

**ATTESTATION REPORT  
OF THE  
NEBRASKA BOARD OF  
EDUCATIONAL LANDS AND FUNDS  
JULY 1, 2004 THROUGH JUNE 30, 2005**

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**Issued on April 20, 2006**

NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS

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# NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS

## **BACKGROUND**

When Nebraska became a state in 1867, it received land in each township from the Federal government for the support of public schools. In 1936, the duties of the Commissioner of Public Lands and Buildings, which included overseeing the school lands, were transferred to the Board of Educational Lands and Funds. The Board consists of five persons appointed by the Governor, one of whom must be competent in the field of investments.

The Board acts as trustee and manager of nearly 1.35 million acres of school land. The income received from surface and subsurface leasing of this land is distributed to school districts. The income is also used to meet the cost of managing the land. Mineral royalties are deposited in the Permanent School Fund.

The Board also houses the office of the State Surveyor. The State Surveyor provides support services to the Board in the area of mapping and analysis of areas and settles surveying disputes between Nebraska landowners and surveyors. The State Surveyor also keeps a repository of land surveys done in the State.

## **MISSION STATEMENT**

The Board of Educational Lands and Funds is now the constitutionally established Trustee of Nebraska's School Trust Lands. The Board is governed entirely by trust law and its Trustee members are legally bound to fulfill exclusively the Trust duties of maximizing the income and preserving the assets of the School Trust for the benefit of the State and its citizens.

NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS

**EXIT CONFERENCE**

An exit conference was held March 10, 2006, with the Board to discuss the results of our examination. Those in attendance for the Nebraska Board of Educational Lands and Funds were:

<b>NAME</b>	<b>TITLE</b>
L. Jay Gildersleeve	General Counsel, Deputy Director
Steven Cobb	State Surveyor
Cindy Kehling	Executive Assistant
Roxanne Suesz	Executive Assistant
Kathy Martin	Administrative Assistant

# NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS

## SUMMARY OF COMMENTS

During our examination of the Nebraska Board of Educational Lands and Funds, we noted certain matters involving the internal control over financial reporting and other operational matters which are presented here.

1. **Land Sales:** The Board is directed by Neb. Rev. Stat. Section 72-201.01(1) R.R.S. 2003 to sell enough educational lands by January 1, 2008, to result in 25% of the value of the school trust permanent portfolio being invested as real property. As of June 30, 2005, 56.41% of the value of the school trust permanent portfolio was still invested as real property.
2. **Permanent School Fund Balance:** At least \$4,955,147 in Permanent School Fund income was not transferred to the Temporary School Fund over the last three fiscal years. All deposits made to the Permanent School Fund, since before July 1, 2002, that were intended to increase the permanent portfolio went into the Operating Investment Pool and not into the long-term investment pool. The amount of Permanent School Fund income transferred to the Temporary School Fund was \$2,692,314 more than the income recorded on NIS during the fiscal year ended June 30, 2005.
3. **Allocation of Costs to the State General Fund:** The Board did not have on file documentation to support the \$65,461 of expenses that was reimbursed to the State General Fund for salaries and miscellaneous expenses related to school lands.
4. **Employee Time Records:** The Board did not have on file documentation employees worked at least forty hours each week as required by Neb. Rev. Stat. Section 84-1001(1) R.R.S. 1999.
5. **Land and Improvements to Land:** The original cost of the school lands has not been recorded on NIS.
6. **Contracts for Services:** The Board did not record contractual services totaling \$36,278 on the NIS contractual service database as required by Neb. Rev. Stat. Section 73-503 R.R.S. 2003.
7. **Leases Over 640 Acres:** The Board had two leases that exceeded the limit of 640 acres as required by Neb. Rev. Stat. Section 72-232 R.R.S. 2003.
8. **Reconciliation of Bank Records to the Nebraska Information System:** The Department of Administrative Services' reconciliation process is still not done in a timely manner and continues to reflect unknown variances.

More detailed information on the above items is provided hereafter. It should be noted this report is critical in nature as it contains only our comments and recommendations on the areas noted for improvement.

**SUMMARY OF COMMENTS**

(Continued)

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

We appreciate the cooperation and courtesy extended to our staff during the course of the examination.

NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS

**COMMENT WITHOUT RECOMMENDATION**

**1. Land Sales**

Neb. Rev. Stat. Section 72-201.01(1) R.R.S. 2003 says, “The Board of Educational Lands and Funds shall prepare a plan for the sale of educational lands over which the board has general management and control on July 19, 1996. The plan shall be submitted to the Education Committee of the Legislature on or before December 1, 1996. The plan shall provide for the sale of enough of the total of the educational lands by January 1, 2008, to result in one-fourth of the value of the school trust permanent portfolio being invested by the board in real property located within the State of Nebraska and the remaining three-fourths of the value of the school trust permanent portfolio being invested by the state investment officer. The plan shall be implemented beginning on July 1, 1997. In no case shall the plan or any part of it be executed if such execution violates the fiduciary duties of the board.”

Two new laws have been passed since 1996 that have affected the Board’s ability to sell additional land. First, Neb. Rev. Stat. Section 77-202.11(1) R.R.S. 2003 states, “Leased public property, other than property leased for a public purpose as set forth in subdivision (1) (a) of section 77-202, shall be taxed or exempted from taxation as if the property was owned by the leaseholder.” This change in statutes changed the status of the school lands from governmental property paying in lieu of taxes to leased public property subject to property taxes. This law was originally effective January 2, 2000.

Second, Neb. Rev. Stat. Section 72-258.03 R.R.S. 2003 states, “For purposes of sales of educational lands at public auction, appraised value is the adjusted value as determined by the Property Tax Administrator or his or her representative . . . unless the Board of Educational Lands and Funds establishes a higher value pursuant to section 72-257 or 72-258 . . .” Neb Rev. Stat. Section 72-258 R.R.S. 2003 states “Educational land shall be offered for sale at public auction by a representative of the Board of Educational Lands and Funds and sold at not less than the appraised value to the higher bidder.”

Our review of the Board’s land sales indicated 183 parcels of land had been sold from July 1, 1996, through June 30, 2000. According to the Board, no land was sold during fiscal year 2001, as the result of the passage of Neb. Rev. Stat. Section 72-258 making the minimum bid on the sale of school land the adjusted value as determined by the Property Tax Administrator. Since Section 77-202.11 was not effective until January 2001, county assessors had not established assessed values for the school lands. The Board requested the Property Tax Administrator furnish the adjusted value for some 1,500 parcels covering 684,000 acres, but those values were not received until after June 30, 2001.

An additional 225 parcels of land were sold from July 1, 2001, through June 30, 2005. The following table shows the land sales and the value of the school trust permanent portfolio for each year since 1996.

NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS

**COMMENT WITHOUT RECOMMENDATION**

(Continued)

**1. Land Sales (Continued)**

	June 30, 1996	June 30, 1997	June 30, 1998	June 30, 1999	June 30, 2000	June 30, 2001	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005
Total K-12 Acres Leased	1,509,041	1,509,044	1,493,166	1,467,064	1,444,738	1,444,835	1,428,729	1,395,994	1,378,016	1,354,430
Total K-12 Acres Sold	-	103	23,213	18,951	22,421	-	33,215	21,450	21,438	21,413
Total K-12 Parcels Sold	-	4	57	49	73	-	70	50	52	53
Total Sale Price	\$ -	\$ 1,105,900	\$ 4,865,585	\$ 4,932,950	\$ 4,908,660	\$ -	\$ 7,143,000	\$ 5,079,900	\$ 5,329,500	\$ 5,831,893
Assets:										
K-12 School Trust Land (1)	\$ 338,331,042	\$ 361,499,958	\$ 389,344,811	370,177,386	\$ 380,369,560	\$ 391,997,419	\$ 403,589,246	\$ 394,210,837	\$ 425,523,830	\$ 474,069,044
Stocks and Bonds	\$ 176,104,523	\$ 212,326,603	\$ 249,218,886	284,295,092	\$ 300,058,354	\$ 279,659,671	\$ 262,253,942	\$ 264,941,280	\$ 287,079,162	\$ 301,071,184
Total Assets	\$ 514,435,565	\$ 573,826,561	\$ 638,563,697	654,472,478	\$ 680,427,914	\$ 671,657,090	\$ 665,843,188	\$ 659,152,117	\$ 712,602,992	\$ 775,140,228
Percentage School Land is of Total Assets	65.77%	63.00%	60.97%	56.56%	55.90%	58.36%	60.61%	59.81%	59.71%	61.16%

- (1) Approximate market value as determined using valuation data of the University of Nebraska, Department of Agricultural Economics.
- (2) The value of the Stocks and Bonds was taken from the Board's annual reports and included only long-term investments. See page 7
- (3) Total Sale Price at June 30, 2005, does not agree to sales on the financial schedule as all payments were not received as of June 30, 2005.

NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS

**COMMENT WITHOUT RECOMMENDATION**

(Continued)

**1. Land Sales (Concluded)**

The value of the Trust Fund's stocks and bonds as included above was taken from the Board's annual reports. The annual report values were taken from the State of Nebraska Investment Council's Plan Accounting Reports for the NIC Miscellaneous Trust Permanent School composite report. We noted this Investment Council report included only the long-term investments for the Permanent School Fund and did not include the operating investment pool assets for the Permanent School Fund. See Comment Number 2 for additional information on the correct value of the Permanent School Fund. The following table shows the land values and an adjusted value of the school trust permanent portfolio at June 30, 2005.

K-12 School Trust Land	\$ 474,069,044
Stocks and Bonds	<u>\$ 366,259,108</u>
Total Assets	\$ 840,328,152

Percentage School Land is of Total Assets 56.41%

Since there are no statutory requirements that a specific amount of land be sold in any particular year, we make no recommendations at this time.

*Board's Response: For the reasons accurately summarized above, there were no land sales during calendar years 2000 or 2001 (half of FY 2000, all of FY 2001, and half of FY 2002). The number and value of the parcels sold since July 1, 1997, would have been much greater if two full calendar years had not been lost awaiting the statutorily required minimum sale prices.*

*The factored adjusted values required by Section 72-258.03 were furnished by the Property Tax Administrator in December of 2001 and land sales resumed in February of 2002 (with advertising in January of 2002). The number and value of parcels sold since the statutorily required minimum sale prices were received in December of 2001 would have been greater if Nebraska's agricultural economy had not suffered a devastating drought.*

*The Nebraska Investment Council is solely responsible for investing the Permanent School Fund. The Fiscal Year end market values published in our reports all bore the legend: "Information furnished by the Nebraska Investment Council" and closely matched the values published in its annual reports. For example, the Annual Report of the Investment Council for Calendar Year 2004 showed a Beginning Balance of \$286.1 million and a Closing Balance of \$303.0 million for the Permanent School Fund (page 44), while we reported a value of \$287.1 million as of June 30, 2004, in our 64<sup>th</sup> Biennial Report (page 9).*

*We fully concur with the corrections made by the Auditors and the adjusted value of \$366.3 million for the Permanent School Fund as of June 30, 2005, set forth above. This difference of \$65.2 million will also be addressed in our 65<sup>th</sup> Biennial Report.*

NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS

COMMENTS AND RECOMMENDATIONS

2. **Permanent School Fund Balance**

State of Nebraska Constitution Article VII-7 states, “The following are hereby declared to be perpetual funds for common school purposes of which the annual interest and income only can be appropriated . . .” Neb. Rev. Stat. Section 79-1035.01 R.R.S. 2003 states, “The permanent school fund is the fund described in Article VII, sections 7 and 8, of the Constitution of Nebraska, the principal of which shall be held and invested in perpetuity by the state in trust for the support of its common schools. The annual interest and other income, but not the principal, is subject to use for the support and maintenance of the common schools in each public school district of the state as the Legislature provides in accordance with Article VII, section 9, of the Constitution of Nebraska.”

During our review of the Permanent School Fund, we noted the following:

- A. At least \$4,955,147 in Permanent School Fund Operating Investment Pool (OIP) income was not transferred to the Temporary School Fund over the last three fiscal years. Also, an unknown amount of income was not transferred to the Temporary School Fund prior to July 1, 2002.
- B. At June 30, 2005, \$72,976,079 of the permanent portfolio was invested in the OIP. This \$72,976,079 was the result of various deposits of \$47,634,522 made to the Permanent School Fund and investment income of \$4,955,147 from July 1, 2002, through June 30, 2005. The remaining \$20,386,410 was from deposits and investment income before July 1, 2002.
- C. All deposits made to the Permanent School Fund, since before July 1, 2002, that were intended to increase the permanent portfolio went into the OIP and not into the long-term investment pool.
- D. The Board and Investment Council have been including only the market value of the Permanent School Fund’s long-term investments in their annual reports. The \$301,071,184 reported as of June 30, 2005, was understated because it did not include investments in the OIP. Also, this \$301,071,184 included \$2,833,008 in investment income and gains for the month of June 2005, that was not posted to NIS until July 2005.
- E. After deducting unallocated OIP income activity from the last three fiscal years, the value of the Permanent School Fund at June 30, 2005, was \$366,259,108. The Board reported \$301,071,184. A difference of \$65,187,924.
- F. The Permanent School Fund investment income as recorded on NIS did not equal the income transferred to the Temporary School Fund. The amount transferred to the Temporary School Fund was \$2,692,314 more than the income recorded on NIS during the fiscal year ending June 30, 2005.

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**2. Permanent School Fund Balance** (Continued)

- G. The State Treasurer transfers income from the Permanent School Fund to the Temporary School Fund based on information provided by the Investment Council.
- H. The Department of Administrative Services (DAS) records investments income and gains/losses on NIS from information reported by the investment manager.
- I. No one from the Board, DAS, the State Treasurer, or the Investment Council has been determining whether any deposits to the Permanent School Fund should be added to the long term investments.

