

**STATE OF ILLINOIS  
PETROLEUM RESOURCES BOARD**

**COMPLIANCE EXAMINATION**

For the Year Ended June 30, 2004

STATE OF ILLINOIS  
PETROLEUM RESOURCES BOARD  
COMPLIANCE EXAMINATION  
For the Year Ended June 30, 2004

**TABLE OF CONTENTS**

|  | <u>Page</u> |
|--|-------------|
| Board Officials  | 1           |
| Management Assertion Letter  | 2           |
| Compliance Report  |             |
| Summary  | 3           |
| Auditors' Report   |             |
| Independent Accountants' Report on State Compliance, on<br>Internal Control Over Compliance, and on Supplementary<br>Information for State Compliance Purposes | 4           |
| Schedule of Findings   |             |
| Current Findings – State   | 7           |
| <br>   |             |
| Supplementary Information for State Compliance Purposes  |             |
| Summary  | 10          |
| Fiscal Schedules and Analysis  |             |
| Schedule of Appropriations, Expenditures and<br>Lapsed Balances  | 11          |
| Comparative Schedule of Net Appropriations,<br>Expenditures and Lapsed Balances  | 12          |
| Comparative Schedule of Receipts, Disbursements<br>and Fund Balance (Cash Basis) – Locally Held<br>Funds   | 13          |
| Schedule of Changes in State Property  | 14          |
| Analysis of Significant Variations in Expenditures   | 15          |
| <br>   |             |
| Analysis of Operations   |             |
| Agency Functions and Planning Program  | 16          |
| Personnel  | 17          |
| Service Efforts and Accomplishments  | 18          |

STATE OF ILLINOIS  
PETROLEUM RESOURCES BOARD  
COMPLIANCE EXAMINATION  
For the Year Ended June 30, 2004

**BOARD OFFICIALS**

|                            |                       |                      |
|----------------------------|-----------------------|----------------------|
| Executive Director         | (12/15/03 to Current) | Mr. Charles Williams |
| Interim Executive Director | (9/2/03 to 12/14/03)  | Mr. Lelan Russell    |
| Executive Director         | (7/1/03 to 9/5/03)    | Mr. Ed Cross         |
| Board Chairman             | (10/14/03 to Current) | Mr. Chris Mitchell   |
| Board Chairman             | (7/1/03 to 10/14/03)  | Mr. J. Roy Dee, III  |

Board Office is located at:

P.O. Box 941  
Mt. Vernon, IL 62864



Illinois Petroleum Resources Board  
P.O. Box 941  
Mt. Vernon, Illinois 62864  
618-242-2861 FAX 618-242-3418  
www.iprb.org

Honorable William G. Holland  
Auditor General  
State of Illinois

December 15, 2004

Management Assertion Letter

Sir:

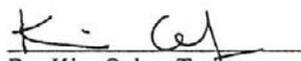
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the Board. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Board's compliance with the following assertions during the one year period ended June 30, 2004. Based on this evaluation, we assert that during the year ended June 30, 2004, the Board has materially complied with the assertions below.

- A. The Board has obligated, expended, received and used funds of the Petroleum Resources Revolving Fund 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 funds of the Petroleum Resources Revolving Fund 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. The funds of the Petroleum Resources Revolving Fund 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. The money or negotiable securities or similar assets handled by the Board on behalf of the Petroleum Resources Revolving Fund 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,

Illinois Petroleum Resources Board

  
By: Chris Mitchell, Chairman

  
By: Kim Oelze, Treasurer

  
By: Charles Williams, Executive Director

STATE OF ILLINOIS  
PETROLEUM RESOURCES BOARD  
COMPLIANCE EXAMINATION  
For the Year Ended June 30, 2004

**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.

**AUDITORS' 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>This Report</u> | <u>Prior Report</u> |
|--|--------------------|---------------------|
| Findings   | 2                  | 0                   |
| Repeated findings                                    | 0                  | 0                   |
| Prior recommendations implemented<br>or not repeated | 0                  | 0                   |

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

**SCHEDULE OF FINDINGS**

CURRENT FINDINGS (STATE COMPLIANCE)

| <u>Item No.</u> | <u>Page</u> | <u>Description</u>                             |
|-----------------|-------------|--|
| 04-1            | 7           | Improper establishment of a locally held fund  |
| 04-2            | 9           | Noncompliance with personal services agreement |

**EXIT CONFERENCE**

A formal exit conference was declined by the Board.

