

WASHINGTON, PITTMAN & McKEEVER, LLC

*CERTIFIED PUBLIC ACCOUNTANTS AND
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STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

FINANCIAL AUDIT OF CAPITAL ASSET ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2012

AND

COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2012

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

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

FINANCIAL AUDIT OF CAPITAL ASSET ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2012
AND
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2012

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AGENCY OFFICIALS
JULY 1, 2010 THROUGH JUNE 30, 2012

Marc Miller	Director
John Rogner	Assistant Director
Leslie Sgro	Deputy Director (May 8, 2003 to May 13, 2011)
Deborah Stone	Deputy Director (April 17, 2006 to April 8, 2011)
Travis Lloyd	Deputy Director
Elizabeth Penesis	Deputy Director (effective July 1, 2011)
Todd Main	Deputy Director (effective December 29, 2011)
Jay Curtis	Chief of Staff
Ellen King-Pietrzak	Chief Fiscal Officer/Office Director of Fiscal Management (December 1, 2005 to August 1, 2010)
Pam Smith	Acting Office Director of Fiscal Management (August 2, 2010 to March 1, 2011)
Damon Stotts	Chief Fiscal Officer/Office Director of Fiscal Management (effective March 2, 2011)
Mitchell Cohen	Office Director of Legal Counsel
Vacant	Office Director of Legislation
John Evans	Acting Office Director of Architecture, Engineering & Grants (March 1, 2006 to July 1, 2011)
Christopher Stucki	Office Director of Architecture, Engineering & Grants (effective July 2, 2011)
Ron House	Office Director of Land Management
Rafael Gutierrez	Office Director of Law Enforcement
Joe Angleton	Office Director of Mines and Minerals (January 31, 2005 to January 26, 2012)
Tony Mayville	Office Director of Mines and Minerals (January 27, 2012 to May 7, 2012)
Mike Woods	Acting Office Director of Mines and Minerals (effective May 8, 2012)
Todd Rettig	Office Director of Realty and Environmental Planning
James Herkert	Office Director of Resource Conservation
Bonnie Styles	Office Director of State Museums
Kristin Dicenso	Office Director Strategic Services (from February 1, 2005 to February 15, 2012)

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AGENCY OFFICIALS
JULY 1, 2010 THROUGH JUNE 30, 2012
(Continued)

Vacant
Gary Clark
Lisa LaBonte

Office Director Strategic Services
Office Director of Water Resources
Chief Internal Auditor

Department main headquarters is located at:

One Natural Resources Way
Springfield, Illinois 62702-1271



Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271
www.dnr.illinois.gov

Pat Quinn, Governor
Marc Miller, Director

MANAGEMENT ASSERTION LETTER

Washington, Pittman & McKeever, LLC
819 South Wabash Ave., Ste. 600
Chicago, IL 60605

February 28, 2013

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, 2012. Based on this evaluation, we assert that during the years ended June 30, 2011 and June 30, 2012, 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,

State of Illinois, Illinois Department of Natural Resources



Marc Miller, Director



Scott Harper, Chief Fiscal Officer



Mitch Cohen, Legal Counsel

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

FINANCIAL AUDIT OF CAPITAL ASSET ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2012
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FOR THE TWO YEARS ENDED JUNE 30, 2012

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>Current</u>	<u>Prior</u>
Findings	13	17
Repeated findings	7	6
Prior recommendations implemented or not repeated	10	7

SCHEDULE OF FINDINGS

FINDINGS (GOVERNMENT AUDITING STANDARDS)

No matters were reported.

FINDINGS (STATE COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
12-1	14	Inaccurate reporting of indirect cost	Significant Deficiency and Noncompliance
12-2	15	Failure to enforce concessionaire lease agreements	Significant Deficiency and Noncompliance
12-3	19	Inadequate controls over bank reconciliations	Significant Deficiency and Noncompliance

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SCHEDULE OF FINDINGS

FINDINGS (STATE COMPLIANCE) - Continued

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
12-4	21	Inadequate controls over equipment and fuel reconciliations	Significant Deficiency and Noncompliance
12-5	23	Failure to complete monthly deposit reconciliations	Significant Deficiency and Noncompliance
12-6	24	Employee performance evaluations not completed	Noncompliance
12-7	25	Inadequate controls over mandate compliance	Noncompliance
12-8	26	Failure to follow up on outstanding tickets with the Circuit Clerk	Noncompliance
12-9	27	Inadequate controls over written warnings and citations	Noncompliance
12-10	28	Non-compliance with mandated duties	Significant Deficiency and Noncompliance
12-11	32	Fee imposition reports	Noncompliance
12-12	33	Lack of contingency planning or testing to ensure recovery of computer systems	Significant Deficiency and Noncompliance
12-13	35	Weaknesses regarding the security and control of confidential information	Significant Deficiency and Noncompliance

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PRIOR FINDINGS NOT REPEATED

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
A	37	Inadequate controls over capital assets
B	37	Time sheets not maintained in compliance with the State Officials and Employees Ethics Act
C	37	Inadequate controls over encroachments
D	37	Failure to submit the annual OSLAD Progress Reports
E	37	Failure to maintain written policies and procedures over orders
F	38	Failure to conduct Aquifer Studies
G	38	Failure to submit a written report of acreage data to the General Assembly in a timely manner
H	38	Failure to ensure compliance with required inspections
I	39	Inadequate documentation relating to mine rescue chambers and wireless tracking devices
J	39	Failure to submit the Annual Real Property Utilization Report

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EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on February 11, 2013. Attending were:

ILLINOIS DEPARTMENT OF NATURAL RESOURCES

Marc Miller, Director
Scott Harper, Chief Fiscal Officer
Lisa LaBonte, Chief Internal Auditor
Megan Buskirk, Audit Liaison

OFFICE OF THE AUDITOR GENERAL

Kathy Lovejoy, Audit Manager
Jeremy Mehochko, Audit Manager

WASHINGTON, PITTMAN & MCKEEVER, LLC

Lester H. McKeever, Jr., Managing Principal
Angela Allen, Principal
Marsha Lopez, Manager

Responses to the recommendations were provided by Mr. Marc Miller, Director, in a letter dated February 21, 2013.

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**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 Auditor for the Auditor General, we have examined the State of Illinois, Illinois Department of Natural Resources' 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, 2012. The management of the State of Illinois, Illinois Department of Natural Resources is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Illinois Department of Natural Resources' compliance based on our examination.

- A. The State of Illinois, Illinois Department of Natural Resources 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 State of Illinois, Illinois Department of Natural Resources 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 State of Illinois, Illinois Department of Natural Resources 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 State of Illinois, Illinois Department of Natural Resources 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 State of Illinois, Illinois Department of Natural Resources on behalf of the State or held in trust by the State of Illinois, Department of Natural Resources 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 State of Illinois, Illinois Department of Natural Resources' 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 State of Illinois, Illinois Department of Natural Resources' compliance with specified requirements.

In our opinion, the State of Illinois, Illinois Department of Natural Resources complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2012. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 12-1 through 12-13.

Internal Control

Management of the State of Illinois, Illinois Department of Natural Resources 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 State of Illinois, Illinois Department of Natural Resources' 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Illinois Department of Natural Resources' internal control over compliance.

A deficiency in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in an entity's internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis.

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 that we considered to be significant deficiencies

as described in the accompanying schedule of findings as items 12-1, 12-2, 12-3, 12-4, 12-5 and 12-10, 12-12 and 12-13. A *significant deficiency in an entity's internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Additionally, the results of our procedures disclosed other matters involving internal control over compliance, which are required to be reported in accordance with criteria established by the Audit Guide issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 12-6, 12-7, 12-8, 12-9, and 12-11.

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

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

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the years ended June 30, 2011 and June 30, 2012 in Schedules 1 through 10 and the Analysis of Operations Section is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2011 and June 30, 2012 accompanying supplementary information in Schedules 1 through 14. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2010 accompanying supplementary information in Schedules 3, 4, 5, 6 and 8 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

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

Washington, Pittman & McKeever, LLC
WASHINGTON, PITTMAN & McKEEVER, LLC

Chicago, Illinois
February 28, 2013

WASHINGTON, PITTMAN & McKEEVER, LLC

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditor for the Auditor General, we have audited the Schedule of Capital Assets of the State of Illinois, Illinois Department of Natural Resources, as of and for the year ended June 30, 2012, and have issued our report thereon dated February 28, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the State of Illinois, Illinois Department of Natural Resources is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the State of Illinois, Illinois Department of Natural Resources' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the Schedule of Capital Assets but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Illinois Department of Natural Resources' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Illinois Department of Natural Resources' internal control over financial reporting.

A deficiency in internal control 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 misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Illinois, Illinois Department of Natural Resources' Schedule of Capital is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the Schedule's amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*

We noted certain matters which we have reported to management of the State of Illinois, Illinois Department of Natural Resources in a separate letter dated February 28, 2013.

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.

Washington, Pittman & McKeever, LLC
WASHINGTON, PITTMAN & McKEEVER, LLC

Chicago, Illinois
February 28, 2013

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES
CURRENT FINDINGS – STATE COMPLIANCE
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-1 **FINDING:** (Inaccurate reporting of indirect cost)

The Department did not accurately report indirect cost in the Schedule of Expenditures of Federal Awards (SEFA).

During our testing of the SEFA, we noted the Department did not properly report indirect cost as part of the federal expenditures, totaling \$853,000. Upon notification, the Department corrected the expenditures reported in the SEFA.

According to OMB Circular A-133_.300(d), federal regulations require a recipient of federal awards prepare appropriate financial statements, including the schedule of expenditures of federal awards. Additionally, the A-102 Common Rule requires non Federal entities receiving federal awards to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Department personnel stated due to a lack of guidelines on the issue of indirect cost; staff used their professional judgment on how to most accurately and consistently report financial position.

The failure to report complete information to the Office of the State Comptroller impacts the accurate preparation of a SEFA on a Statewide basis. (Finding Code No. 12-1)

RECOMMENDATION:

We recommend the Department develop controls to ensure the accurate reporting of indirect cost on the SEFA.

DEPARTMENT RESPONSE:

The Agency agrees that we did not include all indirect costs in the SEFA that was prepared for the purpose of this audit. Knowing the importance of said procedure, the Agency fully intends to include indirect costs in future preparations.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES
CURRENT FINDINGS – STATE COMPLIANCE
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-2 **FINDING:** (Failure to enforce concessionaire lease agreements)

The Department failed to enforce concessionaire lease agreements regarding rental and reserve payments.

During the engagement period, the Department had approximately 90 concessionaires located at State parks throughout Illinois. The Department's concession coordinators are responsible for negotiating and enforcing lease terms, overseeing the site, approving rates charged, and collecting rental payments.

During our testing of 66 rental payments for concessionaires, we noted 38 (58%) rental payments were remitted to the Department in an untimely manner, ranging from four to 249 days late.

In addition, for the largest four concessionaires as measured by rental payments/deposits, we noted all four did not properly adhere to the terms and conditions stated in their lease agreement. Specifically, these concessionaries did not submit, or submitted late, the required documents as set forth in the lease agreements. Specifically, we found:

- One concessionaire deposited reserve deposits, totaling \$21,750, one day late.
- Two concessionaires remitted reserve deposits slips, totaling \$108,993, two and 46 days late, respectively.
- Two of the four concessionaires reserve deposit slips tested did not have a date stamp. As a result, we were unable to determine if the reserve deposit slips were remitted timely.
- Two concessionaires submitted 1) the 2010 Schedule of Gross Revenues and 2) the Statement of Income 45 days late. In addition, the 2010 Financial Statements were received 11 days late. Further, we were unable to determine whether the 2011 information was submitted timely because it was not date stamped.
- One concessionaire's file did not reconcile between the 2010 and 2011 Schedule of Gross Revenue and the monthly rental payments received. Also, the 2011 and 2010 reports were submitted 21 and 45 days late, respectively.
- One concessionaire's file did not contain a reconciliation between the 2010 and 2011 Profit and Loss Statement and the monthly rental payments received. Also, the 2010 Profit and Loss Statement was submitted 22 days late.
- One concessionaire's file did not have supporting documentation identifying the concessionaire budget for a minimum of 2% of gross revenues for marketing the lodge complex, as stated in lease.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-2 **FINDING:** (Failure to enforce concessionaire lease agreements)-Continued

- One concessionaire’s file did not contain documentation to determine the timely submission of the 2010 marketing plan. Additionally, the concessionaire did not submit a 2011 marketing plan.
- One concessionaires budget of capital expenditures for real and personal property was not prospective for a three-year period, and only one marketing plan was submitted. Also, we were unable to determine the timely submission of the required documents in accordance with the lease terms due to no stamp date of receipt.
- One concessionaire’s forecast of operating revenues and expense, budget of capital expenditures for real and personal property for the ensuing year, a rolling prospective for a three-year period, the summary of the facility’s marketing plan and the annual cash flow analysis which itemizes cash flow estimates on a monthly basis for lease year 2012 were submitted two days late.
- For one concessionaire we were unable to determine if the documents for the 2012 lease year were submitted timely in accordance with the lease terms because a date stamp was not placed on the following documents: a) forecast of operating revenues and expenses report, b) a budget report of capital expenditures for real and personal property, c) summary report of the concessionaire’s marketing plan, and d) an annual cash flow analysis which itemizes cash flow estimates on a monthly basis.
- One concessionaire submitted: a) a complete rental fee schedule for all activities for which a fee is proposed, b) a price list for all activities for which a fee is proposed, and c) a price list for all articles to be sold, served, and/or dispensed under the terms of the facility lease. The auditors were unable; however, to determine timely submission due to no stamp date of receipt.

Standard contract language for concessionaries whose rents are based on a percentage of sales states “a report of sales must be forwarded to the Division of Concession and Lease Management no later than the 25th day of the following month.” In addition, three delinquent payments in a twelve-month period or a delinquent account of ninety days shall be cause for immediate termination of lease. Additionally, for concessionaires whose rents are based on an annual fee the contract states a specific due date in which rental payment must be received by the Department.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-2 **FINDING:** (Failure to enforce concessionaire lease agreements)-Continued

In addition, the standard contract language for concessionaries who are required to make reserve deposits based on a percentage of gross revenue states “Lessee shall provide DNR a copy of the deposit slip for all monies placed in said Reserve Account each month, no later than the 25th day of the month following the previous month’s operations. Failure to deposit monies in to the Reserve Account shall be considered cause for cancellation of the Concession.”

According to the concessionaire’s lease agreement, the Department requires the concessionaires to submit at a specified time the following documents: a) Lessee's annual forecast of operating revenues and expenses for the next calendar year, b) a budget of capital expenditures for real and personal property for the next fiscal year, and for a rolling, prospective for a three-year period, c) a summary of the Concessionaire's marketing plan for the next fiscal year, and d) an annual analysis which itemizes cash flow estimates on a monthly basis.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires “All State agencies shall establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that: (4) revenues, expenditures, and transfers of assets, resources or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State’s resources.”

Department personnel stated they strive to maintain the important services provided by the concessionaires so they work with the vendors to collect untimely payments and submissions rather than discontinuing the contract.

Failure to enforce lease terms, including payments and the submission of lease required documents, impairs the Department’s ability to ensure the concessionaire is in good standing and could result in decreased revenue to the Department. (Finding Code No. 12-2, 10-2, 08-3, 06-9)

RECOMMENDATION:

We recommend the Department ensures adequate controls are in place to ensure concessionaires are in compliance with contracts and lease agreements.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-2 **FINDING:** (Failure to enforce concessionaire lease agreements)-Continued

DEPARTMENT RESPONSE:

The Agency agrees that Concession practices can be tightened. The Agency is taking administrative steps toward a more focused response to late payments by concessionaires and other lessees. A revised policy will simplify and increase the efficiency of the process for collection of outstanding payments and other deliverables by establishing clear threshold time frames for a several step process designed to subject non-paying lessees to legal processes for collection and eviction. The Agency will also review boilerplate lease agreement language for revisions requiring additional penalties if payments are late. However, the decision whether to seek termination remains with the Agency as it balances the need to provide uninterrupted services to the public and ensure reliable entities are lessees of Agency property and facilities.

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CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-3 **FINDING:** (Inadequate controls over bank reconciliations)

The Department did not adequately prepare and review bank reconciliations at certain Department sites.

During our visits to ten (10) Department sites, we tested the local revenue and petty cash bank reconciliations, noting:

- The revenue account reconciliations were not signed by the preparer for 14 of 74 (19%) of the reconciliations.
- The revenue account reconciliations were not properly dated by the preparer for 10 of 74 (14%) of the reconciliations.
- The revenue account reconciliations did not include a signature noting review and approval in 39 of the 74 (39%) of the reconciliations.
- One of 74 (1%) of the petty cash account reconciliations was not properly dated by the preparer.
- The petty cash account reconciliations did not include a signature noting review and approval in 26 of the 74 (35%) of the reconciliations.
- The petty cash account reconciliations were not properly reconciled to the appropriate balance in 15 of 74 (18%) of the reconciliations.
- Reconciliations requested for both the revenue and petty cash accounts were not provided by one site for 7 of the 12 (58%) reconciliations.
- Nineteen revenue and 14 petty cash reconciliations for the two years ended June 30, 2012 were not provided by one site.
- One site could not provide 4 of 12 (33%) petty cash reconciliations.
- One site's revenue account reconciliation was not completed timely, and it was prepared 67 days after the closing period.
- Three sites lacked proper segregation of duties over the receipt/revenue process as one individual signs checks as an authorized signer on the bank accounts, made deposits, prepared bank reconciliation, as well as maintained/reconciled the check book on both the revenue and petty cash accounts.
- One site's bank account does not include Illinois Department of Natural Resources in the name of the bank account.

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CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-3 **FINDING:** (Inadequate controls over bank reconciliations)-Continued

The Department's Finance Handbook requires signatures, dates and independent reviews of bank reconciliations. Specifically, a reconciliation of the local revenue bank account is required monthly, by someone other than the person maintaining the fund or letter on file with fiscal management explaining why there is no one other than the person assigned the fund who can reconcile it. In addition, monthly petty cash reconciliation must be performed by someone other than the custodian or person maintaining the fund and be retained with the site records.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires "All State agencies shall establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that: (4) revenues, expenditures, and transfers of assets, resources or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources."

Department personnel stated competing priorities and fewer site staff led to policies and procedures not being followed.

Failure to timely and adequately prepare and review bank reconciliations could cause errors to go unnoticed for a significant period of time and could cause the account balance to be misstated and fraud could go undetected. (Finding Code No. 12-3, 10-3, 08-11)

RECOMMENDATION:

We recommend the Department review its existing policies and procedures to ensure all reconciliations are performed timely and properly while maintaining an adequate segregation of duties.

DEPARTMENT RESPONSE:

The Agency agrees that bank reconciliation for State Park accounts have inadequate controls. The Office of Land Management is in the process of employing an account technician for the purpose of maintaining all aspects of the camping program including reconciliations of revenue and petty cash accounts, deposits, and permits; as well as monitoring completion of sold permit forms.

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CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-4 **FINDING:** (Inadequate controls over equipment and fuel reconciliations)

The Department failed to maintain adequate controls over equipment and reconciliations of fuel at the various sites.

During our testing at ten (10) Department sites, we:

Equipment

Tested a total of 350 equipment items from property control listings, noting:

- Nine (3%) items selected from the property listing were missing property asset tags.
- Four (1%) items selected were out for repair, however no supporting documentation was provided.
- Four (1%) items selected were obsolete.

In addition, during our inventory observation, at one site, we noted numerous items which were old and obsolete that were being stored at the park and not scrapped.

Fuel Reconciliations

Tested 96 monthly fuel reconciliations, noting:

- Seven (7%) fuel reconciliations included calculations of overages or shortages; however, there was no documentation the overages were investigated by management.
- 40 (42%) fuel reconciliations did not contain signatures/initials or the date prepared.
- 30 (31%) fuel reconciliations did not contain any evidence of supervisory review and approval.
- 13 (14%) fuel reconciliations were not properly completed.

The Statewide Accounting System Manual (Procedure 29.10.10) requires that agencies maintain a permanent record of all property. Additionally, the Department's Finance Handbook states, "The State of Illinois Property Control Act dictates that original purchases of equipment, land, buildings, or improvements must receive special handling. All purchases exceeding \$100.00 from the equipment or permanent improvement appropriations must be added to the Department's inventory and given an inventory tag. When equipment is loaned from one location to another, a Loan Slip form must be maintained at both locations.

The location where the item is on inventory will be responsible for filling out the loan slip to the location where the equipment is being loaned. The same process is applicable for equipment being repaired off site or in storage away from the site."

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CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-4 **FINDING:** (Inadequate controls over equipment and fuel reconciliations)-Continued

Chapter 13 of the Department's Office of Land Operations Manual states, "The first day of the month, prior to any fuel pumped, take a meter reading at the pump; record the reading on your Monthly Fuel Reconciliation form, or if no meter take a stick reading and record the amount in gallons. Total from the fuel logs and total pumped from meter should be relatively close if all fuel is recorded and there are no problems with the meters. Fuel usage will be reconciled monthly between the log book and the meter. Any variance of 25 gallons or more will be investigated by the Site Superintendent and a memo will be kept on file explaining the reason for the variance."

Department personnel stated competing priorities and fewer site staff led to policies and procedures not being followed.

Improper administration of inventory could result in inaccurate property control records and noncompliance with applicable guidelines. Failure to prepare and review fuel reconciliations impairs the sites' ability to determine whether overages/shortages are occurring as a result of leaks, unauthorized withdrawals, or misreported fuel deliveries and usage. (Finding Code No. 12-4, 10-4)

RECOMMENDATION:

We recommend the Department ensure equipment items are properly tagged and proper documentation of equipment location. In addition, the Department should review the necessity of all equipment and properly dispose of obsolete items. Further, the Department should ensure all fuel reconciliations are properly completed and any overages are investigated.

DEPARTMENT RESPONSE:

The Agency agrees that the fuel reconciliation variances need more vigilant follow-up. The Office of Land Management is committed to emphasizing to site superintendents what they should already know – that reconciliations can identify potential problems, and that variances must be investigated.

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CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-5 **FINDING:** (Failure to complete monthly deposit reconciliations)

The Department did not adequately complete monthly deposit reconciliations.

During our testing of monthly deposit reconciliations, we noted monthly deposit reconciliations of camping permit remittances were not completed for all six months tested by the Office of Strategic Services.

The Monthly Reconciliation to Deposit Section of the Department’s Finance Handbook states “The Deposit Section sends a Monthly Revenue Report within IDNR Headquarters for monthly deposits reconciliation. Once the report is reconciled, then send confirmation back to the Deposit Section showing whether the deposit reconciliation agrees or disagrees with the monthly revenue report.” It further states “The Deposit Section uses these reconciliations as part of its monthly reconciliation to the Treasurer and Comptroller’s Office.”

Department personnel stated they do not have an employee dedicated to reconcile camping permits and deposits.

Failure to perform the monthly deposit reconciliations could result in inaccurate accounting for camping permit remittances. (Finding Code No. 12-5, 10-5)

RECOMMENDATION:

We recommend the Department ensure monthly deposit reconciliations are completed for all of the Department’s sites.

DEPARTMENT RESPONSE:

The Agency agrees that bank reconciliation for State Park accounts have inadequate controls. The Office of Land Management is in the process of employing an account technician for the purpose of maintaining all aspects of the camping program including reconciliations of revenue and petty cash accounts, deposits, and permits; as well as monitoring completeness of sold permit forms.

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CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-6 **FINDING:** (Employee performance evaluations not completed)

The Department did not complete employee performance evaluations in a timely manner.

During our sample testing of 40 employees for each fiscal year, we noted:

- In fiscal year 2011, 22 of the employees tested were required to have evaluations (the remaining 18 were temporary or no longer employed). Fourteen (64%) employees did not have an evaluation completed and seven (32%) evaluations were completed 12 to 306 days late.
- In fiscal year 2012, 26 of the employees tested were required to have evaluations (the remaining 14 were temporary or no longer employed). Eighteen (69%) employees did not have an evaluation completed and three (12%) evaluations were completed 45 to 124 days late.

The Department's Human Resources Manual, Chapter 3 Section 3C-4 states "The supervisor shall complete an evaluation on each of his/her respective subordinate staff annually...(A) The completed evaluation form for bargaining unit and salary-graded employees shall be submitted to the Human Resources Office no later than three (3) weeks after the employee's anniversary date. (B) The completed evaluation form on merit compensation employees shall be submitted to Human Resources Office no later than three (3) weeks after the supervisor receives the applicable Performance Certification and Merit Compensation Recommendation form from the Human Resources Office."

Department personnel stated competing priorities and a lack of stringent policy enforcement has allowed for employee evaluations to be completed in an untimely.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as a foundation for salary adjustments, promotions, demotions, discharges, lay off, recall and reinstatement decisions. (Finding Code No. 12-6, 10-7, 08-7, 06-19, and 04-13)

RECOMMENDATION:

We recommend the Department ensure adequate resources are provided for ongoing training and follow-up, and to establish and maintain appropriate internal controls for the timely completion and submission of evaluation reviews. We also recommend immediate supervisors be held responsible for completing evaluations in a timely manner.

