

Teammates,

We have a great culture of continuous improvement and we keep stacking up successes. One incredible example of this continuous improvement I’d like to highlight is our State Accounting Team’s work on the Annual Comprehensive Financial Report (ACFR). The ACFR is the primary means of reporting state government’s financial activities. Per Nebraska Statute § 81-1125.01, the ACFR must be completed “at least twenty days before the commencement of each regular session of the Legislature,” which tends to fall around mid-December each year.

The last couple of years we have struggled on this report. The COVID-19 pandemic brought on many new challenges, a significant one of which was an influx of over \$2.4 billion in federal funding for our Accounting team to manage. These new fund management obligations, coupled with staffing difficulties and inefficient processes, contributed to bad audits of our FY20 and FY21 financial reports.

But the team didn’t get defeatist, they got to work! They worked with the Center of Operational Excellence to map and improve processes. They standardized documentation and templates, streamlined processes, and adopted creative technology solutions. They also sought outside help, engaging with customers, stakeholders, and consultants to benchmark new ideas for improvement. Finally, they partnered with our sister agencies in a newly collaborative way, overcoming organizational barriers to work side by side with finance professionals in other agencies.

Collectively these efforts have borne fruit. The team [completed the 2022 ACFR](#) and issued it by the statutory deadline with a reduced error rate of more than 88%! Last week, the Auditor of Public Accounts finished their report on our

financials and said in part, “In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the Governmental Fund – General, Governmental Fund – Highway, Governmental Fund – Federal, Governmental Fund – Health and Social 15 Services, Governmental Fund – Permanent School and the aggregate remaining fund information of the State of Nebraska, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.” That’s Auditor speak for a really good finance report!

This is an incredible example of what a continuous improvement culture can produce. While we may not always get it right the first time, when we apply lessons learned and continuous improvement principles, we can overcome any obstacles.

Thank you to our State Accounting Team for their great work on this year’s ACFR! I look forward to how we can continue to build on this success for future reports.

Regards,

Jason Jackson