

**STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2015

STATE OF ILLINOIS
 EDUCATIONAL LABOR RELATIONS BOARD
 COMPLIANCE EXAMINATION
 For the Two Years Ended June 30, 2015

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STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
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BOARD OFFICIALS

Executive Director	Victor E. Blackwell
Special Counsel	John F. Brosnan (7/1/13-7/16/15) (position abolished 7/16/15)
General Counsel	Helen Higgins (7/1/13 - 7/16/15)
Acting General Counsel	Susan Willenborg (7/17/15 - Present)
Fiscal Officer	Cindy Handy

Board offices are located at:

One Natural Resource Way
Springfield, IL 62702

160 North LaSalle Street
Suite N-400
Chicago, IL 60601



ILLINOIS EDUCATIONAL LABOR RELATIONS BOARD

MANAGEMENT ASSERTION LETTER

Honorable William G. Holland
Auditor General
State of Illinois
Iles Park Plaza
740 East Ash Street
Springfield, IL 62703-3154

December 17, 2015

Dear Mr. Holland:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois Educational Labor Relations Board (Board). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Board's compliance with the following assertions during the two-year period ended June 30, 2015. Based on this evaluation, we assert that during the years ended June 30, 2014 and June 30, 2015, the Board has materially complied with the assertions below.

- A. The Board has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Board has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.

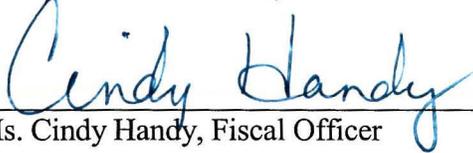
E. Money or negotiable securities or similar assets handled by the Board on behalf of the State or held in trust by the Board have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours truly,

Educational Labor Relations Board



Mr. Victor E. Blackwell, Executive Director



Ms. Cindy Handy, Fiscal Officer



Ms. Susan Willenborg, General Counsel

STATE OF ILLINOIS
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 For the Two Years Ended June 30, 2015

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	3	4
Repeated findings	3	2
Prior recommendations implemented or not repeated	1	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2015-001	9	Failure to employ required staff	Significant Deficiency and Noncompliance
2015-002	10	Inadequate segregation of duties	Significant Deficiency and Noncompliance
2015-003	12	Inadequate controls over equipment	Significant Deficiency and Noncompliance
PRIOR FINDINGS NOT REPEATED			
A	14	Identity protection policy	

EXIT CONFERENCE

The Board waived an exit conference in correspondence dated December 1, 2015.

SPRINGFIELD OFFICE:

ILES PARK PLAZA
740 EAST ASH • 62703-3154
PHONE: 217/782-6046

FAX: 217/785-8222 • TTY: 888/261-2887
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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANT'S REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have examined the State of Illinois, Educational Labor Relations Board's (Board) compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2015. The management of the Board is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Board's compliance based on our examination.

- A. The Board has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Board has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Board on behalf of the State or held in trust by the Board have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Board's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Board's compliance with specified requirements.

In our opinion, the Board complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2015. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 2015-001, 2015-002, and 2015-003.

Internal Control

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Board's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and

therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings as items 2015-001, 2015-002, and 2015-003, that we consider to be significant deficiencies.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter.

The Board's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the Board's responses and, accordingly, we express no opinion on the responses.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the years ended June 30, 2015 and June 30, 2014 in Schedules 1 through 8 and the Analysis of Operations Section is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2015 and June 30, 2014 accompanying supplementary information in Schedules 1 through 8. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2013 accompanying supplementary information in Schedules 3 through 7 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, Board management, and the members of the Educational Labor Relations Board, and is not intended to be and should not be used by anyone other than these specified parties.



Bruce L. Bullard, CPA
Director of Financial and Compliance Audits

Springfield, Illinois

December 17, 2015

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2015

2015-001. **FINDING** (Failure to employ required staff)

The Educational Labor Relations Board (Board) did not employ the minimum number of staff as required by the Educational Labor Relations Act (Act).

The Board did not employ the required minimum number of attorneys and investigators. The Act (115 ILCS 5/5(f)) requires the Board to employ a minimum of eight attorneys and five investigators. The Board employed six attorneys and one investigator during FY14 and FY15.

Board management stated, as it did in prior years, it lacks funding to employ the required number of attorneys and investigators.

