

**ATTESTATION REPORT  
OF THE  
NEBRASKA REAL PROPERTY  
APPRAISER BOARD**

**JANUARY 1, 2010 THROUGH DECEMBER 31, 2011**

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**Issued on June 26, 2012**

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NEBRASKA REAL PROPERTY APPRAISER BOARD

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## NEBRASKA REAL PROPERTY APPRAISER BOARD

### **BACKGROUND**

The Real Property Appraiser Board (Board) is a five-member regulatory board that enforces the Real Property Appraiser Act, which is set out at Neb. Rev. Stat. §§ 76-2201 to 76-2250 (Reissue 2009, Cum. Supp. 2012). The Board is comprised of three members who are certified appraisers, one from each of the congressional districts; one member who represents financial institutions; and one member who is a licensed real property broker who also holds a credential as a licensed or certified real property appraiser. The Board was established in 1991 to, among other things, bring Nebraska into compliance with the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

The Board issues and renews appraiser registrations, licenses, residential certificates, and general certificates to those who qualify on the basis of classroom hours, test scores, appraiser experience, and competency. The Board also investigates complaints against appraisers and takes appropriate disciplinary action.

## EXIT CONFERENCE

An exit conference was held June 14, 2012, with the Board to discuss the results of our examination. Those in attendance for the Nebraska Real Property Appraiser Board were:

<u>NAME</u>	<u>TITLE</u>
Bradford Moore	Chairperson
Tyler Kohtz	Director

## NEBRASKA REAL PROPERTY APPRAISER BOARD

### SUMMARY OF COMMENTS

During our examination of the Nebraska Real Property Appraiser Board (Board), we noted a certain deficiency in internal control that we consider to be a material weakness and other operational matters that are presented here.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the financial schedule will not be prevented, or detected and corrected, on a timely basis.

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

1. **Payroll:** There was a lack of segregation of duties over payroll, appropriate personnel file records were not maintained, and timesheets were not completed for all employees.
2. **Bank Account:** Money for an educational seminar was accounted for in a separate bank account and was not deposited with the State Treasurer or accounted for in EnterpriseOne.
3. **Full Time Service:** The Interim Director did not work full time for the Board and did not work 40 hours per week as required by Statute. The Board did not have written personnel policies covering the Director.
4. **Fund Balance:** The fund balance as of December 31, 2011, was large enough to cover approximately 1.68 years of expenditures.
5. **Receipts:** A physical count and reconciliation of unused pocket cards to the records of pocket cards issued was not performed, receipts were not reconciled to the deposit documents, an overpayment for 1 of 35 pocket cards tested was not refunded, and 10 of 29 deposits tested were not deposited in a timely manner.

More detailed information on the above items is provided hereafter. It should be noted that this report is critical in nature as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any accounting strengths of the Nebraska Real Property Appraiser Board.

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. The 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.

NEBRASKA REAL PROPERTY APPRAISER BOARD

COMMENTS AND RECOMMENDATIONS

1. **Payroll**

A good internal control plan requires that an adequate segregation of duties be in place and personnel files be maintained for all employees. The personnel files should include salary rates and changes in salary rates, I-9 forms, W-4 forms, and deduction authorization forms. A good internal control plan would also include procedures to approve leave used.

Title 273 NAC 12.002.04 requires agencies to maintain certain personnel records, including all documents that affect pay (W-4, authorized deductions, etc.).

Neb. Rev. Stat. § 84-1001(1) (Reissue 2008) 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.”*

A good internal control plan requires procedures to ensure adequate documentation is on file to support forty hours of work or leave each week.

We noted:

- There was a lack of segregation of duties over payroll. For a portion of the attestation period, the Staff Assistant performed all functions of the payroll process with the exception of the approval email sent to the Department of Administrative Services.
- No personnel files were maintained, including no I-9 forms, W-4 forms, or deduction authorization forms.
- For one of three employees tested, timesheets were not maintained to document 40 hours of work each week. Additionally, the Board did not keep track of leave taken for one of three employees tested.

This comment is considered to be a material weakness.

A similar comment was noted in the last report issued on the Board for fiscal year 2005.

The lack of an adequate segregation of duties increases the risk of improper payments to employees. The lack of personnel files increases the risk of noncompliance. Without adequate records to support time worked, the Board is not in compliance with State statute, and there is an increased risk for fraudulent or inaccurate payments for unused leave at termination.

