

**ATTESTATION REPORT
OF THE
NEBRASKA BOARD OF
ENGINEERS AND ARCHITECTS**

JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

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Issued on April 19, 2013

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We will provide this information, as required by statute, to all policymakers and taxpayers through written reports and our Internet-based Budget and Audit databases.

We will maintain a professionally prepared staff, utilizing up-to-date technology, and following current Government Auditing Standards.

Audit Staff Working On This Examination

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Keri Carder, Auditor

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NEBRASKA BOARD OF ENGINEERS AND ARCHITECTS

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NEBRASKA BOARD OF ENGINEERS AND ARCHITECTS

BACKGROUND

The Board of Examiners for Professional Engineers and Architects (Board) was created by the Legislature in 1937. In 1997, legislation changed the name to the Board of Engineers and Architects. The Board consists of eight members appointed by the Governor to five-year terms. Four of the eight are professional engineers, three are professional architects, and one is a public member. An architecture professor and an engineering professor from the University of Nebraska serve as members and are recommended by their colleges' dean. Board members must be U.S. citizens who have lived in Nebraska for at least a year. Members must be licensed and active in engineering or architecture for at least ten years, and must have been in charge of architecture or engineering work for at least five of those years. The Board meets ten times a year and members are paid \$60 a day when conducting Board business.

The purpose of the Board is to enforce and administer the laws regulating professional engineers and architects by processing applications, administering examinations to applicants, and registering engineers and architects. The Board also investigates any complaints against engineers and architects to ensure the statutory code of practice is not violated.

Board members as of December 31, 2012, were as follows:

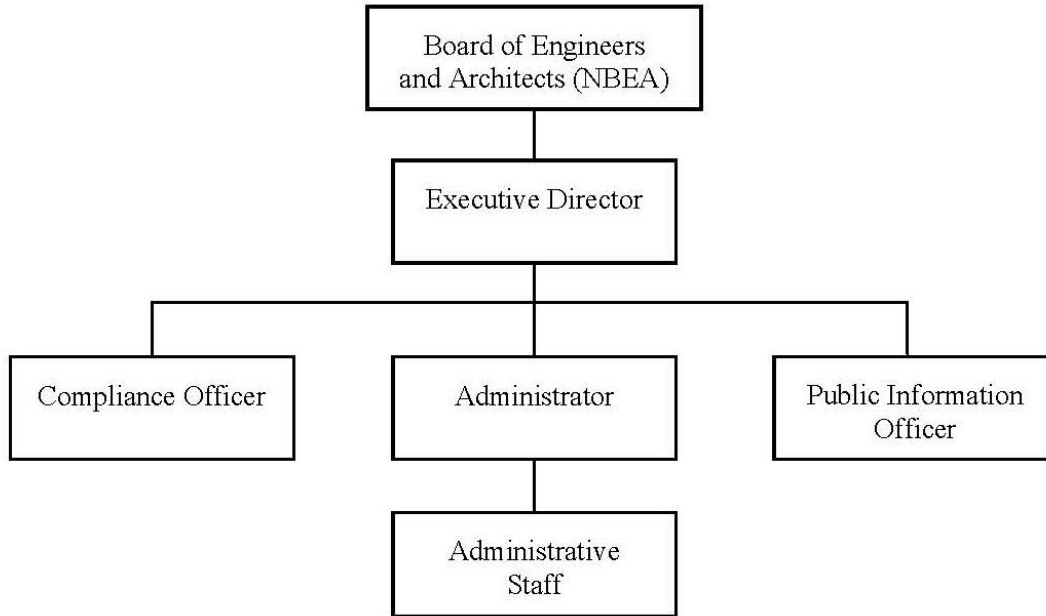
- Roger M. Helgoth, Engineer, Omaha, Board Member, Chair
- Thomas S. Laging, Architect, Lincoln, Education Member, Vice-Chair
- Jennifer A. Klein, Engineer, Lincoln, Board Member, Secretary
- Mark S. Champion, Architect, Lincoln, Board Member
- F. Fred Choobineh, Engineer, Lincoln, Education Member
- Michael J. Conzett, Engineer, Ralston, Board Member
- Krista L. Kester, Attorney, Lincoln, Public Member
- Lori M. Krejci, Architect, Elkhorn, Board Member