Failure to employ the required number of attorneys and investigators is noncompliance with the Act. (Finding Code No. 2015-001, 2013-001, 11-1)

RECOMMENDATION

We recommend the Board comply with the Act's requirements for attorneys and investigators or seek legislative remedy to the statutory requirements.

BOARD RESPONSE

The Board agrees with this finding, however 115 ILCS 5/5(f) states that the requirement for hiring is, "subject to the annual appropriation by the General Assembly". To date, no funds have been appropriated to hire additional staff mandated by the Legislature.

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2015

2015-002. **FINDING** (Inadequate segregation of duties)

The Educational Labor Relations Board (Board) had an inadequate segregation of duties in the areas of expenditure control, State property, payroll, and receipt processing.

During our testing, we noted the following:

- One person had the authority to prepare and approve vouchers, maintain accounting records, enter transactions into the accounting system, and perform monthly reconciliations.
- One person had the authority to approve all property purchases, tag all inventory, maintain the property records, and complete the quarterly reports of State property.
- One person had the authority to prepare payroll, make adjustments to payroll, approve payroll, and distribute payroll stubs.
- One person had the authority to prepare receipts, deposit receipts, and maintain the receipts ledger.

Good business practices require the Board maintain adequate segregation of duties in order to help ensure the safeguarding of assets, prevent improper expenditures, and ensure the accuracy and reliability of accounting data. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls.

Board management stated, as it did in prior years, the inadequate segregation of duties finding continues because the Board has no authorized headcount or funding to hire an assistant fiscal officer/accountant.

A lack of adequate segregation of duties increases the likelihood that a loss from errors or irregularities could occur and would not be found in the normal course of employees carrying out their assigned duties. (Finding Code No. 2015-002, 2013-002, 11-2, 09-3, 07-2)

RECOMMENDATION

We recommend the Board implement procedures to ensure it maintains effective internal control over the record keeping and accounting duties concerned with expenditure control, State property, payroll, and receipts processing.

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2015

BOARD RESPONSE

The Board agrees with this finding, however the inadequate segregation of duties finding continues because the Board has neither authorized headcount nor adequate funding to hire an assistant fiscal officer or accountant.

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2015

2015-003. **FINDING** (Inadequate controls over equipment)

The Educational Labor Relations Board (Board) did not maintain sufficient controls over the recording and reporting of its State property.

During our testing, we noted the following:

- The Board did not accurately identify and/or transfer obsolete or unused items in the Board's Chicago and Springfield office to the Department of Central Management Services (CMS).
 - The auditors noted 68 total items, totaling \$41,041, including computers, monitors, speakers, printers and general office equipment which appeared to be unused or obsolete.
 - Three of the 68 items (4%) unused or obsolete items tested were not recorded on the Board's property listing.

The Statewide Accounting Management System (SAMS) Manual (Procedure 03.60.20) states items that are obsolete, damaged, or no longer used in operations should be identified, and if necessary, removed from property records. Further, the Illinois Administrative Code (44 Ill. Admin. Code 5010.620) requires the Board to regularly survey its inventory for transferable equipment and report any transferable equipment to CMS.

- Two of eight (25%) Agency Reports of State Property (C-15) reports prepared by the Board incorrectly reported three previously removed equipment items, totaling \$686, as new additions.

The SAMS Manual (Procedure 29.20.10) requires agencies to identify additions related to prior period acquisitions not previously reported on the C-15 report. Prior period acquisitions should not be reported as new additions.

- One of eight (13%) C-15 reports prepared by the Board incorrectly reported transfers of surplus property to CMS, totaling \$125, as deletions.

The SAMS Manual (Procedure 29.20.10) requires agencies to report the net amount of transfers in/out that occurred during the quarter being reported. Transfers refer to items that have been moved to CMS's Surplus Property.

The State Property Control Act (30 ILCS 605/4) requires every responsible officer of State government to be accountable for the supervision, control, and inventory of all

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2015

items under his or her jurisdiction. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance resources applicable to the operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports and to maintain accountability over the State's resources.

Board management stated the issues noted above were caused by lack of staffing and competing priorities. In the previous year, similar issues were determined to be caused by human error.

Failure to maintain accurate property control records increases the potential for fraud and possible loss or theft of State property. (Finding Code No. 2015-003, 2013-003)

RECOMMENDATION

We recommend the Board accurately identify and transfer obsolete and/or unused items to CMS and ensure the Board's property listing accurately reflects items in the Board's possession. Additionally, we recommend the Board review all reports prepared from internal records for accuracy before submission to the Office of the Comptroller.

