

**ATTESTATION REPORT
OF THE
NEBRASKA COMMISSION OF
INDUSTRIAL RELATIONS**

APRIL 1, 2011 THROUGH MARCH 31, 2012

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Issued on May 24, 2012

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NEBRASKA COMMISSION OF INDUSTRIAL RELATIONS

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NEBRASKA COMMISSION OF INDUSTRIAL RELATIONS

BACKGROUND

The Commission of Industrial Relations (Commission) was created in 1947 and consists of five Commissioners who are appointed by the Governor for six-year terms. Commission members are paid \$475 per day when conducting Commission business. On July 1 of every odd-numbered year, the Commissioners elect a presiding Commissioner for a two-year term from its members. The presiding Commissioner appoints the clerk of the Commission.

The Commission determines bargaining units, conducts representation elections, issues bargaining orders, orders parties to mediation and fact finding, resolves wage determination impasse cases, and cases involving prohibited practices. The Commission's jurisdiction is limited to disputes between employees and employers involved in governmental services or public utilities and does not include employees in the private sector.

The Commission administers both the Industrial Relations Act and the State Employees Collective Bargaining Act.

NEBRASKA COMMISSION OF INDUSTRIAL RELATIONS

EXIT CONFERENCE

An exit conference was held May 23, 2012, with the Commission to discuss the results of our examination. Those in attendance for the Nebraska Commission of Industrial Relations were:

NAME	TITLE
William G. Blake	Presiding Commissioner
Annette Hord	Clerk/Administrator

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



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NEBRASKA COMMISSION OF INDUSTRIAL RELATIONS

INDEPENDENT ACCOUNTANT'S REPORT

Nebraska Commission of Industrial Relations
Lincoln, Nebraska

We have examined the accompanying schedule of revenues, expenditures, and changes in fund balance of the Nebraska Commission of Industrial Relations (Commission) for the period April 1, 2011, through March 31, 2012. The Commission's management is responsible for the schedule of revenues, expenditures, and changes in fund balance. Our responsibility is to express an opinion based on our examination.

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

In our opinion, the schedule referred to above presents, in all material respects, the revenues, expenditures, and changes in fund balance of the Nebraska Commission of Industrial Relations for the period April 1, 2011, through March 31, 2012, based on the accounting system and procedures prescribed by the State of Nebraska Director of the Department of Administrative Services as described in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the schedule of revenues, expenditures and changes in fund balance and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain the views of management on those matters. We performed our examination to express an opinion on whether the schedule of revenues, expenditures, and changes in fund balance is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over the schedule of revenues, expenditures, and changes in fund balance 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 Commission of Industrial Relations, others within the Commission, and the appropriate Federal and regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

SIGNED ORIGINAL ON FILE

May 23, 2012

Mike Foley
Auditor of Public Accounts

NEBRASKA COMMISSION OF INDUSTRIAL RELATIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 For the period April 1, 2011 through March 31, 2012

	State General Fund 10000
REVENUES:	
Appropriations	\$ 296,824
Sales & Charges	5,757
TOTAL REVENUES	302,581
EXPENDITURES:	
Personal Services	242,058
Operating	49,948
Travel	4,818
TOTAL EXPENDITURES	296,824
Excess of Revenues Over Expenditures	5,757
OTHER FINANCING SOURCES (USES):	
Deposit to General Fund	(5,757)
TOTAL OTHER FINANCING SOURCES (USES)	(5,757)
Net Change in Fund Balance	-
FUND BALANCE, APRIL 1, 2011	91
FUND BALANCE, MARCH 31, 2012	\$ 91
FUND BALANCE CONSISTS OF:	
Deposits with Vendors	\$ 91
TOTAL FUND BALANCE	\$ 91

The accompanying notes are an integral part of the schedule.