As a result, the Board has understated the value of the school perpetual funds in its annual reports. Interest has accrued in the Permanent School Fund OIP that has not been transferred to the Temporary School Fund. Permanent School Fund income may have been lost by investing deposits in the OIP instead of higher earning long-term investments. Income, as defined in the State Constitution, from the Permanent School Fund long-term investments may not have been correctly transferred to the Temporary School Fund.

We recommend the Board include the correct value of the Permanent School Fund in their annual reports, including the amount of the OIP. The Board should consider whether there is any income that has not been transferred to the Temporary School Fund.

We further recommend the Board, DAS, the Investment Council, and the State Treasurer work together to ensure the Permanent School Fund is invested to its fullest and income is distributed as required by the State Constitution.

*Board's Response: The Legislature has provided by statute that the Permanent School Fund be invested solely by the Nebraska Investment Council since the 1972 amendment of Article VII, Section 8 of the Nebraska Constitution (which added the present last sentence). We remain known as the "Board of Educational Lands and Funds" simply because Article VII, Section 6 of the Nebraska Constitution still so provides.*

*The Permanent School Fund receives new deposits:*

- A. *Mandated by both the Enabling Act of Congress and the Nebraska Constitution. These originate from the K-12 School Trust Land (land sales, royalties and any other dispositions) and are initially received by this Board. Approximately half of all new deposits into the Permanent School Fund arise from this source.*

NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**2. Permanent School Fund Balance** (Concluded)

*Board's Response, Concluded:*

- B. *Mandated only by the Nebraska Constitution. Examples include (without limitation) unclaimed property, escheats, distributive shares of decedents' estates and forfeitures.*
- C. *Mandated only by the Nebraska Statutes. These include (without limitation) oil and gas severance tax proceeds and federal mineral deposits.*

*The proceeds referred to in A above are deposited into the Permanent School Fund by this Board, while those referred to in B and C above are deposited by many other entities (and without our knowledge). We have not been informed that any of these new deposits, made by this Board or others, were not properly coded to the Permanent School Fund (63340).*

*We will certainly partner and work diligently with the State Treasurer, DAS, the Investment Council and the State Investment Officer to help insure proper investments and distributions, as well as accurate reporting, in the future. However, our right to do so is limited by the 1972 Constitutional Amendment and subsequent Legislative enactments which entirely removed this Board's prior authority to invest the Permanent School Fund.*

*We will recommend that it be determined whether Audit Item F above represents merely a recording mistake, or the improper distribution of \$2,692,314 in Trust principal erroneously coded as income. If the latter, then we will recommend that this be reimbursed from the \$4,955,147 of Trust income referred to in Audit Item A above, with only the \$2,262,833 difference then being transferred to the Temporary School Fund (61360) for ultimate distribution. We will also recommend that both the Permanent School Fund (63340) and the Temporary School Fund (61360) have high "read only" visibility on the NIS system.*

**3. Allocation of Costs to the State General Fund**

Good business practices as well as good internal control requires the basis for the allocation of costs be reasonable, documented, and updated on a timely basis.

During the fiscal year ended June 30, 2005, the Board reimbursed the State General Fund \$65,461 for the State Surveyor's salaries and miscellaneous expenses related to school lands. The basis of the reimbursement was a percentage of two State Surveyor employees' monthly salary. The Board did not have on file documentation of how the percentage was determined and had not updated the percentage for several years.

When the basis for reimbursements is not documented and updated on a regular basis, there is an increased possibility that all surveyor costs related to school lands were not reimbursed back to the State General Fund.

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**3. Allocation of Costs to the State General Fund (Concluded)**

We recommend the Board document the basis for the cost allocation and regularly update this documentation.

*Board's Response: With the recent changeover in staff (both the State Surveyor and other employees of that office) it is certainly possible that either too much, or too little, may have been reimbursed to the State General Fund. The basis for these reimbursements will be recomputed, changed as appropriate, properly documented and reviewed regularly.*

**4. Employee Time Records**

Neb. Rev. Stat. Section 84-1001(1) R.R.S. 1999 states, "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." In addition, good business practices as well as good internal control requires hours actually worked be adequately documented, for example, via timesheets, time logs, etc., and such documentation be kept on file to provide evidence of compliance with the requirements of Section 84-1001(1). Furthermore, good internal control also requires, whenever employees accrue vacation and sick leave, adequate documentation must be maintained to support the employee having "earned" the amounts recorded in the leave records by documenting not less than forty hours of work each week.

During our review of the Board's payroll, we noted the following:

- The field staff were not required to document time worked and there was no formal procedures to monitor the time worked by the field staff to ensure they were working at least forty hours each week.
- Timesheets for office staff were maintained for three months and then discarded. As a result, there was no documentation on file the employees worked at least forty hours each week.
- The Deputy Director was not required to document time worked.

Without documentation of time worked, the Board could not be certain the accumulation of sick and vacation leave was accurate. Furthermore, this information was necessary to document compliance with Section 84-1001(1).

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**4. Employee Time Records (Concluded)**

We recommend the Board obtain and retain adequate supporting documentation, in the form of a time record or certification, to provide evidence employees are rendering not less than forty hours of labor each week, except any week in which a paid holiday may occur. The time records or certifications should be signed by the employee and supervisor, thereby certifying the hours worked each week.

*Board's Response: The applicability and effect of this enactment will be reviewed and the appropriate action will be taken.*

**5. Land and Improvements to Land**

Governmental Accounting Standards Board Statement 34, paragraph 18, states "Capital assets should be reported at historical cost." Paragraph 19 says, "the term *capital assets* includes land, improvements to land, easements, . . ." Sound accounting practices require a complete listing of all capital assets, including land, buildings, and equipment, be maintained in the accounting records. Sound accounting practices also require improvements to capital assets be recorded in the accounting records. The Nebraska Information System (NIS), is the State's official accounting records.

During our audit we noted the following:

- The costs for the school lands and improvements for which the Board acts as trustee were not recorded on NIS. The school lands original cost was estimated to be \$2 per acre. This amount, approximately \$3 million was never recorded on NIS.
- Improvements to the land were not being recorded on NIS as an increase to the value of the land. During the fiscal year ended June 30 2005, there was \$184,472 expended for improvements to land.
- The Board did not have a capitalization policy designating the level at which improvements to land should be added to the value of the land.

Without proper policies in place to ensure assets are recorded correctly, there is the increased possibility for loss or misuse of State funds or property.

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**5. Land and Improvements to Land (Concluded)**

We recommend the Board work with DAS to record the school lands on NIS and establish a capitalization policy for improvements to school lands. The Board should then use this capitalization policy to determine whether an improvement should increase the value of the land or the cost should be expensed.

