

**AUDIT REPORT  
OF THE  
NEBRASKA STATE BOARD OF  
EXAMINERS FOR LAND SURVEYORS  
JULY 1, 1999 THROUGH JUNE 30, 2000**

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

TABLE OF CONTENTS

	<u>Page</u>
<b>Background Information Section</b>	
Background	1
Mission Statement	1
Organizational Chart	1
<b>Comments Section</b>	
Comment and Recommendation	2
<b>Financial Section</b>	
Independent Auditors' Report	3 - 4
Financial Statements:	
Statement of Assets and Fund Balances and Other Credits Arising from Cash Transactions – All Fund Types and General Fixed Assets Account Group	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 - 13
Schedule:	
Surveyor-In-Training and Land Surveyor Exams Administered & Certificates Issued/Registrations Granted	14
<b>Government Auditing Standards Section</b>	
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>	15 - 16

# NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

## BACKGROUND

The State Board of Examiners for Land Surveyors was created by the Legislature in 1957. The law provided for the Director-State Engineer, State Surveyor, and Dean of the University of Nebraska's College of Engineering to serve as an ex officio board. The State Surveyor was the Board's ex officio secretary.

The 1971 Legislature established the independent State Board of Examiners for Land Surveyors. The Board tests and interviews people applying to be registered land surveyors. The Board can also revoke registration for failure to follow the regulations. The Board is financed through registration fees, which are handled by the Board's secretary.

The Board has five members who are appointed by the Governor to five-year terms. Four members must be registered land surveyors who have lived in Nebraska for at least one year and have been practicing surveyors for 10 years. At least five years must have been spent in charge of surveying work. One board member, who is at least 21 years old and a Nebraska resident for at least one year, represents the public. The State Surveyor serves as ex officio secretary of the Board and any committees board members appoint.

The Board meets three or four times each year. Members are not paid, but are reimbursed for their expenses.

## MISSION STATEMENT

The mission of the State Board of Examiners for Land Surveyors is to enforce and administer the laws relating to regulations of land surveys through licensing in Nebraska and to improve the quality of surveyors practicing land surveying in Nebraska.

## ORGANIZATIONAL CHART

Sheryl K. Jordan.....	Chairperson
Darold E. Tagge.....	Vice-Chairperson
Donald L. Pettigrew .....	Member
Dennis D. Podany.....	Member
Robert D. Proett .....	Member
James L. Brown .....	Secretary

# NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

## COMMENT AND RECOMMENDATION

During our audit of the Nebraska State Board of Examiners for Land Surveyors, we noted certain matters involving the internal control over financial reporting and other operational matters, which are presented here. Comments and recommendations are intended to improve the internal control over financial reporting, ensure compliance, or result in operational efficiencies.

### **1. Internal Control Over Receipts**

Good internal control requires a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. A system of internal control should include an adequate segregation of duties so no one person can handle all phases of a transaction from beginning to end.

During our audit, we noted one person had the ability to perform all phases of the receipts process. This individual received money, issued receipts, entered information into the computer system, issued certificates, prepared the General Document, and reconciled the Board's records to the Nebraska Accounting System (NAS) records. There were no compensating controls or independent reviews to ensure all monies received were receipted and deposited. A similar comment was noted in our prior audit.

The possibility of the loss or misuse of State assets and funds is increased when there are no compensating controls or independent reviews to compensate for the lack of segregation of duties.

We recommend the Board implement procedures to include compensating controls or an independent review of receipts to ensure all monies received are receipted and deposited.

It should be noted this report is critical in nature since it contains only our comment and recommendation on the area noted for improvement.

Draft copies of this report were furnished to the Board to provide them an opportunity to review the report and to respond to the comment and recommendation included in this report. Where no response has been included, the Board declined to respond.

We appreciate the cooperation and courtesy extended to our auditors during the course of the audit.

