Commission recorded the two travel expenditures tested, totaling \$712, as State fiscal year 2025 expenses even though the travel did not occur until State fiscal year 2026.

GASB Section N50 paragraph 118 states the following:

*Providers should recognize liabilities (or a decrease in assets) and expenses from government-mandated or voluntary nonexchange transactions, and recipients should recognize receivables (or a decrease in liabilities) and revenues (net of estimated uncollectible amounts), when all applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met (excluding time requirements) should be reported as assets by the provider and as liabilities by the recipient. Resources received or recognized as a receivable before time requirements are met, but after all other eligibility requirements have been met, should be reported as a deferred outflow of resources by the provider and a deferred inflow of resources by the recipient.*

The Nebraska State Accounting Manual, AM-005, General Policies, Section 18, states, in relevant part, the following:

*For financial reporting purposes, accounts payable and grants payable are short-term liabilities representing amounts owed by the State to individuals, other governmental units, etc. Accounts payable include amounts for services provided or goods received by the State before the end of the fiscal year, for which payment has not yet been made. In general, goods and services must be charged to the year in which the goods were received, or the service was provided. Grants payable include amounts to be reimbursed because a recipient has met eligibility requirements and incurred allowable costs.*

\* \* \* \*

*For reimbursement-based (expenditure-drive) grants, providers are to recognize liabilities (or decreases in advances) when all eligibility requirements are met. Reimbursement eligibility requirements are met when recipients incur allowable costs, not when those costs are submitted for reimbursement. Therefore, the State should recognize a liability for the estimated amount of allowable costs incurred by potential recipients, based on both claims submitted and estimated claims incurred but not reported, provided that all other eligibility requirements are met.*

NEBRASKA TOURISM COMMISSION

COMMENTS AND RECOMMENDATIONS

(Continued)

1. **Incorrect Fiscal Year for Expenditures** (Concluded)

A proper system of internal control requires procedures to ensure the recognition of accounting transactions in the appropriate fiscal year. Without such procedures, there is an increased risk for a material misstatement of the State's financial statements.

We recommend the Commission implement procedures to ensure payments are recorded in the proper fiscal year.

*Commission Response: The Nebraska Tourism Commission respectfully disagrees, in part, with the characterization of certain expenditures identified in this finding. The Commission will continue collaborating with State Accounting partners to strengthen accounting processes, improve financial reporting functions, and evaluate practical ways to satisfy fiscal oversight expectations moving forward.*

2. **Revenue Issues**

During our revenue testing, we noted that the Commission did not create an initial listing of all money it received during the year and did not sequentially number receipts. As a result, we were unable to verify the Commission deposited all money it received and did so timely in accordance with State statute. Additionally, the Commission did not restrictively endorse checks immediately upon receipt.

Prior to October 2025, the Commission did not create an initial listing of money it received. In October 2025, the Commission began using a receipt book to log cash receipts. However, the Commission did not sequentially number receipts in the receipt book. Additionally, the Commission did not record two amounts it received in October and November 2025 in the receipt book. In total, the Commission recorded 48 receipts, totaling \$26,140, in the State's accounting system during calendar year 2025 that it failed to record on an initial receipt list. We were thus unable to verify these receipts agreed to amounts initially received and were deposited timely in accordance with State statute.

Neb. Rev. Stat. § 84-710 (Reissue 2024) states, in relevant part, the following:

*It shall be unlawful for any executive department, state institution, board, or officer acting under or by virtue of any statute or authority of the state, including the State Racing and Gaming Commission, to receive any fees, proceeds from the sale of any public property, or any money belonging to the state or due for any service rendered by virtue of state authority without paying the same into the state treasury within three business days of the receipt thereof when the aggregate amount is five hundred dollars or more and within seven days of the receipt thereof when the aggregate amount is less than five hundred dollars.*

A proper system of internal controls requires procedures to prepare an initial sequentially numbered list of all money received and to endorse checks restrictively upon receipt. Without such procedures, there is increased risk of misuse of public funds, incorrect financial statements, and noncompliance with State statute.

We recommend the Commission strengthen procedures to ensure that it records all receipts on an initial listing of money received to ensure all money is deposited timely. The receipts should be sequentially numbered. We further recommend the Commission restrictively endorse checks immediately upon receipt.

