

**STATE OF ILLINOIS  
COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY**

**COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2019

STATE OF ILLINOIS  
 COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY  
 COMPLIANCE EXAMINATION  
 For the Two Years Ended June 30, 2019

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STATE OF ILLINOIS  
COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019

**COMMISSION OFFICIALS**

Executive Director (8/01/17 – Present)	Mr. Clayton Klenke
Executive Director (7/01/17 – 7/31/17)	Mr. Daniel Long
Deputy Director	Ms. Laurie L. Eby
Fiscal Officer	Ms. Victoria Copp

**GOVERNING BOARD MEMBERS**

Co-Chair of the Board	Rep. C.D. Davidsmeyer
Co-Chair of the Board	Sen. Heather Steans
Member	Rep. Thomas Bennett
Member	Sen. Donald DeWhite
Member	Rep. Sonya Harper
Member	Rep. Elizabeth Hernandez
Member	Sen. David Koehler
Member	Rep. Anna Moeller
Member	Sen. Elgie Sims
Member	Rep. Joe Sosnowski
Member	Sen. Dave Syverson
Member	Sen. Jil Tracy

**COMMISSION OFFICES**

The Commission's primary administrative offices are located at:

William G. Stratton Building  
401 S. Spring Street, Room 802  
Springfield, Illinois 62706

Michael A. Bilandic Building  
160 N. LaSalle Street, Suite N-600  
Chicago, Illinois 60601

**SENATE**  
Heather Steans  
Co-Chair

Donald DeWitte  
David Koehler  
Elgie Sims  
Dave Syverson  
Jil Tracy

**EXECUTIVE DIRECTOR**  
Clayton Klenke



**State of Illinois**  
**COMMISSION ON GOVERNMENT**  
**FORECASTING AND ACCOUNTABILITY**  
802 Stratton Ofc. Bldg., Springfield, IL 62706  
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<http://cgfa.ilga.gov>

**HOUSE**  
C. D. Davidsmeyer  
Co-Chair

Thomas Bennett  
Sonya Harper  
Elizabeth Hernandez  
Anna Moeller  
Joe Sosnowski

**DEPUTY DIRECTOR**  
Laurie Eby

## MANAGEMENT ASSERTION LETTER

March 27, 2020

Honorable Frank J. Mautino  
Auditor General  
State of Illinois  
740 East Ash Street  
Springfield, Illinois 62703-3154

Auditor General Mautino:

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 Commission on Government Forecasting and Accountability (Commission). 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 Commission's compliance with the following specified requirements during the two-year period ended June 30, 2019. Based on this evaluation, we assert that during the years ended June 30, 2018, and June 30, 2019, the Commission has materially complied with the specified requirements listed below.

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

Yours truly,

Commission on Government Forecasting and Accountability

**SIGNED ORIGINAL ON FILE**

\_\_\_\_\_  
Clayton Klenke, Executive Director

**SIGNED ORIGINAL ON FILE**

\_\_\_\_\_  
Victoria Copp, Fiscal Officer

STATE OF ILLINOIS  
 COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY  
 STATE COMPLIANCE EXAMINATION  
 For the Two Years Ended June 30, 2019

**COMPLIANCE REPORT**

**SUMMARY**

Effective December 10, 2018, Public Act 100-1148 transferred all powers, duties, rights, responsibilities, personnel, assets, liabilities, and indebtedness responsibilities of the Legislative Research Unit (Unit) to the Commission on Government Forecasting and Accountability (Commission).

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and the Illinois State Auditing Act.

**ACCOUNTANT’S REPORT**

The Independent Accountant’s 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	Report	Report
Findings	2	0
Repeated Findings	0	0
Prior Recommendations Implemented or Not Repeated	0	0

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Last</u> <u>Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)				
2019-001	10	New	Inadequate Control over State Property	Significant Deficiency and Noncompliance
2019-002	12	New	Inadequate Segregation of Duties	Significant Deficiency and Noncompliance

STATE OF ILLINOIS  
COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY  
STATE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019

**EXIT CONFERENCE**

The Commission waived an exit conference in a correspondence from Laurie L. Eby, Deputy Director, on March 18, 2020. The responses to the recommendations were provided by Laurie L. Eby, Deputy Director, in a correspondence dated March 18, 2020.