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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 Illinois Petroleum Resources Board'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 year ended June 30, 2004. The management of the Illinois Petroleum Resources Board is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Illinois Petroleum Resources Board's compliance based on our examination.

- A. The Illinois Petroleum Resources 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 Illinois Petroleum Resources 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 Illinois Petroleum Resources 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. The State revenues and receipts collected by the Illinois Petroleum Resources 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 Illinois Petroleum Resources Board on behalf of the State or held in trust by the Illinois Petroleum Resources Board have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of

the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Illinois Petroleum Resources Board's compliance with those requirements 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 Petroleum Resources Board's compliance with specified requirements.

In our opinion, the Illinois Petroleum Resources Board complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2004. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as findings 04-1 and 04-2. Also, as required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter.

### **Internal Control**

The management of the Illinois Petroleum Resources Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the Illinois Petroleum Resources Board's internal control over compliance with the aforementioned requirements 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.

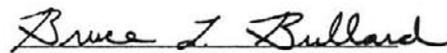
Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control 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 State findings as finding 04-1 and 04-2. Also, as required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter.

### 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 2004 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 2003 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.

  
BRUCE L. BULLARD, CPA  
Compliance Division Director

December 15, 2004

STATE OF ILLINOIS  
PETROLEUM RESOURCES BOARD  
**SCHEDULE OF FINDINGS**  
For the Year Ended June 30, 2004

04-1. **FINDING** (Improper establishment of a locally held fund)

The Petroleum Resources Board (Board) established a locally held fund without specific statutory authorization. In addition, the Board did not complete the proper forms to establish a temporary bank account which should have been approved by the Office of the Governor and the Office of the Comptroller.

The Department of Natural Resources (DNR) was appropriated \$375,000 during FY04 for the Board's operation. In the past, all expenditures that the Board incurred were processed by DNR. However, the Board and DNR entered into a contract agreement on January 22, 2004 to provide funding, from appropriated funds, to the Board to accomplish the powers and duties delegated to it by the Illinois Petroleum Education Marketing Act (225 ILCS 728/1 et seq.). The contract agreement allowed the Board to submit claims to DNR for operational expenses of the Board which would be based upon actual liability incurred and estimates based upon an established budget. DNR transmitted funds from the Board's appropriation authorization and the Board subsequently deposited those funds into a locally held account. This locally held account was used by the Board to pay for operating costs.

During detail testing, we noted the Board submitted three claims totaling \$215,041 to DNR for a draw down on the appropriation for deposit into the locally held account. The first claim was for \$50,000 to allow the Board to establish the locally held account. The other two claims were based on budgeted amounts and the amounts were deposited in the locally held account. The Board spent a total of \$183,400 for FY04 expenditures from the locally held account. The Board received \$31,641 in excess advanced funding in which this amount would have lapsed in the normal appropriation process. The Board had not returned the excess funding to DNR to be deposited back into the Petroleum Resources Revolving Fund.

The State Officers and Employees Money Disposition Act (30 ILCS 230/2a.2) prohibits a state officer or employee from maintaining or participating in a deposit of money received except as provided by law. The Illinois Petroleum Education Marketing Act (Act) (225 ILCS 728/1 et seq.) does not explicitly permit the Board to establish a locally held account. In addition, the Act (225 ILCS 728/25) requires the Board to administer the Petroleum Resources Revolving Fund and this fund is the Board's source of moneys from DNR. Further the Statewide Accounting Management Systems (SAMS) (Procedure 09.20.10) requires agencies to obtain approvals from the Office of the Governor and the Office of the Comptroller prior to establishing a locally held fund.

