
Secretary of State

State of Oregon

STATE LANDSCAPE CONTRACTORS BOARD

A Semi-Independent Agency

For the Year Ended June 30, 2003



Audits Division

Contract Auditor: Grove, Mueller & Swank, PC

Secretary of State

State of Oregon

STATE LANDSCAPE CONTRACTORS BOARD

A Semi-Independent Agency

For the Year Ended June 30, 2003



Audits Division

OFFICE OF THE
SECRETARY OF STATE
Bill Bradbury
Secretary of State



AUDITS DIVISION
Cathy Pollino
State Auditor

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Auditing for a Better Oregon

The Honorable Theodore R. Kulongoski
Governor of Oregon
254 State Capitol
Salem, Oregon 97301

The Board of Directors
State Landscape Contractors Board
235 Union Street NE
Salem, Oregon 97301

This report contains audited financial statements of the State Landscape Contractors Board, a semi-independent agency of the State of Oregon, as of and for the year ended June 30, 2003, and a report on the State Landscape Contractors Board's compliance with laws and regulations, contracts and grants and on internal control over financial reporting. The audit was performed by Grove, Mueller & Swank, P.C. for the Audits Division.

OREGON AUDITS DIVISION

Cathy Pollino
State Auditor

**STATE LANDSCAPE
CONTRACTORS BOARD**
*(A Semi-Independent Agency of the
State of Oregon)*
**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**
For the Year Ended June 30, 2003

STATE LANDSCAPE CONTRACTORS BOARD
(A Semi-Independent Agency of the State of Oregon)
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
State Landscape Contractors Board
235 Union Street NE
Salem, Oregon 97301

Catherine E. Pollino, State Auditor
Oregon Audits Division
255 Capitol Street NE, Suite 500
Salem, Oregon 97310

We have audited the accompanying financial statements of the State Landscape Contractors Board, a semi-independent agency of the State of Oregon, as of and for the year ended June 30, 2003, as listed in the table of contents. These financial statements are the responsibility of the State Landscape Contractors Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in the notes to the financial statements, the Board does not recognize license fees in the government-wide statement of activities over the period to which apply and, accordingly, has not recorded a deferred revenue in the statement of net assets for the amount of the unearned portion of license fees. The effect of not recognizing license fees as earned on the financial statements is not known.

In our opinion, except for the accounting for license fees in the government-wide financial statements, the financial statements referred to above present fairly, in all material respects, the financial position of the State Landscape Contractors Board as of June 30, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated October 20, 2004, on our consideration of the State Landscape Contractors Board'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 audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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The accompanying supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the State Landscape Contractors Board. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

GROVE, MUELLER & SWANK, PC
CERTIFIED PUBLIC ACCOUNTANTS

By:



Charles A. Swank, A Shareholder
October 20, 2004

STATE LANDSCAPE CONTRACTORS BOARD
(A Semi-Independent Agency of the State of Oregon)
STATEMENT OF NET ASSETS
JUNE 30, 2003

ASSETS

Cash and cash equivalents	\$ 187,898
Accounts receivable, less allowance for doubtful accounts of \$30,921	10,307
Investments, at cost	10,000
Equipment, net	<u>4,400</u>
<i>Total Assets</i>	212,605

LIABILITIES

Accounts payable	5,989
Compensated absences	<u>4,113</u>
<i>Total Liabilities</i>	<u>10,102</u>

NET ASSETS

Investment in equipment, net of related debt	4,400
Unrestricted	<u>198,103</u>
<i>Total Net Assets</i>	<u>\$ 202,503</u>

The accompanying notes are an integral part of the financial statements.

STATE LANDSCAPE CONTRACTORS BOARD
(A Semi-Independent Agency of the State of Oregon)
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2003

REVENUES

License fees	\$ 360,324
Examination fees	35,892
Civil penalties	57,665
Interest income	222
Miscellaneous	<u>106</u>

Total Revenues 454,209

EXPENSES

Licensing	<u>333,456</u>
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CHANGE IN NET ASSETS

120,753

NET ASSETS, July 1, 2002

81,750

NET ASSETS, June 30, 2003

\$ 202,503

The accompanying notes are an integral part of the financial statements.