DEPARTMENT RESPONSE:

Agreed.

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CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-7 **FINDING:** (Inadequate controls over mandate compliance)

The Department did not have an adequate system in place to ensure compliance with its mandated duties to file certain reports.

During our testing, we noted the following:

- The Department failed to maintain evidence of submission of annual reports filed with the Governor and General Assembly in accordance with the Open Space Lands Acquisition and Development (OSLAD) Act (525 ILCS 35/11). The Act requires the Department to file annually with the Governor and the General Assembly progress reports on the implementation and development of the Act. Department personnel stated they inadvertently did not retain documentation of compliance.
- The Department failed to maintain proper documentation on its obligation to file consent to the issuance of a license to sell alcoholic liquors in retail buildings located in State Parks under the Liquor Control Act (235 ILCS 5/6-15). The Act requires the Department to file consent of the license to sell with the Liquor Control Commission. Department personnel stated due to the length of the leases, they assumed that consent to the issuance of a license had previously been filed.

Failure to maintain adequate documentation increases the risk the Department would not comply with those laws and regulations and could potentially result in unexpected costs, legal repercussions, or failure to accomplish legislated objectives. (Finding Code No. 12-7)

RECOMMENDATION:

We recommend the Department ensure its compliance with statutory mandates and maintain documentation of its compliance.

DEPARTMENT RESPONSE:

The Agency agrees that these two mandates had insufficient documentation. In the case of reports to the General Assembly and the Governor, the Agency now has a form and a defined process for compliance. In the case of the Liquor Control Commission, a letter has already been sent. The Liquor Control Commission expressed no interest in hearing from us on this topic, so this may also be an area for legislative mandate reduction.

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CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
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12-8 **FINDING:** (Failure to follow up on outstanding tickets with the Circuit Clerk)

The Department did not follow up on outstanding tickets with the Circuit Clerk.

The Department implemented the Defendant Database System to provide the information necessary for identifying cases for follow-up with the Circuit Clerk. However, the Division of Strategic Services has not created all of the reports required to obtain the necessary information. As such, the Department has not followed up on outstanding tickets with the Circuit Clerk.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires “All State agencies shall establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that: (4) revenues, expenditures, and transfers of assets, resources or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State’s resources.”

Department personnel stated reporting capabilities of the newly implemented system are still in development.

Failure to follow up on outstanding tickets could result in lost revenue to the State. (Finding Code No. 12-8, 10-15, 08-4, 06-12)

RECOMMENDATION:

We recommend the Department develop the necessary reports with the required information to follow-up with the Circuit Clerks.

DEPARTMENT RESPONSE:

The Agency agrees. The Agency designed and implemented the Defendant Database as a correction actions plan from the last audit. The Agency will use the Defendant Database system to produce reports to be able to follow up with Circuit Clerks.

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CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-9 **FINDING:** (Inadequate controls over written warnings and citations)

The Department did not maintain adequate controls over written warnings and citations issued by Conservation Police Officers (CPO).

During our sample testing, we noted the following:

- 55 of 58 (95%) tickets issued during the audit period were not submitted to the Department within 96 hours from the date of issuance, ranging from 1 to 89 days late.
- One of 58 (2%) tickets issued during the audit period did not have the stamp date of receipt; as a result we were unable to determine if ticket was submitted to the Department within 96 hours from date of issuance.

The Defendant Database is a computerized system which provides information on written warning and citation. It is the Department's responsibility to enter issued written warnings, citations, and disposition of tickets into the database on a timely basis.

According to the Department's "Forms Instruction Manual", the Officer has 48 hours to submit the ticket to their District Sergeant and the District Sergeant has 48 hours to submit it to the Department.

Department personnel stated the governing policies for ticket processing were changed in January 2012. The new policy requires ticket copies to be received by Headquarters within 8 days. Tickets tested in this audit were received before the new policy went into effect.

Late submissions of tickets and related information could affect the Department's ability to track the payment of tickets and could result in loss revenue to the State. (Finding Code No. 12-9, 10-16, 08-5, 06-15, 04-21, 02-8)

RECOMMENDATION:

We recommend the Department ensure timely submission of tickets within the required timeframe.

DEPARTMENT RESPONSE:

The Agency agrees. The Agency revised policies and procedures in January 2012 and we do not anticipate repeat findings in this area.

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CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-10 **FINDING:** (Non-compliance with mandated duties)

The Department did not comply with duties mandated by the State law. We noted the following:

- The Department’s Office of Mines and Minerals had not established policies or procedures to comply with a section of the Coal Mining Act. The Act (225 ILCS 705/2.15) states “the Department may refuse to issue or may suspend the license, permit or certificate of any person who fails to file a return, or to pay any final assessment of tax, penalty or interest, as required by any tax Act administered by the Illinois Department of Revenue, until such time as the requirements of any such tax Act are satisfied.” Department personnel stated a lack of documented procedures prevented compliance with this Act.
- The Department did not maintain the proper bilingual on-board frontline staffing level as required. The State Services Assurance Act for Fiscal Year 2008 (5 ILCS 382/3-15) states “on or before July 1, 2008 each named agency shall increase and maintain the number of bilingual on-board frontline staff over levels that it maintained on June 30, 2007 as follows: (8) the Department of Natural Resources shall have at least 5 additional bilingual on-board frontline staff.” Department personnel stated attempts have been made to comply and recruit more bilingual staff, with spotty results due to lack of applicants. The department is working on new plans to better publicize its mission and opportunities in minority and immigrant communities across the state.
- The Department did not comply with provisions of the Fluorspar and Underground Limestone Mines Act (225 ILCS 710). Specifically, the Department failed to 1) appoint inspectors of mines; 2) maintain records of mines; and 3) submit required reports to the Governor and General Assembly. 225 ILCS 710/2.01 states “From names certified by the Mining Board, the Director of the Office of Mines and Minerals shall select and appoint Inspectors as required to provide adequate inspection of all properties coming within regulations of this Act.” 225 ILCS 710/5 states “the inspector of mines shall keep a record of all mines, in the State, a record of all mines examined...” Additionally, 225 ILCS 710/17 states “it shall be the duty of the inspector of mines within 3 months after January 1, in each year to make a report directed to the Governor and legislature of this State, giving a statistical summary and report of the work of the inspector of mines during the previous year ended December 31.” Department personnel stated Fluorspar is no longer mined in the United States. They further stated the Limestone provisions of the Act conflict with existing blasting regulations and that discussions are on-going with the legislature about how to modernize the statute.

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(Continued)
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12-10 **FINDING:** (Non-compliance with mandated duties)-Continued

- The Surface Coal Mining Land Conservation and Reclamation Act (225 ILCS 720/2.11(b)) states “if no hearing has been held under Section 2.04, the Department shall make its decision on the application within 120 days after receipt by the Department of a complete application and shall promptly notify the applicant, local government officials in the area of the affected land, and persons who have submitted written comments on the application of the Department’s decision with the written findings of the Department and stating the specific reasons for its decision.” During our review of permit applications for mining operations, we noted six of 12 (50%) did not have a timely decision made. They ranged from 50 to 94 days late. Department personnel stated Division workloads and understaffing prevented decisions from being made in a timely manner.
- The Department’s Miners’ Examining Board failed to submit required reports to the Director for fiscal years 2011 and 2012. The Coal Mining Act (225 ILCS 705/8.14) states “the Miners’ Examining Board shall annually on the first day of March, report to the Director, in writing, what examinations it has held and what work it has done during the preceding year, together with such recommendations as it may deem advisable for the improvement of the method of holding examinations and carrying out the purpose of this Article.” The Department stated the Board was not aware of the statutory provision requiring the annual report.
- The Department did not employ the appropriate number of State Mine Inspectors. During fiscal years 2011 and 2012, we noted 44 and 47 operational mines in the State, respectively, for which the Department employed 10 inspectors. The Coal Mining Act (225 ILCS 705/4.23) states “...there shall be no fewer than 16 State Mine Inspectors if there are 40 or more mines operational in the State...” Department personnel stated current funding levels do not allow for compliance with this mandate.
- The Department failed to submit annual financial reports to the Oil and Gas Board. The Oil and Gas Act (225 ILCS 725/1.2) states “the Department shall annually publish and present to the Oil and Gas Board a financial report describing the income, expenditures, and obligations of the Underground Resources Conservation Enforcement Fund and the Plugging and Restoration Fund.” Department personnel stated the requirement was not documented in policies and procedures.

Failure to carry out mandated duties is noncompliance with statutory requirements.
(Finding Code No. 12-10)

RECOMMENDATION:

We recommend the Department establish policies and procedures to track all Department mandated duties and identify responsible parties to ensure compliance.

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CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-10 **FINDING:** (Non-compliance with mandated duties)-Continued

DEPARTMENT RESPONSE:

The Agency agrees. The statutory in compliances will be addressed in the following ways:

- The Agency agrees that it does not have established policies or procedures to implement the provisions outlined in 225 ILCS 705/2.15. To address this deficiency, the Agency will work in conjunction with the Department of Revenue to establish a mechanism to monitor the payment of taxes by those who have been issued a mine certificate. If the agencies are unable to formulate a process by which tax returns/payments can be tracked, the Agency will seek a legislative remedy.
- The Agency will continue to post positions for bilingual employees and we have identified some policy changes that will enable us to effectively recruit qualified personnel.
- The Agency agrees that it did not comply with provision of the Fluorspar and Underground Limestone Mines Act. With the closing of the last fluorspar mine in the early 1990's and a legal uncertainty as to the Agency's jurisdiction over the inspection of underground limestone mines, the metal mine inspection unit was disbanded. On March 7, 2011, a legal opinion was issued that the Agency should be enforcing the Act. In order to meet the mandates prescribed by the Act, the Agency will assign inspection staff to the mining operations in question and will enforce the regulations of the Fluorspar and Underground Limestone Mines Act. Additionally, the Agency will seek legislation to remove antiquated provisions in the Act.
- The Agency agrees. At present the Office of Mines and Minerals is backfilling positions vacated by retirements and has posted several new positions for hire in order to process permit applications in a timely manner based on the current levels of coal production and anticipated growth.
- The Agency agrees that the Miners' Examining Board failed to comply with the reporting requirements outlined in 225 ILCS 705/8.14. The Miners' Examining Board has been made aware of this deficiency and will begin filing an annual report outlining its activities during the previous calendar year and its recommendations to the Director regarding the methods of holding examinations for first class certificates of competency.
- The Agency agrees that it did not maintain the required number of State Mine Inspectors based upon the number of operational mines. This deficiency was a direct result of budgetary constraints. To address this deficiency, the Agency is working to backfill State Mine Inspector positions that were vacated due to retirement.

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CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-10 **FINDING:** (Non-compliance with mandated duties)-Continued

- The Agency agrees that it failed to submit annual financial reports to the Oil and Gas Board. The FY Financial Reports were presented to the Board during their August 2012 meeting and the reporting process will continue from this point forward.

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CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-11 **FINDING:** (Fee imposition reports)

The Department did not properly report fees collected on the 2012 Agency Fee Imposition Report.

Per review of the fiscal year 2012 Fee Imposition Report, we noted the license and fee information for Watercraft Registration and Snowmobile Registration reported fees from 2011 rather than 2012.

The State Comptroller Act (15 ILCS 405/16.2) requires all State agencies that impose and collect fees prepare the Agency Fee Imposition Report Form. The Statewide Accounting Management System Manual (Procedure 33.16.20) requires the Agency to enter the total amount of revenue generated by the fee during the fiscal year for which the report is prepared. Furthermore, revenues for fees deposited into the state treasury should match amounts reported in SAMS.

Department personnel stated lack of documented procedures to pull information from the database resulted in the Watercraft and Snowmobile Registrations not being revised for fiscal year 2012 amounts.

Incorrect reporting of fees results in the Department providing inaccurate information on the Statewide Agency Fee Imposition Report submitted to the General Assembly. (Finding Code No. 12-11)

RECOMMENDATION:

We recommend the Department ensure correct information is utilized to complete the agency Fee Imposition Report.

DEPARTMENT RESPONSE:

The Agency agrees. The procedures for completing the Fee Imposition Report are generally working properly and this has not been a systemic issue. The cause of the incompliance was due to a system failure during the period when the Fee Imposition Report was due, which has since been resolved. Initial submission of the report was made timely and revisions were made on Nov. 29, 2012.

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CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-12 **FINDING:** (Lack of contingency planning or testing to ensure recovery of computer systems)

The Department had not provided adequate planning for the recovery of its applications and data.

The Department carries out its mission through the use of Information Technology. Computer systems that support the Department's mission include the Permits and Licensing System, Boat and Snowmobile Title and Registration System, Revenue Accounting Transaction System (RATS), and Programmatic Accounting System (PAS).

The Department maintained the Information Processing Recovery Activation Plan (Plan) for the Department's Headquarters, Regional Offices, Museum, and Survey Offices; however, the Plan had not been updated since August 2005 and did not reflect the current operating environment.

Additionally, testing of the Department's recovery Plan had not been conducted in the audit period.

Furthermore, the Department had not provided essential recovery information to the Department of Central Management Services during the audit period.

Information technology guidance (including the National Institute of Standards and Technology and Government Accountability Office) endorse the formal development and testing of disaster recovery plans. Tests of disaster recovery plans (and the associated documentation of the test results) verify that the plan, procedures, and resources provide the capability to recover critical systems within the required timeframe.

Department personnel stated historically the Department has performed disaster recovery testing of the mainframe environment; however, there has been some confusion regarding the roles and responsibilities associated with disaster recovery of the Department's systems and data located on the Department of Central Management Services' network environment.

Failure to adequately develop and test a disaster contingency plan leaves the Department exposed to the possibility of major disruptions of services. A comprehensive test of the plan across all systems utilized will assist management in identifying weaknesses to ensure recovery procedures are adequate in the event of a disaster. Continuous testing of plans would also assist management to ensure the plans are appropriately modified, as the Department's computing environment and disaster recovery needs change. (Finding Code No. 12-12)

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CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-12 **FINDING** (Lack of contingency planning or testing to ensure recovery of computer systems)-Continued

RECOMMENDATION

We recommend the Department develop and implement disaster recovery and business continuity plans which reflect the Department's current environment and align with management's intentions. Additionally, the Department should work with (and provide essential information to) the Department of Central Management Services to ensure plans, facilities and other operational provisions are appropriately aligned.

Once plans have been developed and implemented, the Department should ensure plans are tested at least annually.

DEPARTMENT RESPONSE

The Agency agrees with the finding and with the recommendation in the audit. The Agency will work with CMS to draft agreed policies and procedures that assure continuity of operations in the event of a disaster and provide for annual testing.

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CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-13 **FINDING** (Weaknesses Regarding the Security and Control of Confidential Information)

During the review of the Illinois Department of Natural Resources (Department), the following weaknesses were noted in regards to the Department's security and control of confidential information:

- Insufficient controls over documents containing personal/confidential information.
- Failure to utilize encryption technologies to secure sensitive and confidential data on computers and portable media.
- Failure to provide training to staff on protecting the confidentiality of social security numbers and other personal/confidential information.
- Failure to develop a Statement of Purpose as required by the Identity Protection Act (5 ILCS 179).

The Department actively collected, processed and maintained confidential and sensitive information; including names, addresses, driver's license numbers, credit card numbers, and more than 1.7 million social security numbers.

During a walk-through of the facility, auditors found documents containing personal/confidential information (including person's name, address, social security number) were located in unsecured bins and trays in areas accessible to staff and visitors.

In addition, during testing of equipment, it was noted the Department had lost or stolen IT equipment. Upon discussion with the Department, it was determined three pieces of equipment contained personal information. The Department indicated they would be notifying the affected parties.

The Identity Protection Act and Department Policy both required training for staff on how to protect personal/confidential information and the development of a Statement of Purpose detailing the reason for collecting personal information. However, training had not been provided to staff and the Statement of Purpose had not been developed.

Department personnel stated oversight by staff led to confidential information not being appropriately stored. They also noted that the Department's confidential information policy was revised to take into account requirements of the Identity Protection Act (5 ILCS 179), however, due to staff changes and limited resources, associated procedures were not developed and requirements of the policy (training/Statement of Purpose) not fulfilled.

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CURRENT FINDINGS – STATE COMPLIANCE
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

12-13 **FINDING** (Weaknesses Regarding the Security and Control of Confidential Information) - Continued

The Personal Information Protection Act (815 ILCS 530) has requirements associated with a breach of personal information. The Act applies to "data collectors," including a government agency that "for any purpose, handles, collects, disseminates, or otherwise deals with nonpublic personal information" 815 ILCS 530/5. One requirement in the Act requires a state agency to notify (in an expedient manner) an Illinois resident at no charge that there has been a breach of the security following discovery or notification of the breach.

Confidential, sensitive and personal identifiable information collected and maintained by the Department should be adequately secured at all times. As such, it is the Department's responsibility to ensure adequate procedures for safeguarding all confidential information have been established, effectively communicated to all personnel, and continually enforced. Effective controls help minimize the potential impact and costs resulting from identity thefts or security breaches. (Finding Code No.12-13)

RECOMMENDATION

We recommend the Department:

- Comply with the Personal Information Protection Act regarding the expedient notification of individuals whose personal information was lost.
- Comply with the Identity Protection Act and Department Policy and develop a Statement of Purpose and provide training to staff on protecting confidential information.
- Ensure electronic versions of confidential information are adequately secured with methods such as encryption or redaction.
- Ensure hardcopy versions of confidential information are adequately secured and properly disposed of in a timely manner.
- Perform a comprehensive risk assessment to identify all forms of confidential or personal information and ensure adequate security controls, including adequate physical and logical access restrictions, have been established to safeguard data and resources.

DEPARTMENT RESPONSE

The Agency agrees with the issue addressed. We did send out the proper notification to the affected employees whose information was possibly on the lost computers on February 11, 2013. The Agency will continue to develop policies and procedures for compliance with the Personal Information Act and the Identity Protection Act.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

PRIOR FINDINGS NOT REPEATED
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

A **FINDING** (Inadequate controls over capital assets)

During the prior examination, the Department did not have adequate policies or procedures to ensure that assets categorized as Construction in Progress (CIP) were properly recorded.

During the current examination, the Department developed and implemented policies and procedures to ensure that CIP was recorded as of June 30, 2012. (Finding Code No. 10-1)

B **FINDING** (Time sheets not maintained in compliance with the State Officials and Employees Ethics Act)

During the prior examination, the Department did not maintain time sheets in compliance with the State Officials and Employee Ethics Act.

During the current examination, our sample testing indicated employee time was tracked to the nearest quarter hour. (Finding Code No. 10-6)

C **FINDING** (Inadequate controls over encroachments)

During the prior examination, the Department did not implement adequate procedures to comply with the Illinois Michigan Canal Protection Act and the Rivers, Lakes and Streams Act.

During the current examination, we noted the Department established written policies and implemented procedures to address requirements set forth in both Acts. (Finding Code No. 10-8)

D **FINDING:** (Failure to submit the annual OSLAD Progress Reports)

During the prior examination, we noted the Department did not comply with the Open Space Lands Acquisition and Development Act. The Department had not filed the annual report since fiscal year 2006.

During the current examination, we noted the Department submitted the OSLAD Progress Reports for fiscal years 2010 and 2011; however, management was unable to provide documentation of timely submission of the required reports. Therefore, this finding was partially repeated as 12-7. (Finding Code No. 10-9)

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

PRIOR FINDINGS NOT REPEATED
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

E **FINDING:** (Failure to maintain written policies and procedures over orders)

During the prior examination, the Department failed to establish written policies and procedures to comply with the Rivers, Lakes, and Streams Act.

During the current examination, we noted the Department established written policies and implemented procedures to address requirements set forth in the Act. (Finding Code No. 10-10)

F **FINDING:** (Failure to conduct Aquifer Studies)

During the prior examination, the Department did not comply with the Department of Natural Resources Act regarding aquifer studies.

During the current examination, our sample testing disclosed the Department conducted aquifer studies. (Finding Code No. 10-11)

G **FINDING:** (Failure to submit a written report of acreage data to the General Assembly in timely manner)

During the prior examination, the Department did not submit the annual report to the General Assembly, as required by the Illinois Hunting Heritage Protection Act in a timely manner.

During the current examination, we noted the Department submitted the annual report to the General Assembly in a timely manner. (Finding Code No. 10-12)

H **FINDING:** (Failure to ensure compliance with required inspections)

During the prior examination, the Department failed to adopt and impose of a plan to ensure that required daily and quarterly inspections of self-contained self-rescuer devices (SCSR) are performed.

During the current examination, we noted the Department developed and implemented policies and procedures to address inspections of SCSRs. (Finding Code No. 10-13)

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

PRIOR FINDINGS NOT REPEATED
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

- I **FINDING:** (Inadequate documentation relating to mine rescue chambers and wireless tracking devices)

During the prior examination, the Department did not maintain adequate documentation to ensure mine operators provided rescue chambers and wireless tracking devices for each underground mine.

During the current examination, we noted the Department maintained documentation pertaining to mine operators providing rescue chambers and wireless tracking devices for each underground mine. (Finding Code No. 10-14)

- J **FINDING:** (Failure to submit the Annual Real Property Utilization Report)

During the prior examination, the Department did not file the 2008 and 2009 Annual Real Property Utilization Reports with the Department of Central Management Services.

During the current examination, the Department filed the 2010, 2011 and 2012 Annual Real Property Utilization Reports with the Department of Central Management Services. (Finding Code No. 10-17)

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

FINANCIAL STATEMENT REPORT
FOR THE YEAR ENDED 30, 2012

SUMMARY

The audit of the accompanying Schedule of Capital Assets of the State of Illinois, Illinois Department of Natural Resources was performed by Washington, Pittman & McKeever, LLC.

Based on their audit, the auditors expressed an unqualified opinion on the Department's Schedule of Capital Assets.

SUMMARY OF FINDINGS

The auditors did not identify matters involving the Department's internal controls over financial reporting.

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on February 11, 2013. Attending were:

ILLINOIS DEPARTMENT OF NATURAL RESOURCES

Marc Miller, Director
Scott Harper, Chief Fiscal Officer
Lisa LaBonte, Chief Internal Auditor
Megan Buskirk, Audit Liaison

OFFICE OF THE AUDITOR GENERAL

Kathy Lovejoy, Audit Manager
Jeremy Mehochko, Audit Manager

WASHINGTON, PITTMAN & MCKEEVER, LLC

Lester H. McKeever, Jr., Managing Principal
Angela Allen, Principal
Marsha Lopez, Manager

WASHINGTON, PITTMAN & McKEEVER, LLC

**CERTIFIED PUBLIC ACCOUNTANTS AND
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INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying Schedule of Capital Assets (Schedule) of the State of Illinois, Illinois Department of Natural Resources as of and for the year ended June 30, 2012. This Schedule is the responsibility of the State of Illinois, Illinois Department of Natural Resources' management. Our responsibility is to express an opinion on this Schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Capital Assets is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall Schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the Schedule presents only the Capital Asset Account and does not purport to, and does not, present fairly the financial position of the State of Illinois, Illinois Department of Natural Resources as of June 30, 2012, and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Schedule of Capital Assets referred to above present fairly, in all material respects, the Capital Asset Account of the State of Illinois, Illinois Department of Natural Resources, as of June 30, 2012 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 28, 2013 on our consideration of the State of Illinois, Illinois Department of Natural Resources' internal control over financial reporting of the Capital Asset Account and on our tests of the State of Illinois, Illinois Department of Natural Resources' compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters as they relate to the Capital Asset Account. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in Capital Assets on page 49 be presented to supplement the Schedule of Capital Assets. Such information, although not a part of the Schedule of Capital Assets, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the Schedule of Capital Assets in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the Schedule of Capital Assets, and other knowledge we obtained during our audit of the Schedule of Capital Assets. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Washington, Pittman & McKeever, LLC
WASHINGTON, PITTMAN & McKEEVER, LLC

Chicago, Illinois
February 28, 2013

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
Schedule of Capital Assets
June 30, 2012
(expressed in thousands)

Capital Assets not being depreciated:	
Land and land improvements	\$ 372,081
Construction in progress	234
Internally generated intangible assets in development	372
Easements/rights of way/water-timber-mineral rights	<u>89,380</u>
Total Capital Assets not being depreciated:	<u>462,067</u>
Capital Assets being depreciated:	
Site improvements	430,907
Building and building improvements	259,838
Equipment	64,335
Capital leases - equipment	32
Infrastructure	52,755
Non-internally generated software	36
Internally generated software	3,360
Easements/rights of way/water-timber-mineral rights	1,511
Other intangibles assets	<u>6,939</u>
Total Capital Assets being depreciated:	<u>819,713</u>
Less Accumulated Depreciation for:	
Site improvements	239,810
Building and building improvements	137,370
Equipment	56,169
Capital leases - equipment	17
Infrastructure	29,475
Non-internally generated software	36
Internally generated software	3,360
Easements/rights of way/water-timber-mineral rights	1,072
Other intangibles assets	<u>754</u>
Total Accumulated Depreciation	<u>468,063</u>
Total Capital Assets being depreciated, net	<u>351,650</u>
Total Capital Assets, net	<u><u>\$ 813,717</u></u>

The accompanying Notes to Schedule of Capital Assets
are an integral part of this schedule.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

NOTES TO SCHEDULES OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2012

1. DESCRIPTION OF CAPITAL ASSET ACCOUNT

The State of Illinois, Illinois Department of Natural Resources (the Department) maintains a Capital Asset Account. Capital assets include construction in progress, infrastructure, intangibles, land and land improvements, site improvements, buildings, building improvements, equipment, and all other tangible assets that are used in operations and that have expected useful lives extending beyond a single reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Capital Assets (Schedule) maintained by the Department has been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). To facilitate the understanding of data included in the Schedule, summarized below are the more significant accounting policies.