*Commission Response: The Nebraska Tourism Commission has already implemented additional receipt tracking procedures and will continue strengthening internal controls to ensure receipts are properly documented and deposited in accordance with State requirements.*

NEBRASKA TOURISM COMMISSION

COMMENTS AND RECOMMENDATIONS

(Continued)

3. **EnterpriseOne Timesheets**

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

- EnterpriseOne did not accurately track who approved timesheets in the system. The supervisor assigned to an employee approved the timesheet. However, supervisors were allowed to set up delegates, or another employee, in the system to approve timesheets in the supervisor's absence. Instead of recording which supervisor actually approved the timesheets, the system would record the assigned supervisor as the approver. A delegate set up for the supervisor was then able to alter and approve his or her own timesheet. Furthermore, there was no audit trail for delegates in the State's accounting system. Supervisors were able to delete delegates without any record of the assignment.
- Timesheets for the Commission's Executive Director and Marketing Manager were not approved by a supervisor or Commissioner.
- The Commission's Executive Director did not complete a timesheet, while the Commission's Marketing Manager recorded only leave used, not time worked, on her timesheet. Neither employee otherwise documented or certified having rendered at least 40 hours of labor each week, as required by Neb. Rev. Stat. § 84-1001(1) (Reissue 2024). That statute states the following:

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

A good internal control plan requires procedures to ensure that the approval of timesheets is documented accurately for subsequent review. Without documentation identifying who approved the timesheets, it is not possible to verify that reported time was properly reviewed and authorized. This increases the risk that employees could approve their own hours and that State funds may be misused due to fraud or error. Furthermore, when hours worked are not adequately documented by timesheets or other supporting documentation, there is an increased risk for not only payment of fraudulent or inaccurate employee work and leave hours but also the inability to support compliance with § 84-1001(1).

The Commission's total payroll expense for calendar year 2025 was \$ 1,057,792.

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

*Commission Response: The Nebraska Tourism Commission notes the positions identified are salaried exempt positions under the Fair Labor Standards Act, and leave usage for exempt employees was reported through established DAS Shared Services processes.*

*Additional documentation measures have been implemented, and the Commission will continue working with DAS Shared Services and State Accounting to ensure documentation and approval procedures related to EnterpriseOne and exempt employee leave reporting remain aligned with applicable State policies and procedures.*

NEBRASKA TOURISM COMMISSION

COMMENTS AND RECOMMENDATIONS

(Continued)

4. **Other Payroll Issues**

The Commission utilizes Department of Administrative Services (DAS) – HR Shared Services (Shared Services) for payroll functions. One Shared Services employee was responsible for performing all payroll functions for the Commission. While a Commission employee completed a secondary review of processes Shared Services completed, the review was inadequate as it did not catch various payroll errors we noted during our testing, including the following:

- The Commission’s former Executive Director was overpaid on his final paycheck. His final day of employment was one day prior to the end of the pay period. However, the employee was paid for the entire pay period. This resulted in the employee being overpaid \$575 (gross) on his final paycheck.
- A Commission employee’s sick leave balance was not properly lapsed at the end of calendar year 2024. Shared Services did not properly consider sick leave the employee took in December 2024, which was paid in January 2025, when lapsing the employee’s leave. This resulted in Shared Services lapsing 12 more hours than it should have.
- Several payroll transactions were coded improperly within the State’s accounting system. Payroll transactions, totaling \$1,136, were coded to Permanent Salaries-Wages; however, they should have been coded to various leave expense accounts. These errors occurred because Shared Services did not properly perform a required step in the payroll process.

A good internal control plan requires an adequate secondary review of payroll functions. Without such an internal control plan, there is a significant risk for improper transactions to occur and remain undetected.

We recommend the Commission perform an adequate secondary review of payroll functions to ensure payroll expenses are properly calculated and coded and leave balances are properly lapsed at year end.

*Commission Response: The Nebraska Tourism Commission will continue working with DAS Shared Services to strengthen review procedures and improve accuracy related to payroll transactions.*

5. **Contract Issues**

We tested four Commission contracts and noted that, contrary to State statute, the Commission did not upload the following two agreements to either the State’s accounting system, EnterpriseOne, or the State Contracts Database:

- A letter of intent with the host hotel for the 2025 Nebraska Tourism Conference. The Commission paid the hotel a total of \$38,859 under the contract.
- A letter of intent for paying a \$2,000 fee to a speaker at the 2025 Nebraska Tourism Conference.