*Board's Response: This matter will be reviewed, including conferring with others involved, and the appropriate action will be taken.*

**6. Contracts for Services**

Neb. Rev. Stat. Section 73-503(1) R.R.S. 2003 states "All state agencies shall process and document all contracts for services through the state accounting system." Section 73-503(4) states "The Director of Administrative Services shall establish a centralized data base, either through the state accounting system or through an alternative system, which specifically identifies where a copy of each contract for services may be found." Section 73-503(2) states "The requirements of this section also apply to the courts, the Legislature, and any officer or agency established by the Constitution of Nebraska, but not to the University of Nebraska." Neb. Rev. Stat. Section 73-502(1) R.R.S. 2003 defines a contract as "Contract for services means any contract that directly engages the time or effort of an independent contractor whose purpose is to perform an identifiable task, study, or report rather than to furnish an end item of supply, goods, equipment, or material."

During our review of the Board's expenditures we noted 2 of 11 payments tested were for contractual services which were not entered on the NIS contractual service database. The two contractual service payments tested totaled \$36,278.

As a result, the NIS contractual service database was incomplete and the Board was not in compliance with statute.

We recommend the Board work with DAS to become compliant with the statute.

*Board's Response: This matter will be reviewed and the appropriate action will be taken.*

**7. Leases Over 640 Acres**

Neb. Rev. Stat. Section 72-232 R.R.S. 2003 states, "No individual, partnership, limited liability company, or corporation shall be entitled to hold under lease a total of more than six hundred forty acres of state educational lands, whether acquired by direct lease or by assignment. Such limitation shall not apply when the land to be leased is bounded entirely on one side thereof by lands owned or operated by such applicant or assignee."

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**7. Leases Over 640 Acres (Concluded)**

During the fiscal year ended June 30, 2002, audit, we noted two leases in Cherry County were over 640 acres that were not bounded entirely on one side by lands owned or operated by the leasee. During our current review we again noted both leases were still active. The leases were for 4,069 acres and 7,786 acres.

As a result, the Board is not in compliance with statute.

We recommend the Board implement procedures to comply with the current statute or pursue revisions to the statute to reflect current practice.

*Board's Response: There are only a few large parcels of this kind which must be leased as single units because they have only one access point. However, there are also a great many "long" sections (perhaps half of all "complete" sections) which contain more than 640 acres. Many of these may not be bounded entirely on one side by a single owner.*

*With respect to all of these examples, anyone could bid on a lease for some of the acres, then another covering more, and so on until the entire parcel was rented. Therefore, we do not believe the Legislature intended that a contiguous parcel of more than 640 acres must be divided into multiple leases, or that this statute should be so construed. Instead, we prefer the interpretation that, if rented from this Board, the adjoining "operated" land can be included within the same lease.*

**8. Reconciliation of Bank Records to the Nebraska Information System**

During the audit of the Comprehensive Annual Financial Report (CAFR) of the State of Nebraska, the Auditor of Public Accounts (APA) noted the absence of reconciliation between the Nebraska State Treasurer's actual bank statements and Nebraska accounting records (in both the Nebraska Information System (NIS) and the Nebraska Accounting System (NAS), system before NIS). This has been an issue for the Department of Administrative Services Accounting Division (State Accounting) for many years. The APA's previous comments noted monthly reconciliations have not been completed in a timely manner and reconciliations performed have shown significant unknown variances between the bank records and the accounting records, with the bank being short compared to the accounting records. Although State Accounting continues to work on correcting the reconciliation of bank records to NIS, the APA continues to note areas where improvement is still needed in the reconciliation process to ensure NIS integrity and operational efficiency. Specifically, the APA noted the status of the reconciliation process as of December 19, 2005 to be as follows:

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**8. Reconciliation of Bank Records to the Nebraska Information System (Concluded)**

State Accounting has worked on the reconciliation process, but continued progress is needed. State Accounting's reconciliation process has developed into a very detailed process of analyzing bank activity, compared to activity recorded on NIS, to identify reconciling items. State Accounting has completed their reconciliation process for the months of July of 2004 and May, June, and July of 2005. The APA has reviewed these reconciliations. The months of May, June, and July show variances of \$3,425,381, \$3,405,702, and \$3,405,862, respectively. Again, the reconciliations show the bank being short compared to the accounting records. Per inquiry of management, State Accounting has started the reconciliation process for various months of the fiscal year ended June 30, 2006; however, the reconciliation process has not been a continuous monthly process and no monthly reconciliation has been completed since July of 2005.

Good internal control requires a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial information. Without a timely and complete reconciliation of bank records to the NIS, there is a greater risk for fraud and errors to occur and to remain undetected.

Although State Accounting has worked on the reconciliation process, the process is still not done in a timely manner. The reconciliation continues to reflect unknown variances and shortages. Complete and timely reconciliation procedures between bank records and accounting records are required to provide control over cash and accurate financial information.

We recommend State Accounting continue their reconciliation process, in a more timely manner, and on at least a monthly basis, to ensure all financial information is correct on NIS. We also recommend, when a consistent cash variance between the bank records and the accounting records is obtained (based on at least six months of reconciliations), DAS submit their plan for adjusting NIS to the Governor and the Legislature so they may take appropriate action to correct NIS and resolve the variances noted.

This issue is the responsibility of State Accounting; however, as the variances have not been identified by fund or agency, this issue directly affects all Nebraska State agencies' financial information and must be disclosed in this report.

*Board's Response: We appreciate this disclosure and the fact that resolving the apparent \$3.4 million shortage is the responsibility of DAS in conjunction with the Governor and Legislature. We presume that any unresolved overage would be credited to the State General Fund, rather than allocated pro rata to all other funds and agencies. Therefore, it might be most appropriate that any unresolved shortfall be attributed to the General Fund, rather than deducted pro rata from others. In any event, no part of any shortfall should be deducted from School (or other) Trust Funds without adequate documentation that the shortage is properly attributable to those specific Trusts.*

# STATE OF NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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## NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS

### INDEPENDENT ACCOUNTANT'S REPORT

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Nebraska Board of Educational Lands and Funds  
Lincoln, Nebraska

Don Dunlap, CPA  
Asst. Deputy Auditor  
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We have examined the accompanying schedule of revenues, expenditures, and changes in fund balances of the Nebraska Board of Educational Lands and Funds (Board) for the fiscal year ended June 30, 2005. The Board's management is responsible for the schedule of revenues, expenditures, and changes in fund balances. Our responsibility is to express an opinion based on our examination.

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Tim Channer, CPA  
Asst. Deputy Auditor  
Tim.Channer@apa.ne.gov

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, and accordingly, included examining, on a test basis, evidence supporting the schedule of revenues, expenditures, and changes in fund balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Mary Avery  
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Dennis Meyer, CGFM  
Subdivision Budget  
Coordinator  
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In our opinion, the schedule referred to above presents, in all material respects, the revenues, expenditures, and changes in fund balances of the Nebraska Board of Educational Lands and Funds for the fiscal year ended June 30, 2005, based on the accounting system and procedures prescribed by the State of Nebraska Director of Administrative Services as described in Note 1.