(a) Reporting Entity

As defined by GAAP, the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board and either (a) the primary government's ability to impose its will, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government.

Based upon the required criteria, the Capital Asset Account does not have component units, nor is it a component unit of any other entity. However, because the Capital Asset Account is not legally separate from the State of Illinois (State), it is included in the financial statements of the State. The State's Comprehensive Annual Financial Report may be obtained by writing to the State Comptroller's Office, Financial Reporting Department, 325 West Adams Street, Springfield, Illinois, 62704-1871.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

NOTES TO SCHEDULES OF CAPITAL ASSETS
(Continued)
FOR THE YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The Schedule presents only the capital assets administered by the Department and does not purport to, and does not, present fairly the financial position of the Department as of June 30, 2012 and changes in its financial position, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

(b) Basis of Presentation

The Capital Asset Account balances are reported in the State's Comprehensive Annual Financial Report. For its reporting purposes, the Department has presented the Schedule of Capital Assets using a columnar format that presents capital assets, net of accumulated depreciation, as of June 30, 2012.

(c) Basis of Accounting

The Capital Asset Account is reported using the economic resources measurement focus and the accrual basis of accounting.

(d) Use of Estimates

The preparation of the Schedule of Capital Assets in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and accumulated depreciation at the date of the schedule. Actual results could differ from those estimates.

(e) Valuation

Capital assets are reported at cost or estimated historical cost or, if donated, at their fair value at the time of acquisition. Historical costs include the amount paid for the asset and ancillary charges necessary to place the asset into its intended location and condition for use. Assets acquired in various amounts for a single purpose which may not individually meet the capitalization threshold are capitalized if the estimated total of the project exceeds the capitalization threshold.

For capital assets that are depreciated, expenditures that extend the useful lives of capital assets beyond their initial estimated useful lives (preservation costs) or improve their efficiency (improvements) or capacity (additions) are capitalized, whereas expenditures for repairs and maintenance are expensed.

Capital assets are depreciated using the straight-line method.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

NOTES TO SCHEDULES OF CAPITAL ASSETS
(Continued)
FOR THE YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(f) Capitalization Policies

Capitalization thresholds and the estimated useful lives are as follows:

Capital Asset Category	Capitalization Threshold	Estimated Useful Life
Land	\$ 100,000	N/A
Infrastructure	250,000	30
Site Improvements	25,000	30
Buildings	100,000	30
Building Improvements	25,000	30
Equipment	5,000	7
Capital Leases - Equipment	5,000	Varies/depends on contract

Intangible Asset Type	Capitalization Threshold	Estimated Useful Life
Easement other than row indefinite	\$25,000	Indefinite
Water rights indefinite	25,000	Indefinite
Right of way indefinite	25,000	Indefinite
Software internally generated	1,000,000	3
Software websites	1,000,000	3
Land easements finite	25,000	Varies/depends on contract
Software purchased	25,000	3
Conservation land rights finite	25,000	Varies/depends on contract
Right of way finite	25,000	Varies/depends on contract

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

NOTES TO SCHEDULES OF CAPITAL ASSETS
(Continued)
FOR THE YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(g) Infrastructure

The Department maintains infrastructure assets, including waterways, dams, tunnels, and drainage systems.

In the majority of cases, a legal title document was not created when these assets were constructed or placed into service. The Department capitalizes all infrastructure assets supported by purchasing documentation (e.g., contracts, requisitions, purchase orders, payment documents, etc.). In cases where infrastructure assets are jointly developed or constructed by the Department and neighboring states or local municipalities, the Department capitalizes only those assets, which are maintained by the Department and legal title has not been established by another legal entity.

(h) Historical Treasures and Works of Art

The Department maintains extensive collections of historical treasures and works of art. Items meeting the following conditions are not capitalized: 1) held for public exhibition, education, or research in furtherance of public service, rather than financial gain; 2) protected, kept unencumbered, cared for, and preserved; and 3) subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections. All Department historical treasures and works of art meet these conditions, and are not capitalized in the Schedule of Capital Assets.

(i) Intangible Assets

The Department maintains various types of intangible assets. These assets lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Examples of intangible assets include, but are not limited to, software (both internally generated and non-internally generated), easements and rights of way, and water and land use rights. Intangible assets are capitalized and depreciated based on conventions listed in Capitalization Policies table.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

NOTES TO SCHEDULES OF CAPITAL ASSETS

(Continued)

FOR THE YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(j) Construction in Progress

The Department maintains assets that are constructions in progress. This includes costs incurred during construction of assets. Those accumulated costs are held in the Construction in Progress category until such time as the project is determined to be “substantially complete” (i.e. ready for its intended use). At that time the asset is moved to proper asset category and capitalized and depreciated based on conventions listed in Capitalization Policies table. The Department considers infrastructure and bikeways to be a series of networks and sub-systems. As such those assets have met the requirement of being ready for intended use and therefore not held in the Construction in Process category.

(k) Networks and Sub-Systems

The Department maintains networks and sub-systems. A network is composed of all assets that provide a particular type of service for the State or an agency. A network of assets may be only one asset that is composed of many components. A subsystem is composed of all assets that make up a portion or segment of a network. Assets acquired in various amounts for a single purpose which may not individually meet the capitalization threshold may be capitalized if the estimated total of the project exceeds the capitalization threshold. Also, for capital assets that are depreciated, expenditures that extend the useful lives of capital assets beyond their initial estimated useful lives (preservation costs) or improve their efficiency (improvements) or capacity (additions) are capitalized, whereas expenditures for repairs and maintenance are expensed.

3. CAPITAL ASSET MANAGEMENT SYSTEM

The Department maintains a capital asset management system which includes, for all capital assets, the major asset category, description of asset, date of acquisition, method of acquisition, cost or other value, responsible organizational unit, location of asset, identification of applicable network or subsystem (for infrastructure assets), estimated life, estimated salvage value, annual and accumulated depreciation, and appropriation.

4. REPORTING REQUIREMENTS

The Department is required to complete and submit the *SAMS TO GAAP Reconciliation – Capital Assets* (SCO-537) and *Capital Asset Summary* (SCO-538) forms to the Illinois Office of the Comptroller as part of the year-end reporting process related to capital assets. Amounts reported on these forms have been reconciled to the Schedule of Capital Assets.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

Schedule of Changes in Capital Assets

For the Year Ended June 30, 2012

(expressed in thousands)

	Balance At June 30, 2011	Additions	Deletions	Net Transfers	Balance At June 30, 2012
Capital Assets not being depreciated:					
Land and land improvements	\$ 371,413	\$ 675	\$ 15	\$ 8	\$ 372,081
Construction in progress	55	234	-	(55)	234
Internally generated intangible assets in development	372	-	-	-	372
Easements/rights of way/water-timber-mineral rights	77,503	11,877	-	-	89,380
Total Capital Assets not being depreciated:	449,343	12,786	15	(47)	462,067
Capital Assets being depreciated:					
Site improvements	425,976	2,053	-	2,878	430,907
Building and building improvements	258,893	176	-	769	259,838
Equipment	63,516	2,176	144	(1,213)	64,335
Capital leases-equipment	14	25	7	-	32
Infrastructure	51,462	1,293	-	-	52,755
Non-internally generated software	36	-	-	-	36
Internally generated software	3,360	-	-	-	3,360
Easements/rights of way/water-timber-mineral rights	1,484	27	-	-	1,511
Other intangible assets	6,939	-	-	-	6,939
Total Capital Assets being depreciated:	811,680	5,750	151	2,434	819,713
Less Accumulated Depreciation for:					
Site improvements	227,992	11,818	-	-	239,810
Building and building improvements	130,021	7,349	-	-	137,370
Equipment	54,993	2,530	143	(1,211)	56,169
Capital leases-equipment	9	15	7	-	17
Infrastructure	28,287	1,188	-	-	29,475
Non-internally generated software	36	-	-	-	36
Internally generated software	3,360	-	-	-	3,360
Easements/rights of way/water-timber-mineral rights	996	76	-	-	1,072
Other intangible assets	273	481	-	-	754
Total Accumulated Depreciation	445,967	23,457	150	(1,211)	468,063
Total Capital Assets being depreciated, net	365,713	(17,707)	1	3,645	351,650
Total Capital Assets, net	\$ 815,056	\$ (4,921)	\$ 16	\$ 3,598	\$ 813,717

The accompanying Notes to Schedule of Capital Assets are an integral part of this schedule.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES
FOR THE TWO YEARS ENDED JUNE 30, 2012

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
 - Fiscal Year 2012 (Schedule 1)
 - Fiscal Year 2011 (Schedule 2)
 - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances (Schedule 3)
 - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances – Total All Appropriated Funds by Major Object Code (Schedule 4)
 - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances – Total Expenditures by Fund (Schedule 5)
 - Comparative Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) – Locally-Held Funds (Schedule 6)
 - Schedule of Changes in State Property (Schedule 7)
 - Comparative Schedule of Cash Receipts (Schedule 8)
 - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
 - Year Ended June 30, 2012 (Schedule 9)
 - Year Ended June 30, 2011 (Schedule 10)
 - Analysis of Significant Variations in Expenditures (Schedule 11)
 - Analysis of Significant Variations in Receipts (Schedule 12)
 - Analysis of Significant Lapse Period Spending (Schedule 13)
 - Analysis of Significant Account Balances and Accounts Receivable (Schedule 14)
- **Analysis of Operations:**
 - Agency Functions and Planning Program (Not Examined)
 - Average Number of Employees (Not Examined)
 - Emergency Purchases (Not Examined)
 - Memorandums of Understanding (Not Examined)
 - Service Efforts and Accomplishments (Not Examined)
 - Schedule of Indirect Cost Reimbursements (Not Examined)
 - Open Space Lands Acquisition Development Grant Program (Not Examined)

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

(Continued)

FOR THE TWO YEARS ENDED JUNE 30, 2012

SUMMARY

(Continued)

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 to the June 30, 2012 and June 30, 2011 in Schedules 1 through 14. However, the accountants do not express an opinion on the supplementary information. The accountants' report also states that they have not applied procedures to the June 30, 2010 accompanying supplementary information in Schedules 3, 4, 5, 6, and 8 and in the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2012 (Schedule 1)**

Fourteen Months Ended August 31, 2012

PUBLIC ACT 97-0057, 97-0076

FUND NAME- ALL FUNDS

<u>FUND NAME- ALL FUNDS</u>	<u>Fund Number</u>	<u>Appropriations (Net of Transfers)</u>	<u>Expenditures Through June 30, 2012</u>	<u>Lapse Period Expenditures July 1 to August 31, 2012</u>	<u>Approximate Total Expenditures</u>	<u>Approximate Balances Reappropriated July 1, 2012</u>	<u>Approximate Balances Lapsed</u>
APPROPRIATED FUNDS							
General Revenue Fund	0001	\$ 50,011,000	\$ 43,548,430	\$ 3,667,556	\$ 47,215,986	\$ -	\$ 2,795,014
State Boating Act Fund	0039	30,505,679	10,778,996	471,132	11,250,128	14,214,435	5,041,116
State Parks Fund	0040	27,732,971	9,599,792	564,343	10,164,135	5,323,072	12,245,764
Wildlife and Fish Fund	0041	82,240,038	57,627,114	3,840,277	61,467,391	9,464,677	11,307,970
Salmon Fund	0042	432,200	269,049	35,253	304,302	-	127,898
Mines and Minerals UIC Fund	0077	333,600	233,444	10,442	243,886	-	89,714
Forest Reserve Fund	0086	500,000	92,150	-	92,150	-	407,850
Plugging and Restoration Fund	0137	2,122,600	660,134	18,402	678,536	-	1,444,064
Capital Development Fund	0141	301,409,619	6,523,207	-	6,523,207	294,886,412	-
Explosives Regulatory Fund	0145	140,900	97,787	-	97,787	-	43,113
Aggregate Operations Regulatory Fund	0146	454,400	160,924	102	161,026	-	293,374
Coal Mining Regulatory Fund	0147	3,728,900	3,306,945	167,125	3,474,070	-	254,830
Abandoned Mined Lands Reclamation Reclamation Set-Aside Fund	0257	1,500,000	-	-	-	-	1,500,000
Underground Resource Conservation Enforcement Trust Fund	0261	1,240,900	825,240	3,950	829,190	-	411,710
State Furbearer Fund	0293	258,453	71,509	-	71,509	186,944	-
Natural Areas Acquisition Fund	0298	18,478,861	5,691,071	634,214	6,325,285	9,600,836	2,552,740
Open Space Lands Acquisition and Development Fund	0299	89,073,761	15,723,670	73,495	15,797,165	73,004,432	272,164
State Pheasant Fund	0353	1,739,514	251,061	-	251,061	1,488,453	-
Natural Heritage Fund	0375	75,200	17,838	4,000	21,838	-	53,362
Illinois Habitat Fund	0391	6,235,668	473,306	-	473,306	5,762,362	-
Flood Control Land Lease Fund	0443	900,000	796,226	-	796,226	-	103,774
Land and Water Recreation Fund	0465	11,149,481	1,125,000	-	1,125,000	10,024,481	-
Wildlife Prairie Park Fund	0504	100,000	24,543	-	24,543	-	75,457
Illinois and Michigan Canal	0570	75,000	-	-	-	-	75,000

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2012 (Schedule 1)

Fourteen Months Ended August 31, 2012

PUBLIC ACT 97-0057, 97-0076

FUND NAME- ALL FUNDS

	Fund Number	Appropriations (Net of Transfers)	Expenditures Through June 30, 2012	Lapse Period Expenditures July 1 to August 31, 2012	Approximate Total Expenditures	Approximate Balances Reappropriated July 1, 2012	Approximate Balances Lapsed
Off Highway Vehicle Trails Fund	0574	2,512,031	82,550	-	82,550	2,429,481	-
Partners for Conservation Fund	0608	4,692,685	1,978,291	114,089	2,092,380	1,246,966	1,353,339
Partners for Conservation Projects Fund	0609	3,192,458	50,000	-	50,000	3,142,458	-
Federal Title IV Fire Protection Assistance Fund	0670	1,069,346	869,503	-	869,503	199,843	-
Federal Surface Mining Control and Reclamation Fund	0765	4,374,400	2,535,300	278,461	2,813,761	-	1,560,639
Restoration Trust Fund	0831	1,400,000	66,961	25,310	92,271	-	1,307,729
National Flood Insurance Program Fund	0855	720,100	398,711	22,766	421,477	-	298,623
Land Reclamation Fund	0858	800,000	63,455	-	63,455	-	736,545
Snowmobile Trail Establishment Fund	0866	215,864	57,550	-	57,550	158,314	-
Drug Traffic Prevention Fund	0878	25,000	-	-	-	-	25,000
DNR Federal Projects Fund	0894	22,054,000	471,728	64,506	536,234	10,962,058	10,555,708
Illinois Forestry Development Fund	0905	7,514,983	2,372,905	54,942	2,427,847	4,305,776	781,360
Illinois Wildlife Preservation Fund	0909	3,165,513	333,295	-	333,295	1,632,219	1,199,999
State Migratory Waterfowl Stamp Fund	0953	3,242,930	729,802	34,919	764,721	2,387,990	90,219
Park and Conservation Fund	0962	48,364,157	14,487,198	1,109,509	15,596,707	28,853,524	3,913,926
Build Illinois Bond Fund	0971	163,371,520	3,886,780	-	3,886,780	159,484,740	-
Illinois Beach Marina Fund	0982	4,302,726	759,669	196,762	956,431	2,206,889	1,139,406
Abandoned Mined Lands Reclamation Council Federal Trust Fund	0991	27,345,804	11,438,645	167,980	11,606,625	14,715,450	1,023,729
TOTALS - ALL APPROPRIATED FUNDS		\$ 928,802,262	\$198,479,779	\$ 11,559,535	\$ 210,039,314	\$ 655,681,812	\$ 63,081,136

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2012 (Schedule 1)**

Fourteen Months Ended August 31, 2012

PUBLIC ACT 97-0057, 97-0076

FUND NAME- ALL FUNDS

<u>FUND NAME- ALL FUNDS</u>	<u>Fund Number</u>	<u>Appropriations (Net of Transfers)</u>	<u>Expenditures Through June 30, 2012</u>	<u>Lapse Period Expenditures July 1 to August 31, 2012</u>	<u>Approximate Total Expenditures</u>	<u>Approximate Balances Reappropriated July 1, 2012</u>	<u>Approximate Balances Lapsed</u>
<u>NON-APPROPRIATED FUNDS</u>							
DNR Special Projects Fund	0884	N/A	6,400,633	336,814	6,737,447	N/A	N/A
DNR Federal Projects Fund	0894	N/A	6,027,299	1,004,648	7,031,947	N/A	N/A
J.J. Wolf Memorial for Conservation Investigation Fund	0931	N/A	-	2,500	2,500	N/A	N/A
TOTALS-ALL NON-APPROPRIATED FUNDS			<u>\$ 12,427,932</u>	<u>\$ 1,343,962</u>	<u>\$ 13,771,894</u>		
GRAND TOTAL- ALL FUNDS		<u>\$ 928,802,262</u>	<u>\$ 210,907,711</u>	<u>\$ 12,903,497</u>	<u>\$ 223,811,208</u>	<u>\$ 655,681,812</u>	<u>\$ 63,081,136</u>

Notes: 1) All data in this schedule has been taken directly from the records of State Comptroller.

2) Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

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
DEPARTMENT OF NATURAL RESOURCES

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2011 (Schedule 2)

PUBLIC ACT 96-0956, 96-0957, 96-0819, 96-0890

<u>FUND NAME- ALL FUNDS</u>	<u>Fund Number</u>	<u>Appropriations (Net of Transfers)</u>	<u>Expenditures Through June 30</u>	<u>Lapse Period Expenditures July 1 to December 31</u>	<u>Total Expenditures 18 Months Ended December 31</u>	<u>Balances Reappropriated December 31</u>	<u>Balances Lapsed December 31</u>
<u>APPROPRIATED FUNDS</u>							
General Revenue Fund	0001	\$ 61,494,500	\$ 50,211,785	\$ 3,556,618	\$ 53,768,403	\$ -	\$ 7,726,097
State Boating Act Fund	0039	30,249,638	13,866,707	784,764	14,651,471	11,748,279	3,849,888
State Parks Fund	0040	24,832,425	10,284,766	868,740	11,153,506	3,148,671	10,530,248
Wildlife and Fish Fund	0041	77,673,735	58,770,838	4,134,953	62,905,791	6,289,668	8,478,276
Salmon Fund	0042	399,800	144,244	-	144,244	-	255,556
Mines and Minerals UIC Fund	0077	308,900	231,429	67,417	298,846	-	10,054
Forest Reserve Fund	0086	500,000	103,251	-	103,251	-	396,749
Plugging and Restoration Fund	0137	2,062,500	541,235	37,254	578,489	-	1,484,011
Capital Development Fund	0141	305,957,869	4,548,254	-	4,548,254	301,409,615	-
Explosives Regulatory Fund	0145	135,200	105,616	5,030	110,646	-	24,554
Aggregate Operations Regulatory Fund	0146	431,500	181,752	11,642	193,394	-	238,106
Coal Mining Regulatory Fund	0147	4,319,800	2,767,053	410,603	3,177,656	-	1,142,144
Abandoned Mined Land Reclamation Set-Aside Fund	0257	1,500,000	-	-	-	-	1,500,000
Underground Resource Conservation Enforcement Trust Fund	0261	1,171,600	636,761	19,730	656,491	-	515,109
State Furbearer Fund	0293	268,508	120,055	-	120,055	148,453	-
Natural Areas Acquisition Fund	0298	17,620,222	5,790,358	310,575	6,100,933	8,437,361	3,081,928
Open Space Lands Acquisition and Development Fund	0299	99,339,060	22,369,698	58,845	22,428,543	76,407,361	503,156
State Pheasant Fund	0353	1,465,163	275,649	-	275,649	1,189,514	-
Natural Heritage Fund	0375	75,200	14,179	-	14,179	-	61,021
Illinois Habitat Fund	0391	6,233,754	1,598,087	-	1,598,087	4,635,667	-
Flood Control Land Lease Fund	0443	900,000	895,687	-	895,687	-	4,313
Land and Water Recreation Fund	0465	8,881,481	232,000	-	232,000	8,649,481	-
Wildlife Prairie Park Fund	0504	100,000	-	-	-	-	100,000
Illinois and Michigan Canal	0570	75,000	-	-	-	-	75,000

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2011 (Schedule 2)**

PUBLIC ACT 96-0956, 96-0957, 96-0819, 96-0890

<u>FUND NAME- ALL FUNDS</u>	<u>Fund Number</u>	<u>Appropriations (Net of Transfers)</u>	<u>Expenditures Through June 30</u>	<u>Lapse Period Expenditures July 1 to December 31</u>	<u>Total Expenditures 18 Months Ended December 31</u>	<u>Balances Reappropriated December 31</u>	<u>Balances Lapsed December 31</u>
Off Highway Vehicle Trails Fund	0574	2,414,624	302,594	-	302,594	2,112,030	-
Partners for Conservation Fund	0608	5,130,800	2,729,105	154,973	2,884,078	1,365,085	881,637
Partners for Conservation Projects Fund	0609	3,215,795	23,338	-	23,338	3,192,457	-
Federal Title IV Fire Protection Assistance Fund	0670	1,277,005	532,659	-	532,659	744,346	-
Federal Surface Mining Control and Reclamation Fund	0765	4,054,600	2,560,658	232,052	2,792,710	-	1,261,890
Restoration Trust Fund	0831	1,400,000	390,494	31,592	422,086	-	977,914
National Flood Insurance Program Fund	0855	678,400	330,677	48,281	378,958	-	299,442
Land Reclamation Fund	0858	800,000	22,545	-	22,545	-	777,455
Snowmobile Trail Establishment Fund	0866	186,620	50,756	-	50,756	135,864	-
Drug Traffic Prevention Fund	0878	25,000	-	758	758	-	24,242
DNR Federal Projects Fund	0894	59,666,000	1,324,366	310,754	1,635,120	-	58,030,880
Illinois Forestry Development Fund	0905	5,645,554	979,755	27,429	1,007,184	4,321,683	316,687
Illinois Wildlife Preservation Fund	0909	1,954,107	488,594	-	488,594	1,465,513	-
State Migratory Waterfowl Stamp Fund	0953	3,981,962	1,809,032	4,567	1,813,599	1,922,930	245,433
Park and Conservation Fund	0962	49,221,601	16,922,454	1,174,838	18,097,292	26,672,657	4,451,652
Build Illinois Bond Fund	0971	169,000,000	5,803,480	-	5,803,480	163,196,520	-
Illinois Beach Marina Fund	0982	3,984,926	1,669,496	170,286	1,839,782	1,852,126	293,018
Abandoned Mined Lands Reclamation Council Federal Trust Fund	0991	26,470,412	8,910,774	192,664	9,103,438	16,434,704	932,270
TOTALS - ALL APPROPRIATED FUNDS		985,103,261	218,540,181	12,614,365	231,154,546	645,479,985	108,468,730

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2011 (Schedule 2)

PUBLIC ACT 96-0956, 96-0957, 96-0819, 96-0890

<u>FUND NAME- ALL FUNDS</u>	<u>Fund Number</u>	<u>Appropriations (Net of Transfers)</u>	<u>Expenditures Through June 30</u>	<u>Lapse Period Expenditures July 1 to December 31</u>	<u>Total Expenditures 18 Months Ended December 31</u>	<u>Balances Reappropriated December 31</u>	<u>Balances Lapsed December 31</u>
<u>NON-APPROPRIATED FUNDS</u>							
DNR Special Project Fund	0884	N/A	\$ 344,804	\$ 123,947	\$ 468,751	N/A	N/A
DNR Federal Project Fund	0894	N/A	3,458,855	386,068	3,844,923	N/A	N/A
<u>TOTALS-ALL NON-APPROPRIATED FUNDS</u>			<u>\$ 3,803,659</u>	<u>\$ 510,015</u>	<u>\$ 4,313,674</u>		
<u>GRAND TOTAL- ALL FUNDS</u>		<u>\$ 985,103,261</u>	<u>\$ 222,343,840</u>	<u>\$ 13,124,380</u>	<u>\$ 235,468,220</u>	<u>\$ 645,479,985</u>	<u>\$ 108,468,730</u>

Notes: 1) All data in this schedule has been taken directly from the records of State Comptroller.

2) Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES (Schedule 3)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
	<u>Public Act</u>	<u>Public Act</u>	<u>Public Act</u>
	<u>97-0057</u>	<u>96-0956, 96-0957</u>	<u>96-0035, 96-0039</u>
	<u>97-0076</u>	<u>96-0819, 96-0890</u>	<u>96-0042, 96-0046</u>
<u>GENERAL REVENUE FUND - 0001</u>			
<u>Appropriations (net of transfers)</u>	\$ 50,011,000	\$ 61,494,500	\$ 54,940,000
<u>Expenditures:</u>			
Personal services	31,584,766	-	35,582,895
State contributions to State Employees' Retirement System	-	-	2,242,835
State contributions to Social Security	1,934,690	-	-
Contractual services	4,713,651	-	-
Conferences, vendor payments	6,300	-	-
Travel	117,600	-	230
Commodities	546,350	-	-
Printing	28,643	-	-
Equipment	237,705	-	-
Electronic data processing	852,974	-	-
Telecommunications	940,140	-	-
Operation of automotive equipment	1,162,007	-	1,379,313
Lump sums	740,049	10,314,291	9,968,196
Lump sums operations	4,351,111	43,454,112	-
Total expenditures	<u>\$ 47,215,986</u>	<u>\$ 53,768,403</u>	<u>\$ 49,173,469</u>
Lapsed balances	<u>\$ 2,795,014</u>	<u>\$ 7,726,097</u>	<u>\$ 5,766,531</u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES (Schedule 3)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
	<u>Public Act</u>	<u>Public Act</u>	<u>Public Act</u>
	97-0057	96-0956, 96-0957	96-0035, 96-0039
	97-0076	96-0819, 96-0890	96-0042, 96-0046
<u>STATE BOATING ACT FUND - 0039</u>			
<u>Appropriations (net of transfers)</u>	\$ 30,505,679	\$ 30,249,638	\$ 26,196,785
<u>Expenditures:</u>			
Personal services	4,403,811	5,471,487	4,873,007
State contributions to State			
Employees' Retirement System	1,506,926	1,605,716	231,615
State contributions to Social Security	209,122	240,763	1,139,800
Group insurance	1,254,082	1,358,446	1,383,802
Contractual services	735,678	754,330	652,952
Postage	25,000	25,000	25,000
Travel	16,425	15,195	13,374
Commodities	162,964	109,749	95,647
Printing	161,981	138,387	154,330
Equipment	144,161	59,938	203,424
Electronic data processing	101,600	101,600	101,600
Telecommunications	98,079	80,587	211,972
Operation of automotive equipment	282,823	341,126	224,056
Lump sums	495,308	404,662	438,215
Lump sums operations	43,703	64,605	56,570
Awards and grants	150,000	150,000	150,000
Awards & grants, lump sum & other purposes	563,751	337,388	1,106,097
Permanent improvements, lump sum & other purposes	890,095	3,386,063	771,626
Refunds	4,619	6,429	7,209
Total expenditures	<u>\$ 11,250,128</u>	<u>\$ 14,651,471</u>	<u>\$ 11,840,296</u>
Reappropriations	<u>14,214,435</u>	<u>11,748,279</u>	<u>10,635,285</u>
Lapsed balances	<u>\$ 5,041,116</u>	<u>\$ 3,849,888</u>	<u>\$ 3,721,204</u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES (Schedule 3)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
	Public Act 97-0057 97-0076	Public Act 96-0956, 96-0957 96-0819, 96-0890	Public Act 96-0035, 96-0039 96-0042, 96-0046
<u>STATE PARKS FUND - 0040</u>			
<u>Appropriations (net of transfers)</u>	\$ 27,732,971	\$ 24,832,425	\$ 21,369,820
<u>Expenditures:</u>			
Personal services	2,979,293	3,602,744	2,588,747
State contributions to State Employees' Retirement System	1,024,771	1,067,475	174,681
State contributions to Social Security	183,142	212,860	636,795
Group insurance	805,799	878,267	741,592
Contractual services	1,495,571	1,492,780	1,567,760
Travel	25,998	6,762	10,306
Commodities	433,659	436,707	437,281
Equipment	39,944	112,091	183,285
Electronic data processing	17,900	17,900	22,300
Telecommunications	214,710	249,323	229,308
Operation of automotive equipment	300,944	307,963	298,654
Lump sums	2,129,543	2,220,965	1,771,985
Lump sums operations	-	-	24,956
Permanent improvements, lump sum & other purposes	503,899	528,731	604,919
Refunds	8,962	18,938	25,134
Total expenditures	\$ 10,164,135	\$ 11,153,506	\$ 9,317,703
Reappropriations	5,323,072	3,148,671	2,959,420
Lapsed balances	\$ 12,245,764	\$ 10,530,248	\$ 9,092,697

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES (Schedule 3)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
	Public Act 97-0057 97-0076	Public Act 96-0956, 96-0957 96-0819, 96-0890	Public Act 96-0035, 96-0039 96-0042, 96-0046
<u>WILDLIFE AND FISH FUND - 0041</u>			
<u>Appropriations (net of transfers)</u>	\$ 82,240,038	\$ 77,673,735	\$ 85,582,420
<u>Expenditures:</u>			
Personal services	23,652,838	24,990,197	24,702,877
State contributions to State			
Employees' Retirement System	8,116,211	7,365,375	1,611,884
State contributions to Social Security	1,608,090	1,654,553	5,688,457
Group insurance	6,249,364	6,200,411	7,033,123
Contractual services	3,151,290	3,259,784	3,592,334
Legal fees	51,824	-	12,183
Postage	25,000	25,000	25,000
Travel	86,477	79,710	93,526
Commodities	1,871,958	1,864,925	2,006,184
Printing	202,661	216,473	235,425
Equipment	502,378	689,484	554,261
Electronic data processing	891,800	891,800	891,800
Telecommunications	352,307	339,641	345,207
Operation of automotive equipment	991,040	874,646	901,888
Lump sums	11,789,770	11,889,751	11,960,697
Lump sums operations	1,283,575	1,773,516	1,065,628
Awards & grants	-	-	18,346
Awards & grants, lump sum & other purposes	100,000	100,000	137,158
Permanent improvements, lump sum & other purposes	34,194	389,831	612,179
Refunds	506,614	300,694	625,433
Total expenditures	<u>\$ 61,467,391</u>	<u>\$ 62,905,791</u>	<u>\$ 62,113,590</u>
Reappropriations	<u>9,464,677</u>	<u>6,289,668</u>	<u>10,851,520</u>
Lapsed balances	<u>\$ 11,307,970</u>	<u>\$ 8,478,276</u>	<u>\$ 12,617,310</u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES (Schedule 3)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
	Public Act 97-0057 97-0076	Public Act 96-0956, 96-0957 96-0819, 96-0890	Public Act 96-0035, 96-0039 96-0042, 96-0046
<u>SALMON FUND - 0042</u>			
<u>Appropriations (net of transfers)</u>	\$ 432,200	\$ 399,800	\$ 381,700
<u>Expenditures:</u>			
Personal services	189,062	91,401	222,922
State contributions to State			
Employees' Retirement System	66,092	28,301	16,896
State contributions to Social Security	14,547	7,002	39,643
Group insurance	34,601	17,540	64,119
Contractual services	-	-	19,822
Total expenditures	<u>\$ 304,302</u>	<u>\$ 144,244</u>	<u>\$ 363,402</u>
Lapsed balances	<u>\$ 127,898</u>	<u>\$ 255,556</u>	<u>\$ 18,298</u>
<u>MINES AND MINERALS UIC FUND - 0077</u>			
<u>Appropriations (net of transfers)</u>	\$ 333,600	\$ 308,900	\$ 386,900
<u>Expenditures:</u>			
Personal services	143,369	172,885	125,912
State contributions to State			
Employees' Retirement System	49,068	50,434	9,346
State contributions to Social Security	10,573	12,793	28,340
Group insurance	40,876	43,502	35,742
Equipment	-	19,232	-
Total expenditures	<u>\$ 243,886</u>	<u>\$ 298,846</u>	<u>\$ 199,340</u>
Lapsed balances	<u>\$ 89,714</u>	<u>\$ 10,054</u>	<u>\$ 187,560</u>
<u>FOREST RESERVE FUND - 0086</u>			
<u>Appropriations (net of transfers)</u>	\$ 500,000	\$ 500,000	500,000
<u>Expenditures:</u>			
Awards & grants, lump sum & other purposes	92,150	103,251	113,755
Total expenditures	<u>92,150</u>	<u>103,251</u>	<u>\$ 113,755</u>
Lapsed balances	<u>\$ 407,850</u>	<u>\$ 396,749</u>	<u>\$ 386,245</u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES (Schedule 3)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
	<u>Public Act</u>	<u>Public Act</u>	<u>Public Act</u>
	<u>97-0057</u>	<u>96-0956, 96-0957</u>	<u>96-0035, 96-0039</u>
	<u>97-0076</u>	<u>96-0819, 96-0890</u>	<u>96-0042, 96-0046</u>
<u>PLUGGING AND RESTORATION FUND - 0137</u>			
<u>Appropriations (net of transfers)</u>	\$ 2,122,600	\$ 2,062,500	1,753,866
<u>Expenditures:</u>			
Personal services	349,932	283,339	75,415
State contributions to State			
Employees' Retirement System	119,761	84,370	5,601
State contributions to Social Security	25,634	20,810	15,423
Group insurance	117,404	78,696	21,410
Equipment	-	36,734	2,030
Travel	-	-	95
Commodities	-	-	91
Telecommunication	6,346	-	-
Operation of automotive equipment	49,757	-	-
Lump sums	9,702	74,540	145,537
Total expenditures	\$ 678,536	\$ 578,489	\$ 265,602
Lapsed balances	\$ 1,444,064	\$ 1,484,011	\$ 1,488,264
<u>CAPITAL DEVELOPMENT FUND - 0141</u>			
<u>Appropriations (net of transfers)</u>	\$ 301,409,619	\$ 305,957,869	\$ 343,286,811
<u>Expenditures:</u>			
Lump sums	330,126	134,563	462,413
Construction grants	2,047,393	-	1,500,000
Awards & grants, lump sum & other purposes	241,392	931,221	1,783,471
Permanent improvements	1,705,122	777,783	857,553
Permanent improvements, lump sum & other purposes	122,644	18,023	164,440
Highway and waterway construction	2,076,530	2,686,664	2,144,343
Total expenditures	\$ 6,523,207	\$ 4,548,254	\$ 6,912,220
Reappropriations	294,886,412	301,409,615	99,821,811
Lapsed balances	\$ -	\$ -	\$ 236,552,780

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES (Schedule 3)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
	<u>Public Act</u>	<u>Public Act</u>	<u>Public Act</u>
	<u>97-0057</u>	<u>96-0956, 96-0957</u>	<u>96-0035, 96-0039</u>
	<u>97-0076</u>	<u>96-0819, 96-0890</u>	<u>96-0042, 96-0046</u>
<u>EXPLOSIVES REGULATORY FUND - 0145</u>			
<u>Appropriations (net of transfers)</u>	\$ 140,900	\$ 135,200	\$ 129,800
<u>Expenditures:</u>			
Lump sums	97,787	110,646	104,670
Total expenditures	\$ 97,787	\$ 110,646	\$ 104,670
Lapsed balances	\$ 43,113	\$ 24,554	\$ 25,130
<u>AGGREGATE OPERATIONS REGULATORY FUND - 0146</u>			
<u>Appropriations (net of transfers)</u>	\$ 454,400	\$ 431,500	\$ 398,900
<u>Expenditures:</u>			
Commodities	1,144	2,299	2,291
Lump sums	159,882	191,095	241,379
Total expenditures	\$ 161,026	\$ 193,394	\$ 243,670
Lapsed balances	\$ 293,374	\$ 238,106	\$ 155,230
<u>COAL MINING REGULATORY FUND - 0147</u>			
<u>Appropriations (net of transfers)</u>	\$ 3,728,900	\$ 4,319,800	6,443,400
<u>Expenditures:</u>			
Lump sums	3,474,070	3,177,656	3,316,098
Total expenditures	\$ 3,474,070	\$ 3,177,656	\$ 3,316,098
Lapsed balances	\$ 254,830	\$ 1,142,144	\$ 3,127,302
<u>ABANDONED MINED LAND RECLAMATION</u>			
<u>SET-ASIDE FUND - 0257</u>			
<u>Appropriations (net of transfers)</u>	\$ 1,500,000	\$ 1,500,000	1,500,000
Lapsed balances	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000

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<u>UNDERGROUND RESOURCE CONSERVATION ENFORCEMENT TRUST FUND - 0261</u>			
<u>Appropriations (net of transfers)</u>	\$ 1,240,900	\$ 1,171,600	997,400
<u>Expenditures:</u>			
Personal services	410,449	296,708	311,896
State contributions to State			
Employees' Retirement System	140,434	87,094	88,526
State contributions to Social Security	30,327	22,092	22,979
Group insurance	124,586	92,701	104,698
Contractual services	44,704	44,257	43,977
Travel	89	382	1,063
Commodities	1,549	4,275	4,415
Printing	2,210	-	565
Equipment	5,104	28,304	12,523
Electronic data processing	-	1,188	2,675
Telecommunications	14,285	13,990	10,615
Operation of automotive equipment	53,053	53,485	51,808
Refunds	2,400	12,015	2,600
Total expenditures	<u>\$ 829,190</u>	<u>\$ 656,491</u>	<u>\$ 658,340</u>
Lapsed balances	<u>\$ 411,710</u>	<u>\$ 515,109</u>	<u>\$ 339,060</u>
<u>STATE FURBEARER FUND - 0293</u>			
<u>Appropriations (net of transfers)</u>	\$ 258,453	\$ 268,508	\$ 238,037
<u>Expenditures:</u>			
Permanent improvements, lump sum & other purposes	71,509	120,055	79,530
Total expenditures	<u>\$ 71,509</u>	<u>\$ 120,055</u>	<u>\$ 79,530</u>
Reappropriations	<u>186,944</u>	<u>148,453</u>	<u>139,037</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,470</u>

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<u>NATURAL AREAS ACQUISITION FUND - 0298</u>			
Appropriations (net of transfers)	\$ 18,478,861	\$ 17,620,222	\$ 27,188,428
Expenditures:			
Personal services	1,039,048	1,304,401	1,008,621
State contributions to State			
Employees' Retirement System	355,844	382,772	286,820
State contributions to Social Security	76,763	96,013	74,355
Group insurance	257,587	302,178	208,967
Contractual services	68,618	80,923	61,714
Travel	11,576	5,934	11,736
Commodities	28,743	31,473	32,132
Equipment	47,468	60,933	82,455
Electronic data processing	23,000	23,000	-
Telecommunications	13,832	26,679	25,351
Operation of automotive equipment	896	53	43,794
Lump sums	1,812,270	1,542,403	2,375,675
Lump sums operations	1,753,115	1,644,509	1,644,933
Permanent improvements, lump sum & other purposes	836,525	599,662	809,048
Total expenditures	\$ 6,325,285	\$ 6,100,933	\$ 6,665,601
Reappropriations	9,600,836	8,437,361	\$ 15,635,128
Lapsed balances	\$ 2,552,740	\$ 3,081,928	\$ 4,887,699
<u>OPEN SPACE LANDS ACQUISITION AND DEVELOPMENT FUND - 0299</u>			
Appropriations (net of transfers)	\$ 89,073,761	\$ 99,339,060	\$ 113,382,631
Expenditures:			
Lump sums	1,394,235	1,016,444	1,200,538
Awards & grants, lump sum & other purposes	14,402,930	21,412,099	25,101,072
Total expenditures	\$ 15,797,165	\$ 22,428,543	\$ 26,301,610
Reappropriations	73,004,432	76,407,361	\$ -
Lapsed balances	\$ 272,164	\$ 503,156	\$ 87,081,021

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	<u>Public Act</u> <u>97-0057</u> <u>97-0076</u>	<u>Public Act</u> <u>96-0956, 96-0957</u> <u>96-0819, 96-0890</u>	<u>Public Act</u> <u>96-0035, 96-0039</u> <u>96-0042, 96-0046</u>
<u>STATE PHEASANT FUND - 0353</u>			
<u>Appropriations (net of transfers)</u>	\$ 1,739,514	\$ 1,465,163	\$ 1,120,466
<u>Expenditures:</u>			
Permanent improvements, lump sum & other purposes	251,061	275,649	205,304
Total expenditures	<u>\$ 251,061</u>	<u>\$ 275,649</u>	<u>\$ 205,304</u>
Reappropriations	1,488,453	1,189,514	\$ 625,466
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 289,696</u>
<u>NATURAL HERITAGE FUND - 0375</u>			
<u>Appropriations (net of transfers)</u>	\$ 75,200	\$ 75,200	\$ 75,200
<u>Expenditures:</u>			
Contractual services	13,583	10,594	47,752
Commodities	8,255	3,585	15,758
Total expenditures	<u>\$ 21,838</u>	<u>\$ 14,179</u>	<u>\$ 63,510</u>
Lapsed balances	<u>\$ 53,362</u>	<u>\$ 61,021</u>	<u>\$ 11,690</u>
<u>ILLINOIS HABITAT FUND - 0391</u>			
<u>Appropriations (net of transfers)</u>	\$ 6,235,668	\$ 6,233,754	\$ 5,538,867
<u>Expenditures:</u>			
Permanent improvements, lump sum & other purposes	473,306	1,598,087	905,114
Total expenditures	<u>\$ 473,306</u>	<u>\$ 1,598,087</u>	<u>\$ 905,114</u>
Reappropriations	5,762,362	4,635,667	\$ 4,098,867
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 534,886</u>
<u>FLOOD CONTROL LAND LEASE FUND - 0443</u>			
<u>Appropriations (net of transfers)</u>	\$ 900,000	\$ 900,000	\$ 800,000
<u>Expenditures:</u>			
Grants to local governments	796,226	895,687	800,000
Total expenditures	<u>\$ 796,226</u>	<u>\$ 895,687</u>	<u>\$ 800,000</u>
Lapsed balances	<u>\$ 103,774</u>	<u>\$ 4,313</u>	<u>\$ -</u>

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<u>LAND AND WATER RECREATION FUND - 0465</u>			
Appropriations (net of transfers)	\$ 11,149,481	\$ 8,881,481	\$ 25,381,481
Expenditures:			
Awards & grants, lump sum & other purposes	1,125,000	232,000	-
Total expenditures	\$ 1,125,000	\$ 232,000	\$ -
Reappropriations	10,024,481	8,649,481	19,181,481
Lapsed balances	\$ -	\$ -	\$ 6,200,000
<u>WILDLIFE PRAIRIE PARK FUND - 0504</u>			
Appropriations (net of transfers)	\$ 100,000	\$ 100,000	\$ 100,000
Expenditures:			
Lump sums	24,543	-	-
Total expenditures	\$ 24,543	\$ -	\$ -
Lapsed balances	\$ 75,457	\$ 100,000	\$ 100,000
<u>ILLINOIS AND MICHIGAN CANAL - 0570</u>			
Appropriations (net of transfers)	\$ 75,000	\$ 75,000	\$ -
Lapsed balances	\$ 75,000	\$ 75,000	\$ -
<u>OFF HIGHWAY VEHICLE TRAILS FUND - 0574</u>			
Appropriations (net of transfers)	\$ 2,512,031	\$ 2,414,624	2,269,969
Expenditures:			
Awards & grants, lump sum & other purposes	82,550	302,594	455,345
Total expenditures	\$ 82,550	\$ 302,594	\$ 455,345
Reappropriations	2,429,481	2,112,030	1,669,969
Lapsed balances	\$ -	\$ -	\$ 144,655

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	Public Act 97-0057 97-0076	Public Act 96-0956, 96-0957 96-0819, 96-0890	Public Act 96-0035, 96-0039 96-0042, 96-0046
<u>PARTNERS FOR CONSERVATION FUND - 0608</u>			
<u>Appropriations (net of transfers)</u>	\$ 4,692,685	\$ 5,130,800	\$ 20,820,472
<u>Expenditures:</u>			
Personal Services	-	38,086	42,396
State contributions to State Employees' Retirement System	-	11,411	3,104
State contributions to Social Security	-	2,790	14,136
Group insurance	-	14,292	12,034
Lump sums	2,092,380	2,817,499	2,350,021
Total expenditures	<u>\$ 2,092,380</u>	<u>\$ 2,884,078</u>	<u>\$ 2,421,691</u>
Reappropriations	<u>1,246,966</u>	<u>1,365,085</u>	<u>15,224,372</u>
Lapsed balances	<u>\$ 1,353,339</u>	<u>\$ 881,637</u>	<u>\$ 3,174,409</u>
<u>PARTNERS FOR CONSERVATION PROJECTS FUND - 0609</u>			
<u>Appropriations (net of transfers)</u>	\$ 3,192,458	\$ 3,215,795	\$ 3,557,716
<u>Expenditures:</u>			
Permanent improvements, lump sum & other purposes	50,000	23,338	341,922
Total expenditures	<u>\$ 50,000</u>	<u>\$ 23,338</u>	<u>\$ 341,922</u>
Reappropriations	<u>3,142,458</u>	<u>3,192,457</u>	<u>-</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,215,794</u>
<u>FEDERAL TITLE IV FIRE PROTECTION</u> <u>ASSISTANCE FUND - 0670</u>			
<u>Appropriations (net of transfers)</u>	\$ 1,069,346	\$ 1,277,005	\$ 1,317,553
<u>Expenditures:</u>			
Awards & grants, lump sum & other purposes	869,503	532,659	365,549
Total expenditures	<u>\$ 869,503</u>	<u>\$ 532,659</u>	<u>\$ 365,549</u>
Reappropriations	<u>199,843</u>	<u>744,346</u>	<u>-</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 952,004</u>

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<u>FEDERAL SURFACE MINING CONTROL</u>			
<u>AND RECLAMATION FUND - 0765</u>			
<u>Appropriations (net of transfers)</u>	\$ 4,374,400	\$ 4,054,600	\$ 3,914,600
<u>Expenditures:</u>			
Personal services	1,236,198	1,324,572	1,257,513
State contributions to State Employees' Retirement System	423,398	387,376	90,538
State contributions to Social Security	91,116	97,548	281,167
Group insurance	317,360	317,382	350,721
Contractual services	304,107	217,182	278,965
Postage	12,500	12,500	12,500
Attorney Fees	-	1,913	13,116
Travel	7,127	3,144	5,573
Commodities	828	4,246	3,547
Equipment	883	17,329	59,289
Electronic data processing	152,207	204,387	184,800
Telecommunications	10,611	3,225	4,714
Operation of automotive equipment	41,663	37,213	34,358
Lump sums	215,763	164,693	146,085
Total expenditures	<u>\$ 2,813,761</u>	<u>\$ 2,792,710</u>	<u>\$ 2,722,886</u>
Lapsed balances	<u>\$ 1,560,639</u>	<u>\$ 1,261,890</u>	<u>\$ 1,191,714</u>
<u>RESTORATION TRUST FUND - 0831</u>			
<u>Appropriations (net of transfers)</u>	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000
<u>Expenditures:</u>			
Lump sums	92,271	422,086	193,404
Total expenditures	<u>\$ 92,271</u>	<u>\$ 422,086</u>	<u>\$ 193,404</u>
Lapsed balances	<u>\$ 1,307,729</u>	<u>\$ 977,914</u>	<u>\$ 1,206,596</u>

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	<u>Public Act</u>	<u>Public Act</u>	<u>Public Act</u>
	<u>97-0057</u>	<u>96-0956, 96-0957</u>	<u>96-0035, 96-0039</u>
	<u>97-0076</u>	<u>96-0819, 96-0890</u>	<u>96-0042, 96-0046</u>
<u>NATIONAL FLOOD INSURANCE</u>			
<u>PROGRAM FUND - 0855</u>			
Appropriations (net of transfers)	\$ 720,100	\$ 678,400	\$ 711,200
Expenditures:			
Lump sums	421,477	378,958	310,323
Total expenditures	\$ 421,477	\$ 378,958	\$ 310,323
Lapsed balances	\$ 298,623	\$ 299,442	\$ 400,877
<u>LAND RECLAMATION FUND - 0858</u>			
Appropriations (net of transfers)	\$ 800,000	\$ 800,000	\$ 350,000
Expenditures:			
Lump sums	63,455	22,545	-
Total expenditures	\$ 63,455	\$ 22,545	\$ -
Lapsed balances	\$ 736,545	\$ 777,455	\$ 350,000
<u>SNOWMOBILE TRAIL ESTABLISHMENT FUND - 0866</u>			
Appropriations (net of transfers)	\$ 215,864	\$ 186,620	\$ 167,402
Expenditures:			
Awards & grants, lump sum & other purposes	57,550	50,756	60,782
Total expenditures	\$ 57,550	\$ 50,756	\$ 60,782
Reappropriations	158,314	135,864	87,402
Lapsed balances	\$ -	\$ -	\$ 19,218
<u>DRUG TRAFFIC PREVENTION FUND - 0878</u>			
Appropriations (net of transfers)	\$ 25,000	\$ 25,000	25,000
Expenditures:			
Lump sums	-	758	114
Total expenditures	\$ -	\$ 758	\$ 114
Lapsed balances	\$ 25,000	\$ 24,242	\$ 24,886

