

**STATE OF ILLINOIS
STATE BOARD OF ELECTIONS**

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2011

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2011

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AGENCY OFFICIALS
STATE BOARD OF ELECTIONS

Executive Director (1/1/2011 to present)	Rupert Borgsmiller
Executive Director (7/1/2009 to 12/31/2010)	Daniel White
Chief Fiscal Officer	Mike Roate
General Counsel	Steve Sandvoss
Director of Administrative Services (10/1/11 to present)	Mike Roate
Director of Administrative Services (7/1/09 to 9/30/11)	Jim Withers

Board offices are located at:

2329 South MacArthur Blvd.
Springfield, IL 62704

James R. Thompson Center
100 W. Randolph, Suite 14-100
Chicago, IL 60601

BOARD MEMBERS

The Board consisted of the following members as of June 30, 2011:

William M. McGuffage, Chairman
Jesse R. Smart, Vice Chairman
Harold D. Byers
Betty J. Coffrin
Ernest L. Gowen
Judith C. Rice
Bryan A. Schneider
Charles W. Scholz

STATE BOARD OF ELECTIONS

STATE OF ILLINOIS

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EXECUTIVE DIRECTOR
Rupert T. Borgsmiller

March 14, 2012

BOARD MEMBERS
William M. McGuffage, Chairman
Jesse R. Smart, Vice Chairman
Harold D. Byers
Betty J. Coffrin
Ernest L. Gowen
Judith C. Rice
Bryan A. Schneider
Charles W. Scholz

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

Dear Mr. Holland:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State Board of Elections (Board). We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Board's compliance with the following assertions during the two-year period ended June 30, 2011. Based on this evaluation, we assert that during the years ended June 30, 2010 and June 30, 2011, the Board has materially complied with the assertions below.

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

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

Yours very truly,

State Board of Elections



(Mr. Rupert T. Bergsmiller, Executive Director)



(Mr. Michael Roate, Chief Fiscal Officer)

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>Current</u>	<u>Prior</u>
Findings	4	5
Repeated findings	1	0
Prior recommendations implemented or not repeated	4	3

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
11-1	9	Inadequate control over voucher processing	Significant Deficiency and Noncompliance
11-2	11	Failure to promulgate rules	Significant Deficiency and Noncompliance
11-3	12	Inaccurate calculation of civil penalties	Significant Deficiency and Noncompliance
11-4	14	Incomplete Internet Voter's Guide	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED

- A 15 Inadequate documentation to substantiate compliance with the Election Code
- B 15 Inadequate documentation of petition tie breaker notifications
- C 15 Inadequate documentation of official State calendar of elections
- D 16 Ethics Officer did not review statements of economic interests

EXIT CONFERENCE

The State Board of Elections waived an exit conference in correspondence dated February 24, 2012. Responses to the findings and recommendations were provided by Rupert Borgsmiller in correspondence dated February 29, 2012.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

**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

We have examined the State of Illinois, State Board of Elections' (Board) compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2011. The management of the Board is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Board's compliance based on our examination.

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

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 Board's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Board's compliance with specified requirements.

In our opinion, the Board complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2011. 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 11-1, 11-2, 11-3, and 11-4.

Internal Control

The management of the Board is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Board's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing 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 Board's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A deficiency in 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 and correct noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance described in findings 11-1, 11-2, 11-3, and 11-4 in the accompanying schedule of findings that we consider to be significant deficiencies in internal control over compliance. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

The Board's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the Board's responses and, accordingly, we express no opinion on 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 2011 and 2010 Supplementary Information for State Compliance Purposes, except for the 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 2009 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, Board management, and the State Board of Elections Board members and is not intended to be and should not be used by anyone other than these specified parties.


BRUCE L. BULLARD, CPA
Director of Financial and Compliance Audits

March 14, 2012

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2011

11-1. **FINDING** (Inadequate control over voucher processing)

The State Board of Elections (Board) did not exercise adequate control over voucher processing.

During testing, we noted the following:

- Twenty-four of 278 (9%) vouchers tested did not include required payments for interest, totaling \$622. The State Prompt Payment Act (30 ILCS 540/3-2) requires State agencies to determine whether interest is due and automatically pay interest penalties to the appropriate vendor when payment is not issued within 60 days after receipt of a proper bill as follows:
 - For vouchers approved after July 1, 2010: interest due to a vendor will not be paid until all interest due the vendor exceeds \$50.
 - For vouchers approved between August 19, 2009 and July 1, 2010: all interest is required to be paid.
 - For vouchers approved between July 1, 2009 and August 19, 2009: all interest amounting to \$50 or more is required to be paid, and interest between \$5 to \$49.99 is required to be paid if requested by the vendor.
- Seven of 278 (3%) vouchers tested, totaling \$4,862, did not include proper approvals on the order documents. Statewide Accounting Management System (SAMS) (Procedure 17.10.30) requires the responsible agency official to examine proposed financial transactions and certify their propriety.
- Six of 278 (2%) vouchers tested, totaling \$12,042, were not coded with the correct SAMS object code. SAMS (Procedure 11.10.60) states the purpose of assigning a correct detail object code is to report expenditure information at a more refined level within a common object.

Board personnel stated that they did not have the resources to manually identify, calculate, and process prompt payment interest for every voucher. With respect to the tested vouchers with omitted order document approvals or incorrect object codes, Board personnel stated these problems were both due to employee oversight.

Failure to promptly pay the required interest on vouchers is non compliance with the State Prompt Payment Act. The lack of proper approval on order documents and use of incorrect SAMS detail object codes reduces the overall control over expenditures and may lead to inappropriate expenditures. (Finding Code No. 11-1, 09-5)

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2011

RECOMMENDATION

We recommend the Board develop and implement procedures to identify all vouchers not paid within 60 days of receipt of proper bill and promptly pay required interest payments. We recommend the Board implement and maintain controls to ensure vouchers are coded with the correct SAMS detail object code. In addition, we recommend the Board implement and maintain controls to ensure requisition or ordering documents are approved by the appropriate personnel.

BOARD RESPONSE

Concur. As a result of new CMS applications to streamline the calculation and payment of Prompt Payment interest per applicable statute (30 ILCS 540/3-2), the Board has taken corrective action to address interest payment issues in FY2011 and will do so in future years. Also, the Board will take steps to enhance its voucher control procedures to ensure that applicable signature and approval requirements are met for all processed vouchers.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2011

11-2. **FINDING** (Failure to promulgate rules)

The State Board of Elections (Board) did not promulgate rules as required by the Election Code (Code).

The Code (10 ILCS 5/22-6) requires local election authorities to report to the Board the unit-by-unit vote totals within 22 days after each election. The Code further specifies that this information is to be provided to the Board in an electronic format and requires the Board to promulgate rules necessary for implementation of this electronic reporting.

