

**ATTESTATION REPORT  
OF THE  
NEBRASKA REAL PROPERTY APPRAISER BOARD  
JULY 1, 2018, THROUGH DECEMBER 31, 2019**

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**Issued on April 15, 2020**

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

### Audit Staff Working On This Examination

Pat Reding, CPA, CFE – Assistant Deputy Auditor  
Jennifer Cromwell, CFE – Investigation Examiner II  
Alex List – Auditor

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**Nebraska Auditor of Public Accounts**  
State Capitol, Suite 2303  
P.O. Box 98917  
Lincoln, Nebraska 68509  
Phone: 402-471-2111

NEBRASKA REAL PROPERTY APPRAISER BOARD

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## NEBRASKA REAL PROPERTY APPRAISER BOARD

### **BACKGROUND**

The Nebraska Real Property Board was established as the Real Estate Appraiser Board on Jan. 1, 1991, after enactment of Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989. Following passage of LB778, the name was changed to the Nebraska Real Property Appraiser Board (Board) on July 14, 2006. The Board administers and enforces the Nebraska Real Property Appraiser Act and the Nebraska Appraisal Management Company Registration Act.

The Board's primary functions are to issue and renew appraiser credentials, develop and implement standards for appraiser credentialing, and register and renew registration for appraisal management companies.

The Board also approves appraiser qualifying courses and continuing education activities, investigates and adjudicates grievances, develops rules, and disseminates relevant information to the general public, stakeholders, credentialed appraisers, and appraisal management companies.

Through these processes, the Board ensures that Nebraskans are protected and served, and the appraisal business community is highly qualified through education, experience, and examination.

The Board's five members are appointed by the governor to five-year terms. No member may serve consecutive terms. The governor selects one certified real property appraiser from each congressional district. Two members, one representative of financial institutions and one licensed real estate broker or salesperson, are selected at large. Members are paid \$100 a day when conducting Board business and are reimbursed for expenses.

Source: 2018-2019 Nebraska Blue Book

NEBRASKA REAL PROPERTY APPRAISER BOARD

**KEY OFFICIALS AND AGENCY CONTACT INFORMATION**

**Nebraska Real Property Appraiser Board Members**

<u>Name</u>	<u>Position</u>	<u>Term Ending</u>
Benjamin J. Hynek, Lincoln	Appraiser, District 1	January 1, 2021
Christopher M.A. Mustoe, Omaha	Appraiser, District 2	January 1, 2022
Bonnie M. Downing, Dunning	Appraiser, District 3	January 1, 2025
Thomas M. Luhrs, Imperial	Real Estate Broker, At Large	January 1, 2023
Wade Walkenhorst, Lincoln	Financial Institutions, At Large	January 1, 2024

**Nebraska Real Property Appraiser Board Executive Management**

<u>Name</u>	<u>Title</u>
Tyler Kohtz	Director

Nebraska Real Property Appraiser Board  
301 Centennial Mall South  
P.O. Box 94963  
Lincoln, NE 68509  
appraiser.ne.gov



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

Charlie.Janssen@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
auditors.nebraska.gov

## NEBRASKA REAL PROPERTY APPRAISER BOARD

### INDEPENDENT ACCOUNTANT'S REPORT

Nebraska Real Property Appraiser Board  
Lincoln, Nebraska

We have examined the accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balances of the Nebraska Real Property Appraiser Board (Board) for the period July 1, 2018, through December 31, 2019. The Board's management is responsible for the Schedule of Revenues, Expenditures, and Changes in Fund Balances based on the accounting system and procedures set forth in Note 1. Our responsibility is to express an opinion on the Schedule of Revenues, Expenditures, and Changes in Fund Balances 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule of Revenues, Expenditures, and Changes in Fund Balances is based on the accounting system and procedures set forth in Note 1, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule of Revenues, Expenditures, and Changes in Fund Balances. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule of Revenues, Expenditures, and Changes in Fund Balances, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balances for the period July 1, 2018, through December 31, 2019, is based on the accounting system and procedures prescribed by Nebraska's Director of Administrative Services, as set forth in Note 1, in all material respects.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the Schedule of Revenues, Expenditures, and Changes in Fund Balances; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter or an assertion about the subject matter of the examination engagement. We are also required to obtain and report the views of management concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. 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*.

