

**STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR**

**COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2007**

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

**McGREAL & COMPANY, PC
CERTIFIED PUBLIC ACCOUNTANTS
OAK LAWN, ILLINOIS 60453**

**STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR**

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STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

COMPLIANCE EXAMINATION
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STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

AGENCY OFFICIALS

Lieutenant Governor

Mr. Patrick Quinn

Director of Operations

Ms. Simone McNeil

Lieutenant Governor's Offices are located at:

James R. Thompson Center
100 West Randolph Street, Suite 15-200
Chicago, Illinois 60601

214 State House
Springfield, Illinois 62706

414 Stratton Building
Springfield, Illinois 62706



STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR
JAMES R. THOMPSON CENTER, SUITE 15-200
Chicago, Illinois 60601

PAT QUINN
LIEUTENANT GOVERNOR

January 8, 2008

McGreal & Company, PC
Certified Public Accountants
5740 West 95th Street
Oak Lawn, Illinois 60453

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 Agency. 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 Agency'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 Agency has materially complied with the assertions below.

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

Yours very truly,

Office of the Lieutenant Governor

Handwritten signature of Pat Quinn in cursive script.

Lieutenant Governor

Handwritten signature of James R. Thompson in cursive script.

Director of Operations

Room 214 State House
Springfield, Illinois 62706-4700
Phone 217-782-7884
Fax 217-524-6262

100 W. Randolph, Suite 15-200
Chicago, Illinois 60601-3220
Phone 312-814-5220
Fax 312-814-4862

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

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' REPORT

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>Compliance</u>	<u>Prior Compliance</u>
<u>Findings</u>	<u>Report</u>	<u>Report</u>
Findings	0	4
Repeated findings	0	0
Prior recommendations implemented or not repeated	4	2

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

SCHEDULE OF FINDINGS

<u>Item</u>		
<u>No.</u>	<u>Page</u>	<u>Description</u>

FINDINGS (STATE COMPLIANCE)

None Noted

PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

07-1	9	Efficiency initiative payments
07-2	9	Inaccurate reporting of fixed assets
07-3	9	Inadequate cash receipts processing
07-4	9	Lack of expenditure reconciliations

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

COMPLIANCE REPORT

SUMMARY

EXIT CONFERENCE

The Office of the Lieutenant Governor declined a formal exit conference. Responses to the recommendations were provided by Ms. Simone McNeil in a letter dated November 29, 2007.

**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 Illinois Office of the Lieutenant Governor's 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 Illinois Office of the Lieutenant Governor is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Illinois Office of the Lieutenant Governor's compliance based on our examination.

- A. The Illinois Office of the Lieutenant Governor 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 Illinois Office of the Lieutenant Governor 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 Illinois Office of the Lieutenant Governor 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 Illinois Office of the Lieutenant Governor 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 Illinois Office of the Lieutenant Governor on behalf of the State or held in trust by the Illinois Office of the Lieutenant Governor 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 Illinois Office of the Lieutenant Governor'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 Illinois Office of the Lieutenant Governor's compliance with specified requirements.

In our opinion, the Illinois Office of the Lieutenant Governor complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2007.

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 Illinois Office of the Lieutenant Governor 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 Illinois Office of the Lieutenant Governor'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 Illinois Office of the Lieutenant Governor's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Illinois Office of the Lieutenant Governor's internal control over compliance.

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 affect 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.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a 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.

Our consideration of internal control over compliance with requirements listed in the first paragraph of this report was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify deficiencies in internal control over compliance that we consider to be material weaknesses, as described above.

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.

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 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 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.

McGreal & Company, P.C.

McGreal & Company, PC

January 8, 2008

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2007

07-1 Finding: EFFICIENCY INITIATIVE PAYMENTS

During the prior period, the Office made payments for efficiency initiative billings from improper line item appropriations.

During the current period, the Office did not make any payments for efficiency initiative billings. (Finding Code No. 05-1)

07-2 Finding: INACCURATE REPORTING OF FIXED ASSETS

During the prior period, the Office did not maintain accurate property control records and filed inaccurate Quarterly Fixed Asset Reports.

During the current period, the Office improved their procedures relating to the maintenance of their property control records and the filing of accurate Quarterly Fixed Asset Reports. However, instances of non-compliance were noted and the finding has been deemed immaterial. (Finding Code No. 05-2)

07-3 Finding: INADEQUATE CASH RECEIPTS PROCESSING

During the prior period, the Office did not have adequate controls over cash receipts. Specifically, the Office did not deposit cash receipts in the correct funds; did not maintain a cash receipts journal; did not perform monthly reconciliations for cash receipts; and did not deposit and submit cash receipts on a timely basis.

During the current period, the Office deposited receipts into the correct funds on a timely basis, maintained a cash receipts journal, performed monthly reconciliations and submitted Receipt Deposit Transmittals to the Comptroller's Office on a timely basis. (Finding Code No. 05-3)

07-4 Finding: LACK OF EXPENDITURE RECONCILIATIONS

During the prior period, the Office did not perform monthly reconciliations of the Office's expenditures with the Office of the Comptroller's Monthly Appropriation Status Report (SB01).