However, we noted the Board has not promulgated rules for electronic unit-by-unit vote total reporting as required by the Code. This portion of the Code became effective on November 9, 2007.

Board personnel stated this requirement in the Code has been largely unfunded since it became effective, and the Board set aside money from its lump sum appropriation to begin design and development work during Fiscal Year 2011. Board personnel further stated they do not feel rule development would be feasible or practical until the design and development phases are complete and they are ready to move toward implementation. Board personnel currently estimate full implementation of electronic reporting to occur during Fiscal Year 2013.

Failure to promulgate rules for implementation of electronic unit-by-unit vote total reporting is noncompliance with State statute. (Finding Code No. 11-2)

RECOMMENDATION

We recommend the Board continue to work towards full implementation of electronic unit-by-unit vote total reporting and adopt rules to govern the electronic reporting as required.

BOARD RESPONSE

Concur. The Board continues to work on design and development phase of the Electronic Canvassing system. When design and development tasks are complete, the Board will develop and promulgate rules in accordance with the Code (subject to continuation of sufficient funding to complete the system).

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2011

11-3. **FINDING** (Inaccurate calculation of civil penalties)

The State Board of Elections (Board) did not comply with the Election Code (Code) regarding civil penalties for late filing of Statements of Organization (Form D-1).

The Code (10 ILCS 5/9-3), effective July 1, 2010, requires the Board to impose civil penalties of \$50 per business day upon political committees for late filing of Form D-1. Prior to July 1, 2010, the Code required the Board to impose civil penalties of \$25 per business day upon political committees for late filing of a Form D-1. The political committees shall file Form D-1 with the Board within 10 business days of the creation of such committee, except any political committee created within 30 days before an election shall file the Form D-1 within 2 business days.

We noted the following deficiencies during our testing:

- The Board assessed the incorrect penalty amount for a Form D-1 that was due during Fiscal Year 2011. The Board computed the penalty due using the \$25 per day amount that was in effect during Fiscal Year 2010, instead of the \$50 per day amount that was in effect during Fiscal Year 2011. As a result, the political committee in this instance was fined \$1,375 less than it should have been.
- The Board did not correctly compute the number of business days late that the Form D-1 was filed in all instances. We noted the Board incorrectly computed the number of business days late the Form D-1 was filed in 3 of 7 (43%) instances tested, resulting in the political committees in these instances being under- or over-fined by \$25 in each instance.

Board personnel stated the business days late were calculated incorrectly due to oversight. Board personnel also indicated the wrong fine amount was used in calculating the fine in one of the instances tested due to a misunderstanding regarding the effective date of the statutory change. Portions of Public Act 96-0832 became effective on July 1, 2010, while other sections of this public act became effective on January 1, 2011.

Failure to impose accurate civil penalties on political committees for late filing of Form D-1 is noncompliance with State statute, resulted in the under- or over- fining of political committees, and resulted in a loss of revenue to the State totaling \$1,375. (Finding Code No. 11-3)

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2011

RECOMMENDATION

We recommend the Board establish procedures to ensure penalty amounts are calculated accurately prior to assessing the fines against political committees.

BOARD RESPONSE

Concur. The Board will enhance procedures to ensure future penalties are calculated accurately prior to assessing fines.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2011

11-4. **FINDING** (Incomplete Internet Voter's Guide)

The State Board of Elections (Board) did not comply with the Election Code (Code) regarding required components of the Internet Voter's Guide.

The Code (10 ILCS 5/12A-5) requires the Board to publish an Internet Voter's Guide containing information relating to voting and the candidates on the ballot of a General Election. The Code also requires the Board to include the instructions for properly using the balloting equipment used by each election authority within the Internet Voter's Guide.

We noted the Board has created an Internet Voter's Guide for each General Election. However, we noted the Board has not included the instructions for properly using the balloting equipment used by each election authority within their Internet Voter's Guide as required by the Code.

Board personnel stated that the exclusion of the instructions for properly using the balloting equipment used by each election authority was due to oversight. However, the Board does have a separate link on their website for general instructions on balloting equipment. The auditors reviewed the information available at the other link as referenced by the Board and determined the information and instructions available are not specific enough in detail to meet the statutory requirement.

Failure to include the instructions for properly using the balloting equipment used by each election authority within the Board's Internet Voter's Guide is noncompliance with State statute. (Finding Code No. 11-4)

RECOMMENDATION

We recommend the Board incorporate the instructions for the proper use of balloting equipment used by each election authority within the Board's Internet Voter's Guide as required.

BOARD RESPONSE

Concur. Per subsequent discussions with the Office of the Auditor General, the Board has developed a corrective action plan for the inclusion of instructions for operation of balloting equipment used by each election authority.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2011

PRIOR FINDINGS NOT REPEATED

- A. **FINDING** (Inadequate documentation to substantiate compliance with the Election Code)

During the prior examination, the Board did not maintain adequate documentation to substantiate compliance with the Election Code (Code).

During the current examination, the Board maintained adequate documentation to substantiate compliance with the Code. The Board maintained documentation of notification letters sent to local election authorities tested during the examination as well as support for preliminary and public test dates for the sample of instances tested. (Finding Code No. 09-1)

- B. **FINDING** (Inadequate documentation of petition tie breaker notifications)

During the prior examination, the Board did not maintain adequate documentation of all petition tie breaker notifications sent.

During the current examination, the Board maintained adequate documentation of petition tie breaker notifications for the sample of instances tested during our examination. (Finding Code No. 09-2)

- C. **FINDING** (Inadequate documentation of official State calendar of elections)

During the prior examination, the Board did not maintain adequate documentation to prove that the official State calendar of elections was made available to the public timely.

During the current examination, the Board maintained adequate documentation of the official State calendar of elections publication dates. The Board published the official State calendars of elections in a timely manner during the examination period. (Finding Code No. 09-3)

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2011

PRIOR FINDINGS NOT REPEATED, continued

D. **FINDING** (Ethics Officer did not review statement of economic interest)

During the prior examination, the State Board of Elections did not review statements of economic interests in compliance with the State Officials and Employees Ethics Act.