STATE LANDSCAPE CONTRACTORS BOARD
(A Semi-Independent Agency of the State of Oregon)
BALANCE SHEET – Governmental Funds
JUNE 30, 2003

ASSETS

Cash and cash equivalents	\$ 187,898
Accounts receivable, less allowance for doubtful accounts of \$30,921	10,307
Investments, at cost	<u>10,000</u>
<i>Total Assets</i>	<u>\$ 208,205</u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	\$ 5,989
Compensated absences	<u>4,113</u>
<i>Total Liabilities</i>	10,102

Fund Balance

Unreserved	<u>198,103</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 208,205</u>

RECONCILIATION TO THE STATEMENT OF NET ASSETS

<i>Fund Balances</i>	\$ 198,103
Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net Assets at their net depreciable value. The cost of the assets is \$5,647 and the accumulated depreciation is \$1,247.	<u>4,400</u>
<i>Net assets</i>	<u>\$ 202,503</u>

The accompanying notes are an integral part of the financial statements.

STATE LANDSCAPE CONTRACTORS BOARD
(A Semi-Independent Agency of the State of Oregon)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – Governmental Funds
YEAR ENDED JUNE 30, 2003

REVENUES

License fees	\$ 360,324
Examination fees	35,892
Civil penalties	57,665
Interest income	222
Miscellaneous	<u>106</u>
<i>Total Revenues</i>	454,209

EXPENDITURES

Personnel services	144,725
Services and supplies	<u>188,577</u>
<i>Total Expenditures</i>	<u>333,302</u>

**EXCESS OF REVENUES OVER
(UNDER) EXPENDITURES**

120,907

FUND BALANCE, July 1, 2002

77,196

FUND BALANCE, June 30, 2003

\$ 198,103

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE TO STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

<i>Excess of revenues over (under) expenditures</i>	\$ 120,907
Capitalized cost of equipment	899
Depreciation	<u>(1,053)</u>
<i>Excess of revenues over expenses</i>	<u><u>\$ 120,753</u></u>

The accompanying notes are an integral part of the financial statements.

STATE LANDSCAPE CONTRACTORS BOARD

(A Semi-Independent Agency of the State of Oregon)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –

BUDGET AND ACTUAL – Governmental Funds

YEAR ENDED JUNE 30, 2003

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
License fees	\$ 360,324	\$ 327,300	\$ 33,024
Examination fees	35,892	36,000	(108)
Civil penalties	57,665	15,240	42,425
Interest income	222	120	102
Miscellaneous	106	-	106
<i>Total Revenues</i>	<u>454,209</u>	<u>378,660</u>	<u>75,549</u>
EXPENDITURES			
Personnel services	144,725	135,114	(9,611)
Services and supplies	<u>188,577</u>	<u>219,681</u>	<u>31,104</u>
<i>Total Expenditures</i>	<u>333,302</u>	<u>354,795</u>	<u>21,493</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	120,907	23,865	97,042
FUND BALANCE, July 1, 2002	<u>77,196</u>	-	<u>77,196</u>
FUND BALANCE, June 30, 2003	<u>\$ 198,103</u>	<u>\$ 23,865</u>	<u>\$ 174,238</u>

The accompanying notes are an integral part of the financial statements.

STATE LANDSCAPE CONTRACTORS BOARD
(A Semi-Independent Agency of the State of Oregon)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2003

NATURE OF THE ORGANIZATION

The Board's mission is to promote consumer protection, contractor competency, and fair competition in Oregon's landscape contracting industry. The Board prescribes qualifications for the practice of landscape contractors, and landscape businesses, setting criteria for the examination of applicants for licensure, and enforcement of the laws and regulations governing the practice. The Board issues licenses to those individuals who do qualify and pass the examination and to those businesses that submit application and meet the requirements for business licensure. The Board has the authority to revoke and refuse to renew licenses and assess civil penalties against unregistered individuals and businesses practicing as landscape contractors or landscaping businesses without authority and against those licensed landscape contractors and landscaping businesses practicing improperly.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The State Landscape Contractors Board (the Board) is a semi-independent agency of the State of Oregon. The Board was created in 1971 first as an advisory committee and then in 1987 changed to a policy board and currently operates under Oregon Revised Statutes (ORS) Chapter 182. The Board consists of seven (5 industry and 2 public) members appointed by the governor for three-year terms. The Board administers a comprehensive examination to applicants for licensure and insures licensed businesses have either an owner or employee who is an individual licensed landscape contractor supervising the landscape work performed by the landscaping business. The Board also promulgates rules, settles disputes between landscaping businesses and consumers through claim process and enforces the landscape contractor statutes in Oregon specifically ORS 671.510 through 671.955.