Neb. Rev. Stat. § 73-806(1) (Cum. Supp. 2024) states the following:

*All state agencies shall process and document all contracts through the state accounting system. The Director of Administrative Services shall specify the format and type of information for state agencies to provide and approve any alternatives to such formats. All state agencies shall enter the information on new contracts and amendments to existing contracts. State agency directors shall ensure that contracts are coded appropriately into the state accounting system.*

NEBRASKA TOURISM COMMISSION

COMMENTS AND RECOMMENDATIONS

(Continued)

5. **Contract Issues** (Concluded)

Neb. Rev. Stat. § 84-602.04(4)(a)(i) (Supp. 2025) requires the DAS web site to contain the following:

*A database that includes a copy of each active contract that is a basis for an expenditure of state funds, including any amendment to such contract and any document incorporated by reference in such contract. 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, an agreement to extend the duration of a contract, or an agreement to renew a contract. The database shall be accessible by the public and searchable by vendor, by state entity, and by dollar amount. All state entities shall provide to the Department of Administrative Services, in electronic form, copies of such contracts for inclusion in the database beginning with contracts that are active on and after January 1, 2014 . . . .*

When contracts are not uploaded to the State’s accounting system and the State Contracts Database, the Commission is noncompliant with State statute.

We reported a similar finding during our prior attestation review for the calendar year ended December 31, 2015.

We recommend the Commission implement procedures to ensure contracts are uploaded to both the State’s accounting system and the State Contracts Database, as required by State statute.

*Commission Response: At the time, based on prior guidance available to the Commission, the agreements identified in the finding were not treated as contracts. Updated guidance has since been received and will be applied moving forward.*

6. **Hotel Rewards**

The Commission did not have a process in place to track personal hotel rewards points an employee earned while traveling on paid official business to ensure those incentives were used for public purposes. During testing, we noted a Commission employee earned personal rewards points for two hotel stays, including one where the lodging rate exceeded the General Services Administration (GSA) per diem rate by \$60 each day.

We tested lodging costs paid by the Commission for an employee traveling to the 2025 American Bus Association (ABA) Marketplace event in Philadelphia, Pennsylvania, and the 2025 National Tour Association Travel Exchange event in Ottawa, Ontario, Canada. Both hotel stays were for five nights, and in both cases the employee earned points on a personal rewards account. The Commission paid \$216 per night (excluding taxes) for lodging at the Hilton Garden in Philadelphia for the ABA event. This exceeds the \$156 GSA per diem rate by \$60 each night and a total of \$300 for the five-night stay. While the hotel was part of the hotel block for the conference, it was not the site of the conference. The Auditor of Public Accounts noted five hotels in the area that currently offer lower rates and are closer to the conference site.

The rewards points at issue were earned on hotel stays that were occasioned by an employee’s travel for paid official Commission business, and the costs of those stays were incurred by the Commission. Consequently, the resulting rewards points were rightly the property of the Commission, not the employee who received them.

Neb. Rev. Stat. § 49-14,101.01(2) (Reissue 2021) places the following restriction upon the use of property under the “official care and control” of a public official or public employee:

*A public official or public employee shall not use or authorize the use of personnel, resources, property, or funds under his or her official care and control other than in accordance with prescribed constitutional, statutory, and regulatory procedures or use such items, other than compensation provided by law, for personal financial gain.*

NEBRASKA TOURISM COMMISSION

COMMENTS AND RECOMMENDATIONS

(Continued)

6. **Hotel Rewards** (Concluded)

Good internal controls require procedures to ensure that travel costs are reasonable, and rewards points earned on travel paid for by the State are used only for appropriate public purposes.

We recommend the Commission implement procedures to ensure that any rewards points earned on official travel paid for with State funds are tracked properly, treated as Commission property, and used only for appropriate public purposes. We also recommend the Commission ensure that all travel costs are reasonable and necessary.