During the current examination, the State Board of Elections has complied with the State Officials and Employees Ethics Act by assigning the duty of reviewing the statements of economic interests to the Board's ethics officer. The ethics officer reviewed the statements to ensure the forms were completed correctly and that no conflicts of interest existed before the statements were submitted to the Secretary of State. (Finding Code No. 09-4)

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

- Analysis of Operations:

- Board Functions and Planning Program
- Average Number of Employees
- 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 the 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
STATE BOARD OF ELECTIONS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Two Years Ended June 30, 2011
(amounts in thousands)

<u>Fiscal Year 2011</u>				Amounts
<u>Federal Grantor/Program Title</u>	<u>Federal</u>	<u>Federal</u>		<u>Provided to</u>
	<u>CFDA No.</u>	<u>Expenditures</u>	<u>Expenditures</u>	<u>Subrecipients</u>
Election Assistance Commission (EAC) (funded by General Services Administration)				
Election Reform Payments	39.011	\$	410	\$ 137
Election Assistance Commission (EAC) (funded by General Services Administration)				
Requirements Program Payments	90.401		3,428	2,568
Health & Human Services (HHS) Voting Access for Individuals with Disabilities Grant Program	93.617		512	490
Total Expenditures of Federal Awards		\$	4,350	\$ 3,195

Note: The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Two Years Ended June 30, 2011
(amounts in thousands)

<u>Fiscal Year 2010</u>			Amounts
<u>Federal Grantor/Program Title</u>	<u>Federal</u>	<u>Federal</u>	<u>Provided to</u>
	<u>CFDA No.</u>	<u>Expenditures</u>	<u>Subrecipients</u>
Election Assistance Commission (EAC) (funded by General Services Administration)			
Election Reform Payments	39.011	\$ 46	\$ 0
Election Assistance Commission (EAC) (funded by General Services Administration)			
Help America Vote College Program	90.400	1,154	0
Election Assistance Commission (EAC) (funded by General Services Administration)			
Requirements Program Payments	90.401	2,521	366
Health & Human Services Voting Access for Individuals with Disabilities Grant Program	93.617	193	193
Total Expenditures of Federal Awards		<u>\$ 3,914</u>	<u>\$ 559</u>

Note: The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Two Years Ended June 30, 2011

1. Significant Accounting Policies

(a) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents all the federal award programs of the State of Illinois, State Board of Elections (Board) for the fiscal years ended June 30, 2010 and June 30, 2011.

(b) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is prepared on the cash basis of accounting.

2. Description of Grant Programs

The following is a brief description of the grant programs included in the Schedule of Expenditures of Federal Awards:

Election Reform Payments - Help America Vote Act of 2002 (HAVA) – CFDA #39.011

Grant

Identification

Number:

Program Title:

Section 101 County Database Access Reimbursement	Federally funded (100%) reimbursement to local election jurisdictions (Illinois counties and city boards of election) for qualifying costs of connectivity (one-time Internet hookup and cabling costs) required to connect local jurisdiction voter registration databases to the State Board of Elections integrated Statewide voter registration database. The development and implementation of this integrated Statewide database is mandated by the federal Help America Vote Act of 2002.
---	--

Section 101 Election Assistance (EAI) Grants	Agency-initiated grant of 100% Federal funding to local election jurisdictions for qualifying projects that enhance the conduct and operation of the voting process in the State of Illinois.
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Section 101 Polling Place Accessibility (PPA) Grants	Agency-initiated supplement to Section 261 EAID grant – provides 100% Federal funding to local election jurisdictions for qualifying projects that improve the accessibility of Illinois polling places for voters with disabilities.
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STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Two Years Ended June 30, 2011

Section 101
Additional
Assistance
(AAG) Grants Agency initiated grant of 100% Federal funding to 13 local election jurisdictions that did not qualify for the Punch Card Federal funding grant. This grant was to be used to carry out one or more of the activities as provided in the Help America Vote Act, Title I, Section 101.

Section 102
Punch Card
Reimbursements Federally mandated program that provides 100% Federal funding to reimburse local election jurisdictions for costs of replacement of obsolete punch card voting equipment with qualifying new equipment utilizing new voting technologies.

Section 101 Sub-
grants to
Secretary of
State Sub-grant of 100% Federal funding to the Illinois Office of the Secretary of State (SOS) to fund improvements at SOS driver's license facilities to capture information required by an integrated Statewide voter registration database system. The development and implementation of this integrated system is mandated and funded by the federal Help America Vote Act of 2002.

*HAVA College Program –
Help America Vote Act of 2002 (HAVA) – CFDA #90.400*

Grant
Identification
Number: Program Title:

Sections 501-503
Recruitment and
Training of
College and
University
Students to Serve
as Poll Workers
on Election Day
Project Grant Federally mandated program that provides up to \$35,000 for the recruitment and training of college and university students to serve as poll workers on Election Day.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Two Years Ended June 30, 2011

*Voting Access for Individuals with Disabilities Grant Program –
Help America Vote Act of 2002 (HAVA) – CFDA #93.617*

Grant
Identification

Number: Program Title:

Section 261 Voting Assistance to Individuals with Disabilities (VAID) Grants	Federally mandated program that provides 100% federal funding to local election jurisdictions (Illinois counties and city boards of election) for qualifying projects that improve polling place access and the physical voting process for voters with disabilities.
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3. Pass Through and Subrecipient Awards

The Board provided amounts to subrecipients (local election jurisdictions) as presented on the accompanying Schedule of Expenditures of Federal Awards.

The Board did not receive any pass-through funds.

4. Noncash Awards

The Board did not receive any noncash awards.

5. Cash Returned to Grantor

The Board did not return any unused cash for federal programs for the fiscal years ended June 30, 2010 and June 30, 2011.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2011
Fourteen Months Ended August 31, 2011

P.A. 96-0956	Appropriations (Net of Transfers)	Expenditures Through 6/30/11	Approximate Lapse Period Expenditures 7/01 - 8/31/11	Approximate Expenditures 14 Months Ended 8/31/2011	Approximate Balances Lapsed 8/31/2011
<u>General Revenue Fund (001)</u>					
Operating (01)					
Operational Expenses (9000)	\$ 1,481,950	\$ 998,925	\$ 80,752	\$ 1,079,677	\$ 402,273
Operational Expenses (9900)	5,908,600	5,252,685	91,574	5,344,259	564,341
Operational Expenses, Awards, Grants, and Permanent Improvements	6,130,700	4,623,458	1,497,113	6,120,571	10,129
Governor's Discretionary Appropriation (88)	2,000,000	1,999,980	-	1,999,980	20
Governor's Discretionary Appropriation					
Total Fund 001	<u>\$ 15,521,250</u>	<u>\$ 12,875,048</u>	<u>\$ 1,669,439</u>	<u>\$ 14,544,487</u>	<u>\$ 976,763</u>
<u>Help Illinois Vote (206)</u>					
Elections (10)					
Help Illinois Vote Fund	\$ 18,500,000	\$ 2,568,104	\$ 189,070	\$ 2,757,174	\$ 15,742,826
For the statewide Voter Register System	2,500,000	1,209,063	9,986	1,219,049	1,280,951
For replacement of punch-card System	200,000	136,049	-	136,049	63,951
For Administrative Cost and Discretionary Grants	4,100,000	845,676	82,484	928,160	3,171,840
Total Fund 206	<u>\$ 25,300,000</u>	<u>\$ 4,758,892</u>	<u>\$ 281,540</u>	<u>\$ 5,040,432</u>	<u>\$ 20,259,568</u>
GRAND TOTAL - ALL FUNDS	<u>\$ 40,821,250</u>	<u>\$ 17,633,940</u>	<u>\$ 1,950,979</u>	<u>\$ 19,584,919</u>	<u>\$ 21,236,331</u>

Note 1: All data contained above is obtained from the Board Records which have been reconciled to the records of the State Comptroller.