STATE OF ILLINOIS  
PETROLEUM RESOURCES BOARD  
**SCHEDULE OF FINDINGS**  
For the Year Ended June 30, 2004

We also noted that the Board hired an accounting firm to perform bookkeeping functions on behalf of the Board and the signature authority for this locally held fund is the Board's Executive Director and a partner of the accounting firm. The Board spent a total of \$2,565 for accounting services rendered in FY04. Good business practices would require all signature authorities be personnel or Board members of the Petroleum Resources Board.

Board personnel stated that they established the locally held fund to maximize the Board's operation and independence and to place responsibility for expenditures with the Board. In addition, Board personnel and DNR representatives stated that they believed the locally held fund was properly authorized because DNR has general authority to contract in grant funds and the Board having authority to contract for services. The Board's authority includes requirements for contracts and expenditures and record keeping. Further, DNR officials state that the State Officers and Employees Money Disposition Act refers to the receipts of money, not expenditure of funds.

Failure to properly establish a locally held fund is a violation of statutory authority. In addition, failure to notify the Office of the Comptroller of the locally held fund prevents the Office from maintaining accurate accounting records for the Board's activities. (Finding Code No. 04-1)

**RECOMMENDATION**

We recommend the Petroleum Resources Board close the locally held fund and continue processing all expenditures through the Petroleum Resources Revolving Fund held in the State Treasury or seek appropriate legislative remedy.

**BOARD RESPONSE**

The Board will address the issue by seeking an appropriate legislative remedy. A proposed revised statute is being drafted for legislative submittal and enactment.

STATE OF ILLINOIS  
PETROLEUM RESOURCES BOARD  
**SCHEDULE OF FINDINGS**  
For the Year Ended June 30, 2004

04-2. **FINDING** (Noncompliance with personal services agreement)

The Petroleum Resources Board (Board) did not comply with provisions of a personal services agreement between the Executive Director and the Board.

The Board implemented a Simple IRA for the Executive Director in which the Board would match 3% of the Executive Director's salary per pay period. The Board contributed a total of \$792 to the Executive Director's Simple IRA during FY04.

The personal services agreement the Board executed with the Executive Director states "the Executive Director shall not be eligible or entitled to any retirement benefits including but not limited to Illinois State Retirement Benefits." This agreement was not amended to allow for the Executive Director to receive IRA contributions from the Board.

Good business practices would require amending the agreement when provisions change.

Board personnel stated that the personal services agreement was not amended due to oversight.

Failure to comply with personal services agreement provisions shows disregard for the intent and purpose of the agreement. (Finding Code No. 04-2)

**RECOMMENDATION**

We recommend the Board follow good business practices by amending agreements when terms change.

**BOARD RESPONSE**

A new agreement has been executed that incorporated the Simple IRA provision. In the future all agreements will be amended when terms of an existing agreement changes.

STATE OF ILLINOIS  
PETROLEUM RESOURCES BOARD  
COMPLIANCE EXAMINATION  
For the Year Ended June 30, 2004

**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

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

- Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Receipts, Disbursements, and Fund Balance (Cash Basis) – Locally Held Funds
- Schedule of Changes in State Property
- Analysis of Significant Variations in Expenditures

- Analysis of Operations:

- Agency Functions and Planning Program
- Personnel
- Service Efforts and Accomplishments

The auditors' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2004 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.

STATE OF ILLINOIS  
 PETROLEUM RESOURCES BOARD  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**

For the Fiscal Year Ended June 30, 2004

| P.A. 93-0097                                      | Appropriations           |                                 | Lapse Period                           | Total  |                                 |
|---|--------------------------|---------------------------------|--|--|---------------------------------|
| FISCAL YEAR 2004                                  | (Net of<br>Transfers)    | Expenditures<br>through June 30 | Expenditures<br>July 1 to<br>August 31 | Expenditures<br>14 Months Ended<br>August 31 | Balances<br>Lapsed<br>August 31 |
| Petroleum Resources Revolving Fund - 573          |                          |                                 |  |  |                                 |
| Lump Sum  |                          |                                 |  |  |                                 |
| Illinois Petroleum Education<br>and Marketing Act |                          |                                 |  |  |                                 |
|   | <u>\$ 375,000</u>        | <u>\$ 335,498</u>               | <u>\$ 0</u>                            | <u>\$ 335,498</u>                            | <u>\$ 39,502</u>                |
| Total Fiscal Year 2004                            | <u><u>\$ 375,000</u></u> | <u><u>\$ 335,498</u></u>        | <u><u>\$ 0</u></u>                     | <u><u>\$ 335,498</u></u>                     | <u><u>\$ 39,502</u></u>         |