The purpose of this report is to express an opinion on the Schedule of Revenues, Expenditures, and Changes in Fund Balances, as described in paragraph one above. Accordingly, this report is not suitable for any other purpose. This report is a matter of public record, and its distribution is not limited.

A handwritten signature in black ink, appearing to read "C. Janssen", with a long horizontal flourish extending to the right.

April 14, 2020

Charlie Janssen  
Auditor of Public Accounts  
Lincoln, Nebraska

**NEBRASKA REAL PROPERTY APPRAISER BOARD**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

For the Period July 1, 2018, through December 31, 2019

	Real Estate Appraiser Licensing Fund 25310	Appraisal Management Company Fund 25320	Totals (Memorandum Only)
<b>REVENUES:</b>			
Sales & Charges	\$ 437,882	\$ 105,000	\$ 542,882
Miscellaneous	20,048	10,686	30,734
TOTAL REVENUES	<u>457,930</u>	<u>115,686</u>	<u>573,616</u>
<b>EXPENDITURES:</b>			
Personal Services	193,111	125,949	319,060
Operating	189,907	54,744	244,651
Travel	12,388	8,008	20,396
TOTAL EXPENDITURES	<u>395,406</u>	<u>188,701</u>	<u>584,107</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>62,524</u>	<u>(73,015)</u>	<u>(10,491)</u>
<b>OTHER FINANCING SOURCES:</b>			
Sales of Assets	93	-	93
TOTAL OTHER FINANCING SOURCES	<u>93</u>	<u>-</u>	<u>93</u>
Net Change in Fund Balances	62,617	(73,015)	(10,398)
FUND BALANCES, JULY 1, 2018	<u>283,535</u>	<u>326,485</u>	<u>610,020</u>
FUND BALANCES, DECEMBER 31, 2019	<u>\$ 346,152</u>	<u>\$ 253,470</u>	<u>\$ 599,622</u>
<b>FUND BALANCES CONSIST OF:</b>			
General Cash	\$ 353,894	\$ 262,780	\$ 616,674
Deposits with Vendors	162	-	162
Due to Vendors	949	640	1,589
Tax Refunds Payable	219	-	219
Due to Fund	(32)	-	(32)
Due to Government	(9,040)	(9,950)	(18,990)
TOTAL FUND BALANCES	<u>\$ 346,152</u>	<u>\$ 253,470</u>	<u>\$ 599,622</u>

The accompanying notes are an integral part of the schedule.



NEBRASKA REAL PROPERTY APPRAISER BOARD

NOTES TO THE SCHEDULE

For the July 1, 2018, through December 31, 2019

1. Criteria

The accounting policies of the Nebraska Real Property Appraiser Board (Board) are on the basis of accounting, as prescribed by Nebraska's Director of Administrative Services.

Per Neb. Rev. Stat. § 81-1107(2) (Reissue 2014), 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 2014), 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. EnterpriseOne is not an accrual accounting system; instead, accounts are maintained on a modified cash basis. As revenue transactions occur, the agencies record the accounts receivable and related revenues in the general ledger. As such, certain revenues are recorded when earned, regardless of the timing of related cash flows. State Accounting does not require the Board to record all accounts receivable and related revenues in EnterpriseOne; as such, the Board's schedule does not include all accounts receivable and related revenues. In a like manner, expenditures and related accounts payable are recorded in the general ledger as transactions occur. As such, the schedule includes those expenditures and related accounts payable posted in the general ledger as of December 31, 2019, and not yet paid as of that date. The amount recorded as expenditures on the schedule, as of December 31, 2019, **does not** include amounts for goods and services received before December 31, 2019, which had not been posted to the general ledger as of December 31, 2019.

Other liabilities are recorded in accounts entitled Tax Refunds Payable, Due to Vendors, 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.

The Board had no accounts receivable at December 31, 2019. Liabilities for accrued payroll and compensated absences are not recorded in the general ledger.