During the current period, the Office prepared monthly expenditure reconciliations on a timely basis. (Finding Code No. 05-4)

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

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:

- Agency 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
OFFICE OF THE LIEUTENANT GOVERNOR

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Federal Grantor / Program Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Education:		
Learn and Serve America - School and Community Based Programs	94.004	\$ 23,252
Total U.S. Department of Education		\$ 23,252
U.S. Department of the Interior - Fish and Wildlife Services:		
Coastal Wetlands Planning, Protection and Restoration Act	15.614	\$ 238,766
Partners for Fish and Wildlife	15.631	2,000
Total U.S. Department of the Interior - Fish and Wildlife Services		\$ 240,766
U.S. Environmental Protection Agency:		
Regional Wetland Program Development Grants	66.461	\$ 40,000
Total U.S. Environmental Protection Agency		\$ 40,000
Total Expenditures of Federal Awards		<u>\$ 304,018</u>

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2006

<u>Federal Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of the Interior - Fish and Wildlife Services:		
Partners for Fish and Wildlife	15.631	<u>\$ 7,000</u>
Total U.S. Department of the Interior - Fish and Wildlife Services		<u>\$ 7,000</u>
Total Expenditures of Federal Awards		<u><u>\$ 7,000</u></u>

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Office of the Lieutenant Governor and is presented on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Note 2: Subrecipients

Of the federal expenditures presented in the schedule, the Office of the Lieutenant Governor provided federal awards to the subrecipients as follows:

Program Title	Federal CFDA Number	Amounts Provided to Subrecipients
Fiscal Year 2007		
Coastal Wetlands Planning, Protection and Restoration Act	15.614	\$ 238,766
Partners for Fish and Wildlife	15.631	2,000
Regional Wetland Program Development Grants	66.461	<u>40,000</u>
Total Subrecipient Pass Through - Fiscal Year 2007		<u>\$ 280,766</u>
Fiscal Year 2006		
Partners for Fish and Wildlife	15.631	<u>\$ 7,000</u>
Total Subrecipient Pass Through - Fiscal Year 2006		<u>\$ 7,000</u>

Note 3: Description of Federal Programs

Coastal Wetlands Planning, Protection and Restoration Act

The Office of Lieutenant Governor received a \$750,000 National Coastal Wetlands Conservation Grant (NCWC) from the U.S. Fish and Wildlife Service. This money will be combined with approximately \$500,000 in state and local funds for the Hegewisch Marsh Restoration Project. This project will demonstrate the potential for industrial, residential and open spaces to coexist in the City of Chicago. The Hegewisch Marsh Restoration Project will restore the site to its natural design.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

Note 3: Description of Federal Programs (Continued)

Partners for Fish and Wildlife

The Office of the Lieutenant Governor entered into a \$20,000 grant with the U.S. Fish and Wildlife Service. The grant money is to be used to provide funding to schools, park districts, or municipalities within the State of Illinois so they may construct rain gardens to be used as on-site interactive educational tools.

Regional Wetland Program Development Grants

The Office of the Lieutenant Governor entered into a \$40,000 grant with the U.S. Environmental Protection Agency. The Green Energy Development Grant introduces the concept of green infrastructure to Illinois communities to improve water quality, increase water supplies, recharge groundwater, reduce flooding, improve air quality, preserve native habitats and manage waste and stormwater in a more effective manner.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2007

FOURTEEN MONTHS ENDED AUGUST 31, 2007

	Appropriations (Net after Transfers)	Expenditures Through 6/30/07	Lapse Period Expenditures 7/01 - 8/31/07	Total Expenditures	Balances Lapsed
Public Act 94-798 Fiscal Year 2007					
APPROPRIATED FUNDS					
General Revenue Fund - 001					
Personal services	\$960,600	\$960,593	\$0	\$960,593	\$7
State contributions to State Employees Retirement System	110,750	110,721	0	110,721	29
State contributions to Social Security	89,850	88,659	990	89,649	201
Contractual services	395,980	341,855	21,388	363,243	32,737
Travel	60,350	51,575	5,802	57,377	2,973
Commodities	17,170	16,659	503	17,162	8
Printing	13,000	11,320	0	11,320	1,680
Equipment	1,400	983	0	983	417
Electronic data processing	20,000	14,301	4,580	18,881	1,119
Telecommunications services	68,000	38,048	23,431	61,479	6,521
Operational and grant expenses of the Rural Affairs Council	364,000	342,355	9,319	351,674	12,326
Ordinary and contingent expenses of the Illinois River Coordination Council	190,000	186,391	1,805	188,196	1,804
Total Fiscal Year 2007	<u>\$2,291,100</u>	<u>\$2,163,460</u>	<u>\$67,818</u>	<u>\$2,231,278</u>	<u>\$59,822</u>