We recommend the Board implement procedures to ensure an adequate segregation of duties is in place over payroll and personnel files are maintained for all employees. The personnel files should include documentation of salary rates and changes in

NEBRASKA REAL PROPERTY APPRAISER BOARD

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**1. Payroll (Concluded)**

salary rates, I-9 forms, W-4 forms, and deduction authorization forms. We recommend the Board implement procedures to ensure all employees who are eligible for overtime and expect payment of unused leave at termination maintain adequate documentation to support forty hours of work or leave taken each week.

*Board's Response: The payroll duties have been segregated since March 14, 2012, and an internal control plan will be developed that incorporates these changes. Both the Director and Staff Assistant complete timecards for each pay period. The Staff Assistant reviews the Director's timecard, and the Director reviews the Staff Assistant's timecard to verify hours worked and any leave taken. Furthermore, the Staff Assistant processes payroll and the Director reviews and certifies payroll for each pay period.*

*The Board will begin maintaining personnel files, which will include an employee's I-9 form, W-4 form, deduction authorization forms, documentation of salary rates and salary rate changes, and performance evaluations and documentation. In addition, a file will be maintained for each Board Member and will include any documentation shown above that is necessary. The requirement and maintenance of personnel files will be included in the internal control plan.*

**2. Bank Account**

Neb. Rev. Stat. § 84-602(1) (Cum. Supp. 2010, as amended by Laws 2012, LB 782, § 224) requires the State Treasurer to "receive and keep all money of the State not expressly required to be kept by some other person." A good internal control plan should include procedures to ensure all money received by the Board is deposited with the State Treasurer and recorded in EnterpriseOne, the State's accounting system.

A business checking account was set up at U.S. Bank to account for the revenues and expenses of a continuing Education class put on by the Board. The class was called ED Tour. The account was opened on July 21, 2009, and closed on August 31, 2011. Total deposits and checks were \$4,250. Seven hundred dollars of the expenditures were to pay Board members per diem payments. Our review of the transactions noted no improprieties, but the account was set up without the knowledge or approval of the State Treasurer.

When all monies are not deposited with the State Treasurer, the Board is not in compliance with State Statute. Also the income reported to the Board members for tax purposes was incorrect.

We recommend all receipts of the Board be deposited with the State Treasurer and all financial activity of the Board be recorded in EnterpriseOne. Additionally, all per diem payments to Board members should be processed through EnterpriseOne to ensure withholdings and reporting are correct.



NEBRASKA REAL PROPERTY APPRAISER BOARD

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**2. Bank Account (Concluded)**

*Board's Response: Although the Board reviewed and approved expenditures related to the 2009 Ed Tour, the Board did not approve a separate business checking account that was established at U.S. Bank to process the revenues and expenses of this activity. As noted, there were no improprieties related to this account. The Director, Staff Assistant, and all Board Members are now aware of Neb. Rev. Stat. § 84-602(1), and the internal control plan will include procedures to ensure all money received by NRPAB is deposited with the State Treasurer and recorded in the State's accounting system.*

**3. Full Time Service**

Neb. Rev. Stat. § 84-1001(1) (Reissue 2008) 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.”*

A good internal control plan requires adequate documentation to support whether employees have actually earned the vacation and sick leave recorded in the leave records. In the case of full-time employees earning full-time benefits, those employees should be rendering full-time service of not less than forty hours each week. A good internal control plan also requires that written documented personnel policies and procedures be in place to ensure the accurate recording of employee benefits.

Based on discussion with staff and Board members, the Interim Director did not work full time for the Board and did not work 40 hours per week, as required by State statute. The Board was aware of the fact the Interim Director was not working full time for the Board, but the Interim Director was designated as a full time employee in EnterpriseOne. Additionally, the Board lacked its own written personnel policies and procedures covering the Director – who, per Neb. Rev. Stat. § 81-1316(1)(s) (Supp. 2011), is exempt from the Department of Administrative Service's "Classified System Personnel Rules and Regulations."

A full time State employee who does not work 40 hours per week would not be in compliance with State statute, and leave may be paid out that was not earned.

We recommend all employees of the Board, including the Director, when designated as a full time employee, work 40 hours per week, as required by State Statute. Additionally, the Board should establish a documented work schedule for the Director with appropriate compensation for the time worked. If the Director is considered full time, then the Board should establish

NEBRASKA REAL PROPERTY APPRAISER BOARD

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**3. Full Time Service (Concluded)**

documentation procedures, such as approved timesheets, to ensure the Director actually works 40 hours each week. We also recommend the Board work with the Director to develop written personnel policies and procedures or adopt other established personnel policies and procedures.

