

**AUDIT REPORT
OF THE
NEBRASKA STATE BOARD OF
LANDSCAPE ARCHITECTS**

JULY 1, 1999 THROUGH JUNE 30, 2000

NEBRASKA STATE BOARD OF LANDSCAPE ARCHITECTS

TABLE OF CONTENTS

	<u>Page</u>
Background Information Section	
Background	1
Mission Statement	1
Organizational Chart	2
Financial Section	
Independent Auditors' Report	3 - 4
Financial Statements:	
Statement of Assets and Fund Balances Arising from Cash Transactions – Special Revenue Fund Type	5
Statement of Receipts, Disbursements, and Changes in Fund Balances	6
Statement of Receipts, Disbursements, and Changes In Fund Balances - Budget and Actual – Cash Fund	7
Notes to Financial Statements	8 - 12
Schedule:	
Schedule of Service Efforts and Accomplishments	13
Government Auditing Standards Section	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	14 - 15

NEBRASKA STATE BOARD OF LANDSCAPE ARCHITECTS

BACKGROUND

The Nebraska State Board of Landscape Architects was created by the Professional Landscape Architects Act in 1967. Provisions of the Act empower the Board to certify persons who meet the requirements for registration as professional landscape architects and to revoke certificates of persons who fail to adhere to the regulations and laws.

The Board consists of six members who are appointed by the Governor; five professional landscape architects and one lay person. Members serve without compensation, but are reimbursed for necessary expenses in the discharge of their official duties. The operations of the Board are supported by application and certification fees, all of which are established by the Act. The administrative services were provided during a portion of the audit period by an Executive Director. Currently the Board has a contract with the Board of Engineers and Architects to provide administrative services.

MISSION STATEMENT

The State Board of Landscape Architects as defined by State Statute shall provide for the professional registration of landscape architects to protect the life, health, and property of the citizens in the State of Nebraska by insuring the minimum standards of proficiency and competency for the registration of landscape architects.

NEBRASKA STATE BOARD OF LANDSCAPE ARCHITECTS

ORGANIZATIONAL CHART

John Royster..... Board Chair
Eileen Bergt.....Board Vice-Chair
Art ThompsonBoard Member
Chan TyrrellBoard Member
Jay GordonBoard Member
Lance Lang.....Board Member

STATE OF NEBRASKA
Auditor of Public Accounts



Kate Witek
State Auditor
kwitek05@nol.org

P.O. Box 98917
Suite 2303, State Capitol
Lincoln, NE 68509
402-471-2111, FAX 402-471-3301

NEBRASKA STATE BOARD OF LANDSCAPE ARCHITECTS

INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of the Nebraska State Board of Landscape Architects as of and for the fiscal year ended June 30, 2000, as listed in the Table of Contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Also as discussed in Note 1, the financial statements present only the Nebraska State Board of Landscape Architects, and are not intended to present fairly the fund balances and the receipts and disbursements of the State of Nebraska in conformity with the cash receipts and disbursements basis of accounting.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund balances of the Nebraska State Board of Landscape Architects as of June 30, 2000, and the receipts and disbursements for the fiscal year then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated November 2, 2000, on our consideration of the Nebraska State Board of Landscape Architect's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The report on compliance and on internal control over financial reporting is an integral part of a Government Auditing Standards audit and should be considered in conjunction with the report on the financial statements.

The accompanying schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

November 2, 2000


Manager

NEBRASKA STATE BOARD OF LANDSCAPE ARCHITECTS
STATEMENT OF ASSETS AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
SPECIAL REVENUE FUND TYPE
 June 30, 2000

	<u>Governmental Fund Type</u>
<u>Assets</u>	<u>Special Revenue</u>
Cash in State Treasury	\$ 10,358
Deposit with Vendors	<u>2</u>
Total Assets	<u>\$ 10,360</u>
<u>Fund Balances</u>	
Fund Balances:	
Reserved For Postage	\$ 2
Unreserved, Undesignated	<u>10,358</u>
Total Fund Balances	<u>\$ 10,360</u>

See Notes to Financial Statements.