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Review Coordinator  
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In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2006, on our consideration of the Nebraska Board of Educational Lands and Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations,

contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an attestation engagement performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our examination.

This report is intended solely for the information and use of the Board and the appropriate Federal and regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

March 10, 2006

  
Assistant Deputy Auditor

NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
For the Fiscal Year Ended June 30, 2005

	State General Fund 10000	Surveyors Cash Fund 23210	BELF Cash Fund 23220	Survey Record Repository Fund 23230	Temporary School Fund 61360	Ag. & Univ. Land Lease Fund 63320	Permanent School Fund 63340	<b>Total (Memorandum Only)</b>
<b>REVENUES:</b>								
Appropriations	\$ 365,302	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 365,302
Sales & Charges	-	-	13,959	20,463	448	-	-	34,870
Miscellaneous	-	116	360,140	1,593	22,548,162	312,211	1,085,916	24,308,138
<b>TOTAL REVENUES</b>	<b>365,302</b>	<b>116</b>	<b>374,099</b>	<b>22,056</b>	<b>22,548,610</b>	<b>312,211</b>	<b>1,085,916</b>	<b>24,708,310</b>
<b>EXPENDITURES:</b>								
Personal Services	328,038	-	1,499,825	13,815	-	-	-	1,841,678
Operating	36,806	111	6,159,872	13,902	-	-	-	6,210,691
Travel	458	-	33,336	-	-	-	-	33,794
Capital Outlay	-	-	283,741	-	-	-	-	283,741
<b>TOTAL EXPENDITURES</b>	<b>365,302</b>	<b>111</b>	<b>7,976,774</b>	<b>27,717</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,369,904</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	5	(7,602,675)	(5,661)	22,548,610	312,211	1,085,916	16,338,406
<b>OTHER FINANCING SOURCES (USES):</b>								
Sales of Assets (Note 5)	-	-	27,944	-	-	-	7,150,060	7,178,004
Deposit to General Fund	(71,000)	-	-	-	-	-	-	(71,000)
Deposit to Common Fund (Note 7)	-	-	-	-	(22,483,149)	-	(8,235,976)	(30,719,125)
Operating Transfers In (Note 6)	71,000	-	8,560,000	-	-	-	-	8,631,000
Operating Transfers Out (Note 6)	-	-	(710,000)	-	(65,461)	-	-	(775,461)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>7,877,944</b>	<b>-</b>	<b>(22,548,610)</b>	<b>-</b>	<b>(1,085,916)</b>	<b>(15,756,582)</b>
Net Change in Fund Balances	-	5	275,269	(5,661)	-	312,211	-	581,824
FUND BALANCES, JULY 1, 2004	40	3,339	2,929,727	46,683	-	739,833	-	3,719,622
FUND BALANCES, JUNE 30, 2005	<b>\$ 40</b>	<b>\$ 3,344</b>	<b>\$ 3,204,996</b>	<b>\$ 41,022</b>	<b>\$ -</b>	<b>\$ 1,052,044</b>	<b>\$ -</b>	<b>\$ 4,301,446</b>
<b>FUND BALANCES CONSIST OF:</b>								
General Cash	\$ -	\$ 3,324	\$ 3,291,541	\$ 40,941	\$ -	\$ 1,052,044	\$ -	\$ 4,387,850
Deposits with Vendors	40	20	1,463	81	-	-	-	1,604
Due to Vendors	-	-	(5,417)	-	-	-	-	(5,417)
Deposits	-	-	(82,591)	-	-	-	-	(82,591)
<b>TOTAL FUND BALANCES</b>	<b>\$ 40</b>	<b>\$ 3,344</b>	<b>\$ 3,204,996</b>	<b>\$ 41,022</b>	<b>\$ -</b>	<b>\$ 1,052,044</b>	<b>\$ -</b>	<b>\$ 4,301,446</b>

The accompanying notes are an integral part of the schedule.

NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS

**NOTES TO THE SCHEDULE**

For the Fiscal Year Ended June 30, 2005

**1. Criteria**

The accounting policies of the Nebraska Board of Educational Lands and Funds are on the basis of accounting as prescribed by the State of Nebraska Department of Administrative Services (DAS).

Per Neb. Rev. Stat. Section 81-1107(2) R.S.Supp., 2004, the State of Nebraska Director of Administrative Services duties 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.”

The Nebraska Information System (NIS) is the official accounting system prescribed by DAS for the State of Nebraska. Policies and procedures are detailed on NIS manuals and Nebraska Accounting System Concepts published by DAS and available to the public. The financial information used to prepare the schedule of revenues, expenditures, and changes in fund balances for the Board was obtained directly from the NIS. NIS records accounts receivable and accounts payable as transactions occur. As such certain revenues are recorded when earned and expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows. The accounts payable liability recorded on NIS, and thus recorded as expenditures, as of June 30, 2005, includes only those payables posted to NIS before June 30, 2005, and not yet paid as of that date. The amount recorded as expenditures as of June 30, 2005, **does not** include amounts for goods and services received before June 30, 2005 which had not been posted to NIS as of June 30, 2005.

NIS also records other liabilities in accounts titled Tax Refund Payable, Deposits, Due to Fund and Due to Government. 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 Board had accounts receivable not included in the Schedule of \$151,976 from lease rental payments. DAS did not require the Department to record their receivables on the NIS system and these amounts are not reflected in revenues or fund balances on the Schedule. The NIS system does not include liabilities for accrued payroll and compensated absences.

The fund types established by NIS that are used by the Board are:

**10000 – General Fund** – accounts for all financial resources not required to be accounted for in another fund.

NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS

**NOTES TO THE SCHEDULE**

(Continued)

**1. Criteria** (Continued)

**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.

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

The major revenue object account codes established by NIS used by the Board are:

**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.

**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 revenues from land use and investment income.

The major expenditure object account titles established by NIS used by the Board are:

**Personal Services** – Salaries, wages, and related employee benefits provided for all persons employed by the Board.

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

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

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

Other significant object account codes established by NIS and used by the Board include:

**Assets** – Resources owned or held by a government that have monetary value. Assets include cash accounts and deposits with vendors. Cash accounts and deposits with vendors are also included in fund balance and are reported as recorded on NIS.

NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS

**NOTES TO THE SCHEDULE**

(Continued)

**1. Criteria** (Concluded)

**Liabilities** – Legal obligations arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date. Accounts payable transactions increase expenditures and decrease fund balance. Other liabilities recorded on NIS for the Board's funds at June 30, 2005, included Deposits. The activity of these accounts are not recorded on the Schedules of Revenues, Expenditures, and Changes in Fund Balances as they are not recorded through revenue and expenditure accounts.

**Other Financing Sources** – Operating transfers, deposits to common funds, and proceeds of capital asset dispositions.

**2. State Agency**

The Nebraska Board of Educational Lands and Funds (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 schedule includes all funds of the Board.

