

**State of Illinois  
Office of the Treasurer**

**NONFISCAL OFFICER RESPONSIBILITIES**

**COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2007

Performed as Special Assistant Auditors  
For the Auditor General, State of Illinois

State of Illinois  
Office of the Treasurer

NONFISCAL OFFICER RESPONSIBILITIES

COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2007

TABLE OF CONTENTS

	Page
Treasurer's Office Officials.....	1
Management Assertion Letter.....	2
Compliance Report	
Summary.....	4
Accountants' Reports	
Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes.....	6
Schedule of Findings	
Current Findings – State.....	9
Prior Findings Not Repeated – State.....	13
Supplementary Information for State Compliance Purposes	
Summary.....	14
Fiscal Schedules and Analysis	
Schedule of Appropriations, Expenditures, and Lapsed Balances – Fourteen Months Ended August 31, 2007.....	15
Schedule of Appropriations, Expenditures, and Lapsed Balances – Fourteen Months Ended August 31, 2006.....	20
Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances – For the Years Ended 2007, 2006, and 2005.....	25
Comparative Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) – Locally Held Funds.....	30
Schedules of Changes in State Property .....	33
Comparative Schedule of Cash Receipts.....	34
Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller – Fiscal Years 2007 and 2006.....	36
Analysis of Significant Variations in Expenditures .....	38
Analysis of Significant Variations in Cash Receipts.....	46
Analysis of Significant Lapse Period Spending.....	55
Indirect Cost Reimbursements Funds.....	57
Analysis of Operations	
Agency Functions and Planning Program.....	58
Average Number of Employees .....	62
Unclaimed Property Function.....	63
Service Efforts and Accomplishments – (Not Examined).....	64

State of Illinois  
Office of the Treasurer

NONFISCAL OFFICER RESPONSIBILITIES

TREASURER'S OFFICE OFFICIALS

Treasurer (Current)	Honorable Alexi Giannoulis
Treasurer (01/09/1995 to 1/08/2007)	Honorable Judy Baar Topinka
Chief of Staff	Ms. Robin Kelly
Deputy Treasurer	Mr. Edward Buckles
Deputy Treasurer	Mr. Raja Krishnamoorthi
Chief Legal Counsel	Mr. Paul Miller
Manager of Accounting	Ms. Sandy Hardesty
Inspector General	Mr. David Wells
Chief Internal Auditor	Ms. Barbara Ringler

**The Office of the Treasurer maintains five office locations:**

- Executive Office  
State Capitol  
219 State House  
Springfield, Illinois 62706
- Operational divisions  
Jefferson Terrace  
300 West Jefferson Street  
Springfield, Illinois 62702
- Unclaimed Property and other divisions  
Myers Building  
1 West Old State Capitol Plaza  
Springfield, Illinois 62701
- Chicago Office and Personnel/Legal/Programmatic  
James R. Thompson Center  
100 West Randolph Street  
Suite 15-600  
Chicago, Illinois 60601
- Programmatic  
Mt. Vernon Office  
200 Potomac Boulevard  
Mt. Vernon, Illinois 62864



OFFICE OF THE ILLINOIS STATE TREASURER  
**ALEXI GIANNOULIAS**

MANAGEMENT ASSERTION LETTER

February 20, 2008

Crowe Chizek and Company LLC  
Certified Public Accountants  
3201 West White Oaks Drive, Suite 202  
Springfield, Illinois 62704

Ladies and Gentlemen:

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 State of Illinois, Office of the Treasurer (Treasurer) Nonfiscal Officer Responsibilities. 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 Treasurer's compliance with the following assertions during the two-year period ended June 30, 2007. Based on this evaluation, we assert that during the years ended June 30, 2007 and June 30, 2006, the Treasurer has materially complied with the assertions below.

- A. The Treasurer 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 Treasurer 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 Treasurer 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 Treasurer 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 Treasurer on behalf of the State or held in trust by the Treasurer have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

State of Illinois, Office of the Treasurer

State Capitol  
Room 219  
Springfield, IL 62706  
Phone: (217) 782-2211  
Fax: (217) 785-2777


James R. Thompson Center  
100 W. Randolph Street  
Suite 15-600  
Chicago, IL 60601  
Phone: (312) 814-1700  
Fax: (312) 814-5930

Jefferson Terrace  
300 West Jefferson Street  
Springfield, IL 62702  
Phone: (217) 782-6540  
Fax: (217) 524-3822

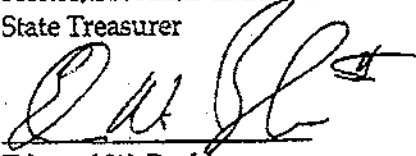
Myers Building  
One West Old State Capitol Plaza  
Suite 400  
Springfield, IL 62701  
Phone: (217) 785-6998  
Fax: (217) 557-9365

Municipal Building West  
200 Potomac Boulevard  
Mt. Vernon, IL 62864  
Phone: (618) 244-8369  
Fax: (618) 244-8370

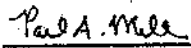
MANAGEMENT ASSERTION LETTER - CONTINUED



Honorable Alexi Giannoulis  
State Treasurer



Edward W. Buckles  
Chief Fiscal Officer



Paul Miller  
Chief Legal Counsel

State of Illinois  
Office of the Treasurer

NONFISCAL OFFICER RESPONSIBILITIES

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.

ACCOUNTANTS' REPORTS

The Independent Accountants' 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>This Report</u>	<u>Prior Report</u>
Findings	2	2
Repeated findings	1	1
Prior recommendations implemented or not repeated	1	1

Details of findings are presented in a separately tabbed section of this report.

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (STATE COMPLIANCE)		
07-1	9	Employees Paid from Incorrect Appropriation
07-2	11	Noncompliance with Office Policies and Procedures
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)		
07-3	13	Failure to Comply with the State Treasurer Act

State of Illinois  
Office of the Treasurer

NONFISCAL OFFICER RESPONSIBILITIES

COMPLIANCE REPORT

SUMMARY - CONTINUED

Exit Conference

The findings and recommendations appearing in this report were discussed with the Treasurer's Office personnel at an exit conference on January 23, 2008. Attending were:

Office of the Treasurer

Ms. Robin Kelly*	Chief of Staff
Mr. Edward Buckles	Deputy Treasurer
Ms. Barbara Ringler	Chief Internal Auditor
Mr. Paul Miller*	Chief Legal Counsel
Mr. Robert Crouch	Director of Human Resources
Mr. Josh Joyce	Director of Unclaimed Property
Ms. Andrea Schad	Executive Accountant

Office of the Auditor General

Ms. Jane Clark	Audit Manager
----------------	---------------

Crowe Chizek and Company LLC - Special Assistant Auditors

Mr. Bert Nuehring*	Partner
Ms. Chris Mower	Manager
Ms. Lisa Stinson	Audit Supervisor

\* Participated via phone

Responses to the recommendations were provided by Ms. Barbara Ringler, Chief Internal Auditor in a letter dated February 8, 2008.



Crowe Chizek and Company LLC  
Member Horwath International

Independent Accountants' 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

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Office of the Treasurer, Nonfiscal Officer Responsibilities' (Treasurer) 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, 2007. The management of the Treasurer is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Treasurer's compliance based on our examination.

- A. The Treasurer 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 Treasurer 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 Treasurer 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 Treasurer 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 Treasurer on behalf of the State or held in trust by the Treasurer have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.



We conducted our examination 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 Treasurer'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 Treasurer's compliance with specified requirements.

In our opinion, the Treasurer complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2007 and 2006. However, the results of our procedures disclosed instances of noncompliance, 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 findings 07-1 and 07-2.

As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter to your office.

#### **Internal Control**

The management of the Treasurer 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 Treasurer's internal control over compliance with the requirements listed in the first paragraph of this report in order to determine our examination procedures 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 Treasurer's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Treasurer's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than

inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance as described in the accompanying schedule of findings as findings 07-1 and 07-2 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings to be material weaknesses.

As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter to your office.

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

#### **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 as listed in the table of contents as Supplementary Information for State Compliance Purposes 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 2007 and the 2006 Supplementary Information for State Compliance Purposes, except for information on Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2005 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

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

*Crowe Chizek and Company LLC*  
Crowe Chizek and Company LLC

Springfield, Illinois  
February 20, 2008

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2007

CURRENT FINDINGS AND RECOMMENDATIONS

**FINDING 07-1** (Employees Paid from Incorrect Appropriation)

The Office paid payroll expenditures from an incorrect appropriation.

During our testing of payroll expenditures, it was noted:

- The Office utilized interns during fiscal years 2007 and 2006 to travel to county fairs and other events for unclaimed property duties and therefore paid the interns out of the State Pensions Fund (Fund 054). A significant portion of the interns' time was spent on other Office duties not for the administration of the Uniform Disposition of Unclaimed Property Act and therefore a majority of the interns were inappropriately paid out of the State Pensions Fund.
- 7 of 50 (14%) employees tested were charged to an incorrect appropriation and/or payroll code based on their job description and duties and the Office did not maintain an adequate method for allocation of payroll expenditures. The approximate amount of expenditures incorrectly charged during 2007 and 2006 was \$207,000 and \$191,000, respectively.

The State Finance Act (30 ILCS 105/8.12) states "moneys in the State Pensions Fund shall be used exclusively for the administration of the Uniform Disposition of Unclaimed Property Act and for the payment of or repayment to the General Revenue Fund a portion of the required State contributions to the designated retirement systems." In addition, to record costs in the proper fund and to properly account for expenditures, the expenditure account code and the payroll code must be reflective of the services being performed.

Office personnel stated they were unaware the system used to measure the amount of overall expenditures allocated which was in place prior to June 30, 2007 was ineffective.

Failure to properly account for expenditures may result in financial reporting errors in the GAAP packages submitted to the Office of the State Comptroller as the expenditures are not reported in the proper fund. (Finding Code No. 07 -1)

**RECOMMENDATION:**

We recommend the Office develop a cost allocation plan to ensure employees are coded to the proper appropriation and payroll code to ensure employees are paid from funds representative of Office duties. In addition, the allocation method should be periodically tested to ensure expenditures are reflective of the services being performed.

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2007

CURRENT FINDINGS AND RECOMMENDATIONS

**FINDING 07-1** (Employees Paid from Incorrect Appropriation - Continued)

**TREASURER'S RESPONSE:**

The Treasurer agrees with the finding and recommendation, noting that the exceptions covered two different Treasurers' administrations. Adjustments were made to the respective payrolls of the employees cited by the auditors in order to reflect their recommended payroll allocations. Prospectively, the Treasurer will develop a cost allocation plan.