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

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

|   | FISCAL YEAR  |              |
|---|--------------|--------------|
|   | 2004         | 2003         |
| Petroleum Resources Revolving Fund - 573          | P.A. 93-0097 | P.A. 92-0538 |
| Appropriations<br>(Net of Transfers)              | \$ 375,000   | \$ 375,000   |
| <u>Expenditures</u>                               |              |              |
| Lump Sum  |              |              |
| Illinois Petroleum Education<br>and Marketing Act | \$ 335,498   | \$ 240,274   |
| Total Expenditures                                | \$ 335,498   | \$ 240,274   |
| Lapsed Balances                                   | \$ 39,502    | \$ 134,726   |

Note: The Board did not have any efficiency initiative payments during FY04.

STATE OF ILLINOIS  
 PETROLEUM RESOURCES BOARD  
**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE**  
**(CASH BASIS) - LOCALLY HELD FUNDS**  
 For the Year Ended June 30, 2004

|   | Petroleum Resources Board<br>Escrow Account |
|---|---|
| Cash Balance at July 1, 2003            | \$ 0  |
| Receipts:                               |   |
| Appropriations from Petroleum Resources |   |
| Revolving Fund                          | 215,041                                     |
| Interest Income                         | 35  |
| Sales                                   | 17  |
| Refunds                                 | 847   |
| TOTAL RECEIPTS                          | 215,940                                     |
| Disbursements:                          |   |
| Contractual Services                    | 125,726                                     |
| Travel                                  | 1,356                                       |
| Commodities                             | 1,889                                       |
| Printing                                | 2,951                                       |
| Equipment                               | 3,860                                       |
| Telecommunications Services             | 996   |
| Operation of Automotive                 | 1,340                                       |
| Refund Assessments                      | 2,413                                       |
| TOTAL DISBURSEMENTS                     | 140,531                                     |
| Transfer Out to Petroleum Resources     |   |
| Revolving Fund                          | 47  |
| Cash Balance at June 30, 2004           | \$ 75,362                                   |

STATE OF ILLINOIS  
PETROLEUM RESOURCES BOARD  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Year Ended June 30, 2004

|                                 | <u>2004</u>             |
|---------------------------------|-------------------------|
| Beginning Balance, July 1, 2003 | \$ 28,101               |
| Additions                       |                         |
| Purchases                       | 3,970                   |
| Deletions                       | 0                       |
| Net Transfers                   | <u>0</u>                |
| Ending Balance, June 30, 2004   | <u><u>\$ 32,071</u></u> |

Note: The property balances at June 30, 2004 were obtained from the Department of Natural Resources Property System.

STATE OF ILLINOIS  
PETROLEUM RESOURCES BOARD  
COMPLIANCE EXAMINATION  
For the Year Ended June 30, 2004

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN  
FISCAL YEAR 2003 AND 2004**

**Lump Sums – Illinois Petroleum Education and Marketing Act**

The increase in expenditures was due to the Board completing more restoration projects during FY04.

STATE OF ILLINOIS  
PETROLEUM RESOURCES BOARD  
**ANALYSIS OF OPERATIONS**  
For the Year Ended June 30, 2004

**AGENCY FUNCTIONS AND PLANNING PROGRAM**

Agency Functions

The Illinois Petroleum Resources Board (Board) was created by the Illinois Petroleum Education and Marketing Act (Act) (225 ILCS 728 *et seq.*), effective July 10, 1998. The purpose of the Board is to coordinate a program designed to demonstrate to the general public the importance of the Illinois oil exploration and production industry; to encourage the wise and efficient use of energy; to promote environmentally sound production methods and technologies; to develop existing supplies of State oil resources; and, to support research and educational activities concerning the oil exploration and production industry.

