

**AUDIT REPORT
OF THE
NEBRASKA COMMISSION ON THE
STATUS OF WOMEN**

JULY 1, 2000 THROUGH JUNE 30, 2001

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

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NEBRASKA COMMISSION ON THE STATUS OF WOMEN

BACKGROUND

The Nebraska Commission on the Status of Women (NCSW) was statutorily created in 1971, and consists of 30 Commission members with five of the Commissioners from each of Nebraska's six Supreme Court districts. The Commissioners are appointed by the Governor to three year terms.

The Commission works to assess the interests, needs, and concerns of Nebraska women and their families and to provide information, referral, research, planning, and advocacy for individuals and groups. This is accomplished through committees, issue-specific activities, publications, information, referral, and advocacy. Policies and programs are guided by the Commissioners.

The purpose of the Commission to promote, develop, or assist other entities in providing programs or services to meet the needs of women and their families are accomplished by:

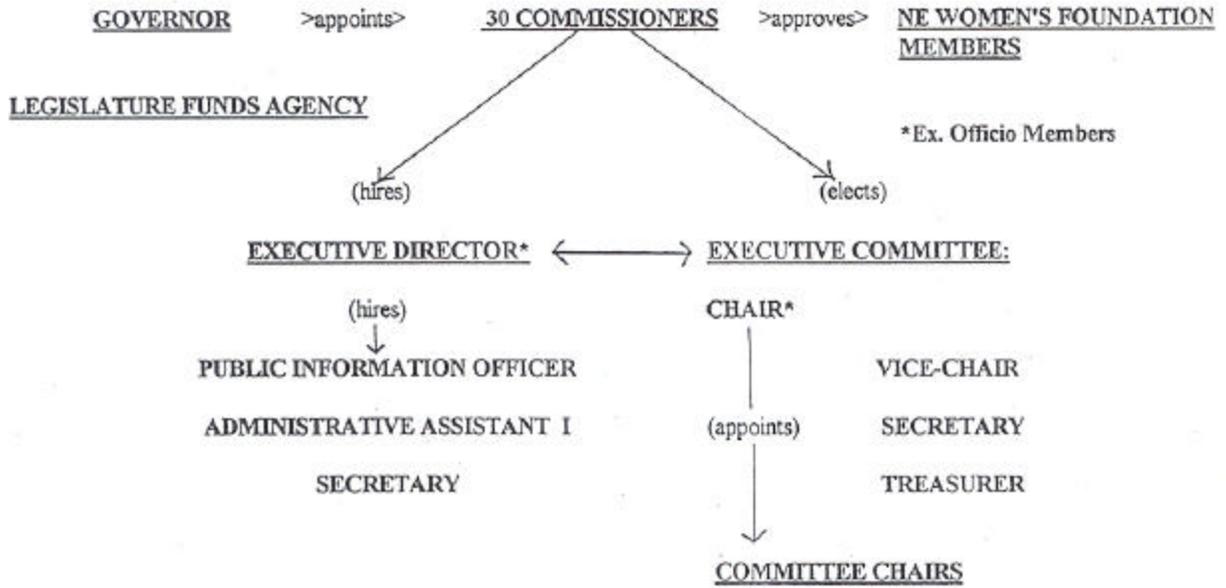
1. Recognition of socio-economic factors that influence the status of women and their families;
2. Development of individual potential and responsibility;
3. Encouragement of women to utilize their capabilities and assume leadership roles.
4. Coordination of efforts of numerous organizations interested in the welfare of women and their families;
5. Identification and recognition of contributions made by Nebraska women to community, state, and nation;
6. Implementation of programs to improve working conditions, financial security, and the legal status of Nebraska women and men; and
7. Promote legislation and policies to improve the status of women where there is a need for change.

MISSION STATEMENT

Identify, comprehend, assess, and communicate the current status of women and their families in Nebraska to the public, policy-makers and others. For problem areas identified, generate, explore, and evaluate possible solutions. Implement and or assist others in implementing, maintaining, and or improving programs or actions, based on solution strategies chosen, to decrease disadvantage and increase justice and support for Nebraska women and their families.