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2007

CURRENT FINDINGS AND RECOMMENDATIONS

**FINDING 07-2** (Noncompliance with Office Policies and Procedures)

The Office of the Treasurer (Office) did not conduct performance appraisals and did not comply with the ethics policies and procedures as required by Office policy.

During our testing, we noted the following:

- 17 of 50 (34%) employees tested did not have a performance appraisal on file for the fiscal year under examination.
- 11 of 50 (22%) performance appraisals were not performed timely. The performance appraisals ranged from 6 to 300 days late.
- 2 of 9 (22%) newly hired employees tested did not have a 3 month performance appraisal on file.
- 3 of 9 (33%) newly hired employees tested did not have a 6 month performance appraisal on file.
- 12 of 50 (24%) employees tested had performance appraisals on file but they were not performed on an annual basis.
- 14 of 50 (28%) ethics calendars tested did not have employee approval by the 15<sup>th</sup> of the month for the previous month. Days late ranged from 2 to 33 days. Ethics calendars are used by the Office to track employee time in accordance with the State Officials and Employees Ethics Act.
- 20 of 50 (40%) ethics calendars tested did not have supervisory approval by the 20<sup>th</sup> of the month for the previous month. Days late ranged from 1 to 52 days, with one approval still outstanding as of July 24, 2007.
- 17 of 50 (34%) ethics calendars tested were not completed by the employee for all days of the month. Days missing ranged from 1 to 11 days per ethics calendar.
- 2 of 50 (2%) ethics calendars tested were not completed by the employee for the month selected.

The Treasurer's Office Employee Reference Manual (Manual) requires performance appraisals to be typically conducted annually for each employee. In addition, the Manual states "All employees will generally be evaluated as follows: before the end of a new hire probationary period, six months after hire; before the anniversary date that corresponds to the employee's initial hire date; before the end of a promotional probationary period, three months after promotion or transfer; and at any time deemed necessary by the immediate supervisor." According to the State Officials and Employees Ethics Act (5 ILCS 430/5-5), "The policies shall require State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour...The policies for State employees shall require those time sheets to be submitted on paper, electronically, or both and to be maintained in either paper or electronic format by the applicable fiscal office for a period of at least 2 years." The Treasurer's Ethics Training Handout requires first level approval of ethics

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2007

CURRENT FINDINGS AND RECOMMENDATIONS

**FINDING 07-2** (Noncompliance with Office Policies and Procedures - Continued)

calendars to be completed by the 15<sup>th</sup> of the month and the second level approval to be completed by the 20<sup>th</sup> of the month.

Office personnel stated completion of performance appraisals was not a priority and issues noted with ethics calendars were due to oversight.

Failure to ensure all employees receive a performance appraisal and fully complete an ethics calendar on a timely basis is noncompliance with Office policies and statutory requirements.

In addition, during the prior examination period, employees tested exceeded the time allowed for using compensatory time earned by not using time in accordance with the Employee Handbook. During the current examination period, employees tested properly used compensatory time. (Finding Code No. 07-2, 05-1, 03-2)

**RECOMMENDATION:**

We recommend the Office ensure performance appraisals are conducted on a timely basis and ethics calendars are accurately completed and submitted on a timely basis. If the Office determines these policies and procedures are no longer feasible or efficient, we recommend the Office revise its policies and procedures.

**TREASURER'S RESPONSE:**

The Treasurer agrees with the finding and recommendation that employee performance evaluations were not timely conducted for the period FY06 or FY07. Beginning January 22, 2007 steps were taken to ensure that delinquent performance evaluations are completed. As of the writing of this communication, with very few exceptions, the evaluations are current. Human Resources sends out reminders to managers/supervisors of performance evaluation due dates. During weekly staff meetings, managers/supervisors are reminded to complete evaluations in a timely manner. Efforts are underway to ensure performance appraisals are completed timely and are current.

Currently, the Human Resources Department is conducting monthly audits of time calendars to ensure employees are staying current with the documentation of the ethics calendars. This will be an ongoing practice. Those employees with incomplete time calendars are notified so that full compliance with the ethics policies and procedures is realized.

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2007

PRIOR FINDINGS NOT REPEATED – (STATE COMPLIANCE)

**07-3** (Failure to Comply with the State Treasurer Act)

During the prior period, the Office of the Treasurer did not publish the Investment Policy Statement covering the investment of moneys in the College Savings Pool in either a Springfield or Chicago newspaper since 2002 as required by the State Treasurer Act.

During the current period, we noted the Office of the Treasurer published the College Savings Pool Investment Policy Statements as required by the Act. (Finding Code No. 05-2)

State of Illinois  
Office of the Treasurer

NONFISCAL OFFICER RESPONSIBILITIES

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 – Fourteen Months Ended August 31, 2007
- Schedule of Appropriations, Expenditures and Lapsed Balances – Fourteen Months Ended August 31, 2006
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances – For the Years Ended 2007, 2006, and 2005
- Comparative Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) – Locally Held Funds
- Schedules of Changes in State Property
- Comparative Schedule of Cash Receipts
- Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller – Fiscal Years 2007 and 2006
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Variations in Cash Receipts
- Analysis of Significant Lapse Period Spending
- Indirect Cost Reimbursements Funds

- Analysis of Operations

- Agency Functions and Planning Program
- Average Number of Employees
- Unclaimed Property Function
- Service Efforts and Accomplishments - (Not Examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on Service Efforts and Accomplishments on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.



STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES

APPROPRIATIONS FOR FISCAL YEAR 2007  
Fourteen Months Ended August 31, 2007

<u>Appropriated Funds</u>	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures	Total Expenditures	Balance Lapsed
General Revenue Fund - 001 (PA 94-0798)	\$ 4,775,300	\$ 4,731,878	\$ 34,347	\$ 4,766,225	\$ 9,075
Personal services	191,000	166,028	620	166,648	24,352
Employee retirement - contributions paid by employer					
State contribution to State employees' retirement system	551,750	545,587	3,958	549,545	2,205
State contribution to social security	355,313	352,083	2,628	354,711	602
Contractual services	847,137	782,087	49,617	831,704	15,433
Travel	106,100	88,938	15,255	104,193	1,907
Commodities	93,100	42,328	49,440	91,768	1,332
Printing	43,900	28,293	9,965	38,258	5,642
Equipment	96,200	30,828	60,487	91,315	4,885
Electronic data processing	1,025,500	906,586	105,723	1,012,309	13,191
Telecommunications	127,100	106,224	19,263	125,487	1,613
Operation of auto equipment	11,600	8,036	2,050	10,086	1,514
Refunds of estate tax overpaid, and accrued interest thereon	9,000,000	8,999,997	-	8,999,997	3
Refunds of accrued interest on protested tax cases	6,000,000	3,742,219	-	3,742,219	2,257,781
Transitional expenses	100,000	-	-	-	100,000
Inspector General	300,000	229,403	1,924	231,327	68,673
<b>Total General Revenue Fund</b>	<u>23,624,000</u>	<u>20,760,515</u>	<u>355,277</u>	<u>21,115,792</u>	<u>2,508,208</u>

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

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES - CONTINUED

APPROPRIATIONS FOR FISCAL YEAR 2007  
Fourteen Months Ended August 31, 2007

Appropriated Funds	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures	Total Expenditures	Balance Lapsed
State Pensions Fund - 054 (PA 94-0798)	\$ 2,565,300	\$ 2,456,631	\$ 1,940	\$ 2,458,571	\$ 106,729
Personal services	102,700	62,179	27	62,206	40,494
Employee retirement - contributions paid by employer	295,700	283,310	224	283,534	12,166
State contribution to State employees' retirement system	286,100	276,040	5,392	281,432	4,668
State contribution to social security	855,500	619,946	-	619,946	235,554
Group insurance - contributions paid by employer	3,026,600	2,811,200	183,558	2,994,758	31,842
Contractual services	59,000	48,534	5,905	54,439	4,561
Travel	63,400	20,489	36,227	56,716	6,684
Commodities	18,900	9,654	2,583	12,237	6,663
Printing	16,900	2,234	523	2,757	14,143
Equipment	976,100	813,387	92,227	905,614	70,486
Electronic data processing	46,100	35,439	2,905	38,344	7,756
Telecommunications	4,700	3,171	850	4,021	679
Operation of auto equipment					
Total State Pensions Fund	<u>8,317,000</u>	<u>7,442,214</u>	<u>332,361</u>	<u>7,774,575</u>	<u>542,425</u>

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

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES - CONTINUED

APPROPRIATIONS FOR FISCAL YEAR 2007  
Fourteen Months Ended August 31, 2007

<u>Appropriated Funds</u>	<u>Appropriations (Net of Transfers)</u>	<u>Expenditures Through June 30</u>	<u>Lapse Period Expenditures</u>	<u>Total Expenditures</u>	<u>Balance Lapsed</u>
General Obligation BR&I Fund - 101 (PA 94-0798)					
Payment of principal on general obligation bonds and short-term borrowing	\$ 1,477,592,635	\$ 1,477,592,634	\$ -	\$ 1,477,592,634	\$ 1
Payment of interest on general obligation bonds and short-term borrowing	1,127,025,617	1,115,485,186	-	1,115,485,186	11,540,431
Payment to escrow agent for future bond debt service on refunded bonds	341,848,916	341,848,915	-	341,848,915	1
<u>Total General Obligation BR&amp;I Fund</u>	<u>2,946,467,168</u>	<u>2,934,926,735</u>	<u>-</u>	<u>2,934,926,735</u>	<u>11,540,433</u>
Hospital Basic Services Preservation Fund - 284 (PA 94-0798)					
Awards and grants	5,000,000	-	-	-	5,000,000
Bank Services Trust Fund - 373 (PA 94-0798)					
Payments for banking services	8,100,000	4,820,719	1,204,735	6,025,454	2,074,546
Capital Litigation Trust Fund - 614 (PA 94-0798)					
Lump sum, operations	450,900	395,809	454	396,263	54,637
Awards and grants	10,016,200	7,285,934	657,130	7,943,064	2,073,136
<u>Total Capital Litigation Trust Fund</u>	<u>10,467,100</u>	<u>7,681,743</u>	<u>657,584</u>	<u>8,339,327</u>	<u>2,127,773</u>
Matured Bond and Coupon Fund - 625 (PA 94-0798)					
Payment of matured bonds and interest coupons	500,000	124,394	-	124,394	375,606