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<u>DNR SPECIAL PROJECTS - 884</u>			
<u>Appropriations (net of transfers)</u>	\$ -	\$ -	\$ 250,000
<u>Expenditures:</u>			
Lump sums	-	-	250,000
Total expenditures	\$ -	\$ -	\$ 250,000
<u>DNR FEDERAL PROJECTS - 894</u>			
<u>Appropriations (net of transfers)</u>	\$ 22,054,000	\$ 59,666,000	\$ 17,266,500
<u>Expenditures:</u>			
Lump sums	536,234	1,635,120	2,218,661
Total expenditures	\$ 536,234	\$ 1,635,120	\$ 2,218,661
Reappropriations	10,962,058	-	-
Lapsed balances	\$ 10,555,708	\$ 58,030,880	\$ 15,047,839
<u>ILLINOIS FORESTRY DEVELOPMENT FUND - 0905</u>			
<u>Appropriations (net of transfers)</u>	\$ 7,514,983	\$ 5,645,554	\$ 27,175,721
<u>Expenditures:</u>			
Equipment	-	6,670	-
Electronic Data Processing	13,200	13,200	13,200
Lump sums	1,748,753	437,611	650,247
Lump sums operations	-	-	5,279
Awards & grants	189,137	137,443	395,262
Awards & grants, lump sum & other purposes	476,757	412,260	216,251
Total expenditures	\$ 2,427,847	\$ 1,007,184	\$ 1,280,239
Reappropriations	4,305,776	4,321,683	8,770,321
Lapsed balances	\$ 781,360	\$ 316,687	\$ 17,125,161

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<u>ILLINOIS WILDLIFE PRESERVATION FUND - 0909</u>			
Appropriations (net of transfers)	\$ 3,165,513	\$ 1,954,107	\$ 4,728,318
Expenditures:			
Lump sums	333,295	488,594	574,212
Total expenditures	\$ 333,295	\$ 488,594	\$ 574,212
Reappropriations	1,632,219	1,465,513	1,528,318
Lapsed balances	\$ 1,199,999	\$ -	\$ 2,625,788
<u>STATE MIGRATORY WATERFOWL STAMP FUND - 0953</u>			
Appropriations (net of transfers)	\$ 3,242,930	\$ 3,981,962	\$ 3,202,136
Expenditures:			
Lump Sums, Operations	159,781	4,567	-
Awards & grants	160,000	160,000	144,000
Grants to non-profit organizations	160,000	160,000	144,000
Permanent improvements, lump sum & other purposes	284,940	1,489,032	252,174
Total expenditures	\$ 764,721	\$ 1,813,599	\$ 540,174
Reappropriations	2,387,990	1,922,930	2,414,436
Lapsed balances	\$ 90,219	\$ 245,433	\$ 247,526
<u>PARK AND CONSERVATION FUND - 0962</u>			
Appropriations (net of transfers)	\$ 48,364,157	\$ 49,221,601	\$ 58,637,198
Expenditures:			
Lump sums	13,027,570	12,849,450	12,104,734
Construction grants	963,813	2,417,679	3,071,052
Permanent improvements, lump sum & other purposes	1,605,324	2,830,163	3,049,801
Total expenditures	\$ 15,596,707	\$ 18,097,292	\$ 18,225,587
Reappropriations	28,853,524	26,672,657	31,924,798
Lapsed balances	\$ 3,913,926	\$ 4,451,652	\$ 8,486,813

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<u>BUILD ILLINOIS BOND FUND - 0971</u>			
<u>Appropriations (net of transfers)</u>	\$ 163,371,520	\$ 169,000,000	\$ 158,000,000
<u>Expenditures:</u>			
Lump sums	638,952	303,480	-
Construction Grants	3,247,828	5,500,000	-
Total expenditures	<u>\$ 3,886,780</u>	<u>\$ 5,803,480</u>	<u>\$ -</u>
Reappropriations	<u>159,484,740</u>	<u>163,196,520</u>	<u>-</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,000,000</u>
<u>ILLINOIS BEACH MARINA FUND - 0982</u>			
<u>Appropriations (net of transfers)</u>	\$ 4,302,726	\$ 3,984,926	\$ 3,684,962
<u>Expenditures:</u>			
Personal Services	-	33,458	45,864
State contributions to State			
Employees' Retirement System	-	9,987	13,015
State contributions to Social Security	-	2,499	3,381
Group insurance	-	9,188	12,466
Lump sums operations	926,171	1,769,819	1,832,650
Permanent improvements, lump sum & other purposes	20,237	-	21,937
Refunds	10,023	14,831	11,353
Total expenditures	<u>\$ 956,431</u>	<u>\$ 1,839,782</u>	<u>\$ 1,940,666</u>
Reappropriations	<u>2,206,889</u>	<u>1,852,126</u>	<u>1,124,062</u>
Lapsed balances	<u>\$ 1,139,406</u>	<u>\$ 293,018</u>	<u>\$ 620,234</u>

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	<u>97-0076</u>	<u>96-0819, 96-0890</u>	<u>96-0042, 96-0046</u>
<u>ABANDONED MINED LANDS RECLAMATION</u>			
<u>COUNCIL FEDERAL TRUST FUND - 0991</u>			
Appropriations (net of transfers)	\$ 27,345,804	\$ 26,470,412	\$ 26,171,777
Expenditures:			
Personal services	2,106,759	1,982,415	1,769,265
State contributions to State			
Employees' Retirement System	721,491	579,967	131,307
State contributions to Social Security	156,798	147,052	502,588
Group insurance	504,514	420,036	346,218
Contractual services	83,490	61,710	55,720
Postage	12,500	12,500	12,500
Travel	6,929	4,241	6,511
Commodities	5,996	7,863	8,258
Equipment	10,518	31,320	27,827
Electronic data processing	190,320	212,672	167,110
Telecommunications	9,941	12,286	13,988
Operation of automotive equipment	55,149	41,673	29,901
Lump sums	22,966	51,694	12,241
Awards & grants, lump sum & other purposes	7,719,254	5,538,009	5,610,168
Total expenditures	\$ 11,606,625	\$ 9,103,438	\$ 8,693,602
Reappropriations	14,715,450	16,434,704	15,582,877
Lapsed balances	\$ 1,023,729	\$ 932,270	\$ 1,895,298
<u>GRAND TOTAL - ALL APPROPRIATED FUNDS</u>			
Appropriations (net of transfers)	\$ 928,802,262	\$ 985,103,261	\$ 1,051,343,436
Total expenditures	\$ 210,039,314	\$ 231,154,546	\$ 220,237,981
Reappropriations	\$ 655,681,812	\$ 645,479,985	\$ 242,274,570
Lapsed balances	\$ 63,081,136	\$ 108,468,730	\$ 588,830,885

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES (Schedule 3)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
	<u>Public Act</u>	<u>Public Act</u>	<u>Public Act</u>
	<u>97-0057</u>	<u>96-0956, 96-0957</u>	<u>96-0035, 96-0039</u>
	<u>97-0076</u>	<u>96-0819, 96-0890</u>	<u>96-0042, 96-0046</u>
<u>GENERAL REVENUE - 0001 STATE COMPTROLLER</u>			
OFFICERS SALARIES			
<u>Appropriations (net of transfers)</u>	<u>\$ 403,600</u>	<u>\$ 403,600</u>	<u>\$ 384,173</u>
<u>Expenditures:</u>			
Director	133,273	127,146	133,273
Assistant Director	124,560	118,833	119,299
Mine Officers	93,601	89,588	67,570
Miners' Examining Officers	<u>45,878</u>	<u>44,592</u>	<u>51,624</u>
Total expenditures - Officers Salaries	<u>\$ 397,312</u>	<u>\$ 380,159</u>	<u>\$ 371,766</u>
Lapsed balances	<u>\$ 6,288</u>	<u>\$ 23,441</u>	<u>\$ 12,407</u>

Note: Fiscal Years 2010 and 2012 expenditures and related lapsed balances do not reflect any interest payments approved for payment by the Department and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**

TOTAL - ALL APPROPRIATED FUNDS
BY MAJOR OBJECT CODE (Schedule 4)

	Fiscal Year		
	2012	2011	2010
	Public Act 97-0057 97-0076	Public Act 96-0956, 96-0957 96-0819, 96-0890	Public Act 96-0035, 96-0039 96-0042, 96-0046
<u>TOTAL - ALL APPROPRIATED FUNDS</u>			
Appropriations (net of transfers)	\$ 928,802,262	\$ 985,103,261	\$ 1,051,343,436
Expenditures:			
Personal services	68,095,524	39,591,692	72,607,331
Employees' Retirement System	12,523,997	11,660,280	4,906,177
State contributions to Social Security	4,340,803	2,516,774	8,447,063
Group insurance	9,706,175	9,732,638	10,314,892
Contractual services	10,610,690	5,921,561	6,320,997
Conferences, vendor payments	6,300	-	-
Postage	75,000	75,000	75,000
Attorney/Legal Fees	51,824	1,913	25,299
Travel	272,220	115,367	142,415
Commodities	3,061,448	2,465,121	2,605,604
Printing	395,493	354,860	390,320
Equipment	988,161	1,062,035	1,125,094
Electronic data processing	2,243,000	1,465,747	1,383,484
Telecommunications	1,660,251	725,731	841,156
Operation of automotive equipment	2,937,331	1,656,160	2,963,771
Lump sums	41,650,403	50,649,504	50,795,440
Lump sums operations	8,517,457	48,711,128	4,630,015
Awards & grants	499,137	447,443	707,608
Grants to local governments	796,226	895,687	800,000
Construction grants	6,259,034	7,917,679	4,571,052
Grants to non-profit organizations	160,000	160,000	144,000
Awards & grants, lump sum & other purposes	25,730,837	29,952,237	34,949,645
Permanent improvements	1,705,122	777,783	857,553
Permanent improvements, lump sum & other purposes	5,143,733	11,258,635	7,817,993
Highway and waterway construction	2,076,529	2,686,663	2,144,343
Refunds	532,619	352,908	671,729
Total expenditures	<u>210,039,314</u>	<u>231,154,546</u>	<u>220,237,981</u>
Reappropriations	<u>655,681,812</u>	<u>645,479,985</u>	<u>242,274,570</u>
Lapsed balances	<u>\$ 63,081,136</u>	<u>\$ 108,468,730</u>	<u>\$ 588,830,885</u>

Note: Fiscal Years 2010 and 2012 expenditures and related lapsed balances do not reflect any interest payments approved for payment by the Department and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**

TOTAL - EXPENDITURES BY FUND (Schedule 5)

	Fund Number	Fiscal Year		
		2012	2011	2010
		Public Act 97-0057 97-0076	Public Act 96-0956, 96-0957 96-0819, 96-0890	Public Act 96-0035, 96-0039 96-0042, 96-0046
ALL FUNDS				
<u>Appropriations (net of transfers and reversions)</u>		<u>\$928,802,262</u>	<u>\$985,103,261</u>	<u>\$1,051,343,436</u>
<u>Expenditures:</u>				
General Revenue Fund	0001	47,215,986	53,768,403	49,173,469
State Boating Act Fund	0039	11,250,128	14,651,471	11,840,296
State Parks Fund	0040	10,164,135	11,153,506	9,317,703
Wildlife and Fish Fund	0041	61,467,391	62,905,791	62,113,590
Salmon Fund	0042	304,302	144,244	363,402
Mines and Minerals UIC Fund	0077	243,886	298,846	199,340
Forest Reserve Fund	0086	92,150	103,251	113,755
Plugging and Restoration Fund	0137	678,536	578,489	265,602
Capital Development Fund	0141	6,523,207	4,548,254	6,912,220
Explosives Regulatory Fund	0145	97,787	110,646	104,670
Aggregate Operations Regulatory Fund	0146	161,026	193,394	243,670
Coal Mining Regulatory Fund	0147	3,474,070	3,177,656	3,316,098
Underground Resource Conservation Enforcement Trust Fund	0261	829,190	656,491	658,340
State Furbearer Fund	0293	71,509	120,055	79,530
Natural Areas Acquisition Fund	0298	6,325,285	6,100,933	6,665,601
Open Space Lands Acquisition and Development Fund	0299	15,797,165	22,428,543	26,301,610
State Pheasant Fund	0353	251,061	275,649	205,304
Natural Heritage Fund	0375	21,838	14,179	63,510
Illinois Habitat Fund	0391	473,306	1,598,087	905,114
Flood Control Land Lease Fund	0443	796,226	895,687	800,000
Land and Water Recreation Fund	0465	1,125,000	232,000	-
Wildlife Prairie Park Fund	0504	24,543	-	-
Off Highway Vehicle Trails Fund	0574	82,550	302,594	455,345
Partners for Conservation Fund	0608	2,092,380	2,884,078	2,421,691
Partners for Conservation Projects Fund	0609	50,000	23,338	341,922
Federal Title IV Fire Protection Assistance Fund	0670	869,503	532,659	365,549
Federal Surface Mining Control and Reclamation Fund	0765	2,813,761	2,792,710	2,722,886
Restoration Trust Fund	0831	92,271	422,086	193,404
National Flood Insurance Program Fund	0855	421,477	378,958	310,323
Land Reclamation Fund	0858	63,455	22,545	-
Snowmobile Trail Establishment Fund	0866	57,550	50,756	60,782
Drug Traffic Prevention Fund	0878	-	758	114
DNR Special Projects Fund	0884	-	-	250,000
DNR Federal Projects Fund	0894	536,234	1,635,120	2,218,661
Illinois Forestry Development Fund	0905	2,427,847	1,007,184	1,280,239
Illinois Wildlife Preservation Fund	0909	333,295	488,594	574,212

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES

TOTAL - EXPENDITURES BY FUND (Schedule 5)

	Fund Number	Fiscal Year		
		2012	2011	2010
		Public Act 97-0057	Public Act 96-0956, 96-0957	Public Act 96-0035, 96-0039
State Migratory Waterfowl Stamp Fund	0953	764,721	1,813,599	540,174
Park and Conservation Fund	0962	15,596,707	18,097,292	18,225,587
Build Illinois Bond Fund	0971	3,886,780	5,803,480	-
Illinois Beach Marina Fund	0982	956,431	1,839,782	1,940,666
Abandoned Mined Lands Reclamation Council Federal Trust Fund	0991	11,606,625	9,103,438	8,693,602
Total expenditures		\$ 210,039,314	\$ 231,154,546	\$ 220,237,981
Reappropriations		\$ 655,681,812	\$ 645,479,985	\$ 242,274,570
Lapsed balances		\$ 63,081,136	\$ 108,468,730	\$ 588,830,885
<u>NON-APPROPRIATED FUND EXPENDITURES</u>				
DNR Special Projects Fund	0884	6,737,447	468,751	341,530
DNR Federal Projects Fund	0894	7,031,947	3,844,923	1,933,257
J.J. Wolf Memorial for Conservation Investigation Fund	0931	2,500	-	-
Total Non-Appropriated Fund expenditures		\$ 13,771,894	\$ 4,313,674	\$ 2,274,787
GRAND TOTAL EXPENDITURES - ALL FUNDS		\$ 223,811,208	\$ 235,468,220	\$ 222,512,768

Note: Fiscal Years 2010 and 2012 expenditures and related lapsed balances do not reflect any interest payments approved for payment by the Department and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS AND
FUND BALANCE (CASH BASIS) - LOCALLY HELD FUNDS
(Schedule 6)

	Fiscal Year		
	2012	2011	2010
<u>INVESTIGATIVE CASH FUND - 1204</u>			
Cash balance, July 1	\$ 9,950	\$ 10,000	\$ 10,000
Receipts	50	-	650
Disbursements	<u>(2,500)</u>	<u>(50)</u>	<u>(650)</u>
Cash balance, June 30	<u>\$ 7,500</u>	<u>\$ 9,950</u>	<u>\$ 10,000</u>

Note: This locally held non-appropriated cash account is reported as part of the J.J. Wolf Memorial for Conservation Investigation Fund - 0931.

	Fiscal Year		
	2012	2011	2010
<u>MINES AND MINERAL SECURITY</u> <u>TRUST FUND - 1332</u>			
Cash balance, July 1	\$ 3,780	\$ 2,877	\$ 33,074
Receipts	499	1,371	1,152
Disbursements	<u>(445)</u>	<u>(468)</u>	<u>(31,349)</u>
Cash balance, June 30	<u>\$ 3,834</u>	<u>\$ 3,780</u>	<u>\$ 2,877</u>

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

SCHEDULE OF CHANGES IN STATE PROPERTY (Schedule 7)

Years Ended June 30, 2011 and 2012
(in thousands)

	<u>Land and Improvements</u>	<u>Site Improvements</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Capital Leases- Equipment</u>	<u>Construction in Progress</u>	<u>Totals</u>
Balance July 1, 2010	\$ 369,299	\$ 434,093	\$ 296,211	\$ 94,963	\$ -	\$ -	\$ 1,194,566
Additions	2,541	5,465	196	2,005	14	55	10,276
Deletions and Other Adjustments	(446)	(76)	(57)	(682)	-	-	(1,261)
Net Transfers	<u>21</u>	<u>1,639</u>	<u>463</u>	<u>(2,246)</u>	<u>-</u>	<u>-</u>	<u>(123)</u>
Balance June 30, 2011	371,415	441,121	296,813	94,040	14	55	1,203,458
Additions	677	995	378	2,484	25	763	5,322
Deletions and Other Adjustments	(15)	(16)	(72)	(365)	(7)	-	(475)
Net Transfers	<u>8</u>	<u>3,346</u>	<u>738</u>	<u>(1,703)</u>	<u>-</u>	<u>(584)</u>	<u>1,805</u>
Balance June 30, 2012	<u>\$ 372,085</u>	<u>\$ 445,446</u>	<u>\$ 297,857</u>	<u>\$ 94,456</u>	<u>\$ 32</u>	<u>\$ 234</u>	<u>\$ 1,210,110</u>

This schedule has been reconciled to property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

COMPARATIVE SCHEDULE OF CASH RECEIPTS (Schedule 8)
(Expressed in Thousands)

Type	Fiscal Year		
	2012	2011	2010
Deposits by the Department:			
Licenses and fees	\$ 59,590	\$ 54,164	\$ 53,830
Federal government	54,931	50,567	41,480
Fines, penalties and violations	846	807	876
Rentals:			
Concession	817	998	1,095
Boat and dock fees	1,921	2,219	2,526
Other rental	6,164	5,369	5,023
Sales:			
Product	491	767	919
Publication	133	218	228
Advertising	2	15	4
Donations	424	27	203
Other revenue	7,402	13,255	2,539
Total per Department records	\$ 132,721	\$ 128,406	\$ 108,723
Deposits by other agencies and transfers:			
Motor fuel tax	\$ 5,040	\$ 5,040	\$ 5,040
Environmental license plates	1,024	1,037	1,079
Firearm owners I.D.	2,082	1,862	1,803
Real estate transfer tax	20,990	18,996	20,161
Sportsman's license plates	256	258	260
Wildlife Prairie Park License	20	20	21
I&M Canal License Plate	8	8	8
All terrain vehicle titles	266	269	304
Certificate of title	5,238	4,682	4,905
M.E.A.O.B.	10,000	10,000	10,000
Build Illinois Bond	10,000	10,000	10,000
Non-game checkoff	293	184	-
Interest income	248	276	310
Total deposits by other agencies and transfers	\$ 55,465	\$ 52,632	\$ 53,891
Combined total	\$ 188,186	\$ 181,038	\$ 162,614

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Schedule 9)
(Expressed in Thousands)

	Combined	General Revenue Fund 0001	State Boating Act Fund 0039	State Parks Fund 0040	Wildlife and Fish Fund 0041	Salmon Fund 0042	Mines and Minerals Underground Injection Control Fund 0077	Forest Reserve Fund 0086
Licenses and fees	\$ 59,590	\$ -	\$ 3,948	\$ 5,782	\$ 41,240	\$ 268	\$ -	\$ -
Federal government	54,931	-	3,858	-	17,364	-	244	92
Fines penalties and violations	846	75	160	107	313	-	-	-
Rental:								
Concession	817	-	-	658	27	-	-	-
Boat and dock fees	1,921	-	-	1	3	-	-	-
Other rental	6,164	-	-	1,865	4,299	-	-	-
Sales:								
Product	491	-	-	-	433	-	-	-
Publication	133	-	-	-	133	-	-	-
Advertising	2	-	-	-	2	-	-	-
Donations	424	-	-	-	-	-	-	-
Other revenue	7,402	3	56	261	109	-	-	-
Total per Department records	132,721	78	8,022	8,674	63,923	268	244	92
Prior Year Refunds	628	1	77	57	354	2	2	-
Prior Year receipts transfers	140	-	23	2	76	-	-	-
Prior Year Expenditure Transfer	-	(4)	-	-	4	-	-	-
Deposits in transit to Comptroller:								
Add: Beginning of period	551	-	168	215	126	-	-	-
Less: End of period	2,014	1	144	243	1,549	6	-	-
Total per State Comptroller records	\$ 132,026	\$ 74	\$ 8,146	\$ 8,705	\$ 62,934	\$ 264	\$ 246	\$ 92

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

(Schedule 9)

(Expressed in Thousands)

	Plugging and Restoration Fund 0137	Explosives Regulatory Fund 0145	Aggregate Operations Regulatory Fund 0146	Coal Mining Regulatory Fund 0147	Abandoned Mined Land Reclamation Set-Aside Fund 0257	Fish and Wildlife Endowment Fund 0260	Underground Resource Conservation Enforcement Trust Fund 0261
Licenses and fees	\$ 402	\$ 109	\$ 201	\$ 174	\$ -	\$ 61	\$ 603
Federal government	-	-	-	-	3,800	-	-
Fines penalties and violations	-	1	-	18	-	-	153
Rental:							
Concession	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-
Sales:							
Product	-	-	-	-	-	-	-
Publication	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Other revenue	13	-	-	3,400	-	-	23
Total per Department records	415	110	201	3,592	3,800	61	779
Prior Year Refunds	5	1	2	22	-	-	4
Prior Year receipts transfers	-	-	-	-	-	-	-
Prior Year Expenditure Transfer	-	-	-	-	-	-	-
Deposits in transit to Comptroller:							
Add: Beginning of period	-	1	-	-	-	15	4
Less: End of period	-	1	16	-	-	11	8
Total per State Comptroller records	\$ 420	\$ 111	\$ 187	\$ 3,614	\$ 3,800	\$ 65	\$ 779

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Schedule 9)
(Expressed in Thousands)

	State Furbearer Fund 0293	Open Space Natural Areas Acquisition Fund 298	Open Space Land Acquisition Fund 299	State Pheasant Fund 0353	Illinois Habitat Fund 0391	Flood Control Land Lease Fund 0443	Land and Water Recreation Fund 0465	Off Highway Vehicle Trails Fund 0574
Licenses and fees	\$ 85	\$ -	\$ -	\$ 427	\$ 911	\$ -	\$ -	\$ 36
Federal government	-	-	-	-	1,039	796	1,125	-
Fines penalties and violations	-	-	-	-	-	-	-	4
Rental:								
Concession	-	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-	-
Sales:								
Product	-	-	-	-	-	-	-	-
Publication	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total per Department records	85	-	-	427	1,950	796	1,125	40
Prior Year Refunds	-	-	8	10	1	-	-	-
Prior Year receipts transfers	-	39	-	-	-	-	-	-
Prior Year Expenditure Transfer	-	-	-	-	-	-	-	-
Deposits in transit to Comptroller:								
Add: Beginning of period	-	-	-	-	-	-	-	-
Less: End of period	-	-	-	3	6	-	-	-
Total per State Comptroller records	\$ 85	\$ 39	\$ 8	\$ 434	\$ 1,945	\$ 796	\$ 1,125	\$ 40

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Schedule 9)
(Expressed in Thousands)

	Conservation 2000 Fund 0608	Conservation 2000 Projects Fund 0609	Federal Title IV Fire Protection Assistance Fund 0670	Federal Surface Mining Control and Reclamation Fund 0765	Restoration Trust Fund 0831	National Flood Insurance Program Fund 0855	Land Reclamation Fund 0858
Licenses and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,432
Federal government	589	-	969	3,048	-	545	-
Fines penalties and violations	-	-	-	-	-	-	-
Rental:							
Concession	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-
Sales:							
Product	-	-	-	-	-	-	-
Publication	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Other revenue	-	-	-	-	1,596	-	-
Total per Department records	589	-	969	3,048	1,596	545	3,432
Prior Year Refunds	21	-	-	18	-	2	-
Prior Year receipts transfers	-	-	-	-	-	-	-
Prior Year Expenditure Transfer	-	-	-	-	-	-	-
Deposits in transit to Comptroller:							
Add: Beginning of period	-	-	-	-	-	-	-
Less: End of period	-	-	-	-	-	-	-
Total per State Comptroller records	\$ 610	\$ -	\$ 969	\$ 3,066	\$ 1,596	\$ 547	\$ 3,432