NEBRASKA COMMISSION OF INDUSTRIAL RELATIONS

NOTES TO THE SCHEDULE

For the Period April 1, 2011 through March 31, 2012

1. Criteria

The accounting policies of the Nebraska Commission of Industrial Relations (Commission) are on the basis of accounting as prescribed by the State of Nebraska Department of Administrative Services (DAS).

Per Neb. Rev. Stat. § 81-1107(2) (Reissue 2008), the State of Nebraska Director of the Department of Administrative Services duties include “The keeping of general accounts and the adoption and promulgation of appropriate rules, regulations, and administrative orders designed to assure a uniform and effective system of accounts and accounting, the approval of all vouchers, and the preparation and issuance of warrants for all purposes.”

In accordance with Neb. Rev. Stat. § 81-1111(1) (Reissue 2008), The State Accounting Administrator has prescribed the system of accounts and accounting to be maintained by the State and its departments and agencies and has developed necessary accounting policies and procedures. The prescribed accounting system currently utilizes EnterpriseOne to maintain the general ledger and all detailed accounting records. Policies and procedures are detailed in the Nebraska State Accounting Manual published by DAS State Accounting Division (State Accounting) and are available to the public. The financial information used to prepare the schedule of revenues, expenditures, and changes in fund balance was obtained directly from the general ledger and fund balance information maintained on EnterpriseOne. As transactions occur, the agencies record the accounts receivables and accounts payable in the general ledger. As such, certain revenues are recorded when earned and expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows. The expenditures and related accounts payables recorded in the general ledger as of March 31, 2012, include only those payables posted in the general ledger before March 31, 2012, and not yet paid as of that date. The amount recorded as expenditures as of March 31, 2012, **does not** include amounts for goods and services received before March 31, 2012, which had not been posted to the general ledger as of March 31, 2012.

The Commission had no accounts receivable at March 31, 2012. Liabilities for accrued payroll and compensated absences are not recorded in the general ledger.

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

10000 – General Fund – accounts for activities funded by general tax dollars and related expenditures and transfers.

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

Appropriations – Appropriations are granted by the Legislature to make expenditures and to incur obligations. The amount of appropriations reported as revenue is the amount of expenditures.

NEBRASKA COMMISSION OF INDUSTRIAL RELATIONS

NOTES TO THE SCHEDULE

(Continued)

1. Criteria (Concluded)

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

The major expenditure account classifications established by State Accounting used by the Commission are:

Personal Services – Salaries, wages, and related employee benefits provided for all persons employed by the Commission.

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 Commission include:

Assets – Resources owned or held by a government that have monetary value. Assets include deposits with vendors. 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.

2. Reporting Entity

The Nebraska Commission of Industrial Relations 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 schedule includes all funds of the Commission included in the general ledger.

The Nebraska Commission of Industrial Relations is part of the primary government for the State of Nebraska.

NEBRASKA COMMISSION OF INDUSTRIAL RELATIONS

NOTES TO THE SCHEDULE
(Continued)

3. 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 Commission takes an annual inventory and accounts for all equipment that has a cost of \$1,500 or more at the date of acquisition in the State Accounting System.

For the CAFR, the State requires the Commission 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 life of two or more years 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 Commission recorded in the State Accounting System for the period April 1, 2011, through March 31, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets				
Equipment	\$ 6,774	\$ -	\$ -	\$ 6,774
Less accumulated depreciation for:				
Equipment				<u>4,463</u>
Total capital assets, net of depreciation				<u>\$ 2,311</u>

Note: The accumulated depreciation is as of June 30, 2011.