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

ORGANIZATIONAL CHART



NEBRASKA COMMISSION ON THE STATUS OF WOMEN

SUMMARY OF COMMENTS

During our audit of the Nebraska Commission on the Status of Women, we noted certain matters involving the internal control over financial reporting and other operational matters which are presented here. Comments and recommendations are intended to improve the internal control over financial reporting, ensure compliance, or result in operational efficiencies.

1. ***Segregation of Duties over Fixed Assets:*** One person was responsible for handling all phases of a transaction from beginning to end.
2. ***Spending Authority:*** The Commission over-obligated its appropriations in the General and Cash Funds.

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

Draft copies of this report were furnished to the Commission to provide them an opportunity to review the report and to respond to the comments and recommendations included in this report. The Commission declined to respond.

We appreciate the cooperation and courtesy extended to our auditors during the course of the audit.

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

COMMENTS AND RECOMMENDATIONS

1. Segregation of Duties Over Fixed Assets

Good internal control requires a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. A good system of internal control would include an adequate segregation of duties so no one individual can control all phases of a transaction.

We noted a proper segregation of duties did not exist. One person was responsible for maintaining the fixed asset records, adding and deleting items, and reviewing the History Report and 4800 Expenditure Not on Inventory Report. This was also a comment in our prior audit report.

We recommend the Commission implement procedures to ensure a proper segregation of duties. To achieve an adequate segregation of duties a second individual should review the History Report or the 4800 Expenditure Not on Inventory Report.

2. Spending Authority

An appropriation is defined as an authorization to make expenditures and incur obligations. This authority is granted by the Legislature and each agency is expected to operate within these limits. Further, all expenses not paid but incurred at the end of the fiscal year should be identified with a leading "8" as per Nebraska Accounting System Procedure number 173.

We noted the Commission over-obligated its spending authority by \$4,707 in the General Fund and \$4,203 in the Cash Fund. The disbursements were for expenses related to fiscal year 2001 which were paid in fiscal year 2002. Upon review of disbursements paid in July and August 2001, we noted six documents from the prior fiscal year that were not properly identified with a leading "8." The Commission did have adequate cash funds available at June 30, 2001 but did not follow procedures needed to increase the spending limitation.

We recommend the Commission closely monitor disbursements at the end of the fiscal year to ensure it does not exceed the appropriations established by the Legislature. We further recommend the Commission follow procedures to identify disbursements to the proper fiscal year.

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NEBRASKA COMMISSION ON THE STATUS OF WOMEN

INDEPENDENT AUDITORS' REPORT

Deann Haeffner, CPA
Deputy State Auditor
haeffner@mail.state.ne.us

We have audited the financial statements of the Nebraska Commission on the Status of Women as of and for the fiscal year ended June 30, 2001, as listed in the Table of Contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Don Dunlap, CPA
Asst. Deputy Auditor
aud1010@vmhost.cdp.state.ne.us

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.

Pat Reding, CPA
Asst. Deputy Auditor
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Mary Avery
SAE/Finance Manager
MaryJAvery@aol.com

As discussed in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Dennis Meyer
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Mark Avery
Subdivision Audit
Review Coordinator
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Also as discussed in Note 1, the financial statements present only the Nebraska Commission on the Status of Women, and are not intended to present fairly the fund balances and the receipts and disbursements of the State of Nebraska in conformity with the cash receipts and disbursements basis of accounting.

Robert Hotz, JD
Legal Counsel
robhotz@mail.state.ne.us

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund balances of the Nebraska Commission on the Status of Women as of June 30, 2001, and the receipts and disbursements for the fiscal year then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated August 9, 2001, on our consideration of the Nebraska Commission on the Status of Women's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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.

The accompanying schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

August 9, 2001

Pat Reding, CPA

Manager

NEBRASKA COMMISSION ON THE STATUS OF WOMEN
STATEMENT OF ASSETS AND FUND BALANCES
AND OTHER CREDITS ARISING FROM CASH TRANSACTIONS
ALL FUND TYPES AND GENERAL FIXED ASSETS ACCOUNT GROUP
June 30, 2001