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

Note 3: Approximate lapse period expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2010
Fourteen Months Ended August 31, 2010

P.A. 96-0042	Appropriations (Net of Transfers)	Expenditures Through 6/30/10	Lapse Period Expenditures 7/01 - 8/31/10	Total Expenditures	Balances Lapsed
<u>General Revenue Fund (001)</u>					
Operating (01)					
Personal Services - Non Bargaining Unit	\$ 4,023,000	\$ 3,522,296	\$ -	\$ 3,522,296	\$ 500,704
State Contributions to Social Security for Non-Bargaining Unit Employees	307,900	258,246	-	258,246	49,654
Operational Expenses	1,888,700	1,420,360	216,238	1,636,598	252,102
Operational Expenses, Awards, Grants, and Permanent Improvements	6,130,700	4,622,461	1,506,525	6,128,986	1,714
Total Fund 001	<u>\$ 12,350,300</u>	<u>\$ 9,823,363</u>	<u>\$ 1,722,763</u>	<u>\$ 11,546,126</u>	<u>\$ 804,174</u>
<u>Help Illinois Vote (206)</u>					
Elections (10)					
Help Illinois Vote Fund	\$ 20,700,000	\$ 365,690	\$ -	\$ 365,690	\$ 20,334,310
For the statewide Voter Registration System	3,500,000	1,831,102	127,670	1,958,772	1,541,228
For replacement of punch-card system	200,000	-	-	-	200,000
For Administrative Cost and Discretionary Grants	5,100,000	479,713	539	480,252	4,619,748
Total Fund 206	<u>\$ 29,500,000</u>	<u>\$ 2,676,505</u>	<u>\$ 128,209</u>	<u>\$ 2,804,714</u>	<u>\$ 26,695,286</u>
<u>Federal Trust Fund (647)</u>					
Elections (10)					
EAC Data Collection Grant	\$ 1,500,000	\$ 605,288	\$ 150,955	\$ 756,243	\$ 743,757
Total Fund 647	<u>\$ 1,500,000</u>	<u>\$ 605,288</u>	<u>\$ 150,955</u>	<u>\$ 756,243</u>	<u>\$ 743,757</u>
GRAND TOTAL - ALL FUNDS	<u>\$ 43,350,300</u>	<u>\$ 13,105,156</u>	<u>\$ 2,001,927</u>	<u>\$ 15,107,083</u>	<u>\$ 28,243,217</u>

Note 1: All data contained above is obtained from the Board Records which have been reconciled to the records of the State Comptroller.

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

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

	2011	2010	2009
	P.A. 96-0956	P.A. 96-0042	P.A.95-0734
<u>General Revenue Fund - 001</u>			
Appropriations (net of transfers)	\$ 15,521,250	\$ 12,350,300	\$ 19,021,131
THE BOARD			
Contractual Services	\$ -	\$ -	\$ 15,171
Travel	-	-	12,268
Equipment	-	-	400
Total Board	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,839</u>
ADMINISTRATION			
Personal Services	\$ -	\$ -	\$ 517,375
Employee Retirement			
Contributions Paid by Employer	-	-	19,286
State Contribution to State			
Employees' Retirement System	-	-	106,467
State Contributions to Social Security	-	-	36,906
Contractual Services	-	-	353,785
Travel	-	-	9,557
Commodities	-	-	13,481
Printing	-	-	8,976
Equipment	-	-	1,766
Telecommunications	-	-	100,613
Operation of Automotive Equipment	-	-	2,940
Total Administration	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,171,152</u>
CAMPAIGN FINANCING			
Personal Services	\$ -	\$ -	\$ 650,686
Employee Retirement			
Contributions Paid by Employer	-	-	26,042
State Contribution to State			
Employees' Retirement System	-	-	137,039
State Contributions to Social Security	-	-	47,131
Contractual Services	-	-	5,243
Travel	-	-	5,876
Printing	-	-	10,407
Equipment	-	-	3,346
Total Campaign Financing	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 885,770</u>

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

	2011	2010	2009
	P.A. 96-0956	P.A. 96-0042	P.A.95-0734
ELECTIONS			
Personal Services	\$ -	\$ -	\$ 1,260,654
Employee Retirement			
Contributions Paid by Employer	-	-	49,289
State Contribution to State			
Employees' Retirement System	-	-	265,414
State Contributions to Social Security	-	-	92,669
Contractual Services	-	-	12,139
Travel	-	-	34,269
Printing	-	-	19,095
Equipment	-	-	3,187
Purchase of Election Codes	-	-	13,167
HAVA maintenance of effort	-	-	550,000
Reimbursement to counties for increased compensation to judges and other election officials	-	-	4,198,155
Completion of Phase II of the Census 2010 Redistricting Program	-	-	252,126
Additional State match requirement and interest on previously received HAVA funding	-	-	671,022
Reimbursing federal government for disallowed HAVA program expenditure	-	-	3,889
Reimbursing counties for election judges and other officials - early voting activities	-	-	2,471,630
Reimbursement and assistance to local election jurisdictions for ongoing support costs, and SBE maintenance of local election jurisdiction interfaces for the IVRS Statewide database	-	-	2,240,156
Payment of lump sums awards to county clerks, county recorders, and chief election clerks as compensation for additional duties required	-	-	805,679
Total Elections	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,942,540</u>
GENERAL COUNSEL			
Personal Services	-	-	\$ 192,081
Employee Retirement			
Contributions Paid by Employer	-	-	6,976
State Contributions to State			
Employees' Retirement System	-	-	40,441
State Contributions to Social Security	-	-	14,204
Contractual Services	-	-	32,360
Travel	-	-	4,975
Equipment	-	-	-
Total General Counsel	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291,037</u>