Note: Appropriations, 14 month expenditures, and lapsed balances were taken directly from the records of the State Comptroller and reconciled to the Agency's records.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2007

FOURTEEN MONTHS ENDED AUGUST 31, 2007

	Appropriations (Net after Transfers)	Expenditures Through 6/30/07	Lapse Period Expenditures 7/01 - 8/31/07	Total Expenditures	Balances Lapsed
Public Act 94-798 Fiscal Year 2007					
<u>Agricultural Premium Fund - 045</u>					
Ordinary and contingent expenses of the Rural Affairs Council	\$100,000	\$96,500	\$3,500	\$100,000	\$0
Total Fiscal Year 2007	\$100,000	\$96,500	\$3,500	\$100,000	\$0
<u>Lieutenant Governor's Grant Fund - 924</u>					
Exercise of the powers or performance of the duties of the Office of the Lieutenant Governor	\$50,000	\$0	\$0	\$0	\$50,000
Total Fiscal Year 2007	\$50,000	\$0	\$0	\$0	\$50,000
TOTAL - ALL APPROPRIATED FUNDS	\$2,441,100	\$2,259,960	\$71,318	\$2,331,278	\$109,822
<u>NON-APPROPRIATED FUNDS</u>					
<u>Lieutenant Governor's Federal Project Grant Fund - 811</u>					
ISBE Learn and Serve Grant	N/A	\$8,712	\$14,540	\$23,252	N/A
Hegewisch Marsh Restoration	N/A	226,066	12,700	238,766	N/A
US Fish & Wildlife Services Grant	N/A	2,000	-	2,000	N/A
Green Energy Development Grant	N/A	40,000	-	40,000	N/A
TOTAL - ALL NON-APPROPRIATED FUNDS		\$276,778	\$27,240	\$304,018	
GRAND TOTAL - ALL FUNDS		\$2,536,738	\$98,558	\$2,635,296	

Note: Appropriations, 14 month expenditures, and lapsed balances were taken directly from the records of the State Comptroller and reconciled to the Agency's records.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2006

FOURTEEN MONTHS ENDED AUGUST 31, 2006

Public Act 94-0015 Fiscal Year 2006	Appropriations (Net after Transfers)	Expenditures Through 6/30/06	Lapse Period Expenditures 7/01 - 8/31/06	Total Expenditures	Balances	
					Lapsed	Unlapsed
APPROPRIATED FUNDS						
<u>General Revenue Fund - 001</u>						
Personal services	\$960,000	\$954,258	\$0	\$954,258	\$5,742	
State contributions to State Employees Retirement System	74,800	74,362	0	74,362	438	
State contributions to Social Security	88,910	88,031	874	88,905	5	
Contractual services	410,000	341,899	40,048	381,947	28,053	
Travel	62,000	45,460	3,807	49,267	12,733	
Commodities	25,000	22,331	2,577	24,908	92	
Printing	9,590	3,475	430	3,905	5,685	
Equipment	7,500	5,075	0	5,075	2,425	
Electronic data processing	40,000	15,556	4,895	20,451	19,549	
Telecommunications services	84,000	59,298	22,676	81,974	2,026	
Operational and grant expenses of the Rural Affairs Council	364,000	328,639	27,945	356,584	7,416	
Ordinary and contingent expenses of the Illinois River Coordination Council	190,000	181,537	6,040	187,577	2,423	
Total Fiscal Year 2006	<u>\$2,315,800</u>	<u>\$2,119,921</u>	<u>\$109,292</u>	<u>\$2,229,213</u>	<u>\$86,587</u>	

Note: Appropriations, 14 month expenditures, and lapsed balances were taken directly from the records of the State Comptroller and reconciled to the Agency's records.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2006

FOURTEEN MONTHS ENDED AUGUST 31, 2006

	Appropriations (Net after Transfers)	Expenditures Through 6/30/06	Lapse Period Expenditures 7/01 - 8/31/06	Total Expenditures	Balances Lapsed
Public Act 94-0015 Fiscal Year 2006					
<u>Agricultural Premium Fund - 045</u>					
Ordinary and contingent expenses of the Rural Affairs Council	\$100,000	\$98,000	\$0	\$98,000	\$2,000
Total Fiscal Year 2006	\$100,000	\$98,000	\$0	\$98,000	\$2,000
<u>Lieutenant Governor's Grant Fund - 924</u>					
Exercise of the powers or performance of the duties of the Office of the Lieutenant Governor	\$50,000	\$0	\$3,776	\$3,776	\$46,224
Total Fiscal Year 2006	\$50,000	\$0	\$3,776	\$3,776	\$46,224
TOTAL - ALL APPROPRIATED FUNDS	\$2,465,800	\$2,217,921	\$113,068	\$2,330,989	\$134,811
<u>NON-APPROPRIATED FUNDS</u>					
<u>Lieutenant Governor's Federal Project Grant Fund - 811</u>					
US Fish & Wildlife Services Grant	N/A	\$5,500	\$1,500	\$7,000	N/A
TOTAL - ALL NON-APPROPRIATED FUNDS		\$5,500	\$1,500	\$7,000	
GRAND TOTAL - ALL FUNDS		\$2,223,421	\$114,568	\$2,337,989	