Pursuant to House Bill 2127 adopted on July 1, 2002, the Board was granted semi-independent status by the Legislature.

Basis of Presentation and Method of Accounting

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to government entities. The accounts of the Board are organized in a single special revenue fund which is used to account for the Board's activities. Revenues are from license fees, examination fees and civil penalties and interest income.

The government-wide financial statements, which are the Statement of Net Assets and the Statement of Activities display information about the Board as a whole. These statements include all the financial activities of the Board.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual method of accounting. Revenues are recorded when earned, except license fees, which are recognized when received, and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. The Board complies with the accrual basis of accounting for the government-wide financial statements, except for the recognition of license fees.

The governmental fund financial statements, which are the balance sheet and the statement of revenues, expenditures and changes in fund balance are reported using the current resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible with the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

STATE LANDSCAPE CONTRACTORS BOARD
(A Semi-Independent Agency of the State of Oregon)
NOTES TO FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2003

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget

The Board is required to adopt budgets on a biennial basis. The Board may adopt or modify a budget only after holding a public hearing and must give notice of budget hearings to all licensees. The Board uses the modified accrual basis of accounting for budgeting.

Unlike most budgets in state government where the agency budgets are enacted into law by the legislature, the Board's budget is not subject to review and approval by the legislature or to future modification by the legislature or the Emergency Board. For this reason, the budgets adopted by the Board are considered to be a nonappropriated budget. The budgetary statement included herein compares the total of annualized nonappropriated budgets for fiscal year 2003 to actual expenditures for the year ended June 30, 2003.

Investments

The Board carries its investment in certificates of deposit at cost which approximates fair market value.

The Board of Directors has adopted the State of Oregon's investment policies which restrict investment types and maturities.

Equipment

Equipment is stated at cost. Equipment with a cost of more than \$500 is depreciated over its useful life. Depreciation is computed on the straight-line method over the estimated useful life of five years. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal.

License Fees

License fees are billed monthly for an annual period based upon anniversary date. Fees are recognized when received.

Compensated Absences

Full-time, permanent employees are granted paid time off benefits of varying amounts to specified maximums depending on tenure with the Board.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions which affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

STATE LANDSCAPE CONTRACTORS BOARD
(A Semi-Independent Agency of the State of Oregon)
NOTES TO FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2003

CASH AND CASH EQUIVALENTS

The Board's deposits are categorized below to give an indication of the level of risk. Category 1 is deposits that are insured or collateralized with securities held by the Board or by an agent of the Board in the Board's name. Category 2 is deposits that are collateralized with securities that are held by the pledging financial institution's trust department (Board's counter party) or agent in the Board's name. Category 3 is deposits that are not collateralized including deposits that are collateralized other than in the Board's name.

At year-end, the book balance of the Board's bank deposits (checking and savings account) is \$104,402 and the bank balance is \$111,770. The difference is due to transactions in process. Of the deposit balance, \$100,000 is insured by federal depository insurance (category 1) and the remainder is uninsured (category 3).

The money market account is category 3.

<u>Investment Type</u>	<u>Amount</u>	<u>Rate</u>	<u>Due</u>
Cash on hand	\$ 50	0.0%	-
Checking	27,545	0.0%	Demand
Savings	77,157	.1%	Demand
Money market	83,146	.31%	Demand
	<u>\$ 187,898</u>		

INVESTMENTS

Certificate of deposit, matures June 9, 2008, yield 3% \$ 10,000

As of June 30, 2003, cost is approximately equal to fair value.

EQUIPMENT

	<u>June 30, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2003</u>
Equipment	\$ 4,748	\$ 899	\$ -	\$ 5,647
Accumulated depreciation	(194)	(1,053)	-	(1,247)
	<u>\$ 4,554</u>	<u>\$ (154)</u>	<u>\$ -</u>	<u>\$ 4,400</u>

Depreciation for the year ended June 30, 2003 was \$1,053.