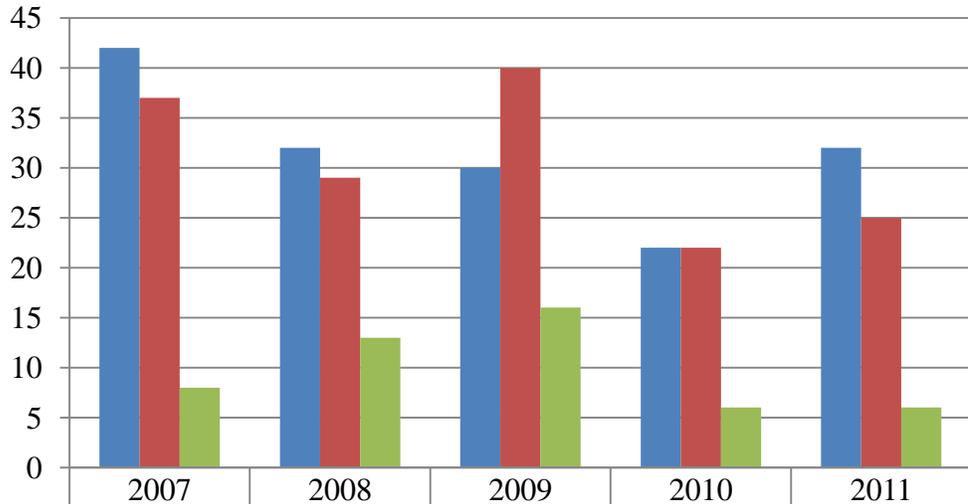
NEBRASKA COMMISSION OF INDUSTRIAL RELATIONS

SUPPLEMENTARY INFORMATION

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

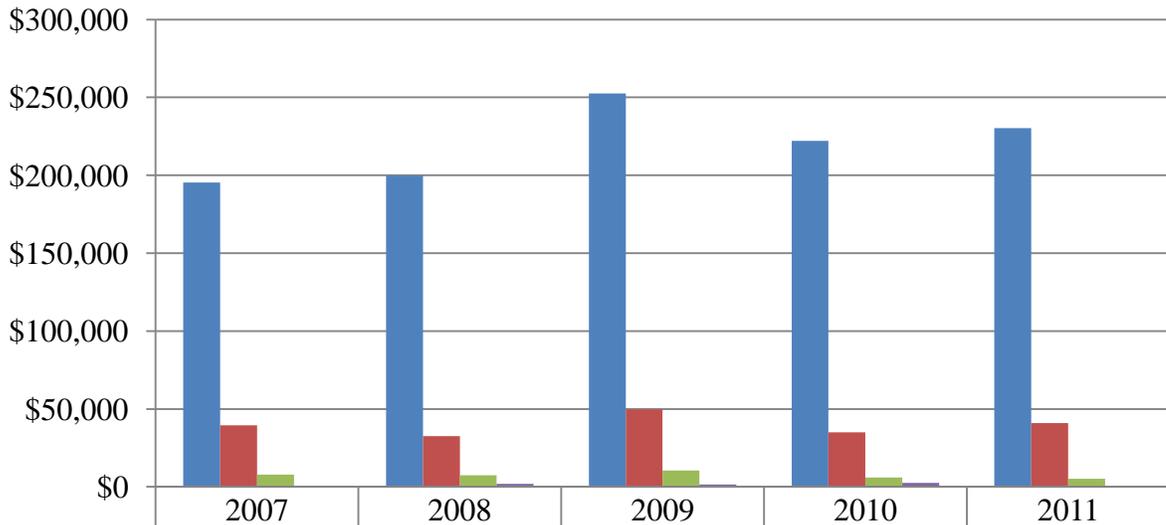
NEBRASKA COMMISSION OF INDUSTRIAL RELATIONS
For the Fiscal Years Ended June 30, 2007 through 2011

Case Activity



■ New and Reopened Cases	42	32	30	22	32
■ Disposed Cases	37	29	40	22	25
■ Cases Carried Over	8	13	16	6	6

Expenditures by Major Object Account



■ Personal Services	\$195,439	\$199,763	\$252,511	\$222,172	\$230,324
■ Operating	\$39,597	\$32,558	\$49,780	\$35,016	\$40,942
■ Travel	\$7,864	\$7,366	\$10,576	\$6,053	\$5,212
■ Capital Outlay	\$-	\$1,824	\$1,491	\$2,624	\$-