Note: Appropriations, 14 month expenditures, and lapsed balances were taken directly from the records of the State Comptroller and reconciled to the Agency's records.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30,

	Fiscal Year		
	2007 P.A. 94-798	2006 P.A. 94-0015	2005 P.A. 93-0842
<u>APPROPRIATED FUNDS</u>			
<u>General Revenue Fund - 001</u>			
Appropriations (Net After Transfers)	\$2,291,100	\$2,315,800	\$2,419,300
Expenditures			
Personal services	\$960,593	\$954,258	\$905,961
State contributions to State Employees Retirement System	110,721	74,362	149,129
State contributions to Social Security	89,649	88,905	83,798
Contractual services	363,243	381,947	396,953
Travel	57,377	49,267	67,998
Commodities	17,162	24,908	28,283
Printing	11,320	3,905	6,585
Equipment	983	5,075	5,731
Electronic data processing	18,881	20,451	2,035
Telecommunications services	61,479	81,974	60,740
Operational and grant expenses of the Rural Affairs Council	351,674	356,584	356,591
Ordinary and contingent expenses of the Illinois River Coordination Council	188,196	187,577	187,182
Total Expenditures	<u>\$2,231,278</u>	<u>\$2,229,213</u>	<u>\$2,250,986</u>
Lapsed Balances	<u>\$59,822</u>	<u>\$86,587</u>	<u>\$168,314</u>

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30,

	Fiscal Year		
	2007 P.A. 94-798	2006 P.A. 94-0015	2005 P.A. 93-0842
<u>APPROPRIATED FUNDS</u>			
<u>Agricultural Premium Fund - 045</u>			
Appropriations (Net After Transfers)	\$100,000	\$100,000	\$100,000
Expenditures	<u>100,000</u>	<u>98,000</u>	<u>100,000</u>
Lapsed Balances	<u>\$0</u>	<u>\$2,000</u>	<u>\$0</u>
<u>Lieutenant Governor's Grant Fund - 924</u>			
Appropriations (Net After Transfers)	\$50,000	\$50,000	\$50,000
Expenditures	<u>0</u>	<u>3,776</u>	<u>7,923</u>
Lapsed Balances	<u>\$50,000</u>	<u>\$46,224</u>	<u>\$42,077</u>
<u>TOTAL - ALL APPROPRIATED FUNDS</u>			
Appropriations (Net of Transfers)	\$2,441,100	\$2,465,800	\$2,569,300
Total Expenditures	<u>2,331,278</u>	<u>2,330,989</u>	<u>2,358,909</u>
Lapsed Balances	<u>\$109,822</u>	<u>\$134,811</u>	<u>\$210,391</u>
<u>NON-APPROPRIATED FUNDS</u>			
<u>Lieutenant Governor's Federal Project Grant Fund - 811</u>			
Expenditures			
ISBE Learn and Serve Grant	\$23,252	\$0	\$0
Hegewisch Marsh Restoration	238,766	0	0
US Fish & Wildlife Services Grant	2,000	7,000	0
Green Energy Development Grant	<u>40,000</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$304,018</u>	<u>\$7,000</u>	<u>\$0</u>
<u>GRAND TOTAL - ALL FUNDS</u>			
Total Expenditures	<u>\$2,635,296</u>	<u>\$2,337,989</u>	<u>\$2,358,909</u>

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30,

	Fiscal Year		
	2007	2006	2005
<u>General Revenue Fund - 001 State Comptroller</u>			
Appropriations (Net of Transfers)	\$120,800	\$115,300	\$115,300
Lieutenant Governor's Salary	120,759	115,235	115,235
Total Expenditures	120,759	115,235	115,235
Lapsed Balances	\$41	\$65	\$65

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

SCHEDULE OF CHANGES IN STATE PROPERTY
FOR THE TWO YEARS ENDED JUNE 30, 2007

	<u>Equipment</u>
Balance at July 1, 2005	\$487,667
Additions	9,474
Deletions	(56,816)
Net Transfers	<u>0</u>
Balance at June 30, 2006	<u>\$440,325</u>
Balance at July 1, 2006	\$440,325
Additions	5,191
Deletions	(37,868)
Net Transfers	<u>(7,952)</u>
Balance at June 30, 2007	<u>\$399,696</u>

Note: This schedule has been reconciled to property reports (C-15 Agency Report of State Property) submitted to the Office of the Comptroller.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR THE FISCAL YEARS ENDED JUNE 30,

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Main Street Contributions	\$5,252	\$0	\$16,745
Federal Grants	273,166	29,100	3,474
Miscellaneous	99	1,541	6,988
Telephone Reimbursement	632	316	451
Jury Duty	52	0	359
Prior Year Refunds	<u>586</u>	<u>1,807</u>	<u>0</u>
Total Receipts	<u><u>\$279,787</u></u>	<u><u>\$32,764</u></u>	<u><u>\$28,017</u></u>

RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEARS ENDED JUNE 30,

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Cash Receipts per Office records	\$279,787	\$32,764	\$28,017
Deposits in transit:			
Beginning of year	0	0	0
End of year	<u>0</u>	<u>0</u>	<u>0</u>
Deposits Remitted to Comptroller	<u><u>\$279,787</u></u>	<u><u>\$32,764</u></u>	<u><u>\$28,017</u></u>

Note: Receipts are deposited into the General Revenue Fund, except for contributions made to the Lieutenant Governor's Federal Project Grant Fund and the Lieutenant Governor's Grant Fund. Prior year refunds are deposited into the fund from which the expenditures were made.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2007

FISCAL YEAR 2006

- A. The \$74,767 (50%) decrease in the fiscal year 2006 State retirement contribution was a result of the overall State retirement rate decreasing from 16.1% in fiscal year 2005 to 7.9% in fiscal year 2006.
- B. Travel expenditures decreased \$18,731 (28%) from fiscal year 2005. The budget session was shorter during fiscal year 2006 compared to fiscal year 2005; therefore, there was less travel for the office staff.
- C. The \$2,680 (41%) decrease in printing compared to fiscal year 2005 resulted from the printing of more brochures in-house compared with using outside printers as in the prior fiscal year.
- D. Fiscal year 2006 EDP expenditures increased \$18,416 (905%) due to the Office purchasing eight new computers in fiscal year 2006.
- E. Telecommunication expenditures increased \$21,234 (35%) compared to fiscal year 2005 due to an increased number of satellite uplinks of the Lieutenant Governor's press conferences.
- F. Fiscal year 2006 Lieutenant Governor Grant Fund expenditures increased \$3,776 (100%) due to miscellaneous travel expenditures relating to the National Main Street Conference.
- G. The Lieutenant Governor Federal Project Grant Fund expenditures increased \$7,000 (100%) due to the Office making grants for the Rain Garden Initiative.

FISCAL YEAR 2007

- A. The state retirement contribution increased \$36,359 (49%) from fiscal year 2006 due to the overall State retirement contribution rate increasing from 7.9% in fiscal year 2006 to 11.5% in fiscal year 2007.
- B. The \$7,746 (31%) decrease in fiscal year 2007 commodities expenditures due to a reduction of purchased paper.

STATE OF ILLINOIS
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ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2007

- C. Fiscal year 2007 printing expenditures increased \$7,415 (190%) due to the Office purchasing brochures, laminates and program cards related to the Walk Across Illinois program.
- D. Equipment expenditures decreased \$4,092 (81%) during fiscal year 2007 due to the purchase of two camcorders during fiscal year 2006 and no significant equipment purchases being made during fiscal year 2007.
- E. The \$20,495 (25%) decrease in fiscal year 2007 telecommunication expenditures resulted from less staff and reduced satellite uplink costs.
- F. Fiscal year 2007 Lieutenant Governor Grant Fund expenditures decreased \$3,776 (100%) due to no expenditures from this fund during fiscal year 2007.
- G. The Lieutenant Governor Federal Project Grant Fund expenditures increased \$297,018 (4,243%) as a result of the Office expending money relating to the Illinois State Board of Education Learn and Serve Grant (\$23,252), the Rain Garden Initiative (\$2,000), the Hegewisch Marsh Restoration Project (\$238,766), and the Green Energy Development Grant (\$40,000).

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE TWO YEARS ENDED JUNE 30, 2007

FISCAL YEAR 2006

- A. The \$16,745 (100%) decrease in contributions was a result of the Office receiving Main Street conference fees during fiscal year 2005 and no conference fees during fiscal year 2006.
- B. The \$25,626 (738%) increase in federal grant contributions was a result of the Office receiving federal funds relating to the Rain Garden Initiative for the first time during fiscal year 2006.
- C. Miscellaneous receipts decreased \$5,447 (78%) from fiscal year 2005. During 2005, the Office received miscellaneous small receipts related to the Chicago River Summit; however, no such receipts were received during fiscal year 2006.

FISCAL YEAR 2007

- A. The \$5,252 (100%) increase in contributions was due to the Office receiving \$4,872 in Main Street conference fees and \$380 in President Retreat registration fees during fiscal year 2007 and \$0 during fiscal year 2006.
- B. Federal grant receipts increased \$244,066 (839%) as a result of the Office receiving \$220,666 from the U.S. Fish and Wildlife Service for the Hegewisch Marsh Restoration Project during fiscal year 2007.