	<u>Governmental Fund Types</u>		<u>Account Group</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>General Fixed Assets</u>	
<u>Assets</u>				
Cash in State Treasury	\$ -	\$ 19,706	\$ -	\$ 19,706
Deposit with Vendors	1,682	-	-	1,682
Property, Plant, and Equipment	-	-	30,723	30,723
 Total Assets	 <u>\$ 1,682</u>	 <u>\$ 19,706</u>	 <u>\$ 30,723</u>	 <u>\$ 52,111</u>
 <u>Fund Balances and Other Credits</u>				
Other Credits:				
Investment in Fixed Assets	\$ -	\$ -	\$ 30,723	\$ 30,723
Fund Balances:				
Reserved For Postage	1,682	-	-	1,682
Unreserved, Undesignated	-	19,706	-	19,706
 Total Fund Balances and Other Credits	 <u>\$ 1,682</u>	 <u>\$ 19,706</u>	 <u>\$ 30,723</u>	 <u>\$ 52,111</u>

See Notes to Financial Statements.

NEBRASKA COMMISSION ON THE STATUS OF WOMEN
**STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES**
For the Fiscal Year Ended June 30, 2001

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
RECEIPTS:			
Appropriations	\$ 198,574	\$ -	\$ 198,574
Miscellaneous:			
Donations and Contributions	-	9,475	9,475
Investment Interest	-	1,524	1,524
Reimbursements from Non-Government Sources	-	11	11
TOTAL RECEIPTS	198,574	11,010	209,584
DISBURSEMENTS:			
Personal Services	120,516	-	120,516
Operating	66,183	14,037	80,220
Travel	4,548	685	5,233
Capital Outlay	7,327	2,918	10,245
TOTAL DISBURSEMENTS	198,574	17,640	216,214
Excess of Receipts Over (Under) Disbursements	-	(6,630)	(6,630)
OTHER FINANCING SOURCES (USES):			
Sale of Assets	254	-	254
Deposit to State General Fund	(254)	-	(254)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	-	(6,630)	(6,630)
FUND BALANCE, JULY 1, 2000	1,682	26,336	28,018
FUND BALANCE, JUNE 30, 2001	\$ 1,682	\$ 19,706	\$ 21,388

See Notes to Financial Statements.

NEBRASKA COMMISSION ON THE STATUS OF WOMEN
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 General and Cash Funds
 For the Fiscal Year Ended June 30, 2001

	GENERAL FUND	
	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
RECEIPTS:	BUDGET	
Appropriations	\$ 198,574	
Miscellaneous:		
Donations and Contributions	-	
Investment Interest	-	
Reimbursements from Non-Government Sources	-	
TOTAL RECEIPTS	198,574	
DISBURSEMENTS		
Personal Services	120,516	
Operating	66,183	
Travel	4,548	
Capital Outlay	7,327	
TOTAL DISBURSEMENTS	201,423	2,849
Excess of Receipts Over (Under) Disbursements	-	
OTHER FINANCING SOURCES (USES):		
Sale of Assets	254	
Deposit to State General Fund	(254)	
TOTAL OTHER FINANCING SOURCES (USES)	-	
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	-	
FUND BALANCE, JULY 1, 2000	1,682	
FUND BALANCE, JUNE 30, 2001	\$ 1,682	

See Notes to Financial Statements.

CASH FUND			TOTALS (MEMORANDUM ONLY)		
BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
	\$ -			\$ 198,574	
	9,475			9,475	
	1,524			1,524	
	<u>11</u>			<u>11</u>	
	<u>11,010</u>			<u>209,584</u>	
	-		153,533	120,516	33,017
	14,037		49,847	80,220	(30,373)
	685		9,061	5,233	3,828
	2,918		7,570	10,245	(2,675)
<u>18,588</u>	<u>17,640</u>	<u>948</u>	<u>220,011</u>	<u>216,214</u>	<u>3,797</u>
	<u>(6,630)</u>			<u>(6,630)</u>	
	-			254	
	-			<u>(254)</u>	
	-			<u>-</u>	
	(6,630)			(6,630)	
	<u>26,336</u>			<u>28,018</u>	
<u>\$ 19,706</u>			<u>\$ 21,388</u>		

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2001

1. **Summary of Significant Accounting Policies**

The accounting policies of the Nebraska Commission on the Status of Women are on the basis of accounting as described in the Nebraska Accounting System Manual.