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OFFICE OF THE AUDITOR GENERAL  
FRANK J. MAUTINO

**INDEPENDENT ACCOUNTANT'S REPORT  
ON STATE COMPLIANCE, ON INTERNAL CONTROL OVER COMPLIANCE, AND  
ON SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

Governing Board  
State of Illinois, Commission on Government Forecasting and Accountability

**Compliance**

We have examined compliance by the State of Illinois, Commission on Government Forecasting and Accountability (Commission) with the specified 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, 2019. Management of the Commission is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Commission's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Commission 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 Commission 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 Commission 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 Commission 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 Commission on behalf of the State or held in trust by the Commission 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*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Commission complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Commission complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Commission's compliance with the specified requirements.

In our opinion, the Commission complied with the specified requirements during the two years ended June 30, 2019, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2019-001 and 2019-002.

The Commission's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Commission's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on them.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

### **Internal Control Over Compliance**

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control).

In planning and performing our examination, we considered the Commission's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Commission's compliance with the specified requirements and to test and report on the Commission's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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, noncompliance with the specified requirements 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 material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our examination, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2019-001 and 2019-002 that we consider to be significant deficiencies.

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

The Commission's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Commission's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on them.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

### **Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on the Commission's compliance with the specified requirements. The accompanying supplementary information for the years ended June 30, 2018, and June 30, 2019, in Schedules 1 through 5 and the Analysis of Operations section are presented for purposes of additional analysis. Such information is the responsibility of Commission management. We have applied certain limited procedures as prescribed by the *Audit Guide* to the accompanying supplementary information for the years ended

June 30, 2018, and June 30, 2019, in Schedules 1 through 5. We have not applied procedures to the accompanying supplementary information for the year ended June 30, 2017, in Schedules 3 through 5 and in the Analysis of Operations Section. We do not express an opinion, a conclusion, nor provide any assurance on the accompanying supplementary information in Schedules 1 through 5 or the Analysis of Operations Section.

**SIGNED ORIGINAL ON FILE** \_\_\_\_\_

JANE CLARK, CPA  
Director of Financial and Compliance Audits

Springfield, Illinois  
March 27, 2020

STATE OF ILLINOIS  
COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
For the Two Years Ended June 30, 2019

2019-001. **FINDING** (Inadequate Control over State Property)

The Commission on Government Forecasting and Accountability (Commission) did not maintain adequate controls over its property listing and related reporting.

During testing, we noted the following:

- The Commission failed to remove one item, totaling \$113, from its property listing. The item was picked up by CMS on December 5, 2018, but was not removed from the Commission’s property listing as of June 30, 2019.
- Five of 6 (83%) deletions tested, totaling \$2,890, were not removed from the property listing timely. The assets were picked up by CMS on December 5, 2018, but were not removed from the Commission’s property listing until June 13, 2019.

The State Property Control Act (30 ILCS 605/4) requires the Commission to be accountable for the supervision, control, and inventory of all property under its jurisdiction and control. The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.220) requires the Commission to establish and maintain internal control over all equipment items regardless of value. Further, the Code (44 Ill. Admin. Code 5010.400) requires the Commission to update its property records within 90 days of acquiring, changing, or deleting an equipment item.

As a result, the Commission’s Form C-15 reports filed for the third and fourth quarters of Fiscal Year 2019 were overstated by \$3,003 and \$113, respectively.

Commission management stated equipment deletions were delayed due to the Commission relocating during the period.

Failure to exercise adequate control over property and to maintain accurate property control records increases the potential for fraud and possible loss or theft of State property. Inaccurate property reporting reduces the reliability of Statewide property information. (Finding Code No. 2019-001)

**RECOMMENDATION**

We recommend the Commission timely update its property records after changes occur to ensure accurate property reporting.

STATE OF ILLINOIS  
COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
For the Two Years Ended June 30, 2019

2019-001. **FINDING** (Inadequate Control over State Property) - Continued

**COMMISSION RESPONSE**

Because the Commission had recently relocated and acquired the former LRU via an agency merger (per PA 100-1148), the Commission was delayed in performing such deletions while determining how best to merge the property control systems of two agencies. All inventory items were added in a timely manner and nothing was left undocumented. Having five items remaining on the inventory for a few additional months during this transition period was reasonable given the circumstances.