NEBRASKA STATE BOARD OF LANDSCAPE ARCHITECTS
**STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES**
For the Fiscal Year Ended June 30, 2000

	Governmental Fund Type
	Special Revenue
RECEIPTS:	
Sales and Charges	\$ 9,200
TOTAL RECEIPTS	9,200
DISBURSEMENTS:	
Personal Services	1,423
Operating	3,126
TOTAL DISBURSEMENTS	4,549
Excess of Receipts Over Disbursements	4,651
FUND BALANCE, JULY 1, 1999	5,709
FUND BALANCE, JUNE 30, 2000	\$ 10,360

See Notes to Financial Statements.

NEBRASKA STATE BOARD OF LANDSCAPE ARCHITECTS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 Cash Fund
 For the Year Ended June 30, 2000

	CASH FUND				
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)		
RECEIPTS:					
Sales and Charges		\$ 9,200			
TOTAL RECEIPTS		9,200			
DISBURSEMENTS:					
Personal Services	\$ 3,276	1,423	\$ 1,853		
Operating	7,625	3,126	4,499		
Travel	1,174	-	1,174		
Total Budgeted	12,075	4,549	7,526		
TOTAL DISBURSEMENTS	12,075	4,549	7,526		
Excess of Receipts Over Disbursements		4,651			
FUND BALANCES, JULY 1, 1999		5,709			
FUND BALANCES, JUNE 30, 2000		\$ 10,360			

See Notes to Financial Statements.

NEBRASKA STATE BOARD OF LANDSCAPE ARCHITECTS

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2000

1. **Summary of Significant Accounting Policies**

The accounting policies of the Nebraska State Board of Landscape Architects are on the basis of accounting as described in the Nebraska Accounting System Manual.

- A. **Reporting Entity.** The Nebraska State Board of Landscape Architects (the Board) is a State agency established under and governed by the laws of the State of Nebraska. As such, the Board is exempt from State and Federal income taxes. The financial statements include all funds of the Board. The Board has also considered all potential component units for which it is financially accountable, and other organizations which are fiscally dependent on the Board, or the significance of their relationship with the Board are such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Board to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Board.

These financial statements present the Nebraska State Board of Landscape Architects. The Nebraska State Board of Landscape Architects is part of the primary government for the State of Nebraska's reporting entity.

- B. **Basis of Accounting.** The accounting records of the Board are maintained and the Board's financial statements were prepared on the basis of cash receipts and disbursements. Under this method, revenues are recognized when received and expenditures are recognized when paid. This presentation differs from governmental generally accepted accounting principles (GAAP) which require the use of the modified accrual basis for governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when they are considered susceptible to accrual and expenditures are recognized when the liability is incurred.
- C. **Fund Accounting.** The accounts and records of the Board are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts which record receipts, disbursements, and the fund balance. The fund type presented on the financial statements required by GAAP is a Special Revenue Fund. Special Revenue Funds reflect transactions related to resources received and used for restricted or specific purposes.

NEBRASKA STATE BOARD OF LANDSCAPE ARCHITECTS

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

This fund type classification differs from the budgetary fund types used by the Nebraska Accounting System.

The fund type established by the Nebraska Accounting System that is used by the Board is:

2000 - Cash Funds - account for receipts generated by specific activities from sources outside of State government and the disbursements directly related to the generation of the receipts. The Board receives monies for certificates of registration, reciprocal registrations, and renewal registrations.

D. Budgetary Process. The State's biennial budget cycle ends on June 30 of the odd-numbered years. By September 15, prior to a biennium, the Board and all other State agencies must submit their budget request for the biennium beginning the following July 1. The requests are submitted on forms that show estimated funding requirements by programs, sub-programs, and activities. The Executive Branch reviews the requests, establishes priorities, and balances the budget within the estimated resources available during the upcoming biennium. The Governor's budget bill is submitted to the Legislature in January. The Legislature considers revisions to the bill and submits the revised appropriation bill to the Governor for signature. The Governor can either: a) approve the appropriation bill in its entirety, b) veto the bill, or c) line item veto certain sections of the bill. Any vetoed bill or line item can be overridden by a three-fifths majority of the Legislature.

The appropriations that are approved will generally set spending limits for a particular program within the agency. Within the agency/program, the Legislature may provide funding from one to five budgetary fund types. Thus, the legal level of control is fund type within program within agency. The central accounting system maintains this control. A separate publication titled "Annual Budgetary Report" shows the detail of this legal level of control. This publication is available from the Department of Administrative Services Accounting Division.