The Nebraska Board of Educational Lands and Funds is part of the primary government for the State of Nebraska.

**3. Totals**

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

**4. Capital Assets**

Under NIS, capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as expenditures. Capital assets, which would include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) would be reported for the State of Nebraska in the Comprehensive Annual Financial Report (CAFR). The Board values 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 \$1,500 at the date of acquisition and has an expected useful life of two or more years is capitalized. Substantially all initial building costs, land and land improvements costing in excess of \$100,000 are capitalized. Building improvements and renovations in excess of \$100,000 are capitalized if a substantial portion of the life of the asset has expired and if the useful life of the asset has been extended as a result of the renovation or improvement. Depreciation expenses

NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS

**NOTES TO THE SCHEDULE**

(Continued)

**4. Capital Assets (Concluded)**

would be reported in the CAFR 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 asset life is not capitalized.

Buildings and Equipment are depreciated using the straight-line method. The following estimated useful lives are used to compute depreciation:

Buildings	40 Years
Equipment	3 to 10 Years

Capital asset activity of the Board for the fiscal year ended June 30, 2005, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets				
Buildings	\$ 624,257	\$ -	\$ -	\$ 624,257
Equipment	607,080	99,269	107,765	598,584
Total	<u>\$ 1,231,337</u>	<u>\$ 99,269</u>	<u>\$ 107,765</u>	<u>1,222,841</u>
Less accumulated depreciation for:				
Buildings				280,915
Equipment				413,664
Total				<u>694,579</u>
Total capital assets, net of depreciation				<u>\$ 528,262</u>

The Board does not hold title to the school land, but serves as a trustee and manager over the land. Therefore, the original cost of the approximately 1.35 million acres of school land being managed is not included in the Board's capital assets.

**5. Sale of Assets**

Sales of Assets represents the total money received from the sale of the Board's capital assets and the sale of school lands. During the fiscal year ended June 30, 2005, the Board received \$7,150,060 from the sale of school lands.

NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS

**NOTES TO THE SCHEDULE**

(Continued)

**6. Transfers**

Operating Transfers In included \$8,560,000 transferred from the Temporary School Fund 61360 to the BELF Cash Fund 23220 as required by Neb. Rev. Stat. Section 72-232.02 R.R.S. 2003, for the costs of administering the unsold school lands. Operating Transfers Out included \$710,000 transferred back to the Temporary School Fund as the unexpended balance of costs to administer the unsold school lands.

**7. Deposits to Common Funds**

Deposits to Common Funds represent the collections made by the Board that were due to the Temporary School Fund 61360 and the Permanent School Fund 63340. Since the Board has no control over these funds once the deposits were made to the funds, the fund balances were not reflected in the Board's financial schedule.

# STATE OF NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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## NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN EXAMINATION OF THE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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We have examined the accompanying schedule of revenues, expenditures, and changes in fund balances of the Nebraska Board of Educational Lands and Funds for the fiscal year ended June 30, 2005, and have issued our report thereon dated March 10, 2006. We conducted our examination 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.

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### Internal Control Over Financial Reporting

In planning and performing our examination, we considered the Nebraska Board of Educational Lands and Fund's internal control over financial reporting in order to determine our procedures for the purpose of expressing our opinion on the schedule of revenues, expenditures, and changes in fund balances, and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Nebraska Board of Educational Lands and Fund's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial schedule. A reportable condition is described in the Comments Section of the report as Comment Number 8 (Reconciliation of Bank Records to the Nebraska Information System).

A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial schedule being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Nebraska Board of Educational Lands and Fund's schedule of revenues, expenditures, and changes in fund balances, is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial schedule amounts. However, providing an opinion on compliance with those provisions was not an objective of our examination, and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and is described in the Comments Section of our report as Comment Number 2 (Permanent School Fund Balance).

We also noted certain additional items that we reported to management of the Nebraska Board of Educational Lands and Funds in the Comments Section of this report as Comment Number 3 (Allocation of Costs to the State General Fund), Comment Number 4 (Employee Time Records), Comment Number 5 (Land and Improvements to Land), Comment Number 6 (Contracts for Services), and Comment Number 7 (Leases Over 640 Acres).

This report is intended solely for the information and use of the Board and the appropriate Federal and regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

March 10, 2006

  
Assistant Deputy Auditor

NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS

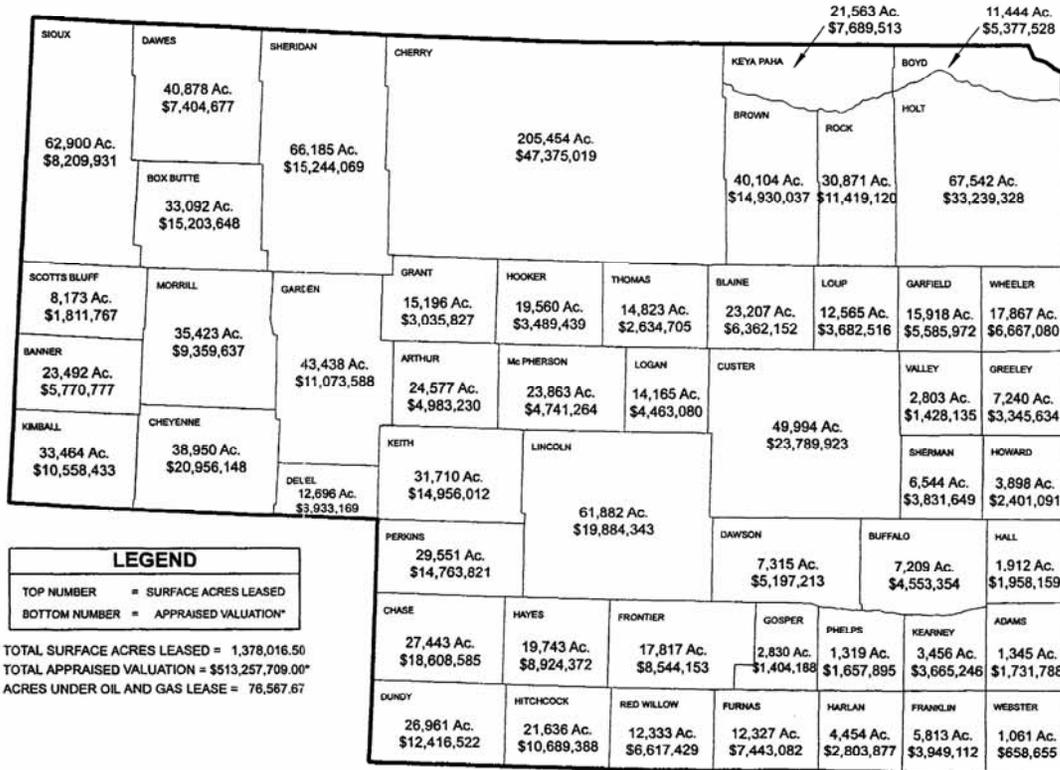
**STATISTICAL SECTION**

Our examination was conducted for the purpose of forming an opinion on the schedule of revenues, expenditures, and changes in fund balances. Statistical Section 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 BOARD OF EDUCATIONAL LANDS AND FUNDS