STATE OF ILLINOIS  
COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
For the Two Years Ended June 30, 2019

2019-002.     **FINDING** (Inadequate Segregation of Duties)

The Commission on Government Forecasting and Accountability (Commission) did not have an adequate segregation of duties over its accounting and recordkeeping functions for receipts.

During testing of receipts, we noted the Commission’s Fiscal Officer had the authority to perform all parts of the transaction cycle, including:

- **Authorization** by reviewing and approving transactions, including both depositing funds into the State Treasury’s clearing accounts and preparing Receipt Deposit Transmittals or Expenditure Adjustment Transmittals;
- **Custody** by handling and depositing physical checks and money orders and maintaining electronic and physical records;
- **Recordkeeping** by preparing entries and maintaining the Commission’s internal accounting records; and,
- **Reconciliation** by preparing reconciliations to the State Comptroller’s records to verify each transaction’s validity, proper authorization, and entry into the Commission’s accounting records.

We identified the Executive Director and/or Deputy Director’s review of transactions and reconciliations as compensating controls. However, the authority or ability for one person to perform all functions represents a significant control weakness.

The Commission processed receipts totaling \$5,210 during Fiscal Year 2019 and no receipts during Fiscal Year 2018.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and 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. Good internal control systems include ensuring an appropriate segregation of duties exists.

Commission management stated the Commission does not regularly receive receipts or refunds. Additionally, staffing limitations prior to the recent merger limited the Commission’s ability to further segregate duties.

STATE OF ILLINOIS  
COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
For the Two Years Ended June 30, 2019

2019-002.     **FINDING** (Inadequate Segregation of Duties) – Continued

Failure to implement a proper segregation of duties increases the likelihood of losses due to errors, irregularities, and/or fraud that would not be found in the normal course of employees carrying out their duties. (Finding Code No. 2019-002)

**RECOMMENDATION**

We recommend the Commission establish a proper segregation of duties over its receipts.

**COMMISSION RESPONSE**

In addition to the compensating controls provided by the Executive Director or Deputy Director reviewing the receipt transactions and reconciliations, the Executive Director has segregated the receipts process between the Fiscal Officer and the Assistant Fiscal Officer as follows:

- The Fiscal Officer will receive the receipt (check), stamp it received, and enter it into the receipt log (which also requires the signatures of the Assistant Fiscal Officer and the Executive Director or Deputy Director), make a copy of the check and associated documents, complete the deposit slip, deliver it to the bank, and get a receipt (pink slip).
- Once the transaction is processed by the State Treasurer (5-7 business days), the Assistant Fiscal Officer will print the draft, clearing activity report, and Expenditure Adjustment Transmittal, and send seven copies to the Comptroller. Upon receipt of the approved documentation with the Treasurer and Comptroller signatures, the Assistant Fiscal Officer marks the transaction as approved in the accounting system and files the form.

The Fiscal Officer will reconcile the receipt using the Comptroller’s SB04 with the monthly reconciliation.

STATE OF ILLINOIS  
 COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
 Appropriations for Fiscal Year 2019

Fifteen Months Ended September 30, 2019

Public Acts 100-0586, 100-1148, and 101-0007	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
		Expenditures Through June 30	Expenditures July 1 to September 30		
FISCAL YEAR 2019					
<b>APPROPRIATED FUNDS</b>					
<b>GENERAL REVENUE FUND - 001</b>					
Pension Pick-Up Contributions to the State Employees' Retirement System of Illinois for Affected Legislative Staff Employees	\$ 1,500,000	\$ 642,569	\$ 53,214	\$ 695,783	\$ 804,217
Operational Expenses - Commission	1,201,400	1,014,114	19,204	1,033,318	168,082
Operational Expenses - Research Unit	2,290,721	1,818,176	108,279	1,926,455	364,266
Council of State Governments Conference	200,000	-	200,000	200,000	-
<b>GRAND TOTAL</b>	<u>\$ 5,192,121</u>	<u>\$ 3,474,859</u>	<u>\$ 380,697</u>	<u>\$ 3,855,556</u>	<u>\$ 1,336,565</u>

Note 1: Appropriations, expenditures, and lapsed balances in this schedule were prepared by the Commission and have been reconciled to the State Comptroller's records as of September 30, 2019.