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

	2011	2010	2009
	P.A. 96-0956	P.A. 96-0042	P.A.95-0734
INFORMATION TECHNOLOGY			
Personal Services	\$ -	\$ -	\$ 360,312
Employee Retirement			
Contributions Paid by Employer	-	-	14,425
State Contributions to State			
Employees' Retirement System	-	-	75,908
State Contributions to Social Security	-	-	27,240
Contractual Services	-	-	209,524
Travel	-	-	5,422
Commodities	-	-	14,219
Printing	-	-	0
Equipment	-	-	147,594
Total Information Technology	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 854,644</u>
OPERATING			
Personal Services - Non Bargaining Unit	\$ -	\$ 3,522,296	\$ -
State Contributions to Social Security			
for Non-Bargaining Unit Employees	-	258,246	-
Operational Expenses (9000)	1,079,677	-	-
Operational Expenses (9900)	5,344,259	1,636,598	-
Operational Expenses, Awards, Grants, and Permanent Improvements	6,120,571	6,128,986	-
Total Operating	<u>\$ 12,544,507</u>	<u>\$ 11,546,126</u>	<u>\$ -</u>
GOVERNORS DISCRETIONARY APPROPRIATION			
Governor's Discretionary Appropriation	\$ 1,999,980	\$ -	\$ -
Total Governor's Discretionary	<u>\$ 1,999,980</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures, Fund 001	<u>\$ 14,544,487</u>	<u>\$ 11,546,126</u>	<u>\$ 16,172,982</u>
Lapsed Balances	<u>\$ 976,763</u>	<u>\$ 804,174</u>	<u>\$ 2,848,149</u>
<u>Help Illinois Vote (206)</u>			
Appropriations (net of transfers)	\$ 25,300,000	\$ 29,500,000	\$ 32,500,000
ELECTIONS			
Help Illinois Vote Fund	2,757,174	365,690	4,998,089
For the statewide Voter Register System	1,219,049	1,958,772	2,582,026
For replacement of punch-card system	136,049	-	-
For Administrative Cost and			
Discretionary Grants	928,160	480,252	1,336,542
Total expenditures, Fund 206	<u>\$ 5,040,432</u>	<u>\$ 2,804,714</u>	<u>\$ 8,916,657</u>
Lapsed Balances	<u>\$ 20,259,568</u>	<u>\$ 26,695,286</u>	<u>\$ 23,583,343</u>

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

	2011	2010	2009
	P.A. 96-0956	P.A. 96-0042	P.A.95-0734
<u>Federal Trust Fund (647)</u>			
Appropriations (net of transfers)	\$ -	\$ 1,500,000	\$ 2,000,000
ELECTIONS			
EAC Data Collection Grant	-	756,243	985,958
Total expenditure, Fund 647	<u>\$ -</u>	<u>\$ 756,243</u>	<u>\$ 985,958</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ 743,757</u>	<u>\$ 1,014,042</u>
<u>Fiscal Year 2009 Budget Relief (678)</u>			
Appropriations (net of transfers)	\$ -	\$ -	\$ 425,680
ELECTIONS			
Purpose of Preventing Layoffs	-	-	373,199
Total expenditure, Fund 678	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373,199</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,481</u>
AGENCY TOTAL APPROPRIATIONS	\$ 40,821,250	\$ 43,350,300	\$ 53,946,811
AGENCY TOTAL EXPENDITURES	<u>\$ 19,584,919</u>	<u>\$ 15,107,083</u>	<u>\$ 26,448,796</u>
AGENCY TOTAL LAPSED BALANCES	<u>\$ 21,236,331</u>	<u>\$ 28,243,217</u>	<u>\$ 27,498,015</u>
STATE OFFICERS' SALARY			
State Officer Appropriations	\$ 332,100	\$ 332,100	\$ 332,100
State Officer Expenditures	<u>\$ 316,612</u>	<u>\$ 331,870</u>	<u>\$ 331,870</u>
Lapsed Balance	<u>\$ 15,488</u>	<u>\$ 230</u>	<u>\$ 230</u>

Note 1: For Fiscal Year 10, the expenditure amount are final and include interest payments made after August.

Note 2: For Fiscal Year 11, the expenditures and related lapse balances do not reflect any interest payments approved by the Agency and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2011

	Total	Buildings and Building Improvements	Equipment
Balance at July 1, 2009	\$ 2,024,900	\$ 240,502	\$ 1,784,398
Additions	385,758		385,758
Deletions	-		-
Net Transfers	<u>(148,643)</u>		<u>(148,643)</u>
Balance at June 30, 2010	<u>\$ 2,262,015</u>	<u>\$ 240,502</u>	<u>\$ 2,021,513</u>
Balance at July 1, 2010	\$ 2,262,015	\$ 240,502	\$ 2,021,513
Additions	447,682		447,682
Deletions	(463)		(463)
Net Transfers	<u>(118,318)</u>		<u>(118,318)</u>
Balance at June 30, 2011	<u>\$ 2,590,916</u>	<u>\$ 240,502</u>	<u>\$ 2,350,414</u>

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

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Fiscal Years Ended June 30,

<u>General Revenue Fund - 001</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Sale of Voter Information Tapes	\$ 15,976	\$ 19,825	\$ 14,480
Sale of Petition Copies	11,533	52,975	5,658
Penalties Imposed by the Board	161,795	112,183	120,699
Miscellaneous	619,908	1,286,066	1,165,674
System Testing	600	1,000	-
Refund	900	2,321	-
	<hr/>	<hr/>	<hr/>
Total - Fund 001	<u>\$ 810,712</u>	<u>\$ 1,474,370</u>	<u>\$ 1,306,511</u>
<u>Help American Vote Fund - 206</u>			
Help American Vote Act	\$ 7,666,029	\$ 4,990,070	\$ 608,895
Interest	115,547	98,077	481,786
Penalties Imposed by the Board	782	-	377
State Match	375,188	253,803	341,749
Refunds	35,565	-	-
	<hr/>	<hr/>	<hr/>
Total - Fund 206	<u>\$ 8,193,111</u>	<u>\$ 5,341,950</u>	<u>\$ 1,432,807</u>
<u>State Board of Elections Federal Trust Fund - 647</u>			
Interest	\$ 1,752	\$ 4,351	\$ 4,348
Data Collection Grant	<hr/> -	<hr/> 921,187	<hr/> 1,078,813
	<hr/>	<hr/>	<hr/>
Total - Fund 647	<u>\$ 1,752</u>	<u>\$ 925,538</u>	<u>\$ 1,083,161</u>
TOTAL RECEIPTS - ALL FUNDS	<u>\$ 9,005,575</u>	<u>\$ 7,741,858</u>	<u>\$ 3,822,479</u>

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
**RECONCILIATION OF CASH RECEIPTS
TO DEPOSITS REMITTED TO THE COMPTROLLER**
For the Fiscal Years Ended June 30,

<u>GENERAL REVENUE (001)</u>	<u>2011</u>	<u>2010</u>
Receipts per Board Records	\$ 810,712	\$ 1,474,370
Add: Deposits in Transit, Beginning of Year	9,556	1,987
Less: Deposits in Transit, End of Year	<u>12,036</u>	<u>9,556</u>
Deposits Recorded by the Comptroller	<u><u>\$ 808,232</u></u>	<u><u>\$ 1,466,801</u></u>
<u>HELP AMERICA VOTE (206)</u>		
Receipts and Interest per Board Records	\$ 8,193,111	\$ 5,341,950
Add: Deposits in Transit, Beginning of Year Receipt(s)	0	0
Less: Deposits in Transit, End of Year Receipt(s)	0	0
Interest	<u>115,547</u>	<u>98,077</u>
Deposits Recorded by the Comptroller	<u><u>\$ 8,077,564</u></u>	<u><u>\$ 5,243,873</u></u>
<u>SBEL FEDERAL TRUST FUND (647)</u>		
Receipts per Board Records	\$ 1,752	\$ 925,538
Add: Deposits in Transit, Beginning of Year	0	0
Less: Deposits in Transit, End of Year Interest	<u>1,752</u>	<u>4,351</u>
Deposits Recorded by the Comptroller	<u><u>\$ 0</u></u>	<u><u>\$ 921,187</u></u>