- A. **Reporting Entity.** The Nebraska Commission on the Status of Women (Commission) is a State agency established under and governed by the laws of the State of Nebraska. As such, the Commission is exempt from State and Federal income taxes. The financial statements include all funds of the Commission. The Commission has also considered all potential component units for which it is financially accountable, and other organizations which are fiscally dependent on the Commission, or the significance of their relationship with the Commission are such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the Commission to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Commission.

These financial statements present the Nebraska Commission on the Status of Women. No component units were identified. The Nebraska Commission on the Status of Women is part of the primary government for the State of Nebraska's reporting entity.

- B. **Basis of Accounting.** The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The accounting records of the Commission are maintained and the Commission's financial statements were prepared on the basis of cash receipts and disbursements. As such, the measurement focus includes only those assets and fund balances arising from cash transactions on the Combined Statement of Assets and Fund Balances for all funds of the Commission. This differs from governmental generally accepted accounting principles (GAAP) which require all governmental funds to be accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

Under the cash receipts and disbursement basis of accounting, revenues are recognized when received and expenditures are recognized when paid. This presentation differs from governmental generally accepted accounting principles (GAAP), which requires the use of the modified accrual basis for governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when they are considered susceptible to accrual and expenditures are recognized when the liability is incurred.

- C. Fund Accounting.** The accounts and records of the Commission are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts which records receipts, disbursements, and the fund balance. The fixed asset account group is a financial reporting device designed to provide accountability over fixed assets. The fund types and account group presented on the financial statements are those required by GAAP, and include:

General Fund. Reflects transactions related to resources received and used for those general operating services traditionally provided by state government and which are not accounted for in any other fund.

Special Revenue Funds. Reflect transactions related to resources received and used for restricted or specific purposes.

General Fixed Assets Account Group. Used to account for general fixed assets of the Commission.

This fund type classification differs from the budgetary fund types used by the Nebraska Accounting System.

The fund types established by the Nebraska Accounting System that are used by the Commission are:

1000 - General Fund - accounts for all financial resources not required to be accounted for in another fund.

2000 - Cash Funds - account for receipts generated by specific activities from sources outside of State government and the disbursements directly related to the generation of the receipts.

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Process. The State's biennial budget cycle ends on June 30 of the odd-numbered years. By September 15, prior to a biennium, the Commission and all other State agencies must submit their budget request for the biennium beginning the following July 1. The requests are submitted on forms that show estimated funding requirements by programs, sub-programs, and activities. The Executive Branch reviews the requests, establishes priorities, and balances the budget within the estimated resources available during the upcoming biennium.

The Governor's budget bill is submitted to the Legislature in January. The Legislature considers revisions to the bill and submits the revised appropriations bill to the Governor for signature. The Governor may: a) approve the appropriations bill in its entirety, b) veto the bill, or c) line item veto certain sections of the bill. Any vetoed bill or line item can be overridden by a three-fifths vote of the Legislature.

The appropriations that are approved will generally set spending limits for a particular program within the agency. Within the agency or program, the Legislature may provide funding from one to five budgetary fund types. Thus, the control is by fund type, within a program, within an agency. The central accounting system maintains this control. A separate publication entitled "Annual Budgetary Report" shows the detail of this level of control. This publication is available from the Department of Administrative Services, Accounting Division.

Appropriations are usually made for each year of the biennium with unexpended balances being reappropriated at the end of the first year of the biennium. For most appropriations, balances lapse at the end of the biennium.

All State budgetary disbursements for the general, and cash fund types are made pursuant to the appropriations which may be amended by the Legislature, upon approval by the Governor. State agencies may reallocate the appropriations between major object of expenditure accounts, except that the Legislature's approval is required to exceed the personal service limitations contained in the appropriations bill. Increases in total general and cash fund appropriations must also be approved by the Legislature as a deficit appropriations bill.

The Commission utilizes encumbrance accounting to account for purchase orders, contracts, and other disbursement commitments. However, State law does not require that all encumbrances be recorded in the State's centralized accounting system, and, as a result, the encumbrances that were recorded in the accounting system have not been included in the accompanying financial statements, except for the impact as described below.