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

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES - CONTINUED

APPROPRIATIONS FOR FISCAL YEAR 2007  
Fourteen Months Ended August 31, 2007

<u>Appropriated Funds</u>	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures	Total Expenditures	Balance Lapsed
Estate Tax Collection Distributive Fund - 815 (PA 94-0798) Payment to counties pursuant to Section 13b of the Illinois Estate and Generation-Skipping Transfer Tax Act	\$ 27,000,000	\$ 14,465,187	\$ 1,549,701	\$ 16,014,888	\$ 10,985,112
Total all appropriated funds	<u>\$ 3,029,475,268</u>	<u>\$ 2,990,221,507</u>	<u>\$ 4,099,658</u>	<u>\$ 2,994,321,165</u>	<u>\$ 35,154,103</u>

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

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED  
BALANCES - CONTINUED

APPROPRIATIONS FOR FISCAL YEAR 2007  
Fourteen Months Ended August 31, 2007

<u>Nonappropriated Funds</u>	<u>Expenditures Through June 30</u>	<u>Lapse Period Expenditures</u>	<u>Total Expenditures</u>
IPTIP Administrative Trust Fund - 195			
Administrative expenses of the Illinois Public Treasurers' Investment Pool	\$ 2,989,850	\$ 86,788	\$ 3,076,638
Protest Fund - 401			
Refund of monies paid under protest	24,739,761	-	24,739,761
Unclaimed Property Trust Fund - 482			
Refund of assets claimed	78,882,461	187,033	79,069,494
Municipal Economic Development Fund - 650			
Municipal economic development payments to cities/villages	365,848	-	365,848
College Savings Pool Administrative Trust Fund - 668			
College Savings Pool administrative costs	593,172	55,591	648,763
Total all nonappropriated funds	<u>107,571,092</u>	<u>329,412</u>	<u>107,900,504</u>
Total all funds	<u>\$ 3,097,792,599</u>	<u>\$ 4,429,070</u>	<u>\$ 3,102,221,669</u>

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

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES

APPROPRIATIONS FOR FISCAL YEAR 2006  
Fourteen Months Ended August 31, 2006

<u>Appropriated Funds</u>	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures	Total Expenditures	Balance Lapsed
General Revenue Fund - 001 (PA 94-0015)	\$ 4,667,700	\$ 4,488,039	\$ 1,240	\$ 4,489,279	\$ 178,421
Personal services	186,700	175,477	50	175,527	11,173
Employee retirement - contributions paid by employer					
State contribution to State employees' retirement system	639,500	349,829	97	349,926	289,574
State contribution to social security	347,300	331,361	95	331,456	15,844
Contractual services	1,016,300	729,909	28,740	758,649	257,651
Travel	121,100	62,293	1,190	63,483	57,617
Commodities	49,600	47,262	411	47,573	1,927
Printing	25,900	12,440	1,629	14,069	11,831
Equipment	53,200	12,382	-	12,382	40,818
Electronic data processing	948,000	866,349	7,857	874,206	73,794
Telecommunications	160,100	102,312	10,418	112,730	47,370
Operation of auto equipment	8,600	6,053	735	6,788	1,812
Refunds of estate tax overpaid, and accrued interest thereon	9,000,000	8,578,674	163,326	8,742,000	258,000
Refunds of accrued interest on protested tax cases	6,000,000	455,765	-	455,765	5,544,235
Inspector General	300,000	217,487	1,647	219,134	80,866
Total General Revenue Fund	<u>23,524,000</u>	<u>16,435,632</u>	<u>217,435</u>	<u>16,653,067</u>	<u>6,870,933</u>

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

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES - CONTINUED

APPROPRIATIONS FOR FISCAL YEAR 2006  
Fourteen Months Ended August 31, 2006

<u>Appropriated Funds</u>	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures	Total Expenditures	Balance Lapsed
State Pensions Fund - 054 (PA 94-0015)					
Personal services	\$ 2,565,300	\$ 2,221,156	\$ 2,329	\$ 2,223,485	\$ 341,815
Employee retirement - contributions paid by employer	102,700	71,981	(752)	71,229	31,471
State contribution to State employees' retirement system	351,500	173,147	182	173,329	178,171
State contribution to social security	264,100	257,005	6,279	263,284	816
Group insurance - contributions paid by employer	814,200	632,195	-	632,195	182,005
Contractual services	3,018,100	2,503,066	136,054	2,639,120	378,980
Travel	60,000	35,496	4,588	40,084	19,916
Commodities	35,400	24,480	1,748	26,228	9,172
Printing	18,900	4,941	-	4,941	13,959
Equipment	18,900	4,938	-	4,938	13,962
Electronic data processing	995,100	668,380	26,052	694,432	300,668
Telecommunications	63,100	38,732	3,292	42,024	21,076
Operation of auto equipment	9,700	7,517	849	8,366	1,334
<b>Total State Pensions Fund</b>	<b>8,317,000</b>	<b>6,643,034</b>	<b>180,621</b>	<b>6,823,655</b>	<b>1,493,345</b>

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

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES - CONTINUED

APPROPRIATIONS FOR FISCAL YEAR 2006  
Fourteen Months Ended August 31, 2006

Appropriated Funds	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures	Total Expenditures	Balance Lapsed
General Obligation BR&I Fund - 101 (PA 94-0015)					
Payment of principal on general obligation bonds and short-term borrowing	\$ 1,568,049,900	\$ 1,565,449,887	\$ -	\$ 1,565,449,887	\$ 2,600,013
Payment of interest on general obligation bonds and short-term borrowing	1,116,754,450	1,113,124,277	-	1,113,124,277	3,630,173
Payment to escrow agent for future bond debt service on refunded bonds	<u>285,777,733</u>	<u>285,777,733</u>	-	<u>285,777,733</u>	-
Total General Obligation BR&I Fund	<u>2,970,582,083</u>	<u>2,964,351,897</u>	-	<u>2,964,351,897</u>	<u>6,230,186</u>
Bank Services Trust Fund - 373 (PA 94-0015)					
Payments for banking services	<u>8,100,000</u>	<u>5,760,960</u>	<u>822,076</u>	<u>6,583,036</u>	<u>1,516,964</u>
Capital Litigation Trust Fund - 614 (PA 94-0015)					
Lump sum, operations	450,900	395,469	228	395,697	55,203
Awards and grants	<u>10,016,200</u>	<u>8,274,297</u>	<u>394,116</u>	<u>8,668,413</u>	<u>1,347,787</u>
Total Capital Litigation Trust Fund	<u>10,467,100</u>	<u>8,669,766</u>	<u>394,344</u>	<u>9,064,110</u>	<u>1,402,990</u>
Matured Bond and Coupon Fund - 625 (PA 94-0015)					
Payment of matured bonds and interest coupons	<u>500,000</u>	<u>181,387</u>	-	<u>181,387</u>	<u>318,613</u>

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



STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES - CONTINUED

APPROPRIATIONS FOR FISCAL YEAR 2006  
Fourteen Months Ended August 31, 2006

<u>Appropriated Funds</u>	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures	Total Expenditures	Balance Lapsed
Estate Tax Collection Distributive Fund - 815 (PA 94-0015) Payment to counties pursuant to Section 13b of the Illinois Estate and Generation-Skipping Transfer Tax Act	\$ 27,000,000	\$ 14,640,357	\$ 1,156,125	\$ 15,796,482	\$ 11,203,518
Total all appropriated funds	\$ 3,048,490,183	\$ 3,016,683,033	\$ 2,770,601	\$ 3,019,453,634	\$ 29,036,549

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

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED  
BALANCES - CONTINUED

APPROPRIATIONS FOR FISCAL YEAR 2006  
Fourteen Months Ended August 31, 2006

<u>Nonappropriated Funds</u>	<u>Expenditures Through June 30</u>	<u>Lapse Period Expenditures</u>	<u>Total Expenditures</u>
IPTIP Administrative Trust Fund - 195			
Administrative expenses of the Illinois Public Treasurers' Investment Pool	\$ 2,911,612	\$ 25,172	\$ 2,936,784
Protest Fund - 401			
Refund of monies paid under protest	6,572,078	-	6,572,078
Unclaimed Property Trust Fund - 482			
Refund of assets claimed	53,618,861	276,565	53,895,426
Municipal Economic Development Fund - 650			
Municipal economic development payments to cities/villages	304,932	-	304,932
College Savings Pool Administrative Trust Fund - 668			
College Savings Pool administrative costs	<u>614,834</u>	<u>17,670</u>	<u>632,504</u>
Total all nonappropriated funds	<u>64,022,317</u>	<u>319,407</u>	<u>64,341,724</u>
Total all funds	<u>\$ 3,080,705,350</u>	<u>\$ 3,090,008</u>	<u>\$ 3,083,795,358</u>

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

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES  
AND LAPSED BALANCES

For the Years Ended June 30

	<u>2007</u> PA 94-0798	<u>2006</u> PA 94-0015	<u>2005</u> PA 93-0842
General Revenue Fund - 001			
Appropriations (Net of Transfers)	<u>\$ 23,624,000</u>	<u>\$ 23,524,000</u>	<u>\$ 23,470,100</u>
Expenditures			
Personal services	4,766,225	4,489,279	4,520,325
Employee retirement - contributions paid by employer	166,648	175,527	175,141
State contribution to State employees' retirement system	549,545	349,926	725,868
State contribution to social security	354,711	331,456	337,611
Contractual services	831,704	758,649	757,052
Travel	104,193	63,483	93,177
Commodities	91,768	47,673	67,130
Printing	38,258	14,069	12,516
Equipment	91,315	12,382	23,538
Electronic data processing	1,012,309	874,206	1,021,799
Telecommunications	125,487	112,730	139,263
Operation of auto equipment	10,086	6,788	7,467
Refunds of estate tax overpaid, and accrued interest thereon	8,999,997	8,742,000	8,998,967
Refunds of accrued interest on protested tax cases	3,742,219	455,765	666,309
Inspector General	<u>231,327</u>	<u>219,134</u>	<u>196,081</u>
Total expenditures	<u>21,115,792</u>	<u>16,653,067</u>	<u>17,742,244</u>
Lapsed balances	<u>\$ 2,508,208</u>	<u>\$ 6,870,933</u>	<u>\$ 5,727,856</u>

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES  
AND LAPSED BALANCES - CONTINUED