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2011

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2011

General Revenue Fund (001)

OPERATING

Personal Services – Non Bargaining Unit and State Contributions to Social Security for Non Bargaining Unit Employees

The decrease in expenditures to zero during Fiscal Year 2011 is due to changes in the formats by which the General Assembly provided the Board's annual GRF appropriations in Fiscal Years 2010 and 2011. In Fiscal Year 2010, individual lines were condensed into a lump-sum format, with lump-sum lines awarded for Personal Services, Social Security, operational expenses, and award/grant expenditures. In Fiscal Year 2011, this lump-sum format was condensed even further, with lines allocated only for 'operational' expenses (9000/9900) and awards/grants. Personal Services and Social Security line items were eliminated during Fiscal Year 2011.

Operational Expenses (9000) and Operational Expenses (9900)

The increase in expenditures is due to changes in the formats by which the General Assembly provided the Board's annual GRF appropriations in Fiscal Years 2010 and 2011. In Fiscal Year 2010, individual lines were condensed into a lump-sum format, with lump-sum lines awarded for Personal Services, Social Security, operational expenses, and award/grant expenditures. In Fiscal Year 2011, this lump-sum format was condensed even further, with lines allocated only for 'operational' expenses (9000/9900) and awards/grants.

GOVERNOR'S DISCRETIONARY APPROPRIATION

Governor's Discretionary Appropriation

This increase reflects the fact that the Governor's Discretionary Appropriation was a one-time supplemental funding mechanism provided to the Board in Fiscal Year 2011. The purpose of this one-time additional funding was to address shortages in the original Fiscal Year 2011 appropriation allocated to the Board, and provide necessary resources to fund mandated assistance payments to local Illinois election jurisdictions.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2011

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2011, continued

Help Illinois Vote (206)

ELECTIONS

Implementation of HAVA

This increase is due to new HAVA Requirements Money disbursement programs to local election jurisdictions that were initiated during Fiscal Year 2011, as well as continuation of existing Requirements money program activities during the same time period.

For the Statewide Voter Registration System

This decrease in Fiscal Year 2011 is due to the substantial implementation of the electronic integrated Illinois Voter Registration System (IVRS – mandated by the Federal HAVA Act), and the corresponding decrease in implementation expenditures as the IVRS system project nears final completion and maintenance spending levels.

For replacement of punch-card system

The increase in Fiscal Year 2011 represents final approval and disbursement of small remaining HAVA Section 102 (Punch-Card Replacement) balance to sub recipients, and the termination of the HAVA Section 102 program.

For Administrative Cost and Discretionary Grants

The increase in Fiscal Year 2011 is due to the implementation of new HAVA Voting Assistance to Individuals with Disabilities disbursement program (VAID III).

Federal Trust Fund (647)

ELECTIONS

EAC Data Collection Grant

The decrease in expenditures to zero during Fiscal Year 2011 reflects the run out and termination of EAC Data Collection Grant program operations on 6/30/2010.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2011

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2009 AND 2010

General Revenue Fund (001)

BOARD

Contractual Services, Travel, and Equipment

The decrease in expenditures is due to changes in the format by which the General Assembly provided the Board's annual General Revenue Fund (GRF) appropriations between Fiscal Years 2009 and 2010. In Fiscal Year 2009, the Board's GRF appropriations were awarded using normal & customary line-by-line allocations (ex: Personal Services, Contractual Services, Commodities, etc.). In Fiscal Year 2010, however, these individual lines were condensed into a lump-sum format, with lump-sum lines awarded for Personal Services, Social Security, operational expenses, and award/grant expenditures.

ADMINISTRATION

Personal Services, Employee Retirement Contributions Paid by Employer, State Contributions to State Employees' Retirement System, State Contributions to Social Security, Contractual Services, Travel, Commodities, Printing, Equipment, Telecommunications, and Operation of Automotive Equipment

The decrease in expenditures is due to changes in the format by which the General Assembly provided the Board's annual GRF appropriations between Fiscal Years 2009 and 2010. In Fiscal Year 2009, the Board's GRF appropriations were awarded using normal & customary line-by-line allocations (ex: Personal Services, Contractual Services, Commodities, etc.). In Fiscal Year 2010, however, these individual lines were condensed into a lump-sum format, with lump-sum lines awarded for Personal Services, Social Security, operational expenses, and award/grant expenditures.

CAMPAIGN FINANCING

Personal Services, Employee Retirement Contributions Paid by Employer, State Contributions to State Employees' Retirement System, State Contributions to Social Security, Contractual Services, Travel, Printing, and Equipment

The decrease in expenditures is due to changes in the format by which the General Assembly provided the Board's annual GRF appropriations between Fiscal Years 2009 and 2010. In Fiscal Year 2009, the Board's GRF appropriations were awarded using normal & customary line-by-line allocations (ex: Personal Services, Contractual Services, Commodities, etc.). In Fiscal Year 2010, however, these individual lines were condensed into a lump-sum format, with lump-sum lines awarded for Personal Services, Social Security, operational expenses, and award/grant expenditures.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2011

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2009 AND 2010, continued

ELECTIONS

Personal Services, Employee Retirement Contributions Paid by Employer, State Contributions to State Employees' Retirement System, State Contributions to Social Security, Contractual Services, Travel, Printing, Equipment, Purchase of election codes, HAVA maintenance of effort, Reimbursement to counties for increased compensation to judges and other election officials, Completion of Phase II of the Census 2010 Redistricting Program, Additional State match requirement and interest on previously received HAVA funding, Reimbursing federal government for disallowed HAVA program expenditures, Reimbursing counties for election judges and other officials – early voting activities, Reimbursement and assistance to local election jurisdictions for ongoing support costs, and SBE maintenance of local election jurisdiction interfaces for the IVRS Statewide database, and For payment of lump sums awards to county clerks, county recorders, and chief election clerks as compensation for additional duties

The decrease in expenditures is due to changes in the format by which the General Assembly provided the Board's annual GRF appropriations between Fiscal Years 2009 and 2010. In Fiscal Year 2009, the Board's GRF appropriations were awarded using normal & customary line-by-line allocations (ex: Personal Services, Contractual Services, Commodities, etc.). In Fiscal Year 2010, however, these individual lines were condensed into a lump-sum format, with lump-sum lines awarded for Personal Services, Social Security, operational expenses, and award/grant expenditures.