MISSION STATEMENT

Since its inception in 1937, the Nebraska Board of Engineers and Architects has served the citizens of Nebraska by overseeing the laws and rules which govern the practice of engineering and architecture in the State in order to safeguard life, health, property and promote the public welfare.

NEBRASKA BOARD OF ENGINEERS AND ARCHITECTS

ORGANIZATIONAL CHART



NEBRASKA BOARD OF ENGINEERS AND ARCHITECTS

EXIT CONFERENCE

An exit conference was held April 11, 2013, with the Board to discuss the results of our examination. Those in attendance for the Nebraska Board of Engineers and Architects were:

NAME	TITLE
Jon Wilbeck	Executive Director
Thomas Laging	Board Chair
Sandra Weaver	Administrator

Draft copies of this report were furnished to the Board to provide them an opportunity to review the report.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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NEBRASKA BOARD OF ENGINEERS AND ARCHITECTS

INDEPENDENT ACCOUNTANT'S REPORT

Nebraska Board of Engineers and Architects
Lincoln, Nebraska

We have examined the accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balances of the Nebraska Board of Engineers and Architects (Board) for the calendar year ended December 31, 2012. 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.

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.

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 Engineers and Architects for the calendar year ended December 31, 2012, based on the accounting system and procedures prescribed by the State of Nebraska Director 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 Schedule of Revenues, Expenditures, and Changes in Fund Balances, 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 Schedule of Revenues, Expenditures, and Changes in Fund Balances is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over the Schedule of Revenues, Expenditures, and Changes in Fund Balances or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed no findings that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Engineers and Architects, others within the Board, and the appropriate Federal and regulatory agencies, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

SIGNED ORIGINAL ON FILE

April 12, 2013

Mike Foley
Auditor of Public Accounts

NEBRASKA BOARD OF ENGINEERS AND ARCHITECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Calendar Year Ended December 31, 2012

	Engineers and Architects Regulation Cash Fund 28510	Common School Fund 61270	Totals (Memorandum Only)
REVENUES:			
Sales & Charges	\$ 698,542	\$ -	\$ 698,542
Miscellaneous	27,988	1,950	29,938
TOTAL REVENUES	726,530	1,950	728,480
EXPENDITURES:			
Personal Services	357,805	-	357,805
Operating	168,110	-	168,110
Travel	20,329	-	20,329
Capital Outlay	2,830	-	2,830
TOTAL EXPENDITURES	549,074	-	549,074
Excess of Revenues Over Expenditures	177,456	1,950	179,406
OTHER FINANCING SOURCES (USES):			
Sales of Assets	64	-	64
Deposit to/from Common Fund (Note 6)	-	(1,950)	(1,950)
TOTAL OTHER FINANCING SOURCES (USES)	64	(1,950)	(1,886)
Net Change in Fund Balances	177,520	-	177,520
FUND BALANCES, January 1, 2012	924,006	-	924,006
FUND BALANCES, December 31, 2012	<u>\$ 1,101,526</u>	<u>\$ -</u>	<u>\$ 1,101,526</u>
FUND BALANCES CONSIST OF:			
General Cash	\$ 1,078,793	\$ -	\$ 1,078,793
Deposits with Vendors	1,163	-	1,163
Accounts Receivable Invoiced	18,440	-	18,440
Due to Vendors	3,130	-	3,130
TOTAL FUND BALANCES	<u>\$ 1,101,526</u>	<u>\$ -</u>	<u>\$ 1,101,526</u>

The accompanying notes are an integral part of the schedule.