For the Years Ended June 30

	<u>2007</u>	<u>2006</u>	<u>2005</u>
	PA 94-0798	PA 94-0015	PA 93-0842
State Pensions Fund - 054			
Appropriations (Net of Transfers)	\$ 8,317,000	\$ 8,317,000	\$ 8,284,500
Expenditures			
Personal services	2,458,571	2,223,485	2,288,571
Employee retirement - contributions paid by employer	62,206	71,229	86,417
State contribution to State employees' retirement system	283,534	173,329	368,705
State contribution to social security	281,432	263,284	256,248
Group insurance - contributions paid by employer	619,946	632,195	602,363
Contractual services	2,994,758	2,639,120	2,961,481
Travel	54,439	40,084	41,187
Commodities	56,716	26,228	13,444
Printing	12,237	4,941	6,223
Equipment	2,757	4,938	47,163
Electronic data processing	905,614	694,432	908,878
Telecommunications	38,344	42,024	38,339
Operation of auto equipment	4,021	8,366	3,406
	<u>7,774,575</u>	<u>6,823,655</u>	<u>7,622,425</u>
Total expenditures			
	<u>\$ 542,425</u>	<u>\$ 1,493,345</u>	<u>\$ 662,075</u>
Lapsed balances			

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES  
AND LAPSED BALANCES - CONTINUED

For the Years Ended June 30

	<u>2007</u> PA 94-0798	<u>2006</u> PA 94-0015	<u>2005</u> PA 93-0842
General Obligation BR&I Fund - 101			
Appropriations (Net of Transfers)	<u>\$ 2,946,467,168</u>	<u>\$ 2,970,582,083</u>	<u>\$ 3,303,762,830</u>
Expenditures			
Payment of principal on general obligation bonds and short-term borrowing	1,477,592,634	1,565,449,887	2,153,260,524
Payment of interest on general obligation bonds and short-term borrowing	1,115,485,186	1,113,124,277	1,071,877,490
Payment to escrow agent for future bond debt service on refunded bonds	<u>341,848,915</u>	<u>285,777,733</u>	<u>-</u>
Total expenditures	<u>2,934,926,735</u>	<u>2,964,351,897</u>	<u>3,225,138,014</u>
Lapsed balances	<u>\$ 11,540,433</u>	<u>\$ 6,230,186</u>	<u>\$ 78,624,816</u>
 IPTIP Administrative Trust Fund - 195			
Nonappropriated expenditures	<u>\$ 3,076,638</u>	<u>\$ 2,936,784</u>	<u>\$ 2,660,128</u>
Expenditures			
Administrative expenses of the Illinois Public Treasurer's Investment Pool	<u>3,076,638</u>	<u>2,936,784</u>	<u>2,660,128</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Hospital Basic Services Preservation Fund - 284			
Appropriations (Net of Transfers)	<u>\$ 5,000,000</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Lapsed balances	<u>\$ 5,000,000</u>	<u>\$ -</u>	<u>\$ -</u>
 Bank Services Trust Fund - 373			
Appropriations (Net of Transfers)	<u>\$ 8,100,000</u>	<u>\$ 8,100,000</u>	<u>\$ 8,100,000</u>
Expenditures			
Payments for banking services	<u>6,025,454</u>	<u>6,583,036</u>	<u>6,389,251</u>
Lapsed balances	<u>\$ 2,074,546</u>	<u>\$ 1,516,964</u>	<u>\$ 1,710,749</u>

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES  
AND LAPSED BALANCES - CONTINUED

For the Years Ended June 30

	<u>2007</u> PA 94-0798	<u>2006</u> PA 94-0015	<u>2005</u> PA 93-0842
Protest Fund -- 401			
Nonappropriated expenditures	\$ 24,739,761	\$ 6,572,078	\$ 19,137,402
Expenditures			
Refund of monies paid under protest	24,739,761	6,572,078	19,137,402
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Unclaimed Property Trust Fund - 482			
Nonappropriated expenditures	\$ 79,069,494	\$ 53,895,426	\$ 48,789,699
Expenditures			
Refund of assets claimed	79,069,494	53,895,426	48,789,699
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Litigation Trust Fund - 614			
Appropriations (Net of Transfers)	\$ 10,467,100	\$ 10,467,100	\$ 10,467,100
Expenditures			
Lump sum, operations	396,263	395,697	407,170
Award and grants	7,943,064	8,668,413	7,885,582
Total expenditures	<u>8,339,327</u>	<u>9,064,110</u>	<u>8,292,752</u>
Lapsed balances	<u>\$ 2,127,773</u>	<u>\$ 1,402,990</u>	<u>\$ 2,174,348</u>
Matured Bond and Coupon Fund - 625			
Appropriations (Net of Transfers)	\$ 500,000	\$ 500,000	\$ 603,775
Expenditures			
Payment of matured bonds and interest coupons	124,394	181,387	603,775
Lapsed balances	<u>\$ 375,606</u>	<u>\$ 318,613</u>	<u>\$ -</u>

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES  
AND LAPSED BALANCES - CONTINUED

For the Years Ended June 30

	<u>2007</u> PA 94-0798	<u>2006</u> PA 94-0015	<u>2005</u> PA 93-0842
Municipal Economic Development Fund - 650			
Nonappropriated expenditures	\$ 365,848	\$ 304,932	\$ 214,559
Expenditures			
Municipal economic development payments to cities/villages	365,848	304,932	214,559
Lapsed balances	\$ -	\$ -	\$ -
College Savings Pool Administrative Trust Fund - 668			
Nonappropriated expenditures	\$ 648,763	\$ 632,504	\$ 525,782
Expenditures			
College Savings Pool administrative costs	648,763	632,504	525,782
Lapsed balances	\$ -	\$ -	\$ -
Estate Tax Collection Distributive Fund - 815			
Appropriations (Net of Transfers)	\$ 27,000,000	\$ 27,000,000	\$ 27,000,000
Expenditures			
Payment to counties pursuant to section 13b	16,014,888	15,796,482	18,192,016
Lapsed balances	\$ 10,985,112	\$ 11,203,518	\$ 8,807,984
Appropriations (Net of Transfers)	\$ 3,029,475,268	\$ 3,048,490,183	\$ 3,381,688,305
Nonappropriated expenditures	107,900,504	64,341,724	71,327,570
Total appropriations and nonappropriated	3,137,375,772	3,112,831,907	3,453,015,875
Total expenditures	3,102,221,669	3,083,795,358	3,355,308,047
Lapsed balances	\$ 35,154,103	\$ 29,036,549	\$ 97,707,828
Salaries paid from the Comptroller's Executive Salaries Appropriation	\$ 115,735	\$ 115,235	\$ 115,235

Note: The Treasurer's Office did not make initiative payments during the examination period.

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS AND FUND  
BALANCE (CASH BASIS) - LOCALLY HELD FUNDS  
For the Two Years Ended June 30, 2007

Fund No. 1267 Illinois Insured Mortgage Pilot Program Fund

Cash balance, July 1, 2005	\$	8,465
Receipts		188,253
Disbursements		<u>192,171</u>
Cash balance June 30, 2006	\$	<u>4,547</u>
Cash balance, July 1, 2006	\$	4,547
Receipts		280,007
Disbursements		<u>278,884</u>
Cash balance, June 30, 2007	\$	<u>5,670</u>

Fund No. 1370 Home Loan Collateral Fund

Cash balance, July 1, 2005	\$	5,147,776
Receipts		145,393
Disbursements		<u>-</u>
Cash balance June 30, 2006	\$	<u>5,293,169</u>
Cash balance, July 1, 2006	\$	5,293,169
Receipts		237,919
Disbursements		<u>2,640</u>
Cash balance, June 30, 2007	\$	<u>5,528,448</u>



STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS AND FUND  
BALANCE (CASH BASIS) - LOCALLY HELD FUNDS - CONTINUED  
For the Two Years Ended June 30, 2007

Fund No. 1375 Cahokia Mounds Preservation Fund

Cash balance, July 1, 2005	\$ 101,178
Receipts	411,365
Disbursements	<u>1,750</u>
Cash balance June 30, 2006	<u>\$ 510,793</u>
Cash balance, July 1, 2006	\$ 510,793
Receipts	329,833
Disbursements	<u>71,375</u>
Cash balance, June 30, 2007	<u>\$ 769,251</u>

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS AND FUND  
BALANCE (CASH BASIS) – LOCALLY HELD FUNDS - CONTINUED  
For the Two Years Ended June 30, 2007

Fund No. 1111 Illinois Public Treasurers' Investment Pool

The Illinois Public Treasurers' Investment Pool, Fund No. 1111, (IPTIP) is the fund used to account for assets held by the Treasurer in a trustee capacity as an agent for public treasurers throughout the State of Illinois. These funds are held in an account at U.S. Bank, N.A. IPTIP financial statements are reported separately. Therefore, cash receipts and disbursements are not presented in this report.

Fund No. 1668 College Savings Pool

The College Savings Pool, Fund No. 1668, (CSP) is the fund used to account for assets held by the Treasurer in a trustee capacity as an agent for the general public throughout the State of Illinois and outside the State of Illinois. These funds are held in accounts at Legg Mason Investor Services Inc. and Union Bank and Trust Company. CSP financial statements are reported separately. Therefore, cash receipts and disbursements are not presented in this report.

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

SCHEDULES OF CHANGES IN STATE PROPERTY

For the Years Ended June 30

	<u>2007</u>	<u>2006</u>
Balances, beginning of fiscal year	\$ 3,321,462	\$ 3,694,505
Additions		
Purchases	183,554	63,788
Inter-agency transfers	35,466	82,210
	<u>219,020</u>	<u>145,998</u>
Deductions		
Inter-agency transfers	242,962	515,590
Inventory adjustments	4,943	3,451
	<u>247,905</u>	<u>519,041</u>
Balances, end of fiscal year	<u>\$ 3,292,577</u>	<u>\$ 3,321,462</u>

Note: This schedule has been reconciled to property reports submitted to the Department of Central Management Services and the Office of the Comptroller.