*Commission Response: The Nebraska Tourism Commission will review and strengthen internal procedures related to travel documentation and employee awareness of applicable State travel policies.*

7. **Tourism Strategic Plan**

One of the few statutory duties of the Commission is to develop a comprehensive Nebraska Tourism Industry Strategic Plan for the State. In 2020, the Commission paid Vladimir Jones, an advertising agency based in Colorado, \$123,000 to create, develop, and update the current Strategic Plan. During our review of the Commission's Strategic Plan, we noted that it did not include the statutorily required review of revenue in the State Visitors Promotion Cash Fund available for tourism development at the State level.

Neb. Rev. Stat. § 81-3713 (Reissue 2024) requires, in relevant part, the following:

*The commission shall develop a statewide strategic plan to cultivate and promote tourism in Nebraska. The commission shall review the plan annually and update as necessary. The plan shall include:*

*(1) A review of revenue in the State Visitors Promotion Cash Fund available for tourism development at the state level[.]*

By failing to include statutorily required information in its Strategic Plan, the Commission is in violation of State statute.

We reported a similar finding during our prior attestation review for the calendar year ended December 31, 2015.

We recommend the Commission implement procedures to ensure its Strategic Plan complies with the requirements of State statute.

*Commission Response: The Nebraska Tourism Commission respectfully disagrees, in part, with this finding and believes the Strategic Plan addresses the requirements outlined in Neb. Rev. Stat. § 81-3713 within the broader context of statewide tourism strategy and industry development. The Commission will review future updates to ensure statutory components are more explicitly identified within the document.*

**APA Response: The Commission's Strategic Plan does not include any review of revenue in the State Visitors Promotion Cash Fund, as required by State statute.**

8. **Incorrect Receipt Coding**

The Commission holds tourism conferences and other events for which it charges a registration fee. These fees, along with sponsorships, offset the costs to host the events. We noted that the Commission made the following errors when recording fees collected in calendar year 2025.

NEBRASKA TOURISM COMMISSION

COMMENTS AND RECOMMENDATIONS

(Concluded)

8. **Incorrect Receipt Coding** (Concluded)

*Online Registration Fees*

Participants may register for events and pay the registration fee online. The Commission pays a website vendor for collecting the payment and registration information. The event fees are initially recorded to a clearing account. The Commission failed to make the required journal entry to move these receipts from the clearing account to the proper revenue account. The Commission received \$16,178 in event receipts from the online vendor in calendar year 2025.

Additionally, the Commission recorded the receipts for the dollar amount received from the online vendor, which was net of the service fees charged by that service provider. However, the Commission should have recorded the total amount of revenue based on the actual registration fee amount and recorded the vendor fees as an expense. Revenue and expenses were both understated by \$1,798 due to this error.

*Director's Dinner Fees*

The Commission collected \$480 in fees for the Director's Dinner held in May 2025, a working meeting hosted by the Commission and attended by destination marketing leaders from across the State. These receipts were deposited in the State Visitors Promotion Cash Fund; however, the Commission appears to lack the statutory authority to deposit event fees to that fund. Instead, the receipts should have been deposited in the Tourism Conference Cash Fund.

Neb. Rev. Stat. § 81-3714 (Reissue 2024) states, in relevant part, the following:

*The State Visitors Promotion Cash Fund is created. The fund shall be administered by the commission. The fund shall consist of revenue deposited into the fund pursuant to section 81-3715 and money donated as gifts, bequests, or other contributions from public or private entities. Funds made available by any department or agency of the United States may also be credited to the fund if so directed by such department or agency.*

Neb. Rev. Stat. § 81-3726 (Reissue 2024) provides the following:

*The Tourism Conference Cash Fund is created. The fund shall be administered by the commission. All sums of money received from fees from any conference or event held by the commission shall be deposited in the fund. The commission shall use the fund to defray expenses related to any conference or event sponsored by the commission. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.*

The Commission has agreed with our assessment regarding the proper disposition of event fees.

Good internal controls require procedures to ensure that transactions are reflected properly on the State's financial statements. Without such procedures, there is an increased risk of a material misstatement occurring and remaining undetected.

We recommend the Commission strengthen procedures for recording conference registration and other event fees in the State's accounting system to ensure proper presentation on the financial statements.