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Schedule 9)
(Expressed in Thousands)

	Snowmobile Trail Establishment Fund 0866	Drug Traffic Prevention Fund 0878	DNR Special Projects Fund 0884	DNR Federal Projects Fund 0894	Illinois Forestry Development Fund 0905	Illinois Wildlife Preservation Fund 0909	J.J. Wolf Memorial for Conservation Investigation Fund 0931
Licenses and fees	\$ 149	\$ -	\$ -	\$ -	\$ 788	\$ -	\$ -
Federal government	-	-	-	7,892	930	183	-
Fines penalties and violations	-	5	-	-	9	-	1
Rental:							
Concession	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-
Sales:							
Product	-	-	-	-	58	-	-
Publication	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-
Donations	-	-	9	-	-	415	-
Other revenue	-	-	593	-	1	-	-
Total per Department records	149	5	602	7,892	1,786	598	1
Prior Year Refunds	-	-	-	(94)	1	-	-
Prior Year receipts transfers	-	-	-	-	-	-	-
Prior Year Expenditure Transfer	-	-	-	-	-	-	-
Deposits in transit to Comptroller:							
Add: Beginning of period	1	-	-	-	6	-	-
Less: End of period	1	-	-	-	-	-	-
Total per State Comptroller records	\$ 149	\$ 5	\$ 602	\$ 7,798	\$ 1,793	\$ 598	\$ 1

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Schedule 9)
(Expressed in Thousands)

	State Migratory Waterfowl Stamp Fund 0953	Park and Conservation Fund 0962	Illinois Beach Marina Fund 0982	Abandoned Mined Lands Reclamation Council Federal Trust Fund 0991
Licenses and fees	\$ 974	\$ -	\$ -	\$ -
Federal government	89	-	-	12,368
Fines penalties and violations	-	-	-	-
Rental:				
Concession	-	-	132	-
Boat and dock fees	-	-	1,917	-
Other rental	-	-	-	-
Sales:				
Product	-	-	-	-
Publication	-	-	-	-
Advertising	-	-	-	-
Donations	-	-	-	-
Other revenue	-	1,304	42	1
Total per Department records	1,063	1,304	2,091	12,369
Prior Year Refunds	-	101	9	24
Prior Year receipts transfers	-	-	-	-
Prior Year Expenditure Transfer	-	-	-	-
Deposits in transit to Comptroller:				
Add: Beginning of period	-	-	15	-
Less: End of period	5	-	20	-
Total per State Comptroller records	\$ 1,058	\$ 1,405	\$ 2,095	\$ 12,393

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Schedule 10)
(Expressed in Thousands)

	Combined	General Revenue Fund 0001	State Boating Act Fund 0039	State Parks Fund 0040	Wildlife and Fish Fund 0041	Salmon Fund 0042	Mines and Minerals Underground Injection Control Fund 0077
Licenses and fees	\$ 54,164	\$ -	\$ 4,316	\$ 6,154	\$ 38,363	\$ 243	\$ -
Federal government	50,567	18	4,937	-	16,870	-	230
Fines penalties and violations	807	75	137	153	314	-	-
Rental:							
Concession	998	-	-	779	24	-	-
Boat and dock fees	2,219	-	-	1	3	-	-
Other rental	5,369	-	-	2,291	3,078	-	-
Sales:							
Product	767	-	-	-	465	-	-
Publication	218	-	-	-	218	-	-
Advertising	15	-	-	12	3	-	-
Donations	27	-	-	-	-	-	-
Other revenue	13,255	3	-	17	347	-	-
Total per Department records	128,406	96	9,390	9,407	59,685	243	230
Refunds	2	1	-	-	-	-	-
Prior year receipts transfers	57	-	-	-	-	-	-
Deposits in transit to Comptroller:							
Add: Beginning of period	3,100	3	771	519	1,406	5	-
Less: End of period	551	-	168	215	126	-	-
Total per State Comptroller records	\$ 131,014	\$ 100	\$ 9,993	\$ 9,711	\$ 60,965	\$ 248	\$ 230

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(Schedule 10)

(Expressed in Thousands)

	Forest Reserve Fund 0086	Plugging and Restoration Fund 0137	Explosives Regulatory Fund 0145	Aggregate Operations Regulatory Fund 0146	Coal Mining Regulatory Fund 0147	Abandoned Mined Land Reclamation Set-Aside Fund 0257	Fish and Wildlife Endowment Fund 0260
Licenses and fees	\$ -	\$ 412	\$ 111	\$ 165	\$ 191	\$ -	\$ 70
Federal government	103	-	-	-	3,100	3,000	-
Fines penalties and violations	-	-	4	4	13	-	-
Rental:							
Concession	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-
Sales:							
Product	-	-	-	-	-	-	-
Publication	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Other revenue	-	51	-	-	-	-	-
Total per Department records	103	463	115	169	3,304	3,000	70
Refunds	-	-	-	-	-	-	-
Prior year receipts transfers	-	-	-	-	-	-	-
Deposits in transit to Comptroller:							
Add: Beginning of period	-	-	2	1	-	-	-
Less: End of period	-	-	1	-	-	-	15
Total per State Comptroller records	\$ 103	\$ 463	\$ 116	\$ 170	\$ 3,304	\$ 3,000	\$ 55

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(Schedule 10)

(Expressed in Thousands)

	Underground Resource Conservation Enforcement Trust Fund 0261	State Furbearer Fund 0293	Open Space Natural Areas Acquisition Fund 298	State Pheasant Fund 0353	Illinois Habitat Fund 0391	Flood Control Land Lease Fund 0443	Land and Water Recreation Fund 0465
Licenses and fees	\$ 573	\$ 84	\$ -	\$ 418	\$ 893	\$ -	\$ -
Federal government	-	-	-	-	6	832	232
Fines penalties and violations	78	-	-	-	-	-	-
Rental:							
Concession	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-
Sales:							
Product	-	-	-	-	-	-	-
Publication	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Other revenue	15	-	-	-	-	-	-
Total per Department records	666	84	-	418	899	832	232
Refunds	-	-	-	-	-	-	-
Prior year receipts transfers	-	-	-	-	12	-	-
Deposits in transit to Comptroller:							
Add: Beginning of period	35	-	-	3	6	-	-
Less: End of period	4	-	-	-	-	-	-
Total per State Comptroller records	\$ 697	\$ 84	\$ -	\$ 421	\$ 917	\$ 832	\$ 232

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Schedule 10)
(Expressed in Thousands)

	Off Highway Vehicle Trails Fund 0574	Conservation 2000 Fund 0608	Conservation 2000 Projects Fund 0609	Federal Title IV Fire Protection Assistance Fund 0670	Federal Surface Mining Control and Reclamation Fund 0765	Restoration Trust Fund 0831	National Flood Insurance Program Fund 0855
Licenses and fees	\$ 33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal government	-	-	-	466	2,793	-	407
Fines penalties and violations	3	-	-	-	-	-	-
Rental:							
Concession	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-
Sales:							
Product	-	-	-	-	-	-	-
Publication	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	257	-
Total per Department records	36	-	-	466	2,793	257	407
Refunds	-	1	-	-	-	-	-
Prior year receipts transfers	-	-	-	-	-	-	-
Deposits in transit to Comptroller:							
Add: Beginning of period	4	-	-	-	-	-	-
Less: End of period	-	-	-	-	-	-	-
Total per State Comptroller records	\$ 40	\$ 1	\$ -	\$ 466	\$ 2,793	\$ 257	\$ 407

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Schedule 10)
(Expressed in Thousands)

	Land Reclamation Fund 0858	Snowmobile Trail Establishment Fund 0866	Drug Traffic Prevention Fund 0878	DNR Special Projects Fund 0884	DNR Federal Projects Fund 0894	Illinois Forestry Development Fund 0905	Illinois Wildlife Preservation Fund 0909
Licenses and fees	\$ 249	\$ 92	\$ -	\$ -	\$ -	\$ 785	\$ -
Federal government	-	-	-	-	6,226	784	116
Fines penalties and violations	-	-	9	-	-	11	-
Rental:							
Concession	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-
Sales:							
Product	-	-	-	-	-	302	-
Publication	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-
Donations	-	-	-	4	-	-	23
Other revenue	-	-	-	10,745	-	-	-
Total per Department records	249	92	9	10,749	6,226	1,882	139
Refunds	-	-	-	-	-	-	-
Prior year receipts transfers	-	-	-	-	-	-	3
Deposits in transit to Comptroller:							
Add: Beginning of period	-	1	-	-	-	203	-
Less: End of period	-	1	-	-	-	6	-
Total per State Comptroller records	\$ 249	\$ 92	\$ 9	\$ 10,749	\$ 6,226	\$ 2,079	\$ 142

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(Schedule 10)

(Expressed in Thousands)

	J.J. Wolf Memorial for Conservation Investigation Fund 0931	State Migratory Waterfowl Stamp Fund 0953	Park and Conservation Fund 0962	Illinois Beach Marina Fund 0982	Abandoned Mined Lands Reclamation Council Federal Trust Fund 0991
Licenses and fees	\$ -	\$ 1,012	\$ -	\$ -	\$ -
Federal government	-	18	-	-	10,429
Fines penalties and violations	6	-	-	-	-
Rental:					
Concession	-	-	-	195	-
Boat and dock fees	-	-	-	2,215	-
Other rental	-	-	-	-	-
Sales:					
Product	-	-	-	-	-
Publication	-	-	-	-	-
Advertising	-	-	-	-	-
Donations	-	-	-	-	-
Other revenue	-	-	1,756	63	1
Total per Department records	6	1,030	1,756	2,473	10,430
Refunds	-	-	-	-	-
Prior year receipts transfers	-	42	-	-	-
Deposits in transit to Comptroller:					
Add: Beginning of period	-	4	24	113	-
Less: End of period	-	-	-	15	-
Total per State Comptroller records	\$ 6	\$ 1,076	\$ 1,780	\$ 2,571	\$ 10,430

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES

Schedule 11

FOR THE TWO YEARS ENDED JUNE 30, 2012

The Illinois Department of Natural Resources' (the Department) explanation for significant fluctuations in expenditures exceeding \$150,000 and 20% as presented in the "Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances Total – Expenditures by Fund" is detailed below:

Fiscal Year 2012

General Revenue Fund – 0001

Expenditures decreased \$6,552,417 or 12% from fiscal year 2011 to 2012. This decrease is due to the Department receiving a Governor's discretionary appropriation and expenditure in fiscal year 11. This appropriation was not made available in fiscal year 12.

State Boating Act Fund – 0039

Expenditures decreased \$3,401,343 or 23% from fiscal year 2011 to 2012. The decrease is due primarily to less spending in boat access and rehab projects from fiscal year 11 to fiscal year 12.

Wildlife and Fish Fund – 0041

Expenditures decreased \$1,438,400 or 2% from fiscal year 2011 to 2012. This decrease is due to fewer headcount and fewer State Wildlife grants paying out in fiscal year 12.

Salmon Fund – 0042

Expenditures increased \$160,058, or 111% from fiscal year 2011 to 2012. The increase is due to a low cash balance in this fund in 2011. Improved cash balance in fiscal year 2012 enabled an increase in spending.

Capital Development Fund – 0141

Expenditures increased \$1,974,953 or 43% from fiscal year 2011 to 2012. The increase in fiscal year 12 is due primarily to the first expenditures of \$2,047,393 out of the Museum Capital appropriation of \$50M. While the other lines vary, total dollars spent is reasonable given weather and timing issues for capital projects.

Underground Resource Conservation Enforcement Trust Fund – 0261

Expenditures increased \$172,699 or 26% from fiscal year 2011 to 2012. The increase in expenditures is due to higher fringes (retirement rate and group insurance) as well as one additional headcount was added.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
Schedule 11 (Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

Fiscal Year 2012 (Continued)

Open Space Lands Acquisition and Development Fund – 0299

Expenditures decreased \$6,631,378 or 30% from fiscal year 2011 to 2012. These expenditures are grant reimbursements to local governments that take several years to spend out. Lower expenditures reflect reduced grant levels in recent years due to the failing housing market.

Illinois Habitat Fund - 0391

Expenditures decreased \$1,124,781 or 70% from fiscal year 2011 to 2012. Land acquisition in fiscal year 11 spiked the expenditures. In fiscal year 12, grantees were not getting their bills in timely and some bills were held for lack of documentation and so funds were returned. The Department's loss of staff also slowed project completion for Department projects.

Land and Water Recreation Fund- 0465

Expenditures increased \$893,000 or 385% from fiscal year 2011 to 2012. For the survey, acquisition, planning and development of outdoor recreational resources for local units of government, expenditures vary greatly with a statewide program dealing with local governments.

Off Highway Vehicle Trails Fund – 0574

Expenditures decreased \$220,044 or 73% from fiscal year 2011 to 2012 due to the payout of fewer projects. This is a continuation of the pattern in fiscal years 10 to 11. These funds were designed to develop, maintain, and acquire land for off highway vehicle parks and trails. Due to the wide variety of eligible expenses, expenditures are very inconsistent from year to year.

Partners for Conservation Fund – 0608

Expenditures decreased \$791,698 or 27% from fiscal year 2011 to 2012. While payroll out of the lump sums remained fairly level, the volume of project payouts was much lower in fiscal year 12. In programs where grant or project levels vary from year to year, so will the expenditures, especially when it takes more than one year to spend out.

Federal Title IV Fire Protection Assistance Fund – 0670

Expenditures increased \$336,844 or 63% from fiscal year 2011 to 2012. There were roughly a third fewer grant payments in fiscal year 11 which accounts for the increase. These are not annual, so they can vary from year to year.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
Schedule 11 (Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

Fiscal Year 2012 (Continued)

Restoration Trust Fund – 0831

Expenditures decreased \$329,815 or 78% from fiscal year 2011 to 2012. The decrease is due to expenditures being driven by damage settlements (court decrees) to be used to restore, replace, and rehab natural resources damaged by oil and hazardous substances. These awards vary greatly from year to year.

DNR Federal Projects Fund – 0894 (Appropriated)

Expenditures decreased \$1,098,886 or 67% from fiscal year 2011 to 2012 due to the winding down of the FEMA Map Modernization project. Fewer counties were mapped from fiscal year 11 to fiscal year 12.

Illinois Forestry Development Fund – 0905

Expenditures increased \$1,420,663 or 141% from fiscal year 2011 to 2012. The increase was due to improved cash balances enabling more headcount to be returned to the fund for fiscal year 12. The General Revenue Fund subsidized this fund to a degree in fiscal year 11.

Illinois Wildlife Preservation Fund – 0909

Expenditures decreased \$155,299 or 32% from fiscal year 2011 to 2012 which is due primarily to fewer Habitat Conservation projects spending out.

State Migratory Waterfowl Stamp Fund – 0953

Expenditures decreased \$1,048,878 or 58% from fiscal year 2011 to 2012. The reduction was due to pump station repairs at Carlyle Lake and Barkhausen levee renovations completed at the Sanganois Conservation Area in fiscal year 11.

Build Illinois Bond Fund – 0971

Expenditures decreased \$1,916,700 or 33% from fiscal year 2011 to 2012. The reduction was due to timing of expenditures in the Museum Capital Grant Program. Spending started strong with half of the appropriation expending in fiscal year 11.

Illinois Beach Marina Fund – 0982

Expenditures decreased \$883,351 or 48% from fiscal year 2011 to 2012. Low cash balance in the fund prevented spending at historical levels.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
Schedule 11 (Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

Fiscal Year 2012 (Continued)

Abandoned Mined Lands Reclamation Council Federal Trust Fund – 0991

Expenditures increased \$2,503,187 or 27% from fiscal year 2011 to 2012. The increase is due to the program adding two additional headcount, which enabled the Department to complete more capital projects.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
Schedule 11 (Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

Fiscal Year 2011

General Revenue Fund – 0001

Expenditures increased \$4,594,934 or 9% from fiscal year 2010 to 2011. This increase is due to the Department receiving a Governor's discretionary appropriation and expenditure in fiscal year 11 that was not received in fiscal year 10.

State Boating Act Fund – 0039

Expenditures increased \$2,811,175 or 24% from fiscal year 2010 to 2011 due to a large number of boat ramp and dock repairs in fiscal year 11.

State Parks Fund – 0040

Expenditures increased \$1,835,803 or 20% from fiscal year 2010 to 2011 due to a reduction in personal services' spending in 2010 as a result of potential cash shortfall.

Salmon Fund – 0042

Expenditures decreased \$219,158 or 60% from fiscal year 2010 to 2011. The decrease was due to low cash balance in the fund requiring reduced spending.

Plugging and Restoration Fund – 0137

Expenditures increased \$312,887 or 118% from fiscal year 2010 to 2011. The increase was due to the Oil and Gas Division filling several vacancies in fiscal year 11.

Capital Development Fund – 0141

Expenditures decreased \$2,363,966 or 34% from fiscal year 2010 to 2011. The majority of this variant (construction grant) was paid out of the 971 fund in fiscal year 11. Capital expenditures vary based on the timing of projects and weather.

Open Space Lands Acquisition and Development Fund – 0299

Expenditures decreased \$3,873,067 or 15 % from fiscal year 2010 to 2011. The decrease was due to fewer grants closing and paying out during fiscal year 11.

Illinois Habitat Fund – 0391

Expenditures increased \$692,973 or 77 % from fiscal year 2010 to 2011. The increase was due to Land acquisition in fiscal year 11.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES

Schedule 11 (Continued)

FOR THE TWO YEARS ENDED JUNE 30, 2012

Fiscal Year 2011 (Continued)

Land and Water Recreation Fund – 0465

Expenditures increased \$232,000 or 100% from fiscal year 2010 to 2011. For the survey, acquisition, planning and development of outdoor recreational resources for local units of government, expenditures vary greatly for statewide programs dealing with local governments.

Off Highway Vehicle Trails Fund – 0574

Expenditures decreased \$152,751 or 34% from fiscal year 2010 to 2011 due to fewer projects being paid.

Partners for Conservation Projects Fund – 0609

Expenditures decreased \$318,584 or 93% from fiscal year 2010 to 2011. The decrease is due to fewer projects in process. Projects have been trending down since approximately fiscal year 08.

Federal Title IV Fire Protection Assistance Fund – 670

Expenditures increased \$167,110 or 46% from fiscal year 2010 to 2011. There were fewer grant payments to fire districts in fiscal year 10. These grants are not annual, so they can vary from year to year.

Restoration Trust Fund – 831

Expenditures increased \$228,682 or 118% from fiscal year 2010 to 2011. These expenditures are driven by damage settlements (court decrees) to be used to restore, replace, and rehab natural resources damaged by oil and hazardous substances. These awards vary greatly from year to year.

DNR Special Projects – 884 (Appropriated)

Expenditures decreased \$250,000 or 100% from fiscal year 2010 to 2011. This decrease is due to the end of a one year Water Quantity study in the Chicago area during fiscal year 10. The appropriation did not occur again in fiscal year 11.

DNR Federal Projects – 894 (Appropriated)

Expenditures decreased \$583,541 or 26% from fiscal year 2010 to 2011. This decrease is due to the winding down of the FEMA Map Modernization project. Fewer counties were mapped from fiscal year 10 to fiscal year 11.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
Schedule 11 (Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

Fiscal Year 2011 (Continued)

Illinois Forestry Development Fund – 905

Expenditures decreased \$273,055 or 21% from fiscal year 2010 to 2011. Reduced spending was due to low cash balances in fiscal year 11.

State Migratory Waterfowl Stamp Fund – 953

Expenditures increased \$1,273,425 or 236% from fiscal year 2010 to 2011. The increase is due to pump station repairs at Carlyle Lake and Barkhausen levee renovations completed at the Sanganois Conservation Area in fiscal year 11.

Build Illinois Bond Fund – 0971

Expenditures increased \$5,803,480 or 100% from fiscal year 2010 to 2011. The \$5.5M expenditure is the first year spending of the new appropriation for the Museum Capital Grants.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
Schedule 12
FOR THE TWO YEARS ENDED JUNE 30, 2012

The Department of Natural Resources' (Department) analysis of significant fluctuations in cash receipts exceeding \$150,000 and 15% as presented in the "Comparative Schedule of Cash Receipts" is detailed below (amounts expressed in thousands):

Fiscal Year 2012

Concessions

Concessions decreased \$181 or 18% from fiscal year 2011 to 2012. Concession revenue is based on a percentage of the concessionaire sales. When the concessionaire sales are down so is the Department's revenue.

Other Rental

Other rental increased \$795 or 15% from fiscal year 2011 to 2012 as the contracts for land lease bids are increasing every year.

Product Sales

Product sales decreased \$276 or 36% from fiscal year 2011 to 2012 due to the decrease in sales of Outdoor Illinois magazine and water sales agreements.

Donations

Donations increased \$397 or 1470% from fiscal year 2011 to 2012. The Department received \$400,000 for an irrevocable letter of credit for the Wildlife Preservation Fund to be used for the Volo Bog protection/restoration project.

Other Revenue

Other revenue decreased \$5,853 or 44% from fiscal year 2011 to 2012. In fiscal year 2011, the Department received a one time interagency grant for \$10M for Youth Conservation workers.

Non-game Check off

Non-game check off increased \$109 or 59% from fiscal year 2011 to 2012. This increase was due to increase donations on tax returns.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
Schedule 12 (Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

Fiscal Year 2011

Federal Government

Federal government increased \$9,087 or 22% from fiscal year 2010 to 2011 due to the increases of approximately \$2 million each in the State Boating, Abandoned Mined Lands Reclamation Set-Aside, DNR Federal Special Projects and Abandoned Mined Lands Reclamation Council Federal Trust Funds due to increased activities in these funds.

Product Sales

Product Sales decreased \$152 or 17% from fiscal year 2010 to 2011 as a result of the shut down of the Outdoor Illinois magazine mid year.

Donations

Donations decreased \$176 or 87% from fiscal year 2010 to 2011 due to a large donation from the Schiller Park District (over \$100k) toward the Crystal Creek Flood project in fiscal year10. This was a one-time donation that is not reflected in fiscal year11.

Non-game Check off

Non-game check off increased \$184 or 100% from fiscal year 2010 to 2011. This increase was due to misstatement in the 2010 report.

Other Revenue

Other revenue increased \$10,716 or 422% from fiscal year 2010 to 2011. In fiscal year 2011, the Department received a one time interagency grant for \$10M for Youth Conservation workers.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
Schedule 13
FOR THE TWO YEARS ENDED JUNE 30, 2012

The Illinois Department of Natural Resources' (the Department) explanation for significant lapse period spending exceeding \$15,000 and 15% as presented in the "Schedule of Appropriations, Expenditures and Lapsed Balances" for fiscal years 2012 and 2011 is detailed below:

Fiscal Year 2012

General Revenue Fund – 001

Lapse period expenditures totaled \$3,667,556 or 8% of total expenditures for fiscal year 2012. Most of the expenditures are reflective of salaries earned in June, but not paid until July.

Wildlife and Fish Fund – 041

Lapse period expenditures totaled \$3,840,277 or 6% of total expenditures for fiscal year 2012. Most of the expenditures are reflective of salaries earned in June, but not paid until July.

Restoration Trust Fund-831

Lapse period expenditures totaled \$25,310 or 27% of total expenditures for fiscal year 2012. This line supports restoration projects set forward by court decree/order. Timing of projects and expenditures are completely random. The expenditures in this timeframe reflect a restoration project at Kickapoo Creek.

Park and Conservation Fund – 962

Lapse period expenditures totaled \$1,109,509 or 7% of total expenditures for fiscal year 2012. Most of the expenditures are reflective of salaries earned in June, but not paid until July.

Illinois Beach Marina Fund– 982

Lapse period expenditures totaled \$196,762 or 21% of total expenditures for fiscal year 2012. This is because low cash balances in the fund prevented spending at normal levels through the year. The Marina did move and repair some docks (\$68k) and security was another (\$50k) making up more than half of the lapse spending. The majority of these expenditures were attributed to an increase in payroll, caused by the hiring of new employees.

DNR Federal Projects Fund – 894 (Non-Appropriated)

Lapse period expenditures totaled \$1,004,648 or 14% of total expenditures for fiscal year 2012. Most lapse expenditures are related to the management of Asian Carp.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
Schedule 13 (Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

Fiscal Year 2011

General Revenue Fund – 001

Lapse period expenditures totaled \$3,556,618 or 7% of total expenditures for fiscal year 2011. Most of the expenditures are reflective of salaries earned in June, but not paid until July.

Wildlife and Fish Fund – 041

Lapse period expenditures totaled \$4,134,953 or 7% of total expenditures for fiscal year 2011. Most of the expenditures are reflective of salaries earned in June, but not paid until July.

Mines and Minerals UIC Fund – 077

Lapse period expenditures totaled \$67,417 or 23% of total expenditures for fiscal year 2011. There was no personal service spending from November through the June A (June 1-15) payroll due to lack of cash. Lapse spending reflects June B (June 16-30) payroll.