*Board's Response: Moving forward, the internal control policy will require that all employees of the Board designated as full time employees in EnterpriseOne will render full time services of not less than 40 hours per week in accordance with Neb. Rev. Stat. § 84-1001(1). The individual selected by the Board to fill the role of Interim Director was highly qualified for this position. The board and the Interim Director agreed upon terms of employment, which included full responsibilities and a set annual salary and benefits. Because of the Interim Director's other professional obligations, the terms of employment agreed to did not require a minimum number of hours per day spent in the state office building. The Board did not hire the Interim Director as a full-time employee. The Board held meetings with other State Agencies involved with payroll, etc., regarding this arrangement and clearly communicated the status of the Interim Director. The Board was unaware that an employee classification applied to the Interim Director would violate State Statues, and would never have proceeded with this arrangement if it had known that the EnterpriseOne classification was in violation of State Statues.*

**4. Fund Balance**

Neb. Rev. Stat. § 76-2226 (Cum. Supp. 2010), which created the Real Property Appraiser Fund (Fund), states:

*“The fund shall include a sufficient cash fund balance as determined by the board. The expense of administering and enforcing the act shall not exceed the money collected by the board under the act.”*

A good internal plan and good fiscal policy requires a review of fees charged for services to ensure the appropriateness of the fees charged in relation to the costs of the Board.

The Fund balance as of December 31, 2011, was large enough to cover approximately 1.68 years of expenditures. The Board had no policy for determining the appropriate amount of the Fund balance. The Fund balance at December 31, 2011, was \$383,162, and the expenditures for calendar year 2011 were \$227,845. A similar comment was also included in the prior examination report.

The Board may be charging higher fees than are needed to cover the Board's costs of operation.

We recommend the Board annually review all licensing fees and make adjustments as needed to cover its operating costs. In

NEBRASKA REAL PROPERTY APPRAISER BOARD

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**4. Fund Balance (Concluded)**

addition, we recommend the Board implement a policy that establishes the amount at which the Fund balance should be maintained.

*Board's Response: The Board is deferring any decision to establish an amount at which the fund balance should be maintained until after July 1, 2015. The AMC Registration Act, which established the AMC Fund, was enacted on January 1, 2012. Revenues for the AMC fund are unstable at the present time, and the Board intends to monitor the effects of this additional revenue on the Board's overall cash balance until such time the Board determines the revenues and expenditures related to this fund are stable. The Board also held its first strategic planning meeting on June 7, 2012. At this meeting the Board set goals and objectives to carry out many large scale projects during the next biennium budget cycle to better administer and enforce the Real Property Appraiser Act and the AMC Registration Act. The Board intends to use existing money in the cash fund to achieve these goals and objectives. In addition, all appraiser and AMC related fees were reviewed at the strategic planning meeting, and any adjustments that the Board saw as necessary were made. In the Future, all fees will be reviewed and if necessary, adjustments made, at the Board's annual strategic planning meeting.*

**5. Receipts**

Sound accounting practice and a good internal control plan require:

- A periodic physical count and reconciliation of unused pocket cards to the records of pocket cards issued.
- Deposits are reconciled to pocket cards and miscellaneous receipts.
- Reimbursement of overpayments be made to payors.

Neb. Rev. Stat. § 84-710 (Reissue 2008) states, in relevant part:

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

During testing of receipts we noted:

- A physical count and reconciliation of unused pocket cards to the records of pocket cards issued was not performed.

NEBRASKA REAL PROPERTY APPRAISER BOARD

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**5. Receipts (Continued)**

- Miscellaneous receipts and pocket card receipts were not reconciled to the deposit document by an individual separate from the receipting process.
- One of 35 pocket card receipts tested included a \$15 overpayment, which was not refunded to the payor.
- Ten of 29 deposits tested were not deposited timely, ranging from 1 to 16 days late.

Total revenues of the Board for calendar year 2011 were \$232,888 and for calendar year 2010 were \$316,089.

When receipts are not reconciled appropriately, and deposits are not made timely, there is an increased risk of loss or misuse of State funds and noncompliance with State statute.

A similar comment was included in the last report issued on the Board for fiscal year 2005.