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

COMPARATIVE SCHEDULE OF CASH RECEIPTS

For the Years Ended June 30

	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Revenue Fund - 001			
Investment income	\$ 202,057,923	\$ 151,469,647	\$ 71,851,111
Miscellaneous receipts	9,689	9,315	18,626
Private organizations or individuals	83,004	5,091	1,481
Reimbursement from employees for jury duty and personal phone calls	964	1,762	1,632
Excess funds	3,036,819	-	-
Prior year refund	(96,495)	611	681
Total General Revenue Fund	<u>205,091,904</u>	<u>151,486,426</u>	<u>71,873,531</u>
State Pensions Fund - 054			
Miscellaneous receipts	84	43	33
Prior year refund	5,128	380	300
Total State Pensions Fund	<u>5,212</u>	<u>423</u>	<u>333</u>
General Obligation BR&I Fund - 101			
Investment income	28,069,459	22,268,882	13,517,966
IPTIP Administrative Trust Fund - 195			
State and local government	3,690,078	3,262,243	2,909,044
Reimbursement from employees for jury duty and personal phone calls	200	17	121
Prior year refund	-	55	54
Total IPTIP Administrative Trust Fund	<u>3,690,278</u>	<u>3,262,315</u>	<u>2,909,219</u>
Methamphetamine Law Enforcement Fund - 283			
Fines, penalties, or violations	8,015	1,225	-
Demutualization Trust Fund - 300			
Unclaimed assets	-	69,983,787	-
Treasurer's Rental Fee Fund - 331			
Rental income	6,000	6,000	6,000
Metropolitan Pier and Exposition Authority (MPEA) Trust Fund - 337			
Investment income	341,083	215,688	110,405
IL State Toll Highway Revenue Fund - 455			
Investment income	33,684,786	20,194,988	8,875,117
Miscellaneous receipts	68,682	-	-
Total IL State Toll Highway Revenue Fund	<u>33,753,468</u>	<u>20,194,988</u>	<u>8,875,117</u>
Unclaimed Property Trust Fund - 482			
Unclaimed assets	444,444,276	199,855,172	163,934,465
Prior year refund	39	469	1,945
Total Unclaimed Property Trust Fund	<u>444,444,315</u>	<u>199,855,641</u>	<u>163,936,410</u>

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

COMPARATIVE SCHEDULE OF CASH RECEIPTS - CONTINUED

For the Years Ended June 30

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Capital Litigation Trust Fund - 614			
Investment income	\$ 251,152	\$ 231,440	\$ 145,419
Reimbursement from employees for jury duty and personal phone calls	-	-	206
Prior year refund*	<u>121,145</u>	<u>690,266</u>	<u>327,974</u>
Total Capital Litigation Trust Fund	372,297	921,706	473,599
Matured Bond and Coupon Fund - 625			
Matured and unredeemed bonds and coupons	25,019	35,338	351,150
Municipal Economic Development Fund -650			
Investment income	1,897	1,937	1,067
College Savings Pool Administrative Trust Fund - 668			
Investment income	57,561	16,637	5,145
License fee or registration	1,460,350	1,107,391	601,441
Reimbursement from employees for jury duty and personal phone calls	-	103	-
Prior year refund	<u>-</u>	<u>1,500</u>	<u>-</u>
Total College Savings Pool Admin. Trust Fund	1,517,911	1,125,631	606,586
Rate Adjustment Fund - 685			
Investment income	175,135	23,289	5,124
State Treasurer Court Ordered Escrow Fund - 932			
Investment income	30,937	26,999	14,236
Industrial Commission Surcharge Escrow Fund - 937			
Investment income	<u>1,109,142</u>	<u>755,091</u>	<u>122,297</u>
 Total Receipts	 <u>\$ 718,642,072</u>	 <u>\$ 470,165,366</u>	 <u>\$ 262,803,040</u>

\* Prior year refunds for the Capital Litigation Trust Fund include the return of unused grant funds plus interest in accordance with the Capital Crimes Litigation Act recorded in fiscal year 2007 & 2005 as Grantee Interest Income. To provide comparative information the amounts have been reported as prior year refunds in all fiscal years presented.

Note: This schedule represents cash receipts not reported in other reports. The Treasurer receives cash receipts from inheritance/estate taxes, bond issuance, and interest income. Inheritance/estate taxes, bond issuance, and interest income are included in a separate report-State of Illinois, Office of the Treasurer, Fiscal Officer Responsibilities.

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS  
REMITTED TO THE STATE COMPTROLLER

Year Ended June 30, 2007

Receipts received by Treasurer deposited into clearing account	General Revenue Fund	State Pensions Fund	General Obligation BE&I Fund	PTTP Administrative Trust Fund	Methamphetamine Law Enforcement Fund	Demutualization Trust Fund	Treasurer's Rental Fee Fund	MPEA Trust Fund	IL State Toll Highway Revenue Fund
	\$ 205,091,904	\$ 5,212	\$ 28,069,459	\$ 3,690,278	\$ 8,015	\$ -	\$ 6,000	\$ 341,083	\$ 33,753,468
Plus deposits in transit, beginning of year	-	-	-	-	-	-	-	-	-
Less deposits in transit, end of year	-	-	-	-	-	-	-	-	-
Deposits remitted to Comptroller	<u>\$ 205,091,904</u>	<u>\$ 5,212</u>	<u>\$ 28,069,459</u>	<u>\$ 3,690,278</u>	<u>\$ 8,015</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 341,083</u>	<u>\$ 33,753,468</u>
Receipts received by Treasurer deposited into clearing account	Unclaimed Property Trust Fund	Capital Litigation Trust Fund	Matured Bond and Coupon Fund	Municipal Economic Development Fund	College Savings Pool Admin. Trust Fund	Rate Adjustment Fund	State Treasurer Court Ordered Escrow Fund	Industrial Commission Surcharge Escrow Fund	Total
	\$ 444,444,315	\$ 372,297	\$ 25,019	\$ 1,897	\$ 1,517,911	\$ 175,135	\$ 30,937	\$ 1,109,142	\$ 718,642,072
Plus deposits in transit, beginning of year	-	-	-	-	-	-	-	-	-
Less deposits in transit, end of year	-	-	-	-	-	-	-	-	-
Deposits remitted to Comptroller	<u>\$ 444,444,315</u>	<u>\$ 372,297</u>	<u>\$ 25,019</u>	<u>\$ 1,897</u>	<u>\$ 1,517,911</u>	<u>\$ 175,135</u>	<u>\$ 30,937</u>	<u>\$ 1,109,142</u>	<u>\$ 718,642,072</u>

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS  
REMITTED TO THE STATE COMPTROLLER

Year Ended June 30, 2006

	General Revenue Fund	State Pensions Fund	General Obligation BR&I Fund	IFTIP Administrative Trust Fund	Methamphetamine Law Enforcement Fund	Demutualization Trust Fund	Treasurer's Rental Fee Fund	MPEA Trust Fund	IL State Toll Highway Revenue Fund
Receipts received by Treasurer deposited into clearing account	\$ 151,486,426	\$ 423	\$ 22,268,882	\$ 3,262,315	\$ 1,225	\$ 69,983,787	\$ 6,000	\$ 215,688	\$ 20,194,988
Plus deposits in transit, beginning of year	-	-	-	-	-	-	-	-	-
Less deposits in transit, end of year	-	-	-	-	-	-	-	-	-
Deposits remitted to Comptroller	\$ 151,486,426	\$ 423	\$ 22,268,882	\$ 3,262,315	\$ 1,225	\$ 69,983,787	\$ 6,000	\$ 215,688	\$ 20,194,988
	Unclaimed Property Trust Fund	Capital Litigation Trust Fund	Matured Bond and Coupon Fund	Municipal Economic Development Fund	College Savings Pool Adm. Trust Fund	Rate Adjustment Fund	State Treasurer Court Ordered Escrow Fund	Industrial Commission Surcharge Escrow Fund	Total
Receipts received by Treasurer deposited into clearing account	\$ 199,855,641	\$ 921,706	\$ 35,338	\$ 1,937	\$ 1,125,631	\$ 23,289	\$ 26,999	\$ 755,091	\$ 470,165,366
Plus deposits in transit, beginning of year	-	-	-	-	-	-	-	-	-
Less deposits in transit, end of year	-	-	-	-	-	-	-	-	-
Deposits remitted to Comptroller	\$ 199,855,641	\$ 921,706	\$ 35,338	\$ 1,937	\$ 1,125,631	\$ 23,289	\$ 26,999	\$ 755,091	\$ 470,165,366

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES

The Office's explanations for significant fluctuations in expenditures are detailed below:

<u>Fund, Account (if Applicable), and Explanation</u>	<u>2007</u>	<u>2006</u>
General Revenue Fund (001)		
State contribution to SERS	\$ 549,545	\$ 349,926
<p>The increase of \$199,619, or 57.05%, is due to a change in appropriation authority. There was an increase in the appropriation from FY06 to FY07. SERS increased the total employer rate from 7.795% in FY06 to 11.525% in FY07.</p>		
Travel	104,193	63,483
<p>The increase of \$40,710, or 64.13%, was due to increased efforts to promote Treasurer's Office programs and improve customer service. Additionally, travel increased due to an increase in meetings relating to the transition and inauguration of the new administration.</p>		
Commodities	91,768	47,673
<p>The increase of \$44,095, or 92.49%, was due to the purchase of additional supplies and promotional items, including dress shirts for all staff to be worn at events, as a result of inauguration of the new administration.</p>		
Printing	38,258	14,069
<p>The increase of \$24,189, or 171.93%, was due to publications needing reprinted in FY07 due to inauguration of the new administration.</p>		
Equipment	91,315	12,382
<p>The increase of \$78,933, or 637.48%, was due to the new administration replacing obsolete equipment, copiers, and other items. The majority of the expenditures were for the executive offices.</p>		



STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES - CONTINUED

<u>Fund, Account (if Applicable), and Explanation</u>	<u>2007</u>	<u>2006</u>
General Revenue Fund (001) - Continued		
Operation of auto equipment	\$ 10,086	\$ 6,788
The increase of \$3,298, or 48.59%, was due to more repairs of state vehicles needed in FY07.		
Refunds - protested cases	3,742,219	455,765
Refunds of tax monies paid under protest are dependent on the number and size of protested tax cases that come from and are resolved by the Attorney General in a given fiscal year. The interest for these refunds is paid from the General Revenue Fund. The increase of \$3,286,454, or 721.09%, was directly related to the corresponding increase in court ordered distributions in FY07.		
State Pensions Fund (054)		
State employee retirement	283,534	173,329
The increase of \$110,205, or 63.58%, is due to a change in appropriation authority. There was an increase in the appropriation from FY06 to FY07. SERS increased the total employer rate from 7.795% in FY06 to 11.525% in FY07.		
Travel	54,439	40,084
The increase of \$14,355, or 35.81%, was due to increased efforts to promote Treasurer's Office programs and improve customer service. Additionally, travel increased due to an increase in meetings relating to the transition and inauguration of the new administration and new Mt. Vernon satellite office.		