*Commission Response: The Nebraska Tourism Commission will continue strengthening accounting review procedures to ensure transactions are properly coded and recorded within the State accounting system in accordance with State Accounting guidance.*



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Mike Foley  
State Auditor

Mike.Foley@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
auditors.nebraska.gov

### NEBRASKA TOURISM COMMISSION

### INDEPENDENT ACCOUNTANT'S REPORT

Nebraska Tourism Commission  
Lincoln, Nebraska

We have examined the accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balances of the Nebraska Tourism Commission (Commission) for the calendar year ended December 31, 2025. The Commission's management is responsible for the Schedule of Revenues, Expenditures, and Changes in Fund Balances based on the accounting system and procedures set forth in Note 1. Our responsibility is to express an opinion on the Schedule of Revenues, Expenditures, and Changes in Fund Balances based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule of Revenues, Expenditures, and Changes in Fund Balances is based on the accounting system and procedures set forth in Note 1, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule of Revenues, Expenditures, and Changes in Fund Balances. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule of Revenues, Expenditures, and Changes in Fund Balances, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balances for the calendar year ended December 31, 2025, is based on the accounting system and procedures prescribed by the State of Nebraska's Director of the Department of Administrative Services, as set forth in Note 1, in all material respects.


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

*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 was/were not subjected to the other procedures applied in the attestation of the Schedule of Revenues, Expenditures, and Changes in Fund Balances and, accordingly, we express no opinion on the responses.

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



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



Mike Foley  
Auditor of Public Accounts

May 11, 2026

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

	State Visitors Promotion Fund 27210	Nebraska Tourism Commission Promotion Cash Fund 27212	Tourism Conference Cash Fund 29100	<b>Totals (Memorandum Only)</b>
<b>REVENUES:</b>				
Appropriations	\$ -	\$ -	\$ -	\$ -
Taxes	8,231,670	139,608	-	8,371,278
Sales & Charges	480	547,000	87,995	635,475
Miscellaneous	29,866	6,522	1,186	37,574
<b>TOTAL REVENUES</b>	<b>8,262,016</b>	<b>693,130</b>	<b>89,181</b>	<b>9,044,327</b>
<b>EXPENDITURES:</b>				
Personal Services	1,057,792	-	-	1,057,792
Operating	6,168,815	272,609	48,543	6,489,967
Travel	78,408	686	8,632	87,726
Government Aid	663,194	-	-	663,194
<b>TOTAL EXPENDITURES</b>	<b>7,968,209</b>	<b>273,295</b>	<b>57,175</b>	<b>8,298,679</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	293,807	419,835	32,006	745,648
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Assets	529	-	-	529
Operating Transfers Out	(2,000,000)	-	-	(2,000,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,999,471)</b>	<b>-</b>	<b>-</b>	<b>(1,999,471)</b>
Net Change in Fund Balances	(1,705,664)	419,835	32,006	(1,253,823)
FUND BALANCES, JANUARY 1, 2025	5,768,026	56,691	37,356	5,862,073
FUND BALANCES, DECEMBER 31, 2025	<u>\$ 4,062,362</u>	<u>\$ 476,526</u>	<u>\$ 69,362</u>	<u>\$ 4,608,250</u>
<b>FUND BALANCES CONSIST OF:</b>				
General Cash	\$ 4,036,210	\$ 364,026	\$ 55,273	\$ 4,455,509
NSF Items	16,958	-	1,089	18,047
Deposits with Vendors	17,365	-	-	17,365
Accounts Receivable Invoiced	1,350	112,500	13,000	126,850
Due From Other Government	176	-	-	176
Due to Vendors	(9,251)	-	-	(9,251)
Due to Fund	(446)	-	-	(446)
<b>TOTAL FUND BALANCES</b>	<b>\$ 4,062,362</b>	<b>\$ 476,526</b>	<b>\$ 69,362</b>	<b>\$ 4,608,250</b>

The accompanying notes are an integral part of the schedule.