Appropriations are usually made for each year of the biennium with unexpended balances being reappropriated at the end of the first year of the biennium. For most appropriations, balances lapse at the end of the biennium

All State budgetary disbursements for the cash fund type are made pursuant to the appropriations that may be amended by the Legislature, upon approval by the

NEBRASKA STATE BOARD OF LANDSCAPE ARCHITECTS

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

Governor. State agencies may reallocate the appropriations between major object of expenditure accounts except that the Legislature's approval is required to exceed the personal service limitations contained in the appropriations bill. Increases in total cash fund appropriations must also be approved by the Legislature as a deficit appropriations bill. Appropriations for programs funded in whole or in part from federal funds may be increased to the extent that receipts of federal funds exceed the original budget estimate.

The Board utilizes encumbrance accounting to account for purchase orders, contracts, and other disbursement commitments. However, State law does not require that all encumbrances be recorded in the State's centralized accounting system and as a result, the encumbrances that were recorded in the accounting system have not been included in the accompanying financial statements except for the impact as described below.

Under State budgetary procedures, appropriation balances related to outstanding encumbrances at the end of the biennium are lapsed and reappropriated in the first year of the next biennium. The effect of the Board's current procedure is to include in the budget columns, Total Disbursements line, of the Statement of Receipts, Disbursements and Changes in Fund Balances - Budget and Actual the current year's appropriations plus the amounts reappropriated for encumbrances outstanding at the end of the prior biennium. This procedure indicates the Board's intention to honor the encumbrances at the end of a biennium. The disbursements columns of the Statement include cash payments related to the appropriated and reappropriated amounts. For the year ended June 30, 2000, there were no budgetary funds in which disbursements exceeded appropriations.

Budgets for object of expenditure accounts are included in the Nebraska Department of Administrative Services Budget Status Report. Receipts are not budgeted and therefore there are no budgeted amounts shown on the Budget and Actual Statement.

There is no difference between the fund balance of the Budgetary Statement and the Financial Statement. The Cash fund on the Budgetary Statement is appropriately classified as a Special Revenue fund for Financial Statement purposes.

- E. Cash in State Treasury.** Cash in the State Treasury represents the cash balance of a fund as reflected on the Nebraska Accounting System. Investment of all available cash is made by the State Investment Officer on a daily basis based on

NEBRASKA STATE BOARD OF LANDSCAPE ARCHITECTS

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Concluded)

total bank balances. Investment income is distributed based on the average daily book cash balance of funds designated for investment. Determination of whether or not a fund is considered designated for investment is done on an individual fund basis. The Special Revenue Fund of the Board was not designated for investment during fiscal year 2000.

F. Receipts. The major account titles and descriptions as established by the Nebraska Accounting System that are used by the Board are:

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

G. Disbursements. The major account titles and descriptions as established by the Nebraska Accounting System that are used by the Board are:

Personal Services. Salaries, wages, and related employee benefits provided for all persons employed by a government.

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

H. Fund Balance Reservations. Reservations of fund balance are established to identify the existence of assets that have been legally segregated for specific purposes. Reservations of fund balance are also established for assets which are not current in nature, such as postage.

2. Contingencies and Commitments

Risk Management. The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and health care insurance. The Board, as part of the primary government for the State, participates in the State's risk management program. The Nebraska Department of Administrative Services (DAS) Division of Risk Management is responsible for maintaining the insurance and self-insurance programs for the State. The State generally self-insures for general liability and workers compensation. The State has chosen to purchase insurance for:

1. Motor vehicle liability which is insured for the first \$5 million of exposure per accident. Insurance is also purchased for medical payments, physical damage and uninsured and underinsured motorists with various limits and deductibles.