NEBRASKA BOARD OF ENGINEERS AND ARCHITECTS

NOTES TO THE SCHEDULE

For the Calendar Year Ended December 31, 2012

1. Criteria

The accounting policies of the Nebraska Board of Engineers and Architects (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 duties of the State of Nebraska's Director of the Department of Administrative Services (DAS) 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, an accounting resource software, 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 Schedule of Revenues, Expenditures, and Changes in Fund Balances 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 payable recorded in the general ledger, as of December 31, 2012, include only those payables posted in the general ledger before December 31, 2012, and not yet paid as of that date. The amount recorded as expenditures, as of December 31, 2012, **does not** include amounts for goods and services received before December 31, 2012, which had not been posted to the general ledger as of December 31, 2012.

The Board had no accounts receivable at December 31, 2012, that was not included in the schedule. Liabilities for accrued payroll and compensated absences are not recorded in the general ledger.

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

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.

NEBRASKA BOARD OF ENGINEERS AND ARCHITECTS

NOTES TO THE SCHEDULE

(Continued)

1. Criteria (Concluded)

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 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.

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 that 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, deposits with vendors, and receivable accounts. Accounts receivable are recorded as an increase to revenues resulting in an increase to the fund balance on the schedule. Cash accounts and deposits with vendors are also included in the fund balance and are reported as recorded in the general ledger.

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 Financing Sources – Proceeds of fixed asset dispositions.

NEBRASKA BOARD OF ENGINEERS AND ARCHITECTS

NOTES TO THE SCHEDULE

(Continued)

2. Reporting Entity

The Nebraska Board of Engineers and Architects (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 Board of Engineers and Architects 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. 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.

5. Capital Assets

Capital assets include land, buildings, equipment, improvements to buildings, construction in progress and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). Under State Accounting policies, expenditures for such capital assets are not capitalized as an asset in the funds used to acquire or construct them. Rather, costs of obtaining the capital assets are reflected as expenditures in the general ledger and are reported as such on the Schedule.

However, State Accounting does adjust such expenditures and reports the capital assets as assets for the State of Nebraska in the Comprehensive Annual Financial Report (CAFR). In addition, the Board takes an annual inventory, recording in the State Accounting System all equipment that has a cost of \$1,500 or more at the date of acquisition.

For the CAFR, the State requires the Board to value 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 \$5,000 or more at the date of acquisition and has an expected useful

NEBRASKA BOARD OF ENGINEERS AND ARCHITECTS

NOTES TO THE SCHEDULE
(Continued)

5. Capital Assets (Concluded)

life of more than one year is capitalized. Depreciation expenses are 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 the asset's life is not capitalized.

Equipment is depreciated in the CAFR using the straight-line method with estimated useful lives of three to ten years.

Capital asset activity of the Board recorded in the State Accounting System for the calendar year ended December 31, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets				
Equipment	\$ 73,415	\$ 1,960	\$ 4,097	\$ 71,278
Less accumulated depreciation* for: Equipment				<u>57,576</u>
Total capital assets, net of depreciation				<u>\$ 13,702</u>

**Note: The accumulated depreciation noted in the table above was calculated in the accounting system through June 30, 2012. Depreciation for July through December 2012 was not run in the accounting system until the beginning of calendar year 2013.*

6. Deposit to/from Common Fund

Neb. Rev. Stat. § 81-3444 (Cum. Supp. 2012) requires that civil penalties imposed by the Board for violations and collected under this section shall be remitted to the State Treasurer for distribution in accordance with Article VII, section 5, of the Constitution of Nebraska. This is accomplished by depositing civil penalties to the Common School Fund (61270). Total deposits to/from common fund for the calendar year ended December 31, 2012, were \$1,950.