STATE OF NEBRASKA  
Auditor of Public Accounts



Kate Witek  
State Auditor  
kwitek25@nol.org

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

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

**INDEPENDENT AUDITORS' REPORT**

We have audited the financial statements of the Nebraska State Board of Examiners for Land Surveyors 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 Examiners for Land Surveyors, 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 Examiners for Land Surveyors 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 March 26, 2001, on our consideration of the Nebraska State Board of Examiners for Land Surveyors' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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 marked "Unaudited," and accordingly, we do not express an opinion on the schedule.

March 26, 2001

Pat Reding, CPA

Manager

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS  
**STATEMENT OF ASSETS AND FUND BALANCES AND  
OTHER CREDITS ARISING FROM CASH TRANSACTIONS**  
**ALL FUND TYPES AND GENERAL FIXED ASSETS ACCOUNT GROUP**  
June 30, 2000

	Governmental Fund Type	Account Group	Totals
	Special Revenue	General Fixed Assets	(Memorandum Only)
<b><u>Assets</u></b>			
Cash in State Treasury	\$ 46,061	\$ -	\$ 46,061
Deposit with Vendors	61	-	61
Property, Plant, and Equipment	<u>-</u>	<u>818</u>	<u>818</u>
Total Assets	<u>\$ 46,122</u>	<u>\$ 818</u>	<u>\$ 46,940</u>
<b><u>Fund Balances and Other Credits</u></b>			
Other Credits:			
Investment in Fixed Assets	\$ -	\$ 818	\$ 818
Fund Balances:			
Reserved For Postage	61	-	61
Unreserved, Undesignated	<u>46,061</u>	<u>-</u>	<u>46,061</u>
Total Fund Balances and Other Credits	<u>\$ 46,122</u>	<u>\$ 818</u>	<u>\$ 46,940</u>

See Notes to Financial Statements.

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS  
**STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES**  
For the Fiscal Year Ended June 30, 2000

	<u>Governmental Fund</u> Special Revenue <u>Fund 2621</u>
RECEIPTS:	
Sales and Charges:	
Examination Fees	\$          3,900
Other Fees	175
Miscellaneous:	
Investment Interest	3,004
Other	<u>                  90</u>
TOTAL RECEIPTS	<u>                  7,169</u>
DISBURSEMENTS:	
Operating	14,406
Travel	<u>                  5,201</u>
TOTAL DISBURSEMENTS	<u>                  19,607</u>
Excess of Receipts Over (Under) Disbursements	<u>                  (12,438)</u>
OTHER FINANCING SOURCES (USES):	
Operating Transfers Out	<u>                  (460)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>                  (460)</u>
Excess of Receipts Over (Under) Disbursements and Other Financing Uses	(12,898)
FUND BALANCE, JULY 1, 1999	<u>                  59,020</u>
FUND BALANCE, JUNE 30, 2000	<u><u>                  \$          46,122</u></u>

See Notes to Financial Statements.



NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES**  
 BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2000

	CASH FUND 2621		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
RECEIPTS:			
Sales and Charges:			
Examination Fees		\$ 3,900	
Other Fees		175	
Miscellaneous:			
Investment Interest		3,004	
Other		90	
TOTAL RECEIPTS		<u>7,169</u>	
DISBURSEMENTS:			
Operating	20,111	14,406	5,705
Travel	<u>6,260</u>	<u>5,201</u>	<u>1,059</u>
Total Budgeted	26,371	19,607	6,764
Over Budgeted (Note 5)	<u>(515)</u>	<u>-</u>	<u>(515)</u>
TOTAL DISBURSEMENTS	<u>25,856</u>	<u>19,607</u>	<u>6,249</u>
Excess of Receipts Over (Under) Disbursements		<u>(12,438)</u>	
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out		<u>(460)</u>	
TOTAL OTHER FINANCING SOURCES (USES)		<u>(460)</u>	
Excess of Receipts Over (Under) Disbursements and Other Financing Uses		(12,898)	
FUND BALANCES, JULY 1, 1999		<u>59,020</u>	
FUND BALANCES, JUNE 30, 2000		<u>\$ 46,122</u>	

See Notes to Financial Statements.

# NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

## 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 Examiners for Land Surveyors are on the basis of accounting as described in the Nebraska Accounting System Manual.