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

Note 3: Public Act 100-1148, effective December 10, 2018, abolished the Legislative Research Unit (Unit). All of the Unit's unexpended appropriations, balances, and other funds were transferred to the Commission and are reflected in the "Operational Expenses - Research Unit" line item.

STATE OF ILLINOIS  
 COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
 Appropriations for Fiscal Year 2018

Fifteen Months Ended September 30, 2018

Public Act 100-0021 FISCAL YEAR 2018	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
		Expenditures Through June 30	Expenditures July 1 to September 30		
	\$ 1,500,000	\$ 676,310	\$ 29,029	\$ 705,339	\$ 794,661
	<u>1,201,400</u>	<u>1,097,618</u>	<u>58,588</u>	<u>1,156,206</u>	<u>45,194</u>
<b>GRAND TOTAL</b>	<b>\$ <u>2,701,400</u></b>	<b>\$ <u>1,773,928</u></b>	<b>\$ <u>87,617</u></b>	<b>\$ <u>1,861,545</u></b>	<b>\$ <u>839,855</u></b>

APPROPRIATED FUNDS

GENERAL REVENUE FUND - 001

Pension Pick-Up Contributions to the State Employees' Retirement System of Illinois for Affected Legislative Staff Employees

Operational Expenses

Note 1: Appropriations, expenditures, and lapsed balances in this schedule were prepared by the Commission and have been reconciled to the State Comptroller's records as of September 30, 2018.

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

Note 3: Notwithstanding anything in Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Commission to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations Section of this report at page 28 includes information from Commission management about the number of invoices and total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Commission submitted against its Fiscal Year 2018 appropriations.

STATE OF ILLINOIS  
 COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
 EXPENDITURES, AND LAPSED BALANCES**  
 For the Fiscal Years Ended June 30,

	Fiscal Year		
	2019	2018	2017
<b>GENERAL REVENUE FUND - 001</b>	Public Acts 100-0586, 100-1148, and 101-0007	Public Act 100-0021	Continuing Appropriations
Appropriations	\$ 5,192,121	\$ 2,701,400	\$ 2,701,400
<u>Expenditures</u>			
Pension Pick-Up Contributions to the State Employees' Retirement System of Illinois for Affected Legislative Staff Employees	\$ 695,783	\$ 705,339	\$ 791,129
Operational Expenses - Commission	1,033,318	1,156,206	1,154,495
Operational Expenses - Research Unit	1,926,455	-	-
Council of State Governments Conference	200,000	-	-
Total Expenditures	<u>\$ 3,855,556</u>	<u>\$ 1,861,545</u>	<u>\$ 1,945,624</u>
Lapsed Balances	<u>\$ 1,336,565</u>	<u>\$ 839,855</u>	<u>\$ 755,776</u>

Note 1: Appropriations, expenditures, and lapsed balances in this schedule were prepared by the Commission and have been reconciled to the State Comptroller's records as of September 30, 2019, and September 30, 2018.

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

Note 3: Public Act 100-1148, effective December 10, 2018, abolished the Legislative Research Unit (Unit). All of the Unit's unexpended appropriations, balances, and other funds were transferred to the Commission.

Note 4: Notwithstanding anything in Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Commission to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations Section of this report at page 28 includes information from Commission management about the number of invoices and total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Commission submitted against its Fiscal Year 2018 appropriations.

STATE OF ILLINOIS  
 COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION  
 OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**  
 For the Fiscal Years Ended June 30,

	<u>2019</u>	Fiscal Year <u>2018</u>	<u>2017</u>
<b><u>GENERAL REVENUE FUND - 001</u></b>			
Miscellaneous	\$ 934	\$ -	\$ -
Prior Year Refunds	<u>4,276</u>	<u>-</u>	<u>-</u>
Total Cash Receipts per Commission	<u>\$ 5,210</u>	<u>\$ -</u>	<u>\$ -</u>
Less - In Transit at End of Year	-	-	-
Add - In Transit at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Total Deposits Recorded by the State Comptroller	<u><u>\$ 5,210</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

STATE OF ILLINOIS  
 COMMISSION ON GOVERNMENT FORECASTING AND ACCCOUNTABILITY  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
 For the Two Years Ended June 30, 2019