NEBRASKA TOURISM COMMISSION

NOTES TO THE SCHEDULE

For the Calendar Year Ended December 31, 2025

1. Criteria

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

Per Neb. Rev. Stat. § 81-1107(2) (Reissue 2024), the duties of the State of Nebraska's Director of the DAS include:

*The keeping of general accounts and the adoption and promulgation of appropriate rules, regulations, and administrative orders designed to assure a uniform and effective system of accounts and accounting, the approval of all vouchers, and the preparation and issuance of warrants for all purposes[.]*

In accordance with Neb. Rev. Stat. § 81-1111(1) (Reissue 2024), the State Accounting Administrator has prescribed the system of accounts and accounting to be maintained by the State and its departments and agencies and has developed necessary accounting policies and procedures. The prescribed accounting system currently utilizes EnterpriseOne, an accounting resource software, to maintain the general ledger and all detailed accounting records. Policies and procedures are detailed in the Nebraska State Accounting Manual published by the DAS State Accounting Division (State Accounting) and are available to the public.

The financial information used to prepare the Schedule of Revenues, Expenditures, and Changes in Fund Balances (Schedule) was obtained directly from the general ledger and fund balance information maintained on EnterpriseOne. EnterpriseOne is not an accrual accounting system; instead, accounts are maintained on a modified cash basis. As revenue transactions occur, the agencies record the accounts receivable and related revenues in the general ledger. As such, certain revenues are recorded when earned, regardless of the timing of related cash flows. State Accounting does not require the Commission to record all accounts receivable and related revenues in EnterpriseOne; as such, the Commission's Schedule does not include all accounts receivable and related revenues. In a like manner, expenditures and related accounts payable are recorded in the general ledger as transactions occur. As such, the Schedule includes those expenditures and related accounts payable posted in the general ledger as of December 31, 2025, and not yet paid as of that date. The amount recorded as expenditures on the Schedule, as of December 31, 2025, **does not** include amounts for goods and services received before December 31, 2025, which had not been posted to the general ledger as of December 31, 2025.

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

The Commission had \$126,850 accounts receivable recorded in EnterpriseOne at December 31, 2025. However, State Accounting did not require the Commission to record its receivables on the general ledger, and, thus, the amount above does not necessarily reflect all the accounts receivable of the Commission. Liabilities for accrued payroll and compensated absences are not recorded in the general ledger.

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

**20000 – Cash Funds** – account for revenues generated by specific activities from sources outside of State government and the expenditures directly related to the generation of the revenues. Cash funds are established by State statutes and must be used in accordance with those statutes.

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

NEBRASKA TOURISM COMMISSION

NOTES TO THE SCHEDULE

(Continued)

1. **Criteria** (Concluded)

**Taxes** – Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. Taxes recorded as revenue for the Commission consist of lodging taxes.

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

**Miscellaneous** – Revenue from sources not covered by other major categories, such as investment income and sponsorships received from tourism conferences and other events.

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.

**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.

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

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

2. **Reporting Entity**

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

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

NEBRASKA TOURISM COMMISSION

NOTES TO THE SCHEDULE  
(Continued)

3. **Totals**

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

4. **General Cash**

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

5. **Capital Assets**

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

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

For the ACFR, the State requires the Commission to value all capital assets at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Generally, equipment that has a cost of \$5,000 or more at the date of acquisition and has an expected useful life of more than two years is capitalized. Depreciation expenses are reported in the ACFR in the funds used to acquire or construct them for the State of Nebraska. The cost of normal maintenance and repairs that does not add to the value of the asset or extend the asset’s life is not capitalized.

Equipment is depreciated in the ACFR using the straight-line method with estimated useful lives of 3-10 years.

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets				
Equipment	\$ 43,994	\$ -	\$ (644)	\$ 43,350
Less accumulated depreciation for:				
Equipment				43,341
Total capital assets, net of depreciation				<u>\$ 9</u>

NEBRASKA TOURISM COMMISSION

**NOTES TO THE SCHEDULE**

(Concluded)

**6. Transfers**

Two million dollars was transferred out of the Commission's State Visitors Promotion Fund to the State General Fund during calendar year 2025. The transfer was made pursuant to Section 17 of LB 264 (2025), which states the following:

*The State Treasurer shall transfer \$2,000,000 from the State Visitors Promotion Cash Fund to the General Fund on or after July 1, 2025, but before June 30, 2026, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.*