GENERAL COUNSEL

Personal Services, Employee Retirement Contributions Paid by Employer, State Contributions to State Employees' Retirement System, State Contributions to Social Security, Contractual Services, Travel, and Equipment

The decrease in expenditures is due to changes in the format by which the General Assembly provided the Board's annual GRF appropriations between Fiscal Years 2009 and 2010. In Fiscal Year 2009, the Board's GRF appropriations were awarded using normal & customary line-by-line allocations (ex: Personal Services, Contractual Services, Commodities, etc.). In Fiscal Year 2010, however, these individual lines were condensed into a lump-sum format, with lump-sum lines awarded for Personal Services, Social Security, operational expenses, and award/grant expenditures.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2011

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2009 AND 2010, continued

INFORMATION TECHNOLOGY

Personal Services, Employee Retirement Contributions Paid by Employer, State Contributions to State Employees' Retirement System, State Contributions to Social Security, Contractual Services, Travel, Commodities, Printing, and Equipment

The decrease in expenditures is due to changes in the format by which the General Assembly provided Board's annual GRF appropriations between Fiscal Years 2009 and 2010. In Fiscal Year 2009, the Board's GRF appropriations were awarded using normal & customary line-by-line allocations (ex: Personal Services, Contractual, Commodities, etc.). In Fiscal Year 2010, however, these individual lines were condensed into a lump-sum format, with lump-sum lines awarded for Personal Services, Social Security, operational expenses, and award/grant expenditures.

OPERATING

Personal Services – Non Bargaining Unit, State Contributions to Social Security for Non-Bargaining Unit Employees, Operational Expenses (9900), Operational Expenses, Awards, Grants, and Permanent Improvements

The increase in expenditures is due to changes in the format by which the General Assembly provided Board's annual GRF appropriations between Fiscal Years 2009 and 2010. In Fiscal Year 2009, the Agency's GRF appropriations were awarded using normal & customary line-by-line allocations (ex: Personal Services, Contractual, Commodities, etc.). In Fiscal Year 2010, however, these individual lines were condensed into a lump-sum format, with lump-sum lines awarded for Personal Services, Social Security, operational expenses, and award/grant expenditures.

Help Illinois Vote (206)

ELECTIONS

Implementation of HAVA

According to the Catalog of Federal Domestic Assistance (CFDA), Help America Vote Act (HAVA) Requirements Payments are authorized by HAVA section 251 to assist States in meeting the Uniform and Nondiscriminatory Election Technology and Administration Requirements in Title III of HAVA. The decrease in expenditures from Fiscal Year 2009 to Fiscal Year 2010 is due to the continuing disbursement and run out of federal HAVA project funding, and the expiration of several grant activities to local election jurisdictions using Requirements Program monies.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2011

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2009 AND 2010, continued

For the Statewide Voter Registration System

This decrease in expenditures is due to the substantial implementation of the electronic integrated Illinois Voter Registration System (IVRS – mandated by the Federal HAVA Act), and the corresponding decrease in annual HAVA expenditures necessary for implementation purposes.

For Administrative Cost and Discretionary Grants

The decrease in expenditures from Fiscal Year 2009 to Fiscal Year 2010 is due to the continuing disbursement and run out of HAVA project funding and the expiration of specific grant activities to sub recipient election jurisdictions that utilized Discretionary Program monies.

Federal Trust Fund (647)

ELECTIONS

Election Assistance Commission (EAC) Data Collection Grant

The decrease in expenditures during Fiscal Year 2010 was due to the continuing spend-out of limited-term federal EAC Data Collection Grant funding (\$2,000,000) during the period, and termination of this short-term federal program at 6/30/2010.

Fiscal Year 2009 Budget Relief (678)

ELECTIONS

Purpose of Preventing Layoffs

The decrease in expenditures to zero during Fiscal Year 2010 reflects the fact that this fund (678) was a one-time supplemental funding mechanism provided by the General Assembly in Fiscal Year 2009. The purpose of this one-year appropriation was to address severe cuts to the Board's Fiscal Year 2009 operations budget, and to prevent layoffs of essential Board personnel during that period.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
EXPLANATION OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Fiscal Years Ended June 30, 2011

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEAR 2010 AND FISCAL YEAR 2011

General Revenue Fund (001)

Sale of Petition Copies

The decrease in FY11 was due to biennial cycle of the General Election. The sale of petition copies typically increases in even years and decrease in odd years due to the timing of the General Election.

Penalties Imposed by the Board

The increase in FY11 was due to increased penalty assessment levies and collection of specific large amount penalty assessments.

Miscellaneous

The decrease in FY11 was due to two indirect cost allocation reimbursements from Help America Vote Act (HAVA) activities in FY10 and only one reimbursement in FY11.

Help American Vote (206)

Prior Year Refunds

The increase in FY11 was due to a one time return of Polling Place Accessibility Grant funds from Rock Island County.

Help American Vote Act

The increase in FY11 was due to additional HAVA requirements (Federal Program Revenues) of \$7,128,540 received and an increase of \$368,668 from FY11 compared to FY10 Voter Assistance for Individual Disabilities (VAID) program reimbursements, which are cyclical in nature. The amount of funding/reimbursement is affected by the number of elections held, 3 in odd years and only one in even years.

State Match

The increase in FY11 was due to State Match receipts being directly proportionate to the amount of Reimbursements money received, which the State is required to match 5% of any new Requirements money received.

Federal Trust Fund (647)

EAC Data Collection Grant

The decrease in FY11 was due to the conclusion of the Election Assistance Commission (EAC) Data Collection Grant Federal program during FY10.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
EXPLANATION OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Fiscal Years Ended June 30, 2011

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEAR 2009 AND FISCAL YEAR 2010

General Revenue Fund (001)

Sale of Petition Copies

The increase in FY10 was due to biennial cycle of the General Election. The sale of petition copies typically increases in even years and decrease in odd years due to the timing of the General Election.

Miscellaneous

The increase in FY10 was due to the receipt of indirect cost allocation reimbursement for HAVA activities.

Help American Vote (206)

Help American Vote Act

The increase in FY10 was due to the receipt of additional HAVA Requirements money (Federal Program Revenues) of \$4,822,248.

Interest

The decrease in FY10 was due to ongoing disbursements of HAVA funds, which resulted in a lesser balance for earning Treasurer interest.

State Match

The decrease in FY10 was due to State Match receipts being directly proportionate to the amount of Reimbursements money received, which the State is required to match 5% of any new Requirements money received.