	<u>Commission Equipment</u>
Balance at July 1, 2017	\$ 177,122
Additions	2,772
Deletions	(113)
Net Transfers	<u>-</u>
Balance at June 30, 2018	<u>\$ 180,007</u>
Balance at July 1, 2018	\$ 180,007
Additions	10,629
Deletions	-
Net Transfers	<u>(11,730)</u>
Balance at June 30, 2019	<u>\$ 178,906</u>
	<u>Legislative Research Unit Equipment</u>
Balance at December 10, 2018	\$ 388,644
Additions	-
Deletions	-
Net Transfers	<u>(74,446)</u>
Balance at June 30, 2019	<u>\$ 314,198</u>

Note 1: Amounts in this schedule were prepared by the Commission and have been reconciled to property reports submitted to the State Comptroller.

Note 2: Public Act 100-1148 abolished the Legislative Research Unit (Unit), effective December 10, 2018. All of the Unit's remaining equipment items, valued at \$388,644, were transferred to the Commission.

STATE OF ILLINOIS  
COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2019  
(NOT EXAMINED)

The Commission on Government Forecasting and Accountability (Commission) is a bipartisan legislative support service agency responsible for advising the General Assembly on economic and fiscal policy issues and for providing objective policy research for legislators and legislative staff. The Commission's board is comprised of twelve legislators—split evenly between the House and Senate and between Democrats and Republicans. Effective December 10, 2018, pursuant to Public Act 100-1148, the former Legislative Research Unit (LRU) was merged into the Commission.

The Commission has three internal units—Revenue, Pensions, and Research, each of which has a staff of analysts and researchers who analyze policy proposals, legislation, State revenues and expenditures, benefit programs, and who provide research services to members and staff of the General Assembly. The Commission's staff have expertise in many areas, including the law generally, science and technology, taxation, education, local government, economics and fiscal affairs, and the political and social history of the State. The Commission's staff fulfill the statutory obligations set forth in the Commission on Government Forecasting and Accountability Act (25 ILCS 155/), the State Debt Impact Note Act (25 ILCS 65/), the Illinois Pension Code (40 ILCS 5/), the Pension Impact Note Act (25 ILCS 55/), the State Facilities Closure Act (30 ILCS 608/), the State Employees Group Insurance Act of 1971 (5 ILCS 375/), the Public Safety Employee Benefits Act (820 ILCS 320/), the Legislative Commission Reorganization Act of 1984 (25 ILCS 130/), and the Reports to the Commission on Government Forecasting and Accountability Act (25 ILCS 110/).

- The Revenue Unit issues an annual revenue estimate, reports monthly on the State's financial and economic condition, and prepares bill analyses and debt impact notes on proposed legislation having a financial impact on the State. This unit publishes a number of statutorily mandated reports, as well as on-demand reports, including the *Monthly Briefing* newsletter and annually, the *Budget Summary*, *Capital Plan Analysis*, *Illinois Economic Forecast Report*, *Wagering in Illinois Update*, and *Liabilities of the State Employees' Group Insurance Program*, among others. This unit's staff also fulfill the Commission's obligations set forth in the State Facilities Closure Act.
- The Pension Unit prepares pension impact notes on proposed pension legislation and publishes several statutorily mandated reports, including the *Financial Condition of the Illinois State Retirement Systems*, the *Financial Condition of Illinois Public Pension Systems*, and the *Fiscal Analysis of the Downstate Police and Fire Pension Funds in Illinois*. This unit's staff also fulfill the statutory responsibilities set forth in the Public Safety Employee Benefits Act.
- The Research Unit primarily performs research and provides information as may be requested by members of the General Assembly or legislative staff. Additionally, this unit maintains a research library and, per statute, collects information concerning State government and the general welfare of the State, examines the effects of constitutional

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provisions and previously enacted statutes, and considers public policy issues and questions of Statewide interest. Additionally, the Unit publishes *First Reading*, a quarterly newsletter which includes abstracts of annual reports or special studies from other State agencies, the *Illinois Tax Handbook for Legislators*, *Federal Funds to State Agencies*, *Grant Alerts* newsletter, various reports detailing appointments to State boards and commissions, the 1970 Illinois Constitution Annotated for Legislators, the Roster of Illinois Legislators, and numerous special topic publications.