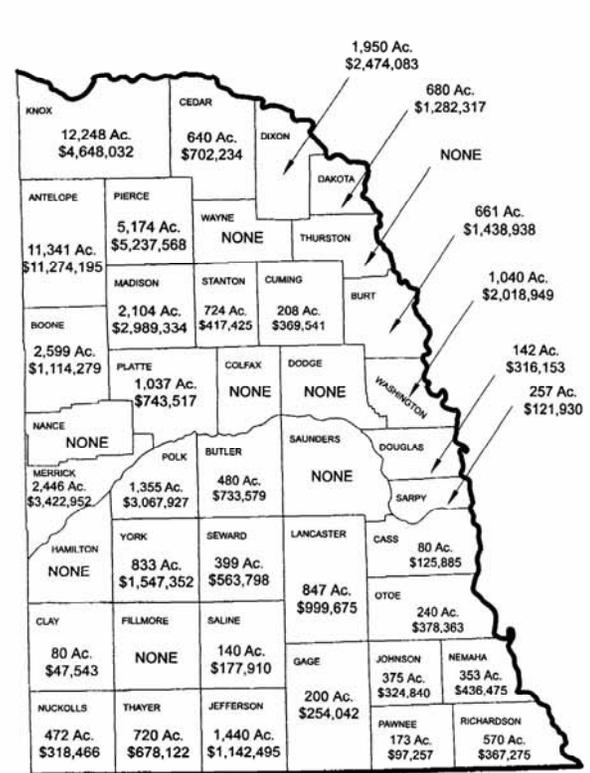
MAP OF K-12 SCHOOL TRUST LANDS

As of June 30, 2004



LEGEND	
TOP NUMBER	= SURFACE ACRES LEASED
BOTTOM NUMBER	= APPRAISED VALUATION*

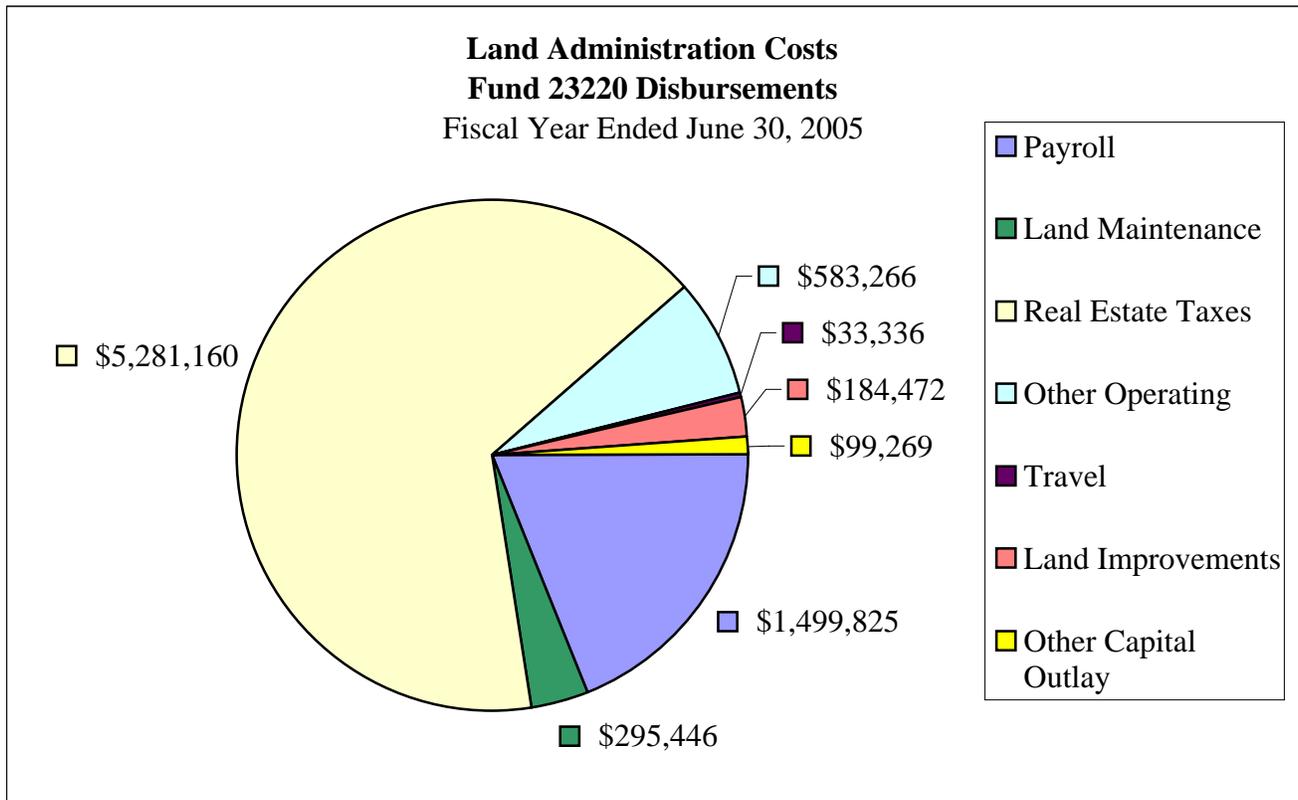
TOTAL SURFACE ACRES LEASED = 1,378,016.50  
 TOTAL APPRAISED VALUATION = \$513,257,709.00\*  
 ACRES UNDER OIL AND GAS LEASE = 76,567.67



**NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS**  
**SCHEDULE OF LAND REVENUES AND COSTS**  
 UNAUDITED

	Fiscal Year Ended June 30,				
	2001	2002	2003	2004	2005
Land Use Revenues (1)	\$ 22,009,660	\$ 20,998,263	\$ 22,077,587	\$ 23,656,115	\$ 22,991,455
Administrative Costs (2)	\$ 2,426,786	\$ 5,131,787	\$ 7,308,837	\$ 7,948,396	\$ 7,976,774
Calculated Net Revenue (3)	\$ 19,582,874	\$ 15,866,476	\$ 14,768,750	\$ 15,707,719	\$ 15,014,681
Market Valuation (4)	\$ 391,997,410	\$ 403,589,246	\$ 394,210,837	\$ 425,523,830	\$ 474,069,044
Calculated Return (5)	5.0%	3.9%	3.7%	3.7%	3.2%