The Board should be comprised of twelve board members appointed by the Governor, however the Board had three vacancies at June 30, 2004. The Board members at June 30, 2004 were:

- Chris Mitchell, Chairman
- Brad Gesell – Vice Chairman Environmental
- Dean Hollensbe – Vice Chairman Public Relations
- Jay Bergman – Vice Chairman Government Relations
- Kim Oelze – Treasurer
- Nida Woodfall - Secretary
- J. Roy Dee III
- Bryan Dicus
- Jim Fehrenbacher

The Board has the following seven objectives:

Education – To create an understanding of the Illinois oil and gas industry and good safety practices in producing areas through programs with schools, organizations, and the public at large.

Public Relations – To promote a positive image and understanding of the industry with a proactive public relations campaign through the use of the print and broadcast media, a speakers bureau, signage and other methods of communication.

Environmental Work – To participate in environmental characterization and remediation work caused by historical oil and gas production within Illinois.

Research – To support research activities for projects that are related to Illinois oil and gas production and related activities.

STATE OF ILLINOIS  
PETROLEUM RESOURCES BOARD  
**ANALYSIS OF OPERATIONS**  
For the Year Ended June 30, 2004

Solicitation of Contributions – To seek and obtain contributions and donations from members of the oil and gas industry and others for use in achieving the objectives of the organization.

Obtaining Grants – To solicit grants from governmental and private organizations for use in achieving the objectives of the organization.

Making Grants – To distribute grants to educational and industry researchers and organizations for use in achieving the objectives of the organization.

Board members are eligible to receive reimbursement for travel expenses incurred in the performance of Board duties.

Agency Planning Program

The Board increased the budget so more restoration projects, educational presentations, and awareness efforts can be accomplished. An aggressive restoration plan is being implemented with input from the Department of Natural Resources (DNR). The Board continues to work with DNR in selecting high priority sites for restorations. In addition, the Board has utilized the Board's rolling educational display which enhanced the educational and public awareness program. The Board has provided additional proactive direct marketing to schools and events in areas where the Board had little exposure.

Auditor's Assessment

The Board appears to have maintained an adequate planning program and has established procedures to manage its mandated and administrative duties.

**PERSONNEL**

The Executive Director and Executive Assistant are the only employees of the Board. They are employed on a contractual basis.

STATE OF ILLINOIS  
PETROLEUM RESOURCES BOARD  
**ANALYSIS OF OPERATIONS**  
For the Year Ended June 30, 2004

**SERVICE EFFORTS AND ACCOMPLISHMENTS**

The Illinois Petroleum Resources Board (Board) is making progress toward their goal of increasing awareness, and improving the image and credibility of the Illinois oil and gas industry.

The Illinois Petroleum Professionals in the Classroom Program “Petro Pros” has several industry volunteers and reached more than 12,000 students and adults from 62 presentations during FY04. The cumulative number of students and adults impacted by these educational programs is 25,933, which is 12,349 more exposures than FY03. The educational programs are designed to increase awareness of the Illinois oil and gas industry, and provide better energy education to Illinois citizens.

Environmental remediation projects have increased nearly 300% since FY03. Fourteen projects were completed during FY04. Through June 2004, the Board had completed more than 43 clean-up sites in over 20 Illinois counties. The Board is restoring the land which contained old abandoned oil and gas facilities that were left behind years ago by others in the industry.

Positive news media and awareness coverage of the Illinois oil and gas industry increased substantially during FY04. The Board partnered with Chicago Cubs / WGN Radio in the 2004 “Scoring for Kids” program. The Board’s sponsorship had the potential of reaching an audience of approximately 600,000 people. The Board’s sponsorship also included a separate \$1,000 donation to the “Neediest Kids Fund.”

The Illinois oil and gas industry was honored by the presentation of the “Chairman’s Stewardship Award” to the Board from the Interstate Oil and Gas Compact Commission (IOGCC). IOGCC consist of 37 oil and gas producing states and six international affiliates. The award was established in 1995 to honor outstanding achievements in conservation, environmental protection, and energy education. The Board was honored for its outreach effort in presenting energy education to school children, including the produced “Story of Petroleum” video and supporting coloring books for younger children.