As the Commission's responsibility is to serve the members and staff of the General Assembly, the Commission's duties are those set forth in statute, a legislative directive, and/or requested by the members and staff of the General Assembly. In order to successfully meet the aforementioned obligations and requests, the Commission's Executive Director and Deputy Director maintain constant communication with the Joint Committee on Legislative Support Services, the directors of the legislative staff, and with the Commission's internal unit managers to ensure all responsibilities are met in a timely manner. The Commission also maintains an internal document with statutory reporting requirements and deadlines.

The Executive Director and Deputy Director meet regularly with the internal unit managers to review statutory responsibilities and upcoming projects and deadlines. The unit managers report to the Executive Director and Deputy Director any special requests that are received. Unit managers assign the work within their area to successfully complete projects and meet established deadlines.

The Executive Director appears before the House and Senate appropriations committees to request the Commission's budget for the next fiscal year. Once a budget is passed by the General Assembly and signed by the Governor, the Executive Director and Deputy Director review the budget and discuss any needed changes for the next fiscal year. The Commission's appropriated budget through Fiscal Year 2019 had been the same for eight years, since Fiscal Year 2012. Subsequent to Public Act 100-1148, the Commission received the previous Legislative Research Unit's unspent Fiscal Year 2019 appropriations which had been unchanged for six years, since Fiscal Year 2014.

In summary, open and constant communication with those responsible for the oversight of the Commission, those for whom our work product is provided—the General Assembly members and legislative staff, and with the Commission's internal management staff is key to the Commission's planning program. Any feedback received from these individuals is taken into consideration to determine how the Commission can improve its processes and/or products provided to the General Assembly. Additionally, the Joint Committee on Legislative Support Services monitors changes in the legal requirements and communicates them with the Executive Director and Deputy Director. The Executive Director and the Deputy Director then communicate changes in the legal requirements to Commission employees as needed.

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**The Commission's statutory requirements prior to Public Act 100-1148 include:**

- report to the General Assembly on economic development and economic trends in the State;
- prepare and recommend economic and fiscal studies and policies as appropriate or as requested;
- prepare annual State economic report (Moody's report);
- review and report on State agency capital plans, expenditures, appropriations, and authorizations (Capital Plan Analysis);
- prepare State Debt Impact Notes per the State Debt Impact Note Act;
- prepare Pension Impact Notes per the Pension Impact Note Act;
- prepare the annual budget summary report;
- prepare a report detailing annual revenue estimate and issue revisions and updates;
- administration of State Facilities Closure Act;
- develop a three-year budget forecast;
- annual estimates of public pension funding requirements;
- annual estimates of the State's group health insurance program and approval of contract renewals promulgated by the Department of Central Management Services; and,
- report to the General Assembly on the Public Safety Employee Benefits Act every odd numbered year on aggregate data related to the Public Safety Employee Benefits Act recipients.

**Additional Statutory Duties as of December 10, 2018, per Public Act 100-1148, include:**

- collect information concerning the government and welfare of the State, examine the effects of constitutional provisions and previously enacted statutes, consider issues of public policy and questions of Statewide interest, and perform research as requested by General Assembly members or as the Joint Committee on Legislative Support Services considers necessary;
- carry forward the participation of the State as a member of the Council of State Governments;
- compile and maintain current information on available and pending federal aid programs for the use of the General Assembly and legislative agencies;
- prepare and publish quarterly abstracts of reports filed with the Commission; and,
- maintain an up-to-date computerized record of information related to appointments to State boards and commissions.

In FY 2019 the Commission prepared 190 pension impact notes.  
In FY 2018 the Commission prepared 104 pension impact notes.

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In FY 2019 the Commission prepared 31 debt impact notes.  
In FY 2018 the Commission prepared 27 debt impact notes.

Upon Public Act 100-1148 becoming law, the Commission assumed responsibility for the former LRU tasks. Below are quantifiable tasks that were officially done by the Commission (but previously by LRU) during the portion of FY 2019 subsequent to the merger (12.10.18-06.30.19).

In FY 2019 the Commission completed 97 research assignments for legislators and staff.  
In FY 2019 the Commission completed 8 research assignments by the library staff.