STATE LANDSCAPE CONTRACTORS BOARD
(A Semi-Independent Agency of the State of Oregon)
NOTES TO FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2003

PENSION PLAN

The Board employees participate in the Oregon Public Employees Retirement System (PERS), a cost sharing multiple-employer defined benefit pension plan. All Board employees are eligible to participate in the system after completing six months of service. Total payroll was \$110,437 and covered payroll was \$73,828 for the year ended June 30, 2003. PERS is administered by the Public Employees Retirement Board (PERB) under the guidelines of Oregon Revised Statutes, Chapter 238. The PERS retirement allowance, payable monthly for life, may be selected from thirteen retirement benefit options. Options include survivorship benefits and lump sum refunds. The basic benefit formula is 1.67 percent of a member's final average salary multiplied by the member's number of years of service. Benefits may also be calculated under either a money match or an annuity-plus-pension computation if a greater benefit results. PERS also provides death and disability benefits. A copy of the Oregon Public Employees Retirement System annual financial report may be obtained from PERS, P.O. Box 23700, Tigard, Oregon 97281-3700.

Covered employees are required by State statute to contribute 6.0 percent of their salary to the plan. The Board is required by statute to contribute actuarially computed amounts as determined by PERB. Rates are subject to change as a result of subsequent actuarial valuations. Currently, the rate is 9.49 percent of each covered employee's salary. The amount contributed by the Board for the year ended June 30, 2003, was \$11,205, which was equal to the required contribution for the year.

EMPLOYEE LEAVE

Vacation leave paid time off is earned monthly, depending upon length of service, with a maximum accumulation of 250 hours for any one employee. The time off is vested when earned and recorded as an expenditure. Accumulated paid time off, based upon current salary rates, was \$4,113 at June 30, 2003.

INSURANCE

Insurance programs are administered for the Board by the Risk Management Division of the Oregon Department of Administrative Services, which provides insurance coverage to all state agencies with a blanket honesty and faithful performance bond, general liability and vehicle liability self-insurance, and self-insurance property damage program.

The cost of servicing insurance claims and payments is covered by charging an assessment to each State entity based upon its share of services provided in a prior period.

LEASE COMMITMENT

The Board leases its space under a sub lease agreement with the State Department of Transportation. The lease expires August 31, 2004 with options to extend through 2010. Total lease payments for the year ended June 30, 2003, were \$14,730. Future minimum lease payments for the years ending June 30, 2004 and 2005 are \$13,680 and \$2,280, respectively.

SUPPLEMENTAL INFORMATION

STATE LANDSCAPE CONTRACTORS BOARD

(A Semi-Independent Agency of the State of Oregon)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2003**

	<u>Actual</u>	<u>Budget</u>	<i>Variance- Favorable (Unfavorable)</i>
REVENUES			
License fees			
New business fees	\$ 37,725	\$ 11,250	\$ 26,475
Business renewal fees	212,015	212,400	(385)
New individual license fees	11,029	9,000	2,029
Renewal individual license fees	93,450	91,050	2,400
Late payment fees	5,050	3,480	1,570
Other fees	<u>1,055</u>	<u>120</u>	<u>935</u>
<i>Total License fees</i>	360,324	327,300	33,024
<i>Examination Fees</i>	35,892	36,000	(108)
<i>Civil Penalties</i>	57,665	15,240	42,425
<i>Interest Income</i>	222	120	102
<i>Miscellaneous</i>	<u>106</u>	<u>-</u>	<u>106</u>
<i>Total Revenues</i>	454,209	378,660	75,549
EXPENDITURES			
Personnel Services			
Employee payroll	107,982	101,135	(6,847)
Retirement	11,205	-	(11,205)
Payroll taxes	8,299	12,993	4,694
Insurance	<u>17,239</u>	<u>20,986</u>	<u>3,747</u>
<i>Total Personnel Services</i>	144,725	135,114	(9,611)
Services and Supplies			
Contract labor	18,058	4,277	(13,781)
DMV testing fees	1,692	2,583	891
Printing	8,424	8,800	376
Postage	9,180	6,749	(2,431)
Staff mileage	1,486	5,696	4,210
Staff travel	542	1,669	1,127
Hearing officer panel	9,847	15,015	5,168
Attorney General services	6,307	13,092	6,785
Department of Justice	1,820	14,501	12,681
Investigations	10,041	73,212	63,171
Other direct costs	1,639	-	(1,639)
Staff training	384	950	566
Board meeting expenses	11,351	10,470	(881)
Payroll preparation service	943	720	(223)