DNR Federal Projects Fund - 894

Lapse period expenditures totaled \$310,754 or 19% of total expenditures for fiscal year 2011. These expenditures were for professional services to develop and modernized the digital floodplain maps for IDNR/OWR FEMA map modernization program. These contracts are historically paid out in lapse every year.

Park and Conservation Fund – 962

Lapse period expenditures totaled \$1,174,838 or 6% of total expenditures for fiscal year 2011. Most of the expenditures are reflective of salaries earned in June, but not paid until July.

DNR Special Projects Fund – 0884 (Non-Appropriated)

Lapse period expenditures totaled \$123,947 or 26% of total expenditures for fiscal year 2011. These expenditures are related to the Critical Trends Assessment Program and Water Assessment Programs, among others, in OREP. Going back to fiscal year 08 it appears these contract expenditures generally are paid out in Q4 or lapse.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES AND ACCOUNTS RECEIVABLES

Schedule 14

June 30, 2012 and 2011
(Expressed in Thousands)

INVENTORIES

Inventories of commodities, per Department records, were as follows:

	<u>Fiscal Year</u> 2012	<u>Fiscal Year</u> 2011
Fish Hatcheries	\$ 852	\$ 992
Farm Commodities	71	79
Game Farms	321	306
Law Uniforms	99	84
Havana Warehouse	206	141
Office and Paper Supplies	22	19
Office Postage and UPS	139	39
Targets	149	82
Museum Publications	167	169
Pawnee Warehouse	30	50
Clearinghouse	<u>255</u>	<u>278</u>
Total per Department records	<u>\$ 2,311</u>	<u>\$ 2,239</u>

Inventories are valued at cost, on a first-in, first-out basis.

ACCOUNTS RECEIVABLE

Aging of accounts receivable, which reconciles to reports submitted to the Illinois Office of the Comptroller, were as follows:

	<u>Fiscal Year</u> 2012	<u>Fiscal Year</u> 2011
1 - 30 days	2446	\$ 2,346
31 - 90 days	292	36
91 - 180 days	73	35
181 days to one year	924	3
Over one year	<u>1631</u>	<u>2,496</u>
Total per Department records	<u>\$ 5,366</u>	<u>\$ 4,916</u>

The Department implemented the collection procedures listed in SAMS procedure 26.40.10, as well as, makes frequent collection attempts via letter and telephone calls.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

AGENCY FUNCTIONS AND PLANNING PROGRAM
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

Agency Functions

The Illinois Department of Natural Resources (the Department) was established on July 1, 1995 when the functions of the former Department of Conservation, Department of Mines and Minerals, the Abandoned Mined Lands Reclamation Council, portions of the Department of Energy and Natural Resources and the Division of Water Resources from the Department of Transportation were merged by an Executive Order of the Governor. The Department is headquartered at the Joel D. Brunsvold Building, located at the State Fairgrounds.

The Department currently manages over 300 sites totaling more than 400,000 acres of publicly owned and leased land. In addition, the Department manages a variety of other public sites such as museums, boat access areas, marinas and trails. The Department also maintains concessions that are leased to or operated by private concessionaires or local communities.

The mission of the Department is to manage, conserve, and protect Illinois' natural, recreational and cultural resources, further the public's understanding and appreciation of those resources, and promote the education, science and public safety of Illinois' natural resources for present and future generations.

In order to carry out its mission, the Department conducts executive and selected technical staff conferences periodically to update the Department's strategic plan.

Strategic Priorities

The Department's strategic priorities are as follows:

1. Maintain and meet the outdoor educational and recreational demands of Illinois' citizens in a manner that preserves and protects fish, wildlife, natural areas and other natural resources of our State.
2. Pursue direct acquisition of property to meet the Department's ecosystem based management and resource compatible recreation objectives.
3. Improve the quality of life for Illinois' citizens through the proper management of the water resources of the State, including water supply, flood damage reduction, watershed planning, and regulation of development within the floodplains.
4. Effectively integrate Information Technology into the Department's operations to increase productivity and enhance service delivery.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

AGENCY FUNCTIONS AND PLANNING PROGRAM
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

Strategic Priorities (Continued):

5. Repair, reclaim, and restore land and water resources that were degraded by mining activity prior to the passage of the Surface Mining Control Reclamation Act in 1977.
6. Encourage the public's safe use of recreational and natural resources.
7. Work together with conservation partners to conserve wildlife & plant species before they become rarer and more costly to protect.

Key Initiatives

The Department's key initiatives are as follows:

1. Implement a new invasive species control, research & education program to address the most pressing invasive species problems on State lands & waters to prevent further degradation of those resources.
2. Continue to monitor sales and improve customer service with the Department's Direct and Point of Sale network to facilitate the purchase of licenses and permits.
3. Continue development, marketing and promotion of all events at the new World Shooting and Recreational Complex near Sparta in south west Illinois.
4. Make multiple years of data available through publications, the Internet, maps, and other materials.
5. Continue work begun on the Federal Emergency Management Agency (FEMA) grant to create floodplain maps of Illinois.
6. Implement key components of the Wildlife Action Plan through coordination of field level efforts and improved technology.
7. Illinois Natural Areas Inventory Update – the Department will work with a contractor over a 3-year period to develop an accurate and comprehensive up-to-date catalog of natural areas in Illinois.
8. Work on the Water Quantity Management Plan-Pursuant to Executive Order 2006 continues on a major budget initiative for a three year, \$5 million effort, to develop a comprehensive water quantity planning initiative in two regional pilot areas in Illinois.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

AGENCY FUNCTIONS AND PLANNING PROGRAM

(Continued)

FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

Key Initiatives (Continued):

9. The Department is revising Administrative Rule for implementation and management of the Conservation Stewardship Program initiated by the passage of Senate Bill 17.
10. The Department is in the process of developing and implementing a long-term management plan for the complicated issues surrounding the preservation and management of lakeshore at Illinois Beach State Park for a wide range of natural resource & recreational purposes. This effort is being conducted with the review of state and federal regulatory officials.
11. Expanding the Department's Office of Water Resources (OWR) operations and capital programs for safety enhancements at State owned dams located on public waters by upgrading and rehabilitating spillways and supporting facilities including dam removal, dam modifications, and safety signage and markings to reduce the risk of injury to the waterway using public.
12. Expand the Nursery Reforestation Program this tree planting initiative recognizes the importance of addressing the State's carbon sequestering concerns, habitat, and recreational needs. The Department will increase their seedling and shrub production to be planted Statewide in parks and natural areas. In addition, public donations partnering with the Illinois Nurseryman's Association, and these funds would be used through a grant program to purchase and plant trees at local schools and parks.

Organization

The Department is organized into the following offices:

- Office of Director (which includes the Offices of Fiscal Management, Legal Counsel, Legislation, Compliance, Equal Employment Opportunity and Ethics, Human Resources and Office of Compliance (Internal Audit))
- Office of Architecture, Engineering and Grants
- Office of Land Management
- Office of Law Enforcement
- Office of Mines and Minerals
- Office of Realty and Environmental Planning
- Office of Resource Conservation
- Office of State Museums
- Office of Strategic Services (formerly the Office of Administration, Public Service, and Public Events, Programs & Promotions)
- Office of Water Resources
- World Shooting and Recreational Complex- Sparta

STATE OF ILLINOIS
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AGENCY FUNCTIONS AND PLANNING PROGRAM
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

The Office of Director directs and manages the Department through the Director, Assistant Director and three Deputy Directors. The Office is responsible for the overall performance of all other Offices. Activities under the Office of the Director include: Office of Compliance, Equal Employment Opportunities & Ethics, Human Resources, Legal Counsel, Legislation, Fiscal Management, and Internal Audit.

The Office of Architecture, Engineering & Grants (OAE&G) manages, coordinates, and executes the Department's capital construction program and grants to local government entities. The Office staff generates and submits the annual capital budget requests and acts as the Department's liaison with the Capital Development Board (CDB) and the Governor's Office of Management & Budget (GOMB). Office staff also provides project reviews and management, ensuring public health, safety, and ADA accessibility requirements are met. The Office is comprised of two divisions. The Division of Architecture & Engineering executes the Department's capital construction program, coordinates work with CDB, coordinates the Park Road Program with the Illinois Department of Transportation (IDOT) and provides design review and construction management on these projects, provides design and construction management of the waterfowl development program and manages the Department's heavy equipment construction and dredging programs. The Division insures public health and safety codes are met at Department facilities and provides technical expertise on emergency declarations as defined by the Procurement code. It provides in-house design and technical assistance for all Department facilities, such as dams, bridges, water and sewer systems, bikeways, canals, roads, boat access areas, lodges, concessions, campgrounds and day use areas and hazardous material storage. It undertakes special studies and investigations to define scopes of work, and evaluate and propose alternative solutions for problematic occurrences and future planning needs. The Division of Grant Administration is responsible for managing and coordinating the various recreational grant programs to local government entities and other designated organizations. These programs provide federal and State funds to enhance and improve recreational facilities through a competitive selection process. Division staff also provides oversight for completed grant projects to ensure program compliance. Program activities include Open Space Land Acquisition and Development (OSLAD) purchases and development of public lands and waters, boat access area development and acquisition, bike path development and acquisition, snowmobile programs, off-highway vehicle trails, recreational trails, public museum, capital grants, development and acquisition, and various other programs.

The Office of Land Management has one division. The Division of Parks & Recreation is responsible for the management and maintenance of State owned or leased sites. Types of sites managed include State parks, fish and wildlife areas, recreation areas, forests, natural areas, marinas, boat accesses, and habitat areas. It functions to provide quality resource compatible recreation opportunities to site visitors, such as camping, day use, trail use, fishing, boating, and hunting. It provides interpretive programs at sites including visitor centers, wildlife viewing platforms, and amphitheatres. The Division is also responsible for maintaining a variety of

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AGENCY FUNCTIONS AND PLANNING PROGRAM
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

facilities, equipment, and infrastructure so that sites are kept in a safe, clean, and attractive condition for visitor use. Management activities at sites include habitat plantings, controlled burnings, and control of exotic plant species.

The Office of Law Enforcement supports the Department's programs designed to protect Illinois' natural and recreational resources through enforcement of those portions of the Illinois Compiled Statutes enacted for that purpose. Conservation Police Officers (CPOs) are vested with full State-wide police authority and are trained to the highest standards for law enforcement professionals. In addition to these enforcement responsibilities, CPOs serves as an important link between the Department and its various constituencies (civic groups, sportsmen's groups, sport shows, etc.). The Field Operations Section is responsible for planning, scheduling, and execution of enforcement and public service programs through CPOs stationed statewide. Throughout the State, there are five regions further divided into districts. Each officer is assigned to a district. In addition, the Operations Section also includes an Investigation Unit which conducts covert and overt investigation operations statewide. The Support Services Section assists with the following responsibilities: forensic research and utilization; officer training and development; public inquiries, complaints; responses to the poacher hot-line; compilation of boating accident data; production of an annual report; purchase, issuance, and maintenance of all vehicles, equipment, and uniforms; collection and disposal of confiscated property, including firearms; and the fine monies imposed by the courts related to conservation citations.

The Office of Mines and Minerals (Office) regulates mining and oil and gas operations throughout the State and enforces various acts that govern these industries. It is also responsible for ensuring the health and safety of workers in the mining industry. The Office delivers health and safety training programs and regulates the working conditions and atmospheres in the State's underground and surface coal and metal/non-metal mines. This includes inspection, maintenance of mine rescue stations, and operation of an analytical laboratory to conduct necessary testing. It also regulates possession, use, and storage of explosives. The Office is comprised of four divisions: The Abandoned Mined Land Reclamation Division, the Land Reclamation Division, the Division of Oil and Gas, and the Mine Safety/Blasting and Explosives Division. The Abandoned Mined Land Reclamation Division reclaims lands and waters adversely affected by mining prior to 1977 and restore them to productive use. It maintains an emergency program to respond to life-threatening situations, such as gas leaks, mine subsidence, and refuse fires. This program is part of the Federal Surface Mining Control and Reclamation Act of 1977 (SMCRA). This Division is completely federally funded through a federal tax on mined coal. The Land Reclamation Division has the responsibility of ensuring that active surface mining operations are properly reclaimed and lands affected by mining are restored to productive use. It regulates the repair to land and structures damaged by mine subsidence as a result of underground coal mining. It also issues permits for all coal mining operations in the State. The Division of Oil and Gas purpose is to prevent waste and environmental damage resulting from oil and gas operations to foster the orderly development of oil and gas reservoirs, to protect the correlative

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AGENCY FUNCTIONS AND PLANNING PROGRAM
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

rights of mineral owners and to administer plugging of abandoned wells. It issues permits for the drilling of oil and gas wells, establishes standards for construction and operations of wells and production equipment, and ensures wells are properly spaced to prevent pollution of land and contamination of water. These tasks are achieved through permits, regulation, inspection, and development of recovery projects. The Mine Safety/Blasting and Explosives Division is responsible for coal miner safety training, aggregate reclamation, aggregate blasting, coal blasting, and explosive handling and storage. These responsibilities are achieved through issuing permits and certificates; the regulation of these activities; and the inspection of mines, blasting sites, and explosive magazines.

The Office of Realty and Environmental Planning is responsible for the Department's land acquisition programs. It is also responsible for coordinating the analysis of the State's natural resources, reviews the environmental impact of Departmental activities, and evaluates environmental contaminant concerns on Department property and other natural resources. It is comprised of three divisions: Ecosystems and Environment, Realty and Planning, and Administration – Concession and Lease Management. The Division of Ecosystems and Environment provides quantitative and empirical analysis regarding the natural resources of the State and the conditions surrounding their use and management, including environmental and socioeconomic factors and trends. This information is integrated into the Illinois Natural Resource Information Network. This Division also directs state-wide environmental analysis functions of the Department to ensure preservation and protection of natural resource values. This includes consultation processes required by the Endangered Species Act and Interagency Wetland Policy Act. The Division of Realty and Planning carries out a variety of outdoor recreation and natural resource planning, which includes program development and coordination initiatives for the Department, including a Greenways and Trails section and a Site Planning section. It expedites the Department's annual capital construction program to ensure stewardship of the State's natural resources while maximizing compatible recreational opportunities. The Division of Realty and Planning is responsible for the acquisition of all real estate for use in the Department's recreational, bikeway, natural areas, wildlife habitat, waterfowl, and greenways programs. It is also responsible for accepting land donations, performing legislative transfers, and jurisdictional transfers of Department property. It provides technical assistance to other Department offices, as well as other State agencies. This Division administers all land owner incentive programs pertaining to real property. The Division of Administration – Concession and Lease Management handles general legal agreement negotiations, coordination, and maintenance; general land leasing; rights of way; special land permits; and State park lodges and concessions.

The Office of Resource Conservation is responsible for protecting and enhancing the State's fish, wildlife, forestry, and natural heritage resources; directing resource management activities on more than 400,000 acres of public land; and providing outdoor recreational opportunities compatible with these resources. It is comprised of four divisions: Wildlife Resources, Natural Heritage, Forestry, and Fisheries. The Division of Wildlife Resources has the mission of

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(Continued)
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(Not Examined)

restoring, maintaining, and enhancing wildlife habitat and populations, as well as to provide for optimum enjoyment and compatible use of these resources by the citizens and visitors of Illinois. Divisional biologists survey and manage wildlife populations and habitats, as well as develop state-wide and site specific management plans for both private and public lands. The Division also offers educational programs to improve public awareness and appreciation of wildlife. The Division of Natural Heritage has the mission of locating, preserving, protecting, and managing for future generations, lands which contain elements of Illinois' rich natural heritage, and native plant and bird conservation. District biologists work to preserve and restore forests, prairies, and wetlands and all Illinois habitats. The Division of Forestry has the mission of providing stewardship of Illinois forests for the long term sustainability of wood products, wildlife habitat, urban and community enhancement and recreational areas. District foresters provide forestry programs, services, and activities to assist private landowners, governmental agencies and other Departmental offices. These activities include conservation and protection of forests, reforestation woodland management, fire management, and forest marketing utilization. The Division of Fisheries is responsible for utilizing education and scientifically-based management for the protection, restoration, and enhancement of fisheries and other aquatic resources, including Lake Michigan (976,640 acres), reservoirs (54,580 acres), impoundments (257,560 acres), and streams (325,000 acres). The fish hatchery system consists of three hatcheries that annually stock about 30 million fish of 19 species into waters state-wide.

The Office of State Museums (the Museum) collects and preserves objects of scientific and artistic value representing past and present fauna and flora, the life and works of humans, geological history, natural resources, and interprets and educates the public concerning these items. These responsibilities are accomplished by utilizing the collections and staff resources to provide quality research, exhibitions, publications, and educational programs to enhance the experiences, aesthetic values, and quality of life for the people of Illinois. The Museum conducts research and educational programming related to the Illinois landscape; its organisms, both living and extinct; and its art and cultural heritage, both past and present. The Museum maintains extensive anthropology, art, botany, geology, and zoology collections, recognized both nationally and internationally. It operates a museum in Springfield, the Dickson Mounds Museum, and various galleries located throughout the state.

The Office of Strategic Services consists of three offices, Administration, Public Service, and the Office of Public Events, Programs & Promotions: The Office of Administration provides internal support through two divisions. The Division of Administrative Support is responsible for maintaining the central warehouse and shop facilities, messenger services, and vehicle fleet management, as well the documentation clearinghouse, mail room, and copy center. The Division of Systems and Licensing issues various licenses, stamps, or permits for regulated outdoor activities such as hunting, fishing, and registration/titles for boats or snowmobiles. It is also responsible for the Department's information systems. The Office of Public Service addresses the coordination of public involvement with the day-to-day operations of the Department. The Office of Public Service achieves this through various sections including the

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(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

Marketing, Publications, Resource Education, and the James R. Thompson Center Office of Public Services. The Office informs the public about the Department's programs and activities via publications, podcasts and marketing programs. The Office serves as the headquarters for the Department's graphics, photography and coordinates printing. The Division of Education is responsible for the development, training, and dissemination of educational programs and materials; providing environmental awareness through the promotion of Departmental programs and events; and for providing hands-on outdoor education. The Division works closely with educators, State agencies, and other groups to ensure environmental goals are being met. The Office of Public Events, Programs & Promotions manages both mandated safety programs and special educational safety programs, e.g. Hunter Safety and Wing-shooting clinics.

The Office of Water Resources administers regulatory programs over construction in the floodways of rivers, lakes, and streams. It is also responsible for construction in the shore waters of Lake Michigan, construction and operation of dams, construction in public bodies of water, and diversion of water from Lake Michigan, and withdrawal of water from three State lakes (Shelbyville, Carlyle, and Rend Lakes). The Office serves as the lead State agency for water resource planning, navigation, floodplain management, the National Flood Insurance Program, and interstate organizations on water resources. Duties also include the State Water Plan, drought response, flood emergency situation reports, and the comprehensive review of Illinois Water Use law. The Office gathers water resource data related to disasters and disseminates the information to other agencies. It also cooperates with the United States Geological Survey for summaries of river stage information. The Office consists of five divisions: Planning, Project Implementation, Resource Management, Program Development, and Administrative Services. The Division of Planning is responsible for hydraulic engineering activities; preparation of authorized flood control, drainage and other water resource projects; preparation of reports, charts, maps, and graphs; and response for local assistance and emergency flooding situations. The Division of Project Implementation is responsible for preparation of design plans and specifications for Office construction projects, supervision of these projects, and acquisition of all necessary rights-of-way or flood prone property, and the administration and maintenance of State-owned dams and facilities on waterways throughout the State. The Division of Resource Management is responsible for regulating construction activities within the floodways of Illinois' rivers, lakes, and streams; protecting public interest in public waters; allocating and monitoring the usage of Lake Michigan water; reviewing floodplain studies to ensure compliance with regulations; and assisting with the National Flood Insurance program. The Division of Program Development is responsible for compiling and analyzing physical and economic data to determine present and projected future water problems and formulating the most economical solutions to water problems. The Division of Administrative Services provides administrative functions for the Office, such as fiscal management, property control, record retention, and coordination with other Department Offices.

World Shooting and Recreational Complex (WSRC) is located in Southern Illinois near the city of Sparta, close to three airports and less than 50 miles from three metropolitan areas including

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(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

St. Louis, Missouri. Visitors have access to a variety of amenities from local restaurants and shops to the activities of the St. Louis area. WSRC is a premier destination for recreational vehicle enthusiasts. It offers camping areas as well as standard sites with electric, water and sewer. Its activities include cowboy action shooting, fishing, rifle/pistol, skeet shooting, sporting clays and trapshooting. On-site fishing is the newest recreational opportunity available at the WSRC. East Lake is located on the northeast side of the Complex on a 117 acre strip pit and Derby Lake located to the southeast of the Events Center. Each are loaded with largemouth and smallmouth bass, bluegill, redear sunfish, channel catfish, trout and white, black and hybrid crappie.

Management

The Director is assisted by an Assistant Director and three Deputy Directors. These Department Directors are supported by an extensive staff of Office Directors and Division managers. The Director is involved in key personnel decisions and in the budget process. Upper management attend weekly staff meetings and, if needed, issue meetings to address a particular concern in the Department.

Compliance with Rules and Regulations

The Department uses several individuals to identify laws and regulations that are applicable to its activities. The Office of Legislation acts as the Department's liaison to the General Assembly. They track both Senate and House Bills and coordinate the collection of information requested by the Legislature on these bills.

The Office of Legislation is responsible for implementing the passage of substantive legislative changes to existing statutes. Legislative Liaisons report directly to the Director and coordinate with executive staff and senior managers the preparation for maintaining a working relationship with members of the General Assembly, other departments of State government, private entities, and citizens of the State which are impacted by legislation of the Department. All changes in legislation are immediately communicated to the appropriate personnel. The Office of Legal Counsel is also responsible for providing advice to the Director in establishing policies, as well as preparing and reviewing proposed legislation and administrative rules. These programs assist the Department to recognize the needs of the public and to provide a united voice for Illinois' natural resources.

The Chief Fiscal Officer (CFO) serves as Director of the Office of Fiscal Management. The CFO's role in monitoring operations includes reviewing fiscal procedures to ensure compliance with all rules, regulations, and accounting standards.

The policy and procedure manual is the primary source used by management to communicate the goals and objectives of the Department. Changes and updates to the manual are made on a

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AGENCY FUNCTIONS AND PLANNING PROGRAM
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

timely basis with policy memorandums mailed to each of the office directors who are responsible for informing their employees. Any administrative changes to the manual, such as a change in board members, would result in a replacement page being issued to all employees. In addition, a fiscal management handbook, which is located on the Department's intranet, provides guidance for many matters, such as procurement, vouchering, and petty cash procedures.

Strategic Planning

The Department first established a strategic planning function in fiscal year 1996, shortly after the Department's creation. The Department's most recent update of its strategic plan occurred in October 2008. It identifies seven priorities with associated initiatives. The Department also has developed performance measures and goals which are annually reported to the Comptroller for inclusion in the State's Service Effort and Accomplishment Report (SEA).

Strategic planning activities are coordinated by the Director's Office, while the Office of Fiscal Management coordinates the collection and reporting of SEA information to the Comptroller.

The Department has several formal, ongoing planning programs. One plan is the State-wide Comprehensive Outdoor Recreation Plan. This plan, fully revised every five years, identifies issues and Department programs and priorities in the area of outdoor recreation.

The Office of Realty and Environmental Planning carries out a variety of outdoor recreation and natural resource planning activities, such as site plans and economic analysis of feasibility of improvements such as campgrounds, cabins, and marinas. The Department prepares an Annual Capital Improvement Plan, which is presented to the GOMB, CDB, and the General Assembly. The Office of Water Resources is the State's lead agency for water resource planning. It prepares the State Water Plan and is involved in other planning activities related to the Management of the State's water resources.