BOARD RESPONSE

The Board agrees with this finding. The Board will begin the process of transferring obsolete and unused items to Central Management Services surplus.

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2015

A. **FINDING** (Identity protection policy)

During the previous examination, the Educational Labor Relations Board (Board) failed to implement the provisions of the Identity Protection Act (Act), which required the Board to draft and approve an identity-protection policy by June 30, 2011.

During the current examination, the Board drafted and approved an identity-protection policy that complied with the Act. (Finding Code No. 2013-004)

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2015

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:
 - Schedule of Appropriations, Expenditures and Lapsed Balances
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending

- Analysis of Operations (Not Examined):
 - Agency Functions and Planning Program (Not Examined)
 - Average Number of Employees (Not Examined)
 - Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2015 and June 30, 2014 accompanying supplementary information in Schedules 1 through 8. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS
 EDUCATIONAL LABOR RELATIONS BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations for Fiscal Year 2015

Fourteen Months Ended August 31, 2015

Public Act 98-0677	Appropriations (Net After Transfers)	Expenditures Through 6/30/15	Lapse Period Expenditures 7/01- 8/31/15	Total Expenditures	Balances Lapsed
<u>APPROPRIATED FUND</u>					
<u>PERSONAL PROPERTY TAX</u>					
<u>REPLACEMENT FUND - 802</u>					
Personal Services	\$ 843,600	\$ 731,673	\$ 30,976	\$ 762,649	\$ 80,951
Retirement Contributions	357,200	307,840	13,150	320,990	36,210
State Contributions to Social Security	64,600	51,747	2,202	53,949	10,651
Group Insurance	276,000	225,426	9,867	235,293	40,707
Contractual Services	120,450	88,269	20,415	108,684	11,766
Travel	12,200	7,793	2,398	10,191	2,009
Commodities	4,270	1,243	3,025	4,268	2
Printing	860	574	276	850	10
Equipment	870	344	-	344	526
Electronic Data Processing	1,800	462	1,323	1,785	15
Telecommunications Services	15,000	10,748	3,753	14,501	499
Operation of Automotive Equipment	1,450	1,191	256	1,447	3
Subtotal Fund - 802	<u>\$ 1,698,300</u>	<u>\$ 1,427,310</u>	<u>\$ 87,641</u>	<u>\$ 1,514,951</u>	<u>\$ 183,349</u>

STATE OF ILLINOIS
 EDUCATIONAL LABOR RELATIONS BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations for Fiscal Year 2015

Fourteen Months Ended August 31, 2015

Appropriations (Net After Transfers)	Expenditures Through <u>6/30/15</u>	Lapse Period Expenditures <u>7/01- 8/31/15</u>	Total Expenditures	Balances Lapsed
<u>Public Act 98-0677</u>				
<u>NON-APPROPRIATED FUND</u>				
<u>FAIR SHARE TRUST FUND - 996</u>				
Subtotal Fund - 996	\$ -	\$ -	\$ -	
<u>GRAND TOTAL - ALL FUNDS</u>	\$ 1,427,310	\$ 87,641	\$ 1,514,951	

Note 1: Appropriations, expenditures, and lapsed balances were obtained from Board records and have been reconciled to records of the State Comptroller.

Note 2: Expenditure amounts are vouchers approved for payment by the Board and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
 EDUCATIONAL LABOR RELATIONS BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations for Fiscal Year 2014

Fourteen Months Ended August 31, 2014

	Appropriations (Net After Transfers)	Expenditures Through 6/30/14	Lapse Period Expenditures 7/01- 8/31/14	Total Expenditures	Balances Lapsed
<u>Public Act 98-0033</u>					
<u>APPROPRIATED FUND</u>					
<u>PERSONAL PROPERTY TAX</u>					
<u>REPLACEMENT FUND - 802</u>					
Personal Services	\$ 836,600	\$ 765,146	\$ 31,186	\$ 796,332	\$ 40,268
Retirement Contributions	337,500	308,841	12,589	321,430	16,070
State Contributions to Social Security	64,000	54,372	2,202	56,574	7,426
Group Insurance	267,000	239,225	9,602	248,827	18,173
Contractual Services	120,524	82,676	17,291	99,967	20,557
Travel	11,000	9,656	1,324	10,980	20
Commodities	3,370	1,120	2,250	3,370	-
Printing	1,030	492	478	970	60
Equipment	5,876	1,676	4,113	5,789	87
Electronic Data Processing	1,500	898	545	1,443	57
Telecommunications Services	12,000	10,723	1,064	11,787	213
Operation of Automotive Equipment	1,600	1,523	-	1,523	77
Subtotal - Fund 802	<u>\$ 1,662,000</u>	<u>\$ 1,476,348</u>	<u>\$ 82,644</u>	<u>\$ 1,558,992</u>	<u>\$ 103,008</u>