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES - CONTINUED

<u>Fund, Account (if Applicable), and Explanation</u>	<u>2007</u>	<u>2006</u>
State Pensions Fund (054) - Continued		
Commodities	\$ 56,716	\$ 26,228
<p>The increase of \$30,488, or 116.24%, was due to the purchase of additional supplies and promotional items, including t-shirts to be worn during Cash Dash events, as a result of the inauguration of the new administration.</p>		
Printing	12,237	4,941
<p>The increase of \$7,296, or 147.66%, was due to publications needing reprinted in FY07 due to the inauguration of new administration.</p>		
Equipment	2,757	4,938
<p>The decrease of \$2,181, or 44.17%, was due to a decrease in obsolete equipment needing replaced.</p>		
Electronic data processing	905,614	694,432
<p>The increase of \$211,182, or 30.41%, was due to more repairs of EDP equipment, an increase in training expenditures, the purchase of new software, and an increase in consultant services to assist with application development in FY07. Additionally, new EDP equipment was purchased to replace obsolete equipment.</p>		
Operation of auto equipment	4,021	8,366
<p>The decrease of \$4,345, or 51.94%, was due to fewer repairs of state vehicles needed in FY07 as compared to FY06 when repair costs were high.</p>		

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES - CONTINUED

<u>Fund, Account (if Applicable), and Explanation</u>	<u>2007</u>	<u>2006</u>
Protest Fund (401)		
Refund of monies paid under protest	\$ 24,739,761	\$ 6,572,078
Refunds of tax monies paid under protest are dependent on the number and size of protested tax cases that come from and are resolved by the Attorney General in a given fiscal year. The interest for these refunds is paid from the General Revenue Fund. The increase of \$18,167,683, or 276.44%, was directly related to the corresponding increase in court ordered distributions in FY07.		
Unclaimed Property Trust Fund (482)		
Refund of assets claimed	79,069,494	53,895,426
Refunds of unclaimed assets are dependent on the number and size of claims made and paid in a given fiscal year. The increase of \$25,174,068, or 46.71%, was due to larger claim amounts being refunded in FY07 than in FY06. The Treasurer has no control over spending in this area.		
Matured Bond and Coupon Fund (625)		
Payment of matured bonds and interest coupons	-	181,387
This expenditure item is in place to accommodate late claims (after the two-year redemption period) by bondholders holding matured bond and interest coupons issued by the State of Illinois. An appropriation is maintained in the Treasurer's budget for the purpose of paying these claims legally required by bond covenants. The decrease of \$56,993, or 31.42%, was due to fewer late claims filed. The Treasurer has no control over spending in this area.		

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES

<u>Fund, Account (if Applicable), and Explanation</u>	<u>2006</u>	<u>2005</u>
General Revenue Fund (001)		
State contribution to SERS	\$ 349,926	\$ 725,868
<p>The decrease of \$375,942, or 51.79%, is due to a change in appropriation authority. There was a decrease in the appropriation from FY05 to FY06. SERS decreased the total employer rate from 16.107% in FY05 to 7.795% in FY06.</p>		
Travel	63,483	93,177
<p>The decrease of \$29,694, or 31.87%, was due to the continued effort to cut back on spending due to the State's financial condition.</p>		
Commodities	47,673	67,130
<p>The decrease of \$19,457, or 28.98%, was due to additional supplies needed in FY05 as a result of divisions moving to new office space on the third floor of Jefferson Terrace.</p>		
Equipment	12,382	23,538
<p>The decrease of \$11,156, or 47.40%, was due to additional equipment needed in FY05 as a result of divisions moving to new office space on the third floor of Jefferson Terrace.</p>		
Refunds - protested cases	455,765	666,309
<p>Refunds of tax monies paid under protest are dependent on the number and size of protested tax cases that come from and are resolved by the Attorney General in a given fiscal year. The interest for these refunds is paid from the General Revenue Fund. The decrease of \$210,544, or 31.60%, was directly related to the corresponding decrease in court ordered distributions in FY06.</p>		

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES - CONTINUED

<u>Fund, Account (if Applicable), and Explanation</u>	<u>2006</u>	<u>2005</u>
State Pensions Fund (054)		
State contribution to SERS	\$ 173,329	\$ 368,705
<p>The decrease of \$195,376, or 52.99%, is due to a change in appropriation authority. There was a decrease in the appropriation from FY05 to FY06. SERS decreased the total employer rate from 16.107% in FY05 to 7.795% in FY06.</p>		
Commodities	26,228	13,444
<p>The increase of \$12,784, or 95.09%, was due to supplies purchased in FY06 to replenish the depletion of in-stock promotional items given away at various fairs throughout the State during FY05 and FY06.</p>		
Printing	4,941	6,223
<p>The decrease of \$1,282, or 20.60%, was due to a continued effort to cut back on spending due to the State's financial condition which resulted in changing the supplier to one who provides a similar product at a less expensive price.</p>		
Equipment	4,938	47,163
<p>The decrease of \$42,225, or 89.53%, was due to additional equipment purchased in FY05 as a result of divisions moving to new office space on the third floor of Jefferson Terrace.</p>		
Electronic data processing	694,432	908,878
<p>The decrease of \$214,446, or 23.59%, was due to additional equipment purchased in FY05 as a result of divisions moving to new office space on the third floor of Jefferson Terrace. The decrease is also due to decreasing EDP regular positions, and its related expenditures, paid by State Pensions Fund.</p>		

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES - CONTINUED

<u>Fund, Account (if Applicable), and Explanation</u>	<u>2006</u>	<u>2005</u>
State Pensions Fund (054) - Continued		
Operation of auto equipment	\$ 8,366	\$ 3,406
The increase of \$4,960, or 145.63%, was due to repairs and maintenance performed in FY06 that was not performed in FY05, as well as increase in costs of auto insurance and gas.		
General Obligation Bond Fund (101)		
Payment of principal	1,565,449,887	2,153,260,524
The decrease of \$587,810,637, or 27.30%, was due to the decrease in short-term borrowing in FY06.		
Payment to escrow agent for future bond debt service on refunded bonds	285,777,733	-
Proceeds from the issuance of Refunding Bonds are paid to and held by escrow agents for the purpose of defeasing General Obligation Bonds originally issued at higher interest rates. This expenditure item is related to the State General Obligation Bond refunding issues executed during a fiscal year. There were no refunding bond issues in FY05.		
Protest Fund (401)		
Refund of monies paid under protest	6,572,078	19,137,402
Refunds of tax monies paid under protest are dependent on the number and size of protested tax cases that come from and are resolved by the Attorney General in a given fiscal year. The interest for these refunds is paid from the General Revenue Fund. The decrease of \$12,565,324, or 65.66%, was directly related to the corresponding decrease in court ordered distributions in FY06.		

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES - CONTINUED

<u>Fund, Account (if Applicable), and Explanation</u>	<u>2006</u>	<u>2005</u>
Matured Bond and Coupon Fund (625)		
Payment of matured bonds and interest coupons (after the two-year redemption period) by bondholders holding matured bond and interest coupons issued by the State of Illinois. An appropriation is maintained in the Treasurer's budget for the purpose of paying these claims legally required by bond covenants. The decrease of \$422,388, or 69.96%, was due to fewer late claims filed in FY06. The Treasurer has no control over spending in this area.	\$ 181,387	\$ 603,775
Municipal Economic Development Fund (650)		
Municipal economic development to cities/villages Fund balance is paid to cities and villages at the end of each quarter. The increase of \$90,373, or 42.12%, was due to only three payments being made in FY05 while four payments were made in FY06.	304,932	214,559
College Savings Pool Administrative Trust Fund (668)		
College Savings Pool administrative costs The increase of \$106,722, or 20.30%, was due to the continuing growth in assets and increase in participants of the College Savings Pool, therefore the expenditures, paid from the College Savings Pool Administrative Trust Fund, increased.	632,504	525,782

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT VARIATIONS IN CASH RECEIPTS

<u>Fund, Account (if Applicable), and Explanation</u>	<u>2007</u>	<u>2006</u>
General Revenue Fund (001)		
Investment income	\$ 202,057,923	\$ 151,469,647
The Treasurer has no control over the investment market. The increase of \$50,588,276, or 33.40%, was due to increases in average invested balance and interest rates.		
Private organizations or individuals	83,004	5,091
The increase of \$77,913, or 1530.41%, was due to receipt of lost interest from various financial institutions not depositing Treasurer's funds on a timely basis. The Treasurer has no control over receipt of funds due to financial institutions errors in any given year.		
Reimbursement from employees	964	1,762
The decrease of \$798, or 45.29%, was due to fewer personal phone calls being made in FY07.		
Excess funds	3,036,819	-
The increase of \$3,036,819, or 100%, was due to the receipt of funds from JPMorgan as per public act 91-0935 in accordance with the Illinois Sports Facilities Authority Act.		
Prior year refund	(96,495)	611
The decrease of \$97,106, or 15892.96%, was due to a correction to the amount reported as investment income.		
State Pensions Fund (054)		
Prior year refund	5,128	380
The increase of \$4,748, or 1249.47%, was due to a clause in the new AFSCME contract that retroactively required employees under the contract to pay 2% of their retirement to the retirement system.		



STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT VARIATIONS IN CASH RECEIPTS - CONTINUED

<u>Fund, Account (if Applicable), and Explanation</u>	<u>2007</u>	<u>2006</u>
General Obligation BR&I Fund (101)		
Investment income	\$ 28,069,459	\$ 22,268,882
The Treasurer has no control over the investment market.		
The increase of \$5,800,577, or 26.05%, was due to		
increases in average invested balance and interest rates.		
Methamphetamine Law Enforcement Fund (283)		
Fines, penalties, or violations	8,015	1,225
This was a new fund in FY06. The increase of \$6,790, or		
554.29% is due to the submission of circuit clerk		
collections required to be deposited by the State Treasurer.		
The Treasurer has no control over the receipt amount in		
any given year.		
Demutualization Trust Fund (300)		
Unclaimed assets	-	69,983,787
The decrease of \$69,983,787, or 100%, was due to the		
submission of abandoned property distributed in the		
course of demutualization of insurance companies in		
FY06. No demutualization submissions were received in		
FY07. The Treasurer has no control over receipt amount		
in any given year.		
Metropolitan Pier and Exposition Authority Trust Fund (337)		
Investment income	341,083	215,688
The Treasurer has no control over the investment market.		
The increase of \$125,395, or 58.14%, was due to		
increases in average invested balance and interest rates.		
IL State Toll Highway Revenue Fund (455)		
Investment Income	33,684,786	20,194,988
The Treasurer has no control over the investment market.		
The increase of \$13,489,798, or 66.80%, was due to		
increases in average invested balance and interest rates.		