STATE OF ILLINOIS
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ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2007

FISCAL YEAR 2006

- A. Electronic data processing expenditures totaling \$4,895 were incurred during the lapse period due to the Office purchasing 8 new computers and not receiving the invoice until late in the fiscal year.
- B. Telecommunications services expenditures incurred prior to June 30 totaling \$22,676 were paid during the lapse period due to the Office receiving vendor invoices late in the fiscal year.
- C. Lieutenant Governor Grant Fund expenditures incurred prior to June 30 totaling \$3,776 were paid during the lapse period due to the Office receiving invoices relating to the National Main Street Conference late in the fiscal year.

FISCAL YEAR 2007

- A. Electronic data processing expenditures incurred prior to June 30 totaling \$4,580 were paid during the lapse period due to the Office receiving invoices from the Department of Central Management Services late in the fiscal year.
- B. Telecommunications services expenditures incurred prior to June 30 totaling \$23,431 were paid during the lapse period due to the Office receiving vendor invoices late in the fiscal year.
- C. Lieutenant Governor Federal Project Grant Fund expenditures incurred prior to June 30 totaling \$14,540 were paid during the lapse period due to the Office making payroll expenditures during the lapse period.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2007

AGENCY FUNCTIONS AND PLANNING PROGRAM

FUNCTIONS

The Office of the Lieutenant Governor is an elected position for a 4-year term (10 ILCS 5/2A-5). Patrick Quinn has served as Lieutenant Governor since taking office January 13, 2003. Lieutenant Governor's offices are located at 100 W. Randolph, Chicago, Illinois and 214 State House and 414 Stratton, Springfield, Illinois. The Illinois Constitution provides the Lieutenant Governor certain powers in the Executive Branch, which are either delegated by the Governor or prescribed by law.

Program functions undertaken at the direction of the Governor or initiated by the Lieutenant Governor are:

- developing and implementing a policy for rural development,
- coordinating the efforts of governmental and private agencies in improving the Illinois River watershed,
- working with Illinois communities to help develop downtown areas with an emphasis on historic preservation,
- requiring health clubs and schools to have defibrillators,
- encouraging use of renewable energy,
- encouraging donations to the Military Family Relief Fund, and
- encouraging no development on Plum Island.

Responsibilities designated by statute are to serve as chairperson for the Illinois River Coordinating Council, Rural Affairs Council, Mississippi River Coordinating Council, Illinois delegation of bi-national Great Lakes Commission, Special Task Force on the Condition and Future of the Illinois Energy Infrastructure, Broadband Deployment Council and the Main Street Advisory Council.

PLANNING PROGRAM

The Office of the Lieutenant Governor's goals are its functions as defined by State statutes and those delegated by the Governor. Functional programs within the Office, as described by Office officials, are as follows:

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2007

Illinois River Coordinating Council

The Illinois River Coordinating Council (IRCC) was established by Public Act 90-120 and operates pursuant to the Illinois River Watershed Restoration Act (20 ILCS 3967/15). The Lieutenant Governor serves as chairperson and a voting member of the IRCC. The duties of the IRCC are to periodically review activities and programs administered by State and federal agencies that directly impact the Illinois River Watershed; work with local communities and organizations to encourage partnerships that enhance awareness and capabilities to address watershed and water resource concerns; work with State and federal agencies to optimize and advise on the expenditure of funds for the Illinois River Watershed; encourage local communities to develop watershed management plans; and help identify additional funding for watershed management projects.

Mississippi River Coordinating Council

The Mississippi River Coordinating Council (MRCC) is a newly created statewide council that will coordinate the implementation of policies on the Mississippi River and its tributaries. The Lieutenant Governor serves as chairperson and a voting member of the MRCC. The Council will work to review current programs, create new programs, and bring State and federal funding to the Mississippi River and its sub watersheds.

Wabash and Ohio Rivers Coordinating Council

The Wabash and Ohio Rivers Coordinating Council (WORCC) was established by Public Act 95-0132 and consists of 13 voting members. One member will be the Lieutenant Governor who will serve as a voting member and as chairman of the Council. The purpose of the Council is the restoration and conservation of the Wabash and Ohio Rivers and that their tributaries are in the economic and ecological interest of the citizens of this State. The Council is to meet quarterly and the Lieutenant Governor's Office is responsible for the operations of the council, including the funding and oversight of the Council's activities.

Rural Affairs Council

The Governor's Rural Affairs Council (RAC), chaired by the Lieutenant Governor, facilitates delivery of programs and services to enhance the quality of life in rural Illinois. The RAC's mission is to develop and implement a comprehensive State policy for rural development and to serve as the liaison between State agencies, departments, boards, commissions and universities to improve the planning and delivery of services to rural Illinois. In addition, the RAC is required to organize an annual report on the state of the Rural Illinois Economy.

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ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2007

Illinois Main Street Council

Established by executive order in 2000, the Illinois Main Street Council, chaired by Lieutenant Governor Quinn, is responsible for reviewing and recommending new Main Street communities, approving and awarding the Lt. Governor's Awards of Excellence in Downtown Revitalization, and acting as a liaison and advocate for Main Street communities within State Government.