NEBRASKA STATE BOARD OF LANDSCAPE ARCHITECTS

NOTES TO FINANCIAL STATEMENTS

(Continued)

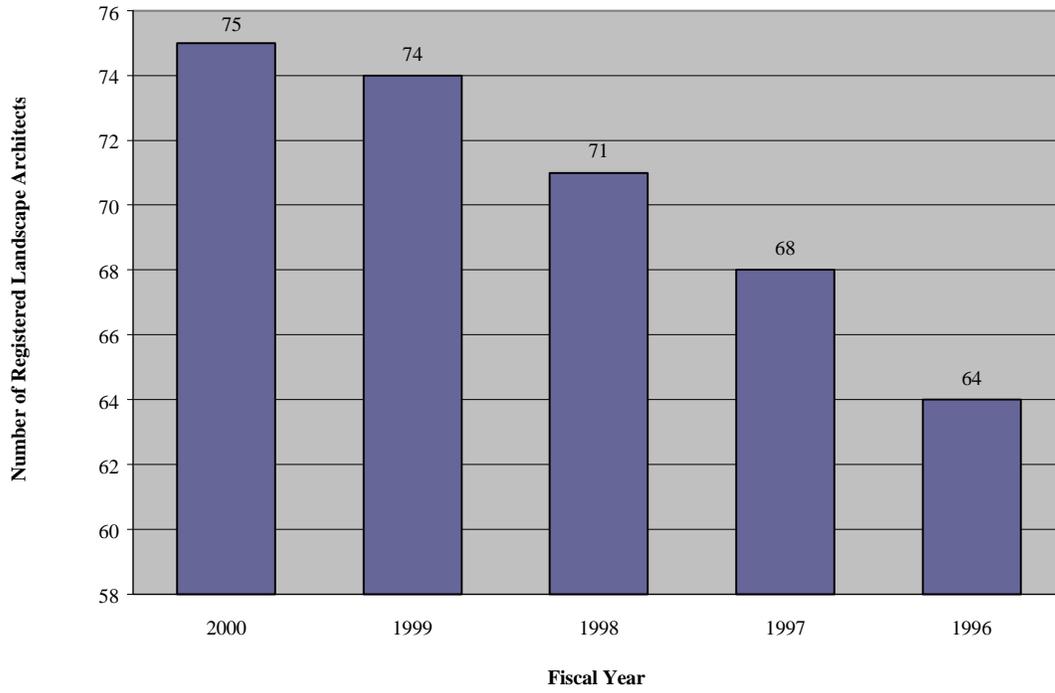
2. **Contingencies and Commitments (Concluded)**

2. Health care insurance for employees selecting certain coverage options. All health care insurance was purchased.
3. Crime coverage with a limit of \$1 million for each loss with a \$10,000 retention per incident.
4. Real and personal property on a blanket basis for losses up to \$250,000,000 with a self-insured retention of \$100,000 per loss occurrence. The perils of Flood and Earthquake are covered up to \$9,000,000. Newly acquired properties are only covered up to \$1,000,000 for 60 days or until the value of the property is reported to the insurance company.

No settlements exceeded commercial insurance coverage in any of the past three fiscal years. Health care insurance is funded in the Risk Management Internal Service Fund through a combination of employee and State contributions. Worker's compensation is also funded in the Risk Management Internal Service Fund through assessments on each agency based on total agency payroll and past experience. Tort claims, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters would be funded through the State General Fund or by individual agency assessments as directed by the Legislature, unless covered by purchased insurance. No amounts for estimated claims have been reported in the Nebraska State Board of Landscape Architect's financial statements.

Litigation. The potential amount of liability involved in litigation pending against the Board, if any, could not be determined at this time. However, it is the Board's opinion that final settlement of those matters should not have an adverse effect on the Board's ability to administer current programs. Any judgement against the Board would have to be processed through the State Claims Board and be approved by the Legislature.

NEBRASKA STATE BOARD OF LANDSCAPE ARCHITECTS
SCHEDULE OF SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Fiscal Year Ended June 30, 2000



STATE OF NEBRASKA
Auditor of Public Accounts



Kate Witek
State Auditor
kwitek05@nol.org

P.O. Box 98917
Suite 2303, State Capitol
Lincoln, NE 68509
402-471-2111, FAX 402-471-3301

**NEBRASKA STATE BOARD OF LANDSCAPE ARCHITECTS
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the Nebraska State Board of Landscape Architects as of and for the year ended June 30, 2000, and have issued our report thereon dated November 2, 2000. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and was modified to emphasize that the financial statements present only the funds of the Nebraska State Board of Landscape Architects. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Nebraska State Board of Landscape Architect's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Nebraska State Board of Landscape Architect's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the

design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the agency, the appropriate Federal and regulatory agencies and citizens of the State of Nebraska and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature of Timothy J. Chamber CFA in black ink.

Manager

November 2, 2000