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT VARIATIONS IN CASH RECEIPTS - CONTINUED

<u>Fund, Account (if Applicable), and Explanation</u>	<u>2007</u>	<u>2006</u>
IL State Toll Highway Revenue Fund (455) - Continued		
Miscellaneous receipts	\$ 68,682	\$ -
The increase of \$68,682, or 100%, was due to receipt of lost interest from JPMorgan for not depositing Treasurer's funds on a timely basis. The Treasurer has no control over receipt of funds due to financial institutions errors in any given year.		
Unclaimed Property Trust Fund (482)		
Unclaimed assets	444,444,276	199,855,172
The increase of \$244,589,104, or 122.38%, was due to an increase in the amount of unclaimed property submitted by various holders. The Treasurer has no control over the receipt amount in any given year.		
Capital Litigation Trust Fund (614)		
Prior year refund	121,145	690,266
Cook County receives an appropriated lump sum for expenditures from the Capital Litigation Trust Fund. Pursuant to law, any money not expended is to be returned to the State Treasurer's Office. The decrease of \$569,121, or 82.45%, was due to Cook County better estimating its expenditures during the budget process and therefore refunding less money. The Treasurer has no control over the receipt amount in any given year.		

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT VARIATIONS IN CASH RECEIPTS - CONTINUED

<u>Fund, Account (if Applicable), and Explanation</u>	<u>2007</u>	<u>2006</u>
Matured Bond and Coupon Fund (625)		
Matured and unredeemed bonds and coupons	\$ 25,019	\$ 35,338
The decrease of \$10,319, or 29.20%, was due to the decrease of payments for matured bonds and coupons issued by the State of Illinois that remained unredeemed after the standard two-year redemption period. The receipt source is dependent on the amount of unredeemed items remitted by the paying agents to the Treasurer. The Treasurer has no control over receipt amount in any given year.		
College Savings Pool Administrative Trust Fund (668)		
Investment income	57,561	16,637
The Treasurer has no control over the investment market. The increase of \$40,924, or 245.98%, was due to increases in average invested balance and interest rates.		
License fee or registration	1,460,350	1,107,391
The increase of \$352,959, or 31.87%, was due to continued growth of the program and the addition of the Bright Directions program.		
Prior year refund	-	1,500
The decrease of \$1,500, or 100%, was due to the lack of overpayments of expenses in FY06 so no refund was required in FY07.		
Rate Adjustment Fund (685)		
Investment income	175,135	23,289
The Treasurer has no control over the investment market. The increase of \$151,846, or 652.01%, was due to increases in average invested balance and interest rates.		

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT VARIATIONS IN CASH RECEIPTS - CONTINUED

<u>Fund, Account (if Applicable), and Explanation</u>	<u>2007</u>	<u>2006</u>
Industrial Commission Surcharge Escrow Fund (937)		
Investment income	\$ 1,109,142	\$ 755,091
The Treasurer has no control over the investment market.		
The increase of \$354,051, or 46.89%, was due to increases in average invested balance and interest rates.		

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT VARIATIONS IN CASH RECEIPTS

<u>Fund, Account (if Applicable), and Explanation</u>	<u>2006</u>	<u>2005</u>
General Revenue Fund (001)		
Investment income	\$ 151,469,647	\$ 71,851,111
The Treasurer has no control over the investment market. The increase of \$79,618,536, or 110.81%, was due to increases in average invested balance and interest rates.		
Miscellaneous receipts	9,315	18,626
The decrease of \$9,311, or 49.99%, was due to the POAG water main failing to make payments in FY04. The payments were caught up in FY05 and regular payments were made in FY06.		
Private organizations or individuals	5,091	1,481
The increase of \$3,610, or 243.75%, was due to the receipt of lost interest from various financial institutions not depositing Treasurer's funds on a timely basis. The Treasurer has no control over the receipt of funds due to financial institutions errors in any given year.		
General Obligation BR&I Fund (101)		
Investment income	22,268,882	13,517,966
The Treasurer has no control over the investment market. The increase of \$8,750,916, or 64.74%, was due to increases in average invested balance and interest rates.		
Methamphetamine Law Enforcement Fund (283)		
Fines, penalties, or violations	1,225	-
This was a new fund in FY06. The increase of \$1,225, or 100%, is due to the submission of circuit clerk collections required to be deposited by the State Treasurer. The Treasurer has no control over the receipt amount in any given year.		

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT VARIATIONS IN CASH RECEIPTS - CONTINUED

<u>Fund, Account (if Applicable), and Explanation</u>	<u>2006</u>	<u>2005</u>
Demutualization Trust Fund (300)		
Unclaimed assets	\$ 69,983,787	\$ -
The increase of \$69,983,787, or 100%, was due to the submission in FY06 of abandoned property distributed in the course of demutualization of insurance companies. The Treasurer has no control over the receipt amount in any given year.		
Metropolitan Pier and Exposition Authority Trust Fund (337)		
Investment income	215,688	110,405
The Treasurer has no control over the investment market. The increase of \$105,283, or 95.36%, was due to increases in average invested balance and interest rates.		
IL State Toll Highway Revenue Fund (455)		
Investment income	20,194,988	8,875,117
The Treasurer has no control over the investment market. The increase of \$11,319,871, or 127.55%, was due to increases in average invested balance and interest rates.		
Unclaimed Property Trust Fund (482)		
Unclaimed assets	199,855,172	163,934,465
The increase of \$35,920,707, or 21.91%, was due to an increase in the amount of unclaimed property submitted by various holders. The Treasurer has no control over the receipt amount in any given year.		
Prior year refund	469	1,945
The decrease of \$1,476, or 75.89%, was due to there being no duplicate payment of unclaimed property claims requiring a refund in FY06 as there had been in FY05.		

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT VARIATIONS IN CASH RECEIPTS - CONTINUED

<u>Fund, Account (if Applicable), and Explanation</u>	<u>2006</u>	<u>2005</u>
Capital Litigation Trust Fund (614)		
Investment income	\$ 231,440	\$ 145,419
<p>The Treasurer has no control over the investment market. The increase of \$86,021, or 59.15%, was due to increases in average invested balance and interest rates.</p>		
Prior year refund	690,266	327,974
<p>Cook County receives an appropriated lump sum for expenditures from the Capital Litigation Trust Fund. Pursuant to law, any money not expended is to be returned to the State Treasurer's Office. The increase of \$362,292, or 110.46%, was due to Cook County overestimating its expenditures during the budget process and therefore refunding more money. The Treasurer has no control over the receipt amount in any given year.</p>		
Matured Bond and Coupon Fund (625)		
Matured and unredeemed bonds and coupons	35,338	351,150
<p>The decrease of \$315,812, or 89.94%, was due to the decrease of payments for matured bonds and coupons issued by the State of Illinois that remained unredeemed after the standard two-year redemption period. The receipt source is dependent on the amount of unredeemed items remitted by the paying agents to the Treasurer. The Treasurer has no control over the receipt amount in any given year.</p>		
Municipal Economic Development Fund (650)		
Investment income	1,937	1,067
<p>The Treasurer has no control over the investment market. The increase of \$ 870, or 81.54%, was due to increases in average invested balance and interest rates.</p>		

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT VARIATIONS IN CASH RECEIPTS - CONTINUED

<u>Fund, Account (if Applicable), and Explanation</u>	<u>2006</u>	<u>2005</u>
College Savings Pool Administrative Trust Fund (668)		
Investment income	\$ 16,637	\$ 5,145
The Treasurer has no control over the investment market. The increase of \$11,492, or 223.36%, was due to increases in average invested balance and interest rates.		
License fee or registration	1,107,391	601,441
The increase of \$505,950, or 84.12%, was due to an increase in the Bright Start fees and the addition of fees for the new Bright Directions program that began in		
Prior year refund	1,500	-
The increase of \$1,500, or 100%, was due to the overpayments of expenses in FY04 requiring a refund that was not received until FY06.		
Rate Adjustment Fund (685)		
Investment income	23,289	5,124
The Treasurer has no control over the investment market. The increase of \$18,165, or 354.51%, was due to increases in average invested balance and interest rates.		
State Treasurer Court Ordered Escrow Fund (932)		
Investment income	26,999	14,236
The Treasurer has no control over the investment market. The increase of \$12,763, or 89.65%, was due to increases in average invested balance and interest rates.		
Industrial Commission Surcharge Escrow Fund (937)		
Investment income	755,091	122,297
The Treasurer has no control over the investment market. The increase of \$632,794, or 517.42%, was due to increases in average invested balance and interest rates.		



STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING

<u>Fund, Account (if Applicable), and Explanation</u>	<u>Disbursements During Lapse Period</u>	<u>Disbursements for Fourteen Months Ended August 31, 2007</u>	<u>Percentage of Expenditures in Lapse Period</u>
General Revenue Fund (001)			
Commodities	\$ 49,440	\$ 91,768	53.87%
<p>The lapse period spending was for promotional items, including dress shirts for all staff, in addition to Helix pens, name plates, and other supplies needing replenishment due to inauguration of new administration that were ordered late in the fiscal year.</p>			
Printing	9,965	38,258	26.05%
<p>The lapse period spending was for printing supplies that were ordered late in the fiscal year and the invoice was not received until the lapse period. A majority of the printing expenditures were the Economic Development and Agricultural brochures.</p>			
Equipment	60,487	91,315	66.24%
<p>The lapse period spending was for replacement of obsolete equipment, copiers, and other items ordered late in the fiscal year by the new administration. A majority of the expenditures were for the executive offices.</p>			
Operation of auto equipment	2,050	10,086	20.33%
<p>The lapse period spending was for engine repair and oil changes done late in the fiscal year and the invoices were not received until the lapse period.</p>			
State Pensions Fund (054)			
Commodities	36,227	56,716	63.87%
<p>The lapse period spending was for promotional items, including t-shirts, for Cash Dash events in addition to other supplies needing replenished due to inauguration of new administration that were ordered late in the fiscal year.</p>			

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING - CONTINUED

<u>Fund, Account (if Applicable), and Explanation</u>	<u>Disbursements During Lapse Period</u>	<u>Disbursements for Fourteen Months Ended August 31, 2007</u>	<u>Percentage of Expenditures in Lapse Period</u>
State Pensions Fund (054) - Continued			
Printing The lapse period spending was to replenish the stock used to reprint publications in FY07 due to inauguration of new administration.	\$ 2,583	\$ 12,237	21.11%
Operation of auto equipment The lapse period spending was for the allocation of gas expenditures for the last quarter of FY07.	850	4,021	21.14%

Note: There were no significant variances in Lapse Period Spending for FY06.

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

INDIRECT COST REIMBURSEMENT FUNDS

For the Two Years Ended June 30, 2007

The Illinois Public Treasurers' Investment Pool Administrative Trust Fund No. 195 (IPTIP Administrative Fund) is a non-appropriated enterprise fund. The IPTIP Administrative Fund was established to administer a pool of assets held by the Treasurer in a trustee capacity as an agent for public treasurers throughout the State of Illinois. The IPTIP Administrative Fund is charged for costs incurred for the provision of investment services and support for the pool marketing effort, and the Treasurer allocates resources to provide indirect support between the General Revenue Fund and the IPTIP Administrative Fund.