Originally created in 1993, the Illinois Main Street Program is a comprehensive program designed to promote the historic preservation and economic development of the State's traditional business districts. Based on a model developed by the National Main Street Center of the National Trust for Historic Preservation, Illinois Main Street provides training and technical assistance to participating communities through educational workshops and on-site consultation. Towns pay no participation fee, but are selected through an application process on a competitive basis, and are responsible for financially supporting their local program.

Broadband Deployment Council

During 2006, the Governor created the Broadband Deployment Council and appointed the Lieutenant Governor as chairman. The Council helps State agencies, local governments and community organizations find innovative ways to make competitive and affordable internet technology more universal.

Heartsaver Initiative

The Colleen O'Sullivan Law is landmark legislation requiring health clubs, school gymnasiums, and indoor park district facilities to have at least one automated external defibrillator (AED) on the premises and staff trained in its use. During 2006, a new law championed by Lieutenant Governor Pat Quinn allowed Illinois taxpayers to contribute to the AED fund with a simple check-off on their tax returns.

Project ChildSafe

Lieutenant Governor Pat Quinn has partnered with Project ChildSafe, a nationwide program whose purpose is to promote safe firearms handling and storage practices among all firearms owners through the distribution of key safety education messages and free gun locking.

STATE OF ILLINOIS
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ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2007

Healthy Smiles Center

As a state-wide community-based campaign to promote oral health as an integral part of overall health, Lieutenant Governor Quinn helped secure the passage of House Bill 752, requiring a dental exam for every public and private school student in kindergarten, second and sixth grades.

Environmental Health

In order to raise awareness of environmental health, Lieutenant Governor Quinn authored the Toxic Chemical Disclosure Act. This landmark legislation provides all Illinois citizens with the right to be individually notified of certain dangerous conditions within 2,500 feet of their property by the Illinois Environment Protection Agency.

Cesar Chavez Service Learning

Cesar Chavez was a labor leader who dedicated his life to improving the standard of living, wages and working conditions of farm workers. Although he died in 1993, his spirit is celebrated through the Cesar Chavez Day of Service and Learning. This program is geared toward K-12 students who, through academic instruction and community service projects, will learn the importance of service to others and the difference they truly can make.

Operation Home Front

Lieutenant Governor Pat Quinn was instrumental in getting the Illinois Military Family Relief Act passed during February 2003. This act helps the families of National Guard members and reservists called to active duty in the fight against terrorism. The fund established a check-off box on the Illinois income tax return to enable taxpayers to voluntarily donate to a special trust fund to provide financial assistance to thousands of Illinois military men and women called to active duty.

STATE OF ILLINOIS
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ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2007

AVERAGE NUMBER OF EMPLOYEES

The following table, prepared from Lieutenant Governor's records, presents the average number of employees by program, for the fiscal years ended June 30,

	Fiscal Year		
	2007	2006	2005
General Office	19	21	21
Rural Affairs Council	5	4	4
IL River Coordinating Council	3	3	3
Total	27	28	28

SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)

ILLINOIS RIVER COORDINATION COUNCIL (IRCC)

Since 1997, efforts have been underway to restore the Illinois River following the issuance of the "The Integrated Management Plan for the Illinois River Watershed," by the Lieutenant Governor's Office. A primary goal of the IRCC was to obtain federal funding to implement many of the Council's goals. In 2000, the IRCC assisted in the development of Illinois Rivers 2020 with the full support of the Illinois Departments of Agriculture, Natural Resources, and Environmental Protection Agency. Illinois Rivers 2020 is a voluntary incentive-based initiative to restore, enhance and protect the Illinois River and its nine tributaries. This \$2.5 billion 20 year federal/state initiative, builds on existing agencies, programs and delivery mechanisms in Farm Bill programs, the Clean Water Act and the Water Resources Development Act. The initiative includes the popular Conservation Reserve Enhancement Program (CREP), which has so far restored 110,000 acres of private lands in the Illinois River and tributary floodplains into streamside forests and wetlands.

STATE OF ILLINOIS
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ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2007

During 2004, the IRCC tackled the most crucial problem confronting the Illinois River: sediment accumulation. The innovative "Mud-to-Parks" initiative involved dredging 105,000 tons of sediment from the Peoria Lakes segment of the Illinois River, barging it upriver to a Chicago slag field and spreading it out. Within weeks, this "dead zone" was sprouting grasses and will soon be a Lake Michigan shoreline park. In 2006, Mud to Parks won an Innovation Award. Additionally, the Lieutenant Governor's Office is now consulting with the state of Louisiana on how to use Illinois River sediment to restore, enhance and protect coastal wetlands damaged in Hurricanes Katrina and Rita.

During 2006, the Lieutenant Governor's Office accepted a \$750,000 grant from the U.S. Fish and Wildlife Service to help fund the Hegewisch Marsh Restoration Project – a multi-million dollar effort to create the region's premier nature center.