Federal Trust Fund (647)

EAC Data Collection Grant

The decrease in FY10 was due to the conclusion of the EAC Data Collection Grant Federal program during FY10.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2011

FISCAL YEAR 2011

General Revenue Fund (001)

OPERATING

Operational Expenses, Awards, Grants, and Permanent Improvements

Significant lapse period spending in Fiscal Year 2011 is primarily due to July disbursements of partial-year County Clerk stipends to clerks and recorders of record on June 30, 2011, and disbursements of Early Voting activity assistance payments to local election jurisdictions during August. The Early Voting activity occurred during Fiscal Year 2011.

FISCAL YEAR 2010

General Revenue Fund (001)

OPERATING

Operational Expenses, Awards, Grants, and Permanent Improvements

Significant lapse period spending in Fiscal Year 2010 is primarily due to July disbursements of annual County Clerk stipends to clerks and recorders of record on June 30, 2010, and disbursements of Early Voting activity assistance payments to local election jurisdictions during August. The Early Voting activity occurred during Fiscal Year 2010.

Federal Trust Fund (647)

ELECTIONS

EAC Data Collection Grant

Lapse period spending in Fiscal Year 2010 consisted of final payments to voting systems and software manufacturers for system modifications to implement electronic collection of voting results at the local level. This electronic collection initiative was the key goal of the federal EAC Data Collection Grant, which terminated at the end of Fiscal Year 2010.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2011

FUNCTIONS AND PLANNING

Functions

In 1973, the 78th General Assembly established the State Board of Elections (Board), which implemented Article III, Section 5 of the Illinois Constitution. The Board is responsible for general supervision over the administration of the registration and election laws throughout the State, which are contained in 10 ILCS 5/et. seq. The Board serves as the central authority for all election laws, information and procedures in Illinois.

Elections are administered locally by that county or city's responsible election authorities. The Board works closely with these election authorities to assure that elections are conducted in accordance with Illinois law. In addition, the Board is in the process of simplifying election procedures and bringing uniformity to the election process.

The Board also supervises the administration of the Disclosure of Campaign Contributions and Expenditures Act, which requires the disclosure of certain campaign contributions and expenditures. As required by law, candidates and committees complete various reports and forms, which contain financial information and submit them to the Board for audit and review. These disclosure statements are available for public inspection. If suspected violations of the Campaign Finance Act occur, the Board is authorized to hold hearings, levy fines and convey evidence of wrongdoing to local prosecutors.

The Board of Elections also maintains a research library, which includes abstracts of primary and general elections, precinct maps and poll lists. The library is to be open to the public during regular business hours.

Two divisions of the Board are responsible for numerous election-related publications. The Elections Division publishes the Board's election calendar, composes uniform forms approved by the Board, and responds to public and election authority inquiries concerning election law provisions. The Campaign Disclosure Division publications include instruction for candidates and pamphlets explaining the filing requirements of the Illinois Campaign Financing Act.

With the passage of the Help America Vote Act of 2002 (HAVA) in October of 2002, the Board is responsible for ensuring the provisions of HAVA are implemented in a proper and timely fashion. Illinois legislation was passed and signed by the Governor to implement provisions under the Help America Vote Act of 2002 on August 21, 2003.

Public Act 93-0574 established the Help Illinois Vote Act fund so that Illinois could receive federal funds; establish new criteria in the Election Code for provisional voting; provide for the definition of a vote for punch card systems, optical scan systems and the Populex system; and authorize the use of direct recording electronic voting systems in Illinois.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2011

FUNCTIONS AND PLANNING PROGRAM (CONTINUED)

Planning

The Board has adopted a two-year planning program, which lists all of the functions and activities to be performed by the Board during the period. The majority of the goals and objectives established by the Board are concerned with implementing the provisions of the Illinois Election Code and the Help America Vote Act of 2002. The remaining goals and objectives consist of programs and activities that will enhance the efficiency of the Board, such as employee training seminars and public awareness programs.

For implementation of HAVA, a State Plan was developed through a committee of appropriate individuals (State Planning Committee), including the chief election officials of the two most populous jurisdictions, other election officials, stakeholders (such as representatives of groups of individuals with disabilities) and other citizens as well as the Chief Election Official (Executive Director of the State Board of Elections).

The State Plan outlines how the State will distribute and monitor the monies received and how the State is meeting or will meet the requirements of HAVA. The Chief Election Official is responsible for updating the State Plan every year by October 25th of that year. In addition, the Chief Election Official will conduct meetings with the HAVA State Planning Committee and its task forces as necessary to discuss the progress and objectives of the State Plan.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
AVERAGE NUMBER OF EMPLOYEES
For the Years Ended June 30, 2011

AVERAGE NUMBER OF EMPLOYEES

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Division</u>			
Administrative Services	17	17	16
Campaign Finance	16	14	14
Elections Operations	26	25	24
Information Technology	10	9	8
General Counsel	<u>3</u>	<u>4</u>	<u>4</u>
Total Average full-time employees	<u>72</u>	<u>69</u>	<u>66</u>

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)
For the Two Years Ended June 30, 2011

SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)

The State Board of Elections (Board) consists of several functional areas/divisions that perform the operational functions of the agency. One of the primary divisions that assists the Board in carrying out its mandated operations is the Election Division.

Elections Division:

The Election Division is primarily responsible for the administration of the candidate petition filing process, administration of objections filed against a candidate's nominating petitions, and certification of ballots. Following are output indicators relating of the Elections Division:

<u>Output Indicators</u>	Fiscal Year		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
• Number of election publications requested in reporting period	1,980	4,000	4,700
• Number of election judge schools requested by local election jurisdictions	221	101	104
• Number of county voting systems available for pre-test in reporting period	14	4	7
• Number of election jurisdictions submitting voter registration database files	110	110	110
• Number of nominating petitions filed in reporting period	94	978	101
• Number of petition objections filed in reporting period	0	237	5
• Number of petition copy requests received in reporting period	15	938	54

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)
For the Two Years Ended June 30, 2011

SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined) (continued)

Campaign Financing Division:

The Campaign Financing Division oversees the submission of required campaign disclosure reports by applicable campaign committees and related groups, performs required disclosure reports, and administers corrective action to those entities found in noncompliance. In addition, this division reviews and approves raffle applications from political committees and other related entities for fund-raising programs.

<u>Output Indicators</u>	Fiscal Year		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
• Number of semi-annual campaign disclosure reports required to be filed during period (estimated)	7,500	7,500	7,500
• Number of candidates for public office that qualify as political committees	2,207	2,331	2,283
• Number of organizations that qualify as political action committees	1,021	512	498
• Number of organizations that qualify as party organizations	369	696	658
• Number of organizations that qualify as miscellaneous organizations	48	833	889
• Number of raffle applications submitted for approval by political committees	852	458	825
• Number of outside complaints filed with the State Board of Elections	42	26	29
• Number of raffle applications approved	779	427	768
• Number of financial disclosure reports reviewed by operations staff	21,179	13,635	19,268
• Number of report amendments filed pursuant to the operational review process	2,601	1,301	1,476