STATE OF ILLINOIS
 EDUCATIONAL LABOR RELATIONS BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations for Fiscal Year 2014

Fourteen Months Ended August 31, 2014

Public Act 98-0033	Appropriations (Net After Transfers)	Expenditures Through 6/30/14	Lapse Period Expenditures 7/01- 8/31/14	Total Expenditures	Balances Lapsed
<u>NON-APPROPRIATED FUND</u>					
<u>FAIR SHARE TRUST FUND - 996</u>					
	\$ -	\$ -	\$ -	\$ -	
Subtotal - Fund 996	\$ -	\$ -	\$ -	\$ -	
<u>GRAND TOTAL - ALL FUNDS</u>	<u>\$ 1,476,348</u>	<u>\$ 82,644</u>	<u>\$ 1,558,992</u>		

Note 1: Appropriations, expenditures, and lapsed balances were obtained from Board records and have been reconciled to records of the State Comptroller.

Note 2: Expenditure amounts are vouchers approved for payment by the Board and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
 EDUCATIONAL LABOR RELATIONS BOARD
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
 EXPENDITURES AND LAPSED BALANCES**
 For the Fiscal Years Ended June 30, 2015, 2014 and 2013

	Fiscal Year		
	2015	2014	2013
	P.A. 98-0677	P.A. 98-0033	P.A. 97-0728
General Revenue Fund - 001			
Appropriations (Net After Transfers)	\$ -	\$ -	\$ 1,037,800
Expenditures			
Personal Services	\$ -	\$ -	\$ 802,203
State Contributions to Social Security	-	-	58,183
Contractual Services	-	-	100,236
Travel	-	-	9,602
Commodities	-	-	4,867
Printing	-	-	1,792
Equipment	-	-	494
Electronic Data Processing	-	-	1,142
Telecommunications	-	-	12,288
Operation of Automotive Equipment	-	-	1,609
Total Expenditures	\$ -	\$ -	\$ 992,416
Lapsed Balances	\$ -	\$ -	\$ 45,384
Personal Property Tax Replacement Fund - 802			
Appropriations (Net After Transfers)	\$ 1,698,300	\$ 1,662,000	\$ -
Expenditures			
Personal Services	\$ 762,649	\$ 796,332	\$ -
Retirement Contributions	320,990	321,430	-
State Contributions to Social Security	53,949	56,574	-
Group Insurance	235,293	248,827	-
Contractual Services	108,684	99,967	-
Travel	10,191	10,980	-
Commodities	4,268	3,370	-
Printing	850	970	-
Equipment	344	5,789	-
Electronic Data Processing	1,785	1,443	-
Telecommunications Services	14,501	11,787	-
Operation of Automotive Equipment	1,447	1,523	-
Total Expenditures	\$ 1,514,951	\$ 1,558,992	\$ -
Lapsed Balances	\$ 183,349	\$ 103,008	\$ -

STATE OF ILLINOIS
 EDUCATIONAL LABOR RELATIONS BOARD
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
 EXPENDITURES AND LAPSED BALANCES**
 For the Fiscal Years Ended June 30, 2015, 2014 and 2013

	Fiscal Year		
	2015	2014	2013
	P.A. 98-0677	P.A. 98-0033	P.A. 97-0728
Non-Appropriated Fund Fair Share Trust Fund - 996			
Expenditures	\$ -	\$ -	\$ 27,894
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,894</u>
GRAND TOTAL - ALL FUNDS			
Total Expenditures	<u>\$ 1,514,951</u>	<u>\$ 1,558,992</u>	<u>\$ 1,020,310</u>
Salaries paid from the Comptroller's Executive Salary Appropriation:			
Board Chairman	\$ 102,095	\$ 104,358	\$ 104,358
Four Board Members	<u>296,069</u>	<u>375,704</u>	<u>375,704</u>
Total Expenditures from Comptroller's Executive Salaries Appropriation	<u>\$ 398,164</u>	<u>\$ 480,062</u>	<u>\$ 480,062</u>