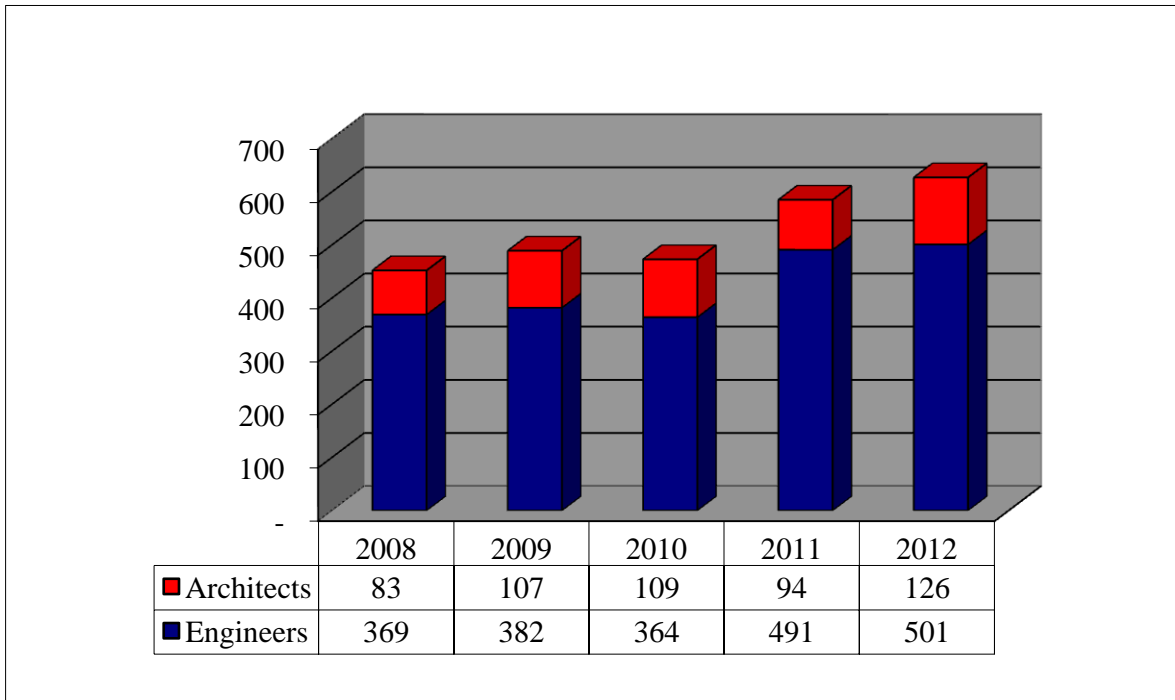
NEBRASKA BOARD OF ENGINEERS AND ARCHITECTS

SUPPLEMENTARY INFORMATION

Our examination was conducted for the purpose of forming an opinion on the Schedule of Revenues, Expenditures, and Changes in Fund Balances. Supplementary 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.