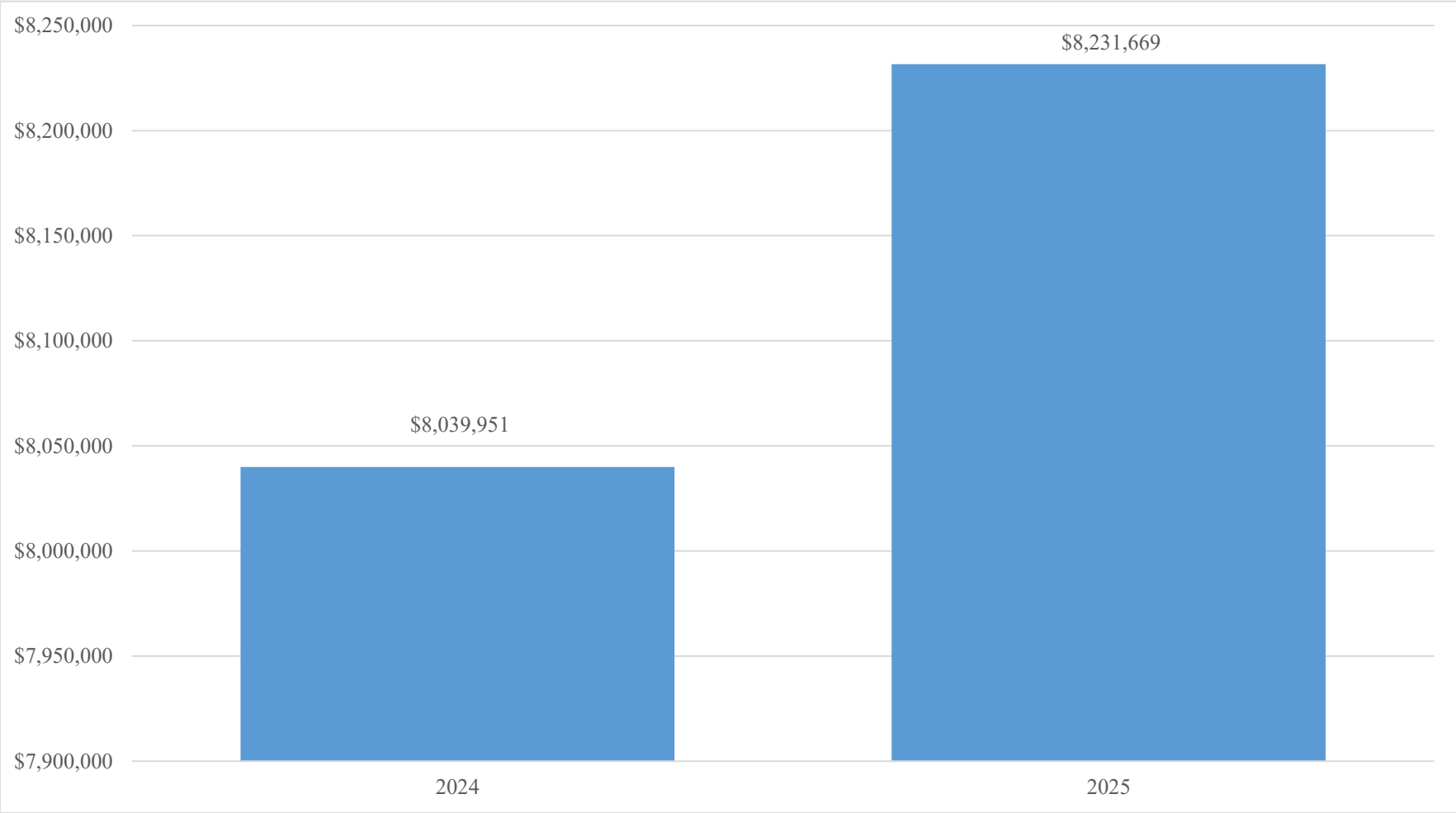
NEBRASKA TOURISM COMMISSION

**SUPPLEMENTARY INFORMATION**

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

NEBRASKA TOURISM COMMISSION  
**LODGING TAX REVENUE**  
For the Calendar Years 2024 and 2025

**Exhibit A**



**NEBRASKA TOURISM COMMISSION**  
**REVENUES AND EXPENDITURES**  
 For the Calendar Years 2024 and 2025

**Exhibit B**