STATE OF ILLINOIS
 EDUCATIONAL LABOR RELATIONS BOARD
SCHEDULE OF CHANGES IN STATE PROPERTY
 For the Two Years Ended June 30, 2015

	<u>Equipment</u>
Balance at July 1, 2013	\$ 242,449
Additions	1,885
Deletions	(496)
Net Transfers	<u>(125)</u>
Balance at June 30, 2014	<u>\$ 243,713</u>
Balance at July 1, 2014	\$ 243,713
Additions	4,746
Deletions	(675)
Net Transfers	<u>-</u>
Balance at June 30, 2015	<u>\$ 247,784</u>

Note: The above schedule has been derived from Board records which have been reconciled to property records submitted to the Office of the Comptroller.

STATE OF ILLINOIS
 EDUCATIONAL LABOR RELATIONS BOARD
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
 RECONCILIATION OF CASH RECEIPTS TO
 DEPOSITS REMITTED TO THE COMPTROLLER**

For the Years Ended June 30, 2015, 2014 and 2013

	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Revenue Fund - 001			
Jury Duty Reimbursements	\$ 34	\$ 17	\$ -
Witness Fee Reimbursements	-	22	-
Phone Call Reimbursements	2	-	-
Copy Charges	-	31	-
Total cash receipts per Board	<u>36</u>	<u>70</u>	<u>-</u>
Less: In transit at End of Year	-	-	-
Plus: In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u><u>\$ 36</u></u>	<u><u>\$ 70</u></u>	<u><u>\$ -</u></u>
Fair Share Trust Fund - 996			
Interest	<u>\$ 554</u>	<u>\$ 504</u>	<u>\$ 512</u>
Total cash receipts per Board	554	504	512
Less: In transit at End of Year	-	-	-
Plus: In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u><u>\$ 554</u></u>	<u><u>\$ 504</u></u>	<u><u>\$ 512</u></u>
GRAND TOTAL - ALL FUNDS			
Total cash receipts per Board	\$ 590	\$ 574	\$ 512
Less: In transit at End of Year	-	-	-
Plus: In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u><u>\$ 590</u></u>	<u><u>\$ 574</u></u>	<u><u>\$ 512</u></u>

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2015

The following is a summary of explanations for significant variations in expenditures. Variations between fiscal years were considered significant if greater than \$10,000 and 20%.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2015 AND 2014.

We did not note any instances of significant variations in expenditures between FY15 and FY14

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2014 AND 2013.

Personal Property Tax Replacement Fund (802)

In FY14, the Board received appropriations for operating expenses from the Personal Property Tax Replacement Fund (802) instead of the General Revenue Fund (001) as in FY13.

Fair Share Trust Fund (996)

In FY14, the Board stopped accepting Fair Share funds in escrow because each union established their own escrow accounts. The decrease was due to no distributions of existing Fair Share funds in FY14.

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
ANALYSIS OF SIGNIFICANT VARIANCES IN RECEIPTS
For the Two Years Ended June 30, 2015

General Revenue Fund – 001

The Board receives minimal receipts. The receipts consist of copy charges, refunds, and reimbursement for jury duty, witness fees and phone calls. These receipts are expected to fluctuate between fiscal years. The Board received three receipts during Fiscal Year 2014; one receipt was for jury duty reimbursement, one receipt was for a copy charge and one receipt was for a witness fee reimbursement. The Board received three receipts during Fiscal Year 2015; two receipts were for jury duty reimbursements and one receipt was for a phone call reimbursement.

Fair Share Trust Fund - 996

The Board receives minimal receipts. The receipts consist of interest earned by the State Treasury and are expected to decrease in future years as the Board reduces its backlog of existing fair share fee cases.

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2015

The following is a summary of explanations for significant lapse period spending. Lapse period spending was considered to be significant if the expenditures exceeded at least 20% of the total fiscal year expenditures.

FISCAL YEAR 2015

Personal Property Tax Replacement Fund (802)

Travel

The Educational Labor Relations Board (Board) paid travel vouchers for Board Members after June 30th for travel incurred prior to June 30th in accordance with its policy to reimburse Board Member travel only if there are remaining funds after all employee travel for the year has been reimbursed.