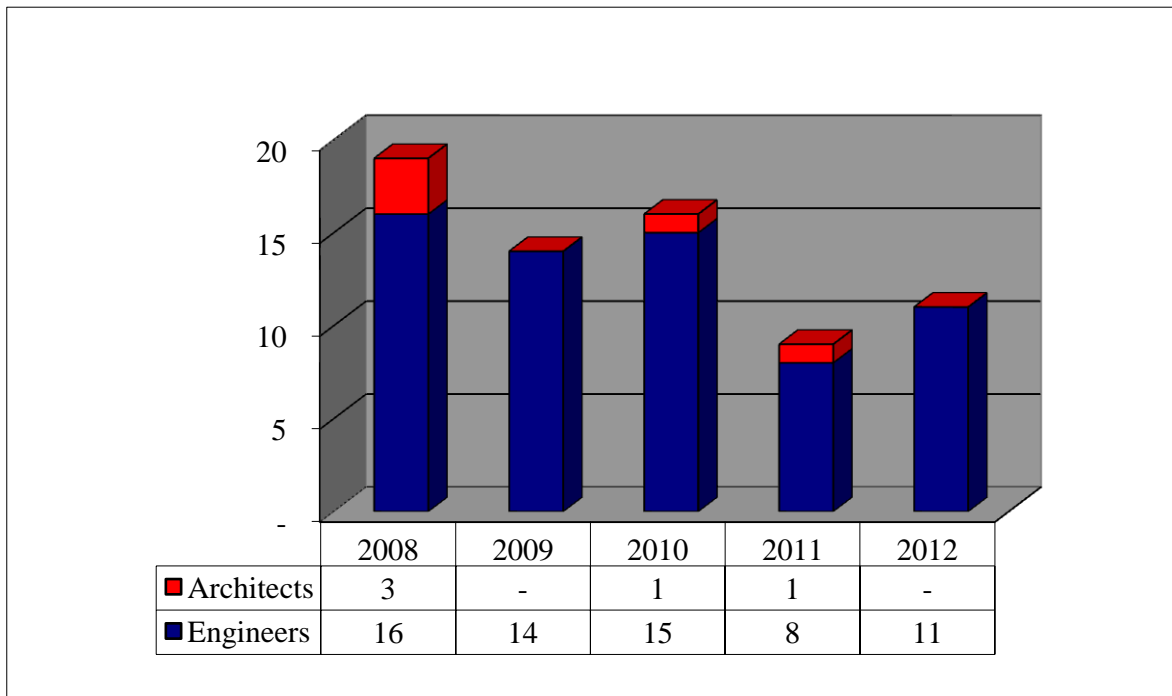
NEBRASKA BOARD OF ENGINEERS AND ARCHITECTS
For Calendar Years 2008 through 2012