We recommend the Board:

- Complete a documented physical count and reconciliation of unused pocket cards to the records of pocket cards issued on a periodic basis.
- Reconcile amounts deposited to pocket cards and miscellaneous receipts.
- Reimburse all overpayments to the payors.
- Deposit all receipts in a timely manner according to State statute.

*Board's Response: The Board intends to upgrade from the current pocket cards being issued, and incorporate pocket card management in the appraiser database. The Board will ensure that each new pocket card is assigned a unique ID that will not be duplicated, and that a procedure is established to reconcile deposits to pocket cards and miscellaneous receipts. The internal control plan will require reconciliation of the deposits to pocket card receipts and miscellaneous receipts by an individual separate from the receipting process.*

*The Board intends to upgrade its appraiser database to include payment information for each credential holder, which will give the Board the ability to generate real time reports related to payment and overpayment information. This will help track overpayments, and ensure that all overpayments are refunded to the payer. Procedures for overpayments will also be included in the internal control plan.*

*The Board is aware of Neb. Rev. Stat. § 84-710, which requires that money paid to the Board be deposited into the State Treasury within three days if the aggregate amount is five hundred*

NEBRASKA REAL PROPERTY APPRAISER BOARD

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**5. Receipts (Concluded)**

*Board's Response, Concluded:*

*dollars or more, or seven days if the aggregate amount is less than five hundred dollars. A procedure has been established to ensure all money is deposited in accordance with Neb. Rev. Stat. § 84-710. The Staff Assistant will receive and verify the money to be deposited into the State Treasury each day. A copy of those payments will be made, and a note attached indicating the date the money must be deposited. After the payments are entered into the State's accounting system, the Director will conduct the pre-audit and confirm the date of required deposit for each payment and ensure the deposit is made timely. This procedure will be included in the Board's internal control plan.*



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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### NEBRASKA REAL PROPERTY APPRAISER BOARD

#### INDEPENDENT ACCOUNTANT'S REPORT

Nebraska Real Property Appraiser Board  
Lincoln, Nebraska

We have examined the accompanying schedules of revenues, expenditures, and changes in fund balance of the Nebraska Real Property Appraiser Board (Board) for the calendar years ended December 31, 2011 and 2010. The Board's management is responsible for the schedule of revenues, expenditures, and changes in fund balance. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and accordingly, included examining, on a test basis, evidence supporting the schedules of revenues, expenditures, and changes in fund balance and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present, in all material respects, the revenues, expenditures, and changes in fund balance of the Nebraska Real Property Appraiser Board for the calendar years ended December 31, 2011 and 2010, based on the accounting system and procedures prescribed by the State of Nebraska Director of the Department of Administrative Services, as described in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the schedules of revenues, expenditures and changes in fund balance and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain the views of management on those matters. We performed our examination to express an opinion on whether the schedules of revenues, expenditures, and changes in fund balance is presented in accordance with the criteria

described above and not for the purpose of expressing an opinion on the internal control over the schedules of revenues, expenditures, and changes in fund balance or on compliance and other matters; accordingly we express no such opinions. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and the findings, along with the views of management, are described in the Comments Section of the report.

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

SIGNED ORIGINAL ON FILE

June 25, 2012

Mike Foley  
Auditor of Public Accounts

NEBRASKA REAL PROPERTY APPRAISER BOARD  
**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE**  
For the Calendar Year Ended December 31, 2011

	Real Property Appraiser Licensing Fund 25310
REVENUES:	
Sales & Charges	\$ 220,540
Miscellaneous	12,348
TOTAL REVENUES	232,888
EXPENDITURES:	
Personal Services	160,161
Operating	54,989
Travel	11,365
Capital Outlay	1,330
TOTAL EXPENDITURES	227,845
Excess of Revenues Over Expenditures	5,043
OTHER FINANCING SOURCES (USES):	
Operating Transfers Out	(7,279)
TOTAL OTHER FINANCING SOURCES (USES)	(7,279)
Net Change in Fund Balance	(2,236)
FUND BALANCE, JANUARY 1, 2011	385,398
FUND BALANCE, DECEMBER 31, 2011	\$ 383,162
FUND BALANCE CONSISTS OF:	
General Cash	\$ 401,506
Tax Refunds Payable	(44)
Due to Government	(18,300)
TOTAL FUND BALANCE	\$ 383,162

The accompanying notes are an integral part of the schedule.