- A. Reporting Entity.** The Nebraska State Board of Examiners for Land Surveyors (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 Examiners for Land Surveyors. No component units were identified. The Nebraska State Board of Examiners for Land Surveyors 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 requires 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 records receipts, disbursements, and the fund balance. The fixed asset account group is a financial reporting device designed to provide accountability over fixed assets. The fund type and account group presented on the financial statements are those required by GAAP, and include:

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. **Summary of Significant Accounting Policies** (Continued)

**Special Revenue Funds.** Reflect transactions related to resources received and used for restricted or specific purposes.

**General Fixed Assets Account Group.** Used to account for general fixed assets of the Board.

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.

- 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 appropriations bill to the Governor for signature. The Governor may: a) approve the appropriations 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 vote of the Legislature.

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

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**1. Summary of Significant Accounting Policies** (Continued)

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, which may be amended by the Legislature, upon approval by the 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.

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. 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.

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**1. Summary of Significant Accounting Policies** (Continued)

- E. Fixed Assets.** General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as disbursements in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost, where historical records are available, and at an estimated historical cost, where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Assets on hand as of June 30, 2000 have been recorded at cost by the Board. All equipment with an expected useful life of two or more years is capitalized.

Assets in the general fixed assets account group are not depreciated. Fixed assets do not include infrastructure, such as roads and bridges, as these assets are immovable and of value only to the government. The cost of normal maintenance and repairs that does not add to the value of the asset or extend asset life is not capitalized.

- F. 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 total bank balances. Investment income is distributed based on the average daily book cash balance of funds designated for investment. Determination of whether a fund is considered designated for investment is done on an individual fund basis. The fund of the Board was designated for investment during fiscal year 2000.
- G. Inventories.** Disbursements for items of an inventory nature are considered expended at the time of purchase rather than at the time of consumption.
- H. 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 charges for various licenses, permits, and fees, including examination fees.

**Miscellaneous.** Receipts from sources not covered by other major categories, such as investment interest.

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

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. **Summary of Significant Accounting Policies** (Concluded)

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

**Travel.** All travel disbursements for any state officer, employee, or member of any commission, council, committee, or board of the State.

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

2. **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 since interfund balances and transactions have not been eliminated.

3. **Contingencies and Commitments**

**Risk Management.** The Board is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors or 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.
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, and a \$10,000 retention per incident.

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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 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, or destruction of assets, errors or 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 Board of Examiners for Land Surveyors' 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 judgment against the Board would have to be processed through the State Claims Board and be approved by the Legislature.

4. **Fixed Assets**

The following is a summary of changes in the general fixed assets account group during the fiscal year:

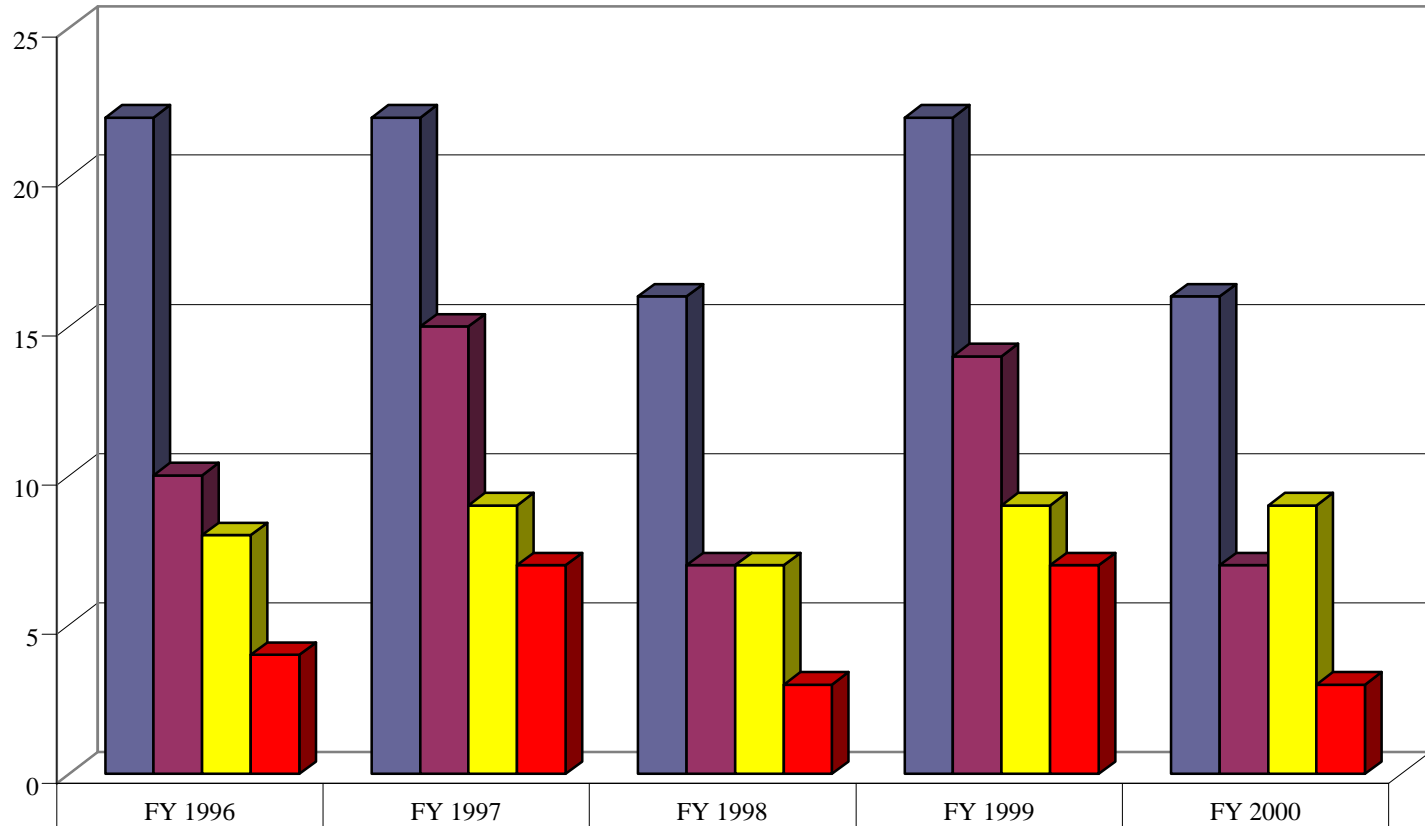
	Balance			Balance
	July 1, 1999	Additions	Retirements	June 30, 2000
Equipment	\$ 818	\$ -	\$ -	\$ 818

5. **Over Budgeted**

Budgeted expenditures on the Statement of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual are amounts reflected in the Board's Budget Status Report for fiscal year 2000. The budgeted expenditures were more than the legislative appropriation by the amount shown as Over Budgeted. This was due to the appropriation being based on anticipated needs two years in advance while budgeted expenditures on the Budget Status Report are based on more current information available to management.

**NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS**  
**SURVEYOR-IN-TRAINING AND LAND SURVEYORS EXAMS ADMINISTERED & CERTIFICATES**  
**ISSUED/REGISTRATIONS GRANTED**

For the Fiscal Years Ended June 30, 1996 Through June 30, 2000  
(UNAUDITED)



<span style="color: blue;">■</span> SIT Exams Administered	22	22	16	22	16
<span style="color: purple;">■</span> SIT Certificates Issued	10	15	7	14	7
<span style="color: yellow;">■</span> LS Exams Administered	8	9	7	9	9
<span style="color: red;">■</span> LS Registrations Granted	4	7	3	7	3



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 EXAMINERS FOR LAND SURVEYORS  
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 Examiners for Land Surveyors as of and for the year ended June 30, 2000, and have issued our report thereon dated March 26, 2001. 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 Examiners for Land Surveyors. 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 Examiners for Land Surveyors' 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 Examiners for Land Surveyors' 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. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Nebraska Board of Examiners for Land Surveyors in the Comments Section of this report as Comment Number 1 (Internal Control Over Receipts).

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.

Pat Reding, CPA

Manager

March 26, 2001