The College Savings Pool Administrative Trust Fund No. 668 (CSP Administrative Fund) is a non-appropriated enterprise fund. The CSP Administrative Fund was established to administer a pool of assets held by the Treasurer in a trustee capacity as an agent for the general public throughout the State of Illinois and outside the State of Illinois. The CSP Administrative Fund is charged for costs incurred for the provision of investment services and support for the pool marketing effort, and the Treasurer allocates resources to provide indirect support between the General Revenue Fund and the CSP Administrative Fund.

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

AGENCY FUNCTIONS AND PLANNING PROGRAM

For the Two Years Ended June 30, 2007

The State of Illinois, Office of the Treasurer, is authorized by the State Treasurer Act (15 ILCS 505 et. seq.). The State Treasurer receives the revenues and all other monies of the State of Illinois, and all other monies authorized by law to be paid to him and safely keep the same. The Treasurer serves as the State's banker and has responsibility to protect and invest State funds. In accordance with Chapter 22 of the Audit Guide for Performing Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (April 2007) issued by the Office of the Auditor General - State of Illinois, we evaluated the "Agency Functions and Planning Program" of the Office of the Treasurer. The following information was prepared based on that evaluation.

Treasury Functions

The principal constitutional and statutory powers related to the State of Illinois, Office of the Treasurer, currently held by Alexi Giannoulas, are as follows:

1. Receipt, disbursement and custody of funds in the State Treasury.
2. Investment of funds in the State Treasury.
3. Ex-officio custodianship of funds controlled by certain other agencies of the State.
4. Custody of securities deposited within the State Treasury as collateral or for safekeeping.
5. Assurance that monies are available to pay principal and interest on general obligation bonds issued by the State.
6. Administration of certain trust funds.
7. Joint administration with the Attorney General of the Illinois Estate Tax Law, including receipt and accounting for tax collections.
8. Administration of the Illinois Public Treasurers' Investment Pool.
9. Administration of the Bright Start and Bright Directions College Savings Programs.
10. Administration of Unclaimed Property.

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

AGENCY FUNCTIONS AND PLANNING PROGRAM - CONTINUED

For the Two Years Ended June 30, 2007

To fulfill these Fiscal Responsibilities, the Treasurer's Office has been organized into the following divisions:

- Executive Office, which has ultimate administrative responsibility for the entire organization and provides control and direction of all operations.
  - Accounting Division, which is responsible for general accounting activities including the general ledger, processing accounts payable, reconciling bank accounts, and compiling budget estimates for the appropriation process. This includes the Estate Tax unit, which is responsible for the administration of the funds collected by county treasurers as a result of the Illinois Estate Tax law.
  - Banking Division, which is responsible for management of the short-term investment portfolio, deposits of public funds in Illinois financial institutions and the protection of public funds, collection of various fees from all State agencies, and ensuring that the State's financial obligations are paid on a daily basis.
  - College Savings Pool Administrative Division, which is under the administration of the Treasurer, provides investment opportunities available under Section 529 of the Internal Revenue Code to the general public which enables them to earn a competitive rate of return on investments to be used on qualified higher education.
  - Capital Litigation Division, which is under the administration of the Treasurer, manages the Capital Litigation Trust Fund that was created by the Capital Crimes Litigation Act to promote fairness in the prosecution and defense of capital crimes by providing monies to pay costs associated with the prosecution and defense of capital cases throughout the State of Illinois.
  - Communications Division, which provides for the creation and development of all publications and printed materials for the Treasurer's Office, as well as the development and maintenance of the Treasurer's websites.
  - Community Affairs, which coordinates outreach efforts involving office programs as they relate to the ethnic groups in the State. This division is responsible for making ethnic organizations aware of office programs and how they would benefit their communities.
  - Economic Development Division, which oversees many programs administered by the Illinois State Treasurer's Office. These programs are community development oriented and range from assistance to farmers, economic development projects, and assistance to persons with disabilities.
-

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

AGENCY FUNCTIONS AND PLANNING PROGRAM - CONTINUED

For the Two Years Ended June 30, 2007

- Financial Education Division, which is responsible for programs including the Bank at School Program and financial education seminars for all levels of education (Elementary, Junior High, High School, College, and Adult Education).
- Fiscal Operations Division, which oversees accounting, banking, management information systems and warrant divisions and provides administrative support through general services for such areas as printing and telecommunications.
- Human Resources Division, which is responsible for development and implementation of a comprehensive system of human resource management for the Treasurer's Office, which includes development and publication of office policies and procedures relating to such issues as collective bargaining, ethics, a job classification system and an office pay plan.
- Illinois Funds Division, which is under the administration of the Treasurer, provides custodians of public funds with an investment opportunity which enables them to earn a competitive rate of return on fully collateralized investments, while maintaining immediate access to invested funds.
- Internal Audit Division, which is responsible for conducting a comprehensive program of internal audits under the Fiscal Control and Internal Auditing Act.
- Law Division, which is responsible for handling the legal affairs of the Treasurer's Office including negotiating and drafting contracts and other legal agreements, performing legal analysis and offering legal opinions, coordinating representation of the Treasurer's Office by outside legal counsel, and providing legal support to the other divisions of the Treasurer's Office.
- Legislative Division, which is responsible for the legislative activities affecting the Treasurer's Office. Duties include developing and monitoring legislative initiatives, researching, analyzing and drafting legislation, working with the members of the General Assembly and keeping the Treasurer advised on all pertinent legislation.
- Information Technology Division (IT), which is responsible for meeting the data processing needs of the operational divisions of the Treasurer's Office through the provision of the most up-to-date electronic solutions available in the marketplace. This division also maintains all operational systems and provides both hardware and software support for the Treasurer's mainframe computer and wide area network.

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

AGENCY FUNCTIONS AND PLANNING PROGRAM - CONTINUED

For the Two Years Ended June 30, 2007

- Our Own Home Program Division, which is responsible for the statewide program that helps people buy a home or keep their homes from being foreclosed.
- Press Office Division, which acts as the chief spokesman for the Office of the State Treasurer in all matters involving media and media relations. Additionally, this division handles all media inquiries, press releases, news stories, press conference and events, public relations and official statements regarding the Treasurer's Office.
- Scheduling and Events Management Division, which is responsible for the scheduling and coordination of all Treasurer's Office events and special activities.
- Unclaimed Property Division, which is responsible for assisting unclaimed property owners in the retrieval of their abandoned assets.
- Warrant Division, which processes over \$55 billion annually through more than 8 million warrants. The Treasurer is mandated by law to cancel and record all State warrants presented for payment. The Treasurer is also mandated by law to assure that all State warrants drawn on the State Treasury have sufficient fund balances to support the payment. All warrants that do not pass this critical test are held until sufficient monies become available.

Treasurer's Planning Program

The Office of the Treasurer is responsible for the safekeeping and investing of monies deposited with his Office and for disbursing monies upon order of the Comptroller. The Treasurer's investment policies are governed by State statute. In addition, the Treasurer's Office has adopted its own investment practices which supplement the statutory requirements.

The management of the Treasurer's Office is a new administration still in the developmental phase of establishing and implementing an overall planning program.

The Treasurer has created an Investment Policy Committee to provide guidance in the allocation of State assets within the Treasurer's investment portfolio. The committee also develops strategy for the selection of State depositories and designs and implements programmatic initiatives to address community development needs throughout the State.

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

AVERAGE NUMBER OF EMPLOYEES

For the Years Ended June 30

TREASURER'S PERSONNEL

The average number of personnel employed at the Treasurer's Office was as follows:

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Executive Offices	18	16	14
Accounting Division	14	13	14
Banking Division	20	20	20
Capital Litigation Division	2	2	2
Communications Division	4	4	3
Economic Development Division	7	9	8
Financial Education Division	6	5	5
Fiscal Operations Division	6	5	6
Human Resources Division	2	2	3
Information Technology Division	10	11	13
Community Affairs Division	8	7	7
Internal Audit Division	1	1	1
Law Division	6	7	6
Legislative Division	3	2	2
Our Own Home Program Division	1	3	3
Press Office Division	5	6	5
Scheduling and Events Management Division	1	2	2
Unclaimed Property Division	44	44	42
Warrant Division	6	6	6
Subtotal - personnel compensated through appropriated funds	<u>164</u>	<u>165</u>	<u>162</u>
IPTIP Administrative Trust Fund employees (compensated through nonappropriated State Treasury Fund)	26	26	28
College Savings Pool Administrative Trust Fund employees (compensated through nonappropriated State Treasury Fund)	<u>6</u>	<u>6</u>	<u>6</u>
Total average number of Treasurer personnel	<u><u>196</u></u>	<u><u>197</u></u>	<u><u>196</u></u>



STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

UNCLAIMED PROPERTY FUNCTION

For the Two Years Ended June 30, 2007

Effective July 1, 1999, the rights, powers, duties, and functions vested in the Department of Financial Institutions to administer the Uniform Disposition of Unclaimed Property Act were transferred to the State Treasurer.

The Unclaimed Property Division was established within the Office of the Treasurer to administer the Uniform Disposition of Unclaimed Property Act, which stipulates that the State should assist unclaimed property owners in the retrieval of their abandoned assets. The law requires that all public and private entities remit all unclaimed assets that have been left unclaimed for a period of five years or more. Government entities must remit all unclaimed assets within seven years. Because Illinois is a custodial state, an owner or heir can always claim funds that were remitted to the division. There is no time limit.

STATE OF ILLINOIS  
OFFICE OF THE TREASURER  
NONFISCAL OFFICER RESPONSIBILITIES  
COMPLIANCE EXAMINATION

SERVICE EFFORTS AND ACCOMPLISHMENTS  
(Not Examined)

The following table details various data representative of the Treasurer's operations:

<u>For the Fiscal Year Ended June 30</u>	<u>2007</u>	<u>2006</u>
<b>Warrant Division</b>		
Number of warrants issued	8,316,448	8,300,238
Number of warrants paid	8,144,057	8,179,792
Number of forgery claims	904	762
Amount of forgery claims	\$ 1,512,375	\$ 526,595
Number of warrants outstanding as confirmed with the Comptroller's Office	378,290	337,897
<b>Unclaimed Property Division</b>		
Number of written unclaimed property inquiries processed	76,670	62,847
Amount of unclaimed property remittances received	\$ 149,436,234	\$ 265,302,143
Number of unclaimed property claims paid	49,185	40,125
Amount of unclaimed property claims paid	\$ 92,193,969	\$ 84,010,738