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

Under State budgetary procedures, appropriation balances related to outstanding encumbrances at the end of the biennium are lapsed and reappropriated in the first year of the next biennium. The effect of the Commission's current procedure is to include in the budget columns, Total Disbursements line, of the Statement of Receipts, Disbursements, and Changes in Fund Balances - Budget and Actual the current year's appropriations plus the amounts reappropriated for encumbrances outstanding at the end of the prior biennium. This procedure indicates the Commission's intention to honor the encumbrances at the end of a biennium. The disbursements columns of the Statement include cash payments related to the appropriated and reappropriated amounts. For the year ended June 30, 2001, there were no budgetary funds in which disbursements exceeded appropriations.

Budgets for object of expenditure accounts are included in the Commission's internal Budget Status Report. They are budgeted at the program level and not within separate budgetary fund types for the program. As a result, for financial reporting purposes, budget amounts for object of expenditure accounts are shown only for total budgeted funds.

Receipts are not budgeted. Therefore, there are no budgeted amounts shown on the Budget and Actual Statement.

There is no difference between the fund balance of the Budgetary Statement and the Financial Statement. The cash fund on the Budgetary Statement is appropriately classified as a special revenue fund for Financial Statement purposes.

- E. Fixed Assets.** General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as disbursements in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost, where historical records are available, and at an estimated historical cost, where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Assets on hand as of June 30, 2001 have been recorded at cost by the Commission. Generally, equipment which has a cost in excess of \$300 at the date of acquisition and has an expected useful life of two or more years is capitalized.

Assets in the general fixed assets account group are not depreciated. Fixed assets do not include infrastructure, such as roads and bridges, as these assets are immovable and of value only to the government. The cost of normal maintenance and repairs that does not add to the value of the asset or extend asset life is not capitalized.

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

F. Cash in State Treasury. Cash in the State Treasury represents the cash balance of a fund as reflected on the Nebraska Accounting System. Investment of all available cash is made by the State Investment Officer, on a daily basis, based on total bank balances. Investment income is distributed based on the average daily book cash balance of funds designated for investment. Determination of whether a fund is considered designated for investment is done on an individual fund basis. All of the funds of the Commission were designated for investment during fiscal year 2001.

G. Inventories. Disbursements for items of an inventory nature are considered expended at the time of purchase rather than at the time of consumption.

H. Compensated Absences. All permanent employees working for the Commission earn sick and annual leave and are allowed to accumulate compensatory leave rather than being paid overtime. Temporary and intermittent employees and Board and Commission members are not eligible for paid leave. Under GAAP, the vested portion of the employee's compensated absences is recorded in the Long Term Debt Account Group for governmental funds. Under the receipts and disbursements basis of accounting, the balances which would otherwise be reported in the Long Term Debt Account Group are not reported since they do not represent balances arising from Cash Transactions.

I. Receipts. The major account titles and descriptions as established by the Nebraska Accounting System that are used by the Commission are:

Appropriations. Appropriations are granted by the Legislature to make disbursements and to incur obligations. The amount of appropriations reported as receipts is the amount spent.

Miscellaneous. Receipts from sources not covered by other major categories.

J. Disbursements. The major account titles and descriptions as established by the Nebraska Accounting System that are used by the Commission are:

Personal Services. Salaries, wages, and related employee benefits provided for all persons employed by a government.

Operating. Disbursements directly related to a program's primary service activities.

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. **Summary of Significant Accounting Policies (Concluded)**

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

Capital Outlay. Disbursements which result in the acquisition of or an addition to fixed assets. Fixed assets are resources of a long-term character, owned or held by the government.

K. Fund Balance Reservations. Reservations of fund balances are established to identify the existence of assets that have been legally segregated for specific purposes. Reservations of fund balances are also established for assets which are not current in nature, such as postage.

2. **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 since interfund balances and transactions have not been eliminated.

3. **Contingencies and Commitments**

Risk Management. The Commission is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors or omissions, injuries to employees, and natural disasters. The Commission, as part of the primary government for the State, participates in the State's risk management program. The Nebraska Department of Administrative Services (DAS) Division of Risk Management is responsible for maintaining the insurance and self-insurance, programs for the State. The State generally self-insures for general liability and workers compensation. The State has chosen to purchase insurance for:

- A. Motor vehicle liability, which is insured for the first \$5 million of exposure per accident. Insurance is also purchased for medical payments, physical damage, and uninsured and underinsured motorists with various limits and deductibles. State Agencies have the option to purchase coverage for physical damage to vehicles.
- B. The DAS-Personnel Division maintains health care and life insurance for eligible employees.
- C. Crime coverage, with a limit of \$1 million for each loss, and a \$10,000 retention per incident.