Commodities

The Board replenished office supplies late in the fiscal year and the invoices were not received and processed until the lapse period.

Printing

The Board replenished copy paper late in the fiscal year and the invoices were not received and processed until the lapse period.

Electronic Data Processing

The Board replenished EDP supplies late in the fiscal year and the related invoices were not received and processed until the lapse period.

Telecommunication Services

The Board received and processed three months of FY15 telecommunications billings during the lapse period.

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2015

FISCAL YEAR 2014

Personal Property Tax Replacement Fund (802)

Commodities

The Board replenished office supplies late in the fiscal year and the invoices were not received and processed until the lapse period.

Printing

The Board replenished copy paper late in the fiscal year and the invoices were not received and processed until the lapse period.

Equipment

The Board purchased office equipment consisting of chairs, tables, and a paper shredder late in the fiscal year and the related invoices were not received and processed until the lapse period.

Electronic Data Processing

The Board replenished EDP supplies late in the fiscal year and the related invoices were not received and processed until the lapse period.

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
AGENCY FUNCTIONS AND PLANNING PROGRAM
(NOT EXAMINED)

For the Two Years Ended June 30, 2015

Board Functions

The Illinois Educational Labor Relations Board (Board) was created on January 1, 1984 to administer the Illinois Education Labor Relations Act (115 ILCS 5/1 et seq.) (Act). The Act sets forth the rules, regulations, and procedures for labor relations and collective bargaining between public educational employers and educational employees in Illinois. The Act affords public educational employees the right to organize, to select a labor organization to represent them, and the right to bargain with their educational employer through their chosen labor representative.

The Board's primary statutory duties include the following:

1. Investigating representation petitions seeking the certification or decertification of collective bargaining representatives of public school employees, and conducting hearings and elections upon such petitions;
2. Processing majority interest petitions which seek certification with a showing of majority support;
3. Investigating and processing petitions to modify or clarify bargaining units and the certification of bargaining units, including conducting hearings and issuing decisions on such petitions;
4. Investigating all charges alleging unfair labor practices filed by either a representative union, an individual or by a school district;
5. Rendering determinations on all charges of unfair labor practices after investigation and hearing, and investigating and adjudicating disputes concerning compliance with Agency decisions and orders;
6. Acting as neutral mediators and conducting mediation sessions to assist parties in resolving disputes before the Board;
7. Providing panels of private mediators and arbitrators to all parties covered by the Act to assist in resolving collective bargaining impasses and grievance disputes; and
8. Investigating and adjudicating disputes concerning fair share fees assessed to educational employees by employee representatives, including initiating, maintaining and disbursing escrow accounts for employees filing fair share fee charges held by the Board.

The Board is comprised of a governing board of 5 members appointed by the Governor. The Board members are appointed to hold office for a term of six years. The members of the Board at June 30, 2015 were:

- Andrea R. Waintroob, Chairperson
- Judith B. Biggert
- Gilbert F. O'Brien Jr.
- Michael H. Prueter
- Lynne O. Sered.

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
AGENCY FUNCTIONS AND PLANNING PROGRAM
(NOT EXAMINED)

For the Two Years Ended June 30, 2015

The Board regulates approximately 142,000 teachers, 1,100 bargaining units and 37 separate unions. The Board's jurisdiction over educational labor matters encompasses more than 998 separate public educational institutions including primary, middle, and high schools, community colleges and universities.

Planning Program

The Board does not have a formal long-range planning program; however, it meets monthly to deliberate cases and vote to issue its opinions and orders on the cases. It also addresses planning issues such as budgeting, personnel, and the efficiency and effectiveness of current policies and procedures. Monthly case reports, quarterly review of final decisions and a monthly review of the budget are part of the Board's agenda.

STATE OF ILLINOIS
 EDUCATIONAL LABOR RELATIONS BOARD
AVERAGE NUMBER OF EMPLOYEES
(NOT EXAMINED)

For the Two Years Ended June 30, 2015

The following table, prepared from Board records, presents the average number of employees, by function, for the Fiscal Years ended June 30,

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Paid from Illinois Educational Labor Relations Board Appropriation:			
Executive Director	1	1	1
Investigators & Supervisors	8	8	9
Administrative & Clerical	1	2	1
Total Average Full-time Employees	<u>10</u>	<u>11</u>	<u>11</u>
Paid from Comptroller's Executive Salaries Appropriation			
Board Chairmen	1	1	1
Board Members	4	4	4
Total Average Board Members	<u>5</u>	<u>5</u>	<u>5</u>

STATE OF ILLINOIS
 EDUCATIONAL LABOR RELATIONS BOARD
SERVICE EFFORTS AND ACCOMPLISHMENTS
 (NOT EXAMINED)

For the Two Years Ended June 30, 2015

The types of cases processed by the Board fall essentially into three categories:

- 1) Representation Cases
- 2) Mediation Cases
- 3) Unfair Labor Practice Cases

Representation Cases

Representation cases involve processing and issuing opinions regarding questions of representation including the conducting of orderly elections.