**NEBRASKA REAL PROPERTY APPRAISER BOARD**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
For the Calendar Year Ended December 31, 2010

	Real Property Appraiser Licensing Fund 25310
	Fund 25310
<b>REVENUES:</b>	
Sales & Charges	\$ 303,171
Miscellaneous	12,918
<b>TOTAL REVENUES</b>	<b>316,089</b>
 <b>EXPENDITURES:</b>	
Personal Services	126,858
Operating	121,328
Travel	14,220
<b>TOTAL EXPENDITURES</b>	<b>262,406</b>
Excess of Revenues Over Expenditures	53,683
 <b>OTHER FINANCING SOURCES (USES):</b>	
Operating Transfers Out	(42,721)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(42,721)</b>
Net Change in Fund Balance	10,962
 FUND BALANCE, JANUARY 1, 2010	374,436
 FUND BALANCE, DECEMBER 31, 2010	\$ 385,398
 <b>FUND BALANCE CONSISTS OF:</b>	
General Cash	\$ 401,299
Accounts Receivable Invoiced	75
Tax Refunds Payable	(160)
Due to Fund	(41)
Due to Government	(15,775)
<b>TOTAL FUND BALANCE</b>	<b>\$ 385,398</b>

The accompanying notes are an integral part of the schedule.

NEBRASKA REAL PROPERTY APPRAISAL BOARD

NOTES TO THE SCHEDULES

For the Calendar Years Ended December 31, 2011 and 2010

**1. Criteria**

The accounting policies of the Nebraska Real Property Appraiser Board (Board) are on the basis of accounting as prescribed by the State of Nebraska Department of Administrative Services (DAS).

Per Neb. Rev. Stat. § 81-1107(2) (Reissue 2008), the State of Nebraska Director of the Department 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.”

In accordance with Neb. Rev. Stat. § 81-1111(1) (Reissue 2008), The State Accounting Administrator has prescribed the system of accounts and accounting to be maintained by the State and its departments and agencies and has developed necessary accounting policies and procedures. The prescribed accounting system currently utilizes EnterpriseOne to maintain the general ledger and all detailed accounting records. Policies and procedures are detailed in the Nebraska State Accounting Manual published by DAS State Accounting Division (State Accounting) and are available to the public. The financial information used to prepare the schedules of revenues, expenditures, and changes in fund balance was obtained directly from the general ledger and fund balance information maintained on EnterpriseOne. As transactions occur, the agencies record the accounts receivable and accounts payable in the general ledger. 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 expenditures and related accounts payables recorded in the general ledger as of December 31, 2011 and 2010, include only those payables posted in the general ledger before December 31, 2011 and 2010, and not yet paid as of that date. The amount recorded as expenditures as of December 31, 2011 and 2010, **does not** include amounts for goods and services received before December 31, 2011 and 2010, which had not been posted to the general ledger as of December 31, 2011 and 2010.

Other liabilities are recorded in accounts titled Tax Refund Payable, Due to Fund, and Due to Government for the Board. 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.

Liabilities for accrued payroll and compensated absences are not recorded in the general ledger.

NEBRASKA REAL PROPERTY APPRAISER BOARD

**NOTES TO THE SCHEDULES**

(Continued)

**1. Criteria** (Continued)

The fund type established by the State that is used by the Board is:

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

The major revenue account classifications established by State Accounting and used by the Board are:

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

**Miscellaneous** – Revenue from sources not covered by other major categories, such as investment income and late renewal fees.

The major expenditure account classifications established by State Accounting and 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 accounting classifications and procedures established by State Accounting and used by the Board include:

**Assets** – Resources owned or held by a government that have monetary value. Assets include cash accounts. Accounts receivable are recorded as an increase to revenues resulting in an increase to the fund balance on the schedule. Cash accounts are also included in fund balance and are reported as recorded in the general ledger.

NEBRASKA REAL PROPERTY APPRAISER BOARD

**NOTES TO THE SCHEDULES**

(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 are recorded as expenditures resulting in a decrease to the fund balance. Other liabilities recorded in the general ledger for the Board’s funds at December 31, 2011 and 2010, included amounts recorded in Tax Refund Payable, Due to Fund, and Due to Government. The activity of these accounts is not recorded through revenue and expenditure accounts on the Schedule of Revenues, Expenditures, and Changes in Fund Balance.

**Other Financing Sources** – Operating transfers out consisted of transfers to the State General Fund.

**2. Reporting Entity**

The Nebraska Real Property Appraiser 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 included in the general ledger.

The Nebraska Real Property Appraiser Board is part of the primary government for the State of Nebraska.