STATE LANDSCAPE CONTRACTORS BOARD

(A Semi-Independent Agency of the State of Oregon)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (Continued)

YEAR ENDED JUNE 30, 2003

	<u>Actual</u>	<u>Budget</u>	<i>Variance- Favorable (Unfavorable)</i>
EXPENDITURES (Continued)			
Services and Supplies (Continued)			
Office lease	\$ 14,730	\$ 13,742	\$ (988)
Insurance	-	2,500	2,500
Telephone	1,008	4,200	3,192
Office supplies	5,957	1,800	(4,157)
Equipment lease	2,802	2,784	(18)
Bank fees	1,887	-	(1,887)
Software maintenance	31,148	17,000	(14,148)
Trade show	2,618	1,250	(1,368)
Web expense	8,705	15,551	6,846
Computer expense	6,654	3,120	(3,534)
Miscellaneous expense	433	-	(433)
Uncollectible portion of assessed civil penalties	30,921	-	(30,921)
<i>Total Services and Supplies</i>	<u>188,577</u>	<u>219,681</u>	<u>31,104</u>
<i>Total Expenditures</i>	<u>333,302</u>	<u>354,795</u>	<u>21,493</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	120,907	23,865	97,042
FUND BALANCE, July 1, 2002	<u>77,196</u>	<u>-</u>	<u>77,196</u>
FUND BALANCE, June 30, 2003	<u>\$ 198,103</u>	<u>\$ 23,865</u>	<u>\$ 174,238</u>

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
State Landscape Contractors Board
235 Union Street NE
Salem, Oregon 97301

Catherine E. Pollino, State Auditor
Oregon Audits Division
255 Capitol Street NE, Suite 500
Salem, Oregon 97310

We have audited the financial statements of State Landscape Contractors Board as of and for the year ended June 30, 2003, and have issued our report thereon dated October 20, 2004, which was qualified for the accounting for license fees. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether State Landscape Contractors Board's financial statements are free of material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed that bank deposits and money market accounts were not collateralized in accordance with ORS 295 during the year.

Internal Control over Financial Reporting

In planning and performing our audit, we considered State Landscape Contractors Board, internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a 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 statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which we have reported separately to management in our letter dated October 20, 2004.

This report is intended solely for the information and use of State Landscape Contractors Board, the Governor of the State of Oregon, and Oregon Legislative Assembly, and is not intended to be and should not be used by anyone other than these specified parties.

Salem, Oregon
October 20, 2004


CERTIFIED PUBLIC ACCOUNTANTS

FACTS ABOUT THE SECRETARY OF STATE AUDITS DIVISION

The Oregon Constitution provides that the Secretary of State shall be, by virtue of his office, Auditor of Public Accounts. The Audits Division exists to carry out this duty. The division reports to the elected Secretary of State and is independent of the Executive, Legislative, and Judicial branches of Oregon government. The division audits all state officers, agencies, boards, and commissions and oversees audits and financial reporting for local governments.

Directory of Key Officials

<i>State Auditor</i>	Cathy Pollino, CGFM, MBA
<i>Deputy State Auditor</i>	Charles A. Hibner, CPA
<i>Deputy State Auditor</i>	Mary E. Wenger, CPA

This report, which is a public record, is intended to promote the best possible management of public resources.

If you received a copy of an audit report and no longer need it, you may return it to the Audits Division. We maintain an inventory of past audit reports. Your cooperation helps us save on printing costs.

Oregon Audits Division
Public Service Building
255 Capitol Street NE • Suite 500
Salem, Oregon 97310

We invite comments on our reports through our Hotline or Internet address.

Ph. 503-986-2255
Hotline: 800-336-8218
Internet: Audits.Hotline@state.or.us

<http://www.sos.state.or.us/audits/audit.htm>

The courtesies and cooperation extended by officials and employees of the State Landscape Contractors Board during the course of this audit were commendable and sincerely appreciated.

Auditing to Protect the Public Interest and Improve Oregon Government