The following fund type is established by the State and used by the Board:

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

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

NEBRASKA REAL PROPERTY APPRAISER BOARD

NOTES TO THE SCHEDULE

(Concluded)

1. **Criteria** (Concluded)

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

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

**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.

Other significant accounting classifications and procedures established by State Accounting and used by the Board include the following:

**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 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 fund balance. Other liabilities recorded in the general ledger for the Board’s funds at December 31, 2019, included amounts recorded in Tax Refund Payable, Due to Fund, and Due to Government. The activity of these accounts are not recorded through revenue and expenditure accounts on the Schedule of Revenues, Expenditures, and Changes in Fund Balances.

**Other Financing Sources** – Proceeds of fixed asset dispositions.

2. **Reporting Entity**

The Board is a State agency established under and governed by the laws of the State of Nebraska. As such, the Board is exempt from State and Federal income taxes. The schedule includes all funds of the Board included in the general ledger.

The Board 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.

NEBRASKA REAL PROPERTY APPRAISER BOARD

**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 REAL PROPERTY APPRAISER BOARD  
**REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**Exhibit A**

For the Period July 1, 2018, through June 30, 2019

	Real Estate Appraiser Licensing Fund 25310	Appraisal Management Company Fund 25320	<b>Totals (Memorandum Only)</b>
<b>REVENUES:</b>			
Sales & Charges	\$ 265,761	\$ 48,750	\$ 314,511
Miscellaneous	15,136	7,522	22,658
TOTAL REVENUES	<u>280,897</u>	<u>56,272</u>	<u>337,169</u>
<b>EXPENDITURES:</b>			
Personal Services	123,331	79,429	202,760
Operating	118,483	35,817	154,300
Travel	8,260	5,256	13,516
TOTAL EXPENDITURES	<u>250,074</u>	<u>120,502</u>	<u>370,576</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>30,823</u>	<u>(64,230)</u>	<u>(33,407)</u>
<b>OTHER FINANCING SOURCES:</b>			
Sales of Assets	93	-	93
TOTAL OTHER FINANCING SOURCES	<u>93</u>	<u>-</u>	<u>93</u>
Net Change in Fund Balances	30,916	(64,230)	(33,314)
FUND BALANCES, JULY 1, 2018	<u>283,535</u>	<u>326,485</u>	<u>610,020</u>
FUND BALANCES, JUNE 30, 2019	<u>\$ 314,451</u>	<u>\$ 262,255</u>	<u>\$ 576,706</u>
<b>FUND BALANCES CONSIST OF:</b>			
General Cash	\$ 315,393	\$ 263,379	\$ 578,772
Deposits with Vendors	162	-	162
Accounts Receivable Invoiced	(60)	-	(60)
Due to Vendors	(551)	(24)	(575)
Tax Refunds Payable	219	-	219
Due to Fund	(32)	-	(32)
Due to Government	(680)	(1,100)	(1,780)
TOTAL FUND BALANCES	<u>\$ 314,451</u>	<u>\$ 262,255</u>	<u>\$ 576,706</u>

NEBRASKA REAL PROPERTY APPRAISER BOARD  
**REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**Exhibit B**

For the Period July 1, 2019, through December 31, 2019

	Real Estate Appraiser Licensing Fund 25310	Appraisal Management Company Fund 25320	<b>Totals (Memorandum Only)</b>
<b>REVENUES:</b>			
Sales & Charges	\$ 172,121	\$ 56,250	\$ 228,371
Miscellaneous	4,912	3,164	8,076
TOTAL REVENUES	<u>177,033</u>	<u>59,414</u>	<u>236,447</u>
<b>EXPENDITURES:</b>			
Personal Services	69,780	46,520	116,300
Operating	71,424	18,927	90,351
Travel	4,128	2,752	6,880
TOTAL EXPENDITURES	<u>145,332</u>	<u>68,199</u>	<u>213,531</u>
Net Change in Fund Balances	31,701	(8,785)	22,916
FUND BALANCES, JULY 1, 2019	<u>314,451</u>	<u>262,255</u>	<u>576,706</u>
FUND BALANCES, DECEMBER 31, 2019	<u>\$ 346,152</u>	<u>\$ 253,470</u>	<u>\$ 599,622</u>
<b>FUND BALANCES CONSIST OF:</b>			
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