NEW LICENSES ISSUED



Source: Nebraska Board of Engineers and Architects License Database

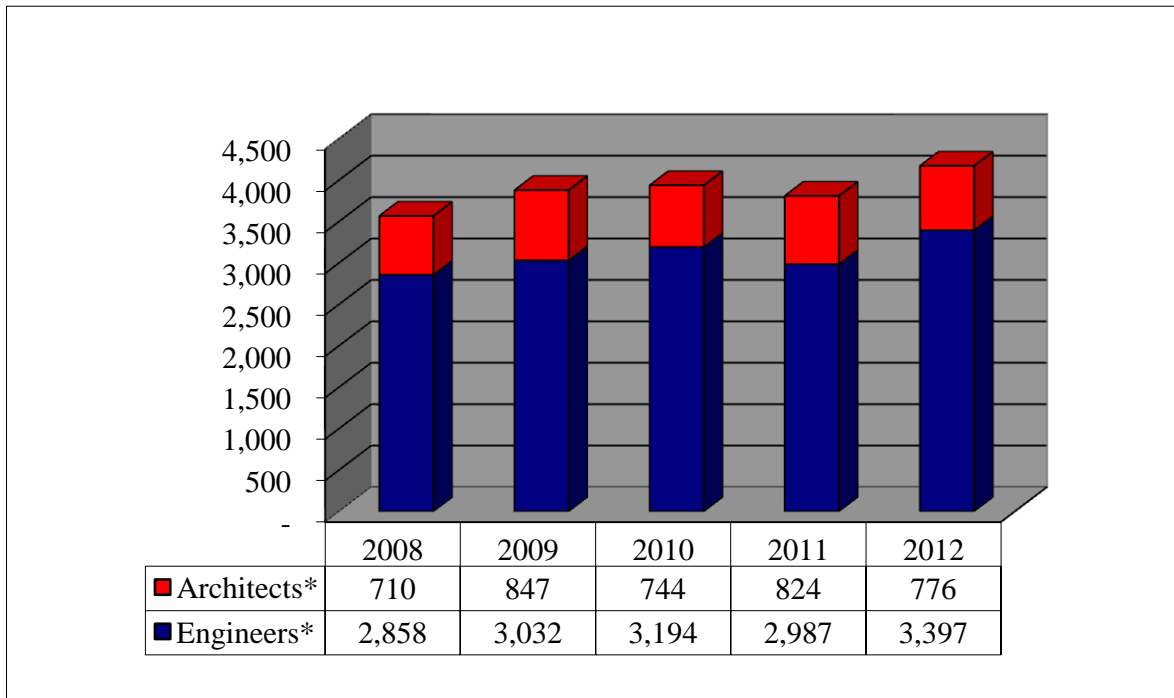
LICENSE REINSTATEMENTS



Source: Nebraska Board of Engineers and Architects License Database

NEBRASKA BOARD OF ENGINEERS AND ARCHITECTS
For Calendar Years 2008 through 2012

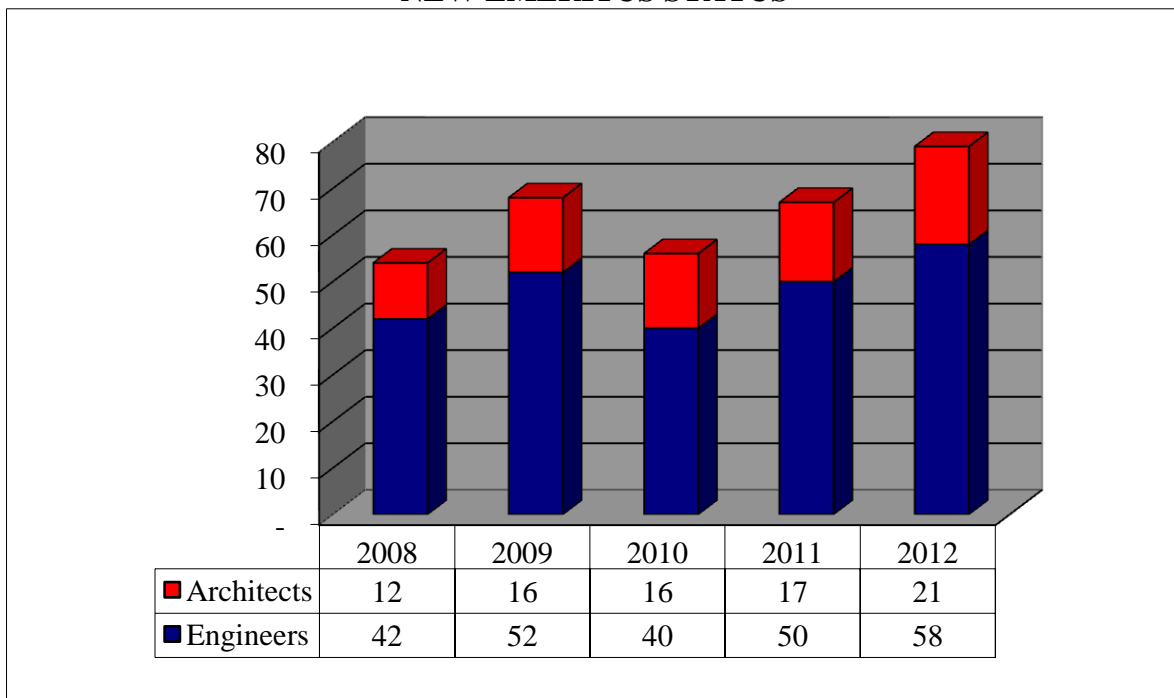
LICENSE RENEWALS*



*Note: License expiration is based upon the first letter of the last name with A - K expiring in odd numbered years and L - Z in even numbered years.

Source: Nebraska Board of Engineers and Architects License Database

NEW EMERITUS STATUS**



**Note: Non-practicing engineers and architects may request Emeritus status which allows them to use the honorary title of their profession; however, they would not have an active license.

Source: Nebraska Board of Engineers and Architects License Database