In FY 2019 the Commission recorded 435 appointments to boards and commissions.  
In FY 2019 the Commission recorded \$20.2 billion in Federal aid to State agencies.

In FY 2019 the Commission processed 84 abstracts and published 131 in the March 2019 and June 2019 *First Reading* publication.

**In FY 2018 and FY 2019, the Commission published/released the following reports:**

- *Monthly Briefing* (Monthly)
- *FY 2019 Capital Plan Analysis* (April 2018)
- *FY 2020 Capital Plan Analysis* (April 2019)
- *FY 2019 Report on Liabilities of the State Employees Group Insurance Program* (March 2018)
- *FY 2020 Report on Liabilities of the State Employees Group Insurance Program* (March 2019)
- *FY 2019 Economic & Revenue Forecast & Updated FY 2018 Revenue Update* (February 2018)
- *FY 2020 Economic & Revenue Forecast & Updated FY 2019 Revenue Update* (March 2019)
- *Wagering in Illinois* (September 2017) & *Wagering in Illinois* (October 2018)
- *FY 2019 GAAP Report* (March 2018)
- *FY 2020 GAAP Report* (March 2019)
- *Illinois National Rankings in State Government/State-by-State Comparison of Tax Rates, Tax Revenues, Government Spending, IL Employment Trends & Business Climate* (December 2018)
- *Service Taxes: 2017 Update* (January 2017)
- *FY 2018 Budget Summary* (August 2017)
- *FY 2019 Budget Summary* (August 2018)
- *Three-Year Budget Forecast: FY 2019-FY 2021* (March 2018)
- *Three-Year Budget Forecast: FY 2020-FY 2022* (March 2019)
- *State of Illinois Forecast* (February 2018)

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- *State of Illinois Forecast* (February 2019)
- *Report on the Financial Condition of Chicago, Cook County, & IL Municipal Retirement Fund Systems* (January 2018)
- *Report on the Financial Condition of Chicago, Cook County, & IL Municipal Retirement Fund Systems* (January 2019)
- *Report on the Financial Condition of the State of Illinois Retirement Systems* (March 2018)
- *Report on the Financial Condition of the State of Illinois Retirement Systems* (April 2019)
- *Fiscal Analysis of Downstate Police/Fire Pension Funds in Illinois: 2017 Update* (December 2017)
- *Fiscal Analysis of Downstate Police/Fire Pension Funds in Illinois: 2019 Update* (July 2019)
- *Teachers' Retirement Insurance Program/College Insurance Program* (July 2017)
- *A Study of the Public Safety Employee Benefits Act* (December 2018)

**In FY 2019, the Commission published/released the following reports by the Research Unit, subsequent to the merger.**

- *Grant Alerts*, Vol. 27, No. 1, January 2019 (Pub 433)
- *Roster of Illinois Legislators*, 2019 (Pub 434)
- *Directory of Illinois State Officials*, 2019 (Pub 435)
- *Illinois Tax Handbook for Legislators*, 2019 (Pub 436)
- *Grant Alerts*, Vol. 27, No. 2, February 2019 (Pub 437)
- *First Reading*, March 2019, Vol. 32, No. 3 (Pub 438)
- *Grant Alerts*, Vol. 27, No. 3, March 2019 (Pub 439)
- *Grant Alerts*, Vol. 27, No. 4, April 2019 (Pub 440)
- *Grant Alerts*, Vol. 28, No. 5, May 2019 (Pub 442)
- *Grant Alerts*, Vol. 28, No. 6, June 2019 (Pub 444)
- *First Reading*, June 2019, Vol. 32, No. 4 (Pub 445)

The data provided above includes analyses, reports, and publications, some of which are specifically required by statute but all of which fulfill the Commission's statutory responsibilities to the General Assembly.

The Commission does not have any operational challenges or backlogs.

Public Act 100-1148, effective December 10, 2018, abolished the LRU, and the Commission assumed all powers, duties, rights, responsibilities, books, records, papers, documents, property, contracts, causes of action, pending business, personnel, and unexpended appropriations of the LRU. As the former LRU did not have any duties which were duplicative of the Commission's, the acquisition of the Research Unit was relatively seamless.

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Prior to Public Act 100-1148, the Commission had two internal units—Revenue and Pensions. Subsequent to acquiring the former LRU operations, the Commission created a third unit, a Research Unit, which comprises the operations and staff that was previously within the LRU.