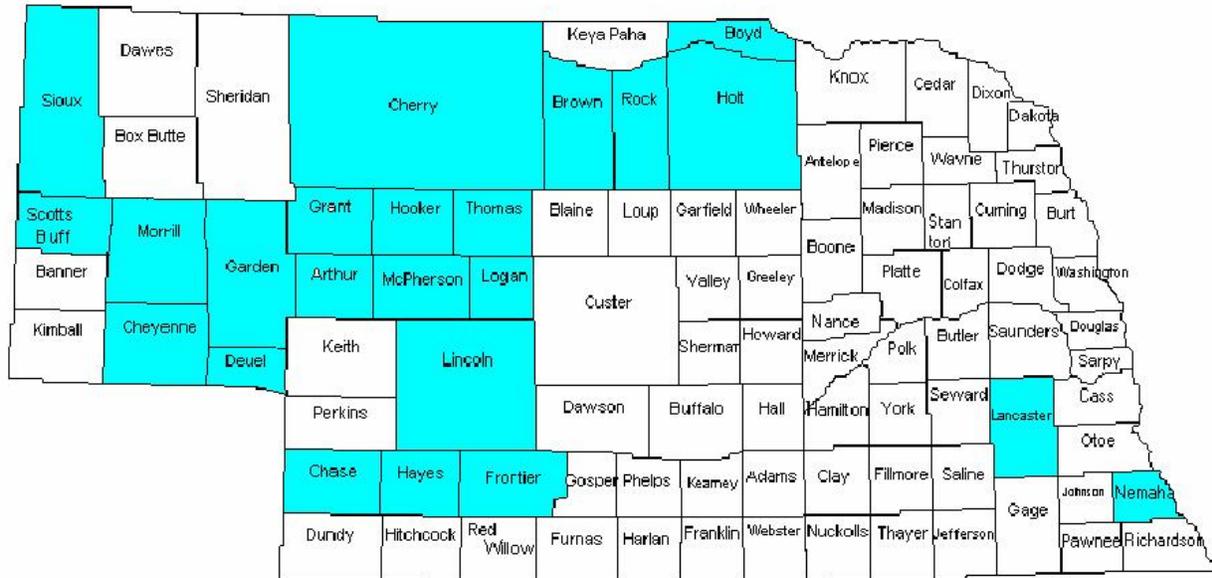
- (1) For 2001 and 2002, NAS accounts 8200's for funds 2322, 6136, 6334. For 2003, 2004, and 2005, NIS accounts 482100's for funds 23220 and 61360; accounts 484820's for fund 63340. Includes rent and royalties, does not include land sales.
- (2) Disbursements for funds 23220 and 61360. Increase in the fiscal year ended June 30, 2003, was the result of beginning payment of real estate taxes according to section 77-202.11.
- (3) Land Use Revenues less Administrative Costs.
- (4) Per BELF biennial reports, approximate market value using University valuation data.
- (5) Calculated Net Revenue divided by Market Valuation.



Note: Land Maintenance includes spraying for noxious weeds, Land Improvements include items such as irrigation wells and grasshopper spraying.

NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS

**SCHEDULE OF LAND SALES**  
Fiscal Year Ended June 30, 2005  
UNAUDITED



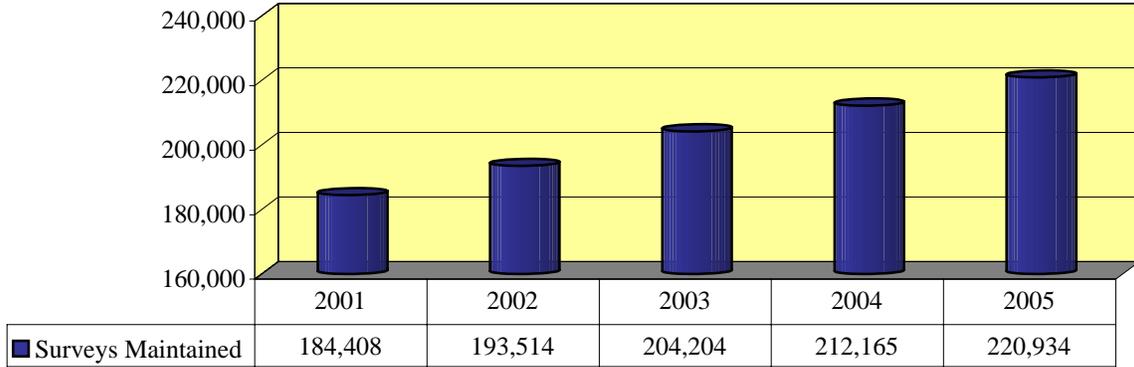
Note: Shaded areas are counties with land sales in fiscal year 2005.

County	Total Acres	Beginning Bid Price	Sale Price
Arthur	642	\$ 113,000	\$ 150,000
Boyd	120	60,000	60,000
Brown	400	116,000	116,000
Chase	640	133,300	188,000
Cherry	4,196	896,093	896,093
Cheyenne	10	14,500	14,500
Deuel	190	31,100	58,500
Frontier	240	93,100	93,100
Garden	640	132,900	170,500
Grant	1,601	294,000	294,000
Hayes	320	122,800	122,800
Holt	1,920	627,400	687,100
Hooker	3,432	571,600	742,000
Lancaster	1	200,000	200,000
Lincoln	16	23,500	23,500
Logan	1,280	290,100	290,100
McPherson	680	140,500	140,500
Morrill	1,640	280,500	356,400
Nemaha	253	450,000	450,000
Rock	360	132,800	132,800
Scotts Bluff	40	12,000	16,500
Sioux	1,520	308,400	359,000
Thomas	1,272	237,500	270,500
<b>Totals</b>	<b>21,413</b>	<b>\$ 5,281,093</b>	<b>\$ 5,831,893</b>

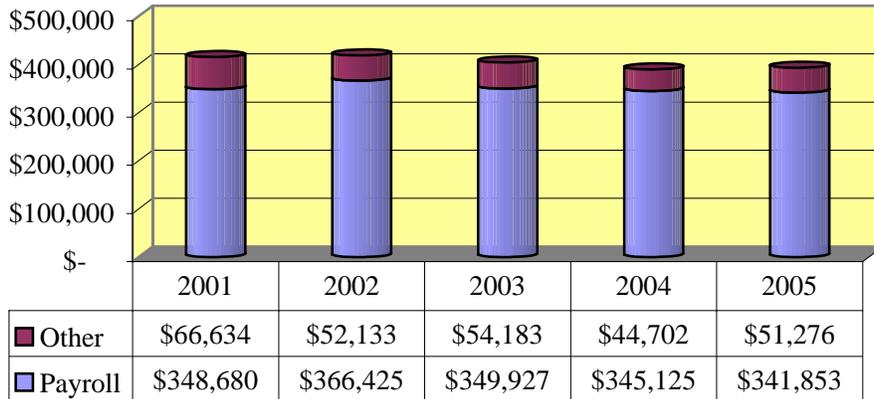
Note: Per statute educational lands shall be sold at not less than appraised value. Sale price does not agree to sales on the financial schedule as all payments were not received as of June 30, 2005.

NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS  
**SURVEY DIVISION STATISTICS**  
 Fiscal Years Ended June 30, 2001 through 2005  
 UNAUDITED

**Number of Surveys Maintained**



**Survey Division Disbursements**



**Survey Fees Collected**