STATE OF ILLINOIS
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AVERAGE NUMBER OF EMPLOYEES

(Not Examined)

	Fiscal Year		
	2010	2011	2012
Regular:			
General Office	72	70	58
Architecture, Engineering & Grants	25	25	20
Realty and Environmental Planning	50	55	47
Business Services/Strategic Services	47	78	69
Public Services	13	-	-
Special Events	23	-	-
Sparta WSC	-	-	11
Resource Conservation	217	227	211
Law Enforcement	154	158	138
Land Management	390	417	326
Mines & Minerals	98	98	102
Water Resources	59	60	53
Museums	61	62	59
Partners for Conservation	17	-	-
Total Regular	1,226	1,250	1,094
Part-Time and Seasonal			
General Office	3	-	-
Architecture, Engineering & Grants	1	1	-
Business Services/Strategic Services	-	4	-
Special Events	11	-	-
Resource Conservation	52	66	56
Law Enforcement	1	1	1
Land Management	340	285	261
Mines & Minerals	7	2	2
Water Resources	5	-	-
Museums	-	3	4
Total Part-Time and Seasonal	420	362	324
Total			
General Office	75	70	58
Architecture, Engineering & Grants	26	26	20
Realty and Environmental Planning	50	55	47
Business Services	47	82	69
Public Services	13	-	-
Special Events	34	-	-
Sparta WSC	-	-	11
Resource Conservation	269	293	267
Law Enforcement	155	159	139
Land Management	730	702	587
Mines & Minerals	105	100	104
Water Resources	64	60	53
Museums	61	65	63
Partners for Conservation	17	-	-
Grand Total	1,646	1,612	1,418

STATE OF ILLINOIS
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EMERGENCY PURCHASES
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

The Department reported the following emergency purchases to the Office of the Auditor General during fiscal years 2011 and 2012:

<u>DESCRIPTION OF EMERGENCY PURCHASE</u>	<u>ACTUAL AMOUNT</u>
FISCAL YEAR 2011	
Lake Calumet – Evaluate and eradicate the threat of Asian carp	\$ 46,179
Lake Calumet – Evaluate and eradicate the threat of Asian carp	595,204
Assistance with GAAP Reporting	68,770
State compliance with GASB 51	108,624
122 tons of liquid nitrogen for the corn crop	36,850
Rapid Response- Commercial Fishermen	103,500
Rapid Response- Commercial Fishermen	331,000
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TOTAL FISCAL YEAR 2011 COST	\$ 1,290,127
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FISCAL YEAR 2012	
Reclamation project for a failed mine shaft	\$ 72,670
Reclamation project for a second shaft failure	49,250
Illini State Park- Failed sewage system	32,892
Abate hazardous conditions on a bridge on I-72	1,043,008
Abate hazardous conditions on a bridge on I-72	675,239
Repair failed main entrance shaft	71,982
Repair failed main entrance shaft	47,847
Union County Refuge- Fertilizer	42,400
	<hr/>
TOTAL FISCAL YEAR 2012 COST	\$ 2,035,288
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STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF NATURAL RESOURCES

MEMORANDUMS OF UNDERSTANDING
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

The Illinois Department of Natural Resources (the Department) entered into seven Memorandums of Understanding (MOU) during the engagement period as follows:

- 1) The MOU was with the 183d Fighter Wing, Security Forces Squadron (SFS) executed on April 9, 2012 and is in effect for 3 years from execution date, unless extended by mutual agreement. The MOU provides for the following terms of agreement:
 - The Department will notify the 183d SFS if the Department is aware of an arrest of a 183d member.
 - Notify the 183d SFS if the Department receives any information that implicates the Springfield Illinois Air National Guard Base in any criminal plan, e.g. terrorist plot or drug activity.
 - Provide assistance when requested by the 183d SFS in accordance with available resources in situation such as “officer needs assistance” calls or civil demonstrations at the Springfield Illinois Air National Guard’s entrance gates.
 - Assist in pursuit/re-apprehension of any fleeing military member confined to the Springfield Illinois Air National Guard Base.
 - Allow the 183d SFS to attend training events when resources and space permit.
 - Provide specialty units/personnel, as permissible, to the 183d FW in accordance with the Department’s policy. The 183d SFS shall provide as much advanced notice and coordination as possible.

- 2) The MOU was with US Fish and Wildlife Service, Ducks Unlimited, Inc, The Nature Conservancy, and the USDA Natural Resources Conservation Service, which commenced on March 27, 2012 and is effective until terminated by mutual agreement of the parties. Any of the parties, in writing, may withdraw from this instrument at any time. The MOU provides for the following terms of agreement:
 - The Department will facilitate coordination and cooperation among public agencies and private interests in planning and implementing new and existing conservation programs in the Cache River Watershed.
 - To protect and improve the condition and functional integrity of the entire Cache River ecosystem by improving land use and natural resource management practices on both public and private land within the watershed.
 - To protect natural habitat and endangered species, and restore and manage habitat for waterfowl and native fish and wildlife within the Cache River watershed

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MEMORANDUMS OF UNDERSTANDING
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

- To assist in accomplishing the objectives of the North American Waterfowl Management Plan, the Central Hardwoods Joint Venture, and the Illinois Natural Areas Plan by designing, acquiring, and managing an ecological reserve as a public/private joint venture.
 - To protect certain unique areas of ecological and cultural importance identified by the National Natural Landmark program and/or the Illinois Natural Areas Inventory.
 - To protect important or unique natural features including, but not limited to especially old or large individual trees, rookeries and nesting areas, and scenic areas or view.
- 3) The MOU was with Pheasants Forever executed on October 13, 2011 and shall remain in effect until completion of the Project Plan unless terminated earlier by either party upon ninety days written notice to the other party. The MOU provides for the following terms of agreement:
- The Department will care for, control, supervise and manage all State parks.
 - The power to make rules and regulations necessary to carry out its duties, including for the use, care, improvement, control and administration of lands under its jurisdiction, and to enforce the same.
 - To purchase otherwise acquire or manage land for purposes relating to conservation, restoration of habitat, and other purposes related to the natural resources of the State.
- 4) The MOU was with US Department of Agriculture, Animal and Plant Health inspection Service, and Wildlife Services (WS) executed on September 1, 2011 and will continue until August 31, 2016, not to exceed five years. The MOU provides for the following terms of agreement:
- The Department agrees to cooperate with WS to address problems associated in the State of Illinois, including State-managed and migratory birds, and to make available for this cooperation such resources as may be required and mutually agreed upon.
 - To cooperate with WS to develop, evaluate, register, and release tools, techniques, and/or chemicals that may be useful in managing wildlife threats to human health and safety, as well as damage to agricultural, property, and natural resources.
 - The Department may provide WS the necessary authorities for WS personnel to address conflict involving State-regulated animals and potentially danger animals.
- 5) The MOU was with National Wild Turkey Federation (NWTF) and the Illinois State Chapter of the National Wild Turkey Federation (NWTF-IL) executed August 29, 2011. The MOU provides for the following terms of agreement at the Departments discretion:

STATE OF ILLINOIS
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MEMORANDUMS OF UNDERSTANDING
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

- The Department will provide leadership, as agreed to on a project-by-project basis, for planning, implementation, monitoring, and auditing of projects or events developed subsequent to this agreement.
 - Participate in certain projects and events with NWTF and NWTF-IL to promote wildlife conservation, conservation education, and Illinois' hunting heritage.
 - Advise NWTF and NWTF-IL on the administration of natural resources management programs affecting public and private lands in Illinois.
 - Provide technical assistance to the NWTF-IL on local and state projects related to land management, wildlife, research, hunter education, and other items within available resources.
 - Share information on programs and activities associated with wild turkeys.
 - Work together on media issues related to NWTF.
 - Advise the NWTF-IL of potential needs in funding.
 - Notify NWTF-IL annually of the Illinois legislative budget and proposed bills related to conservation and wildlife.
- 6) The MOU was with Illinois Department of Agriculture for Cooperation relating to control and eradication of feral swine executed on January 6, 2011 and shall remain in force for 5 years unless terminated by either party upon ninety days written notice to the other party. The MOU provides for the following terms of agreement:
- The Department will support cooperation in assessment, program development and implementation, information disbursement, education and statutory modification, as well as other activities when necessary.
- 7) The MOU was with Ducks Unlimited, Inc. (DU) and Wetlands America Trust, Inc. (WAT) executed on June 14 2012 and shall continue in force until terminated by either party upon thirty day written notice. The MOU provides for the following terms of agreement:
- The Department will submit project proposals involving the acquisition, restoration, creation or enhancement of wetland or waterfowl habitat to DU from time to time for consideration and support as a cooperative project to be jointly funded or implemented in partnership with DU.
 - To receive and provide timely review of project proposals involving the acquisition, restoration, creation or enhancement of wetland or waterfowl habitat from time to time for consideration and support project to be jointly funded or implemented in partnership with DU.
 - To solicit DU input and participation in the development of wetland and waterfowl project proposals, in the annual plan of work process, and in the establishment of area management plans for projects and locations where DU's

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MEMORANDUMS OF UNDERSTANDING
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

assistance as a partner is desired and in the best interest of wetland and waterfowl conservation.

- To cooperate with DU in the implementation of partnership projects subject to conditions of a site specific purchase, donation, grant, or cooperative development agreement. Such cooperation to include but not limited to providing DU with appropriate background information related to the project, preparing or providing input on project plans and specifications, and obtaining all permits and clearance required by federal, state or local governments for projects located on Department properties.
- To assume operation and maintenance and other management costs and responsibilities upon the completion of partnership projects as stated in site specific purchase, donation, grant or cooperative development agreements for projects located on Department properties or for properties which will be acquired by or will be donated to the Department.
- To provide appropriate signage or other recognition of DU involvement in partnership projects located on IDNR properties.

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ILLINOIS DEPARTMENT OF NATURAL RESOURCES

SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

The Illinois Department of Natural Resources' (Department) mission is to manage, conserve and protect the Illinois' natural, recreational and cultural resources, further the public's understanding and appreciation of those resources and promote the education, science and public safety of Illinois' natural resources for present and future generations.

The Department is organized into 11 main operating offices. These offices administer activities in four core program areas: Resource Compatible Recreation, Natural and Cultural Resource Protection, Resource-Related Public Safety, and Science, Education and Culture.

Resource Compatible Recreation

The mission of Resource Compatible Recreation program is to provide safe, accessible, high quality and resource-compatible outdoor recreation opportunities to the public so they can enjoy the State's natural and cultural resources.

The Resource Compatible Recreation program goals are as follows: 1) meet the public's outdoor recreation needs in a resource-compatible manner, 2) develop and maintain Department facilities and infrastructure to provide meaningful outdoor recreation experiences for Illinois' residents and visitors, and 3) establish and maintain partnerships to expand resource compatible recreation opportunities.

The Department owns or manages nearly 474,000 acres of land and water and offers a wide range of recreational opportunities, including camping, picnicking, sightseeing, fishing, hunting, boating, swimming and trail use. In fiscal year 2012, 40,603,635 people visited these sites.

A key objective of the Resource Compatible Recreation program is to maintain a high level of visitor satisfaction with the overall quality of Department sites. In fiscal year 2012, 89 percent of park visitors expressed high satisfaction (i.e., visitor survey scores of 4 or more on a 5 point scale, with 5 equaling excellent) with overall park facilities and operations.

The Department provides funding to local Illinois governments for outdoor recreation facilities and land for open space. In fiscal year 2012, the Department awarded 52 grants totaling nearly \$12,725,800. With financial assistance provided by the Department, local grant recipients acquired 521 acres and acquired and developed 44 miles of bike trails.

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SERVICE EFFORTS AND ACCOMPLISHMENTS
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

Resource Compatible Recreation (Continued)

The following are the Resource Compatible Recreation program's Input, Output, and Outcome Indicators.

	<u>Fiscal Year 2010</u>	<u>Fiscal Year 2011</u>	<u>Fiscal Year 2012</u>
<u>Input Indicators</u>			
Total expenditures (in thousands)	\$99,973	\$101,518	\$106,972
Average monthly full-time employee equivalents	725	505	451
<u>Output Indicators</u>			
Acreage owned and managed	470,649	473,500	473,761
Number of grants awarded	60	156	52
Total dollar amount of grants awarded (thousands)	\$16,705	\$77,716	\$12,726
Fishing licenses issued	627,189	557,939	627,201
Hunting licenses issued	194,576	197,978	188,576
Site attendance	36,100,000	39,302,498	40,603,635
<u>Outcome Indicators</u>			
Amount of grantee acquired acreage	314	570	521
Miles of bike trails acquired/developed through grants	420	276	44
Percentage of highly satisfied park visitors	95%	83%	89%
<u>Efficiency/Cost Effectiveness</u>			
Cost per acre managed (in dollars)	\$117	\$117	\$117
Cost per visitor (in dollars)	\$1.30	\$1.30	\$1.30

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SERVICE EFFORTS AND ACCOMPLISHMENTS
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

Natural and Cultural Resource Protection

The mission of the Natural and Cultural Resource Protection program is to manage, conserve and protect, Illinois' natural, recreational and cultural resources, further the public's understanding and appreciation of those resources, and promote the education, science and public safety of natural resources for present and future generations.

The Natural and Cultural Resource Protection program goals are as follows: 1) restore, enhance and sustain Illinois' natural and cultural resources for present and future generations, 2) acquire interest in land to meet the public's open space and resource protection needs, 3) maximize the effectiveness of laws, statutes and administrative rules to better protect resources, 4) balance resource consumption and use with resource protection, and 5) avoid, minimize and mitigate adverse impacts to Illinois' lands and waters that result from mining and mineral extraction activities.

As part of the Natural and Cultural Resource Protection program, the Department manages land and water resources, enforces resource laws, acquires resource-rich lands, reclaims mine sites, and manages the State's mineral resources.

The Department owns or manages less than five percent of the State's vast natural resources. As a result, a key goal of the Department's Natural and Cultural Resource Protection program is to protect, manage and enhance natural resources not under ownership or direct management of the Department. The Department offers a number of programs to assist landowners and local entities in the management of resources under their control. For example, in fiscal year 2012 the Department produced 1,512,220 seedlings and reforested 2,040 acres.

Improvement in air quality is an important outcome of the Department's reforestation efforts, as the photosynthetic process of planted trees removes carbon generated by fossil fuel consumption from the atmosphere. The Department's reforestation activities in fiscal year 2012 resulted in the annual absorption of an additional 3,000 tons of carbon from the atmosphere.

The Partners for Conservation Ecosystems Program is a voluntary program that provides assessment and monitoring, and technical support to Ecosystem Partnerships represented by groups of individuals including private organizations, public agencies and individuals which seek to maintain and enhance the conditions in their watersheds in which they live, work, and recreate. Key objectives of this program are to improve habitat on private lands, target projects in the Illinois Wildlife Actions Plan Conservation Opportunity Areas and to leverage additional funding for ecosystem management. In fiscal year 2012, 41 Ecosystem Partnerships covered 86% of the state.

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SERVICE EFFORTS AND ACCOMPLISHMENTS
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

Natural and Cultural Resource Protection (Continued)

The Conservation Reserve Enhancement Program (CREP) is a unique State and Federal partnership to assist landowners in protecting lands along the Illinois River Watershed through the implementation of resource management practices such as the planting of trees and grasses and the development of wetlands. CREP is a voluntary program whose objective is to enhance water quality and habitats for threatened and endangered species through the restoration of 232,000 acres along the Illinois and Kaskaskia River and its tributaries. Enrollment in CREP began in fiscal year 1999, and at the end of fiscal year 2012 approximately 140,314 acres had been enrolled in the program. This acreage represents 60.5 percent of the program's ultimate enrollment goal.

The following are the Natural and Cultural Resource Protection program's Input, Output, and Outcome Indicators.

	<u>Fiscal</u> <u>Year 2010</u>	<u>Fiscal</u> <u>Year 2011</u>	<u>Fiscal</u> <u>Year 2012</u>
<u>Input Indicators</u>			
Total expenditures (in thousands)	\$94,819	\$91,404	\$62,240
Average Monthly full-time employee equivalents	593	387	357
<u>Output Indicators</u>			
Number of acres reforested	3,686	4,539	2,040
Number of protected natural areas	509	517	529
Number of Ecosystem Partnerships designated	41	41	41
Number of acres annually enrolled in CREP	0	3420	16,264
Amount of seedlings produced for reforestation	1,331,700	1,992,044	1,512,220
<u>Outcome Indicators</u>			
Percent of the state covered by Ecosystem Partnerships	86%	86%	86%
Tons of carbon removed from the atmosphere by reforestation	3,317	2,990	3,000
Conservation Reserve and Enhancement Program (CREP) enrollment percentage	55%	55%	59%
Number of deer harvested	189,634	182,270	181,451
Protected natural area acreage	93,662	96,255	99,866
Acquired land (acres)	1,932	2,688	288

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SERVICE EFFORTS AND ACCOMPLISHMENTS
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

Resource-Related Public Safety

The mission of the Resource-Related Public Safety program is to ensure the safe and enjoyable use of the State's lands, water and resources, ensure safety in mining and blasting activities, and to protect the public's interests in public waters and floodways.

The Resource-Related Public Safety program goals are as follows: 1) ensure the safety of the public visiting state-managed sites or participating in State-regulated outdoor recreation, 2) protect workers in the extraction industry from mining and explosive accidents, and 3) manage dams and floodways to protect people and property in floodplains.

Through its Resource-Related Public Safety program, the Department offers safety education classes for hunters, boaters, trappers and snowmobilers, certifying 20,300 students in fiscal year 2012. The Department's Conservation Police Office enforce State laws pertaining to boating, hunting and snowmobile safety, and assist park staff in ensuring the safe use of facilities and resources at Department sites.

One measurement to determine if the Department is meeting the challenge of ensuring the safety of the public visiting State-managed sites is the percentage of visitor survey scores of 4 or more on a 5 point scale (5 = excellent). In fiscal year 2012, 88% percent of park visitors expressed high satisfaction with park safety.

The Department's Resource-Related Public Safety program includes programs to ensure the safety of the State's coal and aggregate miners and others involved in the use of blasting and explosives. Department staff works to protect the public from mine subsidence and other abandoned mine emergencies and enforce safety standards for dam and floodplain construction.

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SERVICE EFFORTS AND ACCOMPLISHMENTS
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

Resource-Related Public Safety (Continued)

The following are the Resource-Related Public Safety program's Input, Output, and Outcome Indicators.

	<u>Fiscal Year</u> 2010	<u>Fiscal Year</u> 2011	<u>Fiscal</u> <u>Year 2012</u>
<u>Input Indicators</u>			
Total expenditures (in thousands)	\$13,401	\$22,159	\$27,129
Average monthly full-time employee equivalents	121	195	185
<u>Output Indicators</u>			
Number of safety education classes held	537	518	554
Number of mine safety certifications issued	809	910	1043
Number of mine safety accident prevention contacts	16,398	15,207	16,465
Number of blasting and explosives licenses and certifications issued	1,324	1,389	1,563
Number of blasting and explosives inspections performed	1,350	1,315	1,353
Number of dams inspected	168	268	231
<u>Outcome Indicators</u>			
Percentage of visitors expressing high satisfaction with park safety	95%	88%	88%
Number of students certified by safety education classes	19,529	19,088	20,300

STATE OF ILLINOIS
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SERVICE EFFORTS AND ACCOMPLISHMENTS
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

Science, Education and Culture

The mission of the Science, Education and Culture program is to collect and analyze data on our natural and cultural resources and to provide objectives, scientific information and education programs on these resources to government agencies, businesses, other scientists, education institutions, teachers, students and the general public to advance their understanding and appreciation of the State's natural and cultural resources.

The Science, Education and Culture program goals are as follows: 1) educate the public on the diversity and value of the State's natural, and cultural resources, 2) preserve and showcase the State's natural, cultural and artistic heritage, and 3) acquire and provide natural history information that can be used to promote the common understanding of and the sustainable conservation of Illinois' living natural resources.

The Department offers a wide range of interpretative and environmental education opportunities as part of the Science, Education and Culture Program. Illinois ENTICE (Environment and Nature Training Institute for Conservation Education) is a teacher training program designed to incorporate long-term, standards-based natural resource education into Illinois classrooms. The Department has been certified by the Illinois State Board of Education as a certificate renewal credit provider as part of the Board's recertification requirements for teachers. In fiscal year 2012, 171 teachers completed ENTICE training and the Department awarded teachers 1,002 continuing professional education hours.

The Department's science institution is the Illinois State Museum. Department scientists work on cutting-edge issues and apply the latest technologies available to them. The scientific knowledge that they provide is key to making up-to-date decisions on the appropriate use, effective management and protection of all of Illinois' resources.

In fiscal year 2012, 84 percent of park visitors expressed high satisfaction with interpretive programs as measured by the percentage of visitor survey scores of 4 or more on a 5-point scale (5 = excellent).

The Department's State Museum and its branch facilities, uses its collections and applied research findings in order to serve as an informal education resource and provide learning opportunities for people of all ages. In fiscal year 2012, the State Museum facilities had over 374,000 visitors.

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SERVICE EFFORTS AND ACCOMPLISHMENTS
(Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

Science, Education and Culture (Continued)

The following are the Science, Education and Culture program's Input, Output, and Outcome Indicators.

	<u>Fiscal Year 2010</u>	<u>Fiscal Year 2011</u>	<u>Fiscal Year 2012</u>
<u>Input Indicators</u>			
Total expenditures (in thousands)	\$15,999	\$16,073	\$18,150
Average monthly full-time employee equivalents	153	142	128
<u>Output Indicators</u>			
Number of user sessions on websites (in thousands)	3,797,646	2,983,318	2,250,662
Number of teachers completing ENTICE Training	171	323	171
Number of active science research projects	74	95	83
<u>Outcome Indicators</u>			
Percentage of site visitors expressing high satisfaction with interpretive programs	97%	94%	84%
Number of continuing professional education (CPE) hours awarded to teachers via "ENTICE" and other programs	834	1,327	1,002
Attendance at Museum facilities	312,889	337,696	374,122

STATE OF ILLINOIS
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SCHEDULE OF INDIRECT COST REIMBURSEMENTS

FOR THE YEARS ENDED JUNE 30, 2012

(Not Examined)

The indirect cost reimbursements are based on rates negotiated with the U.S. Department of the Interior, National Business Center. These indirect cost reimbursements provide funding for allowable program costs that are incurred for a common purpose and are not assignable to specific cost objectives. Indirect cost reimbursements are deposited into Federal Trust Funds: Abandoned Mined Lands Reclamation Council Federal Trust, Federal Surface Mining Control and Reclamation, Mines and Minerals Underground Injection Control, and National Flood Insurance Program. Following are reimbursements deposited during fiscal years 2012 and 2011.

<u>Federal Programs/Grants</u>	<u>2012</u>	<u>2011</u>
OFFICE OF MINES & MINERALS		
Abandoned Mined Lands Reclamation (AML)	\$ 602	\$ 592
Federal Surface Mining Control (LRD)	752	903
Mine Safety & Health (MS&T)	10	8
Underground Injection Control (O&G)	6	5
 OFFICE OF WATER RESOURCES		
National Flood Insurance / CAP-SSSE	143	43
Total Indirect Cost Reimbursements	<u>\$ 1,513</u>	<u>\$ 1,551</u>

The indirect cost rates established with the U.S. Department of the Interior, National Business Center for allocating indirect costs to federal award programs for fiscal year 2012 and 2011 are 22.95% and 22.9% for the Office of Resource Conservation; 24.02% and 33.45% for the Office of Mines and Minerals; 27.50% and 35.95% for the Office of Water Resources and 34.94% and 37.06% for the Office of Scientific Research and Analysis, respectively.

STATE OF ILLINOIS
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OPEN SPACE LANDS ACQUISITION DEVELOPMENT GRANT PROGRAM
FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

The Illinois Open Space Lands Acquisition and Development (OSLAD) Program is a grant program that provides up to 50% funding assistance to eligible units of local government for approved land acquisition and/or development projects for public outdoor recreation purposes. Actual grant payment is provided on a reimbursement basis after the approved project is satisfactorily completed and actual, eligible costs determined. The Illinois Department of Natural Resources (Department) is the State agency responsible for administering the OSLAD program. Allocation of grant funds to local projects from this program are made in accordance with priorities identified through the Department's statewide outdoor recreation planning process.

Project applications from local agencies requesting OSLAD assistance must be submitted to the Department for evaluation and consideration of project merit. Project applications are received by the Department no sooner than May 1 and no later than July 1 of each year. Applications are objectively evaluated and awarded on a competitive basis, in relation to the following priorities and evaluation criteria:

- 1) Statewide Outdoor Recreation Priorities and Project Need (60%)
- 2) Local Planning (10%)
- 3) Site Characteristics and Development Plan (25%)
- 4) Project Special Considerations (5%)

Project approvals are made on a priority basis. The following local government agencies are eligible for OSLAD assistance 1) municipalities, townships and counties; 2) park districts; 3) conservation districts; and, 4) forest preserve districts. Other local government agencies having statutory authority to acquire and develop lands for public park and outdoor recreation purposes may also be eligible for OSLAD consideration. Except for jurisdictions with a population exceeding 2 million residents, the maximum grant funding for approved acquisition projects is limited to \$750,000, approved development projects is limited to \$400,000, and approved combination projects is limited to \$400,000. Counties serving a population exceeding 2 million residents shall be eligible for up to \$1.15 million in annual OSLAD funding for approved acquisition and/or development projects. Municipalities with a population exceeding 2 million residents shall be eligible for up to \$2.3 million in annual OSLAD funding for approved projects. However, no more than 10% of the annual OSLAD appropriation can be allocated to one project.

All project costs incurred prior to the Department's approval, with the exception of eligible project architectural/engineering costs, are ineligible for OSLAD assistance. Only proposed acquisition and development projects are eligible for grant assistance.

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OPEN SPACE LANDS ACQUISITION DEVELOPMENT GRANT PROGRAM

(Continued)

FOR THE TWO YEARS ENDED JUNE 30, 2012

(Not Examined)

During fiscal year 2012 and 2011, the Department awarded grants under the OSLAD program as follows:

	<u>Fiscal Year</u> <u>2012</u>	<u>Fiscal Year</u> <u>2011</u>
Total Grants Requested	63	83
Total Grants Awarded	40	35
Total Projects Awarded	\$ 10,842,719	\$ 10,789,300
 <u>2012 Grant Projects</u>		
Total Expenditures	\$ -	\$ -
 <u>2011 Grant Projects</u>		
Total Expenditures	\$ 203,700	\$ -