<u>Cases Filed</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Petition to Determine Representative	22	22	15
Petition to Decertify Representative	4	5	3
Petition to Determine Unit	13	23	31
Petition to Determine Unit/Employer Filed	0	0	0
Voluntary Recognition Petition	0	0	1
Unit Clarification Petition	24	25	27
Amended Certification Petition	4	1	5
Total Cases Filed	<u>67</u>	<u>76</u>	<u>82</u>

Disposition of Cases Filed

Certification of Representative	5	3	3
Certification of Results	1	2	0
Elections Conducted	9	11	8
Withdrawn	16	9	12
Majority Interest Petition Order of Certification	31	42	47
Executive Dir. Decision & Order	19	29	23
Admin. Law Judge Recommended Decision & Order	1	4	2
Mediations	2	1	2
Pending Investigations	20	20	19
Total Cases	<u>104</u>	<u>121</u>	<u>116</u>

STATE OF ILLINOIS
 EDUCATIONAL LABOR RELATIONS BOARD
SERVICE EFFORTS AND ACCOMPLISHMENTS
(NOT EXAMINED)

For the Two Years Ended June 30, 2015

Mediation Cases

Mediation cases involve situations in which the parties engaged in collective bargaining have reached an impasse and may petition the Board to initiate mediation. The Board may also, on its own motion initiate mediation during this period.

Strikes

The Illinois Educational Labor Relations Act affords educational employees the right to strike under certain limited circumstances as delineated in Section 13 of the Act. The Board attempts to resolve potential strike issues through mediation and its adjudicatory processes. There were six strikes during FY14 and FY15.

Unfair Labor Practice Cases

Unfair labor practice cases involve charges alleging that the conduct of an employer and/or a union constitute conduct proscribed by the Educational Labor Relations Act. Charges may be filed by an employer, an individual, or a labor organization. Once a charge has been filed, it is assigned to an investigator. Upon conclusion of the investigation, the Executive Director can either dismiss the charge or issue a complaint and set the matter for hearing if a voluntary settlement has not been reached by the parties.

The following unfair labor practice case statistics were furnished by Board personnel and are not examined:

<u>Cases Filed</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Unfair Labor Practice Charge Against Employer	132	105	120
Unfair Labor Practice Charge Against Union	32	23	26
Unfair Labor Practice Charge Contesting Fair Share Fee	58	64	67
Total Cases Filed	<u>222</u>	<u>192</u>	<u>213</u>

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
SERVICE EFFORTS AND ACCOMPLISHMENTS
(NOT EXAMINED)

For the Two Years Ended June 30, 2015

Unfair Labor Practice Cases (Continued)

<u>Disposition of Cases</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Withdrawn Pursuant to Settlement Agreement	41	71	98
Complaints Issued	45	34	57
Withdrawn	41	31	41
Executive Director's Recommended Decision and Order	58	49	61
Administrative Law Judge Recommended Decision and Order	16	11	33
Cases Mediated	31	26	35
Investigations Pending	134	120	95
Total Cases	<u>366</u>	<u>342</u>	<u>420</u>

<u>Board Activity</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Board Opinions and Orders Issued	18	18	22
Board Final Orders Issued	58	103	78
Total Cases Processed	<u>76</u>	<u>121</u>	<u>100</u>

Average Cost Per Case Filed

Representation Cases	67	76	82
Unfair Labor Practice Cases	222	192	213
Total Representation and Unfair Labor Practice Cases	<u>289</u>	<u>268</u>	<u>295</u>
Total Expenditures	<u>\$1,514,951</u>	<u>\$1,558,992</u>	<u>\$992,416</u>
Average Expenditure per Case	<u>\$5,242</u>	<u>\$5,817</u>	<u>\$3,364</u>