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Contingencies and Commitments (Concluded)**

- D. Real and personal property on a blanket basis for losses up to \$250,000,000, with a self-insured retention of \$200,000 per loss occurrence. Newly-acquired properties are covered up to \$1,000,000 for 60 days or until the value of the property is reported to the insurance company. The perils of flood and earthquake are covered up to \$10,000,000.
- E. State Agencies have the option to purchase building contents and inland marine coverage.

No settlements exceeded commercial insurance coverage in any of the past three fiscal years. Health care insurance is funded in the Compensation Insurance Trust Fund through a combination of employee and State contributions. Workers' compensation is funded in the Workers' Compensation Internal Service Fund through assessments on each agency based on total agency payroll and past experience. Tort claims, theft of, damage to, or destruction of assets, errors or omissions, and natural disasters would be funded through the State General Fund or by individual agency assessments as directed by the Legislature, unless covered by purchased insurance. No amounts for estimated claims have been reported in the Nebraska Commission on the Status of Women's financial statements.

Litigation. The potential amount of liability involved in litigation pending against the Commission, if any, could not be determined at this time. However, it is the Commission's opinion that final settlement of those matters should not have an adverse effect on the Commission's ability to administer current programs. Any judgment against the Commission would have to be processed through the State Claims Board and be approved by the Legislature.

4. **State Employees Retirement Plan (Plan)**

The Plan is a single-employer defined contribution plan administered by the Public Employees Retirement Board in accordance with the provisions of the State Employees Retirement Act and may be amended by legislative action. In the defined contribution plan, retirement benefits depend on total contributions, investment earnings, and the investment options selected. Membership in the Plan is mandatory for all permanent full-time employees on reaching the age of thirty and completion of twenty-four months of continuous service. Full time employee is defined as an employee who is employed to work one-half or more of the regularly scheduled hours during each pay period. Voluntary membership is permitted for all permanent full-time or permanent part-time employees upon reaching age twenty and completion of twelve months of permanent service within a five-year period. Any individual appointed by the Governor may elect to not become a member of the Plan.

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **State Employees Retirement Plan (Plan) (Concluded)**

Employees contribute 4.33% of their monthly compensation until such time as they have paid during any calendar year a total of eight hundred sixty four dollars, after which time they shall pay a sum equal to 4.8% of their monthly compensation for the remainder of such calendar year. The Commission matches the employee's contribution at a rate of 156% of the employee's contribution.

The employee's account is fully vested. The employer's account is vested 100% after five years participation in the plan or at retirement.