Only a few positions changed significantly subsequent to the merger. Primarily, this included the fiscal officers. The previous LRU had an Acting Fiscal Officer. The Commission had a single Fiscal Officer but did not have the staff resources to provide for a segregation of duties and for personnel to serve as a back-up if needed. Public Act 100-1148 has allowed for the Commission to now have a Fiscal Officer and an Assistant Fiscal Officer. The fiscal officer's duties are segregated and shared accordingly.

Several other employees had their titles changed, but their job responsibilities have remained consistent. Beyond this, the Executive Director and Deputy Director are the two employees who have experienced the largest increase in responsibility with the change from managing a staff of 12 to a staff of 30+ employees. With this also came the responsibility of ensuring additional statutory mandates are met and overseeing the operations responsible for such.

Overall, the acquisition of the former LRU has allowed the newly formed cohesive staff to collaborate on projects and thus provide a more thorough product to the General Assembly members and legislative staff.

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**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
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**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2019 AND 2018**

Operational Expenses – Research Unit

The significant variation in expenditures was due to the Commission assuming all powers, duties, rights, responsibilities, personnel, assets, liabilities, and indebtedness of the Legislative Research Unit, per Public Act 100-1148, which became effective on December 10, 2018.

Council of State Governments Conference

The significant variation in expenditures was due to the Commission hosting the Midwestern Conference in Chicago in 2019. The General Assembly provided appropriations to assist with the associated cost of the conference. The Commission did not host this type of conference or receive supplemental appropriations of this type in Fiscal Year 2018.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2018 AND 2017**

There were no significant variations in expenditures between Fiscal Year 2018 and Fiscal Year 2017.

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**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
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The Commission receives minimal receipts. During Fiscal Year 2019, the Commission received one miscellaneous receipt for a refund of unused postage by the Legislative Research Unit (Unit), totaling \$934. The refund check was deposited by the Commission due to the Unit merging with the Commission effective December 10, 2018, pursuant to Public Act 100-1148. During Fiscal Year 2019, the Commission also processed several vendor refunds from prior periods, totaling \$4,276. During Fiscal Year 2018, the Commission did not receive any receipts. Receipts are expected to fluctuate between fiscal years due to the nature of receipts processed.

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**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
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**FISCAL YEAR 2019**

Council of State Governments Conference

The significant Lapse Period spending in Fiscal Year 2019 was due to the appropriation being included in the Fiscal Year 2019 supplemental budget, which was not signed into law until June 2019. The Commission then processed the vouchers related to this conference.

**FISCAL YEAR 2018**

There were no instances of significant Lapse Period Spending noted during Fiscal Year 2018.

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**BUDGET IMPASSE DISCLOSURES**  
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Payment of Prior Year Costs in Future Fiscal Years

All of the Commission's Fiscal Year 2016 and Fiscal Year 2017 costs were paid pursuant to continuing appropriations. The Commission did not have any outstanding unpaid invoices from either Fiscal Year 2016 or Fiscal Year 2017 after the closure of the Fiscal Year 2016 Lapse Period on August 31, 2016, and the closure of the Fiscal Year 2017 Lapse Period on September 30, 2017, respectively.

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**AVERAGE NUMBER OF EMPLOYEES**  
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The following table, prepared by the Commission, presents the average number of employees, by function, for the Fiscal Years Ended June 30,

<u>Division</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Administration	9	5	5
Pension	2	3	3
Research	10	-	-
Revenue	5	5	5
Total Average Full-Time Employees	<u>26</u>	<u>13</u>	<u>13</u>

Note: The increase in employees during Fiscal Year 2019 was due to Public Act 100-1148, which transferred the functions, powers, duties and responsibilities of the Legislative Research Unit to the Commission on December 10, 2018.

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**INTERAGENCY AGREEMENTS**  
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During the examination period, the Commission had an interagency agreement with the Legislative Ethics Commission (LEC) allowing an employee of the Commission to serve as the Executive Director of the LEC. The Executive Director of the LEC resigned on April 30, 2019, and the LEC desired to have an Executive Director in place to assist the LEC and the Legislative Inspector General with administrative office matters while the LEC conducted a search for a new Executive Director for the LEC.