In July 2006, Lieutenant Governor Quinn announced an opportunity for farmers and landowners to join the Conservation Reserve Enhancement Program (CREP). CREP is a State, local and federal partnership that uses voluntary incentives to reduce sediment and excessive nutrients in the Illinois River and its tributaries. For the first time in CREP's history, the Illinois Department of Natural Resources has fully funded the program for two consecutive years providing \$100 million in state and federal funds to restore more than 40,000 acres.

During fiscal years 2006 and 2007, the IRCC provided grants totaling \$21,000 to numerous organizations throughout the State.

RURAL AFFAIRS COUNCIL (RAC)

The RAC provides a link between rural community leaders and State government programs and services. There are 74 rural counties in the State of Illinois. By 1998, the RAC began to lack focus. Therefore, in 2000, the RAC did the following:

1. Reappointed the Lieutenant Governor as chair of the RAC, and
2. Expanded its membership from 18 to 20, which allowed those members to bring more issues to the table for the RAC to address.

Later in 2000, the RAC began to examine and explore ways to improve its relationship within the rural communities. The RAC hosted a series of statewide Rural Leadership Forums to understand today's issues that are facing rural residents. This information was used to build partnerships, economic development, childcare support, affordable housing and improve technology.

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ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2007

During 2006 and 2007, the RAC rolled out public transportation services in Richland and Lawrence counties and aided citizens in eight Central Illinois counties with increased cellular service. In addition, a one-of-a-kind partnership between Rural Electric Convenience Cooperative and the Illinois Department of Natural Resources was formed to build an energy generated wind turbine which will serve customers in Christian, Macoupin, Montgomery, Morgan and Sangamon counties.

During fiscal years 2006 and 2007, the RAC provided grants totaling \$116,500 and \$126,650, respectively, to numerous organizations throughout the State.

ILLINOIS MAIN STREET

Illinois Main Street is a preservation-based local economic development program administered by the Office of the Lieutenant Governor. Beginning in 1993 with 9 rural towns, it has since grown to 58 communities of every size across the State and an additional 20 towns in an "introductory Main Street" program. Since the programs inception 13 years ago, over 1,854 new downtown businesses have been created and over 7,500 new jobs. Finally, Illinois Main Street projects have spurred more than \$600 million in private and public reinvestments in their downtown communities.

BROADBAND DEPLOYMENT COUNCIL

In a widespread effort to bridge the digital divide by increasing high-speed internet access across Illinois, the Governor created the Broadband Deployment Council and named Lieutenant Governor Quinn as chairman. The Council helped activate an eight-square-mile wireless network in downtown Rockford called Roc-net. In addition, the Council is working with BNSF Railway to lease the company's extensive fiber network for local use. This partnership would virtually connect communities from Galesburg to Joliet that are already literally connected through rail lines. Finally, the Illinois Commerce Commission and Lieutenant Governor Quinn released the first \$4.6 million in Digital Divide Infrastructure Elimination grants. The funds, which are being provided by the Illinois Commerce Commission, will support community projects to expand broadband services across Illinois.

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ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2007

TAXPAYER AND CONSUMER ACTIONS

Lieutenant Governor Pat Quinn is working to aid taxpayers and consumers:

- Lieutenant Governor Quinn's office funded five one-day tax preparation centers to help consumers take advantage of the earned income credit.
- The Lieutenant Governor introduced legislation to end the common practice of banks double charging consumers for the same Automatic Teller Machine transactions.
- Lieutenant Governor Quinn launched the Illinois Fan Club to provide cooling relief to senior citizens and others who are vulnerable to dangerous summer heat. The Office provided \$10,000 to the Illinois Community Action Association to provide free fans to low-income senior citizens.
- The Lieutenant Governor proposed emergency legislation to give relief to low-income utility customers who were hammered by skyrocketing natural gas bills. The legislation passed which resulted in a \$5 million boost to the State's Low Income Home Emergency Assistance Program. These funds provided more than 10,000 additional households with financial help to pay their heating bills.

OPERATION HOME FRONT

The Illinois Military Family Relief Fund is now in its fourth year of operation and more than \$4 million has been distributed to 7,500 Illinois National Guard and reservist families to help with such things as food, housing and other basic necessities.

PROJECT CHILDSAFE

Lieutenant Governor Quinn has partnered with Project ChildSafe, to better inform Illinoisans about gun safety and support the distribution of free gunlocks to firearm owners across the State. To date, the Lieutenant Governor's Office has helped in the distribution of over 90,000 gunlocks.

HEARTSAVER AED FUND

The Heartsaver AED Fund provides grants that help public schools, universities and park districts obtain life-saving defibrillators. At Lieutenant Governor Quinn's request, \$250,000 of State funds were made available in 2006 to provide more than 500 AED matching grants.

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ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2007

LEARN AND SERVE AMERICA

In 2006, Lieutenant Governor Quinn assumed responsibility for the Learn and Serve America program in Illinois. This innovative federal / State partnership has allocated more than \$550,000 in grants to establish and expand service-learning projects. More than 45,000 Illinois students are engaging in service learning projects supported by these funds.