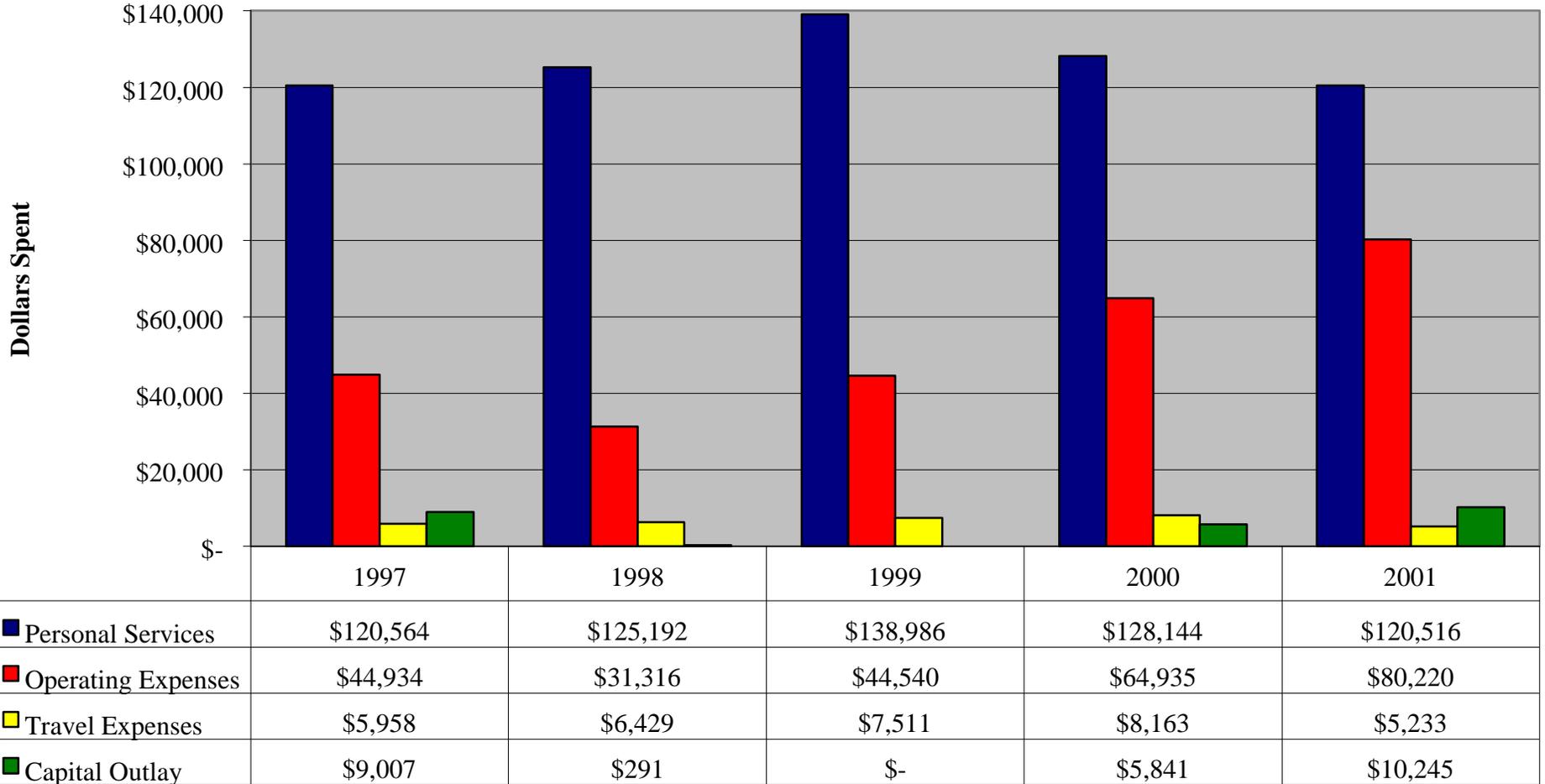
For the Fiscal Year Ended June 30, 2001, employees contributed \$4,146 and the Commission contributed \$6,468.

5. **Fixed Assets**

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	<u>Balance</u> <u>July 1, 2000</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2001</u>
Equipment	\$ 24,488	\$ 9,103	\$ 2,868	\$ 30,723

NEBRASKA COMMISSION ON THE STATUS OF WOMEN
SCHEDULE OF DISBURSEMENTS BY FISCAL YEAR
For the Fiscal Years Ended June 30, 1997 Through June 30, 2001



STATE OF NEBRASKA AUDITOR OF PUBLIC ACCOUNTS



P.O. Box 98917
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402-471-2111, FAX 402-471-3301
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NEBRASKA COMMISSION ON THE STATUS OF WOMEN **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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We have audited the financial statements of the Nebraska Commission on the Status of Women as of and for the year ended June 30, 2001, and have issued our report thereon dated August 9, 2001. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and was modified to emphasize that the financial statements present only the funds of the Nebraska Commission on the Status of Women. 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.

Compliance

As part of obtaining reasonable assurance about whether the Nebraska Commission on the Status of Women's financial statements are free of material misstatement, we performed tests of its 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 no instances of noncompliance that are required to be reported under Government Auditing Standards. We noted certain immaterial instances of noncompliance that we have reported to management of the Nebraska Commission on the Status of Women in the Comments Section of this report as Comment Number 2 (Spending Authority).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Nebraska Commission on the Status of Women's 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 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 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 that we have reported to management of Nebraska Commission on the Status of Women in the Comments Section of this report as Comment Number 1 (Segregation of Duties Over Fixed Assets).

This report is intended solely for the information and use of the Commission, the appropriate Federal and regulatory agencies, and citizens of the State of Nebraska, and is not intended to be and should not be used by anyone other than these specified parties.

August 9, 2001

Pat Reding, CPA

Manager