**3. General Cash**

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

NEBRASKA REAL PROPERTY APPRAISAL BOARD

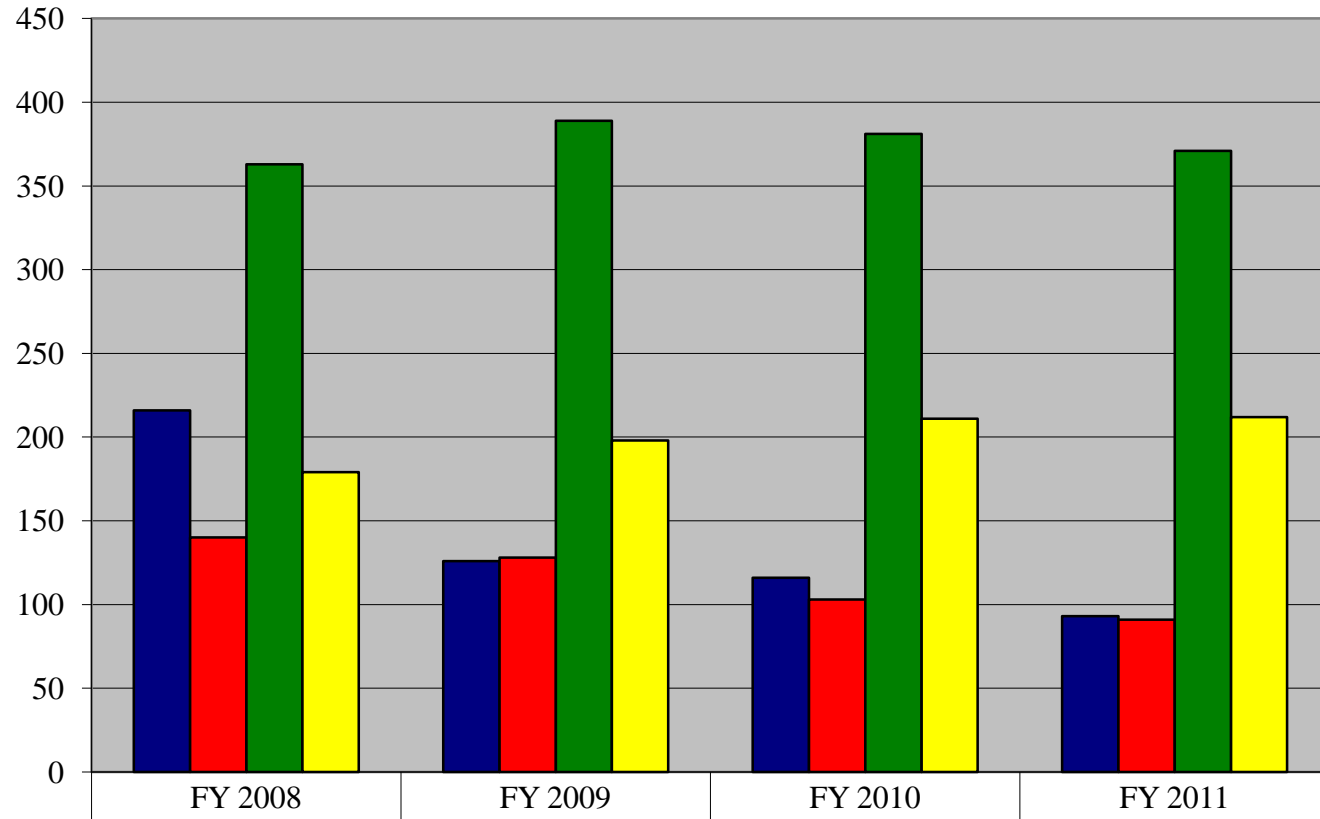
**SUPPLEMENTARY INFORMATION**

Our examination was conducted for the purpose of forming an opinion on the schedules of revenues, expenditures, and changes in fund balance. Supplementary information is presented for purposes of additional analysis. Such information has not been subjected to the procedures applied in the examination of the schedules of revenues, expenditures, and changes in fund balance and, accordingly, we express no opinion on it.

NEBRASKA REAL PROPERTY APPRAISER BOARD

**REGISTRATIONS, LICENSES, AND CERTIFICATES ISSUED**

For the Fiscal Years Ended June 30, 2008 through June 30, 2011



■ Registered	216	126	116	93
■ Licensed	140	128	103	91
■ Certified General	363	389	381	371
■ Certified Residential	179	198	211	212